UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS
SECOND SESSION

VOLUME 120—PART 16

JUNE 24, 1974 TO JULY 1, 1974

(PAGES 20705 TO 21992)

27 1976 OCT

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1974

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
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Congressional Record Index

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Monday, June 24, 1974*

The House met at 12 o'clock noon.

Dr. Shlomo Goren, the chief rabbi of Israel, offered the following prayer:

Our Father in Heaven, who keepest covenant and mercy with Thy servants that walk before Thee with all their heart, Thou hast decreed that out of Zion shall go forth the law and the word of the Lord from Jerusalem, may Thou therefore endow me as a messenger of Zion with the grace of Thy majesty that I may invoke Thy blessing upon the illustrious head of state, the President of the United States, and this august body, Members of the U.S. House of Representatives.

With courage and vision the President inaugurated an era of peace and with wisdom and understanding, the lawmakers sustained his foundation of peace. Bless, therefore, the peacemakers for they shall inherit the Earth. Bless those who made these United States a land of freedom and opportunity and a beacon of light for all our persecuted brethren in countries of oppression. Above all, Heavenly Father, sustain them in their conviction that all men are created equal "for in the image of God made He man" and by Thee endowed with the inalienable right to life, liberty, and the pursuit of justice and happiness.

Vouchsafe unto them, O Lord, wisdom equal to their strength, and courage equal to their responsibilities that the peoples of Israel in the Holy Land and her neighbors, and the people of the United States and the peoples of the world may be united in the bond of brotherhood and freedom before Thee, the Father of all.

The Lord will give strength unto his people; the Lord will bless his people with peace. Nation shall not lift up sword against nation, neither shall they learn war any more. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8747. An act to repeal section 274 of the Revised Statutes of the United States relating to the District of Columbia, requiring compulsory vaccination against smallpox for public school students.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12412) entitled "An act to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12799) entitled "An act to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 29. An act to provide for payments by the Postal Service to the Civil Service Retirement Fund for increases in the unfunded liability of the Fund due to increases in benefits for Postal Service employees, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3389. An act to amend the act entitled "An act to incorporate the American University," approved February 24, 1893.

RABBI SHLOMO GOREN, CHIEF RABBI OF ISRAEL

(Mrs. HECKLER of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HECKLER of Massachusetts. Mr. Speaker, I want to thank you for graciously acceding to my request to have Rabbi Shlomo Goren, Chief Rabbi of Israel, offer the opening prayer at today's session of Congress.

A renowned Hebrew scholar and author, Rabbi Goren was born in Poland and settled in Israel in 1925. He was educated in various Talmudical institutions as well as the Hebrew University of Jerusalem. For 20 years, he was Chief Chaplain of the Israeli Army, holding the rank of major general.

He then became Chief Rabbi of Tel Aviv, and later was elevated to Chief Rabbi of Israel.

We are honored to have such an outstanding scholar and religious leader open our deliberations here today.

During Israel's wars of independence, this remarkable man served in the front lines, tending to the religious needs of the Israeli soldiers in the heat of combat.

He symbolizes for many of us the spirit of determination, of dedication and idealism that—more than tanks and jet aircraft—are the true strength of the Israeli people. He represents a people who struggle and suffer and die so that others may live free.

The struggle for freedom for the Jewish people rages not only in the Middle East but in many parts of the world. As President Nixon prepares to fly to Russia for another summit meeting with Soviet officials, Jewish leaders in that country are being rounded up to be silenced.

I have been to the Soviet Union, and I have been to Israel. My heart goes out to the Soviet Jews who are not being permitted to join their brothers and sisters in Israel.

Their struggle goes on, in many ways and in many places. And we all have a stake in the outcome of that struggle. For if one person, anywhere, is denied his precious right to live free—then are any of us truly free?

I think not: The fight to free people's minds and spirits and souls is universal, and in one way or another, we are all involved.

For this reason, our prayers join those of Rabbi Goren for a lasting peace in the Middle East, and for freedom and prosperity for the tiny democratic State of Israel.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DISTRICT OF COLUMBIA APPROPRIATIONS, 1975

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the District of Columbia appropriation bill for the fiscal year 1975.

Mr. MYERS reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for the Department of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes.

Mr. MICHEL reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CALL OF THE HOUSE

Mr. REGULA. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 320]

Alexander
Anderson, Calif.
Andrews, N.C.
Ashbrook
Ashley
Badillo
Baker
Beard
Bell
Biaggi
Blatnik
Boland
Brasco
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Byron
Carey, N.Y.
Chisholm
Clark
Clay
Cochran
Conyers
Coughlin
Culver
Daniels, Dominick V.
Davis, Ga.
Dellums
Diggs
Donohue
Dorn
Downing
Dulski
Eckhardt
Esch
Fascell
Flynt
Ford
Fraser
Frey
Ginn
Grasso
Gray
Green, Pa.
Griffiths
Gunter
Hanna
Harsha
Hawkins
Hébert
Heinz
Hillis
Holifield
Hosmer
Howard
Huber
Hutchinson
Johnson, Calif.
Jones, Tenn.
Ketchum
Kuykendall
Kyros
Landrum
Litton
Luken
McCormack
McKinney
McSpadden
Macdonald
Martin, Nebr.
Mathias, Calif.
Mayne
Meeds
Milford
Mills
Mitchell, N.Y.
Mollohan
Mosher
Murphy, Ill.
Murphy, N.Y.
Nelsen
O'Hara
O'Neill
Pepper
Pickle
Podell
Powell, Ohio
Reid
Rhodes
Riegle
Rodino
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Rostenkowski
Roy
Roybal
Ruppe
St Germain
Snyder
Staggers
Stanton, James V.
Steed
Steele
Steiger, Ariz.
Stratton
Symington
Treen
Udall
Walsh
Williams
Wilson, Charles H., Calif.
Wyman
Young, Ga.
Young, S.C.

The SPEAKER. On this rollcall 318 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REQUEST FOR COMMITTEE ON BANKING AND CURRENCY TO FILE A REPORT ON H.R. 15465

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill H.R. 15465, to provide for increased participation by the United States in the International Development Association, and to permit United States citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

MEMBERS OF TRADE UNIONS SHOULD BE REASONABLE IN NEGOTIATING WAGE INCREASES

(Mr. BLACKBURN asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. BLACKBURN. Mr. Speaker, it is becoming more and more evident that some members of the construction trades are demanding and receiving some very large wage increases this year.

Mr. Speaker, as I recall, the last great surge of inflation in 1970 and 1971, and the thing that finally brought about the imposition of wage and price controls was a similar move in the construction trades industry.

Mr. Speaker, I think the country should be reminded that the Members of Congress, themselves, rejected a wage increase last year in order to set an example for the rest of the country.

Mr. Speaker, unless members of these trade unions wish to force another imposition of wage and price controls, with the distortions and hardships which inevitably result on our economy, I would urge them to be reasonable in their negotiations to avoid the creation in our country of those problems that will be brought about by a new imposition of wage and price controls.

CONFERENCE REPORT ON H.R. 14434, RESEARCH AND DEVELOPMENT ACTIVITIES APPROPRIATIONS—1975

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 19, 1974.)

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, it was determined earlier this year that in light of the energy crisis the Congress would undertake to respond by taking early and decisive action on energy appropriation matters. Instead of having the energy appropriations spread through seven appropriation bills as would have been the normal procedure we would have only one comprehensive energy appropriation bill. We would bring them all together in one package and pass the appropriation prior to the beginning of the fiscal year July 1, 1974, in order that the various agencies and the departments of Government might proceed as rapidly and efficiently as possible with these energy programs.

Also, by providing these appropriations in a single bill, rather than in seven bills as would otherwise be the case, we could gain an overview of the thrust of the Federal energy research and development effort.

The subcommittee of the Committee on Appropriations developed this bill, and they have done an excellent job in the conduct of hearings, the review of budget estimates, and the recommendation of funding levels. They have had to increase the speed of their hearings and to work much harder and longer, on top of an already crowded schedule, in order to have this bill before you at this early date.

The seven subcommittees that developed this bill are as follows: The Agriculture, Environmental, and Consumer Protection Subcommittee headed by the gentleman from Mississippi (Mr. WHITTEN), the ranking minority member being the gentleman from North Dakota (Mr. ANDREWS);

The HUD, Space, Science, and Veterans Subcommittee, headed by the gentleman from Massachusetts (Mr. BOLAND), the ranking minority member on that subcommittee being the gentleman from California (Mr. TALCOTT);

The Interior Subcommittee, headed by the gentlewoman from Washington (Mrs. HANSEN), the ranking minority member being the gentleman from Pennsylvania (Mr. McDADE);

The Public Works, AEC Subcommittee, headed by the gentleman from Tennessee (Mr. EVINS), the ranking minority member being the gentleman from Wisconsin (Mr. DAVIS);

The State, Justice, Commerce, and Judiciary Subcommittee, headed by the gentleman from New York (Mr. ROONEY), the ranking minority member being the gentleman from Michigan (Mr. CEDERBERG);

The Transportation Subcommittee, headed by the gentleman from California (Mr. McFALL), the ranking minority member being the gentleman from Massachusetts (Mr. CONTE); and

The Treasury, Postal Service and General Government Subcommittee, headed by the gentleman from Oklahoma (Mr. STEED), the ranking minority member being the gentleman from New York (Mr. ROBISON).

Mr. Speaker, the programs in this bill relate to research in various fields of energy such as nuclear power, coal gasification and liquifaction, solar energy, and accelerated leasing and improved management of offshore gas and oil areas. The House passed this bill on April 30 and the other body passed it June 12. We have been to conference and we have agreed on the provisions of the bill in conference. I know of no controversy about the bill.

I think the legislative branch of the Government is entitled to take some pride in the action which we are taking today and which the other body will take before this legislation becomes effective on July 1 of this year.

Mr. Speaker, this conference report provides $2,236,089,000 for energy research and development. This is an important bill and will significantly accelerate our Government's efforts to provide additional energy in the years to come. This bill will not solve our Nation's energy problems but it is an essential step in moving toward that objective.

Major items included in the conference report include the following: $1,486,660,000 for energy research and development efforts of the Atomic Energy Commission, including funds for accelerated research for the liquid metal fast breeder reactor, nuclear reactor safety research, development of nuclear materials, space nuclear systems, nuclear fusion, biomedical and environmental research and safety, and plant and capital equipment; $543,166,000 for the Interior Department which includes significantly expanded coal research activities including gasification and liquefaction and mining research efforts and $69,590,000 for the Office of Petroleum Allocation; $101,800,000 for the National Science Foundation which includes major funding for solar and geothermal energy research and also basic research involving energy conservation, automotive propulsion, and oil, gas, and coal resources; $54,000,000 for the Environmental Protection Agency to develop methods to control pollutants associated with energy extraction, transmission, production, conversion, and use; $19,000,000 for the Federal Energy Office for the overall management of national energy policy; $8,935,000 for the National Aeronautics and Space Administration for energy research and development projects which utilize capabilities developed in the space program; $6,630,000 for the National Oceanic and Atmospheric Administration; and $6,400,000 for the Department of Transportation to continue and accelerate its program of improving the efficiency of energy utilization of the Nation's transportation system.

Under the Interior Department for the Bureau of Mines the conference action compared to the amount proposed by the House includes the following changes:

Plus $3,000,000 for the Hydrane high-Btu gasification project at Morgantown, W. Va.

Minus $4,000,000 for research on stimulation of petroleum and gas production.

Minus $1,000,000 for research on tar sand and heavy oil production.

Minus $10,000 for GSA space costs.

For the Office of Coal Research, the conference action compared to the amount proposed by the House includes the following changes:

Plus $5,000,000 for MHD—magnetohydrodynamics—to initiate design and planning work on an engineering test facility and to provide for additional research on MHD techniques and applications at the Montana College of Mineral Science and Technology and other units of the Montana University System.

Minus $27,100,000 for "pioneer plant" projects.

Minus $22,000 for GSA space costs.

How do we come out with respect to the House bill and with respect to the Senate bill and in relation to the budget request? We are $32 million above the budget as a result of additions by the House and the Senate mainly for nuclear energy research. We are $33 million below the House and $16 million above the Senate bill.

Mr. Speaker, under leave to revise and extend my remarks and include extraneous material, I insert at this time a summary of the energy situation which was contained in the House report to the energy bill and also a summary table of budget estimates and House, Senate, and conference action on items in the bill:

ENERGY AS THE NATION'S CORNERSTONE

Abundant, secure, and cheap energy has been one of the key factors in the building of this nation. First wood, then coal, then petroleum and natural gas all made human and industrial expansion in the United States possible with an ease and convenience that no other nation of the world had ever experienced.

By 1958, these factors began to change, as the nation for the first time became a net importer of energy.

By 1973 the United States was importing over 6 million barrels of oil a day. This represented about 33% of U.S. oil consumption and about 17% of total U.S. energy demands. Two million barrels per day were coming from the Middle East.

INCREASED DEMAND FOR ENERGY

Energy consumption in the United States has grown at a rapid rate since World War II. Since 1950 energy consumption increased about 3.5% per year through 1970 and then increased to a rate of about 4.5% through the first half of 1973.

ENERGY SUPPLY

During these same years—from 1950 to 1970—domestic production of energy, mainly from oil and gas, grew at about 3% per year. By 1970 the growth in domestic energy production had virtually come to a halt, with the only gains coming from small increases in nuclear energy that could be used only for electrical power purposes.

Reasons for the decline in production growth are many, but involve factors of governmental policy at both the State and Federal level, environmental considerations, and economic considerations which prompted many oil and gas producers to shift their activities outside the United States.

THE ARAB OIL EMBARGO

Regardless of the causes, by 1973 the U.S. was dependent on foreign sources for 17% of its total energy supply, or 6 million barrels of oil per day.

With the outbreak of the Mideast War in October of 1973 and the resulting oil embargo, the United States found itself in serious economic difficulty of unknown dimensions.

A NATIONAL CONSENSUS FOR ENERGY INDEPENDENCE

The Arab oil embargo caused, almost overnight, a national consensus which called for energy independence as soon as possible. That consensus remains today although probably not with the same degree of intensity, now that gasoline is more easily available.

If U.S. energy growth continued at its pre-oil embargo rate and domestic production did not significantly change, it is estimated that by 1980 the U.S. would be required to import 19 million barrels of oil per day and the equivalent of 2 million barrels per day of natural gas in liquified form.

CONSEQUENCES OF DEPENDENCE ON FOREIGN ENERGY

Such dependence on foreign energy is untenable for two reasons.

First, the U.S. would be forced to rely on the volatile Middle East for a very large portion of its energy requirement, and secondly the price for this imported energy would represent a very serious balance of payments problem. Estimates in October of 1973 showed the U.S. paying by 1980 $25 to $35 billion a year for imported energy. Later estimates suggest an imbalance as high as $45 billion a year.

These deficits are clearly unacceptable, particularly when the United States possesses the resources to develop domestically much greater amounts of energy that would make these large import requirements unnecessary.

Between now and the mid and late 1980's, energy shortages and dependence on energy imports will still be a problem of significant degree. The severity of the problem will depend on conservation measures practiced by the American people and the degree to which oil and gas production is increased and coal can be used at an acceptable environmental cost.

The success of the energy research and development recommended in this bill is inextricably linked with other factors in the energy industry such as environmental policy, tax policy, and the overall political climate.

To achieve the goal of energy independence, more than Federal efforts will be necessary. In fact, a rich mixture of public and private research and development efforts must exist. Some assurance of economic stability in the energy field will be necessary to enable the energy industry to make the required investment in research and development.

LONG LEADTIME REQUIREMENTS FOR ENERGY RESEARCH AND DEVELOPMENT

Much of the research and development which this bill provides, as absolutely essential as it is, will not have productive, usable results on a significant scale for 10 years or more. Thus, an energy problem and a need for foreign imports will continue to exist for many years to come.

INTERIM MEASURES TO MEET IMMEDIATE ENERGY NEEDS

In the short run—between now and the mid-1980's—it will be essential that the American people continue and even expand their energy conservation practices.

Additionally, it is essential that more oil and gas be discovered and produced as rapidly as possible in the United States and that coal be used wherever reasonably possible and acceptable. The immediate need is to use less energy and to set about providing more.

THE ENERGY FUTURE FOR THE UNITED STATES

Although the U.S. faces difficult energy problems in the years ahead, the Committee is confident that in the long run this nation will solve its energy problems.

Fortunately, sizeable reserves of oil and gas still exist in the U.S. along with huge reserves of coal and oil shale. Immediately increased production of oil and gas is crucial. In fact this, along with disciplined conservation practices, offers the only hope for short term solutions to the energy problem.

Once the environmental problems associated with coal and oil shale and their extraction are resolved, these energy sources can play a very important role in the energy production of the U.S.

In order to utilize fully all of these resources—oil, gas, coal and oil shale—it will be necessary for Government policy to stimulate production.

In the long run, new developments associated with nuclear energy and later with geothermal and solar energy should make the U.S. energy-independent to a degree that promotes a sound and healthy economy and enhances our national security. Energy independence does not mean a total removal of the United States from the world energy market, but it does mean a sufficient degree of independence on which we could become self-reliant if world conditions so warranted.

NEW ENERGY SOURCES MEAN HIGHER PRICES

The price of energy produced from new sources which require innovative, sophisticated techniques, will undoubtedly be higher than in the past because of the greatly increased problems involved with their extraction, and distribution.

Indeed, one of the results of achieving energy independence will be higher energy costs. It should be recognized that securing our energy independence will mean that the days of relatively cheap energy are gone forever.

THE FEDERAL RESPONSIBILITY

The Federal Government is in a unique position of responsibility with respect to the future availability of energy to sustain the growth and strengthen the economy of our nation. Public lands account for about 36 percent of the nation's petroleum resources, 43 percent of the natural gas, 50 percent of the coal, 40 percent of the uranium, 60 percent of the geothermal, and 85 percent of the oil shale reserves. These resources constitute a national trust of massive proportions.

From a resources standpoint—both those in private hands and on public lands—we are in an excellent position relative to the other developed nations of the world. Furthermore, the scientific and managerial capabilities within the business, academic, and governmental sectors of our society are enormous. If we as a nation are to meet the challenges of the energy crisis, this potential must be marshalled, organized, and oriented in a skillful, dedicated manner. The role of the Federal Government in our energy future is crucial. This bill will contribute to the effort by providing adequate funding for the Federal energy research and development programs for the coming fiscal year in a timely manner.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—SUMMARY

	Budget estimates	House bill	Senate bill	Conference action	Conference action compared with— Budget estimates	Conference action compared with— House bill	Conference action compared with— Senate bill
TITLE I							
I. Agriculture: Environmental and Consumer Protection, environmental Protection Agency, Energy Research and Development	54,000,000	54,000,000	54,000,000	54,000,000			
II. HUD, Space, Science, Veterans:							
National Aeronautical Space Administration, Research and Development	4,435,000	8,935,000	4,435,000	4,435,000		4,500,000	
National Science Foundation: Salaries and Expenses	101,800,000	101,800,000	101,800,000	101,800,000			
Total, chapter II	106,235,000	110,735,000	106,235,000	106,235,000			
III. Interior:							
Geological Survey: Surveys, Investigation, and Research	43,125,000	43,125,000	43,125,000	43,125,000			
Bureau of Mines: Mine and Minerals	137,108,000	144,308,000	137,298,000	142,298,000	+5,190,000	−2,010,000	+5,000,000
Office of Coal Research: Salaries and Expenses	283,400,000	283,400,000	258,378,000	261,278,000	−22,122,000	−22,122,000	+2,900,000
Fuel Allocation, Oil and Gas Programs: Salaries and Expenses	70,100,000	59,700,000	69,590,000	69,590,000	−510,000	+9,890,000	
Office of the Secretary: Energy Conservation and Analysis	27,900,000	27,400,000	26,875,000	26,875,000	−1,025,000	−525,000	
Total, chapter III	561,633,000	557,933,000	535,266,000	543,166,000	−18,467,000	−14,767,000	+7,900,000
IV. Public Works, AEC:							
Atomic Energy Commission:							
Operating Expenses	1,009,890,000	1,043,790,000	1,032,690,000	1,032,690,000	+22,800,000	−11,100,000	
Plant and Capital Equipment	432,570,000	463,970,000	433,970,000	453,970,000	+21,400,000	−10,000,000	+20,000,000
Department of the Interior:							
Bonneville Power Administration:							
Construction	5,500,000	5,500,000	5,500,000	5,500,000			
Office of the Secretary: Underground and other electric power transmission research	8,500,000	8,500,000	8,498,000	8,498,000	−2,000	−2,000	
Total, chapter IV	1,456,460,000	1,521,760,000	1,480,658,000	1,500,658,000	+44,198,000	−21,102,000	+20,000,000
V. State, Justice, Commerce, and Judiciary: Department of Commerce, NOAA: Surveys, Investigations, and Research			19,157,000	6,630,000	+6,630,000	+6,630,000	−12,527,000
VI. Transportation: Department of Transportation, Office of the Secretary: Transportation Planning, Research and Development	6,400,000	6,400,000	6,400,000	6,400,000			
VII. Treasury, Postal Service, General Government, Federal Energy Office	19,000,000	19,000,000	18,000,000	19,000,000			+1,000,000
Grand total, NOA	2,203,728,000	2,269,828,000	2,219,716,000	2,236,089,000	+32,361,000	−33,739,000	+16,373,000

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Speaker, so the $32,361,000 over the budget is allegedly due to nuclear experimentation, research, or what?

Mr. MAHON. The conference report provides $44.1 million above the budget for nuclear research and experimentation and $6.6 million for the National Oceanic and Atmospheric Administration. The report on these matters when we passed the bill is still available and it goes into great detail on these matters.

Mr. GROSS. The figure in the conference report is $33.5 million less than was contained in the bill which was approved by the House. In other words, the Senate becomes the economy body in this case. Is that correct?

Mr. MAHON. I think we would have to say that they were more tight-fisted with respect to the energy program than we were but we made certain compromises and changes and reduced some items that were added in the Senate.

It was mainly, as I have stated, the item dealing with the Atomic Energy Commission that caused the increase over the budget.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. I regret to see this $32 million over the budget, as badly as we need in this Government to save every possible dollar. I regret seeing this bill increased $32 million over the budget.

Mr. MAHON. In view of the fact that the cost of energy is throwing the world in an economic tailspin, I do not think it is unreasonable for the Congress to try to meet the crisis which is striking at the economic heart of every family in America in the best manner it can. I would point out that the development of nuclear power represents the most promising short term and intermediate term answer to the objective of dealing with our national energy crisis.

We, of course, will continue to ride herd on all these programs and make reductions and additions wherever such action appears to be in the best public interest.

Mr. GROSS. Am I correctly informed that the Environmental Protection Agency, which has a substantial amount of money in this bill, now has 9,000 employees and is growing by the hour and the day?

Mr. MAHON. The gentleman is correct in that EPA does have 9,000 employees.

This appropriation is made, however, not to make the Environmental Protection Agency more meddlesome in the everyday life of the American citizen and American industry, but in order to facilitate the energy bill. The $54 million for the Environmental Protection Agency will be used mainly for contractual work and will provide few additional positions for EPA itself.

Mr. DAVIS of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Wisconsin (Mr. Davis).

Mr. DAVIS of Wisconsin. Mr. Speaker, I suppose that since about half of these funds do come from the Atomic Energy Commission, a few comments relating to two specific provisions that are to be found in this conference report are in order. One of them is the language which does appear with respect to the ban on the use of funds in this bill for field testing of nuclear power in certain areas in the Rocky Mountain States of the country.

The conferees of the House did go along with the ban that was written in the other body primarily because insofar as we could tell there were no plans for such nuclear explosive tests during the fiscal year 1975; but at the same time, and I direct the attention of the members of the committee here to the language that appears on page 5 of the conference report and the statement of the managers, there is a well-expressed intent on the part of the conferees that this ban in 1975 not reflect the opinion of the conferees that this type of testing should be permanently banned. The House conferees accepted the language, but did express the belief that this is technologically and potentially viable and may sometime in the future contribute to alleviating the energy supply situation in this country.

We certainly did not want to foreclose this possibility for further research and development in the years ahead because of our belief that this does represent an opportunity for future breakthroughs in solving our energy problems.

Second, in the atomic energy portion of the conference report, while not spelled out, there was a deletion of some $4 million for coal liquefaction in the atomic energy portion of it. This has been put in the House, not because it was in the budget, but because the joint committee had expressed strong feelings in support of it, but I think it was clear that this compromise amount did represent a substantial duplication of work which is the primary responsibility of other agencies of the Government. So, for that reason, we did acquiesce in the deletion of these funds. So much for that part of it.

Mr. Speaker, I did express my exception with amendment No. 17, which appears in the conference report, relating to the reactivation of three research vessels. While they are not within the cognizance of the jurisdiction of the subcommittee on which I serve, I think the discussion did point out that this was merely taking advantage of our present energy situation to accomplish something which had been sought to be accomplished ever since 1969 without success. So, I could not let the matter rest without making it clear that I did except from that portion of the conference report.

Mr. Speaker, I think this is a good conference report, and one that deserves to be adopted by this body.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, the conference report as reported by the chairman of the committee is one with which we are in agreement. I think I might just go into a little more detail in regard to the matter the gentleman from Wisconsin referred to.

As the Members will note on page 6 of the conference report, the Senate had placed in the bill $19,157,000 for the reactivation of these research vessels. We felt, after some strong language and discussion in the conference, that we could go along with the reactivation and equipping and allowing 63 days of operation. Then, if it was necessary as reported by the Senate committee, these vessels would be used for making the base-line studies in the Outer Continental Shelf and in the Gulf of Alaska regarding exploration for oil.

This is a matter which should be handled by the Department of the Interior under the jurisdiction of the gentlewoman from Washington (Mrs. Hansen). I think, after discussions with her, we have agreed that this is the best way to do it. If Interior wants to take this responsibility, which is really theirs, they can contract with NOAA for the use of these vessels. As a result, this is a compromise we worked out. I would have probably preferred to do it the other way, but I think this is satisfactory.

Mr. ALEXANDER. Mr. Speaker, in view of the nature of the research and development activities which this bill will finance it can reasonably be anticipated that much of these funds, if not a large majority, will be spent in metropolitan areas.

That is because much or most of our Nation's capacity for conducting highly sophisticated research and development is located in metropolitan areas. However, this bill is one which will have national implications and benefits. In fact, the technology which we develop through the programs this legislation would fund can reasonably be expected to be of international concern and benefit.

In a large number of instances the research and development projects deal directly with elements or factors which are, by their very nature, located in nonmetropolitan areas. Therefore, it is to be hoped that the programs which we vote to support today will, wherever possible, allocate the funding in such a way that it is used in nonmetropolitan areas whenever that is the most effective and efficient place for the project and in metropolitan areas when these best suit the purposes of the program involved.

Mr. MAHON. Mr. Speaker, I would like to inquire of the gentleman from Michigan if he wishes any more time.

Mr. CEDERBERG. Mr. Speaker, I have no further requests for time.

Mr. MAHON. Mr. Speaker, I have no further requests for time, and this is a unanimous report of the conferees.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, line 10, insert the following: "including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft;".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 9, line 14, insert the following:

CHAPTER V

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

SURVEYS, INVESTIGATIONS, AND RESEARCH

For necessary expenses of the National Oceanic and Atmospheric Administration to reactivate, equip, and operate certain oceanographic research vessels to extend the operating season and research capability of vessels currently in operation, and to support scientific and environmental research for the purpose of conducting assessments of energy-related offshore environmental problems associated with the development of oil and gas leases on the outer continental shelf, $19,157,000, to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Mahon moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

CHAPTER V

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

OPERATIONS, RESEARCH, AND FACILITIES

For necessary expenses of the National Oceanic and Atmospheric Administration to reactivate, equip, and operate certain oceanographic research vessels for the purpose of conducting assessments of energy-related offshore environmental problems associated with energy activities, $6,630,000, to remain available until expended.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to, and that I be permitted to insert extraneous and suitable statements.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING FURTHER URGENT SUPPLEMENTAL APPROPRIATIONS FOR VETERANS' ADMINISTRATION FOR FISCAL YEAR ENDING JUNE 30, 1974

Mr. MAHON. Mr. Speaker, pursuant to the order of the House of June 21, 1974, I call up the joint resolution (H.J. Res. 1061) making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes, and I ask unanimous consent that it be considered in this House as in the Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 1061

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1974, namely:

Veterans' Administration

COMPENSATION AND PENSIONS

For an additional amount for Compensation and Pensions, $100,000,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for Readjustment Benefits, $77,000,000, to remain available until expended.

GENERAL OPERATING EXPENSES

For an additional amount for General Operating Expenses, $2,500,000.

With the following committee amendment:

On page 2, line 6, strike "$2,500,000" and insert "$2,000,000".

The committee amendment was agreed to.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this House joint resolution provides $179 million in additional urgent appropriations for veterans' programs.

These funds are mainly for the following three programs:

COMPENSATION AND PENSIONS

The sum of $100 million is provided for compensation and pensions pursuant to the Veterans Disability Compensation and Survivor Benefit Act of 1974—Public Law 93–295—signed May 31, 1974. This legislation provides for the following changes in benefits: 15 to 18 percent increase in disability compensation; 15 percent additional allowance for dependents; 17 percent increase for dependency and indemnity compensation for widows and children; and 17 percent increase in aid and attendance allowances.

This new legislation will benefit some 2.2 million veterans in receipt of disability compensation and approximately 375,000 widows, children, and parent cases receiving death compensation and dependency and indemnity compensation benefits in fiscal year 1974.

READJUSTMENT BENEFITS

The budget estimate of $77 million is recommended for readjustments benefits pursuant to Public Law 93–293, also signed May 31, 1974. This legislation provided a 30-day emergency extension of the eligibility period for certain training activities for veterans discharged prior to June 1, 1966. An estimated 285,000 trainees, whose eligibility would have expired on May 31, 1974, will benefit from this extension. This legislation permits those whose spring enrollment period extends into June to receive payment for that full period of enrollment.

GENERAL OPERATING EXPENSES

MAN-ON-CAMPUS PROGRAM

The resolution also includes $2 million to place veterans benefits counselors on college campuses to help resolve the problems some veterans have been having in receiving benefit checks promptly.

Mr. Speaker, this resolution was supported by the committee last Friday and it is important that the House act promptly so the measure can be sent to the other body and cleared for signature.

TOTAL VETERANS APPROPRIATIONS

On Wednesday the Appropriations Committee will bring to the House the HUD-Space-Science-Veterans appropriation bill for the year beginning July 1. It will contain some $13.4 billion for the Veterans' Administration but the figure will undoubtedly be something over $15 billion before the fiscal year is over because of new benefit increases and other factors. For fiscal year 1969 appropriations for the Veterans' Administration totaled some $7.4 billion, so the cost of our veterans programs will have more than doubled in this short period of time.

PROVIDING FOR VETERANS BENEFITS AND SERVICES

Mr. Speaker, in the report accompanying the appropriation bill for the Veterans' Administration for fiscal 1975 there is a statement which I shall quote at this time:

> The funds recommended will provide benefits and services to 29,100,000 veterans, the 65,800,000 members of their families, and the 3,800,000 survivors of deceased veterans. These benefits include compensation payments for 2,600,000 veterans and survivors of deceased veterans for service-connected disabilities and death; pension payments for 2,300,000 non-service-connected disabled veterans, widows and children in need of financial assistance; educational and training assistance to 2,000,000 veterans and 76,000 sons, daughters, wives, and widows of deceased or seriously disabled veterans; housing credit assistance in the form of 350,000 guaranteed and 2,600 direct loans; supervision of a life insurance program covering 8,500,000 veterans and active duty servicemen; inpatients care and treatment of some 1,189,000 beneficiaries in the 170 hospitals, 18 domiciliaries, 87 nursing homes and other facilities; outpatient medical treatment involving nearly 15,000,000 visits; and the operating costs for the National Cemetery System transferred to the Veterans Administration on September 1, 1973.

Mr. Speaker, it is essential that we provide adequate benefits and services to those men who have so nobly and valiantly served our Nation. We have done so in the past and will continue to do so.

For this reason I urge the adoption of the measure before us.

Hearings were held in connection with this matter by the subcommittee headed by Mr. BOLAND of Massachusetts, the Hud-Space-Science-Veterans Subcommittee.

Mr. BOLAND is here with other members of the committee, and I will be glad to yield at this time to the gentleman from Indiana (Mr. ROUSH) a member of the subcommittee, for further comment in regard to the content of the bill which is before us.

Mr. ROUSH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this resolution providing $179,000,000 of supplemental funds, is due largely to veterans' legislation passed this year. Public Law 93–295, which was effective May 1, provided 15- to 18-percent increases in disability compensation for some 2.2 million veterans and 375,000 widows and children. This resolution will appropriate $100,000,000 to cover the cost of these increases for the last 2 months of fiscal year 1974. A total of approximately $566,000,000 will be required to fund these increases in 1975. Although these increases are large, with the present skyrocketing rate of inflation, they will only barely permit our disabled veterans and widows to maintain their current standard of living.

The resolution also provides supplemental funds of $77,000,000 for readjustment benefits. These funds reflect the cost of Public Law 93–293, which provides for a 30-day emergency extension of the delimiting period for veterans discharged prior to June 1, 1966. This 30-day extension averts a hardship for an estimated 285,000 trainees whose eligibility would have expired on May 31. It will permit those veterans whose spring enrollment extends in June to receive payments for the full period of the enrollment—and it will allow veterans with unused entitlement to enroll in the summer session.

Finally, Mr. Speaker, the resolution provides $2,000,000 for a new veterans' representative on campus program. These funds were requested by the VA as part of an effort to clear up, once and for all, the ongoing problem of getting GI benefits checks to students on time. This problem has plagued the VA for some time, and, as most of you know, it has received a good deal of adverse publicity in the press.

In all fairness, I think it is important to point out that the problem is not solely the fault of the Veterans' Administration. The fact is that the VA delivered 697,000 advance payment checks last year. But the VA is only one leg of the stool. The school and the veteran make up the other two-thirds of the triangle—and unless the veteran fills the forms out properly and the school promptly certifies he is a student—the check just is not going to get to the veteran.

The committee is recommending these funds in an effort to cut through the problem and get these payments back on track. The money will provide for 1,327 veteran representatives on campus—one at each school having 500 or more veterans. The vet rep will assure that forms are filled out correctly, that certifications are filed, and that the check gets to the student.

The full year cost of this program in 1975 is approximately $24 million.

While the committee has approved these funds, it has done so with some reservations. To begin with, the veterans cost of instruction program, funded under the Labor-HEW bill, provides grants to institutions for counseling veterans covering a broad range of student-school relationships. On the surface this program should be able to handle most veteran student problems, but the committee learned that because of the way the formula is applied, most of the counselors are at small community colleges. On the other hand, the committee considers this new effort strictly a temporary program. Within a year these veteran representatives should have the problem solved and the VA should have in place a simple procedure that any high school—let alone college student—should be able to follow. The House can be assured that the committee will monitor this problem carefully, and I urge your support of the resolution.

Mr. CEDERBERG. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, as has already been stated, this is an urgent supplemental appropriations, and it is brought about by actions which have previously been taken in the Congress.

We recognize the necessity for this joint resolution. We support the joint resolution, and we urge its prompt adoption.

Mr. TALCOTT. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. TALCOTT. Mr. Speaker, today we are considering House Joint Resolution 1061 making further urgent supplemental appropriations for the Veterans' Administration for the current fiscal year. This is required by a series of congressional actions which have increased the amounts paid under compensation and pensions, and readjustment benefits. These changes are necessitated by passage of Public Law 93-295 and Public Law 93-293 on May 31, 1974.

Our committee is recommending $100,000,000 for compensation and pensions which will provide funds for the following increases in benefits: 15 to 18 percent increase in disability compensation; 15 percent additional allowance for dependents; 17 percent increase for dependency and indemnity compensation for widows and children; and 17 percent increase in aid and attendance allowances.

This new legislation will benefit some 2.2 million veterans receiving disability compensation, and an additional 375,000 widows and children receiving benefits from the Veterans' Administration.

We are also providing $77,000,000 to fund the emergency 30-day extension of eligibility for veterans receiving readjustment benefits. Nearly 285,000 veterans who were discharged prior to June 1, 1966, whose eligibility would have expired on May 31 have benefited from this extension. Enactment of the legislation prevents a real hardship for these veterans and allows those enrolled for the spring semester which extends into June to receive benefits for the entire period. As you know, the Congress has already reached agreement to extend this eligibility period from 8 years to 10 years, and final passage is expected any day now.

We are also including $2,000,000 for general operating expenses. The majority of these funds for a new Veterans' Administration program to put a veterans representative on our college campuses. Under the VA proposal they will provide one man day per week for each 100 veterans enrolled in an institution. A campus with 500 or more veterans will have a full-time vet rep, those with less than 500 veterans will receive part-time service from VA regional and area offices.

This program is in response to the severe problems the VA ran into last fall when they found many veterans failing to receive their benefit checks promptly. Our committee considers this to be a temporary program which will serve to indoctrinate both schools and veterans so that the major problem areas will be corrected. We have already indicated to the VA that if the problems persist we will explore other alternative solutions.

This is a good measure, Mr. Speaker. It provides funds necessitated by new laws passed by the Congress, and it also funds a new program aimed at solving a major problem that the VA has been troubled with. I urge my colleagues to support the resolution.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of House Joint Resolution 1061, a bill to authorize an urgent supplemental appropriation of funds for the Veterans' Administration.

Just a few short weeks ago, Mr. Speaker, Members of this body agreed unanimously to extend for 30 days the May 31 termination date of educational benefits for almost 300,000 veterans attending school under the GI bill. We also agreed unanimously to authorize cost of living increases in monthly payments to service-connected disabled veterans and to survivors of those who died while in service or as the result of service-connected disability.

This legislation will provide the Veterans' Administration with sufficient funds to operate these programs for the balance of the current fiscal year.

Additionally, Mr. Speaker, the measure will permit the Veterans' Administration to implement a new program that will include the assignment of full-time VA personnel to the campuses of schools having a heavy concentration of veterans enrolled therein.

It is expected that the new program will facilitate the administration of educational benefits and expedite the delivery of monthly checks.

I strongly support this bill and wish to commend the chairman and the members of his committee for their promptness in reporting this extremely important measure.

Mr. KEMP. Mr. Speaker, I rise in support of House Joint Resolution 1061—further urgent supplemental appropriations for Veterans' Administration.

This vital legislation will provide a total of $179 million in supplemental appropriations for the Veterans' Administration to carry out the provisions of two laws we have recently enacted.

One law raised disability and indemnity payments, effective May 1. This law will affect some 2.2 million veterans who receive disability compensation and approximately 375,000 of their dependents who receive death, dependency, or indemnity compensation benefits. The resolution before us today will provide $100 million to cover the cost of these benefits for the last month of the current fiscal year.

The other law covered by this supplemental appropriation was enacted earlier this year granting educational readjustment benefits. The law provides a 30-day emergency extension of eligibility, effective May 31, 1974, for veterans discharged prior to June 1, 1966, permitting this group of veterans to receive payment for their full period of spring enrollment. The resolution before us requests an additional $77 million for the purposes of implementing these benefits.

Mr. Speaker, I emphatically supported both pieces of legislation which would be carried out by this resolution.

Additionally, I strongly favor provisions in this resolution to fund the placement of veterans' benefits counselors on college campuses, a program formulated to assist veterans who have encountered serious delays in receipt of their benefit checks.

This past weekend marked the 30th anniversary of the original GI bill. I feel it is appropriate for this body to pause to consider the strengths of the original GI bill—and the serious deficiencies in educational assistance currently accorded our 9.9 million Vietnam-era and post-Korean veterans.

Today's vet is clearly not treated as well as the post-World War II vet. It is incumbent upon us to rectify this situation immediately—and to allow no other issue before us to deflect attention from the hard fact that those who fought the hardest for peace are frequently being denied the real benefits of peace—education and jobs.

The post-World War II GI bill paid a vet's tuition, fees, and book costs up to $500 a year. At 1946–50 prices, vets could go to the college of their choice, anywhere in the country. In addition to the direct tuition payment, the single WWII vet received a $75 living allowance which was equal to 35 percent of the average U.S. monthly earnings, as computed by the Department of Labor.

Today's vet receives no tuition assistance, unless he is disabled. What he does receive—$220 per month, which is again equal to the 35 percent of the average U.S monthly earnings—is grossly inadequate to cover the costs of attending an institution of higher education today. The inadequacy of benefits is cogently highlighted by the fact that only 13.4 percent of eligible married vets are now studying under the bill.

While it is true that the GI bill has been increased twice in the past 5 years, the fact remains that these increases have been inadequate to meet the increases in private and public college tuition.

Mr. Speaker, it will be a major indictment of this Congress if Vietnam- and Korea-era veterans are not granted opportunities equal to WWII vets to pursue their education. I have introduced legislation which would provide a $1,000 direct tuition payment per school year, in addition to the current educational assistance allowance. My bill will provide vets with a flexibility in planning educational programs—and will correct the current situation where vets are being grossly shortchanged.

Mr. ALEXANDER. Mr. Speaker, the proposal which we consider today—House Joint Resolution 1601—to provide for urgent supplemental appropriations for the Veterans' Administration for this fiscal year can be considered a bill which will benefit the Nation as a whole. Its provisions are designed to aid men and women who earned their right to use VA facilities and services in service to their country.

It is a chancy thing to try to estimate how the funds will be distributed between metropolitan and nonmetropolitan areas since program benefits follow the veteran. But, from the pattern shown in fiscal year 1973 we can say if the distribution of veterans participating in the Veterans' Administration compensation and pensions programs remains the same approximately 26.3 percent of the funds would be used in nonmetropolitan counties. Of the $100 million provided under that program category in this bill that would mean $26.3 would be spent in nonmetropolitan counties.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MAHON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 337, nays 0, not voting 96, as follows:

[Roll No. 321]

YEAS—337

Abdnor
Abzug
Adams
Addabbo
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Aspin
Bafalis
Barrett
Bauman
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burton
Butler
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Drinan
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Goodling
Green, Oreg.
Gross
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hudnut
Hungate
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Kluczynski
Koch
Lagomarsino
Landgrebe
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roush
Rousselot
Runnels
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stubblefield
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—0

NOT VOTING—96

Alexander
Anderson, Calif.
Andrews, N.C.
Ashley
Badillo
Baker
Beard
Bell
Biaggi
Blatnik
Brasco
Burke, Calif.
Burke, Fla.
Burlison, Mo.
Byron
Carey, N.Y.
Chisholm
Clay
Coughlin
Culver
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Downing
Dulski
Eckhardt
Esch
Fascell
Flynt
Frelinghuysen
Frey
Ginn
Grasso
Gray
Green, Pa.
Griffiths
Gunter
Hanna
Harsha
Hastings
Hawkins
Hosmer
Howard
Huber
Hunt
Hutchinson
Johnson, Calif.
Jones, Tenn.
Ketchum
Kuykendall
Kyros
Landrum
Litton
Luken
McCormack
McSpadden
Macdonald
Mathias, Calif.
Mayne
Meeds
Milford
Mills
Mollohan
Mosher
Murphy, Ill.
Murphy, N.Y.
Nelsen
O'Neill
Pepper
Pickle
Podell
Reid
Rhodes
Riegle
Roncallo, N.Y.
Rooney, N.Y.
Rostenkowski
Roy
Roybal
Ruppe
St Germain
Snyder
Stanton, James V.
Steed
Steele
Stratton
Symington
Udall
Vander Veen
Williams
Wilson, Charles H., Calif.
Wydler
Wyman
Young, Ga.
Young, S.C.

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Luken.
Mr. Fascell with Mr. Dorn.
Mr. Dulski with Mr. Young of Georgia.
Mr. Charles H. Wilson of California with Mr. Eckhardt.
Mr. Rostenkowski with Mr. Carey of New York.
Mr. Murphy of New York with Mr. Landrum.
Mr. Riegle with Mr. Roy.
Mr. Podell with Mr. Steele.
Mr. O'Neill with Mr. Wydler.
Mr. Biaggi with Mr. Snyder.
Mrs. Burke of California with Mr. Ginn.
Mr. Burlison of Missouri with Mr. Mathias of California.
Mr. Brasco with Mr. Hunt.
Mr. Howard with Mr. Ruppe.
Mr. Kyros with Mr. Baker.
Mr. Macdonald with Mr. Mayne.
Mr. McSpadden with Mr. Hutchinson.
Mr. James V. Stanton with Mr. Kuykendall.
Mr. Roybal with Mr. Beard.
Mr. Reid with Mr. Mosher.
Mr. Pepper with Mr. Bell.
Mr. Murphy of Illinois with Mr. Hosmer.
Mrs. Grasso with Mr. Roncallo of New York.
Mr. Diggs with Mr. Culver.
Mr. Mollohan with Mr. Burke of Florida.
Mr. Stratton with Mr. Clay.
Mr. Hawkins with Mr. Gray.
Mr. Hanna with Mr. Coughlin.
Mr. Badillo with Mr. Esch.
Mr. Alexander with Mr. Frelinghuysen.
Mr. Green of Pennsylvania with Mr. Harsha.
Mr. Jones of Tennessee with Mr. Huber.
Mrs. Chisholm with Mr. Blatnik.
Mr. Davis of Georgia with Mr. Frey.
Mr. Dominick V. Daniels with Mr. Hastings.
Mr. Meeds with Mr. Nelsen.
Mr. Anderson of California with Mr. Williams.
Mr. Gunter with Mr. Wyman.
Mr. Litton with Mr. Young of South Carolina.
Mr. Ashley with Mr. Andrews of North Carolina.
Mr. Byron with Mr. Flynt.
Mr. Downing with Mrs. Griffiths.
Mr. Johnson of California with Mr. Mills.
Mr. McCormack with Mr. Milford.
Mr. Pickle with Mr. St Germain.
Mr. Steed with Mr. Symington.
Mr. Udall with Mr. Vander Veen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed, and that I be permitted to insert extraneous material and tables.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEFENSE PRODUCTION ACT EXPIRATION DATE EXTENSION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 1056) to extend by 30 days the expiration date of the Defense Production Act of 1950.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. Res. 1056

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "June 30" and inserting in lieu thereof "July 30".

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 1056, to extend by 30 days the expiration date of the Defense Production Act of 1950.

Mr. Speaker, a rule has been requested on the basic legislation which, if enacted, would extend the Defense Production Act for 1 year. It is anticipated that we will be before the Rules Committee on this matter in the near future.

The basic legislation to extend the Defense Production Act this time would renew the existing authority under the act until June 30, 1975. Further, the bill as reported would terminate the borrowing authority mechanism which basically is a back-door spending device and put in its place conventional appropriation processes for future operations for financing stockpiles under the act.

Finally, the legislation would require the Office of Management and Budget to report to the Congress by March of 1975 with recommendations for an overall comprehensive strategic stockpile and inventory policy.

Mr. Speaker, as noted, we hope to have the basic Defense Production Act legislation to the floor for debate in the very near future and this 30-day legislation would merely tide us over until that time.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENDING EXPIRATION DATE OF EXPORT ADMINISTRATION ACT OF 1969

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 1057) to extend by 30 days the expiration date of the Export Administration Act of 1969.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Ms. ABZUG. Mr. Speaker, reserving the right to object, as I understand it the gentleman is asking for a 30-day extension before expiration of this act.

Mr. PATMAN. Yes.

Ms. ABZUG. Would the gentleman be good enough to indicate his intention about when this legislation will be before the House for consideration?

Mr. PATMAN. It should be soon. We have a request for a rule and we are expecting the rule within 10 days, something like that.

Ms. ABZUG. Will the gentleman indicate to us what the nature of that rule might be?

Mr. PATMAN. It would be just an open rule. That is the only kind our committee has ever had.

Ms. ABZUG. An open rule which will allow the bill to be subject to amendment on the floor of the House?

Mr. PATMAN. That is correct.

Ms. ABZUG. The reason I asked that question is because I am concerned about Mr. Nixon's proposal to transfer strategic materials; namely, nuclear materials to the Middle East.

Under present law, there is no requirement that an agreement providing for the transfer of nuclear materials or nuclear technology to a foreign nation be submitted to the Congress, except where such materials are to be used for military purposes. The Export Administration Act, which we are considering today deals with the export of strategic materials and technical data, and provides for the curtailment or prohibition of such exportation where it would prove detrimental to the national security of the United States.

But this Act does not require congressional approval either to prohibit or to permit the transfer of such strategic materials to a foreign power. In view of the President's recent announcement of agreements to send nuclear materials to Egypt and to Israel, I feel that congressional review is imperative.

Naturally all countries agree to use the material for peaceful purposes but we have just had an example of India's peaceful atoms being turned into bombs. Scientists warn us of the incredibly lethal effect of inhaled plutonium, the product of fission reactors.

Even domestic safeguards are admittedly far from adequate. International safeguards include such monstrous notions as carrying nuclear wastes back to the United States for recycling, thus inheriting nuclear garbage from some 25 countries.

To imperil our global future without even a country-by-country review of these agreements would be to abdicate our responsibility.

Accordingly, I am planning to offer an amendment to the Export Administration Act to require congressional approval of all agreements providing for the export of nuclear materials or nuclear technology to any foreign nation.

Mr. PATMAN. We are not asking for

a closed rule. We are asking for an open rule. It will not foreclose amendment.

Ms. ABZUG. I see. I thank the chairman. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, would the chairman of our committee describe to us what the result will be if this Export Administration Act is not continued as it relates to scrap steel and iron, and so forth?

Mr. PATMAN. It would be a rather disastrous result. Upon expiration, all exports could commence immediately, without restriction.

Mr. ROUSSELOT. Is there still a shortage of steel scrap in this country today?

Mr. PATMAN. I am not fully informed about that, but we have not had enough scrap for a number of years and obviously it is not in plentiful or surplus supply at this time.

Mr. ROUSSELOT. The point is there are several people who have concerns about the continuation of this act. Will the gentleman assure the Members of this body that there will be the opportunity to offer amendments to the Act before it is passed?

Mr. PATMAN. I can assure the Members of this body that we will not ask for any closed rule.

Mr. ROUSSELOT. In other words, there will be a full and open rule?

Mr. PATMAN. I have never known the Committee on Banking and Currency to ask for a closed rule, and I do not think we will break the precedent here.

Mr. ROUSSELOT. Mr. Speaker, I have reservations even about extending this for 30 days, but if the gentleman from Texas can assure us we will have a full and complete and open debate on this act when it does reach the floor, I will accept his word. How long will it take for this legislation to come to the floor, and when does the gentleman expect it to arrive?

Mr. PATMAN. We expect a rule within the next 10 days. We have had an application on file and have had that ever since the bill was voted on by the committee and we are not going to ask for a closed rule.

Mr. ROUSSELOT. I notice the chairman of the Rules Committee is here. Could he give us any assurance as to how rapidly the committee could move this rule to the floor inasmuch as this legislation expires at the end of this month?

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Indiana for that purpose.

Mr. MADDEN. Mr. Speaker, the Rules Committee will follow its general committee practice of scheduling this just as quickly as possible.

Mr. ROUSSELOT. I hope that is a little faster than some legislation, but in view of these assurances I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. DENT. Mr. Speaker, further reserving the right to object, I object for a very specific reason, one that I know will not be acceptable to many, but one that is correct because of the many years of experience I have had.

H.R. 15264 is up before the Committee on Rules. It was held up in committee for months. There is no reason on Earth why that bill could not come before this House in time, even now, to forestall the final date of this action on the books.

What does the particular bill do? First, it extends the Export Administration Act, but it extends it with some amendments, we hope; second, the amendments would expressly require firms and individuals to report written understandings likely to result in the export to a Communist territory of certain U.S.-origin technical data which could affect national security; third, amend foreign policy provisions of the act to authorize retaliation against nations which unreasonably restrict U.S. access to their supply of a particular commodity; and, fourth, establish consultation, forecasting, and petition procedures to protect the domestic economy from the excessive drain of scarce materials or reduce the inflationary impact of foreign demand.

Why the 30-day extension? Because they have not yet the votes in hand to defeat these amendments. Give them 30 days extension and our good will ambassador-at-large, as well as being Secretary of State, Mr. Kissinger, will have the votes to forestall these amendments.

Without these amendments, I will say that the Export Administration Act will continue to create the serious difficulty it has created in this country. Just until recently we had a very severe time in trying to get any kind of a small restriction on the export of ferrochromium and ferrochromium alloys.

Why? Because of the fact that this is no longer a part of the economic policy of the American Nation, it is now a part of the global strategy, a global strategy that is making us the most dependent nation in the world for raw materials.

I object, and I object at this point.

The SPEAKER. Did the gentleman from Pennsylvania object?

Mr. DENT. Mr. Speaker, I did object.

The SPEAKER. Objection is heard.

EXTENDING THE EXPIRATION DATE OF THE EXPORT-IMPORT BANK ACT OF 1945

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 1058) to extend by 30 days the expiration date of the Export-Import Bank Act of 1945.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. LONG of Maryland. Mr. Speaker, reserving the right to object——

The SPEAKER. Objection has been heard. That forecloses all other action.

Does the gentleman from California insist on his objection?

Mr. ROUSSELOT. I insist on the objection, Mr. Speaker.

The SPEAKER. Objection is heard.

AMENDING FEDERAL RAILROAD SAFETY ACT OF 1970 AND THE HAZARDOUS MATERIALS TRANSPORTATION CONTROL ACT OF 1970

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1187 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1187

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Indiana is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1187 provides for an open rule with 1 hour of general debate on H.R. 15223, a bill amending the Hazardous Materials Transportation Control Act of 1970 and the Federal Railroad Safety Act of 1970 to provide authorization for appropriations in the amount of $38 million for fiscal year 1975.

H.R. 15223 limits the authorization to $18 million for the Office of Safety in the Federal Railroad Administration. This amount is intended to include the hiring of additional inspectors to bring the force up to a minimum of 350. The bill also authorizes up to $3.5 million for salaries and expenses of the Federal Railroad Administration and up to $10 million for conducting research and development activities.

Mr. Speaker, the news media give special prominence to auto and truck accidents on our highways, but the public overlooks the fact that in 1973 railroad accidents reached a 16-year high and increased by 24.7 percent over the number of accidents in 1972.

Statistics reveal that, in 1973, railway accidents killed 1,913 and injured 17,718. The casualty rate increased by 11.3 percent in 3 years. For the first quarter of this year, 1974, the accident rate is running ahead of the 16-year high of 1973.

In 1973, the number of train miles operated was 542 million, the highest since 1968. In 1974, the number of train miles operated promises to be even higher. The energy crisis has produced not only an upsurge in rail carrying of freight, but also an increase in passenger traffic. In 1973, Amtrak carried 16,848,000 passengers, a 6.6 percent increase over 1972. There were 11 Amtrak passenger train accidents, injuring 189 and killing 3. This year there have been 12 accidents during the first 4 months, injuring 88 and killing 1. Defective equipment and bad track conditions account for most of these accidents.

This bill makes a number of changes in existing railway safety statutes and established safety enforcement priorities on an equal footing with safety research programs, and more effective control of interstate and foreign shipment of hazardous materials by rail, and other transportation duties.

Inflation certainly has made the cost of repairs enormous for the rail industry. Five years ago, the cost of maintaining a modern signal track was $12,000 per mile, and $5,000 per mile for unsignaled track. The cost today has soared greatly on account of unbridled inflation.

The Committee on Interstate and Foreign Commerce held extended hearings on this legislation, and during the debate ample information will be recorded for members to learn the necessity for the pending legislation.

Mr. Speaker, I urge the adoption of House Resolution 1187, in order that the House may discuss, debate, and pass H.R. 15223.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously explained, House Resolution 1187 is an open rule providing for 1 hour of general debate on H.R. 15223, the Federal Railroad Safety and Hazardous Materials Transportation Amendments of 1974.

H.R. 15223 amends the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize appropriations for fiscal 1975. In addition, the bill modernizes existing railroad safety statutes to keep Congress better informed, to establish safety enforcement priorities on an equal footing with safety research programs, and to broaden Federal regulatory control over interstate and foreign shipments of hazardous materials by rail and other modes of transportation.

This bill authorizes $35,000,000 for fiscal year 1975 to carry out programs under the Federal Railroad Safety Act of 1970. In addition $3,000,000 is authorized to carry out programs under the Hazardous Materials Transportation Control Act of 1970.

I understand the administration has no objection to the passage of this bill.

Mr. Speaker, I support the resolution.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970, to authorize additional appropriations, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House Resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15223, with Mr. ANNUNZIO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Montana (Mr. SHOUP) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill authorizes $35 million for fiscal year 1975 appropriations for programs under the Federal Railroad Safety Act of 1970. In addition, it authorizes $3 million for fiscal year 1975 for the Harzardous Materials Transportation Control Act of 1970.

We have found a lack of vigorous enforcement of the safety laws and regulations by the Federal Railroad Administration The committee stipulated how much they could spend on various programs in order to assure that more inspectors are hired to enforce the laws. We found a situation where the tracks are getting worse—and more trains and heavier trains are moving over these tracks

The bill provides up to $18 million for the FRA to hire 350 inspectors and 80 clerical employees. It provides $35 million for the States to participate in the Federal safety effort. We provide $10 million for research—but we stipulate that there can be no more spent on research than there is on enforcement We provide $3.5 million for salaries of FRA personnel in the administrative capacities.

The bill also requires a special report on State participation in the Federal program, to be transmitted to Congress in 1976.

We provide for civil penalties for violations of the safety statutes in addition to the criminal sanctions.

We provide for expanded authority by the Secretary of DOT to issue regulations for hazardous materials transportation for both manufacturing, shipping, and transportation of these materials.

Mr. SHOUP. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 15223.

The subcommittee and the committee were almost unanimous in supporting this bill. The need for improvement in rail safety is clear because of the rising rate of rail accidents in the past few years due principally to deteriorating track conditions and the increase in carriage of hazardous materials by all modes of transportation.

As the chairman has explained, the first part of the bill, sections 1 through 4, focuses on railroad safety. Testimony before the subcommittee indicated that in 1973 railroad accidents rapidly increased and reached a 16-year high. The evidence indicates that the real problem of railroad safety is the deterioration of roadbed and track; of the almost 10,000 railroad accidents last year, the great proportion of which were derailments, 37 percent were due to roadbed or track deficiencies. H.R. 15223 attempts to deal with the safety problem by providing for increased funds for research and for increasing the size of the inspector force in the Federal Railroad Administration.

We should not fool ourselves into thinking that the hiring of a few more inspectors is going to help the serious deterioration of the track. An inspector can only find deficiencies, he cannot fix them. In my view, the real problem is the financial difficulty in which the railroads find themselves. This is particularly true in the Northeast where the track problem is the greatest. The Penn Central, for example, has been deferring maintenance in the last few years to the point where almost 7,000 of the 20,000 miles of Penn Central track cannot meet even the minimum DOT safety standards, and as a result derailments have recently reached a level as high as 650 monthly.

What is really needed to solve these problems is rapid progress toward implementation of programs with similar goals as found in the Regional Rail Reorganization Act. With respect to this, let me point out that our Subcommittee on Transportation and Aeronautics recently held oversight hearings on the failure of the Government to adequately defend the constitutionality of that act. I want to reiterate our subcommittee's great concern that the intent of Congress in enacting this legislation be accurately presented to the courts so that there will be no delay in reorganizing the bankrupt railroads in the Northeast.

This does not mean that the financial difficulties of the railroads and the problem of equipment and track deterioration is limited to the Northeast part of the country. These are nationwide problems; for this reason it is essential that we move expeditiously to adopt the transportation improvement legislation currently pending, legislation which will provide much needed regulatory reform and make available financial assistance to all our Nation's railroads.

The second part of this bill deals with

the regulation of hazardous materials transportation. There are three basic purposes of section 5 of H.R. 15223. First, the present authority to regulate the shippers and carriers of hazardous materials is expanded to cover manufacturers of the containers and packages in which such substances are transported; second, civil penalties and injunctive relief are added to the criminal penalties to which violators of hazardous materials regulations are subject under present law; and third, certain specific statutory delegations of authority to entities—the Federal Aviation Administration, the Federal Railroad Administration, and the Federal Highway Administration—within DOT are eliminated and such authority is consolidated in the Secretary of Transportation.

The basic intent of the committee was to retain intact the authority over hazardous materials transportation that presently exists under statutes such as the Federal Aviation Act, the Department of Transportation Act, and the provisions of 18 U.S.C. 831–835. The committee felt that the authority to promulgate regulations for movement of hazardous materials by different modes should be centralized in the Secretary of the Department of Transportation so that such regulations will be uniform. Enforcement of such regulations should, in the view of the committee, be in the hands of the various administrations under DOT having authority over the different modes.

This restructuring of regulatory authorities and the addition of civil penalties and coverage of manufacturers will greatly improve the present program for dealing with hazardous materials transportation.

I urge enactment of H.R. 15223.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SHOUP. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I thank the gentleman from Montana for yielding.

By what amount is this figure for railroad safety above last year's appropriation?

Mr. SHOUP. Mr. Chairman, in this particular bill, I say to the gentleman from Iowa, the appropriation for safety is $35 million, as compared to slightly over $20.4 million last year. The problem that was found by the subcommittee was that the money was being spent for research and development, but nothing was being done toward actually getting inspectors out on the ground and finding out specifically why the accidents were happening, and nothing was done toward recruiting some of them.

Mr. GROSS. So that this represents an increase of $15 million?

Mr. SHOUP. It does.

Mr. GROSS. This involves that much of an increase over the amount of money that was allocated last year toward safety?

Mr. SHOUP. It does.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, does this amount to some kind of a panacea, or are these safety inspectors given authority to issue orders in cases where they find trackage and rails that have not been kept under proper maintenance? Do they recommend slow orders and provide enforcement, for instance?

Mr. SHOUP. They may not enforce them; they do recommend them. When they find a violation, it is reported, and at that time the slow order or the cease-and-desist order is put out and promulgated by the FRA.

Mr. GROSS. Who issues the orders?

Mr. SHOUP. The Federal Railway Administration.

Mr. GROSS. The safety inspectors recommend, and someone else issues the orders; is that correct?

Mr. SHOUP. This is true. In certain cases the inspector may hang a tag right on the piece of equipment if there is found to be danger to life and an accident is imminent. They may hang a tag right on it, and that piece of equipment will not move.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I believe the gentleman stated the main cause of accidents nowadays is the lack of maintenance of roadbeds and rails?

Mr. SHOUP. The gentleman is correct.

Mr. GROSS. Rather than equipment; is that correct?

Mr. SHOUP. The gentleman is correct.

Mr. GROSS. But these safety inspectors inspect rolling stock as well as trackage; is that correct?

Mr. SHOUP. They do.

Mr. GROSS. Mr. Chairman, I thank the gentleman.

Mr. ZWACH. Mr. Chairman, will the gentleman yield?

Mr. SHOUP. I yield to the gentleman from Minnesota.

Mr. ZWACH. Mr. Chairman, I wish to follow up a little on the maintenance end of this issue.

Much of my congressional district is located in the territory of the Chicago & Northwestern Line. For many, many years practically no money has been returned for maintenance, and the situation is impossible.

Mr. Chairman, does the gentleman's committee find that generally the railroads have returned what they could of earnings to maintenance, or has the committee found a lot of siphoning off of income into conglomerate and other sideline areas? What has the committee found in this area?

Mr. SHOUP. I will say to the gentleman from Minnesota we have found that in very specific instances, as the gentleman described, there has been a siphoning off of railroad funds to other uses that we feel is rather irresponsible. Particularly we found this to be so in the Northeast and certainly with the Penn Central there is quite a history on that. I hesitate to say all railroads are guilty, but it is a problem.

Mr. ZWACH. Would not the gentleman say it is to a certain extent the Congress' responsibility to see to it that the railroads give the service and make service their first priority of business rather than the second or third or fourth in a conglomerate type of structure?

Mr. SHOUP. I would say yes most definitely to the gentleman. It has been suggested that the transportation industry be restricted to transportation activities only.

Mr. ZWACH. I agree with the gentleman very strongly.

Mr. COLLIER. Will the gentleman yield?

Mr. SHOUP. I yield to the gentleman.

Mr. COLLIER. The gentleman from Minnesota happened to select a railroad which could hardly be guilty of disbursing its funds for other operations, because the Chicago & Northwestern Railroad, which was mentioned, happens to be the one railroad in the country which turned over its operations to its employees on a stock basis. Today it is being run by the employees of the railroad. I am sure this is a unique situation, but I mention it only because the gentleman named this particular railroad which is in this very unique position.

Mr. ZWACH. I named this railroad because for at least 25 years they siphoned off all of the funds under Ben Heineman & Associates and transferred it to the Northwestern Industries group. Our whole transportation system is bankrupt out in that great grain-producing area of the Midwest. That is why I am asking. I think the Congress has been very derelict and the Interstate Commerce Commission, too, to let this type of thing occur in the transportation industry.

Mr. COLLIER. I am not questioning that that was the condition, because I am not familiar with it, but I am really pointing out in this instance under the present structure it would be virtually impossible for any income from the Chicago & Northwestern Railroad operation to be disbursed into a conglomerate type of operation. That is all.

Mr. GUDE. Will the gentleman yield?

Mr. SHOUP. I am happy to yield to the gentleman.

Mr. GUDE. I certainly want to commend the committee for bringing out this legislation. It is significant at this time and its significance is hard to minimize because of the increased commuter rail traffic that we have in so many metropolitan areas, as well as the increase in the Amtrak traffic. We are aware that more and more equipment which is rather aged is being brought into service. This bill is most timely. I do want to commend the committee for bringing it forth.

The committee's report on this legislation has very clearly spelled out the great need for beefing up rail safety operations. The fact that there are some 300,000 miles of track, but only 12 track inspectors in the country with the FRA is alone most disturbing. However, as the figures clearly show, Americans are turning more and more to rail travel, both intercity, and commuter rail travel in our urban areas. The gross figures indicating the overall numbers of accidents, injuries, and deaths due to rail accidents are up, but equally disturbing is that the accident rate per passenger mile, is also increasing, according to the Federal Railroad Administration.

Another deeply troublesome aspect of the rail safety question is the fact that the number of rail accidents due to track failure is on the increase. In 1972, the number of accidents caused by track defects accounted for 33 percent of all rail accidents. In 1973, that percentage had increased to some 37 percent, and indications for 1974 are that track defects will continue to increase as a prime cause for rail accidents.

In light of the increased ridership, which in our urban communities is heavily due to more and more citizens turning to the conveniences of commuter rail services, it is incumbent upon the Congress to take steps to see to it that increased Federal safety efforts are immediately forthcoming. This legislation is clearly a step in the right direction. It will not solve all the problems, to be sure. But it is a necessary first step for us to take, and I urge the full support of the House.

Mr. SHOUP. Mr. Chairman, I yield back the balance of my time and I have no further requests for time.

Mr. STAGGERS. Mr. Chairman, I yield such time as he may consume to the chairman of the subcommittee, my distinguished colleague the gentleman from Oklahoma (Mr. JARMAN), who reported out the bill.

Mr. JARMAN. Mr. Chairman, as chairman of the subcommittee which reported this bill to the full committee, I urge my colleagues to support its passage.

Congress passed the Federal Railroad Safety Act of 1970 amid a period when rail accidents were sharply increasing. Today, rail accidents are at a 16-year high.

What alarmed our committee is that with the advent of the energy crisis, we have more freight and passenger trains operating, carrying the highest tonnage in years—over tracks which have suffered more than a decade of neglect.

We found a general lack of commitment by the Federal Railroad Administration to emphasize enforcement of safety rules and laws—and a deemphasis of inspection of rail property.

In this legislation we double the authorization for safety and hazardous materials control over the last year figure. But we go further by stipulating that the FRA cannot spend more for research than they do for inspection and enforcement. We have found that the FRA is studying problems at the expense of correcting known situations which endanger the public safety.

Furthermore, we provide an authorization for up to 350 inspectors. We found that by mid-April, the FRA had only 18 inspectors for more than 300,000 miles of track and 50 inspectors for over 1.3 million freight cars and locomotives. In 1973, equipment inspections were half of what they were in 1972.

We found a general increase in incidents involving the transportation of hazardous materials, and we have put some teeth in the laws to regulate the carriage of such goods.

Our committee has decided to monitor the safety programs on an annual basis rather than our usual 3-year authorization—until we are satisfied that the Federal Railroad Administration complies with the intent of Congress in vigorously enforcing safety regulations, and rearranging their priorities in regard to inspectors and research efforts.

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume, for the purpose of yielding to the distinguished gentleman from Texas (Mr. GONZALEZ) so that he may ask some questions.

Mr. GONZALEZ. Mr. Chairman, as I stated a while ago, I wanted to raise a couple of questions.

First, in and around my district for a period of about 2 years I have been receiving letters from railroad workers—some residing within my district and some residing outside of my district, all saying essentially the same thing, that they were getting overloaded in their work assignments, working beyond a reasonable period of time, to the point of fatigue and danger, and that they were being compelled to use questionable and sometimes somewhat dangerous equipment. Also they report that the reduction by the railroad companies in the number of their employees has reduced the operating level of these companies to a point of danger from the standpoint of safety.

Some of these letters, particularly those from my constituents, I have referred to the administration of these companies, and one or two others to colleagues who are on this committee.

But subsequent to the reception of these letters the whole thing was dramatized by three very serious accidents in and around my area. One was in the inner city of San Antonio, where a locomotive ran off the tracks and went into the street. Fortunately, nobody was hurt because it occurred at a time when there were no people on that particular street.

One, a more serious accident than that, occurred outside of my district, a few miles outside of San Antonio. And this did result in a loss of life. I am not quite sure if it was one or two employees who lost their lives.

And then the third one, more recently, was a headon collision north and east of our area in the fringes of east Texas.

So I would ask the distinguished gentleman from West Virginia (Mr. STAGGERS) as to what this bill will do, if anything, to bring about some kind of an adequate supervision and some kind of action with respect to the complaints that these railroad workers have registered with me.

Mr. STAGGERS. Mr. Chairman, let me say to the distinguished gentleman from Texas that that is one of the reasons that we have changed this bill from a 3-year authorization to a 1-year authorization, so that we can look at this problem each year. We think it is serious enough that the Congress ought to take a look at it on a regular basis insofar as the increased amounts of money for inspectors are concerned. We want these inspectors to get out in the field to find out what is needed in the way of repairs instead of the F.R.A. emphasizing research and development, which they have been doing in the past. We also insist upon the Department submitting to the Congress a special report, showing what they have done, and what has occurred.

We think by doing this on a 1-year basis we will have much firmer control over this problem. We especially make it very strong to the Department of Transportation that we expect them to put the inspectors in the field, and watch over the railroads and penalize them when necessary.

Mr. GONZALEZ. Mr. Chairman, I would further ask the gentleman from West Virginia whether such letters have been received from his constituents and constituents of other Members in other portions of the country in reference to the conditions that are existing on the railroads, and the conditions and situations that these constituents are trying to bring to our attention?

Mr. STAGGERS. We occasionally get them in the committee, and we know that the deferred maintenance situation has been getting worse.

Mr. GONZALEZ. The gentleman from West Virginia would then say that these complaints that I have been receiving are not isolated examples?

Mr. STAGGERS. The answer is no; further, they are from people who know about what they are complaining.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield, I notice on page 12 of the report, in citing from the report of the National Transportation Safety Board, they say that rail failure is the No. 1 cause of accidents.

Mr. STAGGERS. That is right.

Mr. KAZEN. And that rail failures could be reduced by better maintenance of the entire track structure.

My question to the chairman is, What are we doing about that situation in this bill, if anything?

Mr. STAGGERS. We are putting on a lot more inspectors and saying, We want you to report to the DOT. And the DOT has the power right then to make that railroad maintain its tracks as they should to come up to a certain standard. They set the standards, and we are saying that they shall be rigid on these.

As I said before, we are only giving them a 1-year authorization now instead of a 3-year authorization, so that we can watch over them each year to see that they are doing that job that we are telling them to do in this bill.

Mr. KAZEN. But, Mr. Chairman, if it is already known that certain tracks and beds are unsafe, what do we need more inspectors to tell us the same thing for?

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I yield myself 1 additional minute.

I will say this: We need men who can go over the tracks. We want them to be on the job all over this land, and to report back and say to the DOT—this should be, as our colleague on the other side said—there are certain conditions, and put a tag on them saying they shall not run if they are that bad.

Mr. KAZEN. Mr. Chairman, I think Amtrak is the thing of the future.

Mr. STAGGERS. That is right.

Mr. KAZEN. More and more people want to ride it.

Mr. STAGGERS. That is right.

Mr. KAZEN. But until we can insure a good safety record, ontime schedules, and better equipment, we are not going to encourage the people to use it as much as they want to use it.

There is one instance that I can tell the chairman about in my district. The roadbeds are so bad that the train cannot pick up enough speed to charge their batteries in order for the air-conditioning to work in 105° and 110° weather. People are not going to ride those trains under those conditions.

Mr. STAGGERS. We understand that, and that is the reason why I say we are making this a stronger bill and putting more inspectors on and telling the Federal revenue inspector to do his job.

Mr. SHOUP. Mr. Chairman, I have no further requests for time.

Mr. STAGGERS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Railroad Safety and Hazardous Materials Transportation Amendments of 1974".

SEC. 2. (a) Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"SEC. 212. AUTHORIZATION FOR APPROPRIATIONS.

"(a) There are authorized to be appropriated to carry out the provisions of this title not to exceed $35,000,000 for the fiscal year ending June 30, 1975.

"(b) Except as otherwise provided in subsection (c) of this section amounts appropriated under subsection (a) shall be available for expenditure as follows:

"(1) Not to exceed $18,000,000 shall be available for expenditure by the Office of Safety, including salaries and expenses for up to three hundred and fifty safety inspectors and up to eighty clerical personnel.

"(2) Not to exceed $3,500,000 shall be available to carry out section 206(d) of this title, relating to Federal grants to carry out State safety programs.

"(3) Not to exceed $3,500,000 shall be available for salaries and expenses of the Federal Railroad Administration, not otherwise provided for in this title.

"(4) Not to exceed $10,000,000 shall be available for conducting research and development activities under this title.

"(c) The aggregate of amounts obligated and expended in fiscal year 1975 for conducting research and development activities under this title shall not exceed the aggregate of amounts expended in such fiscal year for the investigation and enforcement of railroad safety rules, regulations, orders, and standards prescribed or in effect under this title.".

(b) The Secretary of Transportation shall prepare and submit to the President for transmittal to the Congress by March 17, 1976, a report which shall contain—

(1) a description of the areas of railroad safety for which Federal safety standards have been issued under authority of the Federal Railroad Safety Act of 1970 and which are in force as of June 30, 1975;

(2) identification of any area of railroad safety for which Federal railroad safety standards have not been issued under authority of the Federal Railroad Safety Act of 1970 as of June 30, 1975;

(3) identification of the areas of railroad safety, listed in paragraphs (1) and (2) of this subsection, which involve, or may involve, State participation under section 206 of the Federal Railroad Safety Act of 1970;

(4) a description of the railroad safety program underway or planned in each State as of June 30, 1975, including the following:

(A) State program development;

(B) State plans to participate in program areas listed in paragraph (1) of this subsection, not covered by State certification or agreement;

(C) State interest in participating in each program area listed in paragraph (2) of this subsection, following issuance of the applicable safety standards;

(D) annual projections of each State agency's needs for personnel, equipment, and activities reasonably required to carry out such State's program during each fiscal year from 1976 through 1980 and estimates of the annual costs thereof, with projections under subparagraph (B) of this paragraph listed separately from projections of each program area under subparagraph (C) of this paragraph;

(E) the source or sources of State funds to finance such programs; and

(F) the amount of State funds and Federal assistance needed annually, with amounts needed under subparagraph (B) of this paragraph listed separately from amounts needed under subparagraph (C) of this paragraph.

(5) a discussion of the number and qualification of personnel for service as safety inspectors by the industry, and by the Federal and State governments, needed for reasonable safety program performance, including information on the availability of such personnel in relation to their needs, and the salary levels of such personnel in relation to applicable pay scales of the industry and of the Federal and State governments;

(6) an evaluation of alternative methods of allotting Federal funds among the States that desire Federal assistance, including recommendations, if needed, for a statutory formula for apportioning Federal funds;

(7) a discussion of other problems affecting cooperation among the States that relate to effective participation of State agencies in the nationwide railroad safety program; and

(8) recommendations for additional Federal and State legislation needed to further the objectives of the Federal Railroad Safety Act of 1970.

The report shall be prepared by the Secretary after consultation with the national associations representing railroad employee unions, the carriers, the cooperating State agencies, and the national organization of State commissions, and shall include a statement of the views of the national association representing railroad employee unions, of the carriers, and of the national organization of State commissions on the content of the report as prepared in final form.

SEC. 3. Section 2 of the Act of May 6, 1910 (45 U.S.C. 39), relating to the penalty for failure to make timely reports under the Act commonly referred to as the Accident Reports Act, is amended by adding at the end thereof the following: "In lieu of the penalty provided for by the first sentence of this subsection, the Secretary may assess a civil penalty in an amount not less than $250 nor more than $2,500 for each violation, as the Secretary deems reasonable. Each day of violation shall constitute a separate offense. The civil penalty is to be recovered in a suit or suits to be brought by the Attorney General on behalf of the United States in the district court of the United States having jurisdiction in the locality where the violation occurred. The civil penalty may, prior to referral to the Attorney General, be compromised by the Secretary for any amount, but not for an amount less that the minimum provided in this section. The amount of a civil penalty, when finally determined or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged. All penalties collected under this subsection shall be covered into the Treasury as miscellaneous receipts.".

SEC. 4. Section 303 of the Hazardous Materials Transportation Control Act of 1970 (49 U.S.C. 1762) is amended to read as follows:

"SEC. 303. AUTHORIZATION FOR APPROPRIATIONS

"There are authorized to be appropriated to carry out the provisions of this title not to exceed $3,000,000 for the fiscal year ending June 30, 1975.".

SEC. 5. (a) The Hazardous Materials Transportation Control Act of 1970 is amended by adding at the end thereof the following new section:

"SEC. 304. REGULATION OF HAZARDOUS MATERIALS TRANSPORTATION.

"(a) As used in this section—

"(1) The term 'carrier' means any person engaged in the transportation of passengers or property by land, as a common, contract, or private carrier, or freight forwarder as those terms are defined in sections 1(3), 203(14–17), and 402(a)(5) of the Interstate Commerce Act, as amended (49 U.S.C. 1(3), 303(14–17), and 1002(a)(5)), and the officers, agents, and employees of that person.

"(2) The term 'shipper' means any person who ships, offers for shipment, or packages for shipment any hazardous material, and the officers, agents, and employees of that person.

"(3) The term "interstate and foreign commerce" means commerce between a point in one State and a point in another State, between points in the same State through another State or through a foreign country, between points in a foreign country or countries through the United States, and commerce between a point in the United States and a point in a foreign country or in a territory or possession of the United States, but only insofar as such commerce takes place in the United States.

"(4) The term 'United States' means all the States and the District of Columbia.

"(5) The term 'State' includes the District of Columbia.

"(b) Whenever the Secretary finds that the transportation of a material in interstate and foreign commerce may pose a hazard to public health and safety, he may designate the material to be a hazardous material. The materials so designated shall include, but shall not be limited to any explosive, radioactive material, etiologic agent, flammable liquid or solid, combustible liquid or solid, poison, oxidizing or corrosive material, or compressed gas.

"(c) In order to assure safe transportation of hazardous materials in interstate and foreign commerce the Secretary may prescribe regulations applicable to—

"(1) the manufacture, fabrication, marking, maintenance, reconditioning, repair, testing, and distribution of packages or containers which may be used for such transportation of hazardous materials; and

"(2) any carrier who engages in interstate or foreign transportation and who transports hazardous materials and any shipper who transports hazardous materials by carrier. The regulations may cover any aspect of the transportation of hazardous materials which the Secretary deems necessary or appropriate and shall include, but are not limited to, regulations covering the packing, handling, labeling, marking, placarding, and routing of hazardous materials.

"(d) In carrying out this subsection, the Secretary may issue orders, conduct investigations, make reports, issue subpenas, require production of documents, records, and properties, take depositions, prescribe recordkeeping and reporting requirements, and conduct or contract for research, training, and development. The Secretary may authorize any officer, employee, or agent to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties relate to—

"(1) the manufacture, fabrication, marking, maintenance, reconditioning, repair, testing, or distribution of packages or containers for use in the transportation of hazardous materials in interstate and foreign commerce; or

"(2) the transportation or shipment of hazardous materials in interstate and foreign commerce.

Any such officer, employee, or agent shall, upon request, display proper credentials.

"(e)(1) Whoever violates any regulation issued under subsection (c)(1) of this section shall be subject to a civil penalty of not more than $10,000 for each violation.

"(2) Whoever violates any regulation issued under subsection (c)(2) of this section shall be subject to a civil penalty of not more than $2,000 for each violation. If the violation is a continuing one, each day of violation constitutes a separate offense.

"(3) Such civil penalty may be recovered in an action brought by the Attorney General on behalf of the United States in the district court of the United States having jurisdiction in the locality where the violation occurred or, prior to referral to the Attorney General, such civil penalty may be compromised by the Secretary. The amount of penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owing by the United States to the person charged. All penalties collected under this subsection shall be covered into the Treasury as miscellaneous receipts.

"(f) The United States district courts shall have jurisdiction, subject to rules 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of regulations issued under this subsection, upon petition by the appropriate United States attorney or the Attorney General on behalf of the United States.".

(b)(1) The first sentence of section 901 (a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)(1)), relating to civil penalties, is amended by inserting immediately before the period at the end thereof the following: ", except that, if the violation is of a rule, regulation, or order relating to the transportation of hazardous materials, the penalty may not exceed $2,000 for each violation.".

(2) Section 902(h) of such Act (49 U.S.C. 1472(h)), relating to criminal penalties in connection with transportation of hazardous materials, is amended by striking out "$1,000 and inserting in lieu thereof "$2,000".

(c) Section 6(c)(1) of the Department of Transportation Act (49 U.S.C. 1655(c)(1)) is amended by inserting "(other than those authorizing the Secretary to issue regulations relating to the transportation, packaging, marking, or description of hazardous materials)" immediately after "aviation safety".

(d)(1) Subparagraph (A) of section 6(f)(3) of the Department of Transportation Act (49 U.S.C. 1655(f)(3)) is amended by striking out the period at the end of such subparagraph and inserting in lieu thereof the following: "(other than subsection (e)(4)). The Secretary shall delegate to the Federal Railroad Administrator all functions, powers and duties of the Secretary with respect to the enforcement of regulations pertaining to the transportation of explosives and other dangerous articles; and may delegate to such Administrator such other functions, powers, and duties of the Secretary pertaining to the transportation of explosives and other dangerous articles as the Secretary may deem appropriate.".

(2) Subparagraph (B) of section 6(f)(3) of the Department of Transportation Act (49 U.S.C. 1655(f)(3)) is amended by striking out the period at the end of such subparagraph and inserting in lieu thereof the following: "(other than subsection (e)(4)). The Secretary shall delegate to the Federal Highway Administrator all functions, powers, and duties of the Secretary with respect to the enforcement of regulations pertaining to the transportation of explosives and other dangerous articles; and may delegate to such Administrator such other functions, powers, and duties of the Secretary pertaining to the transportation of explosives and other dangerous articles as the Secretary may deem appropriate.".

(c)(1) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges issued, made, granted, or allowed to become effective under any provision of law amended by this section which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(2) The provisions of this section (including any amendment made by this section) shall not affect any proceedings relating to functions vested in the Secretary by this section (including any amendment made by this section) pending at the time this section takes effect. Orders shall be issued in those proceedings, appeals taken therefrom, and payments made pursuant to those orders, as if this section (including any amendment made by this section) had not been enacted. Orders issued in those proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary, a court of competent jurisdiction or by operation of law.

(3) Except as otherwise provided in this paragraph—

(A) the provisions of this section (including any amendment made by this section) shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section (including any amendment made by this section) had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any agency shall abate by reason of the enactment of this section (including any amendment made by this section). No cause of action by or against any agency, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this section (including any amendment made by this section). Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official or agency as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time on its own motion or that of any party, enter an order which will give effect to the provisions of this paragraph. If before the date on which this section takes effect, any agency or officer thereof in his official capacity is a party to a suit, the suit shall be continued by the Secretary.

SEC. 6. The Secretary of Transportation shall, as soon as practicable after the date of enactment of this Act, issue regulations governing the rail transportation of explosives (classified as Explosives A) requiring—

(1) the use of railroad cars with roller bearing and with either composition brakeshoes or spark shields;

(2) the placement of such spacer cars not containing hazardous materials (as designated by the Secretary) between cars containing such explosives en route between origin and destination in rail transportation service, or the establishment of reasonable linear distance between locations of such explosives in other reasonable ways, the Secretary finds to be necessary or prudent; and

(3) inspection of railroad car selection, and of the loading of each such car, to be used in the rail transportation of explosives and the periodic inspection of each such car en route between origin and destination in rail transportation service.

The Secretary may, in his discretion, suspend, in whole or in part, the application of any regulation issued under this section whenever he finds that conditions of national necessity so warrant.

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The CHAIRMAN. If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ANNUNZIO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15223) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes, pursuant to House Resolution 1187, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

TIGHT MONEY POLICY OF NIXON ADMINISTRATION CRITICIZED

(Mr. BARRETT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BARRETT. Mr. Speaker, in yesterday's issue of the New York Times, John R. Bunting, the chairman of the board of the First Pennsylvania Bank of Philadelphia, presented a very thoughtful article suggesting alternatives to the tight money, high interest rate policy of the Nixon administration. Mr. Bunting rightfully disposes of the oldtime Republican monetary policy of tight money, high interest rates, and balanced budgets as, "that oldtime religion." He points out that this easy answer to our current inflation is attractive and perhaps easy to administer and more important understandable by many of the public.

This oldtime Republican policy, Mr. Bunting charges, ignores our changed structure of the economic system. What must be done, it is suggested, is to transfer resources from the consumer sector to the producer sector of our economy over the next 2½ years. Mr. Bunting states:

> Energy limitations and other constraints on growth make it essential that the means of production go where they are most needed.

What is most needed now is more savings by the consumers and more spending in the right places by producers.

The major source of savings in this country today is the average income wage earner. Mr. Bunting suggests that this person be encouraged to save by making his interest tax exempt on the regular savings accounts and on certificates of depits of up to $20,000 at the commercial banks. Higher income taxpayers, those earning over $40,000, could be encouraged to save 10 percent of their income a year for the next 3 years.

Finally, Mr. Bunting forcefully argues for the need to channel credit into our paralyzed housing industry. This could be done by permitting banks to receive reserve credit for certain types of lending to certain types of builders, and certain other needs, such as financing new energy sources or mass transit.

Mr. Speaker, I commend Mr. Bunting's analysis to the Members for their consideration:

[From the New York Times, June 23, 1974]

Tight Money Is Not Enough: New Approaches Urged for a Slow-Growth Era

(By John R. Bunting)

There is a growing realization that the 4 per cent growth rate to which the United States has become accustomed is going to have to be slashed to an average 2 or 2.5 per cent for this year and the two following years.

Such a low level of real economic growth is necessary because we have moved from an economy propelled by abundant and cheap energy to one constrained by scarce and expensive fuel supplies.

Also, faster growth—at the 4 per cent rate—would probably involve a continuation of the present double-digit inflation rates. Only slowed consumer demand can relieve the pressure of strained capacity in many of the nation's big basic industries.

The question then comes to be how to slow economic increases in the most equitable way possible and in concert with the emerging energy realities.

At present, there seems to be just one answer on the table. Chairman Arthur F. Burns, of the Federal Reserve Board, with some help from William E. Simon, Secretary of the Treasury, is going to lead us back to the practice of "that old time religion"—tight money, high interest rates and perhaps even a balanced Federal budget.

The attractiveness of such a policy is enormous. It is simple, impersonal, easy to administer and understandable.

I envy those who sincerely believe it can work.

The plan ignores the changed structure of our economic system; is oblivious to the social consequences of its adoption, and does not bring about a solution to the real problem that confronts us.

What we have to do while slowing growth is to continue to transfer resources, on a relative basis at least, from the consumer sector to the producer sector of our economy over the next two and a half years.

Energy limitations and other constraints on growth make it essential that the means of production go where they are most needed. We have to invest in new equipment that utilizes energy more efficiently (new small cars, energy-efficient machinery), and we should shift to new energy sources or more development of existing sources (conversion to coal, new mines, gasification plants, drilling rigs and pipes). Financing, therefore, has to be channeled to the most productive uses.

Such a situation begs for a more selective approach. Policies have to be developed which cope with inflation by insuring that there is a sufficient supply of the materials that feed the industrial machine. This will occur only if growth is provided to those uses which give us the maximum benefit from our limited resources, at the expense of other users of credit whose activities can be delayed.

Although this requires that policy makers have to start making hard decisions about resource allocation, surely that is preferable to slowing everything indiscriminately and thereby postponing needed adjustments to the new energy realities.

Specifically, we need more savings by consumers and more spending in the right places by producers. Saving is prerequisite to investment.

The major source of savings in America is the average-income earner. He could be encouraged by making interest tax exempt on regular savings accounts and on retail certificates of deposit up to $20,000 at commercial banks, mutual savings banks and savings and loan associations.

Higher-income taxpayers—perhaps with annual earnings of $40,000 and over—could be encouraged to save 10 per cent a year for the next three years, if this were returned with its original purchasing power intact at the end of that period. The dollar increment required to restore purchasing power would be measured against the Consumer Price Index.

We need to channel credit to areas of greatest need. I am not suggesting some sort of national credit allocation committee. Rather, we should go the route of putting incentives to work. Having increased savings incentives along the lines suggested, we should use the existing system for allocating investment resources to provide incentives to move money where it is most needed.

Just last week some thinking along these lines by the Treasury Department was revealed, although it is anybody's guess how Mr. Simon's ideas for stimulating investment will fare in Congress.

Why not go a step further? Monetary policy should be able to help channel investment, too. Housing is one possibility.

It used to be, only a few years ago, that the problem was low-income housing. Now it is how to induce builders to make homes for middle- to upper-middle-income families as well. Is it too much to suggest selective incentives, or even direct controls, to make credit more accessible for this sort of building?

It seems eminently reasonable that banks should receive reserve credit for certain types of lending—to a certain type of builder or for construction of new capacity in hard-pressed industries such as the providers of new energy sources or mass transit. Reserve debits against lending for essentially speculative or consumption-stimulating projects also could be a possibility.

The net result would be to reduce the cost of credit extended for desired purposes through the stimulus of the profit-incentive system. No new bureaucracy need be created.

The Federal Reserve System once administered a Regulation W, which has not been in effect for over 20 years now. It specified, among other things, the down payment and duration of loans to finance automobiles. A similar regulation, instituted now, could fit loan terms to the kind of car financed—low payments and extended terms for energy-efficient cars, the reverse for gas-guzzlers.

The same kind of thinking could be extended to other kinds of consumer lending, discouraging the sorts of spending we do not need now and encouraging the kinds we do need: less for luxury condominiums, more for basic, energy-efficient housing.

The new reality of the nineteen-seventies is that resources are not unlimited. Generalized monetary restrictiveness is not enough to effect the shift from consumption to investment that we must have. It denies credit indiscriminately, no matter who bleeds.

If someone must bleed, certainly it should not be the industries and entrepreneurs whose contributions we need most.

Indiscriminate credit restrictiveness threatens the enterprise system. It is promoting the socialization of industries—rails, utilities, soon perhaps other transportation and energy suppliers—that had been regarded as bulwarks of the private economy.

It is time to face more creatively the need to slow growth and contain inflation while we add capacity where it will do the most good in view of new limitations on resources we can bring to the task.

THE PROBLEM OF PHYSICIAN DISTRIBUTION

(Mr. CARTER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CARTER. Mr. Speaker, at the present time there are over 366,000 practicing physicians in the United States. Our medical schools are graduating over 12,000 students each year.

The ideal ratio of physicians to the population is estimated to be 1 to 1,000. Since we now have a ratio of 1 to 680, we can see that we actually have an adequate supply of physicians. A significant problem, however, is one of distribution. The tendency over the years has been for physicians to locate in affluent areas amid pleasant surroundings. As a result, our ghetto and rural areas are not adequately supplied with physicians. As the number of physicians has grown, an increasing number have been choosing rural areas. I submit that, if we continue with the present assistance to medical schools, and with our present loan and scholarship plans, in a few years there will be an overflow of physicians into rural and deprived areas. This is occurring today. In my own home county two young physicians have entered into practice as of this year. In the neighboring county of Barren, two or more physicians have located there; and, in Clinton County, two new physicians have entered into the practice of medicine.

I submit, Mr. Speaker, that we should accent this program of supplying physicians to rural and deprived areas by scholarships such as those given under the Berry plan. For the National Health Service Corps, the scholarship amounts to $9,000 per year and requires after graduation, interning, or residency, practice in a rural or deprived area for 1 year for each year of scholarship received.

Mr. Speaker, an alternate method of securing more physicians in rural and deprived areas is to preselect from these areas students who want or who will agree to return to such areas. This can be accomplished at a much smaller cost than the plan submitted by one of my conferees in the House and two Members of the other body which would provide loans of $12,500 per year to all medical students who desired them—and it is estimated that 85 to 90 percent of all medical students would accept this loan—with the qualification that those students serve in the rural or deprived areas on a salary of $25,000 per year, at the end of which time the $50,000 loan would be forgiven. It is my sincere belief, Mr. Speaker, that this cost would be tremendous and inordinately onerous to the taxpayers of this country. It is my feeling that more than 90 percent, I should say in the neighborhood of 98 percent, of our medical students would accept such a magnificent loan and this would cost our taxpayers $2.744 billion each year.

In summation, more than likely, pursuing our present program we will be able to supply physicians to rural and deprived areas, and if we wish to go further by giving incentives to the National Health Service Corps and a modest number of medical students under a plan similar to the Berry plan, we can accomplish our purposes in seeing that every American has access to a physician without other unnecessary and enormous expenditures.

FREEDOM OF INFORMATION ACT AMENDMENTS OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, secrecy in a democracy can never be better than a necessary evil. Ours is an open society, and our foreign policies can never succeed for long if they lack public understanding. There is no inherent virtue in secrecy, and much danger. Danger posed not alone in the hiding of bureaucratic incompetence, inefficiency, or administrative error, but more ominously, secrecy threatens the very foundations of our constitutional democracy when it becomes a cult and addiction of those in high office. It deafens leaders to dissenting opinions voiced by those who lack access to secret information and is used to exclude dissenters from critical policy debates.

Therefore, I am today introducing legislation designed to change our present security classification system, one "rooted in outdated concepts, doctrines, and methods," and institute one rooted in the belief that openness is right, and secrecy when clearly vital, is indeed a necessary evil.

Recent events provide us with a natural pause to collect our criticisms of the past and present uses, abuses, and problems of secrecy in government, and translate them into a hard-hitting reform effort. The impetus provided by these abuses and practices should inspire us to action, and I hope there will be a united effort to achieve this reform.

Though the origins of the present security classification system can be traced back before World War I, the present Executive Order 11652 now controlling classification and declassification of national security information, was fathered in 1940 by President Franklin D. Roosevelt. President Roosevelt was the first President to make use of an Executive order to establish an executive classification system. Presidents Truman, Eisenhower, Kennedy, and Nixon, apparently relying primarily on implied constitutional powers of the office and selected statutes, either issued their own Executive orders or amended existing ones to suit their views of how a security classification system should be conducted. However, the mere de facto operation of this executive security classification system is not evidence of its wisdom nor does it bestow a de jure basis for such an executive system.

One of the notions associated with governmental secrecy has been the idea that administrative regulation of secrecy practices within the executive branch is uniquely the concern of the Executive. This proposition has never been substantiated and as the May 22, 1973, report on "Executive Classification of Information," by the House Committee on Government Operations, pointed out on page 11:

> The extent of the President's constitutional power to control the disclosure by persons in the executive branch of Government and to withhold information from the Congress and the public has long been in controversy and has never been fully settled.

In fact, in view of the constitutional duties resting on Congress to provide for the common defense, it can be persuasively argued that the Congress has not only a right, but a duty to devise a system to control and guide what should and should not be withheld in the national security interest. Congress has never provided a basis in law, with applicable constitutional restrictions, for the President as the Commander in Chief, to control and protect an item or type of information if he determines that public access at a particular time would damage the national defense.

Instead, Congress has permitted this Nation's security classification system to be left entirely to one man—the President. In a time when we are recognizing the implicit dangers of an "imperial Presidency" Congress must reassert its rightful place as an equal branch of Government representing the people, by giving them a say in what type of security classification system they must live under. Congress should meet this obligation by creating a statutorily based security classification system that is tightly controlled, thoroughly inspected, and continually challenged

This legislation proposes just such a system by providing a simple, straightforward and workable alternative to the present discredited security classification system. Senator HATHAWAY has already introduced identical legislation in the Senate and my effort today will complement his current efforts.

Mr. Speaker, there is abundant proof today that the Executive order secrecy system has failed completely to achieve its stated purpose. In the words of the Air Force's former Deputy Assistant for Security and Trade Affairs, the—

> Use of broad national security interests as a basis for secrecy invites people to classify massive volumes of information the disclosure of which would not damage the national defense. This has weakened and discredited the system to the point where significant information is subjected to the same loose handling as unimportant information.

Because of this the bill attempts, in a clear, uncomplicated way to set out a procedure and system that will be effective by first authorizing classification of information in a single category only—"Secret Defense Data." The bill further outlines in both a positive and a negative way what information can legitimately be classified. The bill provides for the automatic declassification of materials after 2 years, although there are mechanisms in the bill for specific deferral of declassification for secret defense data that should remain classified for longer than 2 years.

The bill limits the list of people who may originally classify information as "Secret Defense Data," and will thus insure a final responsibility for overclassification.

And a final major provision of the bill will charge the General Accounting Office with the monitoring of the implementation of this new congressionally authorized system. I am sure my colleagues in the House of Representatives and the public are aware of the tradition of tenacity and veracity GAO has developed over the years in faithfully carrying out assignments from the Congress, and I feel that this is a good, balanced approach. The GAO will be directed to review agency implementing regulations, periodically inquire as to the need for assignment or retention of a secret defense data designation, conduct periodic on-the-job checks, pursue inquiries if needed, and transmit reports of their findings to both the Senate and the House.

This issue is of pressing concern to each Member of Congress, and as we approach our Bicentennial, I trust our commitment to the concept of an open government that opposes all but absolutely necessary secrecy will be no less firm than was our Founding Fathers' commitment.

RAILROAD SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. MCKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, the question of railroad safety enforcement is of particular concern to me as I represent approximately 33,000 commuters who daily ride the Penn Central Railroad into New York.

Because of the rising incidence of rail accidents, deaths, and injuries on the New York-Connecticut commuter lines, the Federal Railroad Administration held hearings in New York on July 28, 1973, to hear testimony and gather evidence. In my statement I discussed various complaints which had come to my attention and which, I believed, warranted investigation. These complaints ranged from the continual elimination of jobs by the Penn Central, shortmanned crews, alienation of operating personnel by mid- and lower-management, poor equipment inspection, improper training of important personnel in key areas involving train movements, lack of track maintenance, to the question of safety on the new Cosmopolitan cars.

This was the first such hearing the FRA had ever held and surely presented that agency with the opportunity to demonstrate their interest, their concern, and their commitment to enforcement of rail safety standards.

However, FRA's disinterest, unconcern, and lack of commitment have been demonstrated by the fact that here it is, almost a year later, and their report on safety conditions on the New York-Connecticut commuter lines has yet to be issued. I am continually told that because this was the first such hearing ever held, the process requires extensive evaluation. But does it really take a year to prepare a report on such an urgent and deteriorating situation?

I was promised the report would be issued last month. That timetable was of paramount importance to Connecticut commuters because our State had an application pending before the Urban Mass Transportation Administration for the purchase of 100 additional commuter cars, cars which many of my constituents fear to ride because of the questions of safety that have been raised repeatedly since the cars first took to the tracks. Prime concern centers on the question of the combustibility of the cars' interiors and safe exiting from the cars in case of emergency. The funding for the purchase of 100 additional cars was approved last week but the commuter fears remain. Are these Cosmopolitan cars safe? Is the Federal Government providing funds for identical cars which the FRA report may deem dangerous?

What order of priorities does the Department of Transportation and the Federal Railroad Administration adhere to? Should not the safety of railroad passengers have the highest priority? How can we attract more of our citizens to rail service if the questions of safety cannot be addressed and fears alleviated?

The Commerce Committee's report on H.R. 15223, Federal Railroad Safety Act authorization, confirms my constituency's belief that the Department's record is "at best, poor," that "the weight of evidence gathered * * * indicated the FRA simply was not living up to either the spirit of the Federal Railroad Safety Act of 1970 nor, in some cases, the letter of the law."

Indeed, the FRA's delay in issuing their report on safety conditions on the New York-Connecticut commuter lines can only reemphasize the committee report conclusion that there is "a conscious effort * * * to deemphasize inspection of rail carriers."

I support the legislation before us today for it again reaffirms Congress commitment to rail safety and earmarks the 1-year authorization funds for specific programs. If the Department fails to change priorities, the committee threatens stronger action in 1975. This legislation should put the Department of Transportation and the Federal Railroad Administration on notice that Congress wants and expects decisive action in the field of railroad safety. The issuance of the long overdue report on railroad safety conditions on the New York-Connecticut commuter lines could well serve as the first indication that DOT and FRA will respond to this congressional mandate.

UDALL PROPOSES ALTERNATIVE TO A THRESHOLD TEST BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

Mr. UDALL. Mr. Speaker, I rise today to discuss for a few minutes a subject which should be a matter of immediate concern to every American citizen. Tomorrow, the President and the Secretary of State leave for the summit conference in Moscow, where among other things, they will be attempting to reach agreement on a new treaty to further limit nuclear testing. All of us should be aware of how much is at stake in these negotiations—they go to the very heart of our future national security.

Over the past weeks and months there have been disturbing indications that the American negotiating team will be working toward an agreement on a so-called threshold treaty rather than on a comprehensive ban of all nuclear testing. This would be a sad, perhaps even a tragic error.

For more than a decade, ever since the signing of the Limited Test Ban Treaty in 1963, the United States has been publicly committed to striving for a complete end to nuclear testing. In 1968, with the signing of the Nuclear Nonproliferation Treaty, we restated our "determination * * * to seek to achieve the discontinuance of all test explosions of nuclear weapons for all time and to continue negotiations to this end."

The single issue which stood in the way of a comprehensive agreement in 1963, was the need for on-site inspections to prevent one nation or the other from from cheating. This problem no longer stands in our way. Since 1963, we have made enormous advances in our ability to monitor explosions from a distance by seismic methods, so much so that experts in the field maintain that our ability to detect Russian nuclear explosions is greater now with seismic detection and no on-site inspections, than it would have been in 1963 with the seven on-site inspections we demanded at that time. And we need not depend solely on seismic methods, for our capabilities in the field of reconnaissance and intelligence gathering by satellite are now of major significance. This is not the place to get into the technicalities: It is enough to say that if we are truly committed to an end to all nuclear testing, there are no important technical barriers between us and the achievement of a safe, and verifiable treaty agreement.

Nor are there strategic barriers; in fact quite the opposite. The major knowledge we can wring from further testing would be how to make nuclear bombs smaller and cheaper, and nothing could be farther from our own interest. We have a huge nuclear stockpile, we are rich and we can afford to build expensive bombs. If we succeed in learning how to make small cheap bombs, or perhaps even thermonuclear bombs without a fission trigger, all we will have succeeded in doing is to put the great equalizer within the reach of every nation—small or large, friend or foe.

Often in the past it has been political rather than strategic or technical barriers that have blocked progress toward nuclear disarmament. Lately, however, there have been several encouraging hints from the Russian Government that they would welcome a gradual elimination of nuclear testing, and seldom in past years has the public climate been more favorable.

Within the last few weeks, we have seen France and China set off atmospheric explosions on the same day, we have had the Indian nuclear test and the Mideast nuclear reactor agreements and, just this morning, heightening our sense of urgency, the announcement that Iran has plans to develop nuclear weapons. Americans and, I think, concerned individuals all over the world who look down the road, are frightened when they see this ever-increasing membership in the nuclear club.

When the Nonproliferation Treaty comes up for review next year, it will be harder than ever for the United States to continue to ask other countries, Brazil, Argentina, India, France, and others, to give up what we will not deny ourselves. The signing of a bilateral Comprehensive Test Ban Treaty this summer would be the most significant step we could take to insure the success of our efforts to halt the spread of nuclear weapons and to strengthen the Nonproliferation Treaty.

If for some reason, we cannot reach agreement on a comprehensive ban, the threshold ban would be a very poor alternative. A threshold treaty would ban testing of bombs above a certain size. The method which would be used to measure the size of an explosion from a distance, is to measure the size of the seismic disturbance caused by that explosion—thus, such a treaty could only ban Russian explosions which caused a reading greater than say 4.5 or 5 on seismographs in the United States. Such an arrangement would be extremely unstable.

The magnitude of the seismic signals produced by an explosion will vary depending on the kind of ground in which the explosion is set off, on the location of the recording machines and on daily variations in the earth's natural seismic activity. The treaty conditions will therefore be extremely hard to agree upon and even harder to monitor and verify.

To avoid some of these problems, the threshold level will probably be set high—high enough to give one country 100 percent accuracy in detecting the other's tests, when what is really at stake is that the potential cheater have 100 percent assurance that he will not be caught cheating. Furthermore, the lesson we learned from the Limited Test Ban Treaty is that the result of a limited ban is simply to divert testing to those areas where it is still permitted. So we can reasonably expect that one result of a high threshold ban would be greater testing at the allowed levels, with each country testing as close as possible to the allowed threshold in order to avoid the possibility that the other side might gain any advantage. In my judgment, a threshold agreement can only lead to international tensions, possible incidents overdisagreements on siesmic readings, and the continued spread of nuclear arms. But perhaps the most serious consequence would be that a new treaty, one which does not provide for an end to all testing, would destroy for a very long time the momentum we now have toward achieving a total test ban. This would be, I think, a most unhappy result for the United States and for the world.

Therefore, Mr. Speaker, I would like to propose today an alternative to the threshold compromise—a simpler, better basis for agreement. The formula I have in mind would be an agreement to limit Russian and American nuclear tests to a certain quota per year, with this number decreasing to zero within a specified number of years, perhaps five. This plan fits in well with Chairman Brezhnev's recent remarks as to what would be acceptable to his government.

It would not be too difficult to reach agreement on the initial allowed quota—we could, for example, choose the average between the current number of Russian and American tests each year.

There are a number of advantages to this plan—let me name just a few. First, of course, the decreasing quota preserves our commitment to, and our momentum towards, a complete test ban. During the 5 years allowed before the quota declines to zero, test series which are now in progress can be completed, and the weapons laboratories can go to work on weapons designs which will eliminate the small existing need for confidence shots. The defense establishments of both countries will be on notice that all testing must end by a certain date, and can plan accordingly. Our negotiating position at the nonproliferation talks will be immeasurably strengthened since we will be formally committed to an end to all testing. Finally, compliance will be clear and easy to monitor—there can be no disputes over seismograph readings or fears that the other side is testing beneath the cover of earthquakes. As a further confidence-building measure, each side could agree to inform the other as to when it intends to set off its tests.

In short, if we cannot achieve a total test ban this summer, the declining quota would be far superior to the threshold plan as a basis for compromise, and I would strongly urge the President to work toward this end.

Finally, Mr. Speaker, I wish to enclose a copy of the letter which I wrote to Secretary Kissinger last week setting forth this proposal.

The letter follows:

House of Representatives,
Washington, D.C., June 20, 1974.

Hon. Henry Kissinger,
The Secretary of State.

Dear Mr. Secretary: I am writing to draw your attention to the advantages of seeking to negotiate with the Soviet Union a quota on the number of underground nuclear tests permitted, which quota would decline over time until no further tests were permitted on each side. This declining quota seems to have many advantages over the threshold test ban now under consideration that would only limit nuclear tests to those unable to produce seismograph signals above a specified size.

The quota test ban seems much simpler to monitor and will produce fewer controversies over compliance than the threshold ban. After all, the threshold ban does not, strictly speaking, restrict explosions to be smaller than a given size. Instead, the detonating power must estimate, under varying conditions, how large a signal will be produced on foreign seismographs. These calculations are unreliable and a small bomb may, from time to time, produce a large signal. In such a case, how could the controversy over compliance be resolved?

The quota system is, by contrast, much simpler. Each power simply counts the *number* of tests of the other and makes no effort to estimate their *size*. (The quota system could also be conjoined with an agreement not to test very large exposions without too much difficulty).

The quota test ban rather than the threshold test ban best lends itself to the eventual complete elimination of nuclear testing. It is easy to imagine an agreement under which the quota permitted ever smaller allotments until, perhaps five years hence, the quota permitted was zero. By contrast, while a threshold agreement could in principle be lowered, testing would not thereby be cut off, since any number of smaller tests would be permitted.

There are, of course, arguments against a complete stoppage of tests. But the fact remains that it has been our settled policy for more than a decade to seek such an agreement. In two treaties, both the Test Ban Treaty and the nonproliferation treaty, we are committed to negotiate "determinedly" toward a complete test ban. The obstacle to be determinedly overcome has always been understood to be inspection. And our ability to inspect, i.e. to detect and identify Soviet nuclear tests, is far better now without on-site inspection than it would have been with the seven on-site inspections we demanded in 1963. Therefore, there seems little reason to refuse to negotiate a complete test ban today.

Underlying this national policy is the strategic assessment that continued nuclear testing, with the possibility of progress in making bombs cheaper and smaller, does not serve well the interest of those major powers like ourselves and the Soviet Union who already have a vast array of bombs. It can only help new nuclear powers who, by their progress, will equalize their power against our own with that great equalizer of this century—the atomic bomb. Why should we pioneer in progress that will eventually spread around the world to our disadvantage, progress that has no strategic significance but only economic importance?

The possibility now arises that many powers, such as India, may move toward building bombs even when the motivation for doing so is weak. Our ability to discourage this trend depends upon a halt to testing. The potential new nuclear powers need not even denounce the inadequacy of a threshold test ban to justify their tests—they can themselves sign the threshold agreement and still continue. Clearly, something more than a threshold is required to maintain our political and moral ability to discourage others from testing. And this discouragement is clearly in our security interest.

I am struck by recent statements of Chairman Leonid Brezhnev which suggest a Soviet willingness to move toward a comprehensive nuclear test ban. These statements also seem rather more consistent with a declining quota than with a threshold. I do hope that the promise of these remarks will be fully explored before the American negotiating positions harden around the threshold.

Finally, I would like to advance a supplementary idea which also lends itself well to the quota test ban. As a confidence building measure, why not have each nuclear power announce to the other each time at which it plans to have its nuclear tests. This will facilitate monitoring of the tests through national means and will make cheating more hazardous.

In general, the Comprehensive Nuclear Test Ban has great long-range importance to U.S. national security. I do hope you will apply your renowned persistence and patience to negotiating some kind of complete test ban at a time when these negotiations seem so hopeful. I would be most interested in receiving the comments of the Executive Branch on this suggestion.

Sincerely,

Morris K. Udall.

FDA AMBIVALENCE ON MANDATORY RECALL AUTHORITY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in response to conclusive studies linking vinyl chloride in hair sprays and other products with cancer of the liver, the Food and Drug Administration, in April of this year, requested a voluntary recall of certain aerosol hair sprays. Following the issuance of this request, I wrote Commissioner Alexander Schmidt of the FDA to elicit the reasons for the administration's reliance on the voluntary recall mechanism as opposed to the mandatory removal of the dangerous products. In his letter of April 18, Mr. Robert Wetherell of the FDA's Office of Legislative Services responded that the Federal Food, Drug, and Cosmetic Act contains no provision authorizing the FDA to require the recall of any product. According to Mr. Wetherell, the only statutory instrument available to the FDA is product seizure—a method the FDA finds objectionable because of the inordinate amount of time required for its implementation. Thus, the removal of harmful products presently depends either upon the goodwill of the producer or the time-consuming method of Government seizure.

As this problem seemed to suggest a legislative initiative to grant mandatory recall authority, I then inquired of the FDA whether the agency would be in any way harmed by that authority. Mr. Wetherell's reply of June 17 so disturbed me that I am placing it in the Record along with our previous correspondence. The letter makes the critical concession that "in some cases, refusal to initiate a recall at FDA's request can be a problem, especially where there is a serious risk to public health."

However, the letter continues:

> In those cases FDA can initiate action to seize the product, prosecute the party, or

obtain an injunction, including mandatory relief which includes a court-ordered recall.

This suggestion bothers me because the FDA admitted in its previous letter that the seizure mechanism is plagued by the excessive amount of time required to complete a seizure action—a problem that is chronic to judicial remedies as well. As Mr. Wetherell notes in his letter of April 18:

> Recall is usually a much more efficient and practical means for reversing the chain of product distribution.

In view of this previous endorsement of the recall tool, Mr. Wetherell's next statement puzzles me. He writes:

> A mandatory recall provision would be considered harmful to the Agency if it is inflexible (e.g. were limited to extreme risks or imminent hazards) or involves cumbersome procedures, and courts are led to believe that the provision is FDA's only authority to deal with recalls.

Mr. Speaker, it is difficult to understand why any of these problems would be inherent to mandatory recall—the mechanism need not be limited to imminent hazards, the FDA admits that recall procedures are less cumbersome than the alternative of seizure, and the FDA certainly could assume the responsibility of informing courts of appropriate alternatives. One would expect a Government agency to desire the availability of those measures it claims to be most efficient in discharging its responsibilities. Mr. Wetherell's listing of weak and purely hypothetical objections to the mandatory recall power shows a curious reluctance by the FDA to enhance its own effectiveness.

On May 15 of this year, I introduced legislation to amend the Federal Food, Drug, and Cosmetic Act to authorize the Secretary of Health, Education, and Welfare to require the recall of any food, drug or cosmetic which presents an "imminent hazard to the public health." Although I believe this bill would improve the FDA as a servant of consumer interests, I am also aware that it employs the language of "imminent hazard" that Mr. Wetherell thinks inflexible. I am more than happy to consider rewriting the bill with more expansive language and will consult the Office of the Legislative Counsel concerning alternatives. In his objection to a recall provision "limited to extreme risks or imminent hazards," Mr. Wetherell is implicitly suggesting a potentially broader application of recall, which I would certainly endorse. But nothing more clearly exposes the FDA's ambivalence toward mandatory recall, for this implicit suggestion of broad recall authority immediately follows Mr. Wetherell's argument that the authority is unnecessary in view of the available alternatives. I do not know what is going on here. I do know that the absence of mandatory recall power would threaten the health and welfare of the consumer and the muddled position of the FDA will not serve to expedite a solution to the problem. I believe the Congress can benefit from the unambiguous guidance of the FDA on this issue. I hope such assistance will be forthcoming.

My correspondence with the FDA follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 4, 1974.

DEAR DR. SCHMIDT: I read with interest the Clairol, Inc. announcement that it was recalling from the nation's store shelves about 100,000 cans of aerosol hair spray, some containing a chemical recently linked to a rare form of liver cancer. It was reported in the press that the cosmetic concern said that the request for a voluntary recall had come from the Food and Drug Administration following reports that at least 10 industrial workers exposed to the chemical, vinyl chloride, had developed angiosarcoma.

While I applaud the voluntary action taken by Clairol, Inc. I am at a loss to understand why the FDA would, in a case where it believes the public safety is endangered, rely on a voluntary action and not insist on a mandatory procedure. I should like to be apprised of how that determination, a voluntary as opposed to a mandatory action, was reached and what the considerations were in making that decision in this particular matter. I should also like to know whether any measures have been taken with respect to any other uses of the vinyl chloride chemical now linked to liver cancer and if so, what those measures are.

Sincerely,
EDWARD I. KOCH,

FOOD AND DRUG ADMINISTRATION,
Rockville, Md., April 18, 1974.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Commissioner Schmidt has asked me to thank you for your letter of April 4, 1974 concerning the Food and Drug Administration's request for a "Voluntary" recall of certain aerosol hair sprays manufactured by Clairol Inc. due to the presence of vinyl chloride monomer (VCM).

We are sending letters to all other manufacturers and major distributors of aerosol cosmetics requesting that they also recall any of their cosmetic products which contain VCM as a propellant.

Reviews by our scientists of the available toxicological and epidemiological data indicated that VCM may be dangerous when exposure is by the inhalation route. Based on these findings we concluded that those aerosol cosmetics which contained VCM as a propellant represented a potential health hazard and therefore should be removed from consumer channels as soon as possible.

The only statutory instrument available to the Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act to get such products out of commerce is seizure. Although seizure is a valuable tool, which does not require any voluntary action on the part of the manufacturer, it does have major limitations. The most significant of these limitations is the time required to implement a seizure action. This time-delay is compounded severalfold in situations, such as this, where numerous lots of products have been distributed nationwide. A separate seizure action against each lot of goods in each different locale would be necessary. Much of the defective products would be further dispersed before they could be located by the Food and Drug Administration and seizure implemented.

Recall is usually a much more efficient and practical means for reversing the chain of product distribution. The recalling firm usually has readily available all data with respect to quantity of products manufactured and/or distributed, names and addresses of customers and other pertinent identifying information. A notification to customers to return any defective merchandise can therefore be accomplished in a minimum of time. Recall is especially preferable to seizure in situations where potentially hazardous products are involved and speed in retrieval is all important.

We must point out however that the Federal Food, Drug, and Cosmetic Act contains no provisions which authorize this Agency to require or insist that a manufacturer or distributor recall any products.

Due to the nature of the hazard involved with these aerosol cosmetics, we felt that recall was the most appropriate means of assuring a rapid removal of these products from the market.

Clairol Inc. initiated this recall only after we advised them to do so. We were prepared to issue public warnings and institute seizure actions if the firm had not responded favorably to our request for recall.

We hope these comments are helpful to you in assessing the merits of our decision in this instance to request that these aerosol cosmetics be recalled.

Please let us know if we can be of any further assistance.

Sincerely yours,
ROBERT C. WETHERELL,
Acting Director, Office of Legislative Services.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 29, 1974.

ROBERT C. WETHERELL,
Acting Director, Office of Legislative Services, Food and Drug Administration, Rockville, Md.

DEAR MR. WETHERELL: I have your letter of May 23 and would appreciate knowing whether giving you mandatory recall authority in addition to whatever other authority is provided you in S. 3012 and H.R. 12847 would in any way be harmful to your Agency.

Sincerely,
EDWARD I. KOCH.

FOOD AND DRUG ADMINISTRATION,
Rockville, Md., June 17, 1974.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your May 29 letter asking whether the Food and Drug Administration (FDA) would consider it in any way harmful to the Agency to have mandatory recall authority.

As you know, the Department of Health, Education, and Welfare has sent to Congress a bill, introduced as H.R. 12847, to correct the major deficiencies in FDA's regulatory authority—inability to inspect records, order recordkeeping and reporting, subpoena evidence, and order temporary product detention. In the Department's consideration of this legislation, we explored the idea of including a mandatory recall provision but decided this did not really address the most serious problems involved in recalls—lack of industry procedures to trace products and remove them from the market and excessive demands on FDA investigative resources to monitor recalls (which has, in some cases, involved FDA taking over recalls because of poor company performance). FDA has revised its recall procedures to reduce these problems and is presently considering whether changes in FDA's regulations, such as the regulations prescribing current good manufacturing practice for the food industry, would help us to better deal with problems associated with recalls such as lack of adequate recordkeeping, product coding, etc. H.R. 12847 will enable FDA to require that firms notify us of recalls they have undertaken and of any discovery of products which violate the law.

In some cases, refusal to initiate a recall at FDA's request can be a problem, especially where there is a serious risk to public health. However, in these cases FDA can initiate action to seize the product, prosecute the party, or obtain an injunction, including mandatory relief which includes a court-ordered recall. A mandatory recall provision would be considered harmful to the Agency if it is inflexible (e.g., were limited to extreme risks or imminent hazards) or involves cumbersome procedures, and courts are led to believe that the provision is FDA'S only authority to deal with recalls.

We hope this information is helpful. If we can be of any further assistance, please let us know.

Sincerely yours,
Robert C. Wetherell,
Acting Director,
Office of Legislative Services.

PERSONAL STATEMENT

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record.)

Mr. HANLEY. Mr. Speaker, on Friday, June 21, it became necessary for me to leave the floor of the House in the midst of the consideration of H.R. 15472, the agricultural-environmental and consumer protection appropriations bill. I thus missed several votes. I was required to travel to my congressional district to meet a long-standing obligation to speak to the graduates of Henninger High School.

Rollcall No. 315. An amendment which sought to delete from the bil certain language aimed at preventing employees of the Federal Trade Commission from leaking confidential information gathered in the course of FTC investigations involving business information. I would have opposed the amendment.

Rollcall No. 316. The amendment to deny food stamp eligibility to striking workers. This is a perennial amendment in the House, and consistent with my past votes on the issue, I would have opposed the amendment.

Rollcall No. 317. An amendment to prohibit food stamp eligibility for college students who are claimed as dependents, for Federal income tax payments, by their parents. I would have supported the amendment.

Rollcall No. 318. An amendment to add $7 million to the bill for grants to rural fire departments. I would have supported this amendment.

Rollcall No. 319. Final passage of the bill. Had I been present, I would have voted in favor of the bill.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. McSpadden (at the request of Mr. O'Neill), for today, on account of illness in family.

Mr. Kyros (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Shoup) to revise and extend their remarks and include extraneous material:)

Mr. Steelman, for 5 minutes, today.

Mr. McKinney, for 5 minutes, today.

(The following Members (at the request of Mr. Davis of South Carolina) to revise and extend their remarks and include extraneous material:)

Mr. Udall, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Ms. Abzug, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Gross in one instance.

(The following Members (at the request of Mr. Shoup) and to include extraneous material:)

Mr. Heinz.

Mr. Brown of Michigan.

Mr. Shuster.

Mr. Frenzel.

Mr. Wydler.

(The following Members (at the request of Mr. Davis of South Carolina) and to include extraneous material:)

Mr. Annunzio in six instances.

Mr. Hamilton.

Mr. Vander Veen in two instances.

Mr. Fisher in three instances.

Mr. Byron in 10 instances.

Mr. Carey of New York in two instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Kastenmeier.

Mr. Rangel in 15 instances.

Mr. Ichord.

Mr. Bolling.

Mr. Dorn in five instances.

Mr. Metcalfe.

Mr. Pickle in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3389. An act to amend the Act entitled "An act to incorporate the American University", approved February 24, 1893; to the Committee on the District of Columbia.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on June 21, 1974, present to the President, for his approval, a bill of the House of the following title:

H.R. 13839. An act to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

ADJOURNMENT

Mr. DAVIS of South Carolina. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 52 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 25, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2481. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92–403; to the Committee on Foreign Affairs.

2482. A letter from the Acting Secretary of the Interior, transmitting the annual report on the activities of, expenditures by, and donations to the Charles R. Robertson Lignite Research Laboratory, Grand Forks, N. Dak., covering calendar year 1973, pursuant to 62 Stat. 85; to the Committee on Interior and Insular Affairs.

2483. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket Nos. 342–B and 342–C, *the Seneca Nation of Indians, Plaintiff,* v. *the United States of America, Defendant;* and docket No. 368, *the Tonawanda Band of Seneca Indians, Plaintiff* v. *the United States of America, Defendant,* pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2484. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 342–F, *the Seneca Nation of Indians, Plaintiff, v. the United States of America, Defendant,* pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2485. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 342–I, *the Seneca Nation of Indians, Plaintiff,* v. *the United States of America, Defendant,* pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

2486. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication, "Statistics of Privately Owned Electric Utilities in the United States, 1972"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLOOD: Committee on Appropriations. H.R. 15580. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes, (Rept No. 93–1140). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations. H.R. 15581. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes. (Rept. No. 93–1141). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARRINGTON (for himself, and Mrs. Heckler of Massachusetts):

H.R. 15573. A bill to improve the extended unemployment compensation program; to the Committee on Ways and Means.

By Mr. ICHORD (for himself, and Mr. LATTA):

H.R. 15574. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian and Soviet chrome; to the Committee on Foreign Affairs.

By Mr. QUILLEN:

H.R. 15575. A bill to amend section 103(c) of the Internal Revenue Code of 1954 to increase the exemption from the industrial development bond provisions for certain small issues; to the Committee on Ways and Means.

By Mr. RUNNELS:

H.R. 15576. A bill to declare that certain land of the United States is held by the United States in trust for the Pueblo of Lagun; to the Committee on Interior and Insular Affairs.

By Mr. STEELMAN:

H.R. 15577. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for the classification of information, and for other purposes; to the Committee on Government Operations.

By Mr. STEPHENS (for himself, Mr. MITCHELL of Maryland, Mr. GONZALEZ, Mr. GETTYS, Mr. ANNUNZIO, Mr. HANLEY, Mr. COTTER, Mr. J. WILLIAM STANTON, Mr. WILLIAMS, Mrs. HECKLER of Massachusetts, Mr. BURGENER, and Mr. RONCALLO of New York):

H.R. 15578. A bill to amend the Small Business Act, the Small Business Investment Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. FLOOD:

H.R. 15580. A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. NATCHER:

H.R. 15581. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

503. By the SPEAKER: Memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to protection of the fishing industry; to the Committee on Merchant Marine and Fisheries.

504. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to taxation of the retirement income of elderly citizens; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. CONTE introduced a bill (H.R. 15579) for the relief of Mrs. Louise G. Whalen, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

451. The SPEAKER presented a petition of Bill Brown, Washington, D.C., relative to redress of grievances, which was referred to the Committee on the District of Columbia.

SENATE—*Monday, June 24, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we lift our hearts to Thee in thanksgiving for another day in which to live and work and serve this Nation. Give us joyous hearts, keen minds, and resolute wills.

We thank Thee for the goodly company of those who minister to our souls by speaking, writing, or praying. We thank Thee for those who minister to daily necessities of food, shelter, clothing, and for those who service our homes and offices, supplementing and sustaining our endeavors.

Here, wilt Thou accept the work of our minds and hands as an offering to Thee for the well-being of the Nation and the advancement of Thy kingdom?

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 24, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NUNN thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 1376. An act for the relief of J. B. Riddle; and

H.R. 15124. An act to amend Public Law 93-233 to extend for an additional 12 months (until July 1, 1975) the eligibility of supplemental security income recipients for food stamps.

HOUSE BILL REFERRED

The bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, June 21, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RETIREMENT OF CERTAIN LAW ENFORCEMENT AND FIREFIGHTER PERSONNEL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 919, H.R. 9281.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

H.R. 9281, to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighting personnel, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with amendments on page 2, at the beginning of line 6, strike out "sections" and insert in lieu thereof "section".

On page 2, beginning with line 23, strike out "amended by adding at the end thereof the following:" and insert in lieu thereof the following language:

amended—

(1) by striking out "and" at the end of paragraph (18);

(2) by striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following:

On page 4, in line 12, after "or" strike out "rehabilitation." and insert "rehabilitation; and,".

On page 5, after line 2, strike out "1973" in the two places it appears and insert "1974" in each place.

On page 5, in line 5, strike out "thereof." and insert "thereof:".

On page 5, at the end of line 9, strike out "fifty-five" and insert "55".

On page 5, in line 10, strike out "twenty" and insert "20".

On page 5, in line 14, strike out "sixty" and insert "60".

On page 5, in line 16, strike out "sixty" and insert "60".

On page 6, in line 2, strike out "sixty-day" and insert "60-day".

On page 6, in line 6, strike out "fifty" and insert "50".

On page 6, in line 7, strike out "twenty" and insert "20".

On page 6, in line 9, strike out "twenty" and insert "20".

On page 6, in line 14, strike out "per centum" and insert "percent".

On page 6, in line 16, strike out "twenty" and insert "20".

On page 6, in line 17, strike out "per centum" and insert "percent".

On page 6, at the end of line 18, strike out "twenty" and insert "20".

And on page 7, in line 3, strike out "1977" and insert L"1978", so as to make the bill read.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

A GOOD SUGGESTION BY THE CHAPLAIN

Mr. HUGH SCOTT. Mr. President, in his prayer this morning, the Chaplain included a solicitation to the Almighty "for those who service our homes * * *."

Maybe that is the only way to do it. I have been waiting a long time for someone to fix the icemaker and a longer time for someone to paint the house.

I have tried everything short of prayer. I am, therefore, very thankful to the Chaplain for his suggestion.

LEAKS FROM THE SENATE WATERGATE COMMITTEE

Mr. HUGH SCOTT. Mr. President, there are only 7 days left for leaks from the Watergate Committee. I have the highest regard for all members of that committee. I voted to create it. I voted to support it. I have not waivered in my belief that it has been doing a proper and useful job.

I am sure that most members of the staff are vigilant and of high character. Perhaps some would expect praise for their extraordinary zeal far beyond the call of duty in the activities which they have engaged in of preparing, one presumes, not only a report for the committee to issue, but also a whole lot of other reports which probably would not have seen the light of day except for the fact that some members of the staff seem to be serving as couriers for journalists.

That is certainly an exercise in excessive zeal. One wonders what is served by the preparation of reports which are not going to be made as well as reports that will be made, unless it is to express the frustration of the staff that in some areas they have found no evidence and the best way to cure that, in their minds, evidently, is to assure the existence of evidence, writing it up in the form of innuendos, inferences, and implications, and without the benefit of cross-examination or confrontation, and without the benefit of any means of proving or disproving what they say, and then to wheel them out in bucketfuls and dump it on the public consciousness.

This is a regrettable tendency, which has existed in the committee in the other body as well. It certainly is no way to run a railroad or to run a Congress.

I do not suppose anything we say will stop it, but I think those members of that staff who are engaging in the same practice for which Mr. Colson pled guilty to a felony should be more careful. They should watch themselves, because if it is a felony to issue derogatory, pejorative, or abusive allegations against a person under indictment, it is also a felony for others to do it.

I would not want to see any members of the Senate staff make themselves liable for criminal action by doing exactly the thing which these same people, in an excess of piety, might deplore in Mr. Colson.

So I do not suppose there is any way to put a rein on these people, since there seems to be no effort being made in that direction. But we should mention that it is deplorable. It should not happen. It should not happen, because it demeans the Senate, it demeans the committee, and it demeans the cause of fair play and justice.

I know that the Senators on this committee do certainly, privately, deplore this kind of action, and some of them have so indicated.

I would think that the staff would have some loyalty to the excellent Senators who have done a very able job. If they do not, there seems to be no cure for it. I suppose we will have to endure the next 7 days of unauthorized and unprovable charges dished out by the same people whose sense of responsibility leaves a great deal to be desired.

CONFERENCE OF COMMITTEE ON DISARMAMENT — APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Nunn). The Chair, on behalf of the Vice President, appoints the Senator from Tennessee (Mr. Brock) to attend the Conference of Committee on Disarmament, to be held in Geneva, Switzerland, beginning on July 2, 1974.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous, the distinguished Senator from West Virginia (Mr. Robert C. Byrd) is now recognized for not to exceed 15 minutes.

ORDER FOR RECOGNITION OF SENTORS HARRY F. BYRD, JR. AND BUCKLEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on tomorrow, after the orders for the recognition of Senators previously entered have been fulfilled, that the distinguished senior Senator from Virginia (Mr. Harry F. Byrd, Jr.) and the distinguished junior Senator from New York (Mr. Buckley) be recognized, each for not to exceed 15 minutes, and in that order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of Senators on tomorrow, under the orders previously entered, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE HELICOPTER GIFT

Mr. ROBERT C. BYRD. Mr. President, I am disturbed by the news reports over the weekend that President Nixon made a "gift" of a two-million-dollar U.S. military helicopter to President Anwar Sadat of Egypt on his recent trip to the Middle East. The White House, I understand, has confirmed the story.

The question that comes immediately to mind is the obvious one: Was this helicopter, assigned by the military to Mr. Nixon, his to give away to the head of a foreign government? By what authority did the President act?

With inflation continuing to eat away the purchasing power of the U.S. dollar, American wage earners will not take kindly to such cavalier use of their tax payments. Two million dollars, in the context of multi-billion-dollar Federal spending, may not sound like much money to some people; but it represents the Federal income taxes paid by a considerable number of middle income U.S. wage earners.

The practice of foreign relations is at best a delicate art; and it occurs to me, moreover, that efforts to purchase friendship in such a manner are questionable on their face.

Against the backdrop of more important international events and more distressing domestic developments, the giving away of one U.S. helicopter may not in actual fact be too significant. But it is symptomatic of a proprietary concept of the American Presidency that is at variance with the view of most Americans that it should be a trusteeship.

Lavish and uncalled for gifts by any American President to the heads of state of other countries, I am sure, will be frowned upon by the people of this country, to whom a President is ultimately responsible. Such action by Mr. Nixon at this time seems to me to constitute another lapse in good judgment.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I will be glad to yield my time to any Senator, or yield it back.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas (Mr. TOWER) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I am authorized to yield back the time of the distinguished Senator from Texas (Mr. TOWER).

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, of not to exceed 30 minutes, with statements therein limited to 5 minutes.

THE COURAGE AND ENDURANCE OF SENATOR JOHN STENNIS

Mr. HARRY F. BYRD, JR. Mr. President, the Washington Post on Sunday, June 23, published an excellent profile on the distinguished Senator from Mississippi (Mr. STENNIS). This profile was written by Spencer Rich, of the Washington Post, who is not only a highly experienced reporter, but, in my judgment, is an able and objective reporter as well.

The headline on the article is "The Courage and Endurance of Senator JOHN STENNIS."

The article points out the fact that Senator STENNIS, in a grueling 7-day debate, was on his feet for many hours at a time, and indeed he was.

Mr. President, as one who sits almost side by side with the Senator, I watched him during that period with great admiration. Senator STENNIS, less than 18 months ago, was sent to the hospital because of two bullets having been fired into him by holdup men in the District of Columbia.

It was through his own great courage and his own physical stamina, along with the spirit which was given to him by our good Lord, that he was able to come through this ordeal and to resume his duties in the Senate.

As the article published yesterday in the Washington Post points out, few Members of this body would be able to assume the difficult assignment that Senator STENNIS undertook in handling the Military Procurement bill. It was indeed an act of courage and endurance in which he was ably assisted by the ranking Republican on the committee, Mr. THURMOND.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, I had intended to put this excellent article into the RECORD myself.

I wish to associate myself with the remarks of the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and to compliment Mr. Spencer Rich on the competent way in which he wrote this article. It indeed shows what a tremendous job, a superb job, the Senator from Mississippi (Mr. STENNIS) did, as indeed was also done by the ranking member of the committee, the Senator from South Carolina (Mr. THURMOND).

This bill was handled with a great deal of skill and expertise.

We are delighted that Senator STENNIS has returned to good health and that his stamina enabled him to do this extremely difficult job.

Mr. President, I thank the Senator for yielding.

Mr. HARRY F. BYRD, JR. Mr. President, I thank the Senator from Pennsylvania, the Republican leader.

I ask unanimous consent, on behalf of the Senator from Virginia and the Senator from Pennsylvania, that the text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COURAGE AND ENDURANCE OF SENATOR JOHN STENNIS

(By Spencer Rich)

When Senator John Stennis (D-Miss.), the powerful 73-year-old chairman of the Armed Services Committee, walked off the Senate floor June 11, it marked the latest high point of a long and celebrated career in public life.

Stennis, in a grueling seven-day debate in which he was sometimes on his feet for hours at a time, had just shepherded to passage the $21.9 billion military procurement bill. With his tremendous, booming voice, his restless leonine pacing, his uncanny capacity to capture the attention of every member of the Senate whenever he rises to speak in his rich Mississippi drawl, Stennis dominated the debate and won all the major votes.

The procurement measure was the first major bill on which he has acted as floor manager since January, 1973, and it demonstrated an amazing physical comeback for the Mississippi Democrat, who once again is spending his afternoons working out on wall-weights and calisthenics in the Senate gymnasium.

Just 17 months ago, on Jan. 30, 1973, Stennis was shot twice in the late-night holdup as he got out of his automobile in front of his Northwest Washington home. His pancreas, a vital organ, was "slivered," as the doctors at Walter Reed Army Hospital later told him. He lost large quantities of blood and did not fully regain consciousness for weeks. He wondered whether he would ever walk again, let alone come back to the Senate.

His remarkable performance as floor manager on the procurement bill—which would be wearing and exhausting even for a younger man in perfect condition—illustrates that fine medical care, an iron will to recover, religious faith and a powerful physique kept in trim by constant exercise have enabled the Mississippi Democrat to regain much of his old vigor and force.

But there were many moments, especially in the weeks immediately after the shooting, when he suspected he wouldn't make it, he said in a rare interview.

Gazing out the window of a private "hideaway" office in the Capitol's West Wing overlooking the Mall, he said:

"Early on, I thought about dying, and one night I dreamed I saw a newspaper headline, 'Stennis Dies in His Sleep.' When I was coming and going out of consciousness in the early weeks, and very weak, and had been told how seriously ill I was, I fully realized that I might pass away at any time."

Describing the first days after the shooting, he said, "Well, you have fleeting moments of consciousness, but it was two weeks before I had conscious minutes at a time and could actively think . . . Impairment of functions, that was the great question I would think about—impaired mobility. You want to be useful. They kept examining me for signs of paralysis."

The Mississippi Democrat said he hadn't been fully conscious and able to think clearly until three weeks after he was shot.

It was 30 days before he could eat any solid food—"soft eggs, soft boiled," he recalled.

Stennis had been shot once in the leg but "that didn't hit a vital organ or break a bone," he recalled. The serious wound, which at the outset many thought would cost him his life, was "just at the belt-line on the left side. It affected my pancreas, colon and portal vein which supplies blood to the stomach. The vein was almost cut in two."

Stennis had an immediate operation and then two more later, carried out by Col. Robert Muir and Col. Wayne Wilson. Stennis said both had had considerable experience with abdominal gunshot surgery under combat conditions in Vietnam.

In the early days after the operation, while he was still only partially conscious, he was fed entirely on intravenous injections, he said, and the doctors told him that he might not have survived without the powerful muscles in his back, shoulders and legs to take the repeated injections.

Before being shot, Stennis was noted as a physical fit new man. "I used to work out in the gym. I swam, pulled wall weights, used the bicycle exerciser a minimum of four days a week."

He also was an active hunter, frequently shooting quail and other game with Sen. A. Willis Robertson (D-Va.). After Robertson left the Senate, Stennis continued to hunt in the Shenandoah Valley area, and annually he would go to a big September dove hunt in Culpeper, Va., as the chief guest.

Stennis said he didn't go to last September's dove hunt; he was still too weak. But "this year I was quail hunting in Georgia and I could hit them as well as I did any other time. I'm a fair shot."

The gym exercises and the hunting contributed to the physique that withstood the terrible shock of the two gunshot wounds, and he has now gradually resumed those activities. He is up to 170 pounds, about the right weight for his 5 feet, 11-inches.

When he was first shot, he said, "I wasn't in desperation any time but I realized I might pass away any time. I thought in terms of prayer, to better understand my situation. I wouldn't describe myself as religious but I was always a church man, a Presbyterian. I wanted to live in order to be useful."

In the early days when his life hung in the balance, visits and letters from family, friends and aides gave him a terrific psychological boost, Stennis recalled.

"I got more and more will to live. You know, it's easier just to die. I kept wondering, would I be useful?"

Aside from his wife, his son, John, and his daughter, Margaret, and her children, one of his first visitors was his administrative assistant, Bill Creswell. Other early visitors included Sen. James Eastland (D-Miss.), all the congressmen from Mississippi and Senate colleagues like Hugh Scott (R-Pa.), a one-time law-school classmate at the University of Virginia, Democratic Whip Robert C. Byrd (W. Va.), Virginia's Harry F. Byrd (Ind.), Stuart Symington (D-Mo.), Henry M. Jackson (D-Wash.), Mark Hatfield (R-Ore.), Barry M. Goldwater (R-Ariz.), Strom Thurmond (R-S.C.), former Defense Secretary Melvin R. Laird and Chief Justice Warren E. Burger. Many others wrote and called.

"Messages, cards, letters, books—those things tend to build a person up," he said.

Thirty days after the shooting, he took his first solid food. Another week and he began getting up for a few moments. By Mid-March he was able to walk haltingly into an adjoining room.

By April he was starting to believe he could eventually regain his strength. "But I had to relearn to walk," he said. "I did that in the hallway with a metal support."

He started taking business phone calls from aides and other senators, and by late April he was ready for his first foray out of the hospital, a trip to Mississippi for rest and rehabilitation.

It was there, on April 27, that he appeared with President Nixon and made a statement about "toughing it out" which many interpreted as advice to Mr. Nixon to ignore impeachment and Watergate talk and simply ride out the storm.

Although Stennis was reluctant to discuss this, he hinted that the meaning of his statement had been somewhat exaggerated in the press. He said he really had been focusing on the need for a man in public office to have "courage and endurance to tackle problems" and he didn't mean to endorse everything the President was doing and advise him to ignore all criticism. "I was referring to the man's courage and endurance to tackle problems," he said.

After this visit he went back to Walter Reed, occasionally going to his Washington home overnight. On July 30, 1973, he went home for good and started going into his office a few hours once or twice a week.

"In September I came to the senate floor for the first time, but I wasn't able to get much work done. I couldn't stand sustained work and effort."

At this time, Stennis looked thin and pale, barely a shade of his former vigorous self—a fact that elicited much comment among Senate insiders. But he gradually began regaining strength, although Symington still kept command as acting chairman of armed Services.

"It wasn't till I got back here in January that I really got to feeling better," Stennis said. Suddenly his appetite came back. His voice regained strength. His step got the old restless bounce and his face filled out—all changes that were noticeable to colleagues and reporters.

He handled both the hearings and executive sessions on the military procurement bill—the most important military policy bill each year—and made his debut again as a floor power by managing the bill from June 3 to 11.

Now he says he's pretty much back to snuff. "I sleep more than I did. The preparation and debate on military procurement I considered a real test of my strength and endurance.

"I didn't get especially tired during debate—that's where your muscle helps you."

Summing it all up, the closeness to death, the slow recovery over 17 months, the wondering about whether "I'd be able to walk," the regaining of his strength, Stennis rose and looked down at the Mall's broad sweep and said slowly, "I have a feeling life really means more to me now than it did."

Mr. HARRY F. BYRD, JR. Mr. President, the distinguished Senator from Georgia is presiding over the Senate at this time as the Acting President pro tempore. Because of that, he is not able, personally, to associate himself with the remarks just made by the Senator from Virginia and the Senator from Pennsylvania in regard to the Senator from Mississippi (Mr. STENNIS).

On behalf of the Acting President pro tempore, the Senator from Georgia (Mr. NUNN), I ask unanimous consent that he be associated with the remarks just made in regard to Senator STENNIS.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate the following letters, which were referred as indicated:

PROPOSED AMENDMENT TO BUDGET REQUEST FOR THE DEPARTMENT OF STATE (S. Doc. 93-88)

A communication from the President of the United States transmitting an amendment to the budget request for appropriations for the Department of State (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENT TO BUDGET REQUEST FOR THE DEPARTMENT OF JUSTICE (S. Doc. 93-89)

A communication from the President of the United States transmitting an amendment to the budget request for appropriations for the Department of Justice (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENT TO BUDGET REQUEST FOR THE FEDERAL TRADE COMMISSION (S. Doc. 93-90)

A communication from the President of the United States transmitting an amendment to the budget request for appropriations for the Federal Trade Commission (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD, from the Committee on the Judiciary, without amendment:

H.R. 7089. An act for the relief of Michael A. Korhonen (Rept. No. 93-956).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

S. Res. 346. An original resolution authorizing supplemental expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration (Rept. No. 93-957).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 13221. An act to authorize appropriations for the saline water program for fiscal year 1975, and for other purposes (Rept. No. 93-958).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2001. A bill to redesignate the Alamogordo Dam and Reservoir, N. Mex., as Sumner Dam and Lake Sumner, respectively (Rept. No. 93-959).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

Adm. Thomas H. Moorer, U.S. Navy, for appointment to the grade of admiral, when retired.

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report the nomination of Adm. Thomas H. Moorer, U.S. Navy, to be placed on the retired list in the grade of admiral. I ask that his name be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore (Mr. NUNN). Without objection, it is so ordered.

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Gen. Donald V. Bennett, U.S. Army, to be placed on the retired list in that grade; Lt. Gen. James W. Sutherland, Jr., U.S. Army; Lt. Gen. Walter Edward Lotz, Jr., U.S. Army; Lt. Gen. Robert R. Williams, U.S. Army; Lt. Gen. Walter Philip Leber, U.S. Army; and Lt. Gen. Raymond Leroy Shoemaker, U.S. Army, to be placed on the retired list in that grade, and Brig. Gen. William A. Boyson, U.S. Army, to be major general and also appointment to permanent grade of brigadier general; 32 promotions in the Army Reserve and National Guard in the grades of major general and brigadier general; in the Navy, Rear Adm. Pierre N. Charbonnet, Jr., U.S. Navy, for appointment to the grade of vice admiral and 58 in the Navy for permanent promotion to the grade of rear admiral; and, in the Air Force, Gen. Jack J. Catton, Gen. Theodore R. Milton, and Gen. John C. Meyer to be placed on the retired list in the grade of general; Lt. Gen. Louis T. Seith for promotion in the grade of general; Lt. Gen. William V. McBride for promotion to the grade of general; Lt. Gen. Louis L. Wilson, Jr., to the grade of general; Lt. Gen. Durward L. Crow, Lt. Gen. Gordon T. Gould, Jr. to be placed on the retired list in the grade of lieutenant general; and Lt. Gen. George S. Boyland, Jr., to be placed on the retired list in that grade; Maj. Gen. James A. Hill, U.S. Air Force, to be lieutenant general; Maj. Gen. Lee M. Paschall, U.S. Air Force, to the grade of lieutenant general; Maj. Gen. Marion L. Boswell, U.S. Air Force, to be lieutenant general; Maj. Gen. John W. Pauly, U.S. Air Force, to lieutenant general; Maj. Gen. Bryce Poe II, U.S. Air Force, to the grade of lieutenant general, Maj. Gen. Ray B. Sitton, U.S. Air Force, to lieutenant general; Col. Belisario D. J. Flores and Col. Charles L. Sullivan to the grade of brigadier general in the Reserve of the Air Force; and, Philip O'Bryan Montgomery Jr., of Texas, to be member of the Board of Regents of the Uniformed Services University of the Health Sciences for the remainder of term expiring May 1, 1977. I ask that these names be placed on the Executive Calendar.

In addition, there are 348 in the Army Reserve and National Guard for promotion to colonel and lieutenant colonel; in the Navy there are 90 for promotion to chief warrant officer, W-3, and W-4 plus 24 for temporary and permanent promotions in the grade of captain and below and 2 Navy enlisted scientific education program grades for appointment to the grade of second lieutenant in the Marine Corps. Also in the Marine Corps are 294 for temporary appointment to the grade of lieutenant colonel and 148 for temporary appointment to the grade of colonel. In the Air Force, there are 2,006 for promotion to the grade of lieutenant colonel. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be placed on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to be placed on the Secretary's desk were printed in the RECORD of May 28, May 29, June 3, and June 10, 1974.)

SUBMISSION OF A CONFERENCE REPORT ON H.R. 7724, THE NATIONAL RESEARCH ACT (S. REPT. NO. 93-960)

Mr. KENNEDY submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes, which was ordered to be printed.

EXTENSION OF AUTHORITY FOR THE COMMITTEE ON FOREIGN RELATIONS TO FILE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Idaho (Mr. CHURCH), I ask unanimous consent that the deadline for the report from the Foreign Relations Committee under Senate Resolution 174, relating to the U.S. commitment to the Southeast Asia Collective Defense Treaty and Organization, which was agreed to November 2, 1973, be further extended to July 31, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ABOUREZK:

S. 3691. A bill to insure the equitable allocation of supplies of materials and equipment necessary for the exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities. Referred to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3692. A bill to amend section 216(b)(1) of the Merchant Marine Act, 1936. Referred to the Committee on Commerce.

By Mr. MATHIAS:

S. 3693. A bill to amend title 5, United States Code, to provide for grade retention benefits for certain Federal employees whose positions are reduced in grade, and for other purposes. Referred to the Committee on Post Office and Civil Service.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK:

S. 3691. A bill to insure the equitable allocation of supplies of materials and equipment necessary for the exploration, production, refining and required transportation of energy supplies and for the construction and maintenance of energy facilities. Referred to the Committee on Interior and Insular Affairs.

Mr. ABOUREZK. Mr. President. One of the major reasons that oil wells are not being drilled in the United States is the result of a shortage of steel drill pipe and steel oil well casing, an issue which has received scant attention by the Congress.

On April 1, 1974, Mr. Duke Ligon, Assistant Administrator for Policy, Planning, and Regulation of the Federal Energy Office, stated that—

> The general uncertainty as to the availability of tubular goods has apparently already delayed the drilling of some wells which should be drilled now.

Reports have been circulated that large amounts of tubular steel are being stockpiled and hoarded by the major oil companies.

During Dr. John Sawhill's confirmation hearing on June 7, 1974, I asked him if there were not two significant reasons for the tubular steel shortage: "One is the exports of tubular steel to oil producing nations in the Middle East has taken up a lot of production in this country. Second, the major oil companies in the United States have accumulated inventories of tubular steel products far above any amount of inventory they have ever had."

Dr. Sawhill responded saying:

> I think the second reason is really the important one.

When I pressed Dr. Sawhill if he agreed with both statements, he answered:

> Yes. It is this inventory distribution which is really causing the problem now.

In order to deal with crude oil shortages, the Nixon administration has decided that only higher prices will give producers the incentive to drill for more oil. While it is now clear, according to internal Cost of Living Council documents, that some of the administration's price increases on so-called old oil were economically unjustified, the administration has not only refused to roll back the price of oil, but has also refused to seek legislation for the mandatory allocation of tubular steel.

On May 6, the Oil & Gas Journal reported that "the U.S. Export-Import Bank intends to keep on financing exports of drilling rigs and tubular steel in spite of the domestic shortage." Thus, on the one hand the United States is encouraging the exportation of necessary materials already in short supply, while on the other hand the Federal Energy Office refuses to seek mandatory authority to allocate supplies. The only thing that FEO has done is attempt to jawbone steel producers. Yet, the problem does not really lie with the steel producers, since their capacity to expand production is limited.

Therefore, Mr. President, I have prepared legislation which I introduce today giving the Federal Energy Administration the mandatory authority to allocate supplies of tubular steel and other materials. I ask unanimous consent that the text of my bill and some recent newspaper articles be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Energy Materials Allocation Act of 1974".

SECTION 1. Beginning 60 days after the date of enactment of this Act, the Administrator of the Federal Energy Administration shall, by rule or order, require the allocation of, or the performance under, contracts or orders (other than contracts of employment) relating to supplies of materials and equipment, including steel oil well casing and drill pipe, if he makes the findings required by section (3) of this Act.

SEC. 2. Not later than 30 days after the date of enactment of this Act the Administrator shall report to the Congress with respect to the manner in which the authorities contained in section (1) will be administered. This report shall include but not be limited to the manner in which allocations will be made, the procedure for requests and appeals, the criteria for determining priorities as between competing requests, and the office or agency which will administer such authorities.

SEC. 3. The authority granted in this Act may not be used to control the general distribution of any supplies of materials and equipment in the marketplace unless the Administrator finds that—

(a) such supplies are scarce, critical, and essential to maintain or further exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, or

(b) maintenance or furtherance of exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities during the energy shortage cannot reasonably be accomplished without exercising the authority specified in section (1) of this Act, or

(c) competition in exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities will be lessened unless the Administrator exercises the authority granted in section (1) of this Act.

[From the Oil and Gas Journal, May 6, 1974]

EXIMBANK TO FINANCE RIG, PIPE EXPORTS DESPITE U.S. PINCH

The U.S. Export-Import Bank intends to keep on financing exports of drilling rigs and tubular steel in spite of the domestic shortage.

William J. Casey, president and chairman of Eximbank, expressed this intention last week before the House banking subcommittee on international trade.

The bank doesn't want to do anything to weaken domestic energy development, Casey stressed. However, he added, "I believe that denying credit on export sales of this equipment accomplishes very little, if anything. I think it is more likely to injure not only the dominant position we now hold in markets for such equipment but also our interest in expanding the world energy supply and in having enough capacity to produce this equipment to sharply expand exploration at home."

There is already evidence that the Japanese offshore platform builders are expanding. Casey told the subcommittee. A recent listing of contracts for the North Sea area shows Germany abreast and Norway 40% ahead of the U.S. in contracts to build offshore platforms, he said. The U.S. "owned" this market not so long ago.

"If the word gets around that Eximbank financing is not available for this equipment," Casey warned, "American manufacturers may slow down in seeking foreign orders, shift their source of supply to overseas subsidiaries, or even turn to foreign suppliers who governments will provide financing to sell this equipment to American firms building offshore platforms. This could not only cost jobs but it could (also) cut into the competitive edge we now have in finding oil."

Casey said the Soviet Union has "a prime credit rating based on its large gold reserves, over $10 billion at the current market price of gold; its status as the second largest economy in the world; its unblemished record of prompt repayment of its commercial debt established over the years; and the importance to the Soviet foreign economic policy of maintaining that record."

The Soviet Union has given preliminary clearance for $49.5 million in credits, equal to 45% of the cost of the exploration phase of the Yakutsk LNG project in eastern Siberia. Eximbank has been under severe congressional criticism for making loans financing exports to the Soviet Union.

Sen. Richard Schweiker (R-Pa.) has said he will push legislation to block the Soviet LNG deal.

[From the Washington Star-News, May 31, 1974]

EX-IM OIL LOANS DRAWING FIRE

(By John Holusha)

Independent oil producers are complaining bitterly that the nation's Project Independence is being undermined by low-cost government-backed loans for the export of drilling and refining equipment despite shortage at home.

"This is nonsense," one independent promoter snorted. "Here we have this program that's supposed to make us self-sufficient (in energy) but the Export-Import Bank is giving long-term credits at 7 percent to export a flood of pipe and equipment.

"Even if I could get it, I'd have to pay prime rate." The prime bank lending rate is now at a record 11½ percent.

A search of Ex-Im Bank records shows that since last June the bank has made available more than $200 million to finance the export of some $460 million of exploratory, production, transport and refinery materials.

Interestingly, some $340 million of this has been agreed to since the October Arab oil embargo.

Some of the financing arrangements include: Slightly over $6 million for an offshore drilling rig to be used in the Arab emirate of Abu Dhabi. Abu Dhabi is a member of OPEC, the organization that coordinated the cutoff of oil shipments to the United States.

Credits up to $100 million to build an oil pipeline from the Gulf of Suez to Alexandria, Egypt. The line will be owned 50 percent by Egypt, with the remainder shared by Saudi Arabia, Kuwait, Abu Dhabi and Qutera—all OPEC members.

$4 million for drilling rigs to be used by a subsidiary of Ashland Oil Co. in Nigeria.

$49.6 million for desulfurization equipment at a refinery in the Bahama Islands. The plant is owned by Standard Oil of California and New England Petroleum Corp.

Most of these loans were made at a 6 percent interest rate, since the increase to 7 percent did not come until February. Ex-Im Bank usually advances 45 percent of the cost of the equipment to be exported, with a commercial bank advancing a similar amount and the buyer putting 10 percent down. Ex-Im will guarantee the bank loan in some cases.

Although Ex-Im does not receive a regular appropriation from the government, its loans are backed by the full faith and credit of the United States. Moreover, it was initially capitalized by $1 billion from the U.S. Treasury.

There is little question that there is a shortage of oil exploration and production machinery in the United States. The recent tripling of the price of crude oil has touched off a wildcatters' boom.

J. A. Mull Drilling Co. in Wichita, Kan. is a typical explorer.

"I've got 40 locations, including offsets, I could be drilling now. But I've only got two rigs and three strings of casing (the pipe used to line the drilled shaft). It's so bad that we're pulling secondhand casing out of wells in Louisiana that are 35 years old."

Other bottlenecks are in drilling pipe. ("I've been promised only two strings this quarter") and the rigs themselves. ("They said 18 to 24 months was the best delivery they could promise.")

"And, hell, there isn't a pumping unit in the country," he adds.

An aide to the Senate Interior Committee, which has looked into domestic production problems, concurs on the shortage.

"Part of the problems of course, is that anybody who can string two pipes together is out in his back yard trying to punch holes," he said.

But another factor is links between the major oil companies and equipment producers and lenders, he adds. "We hear stories of equipment heading down toward the Gulf. Instead of turning up in the production fields it heads toward the port of Houston and Galveston."

"There is also the issue of whether it is better to use, say, four rigs on 10,000 barrel-a-day wells in the United States or send them to four different countries overseas for 50,000-barrel wells."

The problem of resource allocation, the aide says, "is terribly complex."

The attitude at the Federal Energy Office is similarly divided. A middle-level official said the Ex-Im Bank notifies the FEO of prospective loans for export of petroleum gear. "If it's on the critical list, we tell them we'd rather they didn't finance it."

Does the comment have any impact? "I don't know, we don't follow up."

At the policy making level, the tone is somewhat different.

The independents have "legitimate complaint" when they see badly needed equipment go overseas with the help of the Ex-Im Bank, an aide to policy chief Duke Ligon, concedes.

But the FEO feels "our focus can't be so narrow that we concentrate solely on U.S. production. We can't afford to ignore world supply and the effects on countries like Japan."

Ex-Im Chairman William J. Casey, a former under secretary of State for economic affairs, sees the issue in terms of payments balances and the competitive position of American industry.

"In some types of equipment we have an advantage. If we step out of those markets now, we'd be inviting other countries to step in," he said.

Casey said it could be "counterproductive" to sacrifice these markets now and be frozen out of them in a few years when production of drilling and refining machinery has caught up to demand.

Since the oil companies claim they need large profits to finance exploration, why give them low-cost loans? Casey was asking.

Well, we could sit here and say use your own money," Casey said. "But other countries like Britain, France and Japan support their industries more than we do. Other countries make 5 percent money available."

Casey added that the bank has "been going slow" in financing the export of materials in short supply.

The FEO aide admitted there is somewhat of a conflict between the goal of U.S. self-sufficiency and Ex-Im's role of bolstering payments surpluses through exports.

"Up until now, as you know, we've been too busy putting the fire out.

"Now we're trying to create some unity of approach. We've got to come up with some long-range policies to eliminate the bottlenecks".

STEELMEN SET UP TO AID INDEPENDENTS

(Oil and steel people visit Washington at FEO's request, but they warn that federal intervention would do more harm than good. IPAA wants no current tubular output to be allowed to build up stocks of producers.)

Steel suppliers have begun to set up plans to get more scarce casing and tubing to independent producers to beat the Government to the punch.

The Federal Energy Office called steel and oilmen to Washington last week to prod the industry into action.

No formal program came out of the Apr. 29 meeting, but an FEO spokesman said it seemed to be having the desired results. Before the Washington conference, Jones & Laughlin pledged to boost output in order to make more oil-country goods available to independents with well locations and no steel.

Also, Youngstown promised to increase production 40% for the same reason. FEO said it would check with individual steel producers—notably U.S. Steel—later to see what if anything large firms planned to do. U.S. Steel declined to attend the meeting, out of antitrust caution, but told the Journal it was drawing up its own allocation plan.

Earlier, Lone Star Steel led the way with its voluntary plan allocating casing and tubing to independents who said they were unable to obtain delivery in time to meet current drilling needs.

Steel suppliers wouldn't go along with an idea mentioned by FEO, providing for independent producers to borrow from stocks of majors, repaying them from future deliveries. They urged FEO to let the present system solve the problem, warning that federal intervention would do more harm than good.

FEO disclaimed any authority or desire to set up an allocation system and rejected an independent-producer suggestion for an embargo on exports of oil-country pipe. The agency said it will continue to use jawboning to try to persuade steel suppliers and major oil firms with stocks above current needs to help assure that wells don't go undrilled because independents don't have pipe.

FEO and independent producers say that steel supplies are tight, but that the situation could be eased considerably by redistribution. At the Apr. 29 meeting, Texaco pleaded that pipe not be taken away from companies that had the foresight to plan ahead for expanding drilling programs. Both Texaco and Cities Service said they didn't have enough pipe to meet their own needs.

The presiding FEO official said his agency wasn't prepared to judge whether the problem resulted from stockpiling or from a shortage of steel. Steel suppliers and the Commerce Department agreed that the pipe shortage stemmed from a basic shortage of steel. A Youngstown spokesman cited forecasts projecting a continuation of the shortage through the rest of the decade and warned that environmental rules could even cut steel capacity by 5%.

One distributor questioned the industry's ability to meet projected production of 2.7 million tons of oil-country goods in 1974. More realistic targets were said to be 2.3–2.5 million tons, in view of current output and the fact that one mill is having to rebuild its labor force.

There was much criticism of the efficiency of the current distribution system, compared with the period when producers drew directly from distributor and jobber stocks in the field. Now producers purchase complete pipe needs prior to drilling a well before knowing whether the production string will be needed. This ties up much more pipe than the old system, it was pointed out. One estimate for "inventory demand" was 1.1–1.5 million tons.

The Independent Petroleum Association of America suggested that steel companies ship future production to downstream distributor or jobber points for sale only to operators who will put it into the ground immediately. IPAA urged that no current output be allowed to go to build up the stocks of any producer.

IPAA proposed instead that producers be allowed to reserve pipe needed immediately by paying an inventory charge. If a well turned out to be dry, requiring only the surface casing, the production string could be released to another producer.

H. S. Erskine, of Kewanee Oil Co., Tulsa, also ascribed a good deal of the present shortage to the practice of "end-use inventory" instead of the former down-river yard inventory. He predicts the shortage will continue into 1975.

Robert Mosbacher, Houston independent operator, said the pipe shortage was causing the industry to lose the output of the top 10% of rigs available. He compared average recent rig usage of 1,360 with a top figure of 1,500. Active rigs won't exceed this level, Mosbacher said, regardless of pipe. Long range, he added, rig supply is more critical than pipe.

In the short run, he said, production of oil-country goods much over 2 million tons annually will be academic because rigs won't be available in the next year. He appealed to steel companies and distributors not to sell to companies that have a 60–90 day inventory.

FEO has estimates that 55 more rigs will be produced this year (for both onshore and offshore use), giving a net gain of 25–35, making about 1,800 rigs capable of making hole in the U.S. by year end. Next year, 60 rigs will be turned out, according to figures received by FEO. Using an efficiency factor of 85%, the U.S. will soon be running rigs at the effective capacity rate, an FEO spokesman said.

S. O. Beren, of Misco-United Supply Co., Wichita, Kan., cautioned against the kind of borrow and payback scheme suggested by FEO. He said a recent trade made by his firm involved 20 telephone calls. To adopt this as a system of allocation, he warned, would impede oil operators more than it would help. IPAA told the Journal that the FEO plan wasn't practical because independents can't get delivery this year to repay any pipe loans.

Beren expressed hope that other suppliers would follow the lead of Lone Star, J&L, and Youngstown, making pipe available for new customers without a buying history who are ready to drill wells now. In urging the Government to stay out of the distribution system, he appealed to the FEO not to "destroy 95% of the good points" of the system to "correct a 5%" weakness.

Wallace Wilson, Wilson Industries, Houston, predicted supply would catch up by year end, with rigs than becoming the controlling factor. Then, he said, the industry can revert to the downriver stock system, which he considers the most efficient method of distribution.

Independent producers praised the steel companies for setting up voluntary allocation programs to ease the shortage for them. IPAA specifically commended J&L for its program to furnish steel equipments for two additional oil and gas wells daily beginning July 1.

The Texas Independent Producers & Royalty Owners Association also praised the steel suppliers. "This kind of statesmanship," Tipro said, "can obviate a federal mandatory allocation program which all of us would like to avoid."

A Commerce spokesman said export controls to keep all pipe output for U.S. consumption, would be counterproductive. While exports of casing and tubing ran 20,000 tons in January and 26,000 tons in February, and imports were only 5,600 and 6,700 tons for the months, steel imports overall are 2½–3 times the tonnage of exports. The problem, he explained, extends to many steel products, not just to pipe. FEO pointed out that domestic producers should be in a better position to compete for U.S. pipe output since price controls expired Apr. 30.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3692. A bill to amend section 216 (b)(1) of the Merchant Marine Act, 1936. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, for myself and the Senator from New Hampshire (Mr. COTTON), I introduce by request, for appropriate reference, a bill to amend section 216(b)(1) of the Merchant Marine Act, 1936, and ask unanimous consent that the letter of transmittal, statement of need, and text of the bill be printed in the RECORD.

There being no objection, the letter, statement, and bill were ordered to be printed in the RECORD, as follows:

WASHINGTON, *D.C., May 22, 1974.*

Hon. GERALD R. FORD,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "To amend section 216(b)(1) of the Merchant Marine Act, 1936, together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our proposed legislation to the Congress from the standpoint of the Administration's program.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

STATEMENT OF THE PURPOSES AND NEED OF THE DRAFT BILL "TO AMEND SECTION 216(b)(1) OF THE MERCHANT MARINE ACT, 1936"

Section 216(b) of the Merchant Marine Act, 1936 (the Act), as amended (46 U.S.C. 1126), authorizes the Secretary of Commerce to maintain a Merchant Marine Academy at Kings Point, New York, for the instruction and preparation for service in the merchant marine of selected persons as officers, and provides for the nomination and appointment of qualified candidates to fill vacancies at the Academy. Such vacancies are allocated among the fifty States and Puerto Rico in proportion to their representation in Congress, and to Guam, American Samoa, the Virgin Islands, the Canal Zone and the District of Columbia by special provision of section 216(b).

Section 216(b)(1) of the Act generally provides for the nomination of "qualified candidates", without distinction as to sex, to fill vacancies at the Academy. In the case of the two vacancies allocated to the Canal Zone, however, the statute provides that the Governor of the Canal Zone shall fill such vacancies from among the "sons of the residents" of the Canal Zone and the "sons of personnel" of the United States Government and the Panama Canal company residing in the Republic of Panama.

On January 24, 1974, the Maritime Administration amended its regulations governing the admission and training of midshipmen at the Merchant Marine Academy (46 CFR 310, 39 FR 2759) to provide that officials authorized by section 216(b)(1) of the Act, except the Governor of the Canal Zone, may nominate both men and women. (Previously such regulations provided only for the nomination of men). The reference to "sons of residents" and "sons of personnel" contained in section 216(b)(1), however, legally precluded the Maritime Administration from providing in the amendment of the regulations for the nomination of women by the Governor of the Canal Zone.

The purpose of this proposed amendment to section 216(b)(1) of the Act is to provide that the Governor of the Canal Zone may, as other authorized afficials, nominate qualified candidates of both sexes. It is necessary to afford all potential women nominees, wherever they happen to reside, equal employment opportunity in the maritime industry.

S. 3692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 216(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. 1126(b)(1)) is amended by inserting after the word "sons" wherever the word appears the words "and daughters".

By Mr. MATHIAS:

S. 3693. A bill to amend title 5, United States Code, to provide for grade retention benefits for certain Federal employees whose positions are reduced in grade, and for other purposes. Referred to the Committee on Post Office and Civil Service.

FAIR PLAY FOR FEDERAL EMPLOYEES

Mr. MATHIAS. Mr. President, I am pleased today to introduce a bill which would bring about a much-needed reform in our current civil service procedures—a bill which seeks to recognize the legitimate need for security and justice among Government employees who are performing their jobs with distinction and diligence.

In my communications with Federal employees throughout my own State of Maryland, I am frequently struck by the thought that this must be a difficult time to be a Federal civil servant. The uncertainties we have come to know as "Watergate" still hang like a cloud, preoccupying many in the high councils of Government and often frustrating thoughtful policy direction. Public respect and personal pride in working for the Federal Government is probably at a low ebb.

Indeed, that the Government is functioning so well in these troubled times is an eloquent tribute to the dedication and loyalty of millions of nonpartisan Federal employees, who are simply doing their jobs and doing them well, at a time when public attention is fastened on the more glamorous issues of the day.

It is even more crucial now, therefore, that we in Congress spare no effort to assure that our Federal employees are treated like human beings, and not simply abstract digits on a balance sheet.

The bill I am introducing today, Mr. President, would severely limit the effects of the practice of arbitrary downgrading. This is the practice whereby a worker finds his job downgraded, not because he or she is not doing it well, but because some job classifier decides the job description really belongs at a different level.

This practice clearly undermines the dignity and security of any worker who falls victim to it—to say nothing of other workers who live in fear that theirs will be the next job to be downgraded through no fault of their own.

Downgrading is defended, of course, as an aspect of the merit system—a device to protect the principle of equal pay for equal work, whenever a given job description is found to have been mistakenly classified at too high a level.

If such mistakes can thus be corrected at any time during a worker's career, however, an employee is never safe in the knowledge that his job is secure, no matter how well the employee is performing the job, and for no matter how long. He or she will never know when the downgrading ax is going to fall. I am sure my colleagues can well imagine the delibitating effect that this can have on the morale of the Federal work force.

Furthermore, at a time of acknowledged budgetary stress, the suspicion has been expressed by some that downgrading is being used, not merely to correct classification errors in order to maintain the merit system, but also as a simple budget-trimming device.

OMB, for example, often gives agencies actual target quotas for grade reductions in an effort to reduce Federal expenditures. To the degree that these quotas cannot be met by attrition or retirement, some agencies may find it quite tempting to use the practice of downgrading instead—as if any number of misclassifications could simply be discovered upon demand.

If so, this would represent an end-run around the very civil service protections which we have written into law. Federal employees cannot and must not be permitted to be singled out to pay for a given agency's poor planning, mismanagement, or maladministration.

Hearings before the House Subcommittee on Manpower and Civil Service on this issue last November revealed a typical instance of arbitrary downgrading which should be of concern to us all. It appears that a new Civil Service Commission standard for machinists will result in the downgrading of more than 2,000 Federal employees across the country, many of whom have occupied their positions for as long as 10 or 15 years. They have now been obliged to face the prospect of a one- or two-grade reduction, not because they are performing fewer duties, not because of incompetence, but because somebody in Washington made an "error" or changed his mind.

Under the bill I am introducing today, Mr. President, an agency would have up to 3 full years to discover an improper classification and downgrade a given job. After that time, if an error is discovered, an incumbent jobholder would be protected from downgrading as long as he or she remains in that job. The job could then be downgraded only after the employee left or was promoted. Nothing in this legislation, of course, would in any way limit the Government's existing ability to demote an employee for cause or in a reduction in force.

The procedure embodied in this legislation will thus provide ample opportunity to discover and correct genuinely mistaken job classifications, without subjecting Federal employees to a lifetime of uncertainty as to when the other shoe is going to fall.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3693

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter VI of chapter 53 of title 5, United States Code, is amended by adding at the end of such subchapter the following new section:

§ 5366. Retained grade of employee on grade reduction of his position

"Under regulations prescribed by the Civil Service Commission, an employee as defined by section 5102 of this title, or a prevailing rate employee as defined by section 5342 (a) (2) of this title, who holds a career or a career-conditional appointment in the competitive service or an appointment of equivalent tenure in the expected service and whose position is reduced in grade on or after the date of enactment of this section, shall retain the grade which he held immediately before the reduction in grade of such position so long as he—

"(1) continues in the same agency, including an agency to which he is transferred in a transfer of function, without a break in service of one workday or more;

"(2) is not reassigned or promoted; and

"(3) is not demoted (A) for personal cause, (B) at his request, or (C) in a reduction in force.

The provisions of this section shall apply only to a position that has been classified at the grade from which the position was reduced for a continuous period of at least three years immediately prior to the reduction of such position to a lower grade.".

(b) The table of section of subchapter VI of chapter 53 of title 5, United States Code, at the beginning of such chapter 53, is amended by adding, immediately below the item relating to section 5365 thereof, the following new item:

"5366. Retained grade of employee on grade reduction of his position.".

ADDITIONAL COSPONSORS OF BILLS

S. 3557

At the request of Mr. Moss, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 3557, to allow the use of certain funds authorized to be appropriated for expenditure from the highway trust fund and apportioned to the States pursuant to title 23, United States Code, without matching State or local funds.

S. 3679

At the request of Mr. McGovern, the Senator from Nebraska (Mr. Hruska) and the Senator from Oklahoma (Mr. Bartlett) were added as cosponsors of S. 3679 to provide emergency financing for livestock producers; and at his own request the Senator from New Mexico (Mr. Domenici) was added as a cosponsor to the same bill.

SENATE RESOLUTION 346—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. JACKSON, from the Committee on Interior and Insular Affairs, reported the following original resolution:

S. Res. 346

Resolved, That Senate Resolution 245, 93d Congress, agreed to March 1, 1974, is amended as follows:

In section 2, strike out the amount "$475,000" and insert in lieu thereof "$550,000".

SENATE RESOLUTION 347—SUBMISSION OF A RESOLUTION RELATING TO THE ROLE OF THE FEDERAL GOVERNMENT ON TOURISM IN THE UNITED STATES

(Referred to the Committee on Commerce.)

Mr. INOUYE (for himself, Mr. Magnuson, Mr. Pastore, Mr. Hartke, Mr. Cannon, Mr. Moss, Mr. Stevenson, Mr. Griffin, Mr. Baker, Mr. Cook, Mr. Stevens, Mr. Beall, and Mr. Gurney) submitted the following resolution:

S. Res. 347

Resolution to authorize the Committee on Commerce to make an investigation and study on the policy and role of the Federal Government on tourism in the United States

Whereas the United States is the foremost choice as the country most people (including United States citizens) wish to visit;

Whereas tourism is among the top three industries in the 46 of the 50 States;

Whereas tourism expenditures are the second ranking retail expenditure in the United States;

Whereas tourism spending by resident and foreign visitors in the United States in 1972 totalled approximately $61 billion;

Whereas it is estimated that by 1980 tourism spending in the United States will total $127 billion yearly;

Whereas tourism expenditures in the United States in 1972 directly and indirectly provided employment for approximately 4 million Americans;

Whereas it is estimated that tourism expenditures in the United States by 1980 will directly and indirectly provide employment for approximately 6.7 million Americans;

Whereas the leisure activity provided for Americans by the tourism industry is essential for a sound and healthy society;

Whereas the National Tourism Resources Review Commission (established by Public Law 91-447) was directed to undertake a two-year study of tourism needs and resources of the United States;

Whereas that Commission completed its report and submitted its recommendations to the President and to the Congress;

Whereas the Commission's report found, inter alia, that the Federal Government, although deeply involved in an array of tourism programs, is not responding coherently to the phenomenal growth of tourism and the consequent demands for adequate recognition of, and response to, public interest goals;

Whereas the Commission's report concluded the role of the Federal Government needs to be more effective;

Whereas the major recommendations of the Commission's report were that Congress establish a national tourism policy and create the administrative means to execute that policy; and

Whereas the Commission report expressly recognized that further study was necessary and much additional work was needed to implement those recommendations: Now, therefore, be it

Resolved, That the Committee on Commerce is authorized, under sections 134(a) and 136(a) of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, to make a full and complete investigation and study for the purpose of determining a policy and role for the Federal Government on tourism in the United States which will most effectively enable the industry to realize fully its potential to contribute to the social well-being, the cultural understanding, and the economic prosperity of the United States.

SEC. 2. In order that other committees of the Senate with a jurisdictional interest over specific elements of this study under rule XXV of the Standing Rules of the Senate, may participate in the study authorized by this resolution, the chairman and ranking minority member of each of the Committees on Appropriations, Agriculture and Forestry, Interior and Insular Affairs, Public Works, Foreign Relations, Government Operations, Labor and Public Welfare, Banking, Housing and Urban Affairs, and Judiciary, and the Select Committee on Small Business, or a member of such committees designated by each such chairman or ranking minority member to serve in his place, shall serve as ex officio members of the Committee on Commerce for purposes of this study.

SEC. 3. The Committee on Commerce shall report its findings, together with its recommondations for such legislation as it deems advisable, to the Senate.

Mr. INOUYE. Mr. President, today I am introducing a Senate resolution cosponsored by members of the Commerce Committee.

This resolution would authorize the Committee on Commerce to make an investigation and study on the policy and role of the Federal Government in tourism in the United States.

Mr. President, Public Law 91-477, October 21, 1970, created the National Tourism Resources Review Commission, and directed it to undertake a 2-year study of the tourism needs and resources of the United States.

The Commission submitted its six-volume report—"Destination USA"—to the President and to the Congress on June 25, 1973.

Among the facts which came to light as a result of the Commission's work and subsequent industry reports generated by the Commission's report were the following:

First. Tourism expenditures are the second-ranking retail expenditures in the United States, totaling $61 billion in 1972; and by 1980 they are expected to total $127 billion annually;

Second. Tourism expenditures provided directly and indirectly employment for approximately 4 million Americans; and

Third. In 46 of our 50 States, tourism is among the top three industries.

The Commission report concluded that, although 50 Government agencies are involved in over 100 travel and tourism programs, the Federal Government was not responding coherently to the urgent demands of tourism development or using tourism's growth potential to help achieve public interest goals.

Accordingly, the Commission's major recommendations were that Congress establish a national tourism policy, and create the administrative means to implement the policy. However, the Commission did not propose the legislative enactment and administrative acts to carry out its recommendations. The Commission recognized that further study was necessary and much additional work was needed.

On October 4, 1973, I introduced legislation cosponsored by Senator BAKER (S. 2536) which legislatively reflected the Commission's major recommendations. At the time, I said the bill was intended to be a catalyst to generate constructive analysis and dialog within the Government and the industry.

Last April 25 and 26, the Subcommittee on Foreign Commerce and Tourism held 2 days of hearings on S. 2536.

It was the unanimous recommendation of the travel industry panel which represented all segments of the tourism industry that the Commerce Committee complete the work initiated by the Commission and undertake a study and investigation which would result in legislative recommendations to the Congress for a national tourism policy and the administrative means to implement the policy.

Mr. President, the resolution I am introducing today would direct the Commerce Committee to undertake that study.

In recognition of the pervasive nature of the tourism industry, section 2 of the resolution would make the chairman and ranking minority member or their designates of several specified committees of the Senate, members ex officio of the Commerce Committee for purposes of the study.

Mr. President, this resolution has broad support throughout the industry, and from those who represent the millions of men and women employed in it.

I am sending a personal letter to all of my colleagues in the Senate, inviting them to join as cosponsors of this resolution. I would be pleased to have them do so.

ADDITIONAL COSPONSOR OF RESOLUTIONS

SENATE RESOLUTION 307

At the request of Mr. ROBERT C. BYRD, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of Senate Resolution 307, requesting the conclusion of a new national inventory of wetlands by 1976.

SENATE RESOLUTION 341

At the request of Mr. PEARSON, the Senator from Idaho (Mr. CHURCH), the Senators from Arizona (Mr. FANNIN and Mr. GOLDWATER), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Alabama (Mr. SPARKMAN) were added as cosponsors of Senate Resolution 341, expressing the sense of the Senate that the President should immediately terminate the suspension of proclamations made under section 2 of the act entitled "An act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products," approved August 22, 1964.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 91

At the request of Mr. MONDALE, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of Senate Concurrent Resolution 91, to provide for a statue or bust of Dr. Martin Luther King, Jr.

ENERGY REORGANIZATION ACT OF 1974—AMENDMENT

AMENDMENT NO. 1516

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. ABOUREZK. Mr. President, the amendment I am introducing today to S. 2744, the Energy Reorganization Act of 1974, has a simple objective: to establish the Energy Research and Development Administration—ERDA—as a nonnuclear R. & D. agency. It would leave the AEC intact to carry out its developmental work on nuclear fission. It would not alter the sound decision of the Government Operations Committee to separate the regulatory functions of the AEC from its promotional aspects. But it would ensure that the nonnuclear research and development activities of the

Government are carried out by a nonnuclear agency.

Under S. 2744, all of the AEC, including the Division of Military Application, is transferred into ERDA, except for the number of people in the AEC's Directorate of Regulations which is transferred to a newly created Nuclear Safety and Licensing Commission. While most of the AEC, with its national laboratories and extensive contractor network go into ERDA, transfers from other agencies are minor by comparison. These include the Department of Interior's Office of Coal Research, fossil fuel energy R. & D. conducted by the Bureau of Mines, and solar and geothermal research of the National Science Foundation.

The following table shows the personnel and budgets which will be transferred to ERDA from each agency:

	People	*Money*
AEC	[1] 5,988	[1] $3,779,000,000
Interior	116	$372,000,000
NSF	13	$37,000,000

[1] An additional 1,900 people and $140 million in fiscal year 1975 funds will be transferred to the newly created Nuclear Safety and Licensing Commission.

In addition to the 7,000 AEC employees, there are 88,000 employees at AEC-owned facilities. The AEC's National Laboratories, which are operated by private firms under contract with the AEC, employ 33,000 individuals. All of these contract employees would come into ERDA, under S. 2744, to continue the work they have been doing for the AEC.

It is obvious that the AEC will be the dominant agency in ERDA. Indeed the nuclear proponents in the House would never have rushed the ERDA bill through that body in such haste if it did not put the AEC in charge of energy development.

I think it should be apparent to everyone by this time that putting the AEC in charge of developing nonnuclear energy technologies is like putting the fox in charge of guarding the chickens. AEC's record is one of outspoken advocacy for nuclear power against all other forms of energy. Let me cite a few examples.

First. On June 11, 1974, the AEC unveiled its geothermal energy program. The resources it has devoted in the past to the program are pitifully small, and its announced 1985 objective woefully inadequate. The program was started only in 1974 with a funding of about 4.5 million. Its aim is to do R. & D. work on the construction and operation of small pilot plants with 10-megawatt capacity. The program hopes to stimulate commercial production of 20,000 MW by 1985.

Contrast this with the report geothermal energy produced in September 1973 by about 50 scientists under a grant sponsored by the National Science Foundation. The report concluded that with adequate R. & D. funds 132,000 megawatts could be produced by 1985, the equivalent of more than half of all the electricity now being generated in the United States.

Second. A report on the potential for solar energy, prepared by an outstanding panel of experts assembled by the AEC, was almost completely ignored in the AEC's December 1973 report to the President on a national energy program. The experts concluded that:

> At an average energy conversion efficiency of 5 per cent, less than 4 per cent of the U.S. continental land mass could supply 100 per cent of the current energy needs. Thus solar energy could contribute significantly to the national goal of permanent energy self-sufficiency while minimizing environmental degradation. In addition, this technology will be an exportable item for use by other energy deficient areas of the world. Although the full impact of solar energy probably won't occur until the turn of the century, the economic viability of several of the applications, e.g., heating and cooling of buildings, wind electric power, and bioconversion to fuels could be developed and demonstrated in the next 5 years. Ultimately, practical solar energy systems could easily contribute 15–30 per cent of the Nation's energy requirements.

The panel recommended a 5-year funding program beginning in 1975 with $409 million—minimum viable—to $1,056 million—accelerated—"having a high probability of early success."

By contrast the report of the chairman of the AEC to the President assigns the lowest priority to solar energy—solar is ranked last out of 10 technologies considered—the report recommended 5-year R. & D. budget is less than one-fifth that of the accelerated, orderly program and less than half the minimum viable program advocated by the solar energy panel of experts.

Third. The December 1973 AEC report to the President on a national energy R. & D. program is overwhelmingly biased in favor of further development of nuclear energy and against the renewable energy sources. The report singles out nuclear fission for the largest share of the R. & D. pie—24 percent as against 9 percent for solar geothermal combined and hydroelectric and nuclear fusion combined. The bias is even more pronounced in the short- and mid-range R. & D. budget projections—$5.3 billion is recommended to achieve short and mid-term objectives for nuclear fission as compared to $430 million for all renewable energy technologies. These huge sums recommended for nuclear fission R. & D. are all the more astounding in light of the fact that nuclear power plants are now in production in large numbers and the R. & D. phase at the program should have been passed long ago.

This year the Senate passed by unanimous vote S. 1283, a 10-year, $20 billion program to make the country self-sufficient in energy by 1985. The House is working on a companion measure and it appears certain that a comprehensive energy R. & D. program will be passed by the Congress in the next few months. Most importantly, this landmark legislation provides not a single cent for nuclear fission research and development. Indeed the House sponsors of the bill are relabeling it as the "Non-Nuclear Energy Research and Development Act."

It is simply incomprehensible that the Congress should pass this major legislation for the development of nonnuclear energy technologies and then turn over the management of the programs to the Atomic Energy Commission.

The AEC has, over the years, developed a dogma regarding nuclear power that approaches a religious faith. And the more vocal critics have become in pointing out the inherent dangers of nuclear technology, the more entrenched and determined has the AEC bureaucracy become. And this intense commitment to the promotion of nuclear energy is paying off for its adherents: 44 nuclear power plants are on line now. Two hundred twenty-five are scheduled to be in operation in 10 years; 1,000 in 25 years. Out of a $2.2 billion fiscal year 1975 energy budget, nuclear power received the lion's share—$1.5 billion. Now much of the AEC's efforts is being directed to finding ways to bring nuclear plants into operation quicker, from 10 to 6 or 7 years.

How can we possibly expect top AEC personnel who have devoted all of their lives to the promotion of nuclear power to reverse gears and to start pushing nonnuclear energy sources? They have not done so in the past; they have given no indication that they believe renewable energy technologies can play a significant role in this century in meeting our energy needs; their commitment to nuclear power is complete.

Well, one of the answers being given is that S. 2744 as reported out by the Government Operations Committee would assure that ERDA would not be dominated by pronuclear people, even though the AEC would overwhelmingly dominate the new agency by its sheer manpower and personnel. What are these controls in the bill, and how effective can we expect them to be?

First, section 2(b) states that:

> The Congress intends that no energy technology be given an unwarranted priority.

Second, Section (102)(c) prescribes that:

> The President shall appoint the Administrator from among individuals who, by reason of their training and experience are especially qualified to manage a full range of energy research and development programs.

Third, a separate assistant administrator is established for solar, geothermal and advanced energy systems.

Does anyone believe that these generalities will suffice to give non-nuclear technologies a fair shake in an agency dominated by nuclear proponents? What real protection do these sections of the bill provide? For example, who is to determine what constitutes an "unwarranted priority" for an energy technology? The technical competence for evaluating new possibilities will be in ERDA, and if that agency decides that solar or geothermal have only limited possibilities in the near and mid-term, as they already have, who will gainsay them and provide for bigger R. & D. budgets than the agency wants? If ERDA does not undertake needed research in nonnuclear areas because of its pre-occupation with nuclear power, who will correct the balance, OMB? The Appropriations Committees? The Legislative Committees? Maybe. But let's not count on it.

With regard to the second point above, that is, the Administrator and Deputy Administrator "specially qualified to manage a full range of energy research and development programs" this has already been interpreted in Committee as not excluding any of the present members of the Atomic Energy Commission even though most of them are specially qualified to manage only one R. & D. program, the nuclear one.

How seriously this amendment is being taken by the administration can be seen from the fact that the White House has already floated the name of one candidate for the job of ERDA Administrator, John Simpson, president of a Westinghouse Division involved in the design and production of nuclear reactors and one of the most outspoken advocates of nuclear power.

Finally, the designation of an assistant administrator for Solar, Geothermal, and advanced energy systems, insures only that the funds allocated to his office will be spent on these technologies. It does nothing to insure that he receives a proper share of the total resources allocated to the agency. In an AEC dominated ERDA run by personnel who have already indicated their low opinion of solar and geothermal energy, the chances for the assistant administrator to get a fair share of the funds available to the agency will be poor indeed.

Another effect of the amendment I have introduced is to keep the AEC's military weapons program out of ERDA. Under the committee bill, a Military Applications Division is established in ERDA as a consequence of the transfer of most of the AEC functions to the new energy agency. The development of nuclear weapons has no place in a civilian R. & D. agency which has as its principal responsibility the development of energy technologies. All of the ERDA Administrator's time and that of his immediate staff will be required to set up and run this new program aimed at solving the Nation's energy needs. This is an all-consuming and an all-important task. Why burden these people with the job of managing a military weapons program?

My amendment would not prevent the utilization of AEC resources by ERDA for energy research. There is no doubt that the AEC, in its contractor-operated national laboratories and in its tens of thousands of professional contract employees, possesses a capability of inestimable value. For example, AEC contractors at Los Alamos Laboratory, at the Lawrence Lab in Berkeley, at the Livermore Lab at Aerojet Nuclear and elsewhere have an excellent potential for geothermal energy. R. & D. ERDA would be encouraged to contract with these organizations to undertake research efforts appropriate to their capability. Indeed, ERDA would be encouraged to seek out and utilize all available resources in the Federal Government—including the National Aeronautics and Space Administration which is omitted in S. 2744—government, in private industry, and in the great universities, to placing R. & D. contracts with those organizations best fitted to carry out the task of developing new energy technologies.

To sum up the arguments for establishing ERDA as a nonnuclear energy R. & D. agency:

First. The AEC will inevitably dominate ERDA by virtue of its overwhelming preponderance of manpower and budget.

Second. The AEC has provided ample evidence of its intense bias in favor of nuclear power and against other forms of energy technology.

Third. Putting the management of a major nonnuclear energy R. & D. act in the hands of an AEC-dominated ERDA and expecting these nonnuclear technologies to be aggressively promoted indicates a faith in the nuclear bureaucracy that passeth understanding.

Fourth. The controls supposedly contained in the committee bill cannot be expected to prevent a pronuclear bias in the new agency. There is nothing in S. 2744 that provides real assurance that the ERDA management will promote nonnuclear energy technologies to their fullest potential.

ISSUANCE OF SPECIAL SERIES OF POSTAGE STAMPS—AMENDMENT

AMENDMENT NO. 1517

(Ordered to be printed and referred to the Committee on Post Office and Civil Service.)

Mr. BROCK submitted an amendment, intended to be proposed by him, to the bill (S. 3516) to provide for the issuance of special series of postage stamps, in conjunction with the Bicentennial celebration of the United States, depicting the flags of each of the 50 States, Guam, the District of Columbia, Puerto Rico, and the Virgin Islands.

ISSUANCE OF SPECIAL SERIES OF POSTAGE STAMPS—AMENDMENT

AMENDMENT NO. 1518

(Ordered to be printed and referred to the Committee on Post Office and Civil Service.)

Mr. BROCK submitted an amendment, intended to be proposed by him, to the bill (S. 3517) to provide for the issuance of special series of postage stamps for the Bicentennial celebration depicting an historical event or individual from each of the 50 States the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

AMENDMENT OF THE URBAN MASS TRANSPORTATION ACT—AMENDMENT

AMENDMENT NO. 1519

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. TUNNEY. Mr. President, today I am introducing an amendment to S. 3601 This amendment would enable metropolitan areas facing serious health hazards as a result of automobile pollution to qualify for the special discretionary fund proposed in this bill.

S. 3601 as presently written sets aside $1.75 billion in a discretionary fund to be distributed to areas which can demonstrate an increase in mass transit ridership. These additional moneys would enable qualifying areas to expand their mass transit facilities.

Under the provisions of the Clean Air Act of 1970, which passed the Senate without a dissenting vote, EPA has determined that 39 metropolitan areas are currently facing serious health hazards as a direct result of automobile pollution. It has been proven that certain pollutants can cause or aggravate many respiratory ailments, including lung cancer. In order that pollutants can be lowered to safe levels, EPA has promulgated transportation control plans which call for large reductions in the number of vehicle miles traveled—VMT. The methods for reducing VMT include such alternatives as parking management plans, carpooling, preferential lanes, and gasoline supply reductions. EPA recognizes, however, that the most effective way of decreasing VMT is by providing adequate mass transportation facilities to those areas which have health dangers.

While I do not endorse or support some of the methods required by EPA's transportation control plans, I believe it is essential that we provide maximum funding for rapid expansion of mass transit facilities in those areas which, for health purposes as mandated by the Clean Air Act, must decrease VMT. By tying to use of the discretionary fund strictly to a demonstration of increased ridership, the bill as presently written does not adequately recognize the health crisis which these 39 metropolitan areas of the countries are facing.

The amendment I am offering today would simply allow urban areas which have established transportation control plans for the purpose of meeting the requirements of the Clean Air Act, to apply for moneys under the discretionary fund.

Mr. President, I request unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1519

On page 6, line 12, before the period insert the following: "and/or to urbanized areas which have established transportation control plans for the purpose of meeting the requirements of the Clean Air Act".

EXTENSION OF THE EXPORT ADMINISTRATION ACT—AMENDMENT

AMENDMENT. NO. 1520

(Ordered to be printed and to lie on the table.)

CONGRESS MUST VOTE BEFORE NUCLEAR TECHNOLOGY IS SENT TO THE MIDDLE EAST

Mr. PROXMIRE. Mr. President, in view of the fact that the Atomic Energy Commission intends to act quickly in authorizing the transfer of fuel to Egypt and Israel for their proposed power reactors, Congress must also move with speed on the question of whether or not to approve such deliveries.

Under present conditions as spelled out in the 1954 Atomic Energy Act, a request for a proposed agreement along peaceful use lines need not be considered by the full Congress. It can be approved simply by vote of the Joint Committee on Atomic Energy or by resting 30 days in the committee without action of any kind.

On June 19, I introduced amendment No. 1489 to the Export Administration Act which would require a vote in both Houses of Congress before any such proposed agreement could go into effect.

Several events now make consideration of that amendment timely.

First, there have been reports that the AEC must make its decision to give fuel to Egypt and Israel by June 30, 1974. Apparently the requests for fuel, a scarce resource, have created a backlog of unfilled but potential demands on the United States. Therefore, it is appropriate that the Senate consider this issue as quickly as possible and before long-term arrangements are worked out that have a momentum of their own.

Second, it is quite apparent that the United States, offer to Egypt and Israel, coupled with the testing by India, has created a prospect of proliferation of nuclear warhead technology throughout the world. The Shah of Iran has expressed direct interest in acquiring the bomb. India may be testing again soon with an improved device, possibly a hydrogen bomb. One press report indicates that Japan's ratification of the Non-Proliferation Treaty may be in doubt.

All of these factors make it imperative that the Senate vote on the question of transferring such technology at the earliest possible time.

Therefore, I am introducing an amendment to Senate Joint Resolution 216, the extension of the Export Administration Act of 1969, which will set the stage for a vote on this issue. The substance of this amendment is identical to my amendment 1489.

Mr. President I ask unanimous consent that my amendment be printed in the Record and held at the desk until Senate Joint Resolution 216 is reported to the floor.

The PRESIDING OFFICER. Without objection it is so ordered.

Amendment No. 1520 is as follows:

AMENDMENT NO. 1520

At the end of the Joint Resolution, add a new section as follows:

SEC. 2. Notwithstanding any other provision of law, no cooperation with any nation or regional defense organization shall be undertaken pursuant to section 54, 57, 64, 82, 91 (c), 103, 104 (d) 123 or 144 of the Atomic Energy Act of 1954 (42 U.S.C. 2074, 2077, 2094, 2112, 2121 (c), 2133, 2134 (d), 2153 and 2164) on or after 1 June 1974 until the proposed agreement for cooperation has been submitted to Congress by the President and the Congress has adopted a concurrent resolution stating in substance that it favors the proposed agreement for cooperation.

CONSUMER PROTECTION AGENCY ACT—AMENDMENT

AMENDMENT NO. 1521

(Ordered to be printed, and to lie on the table.)

Mr. MONDALE. Mr. President, I am today introducing an amendment to S. 707, the Consumer Protection Agency bill. I believe this amendment will provide a useful adjunct to the resources of the Agency and will help the Agency fulfill its goal of protecting, informing, and representing the American consumer.

In brief, my amendment authorizes the Administrator of the Consumer Protection Agency to provide information and financial assistance to private consumer organizations for the purpose of assisting such organizations in intervening or participating in any agency or judicial proceeding which substantially affects consumer interests.

Private consumer groups have become increasingly important as State courts, Federal courts, and administrative agencies cope with litigation stemming from newly created statutory rights, increased concern with consumer and environmental interests, and public awareness. These groups have provided decisionmaking bodies with helpful input and have brought important controversies to the forefront of public attention.

Only last term, the U.S. Supreme Court decided *United States* v. *Students Challenging Regulatory Agency Procedures* (SCRAP), 412 U.S. 669 (1973). This suit was originally brought by a private consumer group made up of law students at George Washington University. Although the students ultimately lost on a jurisdictional question, they did settle an important standing question and brought the case all the way to the Supreme Court.

Similar groups have litigated important questions involving the environmental impact of highway construction, the right of access to the media, the rights of the consuming public, and other important environmental issues. See *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402 (1971); *Calvert Cliffs Coordinating Committee* v. *Atomic Energy Commission*, 449 F. 2d 1109 (D.C. Cir. 1971); *Office of Communications of the United Church of Christ* v. *Federal Communications Commission*, 359 F. 2d 994 (D.C. Cir. 1966); *Scenic Hudson Preservation Conference* v. *Federal Power Commission*, 354 F. 2d 608 (2d Cir. 1965).

It seems abundantly clear that private, consumer groups play an important part in the raising and settling of critical issues that affect the American consumer.

I propose to allow the Administrator of the Consumer Protection Agency the power to aid—with information and financial assistance—private, consumer organizations that wish to intervene in or participate in agency or judicial proceedings which affect consumer interests.

I believe this amendment will serve several important purposes.

First, by its very nature, the Consumer Protection Agency will be forced to arrive at a single "consumer" position and urge that position before the court or administrative agency. In fulfilling his duty under section 6 of the bill to "represent the interests of consumers before Federal agencies and Federal courts," the Administrator will decide the position he feels is in the best interest of the consumer and represent that position. Yet, the "consumer interest" is seldom monolithic. One can easily envision circumstances where it is in the interest of consumers to have a safety device installed on a vehicle, but it is also in the interest of the consumer to see the vehicle sold at the lowest possible price. In such circumstances, the Administrator might remain neutral, might blandly present both positions, or choose to represent one interest to the exclusion of the other. Allowing the Administrator to aid a private, consumer group would enable him to, in effect, assign representation of one of the competing interests to a private advocate who could effectively represent that interest in court or agency. The decisionmaking body would be served, because it would have full, effective input on all sides of the question; the Administrator would be free to forcibly represent the interest he believes paramount; and the consumer would be served because all possible consumer views would be represented in the proceeding.

Second, in the process of considering applications for Consumer Protection Agency aid, the Administrator will be exposed to ideas for possible involvement of the Agency in proceedings and, in addition, consumer views on a variety of matters. Although the bill provides, pursuant to section 9, for notice to the Administrator by Federal agencies of "any action which may substantially affect an interest of consumers," it is possible that the application process will notify the Administrator far in advance of imminent agency action. Of course, many important consumer interests do not achieve full agency or judicial fruition until long after they surface as legitimate consumer concerns. The Administrator may be greatly aided in his efforts if he has this "early warning" system built into the Agency's procedures. Surely, the application process will aid in the section 11 information gathering functions and the section 12 information disclosure functions.

Third, although private, consumer groups have played an important role in recent judicial and agency proceedings, their role has been limited by the high cost of intervention and participation and the lack of resources available to such groups. They are frequently faced with high filing fees, printing costs, personnel salaries, and research costs. Resources are limited to private contributions or foundation grants. Allowing the Administrator to aid such groups would take the financial burden off of their more important projects and allow them to do the job they do so well—representing the consumer.

Finally, but surely not of least importance, the program envisioned by this amendment would serve as a pilot for State and local governments thinking of introducing similar projects. Needless to say, State and local programs along these lines would enable private, consumer groups to play an important role in State and local courts and agencies.

The authority conferred by this amendment is carefully defined and limited. For instance, assistance may not be provided for intervention or participation in any proceeding in which the Administrator himself is prohibited from intervening or participating under the bill. Also, any organization receiving assistance pursuant to this amendment must abide by the requirements of section 7 of the bill relating to compliance with agency statutes and rules of procedure and the orderly conduct of proceedings.

Also, applications for aid must include several important safeguards including:

First, substantial control of any program by or under the supervision of the applicant;

Second, the proper and efficient administration of such program;

Third, fiscal control and fund accounting;

Fourth, assurances that the funds will not be used for prohibited purposes;

Fifth, full reporting to the Administrator; and

Sixth, any other information and assurances the Administrator may require.

Finally, the amendment provides for means of termination of any grant and for judicial review of such a decision.

The Administrator will, of course, grant applications on the basis of criteria which are consistent with the purposes of the Consumer Protection Agency bill and which further his duties under the bill. I would envision the issuance of rules and regulations to implement this amendment and to further define its operation.

The bill seeks to encourage the representation of consumer interests before Federal courts and agencies but ignores one of the most important potential sources of such representation. Private, consumer organizations have a proven track record of effective representation. This amendment would tap their talents to aid in the important goals of this bill.

Congress has frequently acted to encourage private litigation and representation in the public interest by, for instance, authorizing double and treble damages to successful litigants. Similarly, Congress and the courts have awarded expenses and attorney's fees to litigants who bring suits in the public interest. I encourage my colleagues, as they consider the most important single piece of public interest legislation to come before this body in many years, to facilitate the use of able and potent private resources in the representation of the consumer interest.

I am proud to say that Prof. John Banzhaf, professor of law and legal activism at George Washington University National Law Center, and Prof. Louis B. Schwartz, Benjamin Franklin professor of law and the University of Pennsylvania Law School, have indicated their support for this amendment. Both professors are experts on private litigation in the public interest, having engaged in such efforts themselves, and are extremely able to judge the beneficial effects of this provision. Both Professor Banzhaf and Professor Schwartz are champions of the public interest, and I am proud to have their support for this amendment.

I ask unanimous consent that the letters to me from Professors Banzhaf and Schwartz, followed by the text of this amendment be printed in the RECORD at this point.

There being no objection, the letters and amendment were ordered to be printed in the RECORD, as follows:

THE NATIONAL LAW CENTER,
June 5, 1974.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I am very happy to accept your kind invitation to comment on your proposed amendment to the Consumer Protection Agency Bill [S. 707], which would authorize the reimbursement of public interest organizations for their expenses in participating in certain agency proceedings. I believe that your amendment is a very worthwhile and necessary addition to the bill, and goes a long way towards remedying what many have suggested are weaknesses in the bill.

In the first place, there has been some doubt whether the creation of still another governmental entity is the most effective way to insure that the consumer or public interest point of view will be represented before major federal regulatory agencies. When each of the agencies was created, it was initially assumed that both the staff and the commissioners of the agency would be vigorous in expressing and protecting the public interest. Sadly, experience has shown that this is generally not true, and that after a reasonably short period most agencies seem to lose their initial drive, and the public interest point of view is heard less and less. As I understand it, one of the major purposes of the proposed Consumer Protection Agency would be to serve the function originally delegated to the staffs of the respective agencies of representing the consumer or public interest point of view. Yet what guarantee is there that such an agency will be different from all others and will continue to effectively represent this point of view as the years go by? Indeed, is it not possible that 10 years from now Congress will be asked to set up still another agency to represent the consumer or public interest point of view before the Consumer Protection Agency, to insure that it, in turn, represents this viewpoint before its federal regulatory agencies?

The provision for reimbursement as provided in your amendment would be a most effective means of dealing with this problem. Many of the public interest organizations which presumably could be reimbursed under your amendment have demonstrated a continuing interest and ability to speak strongly for various consumer points of view. Indeed, many of them depend for their continued survival on the effectiveness of their representation, since without it they will be unable to raise funds from those they seek to represent. In addition, the constant interaction between such vigorous outside organizations and the staff of the Consumer Protection Agency would tend to keep the latter vigorous in their representation of consumer interests, both by setting an example, and by constant encouragement and serving in a watch dog capacity.

It has been suggested by some supporters of the original bill that the Consumer Protection Agency would be effective in its advocacy of consumer interests where the staffs of the individual agencies have failed, because with no power of its own the C.P.A. would not be the recipient of industry and lobbyist pressure which have done so much to cripple the major regulatory agencies. With all due respect, I think that argument is erroneous. To whatever extent the Consumer Protection Agency is effective in influencing proceedings at other agencies related to strong vested interests, these interests will, in turn, seek to neutralize the effectiveness of the Consumer Protection Agency, presumably by using the same techniques which have proven so effective at other government agencies. There therefore remains a very strong and pressing need for non-governmental organizations to represent the consumer and public interest point of view before major federal regulatory agencies.

A second reason why I believe your amendment is both worthwhile and necessary is because of the extreme difficulty, even impossibility, of determining what "The Public Interest" is in any given situation. Indeed, it is probably presumptious for any individual private organization or government agency to presume to represent "The Public Interest" in any given proceeding, since it is the function of most regulatory proceedings to determine how public interest can best be served with regard to a particular factual and/or legal situation. No matter how the proposed Consumer Protection Agency would determine which positions it wishes to espouse, these positions may not accurately or completely reflect the consumer interest it seeks to protect. No one entity, whether private or governmental, can always be sure that the view it is advocating on behalf of consumers is the most appropriate one. It can be said with some assurance, however, that by permitting a multiplicity of voices on any given issue the Government will greatly increase the chances that one among those positions is the most correct. Your amendment would permit private organizations whose views on a given issue may differ from that of the Consumer Protection Agency to nevertheless have them heard by the regulatory agency. Thus, the general public interest will be served by permitting the decision-maker to be exposed to a wide variety of different views and suggestions and to adopt from among them, on the basis of his own expertise, that best calculated to serve the public interest.

Thirdly, even assuming that the Consumer Protection Agency in a given situation fortuitously represents the interest of consumers, there may, nevertheless, be different proposals to achieve generally agreed upon ends. It is very difficult for an individual attorney or organization to forcefully advocate two or more different approaches to the same problem. Thus, it is more likely to choose one which it believes to be the most appropriate, and to advocate that to the exclusion of all others. On the other hand, the regulatory agency, having a wider perspective, might choose to adopt an alternative solution to the same problem, if only it were presented to it by a forceful advocate sharing the concerns of the Consumer Protection Agency, but not its ideas with regard to specific remedies. Your amendment, again, would permit different organizations sharing the same general viewpoint and orientation to submit to the regulators alternative proposals for dealing with the same problem. Such an approach can only make the regulatory system fairer and more effective, which is, after all, the goal of the Consumer Protection Agency Bill.

Finally, I believe your amendment would lead to far more effective and efficient representation before regulatory agencies. Consumers have a very wide spectrum of interests, many falling in areas of great legal and technical complexity. Were the Consumer Protection Agency forced to develop sufficient expertise in each of these many areas so as to present and espouse the consumer interest, it could do so only with an inordinent expenditure of time and resources. Moreover, as the individual responsible for a given area—e.g., food product labeling—educated himself on these issues, it is not unreasonable to suppose that he would leave the agency, creating a lack of continuity and the need to re-educate a new staff member. To put the same thought in different words, it is impossible for an agency the size of the Consumer Protection Agency to develop a continuing expertise in the many areas of direct interest and impact on consumers. On the other hand, there are a large number of organizations which have developed considerable experience and expertise in many of these areas. Your amendment would permit the Government to avail itself of this expertise directly, without the need in each case for a Consumer Protection Agency staff member to become educated in what may be a highly complex area.

For all of the reasons stated above, I very strongly support your proposed amendment, and hope that your colleagues will agree to accept it. Space has prohibited me from amplifying on many of the ideas expressed above, or in providing concrete examples. I would be very happy to provide to you or to an appropriate committee concrete examples of each of the ideas discussed above, as well as to answer any questions you or members of your staff may have. I again thank you for providing me with this opportunity to comment.

Yours truly,
John F. Banzhaf,
Professor of Law and Legal Activism.

University of Pennsylvania,
Philadelphia, Pa., June 3, 1974.
Hon. Walter F. Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: I have just had an opportunity to examine your proposed amendment of S. 707 to provide for financial assistance to consumers organized for self-help. It seems to me this is an excellent complement to, and should be regarded as an integral part of, any effort to institutionalize consumer protection.

Self-help is the first, most pervasive, and traditional reliance of the citizen in a democracy; but he needs the means to employ the professionals who can make his case effectively. The regulatory agencies have, by and large, failed him. Even a Consumer Protection Agency cannot be everywhere at once, and in the husbanding of its resources must leave most of the potential controversies to those directly affected. Under the Antitrust Laws, the concept of the "private attorney general" has long been established, and the mere possibility of private treble damage suits has in the opinion of some observers contributed more to compliance with the law than official prosecutions. In other fields of law, the Courts have recently shown a marked sympathy with organized private self-help, by awarding attorneys' fees and costs against the Government, even in a case where the judicial relief had to be denied but where the litigation succeeded in bringing a Department into compliance with the law. Wilderness Society v. Morton, Court of Appeals for the District of Columbia, April 4, 1974.

Although I have been familiar with earlier versions of the CPA bills, I have not seen S. 707, and therefore do not know the significance of your § 17(b) (1), excluding grants to finance private litigation in proceedings from which the Administrator is excluded. I submit that the exclusion is not necessarily desirable: it may well be fitting for the persons directly concerned to be given the means of vindicating their position even if it be deemed best that the CPA itself not intervene.

I should also like to renew my earlier suggestion that any program of grants in aid to state consumer protection plans envision the inclusion in such plans of grants to consumer self-help organizations.

Sincerely,
Louis B. Schwartz,
Benjamin Franklin Professor of Law.

Amendment No. 1521

On page 85, between lines 22 and 23, insert the following new section:

ASSISTANCE TO CONSUMER GROUPS

Sec. 17. (a) The Administrator is authorized, subject to the provisions of this section, to provide information and financial assistance to private organizations of consumers representing a substantial number of individuals for the purpose of assisting such organizations in intervening or participating in any agency or judicial proceedings which substantially affect consumer interest.

(b) (1) Assistance under subsection (a) of this section shall not be provided to any organization for the purpose of intervening or participating in any agency or judicial proceeding in which the Administrator is prohibited from intervening or participating.

(2) Any organization receiving assistance under subsection (a) of this section shall, as a condition of receiving such assistance, agree to abide by the requirements of section 7 of this Act insofar as such requirements relate to compliance with agency statutes and rules of procedure and the orderly conduct of the proceedings.

(c) (1) No financial assistance shall be made under this section unless an application therefor has been submitted to, and approved by, the Administrator. Such application, in accordance with regulations prescribed by the Administrator, shall provide for—

(A) substantial control of any program by or under the supervision of the applicant;

(B) the proper and efficient administration of such program;

(C) such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for funds received under this section;

(D) adequate assurances that the funds made available under this section will not be used by any grantee to advance any partisan or nonpartisan political activity associated with a candidate for public or party office, or to conduct any voter registration activity or any activity to provide voters or prospective voters with transportation to the polls;

(E) adequate assurances that funds made available under this section will not be used to require any act which is prohibited by Federal law, to prohibit any act which is required by Federal law, or take any action which is contrary to the purposes of this Act;

(F) such reports, in such form and containing such information, as the Administrator may reasonably require; and

(G) such other information and assurances as the Administrator may prescribe to provide for effective programs under this section.

(2) Payments under this section may be made in advance or by way of reimbursement and in such installments as the Administrator may determine.

(3) (A) Each recipient of financial assistance under this section shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program for which such assistance is provided and the amount and the portion of the total cost supplied by other sources, and such other records as will facilitate an effective audit.

(B) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this section.

(4) (A) Whenever the Administrator, after reasonable notice and opportunity for hearing, finds that the Administration of any program funded under this section no longer substantially complies with the provisions of this section, he shall notify such recipient that no further payments will be made under this section, or that further payments will be limited to portions of the application not affected by such failure, until he is satisfied that there will no longer be any failure to comply.

(B) Any recipient of assistance under this section which is dissatisfied with a decision of the Administrator under subparagraph (A) of this paragraph may obtain judicial review, pursuant to chapter 7 of title 5, United States Code, in the United States District Court for the district in which the recipient resides or has his principal place of business. The commencement of proceedings under this paragraph shall not, unless so specifically ordered by the court, operate as a stay of the action of the Administrator.

On page 85, line 24, strike out "Sec. 17." and insert in lieu thereof "Sec. 18.".

On page 87, line 21, strike out "Sec. 18." and insert in lieu thereof "Sec. 19.".

On page 87, line 20, strike out "Sec. 19." and insert in lieu thereof "Sec. 20.".

On page 88, line 4, strike out "Sec. 20." and insert in lieu there of "Sec. 21.".

On page 88, line 15, strike out "Sec. 21." and insert in lieu thereof "Sec. 22.".

On page 89, line 21, strike out "Sec. 22" and insert in lieu thereof "Sec. 23."

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1523

(Ordered to be printed and to lie on the table.)

TERMINATING DISC BENEFITS

Mr. MUSKIE. Mr. President, I send to the desk an amendment, cosponsored by Senators Clark, Haskell, Huddleston, Humphrey, Kennedy, Mondale, and Stevenson, that would terminate DISC benefits under the tax code, and recover $815 million in lost revenue in calendar year 1974. Under DISC, specially organized export corporations can defer indefinitely the tax on one-half of their income. Recent reports indicate that most of this lost revenue constitutes tax breaks for large, profitable exporting corporations—and that there is no evidence that DISC provisions are serving their intended purpose of stimulating extra exports. Finally, the new international monetary system of flexible exchange rates make the theory of DISC obsolete.

HOW DISC PROVISIONS WORK

Under existing law, a corporation may elect to be a DISC—a Domestic International Sales Corporation—if at least 95 percent of its gross receipts, and at least 95 percent of its assets, are export-related. DISCs are completely free from normal income taxes. Shareholders, however, are taxable on one-half of the DISCs income each year, or the amount distributed as dividends, whichever is greater. Thus, DISCs in effect allow indefinite tax deferral on one-half of export income.

In practice, DISCs are most often paper corporations established by other large corporations merely for the purpose of receiving tax benefits for export. A DISC need not satisfy normal requirements of corporate capitalization, but need have only $2,500 in assets. In 1972, 22 percent of the income received by all DISCs was earned by eight DISCs with gross receipts over $100 million, and over 80 percent of the 2,249 DISCs were owned by corporations with assets of over $100 million. These large corporations can channel their exports, on either a sale or commission basis, through DISCs they have created, and thus receive substantial tax benefits.

REVENUE GAIN FROM TERMINATION OF DISC BENEFITS

The estimated revenue loss from DISC was $250 million in 1972; $500 million in 1973, and will reach $740 million in 1974 and $920 million in 1975. The revenue loss has been much higher than Congress expected when it enacted DISC in 1971—at that time, DISC was predicted to cost only $100 million in 1972 and $170 million in 1973.

Terminating DISC benefits under my amendment would gain an estimated $815 million in 1974—$740 million from revenue which would otherwise be lost in 1974, and $75 million from the estimated tax revenue which would be payable in 1974 on DISC income deferred in prior years.

DISC PROVISIONS HAVE HAD NO DEMONSTRABLE EFFECT ON INCREASING OUR EXPORT TRADE

The United States in 1973 enjoyed a $700 million trade surplus, with an unprecedented $70 billion in exports. The trade surplus has continued in 1974. But when the DISC provisions were originally enacted in 1971, the Nation was facing a serious balance of payments deficit, including for the first time in recent years a deficit in trade of goods and services. According to the international economic report of the President, the turn-around in the U.S. trade balance was caused primarily by increased worldwide demand for our agricultural and manufactured exports, and the 15 percent devaluation of the dollar since 1971. During 1971 and the first half of 1972 our demand for foreign products was strong, and economic slowdowns abroad reduced demand for our exports, producing a negative trade balance. Since then, however, export demand has increased, the prices of our exports have become more competitive, and higher relative prices abroad have reduced our demand for imports.

There is no evidence than any part of this trade turn-around is due to the tax benefits provided under DISC. In fact, the GAO has reported that DISC "is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exporters lowering their prices to meet competition." And a recent Treasury Department report gives no solid evidence that the tax subsidy under DISC is having an effect on our exports or balance of trade. Although the Treasury analysis, which covers data from 1972, shows that selected firms utilizing DISCs increased their exports 14.1 percent, slightly more than the total U.S. export growth by 12.4 percent in that year, the Treasury makes no claim that these figures are statistically significant, and admits that their conclusion is "highly tentative." The Treasury report did show, however, that exporters using DISCs have about twice the normal industry profit rate: 15 percent compared with the normal 8 percent rate of return for those industries in which DISCs predominate.

Even assuming that DISC could boost exports, and may have been seen by some as a worthwhile experiment when it was enacted in 1971, the changes in the world monetary system since then makes the DISC subsidy obsolete and counterproductive. The original justification for DISC was that it would allow our exporters to lower their prices and thus increase their sales. Under our present flexible monetary exchange rate system, however, such an artificially induced increase in our balance of trade would artificially increase the value of our dollar. As a consequence, the price of foreign goods would fall, and imports would increase, wiping out any benefits from DISC. Even worse, foreign investment would become cheaper and more attractive to Americans, and the flow of capital out of our country would increase.

EFFECTIVE DATE

My amendment would make DISC benefits unavailable for any taxable year beginning after December 13, 1973. Since DISCs are largly an accounting device, utilized by corporations at the end of their taxable years when export receipts, assets, and income are accounted for, terminating the DISC provisions as of this taxable year would work no unfairness. Taxes on income previously defended would be payable in equal assessments over 10 years.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1348

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Iowa (Mr. HUGHES), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. MONDALE), and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of amendment No. 1348 intended to be proposed to the bill (S. 2005) to provide adequate reserves of certain agricultural commodities, and for other purposes.

AMENDMENT NO. 1371

At the request of Mr. HUDDLESTON, the Senator from Maryland (Mr. MATHIAS) and the Senator from Illinois (Mr. STEVENSON) were added as cosponsors of amendment No. 1371 to provide a cost-of-living adjustment in the retirement income credit, intended to be proposed to the bill (H.R. 8217) to exempt from duty certain vessel equipment and repair costs.

AMENDMENT NO. 1458

At the request of Mr. MATHIAS, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of amendment No. 1458, intended to be proposed to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1468

At the request of Mr. HATFIELD, the Senator from North Dakota (Mr. YOUNG) was added as a cosponsor of amendment No. 1468 intended to be proposed to H.R. 14832 to provide for a temporary increase in the public debt limit.

ADDITIONAL STATEMENTS

TAX-CUTTING NONSENSE

Mr. HUGH SCOTT. Mr. President, the June 22 edition of Business Week has printed a timely editorial on Congress and fiscal responsibility. The two topics have not mixed well as of late and I would like to take this opportunity to join Business Week's forthright reporting in pointing out a few of the inconsistencies. In its "Tax-Cutting Nonsense" editorial, the magazine brings to our attention the absurdity of sponsoring sensible budget reform and then simultaneously conducting [a] biennial contest to determine who can sponsor the most nonsensical tax proposal.

I have said since the beginning of this debate that it would be futile to place a tax rider on the back of the debt ceiling bill when it is most certain to be either defeated in the House or vetoed.

Business Week concludes that "it would be a cruel hoax to pretend to help them—low income taxpayers—with a tax cut that simply generates still more inflation."

I ask unanimous consent that this most commendable editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX-CUTTING NONSENSE

The same Congress that has voted so sensibly for budget reform is simultaneously conducting its biennial contest to determine who can sponsor the most nonsensical tax-cutting proposal. For it is fiscal follies time again in Congress, and the show will continue until the November election.

The Senate is engaged in its old game of trying to piggyback a tax-cut rider onto important legislation—this time a bill raising the debt ceiling. The rider probably will be killed, either in the House or by veto, but the picture it portrays of a Congress unwilling to face up to fiscal realities is bound to undermine the nation's already shaky confidence.

With a roaring inflation and the prospect of an $11.4-billion deficit in the fiscal 1975 budget, this clearly is no time for any sort of tax-cutting. The proposal sponsored by Senators Kennedy and Mondale would compound the folly by repealing such investment incentives as accelerated depreciation. It would thus discourage the building of a new plant to expand capacity and cut costs—the one way the nation can hope to bring inflation under control.

As Treasury Under Secretary Paul A. Volcker warned the Senate Finance Committee last week, such a package would "tend to increase consumption and reduce investment. . . . This would exacerbate current pressures on the nation's productive capacity and contribute to continued inflation."

Part of the problem with the U.S. economy today is that too much of the burden of fighting inflation has been left to the Federal Reserve. Monetary policy cannot do the job alone. The money managers must have fiscal support, or the whole anti-inflation program will wind up in disaster.

There is no denying that inflation has hit the low-income taxpayers hardest. But it would be a cruel hoax to pretend to help them with a tax cut that simply generates still more inflation.

SENATOR GEORGE McGOVERN'S ADDRESS TO SOUTH DAKOTA VFW STATE CONVENTION

Mr. MANSFIELD. Mr. President, no Member of Congress has given more of his time, been more genuine in his commitment, or worked with greater understanding of America's veterans than Senator McGovern.

As a bomber pilot in World War II, he won his Nation's gratitude as a decorated war hero.

As one of the country's foremost leaders, he has, time and again, won the respect of veterans for his tireless efforts on their behalf.

And when the Senate recently passed the Vietnam Era Readjustment Act of 1974, the main provisions of that bill were those originally introduced by Senator McGovern last year. He argued successfully for a tuition assistance allowance, for an extension of the delimiting period, for increases in the monthly education assistance allowance, and for an extension of the entitlement period for educational benefits. These efforts are clear testament to his deep fellowship with the causes of peace and justice which our veterans have fought so hard to preserve.

For these reasons, those of us in Congress pay particular attention when Senator McGovern addresses the issue of veterans' affairs. On June 16, 1974, in Rapid City, S. Dak., Senator McGovern addressed his State's Veterans of Foreign Wars Convention, and I know that my colleagues in the Senate will be most interested in reading his remarks.

I ask unanimous consent that a transcript of those remarks be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

VFW State Convention,
Rapid City, S. Dak.,
June 16, 1974.

Commander Musick, officers, and fellow veterans. I'm pleased to be with you today at what must be a landmark state convention for the VFW. I have noted with a great deal of pride South Dakota's standing in the national membership drive. You can all be very proud of the fact that you lead the nation for two months. It is a tribute to both your hard work and your dedication as well as your open armed welcome for the newly returned Vietnam veterans.

I think special tribute must be paid to your very fine state commander who has spent the last year acquainting himself with almost every square inch of South Dakota. If there has been a legitimate energy crisis in South Dakota, somebody forgot to tell Russ about it. I understand that he has spent so much time in Redfield that they're giving serious consideration to either electing him to an office in their post or just setting up the Russ Musick memorial overnight room.

Seriously, I think everyone in the State who has had the opportunity to work with Russ over the past year will be a little sorry to see him step down. His work in helping to organize the joint South Dakota Veterans' Committee, to provide better leadership in the State Capitol for all veterans, speaks for itself. You all know of his fine efforts to gain the support of every veterans' organization in the State.

That kind of cooperation can only lead to bigger and better things for South Dakota's veterans. And there is no doubt that we need that cooperation.

From my own viewpoint, we need it for three specific legislative undertakings in the Congress.

For the past fourteen months, I have been working in the 93d Congress to pass comprehensive reform of the Vietnam Veterans GI bill. I am very pleased to report today that the Senate is about to pass landmark legislation in that area. The Senate bill includes the tuition program I first proposed in May of last year. Since that time, I have worked closely with the VFW and particularly Smokey Stover, as well as the other major veterans organizations, in gathering support for reinstatement of some kind of tuition plan that so many of us in this room had available to us following World War II.

After a year of hard work, in which we gathered the support of over a third of the Senate from both parties, it looks as if we are closing in on that goal. There is still considerable opposition in the House of Representatives and the VA itself. We have come too far and over too many hurdles to rest now.

But with the same kind of support exhibited by the VFW both on a State and national level, I am confident that the remaining hurdles can be overcome and that we can pay a long overdue and well-deserved tribute to the seven million men who served their country during the last decade and a half.

We also need that same kind of across-the-board support for measures before the Congress calling for a guaranteed pension for our World War I veterans and their wives and widows. Each time I read the inscription on the Veterans' Administration Building in Washington, I have to honestly wonder if we are fulfilling our obligation to the men who fought in the World's first great war. On the building are enscribed the words of Abraham Lincoln from his second inaugural address: "To care for him who has borne the weight of battle and for his widow and his orphan."

There was no Veterans' Administration and no GI bill after World War I. The veterans in the 1920's left the service with no more than their discharge papers and a small bonus payment. When a group of them came to Washington, they were run out of town and berated as troublemakers. Over fifty years later, they still have not received the kind of justice they deserve.

As many of you are aware, I sometimes get impatient with the way things move in Washington. It seemed to me that we had waited far too long for a decent pension system for our World War I veterans from the appropriate committee, so I introduced my own bill. Senate bill 3383 which I introduced over two months ago is a companion bill to Representative Frey's bill in the House, H.R. 13579. It will provide a guaranteed monthly pension to every World War I veteran and his family regardless of other pension plans. It stands right along side the GI bill reform on my list of priorities. Senator Hugh Scott, the Senate minority leader, has joined me as a cosponsor, and I look forward to gathering the same kind of widespread, bipartisan support for this bill that we put together for the Vietnam veterans GI bill. I know that the VFW is supporting this measure with the same enthusiasm you have always given to badly needed reform in our veterans' programs.

Finally, the Congress has a commitment to act before the end of this year on comprehensive pension reform. We have to straighten out the government system that puts money into one of your pockets through cost-of-living raises in social security, and then takes it out of the other pocket through reductions in the non-service-connected pension. I have spoken with members of the Senate Veterans' Affairs Committee about this problem, and we have their commitment that decisive action will be taken before the end of 1974, when the recent social security raises will again be computed as part of the veterans' outside allowable income. These are the three priorities on which I seek your support. Looking back over the last year and a half of the 93rd Congress, at passage of raises in disability compensation and non-service-connected pensions, expanded health care services, and a new national cemetery system for veterans, I think these goals are reasonable and attainable.

Now I want to spend just a moment discussing an issue that has been the subject of a great deal of debate and misunderstanding throughout the country, particularly in the context of my bid for the presidency in 1972.

I fully expect that it will come up again in 1974. And I know that it has bothered many of you.

As you all know, I have felt very strongly about the need to heal the wounds, both physical and spiritual, left behind as a result of our involvement in Vietnam. As a presidential candidate, I included in that context not only the kind of veterans programs I have been pressing in the United States Senate, but a discussion of amnesty for those who were called but did not go.

But veterans benefits are very much within the responsibilities of a United States Senator. Amnesty is not. And I think it is time to lay that issue to rest.

I regard it as the sole prerogative of the President to determine whether or not some kind of amnesty is in the best interests of the country. After nearly every war in our history, the President in power at the time has granted at least a limited amnesty to those who could not find it within themselves to participate in the fighting. They did that under the exclusive Presidential power, under article II, section 2, of the constitution, to ". . . grant reprieves and pardons for offenses against the United States."

But it is no secret that I am not the President. And neither is the President's position a secret. He is against amnesty.

I support his right to take that stand and to establish that policy. And in my view that settles the issue. No Senator is going to change it.

So my concern now is the same as my first concern has been throughout our national debate over this issue.

The grand strategies and objectives of the Vietnam war have been debated more thoroughly than ever before in our history. There has been no neglect on that score.

Further, in the postwar period we have still been attentive to the comfort and concerns of the people America spent life and treasure for while the war was going on. The Thieu government has received billions of dollars in American aid. And the administration even proposed a huge aid program for North Vietnam—a proposal I firmly opposed.

But for all of this attention to others, it has taken a major effort—an effort still not completed—to provide adequately for the young men who took the ultimate risk for their country. In that case the first response was neglect. And it was a shame.

So let us continue pushing for the millions of young men who did fight—for the 25,000 paraplegics and quadraplegics, the thousands more disabled in other ways, the thousands who make up a jobless rate for Vietnam veterans that is twice the national average, and the half a million who are experiencing serious and prolonged problems in readjusting to civilian life.

These men deserve the undivided attention of a nation known for its gratitude toward her fighting men.

If we put our minds and our hearts to the task, I know we can bring them justice.

As Americans and veterans, we should settle for nothing less.

FORT CAMPBELL, KY.

Mr. COOK. Mr. President, Kentucky is very proud that Fort Campbell was selected as the permanent home of the 101st Airborne Division—Airmobile. This decision and the resultant construction program designed to permanentize Fort

Campbell have been a tremendous boost to the morale and economy of the area. I take equal pride in the excellent community relationship which exists between the post and civilian groups. Fort Campbell soldiers take pride in their division's permanent home in Kentucky.

I have always supported the program at Fort Campbell and have urged my colleagues in the Congress to make the necessary funds available. I have been most encouraged by the appropriations which were approved as well as the construction timetable which has been maintained. The fiscal year 1972 and fiscal year 1973 budgets included a first stage for permanent construction and $30 million was appropriated. In the last fiscal year, 1974, $51,881,000 was appropriated for the second and third phase at the post. This year, fiscal year 1975, $11,690,000 has been requested to provide a much-needed dental clinic; to continue the barracks modernization; and to provide an addition to the sewage plant.

There still remains a requirement for a modern hospital to replace the World War II structure composed of over 7 miles of corridors connecting a multi-winged complex. During recent visits to Fort Campbell, I have been informed that maintenance costs are increasing and have reached almost prohibitive proportions.

Two years ago, on June 3, 1972 I wrote to the Secretary of the Army and urged that funds for the design of a hospital for Fort Campbell be included in future program requests. I was informed by the Secretary that new construction was being considered, and on August 30, 1972, I learned that a new 312-bed hospital was to be included in the fiscal year 1976 program. Plans are moving ahead on this project, and the architect firm of Perkins and Will have begun work on the design. Construction is to begin on the $47 million facility in fiscal year 1977. The completion of this facility will round out the more than $150 million construction program.

The entire program has had a most constructive effect on the communities which surround this 105,415 acre military installation. It has been most difficult to build a viable economy based on the tenuous status and fluctuating population which have been associated with this installation in the past. Since 1972, when the 101st returned from Vietnam to take up permanent residence and assure a relatively stable population at Fort Campbell, all systems have been "go."

I urge the Congress to look favorably on the construction programs at Fort Campbell for fiscal year 1975 and the years ahead. I know that the faith placed by the Nation in Kentucky and Fort Campbell will continue to be justified.

THE CRISIS IN THE CATTLE INDUSTRY

Mr. HASKELL. Mr. President, on Tuesday, June 18, a group of about 300 Colorado cattle feeders, ranchers, farmers, bankers, and businessmen met in Lamar, a southeastern Colorado community, to discuss the present crisis in the cattle industry, a crisis which we now realize, literally threatens cattle raisers throughout the Nation with ruin. They met to consider the impact of this situation on the entire rural economy of southeastern Colorado as well as the State at large, and to decide among themselves what steps might be taken to help the beef industry weather the storm and recover.

I had hoped to be able to attend this important meeting, which was called by a most able and distinguished member of the Colorado State Legislature, Representative Forrest Burns, but the heavy schedule of legislation now before the U.S. Senate prevented my being there. I did, however, send a letter to the participants telling them of my concern, outlining my views on the situation, and describing the action taken by myself and my Senate colleagues, to assist cattle producers.

A resolution was adopted at the Lamar meeting. I ask unanimous consent that the resolution and my letter to the participants in the meeting be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HASKELL. The resolution calls for immediate imposition of beef import quotas by the President, increased exports of American beef, and expanded domestic consumption of beef. The resolution also calls for short-term loan guarantees for local financing in cases where local loans would not otherwise be available. I understand the Senate will vote on a bill shortly to provide such federally guaranteed loans for livestock producers. I intend to support this much needed legislation.

Mr. President, I endorse the resolution adopted by the participants at the June 18 meeting in Lamar, Colo., and pledge my support of the measures recommended.

Exhibit 1

Resolution

Whereas, the cattle industry is one of the keystones to the overall economy of this state and the entire nation, and

Whereas, it is present-day knowledge that the cattle industry is rapidly approaching disaster, and

Whereas, if something is not done immediately to improve the economy of the industry, the end result will be bankruptcy, foreclosure along with going out of business, and

Whereas, the depressed market for slaughter cattle will have the same depressing effect on the rest of the industry, now, therefore

Be it resolved by this group of 300 feeders, bankers, ranchers, farmers and business men from Southeast Colorado that immediate action be taken to implement beef import quotas and to take whatever steps necessary to increase exports of beef and beef products and to increase domestic consumption;

Also, that short-term loans be made available through guaranteed local financing where local loans otherwise would not be available.

Be it further resolved that copies of this resolution be sent to the President of the United States, the United States Secretary of Agriculture, and to all Colorado members of the United States Senate, House of Representatives and to the Chairman of the House and Senate Agricultural Committees.

June 14, 1974.

State Representative Forrest G. Burns,
Lamar, Colo.

Dear Forrest: Thank you for the invitation to meet with representatives of the cattle industry on Tuesday, June 18th at the Lamar Community Building. While, I would like to be there, I am afraid that my schedule will not permit me to come in person to the meeting. I am aware of the critical situation faced by the cattle industry at this moment.

I would like to outline the action I have taken so far, and I would like to ask you to pass on my concern to the people who will be gathered with you in Lamar on Tuesday.

For sometime, and especially since meeting with many of you in Lamar last March, I have been concerned with the financial crisis our Colorado cattle feeders are experiencing. To put it in the simplest terms, there is no way a man can afford to lose $150.–$200. per head on his cattle. It doesn't make sense, and relief for this situation has to be found immediately. I know that the low cattle feeder price is not reflected at the supermarket today. I am concerned that a continuation of this will ultimately hurt the consumer. Cattlemen will not continue operating at a loss, and a severely restricted cattle feeding operation will show up in the supermarket with prices going even higher.

On June 6th I sent a letter, along with a number of other Senators, to the President requesting a meeting within the week with Secretary Butz. At this meeting, we had hoped to discuss the financial problems faced by cattle feeders and the impact the severe financial losses they were faced with would have on the beef market, and ultimately, the consumer. One of the matters we wanted to discuss with the secretary was the reimposition of beef import quotas.

We have not received a reply from the White House to date. However, subsequently, on Wednesday, June 12th, the White House called an emergency meeting, scheduled for Monday, June 17th with cattle industry leaders, grocery chain executives and agricultural leaders.

On last Thursday, June 13th, an emergency meeting was called by Senator Mansfield, and was attended by Senators from cattle producing States, including myself. At that meeting we determined a number of courses of action were imperative:

1. We asked the President to exercise the authority he now has under the existing meat import law (PL 88–482) to prevent the dumping of world surplus meat supplies on the American market. We noted to the President that Japan, Canada and the European Economic Community have imposed restriction of importation of meat into those areas in order to protect their industries.

2. We asked the President to insist meat retailers and wholesalers pass on to consumers the savings, we believe they could if they were willing. If they do not we will ask for a Federal Trade Commission investigation of the growing margin between the livestock market and supermarket prices.

3. We urged the President to make immediate, substantial purchases of both beef and poultry for the school lunch program. By doing so, we hoped to stimulate beef sales. I am aware how livestock is backed up in the feedlots, and realize this is not a long term panacea for the massive problem we have but it offers short term relief.

4. We also asked the House and Senate Agricultural Committees to hold hearings immediately on legislation to provide emergency assistance to the cattle industry under the USDA loan program. It is my understanding that Senator McGovern's Agriculture subcommittee will begin those hearings on Monday, June 17th. It is my hope that legislation will come in two weeks.

I have enclosed copies of my press releases (June 6th and 13th) outlining my thoughts in some detail. I would appreciate your reading the text of my letter to the members of the cattle industry represented at your meeting and distributing my releases.

I will be very interested to hear the results of your meeting and would like to hear your recommendations regarding possible solutions to this problem. Your input at this time will be most helpful.

Best regards.

Sincerely,

FLOYD K. HASKELL,
U.S. Senator.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. BIDEN. Mr. President, on Wednesday, June 19, 1974 by a unanimous vote of 90 to 0, the Senate passed H.R. 11105, to amend the Older Americans Act relating to nutrition programs for the elderly.

As a cosponsor of that legislation, I am gratified by its passage. Unfortunately, I was detained in Delaware at the time of the Senate's action, and, therefore, I would like to state that if present and voting, I would have voted "yea" on final passage of H.R. 11105.

In addition, also on June 19, had I been present for the rollcall on amendment No. 1440, offered by Senator BELLMON, to S. 2784, the G.I. bill amendments, I would have answered "nay."

DAY CARE CENTERS

Mr. CASE. Mr. President, as a longtime supporter of expanded day care programs, I was delighted by the remarks of the distinguished Senator from Massachusetts (Mr. BROOKE) on the occasion of the Greater New Brunswick Day Care Council graduation on May 17.

I ask unanimous consent, Mr. President, that these remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR EDWARD W. BROOKE

"The worth of a nation may be measured by the concern of one generation for the next."

It is good to be here tonight with thise who also believe Urie Bronfenbrenner's words. You do care for our nation's children and your concern has resulted in a day care program sensitive to the needs of children and insistent upon a child's right to develop to his or her full potential.

Much of my time and efforts in the Senate have been in the support of legislation to protect and to further the interests of our children. My main priorities as a member of the Senate Appropriations Committee in 1973, were to insure increased appropriations for Project Headstart and programs for the education of our handicapped children.

Unfortunately, however, I have probably spent more time the past few years protecting existing programs than in working to expand them or in proposing new ones.

Last year much of my efforts went to preventing the emasculation of the Social Security Title IV programs, which support this New Brunswick day care program and others like it across the nation.

For a country which professes concern about its children our present response to the problems of our children is discouraging. And in many instances, either directly, or perhaps even more cruelly through neglect, the government itself is, as Dr. Edward Zigler, former head of the United States Office of Child Development, testified, "a co-conspirator in the abuse of children."

Our institutionalized children—our mentally retarded and emotionally disturbed children—are often confined to institutions which at best do not help the child and which at worst remind us of medieval horror chambers.

Child abuse is a nationwide occurrence of frightening proportions—a condition which incredibly the federal government ignored until this very last year.

Drug abuse is a widespread national problem, not only among our teenagers; but even more tragically among our younger children as well.

Alcoholism is joining drug abuse as a major cause for concern.

The ever increasing thousands of runaway children have received little national attention until the recent mass murder case in Texas.

Suicide among the nation's youth has grown so drastically in the past few years that it is now the second leading cause of death among young people between the ages of 15 and 24.

Juvenile delinquency since 1963 has grown at a faster rate than the juvenile population. It is now estimated that if the trend continues, one out of every 9 children will appear in juvenile court before she or he reaches the age of 18.

Our methods for reforming juvenile delinquents often insure the emergence of alienated adults, if not hardened criminals.

Poverty with its pervasive destructive elements helps retard the social, educational, phychological, physical and emotional health of millions of our children. In 1971, 3.2 million of our children under 6, and 10 million children in all lived in poverty, and a like number lived in near poverty.

Parents, child psychologists and others who work directly with children attribute much of the present behavioral, motivational, and educational problems of children to the fact that our children now socialize each other, spending increasingly less time with their families, free from family and adult supervision and guidance. In some cases this is the parent's free choice, but in too many instances it now occurs because both parents or the only parent must work.

These changes in the American family and the subsequent need for family support services is a powerful argument for the expansion of day care facilities.

In the United States, one-half of all mothers with pre-school children or school-age children now work. One-third of mothers with children under five are now working.

Although the day care needs of pre-school children attract more attention, two-thirds of our children requiring day care are school-age children left on their own after school and during vacations.

When parents must work, there are few child care options open to them. The extended family—a household with parents and children and grandparents or aunts and uncles—has almost faded from American life. Thus if parents work, they must look outside the family for someone to tend their children. And in our present complex and impersonal society with its rapidly deteriorating sense of community this is not always easy to do.

The parents of almost one million American children are unable to find, or unable to afford, any care for their children while they are away working. Among them are 18,000 pre-school children. These children are left to their own devices, left to wander the streets, feed themselves and face danger alone. The latchkeys often tied around their necks are the frail symbols of home and protection—symbols too of an affluent society's lack of concern for those children who most deserve its attention and care.

A second compelling argument for quality child care is the knowledge we now have of early childhood needs and development. Much of a child's intellectual, emotional and physical development occurs before the age of five.

If the child does not receive the aid to develop during those earliest years, he may well suffer the consequences—and society may well feel the effects—for the rest of that child's life.

It is not, however, only the children whose parents are absent working who need developmental care and aid during their early years. Some 10 million children in the United States live in poverty, their parents unable to afford the necessities, much less the "extras" which help a child develop intellectually and physically. Often the parents of these children are too poor to afford even the most basic health care. In a study in Mississippi, for example, doctors found 1,301 untreated medical abnormalities in 1,178 poor children examined. Unfortunately, this situation is not unique to Mississippi.

Thus we who advocate an expanded and adequate child care program are not just idealists. We are also the realists. It is we who are facing the present day facts of family life and of poverty and near poverty in the United States. It is we who face up to the tremendous and rapidly growing need for child care and family support services in America.

The number of children in day care centers doubled between 1965 and 1970. But we are still left with an overwhelming need for spaces in quality, licensed day care centers. The National Council of Jewish Women in their landmark report *Windows On Day Care* estimated that if during the next five years an additional 2 million children under the age of 6—the age group the study was mainly concerned with—were to be provided with quality care, the addition would not be sufficient to catch up with the worst of the *current* backlog.

It is incredible but true that there are fewer than 700,000 spaces in licensed day care centers to serve the 5 million preschool children whose mothers work.

But it is not simply day care center spaces—an expansion of facilities—which concern us. We are equally concerned about the quality of day care and the standards set for child care centers. Twice in the past two Congresses, I have worked with other Senators on the floor of the Senate to defeat attempts to seriously weaken federal day care standards.

No one can deny the deplorable, the shocking conditions found in too many day care centers across the country. The study *Windows On Day Care*, reports the horrors that are allowed to pass themselves off as child care centers. Here are only a few of their findings:

"The center is housed in a shack in poor repair. It was overcrowded, filthy and depressing. It was very small for the number of children. Two of us arrived at nap time and one tiny room was completely filled with cots which were right up against each other. There were 22 children in attendance that day . . . The bathroom had the tile off the wall and the black tar was exposed. t had only one sink, one toilet, and an old bath tub. Cockroaches and rat holes were omnipresent."

And at another center investiagtors found:

"In charge were several untrained high school girls. No adults present. No decent toys. Rat holes clearly visible. To keep discipline, the children were not allowed to talk. The mass custodial center couldn't have been much worse."

At still another center it was reported:

"All of the children were in one poor, dark basement room separated by tables according to age. There was limited, if any, incontrol and there was limited, if any, individual attention . . . sad cases of inhuman, dehumanizing of kids."

These unfortunately are descriptions not of a few days care centers but of too many. Such places endanger a child physically and equally damaging, commit, in the words of Erik Erikson the most deadly of all sins . . . the mutilation of a child's spirit.

The job ahead is to educate the nation so that it ceases to see day care centers merely as custodial centers but begins to see the great value of comprehensive child care—such as the program here in New Brunswick which we celebrate tonight. We must assure that programs of child care serve the entire needs of a child, caring for his health and nutritional requirements and developing his intellect, motivation and emotional maturity. And we must further assure that these programs involve the parents of that child in his growth development.

Only major federal government involvement can insure an adequate number of day care facilities with quality standards. Only the federal government can help make day care available—not only to poverty level families, but equally important, to families with modest incomes just above the poverty level. There are, for example, one million American children with working mothers in families with incomes between $4,000 and $7,000. These low income families are often deprived of decent and safe day care because they have incomes slightly too high to qualify for most federally assisted day care programs but incomes too low to afford private quality day care.

This responsibility of the federal government was recognized by the 1970 White House Conference on Children, which made quality day care its number one priority recommendation for the 1970's.

In contrast to the 1960's, however, the recent record of the federal government has not been outstanding in fulfilling its obligations to the nation's children in many areas, not just day care.

The 1960's were a period for innovative and long-needed programs for our nation's children. Title I of the Elementary and Secondary Education Act provided compensatory education for children from educationally deprived backgrounds. Title IV of Social Security funded a wide variety of programs for children, including day care. Project Headstart was begun.

And then in the late 1960's and early 1970's the government seemed to lose interest in legislation and programs affecting our children. A new book bears the title *Child Care—Who Cares?* Many have come to believe in the last few years that the government itself has ceased to care.

Many federal programs for children, including Headstart, have been brought to a standstill because their funding no longer even covers the costs of inflation, much less providing for expansion. Other programs, including Headstart's companion program, Follow Through, have had their very existence threatened. Major efforts to reform our present welfare program with its devastating effects upon family stability have so far been rejected.

The Comprehensive Child Development Act of 1970, which I consponsored and which passed both the Senate and House of Representatives was so successfully vetoed by the President that a child care bill has borne little chance since.

In the past two or three years, congressional supporters of legislation for our children and youth have been relegated to a holding action—both in authorizing legislation and in appropriations bills.

But as dark as the prospects may be for legislation aiding our children, there is cause for hope. We have, for example, come to see how much the veto of the Child Development Bill has cost us in social and human terms. We are learning that the question is not only how much will a bill cost, but also how much do we care? We are asking what will happen to our children if we do not provide early childhood care and training for them.

Within the next few weeks, Senator Harrison Williams of New Jersey, Chairman of the Labor and Public Welfare Committee, will report to the floor of the Senate S. 6, a bill for the education of all handicapped children. This major bill would provide federal financial aid to the states to provide the extra funding needed to educate our handicapped children, millions of whom are now excluded from public schools, excluded from the training which they need in order to lead normal and productive lives, excluded from the training which they need to avoid unnecessary institutionalization.

Also within a few weeks, the previously vetoed Comprehensive Child Development Bill will be reintroduced. It contains even stronger provisions for family support services than did the original bill. This alone is testimony to our increasing awareness of how fragile family life in America has become and how tragic the consequences of this fragility will be.

Both of these bills enjoy wide bipartisan support. We are optimistic that both will be enacted and hopeful that both will be signed into law.

I have talked of the national need for child care and day care centers. I have cited many supporting statistics. But to me the most compelling need, the most compelling argument for adequate quality day care is the solitary child—a child alone facing a very large world which seems to offer him very little hope or held.

Stephen Spender wrote:

No cause is just unless it guards the innocent
As sacred trust: No truth but that
Which reckons this child's tears an argument.

For too long we have ignored the needs of children, particularly those children whose parents' presence is impossible or whose parents care is insufficient.

Let us resolve, you and I, that those days are past.

COST ACCOUNTING BOARD STANDARDS MUST BE UPHELD

Mr. PROXMIRE. Mr. President, unless the Cost Accounting Standards Board resists efforts by the aerospace industry to delay or water down a proposed standard on depreciation for defense contract costing purposes, taxpayers will lose hundreds of millions of dollars.

As vice chairman of the Congressional Joint Economic Committee and chairman of its Subcommittee on Priorities and Economy in Government and as the ranking Democratic Member of the Senate Banking Committee, I have had a long, long interest in the Board.

The Cost Accounting Standards Board, an arm of Congress, has proposed a standard on depreciation which if adopted will end a multimillion dollar giveaway to the aerospace and defense industry. It is a major decision and it is a right decision.

Millions of dollars in unearned, hidden, and unacknowledged profits are paid to defense contractors each year because the Pentagon allows them to load up their defense contracts with unrealistic and unwarranted depreciation charges.

Aerospace firms oppose the new standard because they know it will curb the depreciation giveaway.

BOARD MUST RESIST

I call on the Board to resist opposition to the new standard, and to see that it is rapidly adopted and enforced.

Under present rules aerospace firms can now invest in expensive new plant and equipment knowing they will be reimbursed by the Government through accelerated depreciation on defense contracts.

The plant and equipment, paid for mostly or entirely with taxpayers' money, is then used on commercial business for years after they have been fully depreciated.

The proposed standard, issued by the Cost Accounting Standards Board, provides that for defense contract costing purposes the service lives estimated by contractors for buildings and equipment and other tangible capital assets must be the expected actual service lives at the date of acquisition. A piece of equipment expected to last 10 years should be given an estimated 10 year service life for depreciation.

The new standard also requires that the method of depreciation selected by defense contractors must approximate the expected consumption of asset services in each fiscal year. If an item is expected to be used up at the rate of 10 percent per year, it should be depreciated on the same basis.

Because of the present lack of uniform accounting standards defense contractors can take advantage of the Government in two ways. They can estimate a shorter service life for an asset and they can accelerate depreciation.

As a result, defense contractors receive from the Government more money in a shorter time than they are entitled to. This gives defense contractors a tremendous cash flow advantage over other businessmen, reduces their need for borrowing and is a major source of hidden profits.

The Cost Accounting Standard Board's investigations show that defense contractors are selecting depreciation lives and methods which do not truly represent the consumption of the service potential of the assets. This, according to the Board, has the effect of unduly accelerating the allocation of depreciation cost to earlier years and to defense contracts performed in those years.

There is ample evidence that the assets typically are used on commercial business long after their costs have been recovered from the Pentagon.

Why should the taxpayer have to pay this subsidy?

The new standard does not prohibit accelerated depreciation in all cases. If it is justified, as where there are high maintenance costs in later years, it can still be used. But the method of depreciation should conform to the real life expectancy and consumption of the asset.

The Board has taken a step in the right direction. Now it needs to act promptly to adopt the proposed standard for mandatory application to negotiated defense contracts.

A RED INK BUDGET

Mr. CRANSTON. Mr. President, inflation is partly psychological—and we can all play a part in the fight to end it.

Business stockpiles goods, creating shortages. Labor seeks larger payments to compensate for future inflation. Prices are padded in anticipation of rising costs.

And the Federal Reserve Board squeezes the money supply, driving interest rates right off the chart.

Those of us who are privileged to serve in the Senate must go after President Nixon's red ink $350.4 billion proposed budget with a very sharp knife. Congress must take this decisive action to get Federal spending under control and to make clear to business, labor, and the public that it means business in fighting inflation.

Congress has recently moved on two fronts to cut substantially the President's budget and to place an automatic ceiling on Federal spending in future years. By voting a $295 billion limit on the fiscal 1975 budget, the Senate proposes cutting the Nixon budget more than $10 billion, is about the same amount that budget is in the red. I believe the House and Senate must agree to bring this spending program down by at least that much.

An even more significant move was agreed upon by both Houses of Congress just weeks ago. Both have now passed and sent to the President legislation setting up permanent budgetary machinery to place an annual ceiling on Federal spending. This is the kind of legislation I have been fighting for since 1971 when William Proxmire of Wisconsin and I were the only northern Democrats in the Senate supporting a spending limit.

We should start by cutting into the $30 billion we normally spend to support about 2,000 military bases and installations in 30 foreign countries. We failed in our first effort in the Senate—by only two votes—to recall and deactivate a goodly number of overseas troops. But we will try again. The savings would run into billions, and the gains in the battle against inflation would be tremendous.

Vietnam should have taught us once and for all that we cannot fight a ground war in Asia. Yet the Pentagon maintains a great many of our overseas troops there poised exactly for the purpose—another conventional ground war.

And there are other places to cut the Nixon budget—like in the huge payment we are making to pay for the ongoing Vietnam war; and in military aid to dictators.

Without a $10.4 billion cut, the Nixon budget of $305.4 is terribly inflationary in its proposed spending in excess of revenues.

THE EXPORT-IMPORT BANK OF THE UNITED STATES—VEHICLE FOR AMERICAN EXPORT EXPANSION

Mr. PACKWOOD. Mr. President, as the ranking Republican member of the Senate Banking Committee's Subcommittee on International Finance for the last 4 years, I have had an opportunity to carefully study the contribution made by the Export-Import Bank in supporting and promoting American participation in world markets. I like what I have seen.

Under the stewardship of Henry Kearns until earlier this year when he was replaced by William Casey, the Bank has worked with a combination of vigor and vision seldom seen in a Federal agency. I am certain that Bill Casey will carry forth in his present responsibility as Chairman of the Bank and that the Bank will further expand its support of American exporters in an increasingly competitive world marketplace.

In the current issue of Finance magazine, there is an article discussing the vital role that Eximbank plays in world trade. I ask unanimous consent that the article be printed in the Record, so that each of my colleagues may benefit from a better understanding of what the Bank is all about.

There being no objection, the article was ordered to be printed in the Record, as follows:

Eximbank: Dynamo for a New Era in U.S. Overseas Trade

(Note.—Finance magazine looks at the almost unique government agency—which operates at a profit and whose mushrooming growth spells higher earnings for American industry—our strongest offset to new balance-of-payments problems coming from higher-priced oil. With Casey at the helm Eximbank is becoming a major factor in international trade—on both sides of the Iron Curtain.)

Détente, like so many other happenings in these frenetic times will mean different things to different people on different days of the week. To American businessmen it conjures visions of a new frontier—first glimpsed as a mirage in the economic desert of the Great Depression forty long years ago, when the Export-Import Bank was started, on the initiative of President Roosevelt, with minimum funding and without Congressional approval to stimulate trade with the Soviet Union—just after the U.S. got around to recognizing that country's diplomatic existence. But in those days Joseph Stalin had no intention of opening up his private preserve to exploitation by "toadies and lickspittles of Wall Street imperialism"! Nothing was further from his subtle mind than to postpone the "inevitable collapse of capitalism" by offering us a new market.

The mirage vanished and Eximbank was filed and all but forgotten as one more of those useless bureaucratic abstractions that only appear in the fine print of each year's budget report. Its hopes were revived during World War II and even given subsequent substance and funded with $1 billion of capital with passage of the Export-Import Act of 1945, which contemplated the expansion of the bank's activities to include dealings with underdeveloped countries. As it turned out, this too was something of a mirage, because our relations with the USSR began to deteriorate promptly thereafter and our dealings with the poorer nations—which in those days included about every country in the world—were mostly in the form of direct aid. The least of our concerns at the time was with how to improve our trade balances.

Through the 1960s the bank held a low profile, making small loans principally to companies doing business with underdeveloped countries and/or offering guarantees and insurance to others, in private industry, who wished to make such loans. For fiscal-year 1969 the bank was involved in total annual commitments of around $2.5 billion, about half of it in direct loans. Its lending authority had been raised to $13.5 billion, but there appeared few takers.

Massive outflows of U.S. capital during 1969 and 1970 focused Administration and business attention on the bank as a means of stimulating exports. Commitments for fiscal 1970 increased to $4 billion and for fiscal 1971, to $5.4 billion. An amendment to the original incorporating act in that year raised the bank's lending authority to $20 billion. In fiscal 1972 the bank's commitments rose to $7.2 billion and the following year to $8.5 billion. Something over two-thirds of the total was divided in roughly equal chunks among South America, Europe, and Asia. The USSR mirage had become pretty pale, with only 1.7% of Eximbank's credits committed to trades with that country as of this April.

At the same time Washington's steady progress toward "normalization" of commercial relations with the Soviet Union and Communist China was reviving old hopes.

CLEARING THE HURDLES

The barriers to opening up meaningful trade with the USSR were formidable: there was the unpleasant question of when the Russians might get around to settling their World War II Lend-Lease obligations and the touchy political problem—not yet solved—of convincing Congress the Soviet Union merited having "most favored nation" status. The 1972 Wheat Deal, the unquestioned—if the invisible—influences exercised by the USSR in helping us extricate ourselves from Vietnam, and recognition by the Kremlin that the U.S. bread basket might be needed again to stave off possible famine in the Worker's Paradise—these were among the factors that brought the exotic word *détente* into the taxi driver's vocabulary and made the old mirage look like more than an optical illusion.

With all the mutual goodwill in the world, it is no easy matter to negotiate anything with Communist representatives. Molehills become mountains under the magnification of dialectic scrutiny. American businessmen, accustomed to quick, handshake decisions involving millions of dollars, must learn to cope with the Byzantine intricacies of a "stop and go" policy dictated by the often unfathomable logic of the Kremlin's current Party Line. At the U.S. end, the bank is asking for an additional $10 billion in lending authority and its charter is up for renewal—which creates a golden opportunity for Congressmen to exercise their hobby horses and raise all sorts of awkward questions as to whether the bank may in some way be aiding "the common enemy."

No one seriously doubts that the bank will survive and its requests be granted, even if this is achieved at the cost of severe restrictions on trading with Russia. The bank, however, sees an ultimate potential of over $120 billion in business with the USSR and is reluctant to sit back while other countries snatch the bacon.

THE MAN

It is probably for this reason that Bill Casey has given up his prestigious post as Undersecretary of State for Economic Affairs to become Eximbank's new head. His combination of talents useful in this job may be unique. As a onetime successful entrepreneur he understands and sympathizes with the thinking of businessmen who want to develop new export fields behind the Iron Curtain. As a brilliant ex-corporation lawyer whose razor-sharp perceptions of legalistic minutiac have been further honed during his stint as head of the SEC, he is well-equipped to shepherd the most intricate negotiations with both U.S. politicians and Soviet bargainers. From his experience in the State Department he has a working knowledge of dealing at both diplomatic and economic levels with foreigners, as well as the official prestige that is so often the decisive influence in tough "eyeball to eyeball" confrontations—of the sort that will occupy a goodly portion of the bank's time.

It devolves on Casey's experience and intelligence to convince hostile politicians in an election year that a piece of $120 billion worth of export potential for American business is more important than fruitless attempts on our part to influence internal politics in the Soviet Union. When he has crossed that hurdle it will be his job to guide our businessmen through the ideological minefields and make sure they come back from the encounter without losing their shirts. He will also have to convince an endless procession of ill-informed and suspicious Soviet functionaries that we are not trying to fleece them.

No mean assignment, this—but Casey has been through the mills and his quiet confidence is infectious. His ability to explain some of the problems in simple, succinct terms suggests a similar ability to solve them.

PRESENT ROADBLOCKS

For example—Congress, pushing on all fronts to take power away from the Executive Branch, would like authority to review each loan made in a Soviet deal for a period of 30 days before giving it final approval. Such a delay, argues Casey, "would simply put us at a competitive disadvantage. Germany and Japan are capable of doing the same business without bureaucratic delays."

Some Congressmen are upset that the bank only charges 7% interest on its loans, at a time when the Treasury is paying 8¾% interest for its new money. Casey rejoins that the bank does not lose money on the deal because it borrowed funds long ago at lower rates—its current weighted-average cost for all the money it is using is 6.8%. Japan only charges its exporters 5½% and Britain 6%, and their prevailing interest rates are much higher than ours. There are international agreements that prevent us from directly or indirectly subsidizing our exports, but there is nothing to suggest that a bank that was set up in the first place to encourage our exports should not do so to the best of its legal ability, bearing in mind, as Casey emphasizes: "We are a bank and not an AID-type agency."

TIGHT SHIP

One of the bank's strongest defenses against charges of subsidizing is that it has always operated at a profit. Since 1945 it has paid $835 million in dividends to the Treasury—on an original investment of $1 billion—and built up an earned surplus of $1.5 billion. It is currently supporting about $10.5 billion in annual exports—which translates into 738,000 full-time jobs for our labor force.

Since it first began operations the bank has disbursed $23 billion in loans, against which it has written off only $3.7 million—or 2 cents for every $100 of loans disbursed. If loans that are "rescheduled" because of political problems (e.g. Cuba, Chile, and Communist China) are added in, the total writeoff would still be less than 5 cents on every $100 loaned—which compares with an average writeoff of 50 cents on every $100 of international loans made by large commercial banks.

Eximbank operations are excluded from the Federal budget, but curiously, this has encouraged an austerity in the organization almost unknown in government circles. It is no Mecca for chowhounds—its total annual entertainment allowance is $24,000. Its staff consists of 400 people, compared to 4,000–5,000 employed in comparable operations in competing countries; notwithstanding, the bank's services are instantly available to any American business selling abroad or any of their business's customers, in thousands of cities throughout the world. Eximbank makes mostly long-term loans, while its competitors lend mostly short-term, thereby using their available capital more efficiently. Incidentally, their business with the Soviet Union is currently sixteen times the size of ours.

The touchy area in Soviet deals relates to whether we are in some way hurting ourselves to advantage them. Casey states that the bank is not now approving investments in the USSR that are "energy related." The much-publicized plans for developing natural gas reserves in Siberia are only in the preliminary-equity discussion stages, and the bank is holding back on its approval. "Perhaps we can use the equity better here. We won't make billion dollar loans without having much more money available. We wouldn't dump all that money into any single deal without having a lot more money available."

The bank has $289 million in commitments to the USSR and approximately $600 million in total commitments to Communist countries—which compared with $9 billion in similar commitments by Europe and Japan.

HOW IT FUNCTIONS

So, assuming a U.S. company wants to trade with the USSR and has negotiated the diplomatic and political labyrinths, where and how does the Eximbank fit into the picture?

Typically, the seller of goods will have received a 10% down-payment from the buyer and will be seeking financing, after shipment, for the balance due. If the Eximbank approves the transaction (if it does not approve there will be no transaction) it will typically match private lenders dollar for dollar, providing up to 50% of the total loan. Aside from the convenience and prestige of having Eximbank there to provide needed funds and know-how, there is the very real advantage of savings in interest costs—Eximbank charges only 7%.

While loans receive the majority of publicity and account for roughly half the bank's commitments in terms of dollar volume, less than 300 of the nearly 8,000 transactions the bank handled last year required long-term loans out of the bank's capital. In a majority of instances the bank will insure or guarantee the private lender in the transaction. Most of such guarantees cover transactions of less than $250,000. In dollar amounts guarantees and insurance account for about half the bank's total commitments.

In fiscal 1973 *Financial Guarantees* of private bank credit in partnership with Eximbank direct loans—totaled about $1.5 billion, *Commercial Guarantees*—for medium-term credits issued directly by banks without Eximbank loan participation—came to $411 million. *Exporter Credit Insurance*—through FCIA—was $2,473 billion. The bank also had outstanding advance commitments to discount export paper written by commercial banks in the amount of $1.64 billion—of which $372 million was actually used during 1973. With the help of these programs, where needed, the bank in participation with private financing, has placed $11.8 billion worth of export loans in the private market since 1969.

OPEC POSSIBILITIES

One of the most enticing prospects for export business are the African nations, whose large populations and high potential demands are only offset by their virtually nonexistent credit ratings. Reflective of their much-advertised "Third World" consciousness, some of the oil exporting countries are in an excellent position to put their money where their mouth is by underwriting loans that would result in U.S. exports.

To put the same idea somewhat less abstractly, Saudi Arabia might guarantee credit that Egypt would use in making purchases in the U.S. The Eximbank could in turn guarantee, insure, or partly finance the U.S. seller. It is an idea with high potential that could open up rather quickly, now that the first checks for higher-priced oil are being deposited in Arabian bank accounts.

In terms of U.S. balance of payments, it is estimated that higher oil prices will increase our outflows by $15 billion in the current year. The pressure this places on increasing our exports will be obvious. Just as obvious is the pressure higher oil prices are placing on every other consuming nation to increase exports. Mr. Casey's opinion is succinct "Obviously, without Eximbank support, the U.S. seller cannot compete with foreign government-supported export sales in today's market."

American business is still tops in technology and the ability to produce whole complex "turnkey" operations that require relatively long-term financing. The demand for these goods and services in underdeveloped countries and behind the Iron Curtain is large and urgent, and—all things equal—they prefer to deal with the U.S. Eximbank's rapid growth during the past five years testifies to the demand for its services. From all appearances, this is only the beginning.

CASEY SPEAKS ON ISSUES OF FOREIGN TRADE

(Bill Casey is no stranger to these pages. Our own Willie prognosticated back in April, 1971 that Casey would come through the partisan political flak surrounding his nomination as SEC chief with flying colors—just as he had survived the more dangerous kind just 30 years ago, when as head of European O.S.S. operations he was working with European Resistance movements. In January 1973 our Cover Story dealt with Casey's move from the SEC to the State Department, where he served as Undersecretary for Economic Affairs.

(Soldier, lawyer, entrepreneur, diplomat, author, now banker—Casey has a rare talent for putting words together and then getting them translated into action. Below is some of the testimony he delivered before the House of Representatives Subcommittee on International Trade, Committee on Banking and Currency, April 30, 1974.)

Today's world is interdependent, and production techniques and methodology are too widely dispersed to permit us to build a wall around the U.S. economy which can halt the shift of production to those capable of doing the task at the lowest cost.

To maintain jobs and living standards in the United States we have to work to develop more advanced, competitive products and to create new jobs at higher pay for every job lost as workers abroad become capable of producing some products at lower costs. We have done fairly well so far, but in order to keep pace we must steadily increase the $28 billion worth of machinery and equipment and the $23 billion worth of other manufactured goods the United States exported in 1973. This is where Eximbank can make a contribution which overwhelmingly exceeds any marginal role it may play in the export of production equipment, virtually all of which the importers can also acquire from sources outside the United States.

The United States is pursuing what we hope to be an historic and successful initiative in seeking to move our relationship with the Soviet Union away from military competition and toward economic cooperation. This initiative is one in which we will not know the results for many years. The decision to make that effort, and the responsibility to gauge its prospects and results and to determine how far to pursue it belongs to the President and to the Congress. President Nixon and Secretary Kissinger have spoken eloquently on the importance of working towards a relationship with the Soviet Union which will reduce both the cost of armaments and the danger of a nuclear holocaust. They believe, together with many in the Congress and among the American public, that the development of mutual stakes in economic cooperation for the United States and the Soviet Union can contribute substantially to that objective. As long as the President and the Congress find it in the national interest to continue commercial relationships with the Soviet Union, Eximbank is an instrument to be used.

In some quarters, the notion exists that Eximbank is giving, or is prepared to give, the Soviet Union large sums of money. That, of course, is not true. Eximbank will only disburse funds to American companies in payment for American products to be used in the

Soviet Union. . . . Eximbank will only enter into the same kinds of transactions as it has entered into for 40 years in other countries around the world.

THE AMAZING ROSEMARY—HOW SHE TAKES CARE OF HER MULTIBILLION DOLLAR BABY

"Rosemary," wrote Shakespeare, "that's for remembrance." Eximbank's personable lady Senior Vice President of Public Affairs and Export Expansion, Rosemary A. Mazon, has been the bank's "remembrance" officer for five years. She did such a good job creating a public image for the bank that when the bank's marketing director resigned in 1972 the powers that be decided to add all his duties to those she already had and compensate her with the title of Senior Vice President.

Born and raised in Pittsburgh, and in the banking business since her 'teens, Miss Mazon served as Director of Marketing and Publications for Pittsburgh's Fidelity Trust and later held the same position with the Northwest National Bank in Chicago. A walking encyclopedia of Exim's complex operations who still bones up on her daily tasks by reading 17 newspapers every morning, Rosemary has kept the charm of the expolitical pro—she once seriously considered running for the U.S. Senate—and the drive that has won her a top position in a male-dominated business. Her advice to young women who want to get ahead in a competitive world: "If you want to go to the top, work at it. Don't be afraid to move on if you're not moving up."

As a distinguished European financier describes her: "Formidable—but adorable!"

Mr. PACKWOOD. As is commonly known, the Banking Committee is preparing to report to the full Senate Eximbank legislation that we have been studying since last October. Of course, I will be discussing this issue in more depth when the bill comes to the floor for consideration. However, I would like to take just a few moments to comment on the general thrust of the review that we have undertaken in the committee and the legislation that is being prepared at this very moment.

As I indicated earlier, I have been privileged to serve on the Subcommittee on International Finance for the last 4 years. During that time, I have witnessed what gives evidence of being a full-circle turnaround with respect to the desirability of East-West trade.

The vision of great promise that permeated our debate on Eximbank legislation in 1971 has, I fear, deteriorated to an alarming degree into a feeling of disillusionment that progress in our trading relations has been so slow in developing. This disillusionment is coupled for the most part with a disenchantment over the general prospects for détente as a means by which political as well as economic relations between America and the Communist countries can lead to a condition of relative calm and normalcy.

It is to this feeling of disenchantment that I must address myself, both today and later when the full Senate considers the Eximbank legislation. In part through the vehicle of Eximbank, this Nation has embarked upon a path leading to improved commercial relations between ourselves and Communist countries. The going is slow, agonizingly so at times, but I am convinced the rewards will in due course redound to the benefit of all people, at home and abroad.

While I am generally pleased with the position taken by the Banking Committee with respect to continued development of our trade with all Communist countries, and the Soviet Union in particular, I am concerned that there are those among us who would urge that we go much further in restricting the Bank as to its ability to assist American exporters in trade with Communist countries.

I am concerned that some Members—whose concerns I share in large part—will unwisely propose crippling limitations on the Bank's ability to transact its business—restrictions that will have the effect of retreating from the path of progress on East-West trade to the ultimate detriment of the developing of better relations between the United States and Communist countries.

To those Members, I urge a careful review of the record of the Bank as well as a better analysis of the limitations of the Bank as a vehicle for the transmission of America's foreign policy. We must be mindful of the good that has come from our support of the Bank. We must also be careful to recognize that the Bank is not to blame for such failures as we detect in our Nation's foreign policy. In brief, let us not lash out at the Bank in our frustration with the slowness of change in our relations with the Communist world. The Bank is certainly not responsible for the shortcomings. However, the Bank is to be commended for the positive role it has played in the development of the successes in that policy.

Very soon after we return from the 4th of July recess, the Banking Committee will report the Eximbank legislation to the floor. I look forward to the dialog that will ensue. The record will clearly indicate the commendable job being done by the Bank. I will enjoy my responsibility of discussing that record with my colleagues.

HEALTH MANPOWER

Mr. HASKELL. Mr. President, I recently received a resolution from the American Association of Colleges of Nursing which was prepared at their annual meeting in Washington in February. I believe the ideas incorporated in the resolution have much merit; and in the interest of my colleagues, I ask unanimous consent that this resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF COLLEGES OF NURSING RESOLUTION

Whereas, new legislation is being proposed for health manpower which will focus on problems of primary care and on distribution while seeking to maintain current levels of training capacity and output;

Whereas, the profession of nursing is the largest single provider of health care delivery services;

Whereas, the nursing profession takes full responsibility for the preparation and practices of its own practitioners;

Whereas, it has been demonstrated that nursing is essential for providing easy accessibility into the health care system;

Whereas, within a prepaid health care delivery system, the client population will be without limits;

Whereas, experimentation and research in health care delivery are necessary for improvement of nursing services to people;

Whereas, there is an under representation of minority groups in professional nursing, especially at the higher education levels;

Whereas, the profession of nursing is in dire need of leaders in education, administration, and research;

Therefore be it resolved that: The following changes be made in existing laws to strengthen and expand the Public Health Service programs of Federal assistance for nurse training:

(a) Institutional support for schools of nursing should be increased to more nearly reflect one-third of all educational costs, with a special increment per graduate student added to the basic formula.

(b) Traineeships should be continued for the graduate education of nurses as well as student loans and scholarships for undergraduate students.

(c) Continue the current authority for project grants to schools of nursing with emphasis on programs to expand the enrollment and retention of disadvantaged students, to increase training capacity for advanced training at the graduate level, for expanding training capacity in such specialty areas as nurse midwives, family health nurses, pediatric and adult nurse practitioners, to support nursing research and demonstration projects to improve the quality of patient care and to explore new methods of multi-disciplinary health care delivery, in addition to dealing with maldistribution of health personnel.

(d) Continue the authorization for construction with the establishment of priorities for facilities for the advanced training of nurses and renovation of existing facilities.

ENERGY AND INFLATION

Mr. STEVENSON. Mr. President, the Nixon administration's answer to the energy crisis has been ever higher prices and profits for the companies which control the price and supply of the Nation's most vital commodity—energy.

We are told to let the free market work. We are told that increased prices will give us increased supplies.

But no one in the administration tells us that there is no free energy market. No one tells us that the price increases already granted have generated far more cash than the Nation's major oil companies can reinvest in increased exploration and development for oil and gas. And no one in this administration has been willing to level with the country about the economic consequences of continued submission to the whims of a handful of large corporations.

Mr. Matthew Kerbec, president of Output Systems Corp., in Arlington, Va., has written President Nixon a letter trying to call his attention to these economic realities.

While some of the analytical techniques Mr. Kerbec uses may be subject to further refinement, his general conclusion is becoming increasingly apparent to millions of Americans every day at the gas pump as well as in the supermarket, and in every sector of our economy. The energy crisis has become an energy price crisis that promises to get worse, not better.

Energy is to an industrialized society like air and water are to the human body. Nothing is made or brought or sold without an energy component. And when energy prices are allowed to skyrocket, the effect of those increases as they ripple throughout the economy is multiplied many times over. A recent study by the Senate Antitrust and Monopoly Subcommittee estimated that refined product price increases cost American consumers over $36 billion last year.

Mr. Kerbec's message to the President is underscored by the intolerable double-digit inflation that threatens our entire economic house.

The energy crisis is an energy price crisis. Mr. Kerbec is to be commended for trying to make that point to the President. If the message does not get through, and we have little reason to believe it will, it will be up to the Congress to take positive action on measures like the Consumer Energy Act to restore competition and reasonable prices in the Nation's energy industry.

Mr. President, I ask unanimous consent that Mr. Kerbec's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Output Systems Corp.,
Arlington, Va., May 3, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: This is the third report of the Office of the President giving a citizen's view of the state of the economy. The focus of this report is the Consumer Energy Act Hearings held by the Senate Commerce Committee on April 22 and 23. One of the important highlights of those Hearings, as far as I was concerned, was Senator Adlai E. Stevenson's persistent questions addressed to your new Federal Energy Office Chief, John C. Sawhill, concerning the actions FEO was taking relative to evaluating the economic impact the sudden massive energy price hikes are having on the private and industrial sectors of the economy. Mr. Sawhill replied that he was aware of the economic effects caused by inflated energy prices and he believed that this problem was being studied but he offered no details concerning objectives or schedules. The heartening thing about this is the realization that we are at last starting to concern ourselves with basic questions such as: "Will the high price medicine approach to curing energy shortages lead to price-inflation-wage-recession effects that will be worse than the shortages?

During these Hearings Mr. Sawhill and other witnesses continually referred to the benefits of a free enterprise competitive economic system. Their argument was that if the energy producers were left alone, free market forces would solve the energy problem. There is no doubt that free enterprise and competition has played a significant role in the growth of the economy. However, the belief that energy in short supply operates in a marketplace governed by any of the classical economic price-supply-demand relationships is completely unrealistic and is leading to decisions based on inappropriate theoretical concepts. Perhaps the following three points will help clarify this:

1. Corollary 3 of the "Kerbec Energy Theory" states: An energy cost is associated with obtaining, producing and/or transporting all raw materials and products and these costs are multiplied and accelerated as they ripple through a profit-oriented economic system.

Energy is required to move or physically change any matter and there are no exceptions. It is only when you try to substitute words such as meat, steel, wheat, automobiles, etc., for the word energy in the above Corollary, that the form, substance and uniqueness of the energy problem hits home. It is vital to realize that some form of energy is required for the survival of all biological and human activities and it is this truism that leads to price multiplier ripple effects that greatly exceed those of any other commodity. Energy is as necessary to the life of a highly industrialized economic system as air and water are to humans, animals and plants. This is not true of any other commodity.

2. Classical economic theory is based on definitions of free enterprise and competition. These definitions provide the basis for assuming that human spending behavior is related to prices which in turn mandate what goods and services will be produced. These basic ideas led to price-supply-demand-elasticity models which unfortunately many policy makers regard as unchangeable economic laws. In the case of energy in short supply these models and so-called economic laws are no longer operative and decisions and actions based on these classical concepts can and are leading to legislative, tax and technical responses that are aggravating rather than helping the energy and economic problems. For example, under conditions of energy shortages, supply becomes the relevant variable. Because energy is vital to the survival of all biological and human activities, survival behavior overrides price as the dominant consideration. Under these conditions the concept of competition becomes meaningless as price is determined by what the energy seller considers a fair price. Another aspect of energy economics that completely negates classical price-supply-demand concepts is the need for a national energy conservation program which is endorsed by all thinking people including Mr. Sawhill and particularly the oil companies.

Essentially this means that it is extremely beneficial for energy producers to maintain the present energy situation. Because of the vital necessity of energy (coal, oil and natural gas), threatened or real shortages (if there are no controls) literally can give the energy sellers the power of life and death over an individual or enterprise.

Energy producers and sellers are now faced with a real world decision that must weigh stockholder interests against those of the public. At the present time they can sell all the energy they can produce at prices they, to a great extent, determine. In addition to achieving satisfactory earnings this enhances the value of, and prolongs the life of their reserves and inventories. Alternatively, if they produce enough to erase the threat of shortages prices will come down and the value of their inventories and reserves will be reduced. Why should they change the status quo?

One thing that energy producers in the United States are doing that is both good for them and the country is putting massive amounts of money into promotions aimed at energy conservation which is another way of suppressing demand. While this is in a good cause the conservation policy erases any remaining resemblance to a classical competitive free enterprise system in which price governs supply and demand. Currently the energy producers have an ideal market situation and they would be doing their stockholders a great disservice if they did anything to change the characteristics of today's marketplace. This became dramatically apparent at the recent Senate Subcommittee on Multinational Corporations Hearings concerning the profits and monopoly practices of the Arabian American Oil Company (ARAMCO). According to a March 28, 1974 front page Washington Post article ARAMCO's Senior Vice President, Joseph J. Johnson, was repeatedly asked what incentive ARAMCO and its owners had to press for lower prices—he was unable to suggest one.

It is these real and fundamental facts that make it mandatory for the Federal Government to get into the energy business if fair prices, adequate supplies and new energy sources are to be developed in the near future.

3. Even more urgent is the necessity to reduce the massive unrelenting inflationary energy price pressures on our economy. Corollary 3 tells us that an energy cost is incurred in obtaining, processing and moving any raw material or product and there are no exceptions. In 1974 the estimated additional cost for crude oil will be about $17.56 billion. This is about 1.35% of the $1.3 trillion 1973 GNP and at first glance seems insignificant. However, this $17.56 billion on a crude oil level becomes $43.9 billion when expanded to the refined petroleum product levels which then enter our economic system. If on the average this $43.9 billion goes through three profit centers and is marked up 30% in each center the total price to the consumer will be $96.44 billion (see Tables 1 and 2). The scenario presented in Table 2 is highly simplified but does provide a working hypothesis that helps understand what is happening to the economy in terms of explaining the inflation-recession-high interest rate paradox we are now experiencing. Many government and private analysts relate our current inflation to that experienced after World War II and the Korean War. Credit for these inflationary periods was given to pent up consumer demand coupled with a backlog of consumer savings. This is not the situation now. The single greatest reason for today's combination inflation-recession-interest rate problem was the sudden massive energy price increases and their resultant multiplier price ripple effects.

Specifically, from Table 2 one possible scenario shows that the extra cost of refined petroleum products in 1974 will be $43.9 billion and inflated profits will be $52.54 billion. The total being siphoned from the pool of disposable income will amount to $96.44 billion which is more than the 1975 Department of Defense budget request. The total personal disposable income in 1972 was $795.1 billion. Part of this $96.55 billion will be offset by wage increases which will trigger other price increases. For example, an article on Page 2 of the April 15, 1974 edition of the Wall Street Journal projects a 25% to 28% increase in steel prices by July 1974 as a result of rising material and labor costs (see the attached article). Obviously the increase in steel prices will trigger larger price ripple effects that once started will be independent of changes in energy prices. The construction and automotive industries account for 45% of the steel products produced in the U.S. and will be forced to raise prices to pay for these costs. However, we cannot afford to lose sight of the fact that the sudden massive energy prices hikes was the primary cause for these effects.

It is emphasized that this report only covers the inflationary effects caused by energy prices. There are other commodity shortages that are also making significant contributions to the rate of inflation and are an integral part of the total economic problem.

One direct result of inflation is resulting in consumers losing approximately $8 billion worth of buying power each month (see Table 2) which helps to explain the recession characteristics of our economy.

Another insidious adverse feature of the sudden huge energy price hikes shows up as companies try to finance additional energy related costs of production. Table 2 shows that the total demand for operating capital for the three plants needed to pay for the inflated energy costs amounted to $175.16 billion which results in an upward pressure on interest rates and diverts capital away from housing construction and other investment areas. One significant danger in this situation is that many of these business loans must be paid from income and companies who are not able to sell their products at prices that will generate enough income to pay for soaring costs will go out of business. During the first two months of this year, 1,746 Japanese companies filed for bankruptcy, leaving debts totaling the equivalent of about $656 million. In the first two months of 1973 by contrast, only 943 concerns went bankrupt leaving debts of about $244 million. Japan's estimated prime interest rate is about 12% and their current rate of inflation is reported as 26%. Based on the past three months the U.S. has a 14.5% annualized rate of inflation and a prime interest rate that has just hit 11%. Although Japan is 100% dependent on imported oil we are catching up fast by allowing cartel energy prices to leverage the entire U.S. economy via the energy price mechanism.

Table 2 has been based on assumptions that provide for an average multiplier price ripple effect of 30% for each profit center to represent the profit markup and an average of three profit centers to produce a final product. These assumptions are questionable but are sufficient to show order of magnitude trends. Actually there are over 11 million business enterprises in the U.S. From Corollary 3 we know that all these enterprises must use some form of energy and many of them produce and/or use products that contain multiple energy cost markups.

This report has only covered the first round price effects caused by the massive energy price increases. They have triggered a rise in the Consumer Index which in turn triggered some startling wage settlements, particularly in those industries that have reported unusually high profits. These settlements are and will continue to add their own independent inflationary ripple effects which will force prices still higher.

So far only petroleum product prices has been covered. Natural gas sold in the same state it was produced is not regulated and is selling for as high as three times the price compared to last year. Natural gas represents about 30% of the cost of producing nitrogenous fertilizer. As a result of natural gas prices fertilizer prices have jumped between 100% and 200% in the past twelve months and there is no doubt that these costs will force food prices higher than they are now. Much of the coal used for steel production and power generation has doubled in price in the past year leading to escalating steel prices and electric bills.

The December 19, 1973 increase of 24% ($4.25 to $5.25) in the price of a barrel of crude oil produced in the U.S. granted by the Cost of Living Council without any public hearings did much to provide the logical and psychological basis for argument justifying massive two-digit increases in other commodity prices and wages demands. Perhaps December 19, 1974 warrants the dubious distinction of being the day hyper-inflation in the United States was born.

In view of the above considerations the following suggestions are respectfully submitted:

1. Actively support the "Consumer Energy Act" and its price control provisions. As indicated earlier in this report the overriding concern is controlling the price-inflation-recession spiral. Each dollar increase in the price of energy at the crude oil, coal mine, or natural gas level has the potential for skimming $5 or more from the pool of disposable income or buying power. The end result may be the dissolution of our economic system in terms of astronomical prices, wages and unemployment. For your information our first scenario predicting an unprecedented inflationary spiral was developed as the result of a statement made by your Chief Economic Advisor Mr. Herbert Stein on November 15, 1973. He stated, "The direct result of doubling the price of crude oil would be equivalent to an increase of about 3% in the price of all goods and services." (See the Congressional Record, vol. 119, pt. 32, p. 42335.) On December 28, 1973 after the OPEC countries actually did double the prices of crude oil Mr. Stein was quoted in a WASHINGTON POST article to the effect that, "Largely because of recently doubled foreign crude oil prices the rate of inflation for the first part of 1974 could be very high." The point to be made is that these are generalized statements that have no basis in fact but are translated into energy policy actions and repeated by the news media and lay the groundwork for many inappropriate planning decisions in other governmental bodies.

2. Immediately authorize a comprehensive study and analysis of the economic damage resulting from the sudden massive energy price increases. Basically it should include the cost, profit, price, wage, inflation and recession aspects of our economic system as they relate to the effects caused by price increases in oil, coal and natural gas. Industries studied in terms of priorities should include those having large requirements for energy such as food (farming, processing, distribution and marketing), transportation (air, land and water), petrochemical including fertilizer, construction, power generation and automotive.

3. There is mounting sentiment for a $5.9 billion tax cut to stimulate the economy. I believe the administration is right in opposing this tax cut. The enclosed scenario (Table 2) represents a possible drop in buying power of $96.44 billion.

Obviously, if this amount is anywhere near valid a $5.9 billion credit will have little effect in counteracting a $96.44 billion deficit. Perhaps a more meaningful approach would be to use the $5.9 billion plus what ever else it takes to subsidize the difference in price between imported petroleum products and some fixed price for domestic oil. This in addition to being a positive step in dampening the price-inflation-wage-recession spiral will also help stabilize the economy. One critical economic danger signal not generally publicized is what is happening to industrial purchasing contracts which is where the real action is relative to raw material costs. This problem is highlighted by the following lead appearing on the Front Page of the April 15, 1974 issue of the Wall Street Journal, "More suppliers shun fixed price contracts to outwit inflation—Price at Time of Delivery Becomes Popular Tactics; Consumers Feel Impact." This is a foretaste of what happens when the value of paper money starts to skid.

4. Your executive team should be cautioned against using economic text book terms such as free enterprise and laws of supply and demand when trying to explain how energy prices and shortages will be corrected by free market forces. As mentioned above the relationship between the vital need for energy in short supply and survival overrides classical price-behavior concepts. In the real world the price of coal, oil, and natural gas have doubled and in some cases tripled with no lessening in demand. In addition, a realistic energy conservation program will completely distort any supply-demand-price model based on classical economic theory. It is embarrassing to read and hear these inappropriate economic statements from top Federal Government executives and is resulting in an even greater loss of public confidence in the government.

A final comment on Price and Wage Controls. If it were not for the deep tragic overtones it would be humorous to realize the inadequacies of governmental policies and actions taken to overcome the energy price crisis. At over 20% rates of inflation, Great Britain and Japan are invoking rigid economic controls—while the United States with a 14.5% annualized rate of inflation based on the past three months is decontrolling everything in sight. The crowning irony is that realistic and effective price-wage controls are an impossible goal when a highly industrialized economic system is inundated with sudden massive energy price increases which affect all other prices.

Sincerely,

MATTHEW J. KERBEC,
President.

TABLE 1.—CALCULATIONS FOR DETERMINING TOTAL DAILY TOTAL DOLLAR VALUE OF CRUDE OIL USED IN THE UNITED STATES

	1973					
	Jan. 10	May 15	Aug. 15	Oct. 15	Dec. 31	January 1974
Domestic crude prices:						
Old crude (per barrel)[1]	$3.40	$3.62	$3.86	$4.17	$4.25	$5.25
New crude percent stripper (per barrel)[1]	3.40	3.62	3.86	5.17	6.17	8.00
Imported crude prices: Average import delivered in the United States[1]	3.34		3.93	5.24	6.54	10.00
Barrels per day used (millions):						
Domestic:						
Old crude[2]	9.26	9.26	9.26	9.26	9.26	9.26
New crude[2]	3.093	3.093	3.093	3.093	3.093	3.093
Imported[2]	4.932	4.932	4.932	4.932	4.932	4.932
Daily total value (millions).						
Old crude	$31.48	$33.52	$35.74	$38.61	$39.35	$48.61
New crude	10.50	11.18	11.93	15.99	19.08	24.74
Imported	16.46	16.46	19.38	25.84	32.25	49.32
Total (per day)	58.44	61.16	67.05	80.44	90.68	22.67

[1] Source: Cost of Living Council, news release, Dec. 19, 1973, "Domestic Crude Oil Price Adjustments."

[2] Source: Federal Energy Office, petroleum situation report, week ending Dec. 14, 1973, table 1.

Note: Estimated U.S. crude oil bill for 1974 is 365 times $122.67 equals $44,774,000,000. Estimated U.S. crude oil bill for 1973 is 365 times $58.44 plus $90.68 over 2 equals $27,214,000,000. Increase in crude oil costs in 1974 $17,560,000,000. Assume the selling price of refined petroleum products is 2.5 times the cost of crude oil. This multiplier includes refinery costs and profits, in addition to shipping costs and marketing and distribution markups. Then the total added cost to customers will be 2.5 times $17.560 equals $43,900,000,000. Approximately 70 percent or $30,730,000,000 will be purchased by agriculture and industry. Approximately 30 percent or $13,170,000,000 will be purchased by consumers (gasoline, oil, heating oil, etc.)

TABLE 2.—SCENARIO SHOWING COST, PROFIT AND PRICE RELATIONSHIPS FOR $43,900,000,000 OF ADDITIONAL 1974 REFINED PETROLEUM PRODUCT COSTS WHEN THESE COSTS PASS THROUGH THREE PROFIT CENTERS

[Billions of dollars]

	Cost	Pretax profit (30 percent of cost)	Selling price
Plant 1	$43.9	$13.17	$57.07 to plant 2.
Plant 2	57.07	17.12	$74.19 to plant 3.
Plant 3	74.19	22.25	$96.44 to consumer.
Total	175.16	52.54	

FROM TABLE 1

NOTES: 1. The above scenario was developed to show orders of magnitude. Petroleum products sold by gasoline stations may not go through three profit centers while raw materials and subproducts for complex finished goods such as automobiles and airplanes go through many more than three profit centers.

This scenario is conservative to the extent that it does not include the multiple markup price ripple effects due to each transportation transaction. Transporation costs are also soaring due to the fact that energy is the basic raw material used by all forms of transportation.

2. Energy sellers receive $43.9 billion of the total $96.44 cost to consumers.

3. Plants 1, 2 and 3 will have to borrow a total of $175.16 billion for 1974 or $14.59 billion per month and this will put tremendous loan demand pressures on financial institutions which will help drive up interest rates. At a 10% interest rate this results in a monthly interest cost to production of $1.459 billion which was not included in the profit or selling price calculations. The current unprecedented interest rates present an urgent warning that the loss of value of paper money is accelerating and under present and planned Federal energy price actions, this pressure for loans will continue and even grow greater.

4. Plants 1, 2 and 3 will have the illusion of increasing total profits by $52.54 billion. This will please some manufacturers and justify larger wage demands by workers.

The public disposable income is a finite resource which inflation is burning up at an accelerating rate. A solid hard core recession-depression spiral becomes more of a reality each passing day due to the continuous unrelenting inflationary energy pricing pressures. Specifically, under this scenario the consuming public will lose $96.44 billion in disposable income which will lead to rising inventories, greater percentages of income being spent for necessities thereby distorting spending patterns, layoffs and reduced savings and capital investment.

5. The whole scenario is analogous to the events leading to the 1929 stock market crash to the extent that costs, profits and selling prices bear no relationship to the real value of either 1929 stocks or 1974 products. The U.S. economy is following Japan and Great Britain into a 20% rate of inflation. The single greatest commonality is that these countries and the U.S. allowed sudden massive energy price hikes to inundate their economic systems.

[From the Wall Street Journal, Apr. 15, 1974]

STEEL PRICE BOOSTS LIKELY TO BE BIG, SWIFT AFTER APRIL 30, TO COVER COST OF LABOR PACT

(By Byron E. Calame)

WASHINGTON.—Steel price increases may come faster and fatter than expected after controls are lifted April 30, as the industry seeks to cover the costs of its new labor contract.

Industry officials didn't waste any time in suggesting where the money would have to come from for the improved pay and benefits won by the United Steelworkers Union. "There's no place to go for increased costs except to the market," R. Heath Larry, the industry's top negotiator, declared at the Friday announcement of the pact.

One government analyst estimated price increases totaling 17% to 18% would be needed to cover the industry's higher employe outlays, if the three-year agreement actually raises the steelmakers' total labor costs about $3.25 an hour as projected by some union and company officials. Several industry officials confirmed the government analyst's projection.

Steel prices, of course, were already certain to rise when economic controls end April 30. But the labor agreement makes "a rather sizable surge" in prices "all the more likely," said an executive of one major steelmaker. At one large company, labor accounts for about 40% of total costs, an official said.

Moreover, the decision to give USW members a 28-cent-an-hour-pay boost May 1 instead of Aug. 1, when the pact actually takes effect, is likely to speed up some price increase plans, one industry source said. In addition to price increases tentatively set for shortly after controls end, some steelmakers apparently had contemplated further boosts Aug. 1.

"Now," said one company executive, "they may not wait." But an official of another company maintained that the first-year pay increase wasn't moved up to the day after controls are set to end "for pricing purposes." Rather, he said, it was to help I. W. Abel, USW president, "sell" the pact to his members.

Most companies won't divulge their post-April 30 price plans. But even before the labor pact was reached, for example, Allegheny Ludlum Industries Inc.'s steel-making unit had already disclosed that it expects cost increases totaling 18% in the six months ending July 31. Thus, company officials say it would take a 25% to 28% price increase to get the company's return on sales back to its goal of 6%.

Everyone agrees the current strong demand for steel gives the steelmakers plenty of room to raise prices. "The market appears to be able to take it," observed one company official.

With "demand looking strong through the rest of the decade," suggested one government analyst, "the companies probably feel a little cocky in today's market."

In addition, the weak sentiment in Congress for continuing controls and the White House's apparent preoccupation with Watergate add to the steelmakers' pricing policy freedom, one analyst said. These situations have "raised the threshold level for what they think they can get," he added.

Still, this same expert said that the steelmakers' pricing moves in the coming weeks will undoubtedly be "tempered" by concern about arousing public opinion. "In a couple of months (if prices soar too high), there could be midnight knocks on the door and congressional investigations," he added. (Back in the early 1960s, an irate President Kennedy set government officials investigating steel price boosts and pounding on the doors of newsmen and others at night.)

Historically, the steel industry hasn't always been bashful about moving to recoup higher labor costs. The day after the current three-year USW contract was signed in early August 1971, the industry boldly and unexpectedly announced price increases averaging 8% on nearly all products. Spurring the quick move then, of course, were rumors of the impending wage and price controls that were actually slapped on by President Nixon Aug. 15, 1971.

But steel industry officials aren't totally oblivious to possible public reaction to anticipated price increases. For example, both union and management sources estimated that the new USW contract will boost labor costs about $3.25 an hour over the life of the pact. Union officials typically seek to put a settlement in its fattest perspective, but management often stresses a leaner version to keep shareholders from thinking they have "sold out" to labor.

In the current situation, however, industry sources say the total cost could fall below the $3.25 figure being used "for public consumption." One conceded that it "doesn't hurt" the industry to "have a whopping increase come along" at this time. This is particularly true, one company man noted, if the steelmakers—as some expect to do—report significant first quarter earnings gains just before April 30.

COMMENT

(By Output Systems Corp.)

Since November 1, 1973 the Cost-of-Living Council allowed price increases and dollar-for-dollar ferrous scrap prices that resulted in hiking basic steel prices an average of 13.5%

On April 12, 1974 the United Steel Workers approved a new labor contract that will raise steel company labor costs about $3.25 per hour and this is expected to increase steel prices from 18% to 25% in the next six months. Over 25% of basic steel products aro used in the construction industry and approximately 20% is used in the automotive industry so additional increases can be expected from these producers plus hefty wage demands from constructions workers.

Over 18% of the materials used to produce steel are fossil fuels. These costs have risen an estimated 75% in the past six months and are a primary cause for the inflated costs, inflated profits and inflated selling prices which are forcing the cost-of-living to skyrocket.

FINANCIAL ASPECTS OF THE ENERGY SITUATION

Mr. MATHIAS. Mr. President, there has been much concern, quite legitimate concern, about the international financial consequences of the huge price increases for oil that have occurred in recent months.

These fourfold increases will result in an international money flow from oil consuming countries to oil exporting countries of unprecedented and staggering proportions. Creating the diplomatic atmosphere and structural mechanisms for handling this flow of funds with as minor a disruption of world economic progress as possible, must be a very high priority for leaders in both our private and public life.

I was pleased, therefore, to see an article on this subject by David Rockefeller, the chairman of the Chase Manhattan Bank, in the international newsletter of the bank, entitled International Finance. Mr. Rockefeller calls for creating a means of recycling the funds flowing to oil exporting countries to insure their wise use in other parts of the world. He states—

> We have no choice but to face the recycling challenge and, in cooperation with the oil producers, to devise the institutional arrangements necessary to cope with it.

This is a useful contribution to the ongoing debate about how to cope with the financial aspects of the oil situation. In order that my colleagues might study this article further, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FINANCIAL ASPECTS OF THE ENERGY SITUATION

(By David Rockefeller)

In the final quarter of last year the Organization of Petroleum Exporting Countries (OPEC) increased the price of oil fourfold. Given these prices and present levels of production, they will receive more than $100 billion yearly for their oil exports. Of this $100 billion, the oil-producing nations will spend some $40 billion for goods and services, leaving $60 billion or so of surplus to be invested. Total reserves of the oil-producing nations are likely to exceed $70 billion by the end of 1974, $140 billion by 1975, and $200 billion by the end of 1976. These huge surpluses must of necessity be offset by corresponding deficits on the part of oil consumers.

This suggests a structural disequilibrium of major proportions in the balance of payments of countries around the world—one that could have serious implications for the world economy and the international financial mechanism. Somehow, the huge surpluses of the oil producers must be recycled back to the deficit oil consumers. If recycling does not occur, the oil consumers will be forced eventually to deflate their economies, with severe worldwide consequences.

In considering this recycling problem it is helpful to distinguish between the short run—say the next year to 18 months—and the longer period. We already have some experience of recycling in the short run. The first sizable payments were made by the oil companies to the producer nations in March, April, and May, and thus far they have been recycled successfully—principally through the international banking system. The oil-producing nations have been placing their money mainly in the Eurodollar market or in sterling. The banks have been the major recycling vehicles, taking this money on deposit, usually at call or on very short maturity, and relending it to oil-consuming nations for periods of five to seven years. This process obviously creates a very unbalanced and precarious maturity structure. So far this year, $12 billion or more has been committed to industrial nations to help cover their 1974 balance-of-payments deficits. While this process can be successful for a limited period of time, there are at least four very serious shortcomings to it, especially in view of the astronomical amounts that loom ahead.

First, the banks cannot continue indefinitely to take very short-term money and lend it out for long periods. Second, and even more serious, is the likelihood that banks eventually will reach the limits of prudent credit exposure, especially with regard to countries where it is not clear how balance-of-payments problems can be solved. Third, the oil-producing countries cannot be expected to build up their bank deposits indefinitely. They, too, will soon reach prudent limits for individual banks or even for individual nations. My own view is that the process of recycling through the banking system may already be close to the end for some countries, and in general it is doubtful that this technique can bridge the gap for more than a year, or at most 18 months. Finally, this form of recycling is not even a temporary solution for lesser-developed countries in a weak financial position—countries like India, Bangladesh, and Sri Lanka which are not in a position to borrow at all in commercial markets.

Compounding these pressing short-run problems are a host of far thornier questions and obstacles down the road. Structural adjustments, of course, will gradually get under way between the economies of the oil producers and the consuming nations. Prices may decline somewhat, and the oil producers will step up their imports and increase the speed of their own internal development. But in the interim, they will be large accumulators of reserves. Moreover, countries such as Saudi Arabia, Kuwait, and the United Arab Emirates clearly lack internal absorptive capacities commensurate with the incomes they will receive. On the contrary, one of their major aims is to accumulate a body of invested wealth outside their countries which will yield an income great enough to replace their oil revenue as it runs out. Naturally they are concerned about such matters as world inflation, exchange risks, and the possibility of expropriation of their assets.

Though not yet large, long-term investments by Middle Eastern countries in the industrial nations are beginning to build up in real estate, selected securities, and some direct investments in industry. Yet the sums requiring investment are so enormous, and the institutional facilities necessary to carry this out so limited, that I question whether such investments will have much impact on the gap for some time to come. All of this clearly suggests that both the World Bank and the IMF will increasingly be called upon to play key roles in the recycling process.

Iran, for instance, has already offered to lend funds to the World Bank and IMF, and also to make some direct loans to India and others at concessionary rates to finance oil imports. Similarly, the recently announced willingness of the oil producers to establish a $2.75 billion "oil facility" to help countries with balance-of-payments problems is a positive move, at least in the shorter term. I fear, however, that this can only be seen as a modest first step when one considers the magnitude of the funds that must be redistributed. If we arrive at constructive long-range solutions, new techniques, strategies, and mechanisms will have to be devised—and devised quickly. Most importantly, a premium will have to be placed on international cooperation.

For some time, for example, the Committee of 20 in the IMF has been considering a new central reserve asset—a revised SDR, which would represent a basket of currencies and hence neutralize the exchange risk between major currencies. Perhaps this asset could play a role in future investment plans of the oil-producing nations, and, indeed, it is assumed that it will be part of the new IMF "oil facility." It may also be possible to work out international guarantee arrangements with regard to expropriation. In this respect, we should remember that the oil producers have one important alternative to accumulating reserves and making investments abroad—they could leave the oil in the ground.

It is highly desirable that ways be found to channel surplus oil revenues into projects designed to create alternative sources of energy. This would not only help the world at large, but would also provide a source of continuing revenues for the oil-producing nations after their oil reserves are exhausted. Finally, it is imperative that the developed countries join with the oil producers to assist the less-developed countries. Unless there is a far more concerted effort in this direction. I fear that the result can only be economic and political chaos.

Underlying all of these requirements is the fact that we must come up with a means of recycling funds on a far more massive scale than now possible. Some argue that we should simply wait for the forces of supply and demand to bring prices down and thereby create a new structural equilibrium. Others feel that inflation in the oil-consuming nations will help alleviate the problem. While there is some validity to both of these positions, I believe we must also be aware of their limitations. First of all, inflation has little hope of answering the problem since the purchases of even the largest oil producers are so relatively small. Second, I fear that relying solely on supply and demand can have disastrous results for many nations—leading to disruptive unemployment and depression.

Creating a mechanism to handle recycling of this scale and to determine acceptable concessions and risks is exceedingly difficult. Perhaps the mission of the IMF could be expanded in this direction, or perhaps it would be best to create a separate vehicle so as to avoid burdening the IMF with the dual responsibility of policing monetary affairs and curbing unemployment. Whatever the means, I believe it is imperative that we develop swiftly a new way of looking at world financial needs—a perspective that emphasizes global stability as well as national creditworthiness.

There are some signs that the present high price is restricting demand for petroleum products in the consuming nations. Also, it appears that production is now running somewhat ahead of consumption. If this is the case, pressure on prices could very well develop. While oil prices may eventually come down somewhat, my own judgment is that plans and policies throughout the world should not be based on the assumption that the decline will be large enough to solve the recycling problem. Indeed, I would guess that we would need a price reduction of some 40% or 50% to produce anything close to a new structural equilibrium. Thus we have no choice but to face the recycling challenge and, in cooperation with the oil producers, to devise the institutional arrangements necessary to cope with it.

The successful creation of such mechanisms will be highly dependent on the political climate. The Middle East countries, by reason of a shift of wealth and resources, are entering a new period in which their political influence, as well as their economic weight, will loom larger on the world scene. At the same time, the new wealth of the Middle East is likely to strengthen the hands of moderate governments in that area and orient them more firmly toward the West. If sustained, this trend toward moderation may well be a highly desirable and significant political dividend. It will also be essential in assuring the stability that must underlie an orderly approach to the redistribution of international capital.

Given a clear realization of the interdependence of all the nations involved, I believe we can find ways to transform the problem of surplus capital in the hands of some nations into many positive opportunities for progress and development worldwide. But this will not happen by itself. It will demand the involvement and dedication of both the public and private sectors on a scale far exceeding that which exists now. Above all, it must involve a degree of global teamwork which we have not seen up to this point. If the nations of the world approach the energy situation sincerely and resolutely, there is reason to hope that it can be used as a catalyst and a rallying point for a new era of international cooperation.

WORLD FOOD PROSPECTS

Mr. HUMPHREY. Mr. President, the New York Times on June 21 included an article by Kathleen Teltsch entitled " '74 World Food Prospect Shaky Despite U.S. Hopes."

The article points out that, in spite of the expectations of a good harvest, the world food outlook is precarious. A report by the Food and Agriculture Organization concludes that the world food situation is more difficult than at any time since the years following the Second World War.

Clearly, we are near the danger point, and a disaster could bring famine to millions. Various reports, including one by UNICEF, predict severe malnutrition for the world's children.

In the view of the Overseas Development Council, scarcities are developing because the global system is overloaded. This is why, in my view, we need to develop new agricultural policies, and we especially need to develop a sound reserve program.

Mr. President, I recommend this incisive article, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

'74 WORLD FOOD PROSPECT SHAKY DESPITE U.S. HOPES

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., June 20—The new report to a Senate committee that the needy in the United States are hungrier and poorer than they were four years ago has raised doubts that a bountiful American harvest may forestall the threatened world food shortage.

In effect the report by a group of experts to the Senate Select Committee on Nutrition and Human Needs, published yesterday, makes it clear that neither increased spending nor rising agricultural output is sufficient answer, domestically or internationally, to an increasingly critical food problem.

Agriculture Department policy-making had estimated a harvest of 2.1 billion bushels of wheat, which they insisted should be ample for domestic needs, put at 750 million bushels, and for a billion-bushel provision for profitable sales abroad—leaving a carry-over of 350 million bushels for emergency foreign assistance.

However, economic analysts outside government and some members of Congress object that such calculations are perilously dependent not only on American harvests as good as forecast but on the absence of major crop failures in other grain-producing regions. World food stocks have fallen to their lowest levels in 20 years, it is emphasized.

And with population growing at 2 per cent a year and with rising pressure for richer diets, demand is increasingly outrunning productive capacity.

The immediate outlook abroad is not reassuring: Poorer countries such as India have had to cut back on fertilizer imports because of quadrupled prices and scarcities. The same is true for diesel fuel for tractors and for irrigation pumps. Capricious weather has damaged Soviet winter wheat, hit Ukrainian fields with dust storms and slowed spring sowing in Canada.

"The world situation in 1974 remains more difficult and uncertain than at any time since the years following the devastation of the Second World War," the Food and Agriculture Organization concludes in a report for the World Food Conference to be held in Rome in November.

The difficulties and uncertainties cited by the United Nations specialized agency are reflected in a survey by The New York Times which also suggests that sketchy and frequently contradictory information is being provided by many governments because of pride or politics or simply inadequate data.

REPORT BY NEW YORKER

According to New Delhi officials, India will be able to meet food requirements without much difficulty, they assert that there is no dearth of fertilizer and no danger of famine. At the same time an Indian supply mission has been sent to Washington to buy as much wheat as possible to offset deficits expected to reach 10 million tons.

"The food agency warns that the drought-ravaged countries extending in a wide belt across Africa south of the Sahara are experiencing acute shortages and that drought is spreading east and south and can be expected to reduce harvests in Dahomey, Egypt, Guinea, Kenya, Nigeria, Somalia, Tanzania and Zaire. However, some qualified authorities returning from the area south of the Sahara say original estimates that 10 million were threatened by famine were grossly inflated.

"Photographs of bleaching animal carcasses in the desert, which are offered around as current evidence are no longer valid and the situation has improved radically," according to D. Pascal J. Imperato, First Deputy Commissioner of the New York City Health Department, who recently revisited the area, where he had spent five years.

He and others acknowledge that foreign assistance will be needed for years. A new United States report said it would take decades after the emergency relief phase to carry out rehabilitation and irrigation projects to halt the desert's advance.

Some relief experts here note that the full dimensions of the famine last year in Ethiopia were suppressed by the Cabinet in Addis Ababa—since ousted—and maintain that United States officials were lax in reporting the disaster because they were unwilling to antagonize the Ethiopian Government.

FIRST SIGNAL IN 1972

Concern for the Indian subcontinent and the sub-Sahara area in Africa prompted recent warnings by the director of the United Nations Children's Fund. Henry R. Labouisse that 400 million to 500 million children were threatened by severe malnutrition. For the first time in many years there are reports of severe malnutrition in Central America.

Theoretically, according to the experts, global grain production of 1.2 billion tons should be enough to meet minimum needs if supplies were spread evenly, which of course, they are not. To attain bare minimums for the 30 to 40 poorest countries would require radical cuts in consumption—in affluent countries, which consume a ton of grain per capita a year, mainly as feed grain to build costly protein in meat, milk and eggs. The prospect of such redistribution is slim.

The first signal that the world was once again veering toward a food crisis came in 1972, when disastrous weather cut production in the Soviet Union, China, India, Australia, Southeast Asia and the sub-Sahara region.

The Soviet Union, which in previous shortages had tightened its belt, chose to go to the world market, largely for feed grains for expanded livestock production. It was principally its purchase of 20 million tons from the United States that pulled down American reserves and pushed prices up.

SYSTEM HELD OVERLOADED

Any assessment of this year's food outlook is complicated by the Soviet practice of withholding forecasts and China's refusal to disclose output. Recent reports have said winter wheat was hard hit by bad weather in the Soviet Union and spring planting delayed. So far there has been no indication, according to American agricultural experts, that Moscow will again be buying on the world market.

Although 1973 was a good year and the United States put idle cropland back under the plow, reserves have not been rebuilt. The experts, maintaining that the shortages are not the result of temporary conditions such as the poor 1972 weather, point to long-term trends that are not yet fully understood. They suggest that the world food economy, after decades of abundance—albeit maldistributed, so that many were hungry while some had surpluses—is moving into an era of chronically tight supplies.

Scarcities are developing because the global system is overloaded. according to Overseas Development Council, a private group. As growing populations and improved diets raise demand, it notes, prices soar and competition for scarce energy and fertilizer intensifies.

The United States has had an agreement with the fertilizer industry since October barring new export sales, which is having damaging effects, particularly on developing countries.

While Agriculture Department spokesmen tend to belittle gloomy forecasts on world output, the F.A.O. report supports the gloom to the extent of estimating that by 1985 the poorer countries will face grain shortages they will be unable to meet with imports. Assuming that increases in population and demand will continue, the agency estimates that by then the majority of developing countries will be left with a big cereals gap.

Senator Hubert H. Humphrey recently proposed a food action program that has bipartisan support. Formulated after consultation with Secretary of State Kissinger, it could be a basis for American policy at the Rome conference.

BIG RISE IN AID URGED

The program, elements of which will stir domestic opposition, urges a substantial increase in assistance to needy countries, which has been scaled down as American sur-

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helping the poorer countries increase production and provides for participation in a global system of food reserves.

Many proposals are being offered to ease the food shortage, ranging from the advice of the economist Barbara Ward that the more affluent forgo a hamburger a week, to the urgings of Dr. Jean Mayer, the nutritionist, that a world-wide campaign restore breast-feeding. Another proposal is that the family pet be fed with scraps from the table instead of commercial food, $1.5-billion item in the American budget. Senator Humphrey is appealing to Americans to change their rich diet and affluent life-style to save grain and asking that the three million tons of fertilizer spread on lawns and golf courses be sent abroad.

Some of the suggestions evoke from specialists the reaction that they would be merely symbolic. Among farm interests there is fear that the principal effect of big crops and domestic consumption would be a sag in prices. "It's tough to make the bread and gravy come out even," a farm spokesman remarked.

BUSINESS WEEK EDITORIAL SAYS ECONOMIC COUNSELLOR RUSH'S REFUSAL TO TESTIFY IS WRONG

Mr. PROXMIRE. Mr. President, I have been highly critical of the refusal of Mr. Kenneth Rush to testify before the congressional Joint Economic Committee. He calls himself the chief adviser on economic policy to the President. He is superior to the Chairman of the Council of Economic Advisers and the Secretary of the Treasury, both of whom are confirmed by Congress and routinely testify before our committees.

But the man designated as their superior and who also wears the hats of Chairman of the Cost of Living Council, the Council on International Economic Policy, and the East-West Trade Council refuses to testify in open hearings before Congress.

That position is both unacceptable and ridiculous. It is based on the same arrogance of power and immaturity of thought that led to Watergate.

BUSINESS WEEK AGREES

Business Week in an editorial on June 22 took much the same view. They say that:

> Rush's claim to executive privilege simply won't wash. It reflects the same secretiveness, the same morbid mistrust of public reaction, that already has given the nation Watergate and the plumbers.

That is not the Senator from Wisconsin talking. That is the highly respected, middle of the road to conservative business publication Business Week.

As Business Week concludes:

> What sort of spokesman is a man who is allowed to speak only when the doors are shut and the listeners sworn to secrecy.

Mr. President, I ask unanimous consent that the full text of the editorial entitled "The Silent Spokesman" from the June 22, 1974, edition of Business Week be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE SILENT SPOKESMAN

> Sometimes the Nixon Administration's obsessive defense of "executive privilege" reaches a point where it is downright funny. Now the White House is refusing to let the President's new counsellor for economic policy, Kenneth Rush, testify before Congressional committees. The state of the U.S. economy joins national defense and delicate diplomatic negotiations on the list of subjects too sensitive to discuss in public.
>
> Rush argues in a letter to Senator William Proxmire (D-Wis.) that: "A long established principle and precedent . . . precludes testimony of members of the President's immediate staff." He offers instead the sort of comfortable, closed-door arrangement with Congress that Henry Kissinger enjoyed when he was the White House adviser on national security affairs.
>
> Rush's claim to executive privilege simply won't wash. It reflects the same secretiveness, the same morbid mistrust of public reaction, that already has given the nation Watergate and the plumbers.
>
> A little give and take on Capitol Hill will not threaten the confidential relation of the President to his advisers. George Shultz and John Connally testified frequently without impairing their usefulness as counsellors. For that matter, Kissinger has spent substantial time in the witness chair since he became Secretary of State, and it does not seem to have cramped his style.
>
> The economic situation is confused; the outlook is uncertain; the economists disagree. The public, which will pay for the Administration's mistakes, is entitled to the fullest, frankest, most open discussion of its forecasts and policy recommendations. Secrecy will breed nothing but distrust, and the nation has enough of that already.
>
> By the President's choice, Rush is the man to do the public explaining. He is, in his own words, the "chief adviser on economic policy" and the "first economic spokesman." What sort of spokesman is a man who is allowed to speak only when the doors are shut and the listeners sworn to secrecy?

UPPER ALLEGHENY SCENIC RIVER

Mr. SCHWEIKER. Mr. President, I am introducing a bill to amend the Wild and Scenic Rivers Act of 1968 by proposing that the upper Allegheny River be studied by the Department of Interior and the Department of Agriculture for possible inclusion in the National Wild and Scenic Rivers System. The upper Allegheny River represents that portion between the Kinzua Dam and East Brady, Pennsylvania. This 128-mile stretch of river is one of the most beautiful and unspoiled in the East. The Interagency Field Task Force in studying the lower portion of the Allegheny recommended that consideration be given to include the upper segment in the system.

The upper Allegheny River has unique scenic and recreational qualities, abundant fish and wildlife, and many historic and geologic values. There is much support in the area for the preservation of this important river to prevent its future deterioration and the possible degradation of these valuable qualities.

Fishing on the upper Allegheny River is considered very good by both the Federal Bureau of Sport Fisheries and the Pennsylvania Fish Commission. Bass, trout, pike, and many other varieties of fish are caught on this portion of the river. Fishing represents an important multi-million-dollar industry in the area.

The Seneca Indians once lived along this river and it was the site of the Indian villages Buckaloon, Goshgoshink and Venango. Also near the river stands the Indian God Rock. Fort Venango from the Indian Wars and Fort Franklin from the Revolutionary War were located near this portion of the river.

The upper Allegheny is within easy access of several major population areas including Pittsburgh, Erie, and Cleveland. Its valuable recreation qualities should be preserved now and in the future.

Certainly the upper Allegheny River should be studied to determine its qualification for being preserved and protected under the Wild and Scenic Rivers System. We cannot afford to subject this portion of the river with its valuable and beautiful qualities to the uncertainties of uncontrolled growth and exploitation, and I am hopeful that its merits for inclusion in the system will be carefully considered.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Mr. PELL. Mr. President, I am pleased to urge that the Senate give its full approval to the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

This is indeed landmark legislation.

It is of deep consequence to our legislative process, but it also bears most importantly on the future well-being of our country; for it gives to the Congress, to the elected representatives of our people, a basic control over the setting of priorities.

Too often we have been subject to the whims of a capricious executive branch. This legislation allows the Senate and House of Representatives to determine, in a far better manner than previously, our true needs and how they can best be met. It returns to the Congress its rightful authority and responsibility.

There is flexibility in this legislation so that the various detailed procedures can be developed with the wisdom of experience. We must all work to assist in the attainment of that wisdom.

Mr. President, this legislation will help enable us to achieve these two principal goals: First, the establishment of a ceiling on Federal expenditures, one which is realistic and based on ample new sources of information; and second, the establishment of fiscal policies to meet the particular needs, requirements, and conditions of each year ahead of us. Again, we will have sources of information we have lacked in the past, and we can respond more rapidly, more wisely, more responsibly to forestall emergencies and eliminate wasteful spending. In the previous Congress I voted for a ceiling on Federal expenditures, but I said that the Congress should determine where the cuts should be made—not the President, or any President, or any executive branch of Government. This legislation fulfills that concept.

I am especially pleased that the anti-impoundment provisions are emphatic. In fact, in skillfully combining the Senate and House versions of the bill, we emerge with strengthened language.

Under this legislation, the President is required to request the rescission of all or part of an appropriation which he determines unnecessary. And both Houses of Congress must pass a rescission bill in order for the President to terminate or cancel a program, or to delay the obligation of 1-year appropriations.

Moreover, the President must notify Congress that he proposes to defer budget authority, and the deferral would be subject to the disapproval of either the Senate or House.

I have consistently believed that every possible step should be taken to avoid impoundment by the executive branch. By this legislation we take constructive action.

Mr. President, I am indeed pleased to have had a share in the development of this historic legislation, as a member of the Committee on Rules and Administration which considered it carefully and with great thoroughness, and as a member of the conferees. I am delighted to commend it to my colleagues and to strongly endorse its passage.

FOREST MANAGEMENT MUST BE IMPROVED

Mr. BAYH. Mr. President, in an era when man is guilty of rapidly diminishing his nonrenewable resources, raising the need to seek new replacements for traditional minerals and fuels, it is indeed unfortunate that we have been neglectful of our most important renewable resource. I speak of timber, a resource of obvious importance, varied uses, and as renewable as the seasons themselves.

Adequate timber supplies to meet the growing needs of our growing country are within our grasp, but poor management of our national forests threatens to create serious supply imbalances.

Shortages already exist. While, with good reason, we decry the slow pace of housing construction in this country, if our economy were moving at a better pace the housing industry would be feeling the pinch of the lumber shortage.

But this is one area in which there is just no need to put up with supply shortages. With the foresight to deal constructively with the problem, we can adopt those forest management policies which will enable us to meet current and future timber needs.

There is no need for million of acres of national forests to remain barren when reforestation should have been a national goal of the highest priority.

There is no reason for the Forest Service to be laboring under annual policy revisions, in an area of public policy that would respond best to 5- and 10-year management programs.

There is no reason for the Forest Service to be the stepchild of the Agriculture Department, underfunded in a way which demonstrates that bureaucratic budget-cutters do not understand the dividends to be returned to future generations by investing in our forests today.

There is no reason for the businesses and industries in the American economy for which timber is the raw material to have so little information about Government plans for timber harvests and future plantings.

There is no reason for those who are sincerely concerned about combining the best ingredients of effective forest management—an adequate timber supply and lasting conservation—to find that the Forest Service simply does not have the personnel to carry out its assigned task.

Mr. President, some weeks ago I had the opportunity to discuss this problem with a delegation from the Indiana Lumber and Builders' Supply Association. These are the businessmen who comprise the crucial link between the timber harvest and the consumer. These businessmen are in the best position to see the dangers posed by short-sighted underfunding of the Forest Service. With good reason these men asked me to look into the problem and to see if something could not be done.

Following up on that meeting I have explored the problem of forest management and find that there is a sophisticated state of the science; the knowledge exists to do the job properly. What has too often been lacking, however, has been the willingness of the Office of Management and Budget to give the Forest Service the money necessary to hire the personnel to turn forest know-how into forest management.

I might say, Mr. President, the Senator from Minnesota (Mr. HUMPHREY) has provided valuable leadership in this entire area. Earlier this year we passed a bill he introduced, S. 2296, to lay the groundwork for establishing the kind of long-range forest management policy that will permit the Forest Service to improve on past performance. I supported this measure and am pleased companion legislation is moving forward in the House.

The Senator from Minnesota also addressed himself to this problem in committee testimony reprinted in the May 2 issue of the CONGRESSIONAL RECORD. The Senator recommended an addition of $193 million to the fiscal 1975 budget request for the Forest Service.

While I think the Interior Subcommittee of the Appropriations Committee, which handles the Forest Service budget, should make the determination as to precise dollar figures, I, too, believe that the Forest Service must receive additional funding in fiscal 1975. I have summarized my view of this situation in a letter to the subcommittee chairman, the distinguished Senator from Nevada (Mr. BIBLE), and I ask unanimous consent to print that letter in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. Mr. President, increased support for the Forest Service will be an important initial step to meet the needs of the lumber and building supply industry in this country. But much more is needed.

We need enough rolling stock on our railroads to move timber and other building supplies.

We need consistent long-range national policies on forest management, timber harvesting, and related matters so that long-term environmental impact statements may be filed and ad hoc impact statements will not be necessary every time the Forest Service makes a decision.

We need a Government attitude which seeks to foster rather than inhibit the timber industry.

And we need strong leadership in our economy, to reverse the unhappy combination of inflation and recession that is buffeting the American people from two directions. The downturn in new housing starts is a glaring cause and effect of our economic ills and must not be sharp differences within the administration, we need a realistic look at economic policies and the action necessary to set us back on the right track.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., June 24, 1974.

Senator ALAN BIBLE,
Chairman, Subcommittee on Interior, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: After careful consideration of the important requirements of an adequate timber supply and forest conservation, I would like to recommend that the Subcommittee provide an addition to the unsatisfactory fiscal 75 budget request for the Forest Service.

Additions to the budget request are essential if the Forest Service is to improve woefully inadequate forest management. Personnel shortages in the Forest Service, brought about by ill-considered budget-cutting by the Office of Management and Budget, have affected adversely virtually every area of our forest program from reforestation to insect and disease prevention.

As you well realize, effective forest management is essential to guaranteeing adequate timber supplies in the short-term, as well as into the future. Since timber is a renewable resource we have every opportunity, if only we provide the Forest Service with the necessary funds and manpower, to meet our timber needs for the indefinite future while practicing responsible conservation in our forests.

However, because of the under-funding of the Forest Service by the Administration, we have yet to develop the kind of forward-looking forest management policy that is essential to successful long-range planning in this area. An example of this can be found in the failure to reforest millions of acres of land in our National Forests; land which could be producing timber for future needs and which lies idle subject to the ravages of weather, something that is counter to wise conservation.

Of course the General Accounting Office has pointed to this very problem in its report issued earlier this year. That report confirmed what many of us anticipated, that meeting future timber demand requires a stepped-up reforestation program.

Senate passage in February of S. 2296 demonstrates our concern about effective, efficient long-term forest management. We can reaffirm that concern and demonstrate our commitment to this need by adequately funding the Forest Service in the coming fiscal year. While I shall leave it to the wisdom of the Subcommittee to arrive at a precise dollar figure for the increased funding, I urge you to recognize that funds spent for this renewable resource will pay enormous dividends by the satisfying current and future timber needs of a growing country.

Thank you for considering this urgent matter.

Kind regards,
Sincerely,

BIRCH BAYH,
U.S. Senator.

THE INJUSTICE OF ARREST RECORDS

Mr. MATHIAS. Mr. President, I have long been concerned with the challenge to our commitment to the protection of individual privacy presented by an increasingly sophisticated technology which allows for the computerization of vast quantities of personal data. In the area of computerized arrest records, one must challenge the equity of a system which records criminal arrests, but carries no record of disposition. The obvious problems resulting from such careless recordkeeping raise serious questions as to the desirability of maintaining records of arrests which do not result in conviction. Four years ago, I sponsored an amendment which required the Department of Justice to report on the procedures employed by the National Crime Information Center in collecting and processing such records.

Since that time, there has been a growing awareness of the potential for both good and ill of such vast data banks. Certainly, the benefits of the computer in aiding law enforcement cannot be denied. Equally compelling, however, is the need for strict statutory guidelines to insure that the human consequences represented by such systems are not forgotten. Earlier this year, I was pleased to join in cosponsoring S. 2963 and S. 2964, legislation designed to deal with many of these problems. With widespread support in Congress and the backing of the administration, I am confident that this will be the first of a number of initiatives taken in this session of Congress to insure that ours shall remain an individual-oriented society.

In today's Washington Post, William Raspberry discusses the problems associated with the massive collection of information on criminal defendants and its effect on the future welfare of these individuals. I ask unanimous consent that Mr. Raspberry's column be printed in the RECORD at the close of my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE INJUSTICE OF ARREST RECORDS

(By William Raspberry)

"In the absence of conviction, the arrest record can serve only harmful purposes. It should be thrown away, torn up, burned."

No matter that Bryan Cordray didn't commit the crime that he was charged with; no matter that the authorities describe his unfortunate arrest as "an obvious case of mistaken identity."

Cordray has an arrest record, and for the eyebrow-raising crime of indecent exposure at that. And there it is, waiting like a land mine, to explode in his face.

The record will also show that the charge against the Alexandrian was dismissed shortly before he came to trial. But if you don't know that the charge of indecent exposure—no matter what its disposition—can make it very rough to get and keep jobs, you haven't been living in the real world.

I don't know what troubles Cordray has been having in this regard, but I do know that I wish him luck in his court suits (Alexandria Circuit and federal district courts) to have his record expunged.

As a matter of fact, the suits ought to be unnecessary: records of arrests not followed by conviction serve no useful purpose whatever, and they ought to be expunged automatically. A lot of people in a lot of places have been calling for that for years.

Connecticut now has a law providing for the expunction of all police and court records of arrests that result in acquittals, pardons, dismissals or decisions not to prosecute. But it didn't come easy. It was necessary for the state legislature to override Gov. Thomas Meskill's veto in order to get the law on the books.

Given the obvious injustice of keeping these useless and damaging records around, what possibly could have motivated the governor to veto the bill? According to The New York Times, his rejection of the measure was based on "expense and administrative inconvenience."

Which is a hell of a note. The state, in exercising its arrest powers, sometimes makes a mistake. But innocent victims of the state's errors must suffer in perpetuity because of expense and administrative inconvenience of being fair.

Fortunately the Connecticut General Assembly overrode Gov. Meskill's veto by healthy margins—35 to 1 in the Senate and 134 to 8 in the House. Now any person in Connecticut who is arrested but not convicted—even if he spends months in jail waiting to prove his innocence—can petition to have all his arrest records given to him. After that, he can legally swear under oath that he has never been arrested.

That is an excellent beginning toward correcting a long-neglected injustice. It would be a perfect solution for Bryan Cordray.

But it isn't the Bryan Cordrays of this world who are the principal victims of our fetish for keeping useless records. A more typical instance of the injustice would be a suspect charged with housebreaking. As often happens, a person charged with one such offense may also be charged with a number of others that fit the general m.o.

And while prosecutors generally go to court on only the offense on which they have the strongest case, the police routinely "close" all the cases involved with the single arrest. That's fine as long as the state wins a conviction. But as sometimes happens the suspect is not convicted. He may win acquittal in court, or the charges may be dropped. Officially, the suspect is innocent. But his record will show arrests for a string of housebreaking offenses. It may also show acquittal on all the offenses, but what potential employer could fail to be disturbed by the fact of all the charges?

Doesn't it make sense to do what Connecticut has done? In the absence of a conviction, the arrest record can serve only harmful purposes. It should be thrown away, torn up, burned. Or given to the person whose name has been cleared.

And it ought to be done automatically, without waiting for a petition from the accused.

If it serves no purpose to keep records of convictionless arrests, it is simply useless to keep forever the records of persons convicted of and sentenced for criminal offenses.

It may be important to know whether a person convicted of a particular crime is a career criminal or not; such information could help to rationalize sentencing policy. But at some point—say after five or ten crime-free years—the record of earlier offenses becomes excess baggage and, in many cases, an impediment to rehabilitation.

We are forever talking about offenders "paying their debt to society," but we refuse to mark the debt paid. Instead, we continue to punish ex-offenders even after they have served prison terms. And one of the ways we perpetuate the punishment is by hanging onto useless records.

Records of convictionless arrests ought to be destroyed automatically. And people who have been convicted of crime ought to be able to earn the right to clear records. It just might provide a useful incentive.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention which awaits Senate ratification is really a very simple document. Nevertheless, some have tried to make it complex.

All that the Convention states is the principles of law that genocide is a crime under international law which the signatories undertake to prevent and punish. It goes on to define genocide as an effort, through either death or other coercive means—subordination of the mind, or group restriction on birth, or the restraint of or the forcible transfer of children, all of which were practiced so barbarically in World War II and before—with the intent to destroy in whole or in part a national, ethnic, racial, or religious group.

This treaty is primarily a moral statement, an expression of the world's abhorrence for certain well-defined acts. The treaty must be understood as the embodiment of a world spirit of peace and order. As such, no well-meaning people can ignore it.

Mr. President, I emphatically urge my colleagues to express their approval of this spirit by ratifying the Genocide Convention.

"LEAKS" FLOWING FROM THE HOUSE JUDICIARY COMMITTEE

Mr. BIDEN. Mr. President, there has been considerable discussion in recent days about the flow of "leaks" flowing from the House Judiciary Committee in connection with its proceedings on impeachment.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks a letter I wrote and had hand-delivered on June 14, 1974, to Representative RODINO, Judiciary Committee Chairman.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 14, 1974.

Representative PETER RODINO,
Rayburn Building,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE RODINO: I have been most hesitant to write you, in view of your enormous responsibilities. However, I finally have decided to convey to you my deep apprehensiveness at the steady flow of information in the form of "leaks" apparently being given to the press by members of your committee, by members of both political parties, although, from my readings, your own words have been temperate and judicious.

Regardless, I believe that these continuous "leaks" from within your own Committee in respect to the impeachment inquiry should end. It contains the makings of a "backlash" from Americans regardless of their opinions on the matter of the culpability of the President. I, for example, write this, although last year, in my own state of Delaware, I publicly said impeachment proceedings should be undertaken—without committing myself to a judgment as to the "guilt" or "innocence" of the President.

It is my opinion that members of the Judiciary Committee and its staff should not appear on the Sunday televised panel shows and should stop giving unattributed "backgrounders", etc., to the press. In my judgment, other of my colleagues in the Senate feel as I do. Because the Senate shares a Constitutionally assigned responsibility in respect to impeachment, I thought my opinion may be of interest to you and your committee colleagues and to Mr. Doar, counsel.

Again, my best wishes to you in your difficult and complex undertaking.

Sincerely,

JOSEPH R. BIDEN, Jr.,
U.S. Senator.

THE VETERANS BILL

Mr. SCHWEIKER. Mr. President, I regret that I was unable to be present during the consideration of S. 2784, the Vietnam Era Veterans Readjustment Assistance Act of 1974 because my flight was late. However, I would like to take this opportunity to convey my strong support for this measure. As a cosponsor of S. 2789, the Comprehensive Vietnam Era Education Benefits Act, which included many of the provisions of S. 2784, I was especially pleased that this bill was adopted by the Senate. The importance of the GI bill in our society has been inestimable, and it is essential this program, which gave invaluable assistance to those veterans of previous eras, be provided to those veterans of the Vietnam era. In addition to the problems faced by World War II veterans, the Vietnam era veterans must face a limited job market and rapidly increase tuition costs, further complicating their readjustment in society. I feel strongly that the provisions of S. 2784 will assist our veterans and offer them the much needed opportunity for education and training.

Among the key provisions in the bill are an 18.2-percent increase in the monthly subsistence payments and a 2-year extension of eligibility for benefits. Also included is an additional 9 months of entitlement to allow veterans 5 academic years of education instead of the present 4-year imit. Finally, I was especially pleased with the provision giving our young disabled veteran the consideration he needs and deserves to return to society as a productive member.

I feel that this bill will be of great benefit to our veterans and hope that the conferees will act quickly on this long overdue legislation.

SOVIET JEWRY

Mr. STEVENSON. Mr. President, I have read with grave concern recent news reports from the Soviet Union that security police have arrested at least 50 Soviet Jews in preparation for President Nixon's visit.

The Soviet leaders apparently believe that by making these arrests and increasing their harassment of individuals they will be able to prevent demonstrations and appeals to the President by their Jewish citizens who want to emigrate. In addition, security police have arrested and harassed several Jewish scientists, who have been planning a "scientific seminar" scheduled to be held in Moscow with foreign scientists, including several Nobel Prize winners, beginning July 1. The purpose of the "seminar" is to help Soviet scientists, who have been fired from their jobs because they applied to emigrate, remain current with scientific knowledge.

The Soviet leaders have made a serious miscalculation. They may succeed in preventing President Nixon and members of his party from seeing any demonstrations, but, in doing so, they have drawn world attention to the desperate plight of Soviet Jews. They have also cast a shadow over the President's visit.

The recent arrests and harassment of Soviet Jews have only intensified the commitment of the American people to help those tens of thousands of human beings who ask only the right to emigrate to the country of their choice—a fundamental human right affirmed more than 25 years ago by the United Nations in the Universal Declaration of Human Rights. President Nixon in regrettable remarks at Annapolis may have encouraged Soviet leaders to conclude that the plight of Soviet Jewry is not a concern of the United States. If so, they are wrong. The Soviet leaders should not forget that the Congress has before it both the Stevenson-Jackson amendment to the Export-Import Bank Act and the Jackson-Vanik amendment to the Trade Reform Act, and that events in the Soviet Union will have a significant impact on how the Congress deals with both of these provisions.

On the eve of his trip to the Soviet Union, I urge the President to intercede on behalf of those Soviet Jews who have been arrested and harassed in anticipation of his visit, and to protest these activities to Soviet leaders.

Mr. President, I ask unanimous consent that the article in today's Washington Post by Robert Kaiser, which describes in detail the recent arrests and harassment of Soviet Jews, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 24, 1974]

SOVIET JEWS HARASSED BEFORE VISIT

(By Robert G. Kaiser)

MOSCOW, June 23.—Most Soviet citizens will not be personally affected by this week's Soviet-American summit talks here, but for one small group the visit has already prompted a widespread harassment campaign. They are the Jewish dissidents who want to emigrate to Israel.

According to Jewish sources here, the Jewish Section of the KGB, or security police, has already arrested at least 50 Jews in various parts of the Soviet Union, all in connection with President Nixon's visit.

In some cases the security police have made their arrests quietly. In others they have tracked down Jews in country retreats where they had gone in hopes of avoiding arrest.

Some arrests—such as that of engineer Vladimir Slepak—have been violent. The police broke down two doors in Slepak's apartment before taking him away Thursday morning, according to his son. Slepak had spent 15 days in jail at the time of President Nixon's last visit here in 1972.

In Moscow, some prominent "refusedniks" (the name those who have been refused permission to emigrate call themselves) are being trailed around town, some by as many as four KGB men.

The police apparently want to head off any demonstrations by Jewish activists during the Nixon visit, or any other unseemingly event. They appear especially concerned about a scientific "seminar" that several Jewish scientists wanted to hold here with distinguished foreign scholars beginning July 1.

There have been instances in the past when Jewish activists staged demonstrations to attract the interest of famous visitors which may help explain the police attitude now. The KGB also seems to be upholding an old Russian tradition—far older than the Communist government—by taking preventive action to avoid disruptions of important events.

"When my father was a young student in Petersburg before the revolution," one of today's Jewish activists recalled recently, "the Czarist police used to pick them up, with the other Jewish boys, right before Easter. 'We don't want you ruining our Easter,' the police warned them."

Warnings play a big part in the current crackdown. Several activists—Alexander Voronel, for instance—have been arrested in the morning, lectured all day and released in the evening.

Voronel is one of the scientists who was trying to organize the scientific seminar with foreign scholars, including several Nobel Prize winners. The Soviets are hoping to prevent the meeting from taking place by not issuing visas to the foreigners who have expressed interest in the idea, and by arresting or otherwise dissuading the Soviet Jews who planned to take part.

The original idea of the seminar was to help scientists who have been fired from their jobs because they applied to emigrate. It would give them an opportunity to present serious papers and meet with competent colleagues.

The police have threatened some jews with prosecution for treason if they take part in the seminar, according to Jewish sources. When making these threats, the police reportedly said that treason was possible since the seminar was conceived by enemies of the country.

The scientists involved in the seminar, like virtually all the Jews being harassed at the moment, have been waiting for months or years for permission to emigrate to Israel. They are among the small but substantial group that the Soviet authorities refuse to let go.

One of them is Vitali Rubin, a scholar whose specialty is Chinese philosophy of the fifth to third centuries B.C. though Soviet officials have repeatedly told American politicians and diplomats that only those Jews who had access to state secrets are refused permission to emigrate, Rubin has been waiting more than two years for an exit visa.

Gen. Shukayev, a top-ranking official of the Ministry of Internal Affairs, told Rubin's wife, Ina, last week that Rubin's colleagues said his knowledge was unique and could be valuable to the state. His knowledge of Confucius, the general said might be used for hostile purposes if he left the country.

"It's ridiculous," Rubin said in an interview. "In America there are 20 scholars who know as much as I do about Confucius."

Rubin and his wife are being followed by four plain-clothesmen. "Saturday they came to the synagogue with us," he said.

But other Jews waiting for exit vias, including some prominent ones, are being left alone by the police. It appears that the KGB is mainly concerned with organizers of the seminar and Jews who had earlier staged public protest demonstrations (although Rubin is in neither category).

The refusedniks who have not been apprehended appear to be maintaining their normal channels of communication—although the authorities have cut off the telephones of almost every one of them, apparently to prevent conversations with Jewish groups abroad.

These Jews listen avidly to foreign radio broadcasts, hoping to hear that news of their arrests and protests is reaching the West, and their own countrymen through Russian-language radios from abroad.

Several Moscow Jews complained bitterly that the Voice of America pays the least attention to their problems of all the Western radio stations broadcasting to the Soviet Union. "They are helping their government, and therefore helping our government, too," one Jew said of VOA.

This activist was partciularly angry about what he felt was a VOA distortion of a letter released last week by 80 Jews, asking President Nixon not to "help your partners in the Moscow talks to make our difficult situation here an unbearable one," and criticizing the President for failing to help them in the past. This Jew thought the VOA make the letter sound like a request to Nixon not to discuss the Soviet Jews' plight at all.

Although most of the refusedniks seem to maintain good spirits, they sometimes waver. Some are afraid of the police.

One told the story of Sanya Lipavsky, a Jewish doctor, who parked his car in front of a Jew's apartment house that was being carefully watched by plainclothesmen.

When Lipavsky left he drove onto a main Moscow thoroughfare, where his brakes suddenly failed. According to his friends he narrowly averted a serious accident. Later, he discovered that his brake fluid lines had been deliberately cut with pliers.

THIRD U.N. CONFERENCE ON THE LAW OF THE SEAS

Mr. PELL. Mr. President, the lead editorial of the New York Times on June 17 included a statement that in the coming summer months, the lives and fortunes of a large number of human beings will hang upon the decision of a small number of national leaders.

Caracas, Venezuela, from June 20 to the end of August will be the situs and time for crucial decisions to determine the future of some two-thirds of the Earth's surface—the oceans. At the Third U.N. Conference on the Law of the Seas, delegations from almost every nation in the world will meet in an attempt to establish an orderly regime for the seas.

To the average person, this event may appear as exciting as a musty lawbook gathering dust in the family attic. Yet there is not a single American or, indeed, any human being, born or unborn, who will not be affected in one way or the other by the outcome of this Conference.

The issues at stake are themselves of broad effect and vital consequence. They will touch upon the security of the farmer in the heartland of America, the future well-being of a baby in landlocked Ruanda, the livelihood of the American sailor and fisherman, the pleasure of the vacationer seeking recreation on the beaches and coastal waters around the globe, the success of the scientist probing the mysteries of the sea for the benefit of mankind.

Nor is it only man who will be affected. All the living things of the waters and the strands with whom we share our planet, from the whales to the plankton, from the osprey to the octopus, will have a stake at the Conference. Their voice can only be heard through men of insight who are increasingly aware of the link between the well-being of ecology's vast majority and the well-being, or even the survival, of the Earth's self-declared steward—mankind.

The issues are indeed, themselves consequential. They involve—whether jurisdictional metes and bounds will be multilaterally established so that the seas will unite mankind in peace and not divide men in conflict. Yesterday's headlines featured a cold war. Today's report war clouds gathering over Aegean waters as Greece and Turkey glower at one another.

Whether our sea and air forces can navigate freely on and over the high seas and through international straits and narrows in helping to assure our national security.

Whether the merchant marine fleets of the world can facilitate the flow of world commerce with minimum restraints.

Whether the oceans' fish and mineral resources will be exploited rationally and conservingly to avoid unnecessary depletion or waste.

Whether the deepsea beds and ocean space will be treated as the heritage of mankind to benefit the landlocked state and the coastal state, the developing country and the developed country.

Whether good housekeeping practices will be followed to prevent the pollution of man's and the organic world's largest environmental space.

Whether political restrictions and suspicion will hamper benevolent scientific research into the marine world.

As crucial as all of these issues are, at Caracas another issue will tower above them all: Will the assembled nations decide to follow the route of international coordination or the route of narrow nationalism in coping with the global challenges that will confront them there.

The pattern set at Caracas can well determine how the nations will decide to approach other fateful problems—limits of quantitative growth and population, the expansion of food production, energy and resource shortages, trade and monetary adjustments to meet rapidly changing conditions, environmental preservation, social and political ills of drug and alcohol addiction, crime and terrorism, the erosion of human freedoms.

A successful resolution of these problems will enhance the quality of life for people of all nations.

Failure will reduce human life to the nonquality of polluted, asphalt jungles and the life style of the city rat.

The efforts of no one nation trying to go it alone can assure success or prevent failure.

Caracas can show the way—can demonstrate that what is the common interest, the community interest, is also the national interest. If the delegations act on this basic premise of our interdependent world, they will succeed in establishing an orderly, equitable regime for the seas. Even more important, they will be pointing the way toward the integration rather than the disintegration of human life on our tiny space ship Earth.

SAFE AND HEALTHFUL WORKING CONDITIONS IN NEBRASKA

Mr. CURTIS. Mr. President, with millions of Americans in today's workforce, the safety of all workers should be of primary concern to those of us sometimes engaged in promulgating regulations in the form of legislation to safeguard a healthful working environment.

While I have had occasion to criticize the stringency of the Occupational Safety and Health Act of 1970, I applaud its objective—to provide safe and healthful working conditions for all, and to make those conditions a right, not an occasional byproduct of managerial whim.

And while I shall persist in efforts to amend the OSHA law, I believe the legislation has made both labor and management more conscious of safety as a right, as an entity that can be enhanced by protective measures and can be cherished as a working value.

It is with great pride that I note the achievement of a manufacturing plant in Broken Bow, Nebr. The Becton, Dickinson & Co. plant in Broken Bow has set a safety record of working more than 3 million man-hours without a disability injury on the job.

Such records cannot be achieved without vigilance on the part of legislators who face the task of promoting and maintaining safety on the job for all Americans. I congratulate all the men and women involved for this outstanding achievement.

Mr. President, I ask permission at this time to print in the RECORD a letter I received from Mr. James R. Tobin, director of Public Affairs for Becton, Dickinson & Co., in Rutherford, N.J., noting the achievement of the Nebraska plant.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BECTON, DICKINSON AND COMPANY,
Rutherford, N.J., June 17, 1974.

Hon. CARL T. CURTIS,
U.S. Senator,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR CURTIS: It is a great pleasure to be able to relay to you the information you requested concerning a most significant safety achievement by your fellow Nebraskans.

After a span of just under four years' duration, the unique safety record of working more than 3,000,000 man-hours without sustaining an industrial disability injury was achieved. The workers who made this possible were the 350 men and women of the Becton, Dickinson and Company plant at Broken Bow, Nebraska.

Their achievement dates from May 26, 1970 and runs through May 17, 1974 when the 3,000,000 hours was tallied. They continue to add to their fine record daily. This is one of the longest sustained accident-free records in the National Safety Council's Glass Product Classification.

This same plant at Broken Bow won both the National Safety Council 1972 and 1973 contests in competing with over one hundred other similar glass plant manufacturers.

We are proud of the Broken Bow employees who have achieved this most extraordinary record and wished you to have these facts. It is quite obvious that the citizens of Nebraska bring a dedication to their work that reflects highly an individual's self-respect and personal value in the excellence in performance.

Sincerely,

JAMES R. TOBIN,
Director, Public Affairs.

CROSSTOWN EXPRESSWAY

Mr. STEVENSON. Mr. President, last August when the Senate passed the Federal Aid Highway Act of 1973, much concern was expressed in Illinois over the impact of that act on the future of Chicago's proposed Crosstown Expressway. In helping establish the bill's legislative history, I stated on the floor of the Senate that it was not the intent of Congress to intervene or dictate a settlement of local highway disputes.

Regulations recently published by the Department of Transportation confirm that legislative intent. The city of Chicago is clearly in a position to decide whether or not it wants to build a Crosstown. But once that decision is made, it is the State of Illinois which must bear the responsibility for construction. Without cooperation between the State and the city, it will be most difficult to build anything.

Thus, the issue is essentially the same today as it was last August. Nine hundred million dollars has been set aside in the highway trust fund for a transportation project in Chicago—but the State of Illinois and the city of Chicago do not agree on what that project ought to be. Without such agreement, a metropolitan area sorely in need of transportation improvements may eventually lose a $900 million opportunity to improve its transportation system.

I do not possess the staff resources or

expertise to suggest what project might constitute the best possible use of this $900 million.

I do know that it would be a tragedy for the Chicago metropolitan area if a stalemate results in continued delay and eventual loss of $900 million in transportation funds.

Therefore, last August when the Federal Aid Highway Act was passed, I asked Dr. John Bailey, Director of the Transportation Center at Northwestern University and president of the Metropolitan Housing and Planning Council of Chicago, to head a committee of independent experts to recommend the best possible use of this $900 million. Dr. Bailey assembled an outstanding panel of experts which has been meeting over the last 9 months, reviewing the available data and listening to spokesmen on all sides of this issue.

The committee's report is now ready, and I ask unanimous consent that, at the end of my remarks, the committee's report be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENSON. Mr. President, I want to personally thank the committee members for their efforts in compiling this report. With no compensation, they have made a significant contribution to a public reassessment of the underlying concepts behind a major urban expressway.

I am encouraged by the report because it suggests that it is possible to design a project that helps correct the transportation deficiencies in the Crosstown corridor while protecting the integrity of Chicago's West Side neighborhoods. The project recommended by the committee could reduce the taking of residential and business property by approximately 60 percent, provide the needed transportation for people and freight, improve industrial access and thereby also increase the jobs and development opportunities in the Crosstown corridor.

The Congress and the Department of Transportation have spoken—and now it is up to the State and the city to act. The committee offers this proposal to all the concerned parties, including especially the residents of the corridor, in the hope that it will help reconcile the differences and move us forward.

EXHIBIT 1

REPORT OF THE SPECIAL CROSSTOWN STUDY COMMITTEE

(By John A. Bailey)

BACKGROUND

It is central to this report that the underlying concepts of the Crosstown project be fully understood. For in the end, the major conclusions arrived at by this committee have much more to do with these underlying concepts than objections to any of the design details of the Crosstown plan itself.

The Crosstown project design represents the attempt to rationalize three concepts. One is a circumferential expressway adequate in capacity and sufficiently close to divert through traffic around the central part of the City of Chicago and to provide for major truck movements within the corridor. This is the classical transport concept which justifies the facility being a part of the Interstate System.

The second concept is that of a major traffic facility to serve intracorridor movements by automobile originally and later by public transit as well. For many years the residents of the West Side of Chicago have been more constrained in their freedom of movement than most of the other parts of the city and county. The Crosstown, if built as currently conceived, would provide substantial access for west side residents for travel within the corridor. In fact, approximately 80% of the projected traffic has one or both ends of the trip in the corridor.

The third concept is that of joint development. The Crosstown is, in essence, a device for providing major urban renewal to a declining area. It will include not only new housing and industrial development, but also open space and a host of social amenities that would renew a wide band of land around the freeway itself. In addition, such a massive project, requiring at least a billion dollars of capital investment, would have a significant positive impact on the whole economy of the city for upwards of a decade.

It is well to point out that the present design of the Crosstown expressway is the evolutionary product of urban freeway design philosophy. The whole concept of joint development emerged in the early sixties as a means to rationalize the urban extensions of the Interstate System. As a concept it was fitted for the conditions existing a decade ago. In that context, the Crosstown is a good example of joint development design. However, some critical changes, such as energy constraints, active citizen participation, and a deepening concern for both the human and physical environment, have occurred in the intervening decade. This committee believes that these changes are significant and require basic review of the concepts underlying the present Crosstown design. Our concerns may be posed as a series of questions.

1. Should any urban space be used to build links in the Federal Interstate Highway System?

2. Should the freeway, as a component of the Interstate System, be restricted to the meeting of requirements for longer distance travel? Doing so would reduce the lane requirements and the numbers and size of the interchanges.

3. Should the freeway be the basic means of meeting person movement demands within the corridor? Should this be done through arterial and traffic control improvements or should more emphasis be placed on public transit?

4. Should massive urban renewal be undertaken around a freeway project where alignment determines the boundaries of the renewal, especially when it is estimated traffic demand that is the ultimate determinant of that alignment?

5. Should the freeway and the traffic needs it serves be given priority over the social and community structure that would be displaced by its construction?

The basic conclusions to which this committee has come derive from its consideration of these questions and not from any inherent criticism of the basic design of the Crosstown or the Crosstown plan. Although the committee does have reservations about technical aspects of the design involving interchange capacities, this alternative proposal goes to the basic philosophy of the project. It is our view that the debate on the Crosstown and any final decisions relative to design and development should be based upon the functions that need or should be served by such a freeway project.

It is a major conclusion of the committee that a circumferential expressway including a major public transit component is *essential and should be located in the Crosstown corridor*. Such a facility should give emphasis to serving two basic functions, both of long term importance to the city and the region. One is to provide for the longer distance travel for automobiles and trucks which now use congested surface streets in the Cicero Avenue corridor or have been diverted to the Kennedy Expressway for the north-south travel. The other is the provision for industrial goods movement terminating in a corridor containing over 400 truck terminals and numerous industrial plants. These essential facilities have inadequate and costly transport barriers which a circumferential freeway would alleviate. This in itself would stimulate industrial development and renewal in the West Side. Such a highway would alleviate congestion on the major arterial streets in the area as well as that on the Ryan and Kennedy in the portions close to the center of the City. It is the view of the committee that provision of this goods movement accessibility is of the highest significance to the long-term economic development of the city. It is a primary justification for construction of an expressway component of a crosstown project which meets the objectives of the Federal Interstate System.

A second conclusion is that the design of the Crosstown to serve the short intra-corridor movements by automobile is now inappropriate. The price, social as well as economic, to serve this purpose is too high. This becomes especially important in the face of serious petroleum energy shortages that are certain to force major changes in travel patterns for the foreseeable future making necessary the expansion of public transit to meet intra-corridor travel requirements. It is essential to give emphasis to goods movement rather than shorter distance person movement on the expressway. Thus the committee concludes that intensive efforts should be aimed at reducing the total amount of automobile usage through the development of expanded public transportation facilities as an alternative means of providing needed mobility. The committee also concludes that the number of access and exit points on the expressway should be the minimum needed to efficiently serve truck movements and longer distance auto travel. For shorter automobile trips, improvement of arterial streets, traffic control and advanced traffic engineering methods should be instituted. Within the corridor, funding for these improvements should be included as part of the total project. The major transit investment will clearly provide a competitive alternative to the automobile. A circumferential transit system developed as an integral part of the corridor will link the commuter railroad stations and CTA rail transit within the structure of the RTA. This combination of actions will come closer to serving present and future needs for mobility within the corridor than the present plan based solely on the automobile as the dominant mode of urban person movement.

A third conclusion of the committee is that the renewal aspects of the original Crosstown plan should now be minimized. Although the current design is highly creative, it is basically too broad. It ends up sacrificing too many homes and, more importantly, communities that are stable, flourishing and cohesive. Over 5000 homes and businesses is too high a price to pay for a transport facility.

Furthermore, as has happened repeatedly with freeway construction, redevelopment occurs rapidly in the areas through which it passes without it being a funded, integral part of the project itself. Such redevelopment occurs through the private sector and most often in ways that are economically and socially beneficial to the area. With careful local government and community control, redevelopment will occur that will effectively harmonize public as well as private interests. The committee seriously doubts the wisdom of directly linking area redevelopment with freeway construction, especially when the transport goal is given first priority and area redevelopment is patently given second priority. The response of a significant segment of the population in the region is testimony to the unacceptability of the present ordering of priorities.

In summary, from the analysis done by the Committee, it is concluded that a circumferential expressway through the Crosstown corridor and a public transit facility within and beyond the corridor are essential and needed. The question remaining is to identify how those facilities can be located and designed to attain the basic transport goals while minimizing the negative impacts on the other functions whose stability should be maintained. The following represent the proposal that, in the best judgment of the committee, can accomplish these ends.

RECOMMENDATIONS

An analysis of the available data appears to confirm claims raised by opponents of the project that an eight-lane highway through the Crosstown corridor might contain far more capacity than can possibly be absorbed by the current expressway system—particularly at the Kennedy-Edens-Crosstown Interchange. Without substantial expansion of the Kennedy and Edens Expressways at the north end and the Dan Ryan Expressway at the south, construction of an eight-lane Crosstown might produce an uneven match. Existing expressways running at full capacity would be unable to fill the Crosstown, and a full Crosstown, if that were possible, could not provide freely flowing traffic because of the small outlet capacity of the existing expressway system.

Since the committee does not consider it to be financially or socially feasible to expand the rest of Chicago's expressway system to accommodate the proposed Crosstown, it is the committee's conclusion that plans to construct the Crosstown Expressway as an eight-lane facility, with or without dual alignment, must be reassessed.

On the other hand, based on its review of the available data, the committee agrees with the City of Chicago that there is no higher transportation priority than the improvement of the intolerable traffic congestion *throughout the entire Crosstown corridor*. It is significant that there are over 400 truck terminals located within the Crosstown corridor, and, in part due to the access problem, industries already have been moving out of this area. It is clear that the economic vitality and very future of the West Side of the City will depend on improved transportation; a major project, including highway and transit, addressed to the transportation needs of this *entire corridor* must be built.

It is thus the conclusion of the committee that a transportation system more compatible with the existing network of expressways, designed to place a premium on the movement of people by public transportation and goods through improved industrial access, and directed at a substantial reduction or elimination of the need for taking of private residential and business land, be constructed.

In order to accomplish these objectives, the committee recommends:

1. A single alignment, four-lane controlled access highway be built in the Crosstown corridor.

2. This expressway be a complete circumferential route connecting the Dan Ryan in the South and the Edens on the North where it joins the Kennedy.

3. A major investment in public transportation must be an integral part of the design to serve intra-corridor and longer person movements.

4. This facility should be constructed with a minimum number of exits and entrances so that the major use of the facility be for longer trips.

5. In order to minimize the taking of residential and business property, where available public or vacant land is lacking, tunnelling should be used where feasible. This appears especially likely in the section between the Eisenhower and the Kennedy-Edens junction.

6. A major investment in traffic operations of arterial streets within the Crosstown corridor must be an integral part of the project to provide efficient movement by private and public transport to satisfy intracorridor travel.

This proposed transportation system for the Crosstown corridor would meet the criteria of a buildable, relatively unobtrusive and sorely needed transportation system for the Western part of the City of Chicago. A single alignment, four lane facility—unlike the eight lane dual alignment currently proposed—can significantly reduce the amount of land needed. It would significantly reduce the number of residential and business properties that need be taken. The committee's estimate is that takings may be reduced by as much as 60%. Clearly this suggested alternative has as its criterion the basic transportation objective of the Crosstown. It is an attempt to meet this need at the expense of the more ambitious renewal aspects of the original project.

With the increased flexibility brought about by the narrower expressway and the single alignment, unused railroad rights-of-way, and vacant industrial land could provide much of the needed route, greatly reducing the number of residential and business properties to be taken.

Using the funds saved from acquiring land on the surface and construction of the dual alignment, tunnelling could further reduce the need for taking residential and business properties.

A minimal number of exits to arterial streets will place a priority on industrial truck traffic and other longer trips that would otherwise contribute to congestion on the Dan Ryan-Kennedy route. Purely local trips of a relatively short distance in private automobiles would be discouraged, and use of public transportation for individual movement would be encouraged. Congested neighborhood arteries would be relieved of both the truck and through-traffic which now plagues these areas.

The essential needs for people movement within the corridor must be met. We propose that an upgraded and extended transit component be constructed to meet some of those needs; other needs will require substantial improvements to present arterials in the corridor. Cost of such arterial improvements, many of which have been deferred because of the imminence of the Crosstown, should be funded as part of the project.

There is little doubt that a four-lane expressway will be congested during rush hours. Original traffic projections showed that by 1995 the original design of eight lanes was also inadequate in terms of accommodating rush hour traffic. As a matter of policy in the light of the energy situation, government should expand its resources toward reducing our dependency on the automobile.

The City, County, State and Nation are in a position to build a highway and public transportation network that more nearly fits the current transportation grid; that recognizes the need for improved industrial and through-traffic access; that expands public transportation in the city's western corridor; and that preserves the communities along its route, and is sensitive to changing policy requirements for urban transportation.

If built along the committee's recommendations, this substitute transportation system would be just as crowded with automobiles and trucks during rush hours as is any of Chicago's expressways. But the need for improved public transportation, the need for improved industrial access, and the need for jobs and industrial revitalization go on 24 hours a day.

The energy limitations alone will ultimately require a substantial increase in public transportation. This aspect of corridor travel will be far more important than it appeared in the preliminary design or even than it appears today. Thus the transit component is an essential element in the committee's concept for the corridor. It must be extended and upgraded and would greatly improve intersuburban as well as city to suburb accessibility.

The committee realizes this proposal is far from perfect. It does not achieve all of the goals of the original Crosstown, although the committee suggests that perhaps some of those goals were not practically achievable. It does, however, represent an approach to meeting the priority and essential transport needs of the area.

The federal government has said the resources are available if the region can agree on a project. The committee believes that this alternative can accomplish the great majority of essential transportation goals originally set forth by Crosstown Associates for the Crosstown corridor while minimizing the many serious objections raised by those who in good faith have fought that original proposal so long and so hard. The committee believes it is possible to build a transportation system that saves the City's jobs as well as its neighborhoods while encouraging the use of mass transit.

Certainly, we can begin from the common premise that the Crosstown corridor—and Chicago—need a major transportation relief, and every day we wait, we further endanger the future of the West Side and thereby the future of the whole City.

SPECIFIC FINDINGS—HIGHWAYS

1. An eight-lane freeway, as called for in the current Crosstown design, cannot be loaded to capacity in its northern link up with the Kennedy-Edens Expressways, and to a lesser degree, in its southern link up with the Dan Ryan Expressway, primarily because of capacity limitations of the interchanges. A substantial widening of the Kennedy and Edens Expressways would be required north of the Edens junction in order to accommodate the additional traffic entering the interchange from the Crosstown. Since the region does not want to widen these expressways sufficiently and does not have the funds to do so, we suggest that the width of any transportation project in the Crosstown corridor be reduced to four lanes for vehicular traffic, with sufficient space set aside for an extensive public transportation component. Such a facility can be utilized to capacity to divert substantial through-traffic (auto and truck) from both the Dan Ryan and the Kennedy Expressways.

2. If the north end of the Crosstown is built with four lanes for autos and trucks, some modest widening should be provided eventually for short sectors of Edens and Kennedy Expressways north of the junction, to provide better lane balance. For example, adding an extra lane to northbound Edens as far as Touhy or Dempster Streets would serve to improve the operation of the Kennedy-Edens-Crosstown interchange. Such widening can be done within existing rights-of-way.

3. The narrower expressway should be easier to fit into the fabric of the community it traverses. While several members of the committee favor the dual alignment because of its developmental possibilities leading to increased employment, our consensus was that the transportation aspects must take precedence over the developmental aspects. Fewer houses would be taken by the kind of single alignment proposed, thus preserving existing neighborhoods. In selected stretches of heavy residential and commercial concentration and no alternative rights-of-

way—particularly in the north and southeast ends—we believe tunnelling should be considered to further reduce the taking of houses and businesses. The cost of tunnelling appears low enough to make this solution preferable to doing without a continuous Crosstown ($35 million per mile for surface construction vs. $50 million per mile for tunnelling). When all the other external effects are considered, this difference is likely to be even less.

4. To make the highway serve predominantly longer trips, not as many interchanges should be constructed as would normally be built. This will further reduce the impact on neighborhoods, reduce taking of houses and save money. Where possible, parallel arterials should be improved to facilitate the traffic that has to remain on them.

5. Construction of the proposed alternative transportation system to the Crosstown will remove substantial traffic from the arterial system paralleling it to the benefit of users of the arterial system and for people and activities located along or near those arterial streets. This secondary benefit will permit neighborhoods near the expressway to improve their surroundings both in esthetic, economic and environmental terms.

6. Trucks will continue to be of major importance in movement of goods in and through Chicago over the next several decades, and substantial economic benefits will accrue to the citizens of the community by making this truck traffic move more expeditiously. Environmental benefits will also accrue to residential areas by removing as much of the truck traffic as possible from arterial streets.

7. Since we can expect that freeways will continue to be loaded after construction of either the Crosstown or this suggested alternative it is important that freeway surveillance and control systems be included in the design. This will permit operational strategies for optimal performance.

8. A major value to the region from the construction of this transportation system will be a substantial improvement in safety to our citizens, pedestrians, drivers and passengers.

9. The investment of several hundred millions of dollars in the near west side will have positive benefits on that community. Likewise, there will be indirect benefits from this employment on the economy of the Chicago region.

SPECIFIC FINDINGS—TRANSIT PROJECT

The committee believes that the reduction of lane capacity for automobiles and trucks should be accompanied by an acceleration of the parallel transit project and an extension of the project from I. C. Gulf Railroad on the south end completely around and to the Skokie Swift on the north end or perhaps even to the Howard-Linden rapid transit line. While present tentative estimates of ridership on this transit project are low, no organization has made a careful assessment of choices of mode under long term gasoline shortages. A 20% reduction in gasoline consumption will not obviate the need for the alternative highway project suggested by the committee, but it can substantially increase the use of public transportation, especially if a circumferential transit line is linked with the current radial transit system.

With elimination of the split alignment several options are available with regard to the location and type of the public transportation component of the project. A two-lane busway convertible to rail mass transit at a later date as proposed in the original Crosstown, could accompany the Expressway section of this alternative proposal where the project runs along the Belt-Line right-of-way. Where a single four-lane alignment down Cicero is deemed most appropriate, the public transportation component might be split from the actual highway and still traverse the Belt-Line right-of-way without the need for taking any additional residential or business property. The feasibility of going directly to a rail mass transit system that could fit within a single alignment without necessitating taking of any extra business or residential property should also be considered.

A careful cost-benefit analysis should be made of the contribution of the transit aspect of the revised project in linking suburban houses to suburban job locations. Funds for construction of a public transportation component more extensive than the convertible busway called for in the original Crosstown proposal will be available from the saving brought about by the committee's alternative proposal.

HOUSING AVAILABILITY AND IMPACT

The committee believes a chief obstacle to the construction of any project stems from the fears of local residents that they will lose their homes, jobs, or both, without fair compensation or a guarantee of equal replacement housing or employment opportunities. Adoption of this suggested alternative plan would greatly reduce the number of houses taken, as well as the impact of the project on any given neighborhood. For those who would still be affected, there is no reason why these fears should be realized, either in terms of the law or the resources available.

The original estimates showed that the Expressway would displace 3,600 dwelling units inhabited by approximately 10,400 persons and about 1,400 commercial uses. An estimated 120 industrial firms employing up to 11,500 employees would be displaced. Both housing and commercial takings would be reduced substantially by the proposed alternative transportation system so that we believe the revised project could be far more acceptable to the community. With takings reduced by approximately 60%, those few who would be displaced would be guaranteed relocation within the same neighborhood.

Compensation for those affected would come mainly through the substantial provisions of the 1970 Uniform Relocation Assistance Act and the economic benefits of the estimated 17,600 jobs per year created by the Crosstown project itself over the ten year period of construction.

In order to assure that sufficient housing of equal quality and cost is made available to meet any needs generated by the alternative project, there should be established a non-profit housing corporation with a majority of the board of directors appointed by the Governor, the remainder appointed by the Mayor of Chicago. This corporation would have the sole purpose of employing available governmental and private resources to construct or otherwise obtain necessary replacement housing and to facilitate the relocation of persons displaced by construction. Construction or other housing activities undertaken by this corporation would take place after consultation with families to be displaced and *in advance* of the loss of existing units.

In its approval of the project, the U.S. Department of Transportation should declare publicly that the maximum provisions of the Uniform Relocation Assistance Act will ensure that no resident will be disadvantaged. The commitment by the Illinois Department of Transportation should include making available any excess lands acquired in the case of right-of-way takings for the purpose of replacement housing, if appropriate, or for use of parks or open space to make the project most amenable to nearby property owners or renters.

One of the major advantages of a four-lane single alignment is that it can be designed to minimize neighborhood impact in an aesthetic and environmental sense as well as reduce the number of property takings. By choosing between a Cicero Avenue alignment and the Belt-Line Railroad alignment, designers will have the option of choosing an overall route which least interferes with surrounding neighborhoods.

ADDITIONAL STUDIES

Once the plan called for in these conclusions has been forwarded to the Federal Highway Administration the committee believes that further studies should be made immediately so as to be available during redesign of the project. These studies should include:

1. Estimates of 1995 travel demands (projections) under energy constraints and based upon the assumption that there will be smaller cars, smaller engines, and an integrated regional transit system.

2. New estimates for 1995 of the ownership of automobiles should new transit facilities and upgraded present facilities be available and be coordinated through the proposed RTA.

3. Recognition of lower population growth than that upon which earlier estimates have been based.

4. A careful assessment of the feasibility of tunnelling for a substantial length of the Crosstown in an effort to minimize the residential impact on the north and southeast ends of the project.

5. Cost-benefit analysis of the transit line, and evaluation of its location in relation to the expressway right-of-way and how it can be extended and financed beyond the portion clearly lying within the corridor and fundable by any savings in implementation of this recommended alternative. These assessments could be started as soon as the State and City agree on a plan.

6. Evaluation of alternative designs for the facility (interchange design, four vs. six lanes, and route location in relation to railroad and transit rights-of-way).

SEPARATE STATEMENT OF JORDAN JAY HILLMAN

As a lawyer, I lack the competence in urban and transportation planning to evaluate meaningfully the technical recommendations and conclusions in this report. I do concur in its publication, however, as the work product of our committee. I believe that it provides a realistic alternative proposal for the Crosstown corridor problem and a basis for constructive public discussion.

APPENDIX A

Crosstown Committee members and their major professional field:

John A. Bailey,* Director, The Transportation Center, Northwestern University, 2001 Sheridan Road—Evanston, Illinois 60201; Committee Chairman and administrator.

Warren H. Bacon,* Vice President-Manpower Administration, Inland Steel Company, 30 West Monroe Street—Chicago, Illinois 60603; Corporate staff.

Donald S. Berry, Murphy Professor, Civil Engineering, Northwestern University, Technological Institute—Evanston, Illinois 60201; Transportation educator.

Robert G. Biesel,* Vice President, General American Transportation Corp., 120 South Riverside Plaza—Chicago, Illinois 60606; Corporate executive.

David Callies, Ross, Hardies, O'Keefe, Babcock & Parsons, One IBM Plaza—Chicago, Illinois 60611; Attorney.

Jordan Jay Hillman, Northwestern University, Levy Mayer Hall—Chicago, Illinois, Professor of Law.

G. Donald Kennedy,* 1630 Sheridan Road, Wilmette, Illinois 60091; Civil Engineer.

Paul D. McCurry,* Partner, Schmidt, Garden & Erikson, 104 South Michigan Avenue, Chicago, Illinois 60603; Architect.

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* Board member or former Board member or Officer of Metropolitan Housing and Planning Council of Chicago.

Richard M. Michaels, Director, Urban Systems Laboratory, College of Engineering, University of Illinois-Chicago Circle, Chicago, Illinois 60680; Transportation & Urban researcher.

Jerrold E. Salzman, Freeman, Freeman & Salzman, One IBM Plaza, Chicago, Illinois 60611; Attorney.

APPENDIX B

METHODOLOGY

1. The Committee met and organized itself into three subcommittees:

a) Law;

b) Traffic flow and assignment; and

c) Housing and planning.

2. The Committee met with representatives of interested citizens' groups to obtain their recommendations and to evaluate their concerns.

3. Subcommittees met with State, City, Federal, and transportation planning officials, including the staff of CATS.

4. Subcommittees evaluated data made available by both civic groups and governmental officials and presented their recommendations to the full Committee.

5. The Committee discussed the major components and drew its conclusions on the basis of its best judgment as a group.

ACKNOWLEDGEMENTS

This committee realized it was undertaking a major activity in attempting to reassess a billion dollar transportation and development project. Each member contributed countless hours to the task and the City of Chicago, State of Illinois and Federal transportation officials made their views and data freely available.

Special notice must be made of the staff assistance of:

The Metropolitan Housing and Planning Council of Chicago;

The Transportation Center at Northwestern University; and

The Urban Systems Laboratory, the University of Illinois at Chicago Circle.

FOR THE RECORD—THE SECURITIES AND EXCHANGE COMMISSION AGAINST THE NATIONAL FARMERS' ORGANIZATION

Mr. PROXMIRE. Mr. President, today I wrote a letter to the head of the Securities and Exchange Commission in connection with an action that the Commission is pressing against the National Farmers' Organization. The SEC strongly objects to certain loans that NFO members have been making to the parent organization. The SEC's position is that inadequate information was provided in conjunction with the solicitation. In fact fraud has been alleged.

In my letter to SEC Chairman Garrett I urged the SEC to carefully consider the hard facts upon which an allegation of fraud might be based before making an irrevocable decision. I pointed out that the NFO's past record was not consonant with that of a fraudulent organization. I ask unanimous consent that my letter be printed in the RECORD at the conclusion of these remarks so that it can be made crystal clear that I am in no way attempting to improperly influence SEC deliberations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. RAY GARRETT, Jr.,
Chairman, Securities and Exchange Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that the Commission is in the process of negotiating a consent decree with the National Farmers' Organization Inc., arising from alleged misrepresentations NFO made in obtaining loans from its members.

Apparently the NFO is willing to meet all the terms of such a consent decree with the exception of admitting fraud. First let me say that I am not in sufficient possession of the facts to make a judgment on this point. Furthermore I believe it would be highly improper of me to apply pressure of any sort on any Federal agency in a proceeding of this kind. I've never done so in the past, and don't intend to start now.

However I would like to make a few points since fraud, as I understand it, involves willful deception. I have known and worked with the leadership of this organization almost from the time I came to the Congress in 1957. They represent a great many hardworking farmers in my state. They are a non-profit organization. No one to the best of my knowledge has gotten rich working for the NFO.

The group stresses collective action to improve farm prices. If the government is ever to get out of the business of subsidizing farmers it will be through self-help organizations like the NFO. Because of this approach the members know much more about the goals, activities, and financing of the NFO than a normal stockholder would know about a company in which he held stock.

An admission of fraud, of course, would cut against the member confidence that is vital to a self-help organization of this sort.

If your agency has hard evidence of fraud you must press for an admission of fraud. I urge you to consider the evidence you do have in the light of the history, goals and non-profit structure of this farm group before committing yourself irrevocably to such a course.

You should know that I will place this letter in the Congressional Record so that it can be a matter of public record. It is not my purpose to privately seek special consideration for the NFO in this case.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senate.

THE DARDEN SCHOOL

Mr. HUGH SCOTT. Mr. President, it is most fitting that the School of Business Administration at the University of Virginia should be named for former Gov. Colgate Darden. I am especially proud because of my ties with Governor Darden as a former congressional colleague and a schoolmate at the university.

Mr. President, I ask unanimous consent that editorials from the Virginian-Pilot, the Newport News Times Herald, the Richmond Times-Dispatch and the Daily Advance be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Norfolk (Va.) Virginian-Pilot, Mar. 31, 1974]

THE DARDEN SCHOOL

The University of Virginia is giving one of its newer agencies a name equal to its high quality and renown—the Colgate Darden Graduate School of Business Administration.

Graduate business schools are almost standard in American universities today. Virginia's was the first in the South; Mr. Darden as president of the University, headed the movement of more than 25 years ago that led to its creation. It was modeled after Harvard's school, which it has come to rival in excellence and prestige.

Mr. Darden was Governor of Virginia before he began his 12-year administration at Charlottesville. "It is very fitting," said his successor at the University, Edgar F. Shannon Jr., "that the graduate business school bear the name of the man who had the greatest influence on improving the quality of education in the Commonwealth during this century."

It is fortunate for the school as well as fitting for its namesake. Mr. Darden's influence on education in this State, in many official capacities and through personal interest and generosity, has been such that his name appropriately would honor any Virginia education institution of any level.

[From the Newport News (Va.) Times-Herald, May 30, 1974]

A MOST APPROPRIATE ACTION

The Board of Visitors of the University of Virginia acted with singularly good grace Wednesday in changing the name of its Graduate School of Business Administration to the Colgate Darden School, thus honoring its third president and former governor.

It was Darden, a fact emphasized by President Edgar F. Shannon Jr., who had "the greatest influence on improving the quality of education in the Commonwealth during this century. Mr. Darden's special interest in the university and its graduate business school has contributed significantly to the excellence of the institution."

The University previously had honored one of Darden's legislative colleagues, W. Tayloe Murphy, in naming the Murphy Institute, and offers related graduate work to the degree of Doctor of Philosophy through the Institute of Chartered Financial Analysts and the Center for the Study of Applied Ethics.

Virginia's business community has a significant hand in the prosperity of the University's several schools of business through the Business School Sponsors Organization.

It is a gracious gesture, and totally in accord with the concepts emphasized by Darden during his years as President of Mr. Jefferson's University.

[From the Richmond (Va.) Times-Dispatch, June 1, 1974]

THE DARDEN SCHOOL

No more appropriate or gratifying action could have been taken by the University of Virginia's board of visitors than the recent renaming of its graduate business school as The Colgate Darden Graduate School of Business Administration, effective July 1.

In making the announcement last week, University President Edgar F. Shannon Jr. said the school will "bear the name of the man who has had the greatest influence on improving the quality of education in the Commonwealth during this century."

Those who think Dr. Shannon got carried away by Cavalier pride in the accomplishments of his predecessor in the university's presidency ought to be challenged to name another Virginian whose contributions to education have surpassed Mr. Darden's. The constructive influence of Colgate Whitehead Darden Jr. has been felt everywhere from the tiniest rural grade-school to the most advanced collegiate scholarship in Virginia.

The most immediate reason this particular school should proudly carry the Darden name is, of course, that former Governor Darden was instrumental in funding the school during his 12-year presidency of the University. When classes began in 1955, this became the first graduate school of business administration in the South. The Virginia business community was active in organization and remains active in support today. Through master's and doctoral degrees, continuing education programs for business executives, and such associated activities as the Center for the Study of Applied Ethics, the school has been a force for wise and principled leadership in private enterprise.

Volumes could be written about Colgate Darden's other good works for education that make the board's action so very fitting. Suffice it to say that one of his abiding interests has been that any young Virginian be able to receive a sound education in his public schools, regardless of where he lived or of who he was. As president of the University of Virginia, that concern was evident in his drive to encourage the enrollment of Virginians from the public school system at the University. Later, as a member of the State Board of Education, he and Lewis F. Powell Jr. of Richmond were the movers and shakers in demanding that all public schools in the state be brought up to an acceptable level, without further needless dilly-dallying.

It is good to see part of the Commonwealth's enormous debt of gratitude to the man from Norfolk being paid off now, while he can personally collect the satisfaction, although one realizes fully that all this state owes to Colgate W. Darden can never really be repaid.

[From the Lynchburg (Va.) Daily Advance, June 3, 1974]

A Merited Honor

The Graduate School of Business Administration at the University of Virginia has a new name. It is now the Colgate Darden Graduate School of Business Administration, by action of the Board of Visitors. Officially the name becomes effective July 1.

His reputation as Governor of Virginia and as third President of the University of Virginia was appropriately recognized by retiring President Edgar F. Shannon, Jr., when he said: "It is very fitting that the graduate business school bear the name of the man who has had the greatest influence on improving the quality of education in the Commonwealth during this century. Mr. Darden's special interest in the University and its graduate business school has contributed significantly to the excellence of the institution."

Lynchburg has had an especially strong interest in the business school. When it was being organized Henry E. McWane, retired President of the Lynchburg Foundry Co., was head of the statewide drive to raise funds to establish it, and many leaders, local businessmen have been among its regular supporters and have participated in its special seminars.

Establishment of the school was of major importance not only to Virginia, for it attracts students from nearly all the states and has become recognized as one of the leading institutions of its kind under former Dean Charles C. Abbott and his successor, C. Stewart Sheppard.

In recognizing Darden in its name, it enhances the prestige enjoyed virtually from its founding. The Graduate Business School Sponsors organization continues its support and makes possible a steady elaboration of services and quality to be assured.

WALTER HELLER DISCUSSES THE PROS AND CONS OF INDEXING

Mr. PROXMIRE. Mr. President, on June 20 Dr. Walter Heller wrote a detailed analysis of the subject of "Indexing" for the Wall Street Journal. He gave the pros and cons in a most detailed and lucid way. My own views that indexing has a great many problems and has not been as successful in Brazil as some have said, were reinforced by Dr. Heller's article.

Nonetheless this is a very important and topical subject. It should not be dismissed out of hand. We should look at it very closely. For those reasons I think this article should have the broadest public attention and I ask unanimous consent that it be printed in full in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Has the Time Come for Indexing?

(By Walter W. Heller)

In a world caught in the toils of unrelenting inflation, it is small wonder that "indexing" or "indexation" is gaining attention and adherents.

The idea of using a general price index to translate fluctuating money values of payments like wages and interest and of assets like bonds and savings into stable real value is not new, of course. A century ago, the English economist Jevons was searching for just such a stable standard of values. And in recent years, Belgium, Israel and Finland have indexed wages, pensions, rents and a wide range of financial transactions.

Even in the United States, we practice indexing in a limited way. Cost-of-living adjustments provide some insurance against inflation for 32 million Social Security and civil service beneficiaries and 13 million recipients of food stamps. And the wages of about 10% of the labor force are at least partly hedged against inflation by cost-of-living escalators.

What is new is not indexing as such, but the proposal that it be applied across the board. Struck by Brazil's heady economic experience, Milton Friedman urges us to "express all transactions that have a time duration in terms that eliminate the effect of inflation." This, it is claimed, would automatically take both the sting and the honey out of inflation and clear the path for monetary and fiscal measures to bring it under control.

Brazil's widespread use of indexing, or what it calls "monetary correction" has coincided with a marked slowdown in inflation and a strong speed-up in growth. The annual rate of inflation was brought down from about 90% in 1964 to 15% in 1973 (though worldwide inflationary pressures have again pushed it up to over 35% in the early months of 1974). Meanwhile, real growth has averaged better than 10% a year since 1968.

THE BRAZILIAN EXPERIENCE

But has indexing really been the hero of the piece? Does the Brazilian experience apply to conditions in the U.S.? For much of the following analysis I am indebted to Professor Albert Fishlow at the University of California.

After the military takeover in 1964, Brazil applied indexing with a vengeance in an effort to cope with rampant inflation and to get financial markets back on their feet.

Indexes measuring inflation rates of the recent past are used to translate money values into real values for payments of rent, interest and taxes as well as for assets like bonds, savings accounts and both the fixed and working capital of business.

Wage increases are determined by applying an index of expected future price and productivity increases to a base consisting of the average real wages paid in the preceding 24 months.

Profits are determined on the basis of real gains after monetary correction, while the level of exemptions and the range of tax brackets under the personal income tax are redefined each year in accordance with price level changes.

The foreign exchange rate was put on a crawling peg, a system of regular minidevaluations geared to the differential rate of Brazilian inflation.

The measure of inflation generally used for the correction process is the wholesale commodity price index (except in the case of rentals, where the minimum wage is used as the indexing standard). Apart from wages, where the index is applied in an arbitrary way, the system is far from automatic. To implement changes in economic policy, the authorities have adjusted tax privileges, loan repayment terms and real estate rate levels from time to time.

Wage indexing, as used in Brazil, was not a device to help labor keep pace with inflation. In fact, the wage formula, especially during the early years, had a built-in bias toward a reduction of real wages, partly because the correction for future inflation (and productivity advances) substantially undershot the mark and partly because rampant inflation eroded the calculated wage base. As a result, real minimum wages declined some 16% in the first phase of the program up to 1967. In the following five years, average wage gains covered only half to two-thirds of productivity advances. Only in 1972 and 1973 did rough parity prevail.

No one disputes that the Brazilian economy has made impressive strides in the decade since indexation was introduced. But the closer one looks, the clearer it becomes that indexing—in the usually accepted sense of impartial and automatic adjustments to general price movements—made only a marginal contribution to that success. Several facts lead inescapably to this conclusion.

First, the decisive role in reducing Brazil's inflation was played not by indexing but by (a) fiscal discipline that reduced the cash deficit from more than 4% of total output in 1963 to a small surplus in 1973; (b) price and wage controls; (c) the large productivity dividends produced by high rates of growth, and (d) greater international openness and the resulting competitive pressures on the domestic economy.

Second, Brazil's in-name-only indexation for wages was actually a formula for unwinding inflation at the expense of labor. The substantial decline in real wages, especially in the lower income groups, bears witness to this.

Third, from the foregoing it is clear that the important parts of the program bearing the label "monetary correction" did not serve the cause of equity under conditions of rapid price rise—which presumably is the name of the game in indexing—but precisely the opposite.

Fourth, far from being an automatic correction based on overall price movements and thereby serving as a neutral "rule" to supplant governmental authority in allocating resources and distributing income, Brazilian indexing has been highly discretionary. To think otherwise does not do credit to the ingenuity and innovativeness of Brazilian policymakers. It fails to convey the degree to which rapid growth and disinflation were a product of conscious intervention in the economy.

Fifth, as recognized by such respected Brazilian authorities as Minister of Finance Mario Enrique Simonson, indexing eliminates the usual frictions in the inflationary process and thus may become a "feedback factor" in the rate of price increases. The 1974 jump in Brazil's inflation rate stemming from the global rise in food and energy prices seems to illustrate this point. The country's nimble policymakers already are investigating new ways of blocking this transmission effect.

Although indexing played a minor direct role in Brazil's successes on the growth and inflation fronts, it did help set the stage. By restoring and guaranteeing positive real rates of interest to savers, it helped revive capital markets and created the conditions in which new financial institutions could work, thus enabling the market to allocate resources more efficiently. Also, with the help of a broad range of export subsidies and incentives, the crawling-peg exchange rate facilitated a truly impressive growth in Brazil's exports. These consequences were important for Brazil's economic advance. But they are largely irrelevant to the U.S. economy blessed with strong financial institutions and foreign trade.

Indeed, the adjustment of interest rates to inflation via the marketplace, as in the U.S., affords an interesting contrast with adjustments by indexing. What is the greater wisdom? To escalate long-term interest rates via indexing in response to the 1973–74 food and fuel price explosion? Or temporarily to offer a negative return on long-term money as our sophisticated capital markets are doing? These markets seem to be telling us that we should not build today's inflation into tomorrow's expectations on an exactly proportionate basis (nor, for that matter, should we ignore projected earnings in the productive sector).

COST-PUSH PRESSURE

An automatic across-the-board indexing system would have promptly translated skyrocketing commodity prices not only into higher interest rates but into higher wages. Thus, it would have put relentless cost-push pressure on the general price level. Under the present system, one has at least a fighting chance to avoid converting the 1973–74 "soft-core" inflation—food, fuel, industrial materials and post-Phase 4 pop-up inflation—into a "hard core" price-wage spiral reaching well into the future.

Because of its uneven impacts, then, our existing system throws sand into the gears of inflation. Indexing would oil the gears and speed the process of inflation.

Under present circumstances, a good case can be made for using cost-of-living escalators in wage bargains instead of building the present rate of inflation into those contracts. Labor is thus protected against high rates of inflation, while the public is assured that wages won't be pegged at levels that ignore declining rates of inflation.

But it should be recognized that if across-the-board indexing of wages were required, vexing questions would arise. Would the base, or take-off point, simply be the existing wage level, or would adjustments have to be made for previous wage erosion and wage inequities? Would some nationwide adjustment for productivity also have to be prescribed? And would that not call for price-monitoring?

Beyond this, could a cost-of-living index be tuned finely enough to maintain the even-handedness that is a major objective of indexing? It is probably beyond the capacity of an indexing system, for example, to adjust for the fact that inroads of zooming food and fuel prices have been more serious for modest and low incomes than for high incomes.

Or consider the difficulties in trying to index income tax liabilities as Brazil has done:

Suppose we adjusted personal exemptions and the width of the tax brackets by the cost-of-living index today. It would give too much relief to those for whom food and fuel absorb only a small percentage of income and vice versa.

A tax fix via indexing cuts tax liabilities for those hurt by inflation but imposes no penalties on those, like debtors, who are helped by it.

Indexing reduces the automatic stabilizing force that a progressive income tax exerts by taking more money out of an inflationary economy. In this sense it demands more of discretionary fiscal policy.

Indexing would also throw a heavier burden on conventional fiscal, monetary and wage-price policies because it is such an efficient conductor of the inflationary impact of outside shocks like the quadrupling of Arab oil prices. Such policies are having a hard enough time trying to curb existing inflation without making them compensate for indexation as well.

SOME ATTRACTIONS

This is not to say that indexation has no role to play in the U.S. economy. As the Social Security and food stamp examples illustrate, it has definite attractions as a means of buffering the incomes of groups who have no built-in protection against inflation. Cost-of-living escalators for wages can also play a useful role in an economy where inflationary forces are ebbing. And the federal government might want to issue an indexed security itself and remove legal barriers to private indexing arrangements in financial transactions. Having "purchasing power bonds" as an option would enable the system to respond more effciently to differential expectations of future inflation among investors and thereby reduce nominal interest rates.

But even with the best of intentions and the most perfect of applications, indexing cannot fairly lay claim to being neutral, automatic or highly equitable. It does not do away with either market power or political power. But it does do away with some of the inhibitions against inflation and some of the frictions that serve as circuit-breakers to slow it down.

In short, carefully targeted indexing in small doses can promote equity without worsening inflation. But in large doses, it is more likely to be an opiate than a cure for inflation.

LEON H. WASHINGTON, JR.

Mr. CRANSTON. Last week, the Nation, the profession of journalism, and the black people of this country lost a leader, and I lost a personal friend. Leon H. Washington, Jr., founder and publisher of the Los Angeles Sentinel, died at the age of 67.

The Sentinel, the largest black-owned newspaper west of the Mississippi, was founded by Mr. Washington in 1934. In those bleak depression days, Los Angeles was a rigidly segregated city. Jobs were almost impossible to find, especially for blacks.

Mr. Washington launched an attack on this problem with a "Don't Buy Where You Can't Work" campaign. His picketing got him arrested. But the wall of job discrimination started to crack.

For four decades Leon Washington never lost touch with the community his newspaper served. He was a catalyst in the struggle of black Americans toward the dream of freedom and equality.

S. 1566, THE HAWAII AND U.S. PACIFIC ISLAND COMMERCE ACT OF 1974

Mr. FONG. Mr. President, a recent editorial in the Honolulu Star-Bulletin underscores the critical need for Hawaii of enacting S. 1566, "The Hawaii and U.S. Pacific Island Commerce Act of 1974," now on the Senate calendar.

The bill is cosponsored by my Senate colleague from Hawaii and myself while a similar bill has been introduced in the House by the two Representatives there from the Aloha State.

I ask unanimous consent that the editorial be printed in the Record so that others may appreciate why the Hawaii congressional delegation urgently seeks passage of the proposal.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Shipping Act

To the American labor movement, nothing is more sacred than the right to strike—and for good reason.

The strike is labor's heavy artillery, its cutting edge.

Without it, the American working man would not enjoy the high wages and working conditions that prevail today.

Without it, Hawaii would be a quite different—and less democratic—place than it is today. Titanic labor struggles in Hawaii after World War II destroyed a semi-feudal economic structure, won labor a place as an equal of management, and paved the way for genuine political and racial democracy in these islands.

Hawaii today is one of the most unionized communities in America, one of the more liberal states politically, and a place where no politician gets far by making an enemy of organized labor.

This makes it particularly significant that all four members of Hawaii's congressional delegation, three Democrats and a Republican, are united in supporting a bill that will go to the floor of the U.S. Senate next week to limit the right to strike.

Sens. Hiram L. Fong (R) and Daniel K. Inouye (D) are cosponsors of S. 1566, entitled "The Hawaii and U.S. Pacific Island Commerce Act of 1974". Reps. Spark M. Matsunaga (D) and Patsy T. Mink (D) are supporting similar legislation in the House.

They are not enemies of labor, and they would not do anything to hurt the labor movement, yet they find common cause in promoting a bill that Labor Secretary Peter Brennan went out of his way to oppose earlier this month.

What S. 1566 would do is give Hawaii, Samoa, Guam and Micronesia, which are all the U.S.-controlled islands of the Pacific, a 160-day "cushion" whenever there is a West Coast maritime strike or lockout.

It would provide for shipping service to continue uninterrupted to these islands for 160 days after a West Coast maritime strike or lockout begins, and for workers retroactively to get the benefits of any settlements once terms are agreed on.

S. 1566 is needed because of the overwhelming dependence of the Pacific islands on surface shipping to maintain their economies—and the frequency of interruptions in the past, an average of nearly two shutdowns a year since World War II.

To cut off shipping to Hawaii is as damaging as cutting off trucking and railroad service to New York City or Washington, D.C. The economy slowly strangles.

Yet while truck and rail strikes in the East usually bring rapid federal intervention, the 1971 maritime strike dragged on for 100 days before President Nixon declared an emergency and invoked a Taft-Hartley cooling off period. By that time Hawaii had suffered shortages, higher prices, job layoffs, shortened work hours, a virtual shutdown of its construction industry, and an inability to get its sugar and pineapple to Mainland markets. A year later the economic effects were still being felt.

To settle their labor disagreements, some 18,000 labor and management people brought severe economic hardship to nearly 1,000,000 innocent bystanders, including union members, in the Pacific islands.

To the nation as a whole a West Coast maritime strike is not an emergency. To us it is. Yet the Hawaii trade constitutes somewhat less than 3 per cent of the dockside labor at West Coast ports. Adding in the other Pacific islands brings it to 3½ per cent. Of shipboard labor, 7 per cent is involved.

The carriers operating in the Hawaii trade constitute less than 13 per cent of the voting power in the Pacific Maritime Association, the bargaining agent for management.

These statistics show why Hawaii's members of Congress, despite their strong ties to labor, can conscientiously support S. 1566.

By giving a "cushion" to the Pacific islands, S. 1566 does not substantially diminish the capability of labor and management to apply pressure on each other.

In fact, the reverse may be true since the existence of S. 1566 would make federal intervention under the Taft-Hartley Act less likely to occur in a future West Coast maritime strike.

We are particularly pained at the Nixon Administration's position on S. 1566. Until the summer of 1972, Mr. Nixon was actively supporting strong general legislation to allow the government to impose settlements if necessary in transportation disputes nationwide.

After a meeting with Teamster leaders in which they threw their support to Mr. Nixon for re-election, Mr. Nixon withdrew support for the transportation strike bill. His assistant John Ehrlichman personally told the Honolulu Star-Bulletin that if the Teamsters cared to believe there was a connection between these actions, the administration would not deny it.

Mr. Nixon promised at the same time to create a Commission on Industrial Peace that would develop alternate legislative proposals, but this commission was late in being appointed and has not been significant.

Labor Secretary Brennan's position on S. 1566 seems an extension of the 1972 "deal" which is a very raw one so far as Hawaii is concerned.

S. 1566 will not significantly impair the right to strike. It will be tremendously important, however, to the economic stability of the U.S. Pacific Islands. It faces a tough floor fight. It deserves to pass.

PROPOSED AGREEMENT FOR COOPERATION WITH THE REPUBLIC OF AUSTRIA

Mr. MONTOYA. Mr. President, on June 14, 1974, the Atomic Energy Commission forwarded to the Joint Committee on Atomic Energy, pursuant to section 123c of the Atomic Energy Act of 1954, as amended, a proposed amendment to the agreement for cooperation with the Republic of Austria. The agreement will become effective only when it has lain before the Joint Committee for 30 days, not including periods during which the Congress is in recess for more than 3 days. The 30-day period for the proposed agreement with Austria will expire on July 26.

The new agreement provides for the following changes, among others:

First, the section dealing with provision of uranium enrichment services no longer constitutes an assurance that such services will be provided. The agreement instead represents an enabling document to allow contracting for such services up to a maximum amount, subject to capacity.

Second, the agreement now allows transfer to Austria of special nuclear material other than U–235, such as U–233 or plutonium, for fueling purposes.

Third, the ceiling on distribution is now expressed in terms of the amount necessary to fuel power reactors with a total electric capacity of up to 4,000 megawatts. This is equivalent to about 80,000 kilograms of U–235. The previous ceiling was 12,000 kilograms.

Fourth, the term of the agreement is extended to the year 2014. The present agreement would expire in the year 2000.

The agreement is now, and will continue to be, subject to the safeguards of the International Atomic Energy Agency, pursuant to the Treaty on the Nonproliferation of Nuclear Weapons (NPT).

Without objection, I ask unanimous consent to have printed in the Record the AEC letter transmitting the agreement. The letter describes the changes in more detail. Copies of the proposed agreement for cooperation are available in the offices of the Joint Committee.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Atomic Energy Commission,
Washington, D.C., June 14, 1974.

Hon. Melvin Price,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

Dear Mr. Price: Pursuant to Section 123c of the Atomic Energy Act of 1954, as amended, copies of the following are submitted with this letter:

a. a proposed amendment to the "Agreement for Cooperation Between the United States of America and the Republic of Austria Concerning Civil Uses of Atomic Energy";

b. a letter from the Commission to the President recommending approval of the amendment; and

c. a memorandum from the President containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security and authorizing its execution.

The amendment modifies the comprehensive thirty-year research and power agreement, which came into force in 1970 and expires in 2000. The purpose of the amendment is to revise the provisions of the present agreement governing supply of special nuclear material, principally enriched uranium for fueling nuclear power reactors in Austria. In connection with such revision of the agreement, its term would be extended into the year 2014.

The amendment reflects the Commission's revised policy governing the long-term provision of uranium enrichment services, which was adopted in 1971 and which has been reflected in bilateral amendments and agreements negotiated since that time, for example, the Spanish agreement and the amendment to the Agreement for Cooperation with the Republic of China. Pursuant to this policy, the revised agreement with Austria would be essentially an enabling document and would no longer represent any kind of supply assurance prior to execution of specific toll enrichment contracts. The amendment also is consistent with the modified Uranium Enrichment Services Criteria published by the Commission on May 9, 1973.

Article I of the amendment sets forth the basic, enabling framework for long-term supply of enriched uranium fuel. The Commission would be authorized to enter into toll enrichment contracts for supplying power reactor fuel, subject to the availability of capacity in Commission facilities and within the ceiling quantity established in Article III of the amendment. Once customers in Austria are ready to contract for a particular quantity, they would compete for access to available Commission enrichment capacity on an equitable basis with the Commission's other customers. Such competition for access to available capacity will, in general, be on a "first come, first served" basis.

Article I continues provision for supply of U–235 to fuel research and experimental reactors. As in the Spanish agreement and Chinese amendment, for example, and in view of the expected commercial use of plutonium as reactor fuel, a new provision has been incorporated (paragraph D) to permit transfer of special nuclear material other than U–235 (i.e., plutonium and U–233) for fueling purposes. The Commission does not plan to be a world supplier of such latter types of material, particularly plutonium; rather, Austrian reactor operators would be expected to look to the commercial market to meet needs which arise.

Article II sets forth conditions governing material supply from the U.S. and its use within Austria. These are similar to conditions in the current agreement and are common to other Agreements for Cooperation. For example, an economic or technical justification is required before the Commission will give consideration to the transfer of uranium enriched to more than 20% in U–235. Further, the Commission would participate in any decision as to where fuel reprocessing shall be performed.

Regarding special nuclear material produced through the use of U.S. material acquired under the bilateral, such produced material may be transferred to third countries provided that such countries have an appropriate agreement for cooperation with the United States or guarantee the peaceful uses of such produced material under safeguards acceptable to the U.S. and Austria.

Article III amends the current U–235 ceiling article of the agreement. Under the revised supply policy mentioned earlier, the U–235 ceiling becomes merely an upper limit on the amount which may be transferred for power applications and does not represent an advance allocation of United States diffusion plant capacity. Following the approach adopted in other recent amendments and agreements, the ceiling is based on the total megawatts of nuclear power anticipated to be supported, and it covers a program composed of an existing reactor project and those for which supply contracts are expected to be executed within the next five years. Since the Commission's policy pursuant to the Uranium Enrichment Services Criteria normally requires that initial deliveries of enriched uranium for first core loadings be contracted for at least eight years in advance of such need, the quantity limitation in the Austrian amendment contemplates the execution of contracts calling for initial first core deliveries up to thirteen years in the future. The Austrian power program which would be supported by the amendment totals 4,000 megawatts (electric).

With respect to safeguards, the current Austrian agreement calls for application of safeguards of the International Atomic Energy Agency (IAEA) to transfers under the bilateral. Austria has concluded a standard trilateral safeguards agreement with the U.S. and the Agency respecting such transfers. Further, and as Article IV of the proposed amendment recognizes, Austria has concluded a safeguards agreement with the Agency pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Accordingly, and with U.S. agreement, the standard trilateral safeguards arrangement has been suspended, and the U.S. has agreed to suspend its bilateral safeguards rights under the Agreement for Cooperation during the time and to the extent it agrees that the need to exercise such rights is satisfied by the IAEA safeguards arrangements indicated in Article IV.

Article V revises the term of the agreement to establish an effective period of forty years. The forty-year period is considered appropriate in view of the advance contracting requirement noted earlier and the practice of establishing a term for power-type Agreements for Cooperation which encompasses the approximate economic lifetime of nuclear power reactors. For planning purposes, this lifetime is considered to be about thirty years.

The amendment will enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for entry into force.

Sincerely,

WILLIAM A. ANDERS,
for Chairman.

ON VOTING DEMOCRATIC

Mr. KENNEDY. Mr. President, every so often, an inspiring article comes across my desk that offers an unusually interesting perspective on one or another of our Nation's two great political parties.

Recently, I had the pleasure to read such an article in a current issue of the New Republic. The article, entitled "On Voting Democratic," was written by the distinguished senior news reporter and author, Gerald W. Johnson, and it offers a personal and fascinating perspective on the Democratic Party in this century, by a perceptive observer who cast his first Presidential vote for Woodrow Wilson.

Toward the conclusion of his article, Mr. Johnson draws some lessons from the era of President Franklin Roosevelt, lessons that seem especially apt to the circumstances in which the Nation finds itself today.

Speaking of President Roosevelt, he notes:

> He inherited a nation with its economic system in ruins and with the people's confidence in themselves and in their government buried under the ruins. His first task was to dig it out, which he did with great political skill. . . .
>
> But his administrative ability fell far short of his perception of the truth that you cannot establish respect for law until the law has been made respectable, and he was only halfway through that task when the second hurricane struck him, and eventually killed him, but not until victory was in sight. He died firm in the faith that the only national security is in the people's faith that the nation is worth securing.

Mr. President, the search for leadership goes on today, and Mr. Johnson has given us a timely reminder of the greatness of our recent past. I ask unanimous consent that his article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Republic, June 22, 1974]

ON VOTING DEMOCRATIC

(By Gerald W. Johnson)

My first vote in a presidential election I cast for Woodrow Wilson, of which I am very proud. Subsequently I have supported every Democratic presidential candidate, of which I am not very proud, as it implies an affiliation, of which I am not proud at all, with an organization that in the past has included, and at present, I doubt not, still includes some of the damnedest rascals unhung. In confession and avoidance, as the lawyers say, I plead that the alternative was adhesion to the Republican party which includes, I believe, even more of the same. Furthermore, in congressional, state and local elections I have occasionally voted Republican, albeit only when the Democratic candidate stank so abominably as to be beyond endurance.

I am, in fact, a man imbued with the black pessimism of Thomas Jefferson. Of course I know that Jefferson is popularly regarded as an optimistic idealist, but that is simply a legend of our American mythology. The man was profoundly realistic, and no realist is unremittingly cheerful. Consider two of his characteristic utterances. One is from his first inaugural, a guarantee that it was carefully considered and exactly phrased. It reads, "Though the will of the majority is in all cases to prevail, that will, to be rightful, must be reasonable." If it is not, it becomes oppression. The other was in a private letter and in such writing Jefferson, like the rest of us, tended to become more vehement but not necessarily less truthful. He said, "Whenever a man has cast a longing eye on offices, a rottenness begins in his conduct."

The first is a plain implication that democracy is capable of abandoning reason, and when it does so, is transmuted into tyranny. The second is an equally plain implication that under any form of government, including the democratic form, there will always be some rotten eggs. Together they amount to corroboration, almost two centuries in advance, of Winston Churchill's judgment that no form of government is good, but that all the others are worse than democracy.

Churchill spoke generally, but I submit that specifically his reasoning applies well enough to the American two-party system. Allowing for temporary deviations from the norm, my reason for fairly consistent adhesion to one of the two major parties is not that the Democratic is a good party, but that the Republican is, as a rule, appreciably worse. "To prove this"—again I quote Jefferson, capital letters and all—"let Facts be submitted to a candid World."

Then—not as conceding a point, but as due courtesy to holders of the adverse opinion—let the first two facts submitted be the incontestable truth that the Republican party did elect Abraham Lincoln and Theodore Roosevelt. Both, to be sure, encountered venomous opposition within their own party, but that is the usual reward for getting something done. Every Democrat, also, who has had a lasting effect on our political history has endured the like.

Delving into ancient history is, however, rather beside the point. Washington, the pre-party President who had both Jefferson and Hamilton in his cabinet and was tough enough to fire both, is beyond debate. But Jefferson, Madison, Jackson and Lincoln were unquestionably shakers and movers, and most scholars agree that the Adams pair, John and John Q., were masters of statecraft, the science of government, and so command respect despite their woeful incompetence in politics, the art of getting elected. Yet the skills that bolstered, though they did not establish the reputations of the first five, and to some extent that of Lincoln, were markedly different from those most useful to 20th-century Presidents. (Note well, if you please, the word "skills"; probity, courage and energy are not skillls, they are elements of character.) So the fact that John Quincy Adams was a superb Secretary of State is no proof that he could have handled the kinds of problems with which Kissinger has had to deal. And while the integrity of Washington had an intrinsic value that has never altered, Lincoln was too wise to try to use his iron hand, Theodore Roosevelt fumbled it, and Wilson's attempt to use it, after he was physically disabled, was a disaster.

My steadfast adherence to the Democratic party did not enable me to vote for the Virginia Dynasty, but it has influenced me to vote for two Presidents of the first rank—indeed, to vote for them six times—for another who, in the estimation of historians is not only in the second, but edging close to the top of that rank, and for another whose personal charm exceeded that of any occupant of the White House since Martin van Buren, most graceful of all Presidents. True, it also influenced me to vote for James M. Cox, John W. Davis, Alfred E. Smith and Lyndon B. Johnson, although in the last case the stronger influence was my impression that Johnson's opponent, Mr. Goldwater, was an evocation from the political Stone Age—an impression since shaken but not yet eradicated. I concede that, had I been old enough, partisanship might have betrayed me into voting against Theodore Roosevelt in 1908, but I balance that potential error by pointing out that party loyalty did cause me to vote for Cox against Harding. In 1924 the murderous combat between the Ku Klux and the Knights of Columbus gave the voters in November a choice between a zero and a cipher, so I voted for Davis, and why not? In 1928 I was for Al Smith with real enthusiasm. Not until some years later did I realize that he and Hoover were opposite sides of the same coin, and it a plugged nickel.

In the next seven elections, 1932–1956, I had not the shadow of a doubt that my party alignment was the right one. In five of them the majority of the voters agreed with me, and in the other two the party's error was a tactical one. In the aftermath of a great war, to run the best man you have against a successful general may be honorable conduct, but it is a long way from realistic politics, for in such circumstances the best man who walks in shoe-leather cannot beat five stars.

In fine, for the 16 elections for President in which I have participated, I remember my adherence to the party line with pride in seven cases, the two for Wilson, the four for F. D. Roosevelt and the one for Truman. Two for Adlai Stevenson I regard with personal satisfaction, although they were hopeless. In three, Harding-Cox, Nixon-Humphrey and Nixon-McGovern, sticking to the party saved me from being in the winning majority, which I remember with increasing satisfaction. In one, 1960, party loyalty had nothing to do with it. Kennedy was glamorous, to be sure, but had he been uglier than Caliban, he would have had my vote, for his opponent was Richard M. Nixon. In 16 tries the Democratic party, I believe, has nominated the better candidate 11 times, elected him eight times, and won again with Johnson, although that victory was a donation by the Republicans.

As a gambling system, then, I submit that nine out of a possible 16 wins, plus two that it deserved to win, make party regularity a pretty good bet.

But as a political philosophy I believe that dyed-in-the-wool democracy rates much better. When the donkey is high he usually takes off in the direction of the New Jerusalem, the elephant, in like condition, toward Nineveh and Tyre. Obviously neither can arrive, because the New Jerusalem never was and the glories of Phoenicia never will be again. The practical problem is to determine which crash landing will afford the better chance of some survivors. There is no definitive answer, but the historical facts are that the donkey's trip ended in Johnson's Great Society and McGovern, the Elephant's in Watergate and Nixon. Which was the more terrific smash only time can tell, but my prediction is that the donkey will recover consciousness somewhat sooner than his rival will. I am well aware that this prediction may be attributable to a shot in wishful thinking, but I maintain that it has a factual basis that many Democrats frequently overlook.

I think that these facts are incontestable: (1) that the fight that historians call "our brush with Spain" demonstrated that the newly rebuilt United States Navy could move fast and shoot straight; (2) that in the days when the Wright Brothers and Marconi were still obscure, any nation with such a navy was either a great power or on the verge of becoming one; and (3) that the emergence of a new great power would compel readjustments of policy by all nations, including the new great power.

Add to these a fact still unsuspected when Wilson was first elected in 1912, but that is frightfully apparent now: that from a world viewpoint the 20th is the most terrible century since the time of the Hundred (really 116) Years' War, beginning in the 14th and running half through the 15th century.

Finally, consider a fact that half the Democrats and three-fourths of the Republicans in the country will deride as pure hallucination: that the three incontestably great leaders of public opinion in this century, Wilson and the two Roosevelts, were only incidentally reformers, being in the main hard-headed realists who not only observed the first three facts but perceived some part of what they implied.

When the first Roosevelt was President the century's nightmares had not begun, but he saw clearly that his first duty as President was to prepare the country for the inevitable change. The first step toward that end was to get rid of innumerable obsolete ideas and practices that would prevent us from profiting by our new opportunities. He went about it with a boldness and energy that continually startled and often scandalized the beholders.

Wilson followed the same line, but with a more realistic perception of the whole situation. He too was intent on preparing the nation for a new role in the world, but the first of the successive hurricanes struck the world as he was halfway through his first term, and thereafter he was preoccupied more by preparing the nation to shoulder its new responsibilities than to profit by its new opportunities.

The second Roosevelt, not in Wilson's class as a political philosopher but greatly his superior as a practical politician, spent his entire first term and part of his second clearing away some of the wreckage that the ineffable Harding, Silent Cal and bewildered Hoover had hardly touched. But the job was less than half done when the first blast of the second hurricane struck, and thereafter his time was all taken up by efforts to persuade the nation to face the storm rather than try to outrun it. He might have failed at that, had it not been for the thoughtfulness of the Japanese in giving us a terrific kick in the rear as we were in the act of cowering before the blast.

Certainly the three leaders all urged upon Congress and the country many and varied reforms, most of them long overdue and some, especially in the case of the second Roosevelt, frankly tentative, but the idea that they were soul-savers is one of the most fantastic of our political myths. It was our hides, not our souls, that they were out to save, and did save but by a frighteningly narrow margin.

Of the three Wilson was by long odds the hardest-headed realist. I make this flat assertion on the basis of an insight into his character that I gained before I ever heard of him, in fact before I was 10 years old. It derived from attendance at Sunday school in two Presbyterian churches whose congregations were almost exclusively Scottish-Americans and rigidly Calvinistic. There I became acquainted with the Session, a committee that was the ruling authority in matters of faith and dogma, and composed of the elders and the minister. In childish eyes these figures were majestic, holy and hateful, all in the superlative degree.

Therefore in later years I received placidly utterances of President Wilson that drove into frenzy friends and neighbors imbued with Arminian, Socinian, Papist or Judaic errors. My own reaction was, well, the man was a Scotch Covenanter, so what else could you expect? Case-hardened he certainly was, ruthless he certainly was, arrogant he frequently was, but a hypocrite he was not. A very cursory examination of his chief propositions will reveal that they were designed to adjust the republic to its new position as a great power so that it might function smoothly and with the greatest attainable measure of security.

When he declared that the highest function of government is "to release the generous energies of our people," he spoke with machine-tooled precision. The ungenerous energies require no release because they rampage throughout the world, as witness the national cemeteries and the national debts.

It is the glory of the second Roosevelt that he understood the core of Wilson's political philosophy and approved it. But he inherited a nation with its economic system in ruins and with the people's confidence in themselves and in their government buried under the ruins. His first task was to dig it out, which he did with a political skill of which Wilson had not an iota. But his administrative ability fell far short of his perception of the truth that you cannot establish respect for law until the law has been made respectable, and he was only halfway through that task when the second hurricane struck him, and eventually killed him, but not until victory was in sight. He died firm in the faith that the only national security is in the people's faith that the nation is worth securing.

But his post-mortem good fortune was to have as his successor Mr. Truman, a man thitherto regard as rather less considerable than Chester A. Arthur, but who had the courage to erase from the Democratic banner Marcy's swinish slogn, "To the victor belong the spoils" and substitute, "On the victor devolves the duty to give first-aid to the injured," and with that the world prestige of the United States touched the highest pinnacle it has ever reached.

Because I was a party-liner I had voted for him. So, my lords and gentlemen, despite Boss Tweed, the Tonkin Gulf Resolution, local stinkers and all, I remain a Democrat unabashed.

THE RIGHT TO PRIVACY

Mr. BIDEN. Mr. President, Senator ERVIN has come to be known as one of the most colorful and well-known figures of the U.S. Senate. But much more than that, he has been one of the strongest and most determined protectors of the individual's right to privacy.

Data banks and computer files of personal information are becoming more and more common today, one of the most recent manifestations of which is a giant proposed Government computer system called FEDNET. It is in regard to this proposal that Senator SAM once again appears as the staunch and formidable opponent of Government intervention in our citizens lives.

The Washington Star-News responded to the Senator's opposition in an editorial which I would like to share with my colleagues and fellow citizens. Mr. President, I ask unanimous consent that the editorial entitled "The Right to Privacy" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RIGHT TO PRIVACY

Sam Ervin will have a place reserved in American history as the senator who presided over the Watergate hearings, but he probably would just as soon be remembered as the man who did something to protect the individual's right to privacy.

Defending the right of citizens to be free from the inquisitive eyes of government and private business has been a passion of the North Carolina senator during his 20 years on Capitol Hill. His Senate subcommittee on constitutional rights opened hearings the other day with the idea of getting protective legislation on the books now.

The concern is far from unfounded. A staff report presented to the Ervin subcommittee as the hearings opened called attention to the growing establishment of government data banks that already contain more than a billion pieces of information on individuals. Many of the banks were set up without clear legal authority and in many cases the information contained in them is passed around indiscriminately among government agencies.

Unless something is done to halt it, all the data collected by government agencies will be centralized into a massive computer system (called FEDNET). This would mean that personal information about millions upon millions of Americans would be within push-button range of officials and bureaucrats whose interest in the data could be legitimate or illegitimate.

Similarly, there is a growing use of computer banks in private industry to compile information—good and bad, accurate and inaccurate—about individuals. And this, too, often is passed around from one company to another, so that the individual never knows in how many places his name is listed or what is said about him.

The focus in this era of modern electronics is on sophisticated computer operations that make it easy to obtain, store and use vast amounts of information about people, but it should not be forgotten that a mass of hand-collected data on individuals also lies in filing cabinets in government agencies and business offices across the land, and it equally is subjected to abuse.

While the information in these computer banks and files usually is available to many people, it is closed in most cases to inspection by the individuals on whom the information is collected. They have no opportunity to contest the accuracy, relevancy or timeliness of the data.

Ervin and several of his colleagues are seeking legislation that would prohibit the indiscriminate collecting and passing around of information on individuals by either government agencies or private organizations. It also would allow individuals to review and correct the records.

Senator Ervin could perform no greater service in the final few months before his voluntary retirement from the Senate than to steer legislation through the Congress to protect American citizens from the prying eyes of a "Big Brother" society.

GLOBAL NUCLEAR TESTING

Mr. HARTKE. Mr. President, the number of countries with nuclear capability has increased during the past several years, and the testing of nuclear devices by these countries has increased to reflect the general attitude of regional nuclear superiority.

During the past month, three countries have exploded nuclear devices, contributing further nuclear radioactive fallout to various parts of the world and endangering all living organisms now and in the future. The immediate effects on life may not be readily apparent even to the scientific community, but future generations may witness the defects and deformities caused by the increased radioactive material in the air and water.

A resolution of mine, Senate Resolution 155, calling upon the President to strongly condemn the Government of France for their continued explosion of nuclear devices in the South Pacific regardless and irrespective of the rights of the people in that area of the world and the International Court of Justice at the Hague, has gone unnoticed by our silent administration.

France conducted another nuclear test at Mururoa Atoll on the 17th of June and the radioactive fallout was noted throughout the South Pacific. The governments of New Zealand and Australia have strongly condemned the actions of the French Government. I ask unanimous consent that articles by the New Zealand Embassy entitled "French Nuclear Testing: Background to New Zealand's Objections" and "French Nuclear Test" be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARTKE. Mr. President, on the same day that France was polluting the waters and air in the Pacific, the People's Republic of China exploded a nuclear device which greatly increased radioactivity in the air over Japan. In an unofficial statement, the Director General of the Japanese Public Information Bureau of the Foreign Ministry stated:

> Japan in the past protested against nuclear tests by all countries, including the Peoples Republic of China, and Japan has expressed its desire that nuclear tests not be continued. We have received information that China has again conducted a nuclear test. Japan, being a country which hopes for peace without armed conflict, considers this nuclear test regrettable, and hereby makes public this statement of protest.
>
> In view of the known pollution of the atmosphere and sea as a world wide problem, it is very regrettable that the destruction of the environment by nuclear test is continuing. Japan strongly desires that the Peoples' Republic of China immediately terminate further nuclear tests.
>
> In addition, the Japanese Government intends to retain its right to pursue compensation through international tribunals if the result of the test should directly or indirectly damage the Japanese people or their property.

The South Pacific is not alone in suffering from increased radioactivity. The Asian subcontinent has experienced its first nuclear explosion by the Government of India. While Prime Minister Gandhi has indicated her Government's intention to use the information obtained therefrom for peaceful purposes, it has provoked increased activity by other regional governments. The clearest indication is that it is unclear what future nuclear developments may unfold for the subcontinent.

The foreign policy posture of the United States should not be one of silence in view of the impending diplomatic climate regarding the growing community of nuclear countries. I again urge my colleagues on the Committee for Foreign Relations to conduct immediate hearings into global nuclear diplomacy and the increasing nuclear club.

EXHIBIT 1

FRENCH NUCLEAR TESTING: BACKGROUND TO NEW ZEALAND'S OBJECTIONS

The deep-seated objection of the great majority of New Zealanders to nuclear testing in the South Pacific is of long-standing but has become more intense in recent years with the increasing awareness of the dangers of unnecessary exposure to nuclear radiation. This public mood is based on three main factors: anxiety about the possible physiological effects of radioactive fallout, concern at a demonstrable evidence of proliferating nuclear weapons, and a resentment that a European power should carry out such experiments not on its own metropolitan territory but on an overseas territory, on what may seem from Paris a remote region, but which is nevertheless the region in which New Zealanders and Pacific people live.

The New Zealand Government has sought to remain objective in its public presentation of the facts about fallout. The reports of the New Zealand National Radiation Laboratory have shown that the levels of fallout during nuclear test series in the Pacific do not constitute an immediate health hazard, but when every effort is made to avoid unnecessary radiation from other sources it seems illogical to contend that there are legitimate grounds for the uncontrolled deposition of fallout from nuclear test explosions for weapons purposes, from which the populations exposed derive no benefit whatsoever. This view has received very general support from the United Nations Conference on the Human Environment.

The growth of public and governmental concern about both the effects of nuclear testing and its relationship to progress in the field of disarmament has been a process extending over a number of years. By the time the moratorium was broken by the Soviet Union in 1961 the New Zealand position had evolved significantly and when the United States Government decided to follow suit the New Zealand Government at once expressed its concern, as it had done in the case of the Soviet Union. In the following year New Zealand sought in the United Nations to condemn all nuclear tests, a position which it has since maintained. Against this historical background, as well as against the background of the Partial Test Ban Treaty, the Non-Proliferation Treaty, the SALT talks and the general movement towards detent, evident amongst the major powers, it is difficult for the New Zealand Government to accept that further nuclear testing, particularly in the atmosphere, can be justified on the grounds of the need to acquire an independent nuclear capacity.

Finally, strong feeling has developed throughout the South Pacific and beyond, as has been shown during recent debates in the General Assembly. It is significant, for example, that the resolution co-sponsored by New Zealand and adopted by the General Assembly in 1972 had a wide range of Pacific co-sponsors, and that this was the first occasion on which countries from various parts of the region had taken joint action on a political question. The views of the South Pacific have been further reinforced by the recent resolution which received the unanimous support of all members of the South Pacific Forum in March 1974.

The issue is now before the International Court of Justice which last year issued an interim injunction to stop the tests in the Pacific pending a determination by the Court of the legality of the testing. However, France's rejection of the Court's decision and its declared intention to hold further tests in the South Pacific continue to give New Zealand and its neighbours much cause for concern.

FRENCH NUCLEAR TEST

The Prime Minister, Rt. Hon. Norman Kirk, announced on 17 June that he had reason to believe that France had conducted an atmospheric nuclear test explosion at Muruora.

"Following the announcement from the office of the President of France on 8 June that a further series of atmospheric tests was contemplated, I made plain to the French President, in a letter conveyed through the French Ambassador, that the New Zealand Government and people could only regard the resumption of such tests with the gravest concern", the Prime Minister said. "The announcement that France will proceed to underground tests in 1975, while presenting a new developrment, does not affect New Zealand's fundamental opposition to atmospheric tests set down for this year: the more so since the French Government is unable to give firm assurances that no atmospheric testing will be undertaken after 1974."

"The decision to proceed in the face of the representations of New Zealand and many other governments over many years, representations which we have renewed only in the last few days, is all the graver in that it involves a further infringement of the Interim Measures Order of the International Court of Justice of June 1973. "I have instructed our Ambassador to convey our strong protest to the French authorities at the resumption of atmospheric testing in violation of our rights and the rights of our South Pacific neighbours under international law."

UNIFORM NATIONAL RATE FOR NEW GAS SALES

Mr. TOWER. Mr. President, on Friday, June 21, the Federal Power Commission issued its order in what was projected to be an epochal undertaking. The proceeding was docket No. R–389–B and was begun in order for the Commission to set a uniform national rate for new gas sales. The order was, indeed, an undertaking, but not in the sense of shouldering a great burden. It was an undertaking in the morbid sense, for the FPC may have just interred the domestic natural gas consumer.

The rate selected by the Commission to apply to sales of natural gas from the lower 48 States was 42 cents per million cubic feet. This figure is 27 cents higher than the initial area rate set in the first Permian case, and 16 cents higher than the rate set in the most recent, final area proceeding, the so-called Southern Louisiana II case. In short, it is a 60-percent increase over the highest rate set in an area rate proceeding. Why is it, then, that the lone dissenter on the Commission characterized the rate as suicidal?

To begin with, we should take the measure of the natural gas shortage, as this was a factor agreed to unanimously by the Commission. First, there is the matter of declining gas supplies. The majority found that during the period of 1967–72, the findings to production ratio was about one-half; this means that our national gas consumption averaged about twice the amount of natural gas found during that period. Second, the Commission's analysis of both oil and gas drilling statistics since 1945 indicates that there has been a decline in both exploratory and developmental drilling in recent years. The fact is that there has been a very substantial decline in drilling in the last 15 years, while the demand for gas has doubled in that time. It is no accident that periods of sharpest decline occurred shortly after changes in import policy and reduction of the depletion allowance. Nor is it an accident that a brief upswing in drilling followed shortly an indication that the FPC would begin to permit meaningful price increases for the first time since it began to regulate producer rates.

The magnitude of the drilling effort necessary to elicit a supply sufficient to meet reasonable demand is mind-boggling. As the Commission pointed out:

> If we assume that an adequate reserves to production ratio of about 10 is maintained; that a reasonably optimistic development of supplemental gas sources is attained with respect to overland imports, LNG imports, gas from coal, and gas from Alaska; that the industry is capable of immediately mounting an all-out financial, equipment or manpower consideration; then an annual finding rate of approximately 37 trillion cubic feet per year would be necessary to bring supply and demand into balance . . . [this] represents a sustained level of annual additions to reserves equal to that attained in 1970 when 26 trillion cubic feet of Alaskan gas were added to the reserve inventory, or an amount equal to 1½ times the all-time record annual lower 48 reserve additions of 24.7 trillion cubic feet reached in 1956. . . . this rate of development would be required *in conjunction with* the timely development of supplemental gas supplies and would be substantially higher in the absence of such supplemental supply availability.

Notwithstanding its recognition of these serious supply problems, the Commission utilizes the costing methodology of the first permian case. The Supreme Court has permitted this on the grounds that it was experimental, recently remarking that the experiment is now nearly 20 years old. The fact is that the permian methodology is a failure. It was an attempt to apply public utility theory to a nonutility industry. The significant fact is that three of the five Commissioners agreed to this proposition. However, two of those concurred in the majority result simply because they felt that something—apparently anything—had to be done now.

The myriad of logical inconsistencies and the fallacies that infect the majority opinion are exposed with exceptional skill and clarity in the dissenting opinion. I point out only one amazing fact from that able opinion. The so-called predictive rate of the majority is about one-half of the actual cost experienced by the mythical average producer in 1972. Using known cost figures and adjusting from the alleged deficiencies in the key cost component derived from industry data, productivity, the dissenting opinion demonstrates that the average cost per million cubic feet in 1972 actually was 82.36 cents per million cubic feet. The figures for 1969, 1970, and 1971 were 58.74, 42.42 and 47.17 cents per million cubic feet, respectively. This compares to a so-called predictive rate of 42 cents.

In his concurring opinion, Commissioner Brooke states:

> In relying entirely on the output of the costing model, the Commission ignores weighty evidence that rigid adherence to cost-based regulation *a la* permian. I sired the natural gas shortage and then nourished its growth to a mature national crisis. . . .

For the majority to have done so is beyond comprehension in the light of its own statement of what is required to attain the supply level attendant to national energy self-sufficiency. As the Commission pointed out, that requires an "industry—capable of mounting an all-out exploration and development program unimpeded by financial considerations." Congress seems set on placing the largest obstacle it can in the way of industry achievement of the required supply level by withdrawing the depletion allowance. The Commission's action is nearly as bad.

How in the world are producers going to attract the necessary capital to help this Nation reach the objectives of project independence when the Commission will not even let the industry recover the costs of natural gas production?

Mr. President, the faults of the majority opinion in this proceeding are legion, including the use of stale statistics and exclusion of costs that producers should legally be permitted to recover. As is pointed out in the dissent, the majority order is not factually supported on the record, and I exhort the Commission to reverse itself on reconsideration of this rulemaking. Failing that, this Nation will reap a grim harvest, given the lag implicit in court consideration.

NUCLEAR TEST BAN

Mr. MATHIAS. Mr. President, as the President and the Secretary of State prepare to depart for talks in Moscow with the leaders of the Soviet Union, all of us should be thinking about the subject of further nuclear test ban agreements that is certainly going to be on the agenda in Russia.

The Baltimore Sun, on June 22, 1974, published in parallel columns statements by our colleagues, the Senator from Maine, Mr. MUSKIE, and the Senator from New York, Mr. BUCKLEY, which contribute greatly to an objective understanding of the test ban issue.

I ask unanimous consent that the articles be printed in full in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SHOULD ALL NUCLEAR TESTS BE BANNED

NOTE.—Senator Edmund S. Muskie, Democrat of Maine, has long favored a Comprehensive Test Ban to eliminate the underground explosions permitted by the 1963 Limited Test Ban Treaty. Senator James L. Buckley, Republican-Conservative of New York, has been outspoken in his opposition to such a move. Both senators give their views while arguing against the kind of Threshold Test Ban that might emerge from next week's Nixon-Brezhnev summit.

FOR

(By Edmund S. Muskie)

President Nixon's trip to Moscow Thursday offers an excellent opportunity for this country and the Soviet Union to negotiate a ban on all nuclear testing. Unfortunately, there are disquieting signs that the administration plans to let this opportunity pass by, and to aim instead for a limited agreement to reduce only the size or possibly the number of permissible underground nuclear tests.

In my view, it would be a mistake to abandon efforts to conclude a total test ban treaty at this time. In the judgment of many scientific experts, we now have the technical capability to detect any significant violations of such an agreement without onsite inspection. Moreover, in a June 14 speech in Moscow, Secretary Brezhnev said: "We are . . . ready now to agree with the United States on the limitation of underground nuclear tests up to their full termination, according to an agreed timetable." If Secretary Brezhnev means what he says, we may now have a better opportunity to conclude a total test ban treaty than at any time since the negotiations leading to the 1963 Limited Test Ban Treaty.

Those negotiations during the Kennedy administration came close to producing an agreement to ban all nuclear tests. That effort failed over the issue of onsite inspections, with the U.S. insisting on at least seven per year, and the Soviets willing to allow no more than three. So a treaty was concluded prohibiting only nuclear testing in the atmosphere, with general language added—and subsequently reaffirmed in the 1968 Non-Proliferation Treaty—committing all parties to continue to work toward a total nuclear test ban treaty.

As chairman of the Senate subcommittee on arms control, I have held hearings on the prospects for a comprehensive test ban treaty each year for the past three years. On each occasion, administration officials have reiterated their support for a comprehensive test ban agreement, adequately verified—by which they mean at least some provision for limited on-site inspection. However, in recent years enormous technological advances have been made so that it is now possible, through seismic and satellite means, to monitor underground tests to a degree unknown five years ago. There is still a gray area. But it is at a level where the risk of discovery—and the subsequent embarrassment—becomes a deterrent to testing, especially since the benefits to be gained from cheating in the low yield area are not likely to affect the nuclear arms balance. So I believe we can detect and identify militarily significant tests by national means only, and that any tests which might escape our monitoring would be so small as to be strategically insignificant.

Given this technical capability, I find it disturbing that press reports on preparations for the summit indicate that the Nixon administration, reportedly intent on further testing of tactical nuclear weapons, plans to pursue with the Soviets a "threshold" test ban—a limit only on those tests large enough to produce a seismic signal above a given magnitude. This approach has many risks with few of the advantages of a comprehensive ban.

First, it will not significantly impede further development of nuclear weapons technology. For example, India, the newest nuclear power, has indicated it would ignore a threshold agreement in its nuclear weapons testing program. But it would stop all tests if a comprehensive test ban were agreed to by the two superpowers.

Second, some sources have predicted a threshold agreement which would permit unlimited explosions in the under-100 kiloton range. If this kind of agreement is signed, it will do little to reduce the number of tests, since this is the range within which the large majority of testing takes place anyway.

Third, such an agreement would complicate enforcement. If all tests are banned, any test would be a violation. A limited ban could lead to constant bickering over the actual size of tests which register high on the monitoring devices.

Fourth, a limited ban is likely to slow or stop progress toward a full test ban.

Finally, a threshold ban, especially one with a high threshold, would be perceived around the world as a convenient political agreement which demands no real commitment from either superpower to the goal of ending the spread and continued development of nuclear weaponry. Neither the U.S. nor the Russians could persuasively argue against nuclear weapons development by other countries in such a climate. In fact, by not going ahead with a CTB, the U.S. and Soviet Union may well be providing other countries with a convenient excuse to initiate a similar testing program of their own. An agreement to end all nuclear testing, on the other hand, would not only limit United States-Soviet nuclear arms competition and save money for both countries, but it would also go a long way toward preventing the further spread of nuclear weapons.

So despite the seeming commitment of both the United States and the Soviet Union to ending all nuclear testing, and despite recent technological advances in test-monitoring capabilities, all the indications are that a comprehensive test ban agreement will not seriously be pursued in Moscow next week. This is unfortunate. We as well as the Soviets must face the fact that if nuclear testing continues, the result may be to reduce, rather than enhance, our mutual security.

AGAINST

(By James L. Buckley)

Since the signing of the Limited Test Ban Treaty in 1963, both the United States and the Soviet Union have engaged in an extensive program of underground nuclear weapons testing. It has been argued, with increasing urgency, that the logical conclusion to U.S. efforts to inhibit the development of nuclear weapons would be to seek a comprehensive ban on all nuclear testing including those which take place below ground. It has further been argued that the United States would benefit if a comprehensive nuclear test ban were agreed to with the Soviet Union. I am convinced, however, that the entire issue of a comprehensive test ban—CTB—deserves much more careful scrutiny than it has received thus far.

At the present time, it is desirable for the United States to continue underground nuclear testing. Such testing to date has had a beneficial impact on the strategic arms competition by fulfilling one of the key objectives of arms control, mitigating the consequences of war, should war occur. Continued testing will permit improvements in the capacity of our forces to be used in a discriminate and controlled manner as opposed to the current indiscriminate character of those forces which focus on massive attacks on civilian targets.

Between 1970 and 1975, the total megatonnage loaded on board U.S. strategic ballistic missile systems—the Minuteman and Poseidon—will decline by 40 per cent. This decline in the aggregate destructive power of U.S. strategic forces has been made possible by improvements in nuclear weapon design technology which has permitted much smaller nuclear weapons to be placed in our strategic forces. It is reasonable to assume that as improvements in missile guidance become available and deployed, even smaller (and therefore, less destructive) nuclear weapons could be used.

The net reduction in force megatonnage vastly reduces the potential destructiveness of a nuclear force. Such a reduction would enable a military planner to avoid using the very large weapons which cause vast numbers of unnecessary civilian casualties as much by the direct effects of the nuclear detonation as by fallout.

Failing to continue to improve our strategic nuclear weapons would freeze deterrence at high levels of destruction. Thus, if deterrence should fail, the ability of each side to mitigate the consequences of nuclear war would be severely limited. Moreover, the sheer magnitude of the potential destruction of U.S. forces tends to reduce the credibility of their being used. Eventually, a force which is not credible will not deter.

As the United States sees its margin of nuclear superiority eroded by the continuing Soviet strategic nuclear buildup, the confidence the President can have in the ability of our stockpiled nuclear weapons to perform reliably becomes increasingly important. For example, if after deployment some potential defect were noted in a Minuteman III warhead, military leaders must be able to give a U.S. President categorical assurance that the weapon can perform as required. If these assurances cannot be given, the President's confidence in the deterrent capability of our forces would erode.

Such a circumstance can be remedied only with continued testing of our nuclear weapons. Only with such testing can we be sure that the weapons which are in our stockpile will perform as required. It is important to understand that U.S. nuclear weapons are more likely to suffer from confidence problems than are Soviet weapons because we have relied upon highly advanced technology to provide extremely compact weapons for our ICBM and submarine-launched ballistic missile force. The inability to test our weapon would require numerically larger and thus more expensive forces to retain the current level of confidence in the credibility of these forces.

There has been considerable discussion concerning the emergence of a derivative of a Comprehensive Test Ban at the impending Moscow summit talks, the so-called Threshold Test Ban (TTB), where underground demonstrations would be limited to explosions less than some specified yield. This approach has many of the deficiencies of a comprehensive test ban with some additional weaknesses of its own. A TTB serves no positive purpose since the development of U.S. and Soviet nuclear weapons would continue without any impact on a future decision of other nations such as Germany or Japan to "go nuclear." It simply seeks to constrain the arms competition between the United States and the Soviet Union by slowing the growth of technology.

This approach to arms control has historically been a conspicuous failure; the Washington and London Naval Treaties of the 1920's and 1930's demonstrated that the development of new technology (*e.g.*, the aircraft carrier) could not be stopped by limiting the deployment of battleships and other capital vessels. Experience shows that other means must be found to inhibit strategic arms competition; attempting to "stop" technology will not work. It also appears likely that in practice the TTB would be a retrogressive and counterproductive step to take its proponents by reducing the improvements in technology which would reduce the indiscriminate character of the present stockpile of nuclear weapons in both the United States and the Soviet Union; the present stockpile of high yield weapons would have to be retained in the force.

The only effective way to reduce the competition in strategic arms is to mitigate the circumstances which give rise to international suspicions and work toward reductions in the aggregate size of stratgic forces.

THE ONCE AND FUTURE CAPITAL—WOLF VON ECKHARDT ON THE THIRD SENATE OFFICE BUILDING

Mr. KENNEDY. Mr. President, last Saturday, an excellent article appeared in the Washington Post by the distinguished architecture critic, Wolf Von Eckhardt, discussing the plans for the third Senate Office Building now being considered by the Senate Committee on Public Works.

Mr. Von Eckhardt's analysis provides a thoughtful and sensitive critique of the plans and model for the new office building, and I believe his analysis will be of interest to all of us concerned not only with the new building, but also with the long-range plans for the growth and development of Capitol Hill. I, therefore ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ONCE AND FUTURE CAPITOL

(By Wolf Von Eckardt)

In the past, Congress has made its decisions on what and how to build on Capitol Hill so deep in the shadows of executive secrecy that they often seemed shady.

The Senate Public Works Committee, however, has now begun to shed a little light on the process.

It happened because some of the senators were not entirely happy with the design for the big, third Senate Office Building that was authorized two years ago. So they did what sensible men would do. They called for outside advice.

The first thing every one of the invited witnesses said at the resulting public hearing was that he hoped there would be more such public discussion of Capitol designs.

Inevitably, perhaps, one of the senators recalled the old chestnut about a camel being a horse designed by too many consultants.

But a camel, of course, is a most useful animal. It is a great deal more desirable than a monster—such as the Sam Rayburn Building, to say nothing of the monstrous, now dormant scheme to extend the West Front of the Capitol.

The Senate Office Building should be a camel of sorts. It should be background architecture, nothing much more than a useful, efficient, attractive, functional building. But part of this function must be to relate to the Capitol and to contribute to an efficient, attractive and responsive Capitol environment—a better place for Congress to do its work and for the American public to look on.

The senators at the hearing—chairman Jennings Randolph (D-W. Va.), Howard H. Baker Jr. (R-Tenn.), James L. Buckley (R, Con-N.Y.) and Pete V. Domenici (R-N.M.)—seemed to agree that the models and drawings for the new building that filled the hearing room promised an efficient and pleasant place to work. The five witnesses confirmed this.

What had bothered the senators and prompted them to solicit the views of two architects, a city planner, an executive of the American Institute of Architects and this critic, was the facade, the exterior design. It seemed to them a bit overbearing, somewhat lacking in the conventional "classic" distinction of the earlier Senate Office Buildings. It seemed too much like any old, big office building downtown.

The architect is John Carl Warnecke whom the Kennedys chose to design the Kennedy grave and the new buildings that frame Lafayette Square in front of the White House.

Warnecke was given the site just behind the Dirksen Office Building (formerly known as the "New Senate Office Building") of which his structure is technically an "extension." He was told to preserve the Belmont House and its garden, originally built before the Capitol was erected on Jenkins Hill and, since 1929, the headquarters of the National

Woman's Party. He was to provide flexible space for 50 senators, their staff, their visitors, their automobiles, their exercise and their appetites.

Warnecke obliged with admirable ingenuity. Senators, he said, in an elaborate, almost ceremonial briefing in his office the day before the hearing, are entitled to large offices with views and high ceilings. So he designed them duplex offices, as it were, two stories high. The staff gets offices with normal, nine-foot ceiling heights. These staff offices look out on huge, eight-stories-high, glass domed "gallerias" and a vast, glass covered inner court or "atrium." There are no depressing corridors.

The place abounds with day-lit balconies and terraces where people can sit, linger and converse amidst potted plants and an air of luxurious spaciousness. It will be easy and pleasant to get around the entire Senate Office complex and to walk to the garage, the Senate "subway," the Capitol and the Visitor's Center at Union Station.

Warnecke also designed his building in such a way that it aligns impressively with the other two Senate Offices along Constitution Avenue and yields gracefully to Belmont House on Second Street NE. The old house, although dwarfed by the massive marble, is a whimsical reminder of a humbler past and will add a nice, needed human touch.

Yes, the marble is massive. No architect can do otherwise with a building that must enclose 1 million square feet of working space and is 120 feet high, filling more than half of a large city block. It is Warnecke's considerable achievement that the thing doesn't look as clumsy as it might.

Does it "harmonize" with the Dirksen Building that it "extends"?

This is what troubles the senators. It obviously also troubles Warnecke. He tried hard and well.

His trouble is not only that his building is, of necessary, larger and higher than its parent. It is also that the parent, let's face it, is not as good a building. Warnecke's is.

Good architecture is naked. Like a good human body it shows the bones and muscles under a clear skin. The Dirksen Building is all dressed up in a rather poorly designed "classic" costume.

So the best Warnecke could do is to give his building a classic posture—a well proportioned, symmetric order. And he did so by framing his large windows in a grid of shading slabs. It makes sense. It is indeed somewhat reminiscent of many concrete egg crates downtown. And he might perhaps have done otherwise.

But that, it turned out, was difficult for the witnesses to discuss. No one wanted another costume. So how, if you don't want cosmetics either, do you discuss the appearance of the skin without questioning the whole anatomy. Warnecke had, after all, given his anatomy a clean, clear and logical face.

Yes, perhaps it is a bit coarse and powerful. But that was hard to judge from the model. The witnesses therefore agreed that the architect should build a full size mock-up of one of the windows to see how it looks in relation to the neighboring buildings.

And then they went on to question the body rather than the skin. Does the whole building, with its million square feet of space that Warnecke was asked to design fit in with—what?

There is no masterplan for Capitol Hill—a plan that tells us how Congress can grow with the country not only in marble-clad square footage, but also in efficiency, dignity and amenity.

It should be a masterplan not for an arrogant enclave, but for a legislative center that merges and blends with its natural and human surroundings, a lively part of the city, a peoples' center. That calls for more than experts and congressional committees. It requires the active participation, advice and consent of the citizenry, particularly the people who live on Capitol Hill. These people now look on Congress not as their spokesman and neighbor but as an enemy whose Capitol Architect might sneak up one night and bulldoze their homes.

Rather than one big building, such a masterplan, the witnesses said, might have given us a more diverse accommodation of senatorial office needs.

Such a plan would now come too late to change the basic concept of Warnecke's building, though the committee and its hearings may well, in Sen. Baker's view, improve its design. Warnecke, at any rate, is back at his drawing board to refine his work in the new public light, knowing that, as Le Corbusier put it, "creation is a patient search.'"

Sen. Baker also professed himself "greatly taken by the suggestion that this ought to be the last time we do things this way. There ought to be a masterplan, and there ought to be a thorough public ventilation of whatever future plans we have."

Such a well ventilated plan is a bicentennial present Congress might give itself and the nation. A future Capitol, without pomp and parked cars, might help a little to restore confidence in the dignity and nobility of our government.

NEW ENTRANTS INTO THE COAL BUSINESS

Mr. BENNETT. Mr. President, the State of Utah, like the rest of the Nation, is greatly concerned about the energy crisis that confronts us. The present and future economic life of our State and region are dependent on an adequate supply of electrical power which must be reasonably priced and made available in sufficient quantities to meet the growing needs of our area.

Fortunately Utah and the adjoining Western States possess in great abundance one of our Nation's best resources for energy—coal. Thus, it is important that our coal resources be properly developed not only to meet the growing energy needs in Utah and the West but also throughout the country.

It is for these reasons that I am very interested in what the Federal Trade Commission plans to do with respect to the Peabody Coal Co., which was acquired by Kennecott Copper Corp. in the late 1960's. As I understand it, the Commission has determined that the Peabody acquisition violated the antitrust laws and that that determination has been affirmed by the courts. However, there still remain the question of whether it would be in the best interests of competition and the energy needs of this country to require Kennecott to divest Peabody Coal Co., or whether some other and less drastic form of relief would be more appropriate to the total public interest.

Kennecott-Peabody is the largest single employer in the State of Utah. In addition to owning and operating the world's largest open pit copper mine located near Salt Lake City, Kennecott through Peabody is a large holder of coal reserves in Utah and the adjoining Western States and it has been developing these coal reserves at an increasing rate in recent years. At the present time, Kennecott-operated mines supply coal for the principal electric utility plants in Utah as well as for utilities outside the State.

When Kennecott acquired Peabody Coal Co., the future of the coal industry was not certain. At that time, the coal industry was in the process of recovering from the drastic decline it had suffered after World War II, when it lost the home heating market to oil and gas and the railroads which switched from coal to diesel fuel. Although by the mid-1960's coal had managed to make a strong comeback by supplying fuel to electric utility plants, it was still not known to what degree new companies would come into the coal business and whether competition would remain viable.

In view of this economic situation, it is understandable that the Commission was concerned about the competitive effect on the coal industry of Kennecott's acquisition of Peabody. It challenged the acquisition on two basic grounds: That the coal industry was trending toward undue concentration, and that Kennecott was virtually the only potential new entrant into the industry. Hence, the FTC thought, Kennecott should not be permitted to enter into coal production by way of acquisition.

However, since then, particularly in the last 5 years, the coal industry has completely changed and history has demonstrated the invalidity of the Commission's predictions. Among the most dramatic of the changes that have occurred has been the explosive growth of coal production in the Western States. In all coal producing areas, but particularly in the West, there has been a large number of new companies that have acquired large-scale coal reserves and entered into coal production. Many of these companies are much larger than Kennecott and many are already in various facets of energy production such as oil and gas. Still, other companies are entrants into the energy field for the first time. I have here a list of new entrants into the coal business during the past few years. Thus, the coal industry in the last 5 years has undergone a steady and healthy economic development with no discernible trend toward concentration. Indeed, if anything, the recent movement has been in the direction of deconcentration. As for the immediate future, the prospects are that more companies will continue to develop their holdings of large-scale coal reserves and enter into active coal production to supply the growing electrical power needs and to produce synthetic fuels.

In light of these economic developments, it is important that the Commission base its action on whether Kennecott should divest Peabody on the economic facts of life as they exist today rather than as they existed 5 or more years ago. Consideration should be given to all of the momentous developments in recent years before any final action is taken with respect to Kennecott's continued presence in the coal industry. Obviously, if Kennecott must get rid of Peabody, the impact of that action will be felt in Utah and the West generally as well as throughout the country.

Because coal must play an increasing role in meeting the energy needs of this country and because great capital investment will be required if coal production is to be doubled or tripled in the next decade, as our experts tell us it must be, it is important that companies such as Kennecott which are willing to commit substantial capital for coal expansion remain in that industry. Unlike many of the other recent new entrants into the coal business such as the oil and utility companies, Kennecott has no other connection with energy production. It would seem, therefore, that it would be a positive advantage for competition and for increased coal production to have Kennecott continue in the coal business.

I find it particularly noteworthy that Mr. I. W. Abel, president of the United Steelworkers of America, AFL–CIO, has filed a statement with the Commission urging it to reexamine the appropriateness of requiring Kennecott to divest Peabody in light of the vast changes that have accurred in the coal business. The Steelworkers Union originally urged the Commission to issue a complaint against the Peabody acquisition and, subsequently, it actually intervened against Kennecott when the case was before the Commission on appeal from the initial decision dismissing the complaint. Now, the Steelworkers have taken the position that in light of recent events, including the vast increase in the cost of imported fuel oil, the need for greater domestic coal production and the large number of new entrants into the coal business—

> The Commission might well find that Kennecott's willingness to invest capital in the expansion of domestic coal production through Peabody, is beneficial rather than detrimental to the public interest.

In this fast changing world of energy developments, the future of Peabody Coal Co. should be determined only after the fullest consideration is given to all of the changed conditions during the past 5 years as they have affected the coal industry and the broader energy field. The final action must be justified on the basis of the competitive conditions and the public interest as they exist in 1974, not on the basis of the conditions of an earlier period when the coal industry appeared to face a different future and the Nation was not confronted with a permanent energy shortage.

Mr. President, I ask unanimous consent to have a list of new entrants into the coal business during the past few years printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

Partial List of Recent New Entrants Into the Coal Business

American Metal Climax, Inc.
Ashland Oil Co. (and the Hunt Group).
Atlantic Richfield Co.
Belco Petroleum Corp.
Chessie System, Inc.
Exxon Corporation.
Falcon Seaboard, Inc.
Gulf Resources & Chemical Co.
Houston Natural Gas Corp.
Jim Walter Corp.
Kaneb Services, Inc.
Kerr-McGee Corp.
Kewanee Oil Company, Morrison-Knudson Company and Penn Virginia Corp. (joint venture).
Montana Power Co.
Moore McCormack Resources, Inc.
Mapco Inc.
Pacific Power & Light Co.
Union Pacific Corp.
U.S. Natural Resources, Inc.

APPROPRIATIONS FOR FOLLOW THROUGH CLASSES

Mr. MONDALE. Mr. President, Congress has passed the supplemental appropriations bill and it has been signed into law. Among other things, the bill provides funds which are greatly needed to continue the highly successful education program, Follow Through. Without the $12 million allocated through supplemental appropriations, the phaseout of Follow Through would begin in September. By providing this very necessary appropriation, Congress has now expressed its intention to maintain Follow Through at its present level.

It has been brought to my attention that the Office of Education, Department of Health, Education, and Welfare is planning to obligate an important share of this Follow Through appropriation to program aspects other than the entry level class. These rumors are particularly distressing to me. Such a course of action is directly opposed to our purpose in proposing and passing a supplemental appropriation for Follow Through. The amendment in the Senate version of the bill would have restored $20 million to Follow Through, enough to fund a new entry level grade class and other components of the program cut back by the phaseout. However, when the bill was considered in conference, the compromise figure of $12 million was agreed to as the basic amount necessary to keep the program alive for the benefit of schoolchildren entering Follow Through kindergarten classes next school year.

I have had an exchange of correspondence with Senator Magnuson, chairman of the Labor-HEW Appropriations Subcommittee, emphasizing our intention in restoring these funds to Follow Through, and I ask unanimous consent that these letters be printed in the Record at this point in my remarks.

There being no objection, the letters were ordered to be printed in the Record, as follows:

June 18, 1974.

Hon. Warren G. Magnuson,
Chairman, Labor, Health, Education, and Welfare Committee, Senate Appropriations Committee, Washington, D.C.

Dear Chairman Magnuson: I am distressed by information recently brought to my attention concerning the allocation and obligation of the $12,000,000 to the Follow Through program included in the Supplemental Appropriations Bill.

It is rumored that the Office of Education, Department of Health, Education, and Welfare does not plan to spend the full $12,000,000 on new entering classes for each of the Follow Through projects. In fact, I understand that HEW plans to designate a considerable portion of the appropriation for research activities connected with Follow Through and only a remainder of the amount to fund entering kindergarten and first grade classes next school year.

I am sure you will agree with me that such a course of action is directly contrary to our intention in proposing and passing the Follow Through amendment to the supplemental appropriation legislation. The amount stipulated in the Senate version of the bill, $20,000,000, was sufficient to provide for a new entering class of students as well as retain the research component of Follow Through. Regrettably, a compromise was necessary before reporting the bill out of the committee of conference, and $12,000,000 was agreed to as the least amount needed to maintain the present level of students minus funding for additional research. This amount at least fulfills our basic intention to prevent the planned phaseout of the program by continuing Follow Through for the benefit of those children who would be entering the program this Fall.

It is necessary that the full appropriation of $12,000,000 be allocated to the entering classes in all Follow Through programs. It is important too that the money be obligated before the end of the fiscal year 1974. Follow Through grantees have been notified that the supplemental funds were appropriated, and the Division of Follow Through in HEW is prepared to process the funding applications as soon as possible. It is imperative that all other divisions of HEW involved in the funding procedure obligate the appropriated money as expeditiously as possible. The intention of all divisions should not be otherwise.

Mr. Chairman, I am grateful for the support and leadership you have given to this matter, and I urge you now to reiterate the purpose of the Follow Through supplemental appropriations to assure the prompt restoration of funds to keep the programs alive in the local schools.

With warm regards,
Sincerely,
Walter F. Mondale.

June 19, 1974.

Hon. Walter F. Mondale,
U.S. Senate,
Washington, D.C.

Dear Senator Mondale: This is to reiterate the position of our committee in recommending additional funds for Follow Through.

As you know, the Second Supplemental Appropriations Act (P.L. 93–305) provides $12 million for Follow Through. From the outset I believe the Committee made quite clear our intention that ongoing Follow Through projects be allowed to admit a new entering class this fall.

I have been informed by the Office of Education that all Follow Through projects have been notified and that negotiations on the allocation of funds will be completed by next week. I certainly hope the Grants and Contracts Office in HEW will act expeditiously to obligate the entire amount provided for Follow Through.

Sincerely,
Warren G. Magnuson,
Chairman, Subcommittee on Labor-Health, Education, and Welfare.

Mr. MONDALE. Mr. President, Follow Through was created 7 years ago to sustain through the early years of elementary school the gains children had made in Head Start. The intent of Congress at that time was to establish a comprehensive service program that would enhance the educational opportunities of disadvantaged children. Now, Congress has reiterated its original intention and perception of Follow Through as an ongoing program by appropriating the money needed to provide for a new class of beginning students.

Since its inception, Follow Through has proven itself a valuable component in moving toward the goal of equal educational opportunities for all children.

Follow Through provides an innovative educational experience to low-income children from a variety of backgrounds. There are Follow Through classrooms in big city schools and poor rural areas. A bilingual approach extends the Follow Through experience to schoolchildren in predominately Spanish-speaking classrooms. Schools on several Indian reservations have Follow Through classes.

The national evaluation of Follow Through provides solid evidence in favor of continuing the program. The impact on pupil development, and parent and teacher attitudes is positive. When the reading and math test scores of Follow Through children are compared with those of children from similar backgrounds in non-Follow Through classrooms, the achievement of Follow Through students is regularly higher. The strong results of the study reinforce the need to continue Follow Through.

The $12 million appropriated by Congress is needed now to continue extending the benefits of Follow Through to children who should be entering kindergarten classes in each of the Follow Through programs next fall. The intention of Congress in appropriating this money was to allow each program to continue with an entry level grade class next school year. The purpose of the supplemental appropriations legislation is clear and the funds should be allocated accordingly.

CONTINUANCE OF AUTHORIZATION FOR DRUG ENFORCEMENT ADMINISTRATION

Mr. HRUSKA. Mr. President, it has come to my attention that two of my distinguished colleagues, Senators ERVIN and NELSON, have introduced an amendment to S. 3355, a bill which is presently on the calendar.

The purpose of S. 3355, introduced by Senators COOK and BAYH, is to continue the authorization for appropriations to the Drug Enforcement Administration. The bill was favorably reported by Senator COOK from the Judiciary Committee on June 12, 1974, and initially passed the Senate by unanimous consent on June 17, 1974. This action, however, was later vitiated when it became apparent that an amendment would be offered.

I understand that the purpose of this amendment No. 1487 is to repeal certain provisions of Federal law and the District of Columbia Code pertaining to authorization and execution of "no-knock" warrants utilized in the enforcement of drug statutes.

This matter was extensively debated by both the House and Senate during consideration of the District of Columbia Court Reform and Criminal Procedure Act of 1970 and the Comprehensive Drug Abuse Prevention and Control Act of 1970. A majority of both bodies supported the "no-knock" provisions at that time as a useful law enforcement tool.

Unfortunately, we have not had an opportunity to adequately review the operation and effect of the no-knock provisions since enactment of this legislation. The Judiciary Committee has held no hearings on this particular subject matter since that time. If we are to legislate on this matter we should do so on the basis of a complete record.

I am concerned with the recent comments made by my distinguished colleague from Illinois (Mr. PERCY) about the abuses that has resulted from enforcement of these statutes. The mistaken raids conducted by drug abuse law enforcement officers in Collinsville, Ill. during April 1973, have been proposed as sufficient justification for repeal of the "no-knock" authority. Unlike Senator PERCY and my colleagues sponsoring this amendment, I do not regard the Collinsville incidents as pertinent to the issue of whether "no-knock" statutes have led to excessive abuses and creation of a police state.

Contrary to popular belief, the unfortunate Collinsville drug raids were not situations in which the Federal or any State "no-knock" statute was utilized. The facts clearly indicate that no warrant was obtained at all. Furthermore, the agents announced their identity in each instance. No such announcement is necessary in executing Federal "no-knock" warrants.

Federal "no-knock" warrants must be obtained by Drug Enforcement Administration agents from a Federal judge or magistrate. Probable cause must be shown that announcement or knocking would result in the easy and quick destruction of property sought or would endanger human life or safety. The provisions in the D.C. Code are comparable although slightly different in certain particulars.

I believe that it would be useful for me and I ask unanimous consent to print in the RECORD a brief memorandum reciting the pertinent facts surrounding the Collinsville incident and other materials. I trust that this information will answer some questions that may have been raised about the relationship claimed to exist between "no-knock" statutes and these highly publicized drug raids.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON COLLINSVILLE DRUG RAIDS

On September 19, 1972, the Office of Drug Abuse Law Enforcement St. Louis initiated an investigation of a violation of the Controlled Substances Act. The investigation resulted in the arrest of four persons on April 18, 1973. ODALE attorneys authorized complaints for the arrest of three others in connection with this same investigation, on April 23, 1973 but the U.S. Magistrate was unavailable at that time. The ODALE attorney stated that he authorized the arrest of the defendants on sight without warrants, but did not authorize entry without warrants.

ODALE agents and officers divided into two groups to look for and arrest the three remaining suspects. ODALE agents and officers were joined by Illinois Bureau of Investigation investigators.

After completing a number of unsuccessful checks, the two groups went to 1003 Arrowhead Drive, Collinsville, Illinois, where they believed one of the suspects still resided. They selected an incorrect townhouse unit apparently because of inadequate identification on the front of the unit. A car and truck behind the building were similar to what the suspect drove. As agents and officers approached, lights in the unit went off. The officers and agents knocked at the door and called to the occupants inside. No one answered. Entry was forced and a bookcase knocked over. Herbert Giglotto, a resident of the unit, was handcuffed, held at gun point and released when an undercover agent stated that he was not the suspect. Giglotto's wife was present at that time. Giglotto has stated that the agent threatened to shoot him, cursed him, called his wife a "broad," searched the house and caused extensive damage. Mrs. Giglotto stated she was handcuffed. Agents and officers deny anyone threatened to shoot Giglotto, cursed, called his wife a "broad," searched his house or did any damage other than to the door and bookcase.

Upon leaving the Giglottos, the agents and officers went from the Arrowhead address to 313 West Washington Street, Collinsville, Illinois, looking for one of the other suspects. The suspect's address was actually 313 West Washington, *Belleville*, Illinois. The agents were referred by the tenants of 313 West Washington to 312 Garner Street, a house supposedly frequented by "hippie-looking individuals." Agents and officers identified themselves to the owner of the 312 Garnet Street house, Donald Askew, at the front door. Other agents heard loud shouting in the house. One agent saw someone moving to the back of the house and called out to fellow officers to alert them. An officer stationed at the side door, thinking there was trouble, forced entry into the house. Upon determining that they were at the wrong house, the officers and agents departed.

On March 12, 1974, a jury trial commenced in the U.S. District Court at Alton, Illinois. Ten federal and local officers were charged in a 17-count indictment with conspiring and depriving 11 persons of their civil rights during and after the raids on April 23, 1973. On April 4, 1974, the jury in the case returned a verdict of not guilty on all 17 counts, after deliberating for three hours.

Hon. LLOYD BENTSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BENTSEN: Your communication of April 30, 1974, which had attached a letter you received from Bobbie Carter of Houston, Texas, has been referred to us for reply.

The entries of the residences mentioned by your constituent took place in April 1973, and the entries were made without search warrants. Hence, this was not a case where the "no-knock" authority, applicable to search warrants in drug cases, contained in 21 U.S.C. 879(b), was utilized. Rather, the agents were attempting to arrest a defendant in a drug case, and the mistaken entries resulted from their efforts.

On August 24, 1973, a Federal Grand Jury indicted the narcotic officers involved in a number of raids in the Collinsville area and charged them with depriving those raided of their constitutional rights. The six DEA agents named in the indictments were immediately suspended without pay, and permanent action against the agents was held in abeyance. The trial of the agents concluded on April 2, 1974, and all of the officers were acquitted of civil rights violations. Subsequently, the agents involved were reinstated as a result of their acquittal.

The occupants of the residences involved have each filed suit against the United States. If they have been unjustly injured, those lawsuits will result in the awarding of appropriate damages. Public Law 93-253, which was approved by the President on March 16, 1974, precludes the Government pleading "immunity" or the "assault exception" in cases of this type when the Government is sued under the Federal Tort Claims Act.

I have issued a statement of policy to each DEA agent concerning searches, seizures and arrests, which is designed to limit the use of "no-knock" warrants, to establish strict guidelines governing an agent's conduct and to clearly define the circumstances under which forcible entry may be undertaken. It has been made abuntantly clear that no deviation from these guidelines will be tolerated. Any action by any agent which is not compatible with established policy and good law enforcement practices will be dealt with swiftly and severely.

I assure you that the Collinsville incident is not indicative of the conduct of the 2,000 agents of DEA who scrupulously protect the rights of all those with whom they come in contact.

Sincerely,

John R. Bartels, Jr.,
Administrator.

August 17, 1973.

Hon. Dan Daniel,
House of Representatives,
Washington, D.C.

Dear Mr. Daniel: As you requested in your letter of August 1, 1973, I am setting forth the information you ask about the Collinsville, Illinois, incident so that you will be able to respond to your associates.

Briefly dated, on April 23, 1973, Federal agents and local police officers, seeking to arrest a suspect in a narcotic investigation erroneously entered the residence of Mr. and Mrs. Herbert Gigltein, and Mr. and Mrs. Donald Askew, both in Collinsville, Illinois. Allegations were made that the raiding party acted without proper authority, used excessive force, damaged personal property of the occupants of the residences, and used abusive and profane language.

Mr. John Ingersell, then Director of the Bureau of Narcotics and Dangerous Drugs, did not issue a formal assignment at the time of the incident. Mr. Myles Ambrose, then Special Assistant Attorney General, issued a statement on Jay 1, 1973, a copy of which is attached.

A full investigation of the event was undertaken immediately by the Office of the United States Attorney in Springfield, Illinois. Since that investigation began, the Federal Bureau of Investigation and the Civil Rights Division of the Justice Department have commenced an investigation of possible violations of law by the personnel involved. That investigation has not yet been completed. However, when the investigation is concluded, I am sure that the facts will be made known.

In addition to these investigations, the occupants of the residences involved have each filed suit against the United States. If they have been unjustly injured, these law suits will result in the awarding of appropriate damages.

On July 13, 1973, the Federal agents involved were suspended without pay for 30 days, the maximum period permitted under Civil Service regulations without a hearing. On August 13, 1973, the six agents were notified that it is this agency's intention to dismiss them. Their supervisor, who did not personally participate in the raids, was informed that he is to be demoted and removed from a supervisory position.

Drug investigations are difficult and dangerous undertakings and have inherent problems which do not appear in other fields of law enforcement. For this reason, it was and is the practice of all Federal agencies involved to demand that all investigations be conducted in a professional manner in order to safeguard the rights of all citizens. This was and is continually stressed in the training of agents and through the publication of well-formulated procedures.

I have recently issued a statement of policy to each DEA agents concerning searches, seizures, and arrests, which is designed to limit the use of "no-knock" warrants, to establish strict guidelines governing an agent's conduct, and to clearly define the circumstances under which forcible entry may be undertaken.

It has been made abundantly clear that no deviation from these guidelines will be tolerated. Any action by any agent which is not compatible with established policy and good law enforcement practices will be dealt with swiftly and severely.

I assure you that the actions of these few agents are in no way indicative of the conduct of the 1,900 other agents of DEA who scrupulously protect the rights of all those with whom they come in contact.

Sincerely,

John R. Bartels, Jr.,
Acting Administrator.

RAIDS IN COLLINSVILLE, ILL.

John R. Bartels, Jr., Acting Administrator of the Drug Enforcement Administration, announced today he has initiated action to dismiss from the Drug Enforcement Administration six special agents who were involved in two narcotics raids in Collinsville, Illinois April 23.

Mr. Bartels said that the actions proposing to remove the agents are being taken under Civil Service Commission procedures. Under Commission regulations, the agents will have an opportunity to present arguments against the proposed removal actions.

Mr. Bartels said that pending final decision in the proposed removal actions, the agents will be in a non-law enforcement status. In this capacity, they will not be permitted to carry weapons, make arrests, conduct searches or participate in any criminal investigations.

The agents have been relieved of all duties until August 24 to prepare their replies to the dismissal charges.

Mr. Bartels previously announced on July 10, 1973, that the six special agents, William C. Dwyer, Leon Phillips, Kenneth R. Bloemker, Dennis W. Harker, Michael W. Hillebrand and Dennis R. Morarity, and their supervisor Edmund C. Irvin, were being suspended from duty for 10 days without pay, pending a decision as to whether removal proceedings would be initiated.

Mr. Bartels also announced today he has initiated action proposing to demote Mr. Irvin, the former supervisor of the St. Louis District Office, and to remove him from a supervisory position. Under this proposal Mr. Irvin also will be transferred from the St. Louis area to another post of duty and given non-supervisory functions. Removal action is not being initiated against Mr. Irvin, since he did not personally participate in the Collinsville raids.

The six agents were relieved of their enforcement duties on May 1, 1973, and given limited duty, non-enforcement positions with pay, following complaints about the two Collinsville raids in April. The raids were the subject of later complaints by residents of the two homes involved, who charged that the agents had made a mistake in entering the wrong homes, and had behaved in a threatening manner.

The investigation into the Collinsville raids is continuing.

Mr. HRUSKA. Mr. President, the issue here is not whether law enforcement officers should be authorized to enter a house unannounced. Senators Ervin and Nelson admit that there are exceptions to the rule that law enforcement officers must announce their identity and purpose before entering. The exceptions they cite include:

> The destruction of material evidence, a suspect's attempted escape, and the peril of bodily harm to someone inside the house to be searched.

Instead, the issue is whether a court should be authorized to issue a "no-knock" warrant where the exigent circumstances that call into play the exceptions to the announcement rule are known before the police arrive at the scene.

Mr. President, I believe that a magistrate should be placed between the police and the door of the accused. If certain circumstances are known to the police beforehand, the magistrate, not the police, should make the determination whether probable cause exists to authorize an unannounced entry. As the Supreme Court said in *Johnson* v. *United States*, 333 U.S. 10, 13–14 (1945):

> The point of the Fourth Amendment, which often is not grasped by zealous officers, is not that it denies law enforcement the support of the usual inferences which reasonable men draw from evidence. Its protection consists in requiring that those inferences be drawn by a neutral and detached magistrate instead of being judged by the officer engaged in the often competitive enterprise of ferreting out crime. Any assumption that evidence sufficient to support a magistrate's disinterested determination to issue a search warrant will justify the officers in making a search without a warrant would reduce the Amendment to a nullity and leave the people's homes secure only in the discretion of police officers.

The "no-knock" provisions are designed to interpose a "neutral and detached magistrate." As a result, contrary to the contentions of the proponents of the amendment to S. 3355, the "no-knock" provisions do not invade the personal privacy of an individual. They secure that privacy.

Mr. President, I ask unanimous consent to place in the Record at this point a letter which I received from the Attorney General today in support of Federal "no-knock" authority. I believe this is an excellent statement of the valuable purposes which such an authority can serve. Furthermore, the letter gives pertinent comment on the affect which repeal of the "no-knock" statute may have upon Federal law.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Office of the Attorney General,
Washington, D.C.

Hon. Roman L. Hruska,
U.S. Senate,
Washington, D.C.

Dear Senator Hruska: The Department of Justice has been asked to advise you of the Department's position on the proposed amendment to Section 3109, Title 18, U.S. Code, to eliminate statutory authority for the issuance of the so-called "no-knock" search warrants. The Department is opposed to the elimination of the statutory "no-knock" authority.

While it has been suggested that the repeal of 21 U.S.C. 879 will merely reinstate the common law with respect to "no-knock" entry, this may not be the case. The courts may well conclude instead that 18 U.S.C. 3109, the general federal "no-knock" provision, is applicable. That provision permits federal officers to enter without announcement of purpose where necessary to liberate one who is assisting in the execution of the warrant or to break in where entry is refused. It does not permit forced entry in order to prevent the destruction of evidence although this may be the most important basis for "no-knock" entry in drug cases. The common law would permit such entry to avoid destruction of evidence. If 18 U.S.C. 3109 becomes applicable, however, it would limit the common law. One other distinction that might be noted in passing is that 21 U.S.C. 879 limits "no-knock" entry to felony cases while neither 18 U.S.C. 3109 nor the common law contains such a restriction.

The specific statutory "no-knock" authority under federal law is restricted to federal offenses involving controlled drugs and the authority is restricted to federal officers authorized to execute search warrants relating to controlled drugs. Under the statute the only case where "no-knock" authority may be exercised is when the officers have specific authority in the warrant to execute it in such a manner. Further, the authority must be received from a magistrate and then only after a showing that notice of authority and purpose would either lead to the destruction of the evidence sought or place the officers executing the warrant in danger of bodily harm.

There is substantial testimony from state authorities who have used "no-knock" authorization much more frequently that such authority is a great assistance to law enforcement officers seeking to prevent criminal suspects from disposing of evidence. It is also the belief of such authorities that the "no-knock" clause affords a certain amount of additional protection to law enforcement officers by eliminating the opportunity for a criminal suspect to arm himself with a dangerous weapon at the time the arrest is being made.

In July, 1973 the Drug Enforcement Administration issued new policy guidelines which require that the Administrator or his Deputy approve the seeking of all future "no-knock" warrants.

It would be in error to infer from the infrequent use of this authority that the Department does not believe such authority is helpful, in its law enforcement activities. Occasions may arise in the future where such authorization will assist the apprehension of criminal suspects and seizure of illegally possessed controlled substances and protect the lives of federal law enforcement agents.

The potential for abuses of this authority is no greater than the potential abuse of all authority vested in federal law enforcement officers. The effective deterrent to abuse is a combination of responsible administration and continuing oversight by the Congress rather than the abolition of the authority itself.

As noted above, in its present form, 21 U.S.C. 879 requires the approval of a neutral magistrate before an officer may enter premises without notice of his authority and purpose. This requirement, which goes beyond the common law or other federal statutes, is designed to provide an advance judicial determination of the need for "no-knock" entry. To remove this requirement of judicial approval leaves the entire decision in the hands of the enforcing officer. While we believe the internal checks within the Department of Justice established in 1973 will serve to avoid misuse of the "no-knock" entry authority, we believe that the added check of judicial approval is desirable as a matter of policy, as well as a means of providing public assurances of the protection of privacy through judicial intervention.

Thank you for allowing the Department to express its views on this matter.

Sincerely,

William B. Saxbe,
Attorney General.

Statistics, June 14, 1974

The following are statistics on the use of the "no-knock" authority as of June 14, 1974:

Office of Drug Abuse Law Enforcement, April 1, 1972–June 30, 1973:

Authorized	112
Executed	97

Bureau of Narcotics and Dangerous Drugs Up to June 30, 1973:

Authorized	3
Executed	1

Drug Enforcement Administration Task Forces, July 1, 1973–June 12, 1974:

Authorized	2
Executed	1

Drug Enforcement Administration, July 1, 1973–June 14, 1974:

Authorized	1
Executed	0

TRIBUTE TO BETTY TAPY THOMPSON

Mr. LONG. Mr. President, after almost 25 years of service, Betty Tapy Thompson will be leaving the Finance Committee staff at the end of this month.

Betty Thompson typifies the very best in the career Federal civil service. She began working for the Committee on Finance in 1950. For these many years, she has been providing invaluable service to the members of the committee. She has served under four chairmen; Senator Walter George of Georgia, Senator Eugene Millikin of Colorado, Senator Harry F. Byrd, Sr., of Virginia, and myself. She was a member of the committee staff when I first became a member of the committee in 1953.

As Senators well know, the Finance Committee typically has a heavy legislative workload, and Betty has helped us get our work done for many years with calm and with competence. She has been unfailingly diligent, loyal, cooperative, and helpful. Simply stated, she has always served the committee members to the very best of her ability.

Betty is not retiring. Her husband has been appointed assistant agricultural attaché in the American Embassy in Mexico. I am sure I speak for all the members of the Committee on Finance in thanking Betty for the excellent work she has done over the years and in wishing her the best of success in Mexico City.

MORE DOCTORS ARE NEEDED

Mr. DOLE. Mr. President, as we in Congress attempt to improve the delivery of health care in this country, we cannot—must not—ignore the fact that we are desperately short of primary care physicians. What we need, for all practical purposes, as much—or even more than we need national health insurance—is a change in emphasis at some of our medical teaching schools.

They have, almost universally, done a superb job in conducting needed medical research and in developing the specific medical skills we need to cope with our changing health care needs. This fine work should be continued, of course, but the education of physicians needed to meet the day-to-day needs of the sick has been relegated to a secondary role, and the family doctor is disappearing from the contemporary scene.

We need continued education of medical specialists and researchers, but we need at the same time, a reemphasis of the education of medical generalists, family practice physicians who can serve the needs of most of the people most of the time, without recourse or referral to specialist.

Mr. President, in my State of Kansas alone, this subject has received a great deal of concern in recent weeks. I have no desire to see it politicized or distorted by partisan concerns. The subject is far too important for that. As a recent study by the regional medical advisory council shows, by 1980, Kansas will need 348 primary care physicians to meet the national norms. This, from an objective, nonpolitical study conducted by leading health care authorities.

In some fields, we have an ample supply of doctors. In other fields, we are far short, according to this study. What is clearly needed, in my view, is an infusion of greater balance in the output of our schools of medicine. Future Federal funding for medical schools should be earmarked for programs which will best meet the needs of our people.

A new and massive Federal program will not do the job. Neither will a giant medical bureaucracy set up at high cost do what can better be done at the State level. Neither will unfulfilled promises by some to meet the shortages or political propaganda intended to mislead the people of Kansas.

We must enlist the medical schools and the medical community, at large, as willing cooperators in this task rather than try to force them from Washington. If we really mean what we say about the Government's governing best which governs least—and that is my guiding principle—then it would be totally ineffective to try to meet everybody else's health care needs from Washington.

THE LAW ENFORCEMENT PROFESSION

Mr. NUNN. Mr. President, the Senator from New Mexico (Mr. Domenici) recently made an excellent speech about the law enforcement profession. In his address to the police academy graduates in Albuquerque, the Senator focused on the key facts effecting these dedicated professionals.

I feel that his address is of such merit that it deserves the attention of the entire Senate. I ask unanimous consent that Senator Domenici's speech be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by Senator Pete V. Domenici

Every week or so, when it seems appropriate to some people in Washington, someone makes a speech on our police and the job they do. The lip service to our law enforcement officers is just tremendous in this nation. But the facts are simply these: first, the job you have chosen for yourselves is one of the most demanding, and most needed, jobs in society; secondly, this nation does not always voice its appreciation for that job; thirdly, it has not yet made the financial commitment it needs to make sure our police officers are adequately rewarded financially; and, finally, this society can no longer assume that the policemen of this country can do the job alone.

I will elaborate on each of these points, but first let me tell you personally, as the father of eight children, living near one of the very highest crime areas in this nation, that I give you my heartiest thanks for your presence. You are the first line of defense for this nation and this society. You are going to be abused and mistreated, upon occasion, but don't you ever doubt for a moment that the vast, overwhelming majority of Americans are behind you. Because they are and they tell me so, in person and in the letters they write, that they appreciate the job you are doing. I hope that you never doubt that.

I suspect that one reason that the job of policeman in this nation has always been so difficult is that we have asked you to correct the mistakes we, as parents and as citizens, have made. Our social failures become your police problems. In an age now where every value is under attack, every moral belief subject to scrutiny, it should come as no surprise that many of our people, especially some of the young, are confused and have few guiding principles by which to act. We have given to you, the policemen, the job of providing through the law some of those guiding principles. It's a job that you were not intended to do, but have had to assume when other institutions have moved too slowly or too timidly. I will later address the Girls State class for 1974 for New Mexico, up in Las Vegas. And I will tell them that I don't buy this stuff about the younger generation being too weak or too lazy to carry the torch. You, too, are young. You have shown yourselves strong and courageous enough to bear the burden for society. So when I say that more and more of the young question traditional values, I should be careful to add that the majority still abide by the immutable teachings upon which this nation, and this society, are founded. But we cannot survive long without a renewal of those articles of faith. By your witness here today in behalf of law and justice, you renew those principles upon which our society depends. I only hope that we produce more of your kind in this troubled and uncertain era.

At the same time that we make such extraordinary demands upon our law enforcement officers, we also fail to pay them enough, to offer them enough vocal support, or to tell them how much we like the job they do. In this state, for example, we still pay law enforcement officers in some large cities as little as $4,200 annually to keep the public peace.

Now let's take a look at these figures—a salary of $4,200 a year for law enforcement officers and in some large cities as low as $500 a year for city officers. To give you an idea of how low $4,200 a year is, I checked with the Agriculture Department, which administers the Food Stamp Program. If one had three children, normal debts, were a police officer, and his wife did not work, that $4,200 annual salary would fully qualify him for the Federal Food Stamp Program. Indeed, assuming that he did not own his home (and it would be hard to have a large enough home on less than $400 per month for five people), that he did not have special circumstances—that is, that he lived as a person would have to live on $4,200 a year, he would be classified by the Federal government as below the poverty level. That is a disgrace. Even a man starting out at $6,000 a year, if he had only that salary and few other possessions, and still had those three kids, would also easily qualify for food stamps. Now, I'm assuming that in these hypothetical cases these police officers would have less than $1,500 in savings on other excess assets. But, the fact is that these figures show dramatically how low the salaries we pay some of our law enforcement people are. And this society must do better if it wants quality work. The ironic thing is that we require at least 120 hours of training for each of these law enforcement persons to qualify for that $4,200 salary.

Let me tell you one thing you should be sure to do, a thing that would improve relations between the police and community more surely than anything else. Make sure you involve yourself in your community, not only as police officers, but as private citizens. Go to your PTA meetings. Attend your church meetings. Join civic clubs and service organizations. Help out with charity drives. You are going to find out a lot more about the community, and appreciate it more, by doing so. As importantly, the community is going to find out a lot more about its police, and appreciate you more. Such associations with your fellow Albuquerqueans will lead to great rewards. The work of the policeman will be related not to some abstract concept called "law and order," but to a real human, a man or woman who participates in the community and contributes in many ways. Your friends will begin to understand the demands your job makes on you. And with better understanding will come more appreciation, more efficient law enforcement, and a stronger society.

But, this nation and this society cannot assume any longer that the individual policeman, no matter how dedicated, well-trained, and intelligent, can do the job alone. He needs help. I am pleased that the Law Enforcement Assistance Act is working, despite some isolated problems. The thrust of that act has been good. Despite the recent turmoil at the head of the agency, I foresee even more improvements through the auspices of LEAA. I am also pleased to see an increased emphasis on training and continuing education for our police. The state deserves credit, as does the University of Albuquerque, and the various agencies and councils devoted to solving the crime problem.

The Senate has acted on several bills that will aid our law enforcement system. Many of us joined together to pass legislation assisting the dependents of safety officers killed in the line of duty. A bill providing educational help for their offspring passed. The death penalty, in certain quite specific cases, was passed because a majority of the Senators, and I joined with them, believed that the death penalty would be a deterrent in those special cases.

Several of us in the Senate recently joined together, both Democrat and Republican, to introduce legislation to establish a comprehensive juvenile delinquency and juvenile justice system in this nation. This bill, called the Juvenile Justice and Delinquency Prevention Act, attacks the problem of the young offender, who is most prominent in crime statistics. The bill, S. 821, is a fine step in the right direction. It would coordinate present programs, and offer a substantial grant program to the states, local government, and public and private agencies to encourage new juvenile delinquency prevention programs. This legislation would also create the National Institute of Juvenile Justice to provide a center for federal research in the area.

While the Juvenile Delinquency Bill would hit at a real problem, and one that we must attack if we are ever to slow down crime, we have yet to attack the need for penal reform properly. Briefly, much remains to be done for our corrections facilities. The Congress must soon move decisively in this area. We cannot let our prisons remain nothing more than breeding grounds for more sophisticated criminals. We must decide that rehabilitation is an important ingredient of the correctional system and then stand by the belief with sufficient money. Society must rehabilitate those which it can and not consign people who make mistakes to a life of continual wrong-doing. I hope to take an active part in prison reform legislation, with an emphasis again on making sure that local entities are given incentives and large amounts of input.

If you can stand another admonition from me, let me close by saying that it is inevitable that during the course of your job you will get frustrated at times by the judicial system. But, remember that the courts, and our judges, have their great pressures, too. They also have been asked too often to be Daddy, Mommy, and even probation officers and administrators. The court system must have at all times your respect and your cooperation. As your experience in law enforcement increases you will appreciate even more the tremendous complexities under which the court system must operate.

Again, congratulations. You are a special group that has had special training. Your job may seem thankless sometimes, but, remember always the vital job you are doing for your fellow man and for all of society. We appreciate it.

Thank you.

IN DEFENSE OF THE OIL INDUSTRY

Mr. HANSEN. Mr. President, as I mentioned here last week during the debate on the Kennedy-Mondale amendment to the debt ceiling increase bill, the atmosphere in Congress is more that of a lynch mob than a deliberative legislative body.

I have spoken a number of times in defense of the oil industry, not because I think it is without blame, but rather because it is my feeling and belief that before we make changes in our tax laws, we ought to understand clearly what the import and the impact of these changes could mean for all Americans.

I said earlier that it is not difficult at all to whip up a great amount of sentiment if we want to do something to take the oil industry apart these days. Goodness knows, there are all kinds of reasons for the frustration, the bitterness, the anger that all too often characterizes the attitude of the typical American.

So I am glad to note, Mr. President, that at least one industry spokesman is fighting back and telling it like it is.

Rawleigh Warner, Jr., chairman of Mobil Oil Corp. is not only defending the petroleum industry's reputation, he has gone on the offensive in countering the deluge of demagoguery that has proliferated from the never-ending hearings and continuing attacks on the Nation's oil companies.

So well put by a Wall Street Journal editorial, while the rest of his oil-industry colleagues huddle in the foxhole, shot and shell from Capitol Hill bursting overhead, Mr. Warner is out there with fixed bayonet plunging through barbed wire, taunting the enemy with shouts, maneuvers and hand grenades.

Mr. President, I am proud of Rawleigh Warner for answering the 5-day oil experts and for doing and saying what the industry should have been saying long ago.

The company which he heads is also one of the first to attempt to get its message across to the public. In a major address to the 42d annual convention of the Edison Electric Institute, Warner scored the lack of robust, open debate on major issues in our national broadcast media. He pointed out that the public is being denied access to business' point of view on controversial issues.

He spoke about Mobil's efforts to communicate with the public since "most of us in the oil industry feel that if we had done a better job over the years, we would enjoy greater understanding and esteem than we do today."

Warner, then went on to explain Mobil's communications program which, in my opinion, should set an example not only for other oil companies, but for the business community as a whole.

It is not only the oil industry that is threatened, it is the whole free enterprise system and if the industry's enemies are able to cripple, destroy, or dismantle the oil industry, who knows who will be next.

Even now in England, the labor government is taking aim at the country's 20 largest industries. Not satisfied with what they have done to England's coal and rail industries, they now propose to nationalize all major industry.

In yesterday's Washington Post, in the same section with a Mobil ad the title of which was "For God's Sake Let Us Freely Hear Both Sides," there was another ad by the Communications Workers of America advocating repeal of the oil and gas depletion allowance and establishment of a Federal Oil and Gas Corporation, the first step toward nationalization.

Mr. President, I ask unanimous consent that the full text of the Wall Street Journal editorial and Rawleigh Warner's speech as well as the Mobil ad be printed in the Record.

And just to be sure that we have both sides of the story, I ask unanimous consent that the ad by the Communications Workers of America also be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, June 24, 1974]

A Better Hole

It's easy to see why Rawleigh Warner Jr., president of Mobil Oil Corp., happened to acquire a Purple Heart, a Bronze Star and a Silver Star during the big war. The fellow is intrepid. While the rest of his oil-industry colleagues huddle in the foxhole, shot and shell from Capitol Hill bursting overhead, Mr. Warner is out there with fixed bayonet, plunging through the barbed wire, taunting the enemy with shouts, maneuvers and hand grenades.

His boldest move yet was to announce that Mobil was weighing a tender offer that would give it control of Marcor, parent of Montgomery Ward and Container Corp., neither of which produces energy in any form. It would take about $500 million of Mobil's cash to do the trick, and of course Mr. Warner knew there would be instant screams from the halls of Congress that the bloated profits of the oil tycoons were not going into increased energy production, as advertised.

"Irresponsibility at its worst," said Sen. Thomas McIntyre of New Hampshire, whose outcry was typical of several. "I've lamblasted the oil industry before, but this decision by the nation's third-largest oil company to spend more than three-fifths of its last year's profits to buy a non-energy enterprise leaves me absolutely outraged."

Senator McIntyre, though, doesn't seem to be aware of what's going on. Mr. Warner has single-handedly outflanked the Congress. His company has handsome profits, true enough. But Mobil also has a $1.5 billion budget this year for capital expansion and exploration. It has led all oil companies in laying out cash for federal offshore oil leases, $848 million since December, 1970. It is the most recent oil company to build a refinery here, at Joliet, Ill., the biggest grassroots refinery every built.

It has, then, been no slouch in plowing money, borrowed, and earned, into its energy business. But how much money should a reasonable prudent man invest in a business that has to be operated out of a foxhole? The decision to diversify, says Herbert Schmertz, Mobil's vice president of public affairs, came out of "a real concern over potential future restraints" on investment in U.S. oil and gas activities.

Isn't Congress about to peel away the depletion allowance, carve away foreign tax credits and make other changes to make the business less profitable? Are there not 3,500 bills pending before Congress that would, in greater or lesser degree, do the same? Isn't the government keeping exploration closed off the Atlantic coast? Hasn't it proposed banning Mobil and the other majors from joint bidding on offshore leases? Isn't the Federal Energy Administration's crude allocation program a direct subsidy to the independents at the expense of the majors? What about the continuing price controls on domestic crude and regulation of the wellhead price of natural gas? And isn't Sen. Stevenson's scheme to have the government get into exploration a direct threat to the private oil companies?

In short, there's almost nothing the politicians haven't thought of to discourage vestment in the oil business. It's astounding that any of them should now be absolutely outraged when Rawleigh Warner refused to hunker down under fire and goes out looking for a better 'ole. For bravery above and beyond the call of duty, he deserves the Congressional Medal of Honor.

Energy Resources—And the Public

(By Rawleigh Warner, Jr.)

It is particularly flattering to be asked to speak to you about Mobil's efforts to communicate with the public, since most of us in the oil industry feel that if we had done a better communications job over the years, we would enjoy greater public understanding and esteem than we do today.

It became clear to us in Mobil three or four years ago, just as I am sure it must have become clear to the management of companies such as yours, that our country was heading for a severe energy crunch.

Here was the greatest industrial power in the world, with its entire economy built on an abundance of low-cost energy, about to enter an era of unnecessarily heavy reliance on other countries—mainly because, for one reason or another, industry was not being allowed to develop our very strong domestic energy resource base adequately.

There seemed to be very little understanding of this situation or of the economics of business in the press, in the Congress, or among the general public. We in Mobil felt there was an urgent need to try to inform people.

That, in brief, was the setting in which we initiated our communications program. What are we doing in it, what results have we had, and what problems have we encountered?

NEWSPAPER ADS EFFECTIVE TOOL

To some extent, we do pretty much the same sort of nuts-and-bolts things many large companies do. Probably our most effective tool, however—and, I suppose, the one that sets us apart—is our use of paid advertising in newspapers. We have found it ineffective to rely on letters to the editor to rebut even the most misinformed reporting. Retractions by the press are rare, and seldom catch up with the original charge. News releases are of limited usefulness.

We elected initially to rely mainly on newspaper advertising because we felt we had to address ourselves primarily to opinion leaders as the group best able to grasp complex issues.

We publish a quarter-page advertisement virtually every Thursday, year-round, on the page opposite the editorial page of *The New York Times*—called, as you might deduce, the op-ed page. This is the only space the *Times* will sell on those two facing pages. It therefore has pretty high visibility, which we try to enhance with an off-beat approach. The space gives us enough room for essay-type ads similar in tone to other material appearing on those two pages.

We try to surprise readers of the *Times* with our selection of subject matter, our headlines, and our brisk and often irreverent text. We try to be urbane but not pompous. We try not to talk to ourselves and we accept that we can never tell the whole story in any one ad.

WIDE RANGE OF SUBJECTS

Our ads have ranged over a wide gamut—the energy crisis in its many ramifications, the role of profits, earnings as expressed in rate of return, capital requirements and capital formation, the need for national energy policies . . . why we support the New York Public Library, public television, the United Negro College Fund, the Better Business Bureau . . . the need for economic growth . . . the dangers of simplistic knee-jerk reactions . . . the need to conserve energy, and ways to use less gasoline. The list is a long one.

We try to help people understand what options are open to them and what sort of costs are involved in the various trade-offs. The response has been strong and generally favorable, though in addressing ourselves to opinion leaders, we deliberately opted for a rather thin cut of the total public. We believe we have had some impact and that we have been reaching people other than just those already wedded to the free market, but we realize we have not yet done enough to reach the public at large. In sum, we think the exercise has been useful, albeit somewhat expensive *in toto*, and sufficiently productive to continue.

One reason we think our advertisements, along with those of other oil companies, may be having some effect is that several Congressmen and Senators have recently tried to inhibit us. We believe *The Wall Street Journal* was close to the target when it said, "Indeed, the reason their critics are rushing to have them gagged is that the oil companies have been making legitimate arguments worthy of being heard."

We have recently been publishing these institutional ads regularly in 15 to 20 papers in addition to the *Times*, and are this week enlarging the program to around 100 papers. We'll be glad to send a representative sampling of our ads to any of you if you'll drop us a line.

We have our differences of opinion with various of the newspapers in which we are buying space. But what we are trying to do in the mass media is to broaden the spectrum of information and viewpoints available to the American people, to help them reach the conclusions necessary to sound policy in a democratic society. We believe the continued viability of our open society depends heavily on robust debate and controversy in the marketplace of ideas. We are in no sense eager to stifle those who oppose us. On the contrary. We just want to be heard, too.

That brings me to the biggest roadblock we have encountered—the refusal of national television networks to sell us time in which to state our viewpoints on matters of great public import.

When the energy crisis hit full-blown last October, there were very few reporters in any media anywhere in the country, outside of oil-producing areas and the oil trade press, who knew much about oil. This was particularly true of commercial television, and seems still to be true. As a result, we have a very difficult communications problem, and we recognize that. The energy crisis is complex, both in its origins and in its manifestations. The TV networks, by their very nature, seldom seem able to do justice to such a complex issue.

DEFICIENCIES IN TELEVISION NEWS

There appear to be at least five major elements that account for the structural deficiency of network television news programs.

The first is time limitations. A 30-minute news program, such as the Cronkite show, shrinks after commercials to around 23 to 24 minutes. An essay by a Sevareid or a Brinkley will consume about three minutes, leaving only 20 to 21 minutes for news. During this tightly limited time the show will often try to cover as many as 15 or more items, which would average out to a little over a minute for each item. But the biggest stories may consume close to two minutes each. So you end up with a good many stories being handled in well *under* a minute each.

Also, if the newsrooms are to have time to develop and edit film and to add the requisite dramatic elements, topical stories for the evening news show usually have to be filmed in the morning or at the latest in the very early afternoon. Otherwise, they may get short shrift.

Second, there are the economic limitations. Camera crews and transmission by satellite, for instance, are expensive. The cost to a network of keeping camera crews in many different locations could be prohibitive. Even when willing to spend the money, a network cannot always fly a crew to the scene of a news development in time to obtain the film that is TV's lifeblood. Also, most national TV news personalities earn far more than newspaper reporters.

The third limitation has to do with the networks' tendency to personalize the news. By this I mean their ever-present need for the highest ratings. We have the Cronkites, the Chancellors, the Reasoners, the Howard K. Smiths. As these people fight for the highest ratings, they sometimes tend more toward showmanship than toward balanced presentation of the news. As a former executive director of the ABC Evening News put it, "The evening news is not the highest form of journalism. It is partly an illustrated headline service and partly a magazine. And, yes, it is part show business, using visual enticement and a star system to attract viewers."

The fourth of the elements that tend to emasculate network news is personnel limitations. There seems to be little room for specialists. Indeed, the only ones I can think of are the sports announcers and the weather forecasters. Understandably, most of the rest of TV's news correspondents are generalists, competent to cover hard-news stories and features of several kinds, but limited in the spheres of economics, finance, and technology.

Finally, the fifth element of weakness: TV is by its very nature an entertainment medium, and a highly visual one at that. The problem was summed up this way by a former president of NBC News: "Every news story should, without any sacrifice of probity or responsibility, display the attributes of fiction, of drama. It should have structure and conflict, problem and denouement, rising action and falling action, a beginning, a middle, and an end."

INACCURATE AND MISLEADING COVERAGE

While we are not accusing the networks of bias in their reporting, we nevertheless feel that their structural deficiencies have combined to make much of their coverage of oil news inaccurate and misleading.

By way of characterizing our problem, it seems to us almost as simple as having to try to talk about elementary economics to people who are essentially illiterate in that field. As you can appreciate since you, too, are in a capital-intensive industry, we try to relate our earnings to our invested capital. This is one of the few ways we can satisfy ourselves that our rate of return is adequate to attract or amass additional capital to continue to do what is expected of us.

But this is a very difficult concept to get across to the consuming public, which sees only two things: the price of the product, which has risen dramatically; and the size of our earnings, which in absolute terms are large. All too few people in public office or in the media are adequately equipped or motivated to help people understand that it is primarily the oil-exporting countries that have increased the price and that, in Mobil's case, our 1973 earnings of almost $850 million have to be viewed in light of the more than $10.5 *billion* of assets required to generate those earnings.

We therefore start out with an almost insurmountable problem, which is bad enough in and of itself. But when we then have to cope with television reporters and commentators who usually know next to nothing about the business and seldom seem to have the time or the desire to learn, and when we have to try to impart some understanding in the very limited time allotted—that really is impossible.

Let me illustrate this for you with a personal experience. About a year and a half ago, when I was chairman of the American Petroleum Institute, two other oilmen and I went up to CBS, at its request, and had lunch with Walter Cronkite. Mr. Cronkite told us that CBS was planning to broadcast a series designed to give the viewing public some insight into the energy crisis that was shaping up, and he assured us of CBS's determination to be fair.

A QUESTION OF FAIRNESS

We therefore agreed to cooperate. I personally spent more than three hours with CBS reporters and camera crews trying to answer their questions and to impart information on the energy situation in our country. The fellow in charge of those interviews assured me CBS was going to do the "most thorough study they'd ever done on any subject for the Cronkite show," and I think those are very close to his exact words. The problem was that the reporter was simply rounding up the raw material. That raw material was cut and edited by a group of people we never saw; who, as far as we could tell, had not been exposed to any firsthand discussion of what was involved; and to whom, I can only surmise, fairness did not seem an overriding preoccupation.

Our reaction to what CBS finally broadcast, in January and February of 1973, was one of utter dismay. What we saw and heard struck us as being one-sided and unfair to the industry. For all my own pains, I believe I got about a minute and a half on the air and was identified as "chairman of the industry lobby," which by implication would make me the chief lobbyist for the oil industry. The basic points I had tried to make died on the cutting-room floor.

I would be less than honest and less than fair myself, however, if I failed to point out that NBC has done special energy broadcasts that were quite well-balanced. The producers of those programs kept their promise to us—that we would have our day in court, along with those holding opposite views. We got a fair shake.

Incidentally, those NBC producers showed their understanding of the complexity of this subject by allotting three consecutive hours of prime time to it last fall in the first of their special broadcasts on energy. When they followed that up last March, they devoted an hour of prime time to the subject on each of two evenings a week apart.

Mobil has sought to buy air time for commercials that would convey our point of view—commercials that would deal in ideas rather than in products. But networks have refused to sell us time for many of the commercials we have submitted. Their position was pretty well summed up in a letter of February 27, 1973, from the law department of the Columbia Broadcasting System to a vice president of Mobil, from which I quote: ". . . it is the general policy of CBS to sell time only for the promotion of goods and services, not for the presentation of points of view on controversial issues of public importance. CBS has adopted this policy because it believes that the public will best be served if important public issues are presented in formats determined by broadcast journalists."

In simple terms, that means that what the people of this country are to see and hear on commercial television is to be decided largely by two or three people at each of two or three TV networks—an extraordinary concentration of decision-making.

Interestingly enough, that letter from CBS was written right around the time the Cronkite evening news show presented—in a format determined solely by broadcast journalists—that one-sided material I mentioned earlier.

MOBIL'S OFFER TO THE NETWORKS

It occurred to us that the networks might be afraid they would have to give free time to opponents of our points of view. We therefore offered to pay twice the going rate to have our commercials telecast, which would have covered the cost of any free time given to someone holding different views to reply to us—Ralph Nader, the Sierra Club, or anyone else selected by the network. We felt this underscored our basic posture: that we are not trying to alter what the TV networks broadcast as news. We just want to offer a broader spectrum of information and viewpoints to the American people and are perfectly willing to take our chances in the marketplace of ideas. If our ideas are no good, the public most assuredly will shoot them down, and deservedly.

The networks have refused to sell us time even on this basis, yet have permitted our critics—principally politicians—to keep up a stream of unsubstantiated charges against us and to get their views televised almost at will.

I should like to describe one of our rejected commercials. You be the judge. We see nothing wrong with it, but two networks won't carry it. This commercial opens, without narration, on a shot of beach and ocean. Then, as the camera moves out to show only the sea, the narrator comes in, and here I quote verbatim his entire script:

"According to the U.S. Geological Survey, there may be more oil beneath our continental shelf than this country has consumed in its entire history.

"Some people say we should be drilling for that oil and gas. Others say we shouldn't because of the possible environmental risks. We'd like to know what you think.

"Write Mobil Poll, Room 647, 150 East 42nd Street, New York 10017.

"We'd like to hear from you."

NBC accepted this commercial.

ABC rejected it, saying it had reviewed the commercial and was "unable to grant an approval for use over our facilities."

CBS also rejected it, saying, "We regret that this message addresses a controversial issue of public importance and as such cannot be considered under our corporate policies."

I have these comments to make on that.

First, this country was founded in controversy—hard, openly expressed controversy—and it has remained free and democratic through the continuing clash of opinion and of value patterns.

Second, if the networks dedicate themselves almost exclusively to merchandising products, via the entertainment route, they may raise serious questions as to whether what they merchandise as news is actually just entertainment.

Third, today's energy crisis is controversial largely because the media have helped make it controversial by printing and broadcasting material so inaccurate that anyone with any knowledge of our industry would have to disagree with it.

THE PUBLIC'S RIGHT TO KNOW

When as powerful and pervasive a medium as television will not sell time for controversial issues, it seems to me our country has reached a rather critical juncture. How can a democracy operate effectively without broad public access to clashing points of view?

It is worth recalling what the U.S. Supreme Court said in 1969, in what is known as the Red Lion case: "It is the right of viewers and listeners, not the right of the broadcasters, which is paramount. It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will utilimately prevail, rather than to countenance the monopolization of that market, whether it be by the Government itself or by a private licensee. It is the right of the public to receive suitable access to social, political, esthetic, moral, and other ideas and experiences which is crucial here."

The real issue seems to be whether the commercial networks should have total control over what is broadcast to the American people. Since network broadcasting is among the most concentrated of U.S. profit-making industries, it would appear that our country may be facing a danger of monopoly censorship.

I hope you realize how reluctant we in Mobil are to adopt any posture that would appear to place us in an adversary position. We would much rather just live and let live. But we have concluded that we have no alternative to standing up for what we believe to be right. It is a dreadful set of circumstances at which we have arrived. What we're battling for is something at least approaching fair treatment in a medium that seems to be the main source of news for the vast majority of the public, yet one that seemingly has decided that in order to be successful, it must concentrate more heavily on showmanship than on presenting news in any depth.

Incidentally, I noticed in this morning's *Wall Street Journal* that William Paley, the chairman of CBS, has urged elimination of the so-called fairness doctrine, which theoretically requires the networks to give free air time for the presentation of views opposed to those expressed by the network. If I thought repeal would encourage or enable the networks to broaden the spectrum of information and viewpoints available to the public, I would endorse Mr. Paley's suggestion. What gives me pause, however, is that Mr. Paley does not seem to take into account the near-monopoly status of the network television business when he says that "what constitutes fairness should be determined by those responsible for the operations of the media. . . ." As I have indicated, we have found that leaving it all to broadcast journalists is no solution at all.

It might interest you to know that in our industry no one company has as much as 8.5% of the U.S. gasoline market, as much as 9% of the domestic refining capacity, or as much as 10% of U.S. crude oil production. The three largest oil companies in each of the following categories together have less than 22.5% of the gasoline market in our country, less than a quarter of the refining capacity, and only a quarter of the crude oil production.

MARKET DOMINATION BY NETWORKS

In national commercial television, three major networks dominate the scene. They particularly dominate the scene with respect to national and international news, since the news programs prepared by the local stations tend to present mostly local news. The three commercial networks combined have an audience estimated at more than 50 million people for the evening news programs broadcast at 7:00 p.m. Eastern Time. It is my understanding that no newspaper in this country has a circulation larger than about 2 million daily and 3 million on Sunday.

Among the newspapers there are some such as *The New York Times*, which not only dominates certain parts of its market—including, I believe, the New York market for help-wanted ads—but is also vertically integrated to the extent of owning substantial equity interests in three Canadian companies that make newsprint.

The *Times* is quite critical of oil company earnings. It called Occidental Petroleum's 718% increase in the first quarter of this year "a mirror image of what consumers are paying." Well, I doubt that anyone in this country is paying seven times as much for gasoline now as a year ago, but the *Times* neglected to mention that Occidential does not market in the United States. Nor did the *Times* tell its readers that Occidental's earnings in the first quarter of 1973—the benchmark period in this comparison—had dropped to a meager 6 cent a share, down more than 80% from eleven years earlier.

The Washington Post said recently that the government had an "urgent" duty to correct what that paper called the "vast enrichment" of the oil companies. This offers the opportunity for an instructive comparison. The net earnings of Texaco, one of the more profitable oil companies, increased 57% between 1970 and 1973. During this same period, the net income of the Washington Post Company increased about 160%.

True, 1970 was a bad year for the Washington Post Company but, taking the media as our models, we would have to conclude that benchmark years are not very relevant in such comparisons, because few of the media seem to have mentioned how bad 1972 and the first quarter of 1973 were for a lot of oil companies.

Last year Mobil's worldwide earnings were up 48% over 1972. Those of the New York Times Company were up 58%; of the Washington Post Company, 37%. The networks also apparently had a good year in 1973. According to a news release from the Federal Communications Commission, the pre-tax profits of the three television networks combined—excluding earnings of the stations they own—were up 66.7% over 1972. The FCC doesn't seem to report profits *after* taxes, and the networks don't seem to report them very widely on either basis.

ECONOMIC EDUCATION NEEDED

It seems to me we might witness a most interesting development if reporters and editors in electronic and print media were suddenly to develop an interest in the business side of their businesses and start poring over the income statements and balance sheets of their employers and their competitors. Once they learned how to pick their way through the figures to which few of them seem ever to have paid much attention . . . once they learned how to calculate rate of return, and grasped its importance as an index of profitability . . . and once they developed enough skepticism and reportorial curiosity to do some research on their own employers' price increases . . . once some of this transpired, they might well feel they had discovered a new and different world.

The more perceptive and open-minded among them would probably be shocked to discover that in some instances their own employer—whether a newspaper holding company or a network or whatever—was more profitable than many of the industries it was criticizing daily. With respect to concentration, they might learn that the overwhelming majority of the approximately 1,500 cities in which daily newspapers are published can be considered newspaper monopoly areas and that, as I mentioned earlier, national commercial network television is possibly the most concentrated U.S. industry. They might, in fact, in the process of overcoming deep-rooted preconceptions, develop additional insights and learn things that would make them better informed and more competent.

I hope nothing I have said here will be construed as ignorance or insensitivity on my part toward the contributions a free press has made throughout our country's history. Quite the contrary. We could not have remained a free people without it. Freedom of the press is clearly an essential ingredient of a democratic society—essential not only to the press itself, but to all of us. I submit, however, that it is inseparably linked to freedom of speech, and that both are in turn linked to a free economy.

Unlike some politicians, I am urging not less but more free speech, and for everyone—including most importantly those who views some of us may find totally abhorrent. I would hope that those who write and speak the most about freedom of the press will come to comprehend that if they help to destroy our free economy, no matter how unwittingly, it could be only a matter of time before they lost their own freedom. I do not know which of our freedoms might be the first to go, but I do know that once we lose any one of them—whether free speech, free press, or our free economy—the others are apt soon to follow.

"For God's Sake, Let Us Freely Hear Both Sides"

That was Thomas Jefferson speaking. But it was just that sort of free and open exchange of ideas and opinions we had in mind when we decided to sponsor the National Town Meeting—a public forum in which Americans can hear and question their chosen leaders on important issues of our time.

In the early days of this nation it was probably a lot easier to ". . . freely hear both sides." It was a small country of small towns. No gerat metropolises. No union of states sprawling the breadth of the continent.

When Jefferson first became President, we had fewer than five and a half million people in the whole country. Today, we have three metropolitan areas—and nine states—with more people than that. It's sometimes hard to be heard in a nation with so many voices.

In the formative years of our country, Americans exchanged ideas, opinions, even expletives, at the town meeting. Sometimes, that fellow they sent to the House or Senate would be there and his outspoken constituents would hear his side—or nail his hide.

At Mobil Oil Corporation, we feel that kind of personal contact should still be an important part of the American scene—no matter how big our nation and our government have grown. Except for small towns, however, such communication has virtually disappeared.

So, to help people who care about good government keep in touch with the people who mind the government store, we're sponsoring a summer-long series of town meetings. It's a small effort to foster greater discussion on the vital issues confronting us today.

Some of your senators and representatives are taking time to participate. A score of public officials and experts have accepted our invitations to present their views on a variety of topics ranging from defense spending to congressional reform. And we're inviting anyone who wants to listen and question them.

At each National Town Meeting, two principal speakers will have their say on a particular issue. After that, they will be questioned by members of the press. Then it's your turn.

This Wednesday, Senators John Tower (R-Tex.) and Thomas J. McIntyre (D-N.H.) are slated to discuss "The High Cost of Vigilance: National Defense Spending."

The meetings will be held on Wednesdays through September, from 10:30 a.m. to 11:45 a.m., at the John F. Kennedy Center for the Performing Arts/Eisenhower Theater. Admission is free.

For God's sake, let us hear your side—Mobil.

Our Memories Must Be Longer Than the Gasoline Lines

Remember when most Americans waited a long time for gasoline last fall and winter? Our country faced a major energy crisis. We were in a mess and we knew it—but we didn't know how we got there or how to clean it up. We're still in a mess even though gas lines are shorter.

So the Communications Workers of America—a union of more than 575,000 men and women—commissioned a study by a group of experts to find the answers to our energy crisis. We did this because it is our charge to protect and enhance the living standards of our members and their families. We pursue a variety of ways of meeting that obligation. Currently, for example, we are engaged in negotiations on wages, fringes and working conditions with the Bell System for some 500,000 of our members. Another method of solving a problem that threatens those living standards is sponsorship of such projects as this energy study.

Here, briefly, is what the panel of energy experts found.

The shortage of fuel for our cars, our homes, our factories was caused by "corporate greed of staggering proportions" and "total mismanagement by the government" over a number of years, particularly recently. What should we do?

First, America must reduce demand by eliminating present waste, end the growth of highways and promote mass transit systems.

Second, the energy companies must pay their fair share of taxes. (Exxon paid only 6.5 per cent of $3.7 billion in income in taxes in 1972. By contrast, a family of our earning a moderate family budget of $11,500 paid 16.2 per cent). Fairness can be achieved by ending favored tax treatment for firms that invest overseas and eliminating the tax depletion allowance here at home.

Third, government must limit multiple ownership of energy sources, compel oil companies to provide accurate data to the American people and enforce vigorously our antitrust laws.

Finally, the Federal government must set up firms to import petroleum products, produce oil and gasoline here at home (providing a yardstick on costs) and develop alternate sources of energy—solar, geothermal and hydrogen—in the United States.

We in CWA know the energy crisis is a continuing peril to our country. We need prompt, responsible action—and that is what we propose. Failure to act now will place our nation in mortal danger. That's why our memories must be longer than the gas lines—Communications Workers of America.

Mr. HANSEN. Also, Mr. President, so that those who would do away with foreign tax credits for the oil companies may know exactly what they are doing, I would hope they might read the report of the U.S. basic balance of payments for the first quarter of 1974.

Just two paragraphs in a Wall Street Journal article of last Friday, June 20, tells the story of how the United States registered a record surplus for the first quarter:

> Reflecting the big jump in world oil prices, income from U.S. direct investments abroad, principally foreign oil affiliates of major domestic producers, climbed to $4.45 billion in the first three months of the year from $2.69 billion in the fourth quarter. This helped boost the U.S. "services" account after subtracting the income of foreign investments in the U.S. to $2.80 billion from $1.59 billion in the prior quarter. The increase in the services account, which also covers such things as travel and tourism, helped offset a sharp drop in the merchandise trade surplus, which narrowed to $101 million in the first quarter from $1.34 billion in the fourth quarter.
>
> Another major positive factor was a $742 million surplus in long-term private capital flows, reflecting a decline in U.S. direct investment abroad and an increase in foreign direct investment in the U.S. The first quarter surplus contrasted with a deficit of $1.41 billion in the previous quarter. The department said most of the changes were due to transfers between U.S. oil companies and their foreign affiliates."

Mr. President, if we want to lose what competitive advantage the U..S companies have in world competition, all we have to do is penalize them with double taxation by eliminating their credit for foreign taxes.

I doubt that Shell Oil Co., British Petroleum or any of the other foreign oil companies will be returning $4.45 billion dollars in foreign profits to U.S. stockholders.

And as we dismantle the oil companies and the independents along with them we will lose the only hope we have of regaining some degree of energy self-sufficiency and become more and more dependent on imports.

And as we import more and more oil and without the repatriated profits of foreign operations, that trade balance will quickly fade into a huge deficit.

Mr. President, I ask unanimous consent that the Wall Street Journal article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

United States Had Record 3-Month Surplus in Its Payments: Revised 1973 Foreign Income of Oil Concerns Prevents the First Annual Surplus

WASHINGTON.—The U.S. registered a record surplus in its "basic" balance of payments in the first quarter as high world oil prices swelled the incomes of U.S. foreign petroleum affiliates.

But that welcome news was tempered by sharp downward revisions in last year's income figures for those same U.S. oil affiliates. These adjustments made a $744 million deficit out of the initially reported surplus of $1.2 billion in this country's international payments position for 1973, keeping the U.S. from gaining its first yearly surplus ever in the key statistic.

The Commerce Department said that the first quarter surplus was $2.07 billion, a vast improvement from the downward-revised $498 million deficit in the 1973 fourth quarter and above the previous record surplus of $1.92 billion registered in the September quarter last year.

The hefty surplus in the basic payments position contrasts with a smaller surplus and sizable deficit reported earlier using two other measures of the first quarter payments balance. On the "official reserve transactions" basis, the U.S. recorded a $1.04 billion net inflow in the March quarter, but on the "net liquidity" measure, an $869 million deficit was registered.

BEST GAUGE OF UNDERLYING TRENDS

The basic balance, which focuses in trade, government grants, long-term corporate investments and a few other key elements, is considered by many analysts to be the best gauge of underlying trends in international payments because short-term capital flows, which often can be quite volatile, aren't included in it. The two other measures include certain private and governmental capital flows that are excluded in the basic balance.

Reflecting the big jump in world oil prices, income from U.S. direct investments abroad, principally foreign oil affiliates of major domestic producers, climbed to $4.45 billion in the first three months of the year from $2.69 billion in the fourth quarter. This helped boost the U.S. "services" account, after subtracting the income of foreign investments in the U.S., to $2.80 billion from $1.59 billion in the prior quarter. The increase in the services account, which also covers such things as travel and tourism, helped offset a sharp drop in the merchandise trade surplus, which narrowed to $101 million in the first quarter from $1.34 billion in the fourth quarter.

Another major positive factor was a $742 million surplus in long-term private capital flows, reflecting a decline in U.S. direct investment abroad and an increase in foreign direct investment in the U.S. The first quarter surplus contrasted with a deficit of $1.41 billion in the previous quarter. The department said most of the changes were due to transfers between U.S. oil companies and their foreign affiliates.

SO-CALLED TRADING LOSSES

The revisions in last year's figures that resulted in the $744 million deficit for 1973 also affected statistics back to 1966 and were made to correct overstatement of investment income receipts by some U.S. oil companies.

The overstatements arose when some U.S. companies recorded their so-called trading losses on foreign oil—the difference between the higher "posted" prices for the oil and the actual market price—on their domestic financial ledgers. These domestic figures weren't reported to the Commerce Department and, as a result, its foreign investment income figures were inflated.

Concerning the record first quarter surplus, Assistant Commerce Secretary Sidney Jones termed the development "encouraging" and said it reflects the "basic strength" of the U.S. international payments position. "We've gotten through the severe wrench of the energy crunch in pretty good shape," he said.

Still, government analysts yesterday cautioned that the U.S. payments position could swing back into the red this year if the U.S. doesn't gain trade-off concessions from major oil-exporting countries for the large supplies of high-priced oil expected to be shipped here this year. The vast amounts of imported oil could result in a substantial merchandise trade deficit that would hurt the U.S. payments position.

Mr. CASE. Mr. President, I am glad to join a number of distinguished Senators as a consponsor of Concurrent Resolution No. 88, submitted by Senators NELSON, JAVITS, HART, and HUMPHREY. The resolution would charge the Joint Economic Committee with the establishment of an Advisory Board to study the causes of the current combination of double-digit inflation, high unemployment, and economic slowdown and to make recommendations to deal with both the short- and long-range aspects of these problems.

A traditional criticism of such an approach is that we don't need another committee and another study—we need to act. I would like to answer both parts of this objection ahead of time.

For one thing, we are acting on a number of fronts. I regret that a majority of my colleagues did not support extension of standby authority for wage and price controls, since I firmly believe the administration and the Congress together must act positively to bring inflation under control. But additional constructive legislative proposals have been made, ranging from the establishment of export control and licensing procedures for agricultural commodities to the establishment of a Federal oil and gas corporation. So I think we are attempting to act in areas where certain clear legislative options are at hand.

At the same time the combination of economic trends that we now face is unique, and I think we need to give the Joint Economic Committee the resources to study this situation, to look at this new set of circumstances, and perhaps to devise new approaches to the perplexing problems that are upon us.

For many years now, for example, one prevailing school of thought has held that continuing sophisticated technological advances will always, and indefinitely, enable us to keep pace with growing demand. But questions are arising about the soundness of this view, and it is no longer inappropriate to ask whether there will always be enough natural gas or other basic resources to produce enough fertilizer to grow enough wheat to feed a hungry world.

Nor is it too soon to raise the question whether some measure of our world-wide inflation results from a general feeling that we may face a future in which material progress is not the rule and that each of us had better scramble to "get ours" while the getting is still good. If this is so, what can we do about it?

I would strongly urge the Advisory Board to take a broad look at this kind of question, among others, and to explore the inflationary effects of increasing competition for dwindling supplies.

In this connection, I ask unanimous consent to include at this point in the Record a New York Times editorial of June 9, 1974, and an article from the June 21 Times by Senator Nelson and Senator Hart dealing with our general economic situation and discussing this timely concurrent resolution.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, June 9, 1974]

To Cure Inflation

Here in the United States and throughout the world, inflation has become a problem of unexpected intensity and baffling complexity.

Some economists consider it a purely monetary phenomenon caused by the excessive creation of money and credit. Others regard inflation as mainly the result of misguided government fiscal policy—too much spending, too little taxing, too great use of deficit financing. Still others stress concentrated market power in the hands of great corporations and labor unions or, in this time of worldwide commodity inflation, in the hands of international cartels.

Neo-Malthusians see inflation as a symptom of uncontrolled economic and population growth, depleting the natural resources on which life itself depends. And all these only begin the list of asserted causes—a list that includes the wastage of resources on wars and preparations for wars, the heightened competition among social groups for larger shares of an economic pie that cannot grow fast enough to satisfy all demands, the weakness of governments and the breakdown of the world monetary system.

Admittedly, the general disease called inflation could be quickly wiped out if Government were to crack down hard enough by cutting off the supply of money and credit or by chopping Federal expenditures or raising taxes. But policies tough enough to eliminate inflation quickly could throw the economy into deep depression—a cure most people would regard as worse than the disease. Nevertheless, inflation at anything like its present rate is no minor ailment; it cannot be tolerated long without lasting damage to the social structure and danger to world economic and political stability.

The need for the best possible policies for dealing with inflation is urgent. In the absence of any discernible will be in the White House to provide leadership in that direction, the most promising approach lies in a thoroughgoing Congressional investigation of the causes and cures of inflation. Such a study should draw upon the best economic, business and political minds available, as did the Temporary National Economic Committee studies of the concentration of economic power in the late nineteen-thirties and the Joint Economic Committee studies in the early sixties.

The great value of such investigations is that they concentrate the public mind, telescope (rather than lengthen) the learning process for Congress and the Administration, and help establish a firmer base for essential changes in national policies.

The present inflationary crisis calls for just such a broad-ranging effort to increase public understanding of inflation and to improve national policy on a wide range of issues from the sources of excess demand to the inhibitions on adequate supply, productivity and jobs for a growing labor force. Congress is the appropriate vehicle for launching such an inquiry into ways of improving the economic well-being of the American people.

[From the New York Times, June 24, 1974]

Economic Advisers for Congress

(By Gaylord Nelson and Philip A. Hart)

Washington.—With increasing frequency and severity, the symptoms of our nation's ailing economy have revealed themselves. Inflation for the first quarter of 1974 is at a staggering annual rate of 11.5 per cent. Real output decreased at an annual rate of 6.3 per cent, the largest quarterly drop in production since the recession of 1958. Unemployment exceeded an unacceptably high 5 per cent and there is every expectation that it rise substantially later this year.

The warning signals have become danger signals; the problems have become emergencies. Even the most prudent and respected financial journals have said bluntly in their headlines that the economy is in a crisis. Dr. Arthur F. Burns, chairman of the Federal Reserve Board, has stated that if the present inflation continues it will "threaten the very foundation of our society."

We would add to Dr. Burns' statement only that this crisis goes beyond our own borders and threatens the economic stability of every market in the world and the well-being of every nation.

Every foreign government shares the responsibility for attempting to understand and reverse these disturbing trends and must explore all possible courses of action. For us in the Congress, therefore, an immediate question is what Congress can do.

It is possible that there are no legislative solutions to these problems, but we believe we must make a good-faith effort to see if there are. It is in this spirit and with these goals that we have proposed, along with Senators Jacob K. Javits and Hubert H. Humphrey, a concurrent resolution that would establish a procedure whereby Congress could attempt systematically to understand and to solve the problems of inflation, recession and unemployment.

The gist of it is to bring economists and other experts, representative of a broad spectrum of political points of view and philosophies, together and ask them to do something unusual. They will not be asked simply to testify on inflation and recession but instead to see where they can agree on proposed legislative solutions.

These experts, making up an advisory board, would transmit their recommendations to the Joint Economic Committee, which, in turn, would draft legislation and provide these legislative recommendations to the majority and minority leaders of both houses of Congress. The leadership then would attempt to insure that these legislative recommendations are considered by all the relevant committees and that any legislation is speedily reported to both houses of Congress.

The advisory board would be composed of leading economists, businessmen and other experts in such areas as fiscal, monetary, manpower, trade and natural resources policy. Of course, the resolution accommodates situations in which the experts cannot agree and situations in which they recommend further Congressional study in particular areas.

The resolution would provide the Joint Economic Committee and its staff with the resources to carry out these duties and to continue to study these critical questions. In addition, the committee would carry out any specific recommendations for further study made by the assembled group of experts.

There have been a multiplicity of different proposals and suggested courses of action to remedy our economic ills. The objective here is to attempt to find, where possible, a consensus on such proposed remedies among experts of differing points of view and to permit Congress to benefit from any such consensus.

This is a means for Congress to take an important initiative in a time of national crisis. By itself this approach recommends no substantive changes in economic policy, but it can create a climate whereby Congress can know that they reflect the views of a consensus of exports.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, if no Senator wishes to speak further during the period for transaction of routine morning business, I would suggest that the Senate stand in recess for 1 hour.

I am told by Mr. McClellan that he is presently chairing a hearing, and he must be present, of course, on the floor of the Senate to manage the continuing resolution. He cannot be on the floor until 1:30.

Mr. HUGH SCOTT. Mr. President, if the Senator will yield, I have no objection. I think we should point out that Senators are not ready to speak, because we are unable to proceed on the continuing resolution until 1:30.

Mr. ROBERT C. BYRD. Mr. President, that is correct.

Mr. HUGH SCOTT. Most of our Senators are engaged in committee business or are otherwise occupied at this time. That is the only reason we are taking the recess.

Mr. ROBERT C. BYRD. That is correct. I am grateful for the distinguished Republican leader's comment.

That being the case, Mr. President, I move that the Senate stand in recess for 1 hour.

The motion was agreed to; and at 12:18 p.m. the Senate took a recess until 1:18 p.m. whereupon the Senate reassembled, when called to order by the Presiding Officer (Mr. JOHNSTON).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. JOHNSTON) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY FINANCING FOR LIVESTOCK PRODUCERS

Mr. MANSFIELD. Mr. President, fully aware that S. 3679, on which the Senate will vote at 3:20 this afternoon, has had third reading, I ask unanimous consent that it be in order at this time for an amendment to be offered to the bill which I think greatly strengthens it through reducing the amounts of individual loans.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the Senate proceed with the immediate consideration of the bill?

Mr. MANSFIELD. Yes, with the proviso that we have completed third reading.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 3679) to provide emergency financing for livestock producers.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. McGOVERN. Mr. President, I send to the desk an amendment on behalf of the Senator from Kansas (Mr. DOLE) and myself.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 3, line 6, strike out "$1,000,000" and insert in lieu thereof "$350,000".

On page 4, line 1, beginning with the word "Loan" strike out all down through the period in line 2.

Mr. McGOVERN. Mr. President, the effect of this amendment, to which the distinguished majority leader has just referred, is to change the loan to an individual borrower under the emergency livestock credit, the bill now pending, from a maximum of $1 million to a maximum of $350,000. The second change envisaged in the amendment would eliminate any reference to the total lending authority that is given to the Secretary of Agriculture. The purpose of the second part of the amendment is simply to recognize that no one can really anticipate the number of loans that will be applied for under this authority, but I am sure it is the will of the Senate that a livestock producer or feeder who qualifies under this bill should be entitled to come under its provisions. Therefore, we left open the loan guarantee authority available to the Secretary of Agriculture. He still would be limited to a 90-percent guarantee of the total loan but there is no figure as to how extensive that authority would be used. That will be left open.

As the Senator from Montana stated, I think this amendment strengthens the bill in two important ways. I am very hopeful the Senate will accept that change in the bill as it now stands.

Mr. DOLE. Mr. President, would the Senator yield?

Mr. McGOVERN. I yield.

Mr. DOLE. Mr. President, I discussed this amendment with the ranking minority member of the committee, the Senator from Nebraska (Mr. CURTIS).

The question of limits on loans guaranteed under this program was considered in the committee hearings. I might point out that in the final stages of the deliberations in the committee on this bill, there was no loan limit at all. It was determined that perhaps a loan guarantee limit is needed.

On the basis that cattle are an increasingly expensive commodity, and that large sums of capital are needed by livestock producers, farmers, and ranchers, I suggested a limit of $1 million. However, upon further consideration, those of us in the Agriculture Committee feel that a lower limit of $350,000 would be more appropriate. I support this lower-loan limit.

PREVENT OVERDEPENDENCE

The major intent of a lower-loan limit is to prevent over-dependence by the livestock industry on this program. There has been some concern that a level of loans higher than $350,000 might prevent the industry from responding properly to market indicators. It is my feeling that, by lowering the loan limit to $350,000, this program will provide adequate financing on the most critical portion of credit for livestock producers, while at the same time causing them to be attentive to weak prices in the market which would indicate a need for further reduction in the level of output.

The limit of up to $350,000 on loans is also equal to the assistance provided in a similar manner by the Small Business Administration. It makes a great deal of sense that we should be consistent within the Government by providing loan guarantees at a comparable level among industries.

The lower-loan limit of $350,000 may also direct the protection provided under this program more to those smaller operators for whom the credit market is not as accessible. These smaller farmers and ranchers are vital to maintaining a strong level of competition in the industry and I feel that it is vitally important that family farmers and small livestock producers should remain in business.

Finally, it is my understanding that the House of Representatives is considering a similar provision. Hopefully, the House will find this measure acceptable. Passage of this bill in the House of Representatives would negate the requirement for a conference committee and the program could, therefore, be made available much more quickly to those in need.

OUTSTANDING GUARANTEE LIMIT UNNEEDED

This amendment also strikes out the provision for not more than $3 billion in loan guarantees outstanding at any one time. I believe a total guarantee limitation is unneeded and give my support to this part of the amendment.

The expectation is that the total number of loans guaranteed under this program will not reach a total of $3 billion. Therefore, it is unlikely that a total limit would be necessary in any event.

However, it is impossible to predict the precise course of events in the livestock industry. In the event that livestock producers should need a higher level of loan guarantees, it is my feeling that no individual should be left out, because of some arbitrary limit placed by Congress.

I also share the view of the Senator from South Dakota and the majority leader that these two changes do strengthen the bill. I certainly am pleased to join in the amendment and I hope the amendment is accepted.

Mr. McGOVERN. Mr. President, I wish to add that I have discussed the matter with the distinguished chairman of the committee, the Senator from Georgia (Mr. TALMADGE) who is in the Chamber. He also is in agreement with us.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. TALMADGE. Mr. President, the Senator from South Dakota has discussed the matter with me. I concur in what he has said and I hope the Senate will agree.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

Mr. **BUCKLEY**. Mr. President, it is with the greatest reluctance that I vote against the Emergency Livestock Credit bill. I say this because so many of the farmers it is intended to help have been the victims of erratic prices caused by Government action. I speak of the Soviet wheat sale and of the effects of wage and price controls.

I vote against it, however, for three reasons: First, it continues the precedent of Government props that I believe to be dangerous and which I voted against in the case of Lockheed; second, it will serve artificially to channel scarce credit to one sector of the economy at the expense of others, such as housing; and, third, the potential exposure of the Federal Government is open-ended as a result of the amendment eliminating the $3 billion ceiling.

Mr. **HELMS**. Mr. President, I would like very much to be able to vote for this bill, but there are several reasons why in good conscience I cannot do so.

First, obviously, is the precedent it will set. Second, is the very real possibility that, despite the best efforts to police its operation, this loan guarantee program could be misused and abused, thereby costing the taxpayers millions—perhaps billions—of dollars.

I know that those who drafted this legislation, and Senators who support it, are acting in perfectly good faith. But since I am fearful of the precedent it will set, and apprehensive about the possibility of abuse, I feel that this bill, while well-intended, is not the course the Congress should follow.

As a member of the Committee on Agriculture and Forestry, I made my concerns known at the time this bill was reported. I regret to have to vote against a measure supported by all other members of the committee, but under the circumstances, I feel that I must vote "No."

Mr. **BELLMON**. Mr. President, it is my feeling that the Government helped create the chaotic conditions of the livestock industry by imposing price controls on meat. Price controls disrupted the orderly marketing of feed cattle causing a disastrous break in prices. The marketing system of stocker and feeder cattle as well as other livestock has now also been seriously disrupted. Unless corrective action is taken consumers will soon face a shortage of high quality meat.

It now appears that it may take as long as 2 years for the livestock industry to straighten out the situation and for prices to stabilize. Many producers do not have the capital remaining nor are they able to obtain adequate loans from traditional sources to maintain their livestock operations in the future after the excessive losses of the past 9 months. It seems only fair that since the Government helped create this condition that the Government guarantee loans to the livestock operators who cannot obtain adequate credit so that they may maintain their operations and provide needed food for American people.

The livestock industry condition affects many areas of the American agriculture. The livestock industry is the principal market for grain. If the livestock industry suffers an economic collapse, then there will also be a sharp decrease in feed grain prices.

This bill will enable experienced, efficient producers to survive the unprecedented losses of the last 9 months, and survive for the recovery period that surely lies ahead. The provisions S. 3679 pertain only to existing producers. The bill does not provide for an operator to expand nor for a new individual to enter the livestock industry as a hobby or tax shelter. These guaranteed loans will provide credit that is not otherwise available to livestock producers so that they may survive the current economic disaster the industry is facing.

Mr. President, it is necessary for the Senate to pass S. 3679 so that the American livestock industry may overcome the disastrous economic situation that the Government has helped to create. The bill is essential for the American people to enjoy abundant supplies of meat. The American farmer, rancher, and livestock producer have provided the nation with high quality meats in ample quantities for many years. This is not the time for the American people to desert the producers in their time of dire need.

Mr. **DOLE**. Mr. President, the emergency livestock credit bill, which we are voting on today, in my opinion, is a key measure for the livestock industry and consumers. Every member of the Senate Agriculture Committee has given careful consideration to this measure and I believe the provisions and safeguards in it make it a very sound bill. I support this measure and urge every Senator to join me.

It should be stated that this bill does not resolve the basic problem of the livestock industry. It does provide temporary protection against total bankruptcy for the livestock industry and against short supplies and high prices of meat for consumers.

BAR AGAINST EXPANSION

There has been some concern that this measure would encourage livestock producers to increase their level of output, further aggravating the market glut and forcing prices even lower. The committee gave careful consideration to this possibility and a special provision was included to prevent loans made under this program from being used to expand livestock operation.

It should also be noted that an amendment, which I helped introduce this morning, lowered the maximum loan level to $350,000. It is widely known in the industry that most farmers and ranchers involved in the livestock business require considerably more than $350,000 for their operations. This loan limit would, in practice, prevent the possibility of expansion by most farmers or ranchers without the express provision prohibiting use of these loans for expansion.

FLEXIBILITY ALLOWED FOR RESPONSE TO MARKET

There has also been some concern that the existing level of producing capacity is too high for what the market will bear, and that this program could cause the present situation to continue. There is some indication that the demand for meat may be weaker. However, it is far from clear that the depressed market is the sole result of weak demand, together with overproduction, this program would not prevent some decline in producing capacity in response to market indicators.

First of all, there has been a considerable amount of liquidation that has taken place already. Cowherds have been culled at a higher than normal rate in recent months and this action has already caused producing capacity to decline in response to weak prices.

In addition, cattlemen are bound to respond by making their operations more efficient if the market remains depressed. This would amount to increased culling of cowherds to get rid of less productive cows. Increased culling would amount to a reduction in productive capacity in response to the market. These efforts undoubtedly would take place regardless of the loan program we are considering today.

Finaly, the limit of $350,000 on loans made under this program would not be adequate to carry productive capacity which would not be supported by market demand.

Mr. President, I believe this bill is responsive to the needs of the economy, the livestock industry and the consumer need for meat. I urge the immediate passage of this bill.

Mr. **MONDALE**. Mr. President, I rise in support of S. 3679, a bill to establish a guaranteed loan program for livestock and poultry producers. This legislation is desperately needed to enable farmers and feeders who have suffered extraordinary losses in recent months to obtain credit essential for continued operations.

Losses among cattle producers are well documented. For each of the last 9 months the average market price for choice steers in Omaha has fallen far below the breakeven level. For 6 out of the past 9 months the average loss per head has been well over $100.

To illustrate these losses, one cattle feeder from Blue Earth, Minn., calculated the net loss per head on 44 steers purchased on September 17 and sold April 8. The cattle cost $394.94 per head when he bought them. The feed cost was $188.15; the veternarian cost $2.04; and yardage and labor costs totaled $24.46. Thus his investment worked out to $609.59. This individual received $470.65 per animal when they were sold for a net loss of $138.94, exclusive of interest costs. Multiplied by the number of cattle that have been bought and sold over the past 9 months, this reflects the magnitude of the disaster facing the livestock industry. Pork producers have likewise been absorbing losses of up to $15 and $20 per animal. Turkey producers are losing from $3 to $4 on each bird they market for losses of $60,000 to $80,000 per producer.

The urgency and seriousness of the crisis in meat and poultry production cannot be overestimated. Within a short time the depression that is being felt at the farmer-feeder level could extend to other industries, including packers and processors, truckers, grain farmers, and the financial community. Ultimately, however, the consumer would be the victim if meat and poultry producers are forced into widespread liquidation. Wild price increases and shortages would inevitably result.

The bill pending before the Senate today, the Emergency Livestock Credit Act of 1974, should not be viewed as a cure-all for the crisis in livestock production. Any major distortion in the agricultural sector of our economy is extremely difficult to correct, and credit alone will not solve the problem of feeders and farmers unless some price recovery takes place.

I have joined with Senator McGOVERN and others in cosponsoring an amendment to provide for a 60-day suspension of beef imports, a step which could help to bolster sagging markets. Other major meat consuming countries—including Canada, Japan, and the Common Market—have imposed restrictions on meat importation to protect their domestic industries. Especially when meat producers in the United States are on the verge of liquidation, we should not allow the United States to become a dumping ground for excess beef from other countries.

Many of us were pleased that the U.S. Department of Agriculture has announced it will purchase $100 million in beef and pork, primarily hamburger, for the school program earlier than normal this year. Nevertheless, estimates indicate that so far this year over 180 million pounds of beef have been imported for hamburger—or twice the amount that will be purchased under the Department's latest anouncement.

While I think that the Government should make use of the purchase programs to buy meat and poultry when markets are depressed, I also think we ought to make sure that these purchases are not merely offsetting the effects of expanded imports.

Again, on the purchase program, I note that the USDA has not announced any stepped up purchase of turkey although poultry producers are suffering from disastrous losses like the beef producers.

One of the most disturbing questions associated with the crisis among meat and poultry producers is why have retail prices not fallen in proportion to the decline at the farm level. The pricing discrepancies can be seen in looking at both the farm-retail price spread and the percent of the consumer's dollar that is going to the farmer and the feeder. Measured in cents per retail pound, the price spread for beef in May 1974 was 51 cents per pound. This is down slightly from 52 cents per pound in April and 55 to 56 cents in February and March, but it is substantially above the 45-cent level prior to the imposition of price controls last summer.

Turning to the portion of the consumer's dollar that goes to the processors and retailers versus the farmer/feeder, the same spread is revealed. Up until last June, about 32 cents went to the retailer. During July and August when controls were in effect, middlemen received 25 to 29 cents. However, in September the processors and retailers were receiving 37 cents. This had increased to 41 cents in August, and for the past 4 months it has remained at about 40 cents.

I have joined with many other members of the Senate in urging that the Federal Trade Commission investigate these increasing price spreads that hurt both the farmer and the consumer.

Finally, I would encourage the administration to use every means available to reach agreement with Canada that would permit a resumption of U.S. exports. Recent reports, indicating the failure of USDA to reach an agreement with Canada on D.E.S., represent a blow to producers, and particularly to those in Minnesota who stand to gain the most from resumed sales to Canada.

Although approval of the bill before the Senate today will not end the depression in livestock markets without priority attention to each of the other matters I have raised, it is an urgently needed and constructive step.

This measure authorizes USDA to guarantee up to 90 percent of the value of loans entered into by beef, dairy, swine, turkey, and chicken producers. The loans would be made through commercial banks, savings and loan associations, cooperative lending agencies, or other approved lenders. As a condition for the loan guarantee, the lender would be required to certify that he would be unable to provide credit without the guarantee, that the financing would be used for purposes related to the breeding, raising, fattening or marketing of livestock, and that the loan is no greater than that which would be required for the farmer to continue his business at a normal level.

The act provides only for a temporary, not for a permanent, program. Authority to guarantee loans under this measure would expire within 1 year, except that the Secretary of Agriculture could extend this period for an additional 6 months, if necessary. Loans must be repaid within 7 years, subject to a possible 5-year extension. The loans would be made at commercial interest rates.

Earlier this month I joined with Senators McGOVERN, ABOUREZK, and HUMPHREY in proposing a similar program which would provide for a maximum rate of interest on insured or guaranteed loans of 5.5 percent. Although I regret that the Agriculture Committee did not accept this provision, I do believe that the bill, as reported, should be adopted without any unnecessary delay.

Mr. President, our country cannot afford to permit the destruction of both the livestock and poultry industries. Without urgent action such a disaster could easily occur; indeed it is already occurring as thousands of producers are being pushed into bankruptcy.

As one step toward preventing an even greater catastrophe, I urge that the Senate swiftly adopt the bill before us today.

Mr. BAYH. Mr. President, traditionally the worst fate for America's farmers is to suffer sharp fluctuations in prices from one year to the next. The economic losses experienced on the bottom of the price cycle are too much for many farmers to withstand, with the result that thousands of farmers go out of business when prices hit rockbottom.

Sadly, this is precisely the situation now confronting livestock producers throughout the United States. The entire livestock industry—including cattle, swine, and poultry—is in serious trouble and passage of the emergency livestock producers loan bill now pending before us in imperative.

The situation is easy to describe. Livestock producers have been preparing their animals for market while paying record high prices for feed, fuel, and other basic expenses. Yet the prices they are receiving are dropping and producers must have prices higher than those that currently prevail in the marketplace if they are merely to break even.

Despite the huge investment livestock producers made to prepare their cattle, hogs, and poultry for market, prices for cattle, hogs, and chickens are down 24, 43, and 13 percent, respectively, since the first of the year. Cattle feeders are losing between $100 and $200 for every head sold today, hog feeders are losing about $30 for every head marketed, broiler producers are losing about 7 cents a pound, and turkey losses are about 11 cents a pound.

One of the many upsetting aspects of the present situation is that consumers are not finding comparable price reductions in their supermarkets. In other words, not only are producers suffering the worst consequences of depressed prices, consumers are not enjoying any real relief from high food prices. Somebody in the middle obviously must be doing quite well.

It is clear, Mr. President, that if producers are forced to sell their livestock at substantial losses thousands of small producers—those who can least afford such losses—will be forced out of business. This would have two unfortunate consequences:

First. It would increase the concentration of livestock production among the huge conglomerates, destroying family farmers and eliminating a vital sector of the American agricultural economy.

Second. A significant reduction in the number of livestock producers, which is a very real possibility under the present circumstances, woud hurt consumers in the future by reducing competition and increasing the danger that future livestock production will be so limited as to drive prices next year to new record highs.

The bill before us offers an emergency remedy to the most immediate problem. It authorizes a temporary $3 billion program of loan guarantees to livestock producers so they might stay in business until they can sell their livestock at reasonable prices.

The Government would guarantee 90 percent of loans made to livestock producers; we would not loan the money directly. This is an important point, Mr.

President, this bill permits loan guarantees—it does not involve the expense of Federal tax dollars. In addition, as presented to us for approval this bill has certain other important provisions:

Its coverage is limited to bona fide livestock producers and feeders, and its benefits cannot be abused by hobby farmers.

The amount of any single loan is limited so that a small group of the largest producers cannot take unfair advantage of the program, and the smaller producers who most need the loan assistance can secure it.

Loans must be secured by the producers at prevailing interest rates, which means this does not involve an interest subsidy on the part of the Federal Government.

The authority to guarantee loans is limited to 1 year, with a possible 6-month extension, and the length of the loans is limited also in order to make certain this program is used only to meet the emergency that now exists among livestock producers.

It cite these provisions of the bill, Mr. President, in order to make clear what this bill is not.

It is not a bailout for a handful of huge companies.

It is not a self-perpetuating program that will linger on after its goal is met.

It is not an addition to Federal spending.

It is not an anticonsumer measure, and, in fact, is a measure of great importance to American consumers since it is the best means available to us to prevent major, long-term disruption in the production of livestock. As noted above, in the absence of this emergency loan program the price spiral for livestock would be aggravated severely with repercussions that would hurt consumers for years to come.

Mr. President, my own State of Indiana is an important farming State which, like other major farming States, has felt the unhappy consequences of sharp price fluctuations and a generally mismanaged economy in recent years. We have seen the way in which the price rollercoaster hurts family farmers, as it hurts consumers. We understand fully in Indiana the need for this emergency legislation.

But we also understand fully the need for far better economic and agricultural policy now and in the future. To remedy the immediate emergency through loan guarantees for livestock producers is important. But we would be failing in our duty if we did not move from this action to the next logical step of demanding new policies which will prevent similar emergencies from arising year after year.

The key to a lasting solution is to stem the tide of inflation. After all, it was the inflation in fertilizer, fuel, as well as other basic expenses, and especially in feed that made it necessary for livestock producers to expend record dollars to prepare their animals for market. Unless we adopt those policies that are necessary to reverse the horrendous inflation of recent months, we will not have come fully to grips with our present problem.

I urge adoption of the pending legislation to guarantee loans to livestock producers, and beyond that I urge the administration to recognize the gravity of the problems confronting us and to adopt the economic and farm policies which will stop the boom-bust cycle which hurts family farmers and consumers alike.

Mr. MONTOYA. Mr. President, since the time the debate began in earnest in the Senate on how to prevent a collapse of the various livestock industries, some suggestions have been made in the press and in political cartoons that we ought no to be attempting to provide this relief to the livestock industry; that the difficulties which the cattle industry, for example, faces is something which it somehow deserves. The implication of these comments is that it would, perhaps, be just as well if the Congress did nothing and let the industries collapse. I think that would be a dreadful mistake.

I, therefore, want to discuss for a few moments the interest which the consumer has in seeing relief provided to the livestock industry, particularly the cattle industry.

It is important, in discussing the consumer aspects of this bill, to realize that this crisis was brought on by factors completely outside the control of the cattle industry. We have discussed this before in the Senate, pointing out, for example, that the price controls imposed by the Government last summer have been a major factor in the crisis. The lack of fuel which has contributed to higher costs, the grain shortage which has also contributed to higher costs, and the truck strike all have sustained and furthered the cattle crisis. Another factor has been the failure of the Department of Agriculture to enforce the intent of the Congress as established in the Meat Import Act of 1964. Had the import quota which we established in that act been imposed, we would have imported 208.9 million pounds less beef in 1972 than we did, 203 million pounds less in 1973 than we did and 443.7 million less than we did in 1974. This would have helped to keep the cattle industry out of the crisis in the first place.

The second point which I believe is important to keep in mind is that the cattle rancher is not the individual who has been profiting in the last year on beef. Indeed, the spread between the price paid to the rancher and the price paid when the beef is sold at retail has increased significantly from 42.9 cents a year ago to 51.1 cents now.

It is well to bear in mind also the economic status of the feedlot operators. They have not been profiting inordinately either, and, in fact, have been losing a great deal of money. Recently I was supplied with a financial report on 12 representative cattle companies. The sudden turn in fortune suffered by these companies from being profitable ventures to unprofitable ventures is shocking. One company, for example, which had a 5.85 return on investment for a 5-year period preceding 1974 is expected to lose 23.57 percent in 1974 and end up with a 6-year profit of only 0.41 percent. Other companies are expecting to lose a great deal more. My figures show one company losing 25.36 percent, another losing 23.54 percent, yet another losing 36.83 percent and so it goes.

Who is benefiting by this situation? To a large extent it appears as if the retailer is the one who is benefiting. To a lesser extent it is the consumer himself who is benefiting.

The reason I say this is that the price of beef today is almost exactly where it was a year ago. The Bureau of Labor Statistics recently reported, for example, that in April 1973 a pound of sirloin steak in the Washington area cost $1.78. That same pound of steak this year averaged $1.74. Similarly, a pound of regular ground beef sold for 98 cents in April 1973 and for 99 cents in April of 1974. While consumers are today paying roughly the same price for beef that they were paying a year ago, they are paying 15.8 percent more for all foods this year than they paid last and they are paying 10.7 percent more for all items this year than last.

Naturally, it is pleasant to see the price of beef unchanged over what it was a year ago, but it is also unrealistic to expect that such stability can continue over a long period of time. In fact, if it continues much longer at all, there is going to be a massive collapse of the cattle industry.

That is very clear from the figures which I inserted into the CONGRESSIONAL RECORD on June 17 showing the financial plight of a number of cattle companies. It is also clear from the figures reported in the Wall Street Journal on June 1 showing that placements of calves in feedlots is down 6.16 percent overall from a year ago and that the figures for May of this year are down 40 percent over May 1973.

In the long run, there is not going to be any beef. There is not going to be any at 1973's price or at double 1973's price.

It is important that that be borne in mind.

So this is in no sense whatsoever, an anticonsumer measure. It is a proconsumer measure.

I think it would be a proconsumer measure even if it cost the Government something, but I do not believe it is going to cost a cent. This bill, as the Senator from South Dakota has pointed out, is a loan guarantee. It is not a handout.

I urge its enactment.

Mr. McGEE. Mr. President, I want to take this opportunity to speak in support of S. 3679, legislation to provide guaranteed loans for livestock producers.

The measure would provide emergency assistance to persons engaged in legitimate cattle-raising businesses by authorizing the Secretary of Agriculture, for a temporary period of time, to guarantee 90 percent of a loan taken out by that farmer or rancher to meet his operating expenses until such persons can sell their livestock.

As I have pointed out previously, livestock feeders are currently selling their cattle at a loss, and obviously, cannot continue doing so without being driven into bankruptcy. Since September of 1973, livestock feeders have lost more than $1.5 billion. Two weeks ago, the farm price of beef was quoted in the

Wall Street Journal at $38 per hundredweight, as opposed to $46.60 a year ago. Cattle production is down 4 percent from what it was last year at this time. Unless the market situation can be corrected, this decline will continue, and we will begin to see empty counters in the supermarket and the housewife will see no beef available at any price.

Wyoming is a major livestock producing State. This industry is our second largest. Producers in my State are in serious trouble, unless this legislation is passed by the Congress.

This bill is addressed to the financial structure which supports the cattle industry. This industry survives on credit made available by private lending institutions and production credit associations. If, for some reason, this system collapses, it will bring down cattlemen, banks, feedlot operators, and grain dealers alike.

S. 3679 is designed to prevent such a collapse from occurring. Once again, I emphasize this bill is to help the legitimate rancher or farmer. It it not intended as an escape clause for hobby ranchers, or persons who enter agriculture only to secure a tax dodge or a new tax shelter.

In meetings with Secretary of Agriculture Earl Butz last Friday, I emphasized that if the bill is enacted, it will be up to the Secretary to see that the intention of this legislation is carried out and that it does, indeed, serve the legitimate ranchers.

This emergency assistance program is only a temporary measure and reflects the conviction of my colleagues from cattle-raising States that the livestock industry, assisted by this and other legislation, will be back on its feet within a short period of time.

It is imperative this program be implemented without delay. It is important if the assistance is to be of any value to the livestock industry.

Mr. President, I believe we all view this as a crisis situation, and I urge my colleagues to support S. 3679.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

There is nothing before the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes; that the House had receded from its disagreement to the amendment of the Senate No. 1 and concurred therein; and that the House had receded from its disagreement to the amendment of the Senate No. 17 to the aforesaid bill, and concurred therein with an amendment, in which it requests the concurrence of the Senate.

CONTINUING APPROPRIATIONS, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of House Joint Resolution 1062, order No. 922, continuing appropriations.

The PRESIDING OFFICER. Is there objection?

The clerk will read the resolution by title.

The second assistant legislative clerk read the joint resolution by title as follows:

> A joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Time for debate of this resolution is limited to 1 hour, to be equally divided between and controlled by the Senator from Arkansas (Mr. McClellan) and the Senator from North Dakota (Mr. Young), with 30 minutes on any amendment, debatable motion, or appeal.

Mr. McCLELLAN. Mr. President, the Committee on Appropriations, on June 21, 1974, reported the continuing resolution (H.J. Res. 1062) with amendments.

As all Members are aware, the purpose of the continuing resolution is to enable the departments and agencies of the Federal Government to function in the absence of new obligational authority for the coming fiscal year which commences on July 1, 1974.

The resolution contains an expiration date of September 30, 1974, which it is hoped will provide the Congress with time to complete its work on the 13 major appropriations bills which must yet be passed this year.

The resolution has been drawn on the assumption that the House will pass 9 of these 13 regular appropriations bills for the 1975 fiscal year by June 30, 1974.

The Senate has passed, as of today, two fiscal year 1975 appropriations measures, the legislative branch and the special energy research and development bills.

The terms of the resolution are explained in detail in the committee report.

The committee has recommended a number of amendments to the resolution as passed by the House. Among them are:

First. That upon passage by the Senate of the Departments of Labor, and Health, Education, and Welfare and related agencies appropriations bill for fiscal year 1975, and the pertinent project or activity shall be continued at the rate provided under the House bill or Senate bill, whichever is lower, and under the more restrictive authority. This language is identical to language included in the fiscal year 1974 continuing resolution.

Second. A provision which provides that all appropriations, activities, programs, and projects will be continued under the provisions of the continuing resolution. The intent of the language is to guard against the reduction of any specific Labor-HEW programs and projects until the Congress has had an opportunity to work its will through the regular appropriations process.

Third. A provision to clarify the intent of the continuing resolution with respect to title I, ESEA. The effect of the committee amendment is as follows:

The Senate-passed authorizing bill continues the program of incentive grants to States that make special efforts to educate their children—the so-called part B program—the House had repealed this section of the law. Under the committee amendment, this program would be continued at its current rate of $18 million.

The Senate-passed version of the authorizing legislation contains a higher payment rate for migrant children and institutionalized handicapped children. Although it is too soon to gage the precise effect of the Senate legislation, it is expected that more than 380,000 migrant children and 166,000 handicapped children will be covered. The Senate version will provide an estimated $50 million increase over the House for these programs and these funds will be taken off the top of title I funds before any moneys are allocated under that title.

Fourth. A provision to continue several food-producing Indian projects authorized by the Economic Opportunity Act which were funded for a 2-year period in 1973 and which would expire on July 1, 1974, if the Senate language is not included in the continuing resolution.

Fifth. A provision to set the military assistance service funded support for South Vietnam at an annual rate of $900,000,000 instead of at the current rate of $1,018,000,000, in accordance with the action of the Senate during consideration and passage of the fiscal year 1975 military procurement authorization bill.

There are other self-explanatory, clarifying, and technical conforming amendments which are recommended by the committee and are included in the bill.

Although not specifically included in the resolution, it should be noted that the committee intends that the provision regarding the Sand Point Naval Facility in Seattle, Wash., contained in the 1974 Treasury, Postal Service, and Related Agencies Appropriations Act remains in effect.

Mr. President, it is indeed regrettable that it is necessary to finance the operations of the Government through continuing resolutions. On Friday, the Senate gave final approval to a budget control bill which contains new procedures which its sponsors hope will eliminate or severely restrict the need for such resolutions in the future.

Such an event is certainly necessary if we are ever to efficiently manage our Nation's fiscal affairs. But this lies in the realm of the future. If current programs are to be funded beyond June 30, 1974, passage of this resolution pending here today is mandatory.

I urge the adoption of the resolution with the amendments recommended by the Committee on Appropriations.

Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, it is absolutely necessary that this resolution be passed now so that the functions of Government can be continued after July 1. Most of these appropriations, unfortunately, will not be passed by Congress and sent to the White House by that time. If the distinguished chairman of the committee has not already inserted the committee report in the record, I ask unanimous consent that excerpts from the report, which explains amendments added by the committee for the purpose of clarifying the bill, be printed in the RECORD as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS

SPECIAL PROVISIONS FOR LABOR-HEALTH, EDUCATION, AND WELFARE ACTIVITIES

The Committee recommends an amendment to the joint resolution to provide that upon passage by the Senate of the Departments of Labor, and Health, Education, and Welfare and Related Agencies Appropriation Bill for fiscal year 1975, that the pertinent project or activity shall be continued at the rate provided under the House Bill or Senate Bill, whichever is lower, and under the more restrictive authority. This language is identical to language included in the fiscal year 1974 Continuing Resolution.

Also, the Committee has included language which will provide that all appropriations, activities, programs, and projects will be continued under the provisions of the Continuing Resolution. The intent of the language is to guard against the reduction of any specific Labor-HEW programs and projects until the Congress has had an opportunity to work its will through the regular appropriations process.

TITLE I, ELEMENTARY AND SECONDARY EDUCATION ACT

The Committee recommends an amendment to clarify the intent of the joint resolution with respect to Title I of the Elementary and Secondary Education Act. As passed by the House, the resolution continues Part A of the Title I program and provides for the allocation of funds according to provisions contained in the House passed version of H.R. 69 (the authorizing legislation to extend the elementary and secondary education programs now in the Committee of Conference). The House passed version of H.R. 69, however, proposed to repeal part B—Special incentive grants. The part B program is provided for in the Senate passed version of the new authorizing legislation. Therefore, the Committee recommendation to substitute the Senate passed version of H.R. 69 in lieu of the House passed version would continue the part B program until such time as the Congress has reached agreement on this legislation. In addition, the Committee recommendation has the effect of providing for higher payments to institutionalized handicapped and migrant children.

SPECIAL INDIAN PROJECTS

The Committee has also recommended language to continue several food-producing Indian projects authorized by the Economic Opportunity Act which were funded for a two-year period in 1973 and which would expire on July 1, 1974 if the recommended language is not included in the Continuing Resolution.

MILITARY ASSISTANCE SERVICE FUNDED SUPPORT TO SOUTH VIETNAM

The Military Procurement Authorization bills for fiscal year 1975 as passed by each body provide that fiscal year 1975 support for South Vietnamese military forces shall be administered and accounted for from one fund instead of from numerous appropriations accounts as in past years.

The Continuing Resolution under consideration provides that funds obligated under its authority be treated in the aforementioned manner and at the current rate. The current annual rate of Military Assistance Service Funded support for South Vietnam is $1.018 billion. The Military Procurement Authorization bill as passed by the Senate prescribes the fiscal year 1975 annual rate of obligation to be $900 million.

The Committee recommends that the language appearing on line 5 of page 5 of the Continuing Resolution as passed by the House be amended to read "at an annual rate of $900,000,000" in lieu of "at the current rate" in accordance with the action of the Senate during consideration and passage of the fiscal year 1975 Military Procurement Authorization bill.

EFFECT ON FOREIGN ASSISTANCE PROGRAMS

It is the opinion of the Committee that the affirmative grant of authority contained in Section 101(b) ("Such amounts as may be necessary for *continuing projects or activities * * * which were conducted in the fiscal year 1974 and are listed in this subsection at a rate for operations not in excess of the current rate of the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority*") and the restriction in Section 106 (*"no appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1974."*) limits obligations under the Continuing Resolution to those AID operations carried on in fiscal year 1974.

Heretofore, the Agency for International Development has contended "as a matter of law new projects can be undertaken during a Continuing Resolution period so long as they are included in the Congressional Presentation for the fiscal year concerned or are separately justified to the chairmen of the two appropriations subcommittees that oversee our activities." Further, that "amounts for the (foreign assistance) program are appropriated by activity and not by project" and that the "word 'projects' in the Continuing Resolution authorizing phrase has no meaning for AID."

In acting on this Continuing Resolution the Committee rejects AID's previous interpretation of the language of the Continuing Resolution and advises that the Agency should restrict its operations to be funded under authority of this Continuing Resolution to those carried on in fiscal year 1974.

Because of the nature of the Contingency Fund, it is specifically excluded from the policy set forth above.

Under the Foreign Assistance provisions of this Continuing Resolution, the Committee recommends that the same proviso carried in last year's Continuing Resolution be included again. This amendment provides that none of the activities should be funded at a rate exceeding one quarter of the annual rate as provided by this joint resolution.

OTHER RECOMMENDATIONS

Several other amendments recommended by the Committee include (1) a provision to continue the Cuban refugee assistance program at the current rate of operations; (2) a provision to continue the activities of the Subcommittee on Fiscal Policy of the Joint Economic Committee to the extent and manner as provided in the Legislative Branch Appropriation Act, 1975, as passed by the Senate; and (3) certain self-explanatory clarifying, and technical, conforming amendments.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded for the purpose of amendment as original text, provided that no point of order shall be waived by reason of agreement to this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, at the end of line 15, insert "as now or hereafter passed by the House and Senate".

On page 3, at the end of line 11, strike out "as of July 1, 1974,".

On page 3, at the end of line 13, strike out "as of July 1, 1974,".

On page 3, in line 23, after "House", strike out "as of July 1, 1974,".

On page 4, in line 1, strike out "as of July 1, 1974,".

On page 4, in line 5, after the words "action of the," insert "one".

On page 4, in line 14, after "Senate", insert a colon and the following:

Provided further, That with respect to appropriations, including any activity, program, or project, contained in the Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1974, (Public Law 93-192), the current rate for operations shall be that permitted by the specific provisions set forth in the enacting clause of Public Law 93-192.

On page 5, in line 13, after "at", strike out "current rate" and insert in lieu thereof "an annual rate of $900,000,000".

On page 6, at the end of line 18, after "Laos", insert a colon and the following:

Provided further, That none of the activities contained in this paragraph should be funded at a rate exceeding one-quarter of the annual rate as provided by this joint resolution;

On page 8, in line 19, after "program", insert "(not to exceed $2,560,000)".

On page 9, in line 24, strike out "House of Representatives" and insert in lieu thereof "Senate".

On page 10, in line 9, after "amended," insert:

including Indian projects under section 232 of the Economic Opportunity Act, for which provision was made by the joint resolution of July 1, 1972 (Public Law 92-334, as amended);

On page 10, at the end of line 14, strike out "and".

On page 10, beginning with line 16, insert:

and

notwithstanding the fourth clause of subsection (b) of this section, activities of the Department of Health, Education, and Welfare for assistance to refugees in the United States (Cuban program).

On page 11, beginning with line 16, insert:

(h) Such amount as may be necessary for continuing activities of the Subcommittee on Fiscal Policy of the Joint Economic Committee to the extent and manner as provided in

the Legislative Branch Appropriations Act, 1975, as passed by the Senate.

Mr. MATHIAS. Mr. President, the question that I wanted to address to the distinguished chairman is this, I think we need some clarification on the definition of the word "rate" as used in the continuing resolution.

It is my assumption that this resolution is intended to direct agencies to spend funds at a monthly or quarterly rate equal to a similar rate for the last year. For example, programs under the Economic Opportunity Act were funded on a 7-month basis last fiscal year. This permitted them to spend an average of $27,500,000 per month on Community Action programs. Since an extension of authorizing legislation has not passed the Congress, I assume this continuing resolution will permit them to spend at the same monthly rate this year.

Mr. McCLELLAN. Yes. I may say to the Senator that I have conferred with members of the staff and I have no doubt that that is correct. I am certain that is the intention of the members of the Appropriations Committee, and this language should be so interpreted.

Mr. MATHIAS. That is also my understanding, but I am grateful to the chairman for his reassurance on that point.

Mr. McCLELLAN. Very well, Mr. President.

Mr. BIBLE. Mr. President, would the Senator yield at this point?

Mr. McCLELLAN. Mr. President, I am glad to yield to the distinguished Senator from Nevada.

Mr. BIBLE. I have sent an amendment to the desk and I ask that it be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On line 17, page 8, strike the word "and"

On line 19, page 8, strike the word "and"

On line 21, page 8, after the word "campuses", insert the following:

; activities necessary for studies related to oil and gas leasing on the Outer Continental Shelf; and

activities necessary to respond to energy-related right-of-way requests across public lands including such features as oil and gas pipelines, power transmission lines, railroads, and tramroads

Mr. BIBLE. Mr. President, I have discussed the amendment with the chairman of this committee. This amendment to the continuing resolution will permit the Department of the Interior, principally the Bureau of Land Management, to proceed immediately in fiscal year 1975 with the environmental studies that must responsibly precede any expanded oil and gas leasing activities on the Outer Continental Shelf. It also permits the Department to proceed with environmental studies related to the increasing number of energy-related right-of-way requests across public lands for oil and gas pipelines and other proposed transmission corridors.

The amendment would allow the Department to conduct these activities at the expanded level proposed in the President's fiscal year 1975 budget request for energy initiatives. I have carefully worded the amendment to restrict these expanded activities to the environmental studies involved. It is not the intent of the amendment to permit any expansion of actual OCS leasing or any right-of-way approvals until the Congress has itself approved such an expansion in the regular appropriations bill for the Department of the Interior and related agencies.

Without this amendment, the Department would be restricted to the current level of these activities and would not be able to prepare immediately for expanded leasing and right-of-way permits. Since it is critical that work begin immediately—this summer—on these environmental studies, I think this amendment is needed. It was requested by the Office of Management and Budget to encompass all activities related to these expanded programs, but, as I stated, I have limited it to only the necessary environmental studies. That is because I do not feel we should allow any further advance authority until Congress has had an opportunity to assess these energy initiatives and finance them in the regular manner.

At this time it does not appear we will have the regular Interior appropriations bill completed and ready for the President's signature until mid-August or later. So this amendment, in effect, gives the Department about a 2-month lead on the environmental research that must precede any substantive program of leasing and pipeline construction permits.

It seems to me that the amendment should be acceptable to the manager of the resolution.

Mr. McCLELLAN. Mr. President, I have discussed the amendment with the distinguished Senator from Nevada, and I see no objection to it, unless some other member of the appropriations committee objects. I am therefore inclined to accept the amendment.

Mr. YOUNG. Mr. President, I think it is a good amendment, and is necessary if we are to move ahead with environmental studies.

Mr. McCLELLAN. Very well.

Mr. President, I yield back the remainder of my time.

Mr. BIBLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I would like to say a few words about the continuing resolution now being discussed.

Years ago, this was a very simple, straight-forward bill. Many of us would have liked to keep it that way. But we have to face the realities of the situation. The administration has been attempting to use the continuing resolution as a rope to begin strangling HEW programs. No sooner does the resolution get enacted, then OMB starts doing its now-famous "step backwards" trick—and with it they try to drag down all the programs and priorities Congress has set up.

The committee version of the resolution contains some very important and crucial amendments. For example, the committee recommends that once both Houses have acted on the Labor-HEW bill—then the rate for operating is the lower of the House or Senate versions. That is the way last year's resolution was written—and it worked well. To a certain extent, congressional priorities are protected. Moreover, our committee is constantly working under the threatening shadow of a veto. This perfecting language eases that threat. Proof is the signing of last year's Labor-HEW appropriations bill, contrasted with a double veto of the bill 2 years ago.

The committee also recommends language to protect congressional priorities contained in the 1974 appropriation. The Members may recall that the regular bill allows the President to withhold up to 5 percent of appropriations for each HEW "program, project, or activity." This was originally intended to prevent HEW from using an overall cut-back as an excuse to wipe out smaller, less-visible projects and programs. Now a new factor has entered into the picture. Early indications are that HEW may be cutting more than the allowable 5 percent. The committee's amendment is intended to make it very clear that the ground rules that applied in the regular bill also apply in this resolution.

The committee also has included special language to continue several OEO Indian projects which would otherwise be terminated on June 30. The authorizing legislation for these projects is in the mill. It just would not make sense to shut them down now—and then have to start rebuilding again in a few weeks when the legislation is enacted.

The native American grant requests covered by this language are: First, INMED; second, Pyramid Lake Paivte fishery enterprise; third, Lumni Acquaculture School; fourth, Blackfeet Writing Co.; fifth, Viejas Tribal Campground; sixth, Keenai, Alaska, Natives Association controlled environment agriculture program; and seventh, Southwestern Oklahoma Indian arts and crafts.

In another area, the Members recall the problems we had last year with the allocation of title I education funds for the disadvantaged. The authorizing committees are sitting in conference right now to work out a final bill. In the meantime, the committee recommends that title I funds be allotted on the basis of the Senate-passed version of the new legislation. The effect of this is to continue some important State incentive grant programs which the House bill dropped. In addition, it would give migrant and handicapped children a fairer shake when it comes to Federal payments.

Again, I want to emphasize the importance of this resolution. We want to have certain safeguards to be sure everything is kept in place until Congress has an opportunity to work its will. At the same time, we want to allow some flexibility so that activities, such as the various health training programs, have an opportunity to properly plan for the final 1975 appropriation bill.

Mr. BAYH. Mr. President, today we are adopting the joint resolution providing for continuing appropriations to keep the various departments of Government operating after July 1.

As the Members all know, appropriations acts originate in the House. So far, most of the regular appropriations bills have not yet cleared the House, and, therefore, this continuing resolution is a necessary temporary measure to insure that all the Federal programs continue to operate until the regular appropriations bills can be enacted.

This year the Senate has included some perfecting amendments in the resolution which have special relevance to the Department of Health, Education, and Welfare. The distinguished chairman of the full Appropriations Committee, Mr. McClellan, has proposed an amendment to title I, which the committee has accepted and which would bring the administration of this program into line with the Senate version of the authorizing legislation. The effect of this amendment will be to provide a higher payment rate for migrant children and institutionalized handicapped children.

The distinguished chairman of the Labor-HEW Appropriations Subcommittee, Mr. Magnuson, has proposed four technical and perfecting amendments, which were also adopted by the full committee and which I supported. These amendments are intended to prevent the administration from thwarting the will of Congress by reducing or eliminating funding for important health and education programs. Hopefully, these amendments will also have the effect of encouraging the administration to sign the Labor-HEW bill.

As the Members know, the issue surrounding the appropriations for the Department of Health, Education, and Welfare is not a question of providing more money in the Federal budget over all—rather, the issue centers on national priorities and providing increased health care and educational opportunities within the total President's budget figure. This rearrangement of priorities can be characterized by the action of Congress earlier this year in approving a cut of $1.2 billion in Federal welfare spending and plowing some of these savings back into public health and education programs.

I am pleased that the President has agreed with this congressional rearrangement of priorities by signing the second supplemental appropriations bill into public law earlier this month.

I also believe that the enactment of this continuing resolution with the perfecting amendments adopted by the committee will set the stage for further rearranging of national priorities when the Congress again attempts to properly fund priority health and education programs and thus make Federal expenditures more responsive to the hard-pressed taxpayer. It seems that we may again be able to cut a billion dollars out of the Welfare budget without denying benefits to any eligible recipients. These funds could then be used to restore administration-proposed cuts in vital health, education, rehabilitation, and employment programs.

Mr. McCLELLAN. Mr. President, I would announce, without objection, that immediately following the disposition of the pending business, I will ask that the conference report on the special energy research and development appropriation bill be taken up for action on it.

I yield to the distinguished Senator from Hawaii.

Mr. INOUYE. Mr. President, for several years the Agency for International Development, through a strained and most unusual ruling by its general counsel, has contended that "as a matter of law new projects can be undertaken during a continuing resolution period so long as they are included in the congressional presentation for the fiscal year concerned or are separately justified to the chairmen of the two appropriations subcommittees that oversee our activities." Further, that "amounts for the—foreign assistance—program are appropriated by activity and not by project" and that the "word 'projects' in the continuing resolution authorizing phrase has no meaning for AID."

Mr. President, I ask unanimous consent that the most recent of these rulings, dated July 9, 1973, be printed in the Record at this point, to be followed by excerpts from the proposed 1975 continuing resolution and pertinent extracts from both the House and Senate Appropriations Committee reports.

There being no objection, the ruling and excerpts were ordered to be printed in the Record, as follows:

Department of State,
Agency for International
Development,
Washington, D.C., July 9, 1973.

Information memorandum for the administrator.
Thru: EXSEC.
From GC, Arthur Z. Gardiner, Jr.
Subject: Continuing Resolution.

Attached is a legal memorandum providing general guidance on operations under the Continuing Resolution which was signed by the President on July 1, 1973.

The memorandum provides an outline of those actions legally permissible under the Continuing Resolution. It does not attempt to state what Agency practices should be especially as to the rate of obligations by the Agency during this period. As you are aware, the basic purpose of the Resolution is to provide funds for orderly continuation of activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions on regular annual appropriations.

Attachment.

LEGAL ISSUES CONCERNING THE CONTINUING RESOLUTION

This memorandum reviews a number of issues which have arisen in the past under the Continuing Resolution. This year the Continuing Resolution was signed by the President on July 1, 1973 and extends until September 30, 1973, unless the appropriation act is enacted sooner. A copy of the Resolution, in pertinent part, is attached as Annex A.

1. THEORY OF THE CONTINUING RESOLUTION

The Continuing Resolution is an appropriation act. In its application to A.I.D., it authorizes and appropriates funds for any purpose for which funds were available under Public Law 92–571, the Continuing Resolution signed by the President on October 26, 1972 (hereinafter referred to as the FY 1973 Continuing Resolution) and for which funds are included in the FY 1974 budget estimate.

With respect to any particular activity, the availability of funds during the period of the Continuing Resolution will cease when and if both Houses enact an FY 1974 appropriation act without any provision for such activity or when an FY 1974 appropriation act providing for such activity becomes law.

Any obligation made during the period of the Continuing Resolution will ultimately be charged to the specific appropriation available for such obligation under the FY 1974 appropriation act, when the latter becomes effective.

2. CONTINUING PROJECT OR ACTIVITY

Under the Continuing Resolution, A.I.D. may obligate and expend funds for "continuing projects or activities". The word "projects" in the Continuing Resolution authorizing phrase has no meaning for A.I.D. The word "activities" refers to the various specific appropriation categories in the FY 1973 Continuing Resolution, all of which refer to a general activity, e.g., development loans, technical cooperation, etc. Particular A.I.D. projects are subsumed under the term "activities." (The word "projects", as used in the Continuing Resolution, presumably applies to those other government agencies for which appropriations are made by line project item, e.g., the Corps of Engineers, Public Works appropriations.) There is also no limitation on commencing new country programs during the Continuing Resolution period, provided justification to the Congress is made for use of those appropriation categories requiring it, as set forth below.)

3. NEW PROJECT JUSTIFICATION

Under the FY 1973 Continuing Resolution, funds made available for TC/DG, Alliance TC/DG, for SA and for International Organizations under section 302(a) of the Foreign Assistance Act cannot be used to initiate any project or activity which has not been justified to the Congress. This requirement continues to apply during the period of the Continuing Resolution. Both the FY 1972 appropriation act (the restrictive provisions of which were incorporated into the FY 1973 Continuing Resolution) and the President's budget submission contain this requirement. Since the Continuing Resolution provides that activities are to be carried out, not only at the lower of the current or the budget rate, but also under the more restrictive authority, this project justification restriction continues to apply during the Continuing Resolution period.

This justification requirement does not require express Congressional approval of projects presented in the Congressional presentation and project books. Under present practice by which these books are delivered to the Congress in the Spring, projects may be deemed justified to the Congress at the beginning of the Continuing Resolution period, i.e., July 1. As a matter of policy, it is desirable to withhold obligations for new projects until after the testimony before the Appropriations Subcommittees by the relevant Regional Assistant Administrators.

4. RATE FOR OPERATIONS

As has been the case in ordinary circumstances, the Continuing Resolution permits activities to be carried out at an annual "rate for operations" not in excess of the current rate or the rate provided for in the President's budget estimate, whichever is lower. Unlike past years however, Congress has included a provision that none of the activities provided for foreign assistance should be funded at a rate exceeding one-quarter of the annual rate provided for in the Resolution. It has also reduced the rate for operations below what it would be under the ordinary formulation.

In order to determine the "rate for operations", i.e., the funding availability on an annual basis, the total fiscal year program must be considered. For this purpose it is not the actual obligations in FY 1973 which must be considered but what was available for obligation, as the rate referred to is the rate for operations, i.e., available for, and not the rate of operations. This means that the rate available for obligation during the Contiuning Resolution period is the lesser of the total fiscal year program availabilities for which provision was made in the FY 1973 Continuing Resolution or in the budget estimate for FY 1974. The total FY 1973 program for this purpose included new obligational authority appropriated by the 1973 Continuing Resolution plus the so-called "bridge" items made available thereunder. "Bridge" items refer to carryover of funds remaining uncommitted at the end of FY 1972, the actual total of prior year funds deobligated during FY 1973 and available during that fiscal year under the deob-reob authority, receipts from loan repayments and other sources, reimbursements from other government agencies for services furnished by A.I.D. and other similar receipts. All these items, taken together for each appropriation line item, constitute the total fiscal year 1973 program availabilities. The FY 1974 figures are the corresponding budget estimates. The lower of (a) the total FY 1973 program and (b) the total of the 1974 budget estimate's new obligational authority and anticipated FY 1974 bridge items would constitute the maximum annual "rate for operations" for each appropriation line item activity were the rate to be computed in the ordinary way.

However, this year's Resolution departs from ordinary computation of the "rate for operations" by the inclusion of a proviso:

"That new obligational authority herein to carry out the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act, as amended, shall not exceed an annual rate of $2,200,000,000."

New obligational authority available under the Resolution in the absence of the proviso would have been $2,453,800,000. Calculation of the "rate for operations" requires a reasonable distribution of this reduction in new obligational authority among the activities for which funds are made available under the Resolution. No specific formula for distribution of the reduction is prescribed.

For present purposes, we recommend that the reduction in new obligational authority be apportioned among activities pro rata to the amounts which would have been available absent the reduction. Deviations from this policy should occur only in cases of clear need and after appropriate consultation.

The proviso in the Continuing Resolution which limits availabilities for each activity through September 30, 1973, to one-quarter of the annual "rate for operations" should be calculated in accordance with the foregoing rules.

"Bridge" items available for obligation under the Continuing Resolution include unobligated balances carried into FY 1974.

Excerpts From Fiscal Year 1975 Continuing Resolution (H.J. Res. 1062)

* * * * *

SEC. 101. (b) Such amounts as may be necessary for continuing projects or activities (not otherwise provided for in this joint resolution or other enacted Appropriation Acts for the fiscal year 1975) which were conducted in the fiscal year 1974 and are listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority—

* * * * *

SEC. 106. Except as provided in section 101(e) no appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1974.

Excerpts From House Report No. 93-1119

* * * * *

Funds provided in the resolution may not be used to initiate any new project or activity or to resume any for which appropriations, funds, or other authority were not available in fiscal year 1974 (Sec. 106). The single exception to this prohibition is the provision contained in Sec. 101(e) to allow payments to the GSA Federal Buildings Fund of not in excess of 90 per centum of the first quarter standard level user charges for space and services.

COMPLIANCE WITH THE RESOLUTION

It is essential that officials responsible for administering programs during the interim period covered by the resolution take only the limited action necessary for orderly continuation of projects and activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions in the regular annual bills.

Without laying down any hard and fast rules and short of encumbering administrative processes with detailed fiscal controls, the Committee expects that departments and agencies will especially avoid the obligation of funds for specific budget line items or program allocations, on which congressional committees may have expressed strong criticism, at rates which unduly impinge upon discretionary decisions otherwise available to the Congress.

Excerpts From Senate Report No. 93-951

* * * * *

EFFECT ON FOREIGN ASSISTANCE PROGRAMS

It is the opinion of the Committee that the affirmative grant of authority contained in Section 101(b) ("Such amounts as may be necessary for *continuing projects or activities * * * which were conducted in the fiscal year 1974 and are listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority*") and the restriction in Section 106 ("*no appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1974.*") limits obligations under the Continuing Resolution to those AID operations carried on in fiscal year 1974.

Heretofore, the Agency for International Development has contended "as a matter of law new projects can be undertaken during a Continuing Resolution period so long as they are included in the Congressional Presentation for the fiscal year concerned or are separately justified to the chairmen of the two appropriations subcommittees that oversee our activities." Further, that "amounts for the (foreign assistance) program are appropriated by activity and not by project" and that the "word 'projects' in the Continuing Resolution authorizing phrase has no meaning for AID."

In acting on this Continuing Resolution the Committee rejects AID's previous interpretation of the language of the Continuing Resolution and advises that the Agency should restrict its operations to be funded under authority of this Continuing Resolution to those carried on in fiscal year 1974.

Because of the nature of the Contingency Fund, it is specifically excluded from the policy set forth above.

Under the Foreign Assistance provisions of this Continuing Resolution, the Committee recommends that the same proviso carried in last year's Continuing Resolution be included again. This amendment provides that none of the activities should be funded at a rate exceeding one quarter of the annual rate as provided by this joint resolution.

Mr. INOUYE. In short, Mr. President, the Senate Appropriations Committee believes that the Continuing Resolution says what it means and means what it says.

The Committee cannot accept the condition that the word "activities" is synonymous with an appropriation account and that the word "projects" in the Continuing Resolution authorizing phrase has no meaning for AID.

The action of the committee has caused some consternation to the Agency for International Development and I have this morning received a letter from the Deputy Administrator with reference to the Agency's concerns and have further personally discussed the matter with him. I ask unanimous consent that the communication from the Agency be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE, AGENCY
FOR INTERNATIONAL DEVELOPMENT,
June 24, 1974.

Hon. DANIEL K. INOUYE,
Chairman, Appropriations Subcommittee on Foreign Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is intended to convey the concern of Administrator Parker about the potential difficulties with which the Agency could be confronted in the management of its FY 1975 program if the word "operations", which appears in the Senate Appropriations Committee Report on the Continuing Resolution about to be enacted by the Congress is broadly interpreted to include all new commitments of A.I.D. funds. Specifically, the word appears in the second paragraph of the report under the heading "Effect on Foreign Assistance Programs".

The Continuing Resolution has as its general purpose, of course, authorizing the continuation of necessary Government programs until appropriate authorization and appropriate action is taken by the Congress. Our concern is that a strict, legal interpretation of the language could have the direct opposite effect—it could stop all "operations".

We know that such is not the intention of the Committee. Also, however, we are well aware of the Committee's desire that appropriate consultations take place with, and approval be obtained from, the Chairman of the Foreign Operations Subcommittees of both Appropriations Committees before new programs, projects or activities are commenced. Thus, we respectfully suggest that, during the discussion of the Continuing Resolution on the Senate Floor, you make the statement which is attached to clarify the intent of the report.

In consideration of such action, you have my promise that no new programs, projects or activities will be commenced during the period the Resolution is in force until you have been consulted and have given your approval.

Very truly yours,
JOHN E. MURPHY,
Deputy Administrator.

Mr. INOUYE. Mr. President, I also ask unanimous consent that certain modifying language proposed by the Agency for International Development be made a part of the RECORD.

There being no objection, the proposed

language was ordered to be printed in the RECORD, as follows:

> The Committee Report contains a clarification of the concept of continuing operations for foreign assistance. This language prohibits projects or activities in a country not receiving assistance in FY 1974 during the period of the Continuing Resolution. The Report does not restrict AID from beginning new projects in countries where it now operates, so long as the projects are for the same general purposes for which funds were appropriated for FY 1974. For instance, AID could undertake new Development Assistance projects in Ethiopia and new Supporting Assistance projects in Jordan, but it could not start a new project or program in Syria.

Mr. INOUYE. Mr. President, the Agency's concern and proposed modification was carefully considered. Regretfully, however, I did not feel that this language was consistent with the clear provisions or intent of the continuing resolution and am unable to recommend it to the Senate. I have, however, included it for the purpose of clarifying the Agency's proposal and making a complete legislative history of the matter.

It is not my desire or the desire of the committee to restrict any ongoing "activity" or "program" or operation passed upon by the Congress. However, I must most regretfully observe that if we are to permit agencies and departments of the executive branch to decide for themselves what congressional acts or resolutions mean, then we have little claim to question the results flowing from such interpretations.

The obvious course to deal with any real emergency that cannot be handled through the contingency fund is an urgent supplemental budget request and on behalf of the Senate Appropriations Subcommittee on Foreign Operations I pledge to hold hearings and act on a House bill or, if necessary, report a Senate bill to deal with any emergency that might arise and do so within 10 days.

Mr. President, I believe it should be stated that the subcommittee will complete its hearings this week and is prepared to report a bill at the earliest possible date. That being the case, the continuing resolution will hopefully have limited effect upon the activities of the agencies concerned.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I do not know whether there are any further amendments to be offered or not. If there are none, I ask for third reading.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

Mr. HRUSKA. The Senator from North Carolina (Mr. HELMS) is on his way over.

Mr. MANSFIELD. Mr. President, Senator HELMS wants to say a few words.

Mr. McCLELLAN. Very well. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MANSFIELD. The time to be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, is a quorum call in progress?

The PRESIDING OFFICER. Yes.

Mr. McCLELLAN. I ask unanimous consent that the order for the quorum call be rescinded, for the moment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I ask for the yeas and nays on the passage of the pending joint resolution.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, I yield such time as he may require to the Senator from North Carolina.

Mr. HELMS. I thank the Senator.

Mr. President, the continuing resolution before us presents us with an anomalous situation with regard to the continued funding of activities authorized under the Economic Opportunity Act of 1964, as amended.

Let me review the action, as I understand it, which the Congress took in 1972. At that time, Congress extended the Economic Opportunity Act to June 30, 1975. At the same time, Congress extended the authority for funding activities under the Economic Opportunity Act only until June 30, 1974. In other words, the act itself expires in 1975, but the authority for funding expires in 1974. Congress did this so that the extension of funding authority would get close scrutiny.

Since that time, Congress has taken no action to extend the funding authority under the Economic Opportunity Act of 1964, as amended. Neither House has acted to extend the authority. And in fact, the President has indicated many times that he will veto any extension of funding authority for the Office of Economic Opportunity. I know of no bill which has even been introduced to extend funding authority for OEO. The only relevant action whatsoever was the action of the House in H.R. 14449 repealing the whole Economic Opportunity Act.

Mr. President, I therefore wish to call the attention of my colleagues to a highly unusual departure from standard procedure reflected in House Joint Resolution 1062. As I have pointed out, House Joint Resolution 1062 seeks to provide continuing appropriations for the programs of the OEO, the authorizaion for which expires June 30.

Thus, Congress, via a continuing resolution, is legislating OEO's continued existence through September 30, instead of following the customary procedure of voting separately on an authorization for its continuation. I repeat that the only action in either body of Congress with respect to the continuation of OEO came on May 29, when the House passed H.R. 14449 to shift many OEO programs to HEW.

Many Members of the House have indicated that they would not have supported that measure, except for the fact that it specifically abolished OEO. Because of the present parliamentary situation, where the House has already passed House Joint Resolution 1062, a point of order will not stand against this unusual procedure. But, nevertheless, I believe strongly that Congress should not act in haste to appropriate funds for unauthorized programs, I intend to vote against the continuing resolution, House Joint Resolution 1062, and I urge the President to send it back to Congress so that this provision may be eliminated from the legislation.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the joint resolution.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from Alaska.

Mr. STEVENS. Mr. President, I just wanted to clarify one thing. There is reference in the committee report to the food producing Indian projects. It is my understanding that the Senator from Washington has a statement that would include an enumeration of those, and I wanted to be sure that the specific projects the Senator from Washington mentions in his statement are the ones that are covered by this special Indian projects reference on page 3. One of them is the Special Wildwood Project in my State.

Mr. McCLELLAN. I might say to the Senator that I am confident they are, and I am certain the staff so interprets it.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the joint resolution.

Mr. ROBERT C. BYRD. Mr. President——

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent—and I should like to have the attention of the chairman of the committee and the ranking Republican member—that on any amendments to be offered to the continuing resolution, there be a time limitation of 20 minutes to be equally divided, 10 minutes to a side, and under the usual strictures and procedures.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that if the question of the amendment is not decided shortly, the Senate proceed to third reading of the conference report, with the proviso that under the agreement just reached, that amendment could be offered after the vote on the Allen amendment.

Mr. YOUNG. Mr. President, reserving the right to object—is the amendment printed?

Mr. MANSFIELD. We think so but we are a little bit befuddled by the situation which has developed and we are just trying to bring this thing to a head.

Mr. COTTON. Mr. President, if the Senator will yield, the question would have a very complicated formula which we have been working on for the past 3 years. Each year we have tried to divide it up, so that it would go where the children are, but at the same time soften the blow on any State that would be losing from what they had the year before.

There is one formula in the House and one formula in the Senate. I think we are assured by the staff on both sides of the committee that the formula in the Senate bill comes nearest to taking care of the States that have a growing children population as we have yet found. While it may not yet have reached the point where the State of New York, for instance, is fully taken care of—and I am saying this now because I have only 10 minutes of time—but I hope that we will not pass an amendment about which not even the staff knows exactly what it would do to the formula which has been so carefully worked out.

Mr. MANSFIELD. I appreciate very much what the Senator has just said, but a Senator came over who had been talking to the Senator from New York (Mr. Javits) and he informed the joint managers of the bill——

Mr. YOUNG. I have not been informed.

Mr. MANSFIELD (continuing). That there would be no amendment offered, but that he had agreed to ask several questions.

Mr. YOUNG. I had no information whatever about the amendment.

Mr. MANSFIELD. Now we have the situation coming up which says that the Senator does want his amendment offered, so if someone wants to offer it, that is fine.

Mr. CASE. Mr. President, I have been asked to offer it.

Mr. COTTON. Mr. President, the point is, if it is going to be offered now, that is fine. I just did not like to have it left for later in the afternoon when some of us might be available and some of us might not be available.

Mr. CASE. I was going to offer it now. I understand that whoever has the time to yield, there was general understanding that the Senator would be permitted to——

The PRESIDING OFFICER. Will the Senator please use the microphone so that everyone can hear?

Mr. CASE. I thank the Chair. It is my understanding that there had been some arrangement made by which the Senator from New York (Mr. Javits) would be able to discuss this before the vote on it. He said he will be here around 3:30 or so. That is all I know about it. I was asked to introduce it for the Senator and I shall be glad to do that.

Mr. MANSFIELD. The Senator means, just to introduce it, or to explain it, and have a chance to vote on it, after the Allen amendment?

Mr. CASE. If I offer it, it will be just to offer it, because I am not equipped to discuss it, frankly. If someone else would like to offer it, who is better equipped, I will be glad to let him do so. I was only asked to offer it, in order to save the time of the Senator from New York when he got here.

Mr. McCLELLAN. Does not the Senator want to offer it and let us vote on it now, or just offer it and delay it? I do not understand this procedure. I want to be accommodating, but——

Mr. CASE. The Senator from Arkansas has company. I am one who has company. I understand that the Senator from New York has a substantive amendment relating to the amount to be paid to local educational agencies. The formula sounds like one we have had before. I do not know what the purport of his particular amendment is and I am not, therefore, in a position to present his arguments for it. I was merely asked to offer it so that his rights to discuss it when he gets here can be preserved.

Mr. McCLELLAN. I think it would undo exactly what the Senate did by a majority of 20 votes here, on an issue that was fully debated and acted on by a rollcall vote. Now we have placed in the bill exactly what the position of the Senate is. All we are asking here is that the position of the Senate be confirmed. If we are going to undertake here to set aside the position of the Senate for the purpose of this amendment, then I am ready to have it offered and to vote on it. We have a right to vote on it. I want to be accommodating to the Senator from New York (Mr. Javits). I do, really. But I just cannot see the logic of having a bill here with everyone knowing about it, and then someone sending in an amendment saying that he will be here at a certain time and wait until I get there. All that will do will be to invite other Senators to do the same thing in the future. I have been thinking about it a little bit myself right now. Maybe I could find a convenient time to do that.

Mr. CASE. Mr. President, if the Senator will yield, it has been our practice and our policy, under the benign leadership of the Senator from Montana and his predecessors, for as far back as my memory goes, that we do try to accommodate each other. This is an occasion in which the suggestion that that be done is being made now.

Mr. President, I cannot imagine anyone with a warmer heart or a more compassionate view than the Senator from Arkansas, unless it be possibly the Senator from New Hampshire. I would not want to make a choice in that regard.

We are only asking that this matter be put in such shape that the Senator from New York, who expects to be here around 3:30, may have his opportunity to speak.

Mr. McCLELLAN. Mr. President, if the Senator will yield, may I say to the distinguished Senator that if I ever find myself in the same situation as Senator Javits, I would like to have this record as a precedent.

Mr. CASE. I can give the Senator not only my own assurance on that, but the assurance of the 98 other Members of the Senate as well.

Mr. COTTON. Mr. President, will the Senator from North Dakota yield to me for 1 minute?

Mr. YOUNG. I yield 1 minute.

Mr. COTTON. Mr. President, it is my understanding that we now have before us a unanimous-consent request on the part of the distinguished majority leader that this matter lay over, be debated, and voted upon after the Allen amendment.

Mr. MANSFIELD. Yes. The Senate has already granted a 20-minute limitation, 10 minutes to a side, which I think is going a very long way to take care of an individual Senator, when we weigh that individual Senator, no matter who he may be, against the institution of the Senate and its entire membership.

But that vote, if the matter is just going to be laid before the Senate, would not be considered, even on a 20-minute limitation, until the beef bill, the Humphrey amendment, and the Allen amendment are disposed of. Then the time would start running on the amendment which the distinguished Senator from New Jersey will offer. There will be 20 minutes of debate. I assume there may be a rollcall vote on that.

Mr. President, there would be no further amendments, because, hopefully we would get to third reading and then a vote on final passage of the continuing resolution.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. The Senator has the time.

Mr. McCLELLAN. Mr. President, I yield myself such time as may be necessary for this colloquy.

At what time, under the unanimous-consent agreement, will we likely get to a vote on the amendment that is to be proposed? Will we get to a vote on it today?

Mr. MANSFIELD. Mr. President, I guess that we would start debate about 4:20, if the Senator from New Jersey is just going to offer the amendment at this time, and probably finish up the debate about quarter to five. I assume that there is a strong likelihood of a rollcall vote on the Javits amendment, which is to be offered by the Senator from New Jersey (Mr. Case). Then there will be a rollcall vote on final passage of the conference report. The energy research and development conference report will be brought up immediately after that.

Mr. McCLELLAN. Mr. President, could we bring that up in the meantime, if we were ready?

Mr. MANSFIELD. Mr. President, between now and 3 o'clock will be fine.

Mr. McCLELLAN. It will be ready in about 15 or 20 minutes.

Mr. COTTON. Mr. President, will the Senator yield for 1 more minute?

Mr. YOUNG. I yield to the Senator from New Hampshire.

Mr. COTTON. Mr. President, the thing

that is unfortunate is that the situation has been the subject of much study on the part of the committee, our subcommittee and staff. It has been debated on the floor of the Senate not only this year but also last year and the year before, and has been settled in the Senate. It is unfortunate that it may be sprung on us at any time during the remainder of the day, when other Senators may be off the floor. I would hate to see this formula, which we have worked out, tipped over without an adequate opportunity to explain it and defend it.

Mr. President, I did not object to the request of the distinguished majority leader for a time limitation of 10 minutes on each side when I thought we were going to operate on it now. I regret that I did not object; because if this matter is going to be brought up at some time later in the day, the distinguished chairman of the committee or the distinguished ranking member or the Senator from Washington or myself, who are somewhat familiar with this formula though we cannot explain it, may not be in the Chamber. I would hate to have that happen, and then to have the vote, without being accorded the opportunity to cover it.

Mr. MANSFIELD. Mr. President, I would be most happy to withdraw the unanimous-consent request.

Mr. COTTON. Mr. President, I would be most happy to agree to that request later when it is brought up.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the unanimous-consent agreement be vitiated.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). Without objection, it is so ordered.

Mr. CASE. Mr. President, I ask unanimous consent, if it is necessary, that I be permitted to offer the amendment on behalf of Senator JAVITS at this time.

The PRESIDING OFFICER. The Senator may offer the amendment.

Mr. CASE. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 9, line 24 add the following at the end:

"*Provided further*, that the aggregate amounts made available to each local educational agency under title I-A shall not be less than 90 percentum nor more than 115 percentum of the amount made available for that purpose for fiscal year 1974;"

Mr. CASE. Mr. President, I am not sure what the parliamentary situation is.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. What is now the status of the amendment as proposed, as related to the unanimous-consent agreement?

The PRESIDING OFFICER. The amendment is before the Senate for consideration. There was a unanimous-consent request that further reading be dispensed with.

Mr. McCLELLAN. Mr. President, I thought there was another unanimous-consent request.

Mr. MANSFIELD. Yes, Mr. President. If the Senator will yield to me for a moment, that had nothing to do with the time limitation which was reduced to 20 minutes, but had to do with the Senate agreeing to third reading, with the proviso that the Javits amendment, which has now been offered, would be considered under the time limitation.

Mr. CASE. That is right.

Mr. MANSFIELD. We know of no other amendments.

Mr. CASE. Mr. President, would it be appropriate to ask for the yeas and nays, so that the matter would automatically go over to the time the leadership suggests?

Mr. MANSFIELD. Yes.

Mr. McCLELLAN. Mr. President, that would not preclude amendments to the Javits amendment if anyone wanted to offer them?

Mr. MANSFIELD. No, not under the agreement entered into last week.

Mr. McCLELLAN. Mr. President, I am perfectly willing, then, that we proceed to the third reading of the bill, with the understanding that no other amendments can be offered, and that at the time this amendment comes up for discussion, we may consider a renewed request for a time limitation.

Mr. CASE. All right.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Arkansas ask unanimous consent that third reading of the bill may take place at this time?

Mr. McCLELLAN. Mr. President, it is my understanding that we will proceed to third reading of the bill.

The PRESIDING OFFICER. And that this amendment will then be in order.

Mr. MANSFIELD. Yes.

Mr. McCLELLAN. Mr. President, I ask unanimous consent for that.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, so that the record will be clear, the majority leader made the request, and I do not want the Senator from Arkansas to take that responsibility.

The PRESIDING OFFICER. The record will so show.

The bill will be read a third time.

The bill was read the third time.

Mr. MONTOYA. Mr. President, House Joint Resolution 1062, as reported by the Committee on Appropriations, limits the amount of funds available for activities relating to terminating the economic stabilization program to not exceed $2,560,000. I specifically saw to it that the amount of $2,560,000 was written into the bill so that it will be abundantly clear that this is the maximum level for operations during the term of the continuing resolution.

As the Senate will recall, $75,395,000 was appropriated for this program for the current fiscal year. Much of this was for compliance with the wage and price controls, which expired April 30, 1974; however, we did include phaseout money for the period May 1 to June 30, 1974.

An estimate for $2,560,000 was transmitted by the President in Senate Document No. 93-86 on June 19 and would extend the termination date of the economic stabilization program to December 31, 1974. The Subcommittee on Treasury, Post Office, and General Government Appropriations, which I chair, will consider this request when we mark up the regular bill, but in the meantime we wanted it to be clear to those who have been operating at that $70 million-plus level that their activities after July 1 would have to be trimmed to the $2,560,000 for 6 months rate.

RECESS UNTIL 2:45 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, if no one wants the floor, that the Senate stand in recess until 2:45 p.m., at which time the energy research and development conference report will be taken up.

The PRESIDING OFFICER. Is there objection?

There being no objection, at 2:19 p.m., the Senate took a recess until 2:45 p.m.; whereupon, the Senate reassembled, when called to order by the Presiding Officer (Mr. McCLURE).

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCLURE). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 14434, and ask for its immediate consideration.

The PRESIDING OFFICER. Mr. McCLURE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective

Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 19, 1974, at p. 19800.)

Mr. McCLELLAN. Mr. President, I have a very brief statement regarding the report.

The amount of new obligational authority agreed to in conference totals $2,236,089,000. This amount is $32,361,000 over the budget estimates and is $16,373,000 more than the bill as it passed the Senate. The conference agreement also provides an amount that is $33,739,000 less than the House passed bill.

The funds included in this special appropriation bill, the purpose of which is to accelerate energy research and development in response to the energy crisis, are appropriated to the Environmental Protection Agency, NASA, National Science Foundation, Department of the Interior, Atomic Energy Commission, Department of Commerce, and the Federal Energy Office. Inasmuch as the conference report has been printed in the CONGRESSIONAL RECORD, and we have the printed conference report, which is also available, I shall not undertake to elaborate on the various items in the bill as agreed on by the conferees.

I ask unanimous consent to have printed in the RECORD a summary table, which shows the conference agreement, the amounts of the budget estimate, the bill as passed by both the House, and the Senate, and comparisons thereto.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATIONS BILL, 1975

SUMMARY

Department or agency	Appropriations, fiscal year 1974, enacted to date	Budget estimate of new budget (obligational) authority fiscal year 1975	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference agreement	Increase (+) or decrease (−) conference agreement compared with—			
						Appropriation fiscal year 1974	Budget estimates	House bill	Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
CHAPTER I									
ENVIRONMENTAL PROTECTION AGENCY									
Energy research and development	$6,100,000	$54,000,000	$54,000,000	$54,000,000	$54,000,000	+$47,900,000			
Total, chapter I	6,100,000	54,000,000	54,000,000	54,000,000	54,000,000	+47,900,000			
CHAPTER II									
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION									
Research and development	4,693,000	4,435,000	8,935,000	4,435,000	4,435,000	−258,000		−$4,500,000	
NATIONAL SCIENCE FOUNDATION									
Salaries and expenses	31,600,000	101,800,000	101,800,000	101,800,000	101,800,000	+70,200,000			
Total, chapter II	36,293,000	106,235,000	110,735,000	106,235,000	106,235,000	+69,942,000		−4,500,000	
CHAPTER III									
DEPARTMENT OF THE INTERIOR									
GEOLOGICAL SURVEY									
Surveys, investigations, and research	10,123,000	43,125,000	43,125,000	43,125,000	43,125,000	+33,002,000			
BUREAU OF MINES									
Mines and minerals	32,541,000	137,108,000	144,308,000	137,298,000	142,298,000	+109,757,000	+$5,190,000	−2,010,000	+$5,000,000
OFFICE OF COAL RESEARCH									
Salaries and expenses	123,400,000	283,400,000	283,400,000	258,378,000	261,278,000	+137,878,000	−22,122,000	−22,122,000	+2,900,000
FUEL ALLOCATION, OIL AND GAS PROGRAMS									
Salaries and expenses	36,130,000	70,100,000	59,700,000	69,590,000	69,590,000	+33,460,000	−510,000	+9,890,000	
OFFICE OF THE SECRETARY									
Energy conservation and analysis	8,300,000	27,900,000	27,400,000	26,875,000	26,875,000	+18,575,000	−1,025,000	−525,000	
Total, chapter III	210,494,000	561,633,000	557,933,000	535,266,000	543,166,000	+332,672,000	−18,467,000	−14,767,000	+7,900,000
CHAPTER IV									
ATOMIC ENERGY COMMISSION									
Operating expenses	820,385,000	1,009,890,000	1,043,790,000	1,032,690,000	1,032,690,000	+212,305,000	+22,800,000	−11,100,000	
Plant and capital equipment	259,692,000	432,570,000	463,970,000	433,970,000	453,970,000	+194,278,000	+21,400,000	−10,000,000	+20,000,000
Subtotal, Atomic Energy Commission	1,080,077,000	1,442,460,000	1,507,760,000	1,466,660,000	1,486,660,000	+406,583,000	+44,200,000	−21,100,000	+20,000,000
DEPARTMENT OF THE INTERIOR									
BONNEVILLE POWER ADMINISTRATION									
Construction		5,500,000	5,500,000	5,500,000	5,500,000	+5,500,000			
OFFICE OF THE SECRETARY									
Underground and other electric power transmission research	2,000,000	8,500,000	8,500,000	8,498,000	8,498,000	+6,498,000	−2,000	−2,000	
Total, chapter IV	1,082,077,000	1,456,460,000	1,521,760,000	1,480,658,000	1,500,658,000	+418,581,000	+44,198,000	−21,102,000	+20,000,000

Department or agency (1)	Appropriations, fiscal year 1974, enacted to date (2)	Budget estimate of new budget (obligational) authority fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference agreement (6)	Increase (+) or decrease (—) conference agreement compared with— Appropriation fiscal year 1974 (7)	Budget estimates (8)	House bill (9)	Senate bill (10)
CHAPTER V									
DEPARTMENT OF COMMERCE									
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION									
Operations, research, and facilities				$19, 157, 000	$6, 630, 000	+$6, 630, 000	+$6, 630, 000	+$6, 630, 000	—$12, 527, 000
Total, chapter V				19, 157. 000	6, 630, 000	+6, 630, 000	+6, 630, 000	+6, 630, 000	—12, 527, 000
CHAPTER VI									
DEPARTMENT OF TRANSPORTATION									
OFFICE OF THE SECRETARY									
Transportation planning, research, and development	$2, 100, 000	$6, 400, 000	$6, 400, 000	6, 400, 000	6, 400, 000	+4, 300, 000			
Total, chapter VI	2, 100, 000	6, 400, 000	6, 400, 000	6, 400, 000	6, 400, 000	+4, 300, 000			
CHAPTER VII									
FEDERAL ENERGY OFFICE									
Salaries and expenses	9, 360, 000	19, 000, 000	19, 000, 000	18, 000, 000	19, 000, 000	+9, 640, 000			+1, 000, 000
Total, chapter VII	9, 360, 000	19, 000, 000	19, 000, 000	18, 000, 000	19, 000, 000	+9, 640, 000			+1, 000, 000
GRAND TOTAL									
New budget (obligational) authority	1, 346, 424, 000	2, 203, 728, 000	2, 269, 828, 000	2, 219, 716, 000	2, 236, 089, 000	+889, 665, 000	+32, 361, 000	—33, 739, 000	+16, 373, 000

Mr. McCLELLAN. I urge adoption of the conference report.

Mr. YOUNG. Mr. President, I have nothing to add, except that we did have a strong difference of opinion on the National Oceanic and Atmospheric Administration appropriation, but that was finally settled, and every member of the conference signed the report; I think that should be stated.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. YOUNG. I yield to the distinguished majority leader.

Mr. MANSFIELD. I would like to ask the distinguished ranking Republican member of the Appropriations Committee, the sum of $5 million for MHD research and development to be used at the Montana College of Mineral Science and Technology and other units of the university system, is it still intact?

Mr. YOUNG. It is my understanding that it is.

Mr. MANSFIELD. I thank the Senator.

Mr. McCLELLAN. Mr. President, I move that the conference report be agreed to.

The report was agreed to.

Mr. McCLELLAN. I ask that the Chair lay before the Senate the amendment in disagreement numbered 17.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

In lieu of the matter proposed by the said amendment, insert

CHAPTER V. DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For necessary expenses of the National Oceanic and Atmospheric Administration to reactivate, equip, and operate certain oceanographic research vessels for the purpose of conducting assessments of energy-related offshore environmental problems associated with energy activities, $6,630,000, to remain available until expended.

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to the amendment of the Senate numbered 17.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, has the conference report been disposed of?

The PRESIDING OFFICER. The conference report has been disposed of.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3:15 P.M.

Mr. MANSFIELD. I ask unanimous consent that the Senate stand in recess until the hour of 3:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon at the hour of 2:59 p.m. the Senate took a recess until 3:15 p.m.

The Senate reassembled at 3:15 p.m., when called to order by the Presiding Officer (Mr. McCLURE).

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY FINANCING FOR LIVESTOCK PRODUCERS

The PRESIDING OFFICER. Under the previous order, the hour of 3:20 p.m. having arrived, the Senate will proceed to vote on final passage of S. 3679, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 3679) to provide emergency financing for livestock producers.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE (when his name was called). Mr. President, on this vote I have a pair with the Senator from North Dakota (Mr. BURDICK). If he were present and voting he would vote "Yea." If I were permitted to vote, I would vote "Nay." Therefore, I withhold my vote.

Mr. PASTORE (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Idaho (Mr. CHURCH). If he were present and voting he would vote "Yea." I already have voted "Nay." I withdraw my vote.

Mr. NUNN (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from North Dakota (Mr. BURDICK), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. JAVITS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Connecticut (Mr. WEICKER) is absent on official business.

The result was announced—yeas 82, nays 9, as follows:

[No. 273 Leg.]

YEAS—82

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Fannin
Fong
Goldwater
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pearson
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—9

Biden
Buckley
Chiles
Ervin
Griffin
Helms
Metzenbaum
Pell
Ribicoff

ANSWERED "PRESENT"—1

Nunn

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

McIntyre, against.
Pastore, against.

NOT VOTING—6

Burdick
Church
Fulbright
Javits
Percy
Weicker

So the bill (S. 3679) was passed, as follows:

S. 3679

An act to provide emergency financing for livestock producers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers, including operators of feedlots, who are primarily engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, chickens, turkeys, or the products thereof.

(b) The Secretary shall provide such assistance by guaranteeing loans made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, or other approved lender.

(c) No contract guaranteeing any such loans by an approved lender shall require the Secretary to participate in more than 90 per centum of any loss sustained thereon.

SEC. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The approved lender shall certify that—

(1) the lender will be unable to provide credit to the farmer or rancher in the absence of the guarantee authorized by this Act;

(2) the farmer or rancher is primarily engaged in agricultural production, and the financing to be furnished the farmer or rancher is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the farmer or rancher, and the total loans made to the farmer or rancher do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided,* That the total loans guaranteed under this Act for any farmer or rancher shall not exceed $350,000;

(4) in the case of any loan to refinance the livestock operations of a farmer or ranchers, the loan and refinancing are absolutely essential in order for the farmer or rancher to remain in business.

(b) The farmer or rancher shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

SEC. 4. Loans guaranteed under this Act shall be secured by the personal obligation and available security of the farmer or rancher, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 per centum of the stock or other interest in the corporation or organization. The loans shall be payable in not more than seven years, but may be renewed for not more than five additional years. Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

SEC. 5. Subject to the provisions of section 2(c) of this Act, the Secretary shall use the fund created by section 309 of the Consolidated Farm and Rural Development Act to pay to the holder of any note in default, upon assignment of the note to the Secretary, at the Secretary's request the balance due on the loan.

SEC. 6. The Secretary shall not guarantee loans by a single lender in excess of the highest amount of agricultural loans the lender had outstanding during the eighteen months immediately preceding the date of enactment of this Act or, in the case of lenders who had no agricultural loans outstanding during such period, not in excess of ten times the capital and surplus of such lender.

SEC. 7. Guarantees under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in this Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in this Act.

SEC. 9. (a) The provisions of section 310B (d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The regulations shall be issued not later than ten days from the date of enactment of this Act.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD and Mr. CURTIS moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. BARTLETT. Mr. President, I voted today in support of S. 3679, the emergency livestock credit bill, to provide Government guaranteed loans to livestock producers. It passed 82 to 9 and 1 voting present.

Because I am a cattle raiser, my vote could be interpreted to create a conflict of interest.

However, I concluded that not to vote would have denied full representation to the thousands of farmers, ranchers, and feedlot operators in Oklahoma who so badly needed this legislation.

I do want it a part of the public record that I will not participate in any of the benefits accruing to livestock raisers if in fact the bill becomes law.

As I said when elected, I will, to the best of my ability, avoid using this office, or even appearing to use this office, for my own personal interest or gain.

But also I will, to the best of my ability, represent all Oklahomans, and certainly this includes agriculture, which is Oklahoma's most important industry.

ADDITIONAL COSPONSOR

Mr. BARTLETT. I ask unanimous consent I be made a cosponsor of the bill S. 3679 just passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER. Under the previous order, the Senate will resume the consideration of the unfinished business, H.R. 14832, which the clerk will state.

The second assistant legislative clerk read the bill by title, as follows:

A bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, who has control of the time?

The PRESIDING OFFICER. There is no specification.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be divided equally between the distinguished Senator from Alabama (Mr. ALLEN) and the chairman of the committee, the distinguished Senator from Louisiana (Mr. LONG).

The PRESIDING OFFICER. Without objection, it is so ordered.

The pending question is on agreeing to the amendment of the Senator from Montana for himself and other Senators.

Mr. ALLEN. Mr. President, I ask unanimous consent that there be a quorum call, the time to be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. Mr. President, we have before us a piece of must legislation. It must be passed this month, or else within a few days the entire Government will cease to operate.

An attempt is being made to amend the bill by the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from Minnesota (Mr. HUMPHREY) and his conferee (Mr. MONDALE), who seek to add a highly inflationary amendment, a nongermane amendment, that has no reference whatsoever to the debt ceiling; that is, to a revenue-raising measure which, under the Constitution, must originate in the House of Representatives.

It is ironic, Mr. President, that it is the big spenders in the Senate who are advocating this package measure—the big spenders. It is not the conservative Members of the Senate who are advocating this budget-busting amendment, because that is what it is.

Mr. President, there is a growing trend in the Senate to pounce on this debt limit legislation and to seek to add nongermane amendments to the bill, to play brinkmanship, Mr. President, with the economic well-being of the entire Nation and of the operation of the Government.

Mr. President, the distinguished Senator from Massachusetts (Mr. KENNEDY) said last week that he wanted the Senate to have an opportunity to express itself on his package. Well, that is the vote that we are going to have in just a few moments, starting at 4 o'clock. This is the amendment that is supported by the distinguished Senator from Massachusetts and other big spenders here in the Senate, so we are going to get an up or down vote on this package.

It is a package that will increase the Government deficit; it is highly inflationary. The small benefits that would come to the taxpayers would be more than eaten up by the increase in the rate of inflation, in the opinion of the Senator from Alabama.

So this is merely a little exercise in politics, an exercise in futility, actually, because the package will not become law. But the Senator has asked for an expression by the Senate on his package, and unanimous consent has been given that that expression be given.

I hope that we can pass a clean bill. I will say to the Senate now that I have no pride of authorship in the amendment that I have submitted, which would reduce the authorized national debt by $5 billion; and if the Kennedy budget-busting proposal is defeated, I will ask the Senate to vote down the amendment that I have filed in order that we can have a clean bill, send it on to the President, get it signed, and go on with the business of the Senate.

Mr. BROOKE. Mr. President, will the Senator yield for a question?

Mr. ALLEN. My time has expired, and I have no further statements.

Mr. BROOKE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. KENNEDY. How much time remains to the supporters of the amendment?

The PRESIDING OFFICER. The Senator from Louisiana has 9 minutes.

Mr. LONG. Mr. President, I yield time in support of the amendment to the Senator from Massachusetts or whomever he would like to designate.

Mr. KENNEDY. Mr. President, I yield 2 minutes to my colleague from Massachusetts.

Mr. BROOKE. Mr. President, I wish to ask the distinguished Senator from Alabama this question: He has said several times that the amendment is inflationary. Could he speak or address himself to the specific question as to why this amendment is inflationary.

Mr. ALLEN. Because even the most rosy claims of the advocates of the package state that it would result in a large revenue loss of from $2 to $6 billion, depending on how many other proposals contained in the package are adopted.

I call attention to the fact that literally scores of additional budget-busting amendments are waiting in the wings for the determination of this amendment, and they will be before the Senate, to create still greater deficits in the operation of the National Government.

Mr. BROOKE. The Senator's point is not to this specific amendment but to other amendments the Senator fears will be brought up following this amendment that will be inflationary.

Mr. ALLEN. Yes, that is right; in addition to the package itself.

Mr. BROOKE. Mr. President, I thank the Senator.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes. In listening to the Senator from Alabama opposing amendments to the Debt Ceiling Act, it is evident that he disagrees about its social value and purpose. He has not been opposed in the past to using the Debt Ceiling Act for amendments he supports. All we have to do is to think back to the social security amendment in 1972. The Senator from Alabama supported an amendment to the Debt Ceiling Act at that time to provide a 20-percent increase in social security benefits for the elderly. That amendment passed the Senate and was signed into law. The next year, in 1973, a majority of the Senate voted to approve an amendment to the Debt Ceiling Act to end the war in Cambodia.

The Senate thought it was sufficiently important to use the Debt Ceiling Act to raise the benefits for senior citizens.

We thought it was sufficiently important to end the war in Southeast Asia, so we added an amendment to the debt ceiling bill to accomplish that purpose.

Therefore, let us not fool ourselves. The question this afternoon is whether we are interested enough in tax reform. Tax reform is the issue here.

The Senator from Alabama uses misleading figures in defining our amendment and talking about the loss of revenue. More revenues will be obtained by this amendment in the long run than will be lost, let us not make any mistake about it. In the meantime, what we are doing is not only closing the most notorious tax loopholes. We are also trying to provide some degree of tax relief and tax equity to those who have been paying too much in taxes for too long—the middle income, the low income, the working poor people.

Mr. President, we have now gone through 1 week of parliamentary devices to prevent Senators from voting on the issue of tax reform. Now, 1 week after we have brought up the debt ceiling, we are forced to a single vote or take the whole package of tax reform and tax relief. Under the strait-jacket the Senator from Alabama has imposed, every Senator is forced to vote in an all-or-nothing situation. I certainly do not expect the amendment to prevail in this situation, but at least today's vote will clear the deck for a responsible debate and vote on the separate parts of the amendment, which we plan to offer next.

Many Senators support various provisions of the amendment. But they want, and they deserve, a chance to debate and vote on each provision separately. So far, we have been denied that opportunity by the parliamentary maneuvers of the Senator from Alabama and the other parliamentary maneuvers that have been supported by the administration.

As I have indicated, Mr. President, the central issue in today's vote on the tax reform and tax relief package is whether the Senate and the Congress are going to face up to their responsibility to deal with the Nation's tax laws in a way that reflects the interests of all the citizens of this country, or whether we are going to continue the present tax structure that treats the average citizen unfairly.

The lines are clearly drawn in today's debate. The amendment to be voted on this afternoon contains two essential parts:

First, we propose to raise $4 billion in Federal revenues, by closing loopholes in four of the most notorious sections of the Internal Revenue Code—the percentage depletion allowance for oil, the accelerated depreciation for plant and equipment spending, the DISC tax subsidy for exports, and the loophole-ridden minimum tax on income that now escapes from tax.

Second, we propose to grant $6.5 billion in tax relief to 80 million hard-pressed average American taxpayers and their families. The purpose of the tax relief is twofold—to provide relief against the worst peacetime inflation America has ever known, and to provide a stimulus to the economy to stop the current economic slide that is now taking us deeper into recession. The relief will be provided by raising the personal exemption from

$750 to $825, by allowing an optional $190 tax credit in lieu of the $825 exemption, and by including Senator Russell Long's work bonus, a refundable tax credit to low-income workers and their families equal to 10 percent of their social security payroll tax.

The arguments for tax relief and tax reform are well known. The issues have been exhaustively debated. The Senate is ready to vote on these measures as part of the Debt Ceiling Act.

The only new development in the debate is the weekend leak by Kenneth Rush, the President's new economic adviser, of the Commerce Department's current informal estimate on second quarter GNP. Apart from the embarrassment Mr. Rush's leak must cause to others in the administration who are so vigorously opposing leaks on Capitol Hill, apart from the peculiar position Mr. Rush finds himself in as an administration adviser willing to talk on the record to reporters but not to Congress, the reliability of the leaked GNP figures themselves is so dubious that the leak hardly marks an auspicious debut for the President's new economic czar.

Clearly, Mr. Rush is casting himself in the role of rose-colored interpreter of economic data, a role that has marred the credibility of virtually every other economic adviser in the administration, whose predictions have had to be revised downward so many times in the past.

We will not know for several weeks, and perhaps not for several months, whether the economy will actually fulfill the so-called "official" definition of recession—two successive quarters of negative growth. We do know three things, however:

First, we have already had one quarter of badly negative growth. First quarter GNP showed a precipitous 6.3 percent decline, the worst drop in 16 years, the worst since the recession of 1958.

Second, the early administration predictions of the first quarter GNP were far too optimistic. First, they projected a mild drop of 2 to 3 percent. Then, in the official preliminary estimate, they predicted a more serious drop of 5.8 percent. Later, when better data came in, they published the revised estimate showing the even more precipitous drop of 6.3 percent. Clearly, the track record of early administration predictions of GNP gives little confidence in the estimate of slightly positive growth for this quarter.

Third, the estimate of about 1 percent positive growth in GNP for the second quarter is itself vulnerable in at least three major areas on the merits. Apparently, it relies heavily on the April dip in the rate of inflation to 7 percent, when the May figures for the Consumer Price Index shows inflation at 13 percent, back again at double-digit levels; the figures for corporate profits must be regarded as extremely tentative, in light of the obvious current decline in consumer buying power; and, as today's cattle crisis demonstrates, the figures on farm income are obviously subject to substantial downward revision when the final farm data are received.

In all, Mr. Rush's contribution is best seen as a transparent attempt to influence today's vote on tax relief by denying the recessionary situation in which the economy finds itself.

But even if Mr. Rush is right, even if the economy manages to struggle through the current quarter without negative growth, the prospect is still for economic growth that is much too low and much too sluggish for the remainder of the year, a long period of stagnation that the country simply cannot afford.

Tax relief is the best and most effective weapon in our arsenal against recession and stagnation, and it will not interfere in any significant way with the fight against inflation.

I yield to no one in my desire to find the answer to inflation, but inflation is not our only economic problem. We also have a recession on our hands, and those who look at the economy today and see only the issues of inflation are missing half the problem.

I do not agree with the old time religion that is being hawked by the administration as the answer to inflation. Drastic budget cuts and balanced budgets will only make the problem worse. That's a recipe for old time recessions and depressions. The President is getting very bad economic advice from those who say that the way to stop inflation is to lean on the economy hard enough and long enough to make inflation disappear.

That could mean letting the patient die to cure the disease. It could mean years and years of slow growth, weak output, and serious unemployment. That would not be good for business, and it would not be good for labor either.

At least, a partial and better answer to our current economic problems is tax reform and tax relief, and I hope the Senate will approve the measure we are offering today.

Mr. President, I ask unanimous consent that a summary of the pending tax reform-tax relief package and a collection of comments by distinguished economists on the need for tax relief may be printed in the Record.

There being no objection, the summary and comments were ordered to be printed in the Record, as follows:

AMENDMENT 1495 TO THE DEBT CEILING ACT

TAX REFORM

Total Revenue Gain—$4 billion in 1st year; $7 billion in 5th year.

(1) Repeal the 22% depletion allowance for oil, effective January 1, 1974 ($1.9 billion revenue gain in the 1st year; $2.6 billion in the 3rd year; $3.3 billion in the 5th year).

(2) Repeal the Asset Depreciation Range (ADR) system of accelerated depreciation, effective for plant and equipment placed in service as of the date of enactment; $250 million revenue gain in the 1st year; $1.5 billion in the 3rd year; $2.0 billion in the 5th year).

(3) Repeal the Domestic International Sales Corporation (DISC) system of tax deferral for 50% of export income, effective January 1, 1974 ($815 million revenue gain in 1st year).

(4) Strengthening the 10% minimum tax on income from tax loopholes, by reducing the exclusion from $30,000 to $10,000 in tax preference income, and by eliminating the provision allowing the amount of regular income taxes paid to be deducted from preference income before the minimum tax is calculated; effective January 1, 1974. An identical reform in the minimum tax was approved 47–32 by the Senate last January. ($924 million revenue gain in 1st year).

TAX RELIEF

Total Annual Revenue Loss—$6.5 billion; $5.9 billion from exemption/credit; $600 million from Work Bonus.

(1) Provide across-the-board relief for all taxpayers by raising the personal exemption for individuals in the Federal income tax from its current level of $750 to a new level of $825. The most recent increase in the exemption came in 1972 when Congress raised it from $675 to $750. An increase to $825 for 1974 would be an increase of 10%. Between January 1972 and May 1974, the Consumer Price Index rose 22.5%.

(2) Target the relief on low and middle income taxpayers by providing the option for every taxpayer to take a $190 tax *credit* in lieu of the $825 personal exemption. In general, since the exemption is taken as a deduction, the credit will be worth more than the exemption for taxpayers whose marginal tax bracket is less than 24%.

(3) Provide additional relief for the lowest income groups by refunding a portion of the Social Security payroll tax paid by low-income workers with children, through a tax credit Senator Russell Long's "Work Bonus" equal to 10% of wages up to $4,000 in income. For incomes over $4,000, the credit is phased out at the rate of 25¢ per dollar, so that the credit disappears when income reaches $5,600. The credit is refundable—that is, it is paid as an income tax refund, even if the recipient has no income tax liability.

SUPPORT OF ECONOMISTS FOR ANTIRECESSION TAX RELIEF

Once again, the battle between the anti-recessionists and anti-inflationists is joined.

First, a tax cut of $6 billion would redress a glaring social grievance. By boosting the per capita exemption to $825 and providing the option of a $190 per capita credit against taxes, it would concentrate the bulk of the tax benefits at the middle and lower ends of the income scale where the past year's surge in food and fuel prices has taken a particularly heavy toll.

Second, by restoring some of the consumer's badly eroded buying power, the $6 billion cut would help arrest the sharper-than-expected slide of the economy toward recession and brighten the chances of recovery in an economy staggering under a new burden of soaring interest rates.

But won't much of the tax cut run off into higher prices? On the contrary. Given the special nature of today's inflation, the real thrust of added consumer buying made possible by the tax cut will be to expand output and jobs rather than prices.

The fuel, food, and commodity price explosions are largely the work of outside forces like the oil cartel and worldwide food and commodity shortages, not of excess domestic demand.

The pop-up effect of dumping Phase IV price and wage controls is also largely immune to fiscal or monetary policy.

So inflation is in major part the product of special forces that will be ebbing by the end of 1974 even if economic recovery is under way.

Insofar as wage-push pressures take over from these factors, the tax cut will not worsen them and might ease them a bit. A well-tempered tax cut can help relieve cost-push pressure by redressing labor's cost-of-living grievances in part through tax relief, rather than wage escalation.

But can we spare $6 billion of the $129 billion annual yield of the individual income tax? This year, yes. But for future years, the loss can and should be offset, preferably through removal of tax shelters, especially for oil.

Finally, isn't the Nixon budget already stimulative? Not if we are to believe the Council of Economic Advisers, whose report states that the budget "continues the policy of fiscal restraint as part of a continuing anti-inflation program."

In short, the proposed tax would be socially, economically, and fiscally responsible.

WALTER W. HELLER,
Chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson.

The petroleum shortage has affected the economy primarily by weakening the demand for products related to gasoline—most notably automobiles and vacation activities. The collapse of new car sales is just beginning to spread to other industries that supply products to Detroit. These prospective damaging secondary effects are one negative element in the economic outlook for the months ahead.

A second and much larger negative factor in the outlook is the prospective impact of higher fuel prices on consumer demand for other products. Fuel inflation is taking an enormous toll on the real purchasing power of the American consumer. It now seems likely that, directly and indirectly, the American consumer will spend $20 billion more on petroleum products in 1974 than in 1973 (and will get less product). History tells us that the consumer responds to such increases in the cost of essential items by tightening his belt generally, and cutting his consumption of a wide variety of discretionary items ranging from movie tickets to television sets. It takes time for such adjustments to be made and they are not visible now. But the fuel price drain is an inevitable depressive influence that will increasingly hold down production in consumer industries across the economy during the year ahead.

The diagnosis points to a clear prescription for providing additional fiscal support to the U.S. economy, particularly to alleviate the pinch on consumer purchasing power. At a minimum, such support will help to insure the beginnings of a recovery by the end of 1974. I see virtually no risk of such a strong self-generating upsurge that additional fiscal support would be risky and inappropriate. At a maximum, such a measure might prevent a prolonged and sharp slide in employment and output. A well-timed, broad-based cut in consumer taxes would be the best way to provide the fiscal support.

The response of the economy to a tax cut will increase output and employment rather than add to inflation. A tax cut in 1974 will not even reduce unemployment from current levels; it can and will limit the deterioration in economic activity that is bound to occur in the months ahead. It supplies a landing net for a recessionary economy—not a launching pad for a boom.

ARTHUR M. OKUN,
Chairman of the Council of Economic Advisers under President Johnson.

The problems arising out of recessions, low economic growth and poverty and income maldistribution didn't start with the so-called energy crisis. Because of the thinking of our scarcity school of economics and because of a lack of long-term planning, the problem is due mostly to our serious shortages of plant, serious shortages of pipeline and so forth. We knew we were having shortages, but we were not developing our resources to the requirements of a healthy and growing economy.

The whole problem today is distributional. The main way to cure the profit shortages and the investment shortage is to increase the volume of business. That would come by getting more spending power, by getting more income into the hands of the middle and lower income consumers.

How do you get the money in their hands? Well, you can do it in several ways. One is tax reduction for those people—for which there is still plenty of room. This could be recouped by closing some of the loopholes.

I am not talking about robbing Peter to pay Paul. I am not saying that by putting more into the hands of these people that it would be taken from others in the same amount. If the growth rate were raised, everybody would be better off, rich and poor.

Because of higher interest payments, money is being transferred from those who borrow to those who lend. Who borrows and for what? The average American family—and not the poor families—borrow to buy the car to go to work, they borrow to pay for their homes and for consumer durables, they borrow to educate their children.

The fantastically high interest rate policy is deliberately transferring $100 billion a year now from those whose incomes should be increased to those whose incomes don't need to be increased. Who's getting the money? The banks, financial institutions and others who are very substantially engaged in lending money.

The policies which have distributed income in the wrong directions, creating social injustices, are not just a matter of being unfair. They have also raised havoc with the economy.

Because of the declining rate of the Gross National Product we are in a recession now. And this is a big one, and it is going to get worse before it gets better.

LEON H. KEYSERLING,
Chairman of the Council of Economic Advisers under President Truman.

Currently, the U.S. economy is in a state of stagflation. Real family incomes have not been growing in the way considered par for our system. If ever there were a good time for introducing this reform, with its implied $6 billion revenue loss, this would seem to be it.

The causes of the most recent acceleration of the price level are not to be found primarily in an excess of consumer purchasing power but rather in the realm of energy, food, and other staple prices. Reducing the onerous tax burden on the middle and low income taxpayers is not calculated to worsen this kind of inflation.

Even the Administration economists agreed, at the time when they were fearing political pressures for gasoline and fuel rationing in the interests of equity, that a strong economic case could be made for offsetting some of the rise in market prices for energy by middle and low income tax adjustment.

I believe that a majority of mainstream American economists would favor this proposal on the basis of a broad nonpartisan consensus.

PAUL A. SAMUELSON,
Nobel Prize Winner for Economics, 1970.

Mr. KENNEDY. Mr. President, I yield 3 minutes to the Senator from Minnesota.

Mr. MONDALE. Mr. President, it has been suggested that this is a spending amendment. In fact, this amendment would produce more in revenue than it would divert in the form of tax relief. We are not talking about spending as such; we are talking about who is going to spend the money, or, in other words, who needs the money the most. The major multinational oil companies that are in the midst of the most fantastic profits of any corporation in the history of American society and industry, which profits today, in terms of the multinational corporations, are virtually tax free. They pay 1, 2, or 3 percent in taxes in an industry that is so embarrassed by its accumulation of wealth that it is having difficulty finding places to invest its money; so much so that 2 months ago one oil company tried to buy the Barnum & Bailey and Ringling Brothers Circus, and last week another oil company, it was announced, was going to buy Montgomery Ward. That is what they are doing with their fantastic earnings.

Do they need that money—all of it—or can we not take a little bit of it and send it to families of modest and low incomes, so that they can use the money to buy food, to buy clothing, to buy shoes, to pay for health and housing costs, and to deal with the fantastic inflation which is not merely hurting them, but is torturing them, in finding the means to pay the costs of supporting their families? That is the issue: whether we believe there ought to be some fair burden of sharing in this country.

Never before in this society have we had a situation of fantastic wealth virtually untaxed side by side with millions of families being tortured by inflation.

This amendment is a modest step forward, to shift a small part of that burden from corporations that clearly can afford it and bring some modest relief to families that desperately need it. If ever there was a time for equity, it is now.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, inasmuch as the Senator from Louisiana is controlling the time in favor of the amendment, I yield him 2 minutes to speak in opposition to the amendment.

Mr. LONG. Mr. President, in 1969 we passed a Tax Reform Act which was supposed to reduce taxes by $9.1 billion and raise $6.6 billion by so-called tax reforms.

Mr. President, the so-called reforms in that bill—reducing the allowances for depreciation of nonresidential real estate properties being one of the principal ones, the major one of them being the repeal of the investment tax credit—the $6.6 billion of so-called reforms set back the investments and the efforts of businesses to expand and hire more people that the Nation was in a recession within 6 months. The President asked us, in August 1971, because of the continuing seriousness of the recession, to restore the investment tax credit and add ADR and DISC, without which there is doubt that we would have been able to recover from that recession.

Here we have about the same revenue balance: an amendment that would apparently lose more revenue than it would raise, a so-called reform package that repeals the asset depreciation range (ADR), repeals the oil depletion allowance, and repeals the DISC provision that encourages U.S. firms to keep their plants at home and avoid increasing unemployment by opening plants in other countries.

Mr. President, that package, in all probability, will put the Nation into a recession, according to all the testimony we have had before our committee. I have indicated that I would be willing to vote for a tax credit, and I will if this amendment should be rejected, and I shall vote to reject it.

Mr. President, if no one else offers it, I will offer a proposed tax cut, because I said I was going to vote for one, and I will do so.

I do not favor the acceptance of this proposal, because in my opinion, at a time when our economy already is in the doldrums, to reduce the incentive people have to make investments and provide more job opportunities would be a great mistake.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. Who yields time?

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. Each side has 2 minutes remaining.

Mr. KENNEDY. I yield my 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am glad to pick up where my distinguished colleague, the senior Senator from Minnesota (Mr. MONDALE) left off.

Maybe it would be well for the Senate to take a look at what happened to the oil industry, for example. In 1973, profiting from the oil shortage, the companies—that is, the major oil companies—raked in $16 billion before taxes, and still paid only 6.5 percent in U.S. income taxes. They had a 57-percent increase over 1972, when they raked in $11.4 billion. Not bad.

When someone says we should not take away the depletion allowance—which, by the way, some of the oil companies themselves have recommended—we are told we should not do it, first of all, because if we have a tax cut that would be bad economics; it would be inflationary. Then when we came along and said it was not a tax cut, but structural reform in the tax laws, to compensate for the tax cut, they said, "That will retard investment."

What it really boils down to is doing nothing. Mr. President, if there is one thing Congress cannot afford to have said about it, it is that we are doing nothing.

There is only one way to give the average person relief from inflation. There is no economic policy on the part of the administration to do it. The only way is to cut some of the tax burden for the low- and middle-income groups. That is what we propose to do—to the tune of $6 billion.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HUMPHREY. Well, let us just vote for the tax cut.

Mr. ALLEN. Mr. President, none of these amendments has had any consideration by the House Ways and Means Committee or the Senate Finance and Taxation Committee. At this time, a bill is being marked up in the Ways and Means Committee of the House of Representatives. I do not know why these three distinguished Senators are trying to jump the gun on the duly accredited committees of the two Houses. Why do they feel that this tax expertise is better than the expertise of the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate?

Here are these big-spending Senators, who spend every dollar in sight and many dollars that are not in sight. They come forward riding white horses and say, "We are in favor of cutting taxes." They are the very Senators who vote for every spending measure that comes along; yet they are in favor of cutting taxes.

That is the most inflationary step we could take, and I hope the Senate will give an answer to the distinguished Senator from Massachusetts, not the answer that he has requested, but the answer that he deserves on this tax package that is dumped on the Senate at the last minute, trying to legislate at gunpoint on a piece of must legislation. I hope the Senate will defeat this tax package and will not have any more legislation of this sort brought forward on a debt ceiling measure.

Mr. BAYH. Mr. President, as an original cosponsor of this comprehensive amendment to achieve a greater measure of tax equity for the average American family, I urge its adoption.

For many months, since the early days of the first session of the 93d Congress, we have been hopeful that even broader tax reform could be achieved through major tax legislation. However, for a combination of reasons, that legislation has yet to come to the Senate from the House—where it must originate—and it is essential that we take action now to begin the important job of making our tax structure more equitable.

One part of this amendment will reduce taxes for American families by raising the personal exemption to $825 and giving taxpayers the option of taking a $190 tax credit in lieu of the personal exemption. The tax credit option is specifically designed to provide desperately needed tax relief to low- and middle-income families.

By this device 82 percent of the $5.9 billion in tax relief will go to families where the income is below $15,000 a year. The tax relief is concentrated in the $10,000 to $12,000 range to provide the greatest relief to the average American family that has been the greatest victim of the soaring cost-of-living in recent months.

This tax cut provides greater tax equity for our citizens, helping those who need help the most. It also will be a valuable assist to our lagging economy. With the gross national product of goods and services down at a rate of 6.3 percent in the first quarter of 1974, and with unemployment 5 percent or higher since the first of the year, it is clear our economy is in desperate trouble. The reduction in individual taxes is the best vehicle available to us to stimulate the economy in a noninflationary fashion.

Wisely, this amendment couples the tax cut with a four-part tax reform measure to close costly, special interest tax loopholes and raise much of the revenue that will be lost by the tax cut. Included in the tax reform package are:

A repeal of the percentage depletion allowance for oil production, a glaring tax loophole that has been exploited by the oil industry. The major oil companies pay an average of about 6 percent of their income in U.S. taxes—far less than most individuals—they are enjoying huge profit increases while fuel prices soar, and it is about time we ended the tax preferences enjoyed by the major oil companies. As much as $2 billion in additional revenue can be realized by repealing percentage depletion for oil effective immediately.

A repeal of asset depreciation range—ARD—a complicated tax gimmick that enables big business to write off the depreciation on its equipment quickly, thereby reducing its Federal tax bill. This is a classic example of a big business loophole that is raiding the Treasury to the tune of $1.4 billion this year alone. Three years ago the Senate came within one vote of adopting my amendment to end ADR, and our failure to repeal ADR at that time has since cost taxpayers $2.4 billion.

A repeal of the Domestic International Sales Corporation provision which subsidizes investment abroad by large U.S. companies. While there is no evidence that DISC has helped our trade balance, we do know it is a favorite tax loophole for big business and its repeal will raise close to a billion dollars this year alone.

Revisions in the inadequate minimum tax provisions enacted in 1969. At the time we enacted the minimum tax provision—to make sure individuals with the highest incomes pay their fair share of taxes—a loophole was written into the law that destroyed the effectiveness of the minimum tax. By shutting the loophole in the minimum tax we can raise close to a billion dollars a year. Also, quite importantly, an effective minimum tax on those with extremely high personal incomes would be a clear message to the American people that we are committed to tax equity as a matter of national policy.

Mr. President, as I said at the outset, this is a comprehensive amendment. It embodies specific provisions that have been offered separately at different times by me and a number of my colleagues. It may be the closest we will come to a single, basic vote for or against tax reform in this Congress. All aspects of this amendment have been debated before on the floor of the Senate and have been the subject of intensive hearings over the years. There is an ample body of knowledge on the different parts of this amendment. As one who has long argued that tax reform is essential to demonstrate to the American people our concern for placing the public interest ahead of special interests and to restore to our tax structure the kind of equity it should have, I urge adoption of this amendment.

At the same time, Mr. President, I feel constrained to note that because this is such a comprehensive amendment, and since it is a second degree amendment not subject to amending itself, there are two aspects of the amendments which cause me some concern. Both relate to repeal of percentage depletion.

First, I think highly persuasive testimony has been presented to suggest that independent oil producers should not be treated the same as the major oil companies as regards the repeal of percentage depletion. Independent producers do not have the kind of investment capital which the huge oil companies have generated by virtue of record profits in the past year.

In order to attract sufficient investment capital for new exploration and drilling, independent oil producers may well need some continuation of percentage depletion. That, after all, was one of the historical arguments for percentage depletion, and just because it is no longer relevant in the case of the biggest and wealthiest oil companies, that does not mean it is no longer relevant to independent oil producers. Thus, I would have preferred it had we the opportunity to give special attention to the need of these independent oil producers—something that is not possible under the circumstances in which this amendment is presented. I intend to support such a measure assisting the independent producers at an appropriate time in the future.

Second, I have reservations regarding the manner in which the amendment deals with the repeal of percentage depletion on natural gas. I agree fully with the repeal of the depletion on gas sold intrastate since that gas is sold at unregulated prices. However, natural gas sold into interstate markets is a very different situation. Here the price of the gas is controlled by the Federal Power Commission, which establishes a price based on reasonable profitability and which currently takes into account the benefits of percentage depletion. The amendment recognizes this by postponing the effective date for the repeal of percentage depletion on interstate gas. But the arbitrary selection of a date 18 months from now for repeal of the allowance for interstate gas strikes me as unwise policy. If the FPC did not make the necessary price adjustments, or if Congress did not act on the reregulation of natural gas by that arbitrary date, natural gas producer would suffer severe economic losses. This in turn would mean sharp reductions in interstate gas shipments, further constricting the supply of an important fuel already in short supply.

It would make far more sense to specify that the depletion allowance be removed from gas shipped into interstate markets at such time as the wellhead price for natural gas is actually adjusted upward to allow for the impact of depletion repeal. The price of natural gas is strictly regulated at every step of the process from wellhead to consumer. So there is no need for repeal of the depletion allowance for natural gas until such time as a price adjustment is actually realized. And, looked at from the other direction, repeal of percentage depletion on interstate gas without price adjustments would work a severe and unnecessary hardship on the American economy by curtaling significantly the amount of natural gas available to American consumers and industry.

Once again—as in the case of the independent oil producers—I wish there were a way to correct this part of the amendment before our vote. I will support such a measure at the first opportunity. But the opportunity does not exist now and I feel that the many strong points in the amendment argue forcefully for its adoption despite the reservations I have expressed.

Finally, Mr. President, let me emphasize that I regard adoption of this amendment as the most significant opportunity we have had for some time to achieve the kind of basic tax reform we so desperately need. Through this combination of tax relief for individuals and tax equity to be achieved by closing tax loopholes, we can begin to restore to our tax structure the fairness which should be inherent in our tax system. And, at the same time, by reducing the tax burden on the average American family we can help make up for the loss of real purchasing power which has been the result of recent uncontrolled inflation and, in this way, stimulate our lagging economy without further flaming the fires of inflation.

Failure to adopt this amendment would be a severe blow to the American people. On the other hand, its adoption would be a clear and welcome signal to the average American family that the Senate is sensitive to and bent on solving the economic problems that beset our country.

Mr. TAFT. Mr. President, despite the obvious attractiveness of a large tax cut to relieve the burden of inflation for low- and moderate-income citizens, I must oppose the tax cut-tax reform proposal offered by Senators KENNEDY, MANSFIELD, and others.

The Kennedy amendment would revamp major portions of our tax laws with no detailed prior committee consideration and only minimal floor debate. The defects in the Kennedy proposal illustrate clearly the treacherousness of attempting comprehensive tax reform on the basis of fine sounding rhetorical representations on the Senate floor rather than the normal, painstaking but necessary legislative process.

While I have stated before that a tax cut for low-income taxpayers would be desirable if compensating revenue could be raised or Federal spending reduced in a responsible manner, we should not be stampeded into voting for undesirable tax changes which could have a profoundly adverse or inequitable effect just so that we can tell our constituents we voted for a tax cut.

There are several aspects of the Kennedy amendment which I find undesirable. Repeal of asset depreciation range is premature at best and extremely damaging to the economy at worst. Although ADR has not been in effect for long it appears to be helping to enable businesses to expand their investment in increased productive capacity and jobs, and thus to combat inflation and unemployment in the long run. In many cases this is accomplished simply by providing an element of tax certainly rather than leaving allowable depreciation up to individual Internal Revenue assessors, and by allowing for erosion of the value of investments through inflation.

The Kennedy minimum tax provisions are a good example of legislation which needs much more detailed work. I voted for those provisions last January when they were proposed to a bill going nowhere, as an indication that the House Ways and Means Committee should move on tax reform and look for justifiable sources of increased revenue in these times of excessive inflation. However, they should not be a part of serious tax reform. These provisions are not a minimum tax at all but instead weigh most heavily upon a class of taxpayers who are already paying the most income tax. In addition, the tax is only applicable to a selective and far from all-inclusive list of preference income items. Therefore, the amendment does not plug tax loopholes, nor does it force millionaires now escaping taxes to pay them.

If we are really interested in effective reform of minimum tax provisions, we ought to give much more detailed consideration to the administration's minimum tax proposal. That proposal basically requires that taxable income not be reduced through loopholes to less than one-half its original amount and tightens up allowable writeoffs of artificial business losses. Such provisions would appear to accomplish the ends of today's tax reformers in a much more sensible and effective manner than the provisions they are proposing.

I do believe that the proposed repeal of DISC—Domestic International Sales Corporations—may have considerable merit. Although I am still studying the matter, at this point I am not convinced that the benefits in terms of increased exports outweigh the magnitude of the subsidy.

With respect to oil taxes, I believe that unjustifiably high oil profits should be taxed accordingly. However, investment incentives must be written in so that the tax changes do not undermine the effort to meet our tremendous oil exploration and development needs.

I hope that the tax reform legislation which is now moving in a normal manner through the House of Representatives will incorporate the soundest of these ideas, but will exclude the misdirected ones. Through this means, rather than today's debate, we are much more likely to achieve necessary, well-balanced tax reform.

Mr. CRANSTON. Mr. President, I will vote for the Kennedy amendment to the debt ceiling bill.

This is not a perfect amendment in my judgment.

But the American people and the people of California have made overwhelmingly clear that they want tax reform.

But we do not have an opportunity to vote on the amendment item by item. Overall, the amendment provides a balanced prescription, which is correct in my judgment, for the double ills of recession and inflation, which are afflicting our economy today.

The amendment will increase purchasing power by $6.5 billion in tax relief for low- and middle-income families, together with offsetting anti-inflationary tax reform measures.

Although the economy is being hit with inflation, it also is sagging badly. There are numerous signs of a deepening recession.

The latest monthly economic report of the First National City Bank of New York predicts that the worst is yet to come in unemployment. The bank's economic forecast projects a rise in unemployment to 6 percent by the end of the year.

In California the unemployment rate already is 7.6 percent. The State is paying unemployment compensation to 48,000 jobless Californians who have exhausted their regular 26 weeks of unemployment insurance. Another quarter of a million workers during this year will run out of unemployment benefits in California. Yet they are being told by some to "tighten your belts." We are being told by some that the working family man, the breadwinner, is going to have to go without a job and his family must go hungry, because our Government cannot figure out any way to stop inflation except to put him out of a job.

That is wrong. It does not make sense.

And it does not make sense to allow small businesses to go under because some financial wizard thinks that people should not buy goods.

The real world is not made up of charts and graphs.

When a small business goes under because customers have no money to spend, a chain reaction occurs of missed payments, bad debts, bankruptcies, and general business failures which ends in recession or worse.

I will vote for the Kennedy amendment for these reasons basically because it is an amendment that is for the people, not against the people. It is for tax justice and equity, not for special interests and favoritism for the most wealthy and most powerful.

I was one of the cosponsors of the proposal to raise the personal exemption from $750 to $825, to establish a tax credit of $190 which may be taken in lieu of the personal exemption, and to provide a tax credit for social security payroll taxes paid by low-income workers.

Many critics of this proposal to ease tax burdens on individual taxpayers have overlooked two important reforms in it which do justice to working people.

First. The personal tax credit will enable the low-income family to get the maximum benefit of the personal exemption which is intended to take account of the burden the taxpayer carries to support himself and his dependents. It is unfair that the personal tax exemption presently does not benefit the low- and moderate-income wage earner and retired person to the extent that it should. This inequity should be corrected.

Second. The social security payroll tax credit against income taxes provide meaningful tax relief to the lowest-paid workers who pay far more in social security payroll taxes than they do in income taxes. This proposal encourages and rewards work. It gives to the low-income worker a financial incentive to earn an income with all its benefits, including social security insurance, without forcing the worker to consider that welfare might be financially more attractive because of the lower taxes paid. This reform is a modest one, but is fair and I support it.

I would have preferred, like a great many Senators, to have had an opportunity to consider and vote on each proposal in the Kennedy amendment separately. I did not cosponsor the entire package amendment, since I have grave reservations about certain of its provisions. I question the wisdom of repealing the asset depreciation range system. I would vote against it if it were offered separately. In my judgment, industry needs incentives to encourage greater capital investment in job-producing equipment and machinery. Our industrial productivity must be increased—with new technology which requires investment of capital—if we are to cope successfully with the effects of inflation on our economy.

I presently believe the oil depletion allowance should be phased out of our tax laws rather than wiped out all at once. I think it is unfair to apply this repeal retroactively. But I support the principle of eliminating the depletion allowance.

On the other hand, I am convinced the DISC subsidy is not necessary now to support and increase our export trade. The dollar devaluation accomplished that. The Treasury has not been able to come up with hard evidence to justify continuation of this billion dollar tax subsidy to exporters.

And surely all Americans should pay some tax on their income regardless of source. The minimum tax has not accomplished this purpose, and I support action being taken in this measure to close loopholes in the minimum tax.

All in all, these reforms will recapture for the Treasury over $6 billion in lost revenue. This amount of money will offset dollar for dollar the alleged costs of the increase in the personal exemption and the establishment of a tax credit in lieu of the personal exemption. The benefits of this reduction in individual taxes will be returned to the Treasury in increased revenues earned by businesses and service personnel. It will not increase the Federal deficit, but rather will promote a healthy economy.

Tax equity will strengthen the Nation in its fight to stabilize the economy. We cannot ask the people to make sacrifices if it comes to that unless we take steps to assure that all pay their fair share, no more, but no less.

Mr. BUCKLEY. Mr. President, the present package of amendments before us amounts to a far-reaching tax reform proposal that the appropriate committee has not had an opportunity to examine or discuss in any real detail. Mr. President, I do not think it extreme to consider the present Internal Revenue Code the most complex piece of legislation in force today. Superficially, simple changes in the code often have the profoundest effect on the behavior of millions of Americans and, conseqeuntly, on our total economy. I think most of us appreciate this and must, therefore, recognize the dangers inherent in hastily composed proposals in this area.

I am not saying that we do not have the right to modify the code on the floor of the Senate, but it seems to me that we should exercise that right only after the appropriate tax-writing committees of both Houses have had a chance to hold hearings and examine the consequences of proposed changes.

This haste to change legislation thrust upon us without giving us a chance to really examine it raises another question that we should also keep in mind as we move to a vote on these amendments. I am profoundly concerned that the effect of an affirmative vote on these amendments could amount to an unconstitutional exercise of power delegated specifically to the House of Representatives.

I know that there are some Senators who have contended on the floor of the Senate that such considerations should be dismissed as overly technical. To them I would merely say that adherence to the law is usually a relatively technical enterprise.

Therefore, the idea that we should ignore legal and constitutional "technicalities" strikes me as bordering on the irresponsible. A select committee of this body has for some time been investigating the activities of certain individuals during the 1972 campaign, and the newspapers have been full of stories of "technical" violations of our election laws. Indeed, men have been indicted for what I am sure they regarded as "technical" violations of the law.

Mr. President, the law is the law, and the Constitution should not be ignored simply because we feel that our actions would amount to a minor rather than a major violation of the strictures of that document. We are sworn to uphold the Constitution, and to dismiss unconstitutional activities as "technicalities" is to treat our oath rather lightly.

Tax legislation of this kind is supposed to be initiated in the House. If we send to conference an amended version of H.R. 14832 which limits the right of the House of Representatives to act in this area, we will be short circuiting the Constitution.

Prudence and principle would seem to me to dictate the rejection of these amendments on this ground as well as because they are not germane to the legislation under discussion.

Therefore, as I have said before, I will vote against these amendments and against the bill if any of them pass. I urge Senators to do the same.

Mr. EAGLETON. Mr. President, I am in favor of tax reform. I want to see the oil depletion allowance eliminated and many of the other reforms in this amendment enacted. I also want to provide relief for the individual taxpayer who has been hurt by inflation. But I cannot vote for a measure that would serve to exacerbate an already ruinous inflation. I am not satisfied that the proposal we have before us would avoid this problem.

In the first place, it provides for only $4 billion in revenues to offset $6.5 billion in tax cuts. This could increase the Federal deficit, and that is something I believe we should strive to avoid. In the second place, we have been given every assurance by the administration and the oil companies that they will pass on any tax increase in the form of higher prices to consumers.

Thus, I cannot vote for a package that is out of balance by some $2.5 billion, and a package that in its present form is not able to be prefected by my anti-pass-through amendment, as introduced earlier today, or any other amendment.

I would, however, support many of these measures under different circumstances.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. Out of my deep respect for the distinguished Senator from Minnesota, I am glad to yield to him.

The PRESIDING OFFICER (Mr. McClure). All time has expired.

Mr. ALLEN. My time has expired.

Mr. HUMPHREY. I thank the Senator very much, and I want to thank the Senator for my reply. [Laughter.]

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the Mansfield amendment No. 1495.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I also announce that the Senator from Connecticut (Mr. Weicker) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "nay."

The result was announced—yeas 33, nays 64, as follows:

[No. 274 Leg.]

YEAS—33

Abourezk
Bayh
Biden
Cannon
Case
Clark
Cranston
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Kennedy
Magnuson
Mansfield
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Ribicoff
Schweiker
Stevenson
Symington
Williams

NAYS—64

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
Inouye
Javits
Johnston
Long
Mathias
McClellan
McClure
McGee
McGovern
Montoya
Nunn
Pearson
Proxmire
Randolph
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—3

Church
Percy
Weicker

So Mr. Mansfield's amendment (No. 1495) was rejected.

The PRESIDING OFFICER. Under the previous order, the pending business is the Allen amendment, No. 1460, on which there is a 30-minute limitation.

Mr. LONG. Mr. President, let me explain briefly why the Allen amendment should not be agreed to.

First, I ask unanimous consent that Mr. Howard Marlowe may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, if, for some reason, tax collections are not as good as we expect them to be between now and the end of the year, it is possible that we might have to pass still another debt limit bill before this session of Congress is over, if the Allen amendment is agreed to.

If receipts were to come in about the way we anticipate, if the Allen amendment were to become the law, we would still have to pass another debt limit bill before we adjourn this year. If the Finance Committee bill is passed, and if receipts come in as we anticipate, we would expect to pass another debt limit bill by the end of March, if the Allen amendment is not adopted.

Mr. President, if we assume that everything goes better than we expect now then the Allen amendment would compel us to pass another debt limit bill by the middle of February before we could get the new Congress organized and conduct hearings. We would have to open the next session of Congress in a great hurry in order to pass another debt limit bill, if the Allen amendment were to become law.

Mr. President, that is just holding the reins too tightly, especially if, for some reason, receipts should not be as good as we hope they will be or if an emergency should require us to spend more than we anticipate. We probably will have to pass another debt limit bill by November, if that amendment should become law.

That being the case, Mr. President, unless Senators just want to pass a debt limit bill every couple of months, it seems to me that we should not agree to the Allen amendment. Under the best of circumstances, assuming that things go as anticipated, we would be required to pass another debt limit bill and go through the same exercise we are engaged in now before the end of next March.

I would hope, Mr. President, that we may dispose of this matter for about 8 months and decline to agree to the Allen amendment at this time, because I think it is needlessly spending a great deal of additional time on the debt limit bill when we should be working on other matters.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I agree with the distinguished Senator from Louisiana but for a different reason. The $90 billion authorization for a temporary debt through March 31 of next year would be ample because I believe the committee report showed that it was anticipated that in the entire fiscal year—next year—there will be a deficit of only about $11.7 billion. Right now the indebtedness is under $475 billion because that is the limit, and obviously the debt is below that. So that would leave ample funds for 9 months, which is all the debt limit would be extended for.

However, I feel the amendment would be defeated, and I would be willing to ask unanimous consent that it be withdrawn. The reason I say that it should be defeated is that it seems likely, based on the last vote, which was 33 votes for the package and 65 against, that there will be no amendments added to the debt ceiling bill.

This amendment is the only germane amendment which has been presented, as far as the Senator from Alabama knows, all the rest having been nongermane. If it should be agreed to, there would have to be a conference committee; and since the House approved this debt limit bill by only 1 vote earlier this month, it would be dangerous to send it back to the House, and certainly it would be dangerous to send it back loaded down with all sorts of amendments.

Therefore, I feel that this amendment should not be agreed to at this time. If amendments are adopted, then it would be possible to come back with a similar amendment to this bill, if this is going to be the only amendment adopted, and such a conference would certainly be against the public interest.

I certainly would be agreeable to seeing the amendment defeated or, in order to get on to other amendments that possibly would be offered, I would be willing to ask unanimous consent that the amendment be withdrawn.

Mr. GRIFFIN. Mr. President, will the Senator yield for an observation?

The PRESIDING OFFICER (Mr. McClure). Before the Senator proceeds, Mr. Fay, staff assistant of the Senator from Idaho (Mr. McClure), will be accorded the privilege of the floor.

Mr. ALLEN. I yield to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, would the Senator from Alabama agree that the argument made by the distinguished chairman of the Committee on Finance, relating his concern about the need for passage of another debt ceiling bill earlier than otherwise would be necessary, applies, of course, with equal force to any tax cutting amendments that are not accompanied by revenue-raising measures?

We had before us a few moments ago an amendment which included at least some revenue-raising provisions, even though the revenue raised under that amendment, as I understand it, would have been only $4 billion and still would have been short.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. ALLEN. I yield an additional 5 minutes to the Senator from Michigan.

Mr. GRIFFIN. Of course, the argument the chairman of the Committee on Finance makes would certainly preclude the adoption of any simple tax-cutting, revenue-losing amendment. Does the Senator from Alabama agree?

Mr. ALLEN. Yes, I would definitely agree. If this package had been adopted it would speed up the time during which we would have had to increase the temporary debt and to come in more quickly with a time extension, as well.

I may say to the distinguished Senator from Michigan, also, that the vote of the Senate on the package illustrates the point that there will be no replacement of the revenue that is lost by the so-called tax credit provisions. So the tax cut, if it is put in the bill, would not be relieved by revenue measures as indicated by the Senator.

Mr. GRIFFIN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, if it is agreeable to the distinguished Senator from Massachusetts, in order to get onto amendments I understand he plans to offer, I am willing to ask unanimous that my amendment, which has not yet been able to come to a vote, be withdrawn.

Mr. KENNEDY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. Who yields time?

Mr. LONG. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, actually the budget picture, so far as the debt limit is concerned, is not as good as the Senator from Alabama estimated, because he was thinking in terms of an $11.4 billion deficit on a unified budget basis; but it is the Federal funds deficit that one must look to, and the Federal funds deficit for 1975 is estimated at $19.9 billion, or roughly $20 billion.

Looking at the Federal funds deficit we anticipate, I believe the prediction I made would be nearly correct that if this amendment were agreed to we would then be compelled to act again before the middle of February under the best of budgetary developments; and if they do not go well, we can expect to be faced with another debt limit bill by November that would attract all sorts of amendments, because it is a veto-proof type bill.

I do not think the Senate wants to go through this exercise again quite that soon. I hope not.

Mr. BAYH. Mr. President, as one who has sought to curb excess Federal spending I shall vote for the amendment of the Senator from Alabama (Mr. ALLEN) to lower the proposed ceiling on the national debt from $495 billion to $490 billion.

Less than 2 weeks ago, on June 17, I joined with an overwhelming majority of my colleagues in voting for an amendment to cut $9.5 billion from the President's proposed spending for the fiscal year which begins a week from today. That amendment would limit Federal expenditures in fiscal 1975 to $295 billion, rather than the $304.5 billion which the President wants to spend.

The pending amendment is totally consistent with our earlier effort to reduce Federal spending. By lowering the ceiling on the national debt we can insure that spending is reduced, since this will prevent another huge budget deficit which would raise the national debt above this lower ceiling. It is important to bear in mind that fully 25 percent of the estimated national debt is directly attributable to the huge budget deficits incurred by the Nixon administration since it took office.

One need not comb through the fiscal year 1975 budget which is in excess of $304 billion to recognize that there is much room to reduce Federal spending. An extensive foreign aid program, including substantial military assistance to Indochina, can be reduced without cutting vital humanitarian aid. A record peacetime military budget can be reduced without sacrificing one iota of national security, something I would never advocate. Based on our success in cutting the budget last year, I am confident substantial fat can be found elsewhere in next year's budget, in such areas as overappropriations—as was the case with welfare funds in the past—or even such wasteful spending as public relations personnel in the executive branch.

Federal spending must be curbed, lest we condone the continuation of excessive inflation which daily robs millions of Americans of actual purchasing power. The income of the average American family simply has failed to keep pace with the sharp rise in the cost-of-living in recent months. Reducing Federal spending is a logical and responsible way to help slow the inflation that reached an annual rate of 14 percent in the first quarter of the year and which is not likely to be much better this quarter what with the 1.1 percent 1 month rise in the Consumer Price Index during May.

Finally, for those of us who are committed to reducing Federal spending, it is logical and consistent to make certain the national debt limit is set at a level which will prohibit the kind of runaway spending we have faced in recent years. I hope sincerely the Senate will adopt the amendment offered by the Senator from Alabama (Mr. ALLEN) and in doing so strike a blow against high inflation.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

Mr. HARTKE. Mr. President, I have an amendment at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

Mr. ALLEN. Mr. President, a point of order.

Mr. ROBERT C. BYRD. Mr. President, what are the "following changes"? The clerk did not read all of the amendment.

Mr. ALLEN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. The next order of business would be the vote on the amendment, inasmuch as it is not allowed to be withdrawn.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

Strike "$90,000,000,000, and insert in lieu thereof "$93,000,000,000, provided that the following changes are made in the Internal Revenue Code of 1954:

1. (a) (1) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees for purposes of old-age, survivors and disability insurance) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof:

"(5) with respect to wages received after June 30, 1974, and before January 1, 1975, the rate shall be 4.20 percent;

"(6) with respect to wages received during the calendar years 1975 through 2010, the rate shall be 4.20 percent;

"(7) with respect to wages received after December 31, 2010, the rate shall be 5.20 percent.

(2) Section 1401(a) of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income for purposes of old-age survivors and disability insurance) is amended—

(A) by inserting "and before July 1, 1974," after "1972," in paragraph (4);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(C) by adding at the end thereof the following new paragraphs;

"(5) with respect to self-employment income received after June 30, 1974, and before January 1, 1975, the tax shall be equal to of the amount of self-employment income for such period;

"(6) in the case of any taxable year beginning after December 31, 1974, the tax shall be equal to 5.95 percent of the amount of the self-employment income for such taxable year.

(c) (1) Section 1401 (b) of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income for purposes of hospital insurance) is amended—

(A) by striking out "and before January 1, 1978" in paragraph (3) and inserting in lieu thereof: and before July 1, 1974"; and

(B) by striking out paragraphs (4), (5), and (6) and inserting in lieu therefor the following:

"(4) with respect to self-employment income received after June 30, 1974, and before January 1, 1975, the tax shall be equal to 0.80 percent of the amount of the self-employment income for such period;

"(5) in the case of any taxable year beginning after December 31, 1974, and before January 1, 1978, the tax shall be equal to .80 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1977, and before January 1, 1981, the tax shall be equal to 1.0 percent of the amount of self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1980, and before January 31, 1986, the tax shall be equal to 1.15 percent of the amount of the self-employment income for such taxable year;

"(8) in the case of any taxable year beginning after December 31, 1985, the tax shall be equal to 1.25 percent of the amount of the self-employment income for such taxable year."

(2) Section 3101 (b) of the Internal Revenue Code of 1954 (relating to rate of tax on employees for purposes of hospital insurance) is amended—

(A) by striking out paragraphs (3) through (6) and inserting in lieu thereof the following:

"(3) with respect to wages received after December 31, 1973, and before July 1, 1974, the rate shall be 0.90 percent;

"(4) with respect to wages received after June 30, 1974, and before January 1, 1975, the rate shall be 0.80 percent;

"(5) with respect to wages received during the calendar years 1975 through 1977, the rate shall be 0.80 percent;

"(6) with respect to wages received during the calendar years 1978 through 1980, the rate shall be 1.0 percent;

"(7) with respect to wages received during the calendar years 1981 through 1985, the rate shall be 1.15 percent;

"(8) with respect to wages received after December 31, 1985, the rate shall be 1.25 percent."

2. The Internal Revenue Code is further amended to add the following provision:

(a) The Secretary of the Treasury shall cause to be transferred, out of any moneys in the Treasury not otherwise appropriated, to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund amounts (as determined by the Secretary of the Treasury) equal to losses of revenues to such trust funds resulting from the reductions in tax rates made in Section 3 of this Act. The amounts appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the respective trust funds on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the amounts which should have been transferred.

Mr. MUSKIE. Mr. President, the amendment of the Senator from Indiana attacks one of the most regressive aspects of our tax system: The social security payroll tax. In the past, I have proposed reforming the payroll tax by instituting a low-income allowance, by allowing personal exemptions, and by raising the income ceiling—all changes which would spread the burden of social security more fairly according to ability to pay.

Senator HARTKE's proposal seeks to achieve the same goal—progressively in the social security tax system—by casting the whole burden of reform on the general revenues of the Treasury, with no clear provision for raising the funds to pay for reform. While we may eventually decide to take that course, we have made no legislative study of the revenues necessary to offset the reduction in revenues from the social security tax. I must accordingly vote to table Senator HARTKE's amendment.

Mr. LONG. Mr. President, I move that the Allen amendment be laid on the table.

Mr. HARTKE. The Senator from California wanted to be added as a cosponsor. Will the Senator consent to that?

Mr. LONG. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. What is the motion?

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. LONG. I move that the Allen amendment, which would take with it the other amendment, be laid on the table.

Mr. ALLEN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. My recollection is that an agreement was made that these votes would be up-or-down votes rather than motions to table. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARTKE. Mr. President——

The PRESIDING OFFICER. On both the Allen and the Mansfield amendments.

Mr. ALLEN. That would not apply to the amendment of the distinguished Senator from Indiana.

The PRESIDING OFFICER. That is correct.

Mr. LONG. I move to lay that amendment on the table.

The PRESIDING OFFICER. The question is agreeing to the motion to table.

Mr. HARTKE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. PERCY) is necessarily absent.

I also announce that the Senator from Connecticut (Mr. WEICKER) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The result was announced—yeas 82, nays 15, as follows:

[No. 275 Leg.]

YEAS—82

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Haskell
Hatfield
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
Metzenbaum
Mondale
Moss
Muskie
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NAYS—15

Abourezk
Bayh
Clark
Cranston
Hartke
Hathaway
Huddleston
Hughes
McGovern
McIntyre
Metcalf
Montoya
Nelson
Ribicoff
Williams

NOT VOTING—3

Church
Percy
Weicker

So Mr. LONG's motion to lay Mr. HARTKE's amendment on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment (No. 1460) of the Senator from Alabama (Mr. ALLEN).

Mr. MANSFIELD. Mr. President, have not the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. MCCLURE). The question is on agreeing to the amendment (No. 1460) of the Senator from Alabama (Mr. ALLEN). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. PERCY) is necessarily absent.

I also announce that the Senator from Connecticut (Mr. WEICKER) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

The result was announced—yeas 32, nays 63, as follows:

[No. 276 Leg.]

YEAS—32

Bayh
Biden
Byrd, Harry F., Jr.
Byrd, Robert C.
Clark
Cranston
Dole
Dominick
Eagleton
Ervin
Gurney
Hartke
Hollings
Jackson
Kennedy
Magnuson
Mansfield
McClellan
McClure
Montoya
Muskie
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, William L.
Symington
Tunney

NAYS—63

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Cannon
Case
Chiles
Cook
Cotton
Curtis
Domenici
Eastland
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hart
Haskell
Hatfield
Hathaway
Helms
Hruska
Huddleston
Hughes
Humphrey
Inouye
Javits
Johnston
Long
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Nelson
Pearson
Ribicoff
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Williams
Young

NOT VOTING—5

Church
Fulbright
Percy
Stennis
Weicker

So Mr. ALLEN's amendment (No. 1460) was rejected.

The PRESIDING OFFICER (Mr. BURDICK). Pursuant to the previous order, the Senate will now proceed to the consideration of House Joint Resolution 1062, on which the pending question is on agreeing to the amendment of the Senator from New York (Mr. JAVITS).

AMENDMENT NO. 1522

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. HUMPHREY. We have, as I understand it, an amendment on the continuing resolution and then a final vote. In order for us to proceed tomorrow on the consideration of H.R. 14832, I ask unanimous consent that I may send to the desk an amendment which we would have as the pending business for tomorrow but not act on it or to speak on it tonight in any way.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. GRIFFIN. Mr. President, reserving the right to object, the bill number, I would ask the Senator, is what?

Mr. HUMPHREY. This is an amendment to H.R. 14832, the debt ceiling bill. It is just a procedural matter which we can take up tomorrow.

Mr. GRIFFIN. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the clerk will state the amendment.

The second assistant legislative clerk read as follows:

Amendment No. 1522

Sec. 3. Repeal of Percentage Depletion for Oil and Gas Production.

(a) Repeal of Oil and Gas Depletion.—(1) Section 613(b)(1)(A) of the Internal Revenue Code of 1954 is amended by deleting the words "oil and gas wells" and by inserting in lieu thereof the words "gas wells described in subsection (e)."

(2) Section 613(b)(7) of such Code is amended by—

(A) deleting "or" at the end of subparagraph (A) thereof;

(B) by deleting the period at the end of subparagraph (B) thereof and by inserting in lieu thereof "; or"; and

(C) by inserting the following new subparagraph after such subparagraph (B): "(C) oil and gas wells."

(b) Certain Gas Wells.—Section 613 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(e) Special Rule for Certain Gas Wells.—

"(1) The gas wells referred to in subsection (b)(1)(A) are—

"(A) wells producing regulated natural gas, to the extent of such gas production, and

"(B) wells producing natural gas sold under a fixed contract to the extent of such gas production.

"(2)(A) The term 'natural gas sold under a fixed contract' means domestic natural gas sold by the producer under a contract, in effect on April 10, 1974, and all times thereafter before such sale, under which the price for such gas cannot be adjusted to reflect to any extent the increase in liabilities of the seller for tax under this section by reason of the repeal of percentage depletion. Price increases subsequent to April 10, 1974, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates the contrary by clear and convincing evidence.

"(B) The term 'natural gas' means any product (other than crude oil) of an oil or gas well if a deduction for depletion is allowable under section 611 with respect to such product.

"(C) The term 'domestic' refers to petroleum from an oil or gas well located in the United States or in a possession of the United States.

"(D) The term 'crude oil' includes a natural gas liquid recovered from a gas well in lease separators or field facilities.

"(E) The term 'regulated natural gas' means domestic natural gas produced and sold by the producer, prior to January 1, 1976, subject to the jurisdiction of the Federal Power Commission, the price for which has not been adjusted to reflect to any extent the increase in liability of the seller for tax by reason of the repeal of percentage depletion. Price increases subsequent to April 10, 1974, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates the contrary by clear and convincing evidence.".

(c) Effective Dates.—The amendment made by subsections (a) and (b) of this setcion shall apply to oil and gas produced on or after January 1, 1974.

Sec. 4. Increase in Amount of Personal Exemptions.

(a) Section 151 of the Internal Revenue Code of 1954 (relating to personal exemptions) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$800".

(b) Section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$800", by striking out "$2,050" wherever it appears and inserting in lieu "$2,100" and by striking out "$2,800" wherever it appears and inserting in lieu thereof "$2,900."

(c) Section 6013(b)(3)(A) of such Code (relating to assessment and collection in the case of certain returns of husband and wife) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$800" and by striking out "$1,500" wherever it appears and inserting in lieu thereof "$1,600".

(d) The table contained in section 3402(b)(1) of such Code (relating to percentage method of withholding) is amended to read as follows:

"Percentage Method Withholding Table

"Payroll period	Amount of one withholding exemption:
Weekly	$15.40
Biweekly	30.80
Semimonthly	33.30
Monthly	66.70
Quarterly	200.00
Semiannual	450.00
Annual	800.00
Daily or miscellaneous (per day of such period)	2.20".

(e) The amendments made by this section (other than by subsection (d)) shall apply to taxable years beginning after December 31, 1973. The amendment made by subsection (d) shall apply with respect to wages paid on or after the 30th day after the date of enactment of this Act.

Sec. 5. Optional Credit Against Tax for Personal Exemptions; Tax Credit for Low-Income Workers With Families.

(a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as section 44 and by inserting after section 41 the following new sections:

"Sec. 42. Personal Exemptions.

"(a) General Rule.—At the election of the taxpayer, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to $190 multiplied by the number of exemptions to which the taxpayer is entitled under section 151. Such credit shall not exceed the tax imposed by this chapter for the taxable year.

"(b) Election.—An election under subsection (a) for a taxable year may be made at any time before the expiration of the period for filing a claim for a refund or credit of an overpayment of tax for such taxable year and shall be made in such form and manner as the Secretary or his delegate prescribes by regulations.

"(c) Denial of Deduction.—If a taxpayer elects the credit provided by subsection (a) for a taxable year, no deduction shall be allowed under section 151 for an exemption to which he is entitled under such section.

"Sec. 43. Tax Credit for Low-Income Workers with Families.

"(a) In General.—

"(1) Allowance of credit.—There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his employer with respect to wages received by the taxpayer during that year. In the case of a taxpayer who is married (as determined under section 143) and who files a joint return of tax with his spouse under section 6013 for the taxable year, the amount of the credit allowable by this subsection shall be an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his spouse, and their employers, with respect to wages received by the taxpayer and his spouse during that year.

"(2) Applicable percentage.—The percentage under paragraph (1) applicable to the social security taxes is—

"(A) 86 percent for calendar years 1974 through 1977,

"(B) 83 percent for calendar years 1978 through 1980,

"(C) 80 percent for calendar years 1981 through 1985,

"(D) 78 percent for calendar years 1986 through 2010, and

"(E) 68 percent for calendar years beginning after December 31, 2010.

"(b) Limitations.—

"(1) Maximum credit.—The amount of the credit allowable to a taxpayer (or to a taxpayer and his spouse in the case of a joint return of tax under section 6013) for any taxable year under subsection (a) shall not exceed an amount equal to 10 percent of so much of the wages (as defined in section 3121(a)) as does not exceed $4,000 received by that individual (or by that individual and his spouse in the case of a joint return of tax) during that year with respect to employment (as defined in section 3121(b) without regard to the exclusion set forth in paragraph (9) of that section).

"(2) Reduction for additional income.—The amount of the credit allowable under subsection (a) for any taxable year (after the application of paragraph (1)) shall be reduced by one-fourth of the amount by which a taxpayer's income, or, if he is married (as determined under section 143), the total of his income and his spouse's income, for the taxable year exceeds $4,000. For purposes of this paragraph, the term 'income' means adjusted gross income (as defined in section 62 but without regard to paragraph (3) (relating to long-term capital gains)) plus—

"(A) any amount described in section 71(b) (relating to payments to support minor children), 71(c) (relating to alimony and separate maintenance payments paid as a principal sum paid in installments), or 74(b) (relating to certain prizes and awards),

"(B) any amount excluded from income under section 101 (relating to certain death benefits), 102 (relating to gifts and inheritances), 103 (relating to interest on certain governmental obligations), 105(d) (relating to amounts received under wage continuation accident and health plans), 107 (relating to rental value of parsonages), 112 (relating to certain combat pay of members of the Armed Forces), 113 (relating to mustering-out payments for members of the Armed Forces), 116 (relating to partial exclusion of dividends received by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States).

"(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

"(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

"(3) APPLICATION WITH SECTION 6428.—The amount allowable to a taxpayer, or to a taxpayer and his spouse, as a credit under subsection (a) for any taxable year (after the application of paragraphs (1) and (2)) shall be reduced by the sum of any amounts received under section 6428 during that year.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who maintains a household (within the meaning of section 214(b)(3)) in the United States which is the principal place of abode of the individual and a child of that individual with respect to whom he is entitled to a deduction under section 151 (e)(1)(B) (relating to additional exemption for dependents).

"(2) SOCIAL SECURITY TAXES.—The term 'social security taxes' means the aggregate amount of taxes imposed by section 3101 (relating to rate of tax on employees under the Federal Insurance Contributions Act) and 3111 (relating to rate of tax on employers under such Act) with respect to the wages (as defined in section 3121(a)) received by an individual and his spouse with respect to employment (as defined in section 3121 (b)), or which would be imposed with respect to such wages by such sections if the definition of the term 'employment' (as defined in section 3121(b)) did not contain the exclusion set forth in paragraph (9) of such section.".

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal exemptions.
"Sec. 43. Tax credit for low-income workers with families.
"Sec. 44. Overpayments of tax.".

(c) Section 41(b)(2) of such Code (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(d) Section 46(a)(3) of such Code (relating to the investment credit) is amended—

(1) by striking out "and" at the end of subparagraph (B),

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) section 42 (relating to personal exemptions)."

(e) Section 50A(a)(3) of such Code (relating to credit for expenses of work incentive programs) is amended—

(1) by striking out "and" at the end of subparagraph (D),

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to personal exemptions).".

(f) Section 3402 of such Code (relating to income tax collected at source) is amended by adding at the end thereof the following new subsection:

"(q) WITHHOLDING BASED ON CREDITS IN LIEU OF EXEMPTIONS.—

"(1) ELECTION.—At the election of an employee, made in such form and manner as the Secretary or his delegate prescribes by regulations, the amount of tax deducted and withheld under subsection (a) or (c) with respect to wages paid to him by his employer shall be determined by applying the provisions of this subsection. An election made by an employee under this paragraph shall be effective with respect to wages paid to him, after the date of such election, during the calendar year in which such election is made. An election may be made by an employee under this paragraph with respect to wages paid to him only if, for his taxable year which ends in such calendar year, he expects to elect the credit allowed by section 42 (relating to personal exemptions).

"(2) DETERMINATION OF TAX.—During the period during which an election made by an employee under paragraph (1) is in effect, the amount of tax deducted and withheld from the wages of such employee under subsection (a) shall be determined in accordance with the tables set forth in such subsection, except that—

"(A) for purposes of applying such tables, the amount of wages shall not be reduced on account of any withholding exemptions claimed, and

"(B) the amount of income tax to be withheld shall be reduced by the number of withholding credits of the employee, multiplied by the amount of one such credit as shown in the table in paragraph (3).

For purposes of this paragraph, an employee shall have a number of withholding credits equal to the number of withholding exemptions claimed.

"(3) AMOUNT OF WITHHOLDING CREDIT.—The table referred to in paragraph (2) is as follows:

"Percentage Method Withholding Credit Table

"Payroll period	Amount of one withholding exemption:
Weekly	3.40
Biweekly	6.80
Semimonthly	7.30
Monthly	14.60
Quarterly	43.80
Semiannual	87.50
Annual	175.00
Daily or miscellaneous (per day of such period)	.50

"(4) WAGE BRACKET WITHHOLDING.—In the case of an employer who elects to deduct and withhold tax under subsection (c) (in lieu of the tax required to be deducted and withheld under subsection (a)) with respect to an employee who has made an election under paragraph (1), the amount of tax to be deducted and withheld shall be determined in accordance with tables prescribed by the Secretary or his delegate which shall apply the provisions of paragraphs (2) and (3)."

(g) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", 43 (relating to tax credit for low-income workers with families),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 43".

(h) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(1) inserting "OR 43" after "SECTION 39" in the caption of such section; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 43 (relating to tax credit for low-income workers with families),".

(i)(1) Subchapter B of chapter 65 of such Code (relating to rules of special application) is amended by adding at the end thereof the following new section:

"SEC. 6428. ADVANCE REFUND OF SECTION 43 CREDIT.

"(a) IN GENERAL.—A taxpayer may receive an advance refund of the credit allowable to him under section 43 (relating to tax credit for low-income workers with families) not more frequently than quarterly by filing an election for such refund with the Secretary or his delegate at such time and in such form as the Secretary or his delegate may prescribe. If the taxpayer elects to base his claim for refund on social security taxes imposed on him, his spouse, and their employers, the election shall be a joint election signed by the taxpayer and his spouse. An election may not be made under this subsection with respect to the last quarter of the calendar year, and any other election shall specify the quarter or quarters to which it relates and shall be made not later than the fifteenth day of the eleventh month of the taxable year to which it relates. The Secretary or his delegate shall pay any advance refund for which a proper election is made without regard to any liability, or potential liability, for tax under chapter 1 which has accrued, or may be expected to accrue, to the taxpayer for the taxable year to which the election relates.

"(b) LIMITATIONS.—

"(1) AMOUNT OF REFUND.—The amount of any refund for which a taxpayer files an election under subsection (a) shall be an amount equal to the amount of the credit allowable under section 43 with respect to social security taxes payable with respect to that taxpayer (or, in the case of a joint election, social security taxes payable with respect to that taxpayer and his spouse) for the quarter or quarters to which the election relates.

"(2) INELIGIBLE FOR CREDIT.—No advance refund may be made under this section for any quarter to a taxpayer who, on the basis of the income the taxpayer and his spouse reasonably may expect to receive during the taxable year, will not be entitled to claim any amount as a credit under section 43 for that year.

"(3) MINIMUM PAYMENT.—No payment may be made under this section in an amount less than $30.

"(c) COLLECTION OF EXCESS PAYMENTS.—In addition to any other method of collection available to him, if the Secretary or his delegate determines that any part of any amount paid to a taxpayer for any quarter under this section was in excess of the amount to which that taxpayer was entitled for that quarter, the Secretary or his delegate shall notify that taxpayer of the excess payment and may withhold from any amounts which that taxpayer elects to receive under this section in any subsequent quarter, amounts totaling not more than the amount of that excess.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6428. Advance refund of section 43 credit.".

(j) Section 6011(d) of such Code (relating to interest equalization returns, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) RETURNS OF TAXPAYERS RECEIVING ADVANCE REFUND OF SECTION 43 CREDIT.—Every taxpayer who elects to receive an advance refund of the credit allowed by section 43 (relating to tax credit for low-income workers with families) during the taxable year shall file a return for that year, together with such additional information as the Secretary or his delegate may require.".

(k)(1) The Secretary of the Treasury shall develop simple and expedient application forms and procedures for use by taxpayers who wish to receive an advance refund under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), arrange for distributing such forms and making them easily available to taxpayers, and prescribe such regulations as may be necessary to carry out the provisions of sections 43 and 6428 of such Code. Each such application form shall contain a warning that the making of a false or fraudulent statement thereon is a Federal crime.

(2) The Secretary of the Treasury is authorized to obtain from any agency or department of the United States Government or of any State or political subdivision thereof such information with respect to any taxpayer applying for or receiving benefits under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), or his spouse, as may be necessary for the proper administration of section 43 of the Internal Revenue Code of 1954 (relating to tax credit for low-income workers with families) and of section 6428 of such Code (relating to advance refund of section 43 credit). Notwithstanding any other provision of law, each agency and department of the United States Government is authorized and directed to furnish to the Secretary such information upon request.

(l) Section 402(a)(7) of the Social Security Act is amended by inserting after "other income" the following: "(including any amounts derived from application of the tax credit established by section 43 of the Internal Revenue Code of 1954)".

(m) The amendments made by this section (other than by subsection (f)) shall apply with respect to taxable years beginning after December 31, 1973. The amendment made by subsection (f) shall apply with respect to wages paid on or after the 30th day after the date of the enactment of this Act. No advance refund payments under section 6428 of the Internal Revenue Code of 1954 shall be made before October 1, 1974.

Mr. HUMPHREY. Mr. President, the amendment relates to the debt ceiling and the tax proposal. I ask unanimous consent that the names of the cosponsors of this amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list of cosponsors is as follows:

Mr. Magnuson, Mr. Ribicoff, Mr. Clark, Mr. Hart, Mr. Kennedy, Mr. Mondale, and Mr. Muskie.

Mr. MAGNUSON. Mr. President, reserving the right to object, is this the amendment that was in——

Mr. HUMPHREY. Yes, indeed—the depletion amendment is what it is.

Mr. MAGNUSON. The same amendment that the Senator from Connecticut (Mr. RIBICOFF) and I had on oil depletion?

Mr. HUMPHREY. The Senator is correct.

Mr. MAGNUSON. I think the Senator.

Mr. HUMPHREY. The Senator from Connecticut (Mr. RIBICOFF) and the Senator from Washington (Mr. JACKSON) are cosponsors.

Mr. MAGNUSON. Then we can be expected tomorrow, when we meet, to take up some discussion of that amendment. Is that correct?

Mr. MANSFIELD. That is correct.

Mr. MAGNUSON. I thank the Senator from Montana.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, I send to the desk a cloture motion and ask that it be stated.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The second assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending amendment to the bill, H.R. 14832, to provide a temporary increase in the public debt limit through March 31, 1975.

Mike Mansfield, Edward M. Kennedy, Thomas F. Eagleton, Alan Cranston, Frank Moss, Daniel K. Inouye, Henry M. Jackson, Jennings Randolph, William Proxmire, Walter F. Mondale, Gaylord Nelson, William D. Hathaway, Hubert H. Humphrey, Philip A. Hart, Harold E. Hughes, George McGovern, Lee Metcalf, James Abourezk, Abraham Ribicoff.

Mr. MANSFIELD. Mr. President, is it in order to submit the cloture motion at this time with the amendment pending?

The PRESIDING OFFICER. It was submitted without objection.

CONTINUING APPROPRIATIONS, 1975

Mr. JAVITS. Mr. President, in my absence this morning, and with the gracious cooperation of my colleague, the Senator from New Jersey (Mr. CASE), an amendment was offered.

Mr. MANSFIELD. Mr. President, will the Senator yield, without any time being charged to anyone?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Mr. President, how much time is there on this amendment?

The PRESIDING OFFICER. Thirty minutes, equally divided. Who yields time?

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

As I said, Mr. President, through the courtesy of Senator CASE, this amendment was submitted, and through the courtesy of the leadership on both sides of the aisle and the courtesy of the manager of the bill, the matter was held over for me until I could get here late this afternoon.

What it concerns is what should take place within the next intervening period, until September 30, 1974, respecting elementary and secondary education, H.R. 69 having passed the House and the Senate and now being in conference.

Mr. President, my concern was that the matter in conference, assuming that we pass this bill, would be the House formula and the Senate formula as they were passed, without regard to what may be worked out in the conference between the Houses.

As I am the ranking member of the Senate committee on this subject, I am obviously very deeply involved in the conference.

The House of Representatives formula was very, very sharply disadvantageous to the heavily settled areas of the country with very large groups and concentrations of underprivileged children.

The Senate, after a struggle, while it also was very strongly against what had been the pattern in respect of this particular proposition in the past year, without even including a hold-harmless clause for the various educational agencies that paralleled the last one that we had dealt with ourselves in Congress under the Labor-HEW appropriations bill, at least sought by certain special provisions—generally speaking, I would say three in number, dealing with very heavy concentrations of underprivileged children, dealing with excellence in terms of the educational opportunity that was afforded, and dealing with the special impact standing of children in public housing, and so forth—sought somewhat to ameliorate the rigors which were imposed upon these areas, one of which I represent—the State of New York—under the House formula.

So while we lost the battle in terms of the struggle here, in which Senator MCCLELLAN prevailed, at least there was some effort to take cognizance of and to somewhat ameliorate the very draconian impact of the House formula.

Therefore, when we saw that this matter would be thrown into conference between the House and the Senate, and without any knowledge as to whether the Senate would take a strong, firm, and dug-in position respecting at least the slight amelioration which occurs in the Senate formulation, I asked my staff and asked the leadership here to accommodate me, over the phone, by at least putting in some amendment of a hold-harmless character, which is the amendment which has been submitted, in an effort to stem the tide which would just inundate us in the major cities of the country. It is not only true of my State; it is true of every other central metropolitan city which is suffering and hurting in the same way.

So, Mr. President, I really would like to turn now to the Chairman of the Appropriations Committee, who, without question, as is usually the situation in these continuing resolutions, has undoubtedly had the opportunity to test the temper of our colleagues in the House, to give us any feeling he can as to what is going to be the formula on this continuing resolution.

I bear in mind fully the fact that I fought and lost here, but not nearly so badly as they lost in the House.

Mr. President, that is the thrust of my question.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. McCLELLAN. I yield myself 3 minutes.

Mr. President, the Senate Appropriations Committee, in considering this section of the bill, was of the view—possibly the unanimous view—that the Senate version of the bill was better than the House version of the bill, and felt that the Senate version should prevail with respect to moneys expended under a continuing resolution.

As I recall, not a dissenting vote or view was expressed with respect to the Senate version being a better provision than that contained in the House version. The House-passed version of H.R. 69 proposed to repeal part B, the special incentive grants. The part B program is provided for in the Senate version of the new authorizing legislation. Therefore, the committee recommendation to substitute the Senate-passed version of H.R. 69 in lieu of the House-passed version would continue the part B program until such time as Congress has reached agreement on this legislation.

In addition, the Senate version would provide for higher payments to the institutionalized handicapped, institutionalized neglected and delinquent, and migrant children.

Mr. President, because the House version did not have these increased or higher payments for these purposes, the Senate Appropriations Committee felt that the Senate version of the legislative bill was better than the House version.

I think it was adopted unanimously. I do not recall a single objection or comment raised in opposition to it.

For that reason, Mr. President, we recommended the bill be amended.

I may say to the distinguished Senator that I think I can say that I am a joint author of the amendment adopted in the Senate. The Senator from Florida (Mr. CHILES) offered it. We had discussed it before. I think I can claim to be a joint author of this provision in the bill.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the distinguished Senator from Washington, who is the chairman of the Labor-HEW Subcommittee.

Mr. MAGNUSON. Mr. President, with respect to the Senator's statement——

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. McCLELLAN. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. MAGNUSON. Mr. President, what the distinguished Senator from Arkansas has said is correct. Both Houses have agreed to a new and more equitable formula. The authorizing committees are sitting in conference right now. This is an amendment that would be a step backward until they make a decision.

The committee bill has fashioned a remedy to the title I problem by going with the new formula. We are providing the States and local districts with a smooth transition to the new bill, when it becomes law. If we do not close the door now, we will end up putting the school districts on a roller coaster. The school administrators will not be able to plan effectively, their budgets will go up and down with every new formula someone comes up with.

We want to stabilize the situation and that is why the committee agreed to use the formula of the Senator from Arkansas. It is not really his formula but it is everyone's formula.

Mr. McCLELLAN. It is the formula of Congress.

Mr. MAGNUSON. The Senator is correct. This has been a problem. Let us not upset it now. In the meantime, under the continuing resolution it will remain stable.

Mr. JAVITS. Mr. President, the thing that I wanted to get from the Senator from Arkansas and the Senator from Washington, the two principal Senators involved, is that we are purposely going to insist on the Senate version. It will help us somewhat and that is what I was trying to ascertain. I gather that that answer is distinctly in the affirmative.

Mr. McCLELLAN. The Senator from Washington (Mr. MAGNUSON) surely would be one of the conferees; possibly the Senator from Florida (Mr. CHILES), the joint author of the amendment; I think the Senator from North Dakota (Mr. YOUNG) will be one of the conferees; and the Senator from New Hampshire (Mr. COTTON), who is the ranking minority member of the Labor-HEW Appropriations Subcommittee. All of us will be conferees and each of us can assure the Senator we will insist on the Senate version of this bill. I am willing to do that.

Mr. YOUNG. I think all the Senate conferees are willing to do that, and I certainly will. I feel very strongly about it. I hope the Senator from New York will not press the amendment.

Mr. JAVITS. I thank the Senator.

Mr. COTTON. Mr. President, I have the same sentiment. I am a conferee and we definitely shall hold out for it.

Mr. JAVITS. I thank the Senator. I intend to ask unanimous consent to vacate the order for the yeas and nays and to withdraw the amendment.

I have one other question, if I may have the attention of the Senator from Arkansas (Mr. McCLELLAN).

Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, the bill provides in its section on foreign assistance, at page 5, lines 1 and 2, that expenditures under this continuing resolution shall be the "current rate or the rate provided for in the budget estimate, whichever is lower."

The question has arisen in certain types of aid—in this case, foreign assistance to Israel—that there may not be a budget estimate on that item. The question is whether it is the intent of the committee, whether the budget estimate to which it refers is meant the budget estimate of the whole category for support and military assistance rather than a particular item that has to be named in order to qualify under that clause.

Mr. McCLELLAN. The Senator from Hawaii (Mr. INOUYE) is the chairman of that subcommittee, but I am advised by the staff of the subcommittee that the item applies to the whole appropriation act for ongoing programs.

Mr. JAVITS. It is an overall category rather than for each specific item.

Mr. McCLELLAN. That is correct.

Mr. JAVITS. Mr. President, I ask unanimous consent to vacate the order for the yeas and nays and to withdraw my amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. Mr. President, I regret to find myself in the position of voting alone—even a protest vote—on a measure of this kind. I do so simply in hopes that I may make a point which, I think, deserves consideration.

As I said earlier today, this continuing resolution is legislating the continued existence of the Office of Economic Opportunity, instead of following the customary procedure of voting separately on an authorization for OEO's continuation.

Mr. President, just for the record, let me review once again the action which Congress took in 1972.

At that time, Congress extended the Economic Opportunity Act to June 30, 1975. At the same time, Congress extended the authority for funding activities under the Economic Opportunity Act only until June 30, 1974. In other words, the act itself expires in 1975, but the authority for funding expires in 1974. Congress did this so that the extension of funding authority would get close scrutiny.

Since that time, Congress has taken no action to extend the funding authority under the Economic Opportunity Act of 1964, as amended. Neither House has acted to extend the authority. And in fact, the President has indicated many times that he will veto any extension of funding authority for the Office of Economic Opportunity. I know of no bill which has even been introduced to extend funding authority for OEO. The only relevant action whatsoever was the action of the House in H.R. 14449 repealing the whole Economic Opportunity Act.

Mr. President, I therefore wish to call the attention of Senators to a highly unusual departure from standard procedure reflected in House Joint Resolution 1062. As I have pointed out, House Joint Resolution 1062 seeks to provide continuing appropriations for programs of the OEO, the authorization for which expires June 30. Thus, Congress, via a continuing resolution, is legislating OEO's continued existence through September 30, instead of following the customary procedure of voting separately on an authorization for its continuation. I repeat that the only action in either body of Congress with respect to the continuation of OEO came on May 29, when the House passed H.R. 14449 to shift many OEO programs to HEW. Many Members of the House have indicated that they would not have supported that measure, except for the fact that it specifically abolished OEO. Because of the present parliamentary situation, where the House has already passed H.R. 1062, a point of order will not stand against this unusual procedure. Nevertheless, because I believe strongly that Congress should not act in haste to appropriate funds for unauthorized programs, I must vote against the continuing resolution, H.R. 1062, and I urge the President to send it back to Congress so that this provision may be eliminated from the legislation.

Mr. McCLELLAN. Mr. President, I suggest that we vote on the passage of the continuing resolution.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. McCLELLAN. Mr. President, I yield back the remainder of my time.

Mr. YOUNG. I yield back the remainder of my time.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Illinois (Mr. PERCY), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Connecticut (Mr. WEICKER) is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea".

The result was announced—yeas 94, nays 1, as follows:

[No. 277 Leg.]

YEAS—94

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—1

Helms

NOT VOTING—5

Church
Fulbright
Percy
Taft
Weicker

So the joint resolution (H.J. Res. 1062) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HRUSKA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCLELLAN, Mr. MAGNUSON, Mr. BIBLE, Mr. PASTORE, Mr. MONTOYA, Mr. INOUYE, Mr. HOLLINGS, Mr. BAYH, Mr. CHILES, Mr. YOUNG, Mr. COTTON, Mr. CASE, Mr. BROOKE, Mr. HATFIELD, Mr. MATHIAS, and Mr. BELLMON conferees on the part of the Senate.

ORDER FOR ADJOURNMENT TO 10 A.M.

The PRESIDING OFFICER. Who seeks recognition?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the following Senators be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. HARRY F. BYRD, Jr., Mr. BUCKLEY, Mr. HELMS, Mr. HANSEN, Mr. TOWER, Mr. McCLURE, and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the order previously entered into for the recognition of Senators, there be a period for the transaction of routine morning business tomorrow of not to exceed 15 minutes, with statements limited therein to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow the Senate resume the consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF MR. PROXMIRE ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes on Wednesday, after the two leaders or their designees have been recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME AGREEMENT ON H.R. 14833

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in connection with the time agreement on H.R. 14833, the Renegotiation Act extension, Senators RIBICOFF and MONDALE may each call up one amendment notwithstanding the requirement of germaneness in connection with the agreement previously entered.

It is my understanding that Mr. RIBICOFF's amendment deals with unemployment compensation, and that Mr. MONDALE's amendment deals with supplemental security income. I make this request on behalf of Mr. LONG.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, reserving the right to object, I have not been able to discuss this matter with the chairman of the Finance Committee, but the Renegotiation Act is reported by the Banking, Housing and Urban Affairs Committee. Is that correct?

Mr. ROBERT C. BYRD. I believe it was reported by the Finance Committee, was it not? Mr. LONG would handle the bill.

May I say to the distinguished assistant Republican leader that exception was made for an amendment by Mr. TAFT, which would not be germane, and the chairman, Mr. LONG, indicated earlier to me today that he was committed to allow Mr. RIBICOFF and Mr. MONDALE to bring it up.

Mr. GRIFFIN. Under the unanimous-consent agreement which was entered into when the junior Senator from Michigan was not in the Chamber but, I know, with approval, what would be the time arrangement for those amendments?

Mr. ROBERT C. BYRD. I believe it is 1 hour on each amendment, under the order. There are 3 hours on the amendment by Mr. TAFT, but I believe on any other amendment there would be 1 hour.

The PRESIDING OFFICER. On other amendments it is 30 minutes.

Mr. ROBERT C. BYRD. Thirty minutes. I thank the Chair.

Mr. GRIFFIN. I wonder if, to be on the safe side, we might want to make the limit 1 hour on those amendments?

Mr. ROBERT C. BYRD. Yes, very well.

Mr. President, I modify my request to provide that there be 1 hour each on the Mondale and Ribicoff amendments, which will not be germane amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 o'clock tomorrow morning.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. HARRY F. BYRD, JR., Mr. BUCKLEY, Mr. HELMS, Mr. HANSEN, Mr. TOWER, Mr. McCLURE, and Mr. ROBERT C. BYRD.

There will then ensue a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will resume the consideration of the unfinished business, the debt limit bill. The pending question at that time will be on the adoption of the amendment by Mr. HUMPHREY.

Yea and nay votes may occur on amendments to the debt limit bill tomorrow.

Other measures which may be called up at any time during the remainder of this week, including tomorrow, are as follows, but not necessarily confined to these that I enumerate, and not necessarily in the order that I state them:

H.R. 14833, Renegotiation Act extension; S. 424, dealing with natural resource lands; S. 3355, dealing with drug abuse; S. 1566, providing for normal flow of ocean commerce; S. 3164, real estate settlement services; S. 3511, dealing with mortgage credit; S. 3500, amateur athletics; H.R. 8660, to assist Federal employees in meeting tax obligations; H.R. 9281, retirement of law enforcement personnel; S. 3006, loans to small business concerns; H.R. 11537, conservation and rehabilitation programs.

In addition thereto, conference reports may be called up at any time. Other calendar measures cleared for action may be called up at any time.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Are these measures that may come up rather than measures that will certainly come up?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I thank the Senator.

Mr. ROBERT C. BYRD. Yes, they may come up.

I may say this to the distinguished Senator: I have named a few in the list that I seriously doubt whether the Senate would possibly have time to consider. But in order to protect the leadership and to assure that the Senate might fully and best utilize its time, I set them forth so that no Senator will be caught by surprise if they come up, but I would be surprised if some of them did come up.

Mr. ALLEN. I thank the Senator.

ADJOURMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock a.m. tomorrow.

The motion was agreed to; and at 5:50 p.m. the Senate adjourned until tomorrow, Tuesday, June 25, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 24, 1974:

DEPARTMENT OF STATE

James B. Engle, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Dahomey.

DEPARTMENT OF DEFENSE

David Samuel Potter, of Virginia, to be Under Secretary of the Navy, vice J. William Middendorf II, elevated.

IN THE NAVY

The following-named officers of the U.S. Navy and Naval Reserve for temporary promotion to the grades indicated in the staff corps, as indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Captain

Curry, Norvelle.
Elam, William N., Jr.

DENTAL CORPS

Lieutenant commander

Altaras, David E.
Barton, Thomas P.
Deangelis, Henry J.
Sherman, Robert L.

JUDGE ADVOCATE GENERAL'S CORPS

Lieutenant

Allen, James S., Jr.
Stearns, Richard C.
Metter, Joel J.

Lt. Stephen B. Laxton, Judge Advocate General's Corps, U.S. Navy, for transfer to and appointment in the line of the Navy, in the permanent grade of lieutenant (junior grade) and temporary grade of lieutenant.

The following lieutenants (junior grade), of the line, of the U.S. Navy, for transfer to and appointment in the Judge Advocate General's Corps in the permanent grade of lieutenant (junior grade):

Lallas, Lisalee.
Martin, Thomas L.

Lieutenant (junior grade) Michael E. Skinner, of the line of the U.S. Navy, for transfer to and appointment in the Supply Corps in the permanent grade of ensign and temporary grade of lieutenant (junior grade).

The following-named ensigns of the line, of the U.S. Navy, for transfer to and appointment in the Supply Corps in the permanent grade of ensign:

Chalker, Brad A.
Martin, Robert J.
Murray, Alexander H.

IN THE AIR FORCE

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade indicated, under the provisions of sections 1210 and 1211, title 10, United States Code:

LINE OF THE AIR FORCE

To be major

Story, Alfred F., [redacted]

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of temporary brigadier general, in accordance with sections 8442 and 8447, title 10, United States Code:

LINE OF THE AIR FORCE

Cabas, Victor N., [redacted]

The following-named officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

DENTAL CORPS

To be captain

Stoffers, Kenneth W., [redacted]

To be first lieutenant

Hott, Wayne E., [redacted].
Sykes, Norman J., Jr., [redacted]
Williams, Leslie F., [redacted]

MEDICAL CORPS

To be first lieutanant

Farrow, James G., [redacted].
Maso, Eugene C., [redacted].

JUDGE ADVOCATE

To be first lieutenant

Parry, Alan J., [redacted]

The following-named Air Force officers for promotion in the Air Force Reserve, under the provisions of sections 8376 and 593, Title 10, United States Code:

MEDICAL CORPS

Lieutenant colonel to colonel

Schechter, Eliot, [redacted]

LINE OF THE AIR FORCE

Major to lieutenant colonel

Darley, Reed M., [redacted].
Jensen, Jay R., [redacted]

DENTAL CORPS

Abbott, George G., [redacted].
Freedman, Irving, [redacted].
Osborne, Harold W., [redacted]
Wong, Shannon, [redacted].

NURSE CORPS

Hardin, Doris A., [redacted].

BIOMEDICAL SCIENCES CORPS

Ramirez, Jose B., [redacted].

MEDICAL CORPS

Plager, Stephan D., [redacted].
Snyder, Richard D., [redacted].
Yrizarryyunque, Jose M., [redacted]

The following-named persons for appointment as Reserves of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation as medical officers, under the provisions of section 1067, title 10, United States Code:

MEDICAL CORPS

To be colonel

Cohn, Gerald H., [redacted].
De Treville, Robert T. P., [redacted]
Flamm, Melvin D., Jr., [redacted]
Harris, William B., [redacted]
Huber, Gerald N., [redacted].
Parapid, Nicholas V., [redacted]
Posnikoff, Jack, [redacted].

To be lieutenant colonel

Johnson, Wayne A., [redacted].
McLelland, Claude A., [redacted]
Perez-Guerra, Francisco, [redacted]
Pumarejo, Ramon A., [redacted]
Talbot, John M., [redacted].

The following-named persons for appointment as Reserves of the Air Force, in the grade indicated, under the provisions of section 593, Title 10, United States Code:

LINE OF THE AIR FORCE

To be lieutenant colonel

Mahler, William S., [redacted]
Wilson, Herbert G., [redacted]

The following-named officer for appointment as a Reserve of the Air Force, in the grade indicated, under the provisions of sections 593 and 1211, Title 10, United States Code:

LINE OF THE AIR FORCE

To be lieutenant colonel

Dahn, Hugh C., [redacted].

The following-named person for appointment as a Reserve of the Air Force, in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation as a medical officer under the provisions of section 8067, title 10, United States Code:

MEDICAL CORPS

To be lieutenant colonel

Nielsen, John R., [redacted]

The following-named persons for appointment as temporary officers in the U.S. Air Force, in the grade indicated, under the provisions of section 8444 and 8447, title 10, United States Code, with a view to designation as medical officers under the provisions of section 8067, title 10, United States Code:

MEDICAL CORPS

To be lieutenant colonel

Brown, Thomas E., [redacted].
Chambers, Gary R., [redacted].
Etienne, Harry B., [redacted].
Laurel, Santiago, [redacted].
Pumarejo, Ramon A., [redacted].
Todd, David S., [redacted].

In the Air Force

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Carlo M. Talbott, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. James C. Sherrill, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

EXTENSIONS OF REMARKS

MARIANO LUCCA RECEIVES SPAIN'S HIGHEST CIVILIAN HONOR: LA CROCE DE ISABELLA LA CATOLICA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. KEMP. Mr. Speaker, each citizen of the Nation is aware of the historical significance of Christopher Columbus. When in the 15th century, King Ferdinand and Queen Isabella finally acquiesced to the pleas of Columbus to embark on a voyage to the edge of the world, no one could have known the profound effect the trip would have on this land and the entire world.

It was only in 1968 that the United States finally accorded Genoa's Christopher Columbus, who sailed under the Spanish flag, his due and established Columbus Day.

The man who chaired and founded the National Columbus Day Committee was Mr. Mariano A. Lucca of Buffalo, N.Y. On Sunday, June 23, 1974, Mr. Lucca received one of the Spanish Government's highest civilian decorations—La Croce de Isabella la Catolica. The tribute was particularly timely because Mr. Lucca and his lovely wife simultaneously celebrated their 50th wedding anniversary.

On behalf of all western New Yorkers, it is a privilege to salute Mr. and Mrs. Mariano Lucca and their wonderful family.

The Buffalo Courier-Express carried a timely article on Mr. Lucca's achievements which I share with my colleagues as one means by which we can say thanks Mariano for your lifetime of dedicated service to our community, our country and our Italian American heritage. I believe a museum in Washington, D.C., dedicated to Columbus would be a great and fitting tribute to all those Americans of Italian descent who contributed so much to our Nation. The article follows:

SPAIN TO CITE BUFFALONIAN M. A. LUCCA

Mariano A. Lucca of Buffalo will receive one of the Spanish government's highest civilian decorations when he and his wife celebrate their 50th wedding anniversary Sunday evening at the Hotel Statler Hilton.

Ramon Cercos, information officer at the Spanish Embassy in Washington, D.C., will present "La Croce de Isabella La Catolica," or the Cross of Queen Isabella the Catholic, to Lucca for his efforts to make Columbus Day a U.S. national holiday.

Lucca is chairman and founder of the National Columbus Day Committee, which helped institute the national holiday in 1968. He is now active in establishing a museum in Washington devoted to Columbus.

Lucca married the former Clara L. Gugino on June 24, 1924, in Holy Cross Church on Maryland St. The ceremony was performed by the Rev. Donato G. Valante, who will officate at a 5:30 Mass Sunday evening as the Luccas repeat their wedding vows in St. Anthony of Padua Church on Court St., where both were baptized.

The dinner will be given at 7:30 p.m. by their son, Francis S. Lucca of Buffalo. The Luccas have nine grandchildren and seven great-grandchildren.

THE MANY TALENTS OF CORA HARRIS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. TEAGUE. Mr. Speaker, in a recent issue of the Pictorial Press of Bryan, Tex., there was a photo article about a friend of mine, Mrs. John Harris. Mrs. Cora Harris has been blind since birth, but her disability has never dampened her spirits. She is the most delightful person I have ever met.

I only wish that every Member of Congress had the opportunity to meet this wonderful woman and her fine husband, John. I commend the article to you and my fellow Members of Congress and I only regret that the photographs that accompanied it in the Pictorial Press can not be reproduced here.

The article follows:

THE MANY TALENTS OF CORA HARRIS

(By Kandy Rose)

Cora Harris is the kind of person who makes you ashamed for ever feeling gloomy or depressed, or out of sorts with your fellow man.

Blind since birth, Cora and her husband John live in modest surroundings on West 19th street in Bryan.

When she was 11 Cora was admitted to the State School for the Blind in Austin, and finished her education at age 22. While at the school, she showed an aptitude for music and learned to play the piano with proficiency.

When she returned to Bryan members of the congregation at College Hills Baptist Church heard her play and asked her to provide the music for their Sunday services on a regular basis, and she did so for 16 years.

Roan's Chapel also asked her to play sacred music for them, and she obliged for many years.

She says she's retired from playing the piano now. Her hearing is not what it used to be, so she just plays for friends on days when her hearing is better than normal.

Cora keeps her hands busy by weaving beautifully colored hot dish mats. The mats are 10 strands of rug yarn thick, and are hand tied to provide a quilted effect. She has made many mats for gifts and has sent them to public officials including Representative Olin Teague, who was so taken with them he asked her to make him 12 additional sets to present as gifts.

Cora's looms are getting worn now, and she's been trying to find someone who could make her some new ones. The new "store-bought" types are more expensive than she can afford right now.

Cora and her husband John's courtship is a story in itself. John's first wife died, and after a period of loneliness he thought he'd like someone to write to. He applied to the same group Cora had for a "correspondence friend."

Cora and John began writing, and after a year of this courtship by letter John came to Bryan from Virginia for a visit. His impression of Cora's personality by letter was confirmed, and the two were married in 1953.

John has been employed as sexton by St. Andrew's Church for many years, and has been retained as an administrator while a younger man does the more physical work.

Cora also works with the Retired Senior Volunteer Program as a volunteer, and is an enthusiastic member of the program. But then, if you know Cora you wouldn't expect anything any different. She bubbles over with love for others.

NUCLEAR TESTING: TIME FOR A HALT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. RANGEL. Mr. Speaker, the urgency of the question concerning a comprehensive test ban treaty—CTBT—was accentuated by the recent nuclear explosion by India. A CTBT would end a major phase of the qualitative development of nuclear arms. Perhaps even more significant would be the effects of a CTBT in reducing international tension and increasing the chances of worldwide acceptance of the Nonproliferation Treaty.

There is a critical dependence of the development of new nuclear weapons on continued testing. A ban on such testing would inhibit qualitative improvements in nuclear weapons systems that are beyond the calculated margin of safety. A CTBT would help stabilize the nuclear arms race and encourage further agreement on other qualitative and quantitative arms control measures.

Many countries have not signed the Nonproliferation Treaty that was established in 1970. The reason given by the nonsignatory countries vary, but some are directly linked to the failure of the United States and U.S.S.R. to achieve a CTBT. For instance, in 1965 India said that it would not sign the Nonproliferation Treaty until there was tangible progress toward disarmament, including a CTBT.

Depending on the number of participating countries, a CTBT would limit the adverse environmental effects of nuclear testing. Such a treaty could also result in significant long-term savings in nuclear defense expenditures.

The continuing proliferation of nuclear weapons is a serious threat to international security. I believe a CTBT would be a crucial turning point in the procurement of world peace. I am entering into the RECORD an article by Senator EDWARD KENNEDY, discussing the merits of a comprehensive test ban as opposed to a threshold test ban. The article, as it appeared in the May 1974 issue of Arms Control Today, follows:

NUCLEAR TESTING: TIME FOR A HALT

(By Edward M. Kennedy)

On May 17, India exploded a nuclear device, the sixth country to do so. And even if India does not make a true bomb—as it has promised not to do—we must now face with greater urgency the critical issue of a "world of many nuclear powers." For that reason among others, I strongly support the negotiation now of a comprehensive ban on all nuclear testing.

The Partial Test Ban Treaty of 1963 is now almost 11 years old. Since then, there has been little progress in extending the ban on testing that was then agreed for the atmosphere, space, and underwater. In the intervening years, the pace of underground testing was actually stepped up periodically by both the United States and the Soviet Union.

Now interest has been revived in further limits on nuclear testing. I believe a Comprehensive Test Ban treaty is particularly important and attractive at this time, when the immediate prospects for revising the 1972 Interim Agreement on offensive strategic weapons are so bleak.

CTB ADVANTAGES

CTB has several attractions. First, a Comprehensive Test Ban Treaty would complement the agreements reached at SALT I, by making it more difficult for either superpower to make major qualitative improvements in their nuclear arsenals. If all testing were stopped, at least this would dampen fears on either side that the other would gain a high degree of confidence in some new generation of first-strike weapons.

Second, there is the matter of political will itself. The atmosphere surrounding both détente and the possibilities for arms control would be helped if there were some agreement at the forthcoming Moscow summit. I believe that promoting that atmosphere, so hard won, is particularly important at this time, when there is widespread qustioning in the United States (and apparently in the Soviet Union, as well) about the real basis for improved Soviet-American relations. In addition to its own merits, therefore, a CTB would demonstrate that the United States and the Soviet Union are both still committed to real limits on arms. In fact, it might then be easier to break the log-jam at SALT II on revising the Interim Agreement.

This reasoning may explain the strong support for a CTB which Soviet leaders expressed to me during my recent trip to Moscow—about which I will say more later.

Third, a Comprehensive Test Ban would reinforce the Non-Proliferation Treaty, which is due for review next year. Many non-nuclear nations have branded the NPT as unfair to them. They have given up nuclear weapons, along with whatever political and military benefits these weapons seem to confer, while the superpowers forge ahead in their own arms race.

A CTB would be a major indicator of the good faith of the major powers, if they are determined to prevent the spread of nuclear weapons. Such a demonstration of good faith is particularly important now that India has become the sixth power to explode a nuclear device. Will there be more? In part, the answer to this question will depend on what the superpowers do to show restraint—whether or not India, China, or other countries continue to test.

The continuation of underground testing also weakens the efforts of the United States and Soviet Union to bring France and China into real discussions on arms control. A CTB on its own would not prevent proliferation or lead to broader arms control talks; but it could be a significant step on the way.

Finally, a CTB would permit some savings in the nuclear weapons programs of both superpowers, to be applied to other uses, and end the remaining environmental hazards from underground testing. While such hazards are not the overriding reason for banning all tests, about one-fifth of our tests have vented, sending radioactive particles into the air. In addition, the side effects of massive explosions deep within the earth's crust are still not fully known—as concluded by the Pitzer Panel, appointed by the President's Office of Science and Technology.

Many of these arguments for a Comprehensive Test Ban treaty were reflected in talks I had with Soviet leaders in Moscow during April. In these talks, they shifted their position on an important point. They are no longer insisting that France and China join a CTB at the outset. Rather they are prepared to reach agreement with us now, and then seek the support of other nations. To be sure, Soviet leaders told me they want an escape clause, in the event that France and China do not respond. (Such clauses have become standard in most arms control agreements.) And it is important for us not to allow a CTB to be used as a weapon in the diplomatic conflict between the Soviet Union and China. But Soviet leaders also agreed that a CTB could be an important step forward, symbolizing our shared concern to limit the race in nuclear arms.

VERIFICATION CAPABILITIES IMPROVE

Yet what assurance is there that the Soviet Union would not test nuclear weapons in secret? To begin with, our ability to detect nuclear weapons tests underground has improved considerably during the past decade (and the Soviet Union has frequently expressed a willingness to rely on national means of verification). In fact, testimony before the Senate Arms Control Subcommittee—from a variety of sources—has supported the conclusion that we have a greater capacity now to detect and identify nuclear explosions through national means alone than we would have had in 1963, even with the seven on-site inspections a year that we then demanded. There is widespread belief that current developments in seismology alone would enable us to detect and identify explosions having a yield of only a few kilotons. And this does not take into account satellite reconnaissance and other techniques to gather information.

In addition, the Soviet Union would always be uncertain of our capabilities. And, being uncertain, Soviet leaders would have to calculate the risks—and the consequences—of being caught at cheating. With so much else at stake in arms control and in our bilateral relations, these risks and consequences would weigh heavily on them. This would be especially so since the benefits to be gained from cheating—some improvements in low-yield weapons—are most unlikely to bring any marked advantage in the nuclear arms balance.

I believe, therefore, that the issue of verification no longer need stand in the way of further limits on nuclear testing by the superpowers. Consequently, I have introduced a Senate resolution calling for a mutual moratorium on all nuclear testing by the United States and the Soviet Union, followed by a conclusion of a Comprehensive Test Ban Treaty, hopefully to be negotiated in time for the Moscow summit this summer. At time of writing, this resolution has 36 co-sponsors, and has been cleared for Senate action by the Foreign Relations Committee.

"THRESHOLD" TEST BAN INADEQUATE

Press reports on preparations for the forthcoming summit, however, indicate that the Administration is seeking only a "threshold" test ban—that is, a limit on tests producing a seismic signal above a given magnitude. Of course, for the political and psychological reasons I have advanced above, even a threshold treaty which genuinely ruled out major changes in strategic weaponry could still be valuable.

But even a threshold treaty set at a low level would be less desirable than a complete ban on testing by the superpowers. First, it is not clear that a threshold treaty would be enough to demonstrate the commitment of the superpowers to end their arms race. Would India have tested a nuclear device if Washington and Moscow had signed a CTB? We cannot know, although India long demanded this progress as the price of its own forbearance. Its recent action, therefore, should increase our desire to regulate the superpower arms race—with a comprehensive, rather than another partial, test ban agreement.

Second, a threshold treaty would be even more difficult to monitor than a CTB, since it would require a precision in seismic detection that is not needed when the issue is one of verifying whether or not there has been a nuclear explosion of any size at all. Disagreements on such technicalities could very well lead to more political tension, not less.

Third, the level of the threshold would tend to be set by arms developers rather than by arms controllers. As long as some level of testing is permitted, there will be strong pressures to test up to the limits (as happened with the Partial Test Ban Treaty)—even if quotas were imposed on the number of tests each power could make each year. There would also be a tendency to refine nuclear weapons arsenals even further—especially in the area of tactical weapons. This could lead to a blurring of the distinction between nuclear and non-nuclear weapons.

Finally, will the Soviet Union accept a threshold ban that would be a real improvement on the present Partial Test-Ban Treaty? Since the Soviet Union generally tests weapons larger than ours, a threshold ban would tend to favor U.S. weapons developments, and could raise doubts in Soviet minds about our sincerity in wanting to advance mutual interests in this area.

For all these reasons, I believe that a threshold ban would be far from the best answer in the area of controlling nuclear testing. I have urged the Administration to pursue a Comprehensive Test Ban to the limits of negotiation, before turning to a less desirable alternative. And I believe that CTB can be negotiated this year.

CRISPIN GARNEZ PRODUCES COUNTRY'S FIRST BALE OF COTTON THIS YEAR

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. DE LA GARZA. Mr. Speaker, early in June the Nation's first bale of cotton for this year was ginned in Hidalgo County in the 15th Congressional District of Texas.

Crispin Garnez produced the cotton on his farm near the town of Pharr. And this is the third time in the last 4 years that Mr. Garnez had the first bale. Winning the honor has become a habit with him.

This year's bale is no skimpy affair. It weighed in at 518 pounds—a healthy bale, as any cotton man knows.

I am proud of this opportunity to let my colleagues know how we do things in south Texas. And I convey my congratulations to Mr. Garnex, who, in addition to the honor of being first, collected $1,445 in cash prizes for the first bale.

INCREASED BENEFITS FOR SERVICE-CONNECTED VETERANS

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. DORN. Mr. Speaker, I want to congratulate our distinguished chairman and Chairman Boland and the members of his Subcommittee of the Appropriations Committee for expediting this legislation. House Joint Resolution 1061 will provide funds necessary to implement legislation recently passed by the Congress and signed by the President to increase compensation benefits to our service-connected veterans, and their families.

During the current fiscal year, $100,000,000 is required to implement Public Law 93–295 that became effective May 1, 1974. It provides a 15- to 18-percent increase in disability compensation benefits for service-connected disabled veterans; a 15-percent increase in allowances for dependents of veterans who are 50 percent or more disabled; a 17-percent increase for dependency and indemnity compensation for widows and children; and a 17-percent increase in aid and attendance allowances. This new legislation passed by our Committee on Veterans Affairs earlier this year will benefit some 2.2 million veterans receiving compensation benefits and approximately 375,000 widows, children and parent cases receiving death compensation and dependency and indemnity compensation benefits in fiscal year 1974.

Approximately $77,000,000 is needed by the Veterans' Administration to implement Public Law 93–293 that became effective May 31, 1974. You will recall we recently passed a 30-day emergency extension of the time during which veterans must complete their training under the GI bill. Enactment of this legislation averted a hardship for some veterans whose time was due to expire May 31, 1974. We are now considering a comprehensive education bill that will include a 2-year extension and we continue to hope final passage will come about before June 30.

I have continued to be concerned about unreasonable delays encountered by many veterans in receiving their educational benefits checks. This has caused undue hardships on thousands of veterans and many have had to drop out of school due to these delays. In an attempt to resolve these serious problems, the Veterans' Administration has asked for funds to implement its "Man on Campus" program. This program is being established by administrative action and $2,000,000 is being appropriated to the Agency for the initial funding during this fiscal year. The Appropriations Committee has taken note that these funds are not to be used to duplicate the efforts of the Veterans' cost of instruction program of the Department of Health, Education, and Welfare. I share the concern of the committee and take this time to assure the committee that we plan to monitor the "man on Campus" program to see that the services provided on campus by the Agency does not overlap the scope of services provided by representatives of the veterans' cost of instruction program already established on some campuses.

Mr. Speaker, again I want to express my appreciation for the prompt action taken by the Appropriations Committee in bringing this legislation to the House. It again shows the committee is sensitive to the needs of veterans of our country and its commitment to see that these needs are met.

ATOMIC POWER SPREAD? TRY TO STOP IT

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. SHUSTER. Mr. Speaker, many of us are deeply concerned over the prospects of spreading nuclear power to the Middle East and beyond. I am still wrestling with the question myself. The following article from the June 23 Pittsburgh Press by Prof. Lawrence Lee of the University of Pittsburgh offers a perspective which deserves inclusion in the national debate on this issue:

[From the Pittsburgh Press, June 23, 1974]

A-POWER SPREAD? TRY TO STOP IT

(By Lawrence Lee)

Everyone wants atomic power.

Everyone will have atomic power.

Such knowledge, once gained, cannot be kept secret. Such techniques, once mastered will not remain the permanent monopoly of one society. They will sometime be universally possessed.

It was shallow not to have perceived this from the beginning.

About the year 1950, this view was stated in an informal discussion with a bureaucrat appearing at the University of Pittsburgh under sponsorship of Dr. Herbert Longenecker, then dean of graduate studies.

It was suggested that, with a proper quid pro quo from Russia, our knowledge of the fission of the atom be revealed to the Soviet Union to ease an almost universal international fear and tension.

There was shocked response.

Now, about two decades later, Russia is an ominous rival for atomic hegemony.

China has exploded more than one nuclear device, in spite of the rumored threat of preventive attack by the Soviet Union in its continuing tension with the Chinese regime over territory and Communist ideological dominance.

India, also disputing territory with China, has recently exploded a nuclear device while its starving millions cheer in national pride.

The United States, for presumed oil concessions and in our desire to prevent too strong an influence by Russia in the Arab world, has agreed to export atomic capability and aid to Egypt.

And the resignation of a major figure of the United States delegation from the Strategic Arms Limitation Talks (SALT) because of the present attitude of Washington officials . . .

All this brings us up to the current and ticking second in atomic questions and international diplomacy. Time has no stop in these issues and in the fate of nations.

What man decides and does, man must live with—in rejoicing or in despair.

India declares that she will never use atomic force for warfare.

If this is true, and if her atomic capability is to be devoted to the production of energy for peaceful uses, for the development of creative power, India will indeed have given her starving masses cause for more than mere nationalistic pride.

Their lives will be less imperiled. Their future survival will be more hopeful.

If she fails to keep or cannot keep the pledges of peaceful usage, India will not be the first nation to promise more than she intends to or can fulfill.

All national entities declare their peaceful intentions. All repeat that their armaments are for defense against the potential enemy.

And budgets for defense expand while weapons that are perilous become obsolete and are replaced by even more destructive ones.

Only the wisest statesmanship on select occasions can act in compassion. Diplomacy must act most often with realism.

It is realistic to see that nuclear knowledge will become universal. It is statesmanlike to seek with enduring tenacity a system in which all nations, large and small, can feel secure.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. HOSMER. Mr. Speaker, the backers of H.R. 11500, the bill to bury the surface coal mining industry, are fond of claiming that it would simply enact the Pennsylvania surface mining law for the whole Nation, and would make possible nationwide the use of the modified block-cut mining method employed in Pennsylvania.

In fact, one member of the House Interior Committee and three staff members went up to see some of the mines which operate by the block-cut method on steep slopes. One of the staff wrote a glowing report on the trip, saying that the mining method seemed to be a successful way of reclaiming steep slopes, and implying that these mines were in compliance with H.R. 11500.

It all sounded wonderful until the owner of one of the mines got a look at H.R. 11500. He is Edward Mears, president of the Mears Coal Co., a small operation near Marion Center, Pa. What Mr. Mears saw in this bill sent him running to a typewriter. He wrote to members of the Interior Committee:

> I am afraid if it passes, it will stop me from using my block-cut method and will put me out of business. I find a number of proposed requirements in that bill that will stop not only my kind of operations but many others like it here in Pennsylvania.

Mr. Mears is not some rapacious coal operator despoiling the landscape. By the account of the Environment Subcommittee staff members who saw his mine, he is doing a good job of reclamation. They apparently want a bill that would allow other operators to use the same methods—in fact, that would require them to do so.

Beautiful—but Mr. Mears says this will not be possible under H.R. 11500.

In other words, the supposed textbook example of H.R. 11500 says it would put him out of business.

What better testimony do we need to prove that H.R. 11500 is a crazy, mixed-up bill? It is as silly as trying to raise bananas on Pike's Peak. If it would stop operations at an acknowledged model mine, that is a pretty good sign it would shut down a major portion of the coal industry—and right now, the Nation cannot afford to let that happen.

LESS POSTAL SERVICE

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. GROSS. Mr. Speaker, Postmaster General E. T. Klassen recently announced that he was bringing his Southern Regional Postmaster General, Mr. Carl C. Ulsaker, to Washington to serve as a Senior Assistant Postmaster General for the prime purpose of "developing and implementing servicewide cost reduction programs."

For my colleagues who have seen postal service deteriorate at an increasing rate over the past 3 years, this announcement of the Postmaster General should serve as an ominous warning that there are more service cuts to come.

As General Klassen puts it in his press release:

> The U.S. Postal Service faces now and in the coming fiscal year a serious financial problem. Due mainly to inflationary pressures, our costs are considerably in excess of our revenues.

The Postmaster General goes on to say—

> It is absolutely imperative that we develop, implement and follow through on programs to contain and curtail our costs for labor, transportation, supplies and other services. Of necessity, such programs must be national in scope with significant flexibility for implementation at the local level.

For an agency which is almost totally labor-oriented, an agency which spends more than 80 percent of its budget to meet its payroll, unless the Postal Service abandons some of its management policies, the Klassen announcement can only mean one thing: less service to the public.

I will remind my colleagues that American taxpayers are already paying through the nose for postal service they do not receive. For fiscal year 1974 the Congress appropriated nearly $2 billion from the Federal Treasury to pay for public service costs and subsidies. This money, coupled with the postal revenues that go directly to the Postal Service, should be enough to provide consistent and adequate postal service to the American public. Apparently, it is not.

The reasons why postal costs vastly exceed revenues and subsidies are many. But it is interesting to note that the press release of the Klassen statement was sandwiched between two other general releases from the Postal Service which illustrate one of the basic reasons: the Postal Service management is more interested in the image of service rather than the substance.

Preceding the Klassen economy statement was a press release which announced that Henry Aaron, the Atlanta Braves homerun king, was named America's No. 1 recipient of fan mail in 1973 by the U.S. Postal Service.

It seems the Postal Service asked professional sports organizations, the three major television networks, motion picture companies, television production companies, and fan mail organizations to submit the approximate amounts of mail their top personalities each received.

I am sure the public was thrilled to learn that its tax money produced a fan mail survey which showed Aaron outdraws Dinah Shore, Johnny Carson, Alan Alda, Randolph Mantooth, and Joe Namath combined.

Immediately following the Klassen economy statement was a press release which announced a $5 million nationwide advertising campaign to promote stamp collecting.

The press release proudly announced:

> It is the first time that the Postal Service has ever purchased national television advertising.

The firm handling this campaign is Needham, Harper & Steers, Inc., which last year was given a $3.8 million account to promote the public image of the Postal Service through newspaper ads.

And last, but not least, Mr. Speaker, in this same batch of press releases was one which announced that the Postal Service had agreed to purchase a 45-acre site for approximately $1.3 million, 3½ miles east of the San Antonio, Tex., airport.

This purchase, which works out to about $29,000 per acre—so it must be pretty choice land—was made in anticipation of a general mail facility construction project now in the initial planning stages.

The press release says that the initial planning is scheduled to be completed early next year. At that time, the release says—

> If the project then meets service, economic and operating criteria and favorable review, an architect and engineer will be selected during the spring of 1975.

I ask, Mr. Speaker, what if the project does not meet the economic criteria? Then, of course, the American taxpayer is left holding the bag for this high priced Texas desert.

I suggest that Mr. Klassen read some of the press releases that come out of his office if he wants to understand why the Postal Service faces a "serious financial problem."

A GOOD WORD FOR LAWYERS

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. ICHORD. Mr. Speaker, in the April-May 1974 issue of the Journal of the Missouri Bar, Mr. Wade F. Baker, executive director of the Missouri Bar, wrote a timely article on lawyer-legislators which I would commend to the attention of my colleagues.

There is little doubt that in the wake of the political scandals which have wracked government at all levels, lawyers have suffered an undue loss of reputation due to the actions of a few fellow professionals. Surely, an entire profession, composed in vast part of honest and dedicated men and women of integrity, should not be degraded for the misguided actions of a few of its members, and I believe that it is time that we finally hear a good word for the lawyers. Mr. Baker's well-taken comments afford a needed perspective on the vital and necessary role that lawyers play in our society, and I should like to take this opportunity to share them with my distinguished colleagues.

The article follows:

BENCHMARKS FOR YOUR PRACTICE

(By Wade F. Baker)

LAWYER-LEGISLATORS

Today in the 77th Missouri General Assembly there are twenty-nine lawyers in the House and twenty-one in the Senate, a total of fifty lawyer-legislators. Rumor indicates that perhaps twenty-five percent of the lawyers in the legislature will not seek re-election.

By the time this is published, the deadline for filing will have passed. But the reasons for their leaving the legislature are pertinent and ought to be examined. Some say they are tired of the constant harassment legislators must endure, no matter how hard they try. Others are weary of the criticism of lawyers and the key role they occupy in the legislative process. Nearly all mention economics as a base reason for leaving the legislature.

While a few legislators may not earn their salary, most do. The public is unaware (as we who work with them know) of the long hours spent in hearings, the frequent special sessions and the annual sessions they must attend. Add to that the interruptions of constituents between sessions and the time (and money) spent for campaigning, and little time is left for them to engage in business or professional pursuits.

Although no one suggests that legislators be paid full time salaries, we should not overlook the heavy responsibilities imposed upon them by their official duties. As the body of men and women to which we entrust our most difficult and essential public problems for decisions, legislators, in my opinion, deserve more compensation than they now receive. Less than three percent of the State budget is appropriated to the Legislative Branch of government. This should demonstrate that legislators and the supportive help they need are not overpaid—and it's about time those of us who work closely with them should speak out on their behalf.

Lawyers should be commended for their efforts in the legislature. They are willing to sacrifice income and time away from their families to serve as our representatives in our Assembly. They are distressed by the criticism that lawyers have too much power in the legislature. After all, the voters who selected them thought they were more qualified than their opponents. Voters apparently were impressed with the fact that they were lawyers. Then they were elected or appointed by other legislators to key positions they hold because of their legal training and their skill in negotiation and debate. Lawyers have shown adeptness at moving bills along the intricate route to enactment.

We need the skill and training of lawyers in the Missouri General Assembly, and we would hope many will change their minds and file for re-election before the deadline for filing passes.

Experienced legislators are needed in Missouri now as much as when the State was admitted into the Union. Because of the skills of lawyers and the significant role they occupy in the legislative process, we encourage them to continue to serve in the legislature and to give Missouri the leadership the State so acutely needs.

PUERTO RICO CELEBRATES THE FEAST OF SAN JUAN BAUTISTA

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. BADILLO. Mr. Speaker, on Sunday, June 23, celebrations were held in many places in commemoration of the feast of Saint John the Baptist. While this occasion is widely observed in many countries with a predominantly Christian population, nowhere is it more enthusiastically celebrated than in Puerto Rico.

The island of Puerto Rico was discovered by Columbus on his second voyage to the New World. In early November of 1493, he and his crew stopped at the small Caribbean island of Guadeloupe for water. It was there that they met a group of Arawak Indians who had been taken into slavery by the Carib Indians. The Arawaks begged Columbus to take them home to their neighboring island of Boriquén, and Columbus agreed to do so.

On November 19, the Spanish fleet reached Boriquén, and Columbus was so impressed with the beauty of the island that he took possession of it in the name of the King and Queen of Spain, calling it San Juan Bautista after Saint John the Baptist. After spending 3 days on the island, the Spanish fleet continued its voyage on to the original destination of Hispaniola.

For the next 15 years the island of San Juan Bautista remained largely ignored by Spain, but finally in 1508 Ponce de Leon took a crew of 50 men to carry out further explorations in the area. It is said that upon discovering a large, well-protected bay on the north coast of the island, Ponce de Leon praised the area as a "puerto rico"—a rich port—and that that name eventually came to be applied to the entire island. The port and now capital city retained the name of San Juan.

Thus it is that the feast of Saint John the Baptist has special significance both for the residents of Puerto Rico and for those of our community who have come to the mainland to make our homes. In many areas the Puerto Rican community organizes picnics, special religious observances, entertainment, and so forth, in honor of this important day.

The Spanish-speaking community has in recent years made a special effort to demonstrate the pride we have in our own unique heritage, and Puerto Ricans are happy to have this opportunity to share with the rest of society our joy in celebrating the feast of San Juan Bautista.

AMNESTY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. HORTON. Mr. Speaker, few issues have prompted so bitter a controversy or weighed so heavily upon the minds of the American people as has the complex issue of amnesty. Today I would like to share my thoughts on this sensitive matter with my colleagues.

First, it must be understood that in every case, these young men living in exile are doing so voluntarily. The law does not provide exile as a penalty for either draft evasion or desertion. Most of these young men have chosen this course because they felt the alternative of criminal prosecution was too onerous or unjust.

In addition to those who refused to serve because of their strong objections to the U.S. policy in Vietnam, there are others who felt they were unfairly treated by the Selective Service or by the military, and who saw exile as the only means of escaping the snare of bureaucratic injustice. In still other cases, young men, some of whom feared prosecution for crimes unrelated to Vietnam or the draft, left the country or deserted their military units.

Because of the diversity of the people and circumstances involved in the amnesty question, I feel strongly that a case-by-case examination is the only proper way of determining when repatriation should be granted, and the circumstances under which criminal prosecution could be waived.

Under my proposal, an administrative board would be established in each Federal region. This board would review each case of a young man desiring to return to the United States, determine the conditions of his repatriation, perhaps waive all conditions, or deny repatriation without criminal prosecution.

The conditions of repatriation, if any, would be clear to the young man before he irrevocably determines to return to the United States. Legislative guidelines might be necessary to insure the equitability of conditions throughout the country. An effective national service program would have to be guaranteed to allow these young men to serve their Nation in a way compatible with their convictions and with the interests of the country.

Millions of men did serve their country during the Vietnam conflict. Tens of thousands gave their lives, and hundreds endured imprisonment by the enemy. At this time, more than 1,300 of our servicemen in Indochina are still unaccounted for. In light of these facts, I firmly believe a blanket amnesty would be inappropriate. Although history has shown us various examples of limited Presidential amnesties, our Vietnamese involvement did not conform to any of our previous military commitments. The absence of a formal declaration of war, the unparalleled opposition to our involvement, the number of young men who refused service, and the lack of a clear victory, all are factors which differentiate this war from others.

I believe it would be a grave mistake for the Congress to allow the sensitivity and complexity of this issue to prevent it from carefully moving toward resolving the fates of those who refused to serve militarily during the Vietnam conflict. I am hopeful that the Judiciary Committee will proceed to draft legislation which is responsive to the individual circumstances of each case of repatriation.

CLEMSON UNIVERSITY DISTINGUISHED SERVICE AWARD FOR GEORGE CHAPLIN OF HAWAII

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mrs. MINK. Mr. Speaker, I am pleased to note that Mr. George Chaplin, the editor in chief of the Honolulu Advertiser, of Honolulu, Hawaii, has been chosen to receive the distinguished service award of Clemson University.

Mr. Chaplin graduated from Clemson in 1935 with a B.S. degree in textile chemistry. Since then he has entered the newspaper field, where he has achieved great distinction as the editor in chief of one of our leading daily newspapers.

As editor, Mr. Chaplin has taken a strong interest in nearly every subject affecting the public in Hawaii. The topics covered in the editorial pages span a diverse spectrum ranging from local government issues to the status of Micronesia, a subject in which Mr. Chaplin has much expertise. His contributions to a more enlightened and informed public have been of great merit.

Mr. Chaplin has also participated in a wide range of community activities, which attests to his involvement going beyond commentary in the editorial pages of his newspaper.

Each year, the Clemson University alumni association chooses five persons to receive the distinguished alumni award from among persons who may be nominated by anybody. This year's awards were conferred at Clemson's annual alumni banquet on June 8 during reunion week. They were presented in the name of the entire Clemson University alumni family.

The award given to Mr. Chaplin reads—

The Clemson Alumni Association of Clemson University presents the Distinguished Service Award to George Chaplin, Class of 1935, whose personal life, professional achievements, community service, and loyalty to Clemson exemplify the objectives of Clemson University.

I congratulate Mr. Chaplin on receiving this award, which is most deserved.

AN EXPERIMENT IN COED CORRECTIONS SUCCEEDING

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. KASTENMEIER. Mr. Speaker, the stagnant, stifling atmosphere of American prisons is only one of the many problems facing prisoners, corrections officers, and those of us in Congress charged with meeting the crisis of the corrections system. The struggle for penal reform continues to be painfully slow in both the Federal and States' systems. It is encouraging, therefore, to find that an innovative experiment in coed correctional training is succeeding in relieving some of the tensions, frustrations, and alienation that have consistently been a large part of prison life in this country.

I call the Members' attention to an article in the June 20 New York Times on the Massachusetts Correctional Institution at Framingham. The State authorities, the prisoners, and the superintendent of the facility, Mrs. Dorothy Chase, are to be commended for their continuing efforts to improve prison life. Sadly, stories such as Framingham's are the exception rather than the rule and serve only to remind us that that the struggle for a sensible National corrections policy is far from complete.

The article follows:

MEN AND WOMEN IN ONE PRISON: "REALISTIC" IDEA IS GIVEN A TRY

(By Judy Klemesrud)

FRAMINGHAM, MASS.—At a large, enclosed complex of buildings near here, men and women residents stroll hand-in-hand through the grassy courtyard, dine together, play cards together, watch movies together, and swim in the outdoor pool together.

And recently, to the surprise of almost everyone, two couples who met at the complex were united in marriage. And rumor has it that at least two more marriages are in the offing.

No, this isn't one of those "swinging singles" complexes that are so popular on the West Coast. It is a coed prison, believed to be the only state prison in the nation where men and women prisoners are allowed to mingle. (A Federal prison in Fort Worth has also gone coed, and a coed state prison is scheduled to open in Connecticut in 1976.)

For a little more than a year now, minimum-security inmates from other state prisons in Massachusetts have been able to request transfer to this former women's prison, officially known as M.C.I., Framingham (the initials stand for Massachusetts Correctional Institution). At present there are 85 women and 57 men in this picturesque, tree-lined, minimum security facility. About 50 per cent are black.

"If you've got to be in prison, this is the place to be," said Thomas O'Keefe, 45 years old, a blue-eyed, dark-haired convict from Peabody, Mass., who recently transferred here after spending 14 years at Walpole state prison for armed robbery.

"I mean, you wake up in the morning and you see trees," he added, "and you walk down the walk with a chick. You can't beat it!"

PROTESTS ARE MINIMAL

Despite charges from some conservative politicians that the prison has a "country club" atmosphere, most Massachusetts citizens have accepted the prison's transition calmly. Either they aren't aware of it, prison officials believe, or else they regard it as the lesser of two evils at a time when the issue of homosexuality in sex-segregated prisons has been thrust into the national spotlight.

"The argument against homosexuality is the one that appeals to most of the people," said Mrs. Dorothy Chase, the prison's 40-year-old superintendent, as she sat in her spacious office overlooking the prison's swimming pool. The pool was paid for by "residents," as they are known, with the proceeds from one of their annual Christmas fairs.

The argument that appeals to Mrs. Chase the most, however, is that the coed concept is just more "realistic." She reasons that the residents are going to have to cope with a man-woman world when they get out, and that learning to get along with the opposite sex inside the four walls will help with their adjustment to society once they are released.

Sexual contact at the prison is supposedly limited to handholding. "Don't let me see any mouth-to-mouth resuscitation," Mrs. Chase has told her charges. "No one is drowning here."

But at the same time, she is realistic.

"There has always been sex in prisons," she said evenly. "If you don't have homosexuality, you have heterosexuality. We don't condone it, but it goes on."

Residents said these moments of private passion take place in empty rooms and broom closets, and during the residents' "furloughs," or trips away from the prison. Indeed, it was during a furlough that the two married couples exchanged vows, in violation of a rule that they could not marry without the permission of prison officials.

"It's a stupid rule," said Mrs. Chase, a dark-haired, tiny (she's 4-feet 11-inches tall) woman. She added, however, that the married couples do not live together inside the prison, but in sex-segregated cottages with other residents. Curfew is 9:30 P.M.

The prison has four of these cottages, two for men and two for women, each housing 35 prisoners. When there is an overflow, there are special housing facilities above the infirmary and in a halfway house in Dorchester, Mass. The dining room is in the large main building, which also houses recreational and educational facilities.

HALF HOLD JOBS

About half of the residents hold jobs in nearby cities as part of the prison's work-release program. Most of the others are employed inside the prison in "cadre" positions. Neither group wears uniforms; instead, such items as cut-off jeans, halter tops, T-shirts, safari jackets, flared pants, sandals and sneakers are prevalent.

Despite the mixing of the sexes, homosexuality is still noticeable at the prison as some residents—especially women—openly display affection for each other.

"That's the one thing that bugs me," said Larry Stanton, 25, of Waltham, Mass., who is serving six years for assault and battery. "If two women are together, the guards don't bother them. But if a man and a woman sit together on the grass for more than a few minutes, they break it up."

Mr. Stanton, who has long blondish hair and a matching moustache, was sitting in the dining room the other day, holding hands with his newly acquired girlfriend, Judy Bregoli, 28, of Boston, a parole violator.

"I just love having the men here," she said, over coffee. "They really help us a lot, especially with our court cases. They know a lot more about it, because they've usually done harder time than we have."

The women residents are generally in their early 20's, and are serving time for such things as prostitution and drug offenses. The men, mostly in their 20's and 30's, have generally committed more serious crimes, such as armed robbery, assault and manslaughter.

Almost all of the prisoners will be eligible for parole within a year to 18 months. One woman resident has been eligible for parole three times, a friend said, but purposely "aggravated" her situation so her parole was turned down. The reason: She didn't want to leave her boyfriend.

Things were not so chummy between the two sexes in the beginning. The women were at first afraid that the men might try to take over the prison, which is still the only correctional facility for women in Massachusetts.

Their fears were apparently groundless. "Both sexes are totally equal here," Mrs. Chase said, a statement that none of the women prisoners challenged.

So far, only one spouse has complained about the prison's coed nature: a wife was worried about her husband being an inmate there. As a result, Mrs. Chase told the man that she would support any request that he might make for transfer.

"He subsequently escaped," she said, drolly.

According to prison officials, there is a steady stream of visitors here, many of them correction authorities who are thinking about suggesting the coed concept in their own state prisons.

It is an idea that is gaining support as prisoners and jailers alike demand more bearable institutions (two years ago, the National Advisory Commission on Criminal Justice Standards and Goals recommended that "serious consideration" be given to coed facilities).

Officials say it is too soon yet to study recidivism rates here but add that they are heartened by the apparent success encountered at the Federal prison in Fort Worth, which started its coed program about a year earlier.

"There is no question in my mind that coed prisons are the answer," said Murdoch MacDonald, 48, of Boston, a former printer who has been in various prisons for 22 years for double murder. "Just being around women eases all the tensions and the fantasies."

STAGE A FASHION SHOW

Like most prisons, M.C.I., Framingham, has its share of special events, including the recent commencement exercises for prisoners who received their high school diplomas, followed by a formal dinner dance. They also staged a coed fashion show starring prisoners as models.

The show, which climaxed a two-month grooming and modeling course taught by outside volunteers, bore little resemblance to those stuffy little shows that go on in New York salons. Here, the residents greeted the models with standing ovations, shouts of encouragement, cheers, whistles. It was a very joyous affair, especially whenever a model struck an exaggerated Fifth Avenue pose. The fashions were supplied by The Lobo Look, a boutique in Belmont, Mass.

A swimming pool . . . a formal dance . . . a fashion show. . . . Is it a prison? Or a country club? Talk like that often causes Mrs. Chase to react sharply.

"Anybody who thinks it's a country club

ought to come here and get incarcerated here and work here," she said. "This is tough living."

REV. M. MORAN WESTON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. RANGEL. Mr. Speaker, the Reverend M. Moran Weston is a leader in Harlem's community affairs. Under his leadership, St. Philip's Episcopal Church has undertaken a vigorous, badly needed housing program in central Harlem. From the just-opened senior citizen apartments in a new 14-story building to future plans for additional building and renovation in the neighborhood, Reverend Weston has shown what an active, community-minded church can do. It is activities like these which can reveal a church's social conscience and commitment.

I am pleased to include at this point in the CONGRESSIONAL RECORD an article on Reverend Weston by Sandra Satterwhite which appeared in the New York Post on June 19, 1974.

GOING BEYOND WORSHIP

(By Sandra Satterwhite)

Believing that as a pastor his concern for parishioners should go beyond the weekly worship service, the Rev. M. Moran Weston has gotten involved in the nonprofit housing arena.

He said that he has a "waiting list from here to Jerusalem" for the St. Phillips, Senior House, which had its grand opening this week.

Dr. Weston is the rector of the 164-year-old St. Philip's Episcopal Church in Harlem, which set up a subsidiary to sponsor the 200-unit, 14-story building at 220–260 W. 133d St.

"If you'd gone through this neighborhood when I first came here, you wouldn't recognize it now," he said, bemoaning the steady deterioration of the area near the church at West 134th Street and Seventh Av.

He said that older people, particularly women, needed a decent place to live, and that he initiated the housing program because "I made a commitment to demonstrate that black people could provide some of the answers as well as complain about the problems."

When he became rector of St. Philip's in 1957, the church had a 400-member congregation. It is now half that as people have moved away, the young have forsaken the church, and the neighborhood has shown the resultant decay, he said.

Weston was able to construct the $6.3 million home for the elderly with financing under the state's Mitchell-Lama program, and with federal rent subsidies and city tax abatements, he's able to set rents at prices residents can afford.

He said that the church is also sponsoring a federally and city-subsidized 260-unit, 19-story apartment building now under construction for low- and moderate-income families. Its expected cost is $10.4 million.

And St. Philip's is seeking city money to rehabilitate 13 tenements now owned by the church.

"I've always had a philosophy that you shouldn't do things for people, but with them," said Weston. Members of his congregation sit on the boards of the various housing subsidiaries.

And he stresses that it's a public service effort by the church, which won't own anything until after the 30-year mortgages are paid.

Weston was in his office at Community Center-Parish House complex, next door to the church, a $2.5 million, four-story building completed four years ago, and used mostly for preschool, after-school and youth programs.

"This was my first major undertaking. People thought I was out of my mind. This started with the grass roots," he said. The church members had raised an initial $275,000 before private foundations helped out with the rest.

M. Moran Weston is a third generation Episcopal minister whose maternal grandfather founded St. Luke's Episcopal Church in Tarboro, N.C., Weston's birthplace. ("We live in a society that's already made a fetish of age.")

His father, also M. M. Weston, pastored that church while his mother, Catherine, taught in the family's parochial school, later in a public high school. "Those were the ugly days of segregation."

There were five children.

Leaving the South after two years of junior college at St. Augustine in his home state (he's now chairman of the board there), he earned his bachelor's in English and chemistry from Columbia in 1930, his doctorate in social history there in 1954. He's been a Columbia trustee for the past five years.

He received his bachelor of divinity degree from Union Theological Seminary in 1934 and his doctorate of divinity from Virginia Theological Seminary in 1964.

His professional activities now run the gamut from clergyman, to college professor and banker.

A cofounder in 1948 of Harlem's Carver Federal Savings and Loan Assn., he now serves as chairman of the board. And for five years he has also been a professor of social history at the State University of New York.

His "full load" at SUNY includes a course in planned social change. "I'm trying to develop new insights into the nature and workings of power in a society," he said.

In his office at the parish complex, there's an oil painting just above his desk by his daughter, KarAnn, 21, an artist and recent graduate of Sarah Lawrence College.

"I told her that I wanted something that's symbolic of creative energy." She's now heading for Yale's School of Architecture. His son, Gregory, almost 17, is a senior in high school. "He's making rumbles about law—we don't know what he'll do, but it'll be something."

The "we" includes his wife Miriam, a practicing clinical psychologist, who has a doctorate in the field from Columbia. They live in New Rochelle.

"We read a great deal, obviously, and I play tennis every moment I can."

LET THESE PEOPLE GO

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. BINGHAM. Mr. Speaker, as the President prepares to leave for Moscow, the Soviets are preparing for his arrival with sweeping arrests and imprisonments of Soviet Jewish activists. Reports reaching the West indicate that more than 50 Jews in Moscow have been forcibly taken from their homes and thrown into prison, with many more barely able to avoid the Russian police by going into hiding. Many of those arrested are prominent scientists whose only offenses have been the submission of requests for emigration permits.

These dragnet tactics may seem appropriate to the Soviet authorities, since they apparently will go to any lengths to prevent demonstrations during President Nixon's visit by Jewish activists who have been trying unsuccessfully to leave the U.S.S.R.

One might have assumed that the President would not consider them appropriate, but his recent remarks at Annapolis indicate that he considers the emigration question an internal Soviet matter in which the United States must not interfere. It is quite likely that those remarks encouraged Soviet authorities to step up their harassment of Soviet Jews seeking to emigrate and further reduce the number actually allowed to leave the country.

Mr. Speaker, it should be painful to the President to know that his visit is the excuse for wholesale arrest and intimidation of Soviet citizens who mean him no harm. I have today sent a letter to the President urging him to protest this dragnet. I propose that upon his arrival he should immediately ask not only that these arrested Soviet Jews be released but also that they be allowed to meet with him during his visit. Perhaps such a meeting might convince the President that the right to emigrate is a legitimate concern of our foreign policy and that hundreds of thousands of Soviet Jews need our help if that right is to become a reality.

PLANNING THE WORLD'S CITIES

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. BOLLING. Mr. Speaker, Wilfred Owen's article Planning the World's Cities which appeared Saturday, June 22, in the Washington Post in my opinion correctly diagnoses what must be done if the world's communities are to be made more satisfactory for its inhabitants.

The article follows:

PLANNING THE WORLD'S CITIES

(By Wilfred Owen)

By the end of this century, developing nations will have to build new housing and services equivalent to 1,500 cities of a million people each. In addition, they must catch up with a great backlog of needs in the existing cities. So they are going to require an enormous commitment of resources for this aspect of their economic development.

But it is a mistake to believe that money, by itself, will resolve these urban problems—after all, the U.S., with all its wealth, is still plagued by slums, poor housing, inadequate services, blighted landscapes and insufficient municipal budgets. What will also be needed in ample measure is a vision, commitment and compassion and advanced technology if the disorder of accidental cities is to be replaced by planned cities, designed and built to suit human needs.

This approach to city-building was first advanced in England at the beginning of the century by Ebenezer Howard. His book, "A Peaceful Path to Real Reform," called for combining urban and rural development in a regional city of many centers. It proposed clusters of residential, industrial, commercial and cultural activity, small enough to create a human environment, but connected with other clusters to make possible the economies of a large metropolitan scale.

The methods Howard proposed are still relevant. He recommended the creation of corporations that would borrow money, acquire large tracts of undeveloped land, plan and build the city, charge rentals to industry and residents, and plow the profits from rising land values back into the community to help pay for public services.

Three-quarters of a century later, most cities have shown little inclination to adopt anything resembling a peaceful path to real reform. Instead, they have followed a planless path to real regret. Rather than being instruments of development, cities have become the instrument of their own destruction.

Singapore is one of the few exceptions. It decided 15 years ago to house its squatters and slum dwellers in satellite cities to clear the way for comprehensive renewal of the old cities. In the first decade 600,000 people moved into new satellite communities, vacating slums that are now being renewed. In the current five-year plan period, another 600,000 people are being housed.

The amount of capital needed to finance this undertaking was kept modest because the buildings were rapidly constructed and promptly rented to accelerate cash flows. Thousands of workers were trained and employed in the construction industry. And, rather than encounter financial difficulties, Singapore doubled its real per capita, income in a decade.

Other planned cities include Brasilia, Shah Alam in Malaysia, Makati in the Philippines, five satellite cities around Paris, the satellites of Stockholm, Britain's 26 "new towns," and 16 new communities in the U.S. A planned city for 1.6 million people—Cuautitlan Izcalli—is under construction near Mexico City. There is also Japan's Tama, Ghana's Tema, Chandigarh, Canberra and Bombay's Twin City for a million inhabitants. Karachi's proposed satellites for 40,000 to 50,000 people are to be called "metrovilles."

Planned communities are experimental and have their share of problems as well as achievements. Some have earned high marks in the quality of their housing and neighborhoods, social services, well designed industrial parks and commercial centers, open space for recreation, separation of people from traffic and convenient integration of homes, schools, shops, and work places. The financial record has also been good. Costs have been reduced by economies of scale, careful land use and the capture of increased land values. The hope is that performance can continue to be improved as a means of guiding urban growth and improving existing cities. The design of complex clusters of urban activity in new regional patterns may well be aided by new developments in transportation technology.

What is now needed is a cooperative effort for the exchange of information and experience among the world's urban centers. Here are some basic requirements for a rapidly urbanizing world:

1) Newly created city-building organizations, either public or private or a combination of the two, that embody the best features of the British New Town Corporations, the Singapore Housing and Development Board, the New York State Urban Development Corporation and others.

2) Extension of present financial assistance for urban planning by the U.N. Developing program, World Bank and Asian Development Bank to include entire urban systems.

3) A worldwide cooperative research and development program to include innovations in urban design, social services in housing and transportation, energy supply and conservation.

4) Energy-conserving designs for urban settlements, public transportation and changes in the design and operation of the automobile.

5) Inclusion of land use and physical planning in the formulation of national plans, which are now largely economic.

6) Manpower organization to make the unemployed or underemployed available for building construction, self-help housing and the maintenance and operation of cities.

7) Urban land reform which places land for urban development under one management and re-invests profits from increased land values in improved community services.

8) Greater flexibility and variety in city design and construction to increase people's choice and allow for spontaneous development.

9) National economic reforms, training and job creation to raise the income of the majority who are poor.

10) An international alliance of cities to launch a cooperative strategy for planned urbanization and rebuilding of whole cities. In some respects the world's future may depend not so much on the United Nations as on the United Cities.

SOVIET SAID TO SEIZE JEWS AS NIXON VISIT APPROACHES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. EILBERG. Mr. Speaker, for several days the media have carried accounts of arrests and detentions in the Soviet Union of Russian Jews who have applied for permission to emigrate to Israel. The reason they are being rounded up is to prevent them from demonstrating during the visit of President Nixon to the Soviet Union.

These mass arrests are not being made because these people present a threat to the President's life or safety, but because the Soviets are afraid to let the President and the world see just how many people want to leave Russia for Israel and how much they are willing to sacrifice to get there.

At this time the Congress is considering legislation which would prevent the administration from granting most-favored-nation status to the Soviet Union because that government has refused to allow free emigration. The Russians have claimed this is an internal matter and should not be tied to matters of international trade. If this is true, why are they afraid to allow the President to even see these people from a great distance?

The administration, time and again, has protested that this legislation is not necessary and is actually a detriment because it is placing a strain on Soviet-American détente. Administration spokesmen claim that Russian Jews are being permitted to leave and that this legislation can only make matters worse for them. If this is true, why do Jews who get out of Russia and those who are forced to remain continue to press for the Mills, Vanik, Jackson proposal?

The truth is, the Russians regard this as a serious political matter and although invariably in the past they have demanded political concessions from us when trade and other agreements are made, they have never been forced to make such concessions.

And, the truth is that the détente between the Soviet Union and the United States is an agreement between nations and powers, not between peoples, and until these agreements begin to benefit people directly they will carry no great weight and will be ignored whenever it is expedient for either side to do so. Until the people see concrete evidence that détente is providing benefits for people there will be no great pressure on the governments to honor these pacts.

At this time I enter into the RECORD an article from the New York Times, June 22, 1974, describing the campaign of arrests and detentions in the Soviet Union:

SOVIET SAID TO SEIZE JEWS AS NIXON VISIT APPROACHES

(By Christopher S. Wren)

MOSCOW.—The Soviet authorities are rounding up Jewish activists here, apparently to forestall demonstrations during President Nixon's visit next week.

More than 30 people, some of them well-known scientists, have been arrested in Moscow and other Soviet cities, Jewish sources reported today. In at least two cases the police smashed down apartment doors to make the arrests.

Other Jews have reportedly blockaded themselves in their apartments or have gone into hiding, among them one who escaped across roofs. Still other Jews have been summoned by the authorities and warned of criminal prosecution or have been beaten up, the sources reported.

"In Moscow there's a real hunt on for Jews," asserted Aleksandr Goldfarb, a 27-year-old biochemist who said he had evaded several police traps. "We are on the run. We are under siege. It is not a very pleasant feeling to hide away like a rat."

In most of the arrests, the sources said, the police presented no warrants or formal charges. Agents who came searching for one man yesterday reportedly told his brother that they had an order to hold him for 15 days, which would cover Mr. Nixon's visit, which is to last from June 27 to July 3.

The roundup appears to be more sweeping than the similar precautions taken during Mr. Nixon's first Presidential visit here two years ago. All the Jews arrested or called in so far are believed to have applied for and to have been refused permission to emigrate to Israel.

Privately, some Jewish activists maintain that Mr. Nixon's recent statement that emigration was an internal Soviet affair has given authorities a free hand to launch such a crackdown. The Soviet press gave lavish attention to Mr. Nixon's remarks, which were made at Naval Academy graduation exercises at Annapolis.

Jews here have also been upset by suggestions that the United States might settle for a quota of 45,000 Jewish emigrants a year as a substitute for a more fundamental settlement of the emigration issue. They also want an amnesty for Jews now serving long prison terms, permission to emigrate for the "many thousands" they say have been turned down and firm official pledges that harassment will end.

The concept of an emigration quota has been discussed here for many months, and some Jews consider that it already exists. Jews said today that they had learned through foreign radio broadcasts of a 45,000 figure suggested to Secretary of State Kissinger. It was reported in Washington yesterday that Mr. Kissinger had told senators that Moscow was ready to guarantee that it would permit 45,000 Jews to emigrate annually.

"They can find 45,000 a year from Georgia, Dagestan and Bukhara," said Maria Slepak, a 47-year-old physician. "They'll have enough for 10 years without Jews from Moscow and Leningrad. The quota does not decide anything."

BREAK INTO BEDROOM

At 8 A.M. she said, a squad of 15 uniformed policemen and plainclothes agents smashed down the front door and bedroom door to seize her husband, Vladimir, also, 47, who was in bed. One officer, who wore a padded coat to handle the Sepaks' big dog, gestured that he would kill the dog if it was not taken to another room.

"They said 'Good morning'" Mrs. Slepak recalled. "I felt like telling them it wasn't a good morning."

Mr. Slepak, a radio electronics engineer and a leading Jewish activist, was taken off to jail. The officers took the battered doors to waiting repairmen, who within an hour fixed them and even repainted and installed them.

Also arrested today were the three principal organizers of a seminar planned by unemployed Jewish scientists for July 1. Dr. Viktor L. Brailovsky, a cyberneticist, and Dr. Mark Azbel, a theoretical physicist, were picked up by three officers at Mr. Azbel's country cottage outside Moscow.

"We don't know where they have taken them," said Dr. Brailovsky's wife, Irina.

The third organizer, Prof. Aleksandr Voronel, a physicist, was hiding in a friend's apartment. He surrendered tonight after security agents who had staked out the apartment telephoned to tell him it would be worse for his host if they had to force their way in.

The police also threatened to break down the door of another seminar organizer, Dr. Aleksandr Lunts, a mathematician, when they came to arrest him yesterday.

Today, his relatives asked the local police where he had been taken. The police disclaimed knowledge and told them to bring in his picture.

Two other scientists, Aleksandr Lerner, a cyberneticist, and Viktor Polsky, a physicist, were described as under siege in their apartments. The police reportedly prohibited the physicist's 16-year-old daughter from leaving the Polsky apartment.

Others were able to escape arrest, such as Vladimir Prestin, who was warned by his wife that the police were outside. Lev Gendin, a 32-year-old engineer, evaded pursuers by crossing his apartment house roof.

Besides those mentioned above, Jews reported arrested today included Dimitri Ram, a scientist; Leonid Tsepin, a hospital assistant, and Yuli Kasharovsky, a radio-electronics engineer.

Those arrested yesterday included Leonid Kogan, an engineer; Boris Tsetlenok, a factory worker, Mikhail Goldblatt, an engineer, and Zakhar Teskir, a soccer player.

Two days ago, the sources said, Ilya Koltunov was beaten up by plainclothesmen in the presence of uniformed policemen and then released. Leonid Korshevoi, an engineer, was arrested today and then released unharmed.

Jewish sources also reported today that 17 Jews had been arrested in Kishinev and that some had started a hunger strike. They also reported arrests in Leningrad and Odessa as well as interrogations in the Ukrainian cities of Kiev and Vinnitsa, but they offered few details.

Today two Kishinev Jews, identified as Sander Levinzom and Anatole Starkmann, went to the Ministry of Internal Affairs in Moscow to present an appeal on behalf of those jailed in Kishinev. Jewish sources here contended they had not been seen since.

In Moscow, five other Jews who lost jobs after they applied to emigrate have reportedly been called in and told they will face charges of parasitism, which carries a jail sentence, if they do not find jobs.

One of them, Vitaly Rubin, a 50-year-old, expert on China, was told yesterday that if he helped arrange the unofficial seminar he could be prosecuted for treason under Article 64 of the Soviet criminal code, which carries a maximum penalty of death.

Earlier this week 80 Soviet Jews signed an open letter to Mr. Nixon asking that his visit here not help "make our difficult situation an unbearable one." Some of the signers, including Mr. Slepak, were among those arrested.

SAVE THE SENIOR CITIZEN'S HOME

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. GAYDOS. Mr. Speaker, it sounds unbelievable, but there are hundreds of thousands of Americans today who face the prospect of losing the one real asset they still possess—their homes.

Those are not young homeowners, with a 20- to 25-year mortgage. They are the over-65 homeowner; people "retired" from earning a living, but still forced to pay their own way in the high-priced world in which we live. It is estimated that 70 percent of the Nation's senior citizens fit this category.

Each year more of them, particularly those on low, fixed incomes, lose the economic struggle. Battered by the increased cost of living and escalating real estate taxes, they find the expense of keeping their home outracing their ability to pay. They watch their "life's dream," their "something to leave the children" go on the block for nonpayment of taxes. The dream is shattered. The legacy lost.

I find this intolerable. I believe the elderly, who have bought and paid for their homes are entitled to keep them. Therefore, I am cosponsoring legislation in Congress which will provide the elderly homeowner with direct financial aid from the Federal Treasury to reimburse him for property taxes paid to local and State governments.

Under provisions of the bill, the senior citizen homeowner, with a household income of less than $5,000 a year, and whose real estate taxes are $480 or more per year would receive monthly payments of $40. If his real estate taxes were less than $480 per year, he would receive a monthly payment equal to one-twelfth of his yearly tax bill. The claims of eligible individuals would be handled by the existing machinery of the Internal Revenue Service, eliminating any addition to the sprawling bureaucracy which now exists in Washington.

I know local and State governments need the property tax revenue to pay for educational systems and public projects. But I also know that when you limit a person's income, you limit his ability to pay the going price of living, especially in times of rampant inflation.

Many elderly homeowners cannot keep up in today's tax race. They did in the past when they were active wage earners. They bought homes, paid their taxes and by so doing helped educate their children—and others. They helped pay for new or improved community services. Now they are retired, no longer earning a living. Their children are grown and, as they should, carrying their share of the tax load.

In the suburbs, the influx of young families triggers a boom. More schools, more streets, more services are needed. Real estate prices skyrocket, forcing property taxes upward. The retired homeowners watch their tax bills go up and their savings, if any, go down.

There is another factor which should be considered in relation to this problem. If the senior citizen loses his home, what happens? In all probability, the Federal Government will be required to provide housing for him. Usually, this means stripping property from local tax roles for public housing projects. To make up the loss in tax revenue, the local government has no alternative but to increase the tax burden on the remaining homeowners, young and old.

My tax relief bill is not a cure-all for all the problems of all senior citizens. I know it does not help those who live in rented apartments or houses. I know it does not help those who live with relatives. But, it does help the largest segment of our Nation's senior citizen population, who have helped us in the past.

It is an expensive program, costing an estimated $4 billion. But, you know and I know the Federal Government spends much more on less worthy causes. If just a few of the useless, unnecessary programs were eliminated or trimmed, there would be more than enough saved to help our elderly keep their homes.

The threat they face today should never have been allowed to happen. It certainly must not be permitted to remain over their heads. America owes those who have paid their way over the years more than just a notice their home is up for grabs at a sheriff's sale.

HOUSE JOINT RESOLUTION 1061

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. TEAGUE. Mr. Speaker, I want to commend the distinguished chairman and the entire Appropriations Committee for your expeditious action in bringing to the floor House Joint Resolution 1061.

The joint resolution would appropriate a total of $179 million for the Veterans' Administration for compensation, DIC, and readjustment benefits. Public Law

93–295 that became effective May 1, 1974, will require $100,000 for compensation and DIC payments during the current fiscal year. This new legislation will benefit some 2.2 million veterans and 375,000 widows, children, and other dependents.

The 30-day emergency extension we provided for veterans to complete their education and training under the GI bill will require $77 million during fiscal year 1974.

Finally, Mr. Speaker, $2 million will go to the initial implementation of the Veterans' Administration's man on campus program. The agency, by administrative action, is seeking to eliminate unreasonable delays many veterans experienced last year in receiving their educational benefits checks. I share the Appropriations Committee's concern that there be no duplication of effort between the VA's man on campus program and the veterans' cost of instruction program. The Veterans' Affairs Committee has been assured that the scope of service to be provided by its representatives would in no way conflict with that of VIC representatives already on campus. Our committee will closely monitor the program to see that it is properly coordinated.

Again, I commend the committee for its swift action and hope the Senate acts promptly to get the legislation to the President.

PRESIDENT NIXON WILL DEPART FOR EUROPE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. WOLFF. Mr. Speaker, in a few days the President will be departing for Europe and a meeting with the leaders of the Soviet Union. It is my hope that the President will bear in mind the mounting concern by large numbers of Americans over the plight of the Soviet Jews. I would like to share with my colleagues an excellent statement indicating the concern of one group, the Jewish Lawyers Association of Nassau County. At this point in the RECORD, I would like to insert a letter sent to the President by the chairman of that group's social action committee, Martin N. Kroll. The letter follows:

JEWISH LAWYERS ASSOCIATION
OF NASSAU COUNTY,
Great Neck, N.Y., June 10, 1974.

Hon. RICHARD M. NIXON,
President, Washington, D.C.

DEAR MR. PRESIDENT: Your statement of June 5, 1974, delivered at the Naval Academy commencement exercises, relating to the policy of the Soviet Union concerning the freedom of Soviet Jews to emigrate, was a frightening example of the dilution of morality from American foreign policy.

While you did not specifically condone the actions of the Soviet Union in relation to the treatment of its Jewish Ciizens, you stated that the situation was an internal matter of the Soviet Union in which the United States could not exercise influence.

If any country in the world were to attempt to physically or otherwise exterminate a specific segment of its population, would this be a concern of the United States of America? Do you draw the line at physical extermination as opposed to religious and cultural extermination? Was Germany's slaughter of Jews merely an internal matter of the Third Reich which the United States looked upon with moral displeasure?

The improvement, modest as it may be, in the treatment by the Soviet Union of its Jewish Citizens, I suggest is almost exclusively the result of the pressure of various members of Congress in refusing to grant economic concessions to the Soviet Union and not a matter of private discussions between the State Department and its Soviet counterpart.

If the pressure of the Congress as expressed by members such as Senators Jackson, Javits and Buckley were not uppermost in the minds of Soviet officials, there would be no relaxation whatever in the Soviet emigration policy, and, if this pressure were removed, it is my sincere belief that the Soviet Union would revert to its former policies of permitting little or no immigration of Soviet Jews. This cannot be permitted to happen.

The right to freely emigrate is one granted by the Charter of the United Nations and is one of the basic principles of human freedom which is fundamental to the dignity of all men; it is their God-given right.

Let me point out to you that the world Jewish population in 1939 was approximately 16 million persons. Today it stands at 13 million.

The Soviet Union has the second largest Jewish population in the world; second only to that of the United States. If the Jews of this country who, I assure you, are intimately concerned with the welfare of their fellow Jews in the Soviet Union as well as the welfare of all peoples throughout the world, were to accept your posture to the effect that the treatment of Soviet Jews is a purely internal Soviet matter, then we would be placed in a position of having to sit back and tacitly condone the gradual extermination of the second most significant block of Jews in the world.

We cannot do this. We are the only significant group of people in the world who today are fewer in number than we were forty years ago. Our survival, in part, depends upon the freedom to practice our religion, no matter where we may be and the freedom to live as Jews.

This freedom which Jews have always enjoyed in America, has permitted us, as a people, to make a valuable contribution to American society.

American neutrality on this point is nothing less than American immorality. There can be no division of opinion between that of the Congress and the executive branches of Government on a matter of such vital concern as that involving the basic human dignity of six million citizens of another country who have been culturally and religiously oppressed for a period of more than fifty years.

I urge you to reconsider your position.

Very truly yours,

MARTIN N. KROLL,
Chairman, Social Action Committee, Jewish Lawyers Association of Nassau County.

LAND-USE PLANNING LEGISLATION

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. VANDER VEEN. Mr. Speaker, I have begun a series of regular weekly columns which I have been sending back to newspapers and constituents in Michigan's Fifth District. Among the issues I have discussed is the need for land-use planning assistance for States to run their own planning programs. I should like to share this column with my colleagues and include it at this point in the RECORD:

THE VANDER VEEN REPORT—CONGRESSMAN DICK VANDER VEEN

By the year 2000, Americans will have to build more buildings than the Nation has constructed in the past 300 years. Population will be about 300 million, and even with zero-population growth we will have to wait 50 years for our population to stabilize. By the turn of the century about 85 percent of Americans will be living in metropolitan areas. We are chewing up available land now at the rate of 3,000,000 acres a year. Much of our development is occurring in the wrong place—housing is being built in flood plains, cities are suffering from overcrowding, mountains are being gouged away, highways and airports are being located in unsuitable places and other areas, needing airports and highways, are being bypassed. A few speculators and wealthy developers may be getting richer but all Americans are being made poorer in the quality of life.

Development and growth in most of the United States have neither direction nor vision. We have not been looking ahead to the time when populations of certain cities will be doubled, when present-day suburbs will be considered part of the inner-city, and when every week in the United States, we will be building a city of 27,000 homes—a city the size of our near neighbor, Kalamazoo.

We are facing right now an environmental-energy crisis, and we will continue to face it in the days and years ahead. The increasing cost of all types of energy, and the decreasing supplies of fossil fuels make serious "energy planning" essential.

A study released last month by the Council on Environmental Quality has calculated the various costs of urban sprawl in terms of environment, energy, money and inconvenience. The study illustrates that a well planned high-density community is far superior to unplanned suburban sprawl—using 44% less in capital costs, 43% less in land costs, 43% less in energy consumption, 50% less in auto emissions and 35% less in water consumption.

I'm not saying that this type of development is the answer to all our planning and environmental-energy problems. But I am suggesting that if savings on this scale can be achieved by just a little planning forethought: location of jobs near residential areas, location of shopping facilities near homes, then encouraging all States and localities to engage in land-use planning could provide this Nation with vast dividends in lowered consumption of raw materials and lowered costs in protecting and enhancing the quality of our air and water.

I raise these questions because about two weeks ago the House of Representatives did not permit a comprehensive land-use planning bill to get to the floor of the House for a vote. This bill would have encouraged rational land-use planning, would have helped conserve energy, and provided strong support for environmental protection. I voted to bring this bill to the floor of the House for consideration but we were defeated by seven votes—204–211.

The bill is evidence that we are confronted with a massive problem in the areas of population growth and distribution, and land-use planning. The figures I have quoted indicates the problem is going to get worse and not better.

While I regret failure of the bill to reach the floor so Congressmen could vote for or against it. I am even more concerned with the politics I think were involved in defeating probably the single most important piece of environmental legislation this Congress will consider.

The bill was supported by the National Governors' Conference, The National Legislative Conference, the National League of Cities/Conference of Mayors and the National Association of Counties—all units of State and local government who would be most affected by this legislation.

Governor Millikin, shortly before House debate, publicly stated his support for this bill. "The time for land use reform is now. In Michigan, our State program is being accelerated with the enactment of the Farm Land and Open Spaces Preservation Act, which I signed into law last week. Passage of a national land use bill will give added impetus to our efforts."

All these organizations of local and State government and our own Governor called for passage of this legislation, but we still lost by seven votes. These are leaders in local government and they did not think that Washington was going to control everything a city, county or state does in the planning field. All this bill does is provide states with planning grants to assist them in preparing their own land use and protection programs. That is what Gov. Millikin saw in this bill and he was right.

President Nixon, in his environmental message to Congress in February of 1973, stated, "Our greatest need is for comprehensive new legislation to stimulate state land use controls. We especially need a National Land Use Policy act authorizing federal assistance to encourage the states in cooperation with local governments to protect lands of critical environmental concern and to regulate the siting of key facilities such as airports, highways, and major private developments . . . "

How could such a bill fail? This is a fair question. The answer to this question, as it is to so many political ills this country is suffering, is Watergate. The President, in order to secure possible conservative votes against his impeachment by the House, is catering to the political beliefs of the men he hopes will save him when the time comes to vote on impeachment. The President is trying to buy votes in the House by using political power to kill or weaken legislation which this conservative bloc does not favor.

White House pressure killed this Land-Use planning legislation. President Nixon, as he has on mass transit, campaign reform, and oil and gas price legislation, bowed to the wishes of that geographic and political group which is most likely to support him during impeachment and trial proceedings in the Congress.

CONCERN OVER PRIVACY ABUSE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. KOCH. Mr. Speaker, the House Subcommittee on Foreign Operations and the Senate Government Operations Committee and Judiciary Subcommittee on Constitutional Rights have been holding hearings on the individual's right to privacy, and Government data collecting procedures. Public reaction to the excesses and abuses of Watergate have made it an imperative that we press for passage of privacy legislation during this Congress.

I would like to append for the information of our colleagues, three excellent articles which have appeared in the last week in the Christian Science Monitor, the Washington Post, and the New York Times. The articles follow:

[From the Christian Science Monitor, June 21, 1974]

ANGER BUILDS OVER PRIVACY ABUSE—BLACKLISTS, ILLEGAL PROCEDURES REELED OFF IN SURVEY DISCLOSURES

(By Louise Sweeney)

WASHINGTON.—Bills to protect Americans' rights to privacy from the electric eyes of governmental data banks were backed vigorously by congressmen, former attorney general Elliot L. Richardson, and data collection experts as Senate hearings opened on the subject.

Sen. Sam J. Ervin, Jr., chairman of the Senate Government Operations Committee, noted, "In my 20 years as a United States Senator, I have watched with wonder and dismay as ever more advanced technological tools, such as computers, have increasingly been used to accelerate this process of collecting, storing, and using personal information all of us without adequate legal safeguards."

He told the hearing that there are 858 federal data banks containing more than 1¼ billion records involving personal information about individuals and that more than 86 percent of them are computerized.

Only 10 percent of them are authorized by law. Twenty-nine of these banks contain derogatory "blacklist" information. Forty percent of them do not tell citizens that records are kept on them; half of the banks do not allow subjects to review or correct their files, and more than one-third do not allow file subjects access to their own records.

INFORMATION DISTRIBUTED

More than 60 percent regularly share their files with other agencies, and some agencies, among them the Internal Revenue Service and Selective Service, distribute information to other parts of the government despite pledges of confidentiality.

That information comes from a just-released, four-year survey which Senator Ervin ordered conducted by the Senate Constitutional Rights subcommittee. Although a summary was timed for release as the hearings began, the full report, "Federal Data Banks and Constitutional Rights," a 4,000-page, six-volume study, will be printed later this month.

The opening of the hearings focused on several bills "aimed at safeguarding the rights of privacy of individuals who are the subjects of these information systems," as Senator Ervin put it.

Among those testifying were Reps. Barry M. Goldwater Jr. (R) of California and Edward I. Koch (D) of New York, co-sponsors of a "right to privacy" bill.

Mr. Koch said he was optimistic about passage of some kind of privacy legislation this year because of "the public reaction to the excesses and abuses of Watergate."

"We have been forcefully reminded that we must counter the mentality in all branches of the federal establishment that intentionally or unintentionally makes government the master rather than the servant of the American people," Mr. Koch said.

"RESTORATION OF TRUST"

Mr. Goldwater urged the passage of provisions in their privacy bill prohibiting the indiscriminate use of the social security number, the distribution of census information by ZIP code, and a provision allowing individuals to have their names removed from mailing lists.

Urging the passage of privacy legislation, former attorney general Richardson said that after Watergate "it is important to do some things that are affirmative for the restoration of trust."

When he was secretary of Health, Education, and Welfare, Mr. Richardson instituted the HEW Advisory Committee on Automated Personal Data Systems, considered a landmark federal effort in principles for fair personal information practices.

FBI TAGS STUDENT

Mr. Richardson told the hearing he also had planned to institute an "oversight" committee at the Justice Department dealing with privacy and trust in government. He endorsed the idea of a federal privacy board, as suggested by a bill co-sponsored by Senator Ervin, Sens. Charles H. Percy (R) of Illinois and Edmund S. Muskie (D) of Maine. But he noted such a board should be an independent one, not a division of the Justice Department or any other government agency, and that it should deal only with federal information systems, not private ones.

Senator Percy, stating that "invasions of privacy are fast becoming the rule—not the exception in American life," mentioned Lori Paton, the Mendham, N.J., high school student who to fulfill a school assignment wrote for information on the Young Socialist Alliance, was investigated by the FBI as a result of a "mail watch" of that organization, and has as a result become the subject of an FBI file which may shadow her through life.

The bill providing for a federal privacy board would provide her with access to that file, an opportunity to prove the incorrectness of anything in it, and have it corrected, Senator Percy said.

Dr. Alan Westin of Columbia University, an expert on privacy and data collection, underlined the importance of immediate passage of privacy legislation, saying "any delay would be extremely dangerous." He noted that Watergate had underlined the necessity of that legislation.

[From the Washington Post, June 18, 1974]

A FIGHT OVER DATA BANKS

Back in the mid-sixties, Congress blocked studies of a national data center because many feared that such a project would facilitate the collection and exchange of dossiers on millions of Americans. Now the same apprehensions have sparked a lively battle over FEDNET, a massive $100-million computer network which the General Services Administration has been planning, without consulting Congress, for about two years. The system's possible implications for personal privacy were first spelled out eight weeks ago by Rep. John E. Moss (D-Calif.) and reported by Seth Kantor in a series of articles in the Detroit News. Since then, GSA's plan has also been challenged by Vice President Ford; Sens. Sam J. Ervin (D-N.C.), Barry M. Goldwater (R-Ariz.) and Roman Hruska (R-Neb.); Rep. William S. Moorhead (D-Pa.); the Office of Management and Budget, and the House and Senate appropriations subcommittees which control GSA's budget.

GSA officials profess astonishment at all the fuss. They claim that in developing FEDNET—which the agency prefers to call its "new equipment projects"—GSA is just doing its statutory job of promoting more efficient and economical government computer services. The new system is intended, GSA maintains, simply to provide the most modern nationwide data communications facilities for itself and the Agriculture Department. Critics charge, however, that the agency has much larger long-range plans. They note that FEDNET, with its network of remote terminals and sophisticated equipment, would be modular in design and therefore capable of infinite enlargement. Several legislators have received reports that GSA has already urged other agencies, including the VA, the Bureau of Customs and the Social Security Administration, to plan to add their vast files of sensitive personal data to the network when it has been set up. Moreover, critics reject GSA's claim that technological safeguards exist to keep the various files in such a system separate and secure against improper use.

The most ominous aspect of FEDNET is that GSA has been preparing to procure all of this electronic hardware without paying much, if any, attention to what information the system might include or what kinds of privacy problems might be raised. GSA spokesmen say, essentially, that privacy isn't their department—and they are right, in the same that basic federal data-bank policies ought to be set by Congress. But this underscores the dangers of letting the system get so far ahead that an enormous nationwide network of this type can be on the verge of procurement before Congress even discovers it.

Under pressure, GSA has backed off part way. The agency still wants to go ahead with purchasing the new computers now but has decided to postpone the telecommunications part of the project until next year. That isn't good enough. The entire FEDNET scheme ought to be shelved until Congress has developed strict policies and tough controls for governmental data banks to insure that citizens' rights will be protected. House hearings have already been held on comprehensive legislation sponsored by Reps. Edward I. Koch (D-N.Y.) and Barry M. Goldwater Jr. (R-Calif.). Meanwhile, the Vice President's committee on privacy is studying the subject, and Sen. Ervin is starting hearings on several bills today. Among other things, those hearings may clarify the many aspects of FED NET which are still too murky and mysterious. What is clear is the importance of congressional action to regain control over the use to which such advanced technology is to be put.

[From the New York Times, June 24, 1974]

Protecting Privacy

The American capacity to collect and to store information about individuals and the American tendency to express ineffectual alarm at that development have grown enormously in the last decade and a half. Unfortunately, Congress's ability to develop legislation safeguarding the individual's right to privacy has lagged far behind computer technology. The nation is left with a vague sense that information monsters inevitably threaten to transform the society in which we live.

The threat is real. The size and the extent of the data banks and information systems now in existence serving Federal, state, local and private organizations are staggering. A survey done for the Senate Judiciary Committee shows that there are 858 Federal data banks operated by 54 agencies of Government. At least 29 of those are primarily concerned with collecting derogatory information on individuals.

The initiation of new information-keeping systems is rarely inhibited by concern over their potential for invasion of privacy because they are usually established as aids to achievement of some private or governmental goal which is deemed desirable in itself. The massive $100-million FEDNET system now being planned by the General Services Administration is a case in point. G.S.A. views it simply as part of its responsibility to establish efficient and economical computer services for the Government. The threat to privacy was apparently a minimal part of the programing decision, if it was ever considered at all.

As Congress has stood by bemused at such developments, its legislative plate has begun to overflow. It now has before it general legislation on privacy, covering such issues as providing individuals with access to the information being held about them, giving them the right to review and correct that information, and developing rules limiting access to and dissemination of such stored information. In addition to general privacy legislation, a number of specific bills are pending, including measures to curb army surveillance of civilians, limit police "no knock" authority, enlarge the civil rights of Government employes, define student and parental rights to school information and more carefully limit the uses of criminal justice data bank information.

Perhaps because of Watergate, these issues that have languished for so long are receiving strong bipartisan attention. This is a hopeful sign, for if this latest round of legislative activity is to be more than an exercise in futility, national concern will have to be sustained. Heretofore, Congress has exuded the sense that the privacy problem has been too complex to handle. If it doesn't act now, that soon may be the case.

CITY PLANNING MANDATED IN AN URBANIZED WORLD

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. BADILLO. Mr. Speaker, the necessity for intensified city planning in a world rapidly becoming urbanized is most effectively advocated in the books and articles of Wilfred Owen, an authority on urban affairs with the Brookings Institution in Washington.

In a June 22 article in the Washington Post, Mr. Owen discusses some of the prominent planned cities around the world, and he emphasizes the urgent necessity for formation of Government, private, or combined public-private corporations to assume the responsibility for assuring that the cities of the future will not be characterized by the chaotic urban sprawl endemic to our cities today.

Mr. Owen makes a strong case for foresight and planning to avoid the social dislocation that threatens contemporary city dwellers caught in an aimless proliferation of uncoordinated development projects. His prospectus includes not only making cities livable by offering variety and choice, but also alleviating unemployment and poverty by putting the people to work on construction and maintenance of the planned cities he envisions.

I commend the article to my colleagues for its thought-provoking outline of some major concerns we should be facing up to in our legislative priorities over the coming months and years:

Planning the World's Cities

(By Wilfred Owen)

By the end of this century, developing nations will have to build new housing and services equivalent to 1,500 cities of a million people each. In addition, they must catch up with a great backlog of needs in the existing cities. So they are going to require an enormous commitment of resources for this aspect of their economic development.

But it is a mistake to believe that money, by itself, will resolve these urban problems—after all, the U.S., with all its wealth, is still plagued by slums, poor housing, inadequate services, blighted landscapes and insufficient municipal budgets. What will also be needed in ample measure is a vision, commitment and compassion and advanced technology if the disorder of accidental cities is to be replaced by planned cities, designed and built to suit human needs.

This approach to city-building was first advanced in England at the beginning of the century by Ebenezer Howard. His book, "A Peaceful Path to Real Reform," called for combining urban and rural development in a regional city of many centers. It proposed clusters of residential, industrial, commercial and cultural activity, small enough to create a human environment, but connected with other clusters to make possible the economies of a large metropolitan scale.

The methods Howard proposed are still relevant. He recommended the creation of corporations that would borrow money, acquire large tracts of undeveloped land, plan and build the city, charge rentals to industry and residents, and plow the profits from rising land values back into the community to help pay for public services.

Three-quarters of a century later, most cities have shown little inclination to adopt anything resembling a peaceful path to real reform. Instead, they have followed a planless path to real reform. Rather than being instruments of development, cities have become the instrument of their own destruction.

Singapore is one of the few exceptions. It decided 15 years ago to house its squatters and slum dwellers in satellite cities to clear the way for the comprehensive renewal of the old cities. In the first decade 600,000 people moved into new satellite communities, vacating slums that are now being renewed. In the current five-year plan period, another 600,000 people are being housed.

The amount of capital needed to finance this undertaking was kept modest because the buildings were rapidly constructed and promptly rented to accelerate cash flows. Thousands of workers were trained and employed in the construction industry. And, rather than encounter financal difficulties, Singapore doubled its real per capita in a decade.

Other planned cities include Brasilia, Shah Alam in Malaysia, Makati in the Philippines, five satellite cities around Paris, the satellites of Stockholm, Britain's 26 "new towns," and 16 new communities in the U.S. A planned city for 1.6 million people—Cuautitlan Izcalli—is under construction near Mexico City. There is also Japan's Tama, Ghana's Tema, Chandigarh, Canberra and Bombay's Twin City for a million inhabitants. Karachi's proposed satellites for 40,000 to 50,000 people are to be called "metrovilles."

Planned communities are experimental and have their share of problems as well as achievements. Some have earned high marks in the quality of their housing and neighborhoods, social services, well designed industrial parks and commercial centers, open space for recreation, separation of people from traffic and convenient integration of homes, schools, shops and work places. The financial record has also been good. Costs have been reduced by economies of scale, careful land use and the capture of increased land values. The hope is that performance can continue to be improved as a means of guiding urban growth and improving existing cities. The design of complex clusters of urban activity in new regional patterns may well be aided by new developments in transportation technology.

What is now needed is a cooperative effort for the exchange of information and experience among the world's urban centers. Here are some basic requirements for a rapidly urbanizing world:

1) Newly created city-building organizations, either public or private or a combination of the two, that embody the best features of the British New Town Corporations, the Singapore Housing and Development Board, the New York State Urban Development Corporation and others.

2) Extension of present financial assistance for urban planning by the U.N. Developing Program, World Bank and Asian Development Bank to include entire urban systems.

3) A worldwide cooperative research and development program to include innovations in urban design, social services in housing and transportation, energy supply and conservation.

4) Energy-conserving designs for urban settlements, public transportation and changes in the design and operation of the automobile.

5) Inclusion of land use and physical planning in the formulation of national plans, which are now largely economic.

6) Manpower organization to make the unemployed or underemployed available for building construction, self-help housing and the maintenance and operation of cities.

7. Urban land reform which places land for urban development under one management and re-invests profits from increased land values in improved community services.

8) Greater flexibility and variety in city design and construction to increase people's choice and allow for spontaneous development.

9) National economic reforms, training and job creation to raise the income of the majority who are poor.

10) An international alliance of cities to launch a cooperative strategy for planned urbanization and rebuilding of whole cities. In some respects the world's future may depend not so much on the United Nations as on the United Cities.

THE FUTURE FOR EQUAL OPPORTUNITY IN HOUSING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. RANGEL. Mr. Speaker, the housing industry is presently in a very nebulous state. The Federal subsidization programs for low-income housing construction are being dismantled; in their place, responsibility is being placed upon the private market for the production of this housing. We must, at this time, evaluate all the implications of this change. One very important consideration is the fact that the antidiscrimination provisions of the Civil Rights Act will no longer be under strict Federal supervision. Compliance to these laws must somehow be guaranteed.

The following article by Dr. Gloria Toote, Assistant Secretary for Housing of the Department of Housing and Urban Development, appeared in the May edition of the Sacramento Observer. It addresses itself to this problem. The program of evaluation which it discusses is vital if adequate housing is to be provided in a nondiscriminatory manner. I hope that my colleagues will examine and support the field tests initiated under the leadership of Dr. Toote which are outlined below:

[From the Sacramento Observer, May 2–8]

THE U IN HOUSING CHANGING TIMES

(By Dr. Gloria E. A. Toote)

In the past, data was collected and used to discriminate against minorities, while quotas were a frequent tool to increase minority participation.

But that was in the past, and times have changed. Today quotas are no longer permissible as they "create" reverse discrimination against non-minorities, while data has become the tool of civil rights sophisticates in discovering and identifying disparate practices designed to enable discrimination.

On April 1, the Federal government announced a pilot program to collect racial, ethnic and sex information to determine the prevalence of discrimination practiced by Federally regulated lending institutions.

In May, the Office of Fair Housing and Equal Opportunity (HUD) will conduct an Administrative Meeting in Hartford, Connecticut to gather facts and testimony from the public on the same issue.

This combined Federal effort will prove meaningful to minority America, as the commercial market place has become increasingly significant with the reduction of federally subsidized housing construction.

Title VIII of the Civil Rights Act of 1968, the Federal Fair Housing Law, prohibits financial institutions from denying a residential real estate loan to any person because of race, color, religion, or national origin, and sets forth a comprehensive statutory plan for eliminating and preventing discrimination in the sale and rental of housing.

Financing of housing is expressly covered by Title VIII, which requires all Federal agencies to administer their programs that relate to housing in an affirmative manner.

The four principal Federal financial regulatory agencies that insure home loans or supervise lending institutions, announced a six month trial program that requires lending institutions to collect information from all real estate loan applicants. The person applying for the loan must voluntarily complete a questionnaire.

The Federal regulatory agencies involved are: Federal Reserve System, Comptroller of the Currency, Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board.

Three procedures have been adopted for trial, in specific, designated areas. Supervised lending institutions must submit the received information from all applicants, and indicate which loans were granted for the purchase, construction, improvement, repair or maintenance of dwellings.

The field test begins on June 1, and extends through November 30. The 18 designated metropolitan areas are: Atlanta, Georgia; Baltimore, Maryland; Cleveland, Ohio; Galveston-Texas City, Texas; Jackson, Mississippi; Jersey City, New Jersey; Memphis, Tennessee; Montgomery, Alabama; San Antonio, Texas; San Diego, California; Tampa-St. Petersburg, Florida; Topeka, Kansas; Tucson, Arizona; Vallejo-Fairfield-Napa, California; and Washington, D. C.

The Department of Housing and Urban Development acts as the lead Federal agency in assuring Federal fair housing objectives. My office works closely with Federal financial regulatory agencies and urges them to take affirmative action in implementation of Title VIII. Fair Housing racial data has been collected by the Office of Equal Opportunity (HUD) since 1971 to enable the Department to carry out its responsibilities under Title VIII.

Disparate practices by lending institutions relative to minority applicants has taken many forms and is difficult to prove in the absence of positive evidence.

The opportunity will soon exist to document discrimination when it occurs during the test period. We may also find as a result of our pilot Federal program, a new deterrent tool to limit lending discrimination.

The data secured must be evaluated with great sensitivity, and all citizens who experience financial discrimination, particularly while the program is in operation, should immediately file complaints with my office.

Failure to do so will allow an interpretation from the collected data that discrimination in financing is no longer nationally prevalent.

The risk involved in this experiment for women and minority America, will be that failure to become involved, or complacency, will assuredly result in the compilation of inadequate data that may have impact on future Federal programs.

JAMES A. FARLEY

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. CAREY of New York. Mr. Speaker, there are few men who despite increasing years do not slow down in their effort and accomplishments. One of those rare men, however, is James A. Farley, a former Postmaster General during the Roosevelt administration who at age 85 is still going strong as honorary chairman of the Coca-Cola Export Corp.

For those of us fortunate enough to know Jim Farley, we never cease to be amazed at his zeal for life and his success in dealing with whatever situation confronts him. His pleasant manner and his amazing ability to remember all those people he meets, morever, has given him the nickname of "Gentleman Jim."

I recently had the good fortune to attend a dinner at which Jim received the Laetare Medal—or Notre Dame University's highest award for his outstanding contribution to society.

Father Hesburgh's words on that occasion were deeply touching as was the tremendous warmth with which Jim Farley was received by those attending this memorable evening. I therefore would like to extend my remarks today to include in the RECORD for the benefit of my colleagues Father Hesburgh's touching words that evening, as well as several clippings which tell about amazing James A. Farley, a man truly deserving of this coveted award.

The material follows:

HON. JAMES A. FARLEY

SIR: The strength and vitality of our country can be attributed in large measure to the genius of our political system, to the vigor of our free economy and, above all, to the spiritual values which we as a nation espouse. To a remarkable degree, in your life and your work, you, perhaps more than any other man of our time, symbolize our national commitment to these values and to the proposition that honorable competition, whether in politics or business, best serves the American people.

Who could foretell that the lad of twelve who stood trackside to hear William Jennings Bryan would become Chairman of the Democratic National Committee? Who would have predicted that the Town Clerk of Stony Point, New York, would become the mentor of the President of the United States and the Postmaster General in his Cabinet? Who could have foreseen that the young bookkeeping student at Packard Commercial School would some day be Board Chairman of an American corporation operating in every corner of the world? Who, indeed, had the prescience to predict that this affable Irishman would become as familiar a figure at the Papal apartments as he was at the White House?

In retrospect, Sir, it is easier to see how your own character and Providence have combined to bring you this day. Throughout your life, you have honored the God-given dignity of every man and woman, and because of this no American has more friends. Yours has been the world of precinct committeemen and prelates, of salesmen and presidents, but you have neither been awed by the powerful nor unmindful of the powerless. You have never forgotten your friends. Your opponents and competitors hold you in the highest regard.

In politics and in business, where it is often easier to do the expedient thing, you have been a man of principle. Without losing Franklin Roosevelt's friendship or lessening your allegiance to your political party, you opposed more than two four-year presidential terms because you believed such was not in the national interest. Today, when America's faith in its political institutions and personalities is challenged as never before, you stand as a beacon of integrity.

Your public life, as well as your business career, are on record for all to see. Not so well-known is your edifying private life which you cherished with your beloved Elizabeth, your son and daughters, and now with your grandchildren. The geniality, the courage, the compassion which we have admired at a distance have been theirs to cherish close up. Yours, Sir, is the special charisma of the Catholic layman. Your influence in secular society was great at a time when the impact of Catholics generally was small. A man of faith in a world of fact, born closer to the First Vatican Council than to Vatican Council II, you anticipated by several decades the role of the layman in a church which is ever old and yet ever new.

For what you have achieved, then, but even more for what you are, the University of Notre Dame presents to you its most prized symbol of esteem and affection. As we seek to honor you, you surely honor the Medal and the University in accepting it. For your lifelong dedication to your family, to your country, and to your Church, for the decency and integrity which you have always exemplified, for the leadership you have given in countless good causes, it is my honor, as President of the University of Notre Dame, to confer upon you its Laetare Medal.

THE LAETARE MEDAL

"The Laetare Medal has been worn only by men and women whose genius has ennobled the arts and sciences, illustrated the ideals of the Church, and enriched the heritage of humanity." *

These are the exacting criteria employed by the University of Notre Dame in awarding its Laetare Medal each year. Established in 1883, the medal was restricted to lay persons until 1968, when it was announced that henceforth priests and religious would also be eligible. Over the years the Laetare Medal has been presented to 74 men and 19 women—soldiers and statesmen, artists and industrialists, diplomats and philanthropists, educators and scientists.

The Laetare Medal is the American counterpart of the "Golden Rose," a papal honor antedating the eleventh century. The name of the recipient is announced each year on Laetare Sunday, the fourth Sunday of Lent and an occasion of joy in the liturgy of the Church. The presentation of the medal is normally part of the University's commencement exercises in May.

The idea of the Laetare Medal was conceived in 1883 by Professor James Edwards. His proposal met with the immediate approval of Rev. Edward F. Sorin, C.S.C., founder and first president of Notre Dame, and the Rev. Thomas E. Walsh, C.S.C., then president of the University. Through the years the recipients of the Laetare Medal have been selected by an award committee headed by the president of Notre Dame.

Generally regarded as the most significant annual award conferred upon Catholics in the United States, the Laetare Medal consists of a solid gold disc suspended from a gold bar bearing the inscription, "Laetare Medal." Inscribed in a border around the disc are the words, "Magna est veritas et prevalebit" (Truth is might and will prevail). The center design of the medal and the inscription on the reverse side are fashioned according to the profession of the recipient.

[From the Albany Times Union, May 30, 1974]

"GENIAL JIM" FARLEY REACHES 86

(By James Kilgallen)

NEW YORK.—James A. Farley, who has had two outstanding careers in his lifetime—one in politics, the other in business—observes his 86th birthday today and has no thought of retiring.

"My health is very good and I feel all right," said Mr. Farley when I interviewed him in his midtown office where he holds down the position of honorary chairman of the board of Coca-Cola Export Corporation. "I enjoy working and meeting people."

"Genial Jim" reaches his 86th milestone manifestly disturbed over the apparent loss of White House credibility, the revelations of campaign spending in the last presidential election and the Watergate disclosures. But his confidence in the American people is unshaken and he predicted once Watergate is cleared up, "the United States will come out more united than it has been in many years."

In his heyday in politics in the 1930s Farley, as Democratic National Chairman, visited every state in the Union and served 7½ years as postmaster general in FDR's cabinet. He was often referred to by newspapermen as "Mr. Politics."

After joining Coca-Cola in September, 1940, he traveled all over the world for the company and met many noted personalities and people in all walks of life.

I asked Mr. Farley to name the six persons who impressed him most during his career in politics. He replied:

"Former Mayor James J. Walker, former Gov. Alfred E. Smith, former Presidents Franklin D. Roosevelt, Harry S. Truman and Lyndon B. Johnson, and former Sen. Carter Glass of Virginia.

It was Sen. Glass who placed Farley's name in nomination for the presidency at the Democratic convention in Chicago in 1940.

When asked to name the personalities who impressed him most during his extensive travels abroad, he replied:

"This is a question not easy to answer. However, I do not hesitate to say that in my opinion Pope Pius XII was the greatest person I ever met.

"Naturally, I was impressed at the opportunity I had to meet and talk with Winston Churchill, General Franco, Chiang Kai-shek, and Mussolini who was at the height of his power in Italy in 1934 and at the time he was doing a great job for his country."

[From the National Hibernian Digest, March–April 1974]

JAMES FARLEY TO RECEIVE ND'S LAETARE MEDAL

James A. Farley, an internationally prominent Catholic layman for more than 40 years, has been chosen to receive the 1974 Laetare Medal, Notre Dame's highest honor.

The choice of Farley, Postmaster General under Roosevelt and currently honorary chairman of the Coca-Cola Export Corporation, to receive the award, given annually since 1883 to outstanding American Catholics, was announced Saturday (March 23) on campus by Fr. Hesburgh.

"In a day when the craft of politics is held in low esteem by the general public," Fr. Hesburgh said, "It is well for us to honor a man who practiced it with both integrity and affability."

Although Farley never held a high elective political office, he became a major influence in the Democratic Party in the 1930's. Born the son of an Irish brick manufacturer in Grassy Point, N.Y., in 1888, Farley completed high school and worked 15 years for Universal Gypsum Company as a bookkeeper, company correspondent and salesman. His first foray into politics was his election as town clerk from Stony Point, N.Y., in 1911, and he moved up through various state Democratic party positions to state party chairman in 1930, the year Franklin Delano Roosevelt was re-elected governor of New York state by the unprecedented plurality of 725,000 votes.

Farley became Roosevelt's field man as the governor looked toward the 1932 Democratic presidential nomination, and no one was more effective at the traditional approach to party workers—the personal letter, the long distance call, and the handshake. The indefatigable Farley was Roosevelt's floor leader at the 1932 Democratic convention which nominated the New York governor for the presidency. After Roosevelt's election, Farley became Postmaster General in his cabinet and also national chairman of the Democratic party. He remained a mentor of the president and a familiar figure at the White House, and in August 1936, took a leave without pay from his cabinet post to run Roosevelt's second campaign, which resulted in a landslide victory.

It was after this victory that Farley revealed himself as good a customer of the mails as an administrator of them. He sat down and dictated more than 36,000 personal letters to Democratic workers from all over the country, exhausting six secretaries in the process. Even today at 85, his trademark green signature goes at the bottom of an average of 120 letters a day, and on his birthdays some 6,000 cards and letters are received and each is personally acknowledged.

Two other traits biographers never fail to mention are Farley's pleasant nature and his phenomenal memory for names and faces. The former quality earned him the nicknames "Gentleman Jim" and "Genial Jim," and the latter is surrounded by legends about those whom Farley met on occasions separated by several years and still recognized with an effortless first-name handshake.

Farley split with Roosevelt over the third-term issue, resigned as Postmaster General in August, 1940, and campaigned only perfunctorily for Roosevelt's third term. Just before the Democratic convention in 1944, he resigned as national party chairman to dramatize his opposition to a fourth term.

Several biographers have commented on Farley's honesty while in office. Although his Postmaster General's salary was $15,000 he left the cabinet in debt because he insisted that a building materials firm he had started in 1929, and in which he still had a business interest, should not solicit orders where his

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*Except from Laetare Medal citation presented to General William Starke Rosecrans in 1896.

influence would count and should reject all public business offered.

The year he left the cabinet was also the year that Farley was elected chairman of the Coca-Cola Export Corporation, and he has worked as hard as ever as the number one salesman for the soft drink company. Only after a heart attack in 1972 did he cut back from a schedule which in 1971 included 131 luncheons and 105 banquets, most of them sponsored by groups interested in foreign trade. In May of last year he was appointed honorary chairman of the Coca-Cola Export Corporation. He continues to arrive at his New York City Coca-Cola office at 9:15 a.m. each morning and walks the three blocks back to his Waldorf-Astoria apartment between 4 and 4:30 p.m. in order to rest before dinner. A widower since the death of his wife, Elizabeth, in 1955 Farley has two married daughters and a son as well as 10 grandchildren. His biography includes a long catalogue of civic, religious and fraternal activities and honors, including some two dozen honorary degrees from colleges and universities.

While Farley has had reservations about some recent directions of his party, he has retained the honorific title of "Mr. Democrat." Last year, fellow Democrats honored him as part of the last hurrah to New York City's National Democratic Club building at 233 Madison Avenue, which the party was leaving after almost a half century. A reporter who was present wrote, "It was a great night for Jim Farley. The honor bestowed upon him was reserved in the past for Democratic presidents such as FDR, Truman and Johnson."

Farley joins a list of Laetare Medal winners, which includes President John F. Kennedy (1961), Clare Boothe Luce (1957), Supreme Court Justice William J. Brennan, Jr. (1969), and Dorothy Day (1972). The medal is normally presented at Notre Dame commencement exercises, scheduled this year for May 19.

[From the Catholic Standard and Times, May 16, 1974]

"GENTLEMAN JIM" FARLEY IS LAETARE MEDALIST

NOTRE DAME, IND.—James A. Farley, an internationally prominent Catholic layman for more than 40 years, has been chosen to receive the 1974 Laetare Medal, the University of Notre Dame's highest honor.

The choice of Farley, Postmaster General under Roosevelt and currently honorary chairman of the Coca-Cola Export Corporation, to receive the award, given annually since 1883 to outstanding American Catholics, was announced by Father Theodore M. Hesburgh, C.S.C., president of the University.

"In a day when the craft of politics is held in low esteem by the general public," Father Hesburgh said, "it is well for us to honor a man who practiced it with both integrity and affability."

Although Farley never held a high elective political office, he became a major influence in the Democratic Party in the 1930s. Born the son of an Irish brick manufacturer in Grassy Point, N.Y., in 1888, Farley completed high school and worked 15 years for the U.S. Gypsum Company as a bookkeeper, company correspondent and salesman. His first foray into politics was his election as town clerk for Stony Point, N.Y., in 1911, and he moved up through various state Democratic party positions to state party chairman in 1930, the year Franklin Delano Roosevelt was re-elected governor of New York state by the unprecedented plurality of 725,000 votes.

Farley became Roosevelt's field man as the governor looked toward the 1932 Democratic presidential nomination, and one one was more effective at the traditional approach to party workers—the personal letter, the long distance calls, and the handshake. The indefatigable Farley was Roosevelt's floor leader at the 1932 Democratic convention which nominated the New York governor for the presidency. After Roosevelt's election, Farley became Postmaster General in his cabinet and also national chairman of the Democratic party. He remained a mentor of the president and a familiar figure at the White House and in August, 1936, took a leave without pay from his cabinet post to run Roosevelt's second campaign, which resulted in a landslide victory.

It was after this victory that Farley revealed himself as good a customer of the mails as an administrator of them. He sat down and dictated more than 36,000 personal letters to Democratic workers from all over the country, exhausting six secretaries in the process. Even today at 85, his trademark green signature goes at the bottom of an average of 120 letters a day, and on his birthdays some 6,000 cards and letters are received—and each is personally acknowledged.

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Farley joins a list of Laetare Medal winners which includes President John F. Kennedy (1961), Clare Boothe Luce (1957), Sargent Shriver (1968), Supreme Court Justice William J. Brennan, Jr. (1969), and Dorothy Day (1972). The medal is normally presented at Notre Dame commencement exercises, scheduled this year for May 19.

IS IMPEACHMENT A PRIMITIVE POLITICAL WEAPON?

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. FISHER. Mr. Speaker, the process of impeachment is so unnatural and unused under our American system that the very novelty of it arouses a wide range of public interest. To many it is indeed a primitive weapon which should be employed, if at all, under the most extreme of circumstances. It was virtually abandoned in Britain 168 years ago. In this country it was directed at one President, more than 100 years ago—and then to assuage violent political emotions, based upon charges not really impeachable under the Constitution.

Thus, long ago the Anglo-Saxon system veered away from beheading, and then from impeachment, to the use of the ballot box as a means of invoking accountability for those in power.

Mr. O. R. Strackbein, an eminent historian, has written a paper on this subject. It is scholarly and very revealing, and places 20th-century impeachment in proper perspective. The article should be read by all who are genuinely interested in the current impeachment clamor. It follows:

IMPEACHMENT: A PRIMITIVE POLITICAL WEAPON

(By O. R. Strackbein)

The impeachment procedures relating to the Presidency of this country are patterned after the British system. There the House of Commons brings the charges, and if these are sustained, the case goes to the Lords for trial. Here the House of Representatives replaces the Commons, and the Senate, the Lords, in the process of impeachment and trial.

In England impeachment has fallen by the wayside. The latest Prime Minister who was threatened with it was Lord Palmerston who was in office in mid-nineteenth century. The preliminary motion to develop evidence on which to proceed was itself, however, defeated; so nothing came of it.

In the earlier 1800's only two charges that might have led to impeachment of high officials were lodged. One (1805) was against Lord Melville, First Lord of the Admiralty, and the other against Lord Ellenborough, Lord Chief Justice of the King's Bench. Neither motion survived the House of Commons. In other words, no one has been impeached in Britain in nearly two hundred years.

One cause of the atrophy of the impeachment muscle is though to lie in the nature of the parliamentary system wherein the Prime Minister and his Cabinet may be turned out of office by a vote of no confidence. Instead of waiting to the end of the set term of office an interim turnover may be accomplished. While this was nothing new, since upsetting of a going House was an old practice, it can only be surmised that experience with the impeaching process was so unhappy that it was set aside in favor of the vote of confidence. In any event impeachment in Britain represents a relic of history than can now quite safely be regarded as archaic.

This obsolescence followed that of a previous prevalent practice: namely, decapitation. This was a political instrument of the sharpest edge, not only in England but, notoriously in France during the Reign of Terror. During the 15th, 16th and even the 17th centuries in England beheading was a favorite means of ridding the scene of political opponents if they could but be captured. During the War of the Roses, when York battled Lancaster and vice versa, a lordship's gory head not infrequently was seen to adorn city gates and parks, usually mounted on a pike, as convincing evidence of who was boss or, more certainly, who was not. Not even queens escaped. Mary lost her head to her younger sister Elizabeth in mid-16th century. It was almost sure to be the one or the other. A hundred years later Charles I of England made his last bow on the block.

From beheading to impeachment represented progress in the process of amelioration that set in during the first half of the last century that saw the execution of poachers and the imprisonment of debtors vanish. At about the same time the settlement of private encounters by dueling moved away from the crimson path to less gruesome endings. Oddly enough, while in England impeachment went out, we, in this country, are on the verge of reverting to the primitive usage of the rusty instrument.

In England, the origin of impeachment "lies in the 14th century, when it grew up as a means of initiating criminal procedures based on 'clamor' or outcry." So says the Encyclopedia Britannica.

"The Good Parliament of 1376 proclaimed the first recognized cases of impeachment," says the same source. The most important case was that of William, Lord Latimer. The latter had been "closely associated with the government of the aging Edward III, which was under hot attack." His case, says Britannica, revealed "a characteristic which persisted; subsequent victims of impeachment (in Britain) have often been political figures. Usually they have been royal ministers as well."

After the trial in 1459 of Thomas, Lord Stanley "impeachment fell out of use" for a long period, nearly two hundred years. In 1620–21 Sir Giles Mompesson was successfully impeached in the reign of James I who tried unsuccessfully to prevent the action. "Flourishing their new-found weapon the Commons attacked much more important victims." Among these were Francis Bacon and the Earl of Essex. "Their success (i.e., that of the Commons) was dramatic; for thus the chief officers of the crown were otherthrown." Those were the days, of course, of intense struggle against the monarchy. The political character of impeachment was showing its true color.

The account (Britannica) continues: "By it (i.e., impeachment) unpopular ministers and favorites, such as the Duke of Buckingham (1626), Archbishop Laud (1640), the Earl of Strafford (1640–41), the Earl of Clarendon (1667) and Danby (earlier: 1678–79) were brought down or at least brought into jeopardy."

Between 1620 and 1715, indeed, "there were about 50 cases of impeachment." The account then notes that "in attacking royal ministers the Commons were in effect attacking their *policies.*" (Emphasis added).

The next sentence in the acocunt throws some light on the current dispute about the question of Presidential impeachment on grounds other than a criminal act. It says: "Yet they (the Commons) could proceed by impeachment only if a minister could be convicted of a crime."

On this point the account dwells long enough to say: "Strafford's case had shown that a wary minister was often hard to trap in a net. A minister might be punished severely for some trivial offense which had been cozened up and which was not the real point at issue."

Probably the most celebrated of the British impeachment cases was that of Warren Hastings who was the Governor General of India. His situation was not political in the sense of the impeachment of Andrew Johnson in 1868 in this country. Warren Hastings, however, was pursued by a bitter enemy in the person of Sir Philip Francis, who had been appointed by Lord North (Prime Minister and well known in American history books on the American Revolution) to the supreme council of Ft. Williams, Calcutta. With two colleagues he engaged in "a long and bitter struggle with Warren Hastings," which after the death of his (Francis') two colleagues "culminated in a duel between him (Warren Hastings) and Francis (1780) in which the latter was wounded."

Quoting further from the Encyclopedia: "Francis returned to England in 1781, *having failed to realize his ambition to wrest the Governor-Generalship from his rival*" (*Warren Hastings*). (Emphasis added).

He (sir Philip Francis) back in England became "tireless in the publication of anonymous phamplets," and won the support of public opinion, "turning it against Hastings; and he was the moving spirit in Hastings' impeachment."

This account adds the observation that the acquittal of Hastings which occurred only after 7 years (1788–95) was a bitter blow to Sir Philip "and in 1796 (the year after the acquittal) Francis (a member of the House) lost his seat at the general election."

This account concludes by saying: "Francis was a man of vast ability, but rancorous, unforgiving and prone to malignity."

On the subject of impeachment as a whole the account has this to say: "Never were the limitations of impeachment more clearly shown than in the case of Warren Hastings. It was then proved beyond doubt that in a complicated case the instrument was far too blunt and its use could entail interminable delays. Moreover, the new criminal process against a royal minister which was incapable of being stopped by the King had at length passed away."

In our own country impeachment has also had infrequent use, most of it against Federal judges (7 of 11 cases—6 being against district judges and one against a Supreme Court Justice). The first one (1797) involved a United States Senator. The impeachment was dismissed but he was expelled from the Senate. (Encyclopedia Brit.)

The most celebrated case after Supreme Court Justice Samuel Chase (1803) was, of couse, that of President Andrew Johnson. That this proceeding was politically motivated bears of little or no doubt. Johnson sought to follow Lincoln's moderate policy toward the Confederate States. The Radical Republicans were bitterly opposed to such moderation. In the 1866 Congressional election Johnson campaigned vigorously and not softly against these Radical Republicans but they captured the House overwhelmingly and had enough votes for impeachment. After a first failure, impeachment was voted in 1868. The Senate fell short by one vote of the two-thirds needed to convict.

What had been proved? That a politically dominant House motivated by strongly held policy objectives, holding the advantage of a majority position, could find grounds for impeachment.

That impeachment has been discredited in England seems clear enough. Since 1806 or 168 years ago the instrument has been discarded. A move against Prime Minister Lord Palmerston in mid-century over a hundred years ago, as noted, did not survive the preliminaries.

In this country we have had the singular experience of 1868, so far as impeachment of a President is concerned. The British experience has spanned nearly six centuries, but has been so largely negative that it has been abandoned. Our own experience has been so meager outside of the impeachment of judges that no guidelines worthy of the name have been established. "The principal criticism directed at the impeachment process (in this country) is that it is cumbersome and anachronistic. An impeachment trial occupies the entire Senate from 16 days to 6 weeks, fills 1000's of pages of testimony and involves conflicting and troublesome political pressures." (Ency. Brit.)

Impeachment is not a product native to the United States. Moreover, its incorporation into our Constitution represented a lack of faith in the very system of checks and balances associated with the separation of powers that distinguished our Constitution from all its forerunners. Only if this system should fail of its purpose would there be need of a backstop. Only if the new system of 1787 which incorporated the foremost thought of the 18th century political philosophers, should fail, could a surety in the form of impeachment as a remedy against, treason, bribery or other high crimes or misdemeanors, become necessary. Only such a confession of failure or fear of it would justify the impeachment process.

The adoption of impeachment by the British was part and parcel of the struggle against the monarchy. We, however, threw off the monarchy and have had none since the establishment of our republic. Why then should the people hold in their hands a weapon that was generated by the struggle against monarchy?

The impeachment provision of our Constitution sits like some alien bastard-form in the midst of our governmental structure. By assigning the initiation of impeachment to the legislative branch, a thoroughly political body and then mixing a judicial seasoning to the trial in the Senate by bringing the Chief Justice in as the presiding officer, the process invites or makes inevitable practices that are severely condemned and strongly guarded against in our system of jurisprudence. The process is not only grotesque in re-mixing the separated powers, but is at odds with the tireless efforts in our judicial system to prevent the intrusion of partisan passions and prejudgment of guilt or innocence into the premises.

Our legislators, the prosecutors and judges in the impeachment process, are elected every two years—all the members of the House and one-third of the Senate. Our news media, both press and electronic, are deeply immersed in the shaping of public opinion, which in turn is an immeasurable but anxious concern of all the candidates for Congress. When the impeachment process, even preceding the official preliminaries, is beset by the "clamor" or "outcry" of the media, the influence on candidates and prospective candidates, cannot be brushed aside as an innocent or neutral accompaniment of the quest of justice.

The impeachment process as we have it, and as the British also had it, invites unworthy political passions and animosities to infect the healthy tissue of our Constitutional system. It plays into the hands of mob psychology that is responsible for the obfuscation of principles of justice through emotional outcries, such as led Walter Bagehot to write over a hundred years ago: "The accusations which are brought against a public man in his own age are rarely those echoed in after times."

Impeachment is a process by which a high public official is charged "in his own age" and tried by those who are saturated with the "clamor" and "outcry" of the day. If in "after time" the accusations are seldom echoed, it does the victim little good if he was sentenced "in his own age".

The British who, so far as our practice and form are concerned, initiated us into the pursuit of impeachment have long thought better of it, and have abandoned the semi-barbaric process, if nonuse for a century and a half or more can be interpreted as abandonment.

Shall we be far behind?

BASIL PATERSON SPEAKS TO PROBLEM OF BLACK POLITICS AND POWER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. RANGEL. Mr. Speaker, in our troubled urban communities today there are many devastating reminders of the lack of communication between the business community, governmental agencies, and the needs of the poor. In recent years we have heard expressions of frustration from some segments of our society that social welfare programs have become so complex and bureaucratically inefficient as to make them almost unmanageable. Yet in our rush to criticize the existing system, we must not lose sight of the fact that the needs of the poor must ultimately be met by someone, either Government or private industry if our cities are to continue to grow and prosper. The American business community has a unique responsibility for providing leadership in areas of urban economic development.

Basil Paterson, vice chairman of the Democratic National Committee and former New York State Senator has made a stimulating analysis of the need for strong leadership from business in the fight against poverty, and has proposed some concrete steps toward achieving this goal. I wish to insert the following speech delivered at a recent conference of the "One Hundred Black Men" in New York City for the benefit and interest of my colleagues:

One Hundred Black Men, All Day Conference

A former black subcabinet member in Washington is fond of telling people of his first few days in office. It seems while sitting at his desk one day there was loud commotion outside and he soon heard violent protestations over the much weaker feminine voice of his secretary. On investigation it turned out that she was facing three brothers decked out in Dashiki, buffalo hide sandals, rings in their ears, topped by full-blown Afros.

The official, asking what he could do for them, received the reply that they were there demanding some kind of action on unemployment programs, welfare rights for mothers and Government grants. What's more they indicated if he did not come up with a program fast they were going to wreck the joint. The official wasn't unused to the street and knew that the worst thing he could do was to show signs of fear, weakness or indecision. So, he quickly showed them into his office, asked them to excuse him for a quick moment and closed the door between them and his secretary's outer office. "Now listen," he told her, "when I get in there with those brothers, wait five minutes and then buzz me on the intercom. After that hang up and I'll take it from there."

The official returned to his office, allowed them to start talking about why they were there and about what they were going to do to him and to his office if he did not come up with some funds for the programs they had mentioned. After five minutes, right on schedule, the phone rang. The administrator picked it up, said hello and carefully waited until he heard the almost inaudible click which meant the secretary had hung up. Then he started talking into the dead line while his visitors patiently stared and waited. "Now wait a minute," he said angrily, "You don't know who you're talking to, do you? You will, what?" The official leaped to his feet as he acted out talking to someone on the other end of the telephone. Eyes blazing, he said, "I don't care how big you are or what you have on your hip." The administrator was yelling at the top of his voice while his visitors sat transfixed at the scene of this mild mannered government official suddenly gone berserk. "Listen," he said, "you come right on over here and bring your entire gang with you. I'll be waiting." With that he reached into his desk drawer and pulled out a very large pistol which he placed in the middle of his desk. The three visitors just sat there, scarcely able to believe what was happening. The official, however, continued to rave, "I'm going to drop the first S.O.B. who walks in that door even if they have to carry me out of here feet first." He suddenly stopped as if only once again aware of his visitors, looked at one of them and said, "watch out fellow, you're right in the line of fire." With that the leader jumped up and said to the others, "come on men let's get out of here. Can't you see this brother's busy?

Now this formal black government official was not suggesting that the era of our grass roots brothers and sisters is at an end or should end, nor was he saying that there are no more social welfare programs, poverty programs, racial and economic injustices that do not need attention. What he was suggesting and I am stating is that many of the problems we face today are so sophisticated, so couched is subtleties and generally so complex that it is vital that we all join our grass roots brothers and sisters who so gallantly carried a large part of the struggle over the past two decades. Today, that struggle must be shared by you. It must be joined by trained professionals who can apply administrative know-how. It must be joined by trained professionals who can apply management talents. It must be joined by trained professionals who can apply good sound business techniques and who can enlist the support of an affluent and influential, black and white community to that cause . . . which is the direction in which the 100 black men are obviously moving.

Last week I read an article in the New York Times entitled "Lead Paint Ban Tying up Mortgage Help for Poor." The story described how low income black families in the city of Philadelphia were unable to obtain home loan financing through FHA because a local action group known as "The Citywide Coalition Against Childhood Lead Based Poison" had successfully brought suit and won an order forbidding the housing department to sell any more properties before they could be certified lead-free.

This, in effect, left thousands of home-hungry blacks without any means of financing since realtors refused to spend the necessary $600 to $1,000 that it would take to de-lead their homes before qualifying for FHA appraisals. Mortgage brokers, in turn, said that it was just not worth it. As a result, today FHA applications have dropped from approximately 250 per week to less than 50. The hue and cry in the city is against the judge who issued the restraining order and the community action group who filed the suit. The word is that they are bad because they have deprived hundreds of thousands of young black families from being homeowners. But this is not true. As I am sure most of you can see the real culprits are the realtors who would refuse to cut their margin of profit to ensure a young child's safety. And, as is so often the case today, the co-culprit is the Federal Government itself—the Department of Housing and Urban Development. HUD, as it spends its Federal allocations fighting "the citywide coalition against childhood lead based poison" in court, is insisting that it cannot spend $600 per black family to save a small child from what could be permanent brain damage. It is, sadly, a well documented study in the never ending conflict between money and morality, technology and ethics, and law and one's own conscience. It is a prime example of the invidious racism and classism that is practiced against blacks and all poor and deprived individuals.

Those are the kinds of problems that you here in this audience must begin to combat. We need only look to one of our own leaders, Frederick Douglass, to find the Axiom: "Men may not get all they pay for in this world but they most certainly pay for all they get."

Gentlemen, we need each and every one of you to set the goals and the directions. But what are the problems? What are the immediate and the future goals? We can spend money controlling the nutrient intake of our astronauts, yet school lunches are cut back and helpless people still starve in this country and in the Sahel. We can level city block after city block to make room for new highways, skyscrapers and shopping centers, yet the households they displace and the families they uproot are squeezed into overcrowded rooms with walls covered with enough lead-based paint to kill two hundred children a year. Day after day after day we find that the funds and the resources we do have are used at the wrong time in the wrong places and in the wrong manner. Someone once said "it is a comedy to those who think and a tragedy to those who feel."

There is much talk today about the judicial process and the criminal justice system. "Law and order" was the cry that helped elect Richard Nixon and his cohorts and what do we find now? Spiro Agnew convicted. Others pleading guilty, others under indictment and maybe the President himself not only will be ousted but could be indicted, convicted and jailed.

Here was an administration in pretentious piety bending and breaking laws on the principle of pursuing their own vision of justice and proving very quickly as the New York Times editorial proclaimed, "that official lawlessness in pursuit of order ultimately produces tyranny not justice." But closer to home . . . can we be content as administrators, businessmen and managers all knowing that blacks are four times more likely to be arrested as whites? Can we be content when their chances of being prosecuted are twice as bad? When three times as many blacks are found guilty of crime as their white counterparts? When blacks and the poor are more likely to be given more time when sentenced than any other groups? When they are more likely to be imprisoned and when they are less likely to receive probation? Can we be content when sociologist Melvin Wolfgang tells us that of all the non-whites born in the city of Philadelphia in the year 1945 who were residents there from their tenth through their eighteenth birthday, 56% of them have been arrested at least once? And, just so none of you think that perhaps you may have moved up into a social strata where you no longer have to fear being victims of this kind of racism, let me quote you the following statistic: In 1970 the average white violator was sentenced to just 12.8 months in jail for the crime of income tax evasion. That very same year the average black violator was sentenced to an average of almost 29 months in jail for the same crime. And if we were to look closer we would find that blacks in each case were involved with considerably smaller amounts of money. How many of you here today feel that you could have gotten off as lightly as did our President on his income taxes? Or the former Vice President? A study by the administrative officers of the United States courts in 1969 showed that people who could not afford private attorneys could always depend on receiving twice as severe a sentence by a judge.

Blacks certainly have to be considered whenever we talk about the poor but realistically let's not limit consideration of poverty and deprivation to any one ethnic group. Does a Puerto Rican mother on welfare in the south Bronx have any fewer problems than a black mother on welfare in southside Chicago? Does a Chicano day laborer in southern California face fewer hardships than a black construction worker here in New York City? Are Eskimos in far off Alaska or American Indians in South Dakota any less victimized by past prejudices and present day unconcern? Is the Appalachian white or the Oklahoma Okie any less deprived than the black share-croppers of Mississippi?

Obviously, all these groups face the same staggering problems and are the product of a society whose members have exhibited a keen disinterest in resolving problems that don't pinch their toes. But that myopia must be cured if the body politic is to survive.

For those outside, the urban problem becomes the urban crisis only when the maladies of the ghetto are found to be contagious. Then it's discovered that human misery cannot be contained or cordoned off. We find youngsters hooked on drugs in Scarsdale and Beverly Hills as well as in the South Bronx and Central Harlem. Only then does this society recognize not only the inevitable cancerous pattern of such social problems, but the inexorable economic connection between uninterrupted poverty and uninterrupted tax escalation.

There is no need to further recount the litany of abuse and deprivation we as a people have experienced at the hands of a system allegedly designed to serve "all the people." There is no need to further recite the failures of that system. That is a story indelibly imprinted in the minds of us all.

There is a need, in fact a compelling urgency, for those of us who occupy roles of leadership, large or small, *to lead*. There is a need for us to learn to use the political system, as it has been used, is being used, and will continue to be used, for the benefit of certain people—but the certain people we are concerned about are all the underprivileged, under-represented and unresponded-to of the Nation.

There may have been a time when one could go to and from his or her daily job and read about government in the abstract. That time is history! Government and politics directly influences, and on an ever-growing scale, the ebb and flow of the quality of our lives.

If we are to be automatons, we can accept others making the decisions that determine how we live. However, if we are to use the brains that God gave us, and the sophisticated training that many of us have been fortunate enough to receive, then we shall insist that we have an input in determining our destiny, and in so doing, the people who were brought to this country in chains may well be the catalyst for setting it free.

To a certain extent, black politics is still an estoric concept, although discussed but not clearly understood by many of us who have the leadership responsibility to give it substance, meaning, and direction.

The obvious challenge is for us to learn from our past, painful experiences and move from political rhetoric to the development and exercise of real political power. Frederick Douglass said it more than one hundred years ago, "politics, black or white, is meaningless without power."

CONGRESSMAN WYDLER'S 1974 QUESTIONNAIRE RESULTS

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. WYDLER. Mr. Speaker, it has become a tradition in my Fabulous Fifth Congressional District to send periodic reports of my activities to constituents and to ask, each year, for my constituents' views on important national and international issues. This is done by the mailing of a questionnaire, and I have been doing this for each of the 12 years that I have represented my district in Congress.

A copy of this questionnaire is sent to each household in the congressional district, regardless of the occupants' political affiliation. By using this method, I can truly test the prevailing opinions on great national issues.

Again this year, thousands upon thousands of people in my congressional district have answered the questionnaire. The results have been tabulated, and I am in the very difficult process of answering the many special comments and requests that I have received with the questionnaire returns. This enthusiastic response proves once again that people do care about their Government and want to share their views concerning it with those who represent them.

I intend to send a copy of the questionnaire results to each home in my congressional district; and I consider these results the best available measure of the real feelings of my district on these important questions. The results truly represent the voice of the people.

MY REACTIONS

Following are my general comments and personal interpretations of the results I received: The people of my district do not support nor favor the impeachment of the President. Fifty-five percent answered the question "Do you believe Congress should impeach the President now?" with a no; 35 percent answered yes; and 8 percent were undecided. The most overwhelming yes answer was obtained to the question "Do you favor a defense budget which will keep us the strongest Nation in the world?" 77 percent favor it. The closest results were obtained on the question "Do you favor continued U.S. military and economic support for Israel?" 44 percent answered yes; and 42 percent answered no; with 13 percent undecided. Equally close were the questions on the continued operation of the Office of Economic Opportunity and the question of whether Congress should propose its own overall Federal budget. Finally, the people overwhelmingly approved a $200 limitation on individual contributions in congressional campaigns, and I intend to act positively on this recommendation, obtained through my questionnaire, in my forthcoming campaign for reelection. I will respond directly to the voice of the people. The complete results are as follows:

RESULTS OF THE ANNUAL "FABULOUS FIFTH" QUESTIONNAIRE OF THE 5TH CONGRESSIONAL DISTRICT, NASSAU COUNTY, N.Y.

[In percent]

	Yes	No	Undecided
1. Campaign financing—Do you believe income taxes should be used to finance all Federal campaigns?	34.52	55.36	10.12
2. Health insurance—Do you favor a national health insurance as called for by President Nixon?	60.78	23.67	15.55
3. Support for Israel—Do you favor continued U.S. military economic support for Israel?	44.60	42.11	13.29
4. Soviet Union-China relations—Do you believe the present "détente" with the Soviet Union and China is in the best interest of the United States?	60.66	20.92	19.02
5. Impeachment—Do you believe Congress should impeach the President now?	35.94	55.30	8.76
6. Abortion—Do you favor abortion on demand?	55.90	35.48	8.62
. Private school aid—Do you favor some form of Federal aid for private schools?	50.28	44.44	5.28
8. Press treatment—Do you believe the President has received evenhanded treatment by the press and T.V.?	38.03	54.34	7.63
9. Economic opportunity—Do you favor continued operation of the Office of Economic Opportunity?	36.22	39.04	24.74
10. Federal budget—Do you believe the Congress should propose its own overall Federal budget?	39.92	37.79	22.29
11. Defense spending—Do you favor a defense budget which will keep us the strongest Nation in the world?	77.69	12.99	9.32
12. Gas rationing—Do you favor gas rationing for each driver of 10 gallons per week?	14.72	76.79	8.49
13. Offshore oil drilling—Do you favor oil drilling off the Atlantic coast?	57.01	30.38	12.61
14. Campaign contribution ceiling—Would you favor a $200 limit on individual contributions in congressional campaigns?	73.27	17.29	9.44

EVEN THE WELL TO DO BEGIN TO FEEL INFLATION'S BITE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. CRANE. Mr. Speaker, rather than improving, the Nation's inflation continues at an ever more rapid pace. Inflation continued through April at an annual rate of more than 7 percent, in spite of the sharpest drop in food prices in 7 years, according to a Government report on May 21. Living costs of the typical urban worker's family in April were up more than 10 percent from a year ago, which is substantially more than the average increase in pay. The result is a decline in the consumer's purchasing power.

The way to solve the inflation problem is well known. Despite this fact, those in a position to influence events hesitate to take the necessary steps, and the situation continues.

The June 3, 1974, issue of the Inflation Survival Letter points out that:

> Most economists and many politicians know how to control inflation, how to turn inflation back to zero percent . . . Essentially, inflation can be stopped dead by two actions: by the Federal Reserve in strictly limiting the creation of additions to the

money supply and by cutting down on credit; by the federal government in limiting expenditures to the amount of revenues; should the administration and Congress wish to apply the surplus to the reduction of the national debt. As simple as that. But it won't happen because politicians lack both the integrity and the will to make it happen.

In its issue of June 3, 1974, U.S. News & World Report looked at inflation during the past 5 years. Suppose, the magazine stated, that 5 years ago you put $1,000 in some typical forms of investment. How would each have protected you against the effects of inflation—a 32 percent rise in living costs since May 1969?

The answers are quite revealing—$1,000 in common stocks would now have a real value of $784, a loss of $216; $1,000 in corporate bonds would now have a real value of $871, a loss of $129; $1,000 in U.S. Government bonds would now have a real value of $795, a loss of $205; $1,000 in a saving account would have a real value of $947, a loss of $53.

Only three investments showed a profit—$1,000 invested in a new home would now have a real value of $1,045, a gain of $45; $1,000 in gold mining stocks would have a real value of $1,647, a gain of $647; and $1,000 in U.S. gold coins would now have a value of $3,434, a gain of $2,434.

It is high time that American citizens be given the right to own gold. It is, as these statistics show, one of the few ways to stay ahead of the massive government-induced inflation. Hopefully, the expression of support for this policy by Secretary of the Treasury William Simon will soon be translated into action.

I wish to share with my colleagues the article concerning inflation and how it is affecting the American people which appeared in U.S. News & World Report of June 3, 1974, and insert it into the RECORD at this time:

EVEN THE WELL-TO-DO BEGIN TO FEEL INFLATION'S BITE

Increasingly, inflation is wreaking havoc on the budget of American families.

More and more people are failing to pay their bills on time.

More automobiles are being repossessed by the finance companies.

Banks and savings and loan institutions are spending more time and money dunning home-owners who have missed payments on their mortgages.

And it's not just those at the bottom of the income ladder who are hard-pressed to make ends meet. The evidence suggests that a surprising number of people who have always given the impression of being well off—people making as much as $50,000 or $60,000 a year—are pleading with their creditors for extra time or trotting down to the local consumer-counseling service for some much-needed advice on what to do about budgets that are coming apart at the seams.

As a New York banker explains it, inflation simply means that today the typical family has less cash left over after buying the bare essentials—food, rent, utilities, medical care. By the time these are covered at today's prices, there may not be enough left to pay the note on the car or the accounts that come in on the credit cards.

THE GRIM STATISTICS

Inflation continued through April at an annual rate of more than 7 per cent, in spite of the sharpest drop in food prices in seven years, according to a Government report on May 21. The rise was a good deal less than that of the previous month.

Even so, living costs of the typical urban worker's family in April were up more than 10 per cent from a year ago, and that was substantially more than the average increase in pay. The result was a decline in the consumer's purchasing power—and debt-paying ability.

The chart on this page shows what inflation has done in the past year to people at different income levels.

Figures compiled by several nationwide organizations tell of a rising tide of delinquencies on loans of various types. The American Bankers Association says its figures on tardy installment payments are the highest since it began collecting such information 20 years ago.

Early this year, when the slump was at its worst, more than 5 out of every 1,000 cars financed by auto dealers were being repossessed. The Midwest Recovery & Adjustment Services, Inc., in Detroit has taken back 1,100 cars this year, compared with 750 in the same period in 1973.

Problem loans on mobile homes are even more troublesome, with payments running late on 70 loans per 1,000 and repossession of 7 out of 1,000.

Reports from the Mortgage Bankers Association and the United States League of Savings Associations indicates that delinquencies on home mortgages are inching upward.

So far, lenders are quick to note, the majority of people who miss a payment soon make it up. Mortgage foreclosures, for example, have not yet shown a significant increase.

A spokesman for the Mortgage Bankers explains the way inflation works in the typical case:

"When the borrower gets to the end of the month, the grocery bill has taken more than he expected. Gas and electricity and the phone bill are higher. He has had to pay more for gasoline. There simply isn't enough to pay all the other bills, so he has to figure out which ones to skip. First he'll let the installment loan on the car go by. At the end of the month, he catches up on that one, but he misses the payment on the mortgage. A month later, he catches up on that and misses something else."

Generally the bankers say they are doing everything possible to help troubled customers. But keeping up with them has become a much more difficult and costly task.

The Home Federal Savings and Loan Association of Columbia, S.C., has sent out a dozen "demand notes" in the past two months. That compares with only one or two a month last year. Vice President Hayne W. Inabinet says that large commercial accounts on apartments and motels have become especially difficult to collect.

Christian Dahl, vice president and senior credit officer for the personal-banking division of Irving Trust Company in New York, says his company is "working overtime in collections."

THE NEW POOR

As they check up on shaky loans, lenders are discovering that more of the accounts are owed by people who in times past seemed "as sound as a dollar." Mr. Dahl says, "We have noticed some increase in difficulty among higher-income people—those making between $35,000 and $60,000—in meeting their loan payments."

Says a spokesman for a New York finance company, Avco Financial Services:

"Middle-income and upper-middle-income people are definitely feeling the pressure. These are the people with all the charge accounts and cars to support."

A bank in Detroit reports that its list of slow payers now includes "a number of people whom we hadn't expected to be delinquent-people who were good risks, who'd had no trouble before."

Organizations engaged in helping such people tell the same story.

Frederic Perley, manager of Consumer Credit Counselors, in Affluent Marin County just north of San Francisco, says that his clients nowadays "are doctors, attorneys, certified public accountants, professionals of all kinds, as well as bluecollar and white-collar workers." Mr. Perley explains:

"Generally, from 50 to 70 per cent of the people are living on the border line, considering their take-home pay, expenses and the credit they have set up, whether personal or for business. They all have encumbrances, and they need cash flow.

The inflation we're seeing is a very definite problem for many who are not used to retrenching."

The executive director for the Consumer Credit Counseling Service of Greater Boston, William J. Magan, declares, "The average income of people coming in to see us is creeping up; we are seeing the professional people now—doctors, dentists and lawyers."

HIGHER OVERHEAD COSTS

In Detroit, a man who cleared more than $21,000 last year from a uniform-rental service typifies the problems and growing dilemma of the small businessman. The uniforms he buys and rents out have gone up 28 per cent in the past six months. The commercial laundry that cleans the uniforms has just raised its fees 10 per cent. Gasoline for his delivery truck, which cost only 25 cents a gallon a year ago during a "price war," currently costs at least 55 cents.

The uniform company has some customers on long-term contracts; on those it has no leeway to raise its charges, Other customers were treated to a 7 per cent boost last year, even though competition makes such hikes difficult.

The Detroit businessman complains that to meet personal expenses he has to dip into receipts that should be set aside for the business. And he figures there is not much extravagance in the way he and his wife and two small sons are living. An occasional vacation and a night out each week are the only luxuries they maintain. He pays for the night on the town by earning an extra $50 a week doing delivery work for another man.

They've given up steak dinners. His wife has had her hair cut short so that she can take care of it herself. They've planted their own garden for the first time to save on vegetables, and they plan to reduce the use of air conditioning this summer.

"We're just scraping by," the businessman insists. "We're not putting anything back into the business."

COPING—OR FAILING

The strategies devised by others who are feeling the same squeeze vary.

Some discover they have done too much "secret borrowing"—paying for too many things with their credit cards—and that dispensing with these accounts is a partial solution.

In fact, halting use of such credit is one step required by the Credit Counseling Centers, Inc., of Detroit. Albert O. Horner, president of the nonprofit service, explains:

"One of the things we have them do is bring in their credit cards and take out the scissors and cut each card in two. We return the cards to the companies with a note explaining what is happening and saying that these people may want to ask for new cards when they get straightened out."

"It's a ceremony," Mr. Horner adds. "It makes a point."

In other cases, people pay bills by resorting to yet another loan. Mr. Inabinet in Columbia, S.C., complains that a good many people in the past two or three months have taken out second mortgages on their homes through finance companies and then notified his savings and loan. "That'll put them behind that much more," he says. "They'll have two payments rather than one."

STRINGENT LIFE STYLE

The general tendency, however, is for people to pull in their belts, cut out some expenses. As might be expected, this is particularly the case with those who have succeeded thus far in keeping their heads above the financial waters.

One family in Alameda, Calif., now considers a weekly movie at a cost of about $7 plus the cost of popcorn an impossible luxury. "We can't even go and skip the popcorn," the wife declares. The husband for a time was working at two jobs in order to keep up with the bills.

An accountant working for a utility in Columbus, Ga., has given up his favorite sport, handball, because visits to the YMCA seemed too expensive. He and his wife pay cash for everything and managed to save $3,500, which they invested in the stocks of blue-chip companies. Now their investment is worth $800 less. They once hoped to use that nest egg for a down payment on a house, but that is something they figure they simply won't be able to afford in the foreseeable future.

"There'd be garden tools, landscaping, a mailbox," the accountant points out, adding, "Have you ever priced a mailbox?"

The wife of a transformer repairman in Roswell, Ga., is keeping up with inflation by cutting down on meat purchases, making her own clothes and generally doing without. She would like to remodel her kitchen, but that would mean a third loan in addition to the ones on the house and car. "We can't afford it," she concludes.

"STAY WITH MACARONI"

The assistant manager of a brokerage house in New York has seen his income slashed this past year from $15,000 to $13,000. He was out of work 2½ months, fell behind in payments on loans and had to borrow from friends. Even though he is working again—at lower pay—he is holding the line on expenditures.

"We had to stop eating meat every day," he says, "Now, we stay with macaroni. No more sodas; the kids are told to drink water or my wife makes iced tea. She has cut out using the gas dryer and puts the clothes on the line to dry."

A telephone tester in suburban Yonkers, north of New York City, has eliminated week-ends away from home for himself and his wife. He recalls:

"That was our only real enjoyment. We didn't have that much time together. But we had to cut those week-ends out. They just cost too much."

Those people, like the account in Columbus Ga., who are frugal enough to save some money in these times have a problem, too: What to do with the savings? As the chart starting on page 34 indicates, most investments in recent years have given their holders no cause for rejoicing, after account is taken of the vagaries of the financial markets and the inroads of inflation.

The best showing has been made by the sorts of ventures that investment counselors usually tell the typical person to avoid—coins, gold stocks, silver bars. But one type of investment that most families make at one time or another has worked out well in the majority of cases; the purchase of a home.

Partly for that reason, even in these days of record-breaking prices and interest costs, houses seem to be selling well. Seattle-area builders, for instance, report that sales of houses are as good as they were a year ago, even though prices in that area are up as much as 7 per cent in some cases. In fact, inflation seems to be stimulating the market, these businessmen conclude.

Fred Burnstead, who heads a construction company in Seattle, says, "People who bought new homes five years ago have made more on their money than they could have on the stock market."

That is one of the few glimmerings of light in an otherwise dismal inflationary picture, however. And the statistics accumulating in the bankers' offices suggest that increasing numbers of the home buyers discover after moving into their nice, new houses that keeping up the payments is a lot more difficult than they expected. So there, too, inflation takes its mounting toll.

WHY MANY PEOPLE FEEL POORER

	Year ago	Now	Change
Case 1—A typical worker, with wife and 2 children:			
Yearly pay	$7,350	$7,680	Up $330
Federal taxes (income and social security)	893	963	Up 70
Inflation "tax"—reflecting 10.2 per cent increase in living costs		622	Up 622
What's left	6,457	6,095	Down 362
Case 2—A corporate executive, with wife and 2 children:			
Yearly pay	25,000	27,500	Up 2,500
Federal taxes	5,012	5,952	Up 940
Inflation "tax"		1,994	Up 1,994
What's left	19,988	19,554	Down 434
Case 3—A social security pensioner, living alone:			
Annual pension	2,000	2,140	Up 140
Federal taxes	None	None	
Inflation "tax"		$198	Up 198
What's left	2,000	1,942	Down 58

Source: Estimates by U.S.N.& W.R. Economic Unit.

INVESTING TO BEAT INFLATION—THE RECORD OF 5 YEARS

Suppose that, five years ago, you put $1,000 in some typical forms of investment. How would each have protected you against the effects of inflation—a 32 percent rise in living cost since May 1969?

LAGGING BEHIND INFLATION

$1,000 in common stocks

Market value now	$845
Dividends	190
Total	1,035
Less inflation "tax"	252
"Real" value now	784

A loss of $216.

$1,000 in corporate bonds

Market value now	800
Interest	350
Total	1,150
Less inflation "tax"	279
"Real" value now	871

A loss of $129.

$1,000 in U.S. Government bonds

Market value now	750
Interest	300
Total	1,050
Less inflation "tax"	255
"Real" value now	795

A loss of $205.

$1,000 in a savings account

Value now	1,000
Interest	250
Total	1,250
Less inflation "tax"	303
"Real" value now	947

A loss of $53.

STILL AHEAD OF INFLATION

$1,000 in a new house

Market value now	$1,379
Less inflation "tax"	334
"Real" value now	1,045

A gain of $45.

$1,000 in gold mining stocks

Market value now	2,089
Dividends:	85
Total	2,174
Less inflation "tax"	527
"Real" value now	1,647

A gain of $647.

$1000 in U.S. gold coins

Market value now	4,533
Less inflation "tax"	1,099
"Real" value now	3,434

A gain of $2,434.

CONFIDENCE IN GOVERNMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. HAMILTON. Mr. Speaker, I would like to bring to my colleagues' attention an essay I prepared for the Poynter project on American institutions at Indiana University, and which I delivered at the Bloomington, Ind., campus in February 1974, during the Lincoln recess.

The essay deals with the crucial topic of public trust in government, and the congressional role in restoring that trust from its badly eroded state. As I note in my conclusion:

> People are rather understanding of the complexity of problems with which government deals, and tolerant of government's lack of success in solving them. But there are limits to the margin of tolerance people extend to their government, and those limits may soon be reached.

The essay follows:

CONFIDENCE IN GOVERNMENT

(By LEE H. HAMILTON)

I. Introduction

Any Congressman close to his constituents knows that they are deeply troubled about their government, and strongly dissatisfied with its performance on the crucial issues.

They doubt the ability of their government to govern and their leaders to lead, and they just are not sure that government can act with the force and imagination necessary to meet the problems on the national agenda. In their view government is not working as well as it should, and they have doubts about its responsiveness and their ability to have an impact on it.

The people no longer see a direct relationship between what they think, support and work for, and that actually happens. They are not sure what to do, but they are certain they want something done. From the President and the Congress they want clear and decisive leadership, not buck passing, wavering, or procrastination.

A Congressman also notes that, with few exceptions, his constituents are disenchanted with politicians. In their view, politicians don't always speak the truth, often act secretly, cannot be reached, pay too much attention to rich people and not enough to the common folk, promise too much, perform too little, make precious little progress on solving problems, and some of them, at least, have too much power.

Poll after poll in recent years has shown the decline in the public's confidence in government.

One of the more recent surveys, done by Louis Harris & Associates, Inc. for the Senate Committee on Government Operations in the Fall of 1973, shows that this loss of confidence has reached severe—even major—proportions, with most people displaying profound cynicism and alienation toward their government and its political leadership.

The polls confirm my own experience. I remember vividly a remark made to me by an Indiana farmer as we talked by the side of his field. He said to me, "I wouldn't trust a politician if he told me the sun rose in the East."

The seriousness of this public attitude is that a democratic government depends on people who believe in it. Without an attitude of trust and confidence toward the government, a democratic system will not work. To pick a single example, the tax collection system, which depends primarily upon people voluntarily assessing themselves, would collapse if people come to believe that taxes are basically unfair.

If the American people lost trust in their government, believing it to be unfair, or unresponsive, or just plain incompetent, it would be only a matter of time before they began to withdraw their consent to be governed.

In this context, the defense of the President and his aides that all they did in collecting campaign contributions and in wagig political warfare has been done before and is "politics as usual" is especially disturbing. As Alan Barth, a former Washington Post editorial writer, has pointed out, there are several things wrong with that defense: It is not true; it adds up to an abdication of morality in political life; and it may become self-fulfilling. If the people really believe that the whole spectrum of illegal and unethical activities carried on by the Nixon White House, and commonly known as Watergate, is typical of the way the Nation does its business, how can one expect them to pay taxes with honesty, or act for the general welfare, or encourage promising young people to enter government service.

Public distrust, suspicion and cynicism about government erode the foundations of free government, and such a government must place high on its list of priorities efforts to deal with those attitudes.

This decline of trust did not begin with Watergate, but it has undoubtedly been exacerbated by it and the question that plagues many people as they view the impact of Watergate on the already low status of politics and government in the nation today, is: How much erosion of trust can our system tolerate and still survive? Surely there are limits below which the level of public discontent and disappointment cannot descend, and the nation may be approaching those limits now because of Watergate. If this resentment toward government should be combined with deep economic frustration that may lie ahead, the mix could have explosive effects on the American political scene.

The danger signals are apparent:

In an election that both presidential candidates agreed presented the clearest choice in decades, only 55% of the eligible voters—the lowest turnout in 24 years—bothered to vote and 68 million eligible citizens did not vote.

Far more people have confidence in the trash collector than in the President.

An average of 55% of the public is disenchanted with things as they are, compared with only 29% who felt the same way in 1966.

It is important, however, not to overstate this mood of disenchantment with the political system. People may vote less, rate politicians below used car salesmen in public esteem, withdraw from politics, picket and demonstrate, turn away from the major political parties and some even emigrate, but nothing truly apocalyptic appears to be happening. I see no mass rejection of the Congress or the office of the Presidency, nor do I see people grasping for extreme solutions. Underneath it all, they apparently believe in the ultimate ability of the country to resolve its problems and to continue to progress. They have faith in our political system, if not in many of the officeholders.

The people continue to think that the government, with the right leaders, can be made to work effectively and that even our most intractable problems, like inflation and corruption, will yield to energetic leadership, and they may just be right. Adam Smith observed that "there is a lot of ruin in a nation." It is not yet time, then, to ring the death knell of American democracy.

Nevertheless, the consequences of the low level of trust in the government are profoundly disturbing; the warning signals are apparent for all to see, and all public officials must think seriously about why confidence in government is declining, what steps must be taken to restore the confidence of the people, and then act with the force and resolution necessary to accomplish them. More important even than Watergate is how Americans react to it, what they learn from it, and what they do about it.

I believe that the topic of the Poynter Foundation lectures deal with a central issue in American political life today: How to achieve honest government. There is no more important business now before the American people. The country is obviously weakened by serious economic and political problems, and its ability to contend them depends on a generous measure of public confidence in leaders. Perhaps one of the dangers is that, with all of the concern about energy and inflation, the question of trust in government will not get the attention that it deserves.

II. WHY IS CONFIDENCE LACKING?

First, Americans have experienced an accumulation of frustrations from a series of specific events, including Vietnam, the civil rights disputes, the resignation of Vice President Agnew, inflation, and, of course, Watergate. Each incident has convinced large groups of people that the Government is incompetent, and as these events follow one another, the alienation spreads and deepens.

The Events of 1973 only deepened the discontent:

A President proclaimed to the American people that he is not a crook, thereby measuring himself, as no previous President has done, by a most demeaning standard of conduct.

80% of the American people believed that one or more of the serious charges of wrong doing against the President are justified.

Former Attorney General John Mitchell pathetically affirmed his clean conscience by stating "I never stole any money," as if that were the standard to which the nation's attorney general should repair.

A Vice President resigned in disgrace, as a convicted felon.

Secondly, people's standards of performance, for government, as well as for other institutions, are higher today than in the past, and when government does not measure up to them, they are disappointed. Departing from attitudes of the past, people now look to government more often to solve problems and when action does not come, or is ineffective, they become critical because their expectations are not met. As the gap between the people's expectations and the government's performance widens, distrust of government, escalates.

For example, the promise of the Great Society outran the performance, and, even though real progress was made, when the programs fell short of their ambitious goals, many people were disappointed.

Third, the news media make people instantly and constantly aware of the national problems and the failure of government to solve them. The media bombard people daily with news which focuses on the problems, the shortcomings and the failures.

As a secretary in Grand Rapids, Michigan, who was polled in the Harris study, put it:

"Everyday when I wake up I feel something new in the way of trouble is coming out of Washington: Another rise in the cost of living; the Government selling food when we have shortages; another terrible scandal with Watergate. It's all too discouraging for words."

My 13 year old daughter reflected this awareness, too, when she replied to my suggestion that she watch the nightly T.V. news report by saying: "I don't like to watch it. All those problems depress me."

Fourth, few people really feel a part of the political system. They feel powerless to influence the actions of leaders, who, they believe, do not really care what they think.

One evidence of this feeling is the high number of non-voters in the U.S. Another is the comment any party precinct worker hears frequently; "What difference does it make whether I vote."

The sheer size of government has much to do with this attitude of political impotency. Government is no longer plain, simple and intelligible, as the Founding Fathers intended it to be. It's vastness baffles, confuses, and defies comprehension. People simple do not know how to make government work effectively for them, and not understanding it, they tend to be suspicious of it.

Every Congressman confronts at some time a group of frustrated constituents who have petitioned, marched, demonstrated, voted, written letters, and done all they knew to—without making progress toward the achievement of their goal. It is no small task to get government to act, and too many persons become too quickly discouraged when government does not respond immediately to their pleas.

No one expects an institution that spends $300 billion a year and employs over 2.7 million people to run as smoothly as the neighborhood grocery, but even making allowances, the public sees too much inertia, unresponsiveness, delay and general mismanagement. Few Congressmen can satisfactorily explain to a constituent with a social security problem, for instance, why it takes at least a month, and sometimes six months, to get a reply to his inquiry.

And, lastly, people are unhappy with government because they believe that public officials keep information from them, don't tell them the whole truth, avoid them, and generally do not level with them. In their view, politicians are anxious to espouse popular, rather than effective, solutions, and they are strong on rhetoric, weak on candor, and skillful at half truths.

Credibility is a favorite word in politics today because of the long list of recent experiences which have taught Americans to doubt the statements of their political leaders.

After all, people are entitled to some skepticism about statements from their highest leaders when:

The President tells them that no one on his team (people who have since departed in disgrace) had any connection with Watergate.

A former Attorney General says that he had no idea how the Watergate break-in came about, although he later acknowledged presiding over several meetings in which the burglary was discussed.

The former Vice President insists he would never resign and is innocent of wrongdoing, and shortly thereafter resigns, a convicted felon.

III. STEPS TO RESTORE CONFIDENCE

Like many things these days, the remedy for the people's discontent with government is complex. To suggest a single, simple answer to the crisis in confidence in government would be impossible. Given the prevailing attitudes toward government, anyone can be forgiven a few questions about whether the system can respond quickly enough, when such a recovery of confidence will come, and what can be done to hasten it.

A long list of reforms is needed in political values, in the operation and structure of the executive branch and the Congress, in the political parties and in the electoral system. Most observers of American democracy have at least a partial list of urgently needed reforms, but none has the complete solution to the restoration of confidence.

It should be recognized that the Congress cannot resolve all the problems and enact all the reforms suggested by Watergate. It may, for example, be able to deal only marginally with the persistent demand of the people for honest government, which they think is in short supply today. In describing an ideal public official the first quality they stress is honesty, according to the Harris poll. Their preoccupation with the problem of integrity in government and corrupt politicians prompts the question that every Congressman hears repeatedly: Whom can I trust or believe?

Although the issues of Watergate range from the impact of big money in politics to the effect of politics on big government, from doubts about the use of the national security rationale to justify domestic surveillance to questions of personal loyalty to the office of the Presidency, from the President's position under the law to questions about the closed Presidency, the ultimate issue perhaps is the extent to which the American people retain their confidence in the integrity of the American system.

Some things, like conflict of interest statutes and codes of ethics the Congress can, and should, implement, but integrity cannot be legislated or tough standards of personal and fiscal integrity decreed.

I believe that there are 3 major elements underlying much of the discontent with our political system:

1. The inappropriate, even illegal, use of money in campaigns,

2. Secrecy in doing the people's business, and

3. The concentration of too much power in the office of the President.

I would expect that, if we are able to devise effective means of solving these problems, the pervasive sense of frustration and helplessness will lessen. For example, if the incidence of secrecy declines, politicians may feel more pressure to be honest. If the influence of money declines, they will be less responsive to the wealthy. Similarly, greater openness and candor may lead to a more informed public and, ultimately, more realistic expectations of government.

Successful resolution of these 3 major problems will go a long way towards providing the American people with the kind of government they want.

The role of Congress in the post-Watergate period is to focus on the several areas where it can play a meaningful role and, where, taking into account political and organizational realities, it can have a beneficial impact.

These "realities" limit the role that the Congress can play. They include the sheer weight of the workload of the Congress, the complexity of the issues with which the Congress deals, and the difficulties of developing a consensus on these issues. The Congress deals each session with over 25,000 pieces of legislation, appropriates $300 billion, and oversees the vast interests of the Federal Government. It does this with insufficient staff support, meager informative resources and little use of computers and data banks, while trying, by accommodation and compromise, to reach a high level of agreement among 535 strong-willed politicians who represent vastly different constituencies. Moreover, the force of the law the Congress eventually enacts must be buttressed by the process of discussions and consensus-building so that the law will be acceptable to, or at least tolerable for, most groups and individuals in the nation.

These limitations of the Congress are apparent in its efforts to deal with an event as complex as Watergate, and in reaching a decision on what caused it and what should be done about it.

Given these limitations, Congress may not be able to provide the kind of dynamic and comprehensive leadership necessary to restore quickly the people's confidence in government, but it can tackle effectively several salient problems.

The period after Watergate may be an opportune time for the Congress to deal with the problems of money, secrecy, and power because each of them played a role in that traumatic affair.

If Watergate passes without the occurrence of meaningful reforms, not only has an opportunity for improvement been lost, but the cynicism and suspicions of the people toward government will only be deepened, perhaps to the point of no return.

A. MONEY

People will have confidence in their government only when they have confidence in the manner in which their governmental leaders are chosen. If they believe money buys elections or the votes of politicians, they will have confidence in neither the system nor the politicians.

At this stage in our history that confidence cannot be taken for granted:

Two in three Americans believe that there are Congressmen who won election by using unethical or illegal methods;

Seventy percent of the American public, sensing that something is wrong with the electoral process, favor major campaign reform, and 90% of the businessmen polled favor limits on campaign spending.

The attitude of the people about the influence of money is just as important as its actual influence. The people who feel that the wealthy have all the influence in public affairs throw in the towel before the bell rings.

Such feelings are being held by more and more Americans, with 74 percent of the public believing that special interests get more from the Government than the people do, according to the Harris survey. Rightly or wrongly, they believe that a small number of wealthy people have the potential to exert disproportionate influence, and that because of the influence of money:

Ambassadorships are purchased;
Antitrust actions are influenced;
Legislation is advanced;
Contracts are awarded;
Federal agency actions determined; and
Federal appointments are made.

The cost of campaigning, as well as the influence of money, have reached the stage where they threaten the lifeblood of the democratic system. Recent reports of increased milk price supports and favorable anti-trust settlements for campaign contributions suggest the corrosive influence of private wealth on American politics.

In 1846, friends of Abraham Lincoln gave him $200 with which to run for Congress, and he used only 75-cents for a barrel of cider. The days of 75-cent campaigns for Congress are gone forever, of course, with many Congressional campaigns now costing in the hundreds of thousands of dollars.

Total spending for political candidates at all levels climbed from $140 million in 1952 to $400 million in 1972, a 285 percent increase in only two decades.

Richard Nixon spent $35 million to get elected in 1968 and $56 million to get reelected in 1972. Nelson Rockefeller spent $1.8 million to be elected governor of New York in 1958, and $6.8 million in 1970, a 380 percent increase in campaign costs in 12 years.

Apparently, the sky is the limit. Unless immediate attention is given to revising campaign finance laws there will be a government by the rich and for the few, and, most assuredly, a government that will not have the people's confidence.

Joseph Califano, President Johnson's special assistant for domestic affairs, wrote that "private wealth has become the most debilitating and corrupting force in American politics today;" and John W. Gardner has observed that:

"In almost every aspect of the Watergate there was one common element: The flow of unreported campaign cash—lots and lots of cash, stashed in safes and hidden bank accounts, transported in black satchels, disbursed without an accounting,

"Polluted rivers of cash, drenching everyone and everything in sight. We mustn't let the drama of political espionage and high-level intrigue divert us from that element. The deepest lesson of Watergate is the corrupting influence of money in politics, of uncontrolled campaign financing. If we don't learn that lesson, future Watergates will be bigger and nastier."

The Campaign Finance Reform Act of 1972, the first comprehensixe campaign spending bill in 47 years has helped to reduce the excesses of campaign spending practices by requiring disclosure of contributions and expenditures. It has advanced us toward the goal of competitive fair and open and honest elections. But a few series of steps, building on the law, must be taken to further protect the integrity of American elections and reduce the influence of "big money." These steps are contained in the Clean Elections Act, H.R. 7612.

Philip Hughes, Director of the Office of Federal Elections within the General Accounting Office and the person responsible under the 1972 law for monitoring presidential campaign spending, concurs and says "Present laws are inadequate to rectify the abuses we have seen."

One hundred fifty Congressmen have now co-sponsored the Clean Elections Act. Its major provisions and their justifications are as follows:

Federal Elections Commission:

(1) By far the most important aspect of the Clean Elections Act is the provision for the creation of a bipartisan and independent Federal Elections Commission with tough enforcement powers. The recordkeeping functions currently delegated to the "supervisory authorities"—the Clerk of the House, Secretary of the Senate, and Comptroller General—would be transferred to the Commission, which would take on a number of functions now performed exclusively by the Justice Department. It could subpoena witnesses, compel evidence, administer oaths, submit legislative recommendations to the President and the Congress, initiate court action against violators of the act and require any person, under oath, to submit written reports on campaigning activities.

The President, the Speaker of the House, and the President of the Senate would each appoint two of the Commission's six members, each of whom would serve 6 years. Member's terms would be staggered, and no more than half of the Members could be from the same party.

The Commission would be independent of

any branch of government. Thus, the act avoids a pitfall under the current law, which in effect has Senators and Representatives monitoring their own campaigns.

(2) Limits on contributions: The bill would limit yearly contributions by any person or committee to $1,000 for a House or Senate candidate and $2,500 for a Presidential candidate. The only exceptions to this rule would be the national party committees and the four Congressional campaign committees, whose expenditures would not be limited. In effect, though, the limit on contributions from all sources places a limit on expenditures by these committees.

Objections to excessive campaign spending are based on the concern that large contributions frequently make elected officials susceptible to pressures from special interest groups. If this bill is passed, candidates will find it more difficult to raise large sums. A small number of wealthy contributors will not be able to contribute more money, or have any greater influence on the candidate, than any random group of citizens who choose to donate to the campaign. The amount which a candidate raises will depend solely on his ability to solicit small contributions. If a candidate enjoys broad popular support, he may indeed spend large amounts on his campaign. But he will do so without becoming indebted to any special interest group.

The combined factors of less ease in raising large sums of money and limitations on individual gifts should help remove the specter of unethical spending from our political campaigns.

(3) Income tax credits: H.R. 7612 provides a number of incentives for small contributions. One of these is the increase in income tax credit from $12.50 to $50 for each taxpayer, or $100 for a joint return.

If large donations are eliminated, candidates will still need enough money to carry on an effective campaign. This bill encourages the candidate to raise small contributions from many sources, and prohibits large contributions from a few sources. The influence, or even the appearance of influence, of large contributions will be removed.

(4) Public Financing: This bill provides for public financing of federal elections, an innovation which has been much discussed but never tried on a large scale in the U.S.

The U.S. Treasury would, under the bill's provisions, match any contribution up to $50 received by a candidate or his committee. Before becoming eligible to receive these payments, a candidate would have to submit proof of a specified amount in matchable donations. This would tend to discouarge phony or frivolous candidates or "ego trippers" from running simply for the Federal money which would accrue to them.

Elections are already subsidized by public funds to a greater extent than is commonly realized. Local governments provide voting machines and election officials; incumbents enjoy a variety of benefits, including staff, travel allowances, and the franking privilege; and contributors receive tax breaks.

Elections would be made more fair and open if a limited and impartial procedure of matching Federal donations were the primary means of campaign financing.

This would encourage candidates to seek small contributions, since the amount of their Federal subsidy would depend directly upon the number of small contributions they received. Treasury outlays would be limited to 10 cents per eligible voter to candidates, and to a total of $15 million to all national and congressional campaign committees. Total cost to the U.S. Government is estimated at $100 to $150 milion per year, should this act become law.

A Gallup poll conducted in September 1973, showed that 65 percent of the people favor some form of public financing of elections, up from 58 percent in June, 1973. Previous proposals, however, have foundered on questions of third-party eligibility, frivolous candidates, and financing of primaries and multicandidate races. The Clean Elections Act provides workable answers to all these questions.

(5) Voters' time: Since its development in the late 1940's, television has grown into the most popular and pervasive means of mass communication. Especially in recent campaigns, politicians have seized on it as the ideal means of presenting their ideas and themselves to nationwide audiences. A candidate's major obstacle using television has been its prohibitive cost. This bill is based on the premise that all candidates who have demonstrated substantial popular support should be given the opportunity to present their views on television.

Therefore, the bill provides for "voters' time" following a proposal made in 1969 by the Twentieth Century Fund. Parties are identified as "major," "third," or "minor," depending on the portion of the popular vote which they received in the previous election. A party may establish itself as a minor party for a congressional election in one of two ways: By showing that its candidate received 5 percent of the popular vote in that State in the preceding election; or by filing with the Federal Communications Commission a petition containing a number of signatures of registered voters equal to 5 percent of the votes cast in the Senate's preceding senatorial election.

A formula allots segments of publicly-subsidized television time to candidates, including third party and minor party nominees. Amounts range from 5 half-hour blocks for major party Vice Presidential and Presidential candidates to one 15-minute block for minor party congressional candidates. All television stations located in the affected area would be required to transmit these broadcasts simultaneously, except in metropolitan areas containing a large number of House districts. In such cases, the Federal Communications Commission would be permitted to divide voters' time responsibilities among the television stations, and thus protect the channels from constant inundation with campaign speeches.

If this bill is adopted, no candidate will be relegated to obscurity simply because he or she lacks the funds to flood the air with political messages.

The Clean Election Act does not prevent third party candidates from being heard. A candidate need show only a specified, but low, amount of public support before he becomes eligible to receive the public subsidy. At the same time, frivolous candidates would be excluded. It is unlikely that a totally nonserious contender for public office could muster the requisite number of signatures on his petition for voters' time, or raise enough money in small contributions to benefit from the Federal matching payments plan.

The Clean Elections Act proposes a novel but reasonable scheme of public and private financing, incentives for public participation, and enforcement of the laws. It promises to go a long way in ridding this country of campaign spending abuses and unethical political methods, and it should be enacted into law.

By the enactment of this bill, or something close to it, the Congress can show its concern with the disproportionate impact of money on the political process, and, in a single stroke, take a giant stride toward limiting the influence of money in the decision-making process and encouraging the people to have confidence in the integrity of the process by which their public officials are elected.

B. SECRECY

Secrecy in the operation of government is another one of the principal reasons people have lost confidence in government. People simply do not like a government that practices secrecy, and a government that prefers to do its business in secret will not have the trust of the people.

Secrecy is at the center of the Watergate scandals. They simply could not have occurred in the sunlight of public knowledge. The kind of secrecy that marked the whole affair has no place in a democratic society. The framers of the Constitution were interested in the right and the duty of the people to participate in public decisions, and throughout our history these interests have been reasonably well satisfied, but in recent years, at least since World War II, the government has often conducted its most important business behind closed doors.

Somewhere along the line, recent Presidents have become entranced with what General DeGaulle called the "mystique of high office," which involves treating the people with condescension and withholding information from them. One high U.S. official, when asked about secrets in government, responded by saying that "those who needed to know were told." Such an attitude expresses contempt for the democratic process.

It is interesting to note that in the Harris poll the people felt that government secrecy was a prime obstacle to responsiveness of government, and that openness by officials was a prerequisite to successful contact between the leaders and the led. At every turn voters are saying to politicians that they will not tolerate secrecy in the conduct of the public's business, but, even so, political leaders may not yet understand the intensity of this public mood.

Any reasonable person recognizes the necessity of secrecy in government in certain situations, like sensitive diplomatic negotiations or development of some military weapons. But secrecy has become an accepted way of doing business in Washington in far too many instances.

In foreign affairs there have been secret agreements at Yalta, secret U-2 flights, a secret invasion of Cuba, secret moves in Vietnam and the Gulf of Tonkin, and secret bombing of Cambodia.

In domestic affairs all kinds of important information has been denied to the American people: The safety of nursing homes, meat inspection reports, civil rights complaints, an IRS agent's manual, safety data on birth control pills, reports on aircraft and automotive equipment failures, the amount of fat in hot dogs, and the mass drowning of dolphins in tuna nets, to name a few.

Even the Congress, the people's branch, has had a long history of doing the people's business in secret, and although the Congress is beginning to open up the legislative process, many of its most important decisions, like action by conference committees, are still made behind closed doors.

While the House has recently created a resumption of open committee meetings unless committee members vote publicly for a closed meeting, the Senate rule creates a presumption of secrecy unless committee members vote to the contrary. The political party caucuses in both House remain closed to the public.

In 1972, 40 percent of all House and Senate committee meetings were closed to the public; meetings other than hearings—where legislation was discussed, marked up or voted on—were closed nearly 80 percent of the time.

The Congress annually appropriates hundreds of billions of dollars in a process dominated by secrecy from closed committee hearings to secret House and Senate conference committees.

The Executive Branch exhibits a passion for secrecy and spends enormous sums of money and considerable human resources to maintain secrecy.

One device used by the Executive Branch to keep information from the people is a comprehensive classification system for public documents. According to recent estimates, government costs of maintaining secrets run as high as $80 million a year, and about 20,000 federal workers have the power to classify documents. The government carries the classification system to absurd lengths. Only recently has the declassification of 172 million pages of secret documents from World War II begun, many of which are hardly earthshaking: e.g., a telegram reporting the loss of the battleship Arizona at Pearl Harbor and a design for a slingshot for harmlessly detonating German rockets. One estimate is that the Defense Department alone has the equivalent of 18 stacks of classified documents, each as high as the 555 foot Washington Monument.

This perverse system lessens the flow of full information to the people and inhibits their understanding of current events. It allows policy makers to operate with blinders on, and, all too often, allows them to make policy without having to defend it adequately. The historical record offers no proof that officials protected from public scrutiny by the classification system make wiser decisions than they would otherwise, and the democratic process argues for public scrutiny.

Sometimes the Executive and the Congress conspire, as where the Executive confides in a few favored, reliable committee chairmen. For the Chairman of the Joint Chiefs to have a cozy chat with a Senator Stennis or a Congressman Hébert is scarcely conducting the public's business in public, or, for that matter, even informing the Congress.

This addiction of the Executive Branch and the Congress to secrecy makes a farce of the principle of open government. It is offensive to the public. Closed meetings damage the political system by implying hanky-panky and shady deals. They arouse suspicion and resentment. They make it more difficult to get the support and cooperation of persons affected by the secretly made decisions. Closed meetings destroy the credibility of public officials and make their tasks more difficult.

Secrecy can no longer be excused as an operational necessity in government; it excludes the participation of the people in their Government, and can be used as a screen for subverting freedom.

One of the distinctive marks of a democracy is its commitment to an open society. It is assumed in a democracy that policy can be improved by steady public examination and debate. Few topics should be immune from public scrutiny and criticism, because only by such examination can mistakes be avoided or corrected.

The validity of this view is accepted by many former public policymakers, among them McGeorge Bundy and Nicholas Katzenbach. Consider the words of Mr. Bundy, one of the architects of secrecy in our Vietnam policy in the early 1960's:

"It is time for all of us, in or out of office, in or out of politics, in or out of any party—to appeal to what is still our Government to accept the charge of moving our great affairs into the open once again."

Mr. Katzenbach, former Under Secretary of State and U.S. Attorney General, has noted that secrecy has increasingly become a way "to avoid the difficulties inherent in our political system and hopefully to present the public with triumphant faits accomplis." He argues that:

"The President . . . must welcome public discussion and criticism of his proposals . . . He and his principal assistants must be far more willing than in the recent past to lay out candidly the problems, the choices, the recommended actions."

To move governmental affairs into the open, legislation should be enacted to require all meetings of Federal Government agencies at which official action is taken, considered or discussed to be open to the public. Many other steps are needed, but the common theme of all of them is greater openness to discussion and criticism and more candor in the conduct of the public business.

Basic alterations should be made in the classification system to require that secret papers be made public more quickly, with only rare exceptions, and that classification itself be used with the utmost restraint.

The Congress must also insist that Government officials explain and defend their actions in public hearings, not in secret committee sessions or intimate chats with a few selected, and usually cooperative, Congressmen and Senators.

Our essential commitment to freedom of inquiry and publication, and the value of a free press as a disseminator of information to the public, needs to be confirmed. With the growth of government, the increasing complexity of public policy and the wider scope of American concerns, neither government nor any government official has a monopoly on information or wisdom. The news media must be allowed to inquire and to publish so that the people may know what they need to known to make the choices a democracy demands. Except in rare instances, government should not be afforded the right to decide what and when the people are to know. Obviously, this approach places an enormous responsibility for objectivity on the news media, but the first amendment presupposes that right policy is more likely to emerge from a variety of sources than from a single, authoritarian source.

The surest safeguard of the people's confidence in government policy is to let them know what is happening. If a cardinal rule of the post-Watergate policies is to level with the people, then the beginning point is to let the sun shine on the decision-making processes. Although complete disclosure cannot be employed in every instance, disclosure should be the rule, not the exception, and a heavy burden of proof should rest on those who insist that secrecy in a given case will serve the national interest. Secrecy in government should be held to a minimum.

C. POWER

Another step the Congress should take in order to restore confidence in government is to reduce the concentration of power in the office of the President.

The dominant fact in American government in recent decades has been the accumulation of power by the President. At least since Franklin Roosevelt, the American political system has concentrated more power in the hands of a single individual than was ever envisioned by the Founding Fathers or seemed prudent for a democratic government.

As the National Academy of Public Administration has recently noted:

"The centralization of power in the presidency has increased over the years to the present extreme situation in which the prevailing view is that the whole government should be run from the White House. The role of principal assistants to the President has been virtually transformed to one of 'assistant President.' "

There are several reasons for this concentration, including the passivity of the Congress, its inability to respond to crises, and the superior information, actual or presumed, of the President, but, whatever the reasons, the results are apparent and disturbing:

Presidents assert an executive privilege of dubious constitutional origin as a shield to keep information from the Congress and the people.

Presidents assert that they have the right to spend or not to spend money that the Congress appropriates.

Without consulting the Congress, Presidents commit American troops to Korea, Lebanon, Cuba, the Dominican Republic and Vietnam.

Presidents make commitments pledging the money and lives of Americans, and conclude a ten-year war in Vietnam by Executive Agreement.

President Nixon has compounded the secrecy and unconstitutional practices that grievously harmed President Johnson's Administration. President Nixon's manipulation of the war-making powers with his secret bombing of Laos and Cambodia, and the invasion of Cambodia, his admitted approval of projects that violate the law, as in the investigation unit known as the "plumbers," and his abuse of the impoundment power—turning it into an item veto, have all been steps that exceed the constitutional checks and balances. Indeed, one of the basic causes of Watergate has been an insensitivity to legal and constitutional restraints by the White House staff and by the President. Alexander M. Bickel, Yale University law professor, has written, "There was a time there, soon after the election in 1972, where Mr. Nixon gave the impression that he thought the American political process was over for a while, and that he could simply rule."

The result, e.g., in the field of foreign policy, is that the constitutional power to declare war has passed to the President. The constitutional power to ratify treaties has been largely nullified by extensive use of executive agreement, and even the constitutional power to advise and consent has been diminished and ignored.

Americans instinctively dislike placing all power in one person, even if that person is the President. They believe with the Founding Fathers that governmental powers should be jointly possessed. Because President Nixon has been especially aggressive in his assertion of Presidential powers, a mood of anxiety has gripped the country and the Congress about the expansion of Presidential power at the expense of the Congress.

The accumulation of power by the President, certainly not contemplated by the Constitution, is the root cause of the friction that exists today between the Congress and the President. Concern about it cuts across party and ideological lines.

The distinguishing mark of the 1st session (1973) of the 93rd Congress was the confrontation between the President and the Congress, with vetoes or threat of vetoes, and attempts by the Congress to take back powers it contends the President has usurped.

The effort of the Congress to reassert itself should not be misunderstood to mean that the Congress can truly become an equal branch of government. It is simply too difficult for 535 strong-minded, aggressive persons "to get it all together" on all the issues on the nation's agenda. The Congress cannot control inflation, solve the energy shortage, or negotiate trade agreements. Congress may win some battles, restrain the President here and there, but it will remain essentially a body which confirms or rejects Presidential proposals, and reviews them after the fact.

Nevertheless, it is important that the Congress constantly guard against the accumulation of too much power in the President.

While the fight over runaway presidential power is present in almost every piece of legislation, the main battles have been fought over substantive proposals on war powers, spending and executive privilege.

War powers

When historians take a look at the record of the Congress in 1973, they may judge the war powers as the most important piece of legislation enacted because it is a turning point in the continuing struggle within the American constitutional system to restore the power of the Congress.

The War Powers law, a product of three years of Congressional work, aims at limiting the Presidential power to commit armed forces to hostilities without Congressional approval. It contains the following provisions:

1) The President is required to consult with Congress before introducing U.S. forces into any foreign hostilities;

2) The President is required to make a full report to Congress within 48 hours after committing armed forces abroad;

3) The President must withdraw all troops within 60 days if Congress has not declared war or specifically authorized the commitment. The President can extend the period for 30 days by certifying to Congress that the additional period is necessary for the safe withdrawal of U.S. forces;

4) And it requires the President to withdraw all troops immediately if Congress at any time adopts a veto-proof concurrent resolution to end any action.

The War Powers law seeks to assure that the most important decision made by government—whether or not to go to war—is a shared responsibility between the President and Congress, as the Constitution intends and the standards of democracy require. It compels the President to consult with Congress when committing American forces overseas and to obtain Congressional consent for any prolonged military action. The consultative process will require him to justify his actions to Congress. The chief virtue of the law is that it will bring the decision-making process on whether or not to go to war into the open. A primary lesson of the Vietnam War is the peril of secrecy in the conduct of foreign policy and the necessity that basic foreign policy decisions must rest upon public support.

The War Powers law also signals a resurgence of Congressional independence after a long period of acquiescence to the President's war-making power. Beyond the vital Congressional check it contains, the law signifies that the Congress is reclaiming some of its Constitutional power after a long period of allowing it to be eroded. The President's weakened political position because of Watergate may have been a factor in the bill's enactment, but the bill should not be viewed as a vote of no-confidence in President Nixon. Rather, it reflects the new attitude among Congressmen that the Congress must play an important role in the question of whether to go to war. The law is directed to all recent Presidents, and says, in effect, that future Presidents should not make war without Congressional approval. As House Majority Leader Thomas O'Neill (Mass.) said, "If the President can deal with the Arabs, Israelis and the Soviet Union, he ought to be willing to deal with the Congress of the U.S."

The war powers law had a rocky road to enactment. When it first came up for consideration, few legislators expected it to become law, and most were surprised when events converged to enable the Congress to override the President's veto. Some conservatives claimed it was unconstitutional and deprived the President of the power to act decisively in a crisis. However, the law specifically states it is not intended to alter the Constitutional authority of the President, but only to establish a procedure for its legitimate exercise. The measure does not preclude bold and effective Presidential action in a crisis, but only requires him to gain Congressional support. For example, the law would not have hindered the President in following his chosen course in the recent Mideast war, or, for that matter, in any of the recent international crises.

Some liberals objected to the law because they claim it gave the President authority he does not have to wage war for 60 days. This argument ignores the fact that the President already acts in this matter.

No miracles should be expected from this legislation. It does not insure the nation against future wars or make the decisions about going to war any easier. The war powers law probably will not have any immediate practical effect since American soldiers are not in combat today anywhere in the world, or expected to be in combat anywhere. Even with this legislation, the President, on his own, can still commit the nation's armed forces to foreign combat. And once the military power of the U.S. is committed, and with it the honor and prestige of the country, it is unlikely that any Congress will reverse the President and force an end to the fighting. But, this law will make future Presidents more cautious and deliberative in committing American forces, and more inclined to consult with Congress on their decision and to think about its impact on the American people.

Impoundment

In its efforts to rein-in the Presidency the Congress has tried to restore its control over the power of the purse, and this has meant a clash over presidential impoundment of funds.

Presidential impoundment of funds appropriated by the Congress dates back to 1803 when President Thomas Jefferson refused to spend $50,000 appropriated for gunboats on the Mississippi River. It was institutionalized in 1921 when the first Budget Bureau Director, Charles E. Dawes, used the authority of the Anti-Deficiency Act of 1905 to impound funds whenever an agency could meet its objectives without spending all appropriated money. Under President Franklin Roosevelt the impoundment practice was broadened beyond a simple economy step to become an instrument of economic policy through the withholding of funds for specific purposes. After World War II impoundment was used to cut back defense appropriations no longer required, and impoundments by the Presidents slowly grew.

President Nixon has used the impoundment device more extensively than his predecessors, impounding over $40 billion in his first term, and he has used it to cripple or terminate domestic programs with which he disagrees. President Nixon estimates his impoundments for FY 1973 at $8.7 billion, but the Library of Congress estimates them at $18 billion. Using impoundments as a permanent weapon in his constitutional arsenal, not in isolated cases, the President has tried to achieve his policy objectives of decentralization and liquidation of domestic programs. He has impounded to circumvent the will and the priorities of the Congress as expressed in appropriation laws, and not just to manage effectively government funds.

The controversy over impoundment, then, is essentially over which branch of the Federal Government, Executive or Legislative, will decide national priorities and which programs will have their funding cut and by how much.

The President has contended that "the Constitutional right for the President to impound funds . . . is absolutely clear" and that he has a duty to impound funds as he thinks necessary. He argues that he must control spending because the Congress, under its present budgetary process, has lost control over spending.

In decision after decision, however, the courts have rejected the President's contention that he had a right not to spend money voted by Congress. There has not been a single lower court decision in support of what the President has called his "constitutional right" to withhold funds. The New York City Bar Association has noted that:

"Where Congress has made its intent clear, the President is constitutionally obligated to effectuate that intent. He does not have discretion to substitute his own views as to policy for those of the Congress. . . ."

U.S. District court judge Charles R. Richey wrote simply, "It is not within the discretion of the Executive to refuse to execute laws passed by the Congress but with which the Executive presently disagrees."

Since these court decisions did not attempt a general solution to the impoundment controversy, and, in response to the President's impoundment policy, the Congress is considering legislation to require the President to seek Congressional approval of all impoundments.

The House has passed a bill which would permit either House to disapprove an impoundment within 60 days. In the absence of such disapproval the impoundment would stand. The Senate bill would automatically terminate any impoundment after 60 days unless both Houses took action to approve or disapprove the impoundment. Both bills legitimize impoundments, and deny the President the power to scramble Congressional priorities.

The President has tried to make the issue a budgetary rather than a constitutional issue, a fight for fiscal sanity rather than for constitutional balance of power, insisting that he has had to impound to stop the extravagant spending of the Congress. The President's charges are simply not supported by the figures. The Congress, for example, reduced the President's budgets in his first term by more than $20 billion. The real financial issue between the Congress and the President is not on the amount of spending, but the spending priorities.

Fortunately, Congress is coming to the view that it should not reclaim its constitutional power over the purse without establishing fiscal discipline and self control. The impoundment bills therefore, contain spending ceilings and improved budgetary procedures described later in this essay.

Impoundments are sensitive matters to the Congress because they strike at the heart of Congress' exclusive power of the purse, a power James Madison regarded as the "most complete and effectual weapon with which any constitution can arm the immediate representative of the people." The effect of them is to destroy the constitutional power of the Congress to legislate and to allow the President to substitute his judgement for that of the Congress on the desirability of many different programs. Obviously if the President can administer a program in a more efficient manner than the Congress contemplated when it approved the appropriation, he should be able to withhold the money. But efficient management is quite different from a presidential decision to terminate a program.

Executive privilege

Congress should also act to restrain the presidency by limiting the abuse of "executive privilege," the doctrine that the President has the right to withhold information from Congress. While early Presidents rarely claimed the power to withhold information from the Congress, executive privilege, according to the Library of Congress, has been asserted 49 times since 1952—more than double the number of all prior claims. Not until 1954 was the claim made by Attorney General Herbert Brownell to an unreviewable executive power to withhold information from Congress.

Congress does not and should not object to a reasonable Presidential denial of information, but President Nixon has extended it to all employees of the Executive Branch, whether they were personal advisors to the President or not.

In an August, 1973, legal brief, the President argued that there are no limits to the doctrine and that it "reaches any information that the President determines cannot be disclosed consistent with the public interest and the proper performance of his constitutional duties." The disclosure of such information, he contended, would bring "severe and irreparable" damage to the institution of the Presidency.

At issue, the President declared, is "the independence of the three branches of our Government . . . The very heart of our constitutional system."

Congress, and most constitutional scholars, do not agree with the President's expansive view of executive privilege. This privilege, although often cloaked by President Nixon in grand language about the separation of powers, is not mentioned in the Constitution. Using his interpretation of executive privilege, the ability of Congress to exercise its oversight and investigatory powers would be checked, and abuses of executive powers hidden behind the cloak of executive privilege.

The Constitution diffuses power to better secure liberty, but it also expects interaction and reciprocity between the branches of Government. The courts have been explicit that the separation of powers argument cannot justify a claim of unreviewable privilege to deny Congressional requests for information.

The Congress should act to curb a steadily expanding executive privilege by enacting legislation to require that the executive branch should make information requested by the Congress available, except advice to the President or where the Congressional need for it is substantially outweighed by the harm which disclosure would cause the national interest. The courts would have the ultimate responsibility to resolve the disputes between the President and the Congress.

A REASSESSMENT OF THE PRESIDENCY

The Congress should also begin a careful study and reassessment of the institution of the Presidency, and encourage the best political thinkers in the Nation to do the same. There are signs that the reassessment may already be underway, as an affirmative response to Watergate.

Gunnar Myrdal, the Swedish social scientist and shrewd observer of the American scene, comments that "there has to be a diffusion of power in Washington. The White House cannot have it all." The title of historian Arthur Schlesinger, Jr.'s new book, The Imperial Presidency, is indicative of the mood of many Americans.

Respect for the office of the President is obviously necessary, but with it must come a decline in awe, and a determination to examine a President's proposals with care, intelligence and a healthy skepticism.

One wonders whether the intense focus by the news media, the fascination of the public for the details of the goings and comings of the President and his family, the almost reverential atmosphere which marks the President's appearances, are really healthy for a government based on separate and co-equal branches. Surely the trappings of the office—fleets of airplanes and helicopters, multiple residencies, a fiercely loyal and increasingly large staff—only add to his isolation and dull his political senses.

Fortunately, some proposals to reassess the Presidency are beginning to be made, including these:

Limit the President to a six-year term;

Transform the Presidency into a collegial institution, with a board of directors exercising the executive function;

Create an independent office of counselor general to check abuses of Presidential power;

Limit the size of the White House staff; and

Move toward a parliamentary system, compelling the President to explain and defend his policies at regular intervals before the political opposition—an American question hour, modeled on the British tradition.

To begin this reassessment in the legislative sphere, the Congress should enact the substantive legislative proposals on impoundment, executive privilege and secrecy already discussed.

In addition, it should pursue its interest in federalism, with an ongoing review of Federal revenue sharing laws and a search for ways and means to develop responsibility to levels of Government closer to the people and away from the central office of the President.

A distinguishing feature of the Federal system has been its remarkable capacity to adapt to changing circumstances. With the concentration of power in the Presidency, our constitutional system has been altered. All levels of Government need to be strengthened and improved because the burden of governing this Nation is simply too complex for one branch, even the Presidency, to handle efficiently.

Such worthwhile measures would counteract the growing power of the Presidency, which, if not restrained, will make a sham of the Constitution and will at some point, lead to one-man rule.

No one advocates a weakened Presidency. In the day of central economic planning and nuclear weapons, a shackled Presidency would not be wise. Our system requires a strong Presidency, but a strong Presidency under the Constitution, and a Presidency, not insulated or isolated, but exposed always to the political pressures of the day.

The essential point, in all the discussion of Presidential power, is that decisions of Government, both domestic and foreign, should be shared decisions, meeting the requirements of the Constitution and the standards of democracy.

D. POST-WATERGATE EFFORTS

Although they are not often in the headlines, progress is being made on two bills that may become the most significant reforms of congressional procedures in this century, reforms that, coincidentally, may better enable the Congress to deal with such widespread problems as those raised by Watergate. The two reforms aim at better regulating Federal spending and at redistributing jurisdictions among the committees of the Congress.

Budget reform: Budget reform bills create budget committees in both the House and Senate, and establish a mechanism for the Congress to regain control of the budget by establishing a procedure to look at the budget as a whole in order to determine spending priorities within total spending ceilings. Under the bills the Congress would set appropriate levels of expenditures, taxes, and budget surpluses or deficits. The bills would allow the Congress to determine competing claims for the Federal dollar in a comprehensive and systematic way, rather than the present procedure whereby the Congress acts on various money bills separately, often months apart, and in isolation from one another.

The legislative budget office, established by the bills to develop data and make cost projections, would give the Congress an independent source of information equal to the President's Office of Management and Budget. Tax and expenditure policies could be coordinated, and the revised budget timetable, also provided in the bills, would reduce the likelihood of the Congress having to approve interim financing due to failure of the Congress to complete action on appropriation bills prior to the start of the fiscal year.

Several important questions must still be resolved, but I believe ultimate passage is assured. These bills will be a giant stride toward making the Congress fiscally responsible.

Committee Reform: The present committee system was created 28 years ago, at a time when the legislative topics which preoccupy the Congress today—environment, energy, health insurance, to name a few—were only dimly perceived. Today, jurisdictional lines are tangled, workloads unbalanced, and overlap and confusion all too frequent (no less than 12 House committees have responsibility for energy legislation). Some committees have too much to do, and others not enough. Members frequently face daily schedules requiring them to be in several different meetings at the same time, and everyone agrees that Congress needs to intensify its review of governmental programs once they have been enacted.

Early in 1973 Speaker Carl Albert appointed a bipartisan Select Committee, headed by Congressman Richard Bolling, with a mandate to recommend changes in the structure and procedures of the House. The House of Representatives approaches an internal struggle as it considers the recommended actions of the Bolling committee. The highlights of the proposals include:

Creation and equalization of 15 major standing committees;

Placing control over major policy areas—health, transportation, energy, environment, foreign economic affairs—in separate committees;

Allowing each Representative to serve on only one of the 15 major committees in order to spread choice assignments and to reduce meeting conflicts;

Abolishing proxy voting in committees, strengthening committee staffs (guaranteeing at least a third of staff positions for the minority party), improving committee oversight, increasing the quality of information available to Congressmen, and providing a continuing study of committee jurisdiction.

The basic idea behind this proposal is to simplify and focus the legislative process by concentrating jurisdiction in major areas, limiting each House Member to one major committee and equalizing the workload among the committees. The effort is to inject coherence and vitality into the legislative process.

This proposal has precipitated a bitter power struggle within the House because it fundamentally redistributes power by abolishing some committees (like the Post Office and Civil Service Committee) and reshuffles jurisdictional authority. An unusual alliance of business and labor interests is working with a powerful group of committee and subcommittee chairmen and staff to defeat the plan. Washington lobbyists fear that their carefully cultivated contacts with key Congressmen will come loose, and several Congressmen, who are losing vast empires of influence, are mightily displeased. Staff members are fearful they may lose their jobs.

The Republicans appear to be solidly in favor of the reforms, in part because they do not have much to lose since they do not control the House, but the Democrats are much more split. The proposals present them, as the majority party, with a real test of leadership.

Although no single step can restore the effectiveness and public esteem of the Congress, the Bolling committee proposal will, in my view, make the operation of the House more rational and insure that many complex subjects receive better scrutiny. While the proposal does not touch several areas that need examination, like appropriations, it is generally sound, rearranges committee jurisdictions in a coherent way, and makes several valuable reforms. No reform comes painlessly or solves all the problems, but the opportunity for genuine improvement of the structure of the Congress comes only seldom, and it should be seized.

IV. CONCLUSION

The several suggestions put forward in these remarks by no means exhaust the steps the Congress should take to restore the confidence of the people in government.

The people do not demand that government take all these steps, all at once, but it is necessary that people know about the concern of public officials over their lack of trust in government and necessary for them to be persuaded that those officials are willing to take steps to restore their trust. People generally are rather understanding of the complexity of problems with which government deals, and tolerant of government's lack of success in solving them. But there are limits to the margin of tolerance people extend to their government, and those limits may soon be reached.

UTILITIES' ARGUMENTS JUSTIFY FLUE GAS DESULFURIZATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. BINGHAM. Mr. Speaker, the controversy over flue gas desulfurization—FGD, or stock-scrubbing—involves not only environmental concerns but also critical decisions regarding coal extraction.

A lavish advertising campaign by the American Electric Power System—AEPS—has sought to convince the public of the undesirability of stack-gas scrubber technology and the need to open federally owned Western low-sulfur coal reserves to private mining. However, the utilities' evidence and arguments intended to support the leasing of these Western reserves actually provide even stronger reasons for a commitment to the perfection and installation of FGD and the mining of our massive eastern deposits of high-sulfur coal.

The utilities contend that Clean Air Act emissions standards and energy needs can be satisfied only by using this western coal. However, EPA's Control Systems Laboratory estimates that only 8 percent of Eastern and Midwestern coal resources have a sulfur content low enough to allow combustion without desulfurization. Furthermore, a recent study by Dr. Michael Rieber of the University of Illinois points out that estimates of the value of Western reserves must be revised downward by as much as 85 percent if heat as well as sulfur content is computed.

A major utility contenton is that scrubbers are costly, impractical, and unavailable. Ample evidence and commercial applications of FGD systems refute these claims. Moreover, the costs and time requirements of a shift to western coal are certain to be considerable. Mines would have to be dug from scratch and massive strip mining would be necessary to reach this coal. According to the Edison Electric Institute, one major mid-Eastern utility estimates that extraction and transportation costs for low-sulfur western coal could increase consumers' bills by one-third, or twice the increase predicted for FGD installation.

Furthermore, the AEPS itself admits that two heavily industrialized States, Ohio and Indiana, could not be supplied with Western coal until the 1980's. Yet EPA estimates that widespread commercial use of stack scrubbers could be achieved by 1980, and a Battelle-Columbus "state-of-the-art" report commissioned by AEPS found that the general consensus of private concerns and government experts was that 90 percent scrubber reliability would be satisfactorily demonstrated by the late 1970's. Presently there are 13 stack scrubbers commercially operational in the United States, and 29 more are either under construction or planned.

The abandonment of eastern mines in favor of new Western development will result in severe unemployment and economic dislocation. A commitment to FGD technology will enable the environmentally safe extraction and combustion of the 92% of our coal reserves which contain high percentages of sulfur, an alternative which offers the greatest advantages in terms of energy supplies, environmental health, and economic stability.

I include herewith the following: Excerpts from testimony by Joseph Dowd of the AEPS before the Senate Subcommittee on Environmental Pollution; an analysis of the Rieber report which appeared this month in Conservation Report No. 18; excerpts from the fiscal year 1973 annual report by EPA's Control Systems Laboratory; and excerpts from an Edison Electric Institute position paper entitled "Toward a Rational Policy for Achieving Clean Air":

SUMMARY STATEMENT FOR ORAL PRESENTATION OF A. JOSEPH DOWD, VICE PRESIDENT AND GENERAL COUNSEL OF AMERICAN ELECTRIC POWER SERVICE CORP., AT CLEAN AIR ACT OVERSIGHT HEARINGS BEFORE THE SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION OF THE SENATE PUBLIC WORKS COMMITTEE, MAY 13, 1974

Our fuels supply people have left no stone unturned in their search for eastern low sulfur coal. More importantly, AEP, itself, is developing just as expeditiously as possible reserves of low sulfur eastern coal. This is evidenced by the fact that in January we announced a new 1,300 mw plant in West Virginia which will be fired by low sulfur West Virginia coal. And we will continue these massive efforts for these problems must be resolved if we are to continue to carry out our obligation to supply the power requirements of our service area. Approximately 20% of these requirements are residential in nature and most of the remainder are industrial and commercial. You can readily see the economic consequences should it become impossible for us to meet the power requirements of this highly industrialized area of our country.

Unfortunately, Ohio and Indiana—where the balance of our fossil-fired generation is located—are devoid of low sulfur coal and it does not appear that sufficient quantities of such coal from elsewhere in the eastern coal provinces will be available to bring our Ohio and our Indiana plants into SO_2 compliance—and it is in these States where the greatest concentrations of industrial load exist.

There are, of course, vast reserves of low sulfur coal in the West which could meet the SO_2 limitations. These huge deposits are in thick seams which can be developed safely, inexpensively and in a matter of only a few years once we get started—and the AEP System is getting started both with respect to developing these western coal reserves and the necessary transportation and unloading facilities to bring the coal East. This western coal is intended for use primarily at our future plants in Indiana and, perhaps, Ohio. For example, on April 11th we announced a new 2,600 mw plant on the Wabash River in Indiana which will be fueled by low sulfur western coal. Of course, most of the low sulfur western coal reserves are owned by the federal government which has, in effect, placed a moratorium on their development pending completion of comprehensive environmental studies. At the present time, even the issuance of federal prospecting permits is prohibited.

In addition to our future plants, we are also considering the use of conforming western coal at two of our existing Indiana plants which are located in the most westerly part of our System and which have boilers that, with some modification, could burn western coal.

Our most serious problem of compliance is in Ohio. Under the Clean Air Act, States are permitted to adopt regulations which are more stringent than those adopted by the federal EPA. Ohio, a major industrial State with hardly a speck of low sulfur coal, has done just that—and with a vengeance. First, for all power plants above a certain size—existing as well as future—it has adopted an SO_2 limitation of 1 lb. per million Btu of heat input. This is significantly more stringent than the 1.2 lbs. which the federal EPA has promulgated for new emission sources. Secondly, irrespective of whether a plant is operating in a region which is meeting the primary and/or the secondary ambient standards, all such plants are required to meet the 1 lb. limitation by mid-1975. In other words, Ohio has by-passed the health-related primary standards and has gone directly to the secondary standards. I doubt that any major power plant in Ohio will be able to comply with that limitation within the existing time frame.

While it might be possible, given time, to meet the 1 lb. limitation at our existing Ohio plants through the use of the very lowest sulfur western coal, substantial, if not insurmountable, difficulties would have to be overcome. Also, the development of these western coal reserves, the development of the necessary transportation and unloading facilities, the effecting of the necessary boiler modifications could not be accomplished overnight—we are probably talking about a time frame that would extend into the early 1980's. Furthermore, the burning of western coal in Ohio power plants would ruin a very major Ohio industry—the coal mining industry—and adversely affect related industries. Very substantial investments made in good faith would be wiped out and thousands of miners would be thrown out of work.

While compliance by burning low sulfur coal might not be impossible in the long term, we do not regard western coal as a reasonably available or practical method of compliance for our existing plants in Ohio. All that can be said for it is that it would be preferable to shutting down the plants.

Thus, at a time when the technology has not yet arrived, when oil and natural gas are in critical short supply—at such a time man-made SO_2 limitations have ruled out the use of most of our eastern coal and a moratorium has been imposed by our own government on the development of most of our western coal—coal, the only fuel that exists in abundance to meet our nation's energy requirements.

Coal is the only answer to our energy problems today and for many years into the future. We must begin a crash program to dig it and to put it to work as quickly, cleanly and efficiently as possible. In order to do that, we must release the vast resources of federally-owned coal in the West and we must make the necessary modifications in the Clean Air Act so that our mid-western coals can be burned.

CONSERVATION REPORT NO. 18, JUNE 1974

NEW COAL STUDY EXPECTED TO AFFECT CONGRESSIONAL STRIPPING, CLEAN AIR DELIBERATIONS

A study entitled "Low Sulfur Coal: A Revision of Reserve and Supply Estimates" done by Michael Rieber at the Center for Advanced Computation at the University of Illinois at Urbana-Champaign is expected by some observers to have considerable impact on upcoming Congressional deliberations on the bill to regulate coal stripping on the land to amend the Clean Air Act. Mr. Reiber points out that "conventionally, the definition of low sulfur coal, on which traditional reserve and supply estimates are based, depends only on the weight of sulfur in a ton of coal. The Btu content of the coal is not considered. Coal purchases and SO_2 regulations are based on Btu content. A recalculation of reserve estimates of low sulfur coal on a utility average Btu basis reduces traditional U.S. estimates by over 75% and western estimates by 85%. When calculated on a Btu basis, maximizing low sulfur coal production results in a supply shortage by 1985."

Many of the coal companies and utilities who have been actively lobbying on the stripping regulation bill and pushing for weakening of the Clean Air Act amendments have stressed the importance of developing the "massive" low sulfur coal reserves of the western United States. In underlining a point also made by the recent study of the shift from eastern to western coal made by the Mines and Mining Subcommittee Staff (See Conservation Report Number 8, page 96) Reiber points out that in order to meet the emissions standards contained in the Clean Air Act the coal sulfur content must be considered on a Btu basis. For example, coal containing 24 million Btu's per ton cannot contain more than 7% sulfur and still meet the standards of the CAA. However, coal which contains only half the heat value must contain correspondingly less sulfur. Much of the western coal is of such low heat value that it must contain less than .3 or .4 percent sulfur to meet the emissions standards. Under these criteria, Reiber points out, the western reserves of coal which can meet current air pollution standards are reduced by 85%. Throughout the country the total coal reserves of the United States are reduced by this reclassification on a heat value basis by almost 76%. Coal reserves in two regions of the country—the Appalachian and Interior regions—are increased by almost 18% because the coal from these regions has a relatively high heat value.

Assuming that coal production increases at an annual growth rate of 7%, Reiber estimates that the known recoverable reserves of coal of less than 7% sulfur "would fall short of maximum cumulative production by over one billion tons" in the next 15 years. Because of technological problems of burning lignite for steam electric power plants, Reiber says that the reserves of these must "be considered more a potential than an actual reserve." There is no corresponding shortage of high sulfur coal and one of the policy recommendations made by Reiber is that large capital expenditures in research and development of processes which reduce or eliminate the sulfur content of coal are necessary to provide the energy the United States will need in the coming decades. He points out that "for the consumer some of these costs can be offset by the elimination of the transportation charge differential between local high sulfur coal and coal from Wyoming, Colorado and Montana." As pointed out by the Mines and Mining Subcommittee report, many utilities are planning to pass through to the consumer the high transportation costs of bringing western coal to eastern utilities for electric generation. These charges to the consumer, Reiber suggests would be better spent to develop ways to utilize our more plentiful high sulfur coal reserves.

Reiber also examines factors affecting coal utilization, including strip-mining and mine safety legislation, and suggests some policy options and alternatives. He points out that while "the current fuel emergency situation is being cited as a reason for allowing the burning of high sulfur coal for the duration of the emergency" . . . "unless and until the electric utilities in all the regional councils are required to share their capacity via the national transmission network, the justification for this is unclear." He also suggests that "neither the sulfur content of coal nor the current fuel oil shortage can be blamed for the shortage in electric utility generation capacity. Brownouts have occurred over the past two years. Given the time lag and plant construction, the causes of this shortage must be looked for, at least in part, in the period predating the Clean Air Act."

He also points out that the plans being developed by the energy industry for gasification and liquefaction plants in the West have not taken into consideration the problem of water. He points out that "given water problems, distance from major markets (which requires extensive pipelining), and available economically recoverable reserves, coal gasification plants in the states of Illinois, Indiana and Ohio would appear to be economically superior to those in the Rockies. With regard to stack gas scrubbing, Reiber says that "since the average sulfur content of coal used in power plants is about 2.5%, about 75% efficiency is necessary to ensure compliance with current EPA new source emission standards." Therefore, he concludes, "all processes which are reported to have a sulfur dioxide removal capability of greater than 90% can be used when burning high sulfur, high Btu coal." He also tries to place in perspective the problem of stack gas scrubber reliability. He quotes Mr. Louis H. Roddis, Jr., President of Consolidated Edison of New York, as saying that most economic studies which led utilities to go to nuclear power were based on an 80% deliverability of energy and that as of October 1, 1972 the average availability of the nuclear reactors operating in the United States was only 60%. Since the average availability of a new fossil fuel steam electric plant is expected to be 80%, Reiber says that combining the availability of new steam electric plants and the 60% availability of nuclear plants the stack gas scrubber would have an availability of no more than 75% in order that the joint probability would equal the 60% availability factor apparently acceptable to the public utility industry with respect to new atomic energy plants."

The dependence being planned by many utilities on low sulfur, but low heat value western coal, may cause some problems for pollution control technology, Reiber points out. ". . . . Stack gas scrubbing is more efficient if the coal is high rather than low sulfur and if the ash content is relatively low. This tends to eliminate western "low sulfur" lignite and subbituminous coals. There is therefore, less need for strip-mining or coal development in the Rocky Mountain region." If western coal is to be used for electric power generation in the Interior and Appalachian regions where high sulfur higher Btu content coal is widely available, Reiber says it is possible to make "at least a ball park estimate of the amount of money that would be available for gasification, liquefaction or scrubbing in order to be able to use local coals in the high sulfur categories." He cites the example of Detroit Edison which recently made a 26 year commitment for the purchase of low sulfur western coal to be sent to two of its generating plants. According to the buyer, he says, the "value of the contract for the 26 years is $1 billion for the coal, plus $2 billion more transport and storage. It is this $2 billion which, over a 26 year period, must be considered or available for alternate uses; in particular, for the purchase of liquefied or gasified coal from the Mid-West and Appalachian sources or stack gas desulfurization." He also points out that the "transportation costs for coal from Montana or Wyoming to Michigan involves the energy cost of 3 to 5 percent of the heat value of the coal involved." A 7 million ton coal contract "involving rail transport from Wyoming to Chicago, would require 750,000 barrels of diesel oil per year. This cost is paid for, not in terms of relatively abundant coal, but in terms of diesel fuel oil."

CONTROL SYSTEMS LABORATORY: ANNUAL REPORT FISCAL YEAR 1973

EXECUTIVE SUMMARY

Consistent with Congressional guidelines, CSL's major concern has been with the control of sulfur oxides from fuel combustion. About 80 percent of the Laboratory's total expenditures to date have been in this area and have been concentrated on flue gas cleaning. Flue gas cleaning devices are now being installed on commercial power plants in this country. The prototype demonstrations that CSL has underway are tabulated below. Except for clean fuels, flue gas cleaning is probably the only sulfur oxides control technique which will have widespread application within the next 10–15 years. With the expected shortage of clean fuels (amounting to about 20 percent of the coal demand), flue gas cleaning should find wide application.

PRESENT AND PROJECTED FLUE GAS CLEANING DEMONSTRATIONS

Process and application	Startup	Removal efficiency, percent
Wet limestone scrubbing Shawnee–TVA (30 MW, coal)	4/72	75–90
Key West (40 MW, oil)	1/74	60–80
MgO scrubbing (Chemico: 155 MW, oil)	5/72	85–90
((Cat-Ox) (Monsanto: 100 MW, coal)	6/74	85–90
Wellman-Lord (115 MW, coal)	7/75	90–95
Stone & Webster/Ionics (70 MW, coal)	11/75	90-97

Value of coal resources: @ $4/ ton.

Total value of eastern and midwestern coal resources: $2.5 trillion.

Naturally occurring low-sulfur coal (less than 0.7% S) which meets New Source Performance Standards: $0.2 trillion.

Additional reserves (to 2.5% S) meeting NSPS made available by 75% efficient flue gas scrubbing processes now becoming commercially available (Example: wet limestone scrubbing): $0.8 trillion.

Additional reserves if essentially all known reserves made available by 95% efficient flue gas cleaning processes (Examples: sodium ion scrubbing with thermal regeneration, and sodium hydroxide scrubbing with electrolytic regeneration): $1.5 trillion.

Because of physical and contractual limitations it is not possible to mine all the low sulfur coal first. (That is, the mining will proceed from left to right, not from bottom to top.) Thus a native resource approximating the GNP will not be available for use if cleaning techniques are not utilized. It had been projected that this would cause economic dislocations and unemployment, substantial increase in the flow of dollars outside the country, and increased dependence of the security of our country on mid-eastern oil; current events substantiate that projection.

Flue gas cleaning provides an economical and available solution to this problem. A typical annualized cost for control of a new, large, coal-fired power plant would be equivalent to a fuel premium of 18¢/MMBtu, and for oil, 13¢/MMBtu. Approximately 50 percent of the coal-fired power plants could be retrofitted at a cost equivalent to 20¢/MM Btu fuel premium, compared to a 35¢ to 50¢/MMBtu premium on clean fuels.

In conclusion, it would be well to emphasize one point which we hope has become clear: the identification of air pollutants, the setting of air pollution standards, and the development of economical technology to control the air pollutants to the required levels is a complicated job requiring the most sophisticated monitoring, effects, and control technology. It is a big job; it will take time to accomplish; and it will be expensive. However, the reward for accomplishing this task is that the overall benefit to the country will far outweigh the cost of developing control techniques and technology and applying them to sources of pollution.

TOWARD A RATIONAL POLICY FOR ACHIEVING CLEAN AIR

President Nixon, drawing attention to the nation's plentiful coal resources in light of the energy crisis, has urged utilities to make even greater use of coal in the years ahead, and an estimated two-thirds of all fossil-fueled power plants now on the drawing boards are being designed for this fuel. Unfortunately, it appears unlikely that utilities can obtain sufficient quantities of low-sulfur coal prior to the 1980's.

In order to utilize low-sulfur coal on a widescale basis in the mid-1970's, the utilities must first determine whether mining interests can make available the vast desposits of low-sulfur coal west of the Mississippi River (in Wyoming, Montana, and North Dakota), whether their customers will be willing to pay the cost of bringing these deposits long distances to market, and whether such coal can satisfactorily be burned in existing boilers. Because the only method to remove these deposits is by surface mining, government is almost certain to require advance planning for land reclamation before surface mining can begin—further adding to the time and cost of development. The chairman of a major mid-eastern utility has estimated that the cost per ton of extracting low-sulfur coal, plus the cost of freight, could increase his company's total operating expenses—and, thus, consumers' bills—by a third. In addition to these high costs, the matter of proper management of fuels resources comes into play. For example, it has been estimated that approximately 4.2 million gallons of diesel fuel would be required to transport low-sulfur coal from Wyoming to fuel a single generating unit located in Western Illinois, a unit that has a capacity of 400 megawatts and requires annually some 1.3 million tons of coal.

Finally, a forced shift to low-sulfur coal will cause severe economic hardships for the coal industries, largely based in the East, and its employees. The Pittston Company, with coal mines in Virginia, West Virgina, and Kentucky, closed three mines in 1972 when utility customers were no longer allowed to burn high-sulfur coal. The Tennessee Valley Authority purchases over one-fifth of Kentucky's total coal production, including 44 percent produced in western Kentucky. None of West Kentucky's coal is sufficiently low in sulfur content to meet sulfur oxide emission standards.

SCIENTISTS WARN ABOUT NUCLEAR GIVEAWAY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Ms. ABZUG. Mr. Speaker, atomic scientists are uniting in alarmed protest about Mr. Nixon's promise of "peaceful" nuclear reactors to Egypt and Israel. On Sunday June 23, several scientists were quoted in an interview with Thomas O'Toole in the Washington Post. All stress the danger of plutonium, separated from fission products of uranium-fueled reactors. Whether the reactor is "peaceful" or "military," the danger is the same:

> Every nuclear reactor in the world starts making plutonium the moment its uranium fissions and begins to make heat . . . Plutonium in its powdered form is about as poisonous a substance as there is . . . Inhaled plutonium would cause immediate lung damage, and if the dose were large, death from suffocation would take place in minutes . . .
>
> Plutonium also endures. Its half-life is 24,000 years. An ounce of plutonium created today will be radiating alpha rays 200,000 years from now. There is nothing more toxic than alpha rays, not even an overdose of X-rays.

What are we doing to the future of the world when we toss such a substance around as carelessly as if it were talcum powder?

I feel very strongly that Congress must take the responsibility for rejecting such reckless acts, and I would like my colleagues to read carefully the article which I now insert into the RECORD:

SPREAD OF PLUTONIUM WORRIES A-SCIENTISTS

(By Thomas O'Toole)

When India decided in 1971 to build an atomic bomb, it was already halfway along to achieving its goal.

Hundreds of physicists had been put to work before 1970 at Bhabba Research Center near Bombay, designing the bomb and the super-sensitive explosive that would serve to trigger it.

Computers had begun the painstaking task of testing the weapon on paper. Most important, India had secretly been removing from a small "research" reactor the priceless plutonium it used to make the 14-kiloton bomb that exploded in the Rajasthan desert May 18.

Only India knows how much plutonium it put together to make its first bomb, but it could have been as little as 14 pounds.

Whatever they used, the Indians had little trouble accumulating it. For 10 years they had been gathering as much as 20 pounds of the gray metal every year, merely by separating it from the fission products of a uranium-fueled reactor built for the Indians by the Canadians in the 1950s.

India was the sixth country to explode an atomic bomb, the fifth to do it first with plutonium. Only China exploded a uranium bomb first, presumably because it acquired uranium before it could make plutonium.

Plutonium was discovered only three decades ago, and is made when an atom of U–238 (natural uranium) absorbs a neutron cast off by fissioning U–235, the isotope of uranium used in bombs and, in much less concentrated form, in reactor fuels. Every nuclear reactor in the world starts making plutonium the moment its uranium fissions begins to make heat.

This means that whoever wants to make a bomb need only extract plutonium from the irradiated wastes of an atomic power plant. He doesn't need a uranium enrichment plant to make "weapons-grade" (93 per cent U–235) uranium, a factory that's likely to cost $250 million to build and $50 million a year to operate.

There are other reasons why a plutonium bomb is the cheapest and easiest to make. It can be built from half as much metal as a uranium bomb. It can also be made using impure plutonium. In fact, the impurities contain a built-in generator (an isotope known as Pu–240) of neutrons, something needed to start the chain reaction that explodes the bomb.

"It's the plutonium curse," is the way it's put by the Atomic Energy Commission's Dr. Charles Thornton. "Something that society is going to have to struggle with for the rest of time."

The perils of plutonium have been spotlighted by the world's rush to "go nuclear." There are today 15 countries operating atomic power plants, all of them quietly producing plutonium. It's true that a nation needs a plutonium separation plant to get at it, but India's example has served to dispel any ideas that plutonium extraction is reserved for the rich.

Atomic power plants are also being built in another 10 countries and are on order in at least 10 more, including oil-rich Iran. Spain is building six, Sweden eight, West Germany 13 and Japan a staggering 16. Egypt and Israel aren't on this list, even though President Nixon promised to sell one plant to each of the countries on his 10-day tour of the Middle East.

The likelihood that Egypt and Israel will have power plants producing plutonium has triggered a busy debate on Capitol Hill, where the House Armed Services Committee is to hold hearings on the subject this week.

Three senators (Lawton Chiles of Florida, William Proxmire, of Wisconsin and Frank Church of Idaho) have questioned the wisdom of introducing plutonium to the Middle East.

"The world has witnessed a spurt of nuclear developments in several countries, which does not bode well for the future," said Church, a key member of the Senate Foreign Relations Committee. "I am particularly disturbed that President Nixon has committed the United States to furnish nuclear capability to Egypt and Israel, two countries which have fought four hot wars over the last quarter of a century."

It will be eight years before Egypt and Israel get the nuclear power plants promised by the President, and in those eight years the rest of the world will have accumulated more than 250,000 pounds of plutonium. That's enough to make 20,000 atomic weapons, almost as many as the United States has today in its arsenal.

By the time Egypt and Israel get nuclear power, the plants will probably be fueled with plutonium instead of uranium. So plentiful will plutonium be by the end of the decade that it might make sense to turn to "plutonium recycle," where the extracted plutonium is put back into the power plants to save uranium and money.

The pressures to go to a plutonium power economy will be enormous, partly because uranium is becoming scarce and partly because it is so expensive. A typical uranium fuel core with a 10-year lifetime costs more than $100 million. The value of the fissile uranium is close to $5,000 a pound, more than twice the price of gold.

Plutonium is more valuable than gold. More than $1 million worth of plutonium can be recovered every year from a nuclear power plant. Four plants could produce enough plutonium to run a fifth plant. In effect, a million kilowatts of electricity would be generated free of fuel costs for every 4 million kilowatts, whose costs run $40 to $50 million a year.

"Plutonium recycle means you must worry about theft as well as an Indian-type diversion," said Dr. Theodore B. Taylor, a one-time designer of atomic weapons for the Los Alamos Scientific Laboratory. "Theft becomes a distinct possibility with plutonium fuel moving around the world."

The thieves could be the scientists of a country deciding to build a bomb. They could also be organized criminals, lured not by the wish for weapons but by plutonium's rising value on the black market.

"Once special nuclear material (like plutonium) is successfully stolen, a market for such illicit materials is bound to develop," said AEC Commissioner Clarence E. Larson. "As the market grows the number and size of the thefts can be expected to grow with it, and I fear such growth would be extremely rapid once it begins."

The AEC takes pains to point out that the world is still debating the merits of a plutonium-fueled economy, but spreading nuclear power plants without plutonium fuel are still a threat. It's true the United States builds safeguards into atomic plants, but there are ways to break the safeguards.

The way India did it was to place its own natural uranium (less than 1 per cent fissile U-235) into the 40,000-kilowatt research reactor built for it by Canada. It took time and patience, but for every two pounds of uranium the Indians put in they got two ounces of plutonium out.

There are more clandestine ways to make plutonium. A few pounds of uranium could be taken out of the fuel package each year a plant is refueled, then irradiated secretly to make plutonium. Bootleg piping could be built into a power plant to remove tiny amounts of irradiated fuel, including the plutonium that has already been made.

The best way to do it would be to place plentiful natural uranium in the control rods and shielding inside the fuel bundle. Wherever neutrons leak out from the chain reaction will do. There is a chance of fouling up the neutron balance, and even a slight risk of losing the chain reaction this way, but if a country is dead serious about this approach it could make as much as 1,000 pounds of plutonium in a year.

One thing that worries the experts about plutonium is that terrorists or criminals might get their hands on it. They wouldn't even need enough for a bomb to make impossible ransom demands. The reason is that plutonium in its powdered form is about as poisonous a substance as there is.

The threat of a plutonium smoke bomb tossed into a New York bank might be enough to extort $1 million from the bank. The threat of a plutonium "dispersal device" exploded in the air over San Francisco could be enough to empty the city. Winds could carry plutonium dust for miles, and people might have to stay indoors for days while trained troops wearing gas masks cleaned up the city streets and surrounding countryside.

A person could hold plutonium in his hand and not be seriously harmed. He might even get away with swallowing some of it, but if he got any in his bloodstream (through a wound) or inhaled any of it death might follow in a matter of hours, days at the most.

Plutonium is one of four radioactive metals (americium, curium and polonium are the others) that are alpha-emitters, meaning that they discharge alpha rays as their radioactivity decays. Plutonium also endures. Its half-life is 24,000 years. An ounce of plutonium created today will be radiating alpha rays 200,000 years from now.

There is nothing more toxic than alpha rays, not even an overdose of X-rays. Their radiated energy is 10 times more potent than X-rays' and gamma rays', even though both those forms of radiation penetrate farther into the body.

Plutonium that seeps into the bloodstream seeks out the bone immediately, following the path of metals like calcium and strontium. It settles on the bone surface and stays there forever. It is even more poisonous to the lung, whose tissue is among the most delicate and sensitive in the human body. Inhaled plutonium would cause immediate lung damage, and if the dose were large, death from suffocation would take place in minutes.

"An alpha particle lays down its energy much more rapidly and much more completely than an X-ray," and the University of Minnesota's Dr. Donald Geesaman, once with the AEC's Livermore, Calif., laboratory. "It's like getting hit with a car and then run over by a truck."

There is little hard medical experience with plutonium and humans. The people killed in the Hiroshima and Nagasaki explosions (one a plutonium bomb, the other with some plutonium) were killed outright by blast, heat and immediate and massive radiation from all fission products of the explosion, including plutonium.

There have been experiments with dogs, tests done over the past 25 years with beagles at the University of Utah. One series of tests involved plutonium injections into the dogs' bloodstreams. Another followed the inhalation of plutonium by the dogs.

The dogs injected with the lowest dose levels got sick from plutonium. Fully one-third of the 65 dogs injected got bone cancer, living nine months after the onset of the disease. Two dogs got cancer of the liver, surviving about as long as the bone-cancer cases once the disease had set in.

Dogs inhaling plutonium suffered more. Forty-four of the 65 dogs in this test died in less than five years, all of them from lung failure. Twenty of the 21 dogs who survived five years died of lung cancer, all within a year of the start of the disease.

Despite its obvious ill effects if inhaled from a smoke bomb or a dispersal device, plutonium is at its most fearsome when it is used to make an atomic bomb. The irony of the fear is that weapons experts worry less about other countries building a plutonium bomb and using it than they do about terrorists threatening to make a stolen smoke bomb.

"If anybody built a plutonium bomb and used the goddamn thing they could count on retaliation from the rest of the world," said one of the country's foremost atomic weapons experts. "You might find the Russians and the Americans falling over themselves to make a world example of what happens to nations who tinker with nuclear weapons."

CHICAGO MINORITY BUSINESS OPPORTUNITY FAIR

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. METCALFE. Mr. Speaker, last week representatives of major corporations of the Chicago area and representatives of minority-owned businesses came together at the seventh annual Chicago Business Opportunity Fair. Representatives of more than 100 large corporations arrived as customers and the minority enterprises came as potential suppliers of goods and services. I am pleased to learn that the number of participants was a record in both categories.

I would like to commend the Chicago Minority Purchasing Council, which sponsored the fair, for its continuing effort to help minority businesses break out of the limited minority market into the larger and more important general market. Without the cooperation of established companies, minority enterprise would be an even more difficult struggle.

I would especially like to compliment the companies which comprise the executive committee for the council: Abbot Specialty Metals Co., Inc.; Bell & Howell Co.; Booz, Allen & Hamilton, Inc.; Carson Pirie Scott & Co.; CNA Insurance Co.; Commonwealth Edison Co.; Continental Illinois National Bank & Trust Co.; R. R. Donnelley & Sons Co.; Ebonie Oil Corp.; El Informado Press; The First National Bank of Chicago; Illinois Bell Telephone Co.; Inland Steel Co.; Jewel Food Stores; Montgomery Ward & Co.; Quinco Manufacturing Corp.; Sears, Roebuck and Co.; Sonicraft, Inc.; Standard Oil Co. of Indiana; and Western Electric Company, Inc. They are giving needed leadership to a worthwhile cause.

The chairman of the fair, James W. Button, senior vice president for merchandising of Sears, has made an interesting report on the progress of minority enterprise in the Chicago area, and the continuing activities of the Council. His report follows:

REMARKS BY JAMES W. BUTTON

We are an economic society, in an economic world. We cannot, therefore, anticipate the full participation of minorities in our society unless there is equal access and opportunity for the minority entrepreneur.

The latest official figures for Chicago—developed four years ago—show 11,927 minority business organizations doing $430 million annually. Some 8,747 black-owned businesses account for $332 million; and 1,560 Spanish businesses account for $46 million. Other minorities make up the remainder.

Any guess as to the size of the current local market would be hazardous. There is, however, one general observation that can be made. The number of minority businesses in Chicago, and their gross revenues, has grown impressively since 1969. More importantly, their share of the market has grown. Minority enterprise is healthier today than ever before.

I think it might be useful to note the reasons for this improved situation.

A major factor has been the determination of the minority businessmen. Despite the economic and social barriers, these men and women are struggling to establish viable enterprises—and to extend them beyond the limits of the minority market.

In addition, we have witnessed an increased appreciation for the minority businessman on the part of large corporations. Not only are major businesses more receptive to the minority vendor, but an increasing number are actively soliciting minority sources. We know through our work in minority enterprise that scores of companies have established minority purchasing units or functions, and the trend is continuing.

The National Minority Purchasing Council reports that more than 475 major corporations are participating in various programs sponsored by the Council.

Financing is another reason for the growth of minority business. Since 1970, approximately $750 million has been lent to minority enterprises. The American Bankers Association expects figures to exceed one million dollars by 1975.

Further, combined deposits in minority banks have grown from $395 million in 1970 to more than $1 billion in 1973. Of this amount, federal deposits account for less than 15 per cent.

In 1970, there were ten Minority Enterprise Small Business Investment Companies—MESBICS as they're called—with total capitalization of $1.6 million. By 1973, there were 64 MESBICS capitalized at $25 million. Today, it is estimated that there are more than 70 with capitalization in excess of $30 million.

Finally, we cannot overlook the positive impact that government has had on minority business. The Office of Minority Business Enterprise in the Department of Commerce and the Office of Minority Enterprise at the

Small Business Administration have both made significant contributions to minority enterprise—contributions in the form of technical assistance, counseling and funding. These offices have also been instrumental in helping to develop markets for the minority entrepreneur. This has been done through organizations such as the Chicago Minority Purchasing Council, National Economic Development Association, Chicago Economic Development Corporation and Spanish American Businessmen's Association—each funded wholly or in part by OMBE, and all—I am happy to say—are among the co-sponsors for the 1974 fair.

In 1970, the federal government provided $200 million in grants and loans for minority business development. The figure for 1973 is in excess of $670 million. For the five year period, the total government contribution was $2.1 billion.

The government has also used its procurement powers to benefit minority enterprise. In 1969, the federal government purchased $13 million from minority-owned businesses. The outlay for 1973 was more than $731 million—approximately 55 times the 1969 figure.

Through the continuing combined efforts of the minority businessman, major corporations and government, I am confident that we will see minority enterprise continue to make solid progress.

I would now like to turn our attention to the 1974 Chicago Business Opportunity Fair, which is one means by which we bring together major corporations and governmental units with minority vendors in an effort to stimulate business.

It is important that we put the role of the Fair in perspective. Minority enterprise is a year round effort. The Fair is not. Contracts involving substantial sums of money cannot be negotiated and culminated at a booth in a convention hall atmosphere.

The purpose of the Fair is to initiate the contact between the minority vendor and the potential buyer. To maximize the possibility that these initial contacts do result in contracts, we have instituted several innovations for the 1974 Fair.

Probably the most significant innovation is the establishment of dollar goals by the major corporations. In addition to purchasing a booth, the major corporations are asked to submit an estimate to the amount of money they have available for the purchase of minority goods and services for the remainder of the calendar year. Let me emphasize, that this is an estimate—a goal, if you will. How much is actually spent will depend on the same influences that govern all transactions of this nature—quality of product, production schedules and so forth.

The establishment of these goals does two things. First, it tends to attract businesses with a sincere interest in developing minority sources. In addition, it gives us the ability to more realistically estimate the business potential of the Fair.

Another innovation for this year's Fair is the matching system. Major corporations will be asked to indicate, in advance, the particular goods or services for which they will be looking. This information will then be compiled and vendors will be referred to these companies. There are nine categories of products and services covering some 84 separate industries.

Another innovation has been the inclusion of smaller businesses as potential buyers. Companies with between 100 and 250 employes will be invited to participate. They will be represented in consolidated booths.

Earlier, I said that minority enterprise is a year round effort. One innovation is more apropos to the continuing effort that it is to the Fair. It is the Greater Chicago Minority Vendors Directory. In the Directory are identified 224 minority companies that have the proven capability to compete for major business. The qualifications for inclusion in the Directory are similar to the qualifications for participation at the Fair. The companies must be wholesalers, distributors, manufacturers, contractors, and service businesses. Furthermore, they must meet minimum requirements, such as having a federal employer identification number, a non-residential address, bank references, or a resale tax number.

The Directory is not merely a listing of businesses. It is a summary of information about the individual companies—information useful to purchasing representatives.

I would be grossly remiss if I were not to mention the fine work being done by the seven co-sponsors for the Fair. They are: The Chicago Association of Commerce and Industry; the Chicago Economic Development Corporation; the Chicago Minority Purchasing Council; the Chicago Urban League; the Cosmopolitan Chamber of Commerce; the Latin Economic Development Corporation; the National Economic Development Association; and the Spanish American Businessmen's Association.

While we share overall responsibility for the total success for the Fair, the majority co-sponsors are concentrating on the participation of major corporations and the minority co-sponsors are using their resources to encourage minority vendor participation. Though we are a little more than a month away, it appears that both efforts will be successful.

The co-sponsors have also arranged a series of meetings designed to brief the minority vendors on how they might best utilize their time and opportunities at the Fair. Two days is hardly sufficient time for a minority businessman to participate in substantive meetings with more than a hundred business prospects. Judicious use of time is essential to the minority vendor.

I am confident that the 1974 Chicago Business Opportunity Fair will be a success, and that it will be one more step toward full participation in the American economic system by all minorities. That is not only an honorable and just goal, it is an essential one.

BOSTON TOWN BOARD PRAISES KEVIN KOBEL: MILWAUKEE BREWERS STARTING PITCHER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. KEMP. Mr. Speaker, Kevin Kobel of the town of Boston, N.Y., has recently become a starting pitcher with the Milwaukee Brewers of the American Professional Baseball League. Kevin, the son of Mr. and Mrs. Richard Kobel of Boston, N.Y., got his start playing baseball in the Boston Recreation Little League Baseball program. At 15 he pitched, left-handed, on the Boston team in the County of Erie Baseball Association, competing against boys from all of Erie County.

When Kevin was 16, he successfully pitched on the Boston town team against men of all ages from all over western New York and northern Pennsylvania. Many were former professional baseball players, former college players, and the best high school players in the area.

Coming from an area which does not have a major league baseball team and competing in an age when the competition is extremely tough and selective, Kevin's achievements are extraordinary.

I am calling this to my colleagues attention because, as a former professional athlete, I am well aware of the discipline and dedication it has taken for Kevin to have attained the position of starting pitcher. Kevin's determination and hard work deserve the praise of all professional baseball fans.

A resolution follows:

RESOLUTION

At a regular meeting of the Town Board of the Town of Boston, Erie County, New York, held at the Boston Town Hall, 8500 Boston State Road, Boston, New York, on the 5th day of June, 1974, at 7:30 P. M. Eastern Daylight Savings Time, there were;

Present, John Sedovy, Supervisor; Milton Wittmeyer, Councilman; Leo Stromecki, Town Justice, Robert W. Tills, Town Justice.

Absent: Richard Kennedy, Councilman.

Supervisor Sedovy presented the following resolution and moved its adoption:

Whereas, Kevin Kobel is the son of Patricia and Richard Kobel of Eddy Road, Town of Boston, and

Whereas, Kevin is a native son of Boston and

Whereas, he got his start by learning to play baseball in the Boston Recreation Little League Baseball Program, and

Whereas, as a 15 year old he excelled as a left handed pitcher on the Boston team in the County of Erie Baseball Association competing against boys up to 19 years of age from all over Erie County, and

Whereas, as a 16 and 17 year old he excelled as a left handed pitcher on the Boston Town Team where he competed against men of all ages from all over Western New York and Northern Pennsylvania, many of whom were former professional baseball players, former college players and the best high school players in the area, and

Whereas, now at the tender age of 20 Kevin is a starting major league pitcher for the Milwaukee Brewers of the American Professional Baseball League, and

Whereas, The Town Board of the Town of Boston and all the people of The Town of Boston share the very deep pride that Dick and Pat Kobel have in their son and Boston's native son.

Now therefore, be it resolved that this resolution be bronzed as a trophy and a lasting symbol of our pride in Kevin and that it be displayed in the Town Hall trophy case for all to see, and

Further, be it resolved that a copy of this resolution be sent to all the newspapers, radio stations, TV stations and Governments in Erie County to express to the peoples of other communities the deep pride that we have in Kevin Kobel and his family.

SUPPORT FOR INTERIOR COMMITTEE STRIP MINE CONTROL BILL BROADENS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. UDALL. Mr. Speaker, last Thursday the senior Senator from Tennessee, HOWARD H. BAKER, JR., issued a statement endorsing H.R. 11500, the strip mine control bill reported by the House Interior Committee. I think his statement is important since it reflects an independent assessment of the features of the House Interior Committee bill and their practicality with respect to protecting the environment without preventing the mining of coal. Senator BAKER's statement follows:

STATEMENT BY SENATOR HOWARD H. BAKER, JR.

U.S. Senator Howard Baker today endorsed H.R. 11500, the House Surface Mining Reclamation Bill, and expressed hope that Congress will complete work on the legislation as quickly as possible.

Baker, a leading supporter of the coal strip mine legislation which passed the U.S. Senate last fall, noted that the bill recently reported by the House Interior Committee contains a number of provisions similar to those approved in the Senate measure.

Among those provisions are requirements that surface mined land be regarded to its approximate original contour, except where more beneficial uses are proposed for the site, and that a process be established for prohibiting surface mining on lands which cannot be properly mined and reclaimed.

Senator Baker said the House bill represents an effort to balance the need for environmental protection with the need to expand domestic production of coal.

"Passage of the legislation along the lines of the Senate or House bill will provide the coal mining industry with a clear and attainable standard," Baker said, "so that it can make the financial commitments necessary to play an important role in making the United States self-sufficient in energy."

In view of the trend in the costs of competing fuels, Baker said he felt that increased production costs related to proper reclamation will not endanger the competitive status of coal, In my opinion, environmental costs are not nearly the threat to expansion of domestic coal production that continuation of the present ambiguity in reclamation requirements would be, the senator explained.

Senator Baker indicated he felt the House measure was superior to the Senate bill in the manner it deals with split ownership of surface and mineral estates. By requiring the written consent of the surface owner, the bill provides ample protection to land owners, but without arbitrarily banning access to coal where the U.S. owns the mineral estate, as the Senate bill would do.

FIRST NATIONAL CITY BANK PREDICTS 6-PERCENT UNEMPLOYMENT DURING COMING FISCAL YEAR

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. OBEY. Mr. Speaker, on Thursday the House will consider the Labor, HEW appropriations bill for the 1975 fiscal year. I, along with Congressmen SILVIO CONTE and EDWARD PATTEN, will be offering an amendment to bring the amount of money available for public service employment up to the same level as was contained in the fiscal year 1973 appropriation.

An important factor in deciding what the level of jobs created under PEP should be is, of course, the unemployment rate that is expected for the coming year. The following article is a prediction about the rate of unemployment in the coming months made by the First National City Bank of New York for its customers. All important economic indicators, according to the article, point toward more joblessness during the next 12 months than we have experienced at any time in the past decade.

The article follows:

UNEMPLOYMENT: THE WORST IS YET TO COME

In this era of gaps—whether missile, generation or credibility—there is one little-known statistical interspace that's important to everyone. It's called the GNP gap, the difference between what the economy is capable of producing in any given time period and what it actually turns out. The gap has been widening since early 1973 and is expected to spread further during the remaining quarters of 1974. Indeed, the width of the gap may reach a degree not seen since the 1960–61 recession. And, as the gap widens, unemployment will probably rise to about 6% by year-end.

A number of signals have been foreshadowing the latest cyclical rise in unemployment, which began with a half-percentage-point jump in the first quarter. The manufacturing workweek and overtime hours both peaked early in 1973 and have eased steadily downward ever since. New hires and the "accession" rate—which includes rehires—in manufacturing also reached their highs in the first half of 1973, while manufacturing layoffs, an inverse indicator that rises in recessions, have been increasing since late-summer, early-fall of last year. This latter series excludes service employees, such as airline personnel, who suffered layoffs due in part to energy problems. All of these series are officially classified as "leading indicators" by the National Bureau of Economic Research.

They have performed well in foretelling developments in employment as well as in the general economy. Moreover, the employment indicators, unlike others, are not measured in dollar terms and are, therefore, not directly distorted by inflation.

LEADERS AND OTHERS

As they curtail production, businessmen initially seek to reduce the size of labor input in man-hours with a minimal disruption of employment levels. This is particularly true with respect to overtime, which can be reduced with no effect on unemployment. Other adjustments cushion the unemployment rate from abrupt changes, but still contribute to unemployment. As new hires decline, for example, there is no loss in employment, but people seeking work will be less successful.

Thus, the unemployment rate itself is considered a coincident, not a leading indicator. As the economy withdraws further from its inherent upward path, the unemployment rate will rise step by step, lagging just a few months behind the GNP gap.

The reason the GNP gap and unemployment rate move in parallel is that both measure deficiencies in resource utilization. The unemployment rate is a measure of labor underutilization while the GNP gap measures the underutilization of both labor and capital. The GNP gap is most meaningful when expressed as a percentage of the economy's real potential output, since economic growth will widen the actual dollar gap over time.

The concept of real potential gross national product was popularized in 1962 by the Council of Economic Advisers. It is intended as a gauge of the level of real GNP that would prevail if available resources were fully employed. Estimating the level of potential GNP requires the use of some admittedly arbitrary assumptions, such as the unemployment rate assumed to represent full employment—traditionally, a 4% rate has been used.

In addition, since potential GNP is intended to reflect changes in the labor force, hours worked, the capital stock, technology and labor skills, it cannot be expected to grow in a steady, smooth fashion. But because it can't be measured precisely, smooth rates of increase have been projected. The CEA has estimated that potential real GNP grew at a 3½% rate in 1952–62, 3¾% in 1963–65 and 4% from 1966 to the present.

Computational difficulties notwithstanding, the calculation provides a useful tool for economic analysis. Whenever real GNP grows less rapidly than the potential growth rate and the percentage gap widens, it is an indication that business conditions are softening. And when actual growth exceeds the potential growth rate—as in post-recession periods—it is both a sign that slack is being taken up and a warning of possible inflationary demand pressures. Over the years, the percentage gap has averaged between 3½% and 4%, corresponding to an average unemployment rate of 4½–5%.

The unemployment rate is a slightly more slippery notion because changes in its numerator, the number of unemployed, are intertwined with developments in its denominator, the labor force—the number of people working or seeking work—and because growth in the labor force is quite volatile as opposed to the smooth tracking calculated for potential GNP. Most notably, labor-force growth appears to respond to changes in the real wage rate. In the late stages of expansion and heading into a recession, the typical softening in the labor markets and in real wages often produces a reduction in labor-force growth. This restrains the rise in the unemployment rate, but not enough to prevent it from performing cyclically anyway. There is one further aspect of the GNP gap-unemployment rate mutuality to consider: lags. And this introduces a more quantitative analysis.

Arthur Okun, an erstwhile member of the Council of Economic Advisers and later its chairman during part of the Johnson Administration, was the first economist to describe econometrically the relationship between the percentage real GNP gap and the unemployment rate. He suggested that each percentage point difference above the 4% full-employment target was associated with a 3% decrease in real GNP over the course of the year. This approach was subsequently refined and reestimated to provide a model linking changes in the unemployment rate to changes in the GNP gap. Its most recent redefinition indicates that if real GNP were to remain flat for a year the unemployment rate would rise by between 1.2 and 1.4 percentage points.

DRAWING A FORECAST

One form of the model that is more useful in forecasting correlates the current level of the unemployment rate with the levels of the percentage gap in both the current and previous quarters. In fact, the influence of the gap in the previous quarter is three to four times greater than that in the current one, reflecting the factors that make the unemployment rate a coincident, rather than a leading indicator.

Linking this model with the outlook for the economy sketched in the first article in this issue of the *Letter* produces the forecast of a rise in the unemployment rate. Until real GNP begins to grow at a 4% annual rate, the GNP gap will continue to increase. Real GNP is not likely to rise this strongly until the end of 1974 at the earliest. It appears probable, therefore, that the unemployment rate will rise at the end of the year to the neighborhood of 6%.

Employment, however, should remain relatively steady, with most of the increase in the unemployment rate reflecting labor-force growth. With the exception of the 1948–49 recession, the percentage decline in employment has consistently been smaller than that in output.

HE WHO GETS STUNG

A rise in the overall unemployment rate will not affect different age-sex groups uniformly. All rates will rise, but those for adult females and teenagers will not rise proportionately as much as that for adult males. Plotted on the chart are the ratios derived by dividing first the female and then the teenage unemployment rates by the rates for males. They show a very clear cyclical pattern, turning down in advance of a recession and then dropping sharply as it runs its course. In addition, an examination of the percentage-point difference, or spread, between the female and teenage rates and the male rate suggests that, as least for women, it also narrows during bad business times. This is in marked contrast to the experience of black workers, for example, in which the ratio of black-white unemployment rates remains fairly stable at 2:1 while the absolute spread increases.

The reasons for this variation in relative rates of unemployment are not entirely clear. In part, the answer may be purely statistical. Since the unemployment rate for adult males is typically at a much lower level when recession begins, the proportional rise in the rate tends to be large. But there are also more substantive reasons.

The labor force can be divided into those workers who are strongly committed participants and into another group for whom participation is one option in a choice of life styles. The first group is composed largely of family breadwinners while the spouses and teenaged children of those breadwinners make up a goodly proportion of the second group. When a member of the first group, is laid off or otherwise out of work, he or she joins the ranks of the unemployed until a new job is found. Some members of the second group, however, leave the labor force when jobs are lost and potential members don't enter the labor force when jobs are scarce.

Since the adult women and teenage segments of the labor force comprise a larger proportion of people in this second category, this helps to explain why unemployment rates for these groups don't rise proportionately as much as they do for adult males when recession strikes. The converse is that, at such times, participation rates for these groups are subject to wider variations from trend than the rates for adult males.

While the dimensions of the prospective rise in unemployment are not up to the colorful projections heard during the chill of the oil embargo, they project the most serious dose of unemployment since 1961. The recent decline in the jobless rate—down 0.2 percentage points from January-February to 5.0% in April—cannot be treated as a harbinger of things to come, and must be discounted. Economic growth is expected to lag for some time yet, and this means a period of uncomfortably high unemployment.

COMMON CAUSE?

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. HELSTOSKI. Mr. Speaker, as we all know, Common Cause is the highly successful and unique "citizens' lobby" headed by former HEW Secretary John Gardner. Founded in 1970, membership in Common Cause has grown continually and the group now numbers 230,000 members.

One of Common Cause's major targets has been the need for campaign reform. Virtually every positive measure which has been taken recently in this area can be attributed in some way to the efforts of Common Cause. Moreover, the overall effectiveness of this organization, I believe, stems directly from the willingness of its members to work toward a better America.

Mr. Speaker, an interesting article concerning Common Cause appeared in the April edition of Worldview, a magazine published by the Council on Religion and International Affairs. Written by Mary Topolsky and entitled "Common Cause?" the article highlights many of the strengths of the organization, while objectively probing some of its weaknesses. In view of the fact that to a certain degree we are all somewhat familiar with the activities of Common Cause, I would like to take this opportunity to share this illuminating article with my colleagues. The article follows:

[From Worldview, April 1974]

COMMON CAUSE?

(By Mary Topolsky)

Dominating the lobby of Common Cause's very modern and very busy offices on M Street in Washington is a cork bulletin board nine feet high and six feet wide. Bold red letters proclaim NEWS! Littering the board are newspaper clippings from all over the country, each bearing a red pencil stripe beneath the phrase "Common Cause." Every working day over a thousand checks pour into this office, none of them tax-deductible. Membership in the organization has grown to 230,000 since its founding in 1970, and its membership renewal rate increased from a healthy 65 per cent in 1970 to a phenomenal 85 per cent in 1973. What sort of organization is this, and what can it tell us about our society and the individual's role in it?

"Everyone is organized but the people" proclaim its ads, and Common Cause has set itself the task of organizing a "people's lobby" operating in the same manner and, it is hoped, emulating the success of the special-interest lobbies. Out of these offices as many as twenty full-time professional lobbyists "work the hill." For the moment they confine their efforts to the legislature, but if their operations there prove successful they may extend them to the executive branch. Ironically, in the yearly report of lobbyists required by law, Common Cause found itself in the unlikely position of declaring the highest expenditures of any lobby on Capitol Hill, $126,000.

Recently, Common Cause eliminated its regional offices in favor of a series of state organizations so that there may be lobbying at the state legislatures in the near future. Within the states Common Cause is uniquely divided into national Congressional districts, each of which is (theoretically) captained by a district coordinator whose main function is to organize and implement the telephone tree by which Common Cause members are directed to call or write their representatives on crucial legislation. The communication system seems quite effective.

The elaborate telephone communication center—the "Washington Connection," as it is called—is manned mostly by volunteer labor, as many as five hundred volunteers in the Washington area alone. There is no doubt that the national goals take priority: most of the calls are outgoing.

To date it has been the organization's policy to define the "common cause" as procedural or instrumental reform, rather than substantive change.[1] "The very instruments the people must use to solve their problems—the instruments of self-government—are themselves in need of repair." Or as founder John Gardner put it metaphorically:

"We began with systemic repair. As I listen to people listing all the great problems they intend to solve, I think of people sitting in an ancient automobile by the side of the road. The tires are flat, and the steering wheel is broken, and the drive shaft is bent, but they're engaged in a great argument as to whether they should go to Phoenix or San Francisco or the Oregon Coast, and in my imagination I am standing by the side of the road saying, "You're not going anywhere till you fix the goddam car."

To this end Common Cause is generally credited with getting the eighteen-year-vote amendment passed; initiating the litigation which forced the Nixon campaign to reveal its contributors prior to April 7, 1972; forcing an end to the seniority chairmanship on House committees; supporting the passage of the Women's Rights Amendment; and monitoring campaign finances in the New York City mayoral primary.

Unfortunately, in pursuing a single-minded goal such as "opening up the system" Common Cause can sometimes make superficial judgments. For example, "Operation Open Up the System" called the seniority system in Congress the "most shocking barrier to accountability in national government today. It frustrates a basic political right and responsibility: the citizen's capacity to call to account those who hold the levers of power. The public will never be able to make the committee chairmen accountable without requiring them to stand individually before their fellow party members for reelection." At the same time, John Gardner, writing in the June, 1973, issue of *Common Cause Report*, observes: "What got us into the horrors of Watergate is unbridled presidential power. We must curb that power in important ways."

One questions whether, given a need to curb Presidential power, it was wise at this time to end the institution of seniority. While seniority makes Congressional chairmen unaccountable to the people, it has the advantage of making them unaccountable to the President as well. One needs only a moment to reflect upon the enormous arsenal of pressure and inducements a President may bring to bear on his "fellow party members" to doubt the wisdom of such civics course nostrums. On a very practical level, those in line for chairmanships are no longer the conservative Southerners but the very reform-minded Congressmen who are most likely to be sympathetic to Common Cause's program. There is an eerie lag in these proposals, as if the undergraduate students of political science of a decade ago had at last come of age. (When the seniority system was abolished this past session, all of the incumbent committee chairmen were reelected.)

By concentrating solely upon procedural questions, Common Cause gains the advantage of pursuing issues of low emotional effect, thereby avoiding divisions in its membership. It also has the advantage of being nonpartisan and helps allay the suspicion that Common Cause is a Democratic front organization. (At this point its membership is 50 per cent Democratic, the other half split between Independents and Republicans.) Of procedural issues available, the leadership shrewdly selects only those likely to be won, thus building a formidable batting average. Jack Conway, president of Common Cause, likes to depict it as a "tough, tight, and hard-hitting" organization.

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[1] There have been two exceptions to this rule: end-the-war legislation and the ban on the SST. These were probably in response to overwhelming membership interest, and out of obligation to other lobbies with whom C.C. usually combines. There is a 10–15 per cent overlap between C.C.'s members and the membership of environmental groups.

Dissension among the membership has been carefully avoided. Common Cause does not have chapters or regular meetings at the local level. When asked why, Conway replied that "the last thing our members wanted was another meeting to attend," and went on to note that such chapters would only be divisive and open to capture by small cliques which would drive other members away.

Communication between Common Cause and its membership is mostly from the top down, either through the various publications or the telephone tree. State organizations, which exist in about half the states, enjoy little autonomy from the central office and are required to have their programs examined by the national board for conformity with national priorities. Common Cause members can make their views known in several ways. They may run for, and vote for, fifteen seats on the Board of Directors (fifteen others are appointed to balance for geography and ideology), and they can respond to periodic polls of their views on various issues. This feedback is taken into account by the central office as an indicator of trends and sentiments and is sometimes implemented into policy.

There are still problems at the state level, however. Successful efforts are often the result of the work of a few highly dedicated individuals with no cushion of back-up personnel in case they should leave. Since Common Cause's philosophy is that leadership will surface of its own, no attempt is made to discover or develop leaders in the community. It would therefore seem to limit itself to people with certain socioeconomic and personality assets. Local members feel a lack of fellowship among themselves, and in fact often don't know who the other members are in their community. Because membership in Common Cause requires no deep commitment, volunteers may become capricious in following the latest political whim or fad (a problem by no means confined to this organization). In many states local issues are considered more important than national ones, although Common Cause is unequivocally focused upon national issues. For its membership—overwhelmingly middle class and suburban, and therefore used to purchasing services—Common Cause is not unlike the repair contract signed by appliance owners (this is certainly the way Common Cause sees itself: professional "fixers" of a "system" someone else has broken). Litigation (by the prestigious law firm of Arnold and Porter) and lobbying are professional skills requiring quick decision and expert discretion, and therefore not subjects for extensive debate by the membership.

An outstanding characteristic of Common Cause is its emphasis upon using the media. The leadership is unusually aggressive in its quest for "currency" in the press and on television. A state leader confided that he was under great pressure from the national office to break into a local slick magazine, a benefit he considered doubtful at best. Yet on a visit to this same state office the day Common Cause was highly praised in James Reston's column, I found an air of jubilation supreme. A Common Cause scrapbook, in which clippings had been neatly fossilized under plastic, was exhibited with considerable pride.

Can communication through the mass media replace real fellowship at the grass roots level? In a recent house study on field organization, one of the remedies suggested for "the need expressed by activists to meet with each other" was to "encourage activists to take the occassion of John Gardner on 'Face the Nation' to gather with other members to view."

In order to understand more fully the phenomenal success of Common Cause it is necessary to go beyond the history and organizational apparatus and delve into the values and philosophy that underlie it. The philosophy is detailed in the writings of John Gardner, founder and head, Ph.D. in psychology, former Secretary of HEW under President Johnson, member of the Carnegie Corporation and head of the Urban Coalition. His writings offer a rather systematic analysis of the nature of man and society, as well as prescriptions for action.

To John Gardner the human being is essentially a creature who seeks meaning, security and order. In his New Yorker interview with Elizabeth Drew he stated:

"We value meaning. It's a curious fact that no human society we know anything about has been willing to live in a meaningless world. The human being is a meaning seeking animal . . . and we value security.

"DREW. Do you mean personal or national security?

"GARDNER. Both. People value a degree of safeness. Critics have pointed out that it isn't a particularly heroic value, but they would be foolish to ignore it."

Gardner then touches what is perhaps the heart of the issue:

"D. Isn't it a fact that when various societies have had to choose between chaos and order, they have chosen order?

"G. That's right. They have chosen order. So could we. Because order offers some measure of predictability, most Americans seek order and fear disorder.[2] We are reluctant to let our minds dwell on this fact. Ever since Mussolini was praised for making the trains run on time, many Americans have been uncomfortable about even contemplating the deep impulse toward order. But it is there.

"D. So the issue, then, is what kind of order?

"G. The issue is whether we have an order that squeezes out freedom or whether we have a "humane, ordered liberty." It's such a central issue that one would think it would be the subject of national debate. But it isn't."

If meaning, security and order are values foremost in our minds, we are at a loss to find these values realized in government, which is hopelessly inadequate, malfunctioning, unresponsive and corrupt. No optimist, Gardner takes the view that all institutions are doomed to failure (recall Conway's views on local chapters being captured by "cliques"). Gardner appears willing to settle for merely reducing corruption to tolerable limits, it having long ago exceeded those limits. For the present, he views government at all levels as a meaningless morass which is totally unresponsive to human needs—

". . . Most state governments are incompetent. . . . most state legislatures are tragically inadequate. . . . most city government is so designed to make government impossible . . . . the Congress of the United States needs a thorough overhaul . . . . the political parties are too often unresponsive to the concern of their own members, and . . . corruption runs rampant through the system.

"The truth is that our political and governmental arrangements are so badly designed for contemporary purposes that they waste the taxpayer's money and mismanage good programs. The citizen does not have access to them. They are not instruments of the popular will. They cannot be held accountable.

"Effectiveness, access, responsiveness, accountability—these are the attributes we have a right to expect of our instruments of self-government. They do not characterize our government today. Under present conditions, our political and governmental machinery cannot serve *anybody*—neither poor people nor the middle class, neither black nor white, neither young nor old. Even very gifted leaders can't make the machinery work" (*In Common Cause*).

"Even very gifted leaders can't make the machinery work," because the very size of modern society, especially its bureaucracies, undermines the best efforts of the best individuals. "Individuals are less apt to be victims of a tyrant," Gardner has said, "then to be victims of large-scale organization, victims of the tyranny of the formula. You may not be done in by an enemy but by impersonal forces. That's why citizens have to organize—to understand the bewildering pressures impinging on them, and examine ways of holding their own against these forces."

If the bureaucracy is intolerable, political parties are also incapable of serving the needs of the individual. These are captured by special interests, a victim of the large campaign contributors, political machines and a "cult of personality." Therefore, individual action can prove only frustrating and ineffectual, while nongovernmental action by small private groups can turn out to be insignificant, since they quickly come up against the power of government.

The result of this dilemma, Gardner says, is that the disaffection which generally characterizes the ideological poles is now spreading inward to the solid middle which normally stabilizes a society. He warns: "The loss of confidence in our institutions isn't a visible objective reality like a flood or a recession. One might more easily compare it to the unmeasurable subterranean stresses that precede a major earthquake. . . . We must not ignore the possibility of such shattering surprises on the political and social front—indeed, we've already had a few."

When Gardner speaks of government he is likely to employ mechanistic mataphors, like that of a broken-down automobile, or to speak of "governmental machinery." On the other hand, when discussing the threats to government and its attendant dangers, he is more likely to express himself an analogies to natural forces—floods, recessions or earthquakes. The significance lies in the extraordinary importance he places upon organizational gadgetry in government institutions, an emphasis most congenial to the white, suburban middle-class constituency to whom Common Cause appeals. In these people lies the repository of skills most in demand at the upper levels of industrial society. This class of professionals is most susceptible to arguments that employ solutions to political problems analogous to those they use in everyday life, in their work and personal lives, and which have proved to be so financially remunerative. One does not become a professional without internalizing a belief in the efficacy of organization and technology.

This reliance upon technological solutions to political problems is, of course, not unprecedented. It is characteristic of American reform movements to combine a set of diametrically opposing notions. On the one hand they perceive government to be inadequate to the challenge of the times as they define it, and on the other they desire to make it more "democratic." It is the reconciliation of these polar opposites which makes such movements so curious. In the case of early twentieth-century reform movements, for example, it was the eminently successful administrative apparatus of the German enemy which American bureaucrats emulated. In order to do this it was necessary to strip away the Prussian autocratic elements and retain only the efficiency. These techniques were then synthesized with the notions of Jacksonian democracy to produce a civil service open to everyone with the requisite education. Naturally, "corrupt politics" and "bossism" had to go.

With Common Cause we find again the

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[2] If this sentence is boiled down to its essentials it reads: Because order provides order most Americans seek order.

charge that government is inadequate to the task imposed by the changing times. Again we find the attempted reconciliation of democratic citizen participation with the techniques of the enemy, in this case the big lobbies. However, where the other lobbies fit Madison's famous definition of factions as "adverse to the rights of other citizens, or to the permanent and aggregate interests of the community," this lobby operates "in the common cause."

Common Cause's isolation of technique from its invidious matrix is the organization's hallmark in thought and action. It raises the question of whether a reconciliation of these techniques with democracy is possible. Are instruments empty vehicles, or do they carry their own freight? Are the solutions of organizational society relevant, when there is strong evidence that we are at the end of industrial society as we have known it? Furthermore, is efficiency what people really want from government, or are they searching for something more "meaningful"? Is government a piece of machinery, to be tinkered with like an "ancient automobile"? Or, to turn Gardner's metaphor around, what good does it do to fix the car if you don't know where, or even if, you want to travel? Perhaps you will want to get someplace too far to travel by car.

The Common Cause program reflects the feelings of the outsider: a desire to know what is going on, to be able to get "inside," to have accountability and attendance to one's needs. The program will presumably liberate the citizen from inaction and bestow renewed confidence in himself and his institutions:

"The individual has to regain confidence through being able to act. You just can't tell people, 'Now, be confident. The society is going to be good to you.' They have to act, and discover that the action counted. That is why I set out, in my endeavors, to carry through a set of exercises, in which we as citizens could in fact accomplish something. I felt strongly that it was the act that counted—not just holding certain values but acting in terms of our values, not just honoring the ideal but embedding it in our social institutions and, in the process, regaining our confidence that we could act, regaining our confidence that we are not cogs in the machine, not grains of sand in the bucket, but individuals with the power to initiate. That is where the whole pulsing life of a healthy society has to start."

In choosing as a symptom of a sick society the individual's inability to act, Gardner begins to approach the core of the case, the psychology of the citizen. Why are Common Cause's members themselves unable or unwilling to act? Why are they content, in fact, to delegate all decisions to the leadership of a Washington lobby? Why don't they insist upon grass roots meetings, discussions and control? Why is it that one can be an active member of Common Cause—making telephone calls, writing one's Congressman, reading the monthly newsletter, filling in the questionnaires, voting and even running in national board elections—*without ever looking another member in the eye?*

A frequent criticism of Common Cause is its almost exclusively white, affluent, suburbanite membership. This reverse snobbery serves only to mask the fact that Common Cause serves a very vital function for its constituents—it enables them to avoid further conflict while simultaneously performing their duties as citizens. No less than any other class in society, the affluent suburbanite is torn by the anxieties of conflicting beliefs. In this sense the suburbanite is no better or worse than his blue-collar counterpart, who also seeks to avoid conflict through surrogates—the police, judges, prison guards; and tends also to focus on a scapegoat—criminals or radicals. However, there is no other class in society which subscribes as fervently as the professional middle class to the ethic of citizen participation, nor is there any class as painfully aware of how marginal such efforts are, or what a large psychic toll they invariably exact.

The members of Common Cause, after all, are not numbered among the politically inert. They are, for the most part, the experienced citizen-activists within their communities who have already realized how frustrating such activity is and who know the tremendous price exacted for meager results. The Vietnam protest movement was a tremendous political mobilization of this class. For them, Common Cause is a buffer against further frustration and disillusionment; the "activist" can hire lawyers and lobbyists to man the barricades for him.

Currency in the press serves to perpetuate this illusion. The more the member sees his organization and its leaders mentioned in the media, the more he is reenforced in his belief that Common Cause has found the key to successful political action. The danger is that the illusion of participation may prosper while the slums decay, economic concentration intensifies and America becomes a nation with fewer and fewer causes in common.

STATEMENT OF CONGRESSMAN WALTER E. FAUNTROY ON THE COMMUNITY DEVELOPMENT CORPORATION

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. FAUNTROY. Mr. Speaker, hearings were held on June 19, 1974, on what I regard as one of the most pressing issues facing this city today. This issue—how are we to organize the resources of local government and the private sector to combat the severe housing and economic development crisis confronting the District of Columbia? Three years ago I proposed, in H.R. 3266, one part of a solution, an urban development corporation patterned after a similar corporation ing in New York State.

With the prospect of hearings on my measure and legislative action this year, I redrafted and updated my initial proposal to bring the bill in line with events occurring over the past 3 years. That bill, H.R. 15363, was the subject of the June 19 hearings. The most important of the events contributing to my decision to update the bill is the advent of home rule government. The home rule bill brings planning and housing functions directly under the control of the Mayor and City Council. Accordingly H.R. 15363 more closely integrates the operations of the corporation with the planning processes of the local government. Also, in line with these greater measures of self-government, the bill was modified to eliminate Federal guarantees of the corporation's bonds. However, under title V of the housing and community development bill passed last week by the House Banking and Currency Committee, community development corporations, such as is here proposed by H.R. 15363, would be entitled to a Federal guarantee for their bonds.

There is no more important issue facing the District than the alleviation of the truly horrifying housing situation endured by thousands of District residents. The District government has only limited tools available to it to reverse the tide of deteriorating neighborhoods by generating new housing and commercial development.

The District now has no structure adequate to the task of coordinating and effecting the orderly and efficient growth of the community.

The Community Development Corporation, proposed by H.R. 15363, would begin to meet that problem. The CDC would bridge the gap between Government, where the power of planning and land assembly resides, and private enterprise, where the powers of development primarily rest. The CDC would give the District the power to build on its own initiative housing, commercial, and supporting facilities where the development objectives cannot be accomplished through the normal operation of private enterprise.

The CDC would have the authority to plan, finance, develop, and operate residential, commercial, and related facilities in risk situations where development is difficult under the normal operation of private enterprise. As such, the CDC would neither substitute for nor conflict with private action, but rather would create the basic conditions necessary to stimulate private investment. But private action would be guided by housing and commercial development goals established by local government and the Corporation.

Consistent with the actions taken in the Home Rule Act, the CDC is designed to be a part of the District government from the standpoint of overall policy and executive control, but would be a separate entity for administrative and financial purposes. The Corporation would have a board of directors which would be appointed by the Mayor and approved by the City Council. This Board of Directors would determine the general policies and procedures of the Corporation.

In accordance with the comprehensive planning and community development objectives adopted by the Mayor and City Council, the Corporation would submit an annual program to the Mayor and City Council describing the activities it proposes to carry out during the subsequent year. Each year, the Corporation's proposed annual budget and financial plan, including an estimate of the amount of bonds and debentures to be issued and the projects which are to be undertaken, must be approved by the Mayor and City Council. In addition, specific project plans must be submitted to the Mayor and City Council and approved before the Corporation may proceed on any project. The approval of the specific plans can be given only after public hearings by the City Council, with due notice given to affected occupants and property owners of the area.

The Corporation's operations are further integrated with those of the local government by the requirement that the Corporation consult with agencies of the District charged with the duty of preparing the annual city budget, capital improvements program, the comprehensive plan, and the community development program for the city.

The Corporation would establish appropriate procedures for informing, involving, and providing opportunities for review by affected citizens and organizations. In addition, the Mayor and City Council must establish that private enterprise is either unable or unwilling to accomplish satisfactorily and in a timely manner the proposed planning and policy objectives.

The CDC would comply with all local zoning laws and regulations. However, where the Corporation determines that strict compliance with such regulations would prevent construction of any project, the Corporation may petition either the Zoning Commission or the District of Columbia Council for an exemption. The exemption would be automatically granted unless the Zoning Commission or Council takes action within 60 days of the request. This provides a mechanism that insures that difficult policy questions related to zoning and codes are confronted and decided and not buried by bureaucratic inaction as is now so often the case.

The Corporation has two major functions: community development and housing finance. With respect to community development, the Corporation may acquire property, construct or rehabilitate structures, sell, assign, lease, mortgage, or dispose of any of its property or structures.

The potential effectiveness of the Corporation comes from its ability not only to plan, but also to build and manage its projects. After their completion, the Corporation then has the ability to sell its projects which will enable the Corporation to gain the capital to develop new projects and thereby stimulate growth to meet the ever rising and ever changing housing needs of the community. The rebuilding of the riot corridors has been stalled by the unwillingness or inability of the private investor to undertake higher risk development when more attractive and "safer" investments are readily available. The Corporation can fill the void and offer the development momentum necessary to attract private capital.

With respect to housing finance, the Corporation will have the power to make, insure, and sell mortgage loans secured by a mortgage lien. The Corporation will thus be able to provide a secondary mortgage market for the higher "risk" property in low-income areas. The Corporation will have the financing power to assist and encourage the provision of housing for rental or purchase by persons of low or moderate income, where private financial institutions or Federal Government programs are unable to do the job.

The Corporation will have the power to acquire real property by eminent domain. The Corporation will have the responsibility of relocating all displaced persons in decent, safe, and sanitary housing before proceeding with any approved project. Those individuals and families who are displaced by the Corporation's projects will be given priority in projects undertaken by the Corporation.

The Corporation and not the District, will be primarily responsible for the Corporation's financing. The most important source of funds for the Corporation would be from the sale of corporate bonds. The Corporation would also have the authority to use funds appropriated by Congress, Government loans, its own bonds, notes, debentures, or the revenue from its own operations to meet its project costs. The Corporation would have the authority to issue bonds and notes not exceeding $75 million for which it shall be liable. To assure the continued operation and solvency of the Corporation, the Corporation, together with the District government, would create a capital reserve fund which would equal the maximum amount of principle and interest maturing and becoming due in any succeeding calendar year. This reserve fund would be created for all outstanding bonds of the Corporation.

The Corporation would be subject to all local and Federal taxes, but the City Council may waive any or all local fees or taxes. This is a means of providing additional subsidies, particularly for persons living in low- and moderate-income housing.

In order to commence operations, the Corporation will receive an appropriation of $5 million which will be repaid to the U.S. Treasury within 5 years.

The concept of the CDC is neither new nor untested. New York led the way in 1960 with a State housing finance agency and followed with an urban development corporation. In the next decade, 11 States followed New York's example. At present, 30 States have housing finance or development agencies, and another 10 States are considering legislation to establish such agencies. The primary function of these agencies has been to provide financial assistance for the construction of low- and moderate-income housing. In general, the State finance agencies have been given a broad range of authority which includes both evaluating housing deficiencies and developing programs to correct these deficiencies.

Twenty-nine States have a bonding limitation of at least $50 million with the vast majority having a higher limit. Seventeen States have the authority to acquire land and 14 States have the authority to undertake the construction of or rehabilitate housing. Over 20 States have the authority to make construction or mortgage loans.

The more experienced housing finance agencies have been able to deliver their projects for occupancy more rapidly than HUD. The agencies, although autonomous by statute, have established relationships with other State bureaus and have thereby coordinated their planning activities with State departments of community affairs and local social service agencies. Hence, the State housing finance authorities in existence have been able to function in harmony with other State agencies and have shouldered the responsibility of meeting State housing needs.

The District of Columbia needs a CDC. Rather than awaiting City Council action next year, congressional authorization this year is necessary for a number of reasons. The first is timing. Because of the need to organize itself and sort out its legislative priorities, the new City Council might not establish a CDC for a considerable time. Action is needed now. Second, congressional authorization would avoid this delay and accelerate the momentum of development in the Bicentennial period. Congressional authorization would also allow us to take advantage of new Federal housing legislation expected to go into effect in January of 1975. Finally, and of great importance, congressional approval establishing the Corporation may avoid much time-consuming test litigation to determine the exact limits of the Corporation's authority, and also would result, I have been advised, in a higher degree of marketability for the Corporation's bonds.

If the CDC is authorized, the District government will have more flexibility in determining how it wishes to organize itself in terms of how much of which functions to assign to various city departments. The city will have at its disposal and control an instrument with which it can lead the way to an integrated and responsive program to meet the Nation's Capital housing development needs.

BROOKLYN JEWISH COMMUNITY COUNCIL ISSUES RESOLUTION

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. CAREY of New York. Mr. Speaker, the plight of the Soviet Jews has always been of great concern to me inasmuch as these people have suffered a great deal merely because they follow their religious convictions.

With President Nixon's forthcoming visit to the summit meeting in Moscow, I think it is imperative that we again reaffirm our commitment to supporting the Soviet Jews right to freedom from persecution and the assurance that should they chose to emigrate to other lands that they will not be denied this right.

The Brooklyn Jewish Community Council, the organization which is at the helm of all synagogues, institutions, and organizations within the Brooklyn Jewish community and which represents more than 1 million citizens, recently assembled at its annual meeting and issued a resolution dealing with the Soviet Jewry. In light of the significance of this resolution, I extend my remarks today to include this document in the RECORD:

SOVIET JEWRY—RESOLUTION

The Brooklyn Jewish Community Council assembled at its Annual Meeting on June 6th, 1974.

Mindful of the fact that the President of the United States and the leaders of the Soviet Union are on the threshold of another meeting in an effort to achieve peace and prosperity, welcome and endorse all efforts to secure global detente. However, we strongly believe that cooperation between our two peoples must be extended to include freedom for Soviet Jews, especially their right to leave, and for those Jews who choose to remain in the U.S.S.R., their religious and cultural identity.

To Soviet Jews we pledge our continued solidarity, and we give our promise to remain vigilant.

We call upon the government of the U.S.S.R. to:

1. Release the Jewish Prisoners of Conscience who languish in Soviet labor camps, and whose only real crime was their wish to emigrate to Israel.

2. Allow those Soviet Jews who have been waiting, for many years, to immediately emigrate.

3. Permit all Soviet Jews who wish to do so to leave for Israel, or any country of their choice.

4. Remove vague and arbitrary emigration procedures, by regularizing and standardizing the process, in an open form.

5. Make available the institutions, schools, textbooks and materials necessary to teach the beliefs, the languages, the history, the practices, the culture and the aspirations of the Jewish people.

In the name of humanity and justice, we voice our hope that the government of the U.S.S.R. will respond to this call.

SOCIAL SECURITY IS SOUND AND WORKING

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I request that the text of an excellent article on the social security system by Wilbur J. Cohen, dean of the school of education at the University of Michigan, which appeared recently in the Detroit Free Press, be printed at this point in the RECORD:

SOCIAL SECURITY IS SOUND AND WORKING

(By Wilbur J. Cohen)

The recent articles on the American Social Security System by Warren Shores are a collection of prejudicial half-truths, misstatements, and misleading comments. They are a grossly unfair and inaccurate presentation.

Their cumulative effect is to create anxiety, misunderstanding and doubt about the financial integrity of the Social Security System. These articles are vicious and unfortunate attacks on the peace of mind of millions of older citizens and other beneficiaries of the program, as well as being a collection of misleading and inaccurate statements.

The "solution" to the problems presented by Mr. Shores is the impractical idea of having Congress repeal the federal law creating our Social Security System and giving Americans the option of buying government bonds or commercial bonds to cover their retirement and disability and their survivors as social security now does for eligible persons. Everyone has this option now, but it is not a realistic alternative to the problem social security was intended to alleviate. Shores' "solution" didn't work before the depression in 1929—that's why Congress created social security in 1935—and it would not be a feasible solution to old age dependency or poverty for millions of people now or in the forseeable future.

Author Shores' major problem is that he apparently doesn't understand the difference between the concepts of "insurance" and "savings." The second reason that the conclusions he arrives at are inaccurate is that he mixes up and is confused by those statistics and figures which he does give to readers and then fails to give all the information and data necessary to evaluate his freak illustrations. Shores is obviously a devotee of the philosophy that "the exception proves the rule." Let us take his charges one-by-one and show the immensity of his misrepresentations and his use of the "big lie."

1. Mr. Shores says "social security has not done any part of what it set out to do." This is a flat outright lie. If there were no social security program today, there would be 12.5 million more persons in poverty in the United States. This would be an increase of 50 percent in the number of people in poverty. There are 25 million people with incomes below the poverty line at the present time. How can Shores in good conscience claim then that social security hasn't done "any part" of what it set out to do?

SOCIAL SECURITY IS VALUABLE FAMILY PROTECTION

2. Mr. Shores has related examples of persons who could receive more in benefits by some other investment of their funds. Social Security is a government-operated insurance plan.

The essence of "insurance," whether public or private, is that some people will pay into the plan more than they receive back, some will receive back more than they paid in, and some will break even. This is in contrast to "savings" in which each person always receives back more than he paid in. Social security was never designed to be a substitute for a savings-bank system. It was designed to be insurance.

Thus, an individual who lives to age 85, 90, or 95 years will receive back in pension payments much more than he or she paid in premiums. A person who dies the day before he or she retires will have lost all the the payments.

A mentally retarded person or a retired, disabled, or deceased person may receive $50,000 or more in social security payments during his lifetime.

The widow and children of a deceased young worker may receive a total of $50,000 or $100,000 even though the payments into the social security system were only $2,000. A widow with young children can now receive over $700 a month in survivors' benefits. Moreover, these benefits are not taxable. This is a tremendous financial security for young families. Survivors' benefits under social security are frequently the only continuing monthly benefits received by most families where the worker has died.

What Mr. Shores doesn't disclose when he argues that each worker should be permitted to buy his own protection is that there is a vast difference in the cost of private life insurance among different companies in the United States. A study made by the Pennsylvania Insurance department shows that for a man age 35 the average annual cost of a straight $10,000 life cash-value insurance policy varied from $42 a year to $86 among the 50 largest companies in the nation—a 100 percent difference in cost between the lowest and highest!

What Mr. Shores also doesn't tell is whether each citizen will buy the cheapest insurance or the dearest. In social security, he or she gets the benefit of the maximum protection at the minimum cost—and at the lowest administrative costs. No private insurance company can provide the same coverage as the federal Social Security System does unless it charges the wage earner higher costs for administering the program.

Mr. Shores ignores the great advantage of social security over most private insurance and private pension plans. Social security benefits will automatically increase in the future as the cost-of-living and wages increase. This mandatory requirement has already been written into the existing federal statutes governing social security. Thus, while most insurance contracts and private plans guarantee a fixed amount of dollars, the social security plan now guarantees an inflation-proof benefit! The government-paid insurance benefits will increase in amount as the years go on. Shores tries to compare present social security benefit levels with present private insurance benefit levels in order to show that social security benefits will be inadequate in the future. By intentionally or unintentionally neglecting to tell readers that government insurance (but not private insurance) must pay more in the years ahead, it becomes obvious that all the illustrations used by Mr. Shores are basically erroneous for the future.

What Mr. Shores also forgets to tell the reader is that social security benefits are never taxable to the recipient. So when a retired worker and his wife after age 65 receive $480 a month in social security benefits, they are receiving the equivalent of approximately $600 a month in taxable income.

For instance, Mr. Shores leaves out of his articles the fact that the social security program has the lowest administrative cost of any comparable private insurance, pension or retirement system. In 1973, the total administrative cost of the old age and survivors' benefits was 1.6 percent and for disability benefits, 4.7 percent. The total combined cost for all three types of benefits was 1.9 percent.

If the social security system saves only two percent in administrative costs each year as compared with private insurance, the savings which go into paying benefits would be $1 billion a year at the present time! What private system can compare with this? Why doesn't Mr. Shores tell about some of the values and good points of social security? His articles were directed solely at picking out a few very extreme examples and overlooking the major and overwhelming instances of comprehensive and valuable protection.

There are 30 million people receiving social security checks every month. It has not missed a payment in 34 years. It has never gone bankrupt and ceased to do business as have a number of private insurance plans. Shores also neglects to mention that some private pension plans like Studebaker and Kaiser-Frazer have failed to carry out their pension commitments. As long as social security payments are guaranteed by the federal government, I do not believe there will ever be any default in the commitments made under the social security program. Most people, but not Mr. Shores, know this.

SOCIAL SECURITY IS GOOD INSURANCE

3. Mr. Shores says the "social security system is emphatically unlike insurance." Mr. Shores doesn't give his definition of insurance so the reader is left in the dark as to what he means. Insurance is simply a system of a large number of individuals making payments in advance into a pooled fund for certain specified risks and benefits from which pool the benefits are paid in accordance with the agreement entered into by the parties. Some beneficiaries are intended to receive more than they paid in and some less. Insurance is not savings where each saver always receives more than he originally paid in.

There are different kinds of insurance.

There is pure insurance like term life insurance in which the individual does not get any reimbursement at all if the risk death doesn't occur during a year that the policy is in force.

This is like automobile or fire insurance in which no money at all is received by the beneficiary if no hazard occurred. It is like Blue Cross or Blue Shield health insurance in which no reimbursement is made if the individual is not sick and incurs no bills. Mr. Shores implies that an insured social security beneficiary who never has the hazard occur (such as disability) is being cheated because he hasn't received any insurance benefits back.

Endowment life insurance is a combination of pure insurance and savings. It is necessary to know what kind of insurance is being purchased. Just as there are many kinds of automobiles, there are many kinds of insurance. The costs vary on the model, size, and quality purchased.

The great value of social security as a national insurance pool was best expressed many years ago by Winston Churchill.

Churchill said that social security brings the magic of the averages to the rescue of the millions. It is not a savings bank. It is low-cost insurance.

In this connection it is important to remember that among the 30 million persons who receive social security every month, 2 million are disabled persons under age 65, that nearly 5 million are children, and nearly a million are younger widows and mothers. Social security is a strong support for families in addition to its retirement income features.

It should be remembered that each individual's contribution to social security covers four different insurance coverages: Old age; death at any age; disability at any age; and hospitalization for the aged and disabled.

From the 5.85 percent paid by the employee (and an equal amount by the employer), the following allocations are made:

	Percent
Disability coverage	.575
Hospitalization coverage	.900
Total	1.475

This leaves 4.375% for old age and survivors' (death) coverage. The survivors' insurance coverage is worth about 0.375%. Thus, an employee is paying only about 4% for old age protection and 1.85% for the other three coverages.

U.S. GOVERNMENT BONDS ARE A GOOD BUY

4. Mr. Shores says the social security trust fund is "simply a myth." What nonsense. If the United States government bonds in the social security fund are a myth, then government bonds are a myth for the banks, insurance companies, and private investors who bought them too.

The amazing inconsistency of Mr. Shores is evident when he recommends that workers be required to buy federal bonds as a substitute for social security. Why are they a myth in one case and a desirable purchase in another? Mr. Shores is just uninformed and inconsistent.

SOCIAL SECURITY IS NOT BANKRUPT

5. Mr. Shores says the "Social Security System is bankrupt." He comes to this erroneous conclusion because there is not sufficient money in the social security fund today to pay off all its obligations for the indefinite future. If this criterion is used then practically every private pension plan in the United States is also bankrupt. By this criterion, the Civil Service Retirement fund is bankrupt, so is the Railroad Retirement system, and practically all state and local public employee retirement systems.

The fact of the matter is that a governmental system does not need to be a full-reserve system such as private companies must have in accordance with state insurance laws. It is simply mischievous and misleading to label social security as bankrupt. No responsible private insurance actuary would do so and none has done so. It is only a misinformed non-expert who would make such a misstatement.

There is $40 billion in United States government bonds which back up the Social Security System. These bonds are guaranteed as to principal and interest by the federal government. They have the same value as government bonds held by banks, private insurance companies, and individuals.

DISABILITY INSURANCE

6. Mr. Shores says that a twenty-seven-year-old freight handler could buy a disability insurance benefit from a private insurance company for "about" $10 a month and get more protection than he could get from social security. He neglects to say the man would have to pass a medical examination and that if he couldn't he would be denied disability insurance coverage. He fails to point out that social security provides the disability insurance coverage to all persons without any medical examination. It covers the weak and the strong; the person with medical difficulties; the young and the older person.

Mr. Shores does not tell that the cost to the individual goes up with the hazard of his occupation and is much more for an older person. In other words, Mr. Shores does not tell the whole truth—only that little part of the iceberg above the water he wants to see.

THE RETIREMENT TEST

7. Mr. Shores at various points in his articles refers to the retirement test as the "saddest, least defensible part of social security." He refers to it as "punishing." But he doesn't tell the reader that to repeal the retirement test would cost $4 billion a year in increased taxes in the beginning and this would mount in future years.

Even more, Mr. Shores doesn't tell that all of the $4 billion a year would go to about 3 million beneficiaries while 27 million beneficiaries would not get a single cent more!

It seems appropriate and reasonable for a retirement system to provide that payments are based upon some test of being retired. Why should contributions by all employers and all workers be increased in order to pay benefits to persons not retired and who in many cases are earning as much as they did before?

Mr. Shores omits from his discussion all these significant considerations which the Congress has carefully weighed. If Mr. Shores is in favor of repeal of the retirement test, why wasn't he honest enough to recommend additional taxes of $4 billion a year to cover the cost? It's easy to criticize a provision if you don't take the responsibility of figuring out how to pay for the alternative.

Mr. Shores incorrectly uses out-of-date figures relating to the retirement or earning test. He refers to the test as $140 a month. At the present time it is $200 a month and the law provides for automatic increases in this amount as prices rise. Mr. Shores also incorrectly describes the effect of this test on a widow with two children since he neglects to consider and mention the fact that the children's benefits will continue to be payable even if the mother goes to work full time. Moreover, he fails to point out that if the mother has three or more children, her employment would not reduce the total family payment whatsoever. These are the kinds of omissions which make Mr. Shores' articles incomplete, erroneous, and misleading.

SOCIAL SECURITY ENCOURAGES THRIFT

Mr. Shores doesn't really understand the objective of the Social Security System as established by the Congress. The idea was not to provide a completely adequate benefit for everyone. Congress wished to give individuals a basic floor of protection on which indviduals could build a supplemental protection by additional savings, investments, and work. Congress wanted to leave individuals the opportunity to utilize the private enterprise system to build greater security. Thus, the Social Security System gives individuals an incentive to save and work to improve their economic security. It would be foolish to repeal a tried-and-tested system for the Shores-Friedman kind of plan which would put the younger and disabled worker at a great disadvantage.

Mr. Shores says that as a result of social security "saving is discouraged." But he doesn't give any documentation to this allegation. The reason he doesn't document it is because he can't. All the evidence is that savings of the American people have remained at a high level. If savings is or will be discouraged, it is primarily due to inflation. I challenge Mr. Shores to prove his point. If anything, private insurance companies will tell you that social security has served to stimulate purchase of additional protection.

PROPOSALS FOR IMPROVEMENT

I believe that the Social Security System needs further improvement. The system has been improved by the Congress over the past 40 years. I am sure it will continue to be improved.

However, I am opposed to the radical solution proposed by Mr. Shores which throws the baby out with the bath. I believe we should continue the basic elements of the present system which are:

A contributory, earnings-related system which builds upon individual responsibility for meeting costs and encourages thrift and incentives.

A legal right to benefits which is backed by a guarantee from the federal government and legal recourse to the courts for payment.

A nationwide system which assures a maximum degree of protection at the minimum administrative cost.

The changes which I believe are needed in the Social Security System and which I believe are practical and realistic are:

1. Refund of social security contributions to persons whose incomes are below the poverty line as advocated by Senator Russell Long, the Chairman of the Senate Committee on Finance.

2. Reduction in the social security tax rate from 5.85 percent to 5 percent and an increase in the maximum earnings limitation from the present $13,200 a year to cover all earnings for the employer contribution and to $25,000 a year for the employee contribution.

3. Increase in the retirement test from $2400 a year to $3200 a year which is above the present poverty line for an aged couple. This amendment is supported by many members of Congress.

4. Revision of provisions which discriminate against women by making widowers and husbands eligible for benefits on the same basis as widows and wives as proposed by Congresswoman Martha Griffiths of Detroit.

5. Coverage under social security of all household employment so that women will earn benefits in their own right and can receive them whether they are married, divorced, remarried, or single.

6. An increase in the low benefits being paid to many older people.

7. Reduction in the waiting period for disability insurance benefits to three months from the present five months.

8. Establish the Social Security Administration as an independent Board as it was in 1935. Make the Board independent from the Budget Bureau, take the receipts and expenditures out of the Consolidated Budget, and make the Board report directly to Congress. Over 33 Senators are supporting this idea along with Chairman Wilbur D. Mills of the House Committee on Ways and Means.

Mr. Shores' only direct quotation in his articles is by Professor Milton Friedman, the leading proponent of a radical solution to changes in social security. Mr. Shores did not seem to consult or quote from anyone in Congress like Chairman Wilbur D. Mills, or Russell Long, who helped design the present system. He quotes an unnamed "spokesman for the Illinois Department of Insurance" so it is impossible to check the source or meaning of his quotations.

SHORES' VIEWS ARE NOT SHARED BY THE EXPERTS

There are at least 25 other experts on social security in the United States who do not share Professor Friedman's ideas or who would be willing to rebut the statements made by the unknown "spokesmen." Why weren't these distinguished experts consulted or quoted to give a fair presentation of differing views? Obviously Mr. Shores doesn't believe in giving equal time to his opponents.

For those who wish to read about different points of view, here are some references:

An American Philosophy of Social Security: Evolution and Issues by J. Douglas Brown, Princeton University Press, 1972.

Future Directions in Social Security, Hearings before the Special Senate Committee on Aging, July 1973, Washington, D.C.

Social Security: Universal or Selective: A debate between Milton Friedman and Wilbur J. Cohen, American Enterprise Institute for Public Policy Research, Washington, D.C. 1972.

ABSURD FEDERAL SPENDING

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 24, 1974

Mr. CONLAN. Mr. Speaker, in a recent report to my Arizona constituents I cited some absurd Federal expenditures to illustrate how the public's hard-earned tax money is being squandered in large sums by the Government bureaucracy.

Among projects funded by Federal agencies with millions of dollars appropriated by Congress for research and other discretionary purposes were studies of bisexual Polish frogs, the odor of sweat from Australian aborigines, and mating calls of Central American toads.

Money was also spent for a teenagers condom stamp program, patterned after food stamps, a dictionary on witchcraft, and other questionable purposes. I cited more than a dozen such boondoggles in my brief weekly report.

A United Press International story on my report by Donald Lambro, published by hundreds of newspapers throughout the country, sparked considerable nationwide interest in these spending items. Columnists and broadcasters commented on the almost carte blanche discretion with which Federal agencies spend money, with almost no oversight by Congress.

Thousands of letters from understandably indignant citizens throughout America poured into my office and those of other Congressmen and Senators. Working men and women complained about this scandalous spending situation, requesting further information, and asked what they could do to help fight this battle of the budget.

Mr. Speaker, I asked the General Accounting Office to provide me with a report detailing the background of these federally funded projects. The GAO's Division of Financial and General Management Studies investigated those projects I complained about, as well as many others cited by the National Taxpayers Union and other public-spirited watchdogs of Federal spending.

I would like to include the GAO findings in the RECORD, as well as my own original report, so working American citizens who pay the price of government will realize how much more than reform of its own helter-skelter taxing and spending procedures Congress must do to stop Federal boondoggling.

Congress has been very derelict in monitoring the way Federal agencies spend money for research and other purposes. It has appropriated millions of dollars in lump sums to these agencies, with no monitoring of whether the money is used wisely or efficiently. A much tighter rein should be held on spending by Federal agencies. And agencies that habitually spend money for far-out academic research and other projects providing no direct benefits to the general public should certainly be held accountable for such spending when they come back to Congress for additional appropriations.

Mr. Speaker, it is a laborious and time-consuming process to identify all the specific ways that Federal agencies and departments spend lump-sum discretionary appropriations, which is a large part of the problem. Most projects can only be found by searching through reams of computer listings that identify how money is used, since most Federal departments do not publish detailed reports of how all funds are spent.

Many questionable expenditures are often disguised by the bureaucracy with innocuous descriptions, or lumped together under general headings where they are almost impossible to find. Grants to community action agencies for a multitude of social engineering schemes, for example, are often listed under the general heading "conduct and administration," or some similar generality.

With the help of GAO, the few Members of Congress who have been willing to tackle this complicated, full-time job of being a watchdog on Federal spending are somehow able to control some of this waste. Public pressure when wasteful spending is exposed is certainly an essential ingredient in getting less concerned public officials to spend hard-earned tax dollars more judiciously.

But taxpayers need many more friends in Congress before we can truly put government on a more businesslike basis and stop inflation that insidiously erodes purchasing power. If the public is fed up enough about Government waste and deficit spending that is ruinous to earnings and savings of individual citizens, perhaps they will put big spenders out of Congress, and give us younger, reform-minded Congressmen the reinforcements we need to preserve responsible government and our economy.

The information follows:

WHY TAX BILLS HURT

I know I don't have to remind anyone that this week marks the filing deadline for federal income tax returns.

But as we observe that sorrowful occasion, I wonder how many American taxpayers sincerely trust that federal bureaucrats will spend their hard-earned dollars judiciously. Or that Congress will obligate them wisely.

I'm sorry to report that the record is pretty miserable on both counts.

Unless taxpayers get more friends in Washington, I fear that bureaucrats with a helpful shove from liberals in congress will continue the squanderous waste and misuse of tax dollars that take place here. With this year's gigantic tax haul, they may go bananas altogether.

Federal bureaucrats who can spend $375,000 with a straight face to study the way Frisbees fly could dream up almost anything. So could someone who spends $121,000 to find out why people say "ain't." Or $70,000 to study the smell of perspiration from Australian aborigines.

These projects are sadly not just the product of someone's fertile imagination. They are actual federal studies, commissioned by federal agencies and paid for with your tax dollars.

Can anyone stand a sampling of thousands more examples?

The Interdepartmental Screw Thread Committee, established as a "temporary" agency to speed the end of World War I, is still laboring to make nuts and bolts fit together. The cost: $250,000 a year.

The federal government's Board of Tea Tasters sips along at taxpayers' expense, costing $117,250 a year. Extra sipping is also done for those unhappy with this board's tea-tasting tests by the Board of Tea Appeals.

The City of Los Angeles got a $243,740 federal grant for a project extending travelers' aid to migrants lost on the freeway.

The U.S. Department of Health, Education and Welfare spent $19,300 to find out why children fall off tricycles. Their official finding: "Unstable performance, particularly rollover while turning."

England's Queen Elizabeth II received $68,000 from Uncle Sam for not planting cotton on her Mississippi plantation.

Animals are a particular curiosity of federal agencies, as these recent expenditures indicate: $20,324 to learn everything possible about the mating calls of Central American toads; $70,000 to classify and determine the population biology of Indo-Australian ants; $20,000 to study the blood groups of Polish Zlotnika pigs; and $6,000 to study bisexual Polish frogs.

And then there's the $67,373 spent by the National Institute of Education for its three-day workshop on careers, attended by top degree-holding "scholars" at a posh Washington motel. The only result of the workshop was a grammar-poor tirade against sex bias in job titles.

The workshop's report called for a thorough cleansing of sexual connotation in names for certain jobholders. For example, mailmen, pressmen, chambermaids and busboys would become letter carriers, press operators, lodging quarters cleaners, and waiters' assistants. I'd hate to see the NIE price-tag for something worthwhile, like a way to reduce the high illiteracy rate among high school graduates.

Finally, there are the federal officials who waste thousands of tax dollars on monuments to their own vanity and comfort. Such as Postmaster General E. T. Klassen's new $800 marble-topped lavatory, which was one small item in his recent elaborate $149,100 office refurbishing.

Not to be outdone at office plushness, U.S. Attorney General William Saxbe ripped up all his predecessor's new carpeting as soon as he moved to the Justice Department, simply because he didn't like the color. Then the decor of his entire suite had to be coordinated, for a total cost to taxpayers of $79,500.

It is little comfort to any of us as we send in our tax returns to the Internal Revenue Service that the average cost of federal programs for every man, woman and child in the U.S. is about $1,500—more than double the cost per person in 1965. Since tax cheaters can be fined and jailed, perhaps federal bureaucrats guilty of squandering our money should be as well.

All these silly projects I have mentioned, plus others too numerous to list, add up to millions of dollars in unnecessary government spending, boosting the rate of inflation and the national debt. Somehow, some way, those of us in the Congress speaking out on this vital pocketbook issue will one day make up the majority and put a permanent stop to this nonsense.

Unless we do, instead of the average American working two hours and 38 minutes every eight-hour working day just to earn enough money to pay all his taxes, he'll become a year-round slave of the spend-crazy government monster, with no freedom for any choices of his own.

A Partial Summary of U.S. General Accounting Office Findings Regarding Reports on Federal Expenditures

PENTAGON FRISBEE STUDY—$375,000

The Department of Defense awarded contracts to Honeywell ($79,997) and Denver Research Institute ($108,902) to conduct a self-suspended flare study. In-house costs for the project were $186,931, bringing total expenditures to $375,023.

The objective of the study was to develop an improved aircraft-launched flare for naval applications which would be safe, consumable, cheap, and reliable. Initially funded in FY 1968, the study determined the concept feasible, but two major problems were encountered: The flare as developed had a burn time of less than one minute, and launcher complexity required added development and additional aircraft maintenance. The entire program was terminated in the fall of 1970.

RESEARCH ON THE SMELL OF PERSPIRATION FROM AUSTRALIAN ABORIGINES—$70,000

This is one of 16 subprojects concerned with "zoophysiology in Alaska," and funded by the National Institutes of Health. The purpose of the subproject was to learn about the adaptation of man to his environment and involved a comparison of the Alaskan Eskimo with the Australian aborigine and their stress reactions to climate. The project has not been funded since 1971.

BOARD OF TEA TASTERS—$117,250

According to the Food and Drug Administration, this board meets twice a year—once to set standards on tea importation and a second time to review and decide on all appeals arising from disputes over regulatory actions. A recent amendment to the FY 1974 appropriations bill restricts tea importation regulatory activities to the amount of earnings from fees charged of importers by the government, which is about $57,500. The figure of $117,250, the amount originally requested by the FDA, includes all regulatory costs, such as chemists' salaries and expenses, analysis and compliance costs, and so forth.

GRANT TO THE CITY OF LOS ANGELES TO EXTEND TRAVELERS' AID TO MIGRANTS LOST ON THE FREEWAY—$243,740

A grant of $243,740 was awarded by the Office of Economic Opportunity to the Economic and Youth Opportunities Agency of Greater Los Angeles (now the Greater Los Angeles Community Action Agency) to be applied during a two-year period from 1965 to 1967. The federal money was, in turn, given to the Traveler's Aid Society in Los Angeles, a social service agency. The primary purpose of the grant was to aid migrants moving into Los Angeles. Approximately $10,000 was allocated for the use of freeway vans—trucks traveling the freeway in search of stranded motorists and others who might need help. The vast proportion of the OEO funds was spent on operating a main office of Traveler's Aid and a smaller office known as the Newcomers Center in South Central Los Angeles.

STUDY TO FIGURE OUT WHY CHILDREN FALL OFF TRICYCLES—$19,300

About four years ago, the Bureau of Product Safety in the Food and Drug Administration conducted a study of children's hazards. This study included the hazard of children operating wheeled vehicles. The study's objective was to determine what safety standards were needed for "off-the-road" vehicles. Approximately two-thirds of the study concentrated on the stability of minibikes and trailbikes, and one-third of the study dealt with three-wheeled vehicles, including tricycles.

PAYMENT TO QUEEN ELIZABETH II OF ENGLAND FOR NOT PLANTING COTTON IN MISSISSIPPI—$68,000

Agriculture Stabilization and Conservation Service (ASCS) and Great Plains program payments in 1972 include a subsidy of $67,795 to Delta and Pine Land Company, a wholly-owned subsidiary of Courtald's, Ltd., a British company in which Queen Elizabeth and the Royal family are major stockholders.

STUDY OF THE MATING CALLS OF CENTRAL AMERICAN TOADS—$20,324

The "Investigation of Mating Calls and Paratoid Gland Secretions of the Central American Toad" was conducted under a National Science Foundation grant for $21,000, awarded in 1963 for two years.

STUDY OF INDO-AUSTRALIAN ANTS—$70,000

A study of Indo-Australian ants was conducted at Harvard University from 1964 to 1966. The three-year study was funded with a $70,000 grant from the National Science Foundation. NSF officials claim that because the project ended several years ago, they are not able further to describe the purpose of the research.

STUDY OF THE BLOOD GROUPS OF POLISH ZLOTNIKA PIGS—$20,000

This five-year study was conducted at the Agricultural College in Poznan, Poland, and completed in 1967. The $20,556 project was funded by the U.S. Agriculture Department, and involved research investigating red blood cells and serum antigens in this new racial group of swine.

STUDY OF BISEXUAL POLISH FROGS—$6,000

Estimated FY 1974 expenditures for this Smithsonian Institution project are $6,000. The project is an attempt to properly classify *Rara esculenta*, which is either a hybrid or a separate species of frog, by enzyme and protein analysis, and to allow Polish and American scientists to share the latest techniques in species identification.

ODOR MEASURING MACHINE PURCHASED FOR THE TURKS—$29,361

This Agriculture Department project, titled "Development of an odor measuring instrument for use in inspection and grading of foods," was conducted from 1963–65 at Robert College Research Center in Turkey. USDA officials claim machine developed also has applications in the U.S.

CONDOM STAMP PROGRAM—$47,000

The Office of Economic Opportunity awarded a $47,000 initial grant to Population Services International for sex training and subsidized condoms for teen-age boys in Philadelphia and Cleveland.

STUDY TO TEACH MOTHERS TO PLAY WITH THEIR CHILDREN—$576,969

This National Institutes of Health study was first funded in 1968 with a $149,000 grant to the University of Florida's Institute of Development of Human Resources. The overall title of the study is "Home Learning Center Approach to Early Stimulation." The project is still active with total direct and indirect costs amounting to $576,969.

DICTIONARY OF WITCHCRAFT—$46,089

The National Foundation on the Arts and the Humanities has awarded grants totaling $46,089 to support the gathering of information for a reference book titled "American Popular Beliefs and Superstitions," which the Foundation claims is a standard work for use in the fields of linguistics, mythology, and folklore. The latest grant for $24,134 was awarded on Feb. 15, 1974.

STUDY OF LIZARDS IN YUGOSLAVIA—$15,000

Estimated FY 1974 expenditures for this Smithsonian Institution project are $15,000. The project aims to show how a more vigorous and adaptable species of lizards can gradually colonize and displace a less hardy species.

STUDY OF WILD BOARS IN PAKISTAN—$35,000

Estimated FY 1974 expenditures for this Smithsonian Institution project are $35,000. The project aims to help the Pakistan government control the wild boar, which does extensive damage to crops. In Muslim countries, the boar, like the pig, is considered an unclean animal, and its numbers are therefore not controlled through regular cropping.

STUDY OF THE IMPACT OF RURAL ROAD CONSTRUCTION IN POLAND—$85,000

Estimated FY 1974 expenditures for this Smithsonian Institution project are $85,000. The project aims to determine what happens to a village or rural area previously isolated from the outside world when a road is built. Emphasis will be on the impact to the community's people, culture, families, patterns of trade, immigration, emigration, and so forth.

STUDY OF AMERICAN AND INDIAN WHISTLING DUCKS—$5,000

Estimated FY 1974 expenditures for this Smithsonian Institution project are $5,000. The project aims to show why Indian whistling ducks, anatomically almost identical to American whistling ducks, have apparently survived habitat changes caused by human encroachment while others have become extinct.

SENATE—*Tuesday, June 25, 1974*

The Senate met at 10 a.m. and was called to order by Hon. GAYLORD NELSON, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, who rules over men and nations, we beseech Thee to guard the President of the United States in body, mind, and spirit on his special mission. Grant to him and his counselors wisdom and grace in every endeavor for true peace.

We pray that Thou wilt support the Congress in its manifold tasks. Uphold all who are in the service of the Nation that daily work may be performed with diligence and in fidelity to our heritage under God. Raise up leaders to whom the people may rally, and grant that all may unite in serving Thee with their whole heart and mind and strength.

Through Him who is the way, the truth, and the life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 25, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. GAYLORD NELSON, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NELSON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, June 24, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 923 and 925.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF APPROPRIATION AUTHORIZATION FOR REPORTING WEATHER MODIFICATION ACTIVITIES

The bill (S. 3320) to extend the appropriation authorization for reporting of weather modification activities, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of December 18, 1971 (85 Stat. 736; 15 U.S.C. 330e), is amended by striking the word "and" after "June 30, 1973," and inserting after "June 30, 1974," the words "June 30, 1975, June 30, 1976, and June 30, 1977,".

DRUG ABUSE EDUCATION ACT AMENDMENTS OF 1974

The bill (H.R. 9456) to extend the Drug Abuse Education Act of 1970 for 3 years, was announced as next in order.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUGHES. Mr. President, the bill before us, S. 2848, would extend and improve the Drug Abuse Education Act of 1970. It was introduced by the distinguished Senator from New York (Mr. JAVITS), and I am pleased to be one of its 11 cosponsors.

Our Subcommittee on Alcoholism and Narcotics held hearings on the bill, and it was reported last week by the Committee on Labor and Public Welfare without a dissenting vote.

Mr. President, I ask unanimous consent to have included in the RECORD at this point a detailed summary and a section-by-section analysis of S. 2848 as reported.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 2848

1. The bill extends through Fiscal 1977 the grant and contract authorities of the Drug Abuse Education Act of 1970, Public Law 91–527. It authorizes a total of $90,000,000 over the three-year period, $26,000,000 in Fiscal 1975, $30,000,000 in Fiscal 1976, and $34,000,000 in Fiscal 1977.

2. The title of the Act of 1970 is amended to read the "Alcohol and Drug Abuse Education Act", and the Act of 1970 is further amended as appropriate to include education on alcohol abuse.

3. The findings and statement of purpose of the Act of 1970 are amended to respond to the behavioral complexity of drug and alcohol abuse and to emphasize the need for prevention and early intervention programs which recognize the vital role of family, peer group, school, church, and all those institutions in the community which influence the behavior of young people.

4. Activities to be funded, including bilingual activities, will include the development, testing, evaluation, dissemination, and training in the selection of materials; the development of comprehensive school and community programs which seek to eliminate the causes of youthful drug and alcohol abuse; pre-service and in-service training for school personnel, law enforcement officers, and other public service and community leaders; and public education programs for parents and other concerned persons in the community.

5. The bill permits up to 10% of the sums appropriated to be granted to state educational agencies for the costs of assisting local educational agencies to develop and carry out drug and alcohol abuse education programs.

6. The Commissioner of Education may expend up to 1% of the sums appropriated each year for the purpose of analysis and evaluation of the program, and he must submit annually to the House and Senate authorizing and appropriating committees a report stating specific program objectives, conclusions as to effectiveness, any legislative recommendations he may have, a list of studies conducted, and an evaluation plan for the ensuing year.

ANALYSIS OF S. 2848, TO EXTEND AND IMPROVE THE DRUG ABUSE EDUCATION ACT OF 1970

SEC. 2(a)—New title—"Alcohol and Drug Abuse Education Act"

(b) Amends section 2 of 1970 Act by substituting new language for findings and declaration of purpose to reflect the developing recognition of multi-drug abuse including alcohol and of the need for prevention and early intervention programs which seek to eliminate the causes of drug abuse.

(c) Amends section 3 as follows:

SEC. 3(a) Commissioner of Education will make grants to and contracts with institutions of higher education, State and local education agencies, and public and private education or community agencies, institutions, and organizations—to support and evaluate demonstration projects, to encourage the establishment of projects, to train, and to provide technical assistance.

(b) Funds shall be available for activities, including bilingual activities, such as—

(1) development, testing, evaluation, and dissemination of materials, and training in the selection and use of materials;

(2) comprehensive programs focusing on causes of drug abuse, the development of appropriate attitudes and values, and the inclusion of school personnel, parents, youth, and community representatives in planning and development;

(3) prevention and early intervention programs in schools, with training of faculty and students, and student involvement in wholesome alternative activities;

(4) preservice and inservice training for teachers, counselors, law enforcement officials, and other community leaders;

(5) community education programs for parents and others;

(6) recruitment and training of personnel, including former drug and alcohol abusers; and

(7) projects for disseminating model programs.

(c) Funds up to 10% of amounts appropriated each year may be made available to the State education agencies.

(d)(1) Clarifies subsection (d)(1) of 1970 Act setting forth the requirements for applicants relating to administration, reporting, and record-keeping.

(2) Amends (d)(2) to give State education agencies an opportunity to submit in writing within 30 days their comments on grant applications from local agencies.

(3) Clarifies intent of 1970 Act that amendments of applications are subject to the same conditions as are original applications, except as the Commissioner may otherwise provide.

(e)(1) The Commissioner may use up to 1% of the sums appropriated each year for analysis and evaluation of the programs assisted.

(2) The Commissioner must submit an evaluation report annually by March 31 to the House and Senate Appropriations Committees, the Senate Committee on Labor and Public Welfare, and the House Committee on Education and Labor. The report must contain the agency's statement of specific program objectives under the Act, its conclusions as to program effectiveness measured through the end of the preceding fiscal year, make recommendations for any changes or additional legislation needed, list the studies conducted, and contain the evaluation plan for the ensuing year.

(f) To carry out the purposes of the Act, authorizes to be appropriated $26,000,000 in Fiscal 1975, $30,000,000 in Fiscal 1976, and $34,000,000 in Fiscal 1977.

(d) Inserts new section 4 requiring each recipient of funds to keep records as prescribed by the Commissioner disclosing amounts and disposition of funds received, cost of project, funds from other sources, and other records to facilitate effective audit. Authorized personnel of the Department of Health, Education, and Welfare and the General Accounting Office will have access to records for 3 years after completion of the project.

(e) Amends section 5 of the Act to include the word "alcohol" as appropriate.

(f) Amends section 8 to define "Commissioner" as the Commissioner of Education.

Mr. HUGHES. Mr. President, in relation to the size of the problem of drug abuse among young people, this is a modest bill. It authorizes appropriations of $26 million, $30 million, and $34 million over the next 3 years for the conduct of drug and alcohol abuse prevention programs directed toward young people in their schools and communities. The $26 million authorized for fiscal 1975 is in fact $2 million less than the amount authorized for each of the last 2 years under the Drug Abuse Education Act of 1970. Appropriations to carry out that act, however, have been far below authorizations. For example, with $28 million authorized in each of the last 2 fiscal years, only $12.3 million in fiscal 1973 and $6 million in fiscal 1974 were appropriated.

During our hearings on this legislation, the administration's witness, although agreeing with the philosophical approach reflected in S. 2848, opposed passage of the bill on the ground that a limited Federal responsibility could be carried out under comprehensive education legislation and local programs could be funded from State drug and alcohol formula grants.

The committee concluded that this approach would be totally inadequate. It would leave drug and alcohol abuse education at every level, Federal, State, and local, to depend for funds on agencies with other primary tasks and demands. Moreover, experience with drug abuse education programs over the past 4 years proves that this program administered by the Office of Education performs a unique and essential service not offered by any other agency: it speaks with credibility to educators, who traditionally look for guidance to the Office of Education rather than to the various Federal health and law enforcement agencies.

Mr. President, during the past year statements of the President and of other administration officials have encouraged the impression that drug abuse in our society is declining. It may or may not be true that heroin abuse is declining, or at least that it is not increasing so rapidly as it was a few years ago. Even if we accept this assumption, however, it does not support the conclusion that we are overcoming the problem of drug abuse.

Hundreds of thousands of young people are involved in varying degrees with the abuse of cocaine, amphetamines, barbiturates, tranquilizers, hashish, and marihuana. In addition, reports from all over the Nation indicate a rise among teenagers in the abuse of alcohol, our leading drug of abuses.

A recently reported survey in Florida indicated that there are more than 20,000 teenagers between the ages of 14 and 17 in that State who drink every single day. It happens that the survey was conducted in Florida, but I am sure the situation is not so different in other States. Since 1970 about half the States have lowered the legal drinking age to 18, and the Insurance Institute for Highway Safety reports a significant increase in the number of 15- to 20-year-olds who were killed in crashes in those States during the year following the change in the law.

Mr. President, our young people are surrounded by alcohol and other dangerous drugs. According to the 1973 report of the National Commission on Marihuana and Drug Abuse, Americans in a recent year spent an estimated $972 million for mood-altering prescription drugs and $28 million more for nonprescription sleeping agents. Retail sales of alcoholic beverages in this country last year amounted to $26.6 billion. We can and should impose better controls to prevent the abuse of these substances, but in the face of their enormous availability, the most effective controls will be those within the individual.

I am convinced that we must greatly intensify our educational efforts. By supporting these programs which are designed to help young people develop appropriate values and attitudes toward the use of chemical substances, we will be saving young lives, not just picking up the pieces after disaster has struck.

This year we have been asked to appropriate more than $240 million for the treatment and rehabilitation of drug users and more than $294 million for drug law enforcement The Federal budget request for alcoholism is almost $100 million, and this is not nearly enough when we know the disease costs our economy at least $15 billion annually. Nearly every dollar of all these millions is spent either to prevent the flow of illicit drugs or to repair the harm caused by substance abuse.

Without a much stronger education and prevention effort, our attack on drug and alcohol abuse would continue to be unbalanced and indeed irrational. This modest bill will help to fill that need. I urge that it pass.

Mr. JAVITS. Mr. President, I urge my colleagues to support the passage of the Alcohol and Drug Abuse Education Act Amendments of 1974 (S. 2848). Alcoholism and drug abuse in our country has been increasing. We are seeing now, in this country, the development of a frightening pattern of polydrug use. Young people, even at the junior and senior high school levels, are taking drugs in combination—amphetamines, barbiturates, tranquilizers, and others, frequently mixed with alcohol.

While we need to develop some clinical treatment models for youngsters so deeply enmeshed in polydrug use as to be rendered nonfunctional, we should not fail to heed the major lessons to be learned from our experience in dealing with the drug abuse problems over the past few years.

The drug abuse problem cannot be solved by our simply dealing with its ultimate manifestation in the individual, that is addiction or crippling polydrug use. The abuse of any substance is complex human behavior which is influenced by many forces; school, family, church, community, media, peer group pressure. We must undertake the development of educational program models that utilize the resources of all of these in order to affect drug taking behavior before it reaches the final stage; one where already overburdened and often still uncertain health professionals must be called upon again for a solution.

We must undertake early intervention and primary prevention activities, aimed at helping experimenters and users out of the "taking" category before taking becomes "abusing." And at helping the troubled youngsters who, even though a nonuser, may be headed for trouble with drugs because of their abundance and easy accessibility, because of peer pressure to conform, to join, to belong, and because of the more general but equally strong overall pressure in our society to opt for the chemical solution to life's problems.

The community at large, and the schools particularly, are in the best position to focus on the causes of drug abuse rather than the symptoms, to reflect their own specialized needs, and to plan and develop responsive early intervention and prevention programing.

Criticisms of so-called drug education efforts have been leveled at programs which have focused for the most part on providing massive amounts of information, very often to bored or hostile audiences. Such criticism is well directed, but not because education does not work. Rather because information is not education.

Drug education should be a total process of interaction between individuals which emphasizes the effective as well as the cognitive approach; a process in which drug information is utilized as a nutritive ingredient for the mutual growth of teacher and student alike, to the end of involving the student in intellectual, cultural, and social alternatives to drug abuse. The pending legislation for the first time will permit our Nation to mount the appropriate national attack to achieve these objectives.

The committee reported bill is substantially identical to the bill I authored and introduced with Senator HUGHES, chairman of the Subcommittee on Alcoholism and Narcotics—who has provided our Nation with exceptional leadership with respect to this critical problem of drug abuse—and cosponsored by all of the minority members of the Committee on Labor and Public Welfare—Senators DOMINICK, BEALL, SCHWEIKER, STAFFORD, and TAFT, and Senators CRANSTON, EAGLETON, HATHAWAY, RANDOLPH, and Senator WILLIAMS, chairman of the Committee on Labor and Public Welfare—who has provided continued dedication with respect to combatting drug abuse.

I am particularly gratified that the measure we are now considering is in great measure patterned upon the SPARK program in New York City which has demonstrated that a school team approach, relying on accurate information and counseling, can be effective. Interestingly, its success is due in large measure to its meaningful use of students themselves as "teacher" in the overall educational process.

I believe this bill will make a substantial contribution to alleviating the growing drug abuse problem, evidenced by the successful experiences of programs such as SPARK and others.

To achieve these objectives:

First. The bill extends through fiscal year 1977 the grant and contract authorities of the Drug Abuse Education Act of 1970, Public Law 91–527. It authorizes a total of $90,000,000 over the 3-year period, $26,000,000 in fiscal year 1975, $30,000,000 in fiscal year 1976, and $34,000,000 in fiscal year 1977.

Second. The title of the act of 1970 is amended to read the "Alcohol and Drug Abuse Act," and the act of 1970 is further amended as appropriate to include education on alcohol abuse.

Third. The findings and statement of purpose of the act of 1970 are amended to respond to the behavioral complexity of drug and alcohol abuse and to emphasize the need for prevention and early intervention programs which recognize the vital role of family, peer group, school, church, and all those institutions in the community which influence the behavior of young pepole.

Fourth. Activities to be funded, including bilingual activities, will include the development, testing, evaluation, dissemination, and training in the selection of materials; the development of comprehensive school and community programs which seek to eliminate the causes of youthful drug and alcohol abuse; preservice and inservice training for school personnel, law enforcement officers, and other public service and community leaders; and public education programs for parents and other concerned persons in the community.

Fifth. The bill permits up to 10 percent of the sums appropriated to be granted to State educational agencies for the costs of assisting local educational agencies to develop and carry out drug and alcohol abuse education programs.

Sixth. The Commissioner of Education may expend up to 1 percent of the sums appropriated each year for the purpose of analysis and evaluation of the program, and he must submit annually to the House and Senate authorizing and appropriating committees a report stating specific program objections, conclusions as to effectiveness, any legislative recommendations he may have, a list of studies conducted, and an evaluation plan for the ensuing year.

Mr. MANSFIELD. Mr. President, I move to strike out all after the enacting clause of H.R. 9456 and substitute therefor the text of S. 2848 as reported by the Committee on Labor and Public Welfare.

The motion was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 9456) was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 2848 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the following bill and joint resolutions in which it requests the concurrence of the Senate:

H.R. 15223. An Act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes;

H.J. Res. 1056. A joint resolution to extend by 30 days the expiration date of the Defense Production Act of 1950; and

H.J. Res. 1061. A joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were read twice by their title and referred as indicated:

H.R. 15223. An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes; to the Committee on Commerce.

H.J. Res. 1061. A joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield my time to the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the assistant majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

PRESIDENT NIXON'S JOURNEY TO MOSCOW

Mr. ROBERT C. BYRD. Mr. President, President Nixon will embark today on another journey to Moscow. The wisdom of his course of action has been questioned by many people who believe that détente is more and more tending to favor Russia at the expense of America. Soviet leaders are naturally wary, they being uncertain about the President's political future. The Soviets are no longer dependent on massive American grain shipments to avert critical food shortages, and they may be loath to make concessions. It is felt by some that the Russians will go to the summit determined to fight for terms that will virtually guarantee Soviet strategic superiority over the United States in the future.

It is asserted by the President's critics in this country that the President's domestic troubles must weaken considerably his capability to take the strong line that may be necessary in his discussions with the leaders of the Soviet Union.

It is further hinted that the President might be inclined to make concessions to the Soviets that would be inimical to American interests, in order to create the impression of success and harmony in the talks.

For these reasons, it has been strongly advocated by some people that President Nixon cancel his trip to Moscow.

I have had serious doubts about the wisdom of the timing of the forthcoming Moscow meeting. There is no question but that the President will be negotiating from a weakened position at home, and the Soviets know it. Nonetheless, the Moscow meeting is on, and, that being a fact, I think it is up to all of us to put our hands to the plow and not look backward.

Whatever may be the personal popularity, or lack of it, of Richard Nixon, he will sit down at the conference table in Moscow as the President of the United States. Regardless of what domestic problems may be unresolved at this time, I believe that the American people are generally behind the President in his international dealings. While I shall withhold my judgment regarding any commitments the President may make at the summit, he has my support in his desire to prevent the Soviet-American détente from losing momentum.

This is a time when we, as a Nation, should not give the Soviets any idea that they can roll him over, simply because he is involved in serious political problems at home.

The Soviet leaders must know that despite the executive powers vested in the Office of the Presidency of the United States, no President, as an individual, can unilaterally commit this country to any course of action or inaction that is patently against the best interests of the United States vis-a-vis the interests of any potential adversary.

The President of the United States has been through the political and diplomatic wars for many years. He is fully aware that his every action in international intercourse—particularly his actions and demeanor in Moscow—will be subject to the very closest scrutiny by his supporters as well as by his detractors. He is also conscious of the fact that the Congress of the United States, and the people of the United States, will have to be answered to for any agreement that may be concluded between the United States and Russia at the coming summit talks. It is inconceivable to me that the President would jeopardize his good record in the conduct of foreign affairs by being anything other than firm and resolute in behalf of American interests.

I do not believe that this President or any President will trade away his country's position for his own political advantage.

I think we went too far on SALT I, but if we don't get a new agreement, I doubt that we are any the worse off. As a matter of fact, there are times when no agreement is far better than one that is hastily contrived for the occasion. And it is entirely possible that the summit meeting will result in an exercise of restraint in the deployment of new weapons systems involving multiple nuclear warheads.

So I believe, Mr. President, that the die having been cast, all Americans should put aside partisanship and personal feelings and present a solid front of support for the President in Moscow. It is possible that the success or nonsuccess of this summit will have an important bearing on whether our children and our grandchildren will live in a world of reasonable harmony or in a world constantly on the knife edge of nuclear catastrophe.

Our immediate domestic problems are serious and must be solved judiciously and fairly and as rapidly as our constitutional process will allow. But the problems that could face us in a future world devoid of hope for peace would make our present difficulties seem inconsequential by comparison.

Let us, therefore, close our ranks and wish Godspeed to the President of the United States as he approaches a meeting upon which might hinge our destiny.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader wish to be heard?

Mr. BUCKLEY. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. The Senator from Virginia is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. HARRY F. BYRD, JR. I yield

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time allotted to me under the order be transferred to Mr. PASTORE.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE PRESIDENT'S TRIP TO MOSCOW

Mr. HARRY F. BYRD, JR. Mr. President, I associate myself completely with the remarks just made by the able Senator from West Virginia, the majority whip of the Senator, Mr. ROBERT C. BYRD, on the President's trip to Moscow. His comments are thoughtful and are in keeping, I feel, with the nonpartisan view which one must take of our relations with foreign countries.

I join the Senator from West Virginia in wishing the President well as he proceeds today from Washington to Moscow via Brussels.

The Senate, regardless of party, will stand solidly behind President Nixon and Secretary Kissinger during the time they are in the Russian capital.

Mr. President, assuming that agreements on behalf of the United States are made in Moscow, such agreements must come to the Senate for final approval.

My purpose in speaking this morning on the floor of the Senate is to express the hope that our leaders, as they meet with the leaders of the Soviet Union, will take a hard bargaining position in any negotiations affecting the military capacity of the United States vis-a-vis the Soviet Union.

It is my belief that in each of the major agreements which the United States has made with Russia in the last several years, the United States has come out second best. I think it is important that in any new agreements which might be made, our leaders have firmly in mind the action of the Senate of the United States in 1972. At that time, in ratifying the Interim Agreement on Strategic Arms Limitation, the Senate specified that in any new agreements, our leaders and our negotiators must seek parity with the Soviet Union in nuclear arms. I think it is important that that be adhered to, and I hope I shall be able to support any agreements that result from this conference. I want to say, however, that I cannot and will not give a blank check. I expect to examine carefully any agreements made in Moscow.

As the President leaves today, I think it is important that he know, that the Secretary of State know, and that the Russian Government know that some Members of the Senate are concerned about concessions which have been made in the past and concessions which might be made in the future. This, I believe, will tend to strengthen the President's position, and that is what we all want to do—to strengthen the President's position, as he deals with the Soviet Union. The Soviets are very tough bargainers, very difficult bargainers, and in my judgment they will take advantage of every opportunity for their own benefit.

Frankly, some Senators have some concept about the upcoming conference. We wish the President well, we wish him every success, and we will stand behind him while he is on foreign soil. We will examine carefully any proposals he brings back.

Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for his kind comments with respect to my speech.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized for not to exceed 15 minutes.

Mr. BUCKLEY. Mr. President, I rise, first of all, to compliment my good friend, the Senator from Virginia (Mr. HARRY F. BYRD, JR.), for his remarks. I believe they are extremely timely.

I also associate myself with the remarks of the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), for expressing the fact that every Member of this body wishes the President well on his trip to the Soviet Union and that we wish him success in representing our interests as a nation. At the same time, however, I think we all recognize that, under the Constitution, the Members of this body have special responsibilities with respect to the negotiation of treaties. I share some concerns that have been expressed by other Members of this body about the apparent trend of some of the negotiations in the enormously important and sensitive area of the strategic arms limitation talks.

Mr. President, the United States has been engaged in negotiations for the limitation of strategic arms since 1969.

The first round of these negotiations resulted in an ABM treaty which placed symmetric restraints on both the United States and Soviet deployment of ABM interceptors and radars.

Unfortunately, a similar agreement was not concluded with respect to strategic offensive weapons.

Rather, a "temporary" freeze on ICBM launchers and a ceiling on submarines and their associated ballistic missiles was negotiated.

Under its terms, the Soviet Union is granted significant quantitative advantages over the United States. Specifically, as originally understood, the Soviets could destroy up to 1,618 ICBM's versus 1,054 for the United States; the Soviets could deploy 62 "modern" post-1964 submarines versus a U.S. maximum of only 44; and the Soviets could deploy 950 SLBM's versus only 710 for the United States.

I said, "as originally understood," because the agreement also suffers from ambiguities that must be cleared up in any permanent arrangement.

At the time of the SALT I negotiations, the Soviets never admitted to the particular number of missiles or submarines which they had deployed. Thus, we entered into an agreement without knowing the precise terms contained in it.

The treatment of Soviet submarines, particularly the 22 Gulf class diesel submarines with their 66 missiles and the 9 Hotel II class nuclear powered submarines with their 27 missiles, was never explicitly presented to the Congress as part of the agreement.

Thus, "clarifying" memorandums had to be exchanged in order to determine what the Soviet SLBM ceiling was to be. Thus, the actual ceiling may well be not the 950 that the Congress originally voted upon, but 1,043.

The recent development by the Soviets of "cold launch" or "pop-up" launches has served to highlight another area of ambiguity in the agreement, namely that of silo dimensions. Because of ambiguities concerning changes in silo depth and width, it appears that the Soviets may be legally permitted to increase the payload capacity of their land-based ballistic missiles by more than 50 percent.

It is for these reasons that I supported the Jackson amendment to the instrument of ratification for the interim agreement that requires the negotiation of a permanent agreement which would provide nothing less than equality for the United States.

It has been a source of great concern to me to read a number of discussions in the press concerning several proposals that the United States is said to be advancing in connection with the current SALT negotiations.

My concern is in three areas. The first is a proposal for MIRV constraints. A number of formulas have been proposed for limiting the deployment of MIRV's by limiting the number of launchers upon which MIRV warheads could be deployed. With the unlikely exception of an agreement that would limit MIRV's to extremely low numbers—no more than a couple of hundred—it is virtually impossible under such an arrangement for the United States to maintain a position of parity with the Soviet Union.

The reason for this is that such an arrangement would not address itself to the basic inequalities in the central strategic systems of the Soviet Union and the United States. I speak of the ICBM's and SLBM's which were the focus of congressional attention during the SALT ratification debate in 1972. Moreover, the nature of the constraints proposed would tend to inhibit the chances for negotiating a future agreement to achieve equality in central systems because of the narcotic-like effect upon Soviet attitudes that would result from their being able to negotiate successive agreements with the United States in which they are conceded quantitative advantages.

Second, I am concerned over reports that a 2- to 3-year extension of the existing interim agreement on offensive forces has been proposed as a "trade-off" for MIRV constraints. Such an extension, of course, would be in defiance of the explicit congressional mandate to negotiate a permanent agreement based on the principle of parity. To proceed instead with still another interim agreement would tend to confirm the ancient French adage that "nothing is so permanent as the temporary." Extending the interim agreement would simply make it more difficult to ever negotiate a permanent agreement because the United States would have expressed by its action a willingness to live with very unequal terms for an extended period of time—7 years. Moreover, as the Soviets begin exploiting their quantitative advantages through qualitative improvements in their warhead technology, they could achieve an overall strategic superiority that could blunt their interest in a permanent agreement based on true parity.

Third, it is stated that a Threshold Test Ban has been proposed which would limit underground nuclear tests to a certain number and of a limited explosive yield. Such an agreement poses enormously difficult problems of verification. Without the right of on-the-ground inspection, which the Soviets have never allowed, we are limited to techniques that have serious limitations. Thus, we could not have a high degree of confidence in our ability to adequately monitor Soviet tests.

Perhaps more important would be the effect of such an agreement on our ability to implement our new policy favoring the development of less destructive warheads that can be targeted with greater precision. The nature of the proposed Threshhold test ban may gravely inhibit the ability of the United States to develop and test new nuclear warheads that are consistent with the new administration policy that the Congress has recently endorsed. The administration should not place itself in a position of supporting a change in targeting policy on the one hand and negotiating a set of restraints that would inhibit that change on the other.

I fully support negotiations that seek to place a limitation on strategic arms. This is a subject, however, in which matters of detail can be of critical importance, and I am gravely concerned about the potential effect on our security, our future negotiating posture, and the attitude of our allies if the present course of the SALT negotiations, as reported in the press, is pursued. I would argue that we must focus not on peripheral issues such as test bans and MIRV constraints, but on fulfilling the congressional mandate of focusing on central strategic systems, namely, ICBM's and SLBM's.

In this regard we should be seeking an agreement which provides for essential parity in payload capacity of the strategic forces of both the United States and the Soviet Union.

We should not seek agreements that would impede the growth and development of technology which would reduce the potential destructiveness of strategic forces so that they can support a more flexible and effective strategic nuclear policy. Rather, we should seek to roll back the numbers of our respective central delivery systems in a manner that will reduce our respective forces in a manner consistent with the principle of parity.

Mr. President, I ask unanimous consent to have some articles and news items in connection with this matter printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 3, 1974]

SOVIET DEPLOYMENT OF A-MISSILES SEEN

(By Michael Getler)

It now seems clear, in the view of senior U.S. officials, that the Soviet Union is intent on deploying "significant numbers" of three new long-range, nuclear-tipped missiles now being flight-tested.

It is this assessment that is largely responsible for widespread pessimism within several government agencies about the prospects for putting any major restraints on the continuing nuclear arms race this year.

There is still a possibility, informed sources report, that a new interim agreement that would limit, for the first time, deployment of MIRV-type multiple-warhead missiles can be arranged in principle at the Moscow summit meeting which begins June 27. The maze of technical details would be worked out in the following months.

It is also understood that the Soviet Union has "agreed in principle" to some possible disparity in the number of these missiles allowed each side.

But the critical question of how big a disparity is acceptable has not been negotiated.

U.S. officials acknowledge that even if such an accord can be reached, the level of permissible MIRV-missile deployment will appear so high that it is virtually certain to trigger criticism that the agreement failed to slow the momentum of the Soviet buildup and this is both dangerous and "cosmetic."

A MIRV agreement would be linked to another agreement to extend for two or three more years the overall interim accord on offensive nuclear weapons that was signed in Moscow in May, 1972, and was to have expired five years later in 1977.

This, too, is the subject of controversy within the government.

Some officials believe that extending the interim agreement until 1979 or 1980 would reinforce a Soviet view that the numerical advantages it was granted on a temporary basis in May, 1972, in the total number of land and submarine-based missiles allowed, should form the basis for a permanent limitation on missile numbers still to be negotiated.

Administration officials concede that at best, the type of new limitations being discussed would be "marginal" in terms of real restraints on the arms race, and then only in the very long term.

But if some Soviet concessions are granted, they feel that a new agreement even at high levels may be defensible, and if so, then it is better than no agreement.

The MIRV agreement would probably run for as long as the extended interim agreement, or possibly longer. But it would be subject to review and thus not permanent.

If there is no dual arrangement on MIRV and extending the interim accord, then indications are that Soviet party chief Leonid Brezhnev and President Nixon will issue new expressions of intent to have both strategic arms negotiating teams press ahead to reach a permanent agreement on offensive weaponry by the original 1977 expiration date of the initial accord.

Thus, it appears that no matter what happens at the summit, none of the many new nuclear weapons projects now under development by both countries will be affected. Nor will the development of any of these new weapons be affected, at least for several years, if then.

The odds on reaching a MIRV agreement in June are currently rated as less than 50-50.

In part this is because of the technical complexity of the issue, the short period of time left before the summit, and the absence of Secretary of State Henry A. Kissinger for the past month.

In addition, there is a school of thought, said to exist among some members of the U.S. delegation to the SALT negotiations, that the Soviets generally interpret the flow of events and attitudes including the balance of military power, as going their way and thus see no need to bend much at the arms talks.

Others contend that Brezhnev, like Nixon, is committed to detente and the continuance of SALT. The extension of the interim agreement allows him to retain the numerical advantages for a longer period, perhaps giving him time to ease pressure from the Soviet rocket force commanders who wield considerable clout in the Soviet bureaucracy.

Still others argue that while Brezhnev may be committed to detente, he has thus far been able to keep all his options open by pursuing the arms race as well, and until the United States really pressures him, he will not slow down the parallel effort.

Kissinger's return Thursday from the Middle East and his apparent ability to wangle agreements could change things. "Intellectually, I'd say there is not enough time," one senior official said, "But Kissinger might pull it off."

Under the May, 1972, interim agreement, the United States basically was allowed the 1,054 land-based ICBMs it now has plus the 41 Polaris and Poseidon submarines that each carry 16 missiles.

The Soviets were allowed the 1,618 land-based ICBMs they had deployed or under construction, plus up to 62 missile subs if they retired roughly 210 of their oldest ICBMs.

The May, 1972, SALT agreement also included a permanent treaty limiting rival antiballistic missile (ABM) systems, which are defensive weapons.

However, the United States, in a unilateral declaration, stressed that unless permanent accords are also reached on offensive weapons, it might withdraw from the ABM treaty if it felt its supreme interests were threatened.

Thus, failure to eventually reach some permanent agreements on offensive weapons could in effect reopen the arms race full-scale, including defensive missile systems.

(The Washington Post reported on Saturday that an American mission of experts has been sent, unannounced, to the Soviet Union to prepare for a potential limited ban on underground nuclear test firings that could be signed at the Moscow summit conference.

(U.S. officials said that the delegation, now in Moscow, would participate in "exploratory technical talks" on what is known as a partial, or "threshold" underground test ban. If no new SALT agreement is reached in time for the Moscow summit meeting, or if there is only a generalized accord in principle on SALT II, the "threshold" test ban could serve as the central nuclear weapons accomplishment at the summit, even though its effect on the nuclear arms race would be limited.)

The numerical edge granted the Soviets under the 1972 agreements, was viewed as a temporary offset to the greater accuracy of American missiles, the overseas bases for U.S. submarines, and the fact that the U.S. was far ahead in the MIRV technology of putting several warheads on a single missile and guiding each to a separate target.

MIRV stands for multiple independently targetable reentry vehicle, and its development and deployment remain at the heart of the arms race.

The United States already has 410 MIRVed Minuteman and 352 Poseidon missiles deployed out of a planned force of 1,046 MIRVed missiles.

The Russian missiles are all of the single-warhead variety.

But the Soviets are now testing four new replacement misiles with MIRV, and three of them are bigger than existing U.S. missiles—though not yet as accurate. Thus, conceivably the U.S.S.R. could outpace the U.S. arsenal in year to come and possibly threaten to knock out all or most of the U.S. Minuteman missiles in a surprise attack.

Whether the Soviets can achieve the required accuracy and reliability to actually pose such a threat is debatable. But the administration is concerned should it even be "perceived" that Soviet nuclear forces are more powerful than those of the United States.

Because of the indications that the Russians won't settle for less than a roughly equal deployment of MIRV launchers, sources say the levels of an agreement could run close to 1,000 missiles each.

Defense Secretary James R. Schlesinger has argued that because the new Soviet replacement missiles are so much bigger than U.S. versions, a deal ought to be based heavily on "throw-weight"—which reflects the amount of warheads and explosive power a missile can hurl at an opponent—rather than just on number of missiles.

The Soviets have balked at this. But the apparent willingness of the Russians to accept fewer number of MIRVed missiles than the United States might be a partial acknowledgement of this argument.

Among other concessions the United States reportedly is seeking is an increase in the number of allowable U.S. missile-firing submarines, and Soviet agreement to limit deployment of their largest new missiles, the SS–18.

If the United States can achieve these types of agreements, and keep the overall level of Soviet MIRV deployment below that which the United States estimates the Soviet Union could deploy over the next five or six years, then some officials at least think such a pact would be justifiable.

Others contend that the overall levels being discussed probably amount to what the Soviets planned to deploy anyway.

A MIRV agreement at the 1,000-missile level, could cause some U.S. reductions as well, especially since the Navy's new Trident MIRV-firing submarine would join the fleet before the end of an extended agreement. This would force retirement of other MIRV missiles rather than the non-MIRVed Polaris subs as previously planned.

The SS–18 is the potential replacement for the large Soviet SS–9 missile. It could carry as many as five relatively large MIRVed warheads, according to U.S. estimates, and thus has long been the weapon of principal concern if deployed in large numbers. There are currently 288 SS–9s and 25 new silos for the SS–18.

The missile has been tested roughly 12 to 15 times, sources say, but only about six of these reportedly have been with MIRVs. The others carried single warheads. This has led to some speculation that the Soviet Union may be willing to limit deployment of the SS–18 to a single-warhead version.

Weapons specialists estimate that it takes about 20 MIRV flight tests to produce high confidence that the system works. Therefore, an agreement to restrain a MIRVed SS–18 deployment could probably be monitored by U.S. test-watchers.

There is also a probability the United States would press to limit the SS–18 deployment to the 25 new silos as replacement for a relative number of older SS–9s.

Restrictions on the SS–18 would ease somewhat the threat to Minuteman. But another Soviet missile, the SS–19, though smaller, also has impressed U.S. specialists.

The SS–19 can carry up to six smaller but still powerful MIRVs. But this missile does not yet appear accurate enough to knock out silos. The SS–19, and a similar missile known as the SS–17, have both been flight-tested almost 20 times now. Experts here believe both will be ready for deployment by the end of the year.

The SS–18 is expected to take a little longer.

While the Soviet missile-firing submarine fleet is expanding, sources say the Russians are still far behind the United States in developing and deploying sub-launched MIRV missiles.

This explains, they believe, why the Soviets have declined to accept U.S. proposals to put limits on the number of land-based versus sea-based MIRVs.

The Soviets, it is explained, really have no choice at this point but to deploy their MIRVs on land-based ICBMs. Thus, they reject efforts to split the total.

There is concern that the Soviets will use the interim period to solve their submarine missile problems so as to be in a position to push heavily in that area if no permanent agreement is arrived at when the interim accord expires.

A new MIRV agreement could also raise problems of verification for the United States.

Most officials believe the large SS–18 deployments could be monitored by U.S. satellites.

Similarly, the new SS–19—which is expected to account for the widest deployment—uses normal launch methods. This missile's difference from the SS–11 that it will replace is considered by most specialists to be sufficient to permit satellites to account for necessary silo modifications.

The SS–17, which is also viewed as a replacement for a smaller part of the 1000-missile SS–11 force, could cause some problems since that missile uses the so-called "cold launch" or "pop-up" technique which enables it to fit more conveniently into the older silos.

This technique pops the missile out of the silo before its rocket engines ignite, saving room in the silo that normally is needed for exhaust gases to escape.

[From the Aviation Week & Space Technology, May 27, 1974]

SALT EXTENSION TRADES PONDERED

(By Clarence A. Robinson, Jr.)

WASHINGTON.—President Nixon is nearing a decision on proposals by senior advisors to trade key points on nuclear armaments testing and missile warhead developments to the Soviets for a two-year extension of the present interim strategic arms limitation agreement (SALT–1).

The proposals would tie limits on multiple independently targetable reentry vehicles (MIRVs) to total missile numbers, as the Soviets wish, rather than to the throw weight of the missiles, as the U.S. has proposed.

They also would establish as part of the SALT understandings limitations on warhead test explosions based on a concept called thresholding, or limiting warhead size by a measurement of the seismic shock created by underground nuclear testing.

This could limit the U.S. to testing warheads smaller than the size believed necessary to implement new strategic targeting doctrines.

The proposals, which Secretary of State Henry A. Kissinger is expected to carry to Moscow in advance of President Nixon's planned summit meeting there later this summer, are designed to break the present deadlock in the Geneva talks. The present SALT agreement expires in May, 1977, and under the proposal would be extended to May, 1979.

A U.S.-USSR bilateral agreement on thresholding would come at a time when U.S. representatives to the Conference of the Committee on Disarmament are meeting in Geneva seeking to conclude a comprehensive test-ban agreement among 26 nations. But these talks have centered on a threshold test ban that would permit nuclear tests underground up to a certain magnitude.

THROW WEIGHT LIMIT

A number of officials in various agencies believe a limit to the number of MIRVs that each side can have ought to be unacceptable to the U. S. if it is tied to launchers instead of missile throw weight. Kissinger attempted to gain Soviet agreement to a limit by throw weight when offering earlier to extend the interim agreement two years in a Moscow visit (AW&ST Apr. 15, p. 14).

With the current throw weight of the new missiles developed by the Soviets, they could put a large number of reentry vehicles atop a single booster and still have enough yield in each to counter the U. S. anti-ballistic missile defense—the Safeguard system deployed in the Grand Forks, N. D., Minuteman missile field, a Pentagon official explained.

He added that, in terms of counter force, the USSR would not achieve any significant increase because the ICBMs are already sufficiently large that accuracy development, while important, will not greatly enhance the ability to destroy the U. S. deterrent. "With or without any increased MIRVing, both sides already have a significant deterrent," he said.

ACCURACY IMPROVING

The Soviets will soon have enough guidance accuracy, as evidenced by their latest test of MIRV's in the Pacific, to provide a significant first-strike capability, one Defense Dept. expert said. He added that a limit to the number of launchers with MIRV's could be a key element and could serve to slow the Soviets down in their development effort.

Accuracy in targeting ICBMs is important to developing a first strike capability, the official added, and it is not taking the Soviets nearly as long to achieve it as many U.S. planners believed.

To achieve an 0.9 kill probability against a hardened 300-psi. concrete reinforced missile silo with an 0.25-mi. cicular error probability would require a warhead with a yield of 1.5 megatons. At a closer distance, about one eight of a mile, an 0.9 kill probability can be attained with a warhead of only 200 kilotons, he added.

The USSR is believed by Defense officials to have a throw weight advantage now of 6.5 million lb. to the U.S.'s 3.8 million lb., including both ICBMs and submarine-launched ballistic missiles. The U.S. has offset this Soviet advantage by the bomber force of 240 Boeing B-52s and 66 General Dyamics FB-111s, with an estimated weapon delivery weight of about 16.7 million lb. including the Boeing short-range attack missile (SRAM).

Additions to the Soviet ICBM force since the interim offensive agreement—SSX-16 developed as a mobile landbased ICBM and SSX-17, SSX-18 and SSX-19—could more than triple the Soviet's potentially survivable throw weight after a U.S. second strike. The Soviets can also enlarge their submarine ballistic missile force by the addition of as many as 350 CC-3 missiles with a range greater than 4,000 naut. mi. They could have up to 25 Delta-class submarines with 12 missile tubes over the next four years.

Experts estimate that by 1977, with or without an extension to the interim agreement, the Soviets will have 2,359 launchers and about 200 strategic bomber and tanker aircraft.

The nuclear force mix could include:

Light ICBMs in the SS-11/SS-13 or MIRVed SSX-17/SSX-19—approximately 1,100.

Heavy ICBMS in fixed silos like the SS-9 or its replacement, a MIRVed SSX-18—about 300. The SSX-18 can carry a 50-megaton warhead, replacing the 25-megaton version on the SS-9.

Mobile ICBMs like the SSX-16 with a MIRVed capability—about 50.

Yankee class submarines with 560 SS-N-6 missiles on 35 boats plus 324 SSXN-8s on 27 Delta submarines.

A new version of the 1,300-mi. SS-N-6 is nearing operational readiness and will have several hundred miles greater range and probably advanced MIRVed warheads.

There also is evidence that the Soviets are developing a longer version of the Delta submarine with more than 12 tubes for missiles, a Defense Dept. official said.

The Soviets also have series production under way on the supersonic Backfire bomber and have begun testing a new anti-ballistic missile interceptor.

OFFSETTING ADVANTAGE

"In the post-SALT-I strategic balance, the USSR holds significant quantitative advantages in the number and throw weight of its intercontinental missiles. Currently, this advantage is offset by our lead in numbers of missile warheads and heavy bombers.

"We also still have a significant qualitative lead in such fields as submarine technology, missile accuracy and MIRVs," a Defense official said.

"But the Soviets obviously are not content with their current quantitative advantages and have apparently decided to strive for at least comparable qualitative advantages as well. To the extent they succeed in this effort, they could, in the absence of successful negotiations or further development of our own strategic offensive programs, move closer to upsetting the strategic balance in the future," he added.

Defense Dept. officials describe thresholding as a method of permitting nuclear warhead testing underground while limiting the warhead yield to that which would create a disturbance that could be detected and classified by a seismic device. They describe the threshold test ban treaty as the least of a number of bad alternatives in this area.

In policing such an agreement, Defense Dept. officials would prefer to see a restriction imposed on the warhead yield that can be tested since it would be easier to enforce and easier for both the U.S. and USSR to deal with technically.

One way of policing a threshold agreement would be detectors using the Richter Scale to measure the intensity of seismic events. Some Pentagon officials said the limit under discussion in Geneva now is a reading of about 4.25 on the Richter Scale. Some disarmament and nuclear experts believe that a Richter Scale reading of approximately 6 relates to the detonation of a 50-100 kiloton nuclear warhead underground in a water saturated area. The U.S. detonated a 2-megaton device in testing a warhead for the McDonnell Douglas Spartan anti-ballistic missile on Amchitka and got a Richter Scale reading of about 6.

SEISMIC DETECTION RUDIMENTARY

"In order to contain radioactivity within a nation's boundaries, nuclear underground testing must be conducted below the water table level," an official said. The shock wave transmitted in a water saturated area is greater than in a dry area, he added. It is extremely difficult to determine a single seismic figure that has any meaning, he added, because seismic detection is a rudimentary science.

"There has not been much accomplished in the area of detecting underground nuclear explosions. It would be preferable to set a warhead kiloton limit since we wouldn't really know the warhead magnitude detectable with a seismic device until after we signed such an agreement," the official added.

Decoupling—detonation of a suspended warhead in a large underground cavern with baffling to muffle the shock— is also a method that could be used to test larger nuclear warheads while masking a true indication of their size on seismic measuring devices, another Pentagon official added.

"Certain areas on the earth are much less transmissable for shock waves. If that kind of a nuclear test ban makes any sense at all, it should be a part of SALT-2," he said.

The threshold approach was discussed by Defense Secretary James R. Schlesinger before the Senate Foreign Relations Committee. He said, "I do not think that the arguments against a comprehensive treaty relate primarily to strategic forces. One has to get into the issue of to what degree the United States wishes to improve its tactical nuclear weapons. The constraint with regard to strategic weaponry would probably be beneficial to both sides."

"Since most strategic weapons tests are high-yield tests, they would be halted under a threshold ban; however, the low-yield tests, for the refinement of tactical weapons—testing to create a new family of mininukes—could go on," Sen. Edward M. Kennedy (D.-Mass.) said.

"That rationale represents a step backward," he added, "from the commitment this nation made—both in the nonproliferation treaty and in the partial test ban treaty concluded by President Kennedy in 1963—a commitment to seek a halt to all nuclear tests."

If a seismic device is used to measure testing under a threshold agreement, it is likely the Soviets would press for a reading on the Richter Scale of about 3 or below, while the U.S. would want about 5. The Soviets' position, if upheld in an agreement to extend the present interim pact, would likely be to preclude the U.S. from developing a new warhead proposed for the USAF/Boeing Minuteman 3 ICBM under the retargeting doctrine proposed by Schlesinger, a Pentagon official said.

The Pentagon has proposed to Congress developing the Mk. 20, a larger nuclear warhead to replace the Mk. 12/12A now in the 200-kiloton range. The new warhead would have the same number of MIRVs but an increased yield-to-weight capability. The improvements to the Minuteman program would provide the capability to destroy Soviet ICBM silos.

ADVANTAGE TO SOVIETS

Because the U.S. historically has developed smaller, low-yield-type nuclear warheads and relied on accuracy and MIRVing, the Soviets could have a distinct advantage. The Russians have always worked toward larger, higher-yield warheads to overcome their lack of accuracy, one Pentagon official said.

He added there are over 50 seismic devices that could be used to measure underground nuclear tests, and that to avoid any confusion in an agreement, it is likely that the ban will be specified in terms on "numbers—warhead yield. That is one figure that both sides will have no trouble determining."

WASHINGON.—Secretary of State Henry Kissinger said today the United States and Russia may reach an "agreement in principle" on an underground test ban during President Nixon's summit visit in Moscow.

Kissinger, however, said he does not expect a full scale agreement on the limitation of all strategic nuclear weapons at this time.

Kissinger said that an agreement on limiting the size of underground nuclear tests would be very important if it kept the "threshold" low because that would prevent the development by either side of even greater nuclear weapons.

At a 78-minute news conference the day before taking off for Europe with Nixon, Kissinger devoted much of his time to answering questions about past U.S. actions and future possibilities in the field of nuclear weaponry.

Kissinger said, "I do not expect we will get a completed strategic arms limitations talk (SALT) agreement at the summit but I cannot exclude the possibility."

The United States, however, is considering the possibility of banning underground tests above a certain magnitude and "we think progress in this field is possible," the Secretary said.

Kissinger said it would be very important if agreement could be reached on banning the larger underground test. This would not prevent testing of the "present generation" of multiple H-heads but would foreclose the "next generation", which is the one which will add greatly to the "first strike" capability of either of the two nuclear superpowers to obliterate the other without retaliation.

Kissinger rejected charges by Sen. Henry Jackson, D-Wash., and some others that he had reached a "secret agreement" to let the Soviet Union retain more nuclear missiles than was provided for in the 1972 summit agreement.

"I want to emphasize that no secret deal has been made which permitted any change in the totals outlined in the 1972 agreement," Kissinger said in a weekend statement. "It is regrettable that this false suspicion has been raised just before the President's trip to the Soviet Union."

At the White House, Presidential aides indicated the possibility of Nixon and Soviet party leader Leonid Brezhnev reaching an agreement on a 10-year trade project, among other things. There were no details.

After the news conference Kissinger was scheduled to appear before a closed session of the Senate Armed Services Subcommittee on arms control.

Kissinger has claimed that the "secret agreement" was nothing more nor less than the U.S. interpretation of the 1972 summit nuclear agreement which had already been made public at a news conference we held in Moscow May 26, 1972, had been presented to all the relevant security agencies in Washington and had been presented to Congress in a number of hearings.

The first charge he dealt with was that the U.S., in a "secret agreement" had permitted Russia to modernize her submarine missiles to have 1,020 of them and not 950, as specified in the agreement.

Kissinger, as he said in his Moscow Press Conference and other occasions, pointed out that in order to be allowed to raise the submarine missiles, the Soviet Union had been forced to agree to scrap a number of SS–7 and SS–8 intercontinental ballistic missiles and still had not exceeded 950 submarine missiles.

The second charge Kissinger handled was that the 1972 interim agreement held the United States to a total of 710 submarine launched nuclear missiles. Kissinger said this was true but the United States was only planning to have 656 by 1977, the end of the agreement, and negotiated the 710 figure just to show that she was getting something even if she didn't intend to use it.

Kissinger said he presented the U.S. "interpretation" of the salt agreement and the interim offensive weapon agreement to Soviet officials and asked them to sign it.

They refused to do so for six weeks because of the firm limitation to 950 submarine nuclear weapons but finally agreed and have kept their word.

Kissinger opened his news conference with a long philosophical statement about the reasons for summit conferences. It boiled down in general to the fact that "relations between the United States and the Soviet Union are the most crucial for the maintenance of peace in the world" because "they are the only two countries that have the capability of a general nuclear war."

He said an effort would be made at the summit to improve relations further by discussing a number of cooperative possibilities including economic, technological and scientific issues.

He emphasized that "the danger we are trying to prevent is to keep technology from driving policy and to bring about a qualitative change." He warned that any nuclear arms race would acquire a built-in momentum which might ultimately force either side to undertake a conflict which would destroy mankind.

On other subjects, Kissinger said:

Israeli Defense Minister Shinone Peres, who arrived in Washington today will begin discussions with American experts concerning a long term military aid program for Israel but no particular figure as to what this will cost has been mentioned as yet.

Relations between the United States and the People's Republic of China are continuing to improve at about the logical rate of "normalization." They may be appearing to slow down but, if so, it is only natural that they could not keep up the rapid pace of the first year.

He saw "no possibility" of the Cuban situation being discussed during the Moscow conference.

There is a possibility of another Soviet-American economic agreement but it is one that will not require the expenditure of public funds. It will consist primarily of exchanges of information.

The United States is working on the question of increasing Jewish emigration from the Soviet Union in a quiet way that "we think will get results without putting it into precise legal form." It is a "delicate and sensitive subject . . . Public discussion by me would defeat our purpose."

The agreement under which the United States will provide Egypt with a nuclear reactor for peaceful uses is the same as will be signed with Israel and includes "new safeguards" to prevent any use of the expended fuel for weapons purposes. Americans criticizing the U.S. action in agreeing to give Egypt a reactor should bear in mind that there were a number of countries, not all of them Communist, ready to help Egypt in this respect, if the United States did not.

In talking about the possibility of concluding a partial underground test at Moscow Kissinger confirmed that in March Russia proposed such a ban and the concept was agreeable to the United States but it was not acceptable "in terms of numbers". Therefore, he added, Nixon and Soviet officials, after each gets the assessments of his technical experts, must review the whole matter. But even if agreement is reached with Moscow in principle and certain levels are set, the "details of verification will have to be worked out at a subsequent meeting."

Mr. BUCKLEY. Mr. President, it seems to me that it is important that we stress at this time the nature of our concerns, both for the benefit of the President and for the benefit of the Soviet negotiators. I believe that nothing is gained if we find a disruption of communication between the President, who, of course, is in charge of foreign policy, and the Senate, which is called upon to approve or disapprove specific treaties that are negotiated.

My concern has been raised by some articles that appeared in the press in recent days indicating that the United States may be proposing certain interim adjustments to the interim agreement.

In the first place, we are advised that we may be suggesting some sort of constraint on the ability of the Soviet Union to deploy MIRV's on their huge intercontinental ballistic and submarine-launched ballistic missiles.

I would point out that aside from the problems of verification, if we are merely talking in terms of some limitation on the number of MIRV's we do not advance the negotiations to that critical objective, the objective enshrined in the Jackson amendment appended to the ratification of the SALT accords.

I speak of the need to achieve quantitative equality in our central delivery systems. There is nothing in the suggestion of MIRV constraints that attacks the root problem that faces us.

Moreover, to the extent we engage in the one agreement in which the Soviets are conceded a quantitative superiority, to that extent do we harden their desire to maintain that position of superiority.

Another report that concerns me is a trade-off for MIRV restraints; that we may seek a 2- or 3-year extension of the interim agreement. This is at cross purposes with the Jackson amendment; namely, to begin hard negotiations for the achievement of parity and a permanent agreement; and, again, to the extent we delay the time when we must confront Soviet negotiators, we again harden their attitudes and give them additional time within which they are able to convert their quantitative superiority through the application of greater sophistication of warhead design into an absolute superiority which will remove from them any real incentive for the permanent agreement establishing the principle of equality.

We read in the press of a possible threshold test ban that would limit the number and size of underground nuclear explosions. I have two reservations in this area. First of all, I understand that our ability to monitor such explosions are not all so exact as to give us a high degree of confidence that the ban is not being circumvented; but second, I am concerned that such a ban may have the effect of frustrating our new policy enunciated by the administration, and adopted and accepted by Congress in connection with the military appropriation budget, namely, one which seeks to develop less destructive warheads that can be deployed with far greater accuracy, thus giving the President more options in the event we are confronted with a decision.

To develop these warheads requires underground testing. I would find it strange if on the other hand the administration enters into an agreement and frustrates our ability to carry it out.

For these and other reasons I believe Members of this body have a duty to follow the negotiations with particular care, and a duty to express their concern that we may be wandering in directions that are not productive of the central goal dictated by Congress when it adopted the Jackson amendment.

Mr. President, I reserve the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. BUCKLEY. I am glad to yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I wish to ask the Senator from New York whether the fact that the President and the Secretary of State are going to Russia today for a conference with the Soviet leaders, in itself, would require that a major agreement be made. Could it not be said that the trip could be a successful one merely because the leaders of our Nation and the leaders of the Soviet nation have an opportunity to get together, know one another better, develop greater rapport, and have a dialog on important problems, and visit with each other socially and informally without making specific agreements? That, in itself, might be a good accomplishment.

Mr. BUCKLEY. I fully agree that there is no necessity that each visit at the summit must result in agreements.

I think that any feeling of compulsion to come to some agreement signed by the heads of state of our two nations might frustrate more serious negotiations aimed at harder objectives. In my judgment, there is no reason why the President or the Secretary of State would feel under any pressure to come back with an agreement.

Certainly neither the American people nor this Senator would regard such a trip as a failure because the President came back and announced that nothing had been concluded but that fruitful conversations had been indulged in, that the United States was able to present its position on matters of critical international policy, and that we were able to impress on the Soviet Union that Congress is serious in its objective of holding onto parity as the goal of permanent agreement in the nuclear field.

So I think we should suppress an American characterization. I notice this also in the business world. When someone travels 2,000 or 3,000 miles he feels under compulsion to come back with a contract. This is a reflection of our impatience. We are dealing with the people of the Soviet Union, people of immense patience and tenacity of purpose, and I hope we can match that tenacity of purpose in our own negotiations.

Mr. HARRY F. BYRD, JR. I agree with the Senator from New York. I think he has rendered a great contribution today in focusing attention on this problem and in making clear that if no agreement were worked out, that in itself might be a desirable way for the President to come back from Moscow. Certainly, it would not be a failure—indeed, it would show strength—and it might meet with the approval of a large majority of the American people.

Mr. BUCKLEY. I fully agree with the Senator from Virginia.

The ACTING PRESIDENT pro tempore. Does the Senator from New York yield back his time?

Mr. BUCKLEY. Mr. President, I reserve the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from North Carolina is recognized for not to exceed 15 minutes.

UNITED STATES-SOVIET SUMMIT TALKS

Mr. HELMS. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) and my good friend from New York (Mr. BUCKLEY).

I watched with great interest last evening the interview on television with Mr. Solzhenitsyn, and I hope many of our colleagues did likewise. Mr. Solzhenitsyn set forth his exceedingly valid credentials for understanding the closed Soviet society—indeed, the Soviet system. He articulated a very clear warning about détente and the improbability of détente serving the cause of freedom. I share his concern in that regard.

As has been indicated, and as we all know, the President of the United States left this morning for summit talks with the Soviet leaders in Moscow. These talks come at a crucial time in the relationship of the Soviet Union and the United States. Never before has the Soviet Union been so powerful; never before has the United States been so relatively weak. For while we have a high degree of military preparedness, we are physically diminished enervated by a long and damaging debate over the distribution of internal power in our political system, our economy open to strategic attack by flabby fiscal discipline and reckless spending, and even our strategic defensive missile systems are questioned by some elements in our society.

But perhaps the most dangerous aspect of the trip is that it takes place in the euphoria of détente. The pyrotechnic diplomacy of the Secretary of State, the secret meetings with high Soviet officials, and the desire to put together yet one more so-called impossible deal all lend an air of unreality to the meeting. The basic philosophy of détente is that by making accommodations to the will of the Soviet Union we can establish a working relationship that will eventually dissolve the barriers between us. But a so-called working relationship is only a structural relationship. It is a relationship of operational channels that in no way affects the underlying nature of Communist rule. Substantively, it is hollow; philosophically, it destroys the principles of our civilization. We give the Soviets a mechanism through which they can attack our system, which is an open system; but their system remains as closed as ever.

It is particularly dangerous when the summit talks are advertised to be concerned with strategic arms limitation. We are in a delicate stage at the SALT talks. SALT I left us at a considerable disadvantage in numbers; the strategic significance of this disadvantage is only now emerging. At SALT I we underestimated the rate and motivation of Soviet progress in technological improvement. Now we may get an extension of SALT I at the summit. But an extension of the present agreement is not merely a continuation of the present strategic impasse. Our relative strength and strategies have been constantly changing since 1972. To prolong an agreement that was meant to have a definite termination means that the balance of nuclear strategies may inevitably be tipped against us.

The conventional wisdom was that our lead in MIRV technology would enable us to multiply our nuclear warheads and thus keep our match against the Soviet superiority in numbers of launchers and throw weight. But now the public is learning about the so-called fratricide effect, in which studies show that a multitude of warheads arriving at about the same time—the multitude of warheads envisioned in MIRV technology—may very well create electronic conditions under which the warheads would destroy each other instead of the assigned targets.

Thus, once again the single warhead missile, one with greatly improved accuracy, becomes especially important in the nuclear equation. Accuracy may be more important than MIRV; and the corollary is that numbers of launchers may indeed be a decisive strategic advantage.

It is well-known that the structure of the SALT I agreements had a great deal to do with the shape of the final agreement reached in Moscow by the President and Dr. Kissinger. We had what has been called a "front channel" and a "back channel" of negotiations. The "front channel" was the official SALT negotiating team; the "back channel" was the ad hoc, highly secretive diplomacy of Dr. Kissinger. We know that the front channel was closed down well before the summit. What this means is that there was no mechanism for the various agencies associated with nuclear strategy to offer criticism and suggestions. There was no way to crosscheck the substance of the negotiations. The back channel, run by Dr. Kissinger, was highly secret, with the secrets kept even from those who had a need to know, who were responsible for our nuclear strategy.

Some suggestions of the problems this caused have appeared recently in the press. We are told that the Soviets issued a clarification of their understanding of the 950 submarine-launched missiles permitted to the Soviet Union. This official clarification understood that the Soviets would be permitted to keep 70 additional SLBM's on the "G" class diesel submarines—older submarines to be sure. But the Soviets hate to give up anything they have, even though it is apparently obsolescent.

The fact that this clarification existed seems to have been kept secret even from our arms control negotiators. It came in the back channel, and the front channel was not informed. Not even the SALT negotiators knew about the official clarification. The SALT agreement resolution was debated on the floor of the Senate, and the Senate was not told about the clarification. Of course, I was not in the Senate at that time, but some of my distinguished colleagues here today participated in that debate. Several raised the question: What about the 22 "G" class Soviet diesel submarines and the 66 launchers in them? The "G" class submarines were not included in the agreement; but why was the agreement silent about them? What was the meaning of the silence?

Now we are told that a clarification had been reached, before the matter was debated in the Senate. And knowledge of that clarification was not disseminated until months later, long after Congress had ratified the resolution, based upon insufficient information. Then it was given only severely limited distribution.

And now we learn that perhaps numbers are important, that perhaps accuracy is more important than MIRV, because of the fratricide effect. The old launchers in the "G" class submarines would probably not be candidates for the new strategy; but they swell Soviet numbers over all, perhaps releasing more modern Soviet missiles for other roles in Soviet strategy, when Soviet accuracy is improved. No one at this point can determine the significance.

Whatever the substance of this incidence, the structure is the important element, a structure that failed to contain the normal checks and balances of our system. It is a structure typical of Dr. Kissinger's style of diplomacy, and the President's détente policy. It is a structure that carries within itself the seeds of error and imprudence.

Mr. President, I note that the structure of this second summit meeting is unchanged. We still have the front channel and the back channel. The front channel in the SALT II negotiations has not been operating since March of this year. The back channel has been very busy, and it has not had the corrective of internal self-criticism.

I do not know what the Secretary of State will arrange at the summit, if anything. But I know that the structure of such personal diplomacy is fraught with peril for this Nation, and I deplore the circumstances. I think that our relations with the Soviets would be better if the President were not going at this particular time and under the particular stresses of world events as they have transpired. We would be operating under more realistic circumstances. The Soviets would know just what they could expect, and there would be less opportunity for high-pressure, inadequately prepared agreements. We do not need a repetition of the SALT I situation.

I reserve the remainder of my time.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I am delighted to yield to my friend from Virginia.

Mr. HARRY F. BYRD, JR. The Senator from North Carolina raised a very important point when he brought out that at least two memorandums of interpretation were made between the U.S. Government and the Soviet Union and that those memorandums of interpretation were not made available to the Senate when the Senate passed on the interim agreement in 1972.

I think it is vitally important in any subsequent agreement that might be sent to the Senate that the memorandums of understanding or agreement or interpretation, whichever term may be used—all of that information—be submitted to the Senate so that the Senate will have all the facts when it votes on the issue. It did not have all the facts—it has become apparent in the last several days—when the Senate voted in 1972 on the interim agreements.

One other point I might mention in connection with the discussion which has taken place on the floor today. Mr. Paul Nitze, who served as Secretary of the Navy, who served as Deputy Secretary of Defense, and until just recently was our top negotiator, along with Ambassador Alexis Johnson, for the strategic arms limitation talks, testified before the Senate Armed Services Committee under oath this past week. He stated the Russians demanded concessions after concessions, and the more concessions made to them, the more demands they made.

I think the concern of many of us in the Senate is that at the meeting in Moscow there may be additional demands, and I think one advantage of discussions like those taking place in the Senate today would be to encourage the U.S. leaders to stand firm, knowing that they will have considerable support for that position when they return.

Mr. HELMS. I thank the Senator for his cogent remarks. Like the distinguished Senator from Virginia, I have not been able to understand why knowledge of the so-called clarification was withheld from the Congress and from our negotiators as well.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield at that point?

Mr. HELMS. I am delighted to yield.

Mr. HARRY F. BYRD, JR. Mr. Nitze also testified that the American negotiators learned of one of these agreements from their Russian counterparts.

Mr. HELMS. That is exactly correct.

Mr. HARRY F. BYRD, JR. It is an astonishing development.

Mr. HELMS. It certainly is.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. HELMS. I am glad to yield.

Mr. BUCKLEY. First of all, I commend the distinguished Senator from North Carolina on a forceful statement to point up the dangers we invite when the appropriate people do not know what is happening and, in particular, when we do not have appropriate technical advice available to those who are negotiating the final terms.

It is easy to brush off some discrepancies of 5 or 10 percent in allowable warheads with talk about esoteric details. Unfortunately, when one is dealing with life and death, when one is dealing with the survival of the United States and of its allies, the esoteric details achieve enormous significance, and I would like to illustrate with another one of these ambiguities in the precise meaning of the language of the Interim Agreement.

I am talking about the ambiguity as to what precisely is meant in terms of the dimensions of the existing silos. We know the Soviets have developed a kind of popup procedure or a technique by which they can utilize depth and width with an effect that allows them, apparently, to increase by 50 percent the permissible payload deliverable capacity of their land-based systems. These surely are important details that need to be understood, and need to be understood by those who would presume to commit this country to serious negotiations.

So I hope, Mr. President, that an effect of this colloquy today will be to telegraph to the Soviets and to our negotiators the fact that the Senate is concerned over the shape of the negotiations now in progress; that we do intend to ask the relevant questions in the future.

The ACTING PRESIDENT pro tempore. The 15 minutes of the Senator from North Carolina have expired. The Senator from New York has 4 more minutes, and the Senator from Virginia has 5.

Mr. BUCKLEY. Mr. President, as I was saying, I believe it is important that we make certain that all individuals concerned understand that the Senate does not intend to ratify new agreements without knowing all the details; that the relevant questions will be asked; and that certainly, as I understand, the United States is bound only by those agreements that are ratified by the U.S. Senate, with the explicit knowledge of the details; and that if there are understandings and memoranda that contravene what the Senate believes the Senate is ratifying, they are of no force and effect.

Mr. HELMS. Mr. President, I commend the distinguished Senator for his forceful statement. I hope that it will become a statement of policy by the U.S. Senate, because if we continue to let secret deals, secret negotiations——

The ACTING PRESIDENT pro tempore. The time of the Senator from North Carolina has expired. Does the Senator from New York yield time?

Mr. BUCKLEY. Mr. President, I yield such time as the Senator from North Carolina wishes.

Mr. HELMS. If we continue to be guided be secret negotiations by half of our negotiators, we are headed inescapably for peril. I do hope, as the Senator from New York has said, that the message gets through not only to the Soviet Union but to some of the people within our own Government as well.

I thank the distinguished Senator for his kindness.

Mr. McCLURE. Mr. President, will the Senator from New York yield to me?

Mr. BUCKLEY. Mr. President, I am glad to yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding. I commend him not only for a thoughtful statement, but also for the opportunity to point up one other instance in which Congress was not fully informed of information about which the administration had in dealing with the arms limitations that may be negotiated with the Soviet Union.

I refer to the space treaty. At the time we were developing space technology we thought it desirable and necessary to enter into an international treaty denying the use of space as a platform for any weapons system.

At the time we were negotiating that treaty, and at the time we were arguing it in Congress, the Soviet Union conducted a series of tests of what became known as the fractional orbiting bombing system—the FOBS. The only reply I could ever get from our own State Department was that FOBS was not a violation of the space treaty, because it was never placed in orbit, because it went only a portion of the orbit around the Earth.

That kind of semantics simply seemed to me to indicate a desire on the part of some people in our State Department to get an agreement with the Soviet Union without regard to the danger to our country or without regard to whether the Soviet Union really desires to comply with the spirit of those agreements.

I thought the actions taken by our State Department at that time were absolutely incredible. The revelations made in the statement by the Senator from North Carolina are equally incredible: that there can be secret agreements which are not revealed to Congress at the time Congress is asked to ratify a treaty which has fundamental importance to the safety of our country.

I again thank the Senator from New York for yielding; and I thank the Senator from North Carolina for the perceptive statement that he has made.

Mr. HARRY F. BYRD, JR. Mr. President, in concluding, I want to emphasize that I favor a dialog between the leaders of the great powers. I was one of the first Senators—maybe the first—to commend President Nixon publicly when it was first announced that he would go to Peking, and for the first time have consultation with the leaders of Mainland China. So I think a dialog and a getting together of the leadership of the various countries are important and desirable.

I want to commend, too, Secretary Kissinger for the work which he did in the Middle East. I think the President's trip to the Middle East was worthwhile. I think it can help cement new relationships that were initiated by the Secretary of State.

I have some question as to whether the United States should supply nuclear reactors to the Middle East countries, but I am willing to keep an open mind on that point until we can get additional details.

But overall I think the President's trip to the Middle East was worthwhile.

The upcoming Moscow trip presents a somewhat different problem, as the Senator from New York, the Senator from North Carolina, and the Senator from Idaho all have pointed out today. It is not the trip itself that concerns me; it is not the dialog with the leadership of the Russians that concerns me; it is the agreements, some agreements that have been made and other agreements that may be made, that give the Senator from Virginia concern.

I am pleased today to associate myself with the able Senator from New York, the able Senator from North Carolina, the able Senator from Idaho, and the able Senator from West Virginia, the majority whip, in saying that we stand foursquare behind the President and wish him the best of luck in his forthcoming discussions with the Soviet Union. And I express the view that perhaps one of the best solutions would be if the President and the Secretary of State would take a strong position in their negotiating with the Russians—even if it means that no agreements are reached. That in itself, as the able Senator from New York pointed out earlier, might very well be good news for the future, because it would indicate to the Russians that there is a point beyond which the United States will not go in making concessions.

Russia already has benefited greatly from so-called détente. She has obtained numerical superiority in nuclear strategic weapons—and she has benefited to the extent of hundreds of millions of dollars of U.S. tax funds.

PRIVILEGE OF THE FLOOR

Mr. EAGLETON. Mr. President, I ask unanimous consent that my assistant, Mr. Andrew Carson, have the privilege of the floor during the pendency of the debt ceiling bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. HANSEN) is recognized.

(The remarks Senator HANSEN and Senator TOWER made at this point, relating to the bills they jointly introduced and the ensuing discussion are printed in the Routine Morning Business section of the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island (Mr. PASTORE) is recognized for not to exceed 15 minutes.

Mr. PASTORE. I thank the Chair.

(The remarks made at this point on the introduction of S. 3698, relating to international agreements on nuclear technology, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. BIDEN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that instead of 15 minutes for routine morning business, the time be reduced to 10 minutes.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered.

Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 5 minutes each.

SIMON SAYS BALANCE THE BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, it was very refreshing yesterday for the Senator from Virginia to see, on television, a member of the administration firmly and unequivocally advocating a balanced budget. I refer to the appearance of the Secretary of the Treasury, Mr. William Simon.

Offhand, I cannot recall any other such incident in the last few years, where a high official of the administration has gone on television and unequivocally called for a balanced budget.

I commend Secretary Simon. It is important that this Nation get back to a balanced budget. The budget of the Government of the United States—the Federal funds budget—has been balanced only three times in 20 years. It has not been balanced since President Eisenhower left office.

The deficits are increasing. For the short 6-year period ending June 30, 1975, the accumulated Federal funds deficit will be $133 billion. That is 25 percent of the total national debt of this Nation which will be accumulated in that short period of time. That is why we have this smashing inflation.

I submit that we are not going to get inflation under control until we get the cost of Government under control.

We will not get inflation under control until we eliminate the $20 billion, $25 billion, $30 billion deficits that the Federal Government has been running.

The new Secretary of the Treasury is attempting to tackle this problem. He is forthright. He says what needs to be done. I hope that he can accomplish his objective. He has a tough fight on his hands because the words "balanced budget" are not very popular words in Washington, D.C. For that reason also I commend the Secretary of the Treasury and I wish him well in this endeavor.

HOUSING AND URBAN DEVELOPMENT ACT OF 1974

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3066.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to S. 3066, to consolidate, simplify, and improve laws relative to housing assistance, to provide Federal assistance in support of community development activities, and for other purposes, which were to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Housing and Urban Development Act of 1974".

TITLE I—COMMUNITY DEVELOPMENT BLOCK GRANTS

PURPOSE

SEC. 101. It is the purpose of this title to further the development of a national urban growth policy by consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs into a consistent system of Federal aid which—

(1) provides assistance on an annual basis, with maximum certainly and minimum delay, upon which communities can rely in their planning;

(2) encourages community development activities which are consistent with comprehensive local and areawide development planning;

(3) furthers achievement of the national housing goal of a decent home and a suitable living environment for every American family; and

(4) fosters the undertaking of housing and community development activities in a coordinated and mutually supportive manner.

DEFINITIONS

SEC. 102. (a) As used in this title—

(1) The term "unit of general local government" means any city, county, town, township, parish, village, or other general purpose political subdivision of a State or of Guam, the Virgin Islands, or American Samoa; a combination of such political subdivisions recognized by the Secretary; the District of Columbia; the Trust Territory of the Pacific Islands; and Indian tribes, bands, groups, and nations, including Alaska Indians, Aleuts, and Eskimos, of the United States. Such term also includes a State or a local public body or agency as defined in section 711 of the Housing and Urban Development Act of 1970, a community association, or other entity which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 712 of the

Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968.

(2) The term "State" means any State of the United States, or instrumentality thereof approved by the Governor; and the Commonwealth of Puerto Rico.

(3) The term "metropolitan area" means a standard metropolitan statistical area, as established by the Office of Management and Budget.

(4) The term "metropolitan city" means (A) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (B) any other city, within a metropolitan area, which has a population of fifty thousand or more.

(5) The term "city" means (A) any unit of general local government which is classified as a municipality by the United States Bureau of the Census or (B) any other unit of general local government which is a town or township and which, in the determination of the Secretary, (i) possesses powers and performs functions comparable to those associated with municipalities, (ii) is closely settled, and (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

(6) The term "urban county" means any county within a metropolitan area which (A) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and (B) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (i) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities.

(7) The term "population" means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(8) The term "extent of poverty" means the number of persons whose incomes are below the poverty level. Poverty levels shall be determined by the Secretary pursuant to criteria provided by the Office of Management and Budget, taking into account and making adjustments, if feasible and appropriate and in the sole discretion of the Secretary, for regional or area variations in income and cost of living, and shall be based on data referable to the same point or period in time.

(9) The term "extent of housing overcrowding" means the number of housing units with 1.01 or more persons per room based on data compiled by the United States Bureau of the Census and referable to the same point or period of time.

(10) The term "Federal grant-in-aid program" means a program of Federal financial assistance other than loans and other than the assistance provided by this title.

(11) The term "program period" means the period beginning January 1, 1975, and ending June 30, 1975, and the period covering each fiscal year thereafter.

(12) The term "Secretary" means the Secretary of Housing and Urban Development.

(b) Where appropriate, the definitions in subsection (a) shall be based on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of each fiscal year. The Secretary may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) in order to reflect any technical change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

AUTHORIZATION TO MAKE GRANTS

SEC. 103. (a) The Secretary is authorized to make grants to States and units of general local government to help finance Community Development Programs approved in accordance with the provisions of this title. The Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in amounts aggregating such sum, not to exceed $8,050,000,000, as may be approved in an appropriation Act. The amount so approved shall become available for obligation on January 1, 1975, and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this subsection not to exceed $2,450,000,000 prior to July 1, 1975, which amount may be increased to not to exceed an aggregate of $5,100,000,000 prior to July 1, 1976, and to not to exceed an aggregate of $8,050,000,000 prior to July 1, 1977.

(b) In addition to the amounts made available under subsection (a), and for the purpose of facilitating an orderly transition to the program authorized for this title, there is authorized to be appropriated not to exceed $100,000,000 for each of the fiscal years 1975, 1976, and 1977 for grants under this title to units of general local government having urgent community development needs which cannot be met through the operation of the allocation provisions of section 106.

(c) Sums appropriated pursuant to this section shall remain available until expended.

(d) To assure program continuity and orderly planning, the Secretary shall submit to the Congress authorization requests for the fiscal years 1978 through 1980 not later than February 1, 1976.

APPLICATION AND REVIEW REQUIREMENTS

SEC. 104. (a) No grant may be made pursuant to section 106 unless an application shall have been submitted to the Secretary in which the applicant—

(1) identifies community development needs and specifies both short- and long-term community development objectives which have been developed in accordance with areawide development planning and national urban growth policies;

(2) formulates a program which (A) includes the activities to be undertaken to meet its community development needs and objectives, together with the estimated costs and general location of such activities, and (B) takes into account appropriate environmental factors;

(3) submits a housing assistance plan which—

(A) accurately surveys the condition of the housing stock in the community and assesses the housing assistance needs of lower income persons (including elderly and handicapped persons and persons displaced or to be displaced) residing in or expected to reside in the community,

(B) specifies a realistic annual goal for the number of dwelling units or persons to be assisted, including (i) the relative proportion of new, rehabilitated, and existing dwelling units, and (ii) the size and types of housing projects and assistance best suited to the needs of lower income persons in the community, and

(C) indicates the general locations of proposed housing for lower income persons, with the objective of (i) furthering the revitalization of the community, including the restoration and rehabilitation of stable neighborhoods to the maximum extent possible, (ii) promoting greater choice of housing opportunities and avoiding undue concentrations of assisted persons in areas containing a high proportion of low-income persons and (iii) assuring the availability of public facilities and services adequate to serve proposed housing projects;

(4) provides satisfactory assurances that the program will be conducted and administered in conformity with Public Law 88–352 and Public Law 90–284;

(5) provides satisfactory assurances that, prior to submission of its application, it has (A) provided citizens likely to be affected by proposed community development and housing activities with adequate information concerning the amount of funds available for such activities, the range of activities that may be undertaken, and other important program requirements, (B) held public hearings to obtain the views of such citizens on community development and housing needs, and (C) provided such citizens an adequate opportunity to participate in the development of the application; but no part of this paragraph shall be construed to restrict the responsibility and authority of the applicant for the development of the application and the execution of the Community Development Program; and

(6) in the case of an applicant which is a metropolitan city or urban county—

(A) outlines a three-year schedule of anticipated program activities and indicates resources other than those provided under this title which are expected to be made available toward meeting its identified needs and objectives;

(B) provides for the periodic reexamination of program methods and objectives as information becomes available on the social, economic, and environmental consequences of program activities; and

(C) describes a program designed to—

(i) eliminate or prevent slums, blight, and deterioration where such conditions or needs exist; and

(ii) provide improved community facilities and public improvements, including the provision of supporting health, social, and similar services where necessary and appropriate.

(b) The Secretary shall approve an application for an amount which does not exceed the amount determined in accordance with section 106(a) unless—

(1) on the basis of significant facts and data, generally available and pertaining to community and housing needs and objectives, the Secretary determines that the applicant's description of such needs and objectives is plainly inconsistent with such facts or data; or

(2) on the basis of the application, the Secretary determines that the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant pursuant to subsection (a); or

(3) the Secretary determines that the application does not comply with the requirements of this Act or other applicable law or proposes activities which are ineligible under this Act;

except that the Secretary may accept a certification from the applicant that it has complied with the requirements of paragraphs (4), (5), and (6)B of subsection (a).

(c) Prior to the beginning of fiscal year 1976 and each fiscal year thereafter, each grantee shall submit to the Secretary a performance report concerning the activities carried out pursuant to this title, together with an assessment by the grantee of the relationship of those activities to the objectives of this title and the needs and objectives identified in the grantee's statement submitted pursuant to subsection (a).

The Secretary shall at least on an annual basis make such reviews and audits as may be necessary or appropriate to determine whether the grantee has carried out a program substantially as described in its application, whether that program conformed to the requirements of this title and other applicable laws, and whether the applicant has a continuing capacity to carry out in a timely manner the approved Community Development program. The Secretary may make appropriate adjustments in the amount of the annual grants in accordance with his findings pursuant to this subsection.

(d) No grant may be made under this title unless the application therefor has been submitted for review and comment to an areawide agency under procedure established by the President pursuant to title II of the Demonstration Cities and Metropolitan Development Act of 1966 and title IV of the Intergovernmental Cooperation Act of 1968.

(e) An application subject to section 104(b), if submitted after any date established by the Secretary for consideration of applications, shall be deemed approved within sixty days after receipt unless the Secretary informs the applicant of the specific reasons of disapproval. Subsequent to approval of the application, the amount of the grant may be adjusted in accordance with the provisions of this title.

(f) Insofar as they relate to funds provided under this title, the financial transactions of recipients of such funds may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

(g)(1) In order to assure that the policies of the National Environmental Policy Act of 1969 are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to applicants who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality.

(2) The Secretary shall approve the release of funds for projects subject to the procedures authorized by this subsection only if, at least fifteen days prior to such approval and prior to any commitment of funds to such projects other than for purposes authorized by section 105(a)(11) or for environmental studies, the applicant has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of paragraph (3). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act insofar as those responsibilities relate to the applications and releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(3) A certification under the procedures authorized by this subsection shall—

(A) be in a form acceptable to the Secretary,

(B) be executed by the chief executive officer or other officer of the applicant qualified under regulations of the Secretary.

(C) specify that the applicant has fully carried out its responsibilities as described under paragraph (1) of this subsection, and

(D) specify that the certifying officer (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply pursuant to paragraph (1) of this subsection, and (ii) is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

COMMUNITY DEVELOPMENT PROGRAM ACTIVITIES ELIGIBLE FOR ASSISTANCE

SEC. 105. (a) A community development program assisted under this title may include—

(1) the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (C) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or (D) to be used for other public purposes;

(2) the acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements—including neighborhood facilities, senior centers, historic properties, utilities, streets, street lights, parking facilities, water and sewer facilities, solid waste disposal facilities, flood and drainage facilities, foundations and platforms for air rights sites, pedestrian malls, and walkways, parks, and playgrounds;

(3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area;

(4) clearance, demolition, removal, and rehabilitation of buildings and improvements (including financing rehabilitation of privately owned properties when incidental to other activities);

(5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;

(6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by program activities under this title;

(7) disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;

(8) provision of health, social, counseling, training, economic development, and similar services necessary to support other approved activities assisted under this title;

(9) payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of the Community Development Program;

(10) relocation payments and assistance for individuals, families, businesses, organizations, and farm operations displaced by activities assisted under this title;

(11) activities necessary (A) to develop a comprehensive plan, and (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation; and

(12) payment of reasonable administrative costs related to the planning and execution of community development and housing activities.

(b) In the case of a grant to finance the rehabilitation of privately owned property, the State or unit of general local government shall take appropriate steps to assure that, if the property is sold or transferred by the owner within one year of the date on which the grant was made, the entire amount of the grant shall be repayable to the State or unit of general local government; if it is sold or transferred more than one but not more than two years after such date, at least three-fourths of the amount of the grant shall be repayable; if it is sold or transferred more than two but not more than three years after such date, at least one-half of the amount of the grant shall be repayable; and if it is sold or transferred more than three but not more than four years after such date, at least one-fourth of the amount of the grant shall be repayable. The requirements of this subsection may be waived by the State or unit of general local government where it determines that such waiver is necessary for the execution of the Community Development Program or to avoid hardship to the owner of the rehabilitated property.

(c) Upon the request of the recipient of a grant under this title, the Secretary may agree to perform administrative services on a reimbursable basis on behalf of such recipient in connection with the rehabilitation of properties as authorized under paragraph (4) of subsection **(a)**.

ALLOCATION AND DISTRIBUTION OF FUNDS

SEC. 106. (a) Of the amount approved in an appropriation Act under section 103(a) for grants in any year (excluding the amount provided for use in accordance with section 107), 80 per centum shall be allocated by the Secretary to metropolitan areas. Except as provided in subsections (c) and (e), each metropolitan city and urban county shall, subject to the provisions of section 104 and except as otherwise specifically authorized, be entitled to annual grants from such allocation in an aggregate amount not exceeding the greater of its basic amount computed pursuant to subsection (b) (2) or (3) or its hold-harmless amount computed pursuant to subsection (g).

(b)(1) The Secretary shall determine the amount to be allocated to all metropolitan cities which shall be an amount that bears the same ratio to the allocation for all metropolitan areas as the average of the ratios between—

(A) the population of all metropolitan cities and the population of all metropolitan areas;

(B) the extent of poverty in all metropolitan cities and the extent of poverty in all metropolitan areas; and

(C) the extent of housing overcrowding in all metropolitan cities and the extent of housing overcrowding in all metropolitan areas.

(2) From the amount allocated to all metropolitan cities the Secretary shall determine for each metropolitan city a basic grant amount which shall equal an amount that bears the same ratio to the allocation for all metropolitan cities as the average of the ratios between—

(A) the population of that city and the population of all metropolitan cities;

(B) the extent of poverty in that city and the extent of poverty in all metropolitan cities; and

(C) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan cities.

(3) The Secretary shall determine the basic grant amount of each urban county by—

(A) calculating the total amount that would have been allocated to metropolitan cities and urban counties together under paragraph (1) of this subsection if data pertaining to the population, extent of poverty, and extent of housing overcrowding in all urban counties were included in the numerator of each of the fractions described in such paragraph; and

(B) determining for each county the amount which bears the same ratio to the total amount calculated under subparagraph (A) of this paragraph as the average of the ratios between—

(i) the population in that urban county and the population in all metropolitan cities and urban counties;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan cities and urban counties; and

(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan cities and urban counties.

(4) In determining the average of ratios under paragraphs (1), (2), and (3), the ratio involving the extent of poverty shall be counted twice.

(5) In computing amounts or exclusions under this section with respect to any urban county there shall be excluded units of general local government located in the county (A) which receive hold-harmless grants pursuant to subsection (h), or (B), the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection.

(c) During the first three years for which funds are approved for distribution to a metropolitan city or urban county under this section, the basic grant amount of such city or county as computed under subsection (b) shall be adjusted as provided in this subsection if the amount so computed for the first such year exceeds the city's or county's hold-harmless amount as determined under subsection (g). Such adjustment shall be made so that—

(1) the amount for the first year does not exceed one-third of the full basic grant amount computed under subsection (b), or the hold-harmless amount, whichever is the greater,

(2) the amount for the second year does not exceed two-thirds of the full basic grant amount computed under subsection (b), or the hold-harmless amount, or the amount allowed under paragraph (1) of this subsection, whichever is the greatest, and

(3) the amount for the third year does not exceed the full basic grant amount computed under subsection (b).

(d) Any portion of the amount allocated to metropolitan areas under the first sentence of subsection (a) which remains after the allocation of grants to metropolitan cities and urban counties in accordance with subsections (b) and (c) shall be allocated by the Secretary—

(1) first, for grants to metropolitan cities, urban counties, and other units of general local government within metropolitan areas to meet their hold-harmless needs as determined under subsections (g) and (h); and

(2) second, for grants to units of general local government and States for use in metropolitan areas, allocating for each such metropolitan area an amount which bears the same ratio to the allocation for all metropolitan areas available under this paragraph as the average of the ratios between—

(A) the population of that metropolitan area and the population of all metropolitan areas,

(B) the extent of poverty in that metropolitan area and the extent of poverty in all metropolitan areas, and

(C) the extent of housing overcrowding in that metropolitan area and the extent of housing overcrowding in all metropolitan areas.

In determining the average of ratios under this paragraph, the ratio involving the extent of poverty shall be counted twice; and in computing amounts under this paragraph there shall be excluded any metropolitan cities, urban counties, and units of general local government which receive hold-harmless grants pursuant to subsection (h).

(e) Any amounts allocated to a metropolitan city or urban county pursuant to the preceding provisions of this section, and any portions of the remainder of the allocation for a metropolitan area available for distribution pursuant to subsection (d), which are not approved by the Secretary for distribution to such city or county or in such metropolitan area shall be distributed in a timely manner, within the same or the succeeding program period, to State, metropolitan cities, urban counties, and other units of general local government for use, first, in any metropolitan area in the same State, and second, in any other metropolitan area.

(f)(1) Of the amount approved in an appropriation Act under section 103(a) for grants in any year (excluding the amount provided for use in accordance with section 107), 20 per centum shall be allocated by the Secretary—

(A) first, for grants to units of general local government outside of metropolitan areas to meet their hold-harmless needs as determined under subsection (h); and

(B) second, for grants to units of general local government outside of metropolitan areas and States for use outside of metropolitan areas, allocating for the nonmetropolitan areas of each State an amount which bears the same ratio to the allocation available under this paragraph for the nonmetropolitan areas of all States as the average of the ratios between—

(i) the population of the nonmetropolitan areas of that State and the population of the nonmetropolitan areas of all the States,

(ii) the extent of poverty in the nonmetropolitan areas of that State and the extent of poverty in the nonmetropolitan areas of all the States, and

(iii) the extent of housing overcrowding in the nonmetropolitan areas of that State and the extent of housing overcrowding in the nonmetropolitan areas of all the States.

In determining the average of ratios under this paragraph, the ratio involving the extent of poverty shall be counted twice; and in computing amounts under this paragraph there shall be excluded units of general local government which receive hold harmless grants pursuant to subsection (h).

(2) Any amounts allocated to a unit of general local government under paragraph (1)(A) or to a State under paragraph (1)(B) which are not approved by the Secretary for distribution to such unit of general local government or in such State shall be distributed, in a timely manner, within the same or the succeeding program period, to States or units of general local government for use in any nonmetropolitan area.

(g)(1) the full hold-harmless amount of each metropolitan city or urban county shall be the sum of (i) the sum of the average during the five fiscal years ending prior to July 1, 1972, of (1) commitments for grants (as determined by the Secretary) pursuant to part A of title 1 of the Housing Act of 1949; (2) loans pursuant to section 312 of the Housing Act of 1964; (3) grants pursuant to sections 702 and 703 of the Housing and Urban Development Act of 1965; (4) loans pursuant to title II of the Housing Amendments of 1955; and (5) grants pursuant to title VII of the Housing Act of 1961; and (ii) the average annual grant, as determined by the Secretary, made in accordance with part B of title I of the Housing Act of 1949 during the fiscal years ending prior to July 1, 1972, or during the fiscal year 1973 in the case of a metropolitan city or urban county which first received a grant under part B of such title in such fiscal year. In the case of a metropolitan city or urban county program under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966 which has been funded or extended in the fiscal year 1973 for a period ending after June 30, 1973, determinations of the hold-harmless amount of such metropolitan city or urban county shall be made so as to include, in addition to the amounts specified in clauses (i) and (ii) of the preceding sentence, an amount equal to the average annual grant, as determined by the Secretary, made during fiscal years ending prior to July 1, 1972, in accordance with such section; except that such amount shall be added annually only for a number of years which, when added to the number of funding years for which the city or county received grants under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966, equals five. For the purposes of this paragraph the average annual grant under part B of title I of the Housing Act of 1949 or under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966 shall be established by dividing the total amount of grants made to a participant under the program by the number of months of program activity for which funds were authorized and multiplying the result by twelve.

(2) During the fiscal years 1975, 1976, and 1977, the hold-harmless amount of any metropolitan city or urban county shall be the full amount computed for the city or county in accordance with paragraph (1). In fiscal years 1978, 1979, and 1980, if such amount is greater than the basic grant amount of the metropolitan city or urban county for that year, as computed under paragraph (2) of subsection (b), it shall be reduced so that—

(i) in the fiscal year 1978, the excess of the hold-harmless amount over the basic grant amount shall equal two-thirds of the difference between the amount computed under paragraph (1) and the basic grant amount for such year,

(ii) in the fiscal year 1979, the excess of the hold-harmless amount over the basic grant amount shall equal one-third of the difference between the amount computed under paragraph (1) and the basic grant amount for such year, and

(iii) in the fiscal year 1980, there shall be no excess of the hold-harmless amount over the basic grant amount.

(h)(1) Any unit of general local government which is not a metropolitan city or urban county shall, subject to the provisions of section 104 and except as otherwise specifically authorized, be entitled to grants under this title for any year in an aggregate amount at least equal to its hold-harmless amount as computed under the provisions of subsection (g)(1), if, during the five fiscal years ending prior to July 1, 1974, one or more urban renewal projects, neighborhood development programs, or model cities programs were being carried out by such unit of general local government pursuant to commitments for assistance entered into during such five-year period under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966.

(2) In the fiscal years 1978, 1979, and 1980, in determining the hold-harmless amount of units of general local government qualifying under this subsection, the second sentence of subsection (g)(2) shall be applied as though such units were metropolitan cities or urban counties with basic grant amount of zero.

(i) In excluding the population, poverty, and housing overcrowding data of units of general local government which receive a hold-harmless grant pursuant to subsection (h) from the computations described in subsections (b)(5), (d), and (f) of this section, the Secretary shall exclude two-thirds of such data for fiscal year 1978 and one-third of such data for fiscal year 1979.

(j) Any unit of general local government eligible for a hold-harmless grant pursuant to subsection (h) may, not later than thirty days prior to the beginning of any program period, irrevocably waive its eligibility under such subsection. In the case of such a waiver the unit of general local government shall not be excluded from the computations described in subsections (b)(5), (d), and (f) of this section.

(k) The Secretary may fix such qualification or submission dates as he determines are necessary to permit the computations and determinations required by this section to be made in a timely manner, and all such computations and determinations shall be final and conclusive.

DISCRETIONARY FUND

SEC. 107. (a) Of the total amount appropriated for liquidation of obligations under the fourth sentence of section 103(a) for each of the fiscal years 1975, 1976, and 1977, an amount equal to 2 per centum thereof shall be reserved and set aside in a special discretionary fund for use by the Secretary in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes)—

(1) in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968;

(2) to States and units of general local government which join in carrying out housing and community development programs that are areawide in scope;

(3) in Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands;

(4) to States and units of general local government for the purpose of demonstrating innovative community development projects;

(5) to States and units of general local government for the purpose of meeting emergency community development needs caused by federally recognized disasters; and

(6) to States and units of general local government where the Secretary deems it necessary to correct inequities resulting from the allocation provisions of section 106.

(b) Not more than one-fourth of the total amount reserved and set aside in the special discretionary fund under subsection (a) for each year may be used for grants to meet emergency disaster needs under subsection (a)(5).

(c) Amounts reserved and set aside in the special discretionary fund under subsection (a) in any fiscal year but not used in such year shall remain available for use in accordance with subsections (a) and (b) in subsequent fiscal years.

GUARANTEE OF LOANS FOR ACQUISITION OF PROPERTY

SEC. 108. (a) The Secretary is authorized upon such terms and conditions as he may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by units of general local government, or by public agencies designated by such units of general local government, for the purpose of financing the acquisition of real property (including such expenses related thereto as the Secretary may permit by regulation) to serve or be used in carrying out activities which are eligible for assistance under section 105 and are identified in the application under section 104, and with respect to which grants have been or are to be made under section 103, but no such guarantee shall be issued in behalf of any agency designed to benefit, in or by the flotation of any issue, a private individual or corporation.

(b) No guarantee or commitment to guarantee shall be made with respect to any unit of general local government or public agency designated by any such unit of general local government unless—

(1) the Secretary, from sums approved in appropriation Acts and allocated for obligation to the unit of general local government pursuant to sections 106 and 107, shall have reserved and withheld, for the purpose of paying the guaranteed obligations (including interest), an amount which is at least equal to 110 per centum of the difference between the cost of acquiring the land and related expenses and the estimated proceeds to be derived from the sale or other disposition of the land, as determined or approved by the Secretary, which amount may subsequently be increased by the Secretary to the extent he determines such increase is necessary or appropriate because of any unanticipated, major reduction in such estimated disposition proceeds;

(2) the unit of general local government shall have given to the Secretary, in a form acceptable to him, a pledge of its full faith and credit for the repayment of so much of any amount required to be paid by the United States pursuant to any guarantee under this section as is equal to the difference between the principal amount of the guaranteed obligations and interest thereon and the amount which is to be reserved and withheld under paragraph (1); and

(3) the unit of general local government has pledged to the prepayment of any amounts which are required to be paid by the United States pursuant to its guarantee under this section, and which are not otherwise fully repaid when due pursuant to paragraphs (1) and (2), the proceeds of any grants to which such unit of general local governments may become eligible for under this title.

(c) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

(d) The Secretary may issue obligations to the Secretary of the Treasury in an amount outstanding at any one time sufficient to enable the Secretary to carry out his obligations under guarantees authorized by this section. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which such securities may be issued under such Act are extended to include the purchases of the Secretary's obligations hereunder.

(e) Obligations guaranteed under this section may, at the option of the issuing unit of general local government or designated agency, be subject to Federal taxation as provided in subsection (g). In the event that taxable obligations are issued and guaranteed, the Secretary is authorized to make, and to contract to make, grants to or on behalf of the issuing unit of general local government or public agency to cover not to exceed 30 per centum of the net interest cost (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) to the borrowing unit or agency of such obligations.

(f) Section 3689 of the Revised Statutes, as amended (31 U.S.C. 711), is amended by adding at the end thereof a new paragraph as follows:

"(22) For payments required from time to time under contracts entered into pursuant to section 108 of the Housing and Urban Development Act of 1974 for payment of interest costs on obligations guaranteed by the Secretary of Housing and Urban Development under that section."

(g) With respect to any obligation issued by a unit of general local government or designated agency which such unit or agency has elected to issue as a taxable obligation pursuant to subsection (e) of this section, the interest paid on such obligation shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

NONDISCRIMINATION

SEC. 109. (a) No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(b) Whenever the Secretary determines that a State or unit of general local government which is a recipient of assistance under this title has failed to comply with subsection (a) or an applicable regulation, he shall notify the Governor of such State or the chief executive officer of such unit of local government of the noncompliance and shall request the Governor or the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed sixty days, the Governor or the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); (3) exercise the powers and functions provided for in section 111 of this Act; or (4) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that a State government or unit of local government is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

LABOR STANDARDS

SEC. 110. All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with grants received under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5): *Provided*, That this section shall apply to the construction of residential property only if such residential property is designed for residential use for eight or more families. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).

REMEDIES FOR NONCOMPLIANCE

SEC. 111. (a) If the Secretary finds after reasonable notice and opportunity for hearing that a recipient of assistance under this title has failed to comply substantially with any provision of this title, the Secretary, until he is satisfied that there is no longer any such failure to comply, shall—

(1) terminate payments to the recipient under this title, or

(2) reduce payments to the recipient under this title by an amount equal to the amount of such payments which were not expended in accordance with this title, or

(3) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

(b) (1) In lieu of, or in addition to, any action authorized by subsection (a), the Secretary may, if he has reason to believe that a recipient has failed to comply substantially with any provision of this title, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

(2) Upon such a referral the Attorney General may bring a civil action in any United States district court having venue thereof for such relief as may be appropriate, including an action to recover the amount of the assistance furnished under this title which was not expended in accordance with it, or for mandatory or injunctive relief.

(c) (1) Any recipient which receives notice under subsection (a) of the termination, reduction, or limitation of payments under this title may, within sixty days after receiving such note, file with the United States Court of Appeals for the circuit in which such State is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

(2) The Secretary shall file in the court the record of the proceeding on which he based his action, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless such objection has been urged before the Secretary.

(3) The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file his recommendations, if any, for the modification or setting aside of his original action.

(4) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

USE OF GRANTS TO SETTLE OUTSTANDING URBAN RENEWAL LOANS

SEC. 112. (a) The Secretary is authorized, notwithstanding any other provision of this title, to apply a portion of the grants, not to exceed 20 per centum thereof without the request of the recipient, made or to be made under section 103(a) in any fiscal year pursuant to an allocation under section 106 to any unit of general local government toward payment of the principal of, and accrued interest on, any temporary loans made in connection with urban renewal projects under title I of the Housing Act of 1949 being carried out within the jurisdiction of such unit of general local government if—

(1) the Secretary determines, after consultation with the local public agency carrying out the project and the chief executive of such unit of general local government, that the project cannot be completed without additional capital grants, or

(2) the local public agency carrying out the project submits to the Secretary an appropriate request which is concurred in by the governing body of such unit of general local government.

In determining the amounts to be applied to the payment of temporary loans, the Secretary shall make an accounting for each project taking into consideration the costs incurred or to be incurred, the estimated proceeds upon any sale or disposition of property, and the capital grants approved for the project.

(b) Upon application by any local public agency carrying out an urban renewal project under title I of the Housing Act of 1949, which application is approved by the governing body of the unit of general local government in which the project is located, the Secretary may approve a financial settlement of such project if he finds a surplus of capital grant funds after full repayment of temporary loan indebtedness will result and may authorize the unit of general local government to use such surplus funds, without deduction or offset, in accordance with the provisions of this title.

CODE STANDARDS

SEC. 113. Nothing contained in or prescribed under this title, section 101(c) of the Housing Act of 1949, or any other provision of Federal law shall prevent a locality from having and continuing in effect a building, plumbing, electrical, fire prevention, or related code (or provision thereof) embodying standards which, in terms of protecting the public health and safety, are determined by the National Bureau of Standards to be as high as or higher than the corresponding minimum code standards specified by the Secretary of Housing and Urban Development as required to be met in order for such locality to qualify for assistance, certification, or ratification under this title or such section or other provision of Federal law; and any such local standard shall be deemed to satisfy all of the applicable requirements relating to acceptable code standards under this title or such section or other provision.

TRANSITION PROVISIONS

SEC. 114. (a) Except with respect to projects and programs for which funds have been previously committed, no new grants or loans shall be made—

(1) after June 30, 1974, under (A) section 702 or section 703 of the Housing and Urban Development Act of 1965, (B) title II of the Housing Amendments of 1955, or (C) title VII of the Housing Act of 1961; and

(2) after January 1, 1975, under (A) title I of the Demonstration Cities and Metropolitan Development Act of 1966, or (B) title I of the Housing Act of 1949.

(b) To the extent that grants under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966 are payable from appropriations made for fiscal year 1975, and are made with respect to a project or program being carried on in any unit of general local government which is eligible to receive a grant for such fiscal year under section 106 (a) or (h) of this title, the amount of such grants made under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966 shall be deducted from the amount of grants which such unit of general local government is eligible to receive for fiscal year 1975 under such section 106 (a) or (h). The deduction required by the preceding sentence shall be disregarded in determining the amount of grants made to any unit of general local government that may be applied, pursuant to section 112 of this title, to payment of temporary loans in connection with urban renewal projects under title I of the Housing Act of 1949.

(c) The first sentence of section 103(b) of the Housing Act of 1949 is amended by inserting before the period at the end thereof the following: ", and by such sums as may be necessary thereafter".

(d) (1) Section 111(b) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended by inserting immediately after the first sentence the following new sentence: "In addition, there is authorized to be appropriated for such purpose such sums as may be necessary for the fiscal year ending June 30, 1975".

(2) Section 111(c) of such Act is amended by striking out "July 1, 1974" and inserting in lieu thereof "July 1, 1975".

(e) Section 312(h) of the Housing Act of 1964 is amended by striking out "October 1, 1974" and inserting in lieu thereof "January 1, 1975".

(f) With respect to the program period beginning January 1, 1975, the Secretary may, without regard to the requirements of section 104, advance to any metropolitan city or urban county, out of the amount allocated to such city or county pursuant to section 106(a), an amount not to exceed 10 per centum of the amount so allocated which shall be available only for use (A) to continue projects or programs referred to in section 114(a)(2) or (B) to plan and prepare for the implementation in such city or county of activities to be assisted under this title.

(g) In the case of funds available for fiscal year 1975, the Secretary shall not consider any application fro ma metropolitan city or urban county for a basic grant pursuant to section 106(a) or from a unit of general local government for a grant pursuant to section 160(h) unless such application is submitted on or prior to April 1, 1975, in the case of funds available for fiscal years 1976 and 1977, the Secretary shall not consider any application from a metropolitan city or urban county for a basic grant pursuant to section 106(a) or from a unit of general local government for a grant pursuant to section 106(h) unless such application is submitted on or prior to November 1 of those fiscal years.

LIQUIDATION OF SUPERSEDED PROGRAMS

SEC. 115. (a) Section 3689 of the Revised Statutes, as amended (31 U.S.C. 711), is amended by adding after paragraph (22) (as added by section 108(f) of this Act) the following new paragraph:

"(23) For payments required from time to time under contracts entered into pursuant to section 103(b) of the Housing Act of 1949, as amended, with respect to projects or programs for which funds have been committed on or before December 31, 1974, and for which funds have not previously been appropriated."

(b) The Secretary is authorized to transfer the assets and liabilities of any program which is superseded or inactive by reason of this title to the revolving fund for liquidating programs established pursuant to title II of the Independent Offices Appropriation Act of 1965 (Public Law 81-428; 68 Stat. 272, 295).

EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS

SEC. 116. Section 3 of the Housing and Urban Development Act of 1968 is amended by inserting ", including community development block grants under title I of the Housing and Urban Development Act of 1974," immediately after "direct financial assistance".

TITLE II—ASSISTED HOUSING

HOUSING ASSISTANCE PROGRAM

SEC. 201 (a) Section 23 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(h)(1)(A) In addition to the assistance authorized by subsection (d) of this section, the Secretary may provide assistance on behalf of lower income families in accordance with the provisions of this subsection.

"(B) To the extent of contracts for annual contributions entered into by the Secretary with a public housing agency under section 10 of this Act, such public housing agency may enter into contracts to make assistance payments for the use of existing dwelling units in accordance with subsections (a) through (g) of this section except as modified by this subsection. In areas where no public housing agency has been organized, the Secretary is authorized to enter into such contracts and to perform the other functions assigned to a public housing agency by this subsection.

"(C) To the extent of annual contributions authorizations under section 10 of this Act, the Secretary is authorized to make assistance payments pursuant to contracts with owners or prospective owners who agree to construct or substantially rehabilitate housing in which some or all of the units shall be available for occupancy by lower income families pursuant to the provisions of this subsection. Subject to the provisions of this subsection, the Secretary may also enter into contracts with public housing agencies pursuant to which such agencies may make assistance payments under contracts with owners or prospective owners of units with respect to which such public housing agencies have assumed or agreed to assume management responsibilities.

"(2) (A) An assistance contract entered into pursuant to this subsection shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which such assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically but not less than annually for existing or newly constructed rental dwelling units of various sizes and types in the market area suitable for occupancy by persons assisted under this subsection, except that the maximum monthly rent may exceed 10 per centum but not more than 20 per centum of the fair market rental where the Secretary determines that special circumstances warrant such higher maximum rent or that such higher rent is necessary to the implementation of a State or local housing assistance plan approved pursuant to section 202 of the Housing and Urban Development Act of 1974. Proposed fair market rentals for any area shall be published in the Federal Register with reasonable time for public comment, and shall become effective upon the date of publication in final form in the Federal Register.

"(B) (i) The assistance contract shall provide for adjustment annually or more frequently in the maximum monthly rents for units covered by the contract to reflect changes in the fair market rentals established for the housing area for similar types and sizes of dwelling units or, if the Secretary determines, on the basis of a reasonable formula.

"(ii) The contract shall further provide for the Secretary to make additional adjustments in the maximum monthly rent for units under contract to the extent he determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owing and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates or similar costs which are not adequately compensated for by the annual adjustment in the maximum monthly rent for such comparable units in the locality in which the units are situated.

"(iii) Adjustments in the maximum rents as hereinbefore provided shall not result in material differences between the rents charged for assisted and comparable unassisted units.

"(C) The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between not less than 15 per centum nor more than 25 per centum of one-twelfth of the annual income of the family occupying the dwelling unit and the maximum monthly rent which the contract provides that the owner is to receive for the unit. Reviews of family income shall be made no less frequently than annually (except that such reviews may be made at intervals no longer than two years in the case of families who are elderly or handicapped).

"(D) The assistance contract shall provide that assistance payments may be made only with respect to a dwelling unit under lease for occupancy by a family determined to be a lower income family at the time it entered into a dwelling unit, except that such payments may be made with respect to unoccupied units for a period not exceeding sixty days (i) in the event that a family vacates a dwelling unit before the expiration date of the lease for occupancy or (ii) where a good faith effort is being made to fill an unoccupied unit.

"(E) Assistance payments may be made with respect to up to 100 per centum of the dwelling units in any structure upon the application of the owner or prospective owner. Within the category of projects containing more than fifty units and designed for use primarily by nonelderly or nonhandicapped persons, the Secretary may give preference to applications for assistance involving not more than 20 per centum of the dwelling units in a project. In according any such preference, the Secretary shall compare applications received during distinct time periods not exceeding sixty days in duration.

"(F) The Secretary shall take such steps as may be necessary, including the making of contracts for assistance payments in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts, to assure that assistance payments are increased on a timely basis to cover increases in maximum monthly rent or decreases in family incomes.

"(G) The Secretary shall prescribe such requirements and procedures as may be necessary or appropriate best to assure that at least 30 per centum of the families assisted under this subsection with annual allocations of contract authority are very low-income families at the time of the initial renting of dwelling units.

"(3) (A) The Secretary shall not contract to make assistance payments with respect to a newly constructed or substantially rehabilitated dwelling unit for a term of less than one month or more than two hundred and forty months. In the case of a project owned by, or financed by a loan or loan guarantee from, a State or local agency, the term may not exceed four hundred and eighty months.

"(B) The contract between the Secretary and the owner with respect to newly constructed or substantially rehabilitated dwelling units shall provide that all ownership, management, and maintenance responsibilities, including the selection of tenants and the termination of tenancy, shall be assumed by the owner (or such entity approved by the Secretary with which the owner may contract for the performance of such responsibilities).

"(C) Assistance provided pursuant to this subsection with respect to the construction or substantial rehabilitation of dwelling units shall not be withheld or made subject to preferences by reason of the availability of mortgage insurance pursuant to section 244 of the National Housing Act or by reason of the tax-exempt status of the bonds or other obligations to be used to finance such construction or rehabilitation or, if such unit is designed to comply with applicable local and State building codes, by reason of the unit's failure to comply with any minimum property standard or other structural code promulgated by the Secretary.

"(D) Nothing in this Act shall be deemed to prohibit an owner from pledging, or offering as security for any loan or obligation, a contract for assistance payments entered into pursuant to this subsection: *Provided*, That such security is in connection with a project constructed or rehabilitated pursuant to authority granted in this subsection, and the terms of the financing or any refinancing have been approved by the Secretary.

"(4) As used in this subsection—

"(A) the term 'lower income families' means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors;

"(B) the term 'very low-income families' means those families whose incomes do not exceed 50 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families;

"(C) the term 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary;

"(D) the term 'owner' means any private person or entity, including a cooperative, or a public housing agency, having the legal right to lease or sublease newly constructed or substantially rehabilitated dwelling units as described in this subsection;

"(E) the terms 'rent' or 'rental' mean, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.

"(F) The term 'project designed for the elderly or handicapped' means a multifamily housing facility specifically designed and equipped with 'related facilities' (as defined in section 202(d)(8) of the Housing Act of 1959) to accommodate the special environmental needs of the intended occupant, which is in support of and supported by the applicable State plan for comprehensive services pursuant to section 134 of title I of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or State and area plans pursuant to title III of the Older Americans Comprehensive Services Amendments of 1973.

"(5) The provisions of sections 2(1) and 15, the provisions of subsection (a) (2) of this section, and any other provisions of this Act which are inconsistent with the provisions of this subsection shall not apply to contracts for assistance entered into under this subsection.

"(6) Notwithstanding any other provision of this Act, assistance payments under this subsection shall be provided, in accordance with regulations prescribed by the Secretary, with respect to some or all of the units in any project approved pursuant to section 202 of the Housing Act of 1959. For purposes of such payments, the term 'lower income families' as used in this subsection includes elderly or handicapped families with annual incomes less than five times the annual market rent of the units in such projects which they occupy."

(b) Section 2(2) of such Act is amended by inserting in the third sentence thereof immediately after "section 223 of that Act" the following: "or as defined in section 102 (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970".

(c) Section 16(2) of such Act is amended—

(1) by striking out "section 23" and inserting in lieu thereof "section 23(d)"; and

(2) by inserting "or the Secretary" immediately after "public housing agency".

(d) Notwithstanding the provisions of section 2(2) of such Act, the term 'elderly or handicapped families' includes two or more elderly or handicapped individuals of the same sex living together, or one or more such individuals living with another person who is determined under regulations of the Authority to be a person essential to their care or well being.

(e) The Secretary shall consult with the Secretary of Health, Education, and Welfare to insure that special projects for the elderly or the handicapped authorized pursuant to United States Housing Act of 1937 shall meet acceptable standards of design and shall provide quality services and management consistent with the needs of the occupant.

LOCAL HOUSING ASSISTANCE PLANS; ALLOCATION OF HOUSING FUNDS

SEC. 202. (a) The Secretary of Housing and Urban Development shall not approve an application or proposal for housing assistance under the United States Housing Act of 1937, sections 235 or 236 of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965 unless the unit of general local government in which the proposed assistance is to be provided and which has a housing assistance plan approved by the Secretary has had a reasonable opportunity to consider the proposed assistance prior to submission of the application or proposal and to certify to the Secretary that such assistance is consistent with a housing assistance plan (approved by the Secretary pursuant to title I of this Act or, in the case of a unit of general local government not participating under such title I approved pursuant to regulations established by the Secretary) or that the assistance, while not consistent with the plan, should be approved for reasons set forth with the certification. If the unit of general local government objects to approval of the application or proposal, and no resolution thereof is effected, the Secretary shall not give that approval unless he determines that the application or proposal is plainly consistent with the housing assistance plan and that such objection, viewed in the context of such plan, is without merit. The Secretary shall advise the unit of general local government in writing of his rejection of such objection and shall provide such unit of government with his reasons at least thirty days prior to such approval and allow an opportunity for response.

(b) The Secretary may, after consultation with appropriate officials representative of units of general local government, approve in regulations exceptions to the requirements of subsection (a) of this section for applications which would involve small amounts of housing assistance. In such cases, the Secretary shall determine whether the applications are consistent with any approved local housing assistance plan.

(c) For areas in which an approved local housing assistance plan is not applicable, the Secretary shall not approve an application for housing assistance unless he determines that there is a need for such assistance and that there is or will be available in the area public facilities and services adequate to serve the housing proposed to be assisted: *Provided*, That the unit of general local government in which the project is to be located has been notified by the Secretary of his intent to approve the project and has failed to object within sixty days of such notification.

(d) (1) In allocating financial assistance under the provisions of law specified in subsection (a) of this section, the Secretary, so far as practicable, shall consider the relative needs of different areas and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing or other objectively measurable conditions, subject to such adjustments as may be necessary to assist in carrying out activities designed to meet lower income housing needs as described in approved housing assistance plans submitted by units of general local government or combinations of such units assisted under section 107(a) (2) of this Act. The amount of assistance allocated to nonmetropolitan areas pursuant to this section in any fiscal year shall not be less than 20 per centum of the total amount of such assistance.

(2) In order to facilitate the provision of, and long-range planning for, housing for persons of low- and moderate-income in new community developments approved under title IV of the Housing and Urban Development Act of 1968, or of title VII of the Housing and Urban Development Act of 1970, the Secretary shall reserve such housing assistance funds as he deems necessary for use in connection with such new community developments.

(3) The Secretary may reserve such housing assistance funds as he deems appropriate for use by a State or agency thereof.

AMENDMENT TO MAKE PUBLIC HOUSING AGENCIES ELIGIBLE AS MORTGAGORS UNDER SECTION 221 (D) (3) OF THE NATIONAL HOUSING ACT

SEC. 203. (a) Section 221(d) (3) of the National Housing Act is amended by striking out the parenthetical phrase "(and which certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937)" and inserting in lieu thereof "(and, except with respect to a project assisted or to be assisted pursuant to section 23(h) of the United States Housing Act of 1937, which certifies that it is not receiving financial assistance from the United States exclusively pursuant to such Act)".

(b) With respect to any obligation which is secured by a mortgage insured under section 221(d) (3) of the National Housing Act and which is issued by a public agency in connection with the financing of a project assisted under section 2(h) of the United States Housing Act of 1937, the interest paid on such obligation shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954.

MINIMUM RENTALS FOR DWELLING UNITS IN LOW-RENT HOUSING

SEC. 204. (a) (1) Section 2(1) of the United States Housing Act of 1937 is amended by inserting immediately after the second paragraph the following new paragraph:

"Notwithstanding the preceding paragraph, the rental for any dwelling unit in low-rent housing shall not be less than the higher of (A) 10 per centum of the gross income of the family occupying the dwelling unit, and (B) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated. In addition, in any case where the dwelling units in a project are administered by a public housing agency receiving operating subsidy payments pursuant to the second proviso in section 10(a), the aggregate rentals required to be paid in any year by families residing in such units shall not be less than an amount equal to one-fifth of the sum of the incomes of all such families."

(b) Clause (B) in the second sentence of the second paragraph in section 2(1) of such Act is amended by striking out clause (iii) and inserting in lieu thereof the following:

"(iii) 10 per centum of the family's gross income in the case of an elderly family; and".

(c) Section 2(1) of such Act is further amended by striking out the last paragraph.

(d) Section 213(b) of the Housing and Urban Development Act of 1969 is repealed.

(e) To the extent that the amendments to the United States Housing Act of 1937 made by this section require the establishment of an increased monthly rental charge for any family which occupies a low-income housing unit as of the effective date of this section (other than by reason of the amendments relating to welfare assistance payments), the required adjustment shall be made, in accordance with regulations of the Secretary, as follows: (A) the first adjustment shall not exceed $5 and shall become effective as of the month following the month of the first review of the family's income pursuant to section 10(g) (3) of such Act which occurs at least six months after the enactment of this section, and (B) subsequent adjustments, each of which shall not exceed $5, shall be made at six-month intervals over whatever period is necessary to effect the full required increase in the family's rental charge.

MANAGEMENT PRACTICES IN PROJECT OPERATION

SEC. 205. Section 10(g) of the United States Housing Act of 1937 is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(5) the public housing agency shall comply with such procedures and requirements as the Secretary may prescribe to assure that sound management practices will be followed in the operation of the project, including requirements pertaining to—

"(A) the establishment of tenant selection criteria designed to assure that, within a reasonable period of time, the project will include families with a broad range of incomes and will avoid concentrations of low-income and deprived families with serious social problems, but this shall not permit maintenance of vacancies to await higher-income tenants where lower-income tenants are available;

"(B) the establishment of satisfactory procedures designed to assure the prompt payment and collection of rents and the prompt processing of evictions in the case of nonpayment of rent;

"(C) the establishment of effective tenant-management relationships designed to assure that satisfactory standards of tenant security and project maintenance are formulated and that the public housing agency (together with tenant councils where they exist) enforces those standards fully and effectively; and

"(D) the development by local housing authority managements of viable homeownership opportunity programs for low-income families capable of assuming the responsibilities of homeownership."

INCREASE IN PUBLIC HOUSING ANNUAL CONTRIBUTIONS CONTRACT AUTHORITY

SEC. 206. Section 10(e) of the United States Housing Act of 1937 is amended by striking out "and $140,000,000 on July 1, 1973" and inserting in lieu thereof "$400,000,000 on July 1, 1973, and $965,000,000 on July 1, 1974".

INTERIM EXTENSION OF SECTION 235 AND SECTION 236 PROGRAMS

SEC. 207. (a) (1) Section 235(m) of the National Housing Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1975".

(2) Section 236(n) of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1975".

(b) Section 236(i)(1) of such Act is amended by inserting before the period at the end thereof the following: ", and, in addition, by such sums as may be necessary thereafter".

(c) Section 235(a) of such Act is amended by inserting after "this section" at the end of the second sentence the following: "or which mortgages are assisted under a State or local program providing assistance through loans, loan insurance or tax abatement".

PROVISION OF LOW-RENT PUBLIC HOUSING FOR AMERICAN INDIANS

SEC. 208. The first sentence of section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately before the period the following: ": And provided further, That at least $20,000,000 of the total amount of contracts for annual contributions authorized under section 206 of the Housing and Urban Development Act of 1974 shall be available solely for low-rent housing for persons who are members of any Indian tribe, band, pueblo, group, or community of Indians who are recognized by the Federal Government, or Alaska Natives, or Indians who are wards of any State government, except that none of the funds made available under this proviso shall be available for housing in private accommodations under section 23 and, notwithstanding any other provision of this Act, the annual contributions for a project assisted pursuant to this proviso shall be equal to the difference between the sum of the total debt service payment plus approved operating costs and the rental payments that tenants are required to make under section 2(1) of this Act".

PROVISION OF HOUSING ASSISTANCE IN CERTAIN AREAS WHERE ASSISTANCE IS OTHERWISE UNAVAILABLE

SEC. 209. If, after the two years from the effective date of this Act, the Secretary of Housing and Urban Development determines that there are any areas of the country where a substantial number of families require housing assistance and no agency or sponsor is providing such assistance, he may act as sponsor, or designate a sponsor, to develop housing to meet this need. No sponsor shall be designated by the Secretary pursuant to this section without the prior approval of the Governor or of the State Housing Agency of the State in which the proposed assisted housing is to be located.

PROVISION OF LOW-RENT PUBLIC HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 210. The first sentence of section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately before the period the following: ": And provided further, That at least 20 per centum of the total amount of contracts for annual contributions authorized under section 206 of the Housing and Urban Development Act of 1974 shall be available solely for low-income housing for elderly or handicapped persons or families".

CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY

SEC. 211. (a) That section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(13) Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of any individual or family for admission to or occupancy of low-rent housing, or for purposes of determining the amount of the rental which any individual or family is required to pay for his or its accommodations in such housing. For purposes of this paragraph, the term 'social security benefit increases occurring after June 1974' means any part of a monthly benefit payable to an individual under the insurance program established under title II of the Social Security Act which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after June 1974 pursuant to section 215(i) of such Act, or any other increase in benefits under such program, enacted after June 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act."

(b) Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"CERTAIN BENEFIT INCREASES TO BE DISREGARDED IN DETERMINING FEDERAL HOUSING SUBSIDIES

"SEC. 525. Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining—

"(1) the eligibility of any individual or family for mortgage insurance or assistance payments under section 235, or the amount of any such payments;

"(2) the eligibility of any individual or family for admission to or occupancy of housing with respect to which assistance payments are being made under section 236, or the amount of the rental to be charged such individual or family for his or its accommodations in such housing;

"(3) whether or not any individual or family is a 'qualified tenant' for purposes of rent supplement payments under section 101 of the Housing and Urban Development Act of 1965, or the amount of such payments; or

"(4) the eligibility of any individual or family for housing assistance under any other Federal law or program which conditions such eligibility to any extent upon income or resources, or the amount or extent of such assistance.

"For purposes of this section, the term 'social security benefit increases occurring after June 1974' means any part of a monthly benefit payable to an individual under the insurance program established under title II of the Social Security Act which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after June 1974 pursuant to section 215(i) of such Act, or any other increase in benefits under such program, enacted after June 1974, which constitutes a general benefit increase within the meaning of section 25(i)(3) of such Act."

(c) The amendments made by this section shall apply with respect to determinations made on or after the date of the enactment of this Act.

REVISION OF SECTION 202 PROGRAM FOR ELDERLY AND HANDICAPPED

SEC. 212. (a) Section 202 of title II of the Housing Act of 1959 is amended—

(1) by deleting, in subsection (a)(1), ", consumer cooperatives, limited profit sponsors, or public bodies or agencies" and inserting in lieu thereof "or consumer cooperatives";

(2) by deleting, in subsection (a)(2), ", to any limited profit sponsor approved by the Secretary, to any consumer cooperative, or to any public body or agency" and inserting in lieu thereof "or to any consumer cooperative";

(3) by inserting, after clause (A) of subsection (a)(2), the word "and", by changing the comma which appears at the end of clause (B) of subsection (a)(2) to a period, and by striking the remainder of the subsection;

(4) by deleting, in subsection (a)(3), ", consumer cooperative, or public body or agency" and inserting in lieu thereof "or consumer cooperative"; and

(5) by deleting, in subsection (c)(3), ", cooperative, or public body or agency" and inserting in lieu thereof "or cooperative".

(b) Subsection (a)(3) of section 202 of title II of the Housing Act of 1959 is amended by deleting all that part of the subsection which follows the words "and shall bear interest at a rate" and inserting in lieu thereof "which is not more than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus an allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program."

(c) Paragraph (4) of subsection (d) of section 202 of the Housing Act of 1959 is amended—

(1) by striking the words "a physical" in the second sentence and inserting in lieu thereof "an"; and

(2) by inserting, following the second sentence, a new sentence reading as follows: "A person shall also be considered handicapped if such person is a developmentally disabled individual having a disability attributable to mental retardation, cerebral palsy, epilepsy, or another neurological condition which (i) originates before the individual affected attains age eighteen, (ii) has continued or can be expected to continue indefinitely, and (iii) constitutes a substantial handicap to such individual."

(d) Section 202 of title II of the Housing Act of 1959 is amended by adding at the end thereof a new subsection (f) reading as follows:

"(f) In carrying out the provisions of this section, the Secretary shall seek to assure, pursuant to applicable regulations, that housing and related facilities assisted under this Act will be in appropriate support of, and supported by, applicable plans of a State, the District of Columbia, Puerto Rico and possessions of the United States, or of a subdivision thereof, which respond to Federal program requirements as providing an assured range of necessary services for such individuals (which services may include, among others, health, continuing education, welfare, informational, recreational, homemaker, or counseling or referral services, transportation where necessary to facilitate access to social services, and services designed to encourage and assist recipients to use the services and facilities available to them), including plans approved by the Secretary of Health, Education, and Welfare pursuant to section 134 of title I of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or pursuant to title III of the Older Americans Act of 1965."

(e) Section 202(a)(4) of such Act is amended—

(1) by inserting "(A)" immediately after "(4)";

(2) by inserting ", and the proceeds from notes or other obligations issued under subparagraph (B)," after "Amounts so appropriated"; and

(3) by adding at the end thereof the following new subparagraph:

"(B) (i) To carry out the purposes of this section, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed $1,500,000,000, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued thereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as debt transactions of the United States.

"(ii) The receipts and disbursements of the fund shall not be included in the total of the Budget of the United States Government and shall be exempt from any limitation on annual expenditure or net lending."

SECTION 202 PROJECTS ELIGIBLE FOR ASSISTANCE PAYMENTS UNDER PUBLIC HOUSING LAW

SEC. 213. (a) In determining the feasibility and marketability of a project under section 202 of the Housing Act of 1959, the Secretary shall consider the availability of monthly assistance payments pursuant to section 23 of the United States Housing Act of 1937 with respect to such a project.

(b) The Secretary shall insure that with the original approval of a project authorized pursuant to section 202 of the Housing Act of 1959, and thereafter at each annual revision of the assistance contract under section 23 of the United States Housing Act of 1937 with respect to units in such project, the project will serve both low- and moderate-income families in a mix which he determines to be appropriate for the area and for viable operation of the project; except that the Secretary shall not permit maintenance of vacancies to await tenants of one income level where tenants of another income level are available.

TITLE III—MORTGAGE CREDIT PROGRAMS

EXTENSION OF REGULAR FHA INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1974" in the first sentence and inserting in lieu thereof "June 30, 1977".

(b) Section 217 of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977".

(c) Section 221(f) of such Act is amended by striking out "October 1, 1974" in the fifth sentence and inserting in lieu thereof "June 30, 1977".

(d) Section 809(f) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(e) Section 810(k) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(f) Section 1002(a) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(g) Section 1101(a) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

FLEXIBILITY INTEREST RATE AUTHORITY

SEC. 302. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1963, as amended (12 U.S.C. 1709-1), is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977".

INCREASE IN MAXIMUM MORTGAGE AMOUNTS UNDER FHA ONE- TO FOUR-FAMILY MORTGAGE INSURANCE PROGRAMS

SEC. 303. (a) Section 203(b)(2) of the National Housing Act is amended by striking out "$33,000", "$35,750", and "$41,250" wherever they appear and inserting in lieu thereof "$45,000", "$48,750", and "$56,000", respectively.

(b) Section 220(d)(3)(A) of such Act is amended by striking out "$33,000", "$35,750", and "$41,250" wherever they appear and inserting in lieu thereof "$45,000", "$48,750", and "$56,000", respectively.

(c) Section 222(b)(2) of such Act is amended by striking out "$33,000" and inserting in lieu thereof "$45,000".

(d) Section 221(d)(2)(A) of such Act is amended—

(1) by striking out "$18,000", "$21,000", "$24,000", "$32,400", and "$39,600" in the matter preceding the first proviso and inserting in lieu thereof "$21,600", "$25,200", "$28,000", "$38,880", and "$47,520", respectively; and

(2) by striking out "$21,000", "$24,000", "$30,000", "$38,400", and "$45,600" in the second proviso and inserting in lieu thereof "$25,200", "$28,800", "$36,000", "$46,080", and "$54,720", respectively.

(e) Section 234(c) of such Act is amended by striking out "$33,000" and inserting in lieu thereof "$45,000".

(f)(1) The last proviso in section 235(b)(2) of such Act is amended by striking out "$18,000", "$21,000", "$21,000", and "$24,000" and inserting in lieu thereof "$21,600", "$25,200", "$25,200", and "$28,800", respectively.

(2) Section 235(i)(3)(B) of such Act is amended by striking out "$18,000", "$21,000", "$21,000", and "$24,000" and inserting in lieu thereof "$21,600", "$25,200", "$25,200", and "$28,800", respectively.

INCREASE IN MAXIMUM MORTGAGE AMOUNTS UNDER FHA MULTIFAMILY MORTGAGE INSURANCE PROGRAMS

SEC. 304. (a)(1) Section 207(c)(3) of the National Housing Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", "$23,100", and "$2,500" in the matter preceding the first semicolon and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", "$30,000", and "$3,250", respectively.

(2) Section 207(c)(3) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750", and "$28,050" in the matter following the first semicolon and inserting in lieu thereof "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", respectively.

(b)(1) Section 213(b)(2) of such Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", and "$23,100" in the matter preceding the first proviso and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000", respectively.

(2) Section 213(b)(2) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750" and "$28,050" in the first proviso and inserting in lieu thereof "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", respectively.

(c)(1) Section 220(d)(3)(B)(iii) of such Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", and "$23,100" in the matter preceding "percent" where it first appears and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000", respectively.

(2) Section 220(d)(3)(B)(iii) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750", and "$28,050" in the matter preceding "except" where it first appears and inserting in lieu thereof "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", respectively.

(d) Section 221(d)(3)(ii) of such Act is amended—

(A) by striking out "9,200", "$12,937.50", "$15,525", "$19,550", and "$22,137.50" and inserting in lieu thereof "$11,240", "$15,540", "18,630", "$23,460", and "$26,570", respectively; and

(B) by striking out "$19,925", "$13,500", "$18,400", "$23,000", and "$26,162.50" and inserting in lieu thereof "$13,120", "$16,200", "$22,080", "$27,600", and "$32,000", respectively.

(e)(1) Section 221(d)(4)(ii) of such Act is amended by striking out "9,200", "$12,937.50", "$15,525", "$19,550", and "$22,137.50" in the matter preceding the first semicolon and inserting in lieu thereof "$12,300", "$17,188", "$20,525", "$24,700", and "$29,038", respectively.

(2) Section 221(d)(4)(ii) of such Act is further amended by striking out "$10,525", "$15,525", "$18,400", "$23,000", and "$26,162.50" in the matter following the first semicolon and inserting in lieu thereof "13,975", "$20,025", "$24,350", "$31,500", and "$34,578" respectively.

(f)(1) Section 231(c)(2) of such Act is amended by striking "$8,800", "$12,375", "$14,850", "$18,700", and "$21,175" in the matter preceding the first semicolon and inserting in lieu thereof "$12,300", "$17,188", "$20,525", "$24,700", and "$29,038", respectively.

(2) Section 231(c)(2) of such Act is further amended by striking out "$10,450", "$14,850", "$17,600", "$22,000", and "$25,025" in the matter following the first semicolon and inserting in lieu thereof "$13,975", "$20,025", "$25,350", "$31,500", and "$34,578", respectively.

DOWNPAYMENT REQUIREMENTS FOR REGULAR FHA ONE- TO FOUR-FAMILY MORTGAGES

SEC. 305. (a) The first and second sentences of section 203(b)(2) of the National Housing Act are each amended—

(1) by striking out "$15,000" in clause (i) and inserting in lieu thereof "$25,000".

(2) by striking out "$15,000" and "$25,000" in clause (ii) and inserting in lieu thereof "$25,000" and "$35,000", respectively; and

(3) by striking out "$25,000" in clause (iii) and inserting in lieu thereof "$35,000".

(b) Section 220(d)(3)(A)(i) of such Act is amended by—

(1) by striking out "$15,000" in clause (1) and inserting in lieu thereof "$25,000";

(2) by striking out "$15,000" and "$25,000" in clause (2) and inserting in lieu thereof "$25,000" and "$35,000", respectively; and

(3) by striking out "$25,000" in clause (3) and inserting in lieu thereof "$35,000".

(c) Section 222(b)(3) of such Act is amended to read as follows:

"(3) have a principal obligation not in excess of the sum of (i) 97 per centum of $25,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $25,000 but not in excess of $35,000, and (iii) 80 per centum of such value in excess of $35,000; and".

(d) That part of clause (A) of the third sentence of section 234(c) of such Act which begins "and not to exceed" is amended to read as follows "and not to exceed the sum of (i) 97 per centum of $25,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $25,000 but not in excess of $35,000, (iii) 80 per centum of such value in excess of $35,000".

AMENDMENT TO PROVIDE FHA INSURED FINANCING ON RESALE OF COOPERATIVE DWELLINGS

SEC. 306. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(n) (1) The Secretary is authorized to insure under this section any mortgage meeting the requirements of subsection (b) of this section, except as modified by this subsection. To be eligible, the mortgage shall involve a dwelling unit in a cooperative housing project which is covered by a blanket mortgage insured under this Act. The mortgage amount as determined under the other provisions of subsection (b) of this section shall be reduced by an amount equal to the portion of the unpaid balance of the blanket mortgage covering the project which is attributable (as of the date the mortgage is accepted for insurance) to such unit.

"(2) For the purpose of this subsection—

"(A) The terms 'home mortgage' and 'mortgage' include a first lien given (in accordance with the laws of the State where the property is located and accompanied by such security and other undertakings as may be required under regulations of the Secretary) to secure a loan made to finance the purchase of stock or membership in a nonprofit cooperative ownership housing corporation the permanent occupancy of the dwelling units of which is restricted to members of such corporation, where the purchase of such stock or membership will entitle the purchaser to the permanent occupancy of one of such units.

"(B) The terms 'appraised value of the property', 'value of the property', and 'value' include the appraised value of a dwelling unit in a cooperative housing project of the type described in subparagraph (A) where the purchase of the stock or membership involved will entitle the purchaser to the permanent occupancy of that unit; and the term 'property' includes a dwelling unit in such a cooperative project.

"(C) The term 'mortgagor' includes a person or persons giving a first lien (of the type described in subparagraph (A)) to secure a loan to finance the purchase of stock or membership in a cooperative housing corporation."

LIMITATION ON DOLLAR AMOUNT OF GNMA-PURCHASED MORTGAGES

SEC. 307. Clause (3) of the proviso to the first sentence of section 302(b)(1) of the National Housing Act is amended by striking out "$22,000" and inserting in lieu thereof "$38,000".

TITLE I HOME IMPROVEMENT LOANS

SEC. 308. (a) Section 2(b) of the National Housing Act is amended—

(1) by striking out "$5,000" in clause (1) and inserting in lieu thereof "$10,000";

(2) by striking out "if such obligation" in clause (2) and all that follows down through "the general economy, and" and inserting in lieu thereof the following: "if such obligation has a maturity in excess of twelve years and thirty-two days, except that";

(3) by striking out "twelve years and thirty-two days (fifteen years and thirty-two days in the case of a mobile home composed of two or more modules)" and inserting in lieu thereof "fifteen years and thirty-two days"; and

(4) by striking out "$15,000", "$2,500", and "seven years" in the third proviso in clause (3) and inserting in lieu thereof "$17,500", "$5,000", and "twelve years", respectively.

(b) (1) Section 2(a) of such Act is amended by adding at the end thereof the following new paragraph:

"Alterations, repairs, and improvements upon or in connection with existing structures may include the provision of fire safety equipment. As used in this section, the term 'fire safety equipment' means any device or facility which is designed to reduce the risk of personal injury or property damage resulting from fire and is in conformity with such criteria and standards as shall be prescribed by the Secretary."

(2) Section 2(b) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing limitations, any loan to finance fire safety equipment for a nursing home or other comparable health care facility may involve an amount not exceeding $50,000 and have a maturity not exceeding twenty-five years and thirty-two days."

(c) Clause (1) in the first paragraph of section 2(a) of such Act is amended by inserting "or mobile homes" immediately after "in connection with existing structures".

(d) The last sentence of section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes," approved May 7, 1968, as amended (12 U.S.C. 1709–1), is amended by striking out ", and which represents loans and advances of credit made for the purpose of financing purchases of mobile homes,".

CO-INSURANCE DEMONSTRATION PROGRAM

SEC. 309. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"CO-INSURANCE

"SEC. 244. (a) In addition to providing insurance as otherwise authorized under this Act, and notwithstanding any other provision of this Act inconsistent with this section, the Secretary, upon request of any mortgagee and for such mortgage insurance premium as he may prescribe (which premium, or other charges to be paid by the mortgagor, shall not exceed the premium, or other charges, that would otherwise be applicable), may insure and make a commitment to insure under any provision of the title any mortgage, advance, or loan otherwise eligible under such provision, pursuant to a contract providing that the mortgagee will—

"(1) assume the per centum of any loss in direct proportion to the amount of the co-insurance, which co-insurance shall not be less than 10 per centum, subject to any reasonable limit or limits on the liability of the mortgagee that may be specified in the event of unusual or catastrophic losses that may be incurred by any one mortgagee; and

"(2) carry out (under a delegation or otherwise and with or without compensation but subject to audit, exception or review requirements) such credit approval, appraisal, inspection, commitment, property disposition, or other functions as the Secretary, pursuant to regulations, shall approve as consistent with the purposes of this Act.

Any contract of insurance under this section shall contain such provisions relating to the sharing of premiums on a sound actuarial basis, establishment of mortgage reserves, manner of calculating insurance benefits, conditions with respect to foreclosure, handling and disposition of property prior to claim or settlement, rights of assignees (which may elect not to be subject to the loss sharing provisions), and other similar matters as the Secretary may prescribe pursuant to regulations.

"(b) No insurance shall be granted pursuant to this section with respect to dwellings or projects approved for mortgage insurance prior to the beginning of construction unless the inspection of such construction is conducted in accordance with at least the minimum standards and criteria used with respect to such dwellings or projects approved for mortgage insurance pursuant to other provisions of this title.

"(c) No insurance shall be granted pursuant to this section unless the Secretary has, after due consultation with the mortgage lending industry, determined that the demonstration program of coinsurance authorized by this section will not disrupt the mortgage market or reduce the availability of mortgage credit to borrowers who depend upon mortgage insurance provided under this Act.

"(d) No mortgage, advance, or loan shall be insured pursuant to this section after June 30, 1977, except pursuant to a commitment to insure made before that date. The agregate principal amount of mortgages and loans insured pursuant to this section in any fiscal year beginning on or after July 1, 1974, and ending prior to July 1, 1977, shall not exceed 20 per centum of the aggregate principal amount of all mortgages and loans insured under this title during such fiscal year. The percentage limitation specified in the preceding sentence shall also be applicable within the following categories—

"(1) mortgages and loans covering one-to four-family dwellings; and

"(2) mortgages and loans covering projects with five or more dwelling units.

"(e) The Secretary shall not withdraw, deny, or delay insurance otherwise authorized under any other provisions of this Act by reason of the availability of insurance pursuant to this section.

"(f) The Secretary shall submit to the Congress a report, not later than March 1, 1975, and annually thereafter, describing operations under this section, including the extent of mortgage participation and any special problems encountered, and setting forth any recommendations he may deem appropriate with respect to the continuation or modification of the authority contained in this section. If the Secretary shall fail to submit any such report by the date due, his authority under this section shall terminate."

FEDERAL NATIONAL MORTGAGE ASSOCIATION AMENDMENTS

SEC. 310. (a) Section 302(a)(2) of the National Housing Act is amended—

(1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the matter preceding subparagraph (A) and inserting in lieu thereof "September 1, 1968"; and

(2) by striking out "effective" in subparagraph (A) and (B).

(b) The third sentence of section 302(a)(2)(B) of such Act is amended—

(1) by inserting "or the metropolitan area thereof" immediately after "District of Columbia";

(2) by inserting "jurisdiction and" immediately before "venue"; and

(3) by striking out "resident thereof" and inserting in lieu thereof "District of Columbia corporation". (c) Section 302(b)(2) of such Act is amended by striking out "75 per centum" each place it appears and inserting in lieu thereof "80 per centum".

(b) Clause (C) of the second sentence of section 302(b)(2) of such Act is amended by striking out "private".

(e) The last sentence of section 302(b)(2) of such Act is amended by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203 (b) or 207 of the National Housing Act" and inserting in lieu thereof the following: ", but such limitations shall not exceed the limitations contained in the first proviso of the first sentence of section 5(c) of the Home Owners' Loan Act of 1933".

SEC. 311. (a) Section 303(a) of the National Housing Act is amended—

(1) by striking out all of the first sentence which follows "directors" and inserting in lieu thereof a period; and

(2) by striking out everything after the second sentence.

(b) Section 303(c) of such Act is amended—

(1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the fourth sentence and inserting in lieu thereof "September 1, 1968,"; and

(2) by striking out the proviso in the last sentence.

(c) Subsections (d) and (e) of section 303 of such Act are repealed.

SEC. 312. The last sentence of section 304 (a)(1) of the National Housing Act is amended by striking out "section 502 of the Emergency Home Finance Act of 1970" and inserting in lieu thereof "section 243 of the National Housing Act".

SEC. 313. Except with respect to any person receiving an annuity on the date of the enactment of this Act, section 309(d)(2) of the National Housing Act is amended—

(1) by striking out "the termination of the transitional period referred to in section 810(b) of the Housing and Urban Development Act of 1968" and inserting in lieu thereof "January 31, 1972,";

(2) by inserting "positions listed" immediately before "in section 5312"; and

(3) by inserting before the period at the end of the next to last sentence the following: ": Provided, That with respect to any person whose employment is made subject to the civil service retirement law by section 312 of the Housing and Urban Development Act of 1974, there shall not be considered for the purposes of such law that portion of his basic pay in any one year which exceeds the basic pay provided for positions listed in section 5316 of such title 5 on the last day of such year".

SEC. 314. Subsections (b) and (c) of section 810 of the Housing and Urban Development Act of 1968 are repealed.

FEDERAL HOME LOAN MORTGAGE CORPORATION AMENDMENTS

SEC. 315. (a) Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended—

(1) by striking out ", and to hold" and inserting in lieu thereof the following: ". The Corporation may hold"; and

(2) by striking out the period after "therein" and inserting in lieu thereof the following: ", and the servicing on any such mortgage may be performed by the seller or by a financial institution qualified as a seller under provisions of the preceding sentence or by a mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act, with which institution or mortgagee the seller may contract."

(b) Section 305(a)(2) of such Act is amended—

(1) by striking out "75 per centum" each place it appears in the first sentence and inserting in lieu thereof "80 per centum";

(2) by striking out "private" in clause (C) of the first sentence; and

(3) by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act" and inserting in lieu thereof the following: ", but such limitations shall not exceed the limitations contained in the first proviso to the first sentence of section 5(c) of the Home Owners' Loan Act of 1933".

PROHIBITION AGAINST DISCRIMINATION IN EXTENSION OF MORTGAGE ASSISTANCE

SEC. 316. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"PROHIBITION AGAINST DISCRIMINATION ON ACCOUNT OF SEX IN EXTENSION OF MORTGAGE ASSISTANCE

"SEC. 525. No federally related mortgage loan, or Federal insurance, guaranty, or other assistance in connection therewith (under this or any other Act), shall be denied to any person on account of sex; and every person engaged in making mortgage loans secured by residential real property shall consider without prejudice the combined incomes of both husband and wife for the purpose of extending mortgage credit in the form of a federally related mortgage loan to a married couple or either member thereof.

"(b) For purposes of subsection (a), the term 'federally related mortgage loan' means any loan which—

"(1) is secured by residential real property designed principally for the occupancy of from one to four families; and

"(2)(A) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is itself regulated by any agency of the Federal Government; or

"(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary of Housing and Urban Development or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency; or

"(C) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

"(D) is made in whole or in part by any 'creditor', as defined in section 103(f) of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year."

MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES

SEC. 317. Section 1106 of the National Housing Act is amended as follows:

(1) Paragraph (1) is amended by inserting "or osteopathy" after "practice medicine", and by inserting after "State" where it last appears the following: "or, in the case of podiatric care or treatment, is under the professional supervision of persons licensed to practice podiatory in the State".

(2) Paragraph (2) is amended by inserting ", osteopathy," after "practice medicine", and by inserting after "dentistry in the State," the following: "or of persons licensed to practice podiatry in the State,".

(3) Paragraph (3)(A) is amended by inserting "osteopathic care," after "comprehensive medical care,", by striking out "or" after "optometric care,", and by inserting after "dental care," the following: "or podiatric care,".

(4) Paragraph (3)(B) is amended by inserting "osteopathic,", after "medical,", by striking out "or" after "optometric,", and by inserting after "dental" the following: "or podiatric".

MORTGAGE INSURANCE FOR MILITARY IMPACTED AREAS

SEC. 318. Title II of the National Housing Act, as amended, is further amended by adding the following new subsection to section 238:

"(c) The Special Risk Insurance Fund may be used by the Secretary for carrying out the mortgage insurance obligations of sections 203 and 207 to provide housing for military personnel, federal civilian employees, and federal contractor employees assigned to duty or employed at or in connection with any installation of the Armed Forces of the United States in federally-impacted areas where in the judgment of the Secretary (1) the residual housing requirements for persons not associated with such installations are insufficient to sustain the housing market in the event of substantial curtailment of employment of personnel assigned to such installations, and (2) the benefits to be derived from such use outweigh the risk of possible cost to the Government."

TITLE IV—RURAL HOUSING

INCLUSION OF UNITED STATES TERRITORIES AND TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 401. Section 501(a)(1) of the Housing Act of 1949 is amended by striking the words "Puerto Rico and the Virgin Islands" and inserting in lieu thereof the following language: "the Commonwealth of Puerto Rico, the Virgin Islands, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands".

REFINANCING OF INDEBTEDNESS FOR CERTAIN ELIGIBLE APPLICANTS

SEC. 402. Section 501(a)(4) of the Housing Act of 1949 is amended—

(1) by adding after the comma at the end of clause (B) the following: "or, if combined with a loan for improvement, rehabilitation, or repairs and not refinanced, is likely to cause a hardship for the applicant."

(2) by striking out subparagraphs (C) and (D) and inserting in lieu thereof the following:

"(C) was incurred by the applicant at least five years prior to his applying for assistance under this title.".

LOANS TO LEASEHOLD OWNERS UNDER ALL RURAL HOUSING PROGRAMS

SEC. 403. Section 501(b)(2) of the Housing Act of 1949 is amended by striking out "sections 502 and 504" and inserting in lieu thereof "this title".

REHABILITATION LOANS AND GRANTS

SEC. 404. Section 504(a) of the Housing Act of 1949 is amended to read as follows:

"(a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a rural dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. No assistance shall be extended to any one individual under this subsection in the form of a loan grant, or combined loan and grant in excess of $5,000. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable within twenty years in accordance with the principles and conditions set forth in this title, except that a loan for less than $2,500 need be evidenced only by a promissory note. Sums made available by grant may be made subject to the conditions set forth in this title for the prtoection of the Government with respect to contributions made on loans made by the Secretary.".

VETERANS PREFERENCE

Sec. 405. Section 507 of the Housing Act of 1949 is amended—

(1) by inserting after "concurrent resolution of Congress" each place it appears the following: "or during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in section 101(29) of title 38, United States Code),"; and

(2) by inserting "or era" before the period at the end of the third sentence.

ASSISTANCE AUTHORIZATION

Sec. 406. (a) Clauses (b), (c), and (d) of section 513 of the Housing Act of 1949 are amended to read as follows: "(b) not to exceed $75,000,000 for loans and grants pursuant to section 504 during the period beginning July 1, 1956, and ending June 30, 1977; (c) not to exceed $75,000,000 for financial assistance pursuant to section 516 for the period ending June 30, 1977; (d) not to exceed $1,000,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961, and ending June 30, 1977;".

(b) Sections 515(b)(5) and 517(a)(1) of such Act are amended by striking out "October 1, 1974" each place it appears and inserting in lieu thereof "June 30, 1977".

DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS

Sec. 407. (a) Section 515 of the Housing Act of 1949 is amended as follows:

(1) subsection (a) is amended by inserting "public or" before the word "private" and by inserting ", and to States or political subdivisions thereof," after the word "cooperatives"; and

(2) subsection (b) is amended by (A) inserting immediately before "corporation" the words "public or private", (B) striking out "or" immediately before "partnership", (C) adding immediately after "partnership" the phrase ", or any State or political subdivision thereof", and (D) adding the words "low or" immediately before "moderate".

(b) Section 515(b)(1) of such Act is amended by striking "$750,000 or" where it appears, and striking the word "least" and substituting therefor the word "less".

(c) Section 515(d)(4) of such Act is amended to read as follows:

"(4) the term 'development cost' means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges, including initial operating expenses up to 2 per centum of the aforementioned costs, approved by the Secretary. Such fees and charges may include payments of qualified consulting organizations or foundations which operate on a nonprofit basis and which render services or assistance to nonprofit corporations or consumer cooperatives who provide housing and related facilities for low or moderate income families".

DEFINITION OF RURAL AREA

Sec. 408. Section 520 of the Housing Act of 1949 is amended by inserting immediately before the period at the end thereof the following: ", or (3) has a population in excess of 10,000 but not in excess of 15,000 and has a serious lack of mortgage credit, as determined by the Secretary and the Secretary of Housing and Urban Development".

MUTUAL AND SELF-HELP HOUSING

Sec. 409. (a) Section 523(b)(1) of the Housing Act of 1949 is amended by inserting immediately before "; and" at the end thereof the following: ": *Provided*, That the Secretary may advance funds under this paragraph to organizations receiving assistance under clause (A) to enable them to establish revolving accounts for the purchase of land options and any such advances may bear interest at a rate determined by the Secretary and shall be repaid to the Secretary at the expiration of the period for which the grant to the organization involved was made".

(b) Section 523(f) of such Act is amended—

(1) by striking out "1974" each place it appears and inserting in lieu thereof "1977"; and

(2) by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

(c) Section 523 of such Act is amended by adding immediately after subsection (g) thereof the following new subsection (h):

"(h) The Secretary shall cause to be issued rules and regulations for the orderly processing and review of applications under this section and rules and regulations protecting the rights of grantees under this section in the event he determines to end grant assistance prior to the termination date of any grant agreement.".

DIRECT AND INSURED LOANS TO PROVIDE CONDOMINIUM HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES IN RURAL AREAS

Sec. 410. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"DIRECT AND INSURED LOANS TO PROVIDE CONDOMINIUM HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES IN RURAL AREAS

"Sec. 525. (a) The Secretary is authorized, in his discretion and upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 502) as he may prescribe, to make loans to persons and families of low or moderate income, and to insure and make commitments to insure loans made to persons and families of low or moderate income, to assist them in purchasing dwelling units in condominiums located in rural areas.

"(b) Any loan made or insured under subsection (a) shall cover a one-family dwelling unit in a condominium, and shall be subject to such provisions as the Secretary determines to be necessary for the maintenance of the common areas and facilities of the condominium project and to such additional requirements as the Secretary deems appropriate for the protection of the consumer.

"(c) In addition to individual loans made or insured under subsection (a) the Secretary is authorized, in his discretion and upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 515) as he may prescribe, to make or insure blanket loans to a borrower who shall certify to the Secretary, as a condition of obtaining such loan or insurance under this subsection, that upon completion of the multifamily project the ownership of the project will be committed to a plan of family unit ownership under which (1) each family unit will be eligible for a loan or insurance under subsection (a), and (2) the individual dwelling units in the project will be sold only on a condominium basis and only to purchasers eligible for a loan or insurance under subsection (a). The principal obligation of any blanket loan made or insured under this subsection shall in no case exceed the sum of the individual amounts of the loans which could be made or insured with respect to the individual dwelling units in the project under subsection (a).

"(d) As used in this section, the term 'condominium' means a multiunit housing project which is subject to a plan of family unit ownership acceptable to the Secretary under which each dwelling unit is individually owned and each such owner holds an undivided interest in the common areas and facilities which serve the project.".

(b) Section 517(b) of such Act is amended by striking out "and 524" and inserting in lieu thereof "524, and 525".

(c)(1) Section 521(a) of such Act is amended—

(A) by striking out "and loans under section 515" and inserting in lieu thereof "loans under section 515";

(B) by inserting after "elderly families" the following: "and loans under section 525 to provide condominium housing for persons and families of low or moderate income,".

(2) Section 521(b) of such Act is amended—

(A) by striking out "or 517(a)(1)" and inserting in lieu thereof ", 517(a)(1), or 525(a)"; and

(3) Section 521(c) of such Act is amended by inserting immediately after "517(b)" the following: "and section 525".

CONTRACT SERVICES AND FEES

Sec. 411. (a) Section 506(a) of the Housing Act of 1949 is amended by striking out ", as may be required by the Secretary, by competent employees of the Secretary" and inserting in lieu thereof "as required by the Secretary".

(b) Section 517(j)(3) of such Act is amended by inserting after "borrowers," the following: "and other services customary in the industry, construction inspections, commercial appraisals, servicing of loans, and other related program services and expenses,".

TRANSFER OF PRE-1965 INSURED HOUSING LOANS TO THE RURAL HOUSING INSURANCE FUND

Sec. 412. Section 517(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentences: "The notes held in the Agricultural Credit Insurance Fund (7 U.S.C. 1929) which evidence loans made or insured by the Secretary under section 514 or 515(b), the rights and liabilities of that Fund under insurance contracts relating to such loans held by insured investors, the mortgages securing the obligations of the borrowers under such loans held in that Fund or by insured investors, and all rights to subsequent collections on and proceeds of such notes, contracts, and mortgages, are hereby transferred to the Rural Housing Insurance Fund and for the purposes of this title and any other Act shall be subject to the provisions of this section as if created pursuant thereto. The Rural Housing Insurance Fund shall compensate the Agricultural Credit Insurance Fund for the aggregate unpaid principal balance plus accrued interest of the notes so transferred.".

SITE LOANS

Sec. 413. The first sentence of section 524(a) of the Housing Act of 1949 is amended to read as follows: "The Secretary may make loans, on such terms and conditions and in such amounts he deems necessary, to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any section of this title, the United States Housing Act of 1937, the National

Housing Act, or any other law which provides financial assistance for housing low- and moderate-income families."

ESCROW ACCOUNTS FOR TAXES, INSURANCE, AND OTHER EXPENSES

SEC. 414. (a) Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary may establish procedures whereby borrowers under this title may make periodic payments for the purposes of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate. Such payments shall be held in escrow by the Secretary and paid out by him at the appropriate time or times for the purposes for which such payments are made. The Secretary shall notify a borrower in writing when his loan payments are delinquent.".

(b) The second sentence of section 502(a) of such Act is amended by inserting before the period at the end thereof the following: "and on the borrower prepaying to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 501(e)".

(c) Section 517 of such Act is amended—

(1) by striking out "as it becomes due" in the first sentence of subsection (d);

(2) by striking out "prepayment" and "prepayments" each place they appear in subsection (j) (1) and inserting in lieu thereof "payment" and "payments" respectively; and

(3) by inserting before the semicolon at the end of subsection (j) (1) the following: "or until the next agreed annual or semiannual remittance date".

ASSISTANCE TO NONPROFIT SPONSORS

SEC. 415. Title V of the Housing Act of 1949 is amended by adding at the end thereof (after the new section added by section 409 of this Act) the following new section:

"ASSISTANCE TO NONPROFIT SPONSORS OF LOW- AND MODERATE-INCOME RURAL HOUSING

"SEC. 526. The Secretary is authorized to provide, or contract with public or private nonprofit organizations to provide, information, advice, and technical assistance, except that a private nonprofit organization shall be required to be sponsored by a State, county, municipality, or other governmental entity or public body, such sponsorship to include assisting the applicant in the processing of the application, implementing the technical assistance program, and carrying out all obligations of the grant. The information and technical assistance provided pursuant to this section may include but not be limited to—

"(1) the assembly, correlation, publication, and dissemination of information with respect to the construction, rehabilitation, and operation of low- and moderate-income housing;

"(2) the provision of advice and technical assistance to public bodies or to nonprofit or cooperative organizations with respect to the construction, rehabilitation, and operation of low- and moderate-income housing, including assistance with respect to self-help and mutual self-help programs; and

"(3) counseling on household management, self-help, budgeting, money management, child care, and related counseling services which would assist low- and moderate-income families receiving assistance under the United States Housing Act of 1937 or this Act in improving their living conditions and housing opportunities, and in meeting the responsibilties of homeownership.

"(b) The Secretary is authorized to make loans to public or private nonprofit corporations, agencies, institutions, organizations, and other associations approved by him for the necessary expenses, prior to construction, of planning, and obtaining financing for, the rehabilitation or construction of housing for low-income individuals or families under any Federal, State, or local housing program which is or could be used in rural areas. Such loans shall be made without interest and shall be for the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing prior to the availability of financing, including but not limited to preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site acquisition, ond construction loan fees and discounts. The Secretary shall require repayment of loans made under this subsection, under such terms and conditions as he may require, upon completion of the housing or sooner, and may cancel any part or all of such a loan if he determines that it cannot be recovered from the proceeds of any permanent loan made to finance the rehabilitation or construction of the housing.

"(c) There are authorized to be appropriated for the fiscal years ending June 30, 1975, and June 30, 1976, not to exceed $5,000,000 for purposes of subsection (a) and not to exceed $5,000,000 for the purposes of subsection (b). Any amount so appropriated shall remain available until expended, and any amounts authorized for any fiscal year under this subsection but not appropriated may be appropriated for any succeeding fiscal year.

"(d) All funds appropriated for the purpose of subsection (b) shall be deposited in a fund which shall be known as the low-income sponsor fund, and which shall be available without fiscal year limitation and be administered by the Secretary as a revolving fund for carrying out the purposes of that subsection. Sums received in repayment of loans made under subsection (b) shall be deposited in such fund."

RENTAL ASSISTANCE

SEC. 416. (a) Section 521(a) of the Housing Act of 1949 is amended by inserting "(1)" after "SEC. 521. (a)", and by adding at the end thereof the following new paragraph:

"(2) (A) The Secretary may make and insure loans under this section and sections 514, 515, and 517 to provide rental or cooperative housing and related facilities for persons and families of low income in multifamily housing projects, and may make, and contract to make, assistance payments to the owners of such rental housing in order to make available to low-income occupants of such housing rentals at rates commensurate to income and not exceeding 25 per centum of income. Such supplemental assistance payments shall be made on a unit basis and shall not be made for more than 20 per centum of the units in any one project, except (i) when the project is financed by a loan under section 515 for elderly housing or by a loan under section 514 and a grant under section 516, such assistance may be made for up to 100 per centum of the units, and (ii) when the Secretary determines such action is necessary to the economic feasibility of the project, he may make such payments with respect to more than 20 per centum of the units.

"(B) The owner of any project assisted under this paragraph shall be required to provide at least annually a budget of operating expenses and record of tenants' income which shall be used to determine the amount of assistance for each project.

"(C) The project owner shall accumulate, safeguard, and periodically pay to the Secretary any rental charges collected in excess of basic rental charges. These funds may be credited to the appropriation and used by the Secretary for making such assistance payments through the end of the next fiscal year."

(b) Section 521(c) of such Act is amended to read as follows:

"(c) There shall be reimbursed to the Rural Housing Insurance Fund by annual appropriations (1) the amounts by which nonprincipal payments made from the fund during each fiscal year to the holders of insured loans described in subsection (a) (1) exceed interest due from the borrowers during each year, and (2) the amount of assistance payments described in subsection (a) (2). The Secretary may from time to time issue notes to the Secretary of the Treasury under section 517(h) to obtain amounts equal to such unreimbursed payments, pending the annual reimbursement by appropriation."

(c) Section 517(j) of such Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) to make assistance payments authorized by section 521(a) (2)."

CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY OF LOW- AND MODERATE-INCOME PERSONS FOR ASSISTANCE UNDER RURAL HOUSING PROGRAM

SEC. 417. Title V of the Housing Act of 1949 is amended by adding at the end thereof (after the new section added by section 415 of this Act) the following new section:

"CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY OF LOW- AND MODERATE-INCOME PERSONS FOR ASSISTANCE UNDER RURAL HOUSING PROGRAM

"SEC. 527. Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of any individual or family for assistance pursuant to section 521 of this Act, or the amount of such assistance. For purposes of this section, the term 'social security benefit increases occurring after June 1974' has the meaning given it by section 525 of the National Housing Act."

TITLE V—MISCELLANEOUS

PART A—STATE DEVELOPMENT AGENCIES

DECLARATION OF PURPOSE

SEC. 501. It is the purpose of this part to encourage the formation and effective operation of State development agencies which have broad and flexible authority to carry out or assist development activities designed to (1) provide housing and related facilities for persons and families of low and moderate income, (2) promote the sound growth and development of neighborhoods through the revitalization of slum and blighted areas, (3) increase and improve employment opportunities for the unemployed and underemployed through the development and redevelopment of industrial, manufacturing, and commercial facilities, or (4) implement the development aspects of State land use and preservation policies, including the advance acquisition of land where it is consistent with such policies.

ELIGIBLE DEVELOPMENT AGENCIES

SEC. 502. (a) A State development agency is eligible for assistance under this part only if the Secretary determines that it is fully empowered and has adequate authority to at least carry out or assist in carrying out the purposes specified in clause (1) of section 501.

(b) For the purposes of this part, a "State development agency" is any public body or agency, publicly sponsored corporation, or instrumentality of one or more States which is designated by the Governor (or Governors in the case of an interstate development agency) for purposes of this part.

(c) As used in this part, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

GUARANTEES OF OBLIGATION

SEC. 503. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to guarantee, and enter into commitments to guarantee, in whole or in part, the bonds, debentures, notes, and other obligations issued by State development agencies to finance, in whole or in part, development activities as determined by him to be in furtherance of the purpose of clause (2) of section 501, including the provision for such purpose of housing and related facilities for persons and families of low and moderate income. The Secretary is also authorized to make, and to contract to make, grants to any State development agency for payments in an amount equal to 30 per centum of the interest payable on obligations issued by such agency to finance development activities in furtherance of the purpose of this part. The Secretary may make such guarantees and enter into such commitments, and may make such grants or contract to make such grants, upon such terms and conditions as he may prescribe, except that no obligation shall be guaranteed or otherwise assisted under this part unless the income from such obligation is subject to Federal taxation pursuant to section 508(b), and except that use of guarantees or other assistance provided for in this part shall not be made a condition to nor preclude receipt of any other Federal assistance.

(b) The full faith and credit of the United States is pledged to the payment of all guarantees made under this part with respect to principal, interest, and any redemption premiums. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

(c) The Secretary is authorized to establish and collect such fees and charges for and in connection with guarantees made under this part as he considers reasonable.

(d) There are authorized to be appropriated such sums as may be necessary to make payments as provided for in contracts entered into by the Secretary under this section. The aggregate principal amount of the obligations which may be guaranteed or otherwise assisted under this part and outstanding at any one time shall not exceed $500,000,000.

LIMITATION ON GUARANTEES

SEC. 504. The Secretary shall take such steps as he considers reasonable to assure that bonds, debentures, notes, and other obligations which are guaranteed under section 503 will—

(1) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

(2) bear interest at a rate satisfactory to the Secretary;

(3) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

(4) contain or be subject to provisions with respect to the protection of the security interests of the United States, including any provisions deemed appropriate by the Secretary relating to subrogation, liens, and releases of liens, payment of taxes, cost certification procedures, escrow or trusteeship requirements, or other matters.

REVOLVING FUND

SEC. 505. (a) The Secretary is authorized to establish a revolving fund to provide for the timely payment of any liabilities incurred as a result of guarantees or grants under section 503 and for the payment of obligations issued to the Secretary of the Treasury under subsection (b) of this section. Such revolving fund shall be comprised of (1) receipts from fees and charges; (2) recoveries under security, subrogation, and other rights; (3) repayments, interest income, and any other receipts obtained in connection with guarantees made under section 503; (4) proceeds of the obligations issued to the Secretary of the Treasury pursuant to subsection (b) of this section; and (5) such sums, which are hereby authorized to be appropriated, as may be required for such purposes. Money in the revolving fund not currently needed for the purpose of this part shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

(b) The Secretary may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary to carry out his functions with respect to the guarantees authorized by section 503. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder.

(c) Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary shall have power, for the protection of the interests of the fund authorized under this section, to pay out of such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by him as a result of recoveries under security, subrogation, or other rights.

TECHNICAL ASSISTANCE

SEC. 506. The Secretary is authorized to provide, either directly or by contract or other arrangements, technical assistance to State development agencies to assist them in connection with planning and carrying out development activities in furtherance of the purpose of this part.

LABOR STANDARDS

SEC. 507. All laborers and mechanics employed by contractors or subcontractors in development activities assisted under this part shall be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5): *Provided*, That this section shall apply to the construction of residential property only if such residential property is designed for residential use for eight or more families. No assistance shall be extended under this part with respect to any development activities without first obtaining adequate assurance that these labor standards will be maintained upon the work involved in such activities. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

GENERAL PROVISIONS

SEC. 508. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Secretary, in addition to any authority otherwise vested to him, shall—

(1) have the power, notwithstanding any other provision of law, in connection with any guarantee under this part, whether before or after default, to provide by contract for the extinguishment upon default of any redemption, equitable, legal, or other right, title, or interest of a State development agency in any mortgage, deed, trust, or other instrument held by or on behalf of the Secretary for the protection of the security interests of the United States; and

(2) have the power to foreclose on any property or commence any action to protect or enforce any right conferred upon him by law, contract, or other agreement, and bid for and purchase at any foreclosure or other sale any property in connection with which he has provided a guarantee pursuant to this part. In the event of any such acquisition, the Secretary may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property. Notwithstanding any other provision of law, the Secretary shall also have power to pursue to final collection by way of compromise or otherwise all claims acquired by him in connection with any security, subrogation, or other rights obtained by him in administering this part.

(b) With respect to any obligation issued by a State development agency for which the issuer has elected to receive the benefits of the assistance provided under this part, the intrest paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

PART B—NEW COMMUNITY PROGRAM AMENDMENTS

CHANGE IN NAME OF COMMUNITY DEVELOPMENT CORPORATION

SEC. 511. (a) Part B of title VII of the Housing and Urban Development Act of 1970 is amended by striking out "Community Development Corporation" wherever it appears and inserting in lieu thereof "New Community Development Corporation".

(b) The heading of section 729 of such Act is amended by inserting "NEW" before "COMMUNITY".

MEMBERSHIP OF BOARD OF DIRECTORS OF NEW COMMUNITY DEVELOPMENT CORPORATION

SEC. 512. Section 729(b) of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "five members" in the matter preceding paragraph (1) and inserting in lieu thereof "seven members"; and

(2) by striking out "three persons" in paragraph (3) and inserting in lieu thereof "five persons".

INCREASE IN INTEREST DIFFERENTIAL GRANTS TO STATE LAND DEVELOPMENT AGENCIES

SEC. 513. The last sentence of section 713(a) of the Housing and Urban Development Act of 1970 is amended by striking out "in amounts" and all that follows and inserting in lieu thereof "in amounts equal to 30 per centum of the interest paid on such obligations."

SUPPLEMENTARY GRANTS FOR PROJECTS ASSISTED BY NATIONAL FOUNDATION ON ARTS AND HUMANITIES

SEC. 514. Section 718(c) of the Housing and Urban Development Act of 1970 is amended by inserting before the period at the end thereof the following: ", or a project or portion of a project consisting of the purchase, renovation, or construction of facilities, the purchase of land, or the acquisition of equipment or works of art assisted by contracts or grants under section 5 of the National Foundation on the Arts and the Humanities Act of 1965".

INCLUSION OF WASTE DISPOSAL FACILITIES AND COMMUNITY OR NEIGHBORHOOD HEATING OR AIR-CONDITIONING SYSTEMS AMONG ELIGIBLE LAND IMPROVEMENTS

SEC. 515. Section 711(f) of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "sewage disposal" in the first and second sentences and inserting in lieu thereof "sewage or waste disposal";

(2) by inserting "community or neighborhood central heating or air-conditioning systems," after "storm drainage facilities," in the first sentence; and

(3) by inserting ", a community or neighborhood central heating or air-conditioning system," after "disposal installation" in the second sentence.

PART C—NATIONAL HOMESTEAD PROGRAM

SEC. 521. It is the purpose of this part to assist in alleviating the present shortage of decent housing for low- and moderate-income individuals and families through the more constructive use of federally owned residential property, while at the same time assisting in the elimination of deterioration and blight in urban and other areas and in the effective rehabilitation of those areas.

SEC. 522. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall—

(1) compile, maintain, and keep current a catalog of all unoccupied single-family dwellings in urban and other areas within the United States which are owned by him or his Department, and which would be suitable for occupancy and rehabilitation by qualified low- and moderate-income individuals and families under the national homestead program established by this part; and

(2) take such steps as may be necessary or appropriate (by publication, advertisement, or otherwise) to assure that the residents of each community or area in which any of such dwellings is located will be fully and currently informed of (A) the existence, nature and location of such dwellings, (B) the qualifications required for participation in the program under this part and (C) the terms and conditions on which such dwellings may be conveyed to qualified persons.

(b) The dwellings included in the catalog compiled under subsection (a) shall be offered to qualified low- and moderate-income applicants in accordance with this part without regard to their race, color, religion, sex, or national origin but with due consideration in each case of the suitability of the dwelling involved for the applicant's family (taking into account its size and composition and other relevant factors).

SEC. 523. An applicant is qualified, for purposes of participation in the program under this part with respect to any dwelling, only if he or she—

(1) is eighteen years of age or older;

(2) is the head of his or her household;

(3) is a citizen of the United States;

(4) has not previously participated in the program;

(5) is not the owner of any other real property; and

(6) possesses the financial, technical, and other resources which are necessary (as determined under regulations prescribed by the Secretary) to rehabilitate such dwelling in accordance with his or her agreement entered into under section 524.

SEC. 524. (a) The conveyance of any dwelling to an applicant under the program shall be made on a conditional basis, in return for the payment by such applicant of $1 and the execution by such applicant of an agreement as described in subsection (b).

(b) Each applicant for a dwelling under the program shall enter into an agreement, in such manner and form as the Secretary may require, that he or she—

(1) will reside in the dwelling (and maintain it as his or her principal residence) for a period of at least five years;

(2) will during such period rehabilitate and maintain the dwelling so that it satisfies all of the requirements of applicable State and local law, including building plumbing, electrical, fire prevention, and related codes;

(3) will carry adequate fire and liability insurance on the dwelling at all times;

(4) will permit inspections of the dwelling to be made at reasonable times by agents or employees of the Secretary for the purpose of determining the progress of the rehabilitation; and

(5) will comply with such additional terms, conditions, and requirements as the Secretary may impose in order to assure that the purpose of this part is carried out.

(c) Upon any material failure by the applicant to carry out his or her agreement entered into under subsection (b) with respect to the dwelling, the conditional conveyance of title to such applicant under subsection (a) shall be revoked, and all right, title, and interest in and to the dwelling shall revert to the Secretary; except that the Secretary may in his discretion grant the applicant, on the basis of need or otherwise, a specified period or extension of time not exceeding two years in which to come into compliance with the terms of the agreement and thereby avoid such revocation and reversion.

(d) After the applicant has resided in the dwelling for the required five-year period and has rehabilitated and maintained it and otherwise complied with the terms of his or her agreement throughout such period, the Secretary shall convey to the applicant fee simple title to the dwelling (including the land on which it is situated).

SEC. 525. The Secretary shall prescribe such rules and regulations, including rules and regulations establishing standards and methods for the inspection of dwellings and the measurement of rehabilitation progress, as may be necessary or appropriate to carry out this part.

SEC. 526. (a) The legal title to and ownership of any dwelling conditionally conveyed to an applicant under section 524(a) shall remain in the Secretary for purposes of all Federal, State, and local laws until fee simple title to such dwelling is conveyed to such applicant under section 524(d); and the conditional conveyance of such dwelling shall specifically so provide. During the period prior to fee simple conveyance such dwelling shall be subject to State and local property taxes only to the extent that other federally owned real property is or would be subject to such taxes under similar conditions.

(b) To the extent he finds it feasible and desirable and consistent with the purpose of this part, the Secretary may enter into agreements with State and local governments and agencies under which single-family dwellings owned by them may be included in the catalog compiled under section 522. Under regulations prescribed by the Secretary, modifying the provisions of this part to the extent necessary or appropriate to take account of differences resulting from State or local ownership, any dwelling so included shall be offered and conveyed to qualified applicants in the same manner and on the same terms and conditions as dwellings owned by the Secretary.

(c) Section 312(a)(1) of the Housing Act of 1964 is amended by adding "or" after the semicolon at the end of subparagraph (C), and by adding at the end thereof the following new subparagraph:

"(D)(i) the property is being occupied pursuant to an agreement entered into under part C of title V of the Housing and Urban Development Act of 1974, and (ii) the loan is made to assist the occupant in carrying out his or her responsibilities under that agreement;".

SEC. 527. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

PART D—MISCELLANEOUS PROVISIONS

INCREASE IN AUTHORIZATION FOR COMPREHENSIVE URBAN PLANNING; PARTICIPATION OF THE TRUST TERRITORY OF THE PACIFIC

SEC. 531. (a) Section 701(b) of the Housing Act of 1954 is amended by inserting immediately after the fifth sentence the following new sentence: "In addition, there is authorized to be appropriated for the purpose of this section not to exceed $130,000,000 for the fiscal year beginning on July 1, 1974."

(b) Section 703 of the Housing Act of 1954 is amended by striking out the word "and" in clause (1) and by inserting ", and the Trust Territory of the Pacific Islands" immediately before the semicolon at the end of such clause.

COUNSELING AND TECHNICAL ASSISTANCE

SEC. 532. (a) Section 106 of the Housing and Urban Development Act of 1968 is amended by rewriting the headings to read as follows "TECHNICAL ASSISTANCE, COUNSELING TO TENANTS AND HOMEOWNERS, AND LOANS TO SPONSORS OF LOW- AND MODERATE-INCOME HOUSING".

(b) Section 106(a)(1)(iii) of such Act is amended to read as follows:

(iii) the provision of training and counseling programs (including preoccupancy programs) for low- and moderate-income tenants and homeowners, including but not limited to, housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and utilization of community resources; and".

(c) Section 106(a)(1) of such Act is amended by adding at the end thereof the following new subparagraph:

"(iv) the provision of technical assistance to communities, particularly smaller communities, to assist such communities in planning, developing, and administering Community Development Programs pursuant to title I of the Housing and Urban Development Act of 1974."

(d) Section 106(a)(2) of such Act is amended by striking out "not to exceed $5,000,000" and inserting in lieu thereof "such sums as may be necessary".

(e) Section 106(b)(1) of such Act is amended by inserting "or public housing agencies" immediately after "nonprofit organizations".

(f) Section 106(b)(2) of such Act is amended by inserting "or public housing agency" immediately after "nonprofit organization".

LIMITATION ON WITHHOLDING OR CONDITIONING OF ASSISTANCE

SEC. 533. Assistance provided for in this Act, the National Housing Act, the United States Housing Act of 1937, the Housing Act of 1949, the Demonstration Cities and Metropolitan Development Act of 1966, and the Housing and Urban Development Acts of 1965, 1968, 1969, and 1970 shall not be withheld or made subject to conditions or preference by reason of the tax-exempt status of bonds or other obligations issued or to be issued to provide financing for use in connection with such assistance, except where otherwise expressly provided or authorized by law.

ADDITIONAL RESEARCH AUTHORITY

SEC. 534. Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new section:

"ADDITIONAL RESEARCH AUTHORITY

"SEC. 509. (a) In carrying out activities under section 501, the Secretary may undertake special demonstrations to determine the housing design, the housing structure, and the housing-related facilities, services, and amenities most effective or appropriate to meet the needs of groups with special housing needs including the elderly, the handicapped, the displaced, single individuals, broken families, and large households. For this purpose, the Secretary is authorized to enter into contracts with, to make grants to, and to provide other types of assistance to individuals and entities with special competence and knowledge to contribute to the planning, developing, design, and management of such housing.

"(b) In carrying out his functions under this section, the Secretary shall give preferential attention to demonstrations which in his judgment involve areas of housing user needs most neglected in past and current research and demonstration efforts.

"(c) The Secretary is authorized to undertake demonstrations involving the actual planning, development, and occupancy of housing utilizing the contract and loan authority of any federally assisted housing program. He is also authorized to set aside any development, construction, design, and occupancy requirements, for purposes of these demonstrations, if in his judgment they inhibit the testing of housing designed to meet the special housing needs.

"(d) In carrying out this section, the Secretary shall include, as part of any demonstration, an evaluation of the demonstration to cover the full experience involved in planning, development, and occupancy.

"(e) In addition to any other contract or loan authority which the Secretary may utilize under subsection (c), not more than $10,000,000 from amounts approved in appropriation Acts shall be available for research under this section."

MATERIALS, DESIGN, AND CONSTRUCTION REQUIREMENTS FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 535. The Secretary of Housing and Urban Development shall take such steps as may be necessary (including the insertion of appropriate requirements, specifications and enforcement provisions in assistance contracts) to make certain that all housing which is constructed for use by low- or moderate-income families with assistance under any law or program administered by the Secretary or under his jurisdiction is designed and constructed in such manner, and utilizes materials of such quality and durability, as to assure to the maximum extent feasible that such housing will have a long economic life, resist deterioration, and provide ease of maintenance, regardless of any savings in cost which might otherwise be realized through the use or application of inferior design, construction, or materials.

FLOOD INSURANCE PROGRAM

SEC. 536. Chapter III of title XIII of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new section:

"NOTICE OF FLOOD HAZARDS

"SEC. 1364. Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation require such institutions, as a condition of making, increasing, extending, or renewing (after the expiration of thirty days following the date of the enactment of this section) any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Secretary under this title or Public Law 93-233 as an area having special flood hazards, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) of such special flood hazards, in writing, a reasonable period in advance of the signing of the purchase agreement, lease, or other documents involved in the transaction."

ADDITIONAL ASSISTANT SECRETARIES OF HOUSING AND URBAN DEVELOPMENT

SEC. 537. (a) Section 4 of the Department of Housing and Urban Development Act (Public Law 89-174, 79 Stat. 667) is amended—

(1) by striking out "six" in the first sentence of subsection (a) and inserting in lieu thereof "eight";

(2) by striking out subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) Section 5316 of title 5, United States Code, is amended by striking out paragraph (122).

(c) Paragraph (87) of section 5315 of title 5, United States Code, is amended by striking out "(6)" and inserting in lieu thereof "(8)".

SEC. 538. Notwithstanding the provisions of section 133(b) of the Housing Act of 1949 or of any other law, local expenditures made in connection with the Broad and Front Street Garage in Trenton, New Jersey, shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the first two action years of the Trenton Neighborhood Development Program (N.J. A-1) in accordance with the provisions of title I of the Housing Act of 1949.

SEC. 539. Section 1307 of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, any community that has made adequate progress, acceptable to the Secretary on the construction of a flood protection system which will afford flood protection for the one-hundred year frequency flood as determined by the Secretary, shall be eligible for flood insurance under this title (if and to the extent it is eligible for such insurance under the other provisions of this title) at premium rates not exceeding those which would be applicable under this section if such flood protection system had been completed: *Provided, however,* That the Secretary shall find that adequate progress as required herein, has been made if: (a) 100 percent of the project cost of the system has been authorized, and; (b) at least 60 percent of the project cost of the system has been appropriated, and; (c) at least 50 percent of the project cost of the system has been expended, and; (d) the system is at least 50 percent completed."

CONDOMINIUM AND COOPERATIVE STUDY

SEC. 540. (a) The Secretary of Housing and Urban Development is authorized and directed to conduct a full and complete investigation and study, and report to Congress not later than one year after the date of enactment of this Act, with respect to condominiums and cooperatives, the problems, difficulties, abuses or potential abuses applicable to such housing.

SEC. 541. Participation by a unit of local government in any program authorized by this Act shall not be affected in any way by such unit's membership or non-membership in a regional planning organization or council of governments.

TITLE VI—CONSUMER HOME MORTGAGE ASSISTANCE

SHORT TITLE

SEC. 600. This title may be cited as the "Consumer Home Mortgage Assistance Act of 1974".

PART A—LENDING AND INVESTMENT POWERS, FEDERAL SAVINGS AND LOAN ASSOCIATIONS

CONSTRUCTION LOANS

SEC. 601. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest an amount, not exceeding the greater of (i) the sum of its surplus, undivided profits, and reserves or (ii) 5 per centum of its assets, in loans or in interests therein the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate within one hundred miles of their home office or within the State in which such office is located where (i) the association relies substantially for repayment on the borrower's general credit standing and forecast of income, with or without other security, or (ii) the association relies on other security as collateral for the loans, including but not limited to a guaranty or similar obligation of a third party, and in either case described in clause (i) or (ii) immediately preceding, regardless of whether or not the association takes a security interest in real estate (whether or not constituting a first lien) as additional protection.".

SINGLE FAMILY DWELLING LIMITATIONS

SEC. 602. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by striking out "$45,000" immediately before "for each single family dwelling" and inserting in lieu thereof "$55,000 (except that with respect to dwellings in Alaska, Guam, and Hawaii the foregoing limitation may, by regulation of the Board, be increased by not to exceed 50 per centum)"; and by inserting immediately after "upon improved real estate without regard to the foregoing limitations" the following: "but (of said last mentioned 20 per centum) the amount deemed to be loaned in transactions which, except for excess in amount, would be eligible for such association under provisions of this sentence (other than this exception) or under the next following sentence shall be only the outstanding amount of such excess.".

LENDING AUTHORITY UNDER THE HOME OWNERS' LOAN ACT

SEC. 603. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), as amended by section 601 of this Act, is amended by adding at the end thereof the following new paragraph:

"Subject to such prohibitions, limitations, and conditions as the Board may prescribe, any such association may invest in loans and advances of credit and interests therein upon the security of or respecting real property or interests therein used for primarily residential purposes (all of which may be defined by the Board) that do not comply with the limitations and restrictions in this subsection, but no investment shall be made by an association under this sentence if its aggregate outstanding investment under this sentence determined as prescribed by the Board, exclusive of any investment which is or at the time of its making was otherwise authorized, would thereupon exceed 10 per centum of its assets.".

AMENDMENT TO THE HOME OWNERS' LOAN ACT OF 1933 CONCERNING PROPERTY IMPROVEMENT LOANS

SEC. 604. The second and third undesignated paragraphs of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) are amended by striking out "$5,000" and inserting in lieu thereof "$10,000".

AMENDMENT TO TITLE IV OF THE NATIONAL HOUSING ACT CONCERNING ASSET REQUIREMENTS OF INSURED INSTITUTIONS

SEC. 605. The third sentence of section 403 (b) of the National Housing Act (12 U.S.C. 1726(b)) is amended by striking out "twenty years" in the first proviso and inserting in lieu thereof "thirty years", and by striking out the second proviso.

PART B—NATIONAL BANKS

REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 611. Section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended to read as follows:

"REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 24. **(a) (1) Any national banking association may make real estate loans secured by liens upon unimproved real estate, upon improved real estate, including improved farmland and improved business and residential properties, and upon real estate to be improved by a building or buildings to be constructed or in the process of construction, in an amount which added to the amount unpaid upon prior mortgages, liens, encumbrances, if any, upon such real estate does not exceed the respective proportions of appraised value as provided in this section. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument, which shall constitute a lien on real estate** in fee or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold under a lease which does not expire for at least ten years **beyond the maturity date of the loan, and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan hereafter made shall not exceed 66⅔ per centum of the appraised value if such real estate is unimproved, 75 per centum of the appraised value if such real estate is improved by offsite improvements such as streets, water, sewers, or other utilities, 75 per centum of the appraised value if such real estate is in the process of being improved by a building or building to be constructed or in the process of construction, or 90 per centum of the appraised value if such real estate is improved by a building or buildings. If any such loan exceeds 75 per centum of the appraised value of the real estate or if the real estate is improved with a one- to four-family dwelling, installment payments shall be required which are sufficient to amortize the entire principal of the loan within a period of not more than thirty years.**

"(2) The limitations and restrictions set **forth in paragraph (1) shall not prevent the renewal or extension of loans heretofore made and shall not apply to real estate loans (A) which are insured under the provisions of the National Housing Act, (B) which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act of August 28, 1937, as amended, or title V of the Housing Act of 1949, as amended, or (C) which are guaranteed by the Secretary of Housing and Urban Development for the payment of the obligations of which the full faith and credit of the United States is pledged, and such limitations and restrictions shall not apply to real estate loans which are fully guaranteed or insured by a State, or any agency or instrumentality thereof, or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, if under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan, or to any loan at least 20 per centum of which is guaranteed under chapter 37 of title 38, United States Code.**

"(3) Loans which are guaranteed or insured as described in paragraph (2) shall not be taken into account in determining the amount of real estate loans which a national banking association may make in relation to its capital and surplus or its time and savings deposits or in determining the amount of real estate loans secured by other than first liens. Where the collateral for any loan consists partly of real estate security and partly of other security, including a guaranty or endorsement by or an obligation or commitment of a person other than the borrower, only the amount by which the loan exceeds the value as collateral of such other security shall be considered a loan upon the security of real estate, and in no event shall a loan be considered as a real estate loan where there is a valid and binding agreement entered into by a financially responsible lender or other party either directly with the association or which is for the benefit of or has been assigned to the association and pursuant to which agreement the lender other party is required to advance to the association within sixty months from the date of the making of said loan the full amount of the loan to be made by the association upon the security of real estate. Except as otherwise provided, no such association shall make real estate loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of the amont of its time and savings deposits, whichever is greater: *Provided*, That the amount unpaid upon real estate loans secured by other than first liens when added to the amount unpaid upon prior mortgages, liens, and encumbrances shall not exceed in an aggregate sum 20 per centum of the amount of the capital stock of such association paid in and unimpaired plus 20 per centum of the amount of its unimpaired surplus fund.

"(b) Any national banking association may make real estate loans secured by liens upon forest tracts which are properly managed in all respects. Such loans shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument; and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, shall not exceed 66⅔ per centum of the appraised fair market value of the growing timber, lands, and improvements thereon offered as security and the loan shall be made upon such terms and conditions as to assure that at no time shall the loan balance, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, exceed 66⅔ per centum of the original appraised total value of the property then remaining. No such loan shall be made for a longer term than three years; except that any such loan may be made for a term not longer than fifteen years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the principal of the loan within a period of not more than fifteen years and at a rate of at least 6⅔ per centum per annum. All such loans secured by liens upon forest tracts shall be included in the permissible aggregate of all real estate loans and, when secured by other than first liens, in the permissible aggregate of all real estate loans secured by other than first liens, prescribed in subsection (a), but no national banking association shall make forest tract loans in an aggregate sum in excess of 50 per centum of its capital stock paid in and unimpaired plus 50 per centum of its unimpaired surplus fund.

"(c) Loans made to finance the construction of a building or buildings and having maturities of not to exceed sixty months where there is a valid and binding agreement entered into by a financially responsible lender or other party to advance the full amount of the bank's loan upon completion of the building or buildings, and loans made to finance the construction of residential or farm buildings and having maturities of not to exceed sixty months, may be considered as real estate loans if the loans qualify under this section, or such loans may be classed as commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed at the option of each national banking association that may have an interest in such loans: *Provided,* That no national banking association shall invest in, or be liable on, any such loans classed as commercial loans under this subsection in an aggregate amount in excess of 100 per centum of its actually paid-in and unimpaired capital plus 100 per centum of its unimpaired surplus fund.

"(d) Notes representing loans made under this section to finance the construction of residential or farm buildings and having maturities of not to exceed nine months shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of this Act if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

"(e) Loans made to any borrower (i) where the association looks for repayment by relying primarily on the borrower's general credit standing and forecast of income, with or without other security, or (ii) secured by an assignment of rents under a lease, and where, in either case described in clause (i) or (ii) above, the association wishes to take a mortgage, deed of trust, or other instrument upon real estate (whether or not constituting a first lien) as a precaution against contingencies, and loans in which the Small Business Administration cooperates through agreements to participate on an immediate or deferred or guaranteed basis under the Small Business Act shall not be considered as real estate loans within the meaning of this section but shall be classed as commercial loans.

"(f) Any national banking association may make loans upon the security of real estate that do not comply wtih the limitations and restrictions in this section, if the total unpaid amount loaned, exclusive of loans which subsequently comply with such limitations and restrictions, does not exceed 10 per centum of the amount that a national banking association may invest in real estate loans. The total unpaid amount so loaned shall be included in the aggregate sum that such association may invest in real estate loans.

"(g) Loans made pursuant to this section shall be subject to such conditions and limitations as the Comptroller of the Currency may prescribe by rule or regulation.".

Part C—Federal Credit Unions

LENDING AUTHORITY AND DEPOSITORY AUTHORITY

Sec. 621. (a) Paragraph (6) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended to read as follows:

"(6) to make loans to its own directors and to members of its own supervisory credit committee provided that any such loan or aggregate of loans to one director or committee member which exceeds $2,500 plus pledged shares, must be approved by the board of directors and to permit directors and members of its own supervisory or credit committee to act as guarantor or endorser of loans to other members, except when such a loan standing alone or when added to any outstanding loan or loans of the guarantor exceeds $2,500, approval by the board of directors is required;".

(b) Paragraph (9) of such section is amended by inserting immediately before the semicolon at the end thereof the following: ", and for Federal credit unions or credit unions authorized by the Department of Defense operating suboffices on American military installations in foreign countries or trust territories of the United States to maintain demand deposit accounts in banks located in those countries or trust territories subject to such regulations as may be issued by the Administrator and provided such banks are correspondents of banks described in this paragraph".

FEES

Sec. 622. The first sentence of section 109 of the Federal Credit Union Act (12 U.S.C. 1759) is amended by striking out "the entrance fee" and inserting in lieu thereof "a uniform entrance fee if required by the board of directors".

DIRECTORS

Sec. 623. (a) The third sentence of section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by inserting ", except that the board may designate a committee of not less than two to act as an investment committee, such investment committee to have charge of making investments under rules and procedures established by the board of directors" immediately after "have charge of investments other than loans to members".

(b) The fourth sentence of such section is amended by striking out "act for it in the purchase and sale of securities, the borrowing of funds, and making of loans to other credit unions" and inserting in lieu thereof "exercise such authority as may be delegated to it subject to such conditions and limitations as may be prescribed by the board".

(c) The fifth sentence of such section is amended by striking out "a membership officer" and inserting in lieu thereof "one or more membership officers".

(d) Such section is amended by adding at the end thereof the following new sentence: "If a membership application is denied, the reasons therefor shall be furnished in writing to the person whose application is denied, upon written request.".

CREDIT COMMITTEE

Sec. 624. Section 114 of the Federal Credit Union Act (12 U.S.C. 1761c) is amended to read as follows:

"CREDIT COMMITTEE

"Sec. 114. The credit committee shall hold such meetings as the business of the Federal credit union may require and not less frequently than once a month to consider applications for loans and loan plans offered in accordance with regulations promulgated by the Administrator. Reasonable notice of such meetings shall be given to all members of the committee. No loan or loans plan shall be made unless it is approved by a majority of the committee who are present at the meeting at which the application is considered; except that the credit committee may appoint one or more loan officers, and delegate to him or them the power to approve loans and loan plans. Each loan officer shall furnish to the credit committee a record of each loan and loan plan approved or not approved by him within seven days of the date of the filing of the application therefor. All loans and loan plans not approved by a loan officer shall be acted upon by the credit committee. No individual shall have the authority to disburse funds of the Federal credit union for any loan or loan plan which has been approved by him in his capacity as a loan officer. Not more than one member of the credit committee may be appointed as a loan officer. Applications for loans and loan plans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan or loan plan is desired, the security, if any, and such other data as may be required. No loan or loan plan which is not adequately secured may be made to any member, if, upon the making of that loan or loan plan, the member would be indebted to the Federal credit union upon loans or loan plans made to him in an aggregate amount which, in the case of a credit union whose unimpaired capital and surplus is less than $8,000, would exceed $200, or which, in the case of any other credit union, would exceed 2½ per centum of its unimpaired capital and surplus. No loan or loan plan may be made to any member if, upon the making of that loan or loan plan, the member would be indebted to the Federal credit union upon loans or loan plans made to him in an aggregate amount which would exceed $200 or 10 per centum of the credit union's unimpaired capital and surplus, whichever is greater. For the purposes of this section an assignment of shares or the endorsement of a note shall be deemed security and subject to such regulations as the Administrator may prescribe, insurance obtained under title I of the National Housing Act shall be deemed adequate security.".

SUPERVISORY COMMITTEES

Sec. 625. Section 115 of the Federal Credit Union Act (12 U.S.C. 1761d) is amended by striking out "a semiannual" and inserting in lieu thereof "an annual".

DIVIDENDS

Sec. 626. (a) The first sentence of section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended by striking out "Annually, semiannually, or quarterly, as the bylaws may provide" and inserting in lieu thereof "At such intervals as the board of directors may authorize".

(b) The last sentence of such section is amended by striking out "for a month", and by striking out "which are or become fully paid up during the first ten days of that month" and inserting in lieu thereof "as authorized by the boards of directors".

APPLICABILITY

Sec. 627. Section 126 of the Federal Credit Union Act (12 U.S.C. 1772) is amended by inserting immediately after "the several territories" the following: ", including the trust territories,".

DEFINITION OF MEMBERS ACCOUNTS

Sec. 628. Section 202(h) of the Federal Credit Union Act (12 U.S.C. 1782(h)) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) the term 'members accounts' when applied to the premium charge of insurance of the accounts of federally insured credit unions shall not include amounts in excess of the insured account limit set forth in section 207(c)."

TERMINATION

Sec. 629. (a) Section 206(a) of the Federal Credit Union Act (12 U.S.C. 1786(a)) is amended to read as follows:

"(a)(1) Any insured credit union other than a Federal credit union may, upon not less than ninety days' written notice to the Administrator and upon the affirmative vote of a majority of its members within one year prior to the giving of such notice, terminate its status as an insured credit union.

"(2) Any insured credit union, other than a Federal credit union, which has obtained a new certificate of insurance from a corporation authorized and duly licensed to insure member accounts may upon not less than ninety days' written notice to the Administrator convert from status as an insured credit union under this Act: *Provided*, That at the time of giving notice to the Administrator the provisions of paragraph (b)(1) of this section are not being invoked against the credit union.".

(b) The first sentence of section 206(c) of such Act is amended by inserting "(1)" immediately after "(a)".

(c) Section 206(d) of such Act is amended by inserting "(1)" immediately after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) No credit union shall convert from status as an insured credit union under this Act as provided under subsection (a)(2) of this section until the proposition for such conversion has been approved by a majority of all the directors of the credit union, and by affirmative vote of a majority of the members of the credit union who vote on the proposition. Following approval by the directors, written notice of the proposition and of the date set for the membership vote shall be delivered in person to each member, or mailed to each member at the address for such member appearing on the records of the credit union, not more than thirty nor less than seven days prior to such date. The membership shall be given the opportunity to vote by mail ballot. If the proposition is approved by the membership, prompt and reasonable notice of insurance conversion shall be given to all members.

"(3) In the event of a conversion of a credit union from status as an insured credit union under this Act as provided under subsection (a)(2) of this section, premium charges payable under section 202(c) of this Act shall be reduced by an amount proportionate to the number of calendar months for which the converting credit union will no longer be insured under this Act. As long as a converting credit union remains insured under this Act, it shall remain subject to all of the provisions of chapter II of this Act.".

LIQUIDATION

Sec. 630. Section 208(a)(1) of the Federal Credit Union Act (12 U.S.C. 1788(a)(1)) is amended to read as follows:

"(1) In order to reopen a closed insured credit union or in order to prevent the closing of an insured credit union which the Administrator has determined is in danger of closing or in order to assist in the voluntary liquidation of a solvent credit union, the Administrator, in his discretion, is authorized to make loans to, or purchase the assets of, or establish accounts in such insured credit union upon such terms and conditions as he may prescribed. Except with respect to the voluntary liquidation of a solvent credit union, such loans shall be made and such account shall be established only when, in the opinion of the Administrator, such action is necessary to protect the fund or the interests of the members of the credit union."

Amend the title so as to read: "An Act to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes.

Mr. SPARKMAN. Mr. President, I move that the Senate disagree to the amendments of the House to S. 3066 and agree to a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. Biden) appointed Mr. Sparkman, Mr. Proxmire, Mr. Williams, Mr. Cranston, Mr. Tower, Mr. Brooke, and Mr. Brock conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 14291) to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographic areas, pursuant to the International Convention for the Northwest Atlantic Fisheries, 1949, and for other purposes.

The message also announced that the House had passed the joint resolution (H.J. Res. 1057) to extend by 30 days the expiration date of the Export Administration Act of 1969, in which it requests the concurrence of the Senate.

The message further announced that the House disagrees to the amendments of the Senate to the resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Mahon, Mr. Whitten, Mr. Passman, Mr. Flood, Mrs. Hansen of Washington, Mr. Casey, Mr. Cederberg, Mr. Minshall, Mr. Michel, and Mr. Shriver were appointed managers of the conference on the part of the House.

EXTENSION FOR 30 DAYS OF THE EXPIRATION DATE ON DEFENSE PRODUCTION ACT OF 1950

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Joint Resolution 1056.

The PRESIDING OFFICER laid before the Senate House Joint Resolution 1056, a joint resolution to extend by 30 days the expiration date of the Defense Production Act of 1950, which was read twice by its title.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. HARRY F. BYRD, JR. Does this deal in any way with the Export-Import Bank?

Mr. SPARKMAN. Not at all. This is on the Defense Production Act. The one the Senator refers to I hope to call up sometime later today, in which the Senator from Wisconsin (Mr. Proxmire) has an interest.

Mr. HARRY F. BYRD, JR. Could I ask the Senator to notify the Senator from Virginia when the Export-Import Bank measure is brought before the Senate?

Mr. SPARKMAN. Yes, indeed. It is not an extension of the Export-Import Bank but a simple extension for 30 days—a continuing resolution thereon.

Mr. HARRY F. BYRD, JR. That is as I understand it, yes—I should like to be present when that is called up.

The joint resolution (H.J. Res. 1056) was considered, ordered to a third reading, was read the third time, and passed.

Mr. SPARKMAN. Mr. President, I move that the vote by which the joint resolution was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGEE, from the Committee on Post Office and Civil Service, with amendments:

S. 2619. A bill to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program (Rept. No. 93-961).

By Mr. GRAVEL, from the Committee on Public Works, without amendment:

S. 3490. A bill providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended (Rept. No. 93-962).

By Mr. McCLELLAN, from the Committee on Appropriations, without amendment:

H.J. Res. 1061. A joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes (Rept. No. 93-963).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Robert Stephen Ingersoll, of Illinois, to be Deputy Secretary of State; and

Carlyle E. Maw, of New York, to be Under Secretary of State for Coordinating Security Assistance Programs.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MAGNUSON, from the Committee on Commerce:

Charles Luna, of Texas; Joseph V. MacDonald, of New York; Frank S. Besson, Jr., of Virginia; Mary J. Head, of Oklahoma; and Edward L. Ullman, of Washington, to be members of the Board of Directors of the National Railroad Passenger Corporation.

William W. Scranton, of Pennsylvania; Gale B. Aydelott, of Colorado; James E. Burke, of New Jersey; Frank H. Blatz, Jr., of New Jersey; Samuel B. Payne, of Massachusetts; W. K. Smith, of Minnesota; Donald P. Jacobs, of Illinois; and Robert Galbraith Dunlop, of Pennsylvania, to be members of the Board of Directors of the U.S. Railway Association.

Arthur D. Lewis, of Connecticut, to be chairman of the Board of Directors of the U.S. Railway Association.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MAGNUSON. Mr. President, as in executive session, I also report favorably sundry nominations in the National Oceanic and Atmospheric Administration which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER (Mr. Biden). Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings in the Record of June 21, 1974.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HANSEN (for himself, Mr. Tower, Mr. McClure, and Mr. McClellan):

S. 3694. A bill to amend section 310B(d) of the Consolidated Farm and Rural Development Act to prescribe procedural safeguards for the processing of applications for assistance under such act. Referred to the Committee on Agriculture and Forestry.

By Mr. TOWER (for himself, Mr. Hansen, Mr. McClure, and Mr. McClellan):

S. 3695. A bill to prohibit the referral or submission of applications for Federal assistance to private persons, and for other purposes. Referred to the Committee on Government Operations.

S. 3696. A bill to amend the Urban Mass Transportation Act of 1964. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. TOWER:

S. 3697. A bill to amend title XVIII of the Social Security Act to provide payment under part A (the hospital insurance program) for care and treatment furnished at a central radiation therapy treatment facility, and to provide full payment under part B (the supplementary medical insurance program) for radiation therapy services furnished by physicians to inpatients or outpatients of any hospital or any such facility; and for other purposes. Referred to the Committee on Finance.

By Mr. PASTORE (for himself, Mr. Aiken, Mr. Jackson, Mr. Bennett, Mr. Symington, Mr. Dominick, Mr. Bible, Mr. Baker, and Mr. Montoya):

S. 3698. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology. Referred to the Joint Committee on Atomic Energy.

By Mr. JAVITS:

S. 3699. A bill to amend the Federal Reserve Act to modify reserve requirements of member banks of the Federal Reserve System. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATHIAS (for himself and Mr. Beall):

S. 3700. A bill to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MATHIAS (for himself, Mr. Beall, and Mr. Tunney):

S. 3701. A bill to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c), (3) and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HANSEN (for himself, Mr. Tower, Mr. McClure, and Mr. McClellan):

S. 3694. A bill to amend section 310B (d) of the Consolidated Farm and Rural Development Act to prescribe procedural safeguards for the processing of applications for assistance under such act. Referred to the Committee on Agriculture and Forestry.

WHAT THE PUBLIC DOES NOT KNOW

Mr. HANSEN. Mr. President, I want to discuss today a situation of which some Senators may be unaware, and which certainly should be subject to public knowledge and scrutiny.

Under title I of the Rural Development Act passed by Congress in 1972, the Farmers Home Administration administers programs to make community facility loans, business and industrial loans, and grants to public bodies for development of private business enterprises. Since these programs were implemented, more than 600 applications have been cleared through the FHA Washington office. And information about each and every one of these applications has routinely and regularly been submitted to the AFL–CIO.

Why this labor organization and its affiliated unions, as well as a number of nonaffiliated unions, have anything to do with the processing of rural development applications, is a question worth pursuing.

This whole matter of union participation in the screening of rural development applications came to my attention when, at the request of a constituent, a member of my staff phoned the Labor Department to check on the status of a loan application for a small business in my State of Wyoming.

By way of explanation for those unfamiliar with the screening process for rural development applications, the Labor Department is charged by the Rural Development Act with administering a provision which prohibits "runaway shops." Hence a factory or business located in New York may not, with the aid of a rural development loan, relocate in Wyoming or Colorado, thus contributing to unemployment in New York or injecting improper competition in Wyoming or Colorado. It is because of this provision that the Labor Department has anything to do in the first place with rural development applications, which generally are the province of the Department of Agriculture and its agency, the Farmers Home Administration.

My staff member was informed by an employee of the Labor Department that the application in question had not been screened by all of the various sources asked to comment by the Labor Department. When asked what sources were involved, the Department official indicated that regional Labor Department offices, State employment offices, and the AFL–CIO were asked to comment on the applications.

I found this information shocking, and immediately wrote Secretary of Labor Peter Brennan requesting confirmation. Examination of the relevant portions of the Rural Development Act and the regulations to implement that act indicated that nowhere was the AFL–CIO, or any nongovernment source, given authority to participate in the governmental decisionmaking on eligibility of loan applications.

Forty-eight days after my written inquiry to the Secretary, I received from him a letter confirming that the AFL–CIO was solicitated for information about FHA loan applications. Said the Secretary:

> This check with the union is made by providing them each week with a listing of new loan applications received, the specific products involved, and the location of the establishment. No information is given to them on size of loan, volume of sales, or expected employment. In this weekly letter, the union is advised that they have two weeks in which to comment on any of the establishments on the listing, or we will assume their concurrence.

Since receiving that initial response from Secretary Brennan, I have corresponded and talked with numerous other officials and private citizens about this practice. I have found it is not limited to FHA loan applications, but extends, as well, to mass transit grant applications submitted to the Department of Transportation, and reviewed by the Labor Department with the help of appropriate unions. What I have learned about this practice, and about union involvement in decisionmaking assigned by statute to agencies of the Federal Government, has not diminished my feeling of shock and dismay. It has not dissuaded me from the belief that steps must be taken to facilitate public access in appropriate instances to information now given only to labor organizations, and to bar unions from access to information and participation in decisionmaking when it is appropriately reserved to Government agencies.

MANY QUESTIONS, FEW ANSWERS

Secretary Brennan's reply to my initial inquiry on this matter, which I will include in its entirety at the end of my remarks, raised more questions than it provided answers. The Secretary had indicated the AFL–CIO's research department was utilized in the screening of the loan applications to save time and to obtain information needed to make "an informed judgment about the probable effects the granting of the loan will have on competitive businesses and on employment."

Why, I wondered, with a work force as of May 31 of this year of 18,839 employees, and a monthly payroll for May of $18,705,376, could not the Department of Labor carry out its responsibilities under the Rural Development Act without AFL–CIO assistance? Why was the Department relying on the AFL–CIO, as it did with regard to one FHA application, for information as to whether substandard wages would be paid to potential employees, when, within the Department there exists a Wage Hour Administration specifically equipped for such determinations?

If the Department lacked the resources to determine the eligibility of loan applicants, and required outside information as to the effects of the loans on competitive business and employment, why were only union organizations consulted? Why were not competitors, business and industrial organizations, and even the public, consulted? How, with only the name, product and location of applicants as provided weekly by the Labor Department, was the AFL–CIO able knowledgeably to assess the competitive and employment aspects of any pending applications? Where does the labor organization get the additional information it would have to have to assess the applications, and how does it get the information? Does the Labor Department verify the accuracy of comments made by unions on pending applications, particularly in those cases where the applications are not approved?

Does the applicant know labor unions are asked to comment, and may be conducting investigations in the applicant's locality? Does the applicant have access to adverse comments submitted by unions, and does the applicant have the opportunity to rebut adverse comments? To what extent do adverse union comments on pending applications influence the final decision?

These and a myriad of other questions prompted me to again write Secretary Brennan. My letter of May 20, and the Secretary's June 10 reply, also will appear at the conclusion of my remarks. In my May 20 letter, and a followup letter of June 3, I asked the Secretary what other nongovernmental organizations in addition to the AFL–CIO were consulted on FHA applications. The Secretary did not respond to this question in his reply. I asked him how the AFL–CIO was able to submit comments as to competitive and employment aspects of FHA applications when provided only with the name, location, and product of the applicant. He did not respond to this question in his reply.

I asked him whether his Department had a similar procedure of consulting unions or outside organizations with respect to any other Government grant or loan programs. Again, he failed to respond to the question.

I asked him for copies of adverse comments submitted by unions on pending FHA applications; for statistics concerning numbers of loans commented upon and numbers of loans rejected. He did not respond to these requests.

And, I asked him for copies of lists of applications supplied weekly to the AFL–CIO. Again, his reply was not responsive, and he declined to provide to a Member of Congress information which regularly has been provided to a nongovernmental, potentially interested source.

Mr. President, so difficult has it been to get answers from the Department of Labor as to the mechanics and effects of this procedure that I have asked the General Accounting Office to assist me in getting answers to questions about the practice, and in determining larger issues such as the propriety and legality of the matter.

I am pleased that my colleague, Senator Tower, is delving into the related area of labor union involvement in the processing of grant applications under the Urban Mass Transportation Act. The entire question of union participation, and the participation of other nongovernmental organizations, in decisionmaking assigned by law to Federal agencies, merits close scrutiny.

During a preliminary meeting with GAO officials, Mr. President, I was able to obtain from them some of the information I had requested, but had not received, from the Department of Labor.

I received through GAO 1 week's listing of FHA loan applications as submitted by the Labor Department to the AFL–CIO. This list indicates 36 applications pending before the Labor Department. Some 600 or more have been submitted by the FHA to the Department, and information on these, too, has routinely been submitted to the AFL–CIO. I ask unanimous consent, Mr. President, that the April 5, 1974, letter and list submitted to Mr. Markley Roberts, an economist for the AFL–CIO's research department, be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

April 5, 1974.

Mr. Markley Roberts,
Economist, Research Department, AFL–CIO, Washington, D.C.

Dear Mr. Roberts: We are enclosing, as promised, a list of pending applications for FHA loans and grants received by the Department of Labor during the past week.

We would appreciate receiving within two weeks any pertinent comments you may wish to make on the proposed projects. At the expiration of this period we will assume concurrence if no comments to the contrary have been received.

Sincerely,

Robert J. Brown.

Applications for FHA Loans and Grants Pending

Name of applicant, location, and proposed project:

Olds Ambulance Service, Bellaire, Mich., Ambulance service.

Chas. O. Grigsby, Jr., Pittsfield, Ill., Mfg. & marketing of specialty or foreign type cheese, etc.

George D. Smith, Montpelier, Vt., General construction work.

Pi-O-Near East, Inc., Chisago City, Minn., Motel & related services.

James P. Reynolds, Salisbury, Mo., Production & sale of ready-mix concrete, etc.

Processing Unlimited, Inc., Stillwell, Okla., Processing beef & pork.

Kern Mfg. Co., Inc:, Neoga, Ill., Mfg. girdles & bras.

Ramm Mfg Corp., Paris, Ill., Mfg. metal grain bins.

Ponderosa Furn. Mfg. Co., Houston, Miss., Mfg. living room furniture.

B&C Tool & Engineering Co., Downing, Mo., Mfg. small replacement parts, etc.

Glenn O. & Gernetta Willoughby, Arthur, Ill., Sales & service of John Deere farm equipment, etc.

Jed Prouty Tavern, Inc., Bucksport, Maine, Motel—rooms & meals.

Confinement Builders, Inc., Eldora, Iowa. Mfg. livestock confinement systems.

Braun Athletic Co., Parson, Kans., Mfg. football & baseball shoes, etc.

Fleet Tire Service, Inc., Sedalia, Mo., Retail tires and accessories, etc.

J. Richard Knipe, New Lexington, Ohio, Slaughtering and processing of meat for home freezer.

Flour Bag Fashions, Inc., Rio Grande, Puerto Rico, Make sports wear out of recycled flour bags.

Blue Ridge Shoe Co., Belhaven, N.C., Manufacturing shoes.

Daylight Plastics, Inc., Elberfield, Ind., Produce fishing tackle boxes, candle molds.

Donald J. Bezy, Sullivan, Ind., Purchase of John Deere farm implement dealership.

Little Michigan, Inc., Bay County, Mich., Amusement park and exhibition space.

Sieco, Incorporated, Columbus, Ind., Consulting engineer and architect.

Meadow Village, Hayden, Colo., Mobile home rental houses.

Frederick R. Gibler, Warrensburg, Mo., Sanitary landfill.

Multi-Cut Tool, Inc., Gaylord, Mich., Mfg. special circular cutting drills, etc.

Windsor Mfg. Co., Windsor, Mo., Mfg. aluminum storm windows, etc.

Guy Chevrolet Sales, Inc., Mechanicsville, Md., Auto dealership.

Petroff Packing Co., Benton, Ill., Meat processing and packing to wholesale trade.

Farm Ranch Center, Inc., Limon, Colo., Retail farm equipment and hardware.

Willie Lee Johnson, Mecklenburg County, N.C., Purchase of weekly newspaper.

Mahogany Co. of Mays Landing, Mays Landing, N.J., Warehousing fiberglass fabrics, etc., for sale to manufacturers.

Keith W. Bill Radtke, Shawano, Wis., Excavating business.

Travis Co. Farmers Co-op Association, Elgin, Texas, Cotton gin service.

Harms Construction Co., Pequot Lake, Minn., Expand construction company.

Wolverine Stages, Inc., Pellston, Mich., Hauls airfreight from airport and passenger bus service.

Chesapeake Sea Farms, Inc., St. Mary's County, Md., Operation of seed oyster hatchery.

Mr. HANSEN. Mr. President, also through the General Accounting Office, I obtained copies of adverse comments on several applications which were submitted to the Labor Department by the International Ladies' Garment Workers Union and the Amalgamated Clothing Workers of America. I do not know the outcome of the applications at issue in these letters. Again, this information has been requested of the Labor Department, but not received.

Mr. President, I ask unanimous consent that the letters expressing adverse findings, and a letter transmitting these findings to the Farmers Home Administration, be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Department of Labor,
Washington, D.C., April 8, 1974.

Mr. J. R. Hanson,
Acting Deputy Administrator, Program Operations, Farmers Home Administration, U.S. Department of Agriculture, Washington, D.C.

Dear Mr. Hanson: As you know, our procedures for the review of applications for rural industrial loans and grants referred by the Farmers Home Administration to the U.S. Employment Service for certification includes a review by the AFL–CIO. Enclosed are copies of four letters recently received from the International Ladies' Garment Workers' Union and the Amalgamated Clothing Workers of America raising objections to five of the pending applications:

1. City of Oakdale, Louisiana (Lady Wrangler, Inc.)—grant.

2. Wm. T. & Joan C. Riddle d/b/a Riddle Manufacturing—loan.

3. Town of Mars Hill, North Carolina (Shadowline, Inc.)—grant.

4. Town of Holly Pond, Alabama (Holly Manufacturing, Inc.)—grant.

5. Town of Snow Hill, North Carolina (Granet Glove Corp.)—grant.

In essence, the unions are alleging that the apparel industry is a declining industry and that governmental efforts are being made to reduce the flow of foreign imports. They therefore claim that any financial assistance under the Act which in any way provides assistance to any firm in the industry would result in providing that firm with an unfair competitive advantage and have a relocation effect within the meaning of paragraphs (1) and (2) of Section 310(d) of the Consolidated Farm and Rural Development Act of 1972. This, of course, raises a legal question and we are asking our Solicitor to provide us with a ruling. You may also wish to consult with your legal counsel on this question.

The ILGWU also raises a question of fact about the City of Oakdale, Louisiana (Lady Wrangler) application for which clarification is necessary. In the information provided by the applicant, it is indicated that the firm now has six plants in operation, one of which is located in Mississippi. There is no indication in the material you furnished us from the application that the company has closed down any facilities within the past 24 months. The ILGWU, citing the annual reports of Lady Wrangler's parent company, Blue Bell, Inc., alleges that Lady Wrangler had operated five plants in Mississippi in 1972 and that one of the plants was closed in 1973. Obviously, this is a matter for the applicant to resolve and we would appreciate your obtaining the necessary clairification.

We are asking our Solicitor to expedite the review of this question so that we will be able to act within the 60 day statutory requirement of the Act which expires in the case of the City of Oakdale application on April 27. We will advise you as soon as the Solicitor makes his ruling.

Sincerely,

Robert J. Brown,
Associate Manpower Administrator for U.S. Employment Service.

International Ladies'
Garment Workers' Union,
March 29, 1974.

Mr. Robert J. Brown,
Associate Manpower Administrator for U.S. Employment Service, Manpower Administration, U.S. Department of Labor, Washington, D.C.

Dear Sir: This is to object on behalf of the International Ladies' Garment Workers' Union to the FHA loans and grants to the above-mentioned company, in accordance with the provisions of Rural Development Act, Section 1932(d).

Shadowline, Inc., a producer of panties, slips, lingerie and sleepwear, is an affiliate of Blue Bell, Inc. I want to make reference to my communication of March 21, 1974 that dealt, among others, with the application of Lady Wrangler, Oakdale, Lousisiana. The information supplied in this letter applies with equal strength to the application of Shadowline, Inc.

For reasons set forth in our letter of March 21, we urge the disapproval of the instant application by the Secretary of Labor.

Respectfully yours,

Lazare Teper,
Director, Research Department.

Amalgamated Clothing Workers
of America,
New York, March 28, 1974.

Mr. Robert J. Brown,
Associate Manpower Administrator, U.S. Employment Service, Manpower Administration, U.S. Department of Labor, Washington, D.C.

Dear Bob: Since writing the attached letter and returning to my office to sign it, I received information that applications for a glove company, Granet Glove Corp., Snow Hill, N.C., and a pants company, Holly Manufacturing Co., Holly Pond, Ala., are also pending. Our position in respect to these companies would be the same as indicated in the earlier correspondence.

Sincerely yours,

Howard D. Samuel,
Vice President.

International Ladies' Garment
Workers' Union,
New York, N.Y., March 21, 1974.

Mr. Robert J. Brown,
Associate Manpower Administrator for U.S. Employment Service, Manpower Administration, U.S. Department of Labor, Washington, D.C.

Dear Sir: This is to object on behalf of the International Ladies' Garment Workers' Union to the FHA loans and grants to the above mentioned companies, in accordance with the provisions of Rural Development Act, Section 1932.

Both Lady Wrangler, a subsidiary of Blue Bell, Inc., and Wm. T. & Joel C. Riddle are planning to produce apparel. Apparel employment, however, as shown by the data collected by the Bureau of Labor Statistics of the U.S. Department of Labor, is declining due to the insufficient demand for such goods. This can be seen from data on average employment of production workers in the apparel industry (Standard Industrial Classification 23):

1966	1, 245, 700
1967	1, 237, 200
1968	1, 240, 100
1969	1, 238, 100
1970	1, 196, 100
1971	1, 168, 300
1972	1, 164, 700
1973	1, 164, 000

Further softening of employment in the apparel industry is evident from the most recent data compiled by the Bureau of Labor Statistics shown below:

Month and year	Production worker employment	Decline in employment from the same month a year back
July 1973	1, 094, 400	−1, 800
August 1973	1, 169, 200	−3, 400
September 1973	1, 171, 100	−8, 900
October 1973	1, 174, 700	−10, 100
November 1973	1, 167, 600	−21, 100
December 1973	1, 150, 200	−19, 400
January 1974	1, 125, 100	−18, 100
February 1974	1, 130, 700	−44, 200

At all times, employment in the apparel industry is affected by seasonal and fashion vagaries that do not permit efficient utilization of capacity of existing competitive industrial enterprises, whether nationally or in any one area of the country (including those under consideration in the instant situations). In the most recent period competition of imports further eroded domestic production and led to long-term employment declines shown above, thus further undermining the possibility of efficient use of capacity of existing competitive industrial enterprises throughout all areas in the United States. This alone justifies the denial of the instant applications.

The present tightness in the available materials for garment manufacture also raises questions about the efficient use of existing capacity in the apparel industry. This was underlined by Rodger S. LeMatty, Vice Chairman of the Board, Blue Bell, Inc. (of which Lady Wrangler is a division), informing stockholders at the company's annual meeting held in Greensboro, N.C. on February 5, 1974 that "we do not feel that we have the inventory nor will be able to get sufficient piece goods" to maintain past rates of growth (Daily News Record, February 6, 1974).

Under conditions prevailing in the apparel industry, financial or other assistance by the federal authorities will unavoidably result in the transfer from one area to another of employment or business activity and will result in an increase in unemployment in the areas where the applicants conduct business operations. For example, Lady Wrangler, which operated 5 plants in the State of Mississippi in 1972, closed one of them in 1973 (as is evident from the annual reports of Blue Bell, Inc. to its stockholders). Wm. T. & Joan C. Riddle are planning to set up a plant to produce clothing for other companies, i.e., operate as a contractor for other firms in the apparel and clothing industry; their activity, therefore, cannot be viewed separately and distinctly from business activity and employment of firms for whom they would perform contract work—the integrated nature of operations in the apparel and clothing industry is well recognized by statutory law (cf. National Labor Relations Act, as amended, sec. 8(e); Legislative History of the Labor-Management Reporting and Disclosure Act of 1959, vol. 2, pp. 1680f., 1446; see also *Greenstein* v. *National Skirt & Sportswear Ass'n, Inc.*, 178 F. Supp. 681, 687–88 (S.D.N.Y. 1959), *appeal dismissed*, 274 F. 2d 430 (2 Cir. 1960)). The diversion of work from other firms by Wm. T. & Joan C. Riddle unavoidably will cause the transfer from one area to another of employment and business activity.

Approval of the particular requests, aside from the factors cited above justifying denial, will have a negative impact on activity in other areas of the United States. Any financial or other assistance by federal authorities to firms in the industry would give the recipients of such assistance a special cost advantage not possessed by others in the industry. In view of the narrow operating margins throughout the apparel industry, such aid unwittingly gives recipients an unfair advantage over others, will induce reduced operations elsewhere and increase unemployment in other areas throughout the country from which work is drawn. This fact has been recognized by the Congress when it passed Comprehensive Employment and Training Act of 1973 (Public Law 93–203), section 604(a), in which it specifically forbade use of funds (keeping the apparel industry in mind) "in the lower wage industries in jobs where prior skill or training is typically not a prerequisite to hiring and where labor turnover is high, or to assist in relocating establishments from one area to another".

The instant applications should be disapproved by the Secretary of Labor.

Respectfully yours,

Lazare Teper,
Director, Research Department.

Amalgamated Clothing Workers
of America,
New York, N.Y., March 26, 1974.

Mr. Robert J. Brown,
Associate Manpower Administrator, U.S. Employment Service, Manpower Administration, U.S. Department of Labor, Washington, D.C.

Dear Bob: On my return from a recent vacation, Dr. Lazare Teper of the ILGWU contacted me in regard to the applications for loans and grants by Lady Wrangler and the Wm. & Joan C. Riddle Companies, and I would like through this letter to add the protest of the Amalgamated Clothing Workers of America to that of the ILGWU in this matter. Dr. Teper's letter is an excellent statement of the reasons why the applications should be turned down. Let me add the simple fact that elsewhere in the U.S. Department of Labor there are colleagues of yours who have been working for a number of years to bring about regulation and moderation of apparel imports, pursuant to government recognition that the apparel industry is in a state of decline. Government grants enabling companies to establish new plants will not bring about new job opportunities but will simply undermine existing job opportunities in established plants.

Very truly yours,

Howard D. Samuel,
Vice President.

WHAT THE REGULATIONS SAY

Mr. HANSEN. Mr. President, the October 18, 1973, Federal Register contains the rules and regulations concerning implementation of the title I programs of the Rural Development Act.

Section 1842.14(c) defines the "runaway shop" aspect of the legislation as follows:

> For any project that is calculated to or likely to result in the transfer of any employment or business activity from one area to another (loans may not be guaranteed). This limitation shall not prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the expansion will not result in an increase in the unemployment in the area of original location or in any other area where such entity conducts business operations, unless there is reason to believe that such expansion is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.
>
> (d) For any project which is calculated to or likely to result in an increase in the production of goods, materials, or commodities, or the availability of services or facilities in the area, when there is not sufficient demand for such goods, materials, commodities, services or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises, unless such financial or other assistance will not have an adverse effect upon existing competitive enterprises in the area (loans may not be guaranteed).

And, section 1842.17 says:

> A contract of guarantee shall not be issued if the Secretary of Labor certifies within 60 days after the matter has been submitted to him by the Secretary of Agriculture that the provisions of 1842.14 (c) and (d) have not been complied with. Information for obtaining this certification will be submitted in writing to FHA. The information will be submitted to the Department of Labor by FHA. A conditional commitment for loan guarantee will not be issued until the Department of Labor certification is received.

I see nothing in this language, Mr. President, to authorize the Department of Labor to seek concurrence on loan applications from the AFL–CIO.

THE REACTION OF OTHERS

Mr. President, Mr. William Claiborne, a Washington Post staff writer, had printed in the Post, June 9, an article covering to some extent possible influence of labor unions on the Government's decisionmaking process. It is not necessary to have the article printed in its entirety at this point because Congressman Lamar Baker of Tennessee had the article printed in the Record June 17. It is on page 19539.

Mr. Baker at that time said of the Labor Department practice of affording the AFL–CIO the power of "concurrence" on these applications that it is poor practice. He said that:

> It is deplorable that departments of the Federal Government at times rely on private interests for input on their final administrative decision.

Mr. Baker also said that:

> These practices of the past should be eliminated and any future collusion should be prohibited.

Mr. Claiborne, in his article in the Post, quoted the comments of an official of the AFL–CIO headquarters in Washington, Mr. Mark Roberts of the federation's research department. Mr. Roberts was quoted, in reaction to my expression of shock that these applications are subjected to AFL–CIO scrutiny, as saying that the junior Senator from Wyoming "must be for secrecy."

This was an astounding observation, in my opinion. A major intent of my actions related to the Labor Department practice is to make it known to the people of the United States that there is such a practice.

There is every indication that the American people were not aware that this practice exists. Every person who has commented to me upon it—by letter, telephone, and in person, from various States—has expressed his shock and outrage that the U.S. Government that he helps pay for is allowing such a practice to continue.

Since this practice was discovered and made public this spring, many Americans have become aware of it. The Associated Press and the United Press International have carried reports in recent weeks on their wires throughout the Nation. I have received correspondence from a number of States, expressing the revulsion that the average American feels toward such a practice.

I want every American to know what is going on in Washington, D.C., at the seat of his Government. I want him to know if any special interest group is receiving special favors from Government. And I want every American to know that when he submits an application to the Farmers Home Administration for Government help, that the U.S. Department of Labor is going to advise the AFL–CIO of it.

The Secretary of Labor, Mr. Peter Brennan, has argued that the statute passed by Congress does not specify what sources of information the Labor Department may or may not use in passing judgment on loan requests. I strongly suggest that it was not the intent of Congress in passage of the Rural Development Act that the Labor Department seek the advice of the AFL–CIO as to whether loan applications made under the act should be approved.

Not only has this Labor Department practice been a shock to the public since it has been exposed, but it has been news to most of the Congress, in my opinion. It certainly was news to me—and unpleasant news.

The chairman of the House Agriculture Committee (Mr. Poage) and the ranking Republican on that committee (Mr. Wampler) both have expressed their surprise and concern to learn of the Labor Department practice. The Agriculture Committee had jurisdiction over this legislation when it went through the Congress, so their surprise should show clearly that the Labor Department practice does not reflect the intent of the Congress.

The chairman of the House Agriculture Committee advised me that he was "appalled that the labor unions are screening these applications."

The ranking Republican member of that committee told me he "was not aware that rural industrial loan applications were subject to this screening by the AFL–CIO." He said he could not understand why this would be necessary, and that it appeared to him "there are sufficient Government agencies and data available to determine any information the Department of Labor might wish to have before granting a loan."

The Congressman from Georgia (Mr. Mathis) also commented on the practice, calling it "a breach of ethics." He said the procedure "not only slaps the business community in the face but once again proves that Government agencies continue to act outside the statutory authority given to them by Congress."

Mr. President, the General Accounting Office reported to me on June 12 that the Labor Department has sought AFL–CIO "concurrence" on more than 600 of these FHA loan applications, and approximately 20 of these applications have been rejected following AFL–CIO comment on them. It is obvious this is a matter that affects every State in the Union, and every Member of the Senate, and their constituents should be apprised of it.

Mr. President, in order to expose this matter to public scrutiny; in order to provide a legislative remedy to what I feel is a violation of the intent of Congress; and in order to cast some light on the inner workings of Government, I introduce today two measures.

The first would be a bill to amend section 310B(d) of the Consolidated Farm and Rural Development Act to provide as follows:

> No application or any part of any application for a grant or loan under this Act may be transmitted or made available or disclosed to any person (other than an individual who is an officer or employee of the United States) after its submission to the Secretary unless (1) in accordance with regulations prescribed by the Secretary, public comment is solicited with respect to that application or part thereof, or (2) the name of such person was furnished by the applicant as a reference or source of information concerning the applicant or the application.

The second measure I am today introducing would be an amendment to the proposed Consumer Protection Act, S. 707. It contains essentially the same language I just read; but while the first bill would pertain only to applications submitted under the Rural Development Act, this amendment would relate to any and all applications submitted to any Federal agency.

Under these proposals, Mr. President, Government agencies charged with processing applications for Federal assistance would be required either to make known to the general public information concerning such applications, or to protect from non-Federal scrutiny all information about applications. The Labor Department could no longer submit information about grant or loan applications to the AFL–CIO or other unions without simultaneously making the same information available to the public. The Department could no longer permit AFL–CIO "concurrence" on loan applications without permitting the public that same right of concurrence. And, if the Government determined that public comment on pending applications was not appropriate, then no one outside the Federal Government would have access to information about pending applications.

Mr. President, I ask unanimous consent that additional letters, documents, and newspaper articles relating to this issue be printed in the Record, together with the texts of the measures I introduce today.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., June 20, 1974.

Hon. FREDERICK DENT,
Secretary of Commerce,
U.S. Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: Recently, I learned of a procedure followed by the Department of Labor whereby information on small business and industry loan applications submitted under the Rural Development Act to the Farmers Home Administration is weekly provided to the AFL–CIO. The AFL–CIO, in turn, gives the information on these applications to affiliated unions. The unions and the AFL–CIO are given two weeks to comment on the applications, and if nothing is heard, concurrence is assumed by the Labor Department. Frequently, adverse comments on these applications are received from the unions, and are considered by the Department in making a decision as to certification of the loans. These applications are screened by Labor because of a "runaway shop clause" included in the Rural Development Act.

For some time, I have been investigating the background and effects of this procedure. I have asked the General Accounting Office to investigate the propriety and legality of a government agency permitting a non-governmental, potentially interested party to participate in the decision-making which Congress specifically delegated to the Secretary. I am aware a similar procedure is used concerning grant applications to the Department of Transportation under the Urban Mass Transportation Act.

In a recent meeting with GAO officials, I was informed that the practice of consulting non-governmental sources, such as unions and industry associations, before certifying various types of grant and loan applications, is followed by the Commerce Department, and most often by the Economic Development Administration. I am told that Labor sometimes refers FHA applications under the Rural Development Act to EDA for market capacity studies, and that EDA in turn provides information on these applications to non-governmental sources.

With regard to this issue, I would appreciate your Department's assistance as follows:

1. Please confirm whether Commerce, or any agency or office of Commerce, provides information on applications submitted to federal agencies for grants and/or loans, to non-governmental sources prior to application certification or approval.

2. Please specify the type of grant or loan programs in connection with which non-governmental sources are allowed to comment, and please specify by name the non-governmental sources contacted.

3. Please provide a list describing each of the FHA applications handled by your Department; a list of non-governmental sources permitted to comment with regard to each; copies of any comments received in connection with any of these applications from non-governmental sources; and an indication of the disposition of each application (certified, not certified, etc.).

4. Please indicate whether, in instances where non-governmental sources submit comments concerning a grant or loan application, the applicant is provided with the comments made about the application.

Thank you for your assistance.

Kind regards,

Sincerely yours,

CLIFFORD P. HANSEN,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., June 11, 1974.

Hon. PETER BRENNAN,
Secretary of Labor, U.S. Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: Thank you for your June 10 reply to my inquiry of May 20. It is not possible for me to concur with your view that the Labor Department's procedures in implementing the Rural Development Act are "fully consistent with the legislation and a responsible public agency approach . . .", since your reply conspicuously excluded the very information I requested that might facilitate an informed judgment. In fact, information I have sought from others, including the Chairman of the House Agriculture Committee, would suggest that the Department's procedure may be at variance with the intent, if not the language, of the Act involved.

You express in your letter your belief that the Department should consult with any reliable source ". . . including other governmental agencies, labor union organizations and public interest groups." I can only repeat my request of May 20 that you specify what other non-governmental groups, in addition to the AFL–CIO, your Department contacts as sources of information in connection with RDA applications.

You indicate, as well, that "sources of information are just that—they, in no way, participate in the Department's decision-making process." No one would contend that the AFL–CIO solely, officially and formally decides on certification of these loan applications. At the same time, if the Federation's role in your procedure has so little effect or meaning as you imply, what possible reason is there for the Department's continued consultation with this non-governmental source, if not to utilize the feedback during the decision-making process? Further, it certainly might be argued that the process works in reverse of your description; i.e., the Labor Department is the source of information, and the AFL–CIO is the recipient.

As you know, in letters dated May 20 and June 3, I requested certain information about this issue, including a list of applications that have been referred to the AFL–CIO, and copies of the Federation's comments on these applications. Your Department has yet to forward information requested which routinely is provided to a non-governmental and potentially interested party. I would, therefore, take this opportunity to renew the requests outlined in my previous letters, and to ask that the information requested in those letters be provided at an early date.

Thank you,

Sincerely yours,

CLIFFORD P. HANSEN,
U.S. Senator.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., June 10, 1974.

Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HANSEN: This is in further response to your letter of May 20, 1974, following up on our recent correspondence regarding the Rural Development Act. As Assistant Secretary Kolberg indicated in his recent letter to you, we are reviewing the points raised in your letter.

However, I want to reiterate the position outlined in my letter of May 16, regarding our contacts with labor union organizations in implementing our responsibilities under the law. We strongly believe that we are obligated to consult with any reliable source deemed appropriate in making these determinations, including other governmental agencies, labor union organizations and public interest groups. Further, sources of information are just that—they, in no way, participate in the Department's decision-making process.

We consider our procedures fully consistent with the legislation and a responsible public agency approach that recognizes the proper role of interested organizations while, at the same time, not abdicating our responsibility to make expeditious judgments on the rural development loan applications.

In closing, I find no basis for excluding interested organizations from providing information on the potential adverse effect of rural development loans as your concerns would appear to suggest.

Sincerely,

PETER BRENNAN,
Secretary of Labor.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTTEE ON AGRICULTURE,
Washington, D.C., May 24, 1974.

Senator CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HANSEN: Thank you for your letter of May 20. I am appalled that the labor unions are screening these applications.

I have written to Secretary Brennan and asked for an explanation.

You were most thoughtful to bring this to my attention.

With every good wish, I am

Sincerely,

W. R. POAGE,
Chairman.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 10, 1974.

Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR CLIFF: Thank you for your recent letter regarding examination of FHA loan applications by the AFL–CIO.

I was not aware that rural industrial loan applications were subject to this screening by the AFL–CIO, and I cannot understand why this would be necessary. It would appear to me that there are sufficient government agencies and data available to determine any information the Department of Labor might wish to have before granting a loan.

I appreciate your giving me this information, and allowing me an opportunity to comment. You can be assured of my interest in this matter.

Sincerely,

WILLIAM C. WAMPLER,
Member of Congress.

MAY 28, 1974.

Hon. ELMER B. STAATS,
Comptroller General of the United States,
General Accounting Office,
Washington, D.C.

DEAR MR. STAATS: It recently came to my attention that loan applications under Public Law 92–419 under the aegis of the Department of Agriculture are, in accordance with Section 110(a), delivered to the Department of Labor for certification. I was informed and upon inquiry, the Department of Labor confirmed, that these loan applications are automatically made known to the AFL–CIO and their comments solicited. I enclose a copy of a letter from the Secretary of Labor outlining the procedures.

That answer raises several questions of greater import which demand immediate investigation and response:

1. Without statutory or regulatory basis, loans under consideration are subjected to scrutiny by a private and interested group. As the letter indicates, of over 200 applications made, six (6) had "adverse comments" from the AFL–CIO. One of the six was later approved. The question immediately comes

to mind, was the subsequent approval the result of changed relationships between the borrowing applicant and the labor union involved? It is not enough to know that the loan was approved. Inquiry must also be made as to whether the union and applicant exchanged considerations prior to approval.

Does not the very process involve the government of the United States in weighting business-labor differences in favor of the labor unions? I do not understand the Act under which these loans are processed to have been a union assistance act against borrowers. Five of the six loans which had adverse comments and which were "still being investigated," as of May 16, 1974, had obviously not been certified. Were they still within the 60-day certification period envisioned by the Act?

Is a labor union the proper and apparently exclusive source of judgment on a question of excess production capacity?

2. The Department of Labor makes no reference to and apparently ignores soliciting any input from other sources on the first criterion in the Act, i.e., the effect of the loan on competitive business enterprises.

3. The potential for utilization by the union of its power of "concurrence" is too obvious to require comment.

4. Among the 200 cases on which the AFL–CIO made no adverse comment, were the applicants in any way pre-certified by the union? Has the procedure reached the point where an applicant for a government loan under this Act understands that he must first go to the union, or otherwise be wasting his time in applying to the government?

5. It appears to escape the notice of the Department of Labor that the use of a source for information in assisting its determination is a different thing from endowing that source with a "concurrence" right over the deliberative procedures of an agency of government. An investigation is certainly appropriate on the question of the abuse of an unregulated, non-statutory power so frankly admitted by a Cabinet-level Department of the government.

6. Assuming the intent of the Congress in this Act was to provide another tool for screening loan applicants, the Department of Labor makes no reference to the criteria used by the union to which it has granted loan concurrence powers. Are there such criteria in existence? Have they been studied and approved by anyone with the statutory loan concurrence power? It appears ironic that regulations issued by Departments of the government to implement statutory enactments have, until recently, been required to undergo public review while regulations not in existence are used to endow third parties with powers the government itself believes inappropriate to its own activities.

7. I raise as a final point the serious question of whether the government should be involved in a procedure which leaves a loan applicant(s) open to the potential of being a victim of those crimes outlined in Chapter 41 of Title 18 of the United States Code. It appears that the Department of Labor is, itself, violating Section 1905 of that same Title.

In view of all the questions above outlined and all of the problems raised by the Department of Labor letter of May 16, 1974, I call upon your office to initiate and carry through with expediency a thorough investigation of these procedures for certifying loans under Public Law 92–419. Certainly, I do not believe Congress could have intended the uses to which this Act is now being put. Material produced by an investigation by your office is essential in determining if corrective legislation is necessary to undo any misuse of government lending powers exposed by that investigation.

I would be grateful if you could indicate to me in the immediate future the length of time you expect will be needed for this investigation to be completed.

Thank you for your assistance.

Sincerely yours,

Clifford P. Hansen,
U.S. Senate.

June 3, 1974.

Hon. Peter Brennan,
Secretary of Labor, U.S. Department of Labor,
Washington, D.C.

Dear Mr. Secretary: This is a follow-up to my letter to you dated May 20, in which I requested additional information about the participation of the AFL–CIO in the screening of loan applications submitted under the Rural Development Act.

I am enclosing a copy of an editorial from the Spokane, Washington, Spokesman-Review, in which it is noted that at least 500 of these FHA applications have been forwarded to the AFL–CIO; that adverse findings were returned by the union approximately 18 of these requests; and that three have been turned down. In your May 16 letter to me, you indicated about 200 applications had been submitted by FHA; that a half-dozen had been the subject of adverse union comment; and that while some were still under investigation, apparently none had yet been turned down.

In order to update my May 20 request for certain information, I would appreciate it if you could provide in addition to the material requested in that letter, copies of the adverse comments received on all FHA applicants for whom such comments were made; information on the reason for non-certification of any applications in this category; and information as to the status of any applications under investigation as a result of adverse union feed-back. Additionally, I would like to know if your agency's decision-making process with respect to any of the applications forwarded by FHA has to date required more than 60 days.

Thank you for your assistance.

Sincerely yours,

Clifford P. Hansen,
U.S. Senator.

[From the Spokesman-Review, June 1, 1974]

Unwise Consultation on Loans

The Labor Department's acknowledgment that it routinely consults with the International AFL–CIO about rural industrial loan applications made to the government is a startling revelation.

It indicates a serious invasion of the applicant's privacy and gives the labor union unprecedented influence on government function, as noted by Sen. Clifford Hansen, R-Wyo., who discovered the procedure in the course of an inquiry on behalf of a constituent.

Since January, the names of some 500 applicant for Farmers Home Administration business loans have been forwarded on a weekly basis to the union federation's research division, a Labor Department official said, for the purpose of "obtaining information which may be relevant to our determination."

The union has returned adverse findings on approximately 18 loan requests, of which three have been turned down with others still pending, the spokesman said.

While denying that the AFL–CIO participates in the decision-making process, the Labor Department defends the practice as necessary because the union information is used in determining whether a loan approval would undermine business competition in a proposed plant location, or whether it would cause unemployment in a city from which an applicant plans to move a factory.

The department reports it sometimes consults also with state and federal employment agencies and some trade associations.

Regardless of objectives, the Labor Department has displayed a remarkable lack of judgment in soliciting the influence of a private and self-serving organization—whether labor oriented or business oriented—on a matter involving government decision-making.

Assistance from other governmental agencies in addition to the work of its own personnel should enable the Labor Department to carry out its responsibility without suggestion of undue influence.

Summary: Impartiality in fact and in appearance is needed in governmental decision-making.

May 20, 1974.

Hon. Peter Brennan,
Secretary of Labor, U.S. Department of Labor,
Washington, D.C.

Dear Mr. Secretary: Your May 16 reply to my inquiry about rural industrialization loans was appreciated. I am writing to request additional information concerning the participation of the AFL–CIO in the screening of these loan applications, as submitted under Public Law 92–119, the Rural Development Act.

You made reference in your reply to the AFL–CIO and "the other agencies we use as sources of information . . ." I would appreciate it if you could specify what other non-governmental agencies, in addition to the AFL–CIO, your Department contacts as sources of information in connection with these loan applications.

You cited in your reply the Department's obligation to assess the impact of loans on competitive businesses and on employment. You also indicated that no information as to size of loan, volume of sales or expected employment is supplied the AFL–CIO. Without this information, how is the AFL–CIO able to comment on the possible effect of applications on competitors and employment?

In order that I might better understand precisely what role the AFL–CIO plays in the screening process, I would appreciate it if you would send me a copy of a typical listing such as you indicate is supplied to the union weekly by your Department, and a copy of one or more of the adverse reports received from the AFL–CIO as cited in your letter to me.

I would like to know if the Department conducts a similar program of judging competitive and employment impact in connection with any other federal programs, such as the Small Business Administration loans, for example. Please indicate what the programs are, and what non-governmental sources are contacted for input. Also, please indicate whether the AFL–CIO is asked to comment on federal applications or programs other than those authorized under Section 118(a) of P.L. 92–419, and what these programs include.

Please define who is responsible for determinations as to sub-standard wage payment by employers applying under this Act. You indicate the AFL–CIO had suggested on at least one occasion that sub-standard wages might be involved; but that the Wage Hour Administration's investigation had determined there was no wage law violation. Is not the Wage Hour Administration able to identify sub-standard wage rates in connection with these applications without AFL–CIO initiation?

I look forward to your further reply.

Kind regards,

Sincerely yours,

Clifford P. Hansen,
U.S. Senator.

U.S. Department of Labor,
Washington, D.C., May 16, 1974.

Hon. Clifford P. Hansen,
U.S. Senate,
Washington, D.C.

Dear Senator Hansen: I have checked in detail into the questions raised in your letter of April 3, 1974, regarding union participation in the procedures we are using to implement the responsibilities assigned to the Department of Labor to review rural industrialization loan applications under the Consolidated Farm and Rural Development Act of 1972 (P.L. 92–419). The facts briefly are these:

Section 118(a) of this legislation requires the Department to determine whether loans being considered by the Department of Agriculture may have an adverse effect on competitive business enterprises in the area where the loan applicant proposes to locate or cause unemployment where the applicant presently conducts business. The latter determination is designed to forestall federal assistance to "runaway shops." The Act also instructs the Department to develop, in cooperation with the Department of Agriculture, a system of certification which will ensure the expeditious processing of requests for assistance under this section of the legislation. The conference report shows that Congress expected the Department of Labor to make such determinations within 30 days but imposed a statutory limit of 60 days from receipt of the request for certification.

The statute does not specify what sources of information we may or should use in making our determination. We believe we are required to use whatever sources of information will enable us to follow the statutory mandate of (1) processing the applications expeditiously, and (2) making an informed judgment about the probable effects the granting of the loan will have on competitive businesses and on employment.

Draft certification procedures under this legislation have been developed by our staff in cooperation with the Department of Agriculture, and are now being cleared by that Department. In the meantime, we are operating under interim procedures by which we consult State Employment Security and Federal agencies as well as the Research Department of the International AFL–CIO to obtain information which may be relevant to our determination.

The AFL–CIO and the other agencies we use as sources of information understand that they are not participants in the determination process. The facts we receive are given the weight we deem appropriate and such further investigation is made as the Department deems appropriate.

This check with the union is made by providing them each week with a listing of new loan applications received, the specific products involved, and the location of the establishment. No information is given to them on size of loan, volume of sales or expected employment. In this weekly letter, the union is advised that they have two weeks in which to comment on any of the establishments on the listing, or we will assume their concurrence.

Thus far, of the more than 200 cases we have received from the Farmers Home Administration of the Department of Agriculture, we have a total of about a half-dozen adverse comments from the AFL–CIO. One of these related to the possibility that an employer who requested an FHA rural development loan was paying substandard wages. We made a field check on this establishment through our Wage Hour Administration and determined that there was no violation of the law in this employer's wage practices. This loan certification was approved by us. The other five certifications relate to possible excess productive capacity in the textile and apparel industries. The facts on these specific situations are still being investigated, and a final determination of these has not yet been made. Incidentally, we did not receive any adverse comments on the establishment in Wyoming, whose inquiry prompted your letter.

We believe that the inclusion of this provision in the Act indicated Congress' intention that no Government loan should be made available to a firm merely to move jobs from one area to another, or to provide unfair competition to existing business establishments by the payment of substandard wages or other factors. In discharging the responsibilities assigned to us by the Congress with respect to this program, we believe that it is appropriate for us to call upon various organizations, including labor unions, who may have facts or information to offer with respect to possible adverse employment or competitive business impact.

We appreciate this opportunity to clarify an apparent misunderstanding relating to the procedures we have established for the implementation of this legislation.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

APRIL 3, 1974.

Hon. PETER J. BRENNAN,
Secretary of Labor, U.S. Department of Labor, Washington, D.C.

DEAR MR. SECRETARY: Yesterday afternoon, I received a routine inquiry from my state as to the status of an insured loan application a small Wyoming industry has submitted to the Farmers Home Administration under Section 118(a) of the Rural Development Act.

A member of Assistant Labor Secretary Kolberg's office advised that the AFL–CIO had not yet completed its "review" of the application. A member of my staff again telephoned Mr. Kolberg's office to verify the accuracy of that information.

It was explained that an agreement exists with the labor union involving submission of RDA industrial loan applications on a weekly basis for review; despite the fact that neither the Act nor regulations to implement it call for AFL–CIO review.

If the situation is such as has been outlined, I find this procedure intolerable and intend to bring it immediately to the attention of the President and the American public.

Nowhere in the regulations or the law have I found that the AFL–CIO is given authority to participate in the governmental decision-making on eligibility of loan applicants. This action, if as described, indicates scandalous invasion of the applicants' right to privacy, and gives the labor union unprecedented influence of government function.

A full and immediate explanation of this matter will be appreciated.

Sincerely yours,

CLIFFORD P. HANSEN,
U.S. Senator.

S. 3694

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 310B(d) of the Consolidated Farm and Rural Development Act is amended by adding at the end thereof the following:

"(7) No application or any part of any application for a grant or loan under this Act may be transmitted or made available or disclosed to any person (other than an individual who is an officer or employee of the United States) after its submission to the Secretary unless (1) in accordance with regulations prescribed by the Secretary, public comment is solicited with respect to that application or part thereof, or (2) the name of such person was furnished by the applicant as a reference or source of information concerning the applicant or the application."

AMENDMENT NO. 1525

On page 75, between lines 21 and 22, insert the following section:

"SEC. 14. That, except as otherwise provided by law, no application or part of any application for Federal assistance under any Federal law may be transmitted or made available or disclosed to any person (other than an individual who is an officer or employee of the United States) after its submission to a Federal agency unless (1) the name of such person was furnished by the applicant as a reference or source of information concerning the applicant or the application, or (2) in accordance with regulations prescribed by the head of the agency, public comment is solicited with respect to that application or part thereof."

Redesignate the following sections of S. 707 accordingly.

By Mr. TOWER (for himself, Mr. HANSEN, Mr. MCCLURE, and Mr. MCCLELLAN):

S. 3695. A bill to prohibit the referral or submission of applications for Federal assistance to private persons, and for other purposes. Referred to the Committee on Government Operations.

S. 3696. A bill to amend the Urban Mass Transportation Act of 1964. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. TOWER. Mr. President, I am extremely pleased to participate with Senator HANSEN in this important discussion. By shcer accident we have, I am afraid, uncovered a very serious abuse in Government power.

In attempting to serve our respective constituencies Senator HANSEN and I have uncovered a practice whereby the Department of Labor routinely solicits the views of big labor as to the merits, or lack thereof, of a Federal grant-in-aid application. This referral service has been initiated by the Department and not by the international unions involved.

Furthermore, Mr. President, the practice has been admitted to by Secretary Brennan. I ask unanimous consent to have printed in the RECORD a wire copy story in which the Secretary admits this to be the case.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MASS TRANSPORTATION

WASHINGTON.—The Labor Department said Tuesday that it systematically had labor unions review Federal mass transportation grant proposals to protect the interests of workers.

Sen. Clifford Hansen, R-Wyo., inquired at the Department at first about the practice of AFL–CIO reviews of rural development act loans and grants applications.

The department released the texts of an exchange of letters.

Secretary Peter Brennan said the Department routinely checked with unions and others to determine if loan and grant applications under the act might adversely affect the interests of working men.

Brennan said the unions were only invited to review and comment on proposals but that the details of the proposals were not disclosed. He said the reviews helped Labor Department experts reach decisions about approval of proposed rural industrialization plans but were not substitutes for the Department decision making process.

Hansen wrote again saying he wanted to know about the Department's handling of grant applications under the urban mass Transportation Act of 1964.

Brennan said the department uses similar procedures, submitting information about applications to unions to, in the words of the act, "protect the interests of employes affected by such assistance."

Mr. CURTIS. Mr. President, will the Senator from Texas yield briefly?

Mr. TOWER. I yield.

Mr. CURTIS. I want to commend the Senator from Texas and the Senator from Wyoming for bringing this matter to the attention of the Senate today.

I have checked into it a little myself. I know that what the Senators are presenting here is the truth; it is the shocking truth. We are a government that is constituted under law. The idea that Government responsibility should be transferred for private source is something that just cannot be passed over. It is a very serious situation.

We would not stand for it if the Secretary of the Treasury delegated his responsibility to certain businesses or if this would happen any place else. The idea that the Secretary of Labor routinely refers matters upon which he must make a decision to an outside organization is something that does not fit into the American scheme of things.

I thank the Senator, and I thank him for yielding.

Mr. TOWER. I thank the Senator from Nebraska for his remarks. I think it is time that we took cognizance of this situation.

It is clear from Secretary Brennan's frank admission that he believes this practice to be both legal and reasonable. I must beg to differ. I think that it may be illegal; that in fact it is clearly not consistent with congressional intent; and that it is entirely inconsistent with the ethical standards which any Government bureaucracy should and must follow.

Senator HANSEN's initial inquiry related to loans given to small businessmen by the Farmers Home Administration. The Department of Labor's role in this type of grant is supposedly to insure that the awarding of the grant doesn't assist a business in attempting to run away from a union.

In attempting to keep my constituents informed, I had inquired with the Department of Transportation concerning the awarding of capital grants to local communities so that they can acquire mass transportation systems. In nearly every case, the holdup on the grant was due to the Department of Labor which is statutorily charged with the responsibility of making sure that during the transition from private to public employment the working conditions and standards of the employees are not worsened. Mr. President, I ask unanimous consent that section 13(C) of the Urban Mass Transit Act which delegates this responsibility to the Secretary of Labor be printed in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

INTERESTS OF EMPLOYEES; PROTECTIVE ARRANGEMENTS; TERMS AND CONDITIONS

(c) It shall be a condition of any assistance under this chapter that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5(2) (f) of this title. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements. Pub. L. 88–365, § 13, formerly § 10, July 9, 1964, 78 Stat. 307, renumbered and amended Pub. L. 89–652, § 2 (a) (1), (b) (2), Sept. 8, 1966, 80 Stat. 715, 716; P.L. 90–19, § 20(a), May 25, 1967, 81 Stat. 25.

Mr. TOWER. Mr. President, I have no strong objections to the concept and objectives embodied in section 13(c), although the legislation I am introducing today does make some substantive changes in the section. However, I am extremely concerned and indeed shocked by the manner in which the Department of Labor has been fulfilling its statutory responsibility.

Senator HANSEN has likewise had occasion to make inquiries about grants under the Urban Mass Transit Act. He has been told by an official of the Department of Transportation that the AFL–CIO has a veto over these grants. All the evidence that I have accumulated forces me to conclude that this assertion is accurate.

So far as I know, there is no precedent for a Federal Government agency referring grant applications to a private organization on an unsolicited basis. If the Congress intended the AFL–CIO to be consulted then it should have statutorily provided for such an arrangement in these various statutes.

There are two independent principles which should be addressed in analyzing this situation. First, I strongly believe that this practice is unethical and perhaps illegal. We have heard and read about during the past year of undue influence being applied to various officials in the executive branch by corporate officials. Such conversations, meetings, and any agreements reached from these contacts have been cloaked in total secrecy. The practice we are discussing today is equally undemocratic, smacking of the same type of Government policymaking by secret action that we have been hearing about in recent months.

Second, Mr. President, I do not believe that the AFL–CIO has a monopoly over what is best for the American working man and woman. I know of no other private organization that is allowed to comment upon mass transit grant awards. Generally speaking, the objectives of an international union can be clearly distinguished from members of a local union as well as the leadership of that local. It is neither unusual nor necessarily improper for a national or international union to take a position substantively at odds with a local union in order to better advance the goals of the majority of the organization. However, this is not the type of case that merits this kind of intrusion. With respect to grants under the Urban Mass Transit Act, the needs of the local workers themselves should be the sole issue at hand. The executive officers of the International AFL–CIO should not have a direct role to play nor a direct line to the Department of Labor. Yet the evidence at my disposal leads me to believe this to be the case. As a matter of fact with respect to the Texas grant applications that I have followed, the interest of the local union and their members have taken a back seat to the wishes of big labor.

The Federal Government and the American consumer have a major interest in these kinds of grants. As I have stated, an adverse inference can be drawn that the AFL–CIO has virtual veto authority over the approval of these grants. Some grant applications have not been awarded because local public officials have been unwilling to have a one-way labor agreement shoved down their throats. In such cases, the public interest is dealt a major blow because of the severe need of these communities for mass transit systems.

In other cases, because of the dire need for capital funds, city officials throughout the country have agreed to the demands of the AFL–CIO. Big labor has demanded that these cities adopt the so-called Amtrak railroad agreement in Toto. I am told that 120 cities have adopted this agreement as a condition precedent to their obtaining federal funds so that they can acquire and improve their bus systems. I can see very little relationship between the running of a national railroad system by a public corporation and the operation of a local bus system.

The end result of this is that the Federal Government with taxpayer dollars is subsidizing a labor contract that was negotiated not within the laboratory conditions that we would like to see collective bargaining operate. Rather an unequal bargaining relationship clearly exists with the operation of the American railroad system, of all things, being the model for the operation of local transit systems.

Congress must take positive action to correct this situation. Grants now available under the Urban Mass Transit Act would be comparatively minor if we enact legislation calling for actual operating subsidies of local mass transit systems. Unless this unprecedented arrangement is eliminated, I would not be surprised if the AFL–CIO does not soon require firemen on each and every bus in those cities awarded Federal operating subsidies.

Mr. President, last Friday I wrote to the Comptroller General of the United States, asking him to undertake a thorough investigation of this practice. On May 28, Senator HANSEN requested that the GAO investigate this practice under Farmers Home Administration grants. Together, we believe that a "pattern or practice" exists and may indeed concern more Federal programs than just those that have been mentioned. I ask unanimous consent that the text of my letter to the Comptroller General be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. SENATE,
Washington, D.C., June 21, 1974.
Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: The purpose of this letter is to request that you undertake an investigation of the administration of section 13(c) of the Urban Mass Transportation Act of 1964. This section provides that in order for an application for a capital grant under the Act to be considered for funding, clearance must be obtained from the Department of Labor that generally requires the prospective grantee to establish arrangements protecting the interests of employees of that public transportation system.

On its face, I have no objection to this concept. However, while the Federal government has a responsibility not to erode a collective bargaining relationship solely through the granting of federal funds for capital operation and acquisition of a public transportation system, it likewise has no responsibility to impose protective arrangements that would never be agreed to by local political subdivisions had not federal funds been available.

More specifically, I am very much concerned about the procedure used by the Department of Labor in negotiating arrangements under this section. My office's relationship with the Department of Labor has convinced me that the Department routinely and without any prior request received, solicits the views of the AFL–CIO. While I have no concrete evidence and would in any case be unable to obtain such evidence, I believe that an adverse inference can be drawn that the AFL–CIO has virtually a veto power over the Department's signing off as to the grantee's compliance with section 13(c). While the Department and, in fact, Secretary Brennan has denied this to be the case, the evidence I do have at my disposal as well as observing recent negotiations concerning grant applications in my state, lead me to believe that such an informal arrangement may be the case.

Consequently, unless and until the law is clarified, the only means to arrive at the truth is for the General Accounting Office to conduct a thorough investigation of this matter.

This whole situation is most disconcerting to me. It may indeed be both illegal and inconsistent with the intent of the Urban Mass Transit Act to provide funds for mass transit in the United States. The views of the employees directly affected and in some cases the local union are not being sought. The Act does not call for nor require the interests of the AFL–CIO to be protected.

Let me cite as an example the imposition of the so-called Amtrak labor agreement on approximately 120 cities throughout the United States. I am convinced by both personal observation of the situation and discussion that such agreements would not have been signed had it not been imposed upon them. It is ill-suited for mass transportation systems, and therefore inconsistent with the purpose of the federal legislation, as well as being often-times irrelevant to the needs of many employees of the systems being funded.

This example of government by secrecy and government referral to private organizations is outside the boundaries of the Federal law and responsible activity of the Federal government. A "pattern or practice" may be taking place in light of the recent discovery by Senator Hansen that a similar scheme is being utilized for grants under the Farmers Home Administration. In a letter to you on May 28, Senator Hansen requested you undertake an investigation of this practice.

I urge you to reply in a positive manner to both of these requests. Both Senator Hansen in myself have no feel as to how widespread this practice may indeed be. These investigations may lead to further evidence on this broad question.

The Congress deserves answers to these questions. As a matter of priority and direction, with respect to the Urban Mass Transit Act, your investigation should include the following:

1. An analysis of the procedure followed by the Department of Labor in fulfilling its responsibilities under section 13(c).

2. The extent to which the Department refers these applications to national or international organs of organized labor; the extent to which local union representatives and members participate.

3. Whether and to what extent the comments of such national or international organizations become a matter of the public record.

4. Are these unsolicited referrals made exclusively to these organizations and to what extent the views of the public are solicited or considered if received by the Department.

5. A compilation of comments received by the Department from such organizations and to what extent if any has the Department given clearance despite the opposition of such organizations.

6. Whether the labor agreements that have been signed are justifiable from the standpoint of the federal interest in encouraging mass transit systems and to what extent an unequal bargaining relationship has or does exist.

I appreciate your consideration of this request and look forward to working with you on this matter.

Sincerely yours,

JOHN TOWER.

Mr. TOWER. Mr. President, we are also introducing three bills today to eliminate this totally undemocratic private referral system. Those Senators and Congressmen that have pledged their support of the so-called sunshine legislation should feel very comfortable in supporting these bills.

The first bill would prohibit private referrals to any private organization of grants made by the Farmers Home Administration. If the Secretary of Labor feels that comments from private organizations would be of assistance to him then he would have to seek comments from the general public with the views received made part of the public record.

The second bill would amend the Urban Mass Transit Act in the same fashion. It would in no way compromise the Federal objective of insuring that employees' working conditions not be worsened. It would furthermore take into consideration State laws that limit formal collective bargaining in the public sector and make it clear that railroad contracts not serve as the model under the Urban Mass Transit Act.

Finally, the Federal Grant Disclosure Act of 1974 would prohibit this type of secret Government action throughout the entire Federal bureaucracy. We do not know how pervasive this practice is. Consequently, we have decided that a broad Federal statute is in order.

The confidentiality of Federal grants is being compromised. Nevertheless, anyone desiring a Federal grant should recognize that the basis for their application should be scrutinized by the public. If this scrutiny is deemed essential then the American people and its Representatives in Congress should participate .

As of now, only the AFL–CIO has an input and the Congress and the American people have been excluded.

It is not too late for us to act. The veto-proof Congress is not yet upon us. It may come as a surprise to some Members of Congress that the AFL–CIO has already implemented a version of the veto-proof Congress in the executive. This version may be far more dangerous than the veto-proof Congress which at least would be an elected body and open to some kind of public scrutiny.

Mr. President, I urge my colleagues to carefully review this most unhealthy situation. At this time I send to the desk two of those bills we are introducing today, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 3695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Grant Disclosure Act of 1974."

SEC. 2. That, except as otherise provided by law, no application or part of any application for Federal assistance under any Federal law may be transmitted or made available or disclosed to any person (other than an individual who is an officer or employee of the United States) after its submission to a Federal agency unless (1) the name of such person was furnished by the applicant as a reference or source of information concerning the applicant or the application, or (2) in accordance with regulations prescribed by the head of the agency, public comment is solicited with respect to that application or part thereof.

S. 3696

Be it enacted by the Senate and House of Representatievs of the United States of America in Congress assembled, That section 13(c) of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out ", without being limited to," in the second sentence;

(2) by striking out clause (2) of the second sentence and inserting in lieu thereof "(2) the continuation of collective bargaining rights consistent with existing State laws relating to recognition of bargaining representatives on behalf of public employees;";

(3) by striking out the third sentence and inserting in lieu thereof the following: "Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment."; and

(4) by adding at the end thereof the following: "In making the determination referred to in the first sentence of this subsection, the Secretary of Labor shall not submit any proposal dealing with such protective arrangements to any private organization for comment. If it is determined that it would be in the best interest of effectuating the purpose of this section to solicit the comments of private organizations, the Secretary shall do so by giving notice in the Federal Register of a desire to receive such comments. All interested individuals and organizations shall have 30 days from the date of notice to inform the Secretary of their views on such protective arrangements and the comments shall be made part of the public records of the Secretary."

Mr. McCLURE. Mr. President, I wish to join in the comments that have been made by the distinguished Senator from

Wyoming (Mr. HANSEN) and the distinguished Senator from Texas (Mr. TOWER), as well as those that have been made by the Senator from Nebraska (Mr. CURTIS) in commending both the Senator from Wyoming and the Senator from Texas for their leadership in uncovering something that should have been a matter of public knowledge some time ago.

The Labor Department has been indulging in an interesting practice which I believe requires some scrutiny. The Department has taken upon itself to breech the confidentiality of loan and grant applications to the FHA by allowing them to be reviewed by labor unions. Now there is a very strong argument against confidentiality in such a situation. Many people think that the public should be fully aware not only of how its last year's tax money was spent, but of where next year's will go. I can fully respect an argument against the consideration of loan applications done in secret, but I cannot accept a change in the status of confidentiality without notifying the participants. In addition I see no reason why the labor unions alone should be the sole arbiters of competitive factors.

When the distinguished Senator from Wyoming requested information from Secretary Brennan of the Department of Labor on this issue and how the Labor Department felt about its capacity to review these applications, Secretary Brennan, in a reply dated May 16, 1974, remarked that the Rural Development Act was vague in stating what governmental or other agencies could be used to determine the major requirement set forth in the bill.

The Rural Development Act requires the Farmer's Home Administration to determine possible adverse effects that acceptance of the loan or grant could have on competition. While the Secretary said the intent of the bill was to obtain a full review and decision on the application within 30 days, the statute was set at 60 days. He added that vagueness of the bill in setting forth specific organizations of loan review justified the use of nongovernmental agencies but that the recommendation from those agencies has no direct effect upon the decisionmaking process. This fact brings up another problem. How much information is actually given to the agencies as an aid to coming up with a recommendation? If you accept the Labor Department's claim that only the name, location, and type of activity involved are supplied to the AFL–CIO, then the information is insufficient for an intelligent recommendation. Recently, the town of Mars Hill, N.C., requested a grant from the FHA for the purpose of constructing a water supply facility. It happened to be located near Shadowline, Inc., a producer of ladies' wear, but the investment was made to benefit not Shadowline, but the entire town of Mars Hill. When the Department of Labor received the application for the grant, it passed on the misconception that Shadowline, Inc. had applied. The result was adverse—the Ladies' Garment Workers' Union and the Amalgamated Clothing Workers of America stated that the apparel industry is a declining industry and that governmental efforts are being made to reduce the flow of foreign imports. They therefore claimed that any financial assistance to any firm in the clothing industry would result in unfair competitive advantage and runaway shops. Upon investigation by a member of my staff, the fact that Mars Hill had applied for the grant was revealed. Further, Mars Hill Mayor Bill Powell said he was very disturbed by the fact that the grant application had been given to nongovernmental agencies, and that he felt that this confidential request should be kept at State and Federal levels only. Mayor Powell had not been informed that his request would be under union review. This was a case where the union recommendation was based upon insufficient information. The possible consequences of this misrepresentation and the possibility of its reoccurrence are indeed disturbing. Mayor Mowab of Oakdale, La., called his Congressman to learn why his town's application was delayed. He learned that although this grant had been cleared by almost every source, the delay was coming from the Department of Labor which was waiting for union recommendation. When my staff spoke with him, he commented that it was bad news that their application had been referred to a union, and was disappointed at the delay.

In summary, it appears that the problem at hand is one of respecting the confidentiality of loan or grant applicants. The Department of Labor has not been cooperating with the requests of the Senator from Wyoming (Mr. HANSEN) for information and does not have a set operational procedure for these applications according to the General Accounting Office. The problem, in short, is in the bureaucracy involved in these applications and the time it takes for review of them. If confidentiality is to be broken, the applicants must be aware of it. It may be necessary, as the Department of Labor has proposed, to require each applicant for loan or grant to publish its intent in a local newspaper allowing anyone with an opinion to state it to the Department of Labor. The other alternative would be to respect the confidentiality of the applicant. I cannot help wondering where these activities end, as my experience has shown that practices of one agency often find their way into hearts of other agencies. I have been informed that the Department of Transportation has examples of similar wrongdoings. The current methods of the Department of Labor are presently an injustice to any applicants for FHA loans and grants, and I would urge my fellow Senators to recognize this problem, and work to eliminate it.

Mr. HANSEN. Mr. President, first of all, I commend the distinguished Senator from Nebraska (Mr. CURTIS), the distinguished Senator from Texas (Mr. TOWER), and the distinguished Senator from Idaho (Mr. MCCLURE) for their demonstrated interest in a problem that I think is more serious by far than many of us might believe. What we are talking about is the unilateral decision made by the Secretary of Labor to permit a nongovernmental entity in this country to pass on and to concur or to withhold concurrence on loan applications that I always believed extended only to the Farmers Home Administration.

The capital grants under the Urban Mass Transportation Act of 1964 also are an aspect of my concern about influence of the labor unions on Government decisions.

As a consequence of my inquiry into the Labor Department's handling of the rural development loan applications made through the Farmers Home Administration, and the accompanying publicity that the press has provided, I have received a number of complaints from private citizens and from employees of the U.S. Government who are concerned about influences of the labor unions on government decision.

One of these complaints was that labor unions have had, since passage of the Urban Mass Transportation Act of 1964, the privilege of "giving the nod" on capital grants applied for under the act. I was informed that despite previous complaints by several Members of Congress, and some exposure of the practice by the news media, the unions still enjoy this rather special privilege.

Unaware that my distinguished colleague from Texas (Mr. TOWER) had been looking into this matter for several months, I made inquiry to the Secretary of Labor, requesting certain information. The Secretary, in his response, chose not to answer my questions.

My source advised that organized labor has a veto over all capital grants, and that local governments understand that if the unions are not favorable toward a grant, the local government need not even apply.

It was only then that I discovered that the AFL–CIO was routinely having each and every one of these loan applications referred to it. Sometime later I found out about the experience of the distinguished Senator from Texas, and on our own volition we discovered that the same procedure was being followed by other agencies of the Government.

The Library of Congress was able to provide me information on an October 16, 1967, colloquy in the House of Representatives, in which Congressman HALL of Missouri, Congresswomen MAY of Washington, and Congressman PRICE of Texas, outlined the problem as it existed at that time.

I compliment the distinguished Senator from Texas for his diligence in finding out answers to a number of questions.

First, is there any legal instruction on behalf of the laws passed by the Congress that would account for this very unusual procedure being followed?

Second, have any other nongovernmental entities been involved?

We have asked more questions by far of the Secretary of Labor than we have gotten responses, and as I said, I am dismayed.

Mr. President, I am concerned that we get some answers to these qeustions.

As a consequence, we have had two or three informal discussions with the General Accounting Office, recognizing that operation as being the arm of the legislative branch of Government, to see if what has been done by the Department of Labor conforms with Federal law.

We have not really gotten any definitive answers yet from the General Accounting Office. I am hopeful that as they understand better what our concerns are, as they are able to review precisely the questions we have asked of the Secretary of Labor, and as they explore the very pertinent, relevant questions that have been placed into the RECORD and into the mail by the distinguished Senator from Texas, we will be able to get definitive responses from the General Accounting Office that I think will serve all of America well.

I have talked to a number of Senators who have an interest in this subject, who have yet not gotten officially involved in it. I can assure you, Mr. President, that before too much more time goes on, there will be some other very distinguished Members of this body involved in the whole issue, trying to determine what role can be played by an executive branch of government that shows what I believe is a complete lack of interest in what the law says, in complete disregard for the instructions that the law contains, and certainly in areas which I think raise serious doubt as to the wisdom of the kind of procedures that we have evidence of that have been going on.

Mr. President, this whole issue has raised comments among the press that I think are important.

It was pointed out that the Springfield, Mo., Leader Press exposed in 1967 a situation in which the Amalgamated Transit Union prevented the city of Springfield from receiving a $294,333 Federal grant for air-conditioning the city bus service. The newspaper learned the application had been referred to the international offices of the ATU, and that a union representative subsequently arrived in Springfield with a proposed agreement between the union and the city requiring "continued collective bargaining" and "arbitration of disputes and other procedures long forbidden to municipal government agencies under Missouri law as interpreted by the Supreme Court."

According to the newspaper, the union apparently was given the power under a then-effective Labor Department interpretation of a section of the transit law which the Leader Press said "specifies that federally aided projects shall have no detrimental effect upon employees." I am inclined to agree with the newspaper that "it is hard to see how the air-conditioning of the municipally owned bus fleet could in any way harm or inconvenience city busdrivers."

Mrs. May noted that she had pointed out during the previous Congress a similar situation at Yakima, Wash. She said that Washington State law, as well as the charter under which the city of Yakima operates, made it illegal for city employees to have a union shop contract as outlined in section 13C of the Federal law. The Yakima problem also involved bus transportation, and eight drivers in this case. Mrs. May said the city was denied the Federal assistance needed to keep the buses in operation. She pointed out that section 13C "has worked in this instance to discriminate against American labor by denying these busdrivers better jobs, and in fact, forcing them to look for work elsewhere."

Congressman PRICE at the same discussion related how more than 18 months previous to the colloquy Amarillo, Tex., has applied for assistance for its bus system and was unable to comply with the Labor Secretary's interpretation of section 13C because Texas State law forbids municipal employees to enter into a union shop contract.

Perhaps some of these situations have changed since that colloquy. I am hopeful the present Secretary of Labor will be able to assure us that the situation has improved. Indications are that the situation has improved.

This month, the distinguished Senator from Nebraska (Mr. CURTIS) provided me a copy of a letter of June 12 he had received from the general manager of the Delaware River Port Authority. The letter indicated that union influence on Government decision during mid- and late-1960's has deprived the port authority of millions of dollars in Federal assistance.

Mr. Robert B. Johnston of Camden, N.J., stated that the Delaware River Port Authority applied in 1965 under the Urban Mass Transportation Act for a Federal grant of assistance estimated at approximately $26 million.

Mr. Johnston stated:

> In the process of attempting to develop a formal final application, DRPA's legal counsel met with both UMTA staff and Labor Department staff in order to define the "labor protection" requirements (Section 13C) which would be imposed. At this juncture things bogged down very quickly. We learned that both the Railroad Brotherhood and Amalgamated Transit Union had registered objections to the project being constructed. Furthermore, the Department of Labor either was unwilling or unable to give any definitive guidance on the potential magnitude of "labor protection" which might be imposed.

Mr. Johnston further stated that the Port Authority's legal counsel were unable to assess the potential liability of "13C protection," but advised "it could conceivably be as high as $15 million or more." The counsel alleged that—

> Furthermore, if the DRPA were to attempt to negotiate agreements aimed at winning ATU or "Brotherhood" support, it could lead to DRPA getting "locked into" inefficient labor practices and operating procedures which might cripple the system forever after.

Mr. President, I commend the distinguished senior Senator from Texas (Mr. TOWER) for his efforts to straighten this matter out for the benefit of the American people.

By Mr. TOWER:

S. 3697. A bill to amend title XVIII of the Social Security Act to provide payment under part A—the hospital insurance program—for care and treatment furnished at a central radiation therapy facility, and to provide full payment under part B—the supplementary medical insurance program—for radiation therapy services furnished by physicians to inpatients or outpatients of any hospital or any such facility; and for other purposes. Referred to the Committee on Finance.

Mr. TOWER. Mr. President, I am today introducing a bill to amend the Social Security Act to provide the same benefits for treatment of cancer on an outpatient basis as are payable now for treatment of cancer when an individual is a hospital patient.

Current provisions of the Social Security Act authorize payment of 100 percent of reasonable charges for radiological and pathological services provided inpatients, but authorizes payment of only 80 percent of reasonable charges for exactly the same services rendered to outpatients with exactly the same disease.

Originally, higher benefits for radiation treatment of inpatients were justified because evaluation of treatment quality was available in accredited inpatient facilities but not available in outpatient facilities which were usually physicians' offices.

Over the last few years, however, the Federal Government has recognized the need to emphasize outpatient medical care to reduce costs for treatment of cancer, and has encouraged the development of several fully equipped and staffed community-level cancer treatment centers. These new radiation therapy treatment centers are better equipped, as a whole, than a large proportion of radiation therapy departments in hospitals, with the most sophisticated equipment and a staff of radiation oncologists certified by the American Board of Therapeutic Radiologists.

In light of this advancement, the present authorization for payment of 100 percent of reasonable charges for services provided inpatients and 80 percent for services to outpatients actually tends to encourage unnecessary hospitalization. Considering the fact that charges for inpatient care vary from $50 to $150 per day in different parts of the country, this provision represents a heavy and unnecessary expense to the social security system. Payment of equal benefits for the same treatment of outpatients obviously would minimize any tendency toward such unnecessary hospitalization, and would result in substantial savings to the social security system.

By way of example, at $50 per day bed charge, 4 weeks of hospitalization alone would add $1,400 to necessary technical charges for radiation and/or chemotherapy and physicians' fees. Naturally, as charges are higher and treatment periods longer, the savings would be even greater.

Aside from the substantially lower costs for treatment of cancer on an outpatient basis, recognized medical professionals have concluded that where hospitalization is unnecessary, it is psychologically and physiologically better for the patient to live at home or with friends and lead an active life, caring for his own needs.

Usually, more than 90 percent of patients needing radiation therapy for cancer do not need to be hospitalized and can, and should, receive their treatments as outpatients. The small percentage of patients actually needing to be hospitalized would, of course, be protected.

While this measure is primarily focused on radiation therapy, it also applies to some chemotherapy of cancer, as well as consultation and followup care which can be provided on an outpatient basis, thus avoiding, to a maximum degree possible, the high cost of inpatient care.

Guidelines have now been developed for accreditation of freestanding therapeutic centers. Consequently, where a freestanding institution meets or exceeds the criteria and is providing high quality treatment of cancer, I feel its use should be encouraged.

I, therefore, urge my colleagues to support this legislation to provide reimbursement at 100 percent of reasonable charges for cancer treatment provided by these freestanding institutions.

Mr. President, I ask unanimous consent to have the text of this measure printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 226(c)(1) of the Social Security Act is amended by striking out "and post-hospital home health services" and inserting in lieu thereof "post-hospital home health services, and radiation therapy services".

Section 2. (a) Section 1811 of the Social Security Act is amended by inserting "and radiation therapy services" after "related post-hospital services".

(b) Section 1812(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) the following new paragraph:

"(4) radiation therapy services for up to forty treatments after the beginning of one spell of illness and before the beginning of the next."

(c) Section 1812 of such Act is further amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) Payment under this part may be made for radiation therapy services furnished an individual only for the first forty treatments after the beginning of one spell of illness and before the beginning of the next. The number of treatments to be charged for purposes of the limitation in the preceding sentence, in connection with items or services described in section 1861(aa), shall be determined in accordance with regulations."

(d) Section 1812(f) of such Act (as redesignated by subsection (c) of this section) is amended—

(1) by striking out "and (d)" and inserting in lieu thereof "(d), and (e)";

(2) by striking out "and post-hospital home health services" and inserting in lieu thereof "post-hospital health services, and radiation therapy services".

(e) Section 1814(a)(2) of such Act is amended—

(1) by striking out "or" at the end of subparagraph (D),

(2) by adding "or" after the semicolon at the end of subparagraph (E); and

(3) by adding at the end thereof the following new subparagraph:

"(F) in the case of radiation therapy services, such services are or were medically required,

(f) Section 1816(a) of such Act is amended by striking out "or home health agencies" in clause (1) of the second sentence and inserting in lieu thereof "home health agencies, or central radiation therapy treatment facilities".

Sec. 3. Clause (B) in section 1833(a)(1) of the Social Security Act is amended by striking out "furnished to an inpatient of a hospital by a physician in the field of radiology or pathology," and inserting in lieu thereof "furnished to an inpatient or outpatient of a hospital by a physician in the field of radiology or pathology or furnished to a patient of a central radiation therapy treatment facility by a physician on the staff of such facility,".

Sec. 4. (a) Section 1861(a) of the Social Security Act is amended—

(1) by striking out "or extended care services" in clause (A) of paragraph (1) and inserting in lieu thereof ", extended care services, or radiation therapy services"; and

(2) by inserting before the period at the end of paragraph (2) the following: ", and is not a recipient of radiation therapy services".

(b) Section 1861(s)(4) of such Act is amended by inserting after "therapy" the following: "(not constituting radiation therapy services under part A)".

(c) Section 1861(u) of such Act is amended by inserting after "home health agency," the following: "or central radiation therapy treatment facility,".

(d) Section 1861(w) of such Act is amended by striking out "or home health agency" and inserting in lieu thereof "home health agency, or central radiation therapy treatment facility".

(e) Section 1861 of such Act is further amended by adding at the end thereof the following new subsections:

"RADIATION THERAPY SERVICES

"(aa) The term 'radiation therapy services' means radiation (and minor surgery, chemotherapy, nuclear medicine, bed and board, and other services to the extent they are incidental to or required for such radiation therapy) furnished on an inpatient or outpatient basis by a central radiation treatment facility; excluding, however, any item or service if it would not be included under subsection (b) if furnished to an inpatient of a hospital.

"CENTRAL RADIATION THERAPY TREATMENT FACILITY

"(bb) The term 'central radiation therapy treatment facility' means an institution or other facility which—

"(1) is primarily engaged in providing, by or under the supervision of physicians, radiation therapy treatment or other therapeutic radiation services to persons in medical need thereof;

"(2) provides such services on a participating or affiliation basis to all or substantially all of the hospitals in the community, with staff privileges for all qualified physicians on the staffs of such hospitals; and

"(3) satisfies such requirements enumerated in paragraphs (2) through (9) of subsection (e), and such other requirements in the interest of health and safety of the individuals who are furnished services in the facility, as the Secretary finds to be necessary or appropriate."

Sec. 5. (a) Section 1863 of the Social Security Act is amended by striking "and (o)(5)" and inserting in lieu thereof "(o)(5), and (bb)(3)".

(b) The first sentence of section 1864(a) of such Act is amended by inserting after "home health agency," the following: "or whether a facility therein is a central radiation therapy treatment facility,".

Sec. 6. The amendments made by this Act shall apply with respect to items and services furnished on and after the date of the enactment of this Act.

By Mr. PASTORE (for himself and Mr. Aiken, Mr. Jackson, Mr. Bennett, Mr. Symington, Mr. Dominick, Mr. Bible, Mr. Baker, and Mr. Montoya):

S. 3698. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology. Referred to the Joint Committee on Atomic Energy.

Mr. PASTORE. Mr. President, a good deal of interest and concern continues to center on the announced intention by the President of the United States to enter into an agreement for cooperation with Egypt, and one with Israel, for the supply of a nuclear power reactor and nuclear fuel to each of these countries.

The subject of international cooperation for peaceful nuclear applications is not new. There have been many such agreements for cooperation in the past in furtherance of the Atoms for Peace program initiated by President Eisenhower 20 years ago.

At the close of my remarks, I will append a listing of all such agreements for cooperation involving peaceful nuclear objectives; and I ask, Mr. President, unanimous consent that that take place at that point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PASTORE. There are more than 30 of such agreements, 19 of which include nuclear power.

These agreements are expressly provided for in the Atomic Energy Act of 1954. Section 123 and related provisions of that act indicate the precise steps and conditions that must precede the consummation of all such agreements.

First, the Atomic Energy Commission must submit to the President a proposed agreement for cooperation, together with its recommendations. The submitted proposal must include: first, the terms, conditions, duration, nature and scope of the proposed cooperation, second, a guaranty by the other party that the security safeguards and standards provided for in the agreement will be maintained, and three, certain other guarantees by such party respecting the use of special materials and their unavailability to unauthorized persons.

Secondly, the President must approve the proposed agreement, following a written determination by him that its implementation would promote, and would not constitute an unreasonable risk to, the common defense and security.

Thirdly, the proposed agreement for cooperation, together with the President's approval and determination, must be submitted to the Joint Committee for a period of 30 days while Congress is in session.

These present conditions are applicable to proposed Agreements for Cooperation in peaceful nuclear fields. A separate subdivision of section 123 of the Atomic Energy Act—subdivision d.—spells out a separate and distinct requirement that must precede the execution of any proposed Agreement for Cooperation in the military area. In regard to such agreements, the first two steps mentioned above must be followed by a submittal for a 60-day period, instead of the 30-day period applicable to proposed agreements for peaceful nuclear applications. Additionally, subsection 123d. provides that:

> Such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation.

Mr. President, the international landscape these days is a rapidly moving, changeful panorama. Past and present systems, however satisfactory vis-a-vis contemporaneous situations and events, must be considered subject to recurring reexamination and possible revision in light of changing circumstances. And revisions, when advisable, should be carefully tailored to suit the desired purpose.

I have carefully reviewed the Atomic Energy Act in relation to its present requirements respecting the system for approving international agreements for cooperation for civilian nuclear applications, and I have become convinced that it should be revised. I am offering today, in cosponsorship with all the Senate members of the Joint Committee on Atomic Energy—Republicans and Democrats alike—a bill to amend the Atomic Energy Act that, in my judgment, is dictated by the changing posture of the world scene, and is carefully designed to serve a higher standard of attention and prudence without basic impairment of the statutory structure now governing international agreements in nuclear fields.

The amendment I propose would remove from the ambit of subsection 123c. of the Atomic Energy Act those proposed agreements of cooperation that would deal with nuclear reactors capable of producing more than 5 megawatts of heat or with fuel for such reactors, and include that category of peaceful nuclear applications in subsection 123d. which now governs proposed international agreements for military purposes. Additionally, my amendment would require that the Joint Committee on Atomic Energy submit a report to the Congress of its views and recommendations respecting each proposed agreement under subsection 123d together with a proposed concurrent resolution which would state in substance that the Congress either favors or does not favor the proposed agreement for cooperation. Thus, both Houses of the Congress would have an opportunity to express its favor or disfavor of any such proposed agreement within the .60-day statutory period for congressional consideration now applicable solely to military agreements. Adoption of a concurrent resolution stating in substance that Congress does not favor a proposed agreement would legally bar its execution. The wording of subsection 123d, together with the operative changes I propose—which are italicized—are as follows:

> d. The proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to subsection 91c., 144b., or 144c., *or if entailing implementation of sections 53, 54, 103 or 104 in relation to a reactor that may be capable of producing more than 5 thermal megawatts or special nuclear material for use in connection therewith,* has been submitted to the Congress and referred to the Joint Committee and a period of sixty days has elapsed while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days), but any such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation: *Provided, however, that prior to the elapse of the first thirty days of any such sixty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the proposed agreement and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed agreement for cooperation.*

In closing these remarks, I want to stress an important point. My amendment to transfer a major category of proposed agreements for cooperation to subsection d. of section 123 of the Atomic Energy Act does not betoken any advance opinion on my part regarding the wisdom or merits of any contemplated arrangement with Egypt or Israel. I have formed no opinion.

I have formed no opinion, and I think all of us would do well to wait until all the facts are in before we reach a decision.

I understand negotiations have not yet begun with either Egypt or Israel. When sufficient details of a contemplated accord are forthcoming—particularly those pertaining to the safeguards measures to be observed—my opinion juices will begin to flow and to influence my judgment.

The only purpose of my amendment is to afford Congress the opportunity, if and when proposed agreements for cooperation in certain potentially sensitive areas are submitted, to become a partner and be able to say yea or nay.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PASTORE. Mr. President, I send to the desk for appropriate reference a bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology, together with the memorandum on the number of agreements that are existing at the present time which I have asked to have printed in the RECORD at the conclusion of my remarks.

EXHIBIT 1

A. BILATERAL AGREEMENTS FOR COOPERATION IN THE CIVIL USES OF ATOMIC ENERGY

COUNTRY, SCOPE, EFFECTIVE DATE, AND TERMINATION DATE

Argentina: Research and Power; July 25, 1969; July 24, 1999.

Australia: Research and Power; May 28, 1957; May 27, 1997.

Austria: Research and Power; Jan. 24, 1970; Jan. 25, 2000.

Brazil: Research and Power; Sept. 20, 1972; Sept. 19, 2002.

Canada: Research and Power; July 21, 1955; July 13, 1980.

China, Republic of: Research and Power, June 22, 1972; June 21, 2002.

Colombia: Research; March 29, 1963; March 28, 1977.

Finland: Research and Power; July 7, 1970; July 6, 2000.

Greece: Research; Aug. 4, 1955; Aug. 3, 1974.

India: Power (Tarapur); Oct. 25, 1963; Oct. 24, 1993.

Indonesia: Research: Sept. 21, 1960; Sept. 20, 1980.

Iran: Research; April 27, 1959; April 26, 1979.

Ireland: Research; July 9, 1958; July 8, 1978.

Israel: Research; July 12, 1955; April 11, 1975.

Italy: Research and Power; April 15, 1958; April 14, 1978.

Japan: Research and Power; July 10, 1968; July 9, 2003.

Korea: Research and Power; March 19, 1973; March 18, 2003.

Norway: Research and Power; June 8, 1967; June 7, 1997.

Philippines: Research and Power; July 19, 1968; July 18, 1998.

Portugal: Research; July 19, 1969; July 18, 1979.

South Africa: Research and Power; Aug. 22, 1957; Aug. 21, 1977.

Spain: Research and Power; Feb. 12, 1958; Feb. 11, 1988.

Sweden: Research and Power; Sept. 15, 1966; Sept. 14, 1996.

Switzerland: Research and Power; Aug. 8, 1966; Aug. 7, 1996.

Thailand: Research; March 13, 1956; March 12, 1975.

Turkey: Research; June 10, 1955; June 9, 1981.

United Kingdom: Research; June 21, 1955; July 20, 1976.

United Kingdom: Power; July 15, 1966; July 14, 1976.

Venezuela: Research and Power; Feb. 9, 1960; Feb. 8, 1980.

Viet-Nam: Research; July 1, 1959; June 30, 1974.

Thirty agreements with 29 countries.

B. AGREEMENTS FOR COOPERATION WITH INTERNATIONAL ORGANIZATIONS

ORGANIZATION, SCOPE, EFFECTIVE DATE, AND TERMINATION DATE

European Atomic Energy Community (EURATOM): Joint Nuclear Power Program; Feb. 18, 1959; Dec. 31, 1985.

The countries of EURATOM include Belgium, Federal Republic of Germany, France, Italy, Luxembourg, the Netherlands, Ireland, Denmark, and the United Kingdom.

Euratom: [1] Additional Agreement to Joint Nuclear Power Program; July 25, 1960; Dec. 31, 1995.

International [1] Atomic Energy Agency (IAEA); Supply of Materials, etc.; Aug. 7, 1959; Aug. 6, 1979.

S. 3698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 123d. of the Atomic Energy Act of 1954, as amended, is revised to read as follows:

"d. The proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to subsection 91c., 144b., or 144c., or if entailing implementation of sections 53, 54, 103 or 104 in relation to a reactor that may be capable of producing more than 5 thermal megawatts or special nuclear material for use in connection therewith, has been submitted to the Congress and referred to the Joint Committee and a period of sixty days has elapsed while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days), but any such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation: *Provided*, That prior to the elapse of the first thirty days of any such sixty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the proposed agreement and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed agreement for cooperation.

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[1] The 1955 research agreement with Oenmark was allowed to expire on July 24, 1973, cooperation was folded in under the Additional Agreement.

SEC. 2. This Act shall apply to proposed agreements for cooperation and to proposed amendments to agreements for cooperation hereafter submitted to the Congress.

Mr. PASTORE. I now yield to the Senator from Vermont.

Mr. AIKEN. I joined with the Senator from Rhode Island and the other Senate members of the Joint Committee on Atomic Energy in cosponsoring this measure because I believe we have been taking some agreements relative to the development of nuclear power in other countries rather lightly in the past.

As the Senator from Rhode Island has stated, we have about 30 agreements, in all, with 29 different countries. About two-thirds of them deal with the construction of reactors; the other third deal with research, and some of these agreements which we have already reached with other countries run until the year 2002. We all know that the situation relative to the development—the use of the atom, we will call it—will change tremendously within the next 30 years. So I feel that we have been getting a little careless in this respect.

Taking 60 days to study a proposed agreement is not excessive. The law at present provides for 30 days. And we also have reached the point where we have to consider what other countries are doing. Right now, the present interest is created by a proposal to supply information and probably reactors to both Egypt and Israel. We do have an international agreement relative to the nonproliferation of nuclear weapons. It has been signed by Egypt, but not ratified as yet.

Mr. PASTORE. That is correct.

Mr. AIKEN. Neither has it been signed by Israel. I believe Israel has been doing business with France in regard to the supply of reactors. Israel is supposed to have started the production of plutonium about the year 1960 or 1961, and other countries are getting into this field at an extremely rapid rate. There are at present several hundred nuclear reactors being planned or under construction in countries all over the world. It is an entirely different situation than we had a few years ago. This bill which is sponsored by the Senator from Rhode Island and other members of the committee will not block progress in the development of generating power from the atom, but it will require close study of the proposals by the Members of Congress.

Mr. PASTORE. The Senator is absolutely correct. As he will recall, at the time of the Nonproliferation Treaty, we pledged ourselves—that is, the nuclear powers pledged themselves—that if other countries would restrain from getting into nuclear weaponry, we would furnish them technology and fuel for peaceful uses. So there is that commitment.

There is nothing in my amendment that hamstrings the administration. All it does is make Congress a partner in these agreements. It compels the Joint Committee to come back in 30 days and report whether or not it recommends or does not recommend the agreement, and within 60 days Congress can act. If Congress does not act in that 60 days, the agreement may be consummated, so that the administration will not be hamstrung, and someone could not filibuster the arrangement.

I thank the Senator for his contribution.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I am impressed with the colloquy that has taken place between the Senator from Vermont and the Senator from Rhode Island. As I understand the proposal of the Senator from Rhode Island—and I did not hear his entire discussion—it would seek to tighten up the procedures by which nuclear reactors and technology could be made available to other nations.

Mr. PASTORE. That is correct. And it will impress upon those who negotiate these agreements that they have to have rigid safeguards in order to make sure that we have a proper accounting for all the fuel that has either been sold or given, so that when the fuel is taken out to be recycled, it either goes to a second nation or a third nation, but it has to be accounted for so that there will not be an accumulation of plutonium to make a bomb. That is the purpose of all this.

We are moving extremely fast, in the development of these nuclear reactors. They are springing up all over the world. That is inevitable. As oil becomes in short supply, and now as gas becomes in short supply, we are going to turn to nuclear power.

The fact is that as we are turning to nuclear power—which we should not discourage in any country of the world—we have got to be sure that it does not serve as an excuse to build up atomic arsenals.

Mr. HARRY F. BYRD, JR. The Senator from Rhode Island is absolutely right. I think it is important that procedures be tightened up.

As one Member of the Senate, I am very much concerned as to the possibility of proliferation of these nuclear weapons. I was shaken up a bit by what India did in exploding a nuclear device just recently. So I think what the Senator from Rhode Island is doing can have very important beneficial effects for the entire world.

I am also impressed by his comment that it would be well to keep an open mind on the nuclear reactors for the Middle East. I plan to do just that. I must say that at the moment, however, I have some concern about making nuclear reactors of that magnitude available to that area of the world.

Mr. PASTORE. And the purpose of my amendment is to afford an opportunity for the Senator from Virginia to state his views on the Senate floor. Under the present law, that is almost impossible. That is the reason why we are suggesting the change.

Mr. HARRY F. BYRD, JR. I am delighted that the Senator is suggesting that change, and I thank him for the information he has presented today.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the pertinent part of article IV of the Nonproliferation Treaty, which has to do with the commitment on the part of the nuclear powers with reference to that treaty. I also ask unanimous consent to have printed in the RECORD the names of the members of the agency.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NONPROLIFERATION TREATY

ARTICLE IV

2. All the Parties to the Treaty undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy. Parties to the Treaty in a position to do so shall also cooperate in contributing alone or together with other States or international organizations to the further development of the applications of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty with due consideration for the needs of the developing areas of the world.

THE MEMBERS OF THE AGENCY

(List of 15 February 1971)

On 15 February 1971 the Members of the Agency were the 102 States listed below [1]. It is to be noted that Cambodia became the Khmer Republic on 9 October 1970 and that Nicaragua withdrew from the Agency on 14 December 1970.

Afghanistan, Albania, Alberia, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Ceylon, Chile, China.

Colombia, Congo, Democratic Republic of the, Costa Rica, Cuba, Cyprus, Czechoslovak Socialist Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, Finland, France, Gabon, Germany, Federal Republic of.

Ghana, Greece, Guatemala, Haiti, Holy See, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan.

Kenya, Khmer Republic, Korea, Republic of, Kuwait, Lebanon, Liberia, Libyan Arab Republic, Liechtenstein, Luxembourg, Madagascar, Malaysia, Mali, Mexico, Monaco, Morocco, Netherlands, New Zealand, Niger, Nigeria.

Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Romania, Saudi Arabia, Senegal, Sierra Leone, Singapore, South Africa, Spain, Sudan, Sweden, Switzerland.

Syrian Arab Republic, Thailand, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Viet-Nam, Yugoslavia, Zambia.

Mr. MONTOYA. Mr. President, I rise in support of the views expressed by my distinguished colleague, the Vice Chairman of the Joint Committee on Atomic Energy.

The amendment we offer is appropriate to the changing times. It has been carefully drawn. It would transfer from subsection c. to subsection d. of section 123 of the Atomic Energy Act all proposed agreements for international cooperation involving a reactor capable of producing more than 5 megawatts of heat or special nuclear material for use in connection with such a reactor, thereby enabling the Congress, by concurrent resolution, to prevent the execution of any such agreement if that is the judgment of the Congress.

Subsection 123c would continue to be applicable to all other proposed agreements for cooperation involving peaceful nuclear applications—for example, agreements involving the exchange of research information, the distribution of radioisotopes, et cetera. All proposed agreements for cooperation that will remain subject to subsection c of section 123 must be submitted to the Joint Committee on Atomic Energy for a 30-day period before they can be effectuated. The Joint Committee issues public announcements of such submittals and usually conducts hearings as part of its review process.

As Senator PASTORE has indicated, the amendment we propose would require the Joint Committee on Atomic Energy to submit a report to the Congress of its views and recommendations concerning each proposed agreement submitted pursuant to subsection 123d, together with a proposed concurrent resolution stating in substance that the Congress either favors or does not favor the proposed agreement for cooperation. If Congress does not vote its disapproval within the statutory 60-day period, the proposed agreement could legally be effectuated.

I believe the amendment is advisable and practical. I urge the Senate to adopt it.

By Mr. JAVITS:

S. 3699. A bill to amend the Federal Reserve Act to modify reserve requirements of member banks of the Federal Reserve System. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. JAVITS. Mr. President, the bill I am proposing would grant to the Federal Reserve Board flexibility to reduce reserve requirements against time and savings deposits of commercial banks that are members of the Federal Reserve System from the present 3 to 6 percent range to 1 percent if the Board so desires.

Under section 19 of the Federal Reserve Act, the Board is presently empowered to set reserve requirements for member banks within a prescribed range. For reserves against demand deposits, the Board's authority ranges from a minimum 7 percent to a maximum 22 percent; for reserves against time and savings deposits, the statutory range is from a minimum of 3 percent to a maximum of 10 percent.

Pursuant to its reserve setting authority, the Board currently imposes reserves against demand deposits, which range from 8 to 18 percent depending upon the size of the bank, and reserves against time and savings deposits which in general range from 3 to 5 percent—for reserves against consumer-type deposits—up to 8 percent—for reserves against large "CD's", Eurodollar, and similar deposits.

Banks which are not members of the Federal Reserve System are subject to reserve requirements under the laws of the various States, which in almost all cases are more liberal than Federal reserve requirements.

I am introducing this amendment to permit the Board to reduce requirements against time and savings deposits of commercial banks to a minimum 1-percent level for the basic reason that these types of reserve requirements are sometimes used by the Federal Reserve Board as one of several tools to control the growth of the money supply, which in turn affects the levels of income, interest rates and inflation in the economy. In addition to reserve requirements, the Board has other more effective tools of monetary policy available to it, including most importantly its role as lender to the banks—through the "discount window"—and its role as buyer and seller of Government securities in the open market.

But there is a basic distinction between reserves required against demand deposits and reserves required against time and savings deposits.

Required reserves against demand deposits may contribute significantly to monetary policy, but such requirements with respect to time and savings deposits do not serve any significant monetary purpose and do not serve their original intended purpose of a liquidity "reserve" against unanticipated deposit withdrawals, a purpose which is today served by Federal deposit insurance, credit facilities of the Federal Reserve Banks and supervisory liquidity standards.

The reduction in the minimum reserve requirement to 1 percent would reduce reserve requirements of all member banks by $5 billion. This would clearly make membership in the system more attractive and thus strengthen the Federal Reserve System in a manner wholly consistent with the right of the States to regulate their own banking structures.

This proposal parallels similar recommendations made by many others. The report of the President's Commission on Financial Reform—the "Hunt Commission"—recommended the elimination of all reserves against time and savings deposits, arguing that such reserves "do not intimately affect the efficiency of monetary policy instruments." The administration's 1973 legislative proposals to Congress recommend that the minimum reserve requirements for time and savings deposits be reduced from 3 to 1 percent.

Most recently, the Federal Reserve Board, in the course of proposing legislation that would impose Federal Reserve requirements on all nonmember depository institutions, also recommended reducing the minimum reserve against time and savings deposits of member banks from 3 to 1 percent. This recommendation is among those contained in S. 2898 introduced by Mr. SPARKMAN (for himself and Mr. TOWER), on January 28, 1974.

While S. 2898 provides for a broader package of reforms than the bill I am introducing, my amendment is especially important to New York, as it is a necessary component of reforms on the State level. My bill is an outgrowth of recommendations contained in the report of the New York State superintendent of banks' advisory committee on financial reform, March 1974. The report contains proposals for action at both the State and Federal levels which are designed to achieve major banking reform for the benefit of banking consumers and the public in New York State. Action at the Federal level to reduce statutory minimum reserve requirements, together with similar action at the State level, is a necessary element in the entire reform package.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 3699

A bill to amend the Federal Reserve Act to modify reserve requirements of member banks of the Federal Reserve System

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 19(b) (3) of the Federal Reserve Act is amended to read as follows:

"(3) In the case of any deposit other than a demand deposit, the minimum reserve ratio shall be not less than 1 per centum and not more than 10 per centum".

By Mr. MATHIAS (for himself and Mr. BEALL):

S. 3700. A bill to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

PROTECTING CLARA BARTON'S HOUSE

Mr. MATHIAS. Mr. President, I introduce for myself and Senator BEALL a bill designed to preserve the historically important Clara Barton House. In light of Clara Barton's accomplishments, it is most fitting that this action be taken. The people of this country, indeed all peoples of the world, are indebted to her for her efforts on behalf of the American Red Cross. I look forward to the establishment of the Clara Barton House Historic Site as a great addition to the State of Maryland and to the Nation. I ask unanimous consent that the bill appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3700

A bill to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve in public ownership the historically significant property associated with the life of Clara Barton, for the benefit and inspiration of the people of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by donation, purchase with donated or appropriated funds, or exchange the land and interest in land, together with buildings and improvements thereon, located at 5801 Oxford Road, Glen Echo, Maryland, together with such other lands and interests in lands, including scenic easements, as the Secretary shall deem necessary for the administration of the area. The Secretary shall establish the Clara Barton House National Historic Site by publication of a notice to that effect in the Federal Register at such time as he deems sufficient lands and interests in lands have been acquired for administration in accordance with the purposes of this Act.

SEC. 2. Pending establishment and thereafter, the Secretary shall administer lands and interests in lands acquired for the Clara Barton House National Historic Site in accordance with the Act approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4), as amended and supplemented, and the Act approved August 21, 1935 (49 Stat. 666; U.S.C. 461 et seq.), as amended.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. MATHIAS (for himself, Mr. BEALL, and Mr. TUNNEY):

S. 3701. A bill to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c), (3) and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization. Referred to the Committee on Finance.

SAVING STATE AND COUNTY FAIRS

Mr. MATHIAS. Mr. President, on behalf of Senators BEALL, and TUNNEY, I am today introducing a bill to continue the Federal income tax policies which have traditionally applied to State and local fairs. I am also introducing this bill as an amendment to the pending legislation, which concerns the debt ceiling limit.

The purpose of this bill is to insure the continued financial viability of these fairs—which are so much a part of our history and culture, and which are today threatened by a cloud raised by the Internal Revenue Service. The IRS has, on its own volition, recently changed its traditional policy that income from entertainment activities during a State fair are within the ambit of the tax exemption which has been accorded these fairs under the Internal Revenue Code. The bill which I send to the desk would provide that income from such entertainment activities would continue to be tax exempt.

This bill is designed to be narrow in scope. Its purpose is to cover activities that are an integral part of the fair. It would not extend to activities that do not occur during the fair. Our goal is to insure that these fairs, which are attended by many millions of Americans, are not taxed out of operation.

State and county fairs in almost every State in our country will be protected by this legislation.

I ask unanimous consent that there be printed in the RECORD at this point a copy of the bill which we are introducing today, a brief summary of the current problem, and the prepared testimony of Jacques T. Schlenger, Esq., of Maryland, before the House Committee on Ways and Means in support of similar legislation introduced in that chamber, and a listing of some of the largest fairs in the United States.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3701

A bill to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c), (3) and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 513 of the Internal Revenue Code of 1954 (relating to the definition of an unrelated trade or business) is amended by adding the following subsection 513(d):

"(d) SPECIAL RULE FOR FAIRS AND EXPOSITIONS.—The term 'unrelated trade or business' shall not include the operation of a public entertainment activity in conjunction with a National, State, local, regional, or international fair or exposition conducted by an organization described in section 501(c), (3) and (5); nor shall the operation of any such public entertainment activity prevent, or cause the denial of, the exemption of such organization otherwise exempt under section 501(c), (3) and (5)."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1959.

FACT SHEET ON TAXATION OF MARYLAND STATE FAIRS AND OTHER STATE FAIRS

I. Brief Statements of Legislative History of the Unrelated Trade or Business Tax as Applied to State and County Fairs and Expositions:

State Fairs and other agricultural and charitable organizations have been exempt from taxation since the inception of the Federal income tax in 1913. Entertainment income integrally related to the operations of such organizations has also historically been exempt.

II. Facts about Maryland State Fair:

The Maryland State Fair has been conducted for over 80 years in substantially the same manner. Benefits to agricultural and related fields in the State of Maryland have been significant. The State of Maryland itself subsidizes the Fair, and the horse racing activities and income therefrom are authorized by State statutes and regulated by State agencies.

III. Facts Relating to Other Fairs and Expositions:

Over 300 state and county fairs are conducted in at least 46 states. Almost all have some form of entertainment revenue.

IV. Current Internal Revenue Service Position:

The Internal Revenue Service, despite losing in Court in its case against Maryland State Fair, is actively attempting to tax entertainment income integrally related to fairs.

V. Effect of Successful Maintaining of Internal Revenue Service Position Without Remedial Legislation:

If the IRS is successful in its attempts to tax entertainment revenue of fairs, especially without permitting an offsetting deduction for other aspects of fair operations conducted at a loss, the effect will certainly be to eliminate the existence of fairs in their present form.

VI. Solution:

Specific legislation is required to state that such income shall not be subject to taxation and shall not affect the exempt status of fairs.

STATEMENT BY JACQUES T. SCHLENGER, ESQ., ON BEHALF OF MARYLAND STATE FAIR AND AGRICULTURAL SOCIETY, INC., IN SUPPORT OF PROPOSED ADDITION OF SECTION 513(d) TO INTERNAL REVENUE CODE OF 1954, AS AMENDED

PROPOSED SECTION 513(d)

"(d) SPECIAL RULE FOR FAIRS AND EXPOSITIONS.—The term 'unrelated trade or business' shall not include the operation of a public entretainment activity in conjunction with a national, state, local, regional or international fair or exposition conducted by an organization described in Section 501(c) (3) or (5); nor shall the operation of any such public entertainment activity prevent, or cause the denial of, the exemption of such organization otherwise exempt under either Section 501(c)(3) or 501(c)(5)."

I. Brief Statement of Legislative History of the Unrelated Trade or Business Tax as Applied to State and County Fairs and Expositions:

Section 501(c)(3) grants income tax exemption to, among others, corporations organized and operated exclusively for charitable, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 501(c)(5) grants income tax exemption to labor, agricultural or horticultural organizations.

The Revenue Act of 1913 provided for the exemption from taxation of labor, agricultural and horticultural organizations. Also made exempt were charitable and educational organizations, although their exemption, as distinguished from agricultural, etc., organizations, was conditional on the filing with the Collector of Internal Revenue of an affidavit setting out the character and purposes of the organization, showing that no part of income inured to the benefit of any private stockholder or individual and that such income was used exclusively for the promotion of the purposes for which it was organized. See Section 11G(a)[2][a] and [f], and Regulations No. 33, Articles 67 and 68, issued in 1918 under the Revenue Act of 1916.

Regulations 45, Article 512, issued in 1921 under the Revenue Act of 1918, provided as follows:

"Agricultural and horticultural organizations.—Agricultural or horticultural organizations exempt from tax do not include corporations engaged in growing agricultural or horticultural products or raising live stock or similar products for profit, but include only those organizations which, having no net income inuring to the benefit of their members, are educational or instructive in character and have for their purpose the betterment of the conditions of those engaged in these pursuits, the improvement of the grade of their products, and the encouragement and promotion of these industries to a higher degree of efficiency. Included in this class as exempt are organizations such as county fairs and like associations of a quasi-public character, which through a system of awards, prizes, or premiums are designed to encourage the production of better live stock, better agricultural and horticultural products, and whose income, derived from gate receipts, entry fees, donations, etc., is used exclusively to meet the necessary expenses of upkeep and operation. Societies or associations which have for their purpose the holding of annual or periodical race meets, from which profits inure or may inure to the benefit of the members or stockholders, do not come within the terms of this exemption. A corporation engaged in the business of raising stock or poultry, or growing grain, fruits, or other products of this character, as a means of livelihood and for the purpose of gain, is an agricultural or horticultural society only in the sense that its name indicates the kind of business in which it is engaged, and it is not exempt from tax."

These regulations were continued in substantially identical form until 1958, when the Internal Revenue Service adopted regulations under the corresponding provision of the 1954 Code, which regulations were substantially abbreviated and eliminated all references to racing.

An unrelated business income tax on exempt organizations was first proposed by the Treasury Department in 1942, and was again recommended in 1950, when legislation was passed.

Section 511(a) imposes a tax on the "unrelated business income" of most exempt organizations, including those described in Sections 501(c)(3) and (5).

The Legislation was intended to apply to income derived from a trade or business "regularly carried on" by a tax exempt organization if the business is not "substantially related" to the performance of the functions upon which the organization's exemption is based. See H.R. 2319, 81st Cong., 2d Sess., 1950–2 Cum. Bull. 380, 409 and S. Rep. No. 2375, 81st Cong., 2d Sess., 1950–2 Cum. Bull. 483, 505.

II. Facts about Maryland State Fair:

The Maryland State Fair (sometimes also referred to as Timonium) has been conducted in Baltimore County at the same location (Timonium) in substantially the same manner in every year since 1878, except for the years 1941 through 1945, when the fair grounds were turned over to the United States Army. The Fair is held for ten or eleven days each summer. A Catalogue and Daily Program is published for each fair, which contains over 200 pages listing the events and participants. The Maryland State Fair also publishes annually over 10,000 copies of a 200-page "premium list", describing the contests, judging criteria, and prizes to be offered that year, which is distributed throughout the State of Maryland and to other states.

A typical fair day, whether taken from the year 1878 or 1968, would include 4–H and FFA dairy and livestock exhibits; 4–H dairy cattle judging contest; exhibits of baked and canned foods, jellies, candies, clothing, needlework, quilts, rugs, tablecloths, arts and crafts, flowers and arrangements; exhibits by the Farm Bureau, State Grange, the University of Maryland Extension Service, State Department of Forests and Parks, and others; demonstrations of meat cutting and cookery, hand weaving, lace making, pottery and other crafts, etc. Over $100,000 of premiums and awards are given each year for the various displays and exhibits, to stimulate interest in, and improve the products of, agricultural activity in the area. The fair also has various grandstand shows, a midway with rides, and horse racing on a half mile track. Each of these activities has been conducted since the inception of the fair in 1878.

On each day of the fair, the number of people attending the fair far exceeds the number of people attending the races. A substantial number of the patrons who attend the racing also attend the fair, and in fact, all of the persons attending the racing events must purchase a ticket to the fair.

In addition to the activities carried on during the fair itself, the fair's facilities are made available for a wide variety of activities throughout the year, including the meetings of the Association of Maryland Horse Shows, the Maryland-Delaware Brown Swiss Sale, meetings of the State Fair Board, Maryland Conservation Council, Maryland Agricultural Extension Service, Maryland Swine Producers, the McDonogh School Fair, Maryland Horse and Pony Measuring Show, 4-H meetings and fair, Girl and Boy Scout meetings, etc.

The Maryland State Fair receives an appropriation of State funds, which has been approximating $100,000 for the past several years. This grant has been necessary for the fair to maintain and improve its facilities and to continue to conduct the fair in the manner in which it has been conducted since 1878.

The operations of the State Fair are governed by a Board of 31 Directors, almost all of whom are farmers or engage in related businesses. For example, of the 31 members of the Board during 1966, no less than 20 (including former Senator Brewster) owned and operated farms in the State of Maryland. The Board includes the Dean of the School of Agriculture of the University of Maryland, the Master of the State Grange, the President and Vice President of the Esskay Meat Company (a large beef consumer), several horse breeders, nurserymen, and representatives from the legal, medical, banking, journalism and political fields.

The conduct of thoroughbred horse racing at the fair serves two purposes: as an attraction to encourage greater attendance at the State Fair, and as a part of the Maryland horse breeding industry. The integral role played by the racing has been described by many leading authorities, an example being the statement made by Dr. Gordon M. Cairns, Dean of the School of Agriculture of the University of Maryland, testifying at a trial involving a local real property tax assessment on the track area, which was held to be improper by the highest court of the State of Maryland because the racing area was found to be an integral part of the fair:

"Any fair exists primarily for an educational function and purpose. This is to acquaint the people of the area through demonstrations, through exhibits, displays and the like. Secondly, the competitions that are held there are the basis for the development of the various aspects of our livestock and agricultural industry.

* * * * *

"Basically all fairs are created with the objective—with two objectives. The one is education and the other is how to get the people there to show them what is educational and they have to have the traditional, shall we say, entertainment features associated therewith to help draw the crowds to those attractions.

* * * * *

"In fact, you take Illinois, Indiana, Ohio, New York, all of those would have trotting races there rather than running races, but the amusement feature is there in the same pattern."

A specific reason for the imposition of the unrelated business income tax was to prevent unfair competition by exempt organizations with profit-making organizations. But the operation of the race track during the fair by the Maryland State Fair does not compete with any tracks. In fact, the half mile track used by the Maryland State Fair is necessary to supplement the three major mile tracks in Maryland because few breeders can compete solely at the mile tracks.

Horse racing at county fairs in Maryland is under the supervision of the Maryland Racing Commission. In contrast with commercial racing at the mile tracks, the Commission has long recognized that the racing conducted at Timonium is an integral part of the fair itself; since the Racing Commission's inception in 1920, Timonium's racing license has by State Statute been conditional upon the maintenance of a bona fide fair, featuring agricultural exhibits and competition. See Art. 78B, § 15(a), Annotated Code of Maryland (Repl. Vol. 1965). Thus, the Commission's 1921 report notes that:

"Twelve County Fairs [including Timonium] were granted licenses . . . *the main purpose of which was*, in the judgment of the Commission, *the encouragement of agriculture* . . .". (Emphasis added.)

Again, in 1924, the Racing Commission reported that:

"The County Fairs, which have become a valuable asset to the State, enjoyed a successful season, and each year *are doing more and more to benefit and promote* the agriculture and *breeding industries of the State. Racing constitutes an important event at each of the fairs,* and the Commission is constantly seeking to improve the conditions under which it is conducted." (Emphasis added.)

The 1939 report of the Racing Commission sums up the role which county fair racing plays in the Maryland breeding industry.

"County fair racing . . . furnish[es] an arena in which the breeders with horses that have not developed the class necessary for the big tracks can acquire purse money to reduce the losses they sustain in their breeding ventures."

In keeping with these statements, the Racing Commission has been alert to maintain its policy that "[t]hese associations should not conduct racing as their primary attraction, but racing should be secondary to the real purpose for their existence." [1946 Report.] That Timonium has more than adequately met this standard is seen from the following year's report:

"The Commission is trying to emphasize and give effect to the requirement that the half-mile tracks must have a bona-fide, well organized and well-supported agricultural fair as a condition of a license to hold a race meet. . . . The agricultural exhibits and activities held in connection with the fair at Timonium were outstanding and have *won Timonium recognition as one of the best country fairs in the country.*" (1947 Report, emphasis added.)

In the early 1960's, another Maryland county fair was unable to conduct its racing and the State Racing Commission urgently requested Timonium to conduct such racing at its facilities for the other fair. To assist the State with its revenue needs, Timonium reluctantly agreed. The Maryland State Fair voluntarily paid Federal and state income taxes on the profits of such additional twelve racing days. These additional racing days are not involved in the present legislative proposal on unrelated business income.

It is obvious, but merits emphasis, that no part of the net profits of the Maryland State Fair inures to any individual. All funds go to support and improve the fair.

III. Facts Relating to Other Fairs and Expositions:

More than 300 state and county fairs are conducted in at least 46 states. In almost every one, some form of entertainment has been historically used to attract people to the fair and to otherwise assist the purposes of the fair. Such typical and traditional entertainment includes stage shows, midway rides, parimutuel thoroughbred racing, harness racing, dog racing and auto racing in conjunction with and as an integral part of the fair. Racing at fairs exists, to mention only a few, at the New Mexico State Fair, the Los Angeles County Fair, the Oregon State Fair, the Illinois State Fair, the DuQuoin State Fair (Ill.), the Clearfield County Fair (Pa.), the Montana State Fair, the Weymouth Fair (Mass.) and the Three County Fair (Mass.) Probably all of us have at some time attended such fairs and have personally witnessed the traditional blending of agriculture, education and entertainment.

IV. Current Internal Revenue Service Position:

In 1955, the Internal Revenue Service compelled the Maryland State Fair to litigate in the United States District Court for the District of Maryland to obtain a decision that income from its horse racing was an integral part of the fair and not subject to the unrelated business income tax. The decision in favor of the Maryland State Fair is reported in 48 AFTR 1725. This decision did not end the question, however, since the Internal Revenue Service has continued to attempt to tax this income in subsequent years, and has even gone so far as to propose the revocation of the exemption of the entire fair. This case is, and has been for a considerable time, pending in the National Office of the Internal Revenue Service, presumably along with similar problems of other fairs.

In 1968, the Internal Revenue Service issued regulations intended to clarify the meaning of "related" activities of an exempt organization. Treas. Regs. § 1.513-1(d)(2) states that a business is considered "related" if its conduct—

"Has casual relationship to the achievement of exempt purposes . . .; and is 'substantially related', for purposes of section 513, only if the causal relationship is a substantial one."

Based on the long history of the relationship between the racing activities as an integral part of the fair, it might be imagined that the Internal Revenue Service would accept such a relationship under the language of this regulation. In October, 1968, however, the Internal Revenue Service issued Rev. Rul. 68-505, 1968 IRB-38, 16, which takes the position that income from the operation of racing in conjunction with a fair is unrelated business income subject to Federal income tax. The reasons given in this ruling are:

(1) That the races are carried on in a manner similar to commercial race tracks;

(2) That the conduct of the races is not related to the organization's exempt purpose because it does not contribute importantly to the educational objectives of the fair; and

(3) The races are not a type of recreational activity that is intended to attract the public to the fair's educational features.

This ruling involved an organization stated to be exempt as an educational organization under Section 501(c)(3), such as the Internal Revenue Service alleged Timonium to be. The ruling does not reach the question of whether the racing activities are related to the agricultural purposes of an organization such as Timonium except under Section 501(c)(5). Presumably, the Internal Revenue Service would take a similar position. In all events, why some fairs have been granted exemption under Section 501(c)(3) and others, under Section 501(c)(5) is an administrative mystery. Timonium applied for an exemption under Section 501(c)(5), but the Internal Revenue Service insisted on an exemption under Section 501(c)(3)! As noted above, the Internal Revenue Service now proposes no exemption.

Anyone who attends the races at a state fair can easily see the difference between the races conducted at the fair and races conducted by profit making organizations. Tracks operated as part of the fair are generally smaller, the horses are not nearly as advanced, the bettors generally bet only $2.00 per race, and the entire atmosphere is different. The races do attract people to the fair, as is borne out by attendance records maintained by the Maryland State Fair. Finally, the exempt purposes of the fair, i.e., agricultural and educational activities, are substantially advanced because of the conduct of racing activities.

V. Effect of Successful Maintaining of Internal Revenue Service Position Without Remedial Legislation:

The managers of various fairs across the country are in agreement that if fairs are held liable for Federal income taxes, they will no longer be able to operate, and an important segment of United States economy and history will be eliminated. Significantly, the Internal Revenue Service position, when tax exemption is not denied, is to tax racing and other entertainment income without even permitting any offset for losses realized on the operation of other aspects of the fair. Generally, the only profitable part of the operation of the fair is the horse races or other entertainment activity, whereas the other activities of the fair will operate at a loss. To simply segregate the profitable part of the fair and attempt to tax it is wholly unjust and would have disastrous results. Even if the tax exemption of fairs were eliminated altogether, so that the income on the profitable operations could be offset by the loss operations, it is extremely doubtful that the majority of fairs would be able to continue in the present form, because, instead of using net profits of the fair for maintaining quality and improving the fair, such funds would have to be used to pay income taxes.

VI. Solution:

The position of the Internal Revenue Service, allegedly taken under existing law, would, if sustained, mark the end of fairs throughout the nation, or at the least, require resort to local governmental financing, which in today's straightened circumstances cannot be realistically anticipated. Since administrative judgment has been so misdirected, the only feasible solution is remedial legislation not subject to administrative whim. The Maryland State Fair has learned that even successful litigation will not deter the Internal Revenue Service.

Accordingly, the Maryland State Fair, on behalf of itself and the hundreds of fairs, throughout the nation, respectfully urges the enactment of the suggested amendment to Section 513(d). In the proposed legislation, the term "public entertainment activity" is intended to cover the entertainment activities of fairs, be they midway rides, plays, vocalists or horse racing.

In order to eliminate current and costly disputes between the fairs and the Internal Revenue Service, it is required that the new Section 513(d) be effective for all tax years beginning on or after January 1, 1960.

SUMMARY DATA FOR CERTAIN LARGE FAIRS

[Prepared from data furnished by the respective fairs]

Location and name of fair	Midway	Name shows	Other entertainment	Estimated percentage of gross revenue from entertainment	Legal organization
Arkansas:					
Fort Smith: Arkansas-Oklahoma Livestock Exposition District Free Fair.	Yes	Grand Ole Opry	Rodeo, thrill shows	25.0	Chamber of Commerce.
Little Rock: Arkansas Livestock Exposition.	Yes—Royal American Shows		Rodeo, grandstand shows		Nonprofit corporation; State subsidized.
California:					
Pomona: Los Angeles County Fair	Yes	None	Horseracing, rodeo, circus	50.0	Nonprofit corporation.
Santa Rosa: Sonoma County Fair	Yes		Rodeo, horseracing, teen show, custom auto show, destruction derby.	82.7	Subsidized county agency.
Stockton: San Joaquin County Fair	Yes	Yes	Rodeo, horseracing	9.0	State agency.
Colorado: Pueblo: Colcrado State Fair	Yes	Rex Allen	Rodeo, horseracing, Mexican rodeo.	21.0	Subsidized State agency.
Connecticut: Danbury: Great Danbury State Fair.	Yes	Yes	Thrill shows, animal and horse shows.	10.0	Taxable corporation.
Florida:					
Orlando: Central Florida Fair	Yes	None			Corporation
West Palm Beach: South Florida Fair and Exposition.	Yes		Autoracing thrill show	23.0	Nonprofit corporation.
Georgia:					
Columbus: Chattahoochee Valley Fair.	Yes—Gooding's Million Dollar Midway.	The Charlies, The Great Erick, The Gutis Family, The Claytons, Walde's Bears, The Sensational Leighs.			Private nonprofit corporation Operate on city property.
Macon: Georgia State Fair	Yes—Carnival	None	None	None	Operated by chamber of commerce through agent association.
Illinois:					
DuQuoin: DuQuoin State Fair	Yes—Olson Shows	Eddie Arnold, Bob Hope, Perry Como, Red Skelton, Ernie Ford, Andy Williams, Nat King Cole, Steve Lawrence and Edye Gorme.	Harness racing (Hambletonian), auto racing.	80.0	Corporation; § 501(c)(5) exemption.
Peoria: Heart of Illinois Fair	Yes—Century 21 Shows	Pat Boone, Allen and Rossi, Eddy Arnold.	Pony show, horse show, antique auto show, "dancing waters," "Skipper the porpoise."	20.0	Nonprofit corporation.
Illinois: Springfield: Illinois State Fair	Yes—Olson Shows	Herb Alpert and Tijuana Brass, Bob Hope, Paul Revere and the Raiders, Eddy Arnold, Grand Ole Opry.	Harness racing, rodeo, auto and stock car racing, quarter horse racing, Indian show, fireworks.		Subsidized State agency.

Location and name of fair	Midway	Name shows	Other entertainment	Estimated percentage of gross revenue from entertainment	Legal organization
Indiana: Indianapolis: Indiana State Fair.	Yes—Gooding's Million Dollar Midway.	Lawrence Welk, Eddy Arnold, Herman's Hermits, Tijuana Brass.	Horseracing, rodeo, auto racing, thrill show.	20.0	Do.
Iowa:					
Davenport: Great Mississippi Valley Fair.	Yes—Bluegrass Midway	Yes	Quarter horse racing, auto racing, horse shows, thrill shows.		Nonprofit corporation; State and local support.
Des Moines: Iowa State Fair	Yes—Century 21 Shows	Ernie Ford, Andy Williams, Lawrence Welk.	Rodeo, harness racing, auto racing, thrill show, horse shows.	32.0	Subsidized State agency.
Spencer: Clay County Fair	Yes—Thomas Shows	Pat Boone, Kids Next Door	Rodeo, harness racing, midget and big car auto racing, chuckwagon races, destruction derby.	40.0	Corporation; nominal State and local support.
Waterloo: National Dairy Cattle Congress.	Yes	Arthur Godfrey	Rodeo, dogracing, midget auto racing, horse pulling.	20–25.0	Corporation.
Kansas: Hutchinson: Kansas State Fair	Yes—Royal American Midway	Morey Amsterdam, New Christy Minstrels, Grand Ole Opry.	Autoracing	28.0	Subsidized State agency.
Kentucky: Louisville: Kentucky State Fair	Yes—Deggeller	Eddy Arnold, New Vaudeville Band, Pat Boone, Skitch Henderson, Lassie, Dale Robertson.	Country and western music show, rodeo, circus.		Corporation.
Maryland: Baltimore: Maryland State Fair.	Yes	Yes	Music shows, horse shows, horseracing.	75.0	Nonprofit corporation.
Massachusetts:					
Marshfield: Marshfield Fair	Yes—Playtime Shows	Adams and Soper stage shows	Horseracing	50.0	Corporation.
Topsfield: Topsfield Fair	Yes—Dean and Flynn Midway	Sam Howard's Water Show	Dogracing	Substantial	Nonprofit corporation; State support.
West Springfield: Eastern States Exposition.	Yes	Supremes, Victor Borge, Hollywood Palace.	Rodeo, autoracing, horse show	17.0	Corporation.
Massachusetts:					
Dighton: Rehoboth Fair	Yes		Dog racing, stage shows	Substantial	Do.
Northampton: Three County Fair	Yes	Dennis Day, Buddy Rich	Horseracing, thrill show	80.0	Corporation; § 501(c)(5) exemption.
Michigan:					
Detroit: Michigan State Fair	Yes—W. G. Wade Show	Supremes, Brasil '66, Sandpipers	Circus, music shows	5.4	Selfsupporting State agency.
Saginaw: Saginaw County Fair	Yes	No		15.0	Corporation.
Minnesota: St. Paul: Minnesota State Fair	Yes	Yes	Rodeo, autoracing, youth center	35.0	Selfsupporting State agency.
Mississippi: Tupelo: Mississippi Alabama Fair.	Yes—Olson Shows	Yes	Rodeo, livestock show	15.0	Nonprofit corporation.
Missouri: Springfield: Ozark Empire Fair	Yes—Century 21 Shows	Sonny James, Bobby Vinton, Brenda Lee.	Autoracing	25.0	Nonprofit corporation; some State and local support.
Montana:					
Billings: Midland Empire State Fair and Rodeo.	Yes—Frazier's World Fair Shows–Carnival.	Wayne Newton, Jimmy Dean, Jodie Gray.	Rodeo, horseracing	29.8	Selfsupporting State agency.
Great Falls: (Montana) State Fair	Yes	Lawrence Welk, Ernie Ford	do	55.0	Subsidized county agency.
Nebraska: Lincoln: Nebraska State Fair	Yes	Ernie Ford, Lawrence Welk	Horseracing, autoracing, circus	30.0	State-sponsored association.
New Jersey: Succasunna: Morris County Fair.	Yes—Amusements of Amercia	Harris & Jaeger	Stage shows and concerts		Nonprofit corporation.
New Mexico: Albuquerque: New Mexico State Fair.	Yes	Dale Robertson, Ernie Ford, Marty Robbins, The Frontiersman, The Harmonicats.	Horseracing, rodeo	75.0	State-affiliated corporation § 501 (c)(5) exemption.
New York: Syracuse: New York State Fair.	Yes		Auto racing		Subsidized State agency.
North Carolina: Raleigh: North Carolina State Fair.	Yes—James E. Strates Show	Jimmy Dean	Rodeo, autoracing, thrill show	NA	Selfsupporting State agency.
North Carolina:					
Winston-Salem: Dixie Classic Fair	Yes		Auto thrill show		Trust of private foundation.
North Dakota: Minot: North Dakota State Fair.	Yes	Country and Western Stars	Autoracing, destruction derby, thrill show, tractor pulling.	25.0	Subsidized State Agency.
Ohio: Columbus: Ohio State Fair	Yes	Bob Hope, Andy Williams, Ernie Ford, Tijuana Brass, Herman's Hermits, Supremes, New Vaudeville, Band, Sonny and Cher, Sandpipers.	Horseracing, autoracing, horse shows.		Do.
Oklahoma: Oklahoma City: State Fair of Oklahoma.	Yes—Royal American Show	Ice Capades, Grand Ole Opry	Rodeo, motorcycle races, auto races, midget auto races, thrill show.	35.0	Nonprofit corporation.
Oregon: Salem: Oregon State Fair	Yes—West Coast Shows	Jimmy Rodgers	Rodeo, horseracing, skydivers, animal village.	.5	Self-supporting State agency.
Pennsylvania:					
Clearfield: Clearfield County Fair	Yes—James E. Strates Show	Al Hirt, Little Jimmy Dickers, Hip Nelson, Hardy Family, The Electric Prunes.	Harness racing, auto thrill show	30.0	Corporation; nominal State and local support.
Meadville: Crawford County Fair	Yes	Chitwood Thrill Show, Ken-Penn Amusement.	Harness racing, stock car racing	25.0	Nonprofit corporation.
South Carolina: Columbia: South Carolina State Fair.	Yes—Gooding's Million Dollar Midway.	None	None	38.0	Eleemosynary Corporation.
South Dakota: Huron: South Dakota State Fair.	Yes	Kids Next Door, Baja Marimaba Band, George Kirby.	Rodeo, harness and running horseracing, autoracing, thrill show, destruction derby.	38.0	Subsidized State agnecy.
Vermont: Rutland: Rutland State Fair	Yes—Gooding's Million Dollar Midway.	Grand Ole Opry, James Nelson, Howard Harris.	Rodeo, harness racing, thrill show, auto racing, vaudeville.		Nonprofit corporation; State supported.
Washington:					
Spokane: Spokane Interstate Fair			Horse racing, auto racing, stage show.	1.0	Municipal corporation.
Yakima: Central Washington Fair	Yes—Meeker shows	Rex Allen, Nitty Gritty Dirt Band, Fossettes, The Wheelers, Sonny Moore's Roustabouts.	Rodeo, variety show	17.0	Corporation.
Wisconsin:					
Milwaukee: Wisconsin State Fair	Yes—Royal American Shows	Herb Alpert, Jack Benny, King Family, Art Linkletter.	Auto racing, grandstand shows	25.0	Self-supporting State agency.
Chippewa Falls: North Wisconsin State Fair.	Yes—C–21 Show		Auto racing		Separate corporation.
Vermont: Rutland: Rutland State Fair	Yes—Gooding's Million Dollar Midway.	Grand Ole Opry, James Nelson, Howard Harris.	Rodeo, harness racing, thrill show, autoracing, vaudeville.		Nonprofit corporation; State supported.
Washington:					
Spokane: Spokane Interstate Fair			Horseracing, autoracing, stage show.	1.0	Municipal corporation.
Yakima: Central Washington Fair	Yes—Meeker Shows	Rex Allen, Nitty Gritty Dirt Band, Fossettes, The Wheelers, Sonny Moore's Roustabouts.	Rodeo, variety show	17.0	Corporation.
Wisconsin:					
Milwaukee: Wisconsin State Fair	Yes—Royal American Shows	Herb Alpert, Jack Benny, King Family, Art Linkletter.	Autoracing, grandstand shows	25.0	Selfsupporting State agency.
Chippewa Falls: North Wisconsin State Fair.	Yes—C–21 Shows		Autoracing		Separate corporation.

Note: Other large fairs not responding but believed to have substantial entertainment gross receipts: California State Fair, Sacramento, Calif.; Florida State Fair, Tampa, Fla.; Southeastern Fair, Atlanta, Ga.; State Fair of Louisiana, Shreveport, La.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1133

At the request of Mr. METCALF, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of S. 1133 to provide additional funds to the States for carrying out wildlife restoration projects and programs, and for other purposes.

S. 2801

At the request of Mr. PROXMIRE, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 2801 to amend the Food, Drug and Cosmetics Act.

S. 3542

At the request of Mr. Moss, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3542, to authorize appropriations to the National Aeronautics and Space Administration for research and development relating to the seventh Applications Technology Satellite.

S. 3666

At the request of Mr. PROXMIRE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 3666 for the relief of Marlin Toy Products, Inc.

S. 3674

At the request of Mr. ABOUREZK, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 3674, to provide for thorough health and sanitation inspection of all livestock products imported into the United States, and for other purposes.

SENATE RESOLUTION 348—SUBMISSION OF A RESOLUTION RELATING TO THE RETIREMENT OF MAJ. GEN. FRANCIS B. GREENLIEF, CHIEF, NATIONAL GUARD BUREAU

(Referred to the Committee on Armed Services.)

Mr. CURTIS. Mr. President, I wish to bring to the attention of this assembly the news that Maj. Gen. Francis S. Greenlief, the Chief of the National Guard Bureau, has announced his retirement from that position, and from active military service, effective June 30, 1974.

General Greenlief is a Nebraskan. He is a fine military leader. He is a war hero with a distinguished career in World War II. He is recognized in the Pentagon and across this great Nation as Mr. National Guard. He has demonstrated judgment and leadership, and has successfully implemented numerous innovative ideas to strengthen the National Guard and its role as a key component of our Defense Establishment.

With the support of his wife, Mavis, and six children, General Greenlief has devoted his entire life to the National Guard and service to his country. He is a native Nebraskan, having been born in Hastings, Nebr., where he was educated. In 1939 and 1940, as a student at the University of Nebraska, he was a member of the Rose Bowl football team which was the peak of Nebraska football until the great achievements of Nebraska football in the last decade.

General Greenlief was mobilized along with his fellow Nebraska National Guardsmen on December 23, 1940. As a graduate of the Infantry Officer Candidate School, he put into being the infantry motto of "Follow Me." He participated in the European theater of operations and served in Normandy, Northern France, Rhineland and Ardennes. He was awarded the Silver Star Medal for gallantry in action, the Bronze Star, the Purple Heart with three oak leaf clusters and the Combat Infantry Badge. Later the general earned the Distinguished Service Medal.

General Greenlief served with distinction in the Nebraska National Guard after World War II.

The general came to Washington January 1, 1960, as an officer in the National Guard Bureau. While serving in the National Guard Bureau, he has been the Executive Officer of the Army Division, the Assistant Chief, Army, Deputy Chief and since September 1, 1971, the general has served as the Chief, National Guard Bureau.

Many of my colleagues in both the Senate and the House are well acquainted with General Greenlief. The Chief of the National Guard Bureau has an important task. The National Guard numbers 500,000. The budget for the National Guard is over $2 billion. Members of the Armed Forces and Appropriations Committees are well aware of the ability of General Greenlief in supervising the necessary organization, training, logistics and personnel of the Army and Air National Guard.

During General Greenlief's tour in the National Guard Bureau, the National Guard has been thoroughly tested. He has had to supervise mobilization of elements of the National Guard. The recent civil disturbances required extensive National Guard participation. Numerous natural disasters have required Guard commitment. And as you know, the National Guard is often involved in communities across this country in their community action programs.

During his tour as Chief of the National Guard Bureau, the general has implemented numerous innovative ideas. Immediately upon taking office, General Greenlief established a goal for each State to double the black membership in the National Guard within a 1-year period of time. At the time of the startling anouncement of the sought-after increase, the Guard had fewer than 5,000 minority members representing only 1.22 percent of the total Guard strength. By his tactful but firm leadership, this number has now grown to more than 22,000 with all States included.

A tradition of the Guard was able-bodied males only. General Greenlief changed this. He set a goal of 400 women to be brought into the Guard in 1973. This goal has now been exceeded. The Guard now has more than 2,000 women.

General Greenlief recognized the importance of Army aviation. In 1969 he completed flight training and was designated as an Army aviator. Under his leadership as Chief of the National Guard Bureau, the Army aviation strength and aircraft inventory have more than doubled. He developed and obtained a defensive management Army aviation safety program which has had positive results in life and material savings.

General Greenlief is a fine leader for the Guard. With the cessation of hostilities in Vietnam and the elimination of the draft, Reserve Air Forces began to feel the urgent need for manpower. General Greenlief was quick to realize the seriousness of a "no draft" environment. He immediately instituted positive steps to insure maintenance of adequate strength in the Guard. As a result of actions personally implemented by General Greenlief, the Air and Army Guard are the only Reserve Forces which have met and exceeded their current strength authorization. This is an unprecedented accomplishment.

When both Secretary Laird and Secretary Schlesinger emphasized the part the Guard would play in the total force, General Greenlief went "all out" to insure that not only the Department of the Army and Department of the Air Force staff understood what this meant, but he persuaded each and every State adjutant general that the words meant what they said—the Guard was part of the total force. As a result, under General Greenlief's tactful but firm leadership, the 50 States, Puerto Rico, the District of Columbia, and the Virgin Islands now have the most mobilization-ready force the United States has ever had in the Reserve components, the Army and Air National Guard.

Mr. President, I wish to introduce a resolution citing Gen. Francis S. Greenlief's long and outstanding career in service to this Nation. I respectfully request that it be printed in the RECORD and that the Senate act favorably on it in recognition of his devotion to duty and country.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

> Whereas Major General Francis C. Greenlief, Chief, National Guard Bureau, will retire from that position and from active military service on June 30, 1974; and
>
> Whereas Major General Francis S. Green-served in the military service with great distinction for thirty-five years and during that period has brought much credit upon himself, the State of Nebraska, and the National Guard; and
>
> Whereas during his distinguished military career, and particularly while serving as Chief of the National Guard Bureau, the said General Greenlief has exercised unerring judgment, introduced innovative ideas, and demonstrated outstanding leadership: Now, therefore, be it
>
> *Resolved*, That the United States Senate expresses its sincere gratitude to Major General Francis S. Greenlief, Chief, National Guard Bureau, for his long and distinguished service to the United States and extends its congratulations and best wishes to him upon his retirement, effective June 30, 1974.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 344

At the request of Mr. PROXMIRE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Resolution 344 to refer the bill (S. 3666) for the relief of Marlin Toy Products, Inc., to the Court of Claims.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. Curtis, the Senator from North Carolina (Mr. Helms), and the Senator from Wisconsin (Mr. Nelson) were added as cosponsors of Senate Concurrent Resolution 80 expressing the sense of the Congress regarding the annexation of the Blatic nations.

H.R. 13163—CONSUMER PROTECTION AGENCY ACT—AMENDMENT

AMENDMENT NO. 1524

(Ordered to be printed and to lie on the table.)

Mr. HANSEN (for himself, Mr. Tower, Mr. McClure, and Mr. McClellan) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes.

S. 707—CONSUMER PROTECTION AGENCY ACT—AMENDMENT

AMENDMENT NO. 1525

(Ordered to be printed and to lie on the table.)

Mr. HANSEN (for himself, Mr. Tower, Mr. McClure, and Mr. McClellan) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

(Mr. Hansen's remarks in connection with this amendment appear under the heading "Statements on Introduced Bills and Joint Resolutions," following introduction of S. 3694.)

TEMPORARY INCREASE IN PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1526

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. Bayh, Mr. Cranston, Mr. Hart, Mr. Humphrey, Mr. Mondale, Mr. Moss, Mr. Ribicoff, and Mr. Muskie) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1528

(Ordered to be printed and to lie on the table)

Mr. FONG. Mr. President, I introduce an amendment to H.R. 14832, the debt limit bill, to change the Internal Revenue Code by exempting a substantial number of persons past 65 from the requirement to file declarations of income tax estimates—with quarterly payments thereon.

The amendment specifically would relieve persons age 65 and over of the necessity of filing a declaration of estimated tax with respect to income from pensions or retirement annuities, or with respect to income from interest, dividends, and rents when it is not in excess of $2,000.

My purpose in introducing this amendment is to simplify the income tax payment procedure for many older Americans who are already overly harassed by intricacies of the income tax law. There will be no cost to the Government since it does not waive the ultimate tax liability of the individual concerned. It would simply have the effect of requiring but one annual calculation of the tax should they so elect.

No group of American citizens is more conscientious in payment of income taxes than persons past 65. Their very determination to pay their fair taxes, as a matter of fact, in many cases results in the tax estimate declaration—and possible quarterly amendments—becoming more than just a nuisance. Often the process becomes a source of considerable worry and may be costly if the older person feels forced to employ a tax consultant.

Prior to retirement, most older Americans were never required to file a declaration of estimated tax because almost all of their income was in the form of salary or wages subject to automatic deduction. When they retire, however, all of a sudden they must file a declaration of estimated tax if their estimated tax is $100 or more, and if their gross income includes more than $500 in income not subject to withholding.

My amendment eliminates this new and potentially distressing tax form from being thrust upon the inexperienced low- and middle-income taxpayer, who often is least able to afford a competent tax consultant to assist him or her with the additional tax form.

At a time when we are all concerned about the problems faced by older taxpayers in properly completing their returns, including the frequent overpayment of taxes by them, I believe we should do all we can to ease the tax filing burden we impose on them. This amendment would go a long way toward such simplification.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1528

At the end of the bill, add the following new section:

Sec. —. (a) Section 6015 (a) of the Internal Revenue Code of 1954 (relating to requirement of declaration) is amended by—

(1) striking "subsection (b)" wherever it appears and inserting in lieu thereof "subsection (c)"; and

(2) striking the last sentence.

(b) Section 6015 of such Code is amended by redesignating subsections (b) and (c) as (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b) Declaration Not Required.—Notwithstanding the provisions of subsection (a), no declaration is required—

"(1) if the estimated tax (as defined in subsection (d)) can reasonably be expected to be less than $100, or

"(2) in the case of a taxpayer who has attained the age of 65, with respect to income from pensions and retirement annuities, or with respect to income from interest, dividends, or rents to the extent that the aggregate amount of interest, dividends, and net rental income does not exceed $2,000 during the taxable year."

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1974.

Amend the title of the bill so as to read: "An Act to provide for a temporary increase in the public debt limit, and for other purposes."

AMENDMENT NO. 1529

(Ordered to be printed and to lie on the table).

Mr. BENTSEN. Mr. President, I am today offering an amendment to the debt ceiling bill, H.R. 14832, which would repeal the oil and gas depletion allowance for production outside of the North American Continent and the so-called per country limitation to the foreign tax credit, allowing major oil companies to off-set their foreign drilling expenses against U.S. income rather than their foreign income. Together these two changes would raise approximately $150 million annually in new revenue from foreign oil and gas operations effective this year.

I introduced legislation to repeal the percentage depletion allowance for production outside North America earlier this year because I believe this favorable tax treatment should be reserved for oil and gas production where there is greater certainty of it being available to our Nation. In addition to greatly expanding our domestic oil and gas activities we should work with our immediate neighbors to both the north and south to develop our energy resources in areas where delivery channels are relatively secure.

My amendment would allow the percentage depletion allowance on production from the area between the North Pole and the Panama Canal and from the outer edge of the Aleutian Islands to a line including Newfoundland and the Caribbean Islands but deny it on production outside that area.

The second part of my amendment would repeal the tax planning device referred to as the "per country" limitation which enables multinational oil companies to reduce their U.S. taxes by over $100 million per year.

Under present law, a U.S. taxpayer who pays foreign income taxes on his income from foreign sources is allowed a foreign tax credit against his U.S. tax on his foreign source income. This foreign tax credit system recognizes the principle that the country in which business activity is conducted has the first right to tax the income from that activity even though that activity is carried on by a corporation or individual from another country. The home country of the individual or corporation has a residual right to tax that income, but only so long as double taxation does not result. While some countries, such as France and the Netherlands, avoid international double taxation by exempting all income from foreign operations, most of the other major industrial nations—including the United States, Great Britain, Germany, Canada, and Japan—use the credit system to avoid double taxation of income.

The credit system avoids double taxation by granting the taxpayer a dollar-for-dollar credit against his U.S. tax liability for income taxes paid to a foreign country. To prevent foreign taxes paid on foreign source income from reducing the U.S. taxes paid on income earned in the United States, present law provides a limitation on the amount of foreign taxes which may be credited in any 1 year .

Under present law a taxpayer is allowed to select either the "per country" or the "overall" limitation for the foreign tax credit.

The per-country limitation limits the credit to the amount of U.S. tax on the net income from each country. It treats the income from each country as a single unit. Thus, if the rate of tax in any country exceeds the U.S. rate, the excess is not creditable.

The overall limitation treats all foreign income and losses as a single unit. The credit is limited to the amount of U.S. tax paid on the aggregate net income from all foreign sources. Thus it permits averaging high and low tax rates in various countries.

In general, to the extent a company has losses in some foreign countries it tends to be better off under the country by country limitation. To the extent it does business in countries with effective tax rates over 48 percent, it tends to be better off under the overall.

Many petroleum companies with large intangible drilling expenses abroad find the "per country" limitation advantageous. In fact, all but three or four of the major oil companies use the per country limitations. The reason for this is the fact that when such companies have a loss—frequently from foreign intangible drilling expenses—in one country or more, the loss can be offset against U.S. income rather than used to reduce foreign income from other countries for purposes of the ratio in the tax credit limitation which would reduce the taxes which can be used as a credit in the case of these other foreign countries.

The use of the per-country limitation often permits a U.S. taxpayer who has losses in a foreign country to obtain what in effect is a double tax benefit. Since the limitation is computed separately for each foreign country, these losses do not have the effect of reducing the credit allowed for foreign taxes paid in other foreign countries from which income was derived. Instead, the losses reduce U.S. taxes on U.S. source income. In addition, when the business operations in the loss country become profitable, a credit is allowed for the taxes paid in that country against what otherwise would be the U.S. tax on the income from that country.

In other words, a U.S. taxpayer with losses from a foreign country using the per-country limitation receives one tax benefit when losses arise—in that they are allowed to reduce U.S. tax on U.S. income—and can receive a second tax benefit when income is derived from that foreign country—in that no U.S. tax is imposed on the income to the extent of the foreign taxes on that income.

In the case of income from foreign oil and gas production, the foreign taxes on that income are normally in excess of the U.S. effective rate of tax on that income. Thus, U.S. oil and gas companies which use the per-country limitation are able to reduce their tax on their U.S. source income by the use of the losses on their foreign drilling projects and in addition pay no tax on their foreign source income when their projects go into production and become profitable.

If the costs of drilling operations are to be used to reduce the U.S. taxes on U.S. source income, these operations should be conducted in the United States where the United States can be assured that the oil and gas production is used for domestic needs and the revenue from the production will pay U.S. rather than foreign taxes.

It is not appropriate to continue to permit oil and gas companies to use the per-country limitation. Instead, these companies should be required to deduct their foreign oil-related losses against their foreign oil-related income.

Therefore, in the case of foreign oil-related income, the amendment provides that the overall limitation is to apply and that the per-country limitation is not to apply to oil and gas operations. For this purpose, the taxpayer is to be treated as if the election to use the overall limitation—section 904(b)(1)—has been made. This change is to be effective for taxable years ending after December 31, 1973.

AMENDMENT NO. 1531

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS (for himself, Mr. BEALL, and Mr. TUNNEY) submitted an amendment intended to be proposed by them to the bill (H.R. 14832), supra.

(The remarks of Mr. MATHIAS on the submission of the above amendment appear under "Statements on Introduced Bills and Joint Resolutions.")

COMMUNITY ACTION ADMINISTRATION ACT—AMENDMENT

AMENDMENT NO. 1527

(Ordered to be printed and referred to the Committee on Labor and Public Works)

Mr. FONG. Mr. President, I offer an amendment to broaden the definition of "Native Hawaiian" in H.R. 14449, the proposed Community Services Act of 1974, so as to permit many more people of Hawaiian ancestry to participate in the Native American program provided under title III of the bill, which is now pending before the Senate Committee on Labor and Public Welfare.

One important program extended by H.R. 14449 is the "Native American program," title VIII of the bill. This is a program which would make available Federal grants for a broad range of programs "promoting the goal of economic and social self sufficiency" of Native Americans. Native Hawaiians were included as participants in this program along with American Indians and Native Alaskans.

Unfortunately the definition of Native Hawaiians, as proposed in the House and adopted by the House on May 29, is unnecessarily restrictive, permitting only persons of no less the one-half Hawaiian blood to directly participate in this self-help program.

The definition given a Native Hawaiian in the bill is "as defined in the Hawaiian Homes Commission Act of 1920 as amended." The pertinent language of the act referred to is as follows:

> The term "Native Hawaiian" means any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous of 1778. (Hawaiian Homes Commission Act of 1920, Act of July 9, 1921 (42, 42 Stat 108, Title 2, Section 201, (7).)

The definition found in the Hawaiian Homes Commission Act is a statement of qualification only for participation in the program of that particular act and not a definition of a Native Hawaiian as it is understood in the Hawaiian community.

This restriction of "not less than one-half part of the blood" would foreclose thousands, if not the majority, of the people of Hawaiian ancestry from the benefits of this proposed Community Act of 1974, in many cases the very people who need the benefits of the act the most.

This fractional restriction of blood has, wisely, not been imposed on the American Indian and Alaskan Native. It should not be imposed on the Hawaiian.

My amendment would extend eligibility to any person who could qualify under the following definition of "Native Hawaiian":

> The term "Native Hawaiian" means any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778. (1778 is the year Hawaii was discovered by Captain Cook.)

This amendment will serve two purposes:

First. It defines a Hawaiian in a manner commonly accepted by the Hawaiians.

Second. It treats the Hawaiian the same as an American Indian and Native Alaskan.

I urge the Senate Committee on Labor and Public Welfare to approve my amendment to H.R. 14449.

AMATEUR ATHLETIC ACT OF 1974—AMENDMENT

AMENDMENT NO. 1530

(Ordered to be printed and to lie on the table.)

Mr. COOK. Mr. President, I am introducing today an amendment in the nature of a substitute to titles I and II of S. 3500, the Amateur Athletic Act of 1974. The amendment contains essentially the same language as S. 3273, introduced earlier in the session by Senator HUMPHREY and me, but with several important revisions.

I am convinced that this amendment, if adopted, will provide an effective and suitable resolution to many of the problems that have plagued amateur athletics in this country for over six decades. It will do so, unlike titles I and II of S. 3500, without the establishment of another Federal body, and without a substantial cost to the Nation's taxpayers.

Most important, however, it will provide the amateur athletes in America with a true bill of rights, and a sound and fair mechanism for implementing those rights. I hope that all of my colleagues will give their serious attention to this amendment when S. 3500 comes before the Senate for consideration.

I ask unanimous consent that the full text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1530

On page 1, line 3, strike everything through page 23, line 3, and insert in lieu thereof the following:

"That section 3 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 373), is amended by striking out 'amateur representation' in paragraph (4) and inserting in lieu thereof the following: 'administrators, coaches, and amateur athletes.'

SEC. 102. Section 4 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 374), is amended—

(1) by inserting '(a)' before 'The corporation shall have perpetual succession';

(2) by striking out paragraph (9);

(3) by redesignating paragraphs (10), (11), and (12) as paragraphs (9), (10), and (11), respectively; and

(4) by inserting at the end thereof the following new subsection:

'(b) The corporation shall have the power to adopt and alter a constitution and bylaws not inconsistent with the laws of the United States, except that the corporation may alter the constitution only if—

'(1) the corporation publishes in a newspaper or magazine of national circulation or in any publication published by the corporation, and in the Federal Register, a general notice of the proposed alteration of the constitution including the terms of substance of such alteration, the time and place of the corporation's regular meeting at which such alteration is to be decided, and a provision informing interested persons that they may submit materials as authorized by paragraph (2);

'(2) for a period of at least thirty days after the date of publication of such notice in the Federal Register, the corporation gives to all interested persons an opportunity to submit written data, views, or arguments concerning the proposed alteration;

'(3) the corporation decides upon the alteration for which notice was published under paragraph (1) only after the thirty-day period under paragraph (2) and only at a regular meeting (with or without opportunity for a written or oral presentation by any interested person whom the corporation may invite to such meeting); and

'(4) the corporation mails the alteration to all persons who submitted any material under paragraph (2) and to all persons who submitted a written or oral presentation under paragraph (3).'

SEC. 103. The Act entitled 'An Act to incorporate the United States Olympic Association,' approved September 21, 1950, is further amended by inserting after section 4 the following new section:

'SEC. 4A. (a)(1). No individual who is eligible under applicable international or applicable national amateur athletic rules and regulations may be directly or indirectly denied his right to attempt to qualify for selection, or his right (if he so qualifies) to participate, as an athlete or coach, trainer, administrator, manager, or other official representing the United States in any international amateur athletic competition, if such competition involves any sport included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such attempt to qualify for such participation. Notwithstanding the provisions of the preceding sentence, any university, college, high school, or other educational institution which an individual is attending at the time of such attempt to qualify, or (in the case of a coach, trainer, administrator, manager or other official) which employs such individuals, may deny the individual the institution's permission and approval for such attempt or participation, except that no institution may deny any individual such right of participation unless the basis for such denial relates solely to that individual's academic or athletic interests at that institution.

'(2) There shall be a reasonable number of amateur athletes (who have represented or are representing the United States in any international amateur competition in any sport included on the Olympic games or pan-American games program during the Olympiad time period concurrent with such representation) as members on the governing board of the governing board for that sport. For the purposes of this Act, the term "reasonable number" shall mean not less than 20 per centum of the membership of the governing body for that sport.

'(b) Any national amateur sports organization may seek recognition as a governing body if it establishes by a preponderance of the evidence that it more completely meets the following criteria in comparison with the existing governing body:

'(1) It provides, at the time of arbitration under subsection (d) more effective national competition in the sport (at appropriate levels of ability and for both sexes if appropriate) for which it claims recognition as the governing body, so that such competition will result in a higher quality of United States athletes in all international amateur athletic competition for such sport.

'(2) It provides (without regard to race, creed, color, religion, or sex) equal opportunity, for competition in the sport for which it claims recognition as the governing body, to all individuals who are eligible under applicable international or applicable national amateur athletic rules and regulations; and it applies international rules and regulations concerning athletic eligibility and competition without discrimination to all such individuals.

'(3) It has a reasonable number of amateur athletes (who have represented or are representing the United States in any international amateur athletic competition in the sport for which the organization claims recognition under this subsection, and which is included on the Olympic games or Pan-American games during the Olympiad time period concurrent with or immediately preceding such claim for recognition) as members of its governing board for that sport.

'(4) Its voting membership is open to any national amateur sports organization in the sport for which it claims recognition as the governing body under this subsection and to any amateur sports organization whose members operate state-wide athletic programs which affect the selection or qualification of athletes to represent the United States in international amateur athletic competition in that sport.

'(5) There are voting representatives of national amateur sports organizations (which represent the sport for which recognition is claimed under this subsection, if the sport is included on the Olympic games or Pan-American games program during the Olympiad time period concurrent with such claim for recognition) as members of its governing board for that sport.

'(6) Members on its governing board are selected without regard to race, creed, color, religion, or sex.

'(7) The terms of office of such members are expressly limited to a reasonable period.

'(8) It is financially able to perform the functions of the United States member of the international amateur sports federation recognized by the International Olympic Committee for the sport concerned, and it is able to comply with all applicable international requirements (written and uniformly applied to all nations) relating to recognition as the governing body for the sport for which it claims recognition.

'(c) Any individual who alleges he has been denied a right established under subsection (a) in violation of such subsection may submit to any regional office of the American Arbitration Association a claim documenting the denial, but shall submit such claim within 30 days after the denial: *Provided further*, That the association is authorized, upon forty-eight hours notice to the parties, to hear and decide a matter under such procedures as the association deems appropriate if the association determines that it is necessary to expedite such arbitration in order to resolve a matter relating to an amateur athletic competition which is so scheduled that compliance with regular procedures would not be likely to produce a sufficiently early decision by the association to do justice to the affected parties.

'(d) Any national amateur sports organization claiming recognition under subsection (b) shall submit such claim to any regional office of the association not later than one year after the termination of any summer Olympic games. The association shall serve notice on the parties to the arbitration and on the corporation, and shall immediately proceed with arbitration according to the commercial rules of the association; except that (1) for any arbitration in which at least two of the parties are not individuals, there shall be not less than three arbiters selected by the association, (2) there shall only be arbitration of a claim under subsection (b) after the ninetieth day after the day that the national amateur sports organization submitted such claim to the association, and (3) the arbitration decision shall be served on the corporation in the same manner as it is to the parties to the arbitration.

'(e) Any person whose claim is upheld by an arbitration decision under subsection (c) or (d) may bring suit in a United States district court having jurisdiction over any party to such arbitration to compel compliance with the terms of such decision. In addition to the provisions of the first sentence, any party to such an arbitration decision may bring suit in such court for review of the decision within a period of sixty days after the decision; except that the court may only modify or set aside the decision if it is procured by fraud, if it is clearly erroneous, or if the subject matter for the arbitration is not included within the paragraph under subsection (a) or (b) upon which the person based his claim for arbitration under subsection (c) or (d). Any person who submits a claim for arbitration under subsection (c) or (d) may bring suit in such court to compel arbitration pursuant to subsection (c) or (d), and the arbiters or an arbitration under subsection (c) or (d) may petition such court to enforce compliance with a subpoena issued by the arbiters pursuant to the rules of the American Arbitration Association. Any individual who alleges he has been denied a right established under subsection (a) in violation of such subsection may (in lieu of seeking arbitration under subsection (c)) bring suit in such court for adjudication of such denied right.

'(f) Any person seeking arbitration under this section shall have the burden of introducing the evidence to support his claim and shall have the burden of proving his claim; except that when any individual seeks arbitration because of an alleged violation of a right established by paragraph (1) of subsection (a), the burden of introducing the evidence and the burden of proof shall be on the person who allegedly violated such right.

'(g) If an arbitration decision upholds a claim of a national amateur sports organization for recognition as a governing body under subsection (b), the corporation shall (on the sixty-first day after such decision) recommend in writing and support in any other appropriate manner such sports organization to the appropriate international governing body for recognition by such international body as the governing body; except that if there is district court review under subsection (e), such recommendation and support shall occur immediately after the judicial review upholds such decision. Such support shall include, but not be limited to, providing such sports organizations voting membership in the corporation and on the governing board of the corporation proportionate to that of the internationally recognized national sports governing bodies in other Olympic sports, and restructuring the membership of the Games Committee in that sport and other Committees as appropriate to reflect that such sports organization is the sole sports body nationally recognized to govern in that sport. A governing body against which a successful challenge has been made by a national sports organization under subsection (d) shall not attempt to influence the international sports federation in that sport to reject the decision of the arbitration and shall (on the sixty-first day after such decision) send a letter to the international sports federation endorsing the national sports organization whose claim was upheld; except that if there is district court review under subsection (e), such a letter shall be sent immediately after the judicial review if such review upholds such decision.

'(h) The arbiter of any arbitration under subsection (c), or a majority of the arbiters under subsection (d)(1), may order that the losing party pay to the prevailing party reasonable fees for attorneys' services rendered for such arbitration. The district court may order that the losing party to a suit under subsection (e) pay to the prevailing party reasonable fees for attorneys' services rendered for such suit.

'(i) For the purposes of this section—

'(1) The term "international amateur athletic competition" means any athletic event between an athlete or team of athletes representing the United States and an athlete or team of athletes representing any foreign country, conducted in compliance with applicable national and international requirements.

'(2) The term "Olympiad time period" means the time period beginning at the termination of any summer Olympic games and ending at the termination of the following summer Olympic games.

'(3) The term "governing body" means the national amateur sports organization which is recognized by the international governing body for a sport as the national representative for that sport for international amateur athletic competition in the Olympic games and pan-American games.

'(4) The term "national amateur sports organization" means any club, federation, union, association, or similar group in the United States (A) which conducts regular national competition in a sport on the Olympic games or pan-American games program concurrent with such competition, (B) which is capable of holding an annual national championship in any such sport from which a team of athletes or a substantial number of athletes who are not members of a team could be selected to represent the United States in international amateur athletic competition, and (C) is capable of conducting international amateur athletic competition in any such sport.'.

Sec. 104. Section 5 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 375), is amended by inserting after 'bylaws of the corporation' the following: ', except that any governing body may only be a member of the corporation if it files an annual financial statement with the Congress. Any such statement shall not be printed as a public document'.

Sec. 105. Section 9 of the Act entitled 'An Act to incorporate the United States Olympic Association', approved September 21, 1950 (36 U.S.C. 379), is amended—

(1) by striking out 'the emblems of the United States Olympic Committee' and inserting in lieu thereof the following: '(1) the emblem of the United States Olympic Committee'; and

(2) by striking out 'or the words "Olympic," "Olympiad," or "Citius Altius Fortius" or any combination of those words' and inserting in lieu thereof the following: '(2) five interlocked rings or any other symbol tending to represent such five interlocked rings (whether or not such symbol is a sign or insignia under clause (1), or (3) the words "Olympic," "Olympiad," or "Citius Altius Fortius," or any combination or confusingly similar derivation of any of these words.'

Sec. 106. The amendments made by this Act shall take effect on the date of enactment of this Act. However, the amendments made by paragraph (2) of section 105 of this Act shall not apply to any person that used the rings, symbol, or derivation of words proscribed by such paragraph (2) for any lawful purpose prior to the date of enactment of this Act if such person uses such rings, symbol, or derivation of words proscribed by such paragraph (2) for any lawful purpose prior to the date of enactment of this Act if such person uses such ring, symbol, or derivation for the same purpose and for the same class of goods after the date of enactment of this Act."

"On page 24, line 1, change 'TITLE III,' to read 'TITLE II.' On page 24, line 4, change 'Sec. 301' to read 'Sec. 201.' On page 30, line 5, change 'Sec. 302' to read 'Sec. 303' to read 'Sec. 203'. On page 36, line 2, change 'Sec. 304' to read 'Sec. 204'. On page 36, line 18, change 'Sec. 305' to read 'Sec. 205'.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1375

At the request of Mr. Hathaway, the Senator from Indiana (Mr. Bayh) and the Senator from Maryland (Mr. Beall) were added as cosponsors of amendment No. 1375, intended to be proposed to the bill (S. 2351) to prohibit sex discrimination by educational institutions whose primary purpose is the training of individuals for the military services of the United States or the merchant marine.

AMENDMENT NO. 1436

At the request of Mr. Haskell, the Senator from Illinois (Mr. Stevenson) and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of amendment No. 1436, to prohibit treatment as foreign income taxes any royalty payments made to foreign governments in connection with the extraction of oil or gas from a foreign country, intended to be proposed to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1447

At the request of Mr. Ribicoff, the Senator from Connecticut (Mr. Weicker) was added as a cosponsor of amendment No. 1447, intended to be proposed by him, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1523

At the request of Mr. Muskie, the Senators from California (Mr. Cranston and Mr. Tunney), the Senator from Indiana (Mr. Bayh), the Senator from Ohio (Mr. Metzenbaum), and the Senator from Michigan (Mr. Hart) were added as cosponsors of amendment No. 1523, intended to be proposed to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

ADDITIONAL STATEMENTS

PRESIDENT'S ECONOMIC CHIEF PLAYS POLITICS WITH THE ECONOMY

Mr. PROXMIRE. Mr. President, the President's chief economic adviser, Kenneth Rush, has violated all the rules governing release of Government economic statistics.

In a recent interview Mr. Rush revealed estimates of the change in prices and in real output for the second quarter. If these estimates are correct they are indeed good news since they show real output increasing—rather than declining as it did in the first quarter—and they show a sharp drop from the intolerable first quarter rate.

But can we believe these numbers? Unfortunately, the answer is "no." The second quarter is not even over yet. Nobody knows how much output or prices increased.

The numbers Mr. Rush released are extremely rough confidential estimates made by the Department of Commerce for their own use. They are not even the official preliminary estimates. The first official preliminary estimate will not be available until around July 20. There are four reasons why Mr. Rush should not have released these numbers.

First, these early estimates have always been kept highly confidential. They are never made available to Members of Congress and only a few people within the administration have access to them.

Second, these estimates are so rough and the possibility of error so great that they have little meaning, except to economic specialists who understand the uncertainties surrounding the estimates. For example, these estimates are based on only one of 3 month's data for construction, inventories, and the balance of trade. For other items, the estimates are based on data for only 2 months of the 3-month quarter. Obviousy we have no data yet for the month of June, except a few weekly fragments.

Third, even if these estimates were suitable for release, they should not have been released by Mr. Rush. Mr. Rush is a political appointee. The rules governing release of economic data state that such release is to be made by the technical experts in the agency preparing the data. Under the long agreed to procedures at least 1 hour is to elapse before any political appointee comments. The Joint Economic Committee has struggled for several years to see that this rule is observed uniformly throughout the executive branch. Now it has been deliberately violated at the highest levels.

Fourth, one cannot help but suspect that this information was released only because it sounds like good news. Would Mr. Rush have called an interview to release confidential estimates if the estimates had shown real GNP declining and inflation continuing at a 12-percent rate?

Mr. Rush has refused to testify in open session before the Joint Economic Committee or other committees of Congress. Yet he calls private press interviews to leak information which can only confuse the public by the premature release of rough and possibly misleading data estimates.

There is now more reason than ever why Mr. Rush should appear in public before the appropriate congressional committees where he can be questioned and examined about the inadequate and partial statistics he has leaked.

One of the great dangers we face—a danger equal to Watergate in my opinion—is the corruption of our official statistics by political appointees for political purposes.

Mr. Rush in his new job as the President's chief economic spokesman has shown a disdainful and wholly unprofessional attitude toward the proper use of Government statistics. The only proper way by which he and others can remain accountable to Congress and the public is to appear in public. I intend to continue my efforts to make that happen.

POLITICAL PRISONERS

Mr. ABOUREZK. Mr. President, 25 years after the signing of the Declaration of Human Rights, it should not be necessary to discuss the violations of the basic rights and dignities of every human being, simply because those violations should no longer exist. However, the stark truth of the matter is that torture and unfair imprisonment does exist. The urgency of this problem was underlined by the call made by the General Assembly of the United Nations which noted on November 2, 1973, that "torture is still being practiced in various parts of the world." The research and documentary evidence available more than justifies this concern of the U.N.

There is no doubt that the practice of torture has been on the increase in recent years. There is no doubt that its use has been more widespread. There is no doubt that it is practiced with the direct or implied permission of a large number of governments, many of whom consider themselves civilized, and most of whom receive ample doses of U.S. foreign aid. There is no doubt that, like a contagious disease, it spreads from one country to another, and in many cases, is deliberately imported by the armed services of one country and taught to the services of another country. Brutality evokes more brutality and violence by those against whom it is used. Hence the continued escalation in the brutality which engulfs many parts of the world.

There can never be any justification for the use of torture. Some governments seek to justify it on the grounds that it is necessary in order to extract information from subversive organizations. But, it seems to me that torture is being used more as a weapon to silence opposition and criticism than as a means of obtaining information. For whichever purpose it is used, it is a crime against humanity and involves the negation of all the principles set out in the Universal Declaration of Human Rights.

Recently, Robert Shelton wrote an excellent article in the Saturday Review World which provides an interesting and valuable insight into the problem of torture and imprisonment of prisoners of conscience. It is an article which I strongly recommend to each of my colleagues as one of the most up-to-date and accurate reports on the inhumane atrocities now being committed within the countries whose governments are counted among our friends.

Mr. President, I ask unanimous consent that the article by Mr. Shelton be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Review World, June 15, 1974]

THE GEOGRAPHY OF DISGRACE—A WORLD SURVEY OF POLITICAL PRISONERS

(By Robert Shelton)

LONDON.—One of the ugliest aspects of modern life is the fact that between one and two million people are at this moment in jail solely because of their political beliefs.

This political imprisonment takes various forms: internal exile—a kind of "house arrest" within the borders of a country; banishment to remote penal islands; and being locked up in concentration camps, city jails, national prisons, and other kinds of detention centers.

Conditions in these prisons are, needless to say, usually sub-human and insupportable: Torture, painful shackeling, perennial semi-starvation, and carefully calculated breakdown of prisoner morale are the very grammar and rhetoric of political detention.

No matter that very few of these political prisoners are terrorists, guerrillas, bomb-throwers, or even philosophical advocates of violent change. The fact that their outlooks have in some way irritated the authorities enough to brand them as "illegals," as dangerous, disruptive "elements."

To many readers of this article, the foregoing may seem a bit strong. Is it really true, you may well ask, that an Indonesian novelist has been shipped off to a malarial island and told he will never write again, never be free again? Is it true that a black Rhodesian nationalist has been in jail for ten years without trial? That a Yugoslav educator has been sentenced to five years' hard labor solely for corresponding with an American professor? That South Korean college students face death penalties for *any* protest activity? The answer, sad to say, is yes.

Most amazingly, the ninety countries known to hold political prisoners run across all sociopolitical lines. There is nearly as much use for the jailer of ideas in the "free world" as there is in the Communist bloc. The supposedly idealistic emergent group of Third World nations is not only not immune to the jailing fever but also is in fact heavily in the business of locking up dissenters. In many such nations, to paraphrase the German military theoretician Karl von Clausewitz, the imprisonment of dissenters is simply the continuation of state policy by other means.

Imprisonment is not the only way of silencing dissent. Amnesty International, an organization that monitors the political-prisoner situation, recently reported that torture of such prisoners is rampant in sixty countries. "Torture," the organization states, "is as unthinkable as slavery," but it is practiced widely. Amnesty International's blistering 224-page *Report on Torture* found that pain-inflicting techniques, "the ultimate corruption," have virtually "become a worldwide phenomenon" practiced "in an effort to retain political power."

Still another form of repression is the "extra-judicial persecution" that denies professional people and artists the right to pursue their occupations. This ploy has been developed to a high degree in Czechoslovakia, where countless scientists, historians, and writers have been reduced to doing menial labor—that is, they are serving life sentences outside jail.

Americans tend to take the "rule of law" for granted and to believe that the wheels of justice will, however slowly, ultimately free the innocent and imprison the guilty. But just *what* law is meant, when dictatorships of the Right, the Left, or of the nationalist center tailor the law to suit expediency? And of what value is even a facade of law in Guatemala or Brazil, where paragovernmental death squads preempt the judicial process? A recent report to the *Guardian* stated: "There are no political prisoners in Guatemala. They are shot before there is time to register them in that category. The current estimate is that ten thousand have 'disappeared' since . . . 1970."

Although less prevalent than imprisonment, death and banishment for political "crimes" are still practiced. Iraq, Indonesia, Yemen, and Uganda still execute opponents of the regime. The number of executions in Iran has risen to 198 in the last three years. Banishment to remote parts of the Soviet Union, Rhodesia, and South Africa continues. Perhaps worse than banishment is the Soviet practice of sending dissenters to lunatic asylums. In such a climate, who is sane and who is really insane?

Political dissent has grown since the beginning of the century. Rising economic, social, and political expectations have led to more questioning and agitation for change. One might expect more repression in unstable regimes, but continuing clampdowns in the Soviet Union and South Africa belie that. Minority-ruled nations like Rhodesia and South Africa keep the black majority in check through rigorous imprisonment. One-party states, such as Spain, Libya, and Haiti, make punishment of oppositionists a staple of the governing system. When governments fall into the hands of the military, the officers, knowing little but orders and discipline, run their regimes by tribunals and decrees. The military tends to regard the democratic process as slow and inefficient. (One hopes that Portugal's April 26 takeover by avowedly pro-democratic military men will, over the long run, prove an exception to this rule.)

National patterns of political imprisonment differ, especially in regard to the jailer's role. Some repressive hands are bludgeons, while others work with a sophisticated cunning. Perforce, this survey touches on only a small number of the countries where political imprisonment flourishes. (Thanks to the writings of Solzhenitsyn, the Soviet Union has been omitted as obvious.)

The story of any given prisoner is a tale of personal and family tragedy that would constitute a lengthy drama or documentary by itself. Multiply each case by at least one million, and the scope of the problem can be envisaged. Numerical estimates of prisoners are a constant problem. Often, prisoners are not tried, their families are not notified, and the prisoner is virtually buried alive. In other cases, in which trials are held, transcripts are not available. For example, in China the whole picture of political imprisonment, before, during, and after the Cultural Revolution, is virtually unknown to the outside world. The interested reader might, however, consult with profit the recently issued, widely noted *Prisoner of Mao*, by Bao Ruowang (Jean Pasqualini) and Rudolph Chelminski, a work described by the publisher as "an eyewitness account of China's Forced Labor Camp System, by one of its few survivors [Bao Ruowang]." A twelve-page excerpt from this book appeared in the August 28, 1973, issue of this magazine.

The situation of the political prisoners in post-Allende Chile, so recently in the headlines, also is not easy to determine exactly. The junta has admitted that 3500 deaths occurred during the 1973 overthrow of the pro-Marxist government. Hard figures are not easily come by, but the former Swedish ambassador to Chile has offered these startling figures: 10,000 to 15,000 killed; 30,000 children orphaned; . . . and 200,000 people who have lost their jobs for political reasons. Add to this some 8000 refugees, and we are talking less of a coup d'etat than of a holocaust!

Somewhat more is known, fortunately, about the outlook in that most youthful of the world's nations, Bangladesh. In 1972 the government issued a retroactive omnibus-powers decree aimed at citizens thought to have collaborated with the forces of West Pakistan during Bangladesh's 1971 war of independence. Between 40,000 and 50,000 persons were sentenced to jail under the decree; and though Sheikh Mujibur Rahman has declared amnesty for 30,000 of the prisoners, only 12,000 have so far been released.

Some hope glimmers also in Turkey, after a three-year military repression that may have detained a total of 15,000 political prisoners. There, a broad amnesty bill affecting 50,000 criminal and political prisoners has been debated for some time and may or may not be passed this year. These political maneuverings are, of course, cold comfort to political prisoners long since caught up in police dragnets and thrown into jail.

No glancing account of the political-police mind in action can convey in its full reach the terror and despair that such regimes inspire. The following sketches of life under seven representative police regimes may, however, prove indicative:

GREECE: THE GENERAL'S COUP

The assault on Greek democracy since the colonels' coup of 1967 has been widely publicized. As the cradle of Western democracy, Greece stands out boldly as a military dictatorship. The official American role in supporting Greek totalitarianism is a nagging doubt that repeated denials in Washington and Athens fail to quell.

Events have dashed whatever naive hopes existed last autumn that the Greek colonels, under George Papadopoulos, were moving slowly toward democracy. The colonels' coup was succeeded in November 1973 by the generals' coup. Free speech and free press are not tolerated in Greece today. The "amnesty" of August 1973 proved short-lived, with some prisoners released only to be re-imprisoned, along with new victims.

As a dread symbol of continued repression, the island concentration camp of Yaros in the Cyclades was re-opened last winter and now holds one hundred to two hundred political inmates. The barren, seven-mile-square island, on which a concrete military prison alternately bakes in the sun or is buffeted by the chill Aegean winds, was closed in 1969 after a Red Cross team had found conditions there intolerable. Yaros became so infamous after the 1967 coup, when 6,000 "politicals" were held on the island, that even military guards are reportedly reluctant to serve there.

The main rationale for renewed repression was the "uprising" of students at Athens Polytechnic College last November. However, it was clear, as tanks roamed the streets, that the students were unarmed. Officials say that thirteen demonstrators were killed, but opponents of the regime believe the number was greater. The Greek situation is one of clear-cut political repression, for the resistance to the Greek militarists has been almost totally ideological.

Systematic torture of Greek political prisoners has been well documented. During the brief 1973 thaw, an amnesty released 330 politicals. After the general's coup, the number of prisoners rose to at least two hundred, including twenty who were denied freedom last August. Many of those recently jailed have been students rounded up in November in Athens. A crackdown on Salonika students netted another twenty. In February, the Communists were the target, and thirty-five were jailed in one swoop. Now held on Yaros is George Mavros, the liberal leader, and a former aide of Papadopoulos, who now, out of power, may be struck by the irony of this outcome.

CZECHOSLOVAKIA: "NORMALIZATION"

It is not mere rhetoric to suggest that when the Warsaw Pact tanks rolled into Czechoslovakia in August 1968—putting a harsh end to the "Prague Spring," which had sought to give communism a human face—the country's entire population of 14 million became political prisoners.

Certainly, the "normalization" that has taken place since then has amounted to the systematic suppression of a vigorous national culture by means of rampant censorship, tight control, and punitive action. As many as 150 writers, sociologists, historians, and scientists have been directly affected. (At one point, eight Moravian actors were jailed for parodying a Soviet play.) But these intellectuals do not have to be jailed to be silenced. By being dropped from the Writers' Union or from university posts and by being reduced to menial work, these potential cultural leaders are as effectively neutered as if they had been jailed.

Gustáv Husák, who took over as Czech Communist party leader from Alexander Dubček, himself had served eight years in jail in the Fifties. Husák repeatedly said there would be no punitive trials of Dubček supporters. Nevertheless, nine political trials were held in Prague and Brno in 1972. Of forty-six persons sentenced for various crimes against the State, only fifteen received suspended sentences.

Amnesty International estimates that there may be three hundred political prisoners. Some émigré leaders, with understandable bias if not documentation, put the number at one thousand. Czech officials are not volunteering how many politicals are languishing in the prisons of Bory, Litomeriče, Ostrava Opava, Mirov, or Ruzyne. As one Czech told me recently, the only consolation is "whatever the figure, it is only about 10 percent of what it was in the Fifties."

The trials of 1972 were considerably more benign than those of the Fifties because of widespread nostalgia for the Dubcek period and disdain for continuing Soviet presence on Czech soil. The charges mostly concerned the illegal leaflet campaign during the elections of November 1971. The subversive leaflets encouraged people to exercise their constitutional right to strike names from the single list of candidates. Hard-liners wanted sentences of up to fifteen years but "moderation" prevailed, with several defendants getting six-and-one-half-year sentences.

A notable victim of the post-Dubcek repression was a non-Communist journalist, Vladimir Skutina, who was a well-known TV personality during the "Prague Spring." Skutina was arrested in 1969, and again in 1971, on charges of slandering Husák and attacking the Czech-Soviet alliance. Released in April, Skutina is critically ill with a pancreatic infection and a blood clot, and he has suffered a nervous breakdown. At one point he was hospitalized, and his weight dropped to 130 pounds. Skutina's wife was not allowed to see him for at least nine months during his illness.

BRAZIL: "ORDER AND PROGRESS"

The ten-year-old military government that seized power from the reformer João Goulart flies the banner of "Order and Progress" and amazes the world with its story of Brazil's "economic miracle." Order and progress have been achieved by Draconian methods. The benefits of the country's rapid development go to the few, while poverty proliferates. The repression, jailing, torture, and censorship spew blood and dishonor on whatever gains have been achieved for Brazil's 100 million people.

The last fixed estimate of political prisoners, in 1972, was 12,000, but currently it may be anywhere from 500 to 5000. Reuters estimates the number of victims killed by Brazil's notorious death squads at 1300. At least 210 political prisoners and suspects are known to have died in police custody, mostly under mysterious circumstances. The documentation of torture and censorship can only evoke memories of the Nazis.

The army has long played a crucial role in Brazilian history, helping to end slavery in 1888 and to depose Emperor Pedro II the following year. But the tight military control that began in 1964 and was further intensified in late 1968 is without parallel in the country's history. Countering the repression has been one major force, the Roman Catholic church, which is increasingly at odds with the regime, and a broad range of other oppositionists of varying political hues.

In a horrifying document, "Report on Allegations of Torture in Brazil," Amnesty International detailed the findings of a 1972 inquiry. Names of 1081 reported victims and their 472 torturers are listed. Eyewitness accounts are given. Details of physical, psychological, and electronic torture are stated. Brazilian authorities replied by banning from the press all Amnesty International statements on Brazil. (*Index* magazine, published by Writers and Scholars International, has also documented the staggering facts of censorship and press control in Brazil.)

Political prisoners in Brazil are mainly trade unionists, peasant leaders, university staff and students, journalists, progressive clergy, and politicians or military men who had supported the democratic regime, which was overthrown in 1964. It has been charged that the clergy, after radical students, have been the major target of oppression and torture. Priests have been expelled or refused re-entry after foreign trips. Others have been jailed. Some Catholic publications and radio stations have been closed down.

An inspirational symbol of church resistance to the regime is Dom Helder Camara, archbishop of Olinda and Recife, several times a Nobel Prize nominee. The Archibishop is not permitted to speak publicly, and the press cannot report his activities. An assistant of his was killed, apparently by rightest vigilantes, in 1969. Last year a number of lay workers associated with Dom Helder were jailed and tortured.

A few of Brazil's political prisoners:

Mañual de Conceicao, thirty-seven-year-old peasants' leader who opposed government policies and was shot five times in the legs in 1968 before he was jailed. Released four days later, he had to have one leg amputated. During an army crackdown in 1969, he fled to the jungle but was captured in 1972, tortured at length (his fingernails were ripped out), and jailed for an unknown period. He has been hospitalized six times since 1972.

Vera Silva Araujo Magalhaes, a twenty-four-year-old Rio student, was arrested in 1970 for "distributing leaflets." She was subjected to brutal physical and psychological tortures, suspended helpless for seven hours, given electric shocks, beaten, and whipped. Her legs were left paralyzed. She was tried and released three months later and lives in exile.

Father François Jentel is a French-born priest who has been in Brazil twenty years, working in the Mato Grosso with Indians and peasants. He helped his village parish resist incursions of large landholders. When there was a shooting incident between his peasants and armed government men, Father Jentel, who was not involved, was held culpable on a dozen charges—including arming peasants and inciting them—which were palpably false. He is serving a ten-year sentence.

Last January Maria Nilde Mascellani, an educator and Catholic activist who had worked for Father Jentel's release, was arrested. A founder of vocational education in Brazil, Miss Mascellani was arrested one night, and her house and library were seized. She was released in mid-March.

INDONESIA: 55,000 "TAPOLS"

The dire human-rights situation in this archipelago is both chronic and tragic. Indonesia has a hard-core political-prisoner population of about 55,000. Few of these have been tried, and most of the jailings date back to detentions in the mid-Sixties.

In the autumn of 1965, an abortive left-wing army coup resulted in the assassination of six rightist generals. This led to a mass reign of terror against Communists, leftists, and suspected leftists that has been called "the most ruthless massacre since the days of Hitler." Estimates of the number killed run from three hundred thousand to five hundred thousand, and of those jailed, to a quarter of a million. In the aftermath of the coup that failed, twenty-six massive organizations and twenty-three educational institutions were smashed.

Who are the 55,000 Tapols (for *tahanan politik*—"political prisoners")? A Dutch Amnesty International leader, writing in that organization's coruscating "Indonesia Special" report a year ago, stated: "Officially, all are described as committed Marxists and prominent members of the Communist movement . . . but [many] are prisoners of accident or victims of circumstance. . . ." For most of the 55,000, there have been no lawyers, no habeas-corpus protection, and no defense, because no case has been made.

Torture of political prisoners has been used as a matter of "routine" and is admitted by the Indonesian Grand Commissioner of Police. Two years ago a letter written by 800 Tapols complianed that "we have been pushed into self-dug pits covered at the bottom with glass splinters. We have been given electric shocks, and cigarettes have been used to burn us. . . Some among us have been shot through the mouth. . . ."

Staggering to the imagination is one isolation colony for politicals, Buru Island, a hot, fetid, and malarial piece of land in what used to be known as the Spice Islands, some 2000 miles from Djakarta. Here, 10,000 Tapols languish, forced to raise their own food. Medicines and clothes are also few, loneliness is extreme, and the sense of isolation is pervading. There is talk of bringing in prisoners' families and thereby raising Buru's population to 50,000.

Stark as it is, Buru is only one of scores of resettlement areas, military prisons, labor camps, and interrogation centers throughout Indonesia.

The plight of three long-term Indonesian prisoners hints at the spectrum: Sugiyah was a thirteen-year-old schoolgirl when she happened to be found at the site where the generals were slain in 1965. An apolitical child, she has now spent more than one-third of her life in detention. Sitor Situmorang is a fifty-four-year-old writer who has been in Salemba Prison, Djakarta, since 1967. Charge: possessing writings "critical of the New Order." Siti Suratih, a nurse, forty-six, was arrested in 1966, presumably because her husband was a Communist. He has since died, but she was recently reclassified as a "dangerous" prisoner, apparently because the jailers want to keep her services as a nurse.

TANZANIA: THIRD-WORLD DILEMMAS

Africa may be flowering with emerging nations, but human rights lie parched in the hot glare of expediency, power struggles, and racism—white and black. Considering the inequities that allow white minorities to suppress black majorities in South Africa and Rhodesia, it may seem strange to focus on Tanzania, which is in many ways a model of judicious African self-rule.

President Julius Nyerere is, after all, a world statesman who has inspired his 14 million countrymen and others with his ideals of social justice. But even in his country, the existence of several hundred political detainees indicates the human-rights dilemmas of emerging nations born in revolution and hardened by the struggle for national idenity.

It must be made clear, however, that the locus of the problem here is not the large mainland mass that was Tanganyika, but rather the small islands that comprise Zanzibar, where only 350,000 live. Most victims are presumed to be opponents of the Afro-Shirazi party, which came to power by violent revolution in 1964. The Amnesty International torture report of 1973 states: "The torturers are the Zanzibari police and secret police, and some allegations have stated that they are trained by police from the German Democratic Republic." In dealing with Zanzibar since Tanzania was united with it in 1964, Nyerere has made errors that resulted in tragedies. In 1969, when he sent two former Zanzibar Cabinet ministers back from the mainland under the promise of good treatment, they were executed in Zanzibar.

Tanzanian political prisoners fall into several well-defined categories. A preventive Detention Act has, since 1962, been used to hold large numbers without trial. These included three from the revolution of 1964. Others are involved in mainland political squabbles, such as that of the Kambona family described below. Other prisoners include perhaps as many as 300 refugees from Mozambique, some of whom quit the Frelimo movement and are held in "preventive detention." Occasionally, there are arrests of Europeans or Asians suspected of spying or of economic crimes, which may border on political offenses. Two specimen cases:

Ali Muhsin Barwani was one of three former Zanzibar Cabinet ministers who fled to Tanzania in January 1964. Barwani and the two others had been detained for ten years without charge or trial. This fifty-five-year-old detainee hasn't seen his wife or six children since his arrest. In a 1971 communication with his Amnesty International adoption group in Norway, Barwani said his needs were: "Books, magazines, proteins, vitamins, and, above all, *freedom*." Barwani, the two other ex-ministers, and twenty-six additional detainees were released in late April.

The family of Oscar Kambona has suffered from the protracted enmity between the former Foreign Minister and President Nyerere. Kambona split with his leader in 1967 and went into voluntary exile. But many of his family and friends were jailed for treason. Some material witnesses for the trial were detained four years. Otini Kambona was a student leader, a national assemblyman, and a publisher who editorialized against detentions without trial. A month later, in December 1967, he himself was detained under the act. He and his brother Mattiya were released in February 1972 but were secretly re-detained in June 1972. Despite ill health, Otini Kambona had been held in a tiny cell in Ukonga Prison with three other prisoners. He is now in Butimba Prison in northern Tanzania.

SOUTH VIETNAM; CIVILIAN PRISONERS

Despite American withdrawal from the Vietnam war, the killing and suffering drag on. For ten years, TV and the press have dramatically documented the travail of Vietnamese civilians. Yet all too little is known of the widespread detention of civilians in South Vietnam for political reasons. The civilian prisoners are estimated to number upward of 100,000.

The Paris Ceasefire and Peace Agreement of January 1973 considered the civilian prisoner problem only cursorily. If anything, the focus on the military accords and the subsequent exchanges of prisoners of war have drawn attention away from the plight of the civilian detainees. In brief, thousands of men and women who supported neither warring side are still imprisoned, often under deplorable conditions and with widespread use of torture.

Civilian prisoners held by Saigon (The Government of the Republic of Vietnam) in forty main detention centers and 500 lesser places fall into four general categories: (1) members of the National Liberation Front "infrastructure"; (2) those suspected of involvement with the NLF at a low level, including peasants, traders, and children; (3) non-Communist opponents of Saigon, which includes some two hundred leading non-Communist students and more than one thousand Buddhists; (4) those convicted of common criminal offenses. Saigon's practice of reclassifying many political prisoners as criminals has made the top three groupings merge into the fourth.

Conditions at such main jails as Chi Hoa are abysmally bad, with lack of sanitation, overcrowding, and a diet of food that rots the skin and the teeth. The worst hellhole of all for civilians is the prison on Con Son Island, whose human "tiger cages" were denounced in 1970. After the attendant international outcry, the island commandant, Col. Nguyan Van Ve, was relieved but then re-appointed in 1973! The shackling of Con Son prisoners has left them deformed paralytics.

Documentary evidence of all forms of torture of civilian prisoners held by Saigon is among the grisliest in the world. The Phoenix Program for uprooting the NLF infrastructure in South Vietnam claims 20,000 dead. It makes no claim to the number that were tortured, but the well-known practice of forcing confessions in a helicopter after one suspect has been dropped overboard is typical. A common expression among South Vietnam police and jailers is: "If you are not a Vietcong, we will beat you until you admit you are; and if you admit you are, we will beat you until you no longer dare to be one." No amount of proof of the bestiality of the Vietcong and the North Vietnamese can counterbalance the savagery of America's South Vietnamese allies.

A celebrated civilian prisoner of Saigon is Huynh Tan Mam, a student leader who has been a courageous critic of South Vietnam. His latest arrest, in 1972, seems to stem directly from his opposition to American policy in Indochina. He has been brutally beaten, given injections, and is said to be disabled, with paralyzed legs. Mam and his supporters say that they are part of a third political force, but Saigon insists he was a Communist. When the government tried to turn him over to the Vietcong in a prisoner exchange, Mam declined and remained in prison.

SPAIN: CHURCH VERSUS STATE

"Do you think Spain is still a Fascist country?" Peter Ustinov, the urbane writer-actor, says he is often asked that, and he replies: "Only in the winter, when the hotel rooms are empty." His mordant gibe reflects the fact that Franco's Spain is still the repressive state that the dictator set up in the Thirties during the civil war, at the cost of 1 million lives.

As reported in *Saturday Review World* [March 9, 1974], Spain remains a nation where all political parties but the National Movement of Franco are banned by law, a nation where independent labor unions are illegal and where the jailers silence free expression. The floating population of political prisoners may, at any given moment, be as many as 1000, with many more awaiting trial. The prisoners include Socialists, Communists, anarchists, Basque and Catalan nationalists, priests, lawyers, students, professors, and writers. More than two hundred conscientious objectors are in jail, including many Jehovah's Witnesses, but a new law seems to be improving the situation for this group.

In the wake of the assassination last December 20 of the premier, Adm. Luis Carrero Blanco, there has been a flurry of crackdowns on Basque nationalists and leftists. But even before this episode, policy brutality, censorship, torture, and general maltreatment of political prisoners have been endemic.

Perhaps the most fascinating development in Spain's benighted human-rights picture is the emergence of a split between the Roman Catholic church and the regime. The church was once a pillar of Franco's authoritarianism, but now there is a fresh wind of progressivism sweeping the clergy. One leading clerical figure is the outspoken Bishop of Bilbao, whose espousal of Basque individuality led to his house arrest. There are countless young "rebel" priests whose defense of labor and civil rights often outrages the right wing. A common practice is for Spanish secret police to join church congregations—and audiences and college classrooms—to spy on speakers. The list of priests fined and jailed for "offensive" sermons is growing daily.

A Spanish prisoner typical of the repressions of underground workers' leaders is fifty-seven-year-old Marcelino Camacho. Although he had already served five years for clandestine trade-union activity, he was tried again for the same offenses and sentenced in December 1973 to twenty years. With nine other alleged leaders of the illegal workers' commissions, Camacho is now held in Carabanchel Prison.

Narcisco Julian Sanz, who was released in October 1972, had spent twenty-five of his sixty years in jail. A railway worker who fought for the republic in the civil war, he was sentenced to death but won a commutation. In 1946 he was released under a partial amnesty. Seven years later he was re-arrested on charges relating to his political and trade-union activities as a Communist. At his first trial he got twenty-one years, and at his third trial, in 1956, another twenty years. Various general pardons led to his release, but not before he had suffered from spinal arthritis and ulcers.

Ramon Llorca Lopez was sentenced to thirty years in September 1972 for activities, including alleged bombings, on behalf of a Catalan separatist organization. To get his "confession," the authorities subjected him to continual beatings and death threats. The beatings left him unable to walk without the support of his guards. A prison doctor prescribed vitamins and sleeping pills for his condition.

COMMENTS

The reader may examine this survey of disgrace and well ask: What can I do? Many may assume that the Red Cross or the United Nations looks after the problem. The Red Cross, in most instances, is involved only with prisoners of war. The U.N. Human Rights Commission is tacitly the watchdog over individual liberties. But, as the *Guardian* recently pointed out, the watchdog "has never bitten anyone." Special interests and alliances make the thirty-two-nation U.N. commission virtually impotent.

There are, however, numbers of small national or regional action groups concerned with situations in a given country. Religious and secular human-rights organizations abound. The International Commission of Jurists in Geneva involves members of the legal profession seeking justice in this area. Writers and Scholars International, 35 Bow Street, London, W.C. 2, focuses on freedom of expression and fights repression of writers and their work.

Perhaps the most welcoming center for anyone interested in alleviating the plight of prisoners and their families is Amnesty International, 53 Theobald's Road, London, W.C.1. (Amnesty's U.S. National Section is at Room 64, 200 West 72nd Street, New York, New York 10023.) Amnesty has 32,000 members in sixty-two countries and states: "There are far more prisoners of conscience in the world than there are Amnesty members. Our initial target is to reverse that proportion." A special acknowledgement for much of the material in this survey is extended to Amnesty, whose research department, vigilant and brilliant, keeps close watch on political prisoners around the world.

MISS JENNIFER JANE KNOX AND THE UNITED STATES OF AMERICA

Mr. HANSEN. Mr. President, I had the good fortune to have brought to my attention some words of wisdom made by a grandfather on the occasion of the birth of his granddaughter.

This grandfather is our distinguished colleague from North Carolina (Mr. HELMS). And his new delight, and the delight of the entire family, is Miss Jennifer Jane Knox.

As all of us who are grandfathers must, we temper our joy at the new birth with concern for what the future holds for that generation, and what steps those currently in positions of the Nation's leadership can take to preserve freedoms or to restore those which have sustained erosion. The Senator from North Carolina is no exception.

He asks:

> Will she ever know the glory and challenge of living in a free enterprise society? Or will the growing burden of Federal controls encompass her life.

Mr. President, the distinguished Senator expresses the hope Jennifer's generation will do more to preserve the Nation's freedoms than we granddaddies have been able to do. He provides a formula for them, which, in my opinion, is solid:

> It'll take work and sacrifice, and courage and integrity—and faith in God.

I ask unanimous consent that this "Report from U.S. Senator Jesse Helms" be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT FROM U.S. SENATOR JESSE HELMS

WASHINGTON.—Her name is Jennifer Jane Knox, and she is a mere wisp of a lady with wobbly eyes and a constantly quizzical expression of her face. There is already whispered gossip that she has a mystical control over the several men in her life.

She never participates in conversations around her beyond a few ladylike murmurs. She is woefully uninformed about current events. She never heard of Watergate, inflation doesn't bother her in the slightest, she never wears shoes—yet men, and women, too, find her charming, and in a fragile sense, stylish.

Especially her Granddaddy.

Jenny—When Jenny was born a few weeks ago, this Granddaddy first saw her beyond the thick glass window of the hospital nursery. There were at least two dozen babies—half of them screaming and the other half sleeping—as doting parents and grandparents each focus rapt attention upon the one special, squirming little smidgen of humanity of their own.

Grandfathers have the well-earned reputation of being crashing bores. They contrive to introduce the wonders of grandfatherhood into every possible conversation. I plead guilty to being no exception. But grandfathers unite, I suppose, in wondering what the coming decades will be like for the little ones now wrapped in blue or pink.

For my part, I wonder about the freedoms that Miss Jenny will enjoy—or be denied. Will she ever know the glory and challenge of living in a free enterprise society? Or will the growing burden of Federal controls encompass her life?

Different—Every generation is different, particularly in its sense of values. If one could board a jet plane, and race backwards in time, the Jennys and Johnnys born in America in the 1920's and 1930's could reasonably expect to rise or fall, succeed or fail, according to their own incentive and effort. They could reasonably expect that they would not be restrained or penalized, except when they invaded the lawful rights of others.

But the newborn Jennys and Johnnys of 1974 confront a world of strife, and a deluge of government edicts and restrictions. Their earnings in the years ahead will be heavily taxed to support governmental programs that yet mystify and confound their granddaddies. Inflation will burn into their economic security. But the foremost question that this year's newborns will have to face is basic to freedom itself: Can America survive in stability? Will America survive as a citadel of freedom?

Granddaddies think gloomy thoughts, perhaps. But not really. In essence, it is the same as it has always been for granddaddies—they pray for the best possible world for those very special little ones with the wobbly eyes and the quizzical expressions.

The truth is—and granddaddies are reluctant to admit it—it's up to Jenny and Johnny to decide what kind of country they will have. Granddaddy has to hope that Jenny's generation will do more to preserve freedom than Grandaddy's generation has done. It'll take work and sacrifice, and courage and integrity—and faith in God. But, then, that's all that has ever been necessary.

RETIREMENT OF CLAUDE T. COFFMAN, DEPUTY GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE

Mr. TALMADGE. Mr. President, tomorrow afternoon a reception will be held at the Department of Agriculture in honor of Claude T. Coffman, Deputy General Counsel of the Department of Agriculture.

Mr. Coffman, a distinguished lawyer, is retiring after almost 35 years of Federal service, and I think it is appropriate that the Senate take note of his accomplishments.

Mr. Coffman is a skilled legislative draftsman, and his services to the Committee on Agriculture and Forestry and the Senate have been extremely valuable.

During congressional consideration of major legislative proposals over the past 20 years, Mr. Coffman has worked closely with the committee and its staff in drafting provisions on complex and controversial issues. For example, Mr. Coffman provided expert assistance to the committee in the drafting of a number of the provisions of the Agriculture and Consumer Protection Act of 1973. He also played a large role in the drafting of the Agricultural Act of 1970 and the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

Mr. Coffman has served as Deputy General Counsel of the Department of Agriculture since 1968. His accomplishments as a lawyer in that Department encompass a wide variety of activities. He is a recognized authority on Federal statutes relating to agriculture. As Deputy General Counsel, he is one of the chief legal advisers to the Secretary of Agriculture and his staff on all phases of the programs of the Department.

Mr. Coffman's character and personality inspire respect and affection among his colleagues in the Department. In 1970, he received the Superior Service Award of the Department of Agriculture "For outstanding legal services, exemplified by consistent sound judgment, unusual proficiency, and leadership in effecting numerous agricultural programs and in the development of important legislation relating to the agricultural economy."

Mr. Coffman was born in Robinsonville, Miss., and received his A.B. and his LL.B degrees from the University of Mississippi. He was editor in chief of the Mississippi Law Journal and graduated first in his class at law school. He took postgraduate work at Harvard Law School.

Among Mr. Coffman's publications are two articles which appeared in the Federal Bar Journal: "Legal Status of Government Corporations," 7 Fed. Bar. J. 389, and "Federal Aid in the Development of Agriculture," 21 Fed. Bar J. 399. Mr. Coffman recently published an article in the North Dakota Law Review entitled "Target Prices, Deficiency Payments, and the Agriculture and Consumer Protection Act of 1973," 50 N.D. Law Review 299.

Mr. President, Mr. Coffman's career of service to the Nation and the Department of Agriculture has truly been outstanding. Fortunately, his retirement does not mark the end of his service.

In September, Mr. Coffman will assume new duties as professor of law at Memphis State University. Mr. Coffman is uniquely qualified to teach law and should prove to be an outstanding teacher.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the letter I wrote Mr. Coffman on behalf of the Committee on Agriculture and Forestry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 24, 1974.

Mr. CLAUDE T. COFFMAN,
Deputy General Counsel,
U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. COFFMAN: On the occasion of your retirement as Deputy Counsel of the Department of Agriculture, I should like to extend you best wishes on behalf of the Committee on Agriculture and Forestry.

You have had a career of distinguished service to the Department and the Nation. In particular, we are appreciative of the many services you have rendered the Committee on Agriculture and Forestry and other members of the Senate. Your counsel and legislative drafting skills have been of the highest calibre, and we shall miss them.

We also wish you success in your new work as Professor of Law at Memphis State University.

With every good wish, I am,
Sincerely,
HERMAN E. TALMADGE,
Chairman.

COMPREHENSIVE TEST BAN TREATY AND PRESIDENT NIXON'S TRIP TO MOSCOW

Mr. BROOKE. Mr. President, a few days hence President Nixon and Secretary Kissinger will arrive in Moscow for wide-ranging negotiations with Soviet leaders. The outcome of these discussions will be an important indicator of the viability of our Soviet policy and of the exact nature of the rapprochement in Russian-American relations.

There have been indications that one item on the agenda at Moscow will be underground nuclear testing. A few months ago, the Foreign Relations Committee favorably reported a resolution introduced by Senator KENNEDY and calling for the President to propose a draft treaty banning all nuclear tests. The resolution is broadly supported in this body; it complements earlier pledges made by our Government to achieve such a comprehensive test ban—pledges made in the Treaty on Nuclear Nonproliferation.

Early last month, Secretary Kissinger and Soviet Foreign Minister Gromyko issued a joint communique at Geneva which raised the possibility of a so-called threshold underground nuclear test ban treaty. If achieved, such a treaty would prohibit nuclear tests above a certain size of explosive device.

The concept of a threshold ban on underground nuclear testing represents an important first step toward reducing the development and potentially, the spread of nuclear weapons. If it is to accomplish these desirable purposes, however, the treaty must be tightly and carefully drawn. To begin with, it should contain provisions looking toward a full ban on underground tests. This can be done in several ways, either by a decreasing quota on the number of tests a signatory may conduct or by a decreasing threshold on the size of the device exploded or by a combination of these two limits.

There is considerable urgency in the matter of ending all nuclear tests. It has been over a decade since the limited test ban treaty was concluded and nearly 5 years since the conclusion of the nonproliferation treaty. With India now nearly a member of the nuclear club and with the new tests underway by the Peoples Republic of China and France, it would be unwise to defer very much longer the conclusion of an international agreement to prohibit all nuclear tests.

More accessions to the "nuclear club" will greatly complicate the problem of negotiating a satisfactory comprehensive test ban. A treaty concluded now will not only put pressure on current members of the nuclear club to halt all tests, it will provide strong disincentives to nations which may be contemplating the development of nuclear weapons.

It is imperative, therefore, that any nuclear testing agreement concluded at Moscow contain phase-down provisions designed to reduce either the number or size of tests permitted under the treaty to zero over a relatively short period of time. Zero-level testing can realistically be achieved in 3 years or less, permitting us to complete projects now in the research and development pipeline and to reorient our AEC laboratories to energy R. & D.

Concern has been expressed over whether the United States might incur unacceptable risks in entering into a full ban on nuclear testing. My own view is that these potential risks have been greatly exaggerated and that, compared to the risks involved in further testing by a greater number of powers, the risks in a comprehensive ban are minimal indeed. For instance, American nuclear technology has no equal and we have conducted over 255 underground tests since 1963, while the Soviet Union has completed about 100 tests. So a comprehensive ban will likely leave us in a superior technological position.

Moreover, such a treaty would commit us to nothing which the Soviet Union is not reciprocally pledged to do—or not to do. Naturally, abrogation of the treaty by one party would leave other signatories free to protect their security interests as they see fit. Therefore, entering into such a treaty would in no way jeopardize our vital national defense.

Yet I think prudence dictates that we write into any treaty on underground testing an ironclad review provision, requiring a general reassessment of the treaty's provisions and operation at intervals of 2 years or so. A similar provision is contained in the nonproliferation treaty and the first review conference is scheduled for next February. At that time, the issue of Soviet-American progress toward a comprehensive testing ban will surely arise. If, by then, we have not accomplished a comprehensive underground test ban or at least a partial ban containing decreasing quotas or thresholds; the delays and our apparent dilatory attitude may encourage nations which have so far foregone nuclear weapons tests to embark on development programs of their own.

Practically speaking, there is another very strong reason for moving toward a comprehensive ban on underground tests as quickly as possible. National means of surveillance have progressed to a point where we can detect cheating on a total test ban with a very high degree of confidence. Under a threshold ban, however, this confidence is considerably reduced, since seismic and satellite devices cannot discriminate between different sizes of nuclear explosives as accurately as we would like. This condition introduces certain incentives for cheating which would not exist under a ban on testing altogether. If we cannot achieve a full prohibition on underground tests this summer, then we should minimize the risk of undetected cheating on a threshold test ban by incorporating language which will reduce to zero the number or size of tests as rapidly as possible.

If the Moscow Summit results in an underground test ban having the characteristics I have suggested here, one more step will have been taken by the United States and the Soviet Union to fulfill their obligation to reduce the dangers of our nuclear world. It is this goal that should be dominant in our approach to this issue.

LABOR DEPARTMENT PRACTICES FOR LOAN APPROVALS

Mr. DOMINICK. Mr. President, I share some of the concerns expressed by my colleagues, Senators HANSEN and TOWER, concerning Labor Department practices for loan approvals and its use of commentary provided by private organizations. When I learned from Senator HANSEN of the practice by the Labor Department of giving notice to the AFL–CIO of Farmers' Home loan applications, I was concerned, because of the apparent role this private organization may have in the governmental decisionmaking process on use of public moneys. As a consequence, I recently made an inquiry to the Labor Department and I ask unanimous consent that my letter to Secretary Brennen be printed at the end of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMINICK. Mr. President, in recent months we have heard much about the need for a more open decisionmaking process at all levels of the Federal Government, a process not pervaded by secrecy and undue influence. I believe that practices such as the Department of Labor's solicitation of private commentary on loan applications, a practice which to my knowledge was not widely known and which I note was discovered only by accident, I believe gives to the public the impression "secret dealings." Therefore, I would hope that this type of practice and any others by which a Federal agency solicits private commentary on the dealings between the Government and individuals, commentary which to my knowledge is not made public, will cease.

I hope that we are able to develop information regarding such practices and to understand more clearly exactly who it is that is making the decisions, the governmental agency or a private organization, whether it be a union or some other nongovernmental entity. I believe that the public interest demands that such decisions involving governmental funding be free of any implications of unwarranted influence. Certainly when one of my constituents applies for a Farmers' Home Administration loan or for any other type of loan, I believe he has the right to know the individuals who will make comments on such applications and the role such comments play on any decisions made.

I would hope that all my colleagues would want these same principles enforced for their own constituents, and I will continue to support efforts to bring such practices out into the open.

EXHIBIT 1

JUNE 18, 1974.

Hon. PETER J. BRENNAN,
Secretary of the Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: I have learned from the office of the Honorable Clifford P. Hansen, U.S. Senator from Wyoming, of a procedure used by the Department of Labor through which participation by the AFL–CIO is utilized in reviewing loan applications under the Consolidated Farm and Rural Development Act of 1972. As I understand the procedure, loans being considered by the Department of Agriculture are forwarded to you for determination of the effects on competitive business enterprises in the area where the loan applicant proposes to locate. Your Department, in turn, provides the AFL–CIO each week a listing of new loan applications received, specific products involved, and the location of the establishment. In this weekly listing, the union is advised that it has two weeks in which to comment on any of the establishments on the listings or their concurrence will be assumed.

This is of concern to me for there is an implication that the AFL–CIO, a non-governmental entity, in fact plays a decisive role in the governmental decision-making process relating to the funding for a private entrepreneur. I am therefore requesting of your Department the following information:

1. Whether or not any application(s) from any Colorado resident was included in this procedure.

2. If there were one or more Colorado applications included in this procedure, whether or not adverse comments on the application were received, and whether or not the application was subsequently denied.

3. Whether any other non-governmental organizations are contacted for such comments. If so, the identities of such non-governmental organizations and any roles they have played with respect to any Colorado applications.

In addition, I would appreciate it if you would advise whether or not there are any other programs using similar non-governmental comment in the decision-making process by which an individual may be denied public monies for grants, contracts and/or loans.

Best regards.

Sincerely,

PETER H. DOMINICK,
U.S. Senator.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, there are those who oppose ratification of the Genocide Convention on the grounds that it would be using the treaty power of the Senate to enact substantive legislation.

I appreciate this concern, Mr. President. The power to legislate is, of course, reserved for the point action of both Houses of Congress. However, this convention will not be a self-executing treaty since, after ratification, it must be given effect by subsequent implementing legislation. Thus Senate ratification of the treaty would not make genocide a criminal offense in the United States. Both Houses must act to amend the Criminal Code before genocide would technically be a crime. Therefore, prosecution of any American citizen for alleged genocide would still be subject to the full array of procedural and substantive safeguards provided for in the Constitution and applicable judicial codes.

Mr. President, genocide is among the most despicable of all human acts. Senate ratification of the treaty will be the first and most important step in condemning such acts. I urge the Senate to ratify the Genocide Convention.

THE METRIC CONVERSION BILL

Mr. HASKELL. Mr. President, as we all know, on May 7, the House defeated the metric conversion bill. Many of us believe a worldwide metric conversion would be desirable, but are in a quandary as to the best way of achieving this goal. I recently received a thought-provoking letter from a professor of physics at the University of Colorado on this controversial issue which I would like to share with my distinguished colleagues in the Senate. I ask unanimous consent that Dr. David F. Bartlett's letter be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOULDER, COLO.,
June 1, 1974.

DEAR SENATOR: As a scientist, I was most interested in the recent House debate on metric conversion. I am in complete agreement with the cautious approach reflected in the rejection of the Committee bill.

Several representatives referred to scientists as a group already committed to the metric system. I beg to differ. Although we use the metric system professionally, we are not necessarily committed to its preservation—any more than engineers who use the customary system are committed to it. In fact, our very familiarity has bred a certain contempt. In particular, many scientists have major reservations about some features of the International System of Units (SI). (Conversion to this variant of the metric system is specified in the proposed legislation). Thus we also will have to alter our habits if the SI system becomes worldwide. Lewis Branscomb acknowledged this problem in an address he gave while Director of the Bureau of Standards:

"Whether scientists like to speak SI or not, they will find that increasingly the industrial equipment they use will be displaying output in SI units.

"In view of the fact that for scientific usage, SI is entirely voluntary—at least in this country—a surprising amount of emotional energy has been invested in its development."

You can see that the National Bureau of Standards is even-handed. Scientists as well as everyone else will be affected by the "inevitable" swing to SI, although the conversion, of course, will be "voluntary"!

A growing number of us, however, are dissenting from this fatalistic view. We believe that if the world is to adopt a single system of measurement, then this system should be the best we can do. In view of the recent progress of mankind, it is most unlikely that either the 200 year old metric system or the 2000 year old customary one is the best we could devise today. Rather a compromise system combining the convenience of the customary system with the computational advantages of the metric should be superior to either. Attempts at constructing such a system have recently appeared both here and in England.

Ironically, the worldwide adoption of a "third", compromise system might ultimately offer significant benefits to the very group that is now most strongly pro-metric, namely the large, multinational companies. Then both U.S. and metric-based industries could cooperate in developing optimal international standards without offense to national pride and practices. This point is made in the enclosed article, "Is the Metric System the Best We Can Do?"

There is an aura of fatalism surrounding metric conversion. As you well know, the Metric Study concluded that our only options are to convert with a plan or drift slowly metric without plan. Unfortunately, this fatalism seems to have dulled the spirit of critical inquiry. Scientists who believe that the metric system is not the best we can do are reluctant to come forward because they feel that the decision has already been made in the best interest of commerce. Hearing no loud dissent from scientists, congressmen who appreciate the difficulties in conversion are consoled by the belief that both standardization and a better system will be achieved when the conversion is over.

Where do we go from here? The notion that a "third System" might be the solution to the units problem needs further study. The Congress could authorize such a study. At this time, delaying passage of a conversion bill is a positive step. On any matter as fundamental and permanent as metric conversion, Congress should wait "until the American people fairly beat down the doors of Congress" demanding action.

Sincerely yours,

DAVID F. BARTLETT.

INSURING THE NATIONAL HEALTH

Mr. BIDEN. Mr. President, there is a growing awareness of a crisis in health care in this country, and several proposals for comprehensive health insurance are presently before the Congress.

It is important that Congress speed up its consideration of a national health insurance plan. Whatever approach we decide on, our primary responsibility is to respond to the growing feeling that adequate health care is not a privilege but a right, and that the lower- and middle-income citizen must be protected against the astronomical cost of today's health care.

In this regard, I would like to share with my colleagues a very informative article. "Insuring the National Health," which appeared in Newsweek on June 3, 1974, and which details both the crisis in health care and the specifics of the various proposals now before the Congress.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at this point of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSURING THE NATIONAL HEALTH

For weeks now, Congress has been holding hearings on a hopper full of bills, each offering a different set of proposals designed to help the citizenry pay its ever-soaring doctor and hospital bills. And by last week the day seemed finally in sight, somewhere not too far over the present murky political horizon, when a national health-insurance program for most Americans will become a reality.

In Key Biscayne, President Nixon went on the radio early in the week to note with some emphasis that he was prepared to be flexible in accepting modifications of the Administration's own health-insurance program. "We are not ruling out compromise where compromise does not violate the basic principles of our proposals," he said. Later in the week, Sen. Edward M. Kennedy, co-author (with House Ways and Means chairman Wilbur Mills) of a more liberal insurance program, went on the radio himself to reply in kind. There are now, Kennedy said, "broad areas of agreement" between the Administration and Congress on national health insurance. "A new spirit of compromise is in the air," he continued, "[and it is possible that] a far-reaching bill can be sent to the President before Congress adjourns this fall."

CONSENSUS

Whether any such timetable is realistic remains to be seen, for both Congress and the White House are clearly so involved with the possibility of the impeachment of the President that much ordinary legislative work has fallen into abeyance, and a national health-insurance program for this year could well find itself among the casualties. But the fact remains that such a program at last seems an idea whose time has come—and that many of those who have most bitterly opposed the idea in the past seem prepared to go along with some version of the two major proposals now under discussion.

This consensus stems straightforwardly from the overwhelming evidence that health care in the U.S. is in a state of ever-worsening crisis. The U.S. spends more on medical costs than any other nation in the world. This year alone, the total national health bill will reach $100 billion—about 8 percent of the gross national product of the entire nation.

LOW RANK

But what are Americans getting for this enormous cost? For all the nation's prowess in the development of sophisticated techniques to detect and treat disease, the U.S. ranks below twenty countries—including Greece, Bulgaria and Italy—in life expectancy for males. Women in seven nations live longer than their counterparts in America. More important, the U.S. ranks fourteenth in infant mortality.

To health experts, the crisis has many complex facets, all the result of the haphazard way in which the delivery of medical care has developed.

The distribution of the nation's 300,000 active physicians is dangerously uneven. There is one physician for every 50 residents of affluent Beverly Hills, but only one for every 2,000 occupants of Watts and other urban ghettos. There are 138 counties in the U.S. without a single doctor, and 200 others with only one. For millions of Americans, particularly the poor, the family doctor is the physician who happens to be on duty in the nearest emergency room.

As the technology of medicine has become more specialized and complex, hospitals have inevitably become the hub around which the most and the best medical care is administered. Yet hospitals are wastefully and inefficiently used. "Patients who could be treated in the offices of physicians," says one HEW report, "are found, instead, occupying hospital beds."

It's no surprise, then, that to most Americans, the most visible side of the crisis is the escalating cost of health care. Expenditures for medical care have nearly quadrupled since 1960, and HEW experts predict that they will reach $132 billion by 1976. Physicians' fees have risen by almost two-thirds during this period, while the average cost of a day in the hospital has gone from $35 to $105. The typical victim of a heart attack faces bills of up to $4,500 for three weeks of hospitalization and $500 to $1,000 additional for his doctor. For gall-bladder surgery, the hospital bill may range up to $3,200 and the surgeon's fee $500 or more. The care of a patient with terminal cancer averages $20,000 a year.

GAP

Eight out of ten Americans under 65 have some form of health insurance, such as Blue Cross for hospitalization and Blue Shield for doctor bills. But most insurance plans pay benefits only for treating illness, not for preventive services, checkups and visits to the doctor's office. This gap, obviously, is an incentive to unnecessary hospitalization and contributes to rising costs. Less than half the population, moreover, is protected by "major medical" policies to cover catastrophic illness, and even these often fall far short of paying the bills.

The Medicaid program has a spotty record of serving the poor, split as it is into separate state programs, each with its own regulations and benefits. As a result, only about a third of low-income families in the U.S. receive adequate coverage.

The most sweeping proposal to remedy the national health-care dilemma was the bill introduced in 1971 by Senator Kennedy and Rep. Martha W. Griffiths. Called the Health Security Act and backed by organized labor, it would have covered virtually all medical costs, including office visits, as well as dental care for children under 15 and a wide range of other health services. The cost, estimated at $60 billion a year, would be paid through a social-security-style payroll tax and Federal subsidies.

REMOTE

Not surprisingly the strong Federal controls in the Kennedy-Griffiths plan proved too strong a dose for either organized medicine or the Nixon Administration. Instead, the Administration has long favored federally assisted medical insurance using the private health-insurance industry. So long as the two major proposals represented diametrically opposed approaches to health care, the chance that any type of program would be passed in the near future seemed remote. But the picture changed dramatically last April, when Kennedy joined House Ways and Means Committee chairman Wilbur Mills in formulating a new health bill similar in many ways to the Administration's own. "In my entire lifetime," says Harry J. Becker, professor of community health at New York's Albert Einstein College of Medicine, "I haven't seen such a converging of strategy, policy and positions in the health-care issue."

The present Administration bill would provide unlimited coverage for hospital and doctor bills as well as prescription drugs. Certain preventive services would also be taken care of including family planning, prenatal and maternity care, regular children's examinations until the age of 6, and dental care, eyeglasses and hearing aids for children to age 13. Nursing-home care as well as psychiatric hospitalization would also be covered up to an annual maximum.

Private insurance companies would write the medical policies under Federal guidelines. For wage earners, employers would pay 75 per cent of premiums (with some assistance from government subsidies) and employees the balance.* Under a separate program, the states would contract with private insurance companies to provide coverage to the unemployed, low-income families, and high-risk individuals and groups. The elderly on Medicare would receive the same benefits through the social-security system. The total annual cost of the program would be about $37 billion.

To support the Nixon plan, the average wage earner would pay about $240 a year in premiums and Medicare taxes. Each family member up to a maximum of three would have to pay the first $150 in medical expenses, a "deductible" similar to the provisions of current private major medical policies. There would also be a $50 deductible per person for medicines. Beyond that, the family would pay 25 per cent of its medical bills until total payments by the family reached $1,500. Thereafter, the plan would cover virtually all further costs. To receive full reimbursement, in other words, a family would have to incur nearly $5,000 in medical expenses. The premiums and out-of-pocket costs would be scaled down, however, for low-income families and the elderly. The state would individually determine doctors' fees and other rates for care under Federal guidelines.

SCOPE

As for the new Mills-Kennedy proposal, it is similar to the Nixon plan in the scope of its benefits. But under Mills-Kennedy, the annual $150 deductible would apply to only two, rather than three, family members—and no family would pay more than $1,000 out of pocket. No deductible would be levied against preventive care, such as infant checkups.

The chief differences between the two proposals are (1) that participation in the Administration program is voluntary, while the Mills-Kennedy plan is compulsory and (2) that the Nixon plan provides a much greater role for private insurance companies. Mills-Kennedy would be financed by a payroll tax of 4 per cent on earnings up to $20,000, with employers paying three-quarters of the total. Private insurance companies, as under medicare, would collect and dispense the funds, rather than sell the policies as they would under the Administration plan. Private insurers, however, might offer supplementary insurance to cover deductibles and out-of-pocket expenses.

EXPENSES

A third health proposal, sponsored by Senators Russell Long of Louisiana, Abraham Ribicoff of Connecticut and Rep. Joe Waggonner Jr. of Louisiana, would offer "catastrophic illness" insurance. Benefits would begin only when a patient had incurred $2,000 in expenses, or been hospitalized for 60 days. After that, the patient would pay 20 per cent of doctor bills and $21 a day for hospitalization up to $1,000, whereupon the program would take over.

The major defects in all three of the leading bills, as economists see it, lies in the deductible provisions and out-of-pocket cost. They tend to hit the middle-income wage earner particularly hard and tend to discourage going to a doctor when an illness may be in its early, most treatable stage.

In the short run, the debate over compulsoriness and the relative roles of private insurers and the Federal government will end in a compromise, most health experts think. But many authorities are persuaded that a broad, federally controlled health-care system will evolve in time, as has happened in Britain and much of Europe. "Once the government has put its foot in the door," says Dr. Osler Peterson of Harvard, "the rest of the body will come through."

LET US RENEW THE WAR ON CANCER

Mr. HUMPHREY. Mr. President, I take this opportunity to commend the American Cancer Society. This organization pours millions of dollars and millions of man-hours into the problem of finding a solution to the dread disease, cancer. The society's efforts to educate the American public about the prevention and control of cancer should also be applauded.

Only through cooperation of Congress and organizations like the American Cancer Society can we make progress in this top priority medical research area. Millions of volunteer hours have been spent by the ACS toward the end of preventing cancer, and it is only fair that this administration reciprocate by keeping its promise of sufficient funding for cancer research.

On June 17, in Minneapolis, I had the distinct privilege to address the annual meeting of the National Public Education Conference of the American Cancer Society.

Mr. President, I ask unanimous consent that my remarks to the conference be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY

I am pleased to welcome you to Minnesota and to the Twin Cities. I understand that this National Public Education Conference of the American Cancer Society has delegates represented from all of the fifty states.

I want to greet all of you and congratulate you on your work to educate the American public about the detection and prevention of cancer. Organizations like yours deserve to be honored for the hard, dedicated, and vitally important tasks you are performing.

We have a tendency to forget the role played by volunteers like you in our society. The millions of volunteers and the private, nonprofit institutions serving the public good all too often are taken for granted.

The work you do is absolutely necessary to the health and well-being of America. You have a deep sense of caring what happens to people around you.

The amount of money raised by the American Cancer Society is impressive, but the educational work that you are doing is just as important.

Americans too often think of the value of the American Cancer Society in terms of the amount of funds raised each year for research. But we also must look at your voluntary effort as a genuine, down-to-earth demonstration of brotherhood, expressed in the millions of volunteer manhours you spend attempting to educate the American public about the detection and control of cancer.

This type of voluntary effort has a profound influence on the moral fiber of America. It also has a direct impact upon the prevention of cancer.

Cooperation between programs of the Federal Government and the American Cancer Society has and will continue to do much toward producing advances through research, as well as bringing research findings to each community.

All of us hope and pray that somehow we can learn to prevent cancer and to help alleviate the pain and suffering of millions of people who are victims of this disease. You are out there on the firing line spreading the necessary message of early detection and basic health care habits. Thank you for your fantastic effort.

I would like to take this opportunity to discuss with you actions taken by Congress to help you reach your goal of controlling cancer.

As you know, the problems of cancer are multiplied by the fact that more than 100 clinically distinct types of cancer have been identified—each with a unique set of symptoms and requiring a specific course of therapy. We have learned a great deal about some of these types of cancer—about their cause, detection, diagnosis and prevention.

We also know more about the treatment and rehabilitation of cancer victims today. This progress is directly related to your efforts and those of the American Cancer Society.

For the first time, researchers this year have been able to grow human sarcoma viral particles in test tubes. This is the first fundamental step toward designing an entirely new medical approach to cancer therapy.

In a half-dozen laboratories this year, experiments have produced new understandings of how viruses change normal cells as cancer develops. This basic research will be a part of whatever cures the future produces.

These research findings come at a time when funds for basic research at the National Institutes of Health have been restricted by the Administration. Nevertheless, this research will help all of the institutes in NIH to understand one of the fundamental processes of life.

Today half of the children with acute lymphocytic leukemia are alive five years after the disease was detected. Twenty years ago this disease took the lives of these young victims within a few months.

Today radiotherapy for Hodgkin's disease, detected at an early stage, produces five-year survival rates of more than 90 percent.

Today deaths from cancer of the uterus continue to decline steadily. They occur at one-third the rate of 35 years ago.

Recently new malignancy detection machinery supported by grants from the National Cancer Institute and the American Cancer Society was distributed to twenty-seven medical centers in the United States.

This venture will make your job easier. It will make free breast cancer screening examinations possible for interested, symptom-free women.

Your education program in the proper early screening and breast examination at home is very important. If breast cancer were detected early enough it could probably save eighty-five out of every 100 patients.

Some 90,000 women will get breast cancer this year.

One out of every 15 newborn girls is destined to develop breast cancer. With those statistics your work to help people detect cancer early is an absolute necessity.

Although improvements in cure rates are gratifying, and similarly important advances have been made in the area of screening and early detection methods, I would like to see the day our achievements are not measured in terms of increasing a person's life by five years or so, but in helping him to be able to prevent the onset of cancer altogether.

Congress has worked hard for many years to give legislative effect to the nation's profound desire to work toward the conquest of cancer. Almost forty years ago, the 75th Congress passed the National Cancer Institute Act in order "to provide for, foster, and aid in coordinating research relating to cancer and to establish the National Cancer Institute."

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* During the first three years of the plan, employers would be required to pay only 65 percent of the premiums and employees 35 percent.

Since that time, the National Cancer Institute has been the primary agency through which the Federal government has supported cancer research. Although the basic goal set for the NCI has not changed, the Institute has grown and developed a great deal since its creation. Its budgetary authorization, for example, has grown from $700,000 in 1937 to $640 million this fiscal year.

The NCI gained new responsibility with the passage of the National Cancer Act of 1971. This Act calls for the development of the National Cancer Program Plan.

As you probably know, this plan is intended to present the major goals and objectives of the national cancer program, the plans for implementation, and an estimate of the resources that will be needed to achieve these national objectives. The plan was written by the National Cancer Institute with the advice and guidance of the National Advisory Cancer Council and two hundred and fifty laboratory and clinical scientists, representing a broad spectrum of biomedical and clinical disciplines and geographic areas.

The major goal of the National Cancer Program strategy is to "develop the means to reduce the incidence of morbidity and mortality of cancer in humans." Again, the American Cancer Society has played a central role in the development of the National Cancer Plan.

With the passage of this Act in 1971, Congress authorized the establishment of new research, training, and demonstration cancer centers. These Comprehensive Cancer Centers—such as the one at the Mayo Clinic in Rochester—were selected as centers of cancer research and diagnostic and treatment training. The centers also are arranging community programs of cancer diagnosis, epidemiology and preventive medicine.

Since 1971, nine Centers have been identified, bringing the total to tweleve comprehensive cancer centers across the U.S. The major purpose of these centers is similar to your work, that is, to bring results of research as rapidly as possible to a maximum number of people.

Another mandate of the Act, and one of top priority to the National Cancer Institute, is the cancer control program. This program also is intended to facilitate the rapid application of knowledge to the direct benefit of the cancer patient. Activities have included extensive demonstrations to health professionals and the public of new cancer detection and diagnosis techniques.

The emphasis of this program has been directed toward methods to control the occurrence and impact of the ten leading causes of cancer deaths in our country: cancers of the lung, colon, breast, pancreas, prostate, stomach, ovary, rectum, the leukemias, and lymphomas.

I am sure you are familiar with the activities included under the cancer control program, since you are part of it through your volunteer education efforts.

Recently, both the House and the Senate have passed bills—the National Cancer Act Amendments of 1974—to extend the 1971 National Cancer Act through fiscal year 1977. This bill, of which I am co-sponsor, would authorize $807 million in fiscal year 1975 for cancer research, detection and treatment programs. We need these funds desperately.

I am concerned about keeping government spending at a reasonable level. However, dollars spent in trying to learn how to detect and prevent a disease as prevalent and disabling as cancer is a humane and necessary investment.

The total cost of cancer has been estimated to be $15 billion dollars a year. I feel that it is Congress' job to keep an eye on new developments in the area of cancer prevention and treatment and to insure that there is a reasonable amount of money available for basic research and treatment.

This Administration has stated it feels that cancer research is a top priority area. In 1971, President Nixon promised to take personal charge of the war against cancer. He states that, "the time has now come for us to put our money where our hopes are . . . As far as the cure is concerned and as far as the time when it is found, it will not fail because of lack of money . . . To the extent that money is needed it will be provided."

These are admirable goals, but the plain fact is that President Nixon has not kept his promise. He has cut back on the war against cancer.

Budgetary constraints continually have restricted cancer research under this administration. In fiscal year 1974 we in Congress authorized $640 million for the National Cancer Institute. But this administration approved only $500 million.

Dr. Frank Rauscher, Director of the NCI, has said that the cutback of $140 million would not allow him to follow research leads that would save thousands of lives. Dr. Rauscher has detailed nineteen key programs that would be eliminated or reduced by the budget cuts. Several of the most important programs are:

The testing of new treatments for breast cancer, which is the leading cause of death of women;

The testing of new antitumor agents;

A program to communicate the latest advances in drug treatments and immunotherapy from the research lab to the patient and the public.

Again, for fiscal 1975 the President has asked for only 600 million dollars, while the National Cancer Act Amendments of 1974 have authorized $807 million for next fiscal year—a difference of $207 million.

We need that financial support for cancer research, detection, and treatment. Eight hundred million dollars is only $3.81 per citizen in the United States. That $3.81 compares with $139 per citizen to support the national debt, or $16 per citizen for space exploration.

We must have more funds for the NCI and the new regional cancer centers. I have fought the impoundment and budget cutback games of this administration to make sure that the national cancer program is adequately funded. This administration must be reminded of its cancer program promises.

The current bill to extend and improve the national cancer program would authorize additional new Cancer Centers in the United States. But this is opposed by the administration.

The fifteen centers authorized by the 1971 Cancer Act are not sufficient. We need more of these centers, especially in middle America. However, Secretary Weinberger has stated that he does not feel that additional centers are needed to bring advances against cancer to the local physicians.

The Senate Health Subcommittee proposes that at least twenty additional health centers are needed and that "no American should be denied first class cancer care simply because of where he lives." This legislation currently is in conference committee and I am hopeful that the President will sign the bill into law. We need to facilitate and promote continued first class cancer research through these new centers.

In conclusion, I want to remind you that the national cancer program is a people oriented program. Congress and the medical community need your volunteer work.

It is people like you, volunteering your time and skill to save lives, that makes the national cancer program work.

The real value of your public education efforts and that of our cancer research centers can be measured only in terms of the amount of suffering it eliminates.

I am proud of you and your efforts to educate the American public about cancer.

Keep up the good work.

Every American wants a cure for cancer, and you are doing something about it.

Every American wants to do something about the pain and suffering of cancer victims, and you are doing something about that, too.

Every American knows someone who has been stricken by cancer and would like to see the disease eliminated. You are doing something about it.

LEAKS AND DISCRETION

Mr. **GOLDWATER.** Mr. President, recently I took the Washington Post and other elements of the news media to task for abusing our laws covering the handling of classified material. By now, I think just about every liberal columnist has taken some kind of a shot at me with reference to these remarks. One of them, for example, said I was one of the best sources of leaks in the whole city of Washington. I challenge him, and I will do it again if he does not respond, to come up with one leak that I have ever made concerning classified material. As usual, the liberal columnists followed their well-known "bell cow" performance on the subject of Government leaks. This is the process whereby one writer leads off with the "subject of the week" and the others fall meekly into line to attack the person who has offended one of their sacred tenets.

I make a special point of calling attention to liberal publications and columnists for a very good reason. For example, let us take the Washington Post, which so strongly resented my suggestion that they were breaking the law in publishing classified FBI material a few days ago. It seems that back in 1963 the Washington Post felt just the opposite about the business of leaks. On November 10 of 1963 on page E–6, the Post viewed with horror the fact that a conservative—Mr. Otto F. Otepka—gave confidential material to a Senate committee. But, let me let the Post—in its own words—tell you how it felt about that so-called leakage of Government information. Here is what the Post editorial of that date had to say:

> What Otto F. Otepka did was not only unlawful but unconscionable as well. Mr. Otepka certainly knew this himself—which is no doubt why he did it covertly instead of candidly. He gave classified information to someone not authorized to receive it . . .
>
> It really does not matter that the recipient of the information he disclosed was an employee of the Senate. He had no authority to give it. If the Senate Internal Security Subcommittee felt a need for classified material in the State Department, its proper course was to summon the Secretary of State and ask him for it. If any underling in the State Department were free at his own discretion to disclose confidential cables or if any agent of the Federal Bureau of Investigation could leak the contents of secret files whenever he felt like it, the Executive branch of the Government would have no security at all.

Mr. President, I should like my colleagues to note that the Post took an entirely different attitude when a conservative was supposedly leaking information. It causes one to wonder why this same stringent and proper attitude cannot be directed now against the Ellsbergs and those members or staffers of the House Judiciary Committee, the Senate Watergate Committee, the Justice Department, and the FBI who may be leaking material to liberals for publication. If you have a set of principles I certainly believe they should apply across the board, and the question that goes through my mind this morning as I continue to worry about the decline of the American press is whether columnist Joe Alsop might have been only part right when he referred to the current standard of the news media in Washington as a "triple standard."

I want to make it understood, however, that my concern in this matter is not directed only toward liberal-oriented parts of the media. It is also directed toward any dispenser of news—conservative, middle-of-the-road, radical, or whatever—that would use material they know is not proper or legal. I have read, for example, that one newspaper editor claims they have not obtained material from anyone who did not have a legal right to have it. I hope I read this wrong because it shows a weakness in the approach to the use of classified material. I can legally hold classified material even up to top secret. Mind you, I have every legal right to have those papers, but I have no legal right to let anyone see them who is not cleared for these classifications. You can not go two ways in this field. Either you oppose the dissemination of classified material or you do not, and I do not see how any paper can do it one year and not in the next, as in the case of the Washington Post.

Mr. President, I suggest that the press has a great deal more to lose than to gain by continuing its high-handed attitude toward the leakage of classified material. And I am not alone in that belief. Mr. Erwin D. Canham of the Christian Science Monitor warned in a column recently that "the news media are in danger of losing all the great gains they have achieved in their uncovering of corruption in recent years—from My Lai to Watergate."

Mr. President, I ask unanimous consent to have Mr. Canham's entire column printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

Leaks and Discretion

(By Erwin D. Canham)

The news media have not yet learned their lesson in this stage of the Watergate case. It is that once a matter moves into its judicial phase, news coverage has to be much more careful than in the earlier investigative period.

Thus the leaks from members of the House Judiciary Committee and the documents from the FBI are of dubious propriety. They are, at the very least, highly incomplete. They need badly to be put into context.

And so the complaints voiced strenuously by Secretary of State Kissinger, by Sen. Barry Goldwater, and even by Assistant Attorney General Henry Petersen have struck home in varying degree. The news media are in danger of losing all the great gains they have achieved in their uncovering of corruption in recent years—from My Lai to Watergate.

MOTIVES CRUCIAL

It is a time for judicial impartiality in the digging for news. It is a time for recognizing that materials can be leaked with intensely partisan motives. When this happens, the news media should evaluate them with care, balancing the material with all that can be found which is pertinent and clarifying.

Specifically, the quotations from J. Edgar Hoover memoranda in the FBI files—seeming to place on Henry Kissinger the initiation of wiretaps—badly needed the rectification which William Ruckelshaus, one of Mr. Hoover's brief successors, brought to them. He pointed out that Mr. Hoover was often leaving memoranda for his own protection, and that such memos were of doubtful documentary proof.

The news media in Washington are habitually the target of a war of leaks. The White House press officers now complaining bitterly against leaks are described by James Reston, of the New York Times, as "two of the leakiest taps in town." There is constant danger that the media will be used by the leakers. The media have always to scrutinize the value and integrity of the information against the motivation of the leaker.

FREE PRESS PROBE

But it is undeniable that vital public information, in the United States and everywhere else in the world, has come to light for many years through leaks. If official news were all the news we had, the public would be badly deceived. A primary role of a free press is to dig and uncover. The exposure of evil is a long step toward the destruction of evil.

The dribbling out of testimony especially from a grand jury or from a congressional committee which is tantamount to a grand jury, is neither necessary nor beneficial. Time is not always of the essence. It may well often be better to wait until all the facts can be put into perspective.

WHAT PLEDGES MADE?

There are vital public issues to discuss today and there is much genuine news reporting to do about them. For example, the range of plea-bargaining that has taken place, from former Vice-President Agnew's to today's and tomorrow's, should be thoroughly clarified. The U.S. Senate—and the public—have a right to know whether private (or secret) assurances are being given to any of the governments with which President Nixon and Secretary Kissinger are negotiating. There is a place for confidentiality pending a negotiation, but the time comes when all the facts need to come out. The public has to know what has been pledged in its name.

The defenders of President Nixon insist, with some degree of justification, that the press should have been more active in digging into various past scandals on the Democratic side. Even today, the money so liberally spread out by the milk producers' lobby should be fully traced. And so should anything else relating to the public welfare, which sometimes reaches all of us by process of leak.

SOLAR ENERGY

Mr. BIDEN. Mr. President, solar energy appears to offer a positive contribution to the national goal of permanent energy self-sufficiency while minimizing environmental hazards. In addition, this technology could be an exportable item for use by other energy-deficient areas of the world. The energy crisis, while providing alarming and uncomfortable moments, had a positive impact because it exposed a need for an alternative source of energy. Fortunately, research into the feasibility of solar energy had already begun. One of the leaders in photovoltaic research, Dr. Karl Boer of the University of Delaware, had successfully completed a project which demonstrates the possibility of using solar energy to heat and cool. Congress, in passing a Solar Home Heating and Cooling Act and through conducting hearings and public forums on the development of solar research is doing its part to assist the research and development of solar energy to its fullest potential. Perhaps the highest hurdle that solar energy faces is the adjustment from a successful scientific project to a usable source of energy available to the average American citizen on a mass scale. Mr. John Fialka, in a two-part series of articles printed in the Evening Star, discussed energy's push into the marketplace and traced the major development of solar research.

Mr. President, I ask unanimous consent that two informative articles be printed in the Record at this point of my remarks .

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star, June 17, 1974]

Part I

The job of harnessing the energy in sunlight has been like pushing a cumbersome object up near the top of a steep, difficult hill.

Much of the heavy, basic scientific work has been done, some of it completed years ago. But getting the notion of a solar power industry over the top and rolling under its own momentum was still a dream until last winter when the Arab oil embargo came along.

Now, if you took a journey through the world of solar ideas, the broad spectrum of devices and concepts that have long been in the realm of a few scientists and many magazine feature writers, you would see considerable movement.

Solar-heated radiators, solar power from trees and garbage, solar power from wind, solar power from the ocean and from strange wafers of silicon are no longer Buck Rogers dreams. The revolution in fuel prices means that some, perhaps all of these things, are about to become practical.

Almost anywhere you look, you will see evidence that the Arabs may have given solar power the final, crucial push into the marketplace.

For example, the Washington office of Alfred J. Eggers Jr. is packed with reports that conclude that solar power may be the cheapest, cleanest new source of energy. If you could catch and use one out of every 700 units of solar energy falling on the United States, asserts one, the energy crisis would be over forever.

Yet Eggers, along with nearly every other government official concerned with energy needs, found himself sitting in his office last winter, wondering how to replace the oil that suddenly was not there.

Then one day someone gave Eggers a picture of some school children in Paola, Kan. What attracted his attention was that the children were freezing. They were wearing heavy coats because their school's oil tanks had run dry.

"I said to myself, the Arabs have really given us an opportunity," recalls Eggers, who is assistant director for research applications at the National Science Foundation. What Eggers had hit upon was the chance to use solar power in the simplest way, to use the sun's heat to fill radiators in buildings and homes.

The word went out from NSF, the lead agency promoting solar energy, that there was over $1 million in grants available for companies who could design solar heating systems for the schools and have them running before the 1973–74 heating season was over.

What Eggers was trying to prove is that the technology is not complicated. "And the school is the perfect place to do that," he explained, "it's kind of a focal point for the whole community."

The potential market is enormous, for space heating is estimated to consume one-quarter of all the fuel used in the United States.

Some of the giants of the U.S. heating industry responded, including General Electric and Honeywell, Inc. So did Intertechnology Corp., in Warrenton, Va., a relatively tiny company headed by Dr. George C. Szego, a chemical engineer.

Using a crew of 30 people and working nights and weekends, Szego's company put together in 57 days what may be the world's largest single array of solar collector plates on the grounds of a nearby school.

Since March 19, the sun has been the sole source of heat for five drafty temporary classroom buildings at Fauquier County Public High School in Warrenton.

The system saves roughly 24 gallons of fuel oil every day and it can store heated water in insulated tanks for up to 12 days when the sun is not shining. Everything that went into Szego's system can be found on the shelves of building supply stores.

The basic solar heating device, the solar collector, has been experimented with since 1909 It is simply a thin, rectangular box, covered with glass and bottomed with a black-painted metal sheet that has thin water pipes running through it.

When the sunlight hits the metal it is absorbed, turning into heat. The glass traps the heat, creating temperatures inside the box that can reach as high as 200 degrees. The water in the pipes carries the heat away to radiators, or to underground, insulated tanks for storage when the heat is not needed.

While there are only about 30 solar-heated buildings in the United States today, there are indications that soaring fuel bills and examples like Szego's school and three other schools that suddenly received solar heating systems last winter are beginning to give industry dreams of mass production.

For instance Peter E. Glaser, a vice president of Arthur D. Little Inc., one of the nation's leading management consulting firms, has been signing up companies in a group that sponsors market research that will be needed to form a solar heating industry.

Membership costs $1,500. Last November Glaser's group had 44 members. Now it has 78.

Within the last few months, according to Glaser, who is one of a handful of people who have followed solar development over the years, plans for at least 50 new solar-heated buildings have been announced.

"It's happening in so many places it's hard to keep track of," he said.

But solar collector panel systems are really just the tip of an iceberg of ideas and designs that scientists have developed.

"If all the plans for solar power were simply put in one place and ignited," quipped one scientist, "you wouldn't need a new energy source."

In fact, solar power has really become, in recent months, a generic term, covering almost any way you can get energy from something that has been touched or produced by sunlight in recent months.

For example, a growing plant is really a creature of sunlight and schemes of creating large power-producing facilities from plants or other forms of vegetable matter are now under serious consideration in several parts of the nation.

Szego's company is currently negotiating with a North Carolina pulp and paper company over the contract that may bring the first of these plants into being.

Imagine a field of trees, densely planted like hybrid corn and harvested every three to five years. The trees would be slender whips, gathered by sugar cane cutting equipment and fed into wood chipping machines.

The resulting mountain of chips would be fed into a wood-burning steam boiler system, part of a conventional electric power plant.

Strange? Maybe so. But high-priced low-sulphur fuel oil, much in demand by electric power plants, may bring it into being.

According to Szego, the wood chips are a low-sulphur fuel that soon may be highly competitive with fuel oil in terms of cost and heat produced.

The wood would be harvested on land near the plant, creating a perpetual supply of fuel and ending fuel transportation costs and supply worries forever. Ash from the burning would be dumped back on the land as the major fertilizer for more trees.

While other solar scientists have been working with storage batteries and other devices that would store solar energy for use at night and on cloudy days, Szego believes he has hit on the simplest solar storage system of all: "It's the pile of chips."

The idea, called an "energy plantation" has been criticized by the Atomic Energy Commission, among others, because it would require as much as 200 square miles of land to support a 400 megawatt plant that could power a city of 200,000.

That might seem like a lot of land, but Szego points out that there are at least 26 pulp mills operating in the South, each of which needs 350 square miles of pulp wood to stay in production.

Once you accept a tree as the embodiment of solar power it is not too big a step to include metropolitan sewage sludge and animal wastes in the same category. After all, solar scientists reason, aren't these wastes simply the digested remains of vegetable and organic matter that was recently grown by the sun?

The idea here is not to recover the energy by burning the waste, but by letting it ferment in the absence of oxygen and in the presence of anaerobic bacteria. The result is methane, the substance most people know as "natural gas."

The process is not a new one. Sewage plants have been making methane gas for years as a biproduct of waste treatment. Often, however, the methane produced has been considered a nuisance and has been piped outside the plant to be burned, or flared off.

Now, as part of its solar program, the National Science Foundation, is studying the feasibility of a large-scale methane production plant from sewage sludge.

If the process works, according to a study by a panel of NSF and National Aeronautics and Space Administration (NASA) solar experts, it will yield a gas at the same price as the market rate being considered for synthetic gas from coal and imported liquified natural gas.

Moreover, it would begin to reduce the mountain of sludge now accumulating in metropolitan areas.

Animal wastes represent another problem that could be converted into "solar power." According to a recent report by the House Government Operations Committee, 2 billion tons of animal wastes are produced annually in the United States. Much of it is produced in animal feedlots and often it is simply discharged into lakes and streams where it quickly fouls the water.

Mass fermentation of wastes into methane could ultimately supply 2 to 3 percent of U.S. gas needs, according to the NSF–NASA study.

Then, if you extended the process and began cultivating such fast-growing plants as algae, the water hyacinth or kelp for fermentation into methane the potential would be enough gas to "supply all our gas needs," the study asserts.

The AEC has stated that systems of collectors could be arranged to deliver up to 60 percent of all the power, heat and hot water needed by a community of more than 100 homes.

Taking the process still another step further, there is a relatively simple way to make rotary power from the sun without going through the fuss of boiling water to make steam. The wind is produced by temperature differences caused by the sun.

Again, inventors have been at work for some time. The Danes built a 100 megawatt windmill in 1915 and an American power company built one at Grandpa's Knob, Vt., in 1940.

The National Aeronautics and Space Administration (NASA) is currently building a windmill with a 125-foot rotor blade to be installed next year in Sandusky, Ohio. It will have variable pitch blades and a complicated gearing and wind sensing system that will allow it to deliver a constant rate of spin.

The problem with all of these devices, however, is the same. They involve huge amounts of expensive machinery that just sits around at night when the sun goes down and the wind drops. If only there was a river of solar heat that ran 24 hours a day.

Such a river has been found and some scientists believe it could be harnessed to provide all of the nation's energy demands by the year 2000.

It consists of the Gulfstream and the tropic seas in the Gulf of Mexico. A French scientist proved that you could harness this nearly infinite heat reservoir of 82 to 85 degree water in 1929.

Now the NSF is making up to $1.8 million in grants available to see what sort of hardware would be needed.

The idea is to use a liquid such as propane or ammonia that would boil at such temperatures and run turbines to make electricity. The vapor or "steam" that came out of the turbines would then be cooled with water and pumped 2,000 feet below the surface. There, another almost infinite supply of cold water at between 35 and 28 degrees would condense it and turn it back into a liquid to begin the process again.

The system would need large pumps and huge pipes because huge volumes of seawater would have to be moved through it to take advantage of the temperature differences.

Last fall, a panel of solar experts assembled by the NSF reported that such generating units could be positioned 1 mile apart, across the length and breadth of the Gulfstream.

The energy from these and a few more units positioned in the Gulf of Mexico, the panel stated, would provide more than 26 trillion kilowatt years of electrical power—enough to totally satisfy the nation's energy demands.

The use of temperature differences or thermal gradients in the Gulfstream has raised a number of questions. Can the U.S. make the hardware, for instance, strong enough to withstand the corrosion of seawater?

Since the Gulfstream terminates by delivering its heat to England and Northern Europe, would tampering with its heat content turn that area into a new Siberia?

These are just a few of the pesky questions that bother solar scientists. Some of them feel it would be a lot simpler to manufacture something that has no moving parts that would just sit there in the sunlight and make electricity.

Such a device, called a solar cell, was invented in the early 1950s when scientists discovered that if you take certain types of crystals, say a wafer of silicon, and put it into the sunlight, a small charge of electricity is created for a fraction of a second before it degenerates into heat.

The sunlight causes rapid movement among the electrons, charged particles within the silicon atoms. By using special coatings and silver wires to tap the momentary movement of the electrons, scientists found they could "catch" a supply of usable power from the process.

Simple as all this might sound, there was one big drawback. Making the silicon wafers and coating them and installing the tiny silver wires took up to 65 hand processes. The labor costs drive the price of the resultant electricity up to around $6 a kilowatt hour. That is enough electricity to light ten 100-watt bulbs for one hour.

Who would pay such a fantastic price for solar electricity when the same amount of power coming out of the socket in the average living room wall costs about 3.5 cents?

NASA would and did. It appeared to be the simplest way to power space crafts. As a result of its space program, the U.S. has probably spent far more on solar cell development than on anything else in the entire solar field.

Bringing the solar cell down to earthly prices has been the big problem, but there are now four or five companies who believe they can do it.

One of them is Solarex, an eight month-old venture in Rockville, Md., headed by Joseph Lindmayer, who has invented several types of solar cells.

"There has been a tremendous change in this in just a year. This was science fiction a year ago, now things are beginning to happen," he told a reporter recently.

Lindmayer believes he can get the price down to 60 cents a kilowatt hour. That may still seem steep compared to utility rates, but millions of Americans pay that much for electricity when they buy batteries.

Early last month the NSF announced that a new process of making the silicon wafers in long strips rather than slicing them off of big bologna-sized crystals, might cut production costs by 50 percent.

A problem with developing solar cell technology, as with all other devices to use the heat of the sun, has been money. When Lindmayer started out, he took his scheme to Wall Street, which was not interested.

"All the venture capitalists we talked to in the beginning had this basic hangup. They said, "where is the market?" But Lindmayer gradually found enough financing to begin.

The really big money in the energy research and development business is going into the development of the breeder reactor, a device which the AEC says will create enough additional fuel to power itself as well as other nuclear reactors.

Lindmayer's most ambitious scheme is to build a "solar breeder" to demonstrate that solar energy, too, can develop such profound economic advances.

Soon, he believes, solar cells will be mass produced so cheaply that they will be used to panel the roofs of houses and large buildings. At that point Lindmayer hopes to start a solar cell factory that will begin by paneling its own roof.

Once the sun provides enough power to heat and light the building and to power its production line, Lindmayer says he will do what every solar scientist secretly dreams of doing.

"We will mark this glorious day with champagne and then we will go outside and cut the wires from Pepco (the Potomac Electric Light & Power Company.)

[From the Washington Star, June 18, 1974]

PART II

If there were some way that the government could prod industry into mass-producing solar heating equipment, the day would soon come when a do-it-yourselfer could afford to put solar panels on his roof.

That is the theory behind a little-noticed bill that is on its way to the White House. It would earmark $50 million in government funds to buy 2,000 solar-powered home heating units and another 2,000 home heating and cooling units that would be tested on various homes throughout the country.

Although all manner of gadgets have been invented to use solar energy, nearly all of them have been waiting on the drawing boards, waiting for the government to put together the right package of economic incentives and waiting for company engineers to develop cheap mass-produceable equipment.

There are only about 30 buildings in the nation that have solar heating systems. All of them are custom made and most of them have cost small fortunes.

The bill is intended to find the companies that can run solar equipment off assembly lines. But the bill also demonstrates the political clout that solar power is finding within Congress.

In a year when most energy bills have involved desperate, knock-down-drag-out fights between environmentalists, consumer advocates and industry supporters in Congress, solar power has been, as one scientist recently put it, "God, motherhood and the flag."

Congressmen fell all over themselves to get associated with the "Solar Heating and Cooling Demonstration Act of 1974." There were 185 sponsors in the House, where only two people voted against it. In the Senate, where it passed without dissent, five committees demanded the right to hold hearings on it.

The bill, which is now before a House-Senate conference committee, may soon be followed by a second measure, initiated by Sen. Hubert Humphrey, which would pump $600 million in grant money into a wider spectrum of solar power projects.

The money and attention from Washington has been a long time in coming.

Up to 1970, the federal government spent about $100,000 a year on solar power research, while devoting billions to subsidies for coal, oil and nuclear power.

Next year the budget for solar power research will be $50 million-apart from the new grant money coming from Congress.

Will the new research money and growing political interest produce an affordable solar home heating unit? Many government scientists involved in solar-related work privately state that it may not, unless the government finds ways to pump in even more money.

Big business, they point out, has shown a great lack of enthusiasm for assuming the risks involved in the solar business.

But there are still enough tinkers left in the United States to press the argument, that solar power can be done and can be done cheaply.

Probably the closest to Capitol Hill is Harry Thomason a patent attorney who lives in a solar-heated house in District Heights, Md. It is one of three that he has built himself.

By now, platoons of Congressmen have visited Thomason's four-bedroom ranch house, which Thomason says cost him a total of $35 to heat last winter.

Eighty-five percent of the heat, according to Thomason, came from the glass covered panels on his roof. Inside them, water flowing over corrugated aluminum roofing absorbs the heat from the sun and flows through a system of pipes that takes it through heating units in the house, or when it is not needed, into a 1,600-gallon insulated storage tank.

Thomason also uses the system to help him air condition during the summer. It stores and dehumidifies the cool night air and then circulates it during the day.

But the crowning achievement, according to Thomason, is the system's cost. Putting up an ordinary roof on a house can cost about $1 a square foot. Thomason claims he can replace the roof with a solar-paneled roof for $2 square foot.

What is more, Thomason says he will soon be in the business of building and selling solar equipped houses. The heating and cooling system will include a small, conventionally fired furnace as a backup system.

The system will sell for about $2,000 more than conventional heating and cooling systems, Thomason asserts. His company, he says, will also warrantee them by putting $1,000 in escrow to cover any repair problems that come up.

Thomason, who holds 17 patents covering his solar inventions, has a kind of contempt for the federal research and development agencies like the National Science Foundation and the National Aeronautics and Space Administration, the agencies that are managing the federal program to explore solar power.

The bureaucrats of science, he asserts, have actually held back solar power by prolonging the research and development stage. They have "ignored" his homes, which have been producing solar power cheaply for up to 15 years, he adds.

Some of the managers of government solar research programs, on the other hand, privately belittle Thomson and complain that getting reliable, mass-produced solar collectors to the marketplace will take more research and development.

Recently the NSF issued grants to four companies to build solar heating units at four schools and discovered that the collector costs were running over $15 a square foot.

According to John Del Gobbo, program manager for one of NSF's solar progams, a number of questions still remain to be answered. For instance, glass may prove to be too heavy and expensive for home rooftops and plastic substitutes, which are lighter, may lose their transparency over the years, like the back windows of cars with convertible tops.

William H. Woodward is head of the space propulsion and power systems programs at NASA which also includes solar research.

He wonders whether the benefits of solar heating such as reduced air pollution and fuel demands, might not be nullified by the energy needs and resulting smog of a new industry needed to manufacture solar collector panels.

Most solar panel designs, Woodward points out, have aluminum bottoms and aluminum production requires enormous amounts of electricity.

Under the mechanism contained in the forthcoming solar heating and cooling demonstration bill, these problems would be worked out by the Department of Housing and Urban Development (HUD) and the Bureau of Standards, which would select the basic standards the government would accept in solar units.

Then NASA would use its expertise in buying hardware to test various units submitted by manufacturers and select two or three companies to build the government units.

Roughly half of these would be tested on the homes of servicemen at military bases and the rest would be distributed by HUD to interested civilian homeowners in various parts of the nation. The units are expected to begin rolling off the lines sometime in 1977.

When NASA begins shopping around, it will find that some designers are already busy trying to accelerate the state of the art:

Scientists at the University of Delaware working with funds contributed by the Delmarva Power and Light Co., a local utility have built "Solar One," a house that uses solar cells to generate electricity. The cells, previously used in space craft, make electricity directly from sunlight. The house's designer says it can get 80 percent of its heat and electricity from the sun.

The Institute of Gas Technology, a Chicago-based research firm, unveiled a 3½-foot square metal box this month that, according to the institute, has machinery with the capability of using solar heat to completely heat and air condition a home. The system, which can be switched over to gas on cloudy days, is designed to cut heating and cooling bills by at least one-third.

The Mitre Corp., a research firm in McLean, Va., is busy installing a system on its roof that may be the most advanced solar-powered unit yet. It will use solar cells to generate electricity. Part of the electricity will be used for lighting, the rest will be used to separate hydrogen from water through electrolysis. The hydrogen will be reconverted into electrical power for use at night.

Getting these inventions into the building supply stores, however, would be greatly aided by another invention, a legislative invention conceived this spring by Robert D. Garton, an Indiana state senator. He is the author of the nation's first tax subsidy for homeowners who take the plunge into solar heating and cooling.

He drew up a bill that would exempt as much as $2,000 worth of the solar heating and cooling equipment from local property taxes. The bill sailed through the Indiana legislature and is now being studied by several other states and the Canadian government.

Federal energy planners are known to be considering subsidy which could be justified by showing that solar power is environmentally clean and that its use would significantly reduce peak demands on other energy.

Such subsidies for a form of energy are nothing new. The federal government has done it for years to stimulate the production of coal and oil. The 22 percent oil depletion write off, for instance, is estimated to have saved oil companies around $2 billion last year.

The cost of the government promotion, subsidy and protection given the nuclear power industry has never been added up, but it "too" probably runs into the billions.

Further subsidies for synethetic fuels such as shale oil and gassified coal will be contained in the plans for Project Independence, the Nixon administration's plans for energy self-sufficiency by the early 1980's.

Recently, a panel of government solar experts tried to insert one subsidy plan in the forerunner of Project Independence, a blueprint for energy self sufficiency compiled by the Atomic Energy Commission and presented to the White House in December.

After an 18 month study, the panel reported to the AEC that "ultimately, solar energy systems could easily contribute 15–30 percent of the nation's energy requirements."

An accelerated government program to capture this gross savings in energy would cost the government a billion dollars over the next five years, the panel said, adding that a "minimum" program to develop solar power could be put together for $409 million.

When the AEC delivered the final version of its energy blueprint to the White House, however the document, entitled "The Nation's Energy Future," of the solar experts' findings and had chopped the "minimum" spending plan in half.

Although solar power may lose a few battles in its effort to gain visibility in big government circles, many of its supporters feel that its appeal in Congress and its environmental playoffs will win the war.

The 1950s were the heyday of nuclear power. There were a multitude of ideas on how to harness nuclear power. Some proponents argued that the resultant electricity would be so cheap that there would no longer be any need for meter readers.

The 1970s may be the boom time for solar power. There are hundreds of ideas and Congress is once again being asked to reach for its pocket book. Moreover, the meter readers are still there.

As one solar power researcher, Dr. Aden B. Meinel, recently put it to a House subcommittee, a new energy industry now deserves a place in the sun. Although some of its schemes may sound far fetched, the government has bankrolled risky ventures before, he pointed out.

". . . if I were here today telling you we could make nuclear power and all we would have to do would be to slightly enrich natural uranium in U-235, you would ask what that will cost: I would say it will cost only $1 billion. . . . You would probably say forget it."

Asserting that solar energy has the same "start-up problems" that nuclear power had in the 1950s, Meinel urged that some new way has to be found to bring solar power to the marketplace.

"How you go from where we are today to that point, I don't know. Solar energy will never support a bomb program," he concluded.

NEED FOR ADMINISTRATION'S SUPPORT OF SURFACE MINING LEGISLATION

Mr. METCALF. Mr. President, enactment of surface mining legislation this year is vitally needed. The Senate passed the strong but balanced bill last October (S. 425). The House Committee on Interior and Insular Affairs has reported a bill (H.R. 11500). I hope that the House of Representatives will pass H.R. 11500 soon so that the House-Senate conference can meet and the Congress can send a bill to the President this summer.

Unfortunately, despite repeated statements by the administration urging Congress to enact surface mining legislation, the administration now seems to be wavering. After the House committee reported H.R. 11500, Secretary of the Interior Morton and Federal Energy Administrator Sawhill both wrote letters expressing concern about H.R. 11500. Careful analysis of their letters indicates that they were very misleading in their statements about the impacts on coal surface mining.

This is particularly true of Mr. Sawhill's May 29 letter to Congressman Hosmer which is obviously intended to create the worst possible impression of the effect of H.R. 11500. It grossly distorts the findings of a study done by the Bureau of Mines on this subject.

This kind of scare tactic is inconsistent with the reasoned discussion of issues necessary to legislative action. The chairman of the Committee on Interior and Insular Affairs and I have written to Mr. Sawhill expressing our concern. I ask unanimous consent that this letter be printed in the record together with a copy of the questions which I asked Mr. Sawhill at his confirmation hearing and his answers.

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on
Interior and Insular Affairs,
Washington, D.C., June 21, 1974.

Mr. John C. Sawhill,
Administrator, Federal Energy Office,
Washington, D.C.

Dear Mr. Sawhill: Thank you for your prompt answers to the questions raised at your confirmation hearings about your May 29 letter to Congressman Hosmer discussing the impact on coal production of H.R. 11500.

As you admitted, the figures cited in your letter were the maximum potential losses indicated by the Bureau of Mines study. We are sure that you are well aware that the Bureau of Mines' estimates of probable losses are substantially lower. For example, the statement in your letter that the requirement for restoration to approximate original contour and the limitation on placement of spoil on the downslope would cause "an immediate annual loss in production of up to 67 million tons" completely ignores the Bureau of Mines' estimates of probable losses of from 5.1 to 7.5 million tons a year.

Similar discrepancies exist between the numbers cited in your letter and the Bureau of Mines' estimates of probable losses with respect to other provisions on H.R. 11500. For example, your letter did not indicate in any way that the Bureau of Mines estimated that there probably would be no production loss whatsoever from thick-seam, shallow-overburden mines, such as those found in the Northern Great Plains.

Your use of the maximum possible loss numbers set out by the Bureau of Mines with no reference to the probable loss figures estimated by the Bureau, was totally unwarranted and very misleading.

It certainly created the worst possible impression of the effect of H.R. 11500. We regard this as a scare tactic inconsistent with the Administration's frequently expressed desire for responsible surface mining legislation.

We believe that the American coal industry cannot afford to continue in a climate of uncertainty caused by the lack of Federal surface mining legislation. Your letter does not contribute to the kind of reasoned discussion of the issues necessary to legislative action.

We hope the Administration will urge the House of Representatives to pass H.R. 11500 so that there can be a House-Senate Conference in July and a strong but balanced bill sent to the President this summer.

Sincerely yours,
Henry M. Jackson,
Chairman.

Very truly yours,
Lee Metcalf,
Chairman, Subcommittee on Minerals, Materials and Fuels.

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1. Q—I am still concerned that your May 29 letter to Congressman Hosmer grossly distorts the impact on coal production of H.R. 11500 and, to the extent its provisions are similar, S. 425. I assume that you have seen the response to your letter placed in the *Congressional Record* by Congresswoman Mink on June 7. Your response to questions submitted on June 7 does not in any way rebut the accuracy of Mrs. Mink's statement or of the analysis submitted to Secretary Morton by Congressmen Udall and Ruppe. It appears that the Bureau of Mines study makes a number of seriously incorrect assumptions about the legislation. Have you had your staff review the study and your letter in light of these responses?

A—We have reviewed Congresswoman Mink's analysis of H.R. 11500 and the analysis of H.R. 11500 contained in Congressmen Ruppe's and Udall's letter to Secretary Morton. Their analysis of H.R. 11500 infer more flexibility and latitude in interpreting various provisions of H.R. 11500 than would be mandated by a literal reading of the bill. The final House Report on H.R. 11500 also seems to suggest that several provisions of the bill are to be interpreted and applied in a flexible manner. If these provisions are indeed so interpreted and applied, then it is possible that actual coal production losses may be somewhat lower than the Bureau of Mines' original estimates. However, there is no certainty that the bill will be so interpreted, particularly in light of the citizen-suit provision in H.R. 11500 which assures that all interpretations given to the Act will be tested in Court.

2. Q—You stated that the section in the legislation which provides for designation of areas unsuitable for surface mining "appears to create a general presumption that all lands are unsuitable for mining". Both the Senate and House bills expressly assume just the opposite—that lands *are suitable* for mining until demonstrated to be unsuitable. Assuming that this section would result in a "nationwide ban on new surface mining" is an unwarrated scare tactic.

A—I continue to feel very strongly that, the burden of establishing unsuitability under section 206 of H.R. 11500 should be shifted so that an area *must* be designated unsuitable for mining only if it is shown that it is not physically possible to reclaim such land.

Section 206(a)(2) clearly provides that "an area *shall* be designated unsuitable for all or certain types of surface coal mining operations if reclamation pursuant to the requirements of this Act *is not demonstrated* to be *physically or economically* feasible." (emphasis added)

3. Q—Your comment about losses of production from requirements for backfilling to original contour and no spoil on the downslope does not seem substantiated by the Bureau of Mines study. It indicates probable losses of from 5.1 to 7.5 million tons per year. How did you reach your conclusion of 67 million tons per year?

A—FEO's figures concerning the probable loss, of coal production which would result from the downhill slope spoilage and approximate original contour provisions of H.R. 11500, agree with the estimates of maximum coal losses contained in the BOM study, a copy of which was attached to Secretary Morton's letter of May 29, 1974 to Congressman Haley. In arriving at our 67 million ton figure we combined three categories of figures contained in the BOM study and agreed with BOM as to the extrapolated end result.

4. Q—What was the basis of your estimate of losses from requirements dealing with subsidence from underground mining? You suggested the figure would be "upwards of 100 million tons annually." The Bureau of Mines study shows probable losses ranging from 5 million to 30 million. What was the basis for your statement?

A—Our figures concerning coal losses resulting from the subsidence provisions of H.R. 11500 agree with the estimates of possible *maximum* losses contained in the BOM study referenced above. These estimates assume that all production from underground mines with less than three hundred feet cover would be lost.

5. Q—You indicated that the House bill's provisions require a consent of the surface owner before the Federally owned coal under private land could be mined would eliminate a "14 to 38 billion tons and more" of Federal coal from mining. I don't understand your concern in view of the fact that a number of coal companies are acquiring private lands overlying Federal coal. They do not believe that there will be any substantial opposition from surface owners.

A—In my letter to Congressman Hosmer I merely pointed out that enactment of H.R. 11500 could possibly foreclose mining of a significant portion of the 14.2 billion tons of Federal coal which underly non-Federally owned surface land.

6. Q—Your opposition to what we believe is strong but reasonable legislation is particularly disturbing in light of testimony received from the Chief Engineer of the American Electric Power System that the reclamation requirements of S. 425 could be met. Industry oriented magazines such as *Fortune* and *Business Week* have also indicated that these requirements are considered reasonable.

A—The testimony that is referred to was presented at a regional hearing in Casper, Wyoming on April 18, 1974 by Mr. Kenneth A. McDonald, a senior staff engineer with American Electric Power System. The chief engineer of American Electric Power System is Mr. John Dolan.

My staff has contacted Mr. Herbert Cohn, Vice Chairman of the Board and Mr. Paul Martinka, Vice President of the American Electric Power System. They advised us that the intended thrust of any statement given in testimony was to the effect that, "we favor strict but attainable standards." They did not agree that the requirements under S. 425 or H.R. 11500 could be met, and stated that there would be serious losses of production.

In arriving at its coal production loss figures the Bureau of Mines fully considered existing mining technology. As stated in my letter to Congressman Hosmer, our estimates of production losses caused by individual sections of H.R. 11500 should not be added together in arriving at the overall effect H.R. 11500 would have on production and reserves. For example, some of the coal affected under the "areas unsuitable" section could be the same coal affected under the "approximate original contour" section.

My basic objection to H.R. 11500 is that it fails to strike an appropriate balance between preserving environmental quality and assuring adequate coal production. These goals are by no means incompatible. I believe a better balance than that provided by H.R. 11500 can and must be struck.

THE PRESIDENT'S VISIT TO THE SOVIET UNION

Mr. ROTH. Mr. President, about 2 weeks ago I suggested that the President should take a bipartisan delegation of Members of Congress with him on his visit to the Soviet Union. I believe this suggestion bears repeating in the light of the current controversy over the 1972 SALT interim agreement on offensive weapons.

I had made this proposal for a number of reasons.

First, it is important that our foreign policies, particularly our policy toward the Soviet Union, not become enmired in Watergate politics. Some have suggested that the President should not participate in the summit meeting because of the Watergate affair. While I can certainly appreciate the reservations of those who have espoused this point of view, I believe that our foreign policy should be kept moving forward independently of the Watergate affair. At the same time, a bipartisan group of senior Members of Congress accompanying the President would help to give the public greater confidence in the trip.

Second, the delegation would strengthen our hand at the bargaining table. It would demonstrate to the Soviet Union that Americans of both the legislative and executive branch and of both the Republican and the Democratic parties are basically united on such fundamental interests as arms control and concern for human rights.

Third, this delegation would form the basis for building a new partnership between the executive branch and the Congress on foreign affairs. This partnership would have great benefits for both branches and for the Nation as a whole. On one hand, Congress would benefit by the firsthand experience of some of its Members when it came to approving any agreement that was reached. On the other hand, the executive branch would benefit throughout the negotiating process by the constant reminder of congressional interests and special concerns. The Nation would gain because partisan politics would be put aside.

The controversy of today over the 1972 SALT agreement on offensive weapons underscores the need for continuing consultation between the executive branch and the Congress on issues of such vital national importance.

I very much regret that this quarrel has emerged on the eve of the summit meeting. It suggests to those on the other side of the table that we are divided and this certainly is not a very good start.

The lesson is that Congress should be involved in the foreign policy process in a much more intimate manner. According to one recent newspaper article, Secretary Kissinger remarked that Senator JACKSON's charges may have arisen from misapprehensions of some of the witnesses who testified before Senator JACKSON's subcommittee. This might have been quickly and quietly cleared up if there had been a Senator who had accompanied the delegation to the last Moscow summit and was thoroughly acquainted with all the understandings reached.

A congressional delegation might consist of a Congressman and a Senator from each political party—four members altogether. It should be selected from senior leaders with well-known reputations for integrity, prudence, and discretion and thorough knowledge of our Nation's foreign policy and military interests and secrets because of service on a committee such as the Armed Services Committee or the Foreign Relations Committee. There are many excellent choices.

It is not too late for the President to invite such a congressional delegation. I believe this move would be enthusiastically welcomed by the American people. It would give the summit trip an important shot in the arm at a time it desperately needs one. And I am confident that among the leaders of Congress there are many who would accept the President's invitation to accompany him to Moscow in the interest of trying to strengthen the foundations of world peace and preserve the security of the United States.

STATEMENT OF DEFENSE PRINCIPLES ON RESEARCH AND DEVELOPMENT

Mr. McINTYRE. Mr. President, during the recent hearings conducted by the Subcommittee on Research and Development of the Armed Services Committee, I was impressed with the formal statements and responses to questions by Dr. Malcolm Currie, the Director of Defense Research and Engineering, and by the Army, Navy, and Air Force Assistant Secretaries for Research and Development. Their respective names are Norman Augustine, David Potter, and Walter LaBerge.

This new team will have a profound impact on the shape, size and direction of the Defense research and development program during the next several years, which will determine the quality of our major weapon systems for the next 10 to 20 years. Theirs is a very sobering responsibility, and one which all of us must help them bear. And I am dedicated to that task.

I was encouraged and pleased, therefore, when my attention was called to a recent statement published by these gentlemen as a blueprint for the future Defense research and development program. It is a simple, 2-page document, dated June 14, 1974, and bears all of their signatures. It is titled "Statement of Principles for Department of Defense Research and Development."

I ask unanimous consent to have the document printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. McINTYRE. Mr. President, while I agree with the contents in general, I have some reservations regarding the last item, "Independent research and development." This subject is actively under study by the General Accounting Office and will be addressed during the review of the fiscal year 1976 budget. I subscribe to a strong I.R. & D. program, but have yet to decide upon the extent to which it should be supported by the Government.

I urge my colleagues as well as the research and development managers in all Federal agencies, and Government-related industry as a whole to read the statement carefully. Its soundness cuts across the board and extends far beyond defense. It should serve as a true benchmark in measuring the efficiency with which research and development programs are managed.

EXHIBIT 1

STATEMENT OF PRINCIPLES FOR DEPARTMENT OF DEFENSE RESEARCH AND DEVELOPMENT

ROI Consciousness. We must develop and use a deeper and more explicit consciousness of Return on Investment in management of Defense Research and Development.

This return lies in demonstrated deployable capabilities that can be acquired and owned at minimum and affordable cost, and which can be sufficient in performance and numbers to accomplish necessary military and deterrence missions.

Technology Base. Our greatest long-range asset is our Technology Base. It must be nurtured and managed so that it:

Gives us great leverage in terms of Return on Investment;

Constitutes a fully integrated DoD tri-Service activity; and

Searches out substantial increases in military capability and consciously uses technology to reduce costs.

Program Planning. The success of a program is often established or destroyed in its initial stage—by its concept, its RFP, the program plan and its funding. We must give this part of the process more explicit attention.

Viable Options. It is essential to create options which will allow timely low risk development of new systems when the need arises. This can be accomplished by:

Forcing, as appropriate, the development and consideration of alternative paths to the same goal; and

Developing and testing "brass board" or experimental configurations, prototypes, advanced development models and advanced components in response to anticipated need but well in advance of the establishment of firm operational requirements.

Competition. Controlled competition wherever possible—between technical approaches and developers—is a powerful management tool for maximizing Return on Investment.

Selectivity. We must be vigorously selective among competing solutions. In selecting programs, we must insure that:

Technical feasibility is used as a necessary but far from sufficient criterion for proceeding with a program;

Program progress is geared to demonstrated performance milestones rather than arbitrary schedules or contract restraints. We will support a strong Test and Evaluation program, at the component as well as systems level, to insure performance demonstration throughout development;

Unnecessary duplication of equipment designed for similar purposes is eliminated;

Inter-Service developments are used to reduce development, procurement, logistics and support costs; and

Greater emphasis is placed on product improvement as a potentially effective alternative to a new development.

Program Management. Improved program management is central to our future and should be recognized and rewarded. We will encourage the building of strong career-oriented technical/business management cadres and will delegate wherever feasible.

Assessment of Needs. Defense R&D goals should be determined by a combination of the potential contribution of the available new technology to specific military needs and the best possible calculated long-term costs.

Design-to-Cost. Design-to-Cost must be evolved as a fundamental and flexible approach to our programs—it can be a central management tool and communication channel between DoD and industry.

Independent Research and Development. A strongly supported IR&D Program is essential. It must be well directed, mostly by industry, and the benefits must be clearly visible.

JUSTICE FOR THE HAVASUPAI

Mr. HUMPHREY. Mr. President, I want to call attention to an issue involving nothing less than the survival of an ancient and honorable American people, the Havasupai Indians of the Grand Canyon area in northern Arizona. Legislation currently pending before Congress could either assure the survival of the Havasupai by restoring to them in trust a modest portion of their ancestral land base, or encourage their dispersal and disintegration as a tribe by denying them the core of the land they continuously used since 700 A.D.

Congress has a priceless opportunity to do justice to this small Indian tribe, whose treatment over the last 150 years by our Government reflects little glory on our Nation. The Havasupai are simply asking Congress to grant them the security that most Americans have—the legal title to their lands. In this case, the land would be held in trust by the United States. This would allow them to make a better life for themselves and their children. The Havasupai desperately need the trust title to this land in order to support their families, safeguard their health, improve their educational opportunities, and maintain their ancient culture and religion.

A basic provision of the Grand Canyon National Park Enlargement Act (S. 1296), which passed the Senate on September 24, 1973, is "to protect the scenic, natural and scientific values of the Grand Canyon." Surely the life of the Havasupai over the last 13 centuries is an authentic part of the natural life of the Grand Canyon. Surely the knowledge of the culture of the Havasupai is worth preserving. To exclude the Havasupai from their ancestral land is not to protect the values of the Grand Canyon. It is artificial. To deny the Havasupai their land is an intervention into the life of the canyon that we cannot allow.

Mr. President, on June 15, 1974, the Minneapolis Tribune published an excellent editorial which discusses the plight of the Havasupai. The Tribune editorial concludes:

> This nation has an obligation not only to protect tribal land rights, but to respect the dignity of a people who have lived near the canyon for more than thirty generations.

I wholeheartedly agree with this position.

Mr. President, I ask unanimous consent that the Tribune editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HAVASUPAI CLAIMS TO GRAND CANYON

While this nation is restoring historic battlefields and preparing to celebrate two centuries of independence, a small group of tribal people gathered at the bottom of a canyon is struggling to restore aboriginal title to a small portion of its traditional lands on the plateaus above.

The Havasupai, a people of enormous endurance and peaceful instincts of survival, have been minding their culture and gardens—and in recent times grazing cattle—for over a thousand continuous years. Since the arrival of the white man, their land has diminished from the spacious plateaus to a small plot at the bottom of the Grand Canyon. Three hundred people live there now on a few hundred acres of arable land. They are poor and unable to cultivate enough food to survive in good health, but in spirit they have endured with the belief that the federal government will restore some of their land.

A century ago, the government assumed control of millions of acres of plateau land to protect the Havasupai from the encroachment of independent prospectors and miners. Since then the tribe has been permitted to use portions of its original land for grazing cattle. But year by year, since the creation of the Grand Canyon National Park, the

Havasupai have been excluded from living on the plateau and were driven down the winding eight-mile trail to the bottom of the canyon.

Congress is now considering a measure to double the size of the park—an action which would be a denial of use and title to traditional tribal land. The Senate passed the bill several months ago. The Havasupai are appealing to the House Committee on Interior and Insular Affairs for title to only a fraction of the land they once used. "They are not going to build a dam or put up a factory, or launch a tourist extravaganza," said Edward Kennedy, senator from Massachusetts. "Rather, they are intent upon preserving and protecting the natural, undeveloped and unspoiled beauty of their homeland." Barry Goldwater, senator from Arizona, implored his friends in the House to "correct the bill and insert language which will be proposed for the immediate expansion of the Havasupai reservation."

Alfonso Ortiz, president of the Association on American Indian Affairs, said that the "Havasupais have through the centuries evolved a complex and responsible pattern of everyday usage of the area in question, from gathering medicinal plants and herbs to grazing stock . . . In the name of simple justice they should be granted trust title . . ." The Havasupai have a moral, if not legal, right to land on the canyon plateau. This nation has an obligation not only to protect tribal land rights, but to respect the dignity of a people who have lived near the canyon for more than 30 generations.

THE PROFESSIONAL STANDARDS REVIEW ORGANIZATION

Mr. BENNETT. Mr. President, the Professional Standards Review Organization program which I sponsored is currently being implemented in over 120 areas of the Nation. This legislation calls for groups of local physicians to review the quality and necessity of medical care provided to patients covered by the medicare and medicaid programs, and to insure that the medical care paid for by the Government will be of the finest quality.

The ongoing meeting of the American Medical Association will be reviewing the PSRO concept, and, in anticipation of this, a recent issue of the magazine Patient Care discusses the growing PSRO debate.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

DO YOU REALLY WANT TO REPEAL PSRO?

Let's say a delegate from your state to this month's AMA meeting approaches you to get some grass roots feeling about the so-called PSRO law (Section 249F of PL 92603). Your delegate weathered the circus atmosphere of last winter's Anaheim convention in which the word "repeal" thundered into the group's policy statements and which seems to be reverberating more widely in AMA circles since then. At the same time he is mindful that last month the American Society of Internal Medicine reaffirmed its position, which essentially calls for an orderly implementation of the law and at the same time seeks modification of those portions it finds objectionable.

The American Academy of Pediatrics came out with a similar statement in April, he notes. And in February, the trustees of the American Academy of Family Physicians urged a policy of "constructive amendment" on its members, reserving working for repeal as a last resort if the current law proves to be destructive to the peer-review process, is unreasonably costly, or hinders patient care. At the same time, the AAFP expressed strong concerns about the law, being especially vigorous in its stand that local decisions prevail.

Your delegate is concerned whether the stands of the major primary-care groups represent the rank-and-file opinion—or whether in fact the AMA policy does—or whether none of them do. So he asks you, as a spokesman for your peers, whether or not you and they are for repeal. How would you advise him as he heads for a showdown in Chicago late this month?

You might start by asking him about the consequences of repeal.

On this score, we were frankly impressed with the calm and sensible approaches taken by the ASIM at their recent meeting in San Francisco—not only in their public policy statement, but in their reference committee meetings and corridor conversations. For instance, William R. Felts, MD, a trustee from Washington, D.C., pointed out that it's not a case of either you have PSRO or you don't, and if the law is repealed, life doesn't simply revert to voluntary peer review. Alan Nelson, MD, a Salt Lake City internist who sits on the National Professional Standards Review Council, observes that the Government is intent on having what we call PSROs, law or no law, and it would trot out a couple of other mechanisms in the unlikely event of repeal. One is an intensification of the fiscal review processes now used in Medicare and Medicaid claims processing; the other would be the establishment of some sort of "National Health Commission" to review claims.

The commission has been a pet of Ralph Nader's and was a feature of earlier versions of Senator Kennedy's national health bill, although the Senator has modified his stand recently. By the way, all national health insurance proposals include PSROs.

The next question your delegate might want to address is whether these or any other alternatives are better or worse than the current legislation. One advantage of section 249F is that it has a stronger element of physician control than other Government review mechanisms. Should the Government pursue the alternative of intensifying the current claim review procedures, it would simply foster the interests of the entrenched forces now passing on Medicaid and Medicare claims. According to some observers, these people are zealously trying to protect established fiefdoms. A paradox of the repeal movement is that it would play into the hands of those claim-control mechanisms. A drawback to the present law is that after 1975 the Secretary of Health, Education, and Welfare can turn to groups other than physicians to conduct PSROs, but he is advised to give first choice to physician organizations.

Another question concerns whether the "H" of HEW is the best Government agency for peer review (assuming that an alternative of "no agency" is unrealistic). Again, the present law, despite its deficiencies, offers an answer worth considering because it is most easily oriented to performance review rather than cost review. Interestingly enough, the powerful Senate Finance Committee is among those groups that are seriously considering turning PSRO over to the Social Security Administration. One reason is the Senators' interpretation that physicians are resisting the present law. When large medical organizations like ASIM and AAP quietly endorse the concept of peer review, the public pays little mind, but when doctors resist review procedures—as they did at Anaheim—it makes the first page of *The New York Times*.

You might challenge your delegate as to whether working for repeal is even realistic; most observers feel there isn't much of a chance to pull the law of the land off the books. Hence, the energy he expends in what is probably a lost cause is counterproductive. A better use of this activity is to make sure there is physician input as the regulations are written. The law exists; the final regulations and amendments do not. If the physicians aren't involved in the implementation processes, you can be sure bureaucrats will fill the void.

Is it realistic to expect physicians to have clout with the Government?

The preadmission certification hassle under PSRO is a case in point. Although preadmission certification would put an undesirable element of cost control into the process, it is at present just an optional feature that each PSRO might utilize as it wishes. The reason that it is no longer an integral part of the law is interesting and bears on the other points: Physician groups contacted Secretary Weinberger and explained their objections to preadmission certification with the request that the pertinent regulation be withdrawn; a couple of months ago it was. You still hear about preadmission certification in Washington, however, because groups that do not represent the Office of Professional Standards Review continue to talk it up. They'll continue to do so if physicians are not involved in managing the review program.

Finally, ask your delegate whether he feels it's worth giving the present law a chance before marshaling forces to scrap it. If he's interested, you might suggest he investigate current models in states like Washington and Utah. In both of those states, where doctors have had a couple of years to live with PSRO-like performance review programs, doctors are overwhelmingly supporting the law.

Moreover, groups in at least 44 states are going ahead with some implementation. In the state of Washington, physician-leaders have taken a positive action that might be especially interesting to readers of this magazine: Leaders of the Washington Society of Internal Medicine and the state Academies of Family Practice and Pediatrics have banded together to form a primary-care block to make sure that their influence and interest are felt.

Given these facts, we think we can anticipate how your delegate might vote.—PH.

COURAGE IN CINCINNATI

Mr. METZENBAUM. Mr. President, a genuine act of courage seems so rare these days that when you hear about one, you would like everyone else to hear about it too.

A good and wise man, Judge Paul F. George of the Domestic Relations Court of Hamilton County, Ohio, recently wrote me about a heroic act which I would like to share with other Senators.

In Cincinnati on the evening of Friday, June 1, John Arnett, who is white and 16 years old, rescued David Hall, who is black and 10 years old, from drowning. What is a little extraordinary about the story is that John came to David's rescue when John was passing by a swimming pool which had been closed for the day. David was reportedly pushed, fully clothed, into the pool by a group of older boys, who stood by while he sank. John not only risked the anger of the boys who pushed David into the pool, but clearly had little thought for his own safety, since he himself was fully clothed when he jumped into the water to save the younger boy.

Judge Paul George and members of his staff have recognized John Arnett's courage by presenting him with a $100 savings bond and gift certificates for clothes. Mr. President, I too would like to give recognition to John Arnett, by asking unanimous consent that an account of this young man's heroism, which was published in the Cincinnati Enquirer, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOLD NO ONE OF LIFE-SAVING FEAT: BECAUSE HEROIC JOHN ACTED, DAVID IS ALIVE

(By Carin Condon)

Ten-year-old David Hall sank helplessly in the deep end of the city swimming pool in English Woods while a group of older boys was said to have just stood by and watched.

But fortunately for David, someone else was watching, and decided to do something.

John Arnett, 16, 1949 Knob Court, was taking a shortcut home past the swimming pool Friday evening when he noticed several boys inside the pool area, which had been closed for the day.

He said he saw one of them push the 10-year-old boy into the deep end and then heard another say he couldn't do anything to help because he was wearing new clothes. John, clothes included, climbed the fence and jumped into the water. David was under water when he reached him and John had to pull the boy out of the water and start his breathing again.

"If I were rich I'd give him a big reward," Mrs. Juanita Hall, 1721 Bleecker Lane, said. "But there's not enough money or words to express my appreciation."

John was very modest about his lifesaving feat, his mother, Mrs. Barbara Arnett, said. In fact, he never even mentioned it to her. "Some of the other children told me and then I more or less had to drag it out of him," she said.

It was not until Saturday evening that Mrs. Hall learned who had saved the youngest of her four children. After meeting John she said, "To talk to him he's a wonderful person. It's the most wonderful thing I ever heard of.

"He told me he and David were friends," Mrs. Hall said. "I think this speaks very well for the white race when there were black boys standing around who could have helped." David is black. John is white.

Because John didn't stand around, David is alive. "He didn't stop to think about it. He just did it," Mrs. Arnett, who has eight children, said.

"I'm proud of him anyway but when something like this happens I'm more aware of it," Mrs. Arnett said.

She wasn't the only proud mother Saturday evening. Mrs. Hall said when she saw John she was "so proud of him tears came to my eyes and I just wanted to grab him and kiss him. I couldn't find words.

"The 24th is his birthday and we'll always remember that date and keep in touch with him and his family even if we move from here," Mrs. Hall said.

YANKEE INDEPENDENCE

Mr. McINTYRE. Mr. President, a few months ago the residents of Durham, N.H., voted in town meeting to keep an oil refinery out of their town. The New Hampshire Legislature later reaffirmed the right of home rule for townships within the State.

These actions demonstrate the independence of New Hampshire citizens and the openness of their local political institutions. In an article on June 3, 1974, in the New York Times, Herman Hauschel, a resident of the seacoast area of New Hampshire illustrates the Yankee spirit upon which effective local government is built.

Mr. Hauschel states:

> Outside of New England, it's not always known that each town is a little republic where town affairs are decided at a town meeting; there, everybody has a right to express his opinion—and does.

To help explain the operation and spirit of New Hampshire local government, I ask unanimous consent to have Mr. Hauschel's stimulating article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NO SALE, MR. ONASSIS

(By Herman Hauschel)

NEWMARKET, N.H.—I've been asked why I will not sell my farm and golf course—620 acres—to Olympic Refineries, Inc., which is controlled by Aristotle Onassis. Let me explain.

We are the third family to own this property. The house was built in the late 1600's and came into my wife's family in 1710. Around 1750, the settlers here had a difference of opinion about some white pines marked with arrows. The King of England said they were his; the settlers said, "It ain't so," and chased the Royal Governor and his sheriffs out of town. Some ended up in the nearby Exter River. We kept the pines.

By the time of the Revolution, the house was already over 100 years old. Timber—white ash and oak—for the 74-gun warship America, built at Portsmouth, N. H., came out of the Ash Swamp, which is part of our farm. Total cost of timber: $48.23. Construction was supervised by John Paul Jones and the ship's captain helped build it.

We came here from Germany in 1926 and a year later bought the farm from my wife's relatives, the Bracketts, who would sell only to family. I didn't care for city life. It meant plenty of hard work on the farm, but the entire house is now authentically restored. The only major architectural change took place before we owned it: a double window had to be built to remove a 560-pound ancestor who died and was too large for the door.

We built our own memories over the years, working the land and raising our children. Our vegetable gardens provided food, especially during the Depression. Later, we expanded to dairy farming with a fine herd of registered Ayrshires; we raised our own hay and sold some. To produce good hay, the poor soil had to be enriched; this I did by plowing, reseeding, and adding compost and lime until it was right.

We have our own spring-fed well, and our own woodland. Every year for years, my two sons and I planted 1,000 white pines. I have my own sawmill, from which we get lumber for construction and fireplace fuel for our family and golf course. I practice yearly selective cutting; this not only controls the rate of cutting, but removes inferior trees so those remaining can receive more light, air, sunshine, and room to grow properly, thus steadily increasing the quality of timber.

In 1961 we phased out the dairy farm and bought the Rockingham Country Club, a golf course adjacent to our land and originally a tavern and stagecoach stop. The whole family works at the course. My wife, Gertrude, runs the lunchroom, including cooking; my son Bruce is the teaching pro and runs the pro shop and bar; my son George is the superintendent in charge of grounds and maintenance; and I do a little of everything, from mowing fairways to building additions. In recent years we have developed our own turf nursery for the golf course. Again, selective cutting, rather than stripping the land, insures that the turf nursery will replenish itself.

You can see how much of ourselves we have invested in the land and property, and why I do not want to sell. New Hampshire is the Granite State and our famous landmark, the Old Man of the Mountain, is formed of that granite. Our state motto is "Live Free Or Die," and we live by it. Here in New Hampshire, we seldom make news. But we make history. Outside of New England, it's not always known that each town is a little republic, where town affairs are decided at a town meeting; there, everybody has a right to express his opinion—and does.

If Mr. Onassis' refinery is built, the oil will have to come in by airplane! If he shows up with a fleet of oil-tankers, I hate to think what a bunch of New Hampshire lobster boats would do to them. It would be worse than what his great-grandpappy did to the Persians at Salamis in 480 B.C.!

Now the main reason why I won't sell: I like it here. This is home. We are grassroots people and we love our land. Not everybody has a price. Money is not everything. What price can you put on your freedom? If a man has what he needs to be happy, then he is already rich.

S. 2848—THE ALCOHOL, DRUG ABUSE EDUCATION ACT AMENDMENTS OF 1974

Mr. STAFFORD. Mr. President, I rise in support of passage of S. 2848 which has been reported by the Committee on Labor and Public Welfare to extend and improve the Drug Education Act of 1970.

This bill would authorize $90 million over a 3-year period and is intended to carry on the program started by the 1970 act.

I commend the Senator from Iowa (Mr. HUGHES) for his diligent efforts in this area. This law is a testament to his efforts to help those in our country who suffer from drug abuse or alcoholism.

This legislation is important because it will continue the provision of educational services, counseling, and crisis intervention programs which have been set up by the 1970 act. Our failure to provide this clear legislative mandate to the Office of Education would destroy this program at both the Federal and local level. It would cast the alcohol and drug education programs into an obscure role which is not the intent of Congress.

Mr. President, I would like to bring to the attention of my colleagues a letter I have received from "The Next Thing," a drug education project located in Burlington, Vt.

I ask unanimous consent that this letter and copies of letters written to the project be printed in the RECORD at the conclusion of my remarks.

I think the material sent by "The Next Thing" demonstrates the need and concern of many people in this country for quality drug education projects. It is my hope, Mr. President, that after the Congress has spoken on the matter, the administration will change its posture and begin to fund and stimulate the program so that many Americans can be helped to avoid the problems caused by alcohol and drug abuse.

Thank you, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NEXT THING,
Burlington, Vt., June 14, 1974.

Senator ROBERT STAFFORD,
Dirksen Office Building,
Washington, D.C.

DEAR SIR: We are writing in reference to Bill S-2848, Extension of the Drug Abuse Education Act of 1970. It is our understanding that the intent of this bill is to continue projects established under the Drug Abuse Education Act of 1970 and that the funding appropriated would be made available for the fiscal year ending June 30, 1974.

We have been informed by our HEW project officer that our program will not be refunded. It is our understanding that the HEW guidelines for the money appropriated would not be made available until next spring and the funds at that time would be used for training grants. It is not in their guidelines, as we understand, to continue demonstration projects. If our understanding is correct, the many projects funded under the Drug Abuse Education Act of 1970 will come to a halt unless other means of funding are found.

Our program, The Next Thing, in Burlington, Vermont, last year served over 4,700 citizens of the Greater Burlington community. We have worked both in public and private schools and colleges offering training for teachers and programs for students; we have presented community workshops in the alternatives area and helped to organize People Who Care Groups dealing with drug problems. We have conducted drug pharmacology sessions for nurses, training for teachers and drug counseling for anyone seeking it.

We believe that the success of our program is due to our philosophy. We think that drug abuse often represents an effort to fill human needs that are not being adequately met by our society. We are a process rather than a project. A process that offers a fresh approach to problem solving and program development to help people find a better way than the drug route to experiences of well-being and fulfillment, adventure and commitment.

Educating people in the pros and cons of drug use, together with offering them alternatives and decision-making training, enables them to meet their needs through less destructive forms of behavior than drug abuse, and builds a base for them to make an informed choice about personal use of chemical substances.

It is indeed sad that drug treatment programs have been increased substantially, while drug education and prevention programs are being reduced due to changing governmental priorities. In our opinion, it seems more beneficial and productive to attack possible problem situations before they develop. Treatment programs can only be an effective investment if they are complemented and supported by drug prevention and education programs.

If programs such as ours are discontinued, what will happen to the millions of citizens all over the country who have come to depend upon their own particular project. In our community alone we have dealt with over 4700 citizens in the past year. Our program has worked extremely hard to develop community recognition and acceptance. Our community has come to see us as a very effective and needed program. The discontinuation of our program would most definitely create a gap in community services. Our three years of existence have been that of trial and error, constantly trying to improve our program to better service the needs of the community. Through this approach our program has constantly grown, both in depth and in the number of people we can reach. We have been diligently trudging through the dark, seeing brightness only here and there. Our path is much more definite now. We know what is effective and what is not. We know how to reach people from different socioeconomic levels. We can be more effective in the next three years than ever before. We are prepared to continue our community education programs on drug and alcohol abuse, have developed inservice and preservice training programs for teachers and social workers, and will continue to develop "creative primary and early intervention programs" in the public schools.

We are enclosing a sample of statements of support we have received from teachers, students, community members and other projects we have been working with.

We strongly urge you to amend S-2848 to specify that programs such as ours will continue to be refunded under the Extension of the Drug Abuse Education Act of 1970 and that those funds will be made available July 1, 1974 so that all projects may continue and not suffer from funds being held back.

Respectfully yours,

BERT BUTLER,
Director.
NANCY KOCH,
Associate Director.
BEVERLY FRENETTE,
Volunteer.

APRIL 1, 1974.

DEAR BURT, JIM, DAN, STEVE, NANCY, BEV, KEN, AND KAREN: I'd like to thank all of you for opening up my mind to the meaningful and true aspects of life.

These past two days have been a beautiful experience which I'll remember throughout my entire life. My mind is bubbling over with joy. Now I feel like reaching out with warmth and understanding, and letting the real me shine through.

I feel rather sad as I think that I have left your warm and secure circle only to return to the harsh society.

I've been trancing-out at least twice a day, and it's fantastic. My mother asked me why I'm so happy. You've restored my faith in man kind.

Would it be possible to see you again? Maybe you don't even remember me. I came with the group from Essex with Mrs. Kish and Miss White.

As I read this letter over I see that words cannot express my true appreciation for all you have done. Thank you once again.

With Love shining through,
STEPHANIE ABBOTT.

I really had a lot of fun. I went to the workshop not knowing very much at all but after the two days I left feeling happy and full of information about things I never did understand. I really learned a lot. Now when I am nervous and have to think I can calm myself down and go into a trance and come out feeling happy and relieved and know the answer to what I was thinking about. It really works and I am so much happier because of learning in the workshop how to go into a trance. I now can solve my problems easier and not be so nervous and meditation helps a lot in this way too. I never knew how to really meditate but now that I do life is all the better for me for knowing. I liked the trust walk, and trust lift very much because I am a quiet person and did not trust many people but these taught me that I can trust people if I really want to. The fantasy trip was really wonderful and I really got into it. It relaxed me so much. I did many other marvelous things and all in all those two days to me were the best spent days of my life; they helped me to understand and trust people and I learned an awful lot of information that I had been wondering about. I really enjoyed it when we got in the small groups and discussed what was going on; they are a good idea, because in a big group you do not learn that much because either you can not hear or see what is going on. I would like to go on a lot more workshops.

——— ———.

FIELD TRIP TO UVM

I had a really great time at UVM those two days. I only wish it could have been for longer, not to get out of more school but so that we could have had more electives than just two and also everyone was just getting to know everyone so well! Everyone, *everyone* was so friendly and really quite cooperative. The leaders put you right at ease and were very entertaining and instructive at the same time. I had a very warm feeling from the time I got there to the time I left. Even when I had been out, for the next couple of days I was more nice and more friendly to everyone. It put me in such a good mood, knowing that there were still such good people in the world to take us in for two days, for free and help us understand all those things. It was so interesting.

I did not expect anything nearly that good. I think it really turned out great. The Closing Circle had a great sad effect on me. Beautiful, though. It was such another world, that place, I wasn't even in a hurry to have lunch or to leave, I dreaded leaving.

If the community won't pay for next year, it will be because they haven't experienced it, the only way you can know is by experiencing it. Other people had told me about it, but the feeling I got, then, compared in no way to the feelings I have now. I loved it. That's about all! Also, I learned a lot about my mind and my feelings toward others and theirs. I learned ways of relaxing to a point I'd never known besides sleep, which sometimes isn't all that relaxing. I learned to *like* a person's touch. (Sometimes I get in the mood when I cannot stand any contact with others. I think I'm over that a lot.) I learned that some of the people I didn't like weren't so bad after all! I just learned more about sharing—sharing thoughts, moods, feelings, food, enjoyment, laughter, interest, bus seats and almost anything else that I possibly could learn. I learned and experienced a lot of things I'd never known were possible. But, if I ever get a chance to go there or do something like that again, I'm surely going to (*Even* if it is during my days off, on a Saturday or something!)

APRIL 1, 1974

To the U.S. Government.
To the Big Guy behind his desk.
And to the Next Thing (Horrah!)

"I was overjoyed; facinated; intrigued; opened; curious; overwhelmed; surprised; etc., etc. They were the most fulfilling days I've had since I'd begun High School." quote—unquote (by me.)

Alvin Toffler once stated, "Not all learning takes place in the classroom." How true? (This guy facinates me . . .).

Alvin also stated, "I am convinced that most of our schools of today are tooling up students for yesterday's world instead of tomorrow's."

The Next thing teaches out of formal classrooms, plus, "tools" students for tomorrow. Tomorrow's world lies in the mind, and the Next thing is a school of minds. School?

Define School: A building with metal, plastic and wood seats. Including Teachers, Students and Administration. (Sp?) Persons age 16 & under to age 6 Must attend—By law, by that definition, the Next thing is *not* a school.

The Next thing is a way; a place to learn. *Life comes before Math. Real Survival comes before formal Education.*

So what could possibly stop the teachings of life, and Survival? Surely not. *The Government.* Surely not Mr. Executive. Certainly not money!

People keep on realizing what lies beyond an 8 hour day of work.

Nothing will stop this "new" trend.
I'm too young to fight to the finish, but I'll try. Nothing stops the willing.
I've struck again—
from Me Remember?

KARIN DAVIS.

P.S.—*This is no joke.*

SEVANTON, VT., *November 25, 1973.*

DEAR BURT AND JOHN: You have asked me for an evaluation of the day you spent at BFA, on November 8. I can speak only for the two classes I had.

I can say that the results of what you did were fantastic. The amount of participation and cooperation you got from the kids was incredible. Your approach was quite straightforward, honest and open. The kids sensed this right off. You knew how to involve everyone. Changing seats in the class was one of the keys, I think. By moving around, each person was completely "on his own", ready to explore himself, the "new others" around him, and do his own thing freely.

A characteristic of the community is a fear of being people with feelings, breaking barriers down.

To discover what it means to be a person and like, yet not like, everyone else is a neat experience. To do this freely is really getting off naturally. Maybe, for the first time, some of these kids discovered what it means to be naturally high to them. I can say that the whole feeling of happiness permeated the rest of the school. I had a few kids in class later on in the day. They came in with big smiles on their faces! It was the first time I saw my second period family living class relate to each other as a group. Many said the next day that they felt closer as a group. Even though you didn't do as many active things first period, the spaceman idea was a success. This was my class with the most serious personal problems. They showed some good insights. They also like to talk! They also spread the "good" word throughout the day about the class.

There is only one thing you missed. Not all of my second period class knew what you were trying to do. I clarified with those people the next day. Once they knew your intent, they said they did feel happier. The introduction to that class was brief. Part of it may have been my fault.

I'd like to put in a personal comment. I was so happy with those two classes. If anything went wrong during my other classes, it didn't even bother me. The other teachers, who were substituting during the day, said they enjoyed the class, too.

Thanks again for all you did!

Sincerely,

LOU ANN FOURNIER.

P.S. As soon as I find out where our December 6th meeting is, I'll let you know.

HOWARD MENTAL HEALTH SERVICES,
Burlington, Vt., May 15, 1974.

THE NEXT THING,
Counseling and Testing Center,
Burlington, Vt.

DEAR BERT: Recently someone from TNT mentioned to me that I might write a letter of support which could be used in your effort to secure continued funding. I am happy to take this opportunity to do so.

As you know, the Next Think has been a valuable resource to me in my work as a Regional Drug Education Coordinator. I have many times referred community groups and school personnel to TNT as an excellent resource for alternative high programs. The Next Think is the only organized group in the state providing comprehensive, high quality training in a wide variety of alternatives to chemically induced highs. Such alternatives are critical for successful drug abuse education and prevention efforts, especially among high school age people. I think the St. Albans program of 6 weeks of training for a group of high school students and drop outs was an excellent example of TNT's providing a much needed resource for a community in which I and others were attempting to organize an effective drug abuse prevention program.

The workshops organized by TNT for the greater Burlington area are another aspect of your program I would like to praise. As both a participant in and leader of various evening sessions, I have learned and grown as an individual and involved person. Once again, no other organization that I know of in Vermont offers anywhere near as much, open to all, at little or no cost, as TNT through the ongoing workshops.

Finally, I would like to note that if John McKenna, Bruce Levine and Mark Gabriel, to name only a few, are any indication of the kind of persons and growth potential association with The Next Think offers, it would behoove all who could to join TNT for a time. The Next Think is internally and externally a very significant education and human growth organization which I fully endorse and support.

Yours in peace,

STEVEN M. GOLD.

PEOPLE WHO CARE,
St. Albans, Vt., May 1, 1974.

DAN MAYER,
The Next Thing, Counselling And Testing Center, University of Vermont, Burlington, Vt.

DEAR DAN: It is my pleasure as co-director of People Who Care to write this letter of appreciation.

It was with the aid of your organization that we were able to put on two programs aimed at community education about drug use and abuse. In terms of success, the Elm St. School program is still functioning and on-going with great enthusiasm from those involved.

If we were able (and in my opinion we were) to educate a few people to be able to communicate more constructively and if we have provided some of the youth in this community with alternatives to drug use and abuse then we have been successful and you and your organization have played a major role.

It is with sincere apperication that I am writing to you.

Thank you once again,

MICHAEL S. SPIVACK,
Codirector.

THRESHOLD, *May 7, 1974.*

MR. DAN MEYER,
The Next Thing, University of Vermont, Counseling Center, Burlington, Vt.

DEAR MR. MEYER: I am writing in support of The Next Thing and its very competent staff. In my opinion your organization provides necessary and unique programs which benefit the people of Northern Vermont.

I have had the opportunity of working in collaboration with the staff on a number of projects and personally observing the positive effect of your services.

It is obvious to me that these services might not be offered if The Next Thing did not exist and I believe that this would cause a real gap in service delivery for the entire community.

If there is a way that I can further demonstrate my support please do not hestitate to let me know.

Sincerely,

MICHAEL SCHAAL,
Director, Day Center.

ESSEX JUNCTION EDUCATIONAL CENTER,
Essex Junction, Vt., May 15, 1974.

TO WHOM IT MAY CONCERN: Our course in Human Relations has as its first unit, mental emotional health, accent on self.

Bev Frenette gave our classes a real boost by demonstrating and having us actually participate in mood modifying exercises, a definite substitute for self pity and/or drugs.

To trust and to be able to relax, take time to enjoy rest, free of tension, seemed to be her message, and I know, by the response, that she was accepted here.

Sincerely,

BARBARA REED,
School Nurse Teacher.

CHARLOTTE, VT., *May 4, 1974.*

THE NEXT THING,
University of Vermont,
Burlington, Vt.

TO WHOM IT MAY CONCERN: I am writing to express my support for The Next Thing and to urge that their funding continues.

The Next Thing is an effective community resource reaching a broad cross-section of people from high school students learning about alternatives to drug usage, to middle aged and older exploring new directions in their lives and growing in new ways. With the help of the workshops I have attended, I feel I have become more aware of myself, my interactions, and various alternatives available to me. Another valuable aspect has been new friendships and contact with other community resources. The workshop facilitators have been competent in terms of group processes, and knowledgeable in their speciality areas.

I would view the cessation of the Next Thing's services as a substantial community loss and I hope they are granted continued funding.

In good health,

SUSAN K. WISEHART.

PEOPLE'S FREE CLINIC,
Burlington, Vt., May 17, 1974.

NANCY KOCH,
The Next Thing, UVM Counseling and Testing Center, Burlington, Vt.

DEAR NANCY: I am writing on behalf of the clinic in support of The Next Thing. It seems to me that your organization is a valuable community resource to much of our clinic population who use its various workshops in dealing with their own frustrations and as outlets for their feelings both positive and negative. I feel that it is necessary for the Free Clinic to have a place such as this to direct patients toward. In general, I think that the health of a community is directly related to its mental state, that is the sense of belonging and purpose of its members. Since we have been seeing fewer drug-related problems, I take this as some measure of your success in instilling that sense of purpose.

I would hope, therefore, that your program would be continued in the future.

Sincerely,

RICHARD H. BERNSTEIN, M.D.

COLCHESTER JUNIOR HIGH SCHOOL,
Colchester, Vt., April 16, 1974.

MR. BERT BUTLER,
University of Vermont, Counseling and Testing Center, Burlington, Vt.

DEAR BERT: Thank you for the "next thing" materials. I've distributed them.

I enjoyed your visit here too! I hope we'll have a chance to work together again.

The kids were very excited about their day with you at Living & Learning. Thank you for making their world a little larger.

Sincerely,

DOROTHY S. BROWN (Ms.),
School Counselor.

MENTAL HEALTH ACT

Mr. HART. Mr. President, the Congress is debating national health insurance, and the Senate will shortly have before it a bill to provide direct access to psychologists and optometrists under the

Federal employees health insurance program. I would like to take this occasion again to call to the attention of my colleagues a mental health bill, S. 1375, I introduced in conjunction with Congressman MICHAEL HARRINGTON of Massachusetts. While we did not pretend the coverage was complete, or the form final, it does provide for a comprehensive program of mental health care by psychiatrists, psychologists, and other trained professionals. Our purpose was to stimulate debate and to call attention to the critical need for mental health care as priorities in health care and insurance are established. With that purpose in mind, I ask unanimous consent to have printed in the RECORD my remarks on introducing S. 1375 and also the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

By Mr. HART:

S. 1375. A bill to provide adequate mental health care and psychiatric care to all Americans. Referred to the Committee on Labor and Public Welfare.

Mr. HART. Mr. President, it has been estimated that as many as 20 million Americans may suffer from mental illness.

If those projections applied to a physical disease, this country would declare a national emergency and would launch some sort of crash program to conquer mental illness.

Despite the absence of such a declaration, public awarenes of mental illness is growing, and we are learning that it is a disease which afflicts many people in various ways and which often can be successfully treated.

Proof of this growth in public understanding is the fact that many health insurance programs now cover treatment and hospitalization costs resulting from mental illness.

However, I think it fair to say that mental health still does not receive the priority attention given other types of health care problems.

Of course, one might argue that, in the face of complaints about the rising cost of medical care, the distinction is not worth making.

However, as we look toward the day, not too distant, I hope, when we will have some type of national health insurance program to insure adequate medical treatment, regardless of an individual's income for physical disorders, we hear too little discussion of providing the same opportunities for adequate mental health care.

For that reason, I introduce today a bill, admittedly far from complete, to provide mental health care for all Americans in need of such care.

The bill does not address itself to cost or how the program will be financed. Hearings will provide better answers than I to these questions. I offer the legislation not as a solution, then, but as a vehicle for discussion.

The sooner such a discussion begins, the sooner the Nation will arrive at satisfactory answers as to how best insure that our system of health care provides adequate treatment for all types of illnesses.

Certainly I would be remiss if I did not give full credit to Congressman MICHAEL HARRINGTON of Massachusetts for taking the initiative in this matter. The bill I am introducing is taken from legislation prepared by Congressman HARRINGTON which he will introduce today in the House.

S. 1375

A bill to provide adequate mental health care and psychiatric care to all Americans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mental Health Act of 1973".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) 10 per centum of all Americans will eventually suffer from severe mental illness;

(2) Americans suffering from various forms of mental illness have the right to adequate health care regardless of cost, but in fact have long been discriminated against in the provision of health services; and

(3) in the 1970 total releases from mental institutions exceeded total admissions for the first time.

(b) It is the purpose of this Act—

(1) to provide adequate mental health care for all Americans; and

(2) to end the discrimination between mental health care and other forms of health care.

TITLE 1—MENTAL HEALTH BENEFITS

ELIGIBLE INDIVIDUALS

SEC. 101. Every individual who is a resident of the United States, or who is a nonresident citizen of the United States, shall be eligible to receive the benefits provided by this title.

SCOPE OF BENEFITS

SEC. 102. (a) The benefits provided to an individual under this title shall consist of entitlement to have payment made on his behalf, without limit as to amount or duration, except as specifically otherwise indicated in the relevant provisions of this section or section 103, and without the requirement of any payment or contribution by him for—

(1) psychiatric hospital care;
(2) psychotherapeutic care;
(3) prescription drugs;
(4) psychotherapeutic home care;
(5) day mental hospital care;
(6) night mental hospital care;
(7) halfway house care; and
(8) community mental health center services.

(b) Payment of such benefits shall be made by the Secretary in such manner and form, and upon such application and submission of such proofs of entitlement, as may be specified (consistent with the provisions of this title in the regulations prescribed under section 109) and shall be calculated on the basis of the reasonable cost of the care and services involved or the reasonable charge therefor or on such other basis as the Secretary may determine in accordance with the regulations prescribed under section 109 to be appropriate except that the recipient of halfway house care shall contribute 100 per centum of cost, not to exceed 25 per centum of his income, for such care.

DEFINITIONS

SEC. 103. For purposes of this Act—

(a) The term "psychiatric hospital care" means all care and services provided to an individual in a psychiatric hospital which meets the conditions specified in section 104 (a). Such care shall be limited to a period of ninety days during any benefit period, except that at the request of such individual's physician an additional thirty-day period of care may be allowed if a utilization review board (established and functioning as required by section 104(a) (9)) determines that such additional period of care is necessary. Further extensions may be granted by the utilization review board but not less often than every thirty days.

(b) The term "psychotherapeutic care" means all visits made by an individual to a psychotherapist for mental health care or treatment which is of an active preventive, diagnostic, therapeutic, or rehabilitative nature, except that the number of such visits for which payment may be made during any benefit period shall not exceed twenty unless the physician to whom the visits are made is participating in a group health program approved by the Secretary.

(c) The term "prescription drugs" means drugs and biologicals for which a physician's prescription is necessary, which are prescribed by a physician as an integral part of an individual's psychotherapeutic care or treatment, and which are sold or otherwise provided by a registered pharmacist at a price not exceeding by more than 10 per centum the cost to the pharmacist of providing such drugs or biologicals.

(d) The term "psychotherapeutic home care" means all home visits made to an individual by a licensed psychotherapist or by qualified staff members of a mental health clinic or comprehensive mental health center approved for purpose of this title by the Secretary.

(e) The term "day mental hospital care" means all care and services provided to an individual in an institution, approved for purposes of this title by the Secretary, which is primarily engaged in furnishing psychotherapeutic treatment and psychiatric hospital care and services during daytime hours to patients but does not provide them with twenty-four-hour accommodations, subject to the same ninety-day limit (with additional coverage upon a finding of medical necessity) as is provided under subsection (a) of this section with respect to psychiatric hospital care.

(f) The term "night mental hospital care" means all care and services provided to an individual in an institution, approved for purposes of this title by the Secretary, which is engaged in providing psychotherapeutic treatment, sleeping accommodations, and related care and services during nighttime hours to individuals who are not patients in the institution on a twenty-four-hour basis but who engage in employment or other activities on a regular basis during daytime hours, subject to the same ninety-day limit (with additional coverage upon a finding of medical necessity) as is provided under subsection (a) of this section with respect to psychiatric hospital care.

(g) The term "half-way house care" means the care furnished by—

(1) those institutions providing a transitional residence for patients who have been released from hospitalization and who have been accepted for half-way house treatment at the recommendation of their physician and which recommendation has been approved by the utilization review board and who can leave the half-way house for autonomous living within the community and who can be trained to maintain themselves productively in a community;

(2) those institutions that provide long-term living arrangements for patients who have been released from hospitalization and who have been accepted for half-way house treatment at the recommendation of their physician and which recommendation has been approved by the utilization review board and who require permanent substitution for hospitalization and who can be maintained in the community with continuing supporting help; and

(3) any institution to any individual (whether or not such individual has been hospitalized) if the care is furnished at the recommendation of the individual's physician and such recommendation has been approved by the utilization review board.

(h) The term "community mental health center services" means all care and services provided to an individual in the central facility of an agency or organization, meeting the requirements of the Community Mental Health Centers Act and approved for purposes of this title by the Secretary, which is engaged in making available through such a facility to at least a substantial proportion of the residents of the community where such facility is located a comprehensive program of mental health care and treatment.

(i) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(j) The term "provider of care and services" means a hospital or other institution or entity (including a psychiatrist or other licensed psychotherapist) which provides care or services of any of the types enumerated in section 102(a) and meets the applicable conditions prescribed in section 104.

The term "psychotherapist" includes a psychiatrist, psychologist, social worker, nurse, or paraprofessional who meets such training and experience qualifications as the Secretary shall by regulation prescribe.

QUALIFICATIONS OF PROVIDERS

SEC. 104. (a) A psychiatric hospital may participate in the program under this title only if (as determined by the Secretary)—

(1) it provides active diagnostic, theraputic, and rehabilitative services with respect to mental illness, furnishing these services by or under the supervision of physicians;

(2) the Secretary (with the agreement of the Committee on Mental Health) finds it is qualified to furnish active treatment on the basis of staffing and other pertinent factors;

(3) it maintains adequate clincal records on all patients (including reports on the degree and intensity of any treatment furnished);

(4) it is accredited by the Joint Commission on the Accreditation of Hospitals;

(5) it has bylaws in effect with respect to its staff of psychiatrists and other physicians, and has filed with the Secretary an agreement that in granting staff privileges it will not discriminate on any ground unrelated to professional qualifications;

(6) it has a requirement that every patient will be under the care of a licensed physician, and will receive weekly a full psychotherapy session as prescribed by the Secretary upon the recommendation of the Committee on Mental Health, with the ratio of patients to physicians never exceeding forty to one;

(7) it provides twenty-four-hour nursing service rendered or supervised by a licensed registered nurse, and has a registered nurse on duty at all times, with the ratio of patients to nurses never exceeding twenty-five to one during the nighttime hours or ten to one during the daytime hours, and with the ratio of licensed practical nurses to licensed registered nurses never exceeding five to one;

(8) it has a pharmacy and drug therapeutics committee which establishes policies for the selection, acquisition, and utilization of drugs and biologicals;

(9) it has a utilization review board established under the regulations prescribed by the Secretary under section 109 which (A) consists of not more than eight persons, who shall include three members of the general public, one physician, one psychotherapist, one paraprofessional, and two additional members appointed from among other persons in these categories (and not more than two of whom shall be on the staff of the hospital), and (B) meets at least once every thirty days to review the care provided to each patient of the hospital to determine if further care for him is needed;

(10) it has one or more individuals specifically assigned the duty of assuring that the legal rights of the patients are protected; and

(11) it meets all of the conditions specified in subsection (b) of this section.

(b) No provider of care and services may participate in the program under this title unless—

(1) it keeps such adequate records of all care and services provided to individuals eligible for benefits under this title as the Secretary may require;

(2) it has written policies and procedures which provide for a systematic evaluation of its total program at appropriate intervals in order to assure the quality of its care and services and the appropriate utilization thereof as well as the effective administration of the program under this title;

(3) it meets all applicable conditions and requirements of the law of the State and political subdivision in which it is located and all applicable conditions and requirements of Federal law, and (in the case of an institutional provider) meets the applicable provisions of the Life Safety Code of the National Fire Protection Association; and

(4) it meets such other conditions, requirements, and standards as the Secretary (with the agreement of the Committee on Mental Health) may impose in order to safeguard the recipients of its care and services, to assure the quality of the care and services furnished them, and to facilitate the administration of the program under this title.

PAYMENT OF PROVIDERS OF CARE AND SERVICES

SEC. 105. The Secretary shall periodically determine the amount which should be paid under this title to each provider of care and services with respect to the care and services furnished by it, and the provider shall be paid, at such time or times as the Secretary believes appropriate (but not less often than monthly) and prior to audit and settlement by the General Accounting Office, from the Federal Mental Health Trust Fund created by section 110, the amounts so determined, with necessary adjustments on account of previously made overpayments or underpayments; except that no such payment shall be made to any provider of care and services unless it has furnished such information as the Secretary may request in order to determine the amounts due such provider under this Act for the period with respect to which the amounts are being paid or any prior period.

NONDUPLICATION OF BENEFITS

SEC. 106. Notwithstanding any other provision of law, no payments may be made under title XVIII of the Social Security Act, under any State plan approved under title XIX of such Act, or under any other Federal law or program, with respect to any care or services for which payment is made (or could upon application be made) under this title.

ADMINISTRATION; COMMITTEE ON MENTAL HEALTH

SEC. 107. The program under this title shall be administered by the Secretary with the advice and assistance of a Committee on Mental Health which shall be appointed by the Secretary and shall consist of twenty-one members including five psychiatrists, five hospital administrators, five former mental patients, five members of the general public, and the Secretary, who shall be Chairman. The Committee shall be specifically responsible under the direction of the Secretary for the approval of all providers of care and services for participation in the program under this title and for the establishment of the guidelines and qualifications to be applied to any of such providers not affiliated with any specific psychiatric hospital. The terms and conditions of the service of the members of the Committee other than the Secretary, and the manner in which the Committee performs its functions, shall be determined by the Secretary.

AUTHORIZATION OF APPROPRIATIONS

SEC. 108. There are authorized to be appropriated such sums as may be necessary to carry out this Act, including any sums necessary to establish and maintain a reasonable reserve for the payment of benefits under this Act.

REPORT

SEC. 109. The Secretary shall submit annually to the President and to the Congress a full report on the program under this Act, including his recommendations for any improvements or modifications therein.

STUDY OF MENTAL HEALTH INSURANCE COSTS

SEC. 110. The Secretary shall conduct a full and complete study, over a five-year period beginning on the date of the enactment of this Act, of the costs of providing mental health insurance under various conditions and with varying specifications, in order to determine the feasibility of establishing a national program providing such insurance, or expanding the program under this title, and shall submit to the President and the Congress a report on the results of such study together with his recommendations.

REGULATIONS

SEC. 111. The Secretary shall prescribe such regulations (taking into account the comparable provisions of title XVIII of the Social Security Act and the regulations thereunder) as may be necessary or appropriate to carry out the purpose of this Act and provide for its effective administration.

EFFECTIVE DATE

SEC. 112. This Act shall apply with respect to care and services furnished on or after the first day of the first calendar month which begins more than six months after the date of the enactment of this Act.

THE CHALLENGE OF FOOD SECURITY DEMANDS NEW LEADERSHIP

Mr. HUMPHREY. Mr. President, this country and the other nations of the world are faced with a challenge which may prove to be one of the most important in the history of mankind. While other issues may eclipse for the moment the seriousness of food security, the significance of assuring an adequate and stable food supply could not be more imperative for the generations which will follow ours.

Throughout most of the world's history, population has grown at only an arithmetic rate. It took almost 2,000 years for the world's population to double from the numbers inhabiting the Earth at the time of Pericles. However, during the 17th century the rate suddenly began to expand geometrically, with the world's population now doubling every 34 years.

Scientists soon realized that the growth of world population and the corresponding growth in consumption of the world's resources threatened to exhaust the world's supply of these resources within a finite period of time. As a result, new concerns arose within the complex of social priorities: planning for balanced growth and conservation of natural resources.

Attempts to curb population growth have fallen far behind the expectations of population planners. In India, for example, the annual population growth rate was 1.4 percent in 1951. By 1974 this rate had climbed to about 2.5 percent.

Adding to these demands on the world's resources was the spectacular rise in per capita consumption of resources. As affluence rose in many countries their citizens began to consume an ever-increasing personal share of the planet's wealth. If life as we know it is to be preserved for our children then someone better begin thinking ahead.

The present century brings upon our policymakers vastly different responsibilities corresponding to vastly different problems. And one of the most crucial of these responsibilities is protecting the availability of life sustaining resources.

Leaders throughout the world may spend countless hours debating the need for military manpower and hardware. Yet no aspect of national security is more important than the ability of a country to provide its citizens with enough to eat.

Clearly, the challenges of food security require new and innovative leadership. The problems of the future can no longer be met with solutions extrapolated from the past. We must approach food policy in the coming years unprejudiced with our own history.

Characteristic of this type of new leadership is that exhibited by Mr. Daniel Shaughnessy, of AID. I am privileged to know and have worked with Mr. Shaughnessy for several months when he was on special assignment with my staff last fall. With an excellent practical background of field work in India and administrative leadership as head of the donation section of our food for peace program, he brings well-balanced experience to the Office of the Coordinator of the U.S. Participation in the World Food Conference, where he presently serves. It is the combination of experience and innovativeness which must lead the way into a new era of food policies.

Recently Mr. Shaughnessy spoke before the Washington State League of Women Voters. His address provides an excellent appreciation for the new context within which food policies must be developed.

Mr. President, I ask unanimous consent that his speech be included in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

FOOD POLICY CONSIDERATIONS IN TIMES OF SCARCITY

(By Daniel E. Shaughnessy)

The theme of this occasion is trade and scarcities. This is a large topic, but it is important, and it is timely. After having experienced gas lines; when bakers talk about bread costing a dollar a loaf; when our lights have dimmed because of less power, and when everything seems to cost more than it should, then I think we'd better talk about scarcity and vital trade issues.

Therefore, and within the theme of this meeting, I would like to discuss the subject of food.

We live in a world which becomes more and more concerned about food each day. Housewives and farmers, food processors and commodity dealers, and government officials and international leaders all have specific interests. Food issues are on the agenda of international conferences; they appear in college curriculae; they are the subject of television documentaries, and they are the theme of meetings such as this one. Concern ranges from prices in the supermarket to the need for international food agreements, and the wide spectrum in between; of production problems, consumption levels, the need for food aid, and the importance of commercial trade agreements.

Why the concern?

Well, I am sure you have all heard the vital statistics that are available:

World supplies of grain would last only 30 days if sources of supply were ended;

Next year there will be four billion people on earth:

Several areas of the world are in the midst of severe drought, or have experienced serious reductions in food production, and

The cost of food has risen considerably.

As a result, it becomes necessary to try to evaluate world food prospects over the coming years. I say "try" because, as in most forecasting, there are many uncertainties. It is still difficult to predict the weather; no one knows how rapidly science may be able to achieve breakthroughs in better ways to produce food; and, it is even more difficult to be sure how well people and nations may cooperate in efforts to make more and better food available.

We do know that the task is immense. We have to feed 75–80 million more people each year, and even with more successful family planning programs, this figure will continue to go up for a good many years before it starts to go down. What is important is the fact that this figure translates into a demand, which, at present consumption levels, equals about 25 million more tons of grain each year.

We know that millions of people do not now get enough to eat to keep them healthy or make them fully productive citizens.

We know that nearly all the best farmland is already under cultivation and that most of the readily available water is being used.

We know that somewhere every year, and from time to time in many places, we will experience bad weather or other disasters seriously affecting food output.

We know that for the foreseeable future, a number of the poorer countries with large populations will have less foreign exchange to import food needed to maintain, let alone improve, nutrition levels.

There are some positive factors; we know from the record of the past twenty years that world food production has increased by two-thirds, as a result of the application of research, the spread of new technologies, and investments in agriculture. We have learned from these years that a comprehensive, and reasonably well-financed research effort, followed by expanded investment and extension programs, can contribute to the task of keeping food supplies far enough ahead of population growth to permit real improvements in nutrition. However, we also know that progress will be slow.

These concerns, which have been articulated many times, and which are shared by many individuals such as yourselves, members of Congress and world leaders are critical. Indeed, it was the nature and extent of concern over the world food situation that caused Secretary Kissinger to suggest a World Food Conference in his first United Nations speech last Fall. In his speech, Dr. Kissinger spoke of the problems of global consumption of food in excess of production, and the rapid drawing down of stocks. He further indicated that the food problem was too big for any one country to cope with alone.

The Secretary then asked that a World Food Conference be organized under United Nations auspices in 1974 to discuss ways to maintain adequate food supplies and to concentrate the efforts of all nations on the problems of hunger and malnutrition. He further asked that nations in a position to do so offer technical assistance for improved production of food and said that the United States was ready to join with others in providing such assistance.

Secretary Kissinger's suggestion was endorsed by the biannual meeting of the UN Food and Agriculture Organization held in Rome shortly thereafter, and in December, the United Nations General Assembly formally adopted a resolution calling for a World Food Conference of member governments of the United Nations.

The Conference will take place in Rome in early November 1974 and the Government of Italy will host the meeting. Prior to the November gathering, member governments will participate in three preparatory meetings during the course of the year.

The first of these meetings was held in New York in early February and was attended by more than 70 countries. Its function was to select officers, discuss the provisional agenda for the November Conference, cover other procedural matters, and agree in general on relevant background and assessment papers to be prepared by the Food and Agriculture Organization.

The Second Preparatory meeting will take place in early June in Geneva. Its objectives will be to draft the rules of procedure for the Conference, review the FAO assessment papers and approve the formal agenda.

The third preparatory meeting is tentatively scheduled for late September in Rome. At this meeting, member governments will begin the actual consideration of major issues and finalize any remaining procedural matters.

Agreement on the Conference agenda will be finalized in Geneva next month. It will include, first, an assessment of the global food situation and second, and most important, a consideration of national and international actions that might be taken to address the problem.

Assessment papers are being prepared for member governments on:

1. The present food situation as it relates to world hunger and malnutrition; and

2. The magnitude of the food problem and possible solutions that might be considered.

The possible action items which will be discussed are:

1. Potential measures for increasing food production,

2. The need to strengthen world food security including the vital subjects of food reserves and food aid, and

3. The potential for agreement on international trade and agricultural adjustment as it affects basic foods.

Though these agenda items appear simple in presentation, they are, when broken down into their many subparts, rather complicated and difficult matters.

On its first action item, improved food production, the Conference must address the critical elements involved in raising the quantity and quality levels of food. This will include attention to farm income, consumer prices, storage and transport facilities, fertilizer availabilities, and the relationship of the energy crisis to agriculture production.

The subject of food security, quite frankly, raises the question of just how serious governments are when it comes to making firm commitments on food aid and setting food aside in reserves or stockpiles. These items will be of particular concern for the United States, since the food reserve issue is very controversial, and while we have been a leader in food aid, the quantity of such aid from the United States has diminished steadily over the past few years. In short, will the United States be prepared to commit itself to firm, continuing levels of food aid and to some system of maintaining food reserves? In my opinion, our answer to this question will be the basis for either substantial or superficial United States participation in the World Food Conference.

While there is a general consensus among governments that the agenda for the World Food Conference should quite properly include food production and food security, there are, however, wide differences of opinion about discussing trade matters at the Conference. It is, of course, recognized that production and food security are related to trade, and that discussion of these subjects will necessarily involve some trade considerations. Nevertheless, it might be counterproductive to discuss general trade matters at the World Food Conference, when other trade meetings such as the General Agreements on Tariffs and Trade and the Multilateral Trade Negotiations are already scheduled or underway.

Consequently, there will be no shortage of crucial, pertinent and controversial topics for discussion at the World Food Conference, but the real job will be to make the Conference more than just a forum for questions, or empty debate, but rather to make it as productive as possible in terms of international cooperation in meeting the world's food needs.

The United States called for this Conference, and I can assure you we are taking it seriously. As evidence of this, Secretary Kissinger has appointed Ambassador Edwin Martin, an experienced and career Ambassador, to be the United States Government Coordinator for the World Food Conference. Ambassador Martin and his staff (and I am pleased to be a part of that group) are already deeply involved with many other government agencies in substantive work on the agenda items I have just mentioned.

While the World Food Conference will be a conference of governments, governments are, after all, responsible to their people, or at least they should be.

How effective United States leadership can be at the Conference, and what positions the United States Government may take on these major issues, may well be determined by the mood, the determination, and the concern reflected by the American people over the next few months. Make no mistake about it; the interest in the Conference on the part of non-government organizations such as farm groups, industry associations, universities, voluntary agencies and many others, is considerable. In fact, interest in the World Food Conference has become so widespread that a coalition of concerned organizations has been formed under the leadership of the AFFHF in Washington.

How firm or how weak a position our own government takes at the World Food Conference can depend to a great degree upon how our government interprets the will of the American people to join issues and make commitments.

The observation has often been made that governments act decisively only when they are confronted with a crisis. The fourth of July and December 7 are certainly remembered as days when crises were identified; perhaps you should remember April 29 as the day you recognized the food crisis that may face the world. And if so, perhaps you should tell some other people about it.

The League of Women Voters has an excellent reputation for being actively involved in its areas of concern, and I would like to evercise a speaker's prerogative and give you a few suggestions for action.

First of all, what about all of these statistics? Do we really only have thirty days supply of grain? Are we actually adding 75–80 million people on earth each year? Is fertilizer so crucial to food production that the required amounts could be obtained if we did not use it on our lawns, cemeteries or golf courses? Look into these statements: determine for yourselves if they are valid and what should be concluded from them.

Secondly, do some research on our U.S. food aid programs overseas. Are they really gigantic give-aways of shiploads of valuable food? Or are they worth the expense and effort? I have been associated with food aid activities for some time now, and I happen to believe that we would have to look long and hard to find a better way to be involved in foreign assistance. I have also had the opportunity to see well-managed food programs in the areas of nutrition, child feeding, food for work, and disaster relief in many parts of the world. Would a continuation of food aid be part of the solution to the world food problem? I suggest that you learn more about food aid.

Thirdly, what about the need for food reserves or stockpiles? If we are committed to humanitarian food aid, particularly in times of emergency, does it not make sense to have an available reserve of food for these purposes? Or is any stockpile of food, regardless of safeguards, so much of a threat to the grain market and favorable price conditions that we dare not maintain it?

Finally, how will decisions on food policy affect you? Will a better, more stable supply of food throughout the world help consumers? What effect will increased production have on farm income, trade prospects, or organized labor? Should our educational institutions concentrate more on food and population relationships? These issues do not just apply to the national or international political and economic arenas; they apply to you. And I think you have an obligation to learn more about them.

Therefore, do some reading; there is a great deal of information available from government agencies, farm organizations, the United Nations, special interest groups, voluntary agencies and the media. Ask them for their materials and publications.

Talk to people. Hear what farmers have to say, listen to people in the food processing business, bankers, people from other countries, educators, and your own families. Is there really an awareness of a food problem? Do people care? Should they care?

And finally, when you have reached some conclusions, repeat them to others; write them down; and send them to editors, leaders of groups and organizations, government officials, and above all, your Congressmen and Senators. The State of Washington is fortunate to have excellent representation in Congress and I do not think I have to tell this group that the most important mail delivered on Capitol Hill is constituent mail.

In closing, I repeat what I said earlier. We are serious and concerned about the world's food problem. We and many of our colleagues in other governments hope to make the World Food Conference a basis for substantive action. But we must have your opinions, your advice, your interest and your support. It is the only way that realistic and useful food policies can be implemented.

PRESIDENT'S TRIP TO RUSSIA

Mr. BENTSEN. Mr. President, today President Nixon is leaving for his summit meeting with the leaders of the Soviet Union at a time when the dangers of spectacular personal diplomacy are significant. A policy of seeking realistic agreements rather than sterile confrontation with the Soviet Union is a good one, and indeed, the only alternative to a state of nuclear tension.

But in spite of a détente policy there remains a long list of issues that deeply divide the United States and the Soviet Union. Those divisive issues are military, economic, and humanitarian—and they are real. Their reality has been forcefully brought home to those of us in this country by recent press reports calling attention to the harassment and arrest of Soviet Jews wishing to emigrate to Israel on the pretense that they would cause embarrassment by demonstrating during the President's Moscow visit. According to these press reports, the Soviet security police have already arrested at least 50 Jews from all parts of the Soviet Union while others have been subject to intimidation, surveillance, and official violence.

I vehemently deplore this repression. No purpose is served. No ends are gained. Indeed, quite the opposite is true. Mr. President, this harassment shows an unconscionable disregard for human rights, and it jeopardizes the climate of understanding and tolerance so crucial to agreement on matters of mutual concern to the United States and the Soviet Union. Détente is more than cooperation on military and economic issues—it involves as well progress on basic humanitarian issues. Soviet actions in recent days ill serve that country's own often-expressed goal of improved relations with the United States and raises some deep questions in our country about our policy toward the Soviet Union. Many citizens who deeply desire peace are asking "What price détente?" I think their questions deserve to be answered and not swept aside in a flurry of summit euphoria. What price détente? Shall we ignore, as an "internal matter" what we are told is none of our concern—the stifling of free expression in the Soviet Union? Shall we overlook, as an "internal matter," a Soviet emigration policy that makes prisoners of Soviet Jews? Or shall we view these matters as fundamental issues of human liberty, issues that require us to take a stand?

The summit meeting affords President Nixon a first-rate opportunity to discuss the Jewish issue with high-level Soviet leaders. And I hope the President will strongly protest the recent series of arrests and harassment as a particularly offensive abuse of power that cannot be justified. Détente is a two-way street and not all concessions must be made by the United States.

Mr. President, the true importance of a summit meeting lies not so much in what takes place at the summit as in what happens after the summit.

I warn the Soviet leaders that continued repression and violence against its citizens will only increase the misgivings of many Americans about a policy of détente that appears to ignore vital questions of legitimate human rights and civil liberties, questions that know no boundaries and comprise an important ingredient of détente.

THE CURRENT ECONOMIC SITUATION

Mr. BAYH. Mr. President, I was pleased to see that President Nixon managed to squeeze in a meeting of more than an hour with his top economic advisers between foreign trips yesterday. While I welcome this evidence that the President is giving at least some attention, however minimal, to the most serious and debilitating problem facing the Nation today, I would prefer that the task of finding effective ways to deal with inflation and unemployment have a much higher place on the President's list of priorities. It seems quite logical to me that finding a solution to the No. 1 problem facing our people should be the No. 1 priority for both the Congress and the President.

The President's statement following yesterday's brief meeting was a disappointment and a clear indication that those charged with providing leadership and direction for our economic policy have made absolutely no progress toward finding new and effective means to deal with the problem. The President admitted that "we do not foresee a quick end to inflation," and the best solution he could offer was to trim another $5 billion out of the budget and to continue the tight money policies which have resulted in a 14.2-percent rate of inflation in the first quarter of this year.

Certainly, I agree with the President that we must cut some of the fat out of the Federal budget and only yesterday I voted to reduce the debt limit by $5 billion. Indeed I voted for and the Senate has already passed a $9 billion budget cut, but a budget cut alone is not the answer. Even Presidential Economic Adviser Kenneth Rush admits that a budget cut will have no quick impact on the inflation rate.

What we must do and what the President has been unwilling to do, is to attack rising prices directly, not simply continue the tight fiscal and monetary policies which have failed so dismally. That this approach is not the right answer is painfully obvious in the fact that the Consumer Price Index for May increased at an annual rate of 13.2 percent. We must roll back the price of petroleum products and take steps which have direct impact on prices.

The administration's barren economic policies not only fail to deal effectively with inflation, the problems of negative economic growth, which saw an actual decline in real growth of more than 6 percent in the first quarter, has not been reversed. The first-quarter downturn was quite broad and nothing has happened to encourage confidence in the administration's prediction that there "will be an upturn for the rest of the year." A close examination of the statement yesterday by Mr. Rush indicates that his predicted upturn means that unemployment might increase to only 5.8 percent by the end of the year and that real growth may reach 1 percent in the second half of the year. This means there will be insufficient growth to provide jobs for more than a fraction of those swelling the labor force this year. It means that our economy has been so mismanaged that not going down is interpreted as going up.

I hope that the President will find the time, when he returns from his foreign travels, to develop more meaningful ways of dealing with our economic problems than the repetition of discredited predictions and ineffectual half measures.

In view of the grave threat the current economic situation poses to the well-being of our Nation and its citizens, I feel certain that the Congress stands ready to cooperate with the President in developing appropriate legislation to effectuate workable new approaches.

THE IMPEACHMENT CONTROVERSY

Mr. MOSS. Mr. President, the Salt Lake Tribune recently carried an article by Daniel Berman, Esq., analizing some of the basic questions surrounding the impeachment controversy.

Mr. Berman is one of the leading anti-trust lawyers in the country. I commend his article to my colleagues, because I believe it raises serious questions we should be giving careful thought to in the Senate.

I ask unanimous consent that the article be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune, May 31, 1974]

IMPEACHMENT: DID NIXON DO HIS DUTY?

(By Daniel L. Berman)

The question of whether Mr. Nixon should be impeached is certainly premature. The investigation is incomplete. All the evidence has not even been produced, let alone heard. The evidence that has been produced, however, particularly the transcripts of the presidential tapes and the public record of the President's response to the various Watergate investigations, is sufficiently complete to warrant a hard analysis concerning the problems of impeaching the President on the record that is now public, the constitutional standards that should govern the impeachment of Mr. Nixon, and the significance in terms of those constitutional standards of the President's adamant refusal to produce evidence under his control.

LIMITED TO QUESTION

The White House has repeatedly attempted to portray the impeachment investigation as an inquiry limited to the question of whether the President participated with his aides in a criminal conspiracy to obstruct justice in the investigation of the Watergate burglary. If this is the proper scope of the impeachment inquiry, then the President is calling upon the nation to ask the right questions: What did the President know, when did he know it, and what did he do about it? It is the thesis of this comment, however, that in the context of the impeachment of a President of the United States these questions are overly simplistic and tend to obscure the proper scope of presidential responsibility. They are a part but not the whole of the case.

A criminal conspiracy to obstruct justice is a serious crime. It is a crime, however, that is very difficult to prove. Unlike the common crimes of burglary or robbery, criminal conduct is not an essential element of the offense. Words and intent are sufficient. Even if the President were a participant in the criminal conspiracy, it is very doubtful that he himself would have or would have needed to personally undertake action to implement the conspiracy. Conspiracy, moreover, due to the nature of the offense, is a clandestine enterprise.

SELDOM SUBJECT

It is very seldom the subject of conclusive or direct proof. It must always be established by circumstantial evidence. Thus, one of the common rules of evidence employed is that the withholding of relevant evidence by an alleged conspirator warrants the inference of his participation in the conspiracy, as Mr. Justice Stone observed:

"The failure under the circumstances to call as witnesses those officers who did have authority to act . . . and who were in a position to know whether they had acted in pursuance of an agreement is itself persuasive that their testimony, if given, would have been unfavorable . . . The production of weak evidence when strong is available can lead only to the conclusion that the strong would have been adverse . . . Silence then becomes evidence of the most convincing character."

Reliance on circumstantial evidence, however, in the context of an impeachment inquiry raises serious problems. Mr. Nixon is not an ordinary defendant in a criminal action. He is the President of the United States. At issue is not his conviction but his impeachment. Would the country be satisfied with an impeachment based on circumstantial evidence? Before nullifying the election process, isn't it essential that the quality of proof satisfy not merely the technical rules of evidence but a public consensus of the President's criminal involvement?

SERIOUS PROBLEM

The quality of evidence is not only a serious problem but the quality of the President's criminal conduct even if established is also in issue. Even if the President authorized the payment of hush money at the March 21, 1973, meeting with H. R. Haldeman and John W. Dean III and thus under normal criminal standards became a participant in a criminal conspiracy to obstruct justice, would a belated, brief, and tangential involvement of the President in a criminal conspiracy be sufficient to warrant his impeachment?

Simply put, the public is not going to accept the impeachment of a president for a specific criminal offense unless the proof is clear and unless the criminal conduct is sufficiently serious to warrant impeachment. If, for example, the President tacitly approved the filing of a back-dated deed for the purpose of claiming an income tax deduction on the gift of his vice presidential papers, isn't the appropriate remedy the payment of the taxes due with interest and penalty rather than his removal from office?

MOST AGREE

Most people, Republicans and Democrats, would agree that the President's conduct has been morally deplorable but sanctimonius moralizing will not resolve the problem or provide a constitutional foundation for the President's impeachment. The White House seeks to have Mr. Nixon judged under standards applicable to an ordinary citizen accused of a criminal conspiracy. But where the consequence of that judgment is Mr. Nixon's removal from the presidency, those standards may be unsatisfactory. The quality of the evidence and Mr. Nixon's substantial involvement in the crime charged will have to be far greater for the purpose of impeachment than they would for the purpose of an ordinary criminal conviction.

FAILURE AN ISSUE

But that dilemma cuts both ways. Mr. Nixon is not merely an ordinary citizen who was under a legal duty to refrain from criminal conduct. He is the President of the United States and as such one of his clearest constitutional responsibilities is that "he shall take care that the laws be faithfully executed," Article II, Section 3, United States Constitution.

If the President's action are viewed against this constitutional duty, the proper standard for impeachment is not merely whether he participated in a common criminal conspiracy but whether he deliberately failed to discharge that constitutional duty. If that is the standard, then (1) his failure to supervise the conduct of his principal associates, (2) his failure to vigorously expose their conduct to the proper authorities, (3) his misuse of the CIA and FBI to thwart the Justice Department's initial investigation, (4) his authorization of a single payment of hush money, (5) his interference with the discharge of the duties of the special prosecutor he reluctantly appointed, and (6) his adament refusal to produce all of the relevant evidence under his control would warrant his impeachment not because these factual elements were circumstantial evidence of his involvement in a criminal conspiracy but because in total they were overwhelming evidence of his failure to discharge his constitutional duties as President of the United States.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER (Mr. BIDEN). Under the previous order, the Senate will now proceed to the consideration of the unfinished business, H.R. 14832, which the clerk will state.

The third assistant legislative clerk read as follows:

H.R. 14832, to provide for a temporary increase in the public debt limit.

The Senate resumed the consideration of the bill.

Mr. MANSFIELD. Mr. President, is there an amendment pending?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Minnesota (Mr. HUMPHREY).

Mr. MANSFIELD. Mr. President, if the distinguished Senator from Minnesota (Mr. HUMPHREY) will yield without losing his right to the floor, I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the pending business, as I understand it, is amendment No. 1522. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Mr. President, yesterday, the Senate worked its will on amendment No. 1443, which had been presented by the distinguished majority leader on behalf of a number of other Senators and myself, who were cosponsors. It was our judgment that that amendment represented the kind of basic tax reform legislation and tax reduction that is desperately needed by our country.

There were those, of course, who insisted that the legislation would stimulate the economy and be inflationary. There are no facts, however, to sustain that point of view. There are those who say that the legislation would stimulate the economy and improve our economic growth. Still others say that the tax legislation is essential to reduce unemployment. Finally, there are those that say it is essential to establishing equity within our tax structure.

All these questions are relevant parts of the debate and were discussed, as we know, in considerable detail during the past week. But these questions are not the main issue.

The fundamental issue still facing the Senate is, Will it act to restore confidence in the American economy, or will it join the administration and sit on its hands as the economy deteriorates further?

In a recent radio address, the President said there were signs that his administration's economic policies are paying off and that the worst is behind us. I know that we would all like to share in the President's optimism, because the Nation's recent economic performance has brought most Americans real economic hardship and deep concern about the future.

The President's assessment of the state of the U.S. economy, however, cannot be given much weight because it has been so consistently wrong in the past and because many of the administration's policies are part of the problem and not the solution for the current economic difficulty.

Let me elaborate on this point by explaining why people today do not have confidence in the economy. In the first place they do not have confidence in the economy because the real economic performance of the economy has been poor: real economic output declined at more than a 6-percent annual rate in the first quarter of this year, unemployment is over 5 percent and expected to go to 6, housing starts have decreased by more than a third of what they were last year, real earnings have declined about 6 percent in the last year, and inflation continues to run at double digit levels.

But in addition to these direct economic factors, there are other reasons why the citizens have lost confidence in our economic performance. For one thing they do not know what to believe anymore, with the administration consistently telling them that they are better off than they have been, while the prices in the supermarket and their paychecks indicate that they are worse off. The administration has simply not been honest with the American people about the seriousness of the economic situation.

Consumers have also lost confidence in the economy because of the lack of direction of the administration's economic policies. Rather than being consistent, the administration's economic polices have frequently been changed in a yo-yo fashion. Because the administration could never make up its mind if it wanted to enforce the Economic Stabilization Act, wage and price controls were on-again, off-again, phased in and phased out, until finally, the old Bud Abbot-Lou Costello joke, nobody knew who was on first base. You can not play around with the American economy in that fashion and expect it to perform well.

Finally, the American people have lost confidence in the economy because they do not see the Federal Government taking any positive new initiatives to deal with the economic crisis the Nation faces. Having terribly mismanaged the economy, the administration now says we should just sit tight, let the budget get tighter, let money and interest rates become tighter, and let us squeeze consumers just a little more so that we can get rid of inflation. This is another example of the old idea that you put the consumer through a wringer in order to solve economic problems. Such policies failed during the Great Depression, they failed during the first recession of this administration in 1970, and they will fail again.

For all these reasons, the job of establishing policies to improve the Nation's economic performance, as well as renewing the peoples' confidence in our policies and in our economy, falls to the Congress. This is a difficult job and I do not pretend to have all the answers. But one answer is tax action to restore confidence in the economy.

The joint amendment I and others offered would do just that. I am pleased therefore to be a sponsor to amendment No. 1443 with my colleagues, Senators BAYH, CANNON, CLARK, HART, HUDDLESTON, MONDALE, METZENBAUM, NELSON, and KENNEDY. I deeply regret that this amendment was defeated. It represented a basic reform long overdue.

TAX REFORM

The first part of our joint amendment was designed to give tax reform—a fact that is conspicuously and consistently overlooked by the opponents of this proposed legislation. Why do we believe that tax reform is so important? We put priority on tax reform to halt the regressive trend in Federal tax payments. The effect of this trend is to shift the Federal tax burden away from wealthy individuals and large corporations to low- and moderate-income consumers. As a result the Federal tax system is losing its reputation for fairness, which in turn undermines the confidence of our citizens in their Government.

To make my point, let us look at who benefits from the special provisions in subsidies in the Federal individual income tax. In a study done for the Joint Economic Committee, Dr. Joseph Pechman and Benjamin Okner found that most special tax breaks go to upper income individuals. The study showed that families with anual incomes below $5,000 receive only 1.4 percent of the benefits from the special provisions in the tax law. Even average income families, those with annual incomes betwen $5,000 and $10,000, receive only 8.5 percent of the benefits. At the top end of the income scale, however, we see that 1 percent of the richest families receive 24 percent of the special benefits of the tax law. This bias in favor of the large and wealthy can also be seen in who benefits from the corporate income tax law. The tax law has always been written for the wealthy and this is becoming increasingly so.

Despite this distorted distribution of tax benefits the Federal income tax system might be acceptable if these special provisions and subsidies efficiently achieved the social-economic goals that are used to justify them. In many cases they do not. Our joint amendment 1443 proposes to close four of the most unjustified loopholes in the Internal Revenue Code—oil depletion, tax subsidies for exports—DISC—the Asset Depreciation Range system—ADR—and the minimum tax.

In brief, the amendment was designed to reform these provisions in the following way:

First, repeal the oil depletion allowance effective January 1, 1974, with at least a $2 billion revenue gain in the first year. This subsidy should be repealed now because it has not been an effective incentive for increasing oil reserves, and soaring oil profits should provide enough encouragement to the oil companies to produce. The oil depletion subsidy should be repealed now in order to capture some of the excessive profits that the oil companies have received this year.

Second, repeal the subsidy to exports that occurs as a result of the Domestic International Sales Corporation—DISC effective January 1, 1974, for a first year increase in Federal revenues of $815 billion. This tax loophole should be repealed at this time because there is no evidence that it does stimulate exports and, even if it did, this is questionable policy during a period when we are experiencing shortages at home.

Third, repeal the Asset Depreciation Range system—ADR—effective for plant and equipment in place as of May 8, 1974, with a revenue gain of $250 million in the first year, and increasing Federal revenues of $2 billion in 5 years. This subsidy is an inefficient way to stimulate capital expansion and it is uneven in its impact on business.

Fourth, strengthen the minimum tax by reducing the current exclusion from $30,000 to $10,000, and by eliminating the current exemption for taxes paid, effective January 1, 1974, which brings in additional revenue of $860 million in the first year. By taking these actions we would prevent certain wealthy individuals from paying very low or no Federal taxes.

These four provisions are only the beginning of what we should do in the way of tax reform if we wish to have a fair tax system. But all of these provisions are well known and have, for the most part, been extensively debated in the Senate. We should have additional hearings on other tax matters in the Finance Committee but our proposals would be a good beginning for tax reform now.

It should also be emphasized that these four tax reforms would save the Federal Government substantial tax revenues and in this way be directly anti-inflationary. In the first year the reforms would save about $4 billion in Federal revenues and this saving would increase to about $7 billion in 1978. This means the reforms would directly offet the major part of the revenue loss produced by the tax relief in the first year, and they will offset entirely the long-run revenue loss.

TAX RELIEF

The billions of dollars of tax subsidies I have mentioned are paid for by individuals and families who labor for wages and have modest incomes, and their tax burden is increasing. Tax payments for a family with a budget of $12,000, for example, increased by $280 during 1973, or what amounts to a 15-percent increase in 1 year.

At the same time tax payments for the average family are climbing, the consumer cost of living is soaring because of inflation. In 1973, the same $12,000 income family had to use $1,600 of that income just to offset inflation. In areas like food, consumers have had to spend 20 percent more last year to buy the same amount of food.

The second part of our amendment was aimed at tax relief for these hard-pressed consumers. First, it will raise the personal exemption for individuals from its current level of $750 to a new level of $825.

Second, the amendment was designed to provide an option for every taxpayer to take a $190 tax credit in lieu of the $825 personal exemption. This optional tax credit targets tax relief on the low- and middle-income taxpayers hardest hit by inflation.

Third, our joint amendment would provide a refund of a portion of the social security payroll tax to low-income workers with children, though a tax credit equal to 10 percent of wages up to $4,000 in income. This excellent proposal has been advanced by the distinguished chairman of the Finance Committee, Senator Long, to lighten the tax burden for the low-income workers.

As I have said, these tax relief proposals have merit because they would offset some of the cost-of-living beating consumers have taken in the last year. They should have been passed on grounds of equity alone.

Mr. President, today we are offering a streamlined version of the tax reform-tax reduction package that was defeated yesterday, in the conviction that the American people are demanding and expecting that this Congress give them a fair tax system. This streamlined package would drop our attempt to repeal what is known as the DISC provision and the accelerated depreciation range, but would repeal the biggest and the most notorious tax loophole of all—the oil depletion allowance—and would offer an average taxpayer a correspondingly smaller tax reduction than our earlier package to keep the fiscal balance of our amendment about the same as before.

In my earlier remarks, I described each of the amendments in the comprehensive program we offered yesterday; that proposal, both for structural reform in the tax laws and for tax reduction, was basically a balanced provision.

No tax loophole is more outrageous and more in need of reform than the oil depletion allowance. There are many reasons why we should repeal this tax subsidy without further delay. Let us summarize these before going into the details of our proposal.

THE BASIC CASE FOR DEPLETION REFORM

First, percentage depletion is an ineffective incentive for oil exploration. The subsidy, of course, does not go directly to exploration and development. It leaks money to everyone engaged in the process of oil extraction itself. So it serves as an incentive to extract the oil as fast as possible and to overdrill and hasten depletion. It is a depletion incentive, not an exploration incentive.

This record should be very clear about the tax treatment of exploration expenditures. All exploration and development costs are deductible. I know the argument will be made, as it already has been in the public press, that if you do away with the oil depletion allowance, you will, according to those who oppose that proposition, reduce oil exploration. My point is that exploration costs are largely deductible as a current expense anyway, and it does not require a depletion subsidy to bring about exploration. I shall direct my attention presently to the entire subject of exploration and development of our oil resources in considerable detail.

One cost-benefit study of the oil depletion provision found that the average annual revenue loss of approximately $1.4 billion generated additional petroleum reserves valued at an average of only $150 million per year. So we are paying out nine times what we are getting in return, and that is not much of a bargain. So the first argument is that the percentage depletion subsidy is highly ineffective.

Second, the percentage depletion clearly has not increased the Nation's security with respect to oil supplies. If it had done so, we would now have adequate oil supplies and would not be subjected to the shortages or the embargo of recent months. So those who are the strong advocates of oil depletion have quite a case to prove.

For many years oil producers had a percentage depletion allowance of more than 27 percent. Since 1969, it has been 22 percent. The simple truth is that this did not promote exploration and development. What it promoted was profiteering. What it promoted was oil companies becoming fat and rich. It did not promote oil production for the consuming public.

Third, whatever arguments were used to justify percentage depletion in the past, the recent high prices of oil products and profits made from these products has made these old arguments obsolete.

With industry profits that have increased by an average of 60 percent in the last year—and some firms have had profit increases of more than 100 percent—this industry no longer needs artificial incentives. The profit system itself should be able to provide more than enough stimulus to the oil companies to expand production.

As Thornton Bradshaw, president of Atlantic Richfield, one of the large oil companies, has said in advocating repeal of percentage depletion:

> Perhaps it is time to let the price system work in this industry.

So here we have the president of a major oil company telling us at long last that there is no need for the oil depletion tax subsidy.

Fourth, oil depletion is an incredibly expensive subsidy. It cost the other taxpayers more than $1 billion even before the oil price explosion. But this cost will rise in step with the before-tax profits of the oil industry. Thus, in 1974, Uncle Sam will save $2 to $3 billion if depletion is repealed. This means $10 to $15 for every man, woman, and child in America.

Fifth, depletion has enabled oil companies to avoid paying their fair share of taxes. In 1973 the oil companies paid only 6 percent of their income in taxes, for example, while an average family with an annual income of about $12,000 paid taxes of about 12 percent. Why should the working families of this country pay taxes twice as high as the oil companies?

Mr. President, we also know that oil profits have increased greatly in 1974 and that the average rate of tax paid by the oil companies is about 6.5 percent. The poorest person in this country pays about that much, and these giants of industry, many of them almost bigger than the Government itself, pay a tax rate of approximately 6 percent.

Sixth, percentage depletion is just helping to finance further vertical and horizontal integration in the energy industry, as oil companies with excess profits buy up oil rights, coal rights, uranium rights, ships, and pipelines. They also are expanding into unrelated fields like real estate and retail sales. The American economy does not need further concentration in the energy sector.

Finally, we ought to repeal depletion so that we can reduce taxes for the average American consumer whose purchasing power has been so badly undermined by inflation. It is only equitable that the average taxpayer, who has been overtaxed for years to provide this subsidy to the oil industry, now receive a tax reduction in connection with the repeal of depletion.

So, Mr. President, there are seven good reasons why the oil depletion tax subsidy to the bloated, fat, profiteering oil companies should be repealed. No one can come to the floor and argue that the oil industry is suffering. It has benefited in the past year from the most incredible price increases and profits of any industry in the history of this land. If ever there was a time when we should bring reform to this industry it is now.

Mr. President, if opinion polsters asked Americans today what aspects of the tax system are most unfair, a majority undoubtedly would put first the fact that America's multinational oil companies pay less than 10 cents on average in U.S. income tax on each dollar of their enormous profits. Many of the very largest pay less than a nickel a dollar. Even those with most or all of their production in the United States typically pay only 10 to 20 percent. Most other businesses pay at least 40 cents per dollar. Even middle-income families with children pay more of their incomes in taxes than do the oil companies.

That is the social issue; that is the great moral issue here. Why should these huge, multinational corporations, which enjoy enormous tax benefits at home and abroad, pay less on a percentage basis in taxes than any person with a modest income among the working families of this country.

Whatever arguments once existed for tax favors to the oil industry, last year's tremendous price increases made them all obsolete. The OPEC cartel arbitrarily boosted prices by about 150 percent to levels that are monopolistic and exploitative by any definition.

It is clear, even though it has not been made clear to the American public, that when these Arab countries raised the price of crude oil they were also raising the profits of the American oil industry, because the American oil industry has levied a profit margin on that oil that is a percentage of its price. So as the price of crude oil went up, and as we blamed the Arab leaders for that price increase, let it be very clear that many of these American oil companies were having the time of their lives getting increased profits as the prices went up, and at the same time the consumers of the Nation were having to pay the bill.

Therefore, the biggest beneficiaries of this move besides the OPEC governments themselves are the American oil producers. First, they increased their profit on foreign oil on top of OPEC's take. Furthermore, without lifting a finger they watched the price of their U.S. oil production go from the range of $3.60 to an average now over $7, which is constrained only by the U.S. price ceiling on so-called old oil. This 100-percent increase yields a pure windfall profit of over $10 billion annually, which is expected to continue indefinitely. Unless the price control authority of the Federal Energy Administration is extended next February, this massive annual windfall easily could double.

Under these conditions there is no longer any reason to subsidize oil producers at taxpayers' expense on the basis of the argument that in order to get more oil we have to give the oil companies profits. Mr. President, they do not know what to do with their profits now. They literally are having a difficult time explaining how they got so much.

The present law actually would increase the subsidy in proportion to profits and the public is correct in demanding that this absurdity be stopped. The only place it can be stopped is in this Congress. This is not something that can be laid at the door of the President.

Various methods have been proposed to curb oil profits, including excess profits taxes of different kinds. But it is much more logical to close ill-conceived tax loopholes already pertaining to the oil industry before trying to invent other novel ways to recoup the revenues that they permit to be lost.

Most of us here know these excess profit tax schemes generally are not very equitable nor should we call them sound economically. What we need to do is to start to treat the oil industry as we treat other industries and to give it fair treatment and not special treatment.

There are several reforms that must be made before the tax treatment of the oil industry can be considered fair. Today, we are limiting our attention, however, to the so-called percentage depletion allowance. This loophole should be eliminated immediately. It is by far the biggest loophole. At today's oil prices, it causes a revenue loss estimated at between $2 and $3 billion annually which other taxpayers are having to make up. This means taxes of $10 to $15 for every man, woman, and child in the United States for the benefit of the already profit-bloated oil industry.

Percentage depletion, however, has been the subject of many hearings in Congress and much public debate in the past. All Members are familiar with the arguments pro and con.

Although other oil tax reforms may require more deliberation we surely can now act on this aspect of the issue.

Let no one say that the oil depletion amendment comes here without hearings. There have been hearings on oil depletion that would fill up the Library of Congress, and anybody who serves in this body is fully familiar with this issue.

This reform can be enacted now with a minimum of difficulty to the oil industry, which will be better off than ever before in any event. If action is delayed, oil firms will invest in new oil assets at prices based on today's inflated profitability, and then the abolition of tax subsidies could require a painful financial adjustment.

We have heard that the era of cheap energy is over. Spokesmen of the industry and the administration have promised us that we will have to adjust to higher energy prices for the foreseeable future.

Well, I say that the era of tax-free oil profits ought to be over. The American people just will no longer stand for gaping avenues of tax avoidance designed especially for these giant corporations. So it is now time for Congress to move on this subject of reform.

Mr. President, I repeat, day after day the American consumer is told, "You have to expect to pay more for your fuel oil, you have to expect to pay more for gasoline." The farmer is told, "You have to pay more for diesel fuel." The airlines are told, "You have to pay more for jet fuel."

We are told about it as if it was Holy Writ.

Well, Mr. President, I think the time is at hand that we ought to be telling this oil industry, which has great profitability and surely is making plenty of money on its investment, that the time of tax-free oil profits is over. That is the least that the people have a right to expect from the Congress.

HOW DEPLETION WORKS

Now, let me explain briefly how percentage depreciation works.

Any businessman is entitled to deduct a yearly investment depreciation charge from his taxable income over the life of the corresponding asset. This permits a proper tax-free recoupment of the investment expense.

So oil and gas producers may take cost depletion over the life of a well, which is an analogous writeoff of investments and mineral rights and extraction facilities. That is an accepted business tax expense.

Percentage depletion, however, permits producers to deduct from the taxable income an entire 22 percent of the gross wellhead value of oil and gas. This means not just 22 percent of before-tax profits, but 22 percent of the full wellhead value. In other words, the gross. This option can exempt from taxation up to one-half of before-tax profits every year.

Using this one loophole alone, major oil companies and other firms with flowing wells can reduce their effective tax rate on crude oil income to only one-half of that paid by other domestic businesses. In the process, they take writeoffs many times the size of the investments that they should be entitled to recoup. Mr. President, this is patently wrong.

Now, here is how this depletion allowance bonanza works. The purpose of our amendment is to put a stop to it. Oil companies must be permitted to recoup their investments in depleting resources, but they must be satisfied with the cost depletion like everyone else.

OUR PROPOSAL

Now, our amendment would abolish the percentage depletion allowance on all oil and most natural gas, including foreign production, beginning with calendar year 1974. Only one temporary exception to the abolition would be allowed. Depletion would continue through calendar year 1975 for natural gas sold under preexisting price rulings of the Federal Power Commission. This would give producers time to obtain price adjustments from the Federal Power Commission.

In the case of other gas sold under preexisting fixed price contracts, percentage depletion could be taken until such time as the contract expires or permits a price adjustment.

The reason for this exception is that these prices were built on a cost structure incorporating tax savings from the depletion loophole. It is not the intent of our amendment to undermine a fair rate of return. Indeed, the fair rate of return will be maintained.

Some people may propose to make a similar exception for price-controlled oil. The situation for oil, however, is very different. Such an exception is completely unjustified because price ceilings on oil are not even remotely related to cost.

The ceilings were raised in the last 5 months of 1973 without any pretense of cost justification from an average of $3.60 to what is now about an average of about $7, or by nearly 100 percent, and the price of about one-third of the U.S. production was free to rise to the world price level of over $10.

There is no danger, therefore, of reducing returns to below the normal level.

PERCENTAGE DEPLETION AS AN INCENTIVE TO SUPPLY

Let us take a look at percentage depletion as an incentive to supply. I can just hear the arguments rumbling through this Chamber as we debate this oil depletion amendment. Those of us who support the amendment are going to be accused of drying up the capital that is needed for development of our oil resources.

Well, it is just not true. The biggest problem of the oil industry today is to know what to do with its money. Really, they are ashamed of the——

Mr. FANNIN. Will the Senator yield on that point?

Mr. HUMPHREY. Yes, I yield.

Mr. FANNIN. Is the Senator talking about the major oil companies? He is not talking about the independents who are going out trying to find oil. They are very much in need of the depletion allowance.

Mr. HUMPHREY. We are going to talk about that.

Mr. FANNIN. Well, how is the Senator going to provide for them?

Mr. HUMPHREY. Well, every oil company is permitted to deduct the full cost of exploration and development. What more does the Senator want?

Mr. FANNIN. What more do I want?

Let us give credit where credit is due.

These companies, independent companies, are drilling about 75 percent of all the wells in the United States.

Mr. HUMPHREY. Correct.

Mr. FANNIN. In other words, they are not going offshore and drilling wells, but are drilling the wells that are within the United States' boundaries.

Now, are we going to tell them that they can no longer have the needed capital, they can no longer have the incentive to go forward with this drilling that has been their program over the years?

Mr. HUMPHREY. Senator, they have got all kinds of incentives.

First of all, they have got what we call the investment tax credit.

Now, may I say there is no one in this gallery here——

Mr. FANNIN. Wait a minute.

Mr. HUMPHREY. I occupy the floor. Just a minute.

Mr. FANNIN. Let us talk about something that applies to oil companies.

Mr. HUMPHREY. Just a minute. I want to say to the citizens that there is nobody out here in the gallery that owns a home, that works in a factory, that gets an investment tax credit of 7.5 percent.

Mr. FANNIN. We are not talking about investment tax credit.

Mr. HUMPHREY. Just a minute.

Just a second. The Senator is not in charge of the floor right now; I am, and I am here to tell the Senator that business gets plenty of incentives.

Mr. FANNIN. Well——

Mr. HUMPHREY. Now, they get, second, full deduction of most exploration and development expenses. It is not as if we tell a private oil company, "You go out and look for oil and, if you do not make it, that is just too bad." It is a deductible business expense, and that is not bad.

I do not know any factory worker that gets a deductible business expense. I do not know any factory worker that gets a depletion allowance as he wears out his body on the job. I do not know anybody that runs a grocery store that gets a deductible so-called exploration and development business expense.

Mr. President, there are plenty of incentives and we are going to come to the independents——

Mr. FANNIN. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. FANNIN Is the Senator talking about apples or oranges?

Mr. HUMPHREY Both.

Mr. FANNIN. Well, I will tell the Senator that he is mixing them up.

Mr. HUMPHREY. I am not.

Mr. FANNIN. I have never seen anything so ridiculous as the comparison of the depletion allowance with the investment tax credit.

Is investment tax credit involved in this?

Mr. HUMPHREY. Not at all, but may I say that every oil company has the privilege of the——

Mr. FANNIN. Now——

Mr. HUMPHREY. I do not care whether they are independent or a multinational corporation, they still get the investment tax credit.

Mr. FANNIN. Does this help the independent oil companies, the small independent driller that is dependent upon the depletion allowance on which to raise his funds?

If the Senator would just listen, maybe the Senator would realize just what is happening in this country of ours.

We had been going down in the production of oil. I think the Senator realizes that. But now we are starting back up, leveling off and we can, if the oil companies are given a chance, and those independents who are the ones doing this drilling are given an opportunity, then we can start back up the other way.

We have as many oil companies, independent oil companies, that are not in the category he is talking about, and he knows that. They are certainly striving to get capital to carry forward, and I can tell the Senator, I can furnish him, and I am going to, with about, I would say, between 200 and 300 telegrams from the small independent oil companies that are going to be very hard hit by his amendment. In fact, it would be devastating to them.

I do not think the Senator wants to put them out of business. At the current rate of about 550,000 wells, the drilling is already down 15 percent from 1956, and if they drop further—and certainly it will drop if his amendment goes through—then where are we going to get the oil we need so badly?

I think the Senator desires to import foreign oil. Well, if that is his suggestion, then I think he should make it clear.

Mr. HUMPHREY. The Senator from Minnesota did not say that at all. Let me tell you what I am for. I do not intend to have any other Senator interpret what I am for.

Mr. FANNIN. I am just trying to interpret what the Senator is for, and I cannot find out.

Mr. HUMPHREY. Let me say if all of this depletion allowance was so beneficial so that everybody could have all the oil they wanted, we would not be dependent on foreign sources. Why have we not got it?

We had 27½ depletion allowance up to 1969; we have had 22 percent since 1969. Where is all the drilling? What about the incentives?

Mr. FANNIN. Where is all the drilling?

Mr. HUMPHREY. The Senator said a moment ago they dropped down.

Mr. FANNIN. If the Senator will answer me, where is all the drilling going on? Let us just answer that. Of the 550,000 wells drilled in the United States and worldwide, 80 percent of them have been drilled by U.S. companies. That is where the drilling has been going on, by U.S. companies; 75 percent of the wells in this country have been drilled by the independents. That is where the drilling has been going on.

Mr. HUMPHREY. We are going to come down to defining what we mean by independent, but I think the Senator would be interested to know that the percentage change, for example, in net income of the top 60 companies, is not bad. Their comparative oil company earnings showed percentage increases of 176 percent, 240 percent, 140 percent, 175 percent. Now, the Clark Oil & Refining Corp. is not exactly a large company, and it went up 175 percent. Commonwealth Oil & Refining is up 470 percent.

The interesting thing to me is how all at once the Chamber is filled with tears over the oil industry.

Mr. FANNIN. No, I am not.

Mr. HUMPHREY. It is filled with tears as if somehow or other the oil industry was just going to be rubbed out of business. Other industries get along pretty well under the normal tax laws, but this industry not only wants oil depletion, it wants a half dozen other separate special incentives.

The Senator from Minnesota believes in the profit system; he believes in the capitalistic system. He believes they ought to have a chance to make a fair return on their investment.

I submit to the Senator that the oil depletion allowance is the most outrageous subsidy that has been granted to any business or any combine in the history of this country, and the time is at hand to do something about it.

I yield to the Senator from Massachusetts (Mr. Kennedy).

Mr. KENNEDY. I thank the Senator from Minnesota.

Mr. President, the Senate now has before it the opportunity to vote to close the most notorious single loophole in the Internal Revenue Code, the most visible symbol of tax injustice and special privilege in our revenue laws, the percentage depletion allowance for oil.

The oil depletion allowance has haunted the Internal Revenue Code since the beginning of the Federal income tax after the 16th amendment was adopted in 1913. And from the beginning, depletion was controversial.

In 1913, when the income tax was first enacted, depletion was limited to cost. But, to avoid the appearance of unconstitutionally taxing pre-1913 income, depletion on pre-1913 wells was allowed to be based on the value of the well in 1913.

In 1918, during World War I, discovery depletion was enacted. That is, depletion was allowed to be based on the value of the well at the time of discovery. Almost always, discovery depletion exceeded cost depletion. Partly, the legislation was in response to the war emergency. Partly, it was in response to claims that the 1913 depletion provision discriminated against wells discovered after 1913, by limiting them to cost depletion, when pre-1913 wells were eligible for higher depletion based on 1913 value.

In 1926, the modern concept of percentage depletion was adopted, because of the serious problems that arose in setting values of wells and administering discovery depletion. The House proposed 25 percent and the Senate 30 percent; the House-Senate conference agreed on 27½ percent, and the figure stayed constant for nearly 50 years.

In 1969, in the Tax Reform Act enacted that year, percentage depletion was reduced from 27½ percent to 22 percent—18 percent counting the minimum tax—the level it has today.

The operation of the percentage depletion allowance and the massive tax benefits it confers are illustrated by a table I have here, which I ask unanimous consent to have printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

EXAMPLE OF OPERATION OF THE PERCENTAGE DEPLETION ALLOWANCE

	With depletion	Without depletion
Gross receipts from sales of oil	$200, 000	$200, 000
Costs	120, 000	120, 000
Net income	80, 000	80, 000
Percentage depletion (22 percent of gross receipts)	44, 000	
Allowable depletion (maximum of 50 percent of net income)	40, 000	
Taxable income	40, 000	80, 000
Tax (48 percent corporate rate)	19, 200	38, 400

Mr. KENNEDY. Although depletion is often justified as oil's analogy to depreciation, nothing limits depletion to the value of the oil. Year after year, 22 percent depletion is available, so long as a well is producing oil. At this level, experts estimate that oil companies recover the value of a producing well 16 times over. Through depreciation, other businesses are limited to one and only one recovery of the investment in their assets.

Whatever the merits of depletion when it was first enacted half a century ago, there is no justification for the enormous tax windfall that it confers today on some of the Nation's wealthiest corporations.

There are at least seven major reasons that justify the outright and immediate repeal of the percentage depletion allowance.

First, and most obvious, are the astronomical profits of virtually every major oil company in the Nation at the present time. These fantastic profits are the direct result of the fantastic increase in the price of oil.

There is no need for further tax incentives like the depletion allowance. The soaring price of oil is enough incentive by itself to stimulate all the additional exploration and production needed by America.

Before the Arab oil embargo in 1973, the price of oil was $3.50 a barrel. Today, under price controls, the price of "old" oil is fixed at $5.25 per barrel, an increase of 50 percent. And the price of "new" oil, not subject to price controls, is now a phenomenal $10 to $11 per barrel, or triple the price a year ago.

And the enormous price increases are matched by equally enormous increases in sales and profits for the Nation's largest oil companies. For the first quarter of 1974, as the following table indicates, many companies are reporting record profits, the highest in their history.

Mr. President, I ask unanimous consent that a table of such profits may be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

PERCENTAGE INCREASES IN SALES AND PROFITS OF CERTAIN MAJOR OIL COMPANIES, 1ST QUARTER 1974 COMPARED TO 1ST QUARTER 1973

	Sales	Profits
Exxon	Up 59	Up 39.
Mobil	Up 57	Up 66.
Texaco	Up 97	Up 123.
Gulf	Up 115	Up 76.
Standard of California	Up 110	Up 92.
Standard of Indiana	Up 55	Up 81.

Mr. KENNEDY. But the published profits do not tell the full story. In some cases, the reports involve unusual accounting practices that may well signify an effort to conceal the full magnitude of the profits:

Exxon, whose profits rose 39 percent, is rumored to have held back $400 million in other profits, to avoid crossing the billion-dollar profit mark in the first quarter. The company has admitted holding back $37 million, but has refused to say whether any more was held back. Some oil accountants have argued that such holdbacks might be justified as reserves to pay for increased taxes imposed by Congress, as well as for retroactive cost increases in crude oil prices in the Middle East. But such increased costs are speculative and in the future: they serve the purpose now of appearing to reduce today's profits, whether or not the anticipated contingencies actually arise in the future.

Texaco, whose profits rose 123 percent, held back an additional $143 million, for increased costs of crude oil.

Mobil, whose profits rose 66 percent, has said that some profits were held back, but the amount has not been specified.

Moreover, as recent news reports make clear, some of the largest oil companies are at a loose end over what to do with their depletion-bloated profits.

A few months ago, we read that Gulf Oil was negotiating to buy Ringling Brothers Circus. A few days ago, we read that Mobil Oil was negotiating to buy Montgomery Ward.

How can Congress and millions of ordinary taxpayers in the Nation stand by, while their hard-earned tax dollars flow into oil company treasuries in the form of handsome tax subsidies through depletion, and then flow back out again—not into exploration for oil as the Congress intended, not into production of oil to help America meet its energy crisis, but into outside investments in things like circuses and general department stores.

Second, depletion is an extremely ineffective incentive, as the following points make clear:

Because depletion is given for oil production, it encourages drilling in known oil reserves and pumping from existing wells, not exploration for new resources. It stimulates overdrilling of existing fields; it puts wildcatting and new exploration at a disadvantage. Only 1 out of every 10 exploratory wells strikes oil; therefore, depletion benefits only one-tenth of the most risky but most necessary drilling. Also, overdrilling can damage overall production from an oil field, since too many wells drilled into the ground in the same field can reduce the pressure that forces oil to the surface, and make the operations of the entire field less efficient.

This problem is compounded further, because even those who want to explore for oil have trouble obtaining scarce materials, drilling rigs and other equipment, because so much equipment is being diverted to oil production and is not available for exploration.

Experts estimate that more than half the tax benefit of depletion goes, directly or indirectly, to landowners, not to oil producers. Landowners get depletion on their royalty income, and they also get higher prices for leasing their land, because the availability of depletion encourages producers to bid the value up. Yet, the landowners do no drilling and take no risks. To the extent that depletion benefits go to landowners, the tax benefits are wasted, since they do not attract new capital for oil.

The depletion deduction is based on income, not cost. Therefore, the tax benefit is the same for low-cost oil, which will always be produced, as it is for high-cost oil. As a result, drillers and explorers are discouraged by depletion from engaging in any but the lowest cost ventures.

As the earlier example indicates, depletion is also limited to 50 percent of net income from oil production. Consequently, there is a special additional disadvantage for marginal wells and high-cost oil production, such as stripper wells, whose operators find that the full benefits of depletion are not available. Again, the result is to divert scarce resources in the search for oil into low-cost drilling in known reserves, where the depletion payoff is the highest.

The tax benefits of depletion increase as the price of oil increases. Since the price has tripled in the past year, the tax break from depletion has also tripled. That is the sort of irrational tax incentive that only Alice in Wonderland can understand. A rational incentive would reduce the subsidy as the price goes up, because the subsidy is needed less.

Third, the percentage depletion allowance distorts the economics of the oil industry by attracting massive investments purely for tax shelter purposes, not for oil production or exploration. Each year, billions of dollars are funneled into questionable schemes for oil, of value only because of their tax advantages to wealthy doctors, dentists, lawyers, corporate presidents, and other high-bracket taxpayers looking for tax shelters. Often such schemes promote uneconomic ventures into oil, because the investors are more interested in tax losses to shelter other income than they are in a profit from the operation. These tax shelter programs are being syndicated today on a national basis. Frequently, their nonbusiness motives cause serious competitive disadvantages for legitimate oilmen who have to make a profit, not just a tax loss, from their operations.

Fourth, depletion is a highly discriminatory incentive for oil, to the disadvantage of other energy sources. Based on the delivered price of fuel, the tax benefits are estimated as follows:

For oil and gas: 13 percent of price.

For coal: 4 percent.

For oil and gas from coal: 1 percent.

For solar energy: 0 percent.

This sort of tax discrimination is hardly a sensible, longrun energy policy for the Nation. It is nothing more than a vast welfare program for oil producers and oil-land owners.

Fifth, depletion encourages oil producers to keep their oil prices high, at the expense of independent refiners and manufacturers of petroleum products, whose profit margins are thereby squeezed because of the high price of oil at the beginning of the production chain. Most of the major oil companies are vertically integrated firms. They have an unfair competitive advantage, since they do not care which stage in the production of petroleum products generates their basic profits. In fact, the top 20 integrated firms now control 94 percent of domestic oil reserves. In effect, the integrated firms are selling crude oil to themselves at artifically high prices, and thereby driving independent refiners and manufacturers downstream in the oil production industry out of business.

Sixth, because depletion is also available for foreign wells overseas, it encourages corporations to drill for oil abroad. Today, much of the tax benefits of depletion go to foreign operations. So long as the depletion incentive remains available for foreign oil, it is functioning in a way that is directly contrary to the goal of America's own energy independence.

Seventh, the well-known CONSAD study, carried out for the Treasury in 1969, concluded that depletion was costing America's taxpayers $1.4 billion a year at that time, but was increasing oil reserves by only $150 million a year. Rarely has the American taxpayer had a poorer bargain or been more badly served by a specific section of the Internal Revenue Code.

In opposition to the present amendment before the Senate, those who support the depletion allowance argue that repeal of depletion may raise the cost of gasoline at the pump, possibly by as much as 3 cents a gallon.

But that estimate assumes that the full loss of the depletion tax benefit will be passed through directly to consumers. I say, all of that amount can be absorbed out of oil's enormous profits. Not a penny need be passed along to the American consumer, and oil profits will still be out of site.

In addition, the calculation assumes a 48-percent effective tax rate on oil profits. But in fact, the effective tax rate of America's major oil companies is far lower, only about 5 to 6 percent.

Mr. President, I ask unanimous consent that a table of the Federal income tax rates paid by the largest oil companies may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Federal income tax rate paid by largest oil companies, 1974**

	Percent
Exxon	6.5
Texaco	1.7
Mobil	1.3
Socal	2.05
Standard of Indiana	10.2
Shell	21.6
Gulf	1.2
Arco	3.7
Phillips	12.9
Conoco	8.2
Sun	13.2
Union	6.4
Cities Service	8.3
Getty	22.5
Marathon	7.5
Ashland	32.4
Standard of Ohio	12.8
Kerr-McGee	23.3
Amerada Hess	7.5
Average	5.99

*Source: U.S. Oil Week computations based on company annual reports and SEC reports.

Mr. KENNEDY. Therefore, even if the cost of the repeal of depletion is fully passed through to the consumer, the increase at the pump would be more like one-third of a cent a gallon, hardly a significant factor at today's 60 cents a gallon prices.

Next, the proponents of the depletion allowance argue that repeal of depletion will put many small independent oil producers out of business.

That argument might have made sense a year ago. When oil was selling at $3.50 a barrel, many independent drillers were going out of business. But, with new oil now at $10 to $11 a barrel, a major boom is clearly on for the independents. They will not miss a stride if depletion is repealed. Price is all the incentive they really need.

The only limit now on the independents is the shortage of steel and drilling rigs and other oil equipment. In fact, the price incentive is so strong that independents would be drilling in their driveways, if they could.

The current issue of Fortune magazine makes the point, in an article entitled "The New Oil Rush in Our Own Backyard." The article begins:

> These are tremendous times for independent oilmen, the best many of them have ever known. After nearly two decades of increasing hardship, spectacularly higher prices for oil and gas have suddenly thrust the independents into a new prosperity.

Capital for independents is gushing in today from many sources. It comes in part from the larger cash flow brought about by higher prices; it comes from private investors; it comes from capital raised through publicly held "drilling funds" it comes from syndicated tax shelters; it comes from corporations anxious to nail down their own future energy sources, major corporations like Bethlehem Steel, Dow Chemical, and Du Pont.

Compared to the strong incentives that exist for independents, the repeal of the depletion allowance is not a significant factor in their future.

No one likes to lose a tax loophole, and so the arguments being raised on behalf of the independents are understandable. But the Senate can vote for repeal of depletion with full confidence that the independents and every other driller in America has all the incentive he fairly needs to explore and drill for oil.

Finally, the proponents of depletion have traditionally argued that the return on equity for oil is below that of other industries. They claim that repeal of depletion will stop the flow of capital into oil.

But even before the record profits of 1973 and early 1974 began to roll in, this argument was misleading, since it relied on the rate of return for all phases of oil operations, not just the production end.

In addition, in the pre-1973 era, other measures of profitability besides return on equity showed that oil was doing very well. For example, oil profits were 6.5 percent of sales in 1972, compared to 4.2 percent for all other manufacturing businesses.

After 1973, even the argument based on return on equity does not exist any more. Profits for 1973 were the highest in the history of the oil industry, increasing the rate of return on equity from 9.7 percent in 1972 to 15.1 percent for 1973, far above the average for other industries.

And based on current prices, the rate of return is likely to jump to a phenomenal 19 to 20 percent in 1974, and it will soar even higher when price controls are finally removed.

In sum, in America in 1974, oil is a very profitable investment indeed. The depletion allowance is no longer wise or needed, and the Senate is fully justified in voting to repeal it.

Mr. HUMPHREY. The Senator is right.

Let me just say to the Senator from Massachusetts and the distinguished Senator from Arizona, and many others, when food prices went up for the farmers, when wheat prices and corn prices went up, we said "No more subsidies." We said, "Mr. Farmer, you are on your own; no more subsidies, because you are going to make it off the price of your goods."

But when the oil prices go up—and those oil prices make every farmer look like he is a candidate for the poverty program—the defenders of the oil industry come in here and say, "Do not touch the subsidies of the poor, little, weak oil companies. Do not touch them."

The Senator from Massachusetts has spoken the truth here when he pointed out that as the price of oil has gone up—and it is going to stay up—that is the incentive that an independent oilman needs. And, believe me, if we do not have enough incentive at the price of oil now to drill for it, we will never have it.

Maybe this industry has been too pampered; maybe it does not have good old American self-reliance; maybe it has been on the welfare program too long; maybe it is the victim of welfareism. I think, possibly that is true. Maybe it needs to get back to where it has to, operating on the basis of finding something that can produce and sell at a profit.

I happen to believe that the industry needs a fair return.

Mr. FANNIN. Mr. President, will the Senator yield at that point? All these oil companies are independent drillers today, as they were 10 years ago, and they made so much money that they went out of business, they went bankrupt.

Mr. HUMPHREY. May I say that the Senator has made the best argument for doing away with the oil depletion allowance. He has proven that the oil depletion allowance is not worth a lot because the oilmen have had it and they have gone out of business anyway. The thing they need is a good price, and they have a good price. Get off of this welfare kick.

Mr. FANNIN. A total 550,000 wells have been drilled. They are doing a pretty good job.

Mr. HUMPHREY. The Senator said a while ago that they were going out of business.

Mr. FANNIN. That is right, they have, but the Senator and others did not give them a chance.

Mr. HUMPHREY. For years since the 1920's they have had the 27.5 percent depletion allowance.

Mr. FANNIN. I do not know whether in Minnesota——

Mr. HUMPHREY. Wait a minute, Senator. Since 1969 they have had the 22-percent depletion allowance, and during that time they went out of business, the Senator said.

Mr. FANNIN. That is right.

Mr. HUMPHREY. During that period of time they went out of business. When did they come back? We do not have oil.

Mr. FANNIN. We do not have very much oil in Arizona, but we are drilling for it.

Mr. HUMPHREY. I hope you get it, too, Senator, believe me, because the price is good.

Mr. FANNIN. May I get this in before the Senator finishes his sentence?

Mr. HUMPHREY. Well, as a matter of fact, I will accommodate the Senator under the rules of the Senate.

Mr. FANNIN. I thank the Senator kindly.

When the depletion allowance went from 27.5 percent down to 22 percent, exploration in my State dropped almost in half. I do not know about Minnesota.

Mr. HUMPHREY. As a matter of fact, it did not drop in our State at all. We were very fortunate.

Mr. FANNIN. The Senator sure is.

Mr. HUMPHREY. We did not have any wells, but it did not drop.

Mr. FANNIN. I am sure they are drilling for oil.

Mr. HUMPHREY. It did not drop in Minnesota, but we would be glad to have it. Let me say that there is nothing we would like better than an oil well.

Mr. FANNIN. We want to get petroleum production in this country; we do not want to be dependent on foreign oil; is that true?

Mr. HUMPHREY. Senator, the more we can be dependent on our own resources, the better.

Mr. FANNIN. Should we not give an incentive to the producers in this country? I believe cutting off the depletion allowance to the companies doing business in foreign countries is appropriate; I am not against that, but we should increase it in this country, if it is necessary, so that we can get more production, which will mean more jobs, more revenue and more taxes; and everybody would benefit.

Why should we pick on our own industry when they are trying to do a job, for these individuals are drilling 75 percent of the wells, and I think they are doing a great job.

Mr. HUMPHREY. May I say that if the price of oil was $2 a barrel we could, maybe——

The PRESIDING OFFICER. The gallery will be in order. If the gallery responds again, I will ask the people to clear the gallery.

Mr. HUMPHREY. Do not be too harsh, Mr. President.

May I say to my good friend from Arizona that if there ever was a justification for the depletion allowance it was when the price of oil per barrel was so low that they could not make a good profit on it, but I have heard Senators from that side of the aisle and on this side of the aisle argue that there is nothing better, no greater incentive than a price. They have got the price, Mr. President. They have got it up here in the stratosphere. You can hardly reach it.

The PRESIDING OFFICER. Does the Senator from Minnesota yield more time, and, if so, to whom?

Mr. HUMPHREY. I do not want to cut off my friend from Arizona.

Mr. FANNIN. If every well were a producing well, then I would agree with the Senator, but he knows that 9 out of 10 wells are not producing wells. They have drilled in my State probably several hundred, and still the only place we have a little bit of oil is where it leaked over from New Mexico, over the line from the Navajo Reservation; but the thing about it is, we do not get an oil well with every drilling, so the Senator must realize there must be an incentive.

Mr. HUMPHREY. I fully understand that.

Mr. FANNIN. This is a risky business.

Mr. HUMPHREY. Will the Senator listen now to me for just a moment?

Mr. FANNIN. Yes, fine.

Mr. HUMPHREY. I appreciate the Senator's argument, and I know that many of the drillings do not produce oil; in other words, dry wells.

Mr. FANNIN. Most of them.

Mr. HUMPHREY. Most of them, I agree. Therefore, for those wells the depletion allowance would be meaningless.

Mr. FANNIN. They cannot get the funds to go on and drill the others without it.

Mr. HUMPHREY. What is it that makes them want to drill the well? They know first of all that, say, 8 out of 10 drillings are not going to produce a well, so it is not the depletion allowance that gives them the incentive. What it is is the price they get when the price is up—and the price is going to stay up. That is the incentive. That is the incentive for the farmer to produce wheat; that is the incentive for a factory to produce a car: price and profit. And, Mr. President, I have heard from these private enterprise specialists that are here in this body that the greatest thing that we have in this country is the market forces. Let the market forces work. And the market forces are at work. What is the market force? Price.

The oil industry has had price increase after price increase, and we have been lectured to by the economists of this administration—Dr. Herbert Stein, among others—that the best thing for our economy as an incentive is not a tax incentive but a price incentive.

Now what do I hear? I hear that the oil companies, big and little, have it better than they ever had it before. Better than they ever had it before; yet they not only want the price, but they also want the subsidy. I can understand why they want it, but they are not going to get it.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. RIBICOFF. I have followed the discussion among the distinguished Senator from Minnesota, the Senator from Arizona and the Senator from Massachusetts with interest, and I agree completely with the Senator from Minnesota. May I give the Senator a few facts to buttress his position?

The repeal of the depletion allowance as submitted will leave $7 billion as of after-tax profits in 1974. This is an increase of $3 billion over 1973 profits with depletion. At these profit levels the domestic producing industry is going to be able to raise all the capital it needs. The Senator is correct; repeal of depletion will not injure the independents as contended by my friend from Arizona. The small producers, the so-called independents, sell more than one-half of their total domestic production at uncontrolled prices of more than $10 a barrel; so the independents proportionately are receiving the largest windfalls in the industry. Their windfalls are even larger than the majors.

Mr. HUMPHREY. This is what we call the new oil.

Mr. RIBICOFF. And they are getting it.

Mr. HUMPHREY. And that is the oil that is not under any price control.

Mr. RIBICOFF. Also, may I point out that there is no question that the repeal of depletion will alter the profits of independents, but what profit levels are really needed to sustain adequate independent domestic oil exploration development as contended by my friend from Arizona?

Independents currently are getting the largest profits in the domestic industry. Uncontrolled oil is selling for more than $10 a barrel compared to $4 a barrel a year ago in 1973, and the Federal Energy Office estimates that 56 percent of all uncontrolled oil is sold by the independents, and that uncontrolled oil is 38 percent of the market.

So the independents are selling more than half of their production free of price control. With the profit that they are receiving so vast, I do not know why they should expect an additional subsidy, which we are giving them in the form of the oil depletion allowance.

Mr. FANNIN. If the Senator will yield I will answer the question.

Mr. HUMPHREY. I yield to the Senator.

Mr. FANNIN. When he is talking about the great profits these independents are making, they do not know about that, and if the Senator is telling me that, I better carry it along to them, because they do not know about it. I will bring in and I will put in the RECORD telegrams from them as to the effect this will have upon them.

The Senator from Connecticut says it would not have any effect. They do not know it would not have any effect on them. They certainly are very concerned about it, because they know their investors will not make the funds available to them unless they have the depletion allowance, which is a risk proposition. It is to cover their risk.

Mr. RIBICOFF. If the Senator from Minesota will yield, in answer to that——

Mr. HUMPHREY. Yes, I yield.

Mr. RIBICOFF. I asked the Library of Congress to get me profits after taxes for 10 selected major U.S. independent oil companies; not the majors.

Apco Petroleum, percentage of change of first quarter, plus 240 percent.

Belco Petroleum, 104 percent.

Charter Petroleum, 559 percent.

Kewanee, 70.4 percent.

Louisiana Land & Exploration, 79.2 percent.

Mapco, 50 percent.

Natomas, no change.

Superior, 223.4 percent.

Tesoro, 343 percent.

Now, this is not Gulf or Texaco or Exxon. These are the so-called independents.

It was the Library of Congress I asked for this, and they presented it to me. These are independents.

Mr. FANNIN. Will the Senator yield on that question?

Mr. HUMPHREY. Yes.

Mr. FANNIN. What was the return on investment? What did they make last year? What does this compare to?

Mr. RIBICOFF. It is the old story. The majors are using the return on investment. I know that when an oil company gets a 600 percent larger return that it is an invidious comparison when we look at what they have been making; and we see what has been happening with oil profits. They are the largest profitmakers of all industry extant in the United States today, or in the world, as a matter of fact.

Mr. HUMPHREY. May I say that for a few moments the Senator from Minnesota is going to occupy the floor, and then we will come back to a free-for-all once again, but we need to get a little more information on this whole subject of percentage depletion, and we are going to go into the question of the independents, because they are a separate type of enterprise. We recognize that, and we are going to deal with these subjects, hopefully, with reason and sensibility.

I want to state again that the biggest argument for the percentage depletion in the past was that it would mean development of new oil supplies. Again, however, the price increases of late 1973 and 1974 have created a new situation in which this incentive is not needed. The old arguments no longer are adequate.

Just as I said a moment ago, we do not go around now paying corn farmers a subsidy payment when corn is $2 a bushel. We do not go around paying wheat farmers a subsidy payment when wheat is $3.75 or $4 a bushel. If we were to continue this depletion allowance, the farmers ought to come in here and say, "Look, we want our old subsidy payments. We do not care whether wheat is $5 a bushel or $6 a bushel; give us our old subsidy payments."

Everyone should come in and demand a subsidy. They do not do that. The farmer says, "Give us a fair price, and we do not want any subsidy."

What do the oil companies say? They say, "Let us get as high a price as we can get, and give us all the subsidy you can give us." That is what they are saying. Whether it is a multinational company or one of the independents.

Now, a year ago——

Mr. CRANSTON. Mr. President, will the Senator yield for a unanimous consent request?

Mr. HUMPHREY. I yield for that purpose.

Mr. CRANSTON. I ask unanimous consent that Jonathan Fleming of my staff may have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Olivia Mitchell be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, a year ago, when oil was selling for $3.60 a barrel, percentage depletion saved the producers about 40 cents in taxes on each barrel. But freely priced domestic oil has gone up by more than $6 per barrel, or by 15 times as much as previously was received from depletion. The increase in price-controlled oil is about four times as much as depletion previously provided. As was stated here by the Senator from Connecticut on the new oil under the Federal Energy Act, it is not controlled.

Price boosts of this magnitude make even percentage depletion look like a minor detail. We have been told by industry and administration spokesmen that the era of cheap energy is over forever. If these price boosts are not high enough to induce the oil industry to find oil without special tax favors, then how high do prices have to go before the oilmen will take their hands out of the taxpayer's purse?

As an incentive to supply, percentage depletion always has been fantastically expensive. Even before the big leap in oil prices, it cost the Treasury an average of about $1 billion. This covered nearly 40 percent of all exploration outlays by the industry, including acquisition of acreage, geological tests, drilling, and overhead. This is a very large subsidy. This year it would balloon, as indicated, to the range of $2 to $3 billion. But it is not applied so as to be an effective stimulus to exploration. First, it does not benefit exploration directly but only actual extraction. Second, much of it goes to landowners or equipment rental firms not involved in exploration or in risk-taking in any significant way. In other words, percentage depletion splashes money on everyone associated with a producing well, which may be reinvested in exploration but may just as well go into real estate or a new car. Careful economic studies have indicated unambiguously that it is very ineffective relative to its large cost in stimulating exploration. On the other hand, it stimulates excessive drilling of known reservoirs to extract the oil speedily and obtain the subsidy with a consequent loss of reservoir pressure and reduction of ultimate oil recovery.

INDUSTRY INVESTMENT REQUIREMENTS

On one hand, we are told by industry apologists that an attractive return must be provided to induce energy investments. In the next breath, we are told that we must continue to hand them some of the money to invest in the form of costless tax subsidies like percentage depletion. They want us to pay them a good return on our money. I do not believe they have it both ways.

It has been estimated that stupendous volumes of capital will be required for future energy facilities, and the energy interests and their banker allies claim that the industry will be able to raise these amounts only if permitted to keep their tax subsidies. I consider this a misleading, self-serving proposition.

First, the estimates of investment needs are based on extrapolations of past growth rates of energy use and are therefore exaggerated. A national energy conservation effort already is under way. Past consumption trends already have been broken by the tremendous leap in prices. The Ford Foundation Energy Policy Project estimates that we could reduce energy growth in this country by more than 30 percent in the next 15 years if we try.

Second, energy investments are not limited by any lack of funds but by the pure physical capacity of the industry and its equipment suppliers. One of the big problems today is lack of drilling equipment, not the lack of incentive. There is a shortage of equipment.

Higher monetary commitments in the face of these constraints will only bid up the costs without increasing output. Meanwhile, the energy industries hold very large investments in real estate, manufacturing and other nonenergy fields.

We should take note of the fact that Mobil has proposed the purchase of Montgomery Ward, and Gulf Oil proposed earlier this year to purchase the Barnum and Bailey Circus. That is what they want to do with their money. They want to explore for and develop oil wells on the third floor of Montgomery Ward. Gulf Oil has been acting like a circus so they decided to buy one—Barnum and Bailey or the Ringling Brothers. They need a circus like that as much as they need three holes in their heads. They should be out drilling for oil wells. They have made lots of money, and that money should be used for productive purposes.

So what we are really talking about here is excessive funds in the hands of oil companies that will just facilitate acquisitions and consolidations of competing suppliers and of raw materials resources in the hands of existing firms. This is what we really are buying with continued subsidization.

Finally, the oil industry has the lowest debt-equity ratio in manufacturing. It has a tremendous untapped borrowing capacity. Under this condition, why should it expect the hard-pressed taxpayer to come bearing gifts from which to finance supplies to be sold back to him at exorbitant prices? This cheap financing will not get us our oil any cheaper so long as prices are determined by the Mideast cartel. It will just continue to inflate the profits and the costs of the companies.

It is very important to note what I have said here, that the oil industry has the lowest debt equity ratio of any part of the American economy. What they would like to do is to be able to pay for everything out of their profits. That is not the way to build great industries in this country.

EFFECT OF DEPLETION REPEAL ON OIL PRICES

It is wrong to say, as do proponents of depletion, that repeal of this tax break would bring another increase in oil prices for consumers. Although this might have been true when U.S. oil prices were cut off from world prices by our import quotas, it is not true since the quota system was scrapped in May 1973, and since prices rose to levels completely out of touch with production costs.

Mr. President, is there anyone in this body who will stand up here and say that the price of oil is related to production costs? I challenge anyone to prove that the price of oil today is based on production costs.

That is the issue.

The only reason there should be any kind of tax favoritism is if the costs of production are so low relative to the prices at which we sell that we cannot make a profit. We have other subsidies. We have had the subsidy on the merchant marine, for example, because the cost of producing ships and the cost of manning them was considerably higher than world market levels. So there is a relationship here between the cost and the price. But in oil, the price went up just by edict. Would it not be nice if some little merchant up on one of our streets could simply say, "Well, tomorrow morning, we will charge twice as much. I am sorry but you folks will just have to pay it." That is what we were told by oil. Do not blame it on the independent oil producer, but it is a fact of economic life, and I repeat, there is no relationship between the cost of production and the price. Prices have been pushed up arbitrarily, but any argument for any form of subsidy to the industry has got to be based on the necessity of the subsidy to help keep the industry alive.

Is the price of oil so low relative to the cost of production that we have to give the industry a tax benefit? In some industries we can make that case but not in the oil industry, and the supporters of the industry know that is the truth.

Oil prices are not related to taxes or to the cost of production. They are based on what the Arab nations, the OPEC countries, want to charge. That is basically what it amounts to, and our companies basically go along. Many of the big American companies today are deeply involved with investments in the Arab lands, in Venezuela, and in other places.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FANNIN. I think the Senator realizes that 70 percent of the oil is selling at $5.25 a barrel, and that is the price that has been set by the Cost of Living Council.

Mr. HUMPHREY. The average price——

Mr. FANNIN. Of course, the other price does seek its level. That is right. But let us go back the other way and see what we have done by Government control of natural gas.

Mr. HUMPHREY. We are going to get to that. I am not talking about that right now.

Mr. FANNIN. The Senator is talking about the reason for the oil prices. They were held down for years because of the low price of natural gas. I think the Senator realizes that. That is also true from the standpoint of coal. For many years, we had coal utilization for about 40 percent of our energy, and now it has dropped to about 18 percent. Why has it dropped? Because unrealistic prices of natural gas have caused it to be noncompetitive.

Mr. HUMPHREY. The Senator makes my argument. There has been a subsidy on natural gas.

Mr. FANNIN. It is just the opposite.

Mr. HUMPHREY. When there is a depletion allowance on an oil well, you get natural gas at the same time. Gas is eligible for a depletion allowance.

Mr. FANNIN. I know that. But approximately 70 percent of natural gas comes from wells and about 30 percent from refineries.

Mr. HUMPHREY. Yes.

Mr. FANNIN. So when the Senator is talking about prices and the relationship, I think he is confusing the issue. The price of oil was held down because of the controlled price of natural gas. The amount of natural gas available to the American consumer today has been held back because the Federal Power Commission controlled the price of gas.

Mr. HUMPHREY. And they just raised the price almost 100 percent on a large share of the regulated gas. And intrastate gas is not regulated.

Mr. FANNIN. It was one-fifth of the cost of oil, so far as Btu content is concerned, and it still has not reached its level from the standpoint of the Btu price.

Mr. HUMPHREY. I say quite honestly to the Senator that the best mechanism for regulating an economy, as I have been told here repeatedly, is the price. We have been told that the best way to ration the supply was price. We have been told that the best incentive——

Mr. FANNIN. Will the Senator vote for deregulation of gas?

Mr. HUMPHREY. I think everybody is entitled to a fair return.

Mr. FANNIN. Then, the Senator wants to subsidize the oil companies, to be sure they have a fair return.

Mr. HUMPHREY. A fair return? I will settle for a fair return of Gulf Oil.

Mr. FANNIN. If the Arabs decided that they wanted the price of oil to be $3 a barrel, they could easily do it. It cost them 12 cents a barrel. Then the Senator would be in a different position.

Mr. HUMPHREY. If the price of oil goes down to $3 a barrel, the oil companies will still make a handsome profit. They did so when it was $2 a barrel.

Mr. FANNIN. That is not factual. We are in an entirely different market today. We have had inflation, as the Senator knows.

The Senator is looking back at prices, and I am sure that if he looks back at his drugstore, he will find that the prices that were in effect years ago are not in effect today. Times have changed, and conditions are different.

Mr. HUMPHREY. May I say to the Senator that I am fully aware of the changes that have occurred in the price structure. That is what I have been talking about. I do not think the price structure is going to go back to $2 or $3 domestically or internationally, and I do not think anybody else in this body thinks that. I am saying that the greatest incentive to exploration, development, and production of any commodity is price and profit.

Mr. FANNIN. I agree. That is why I brought up the matter of natural gas.

Mr. HUMPHREY. There are times when we have to put on some controls for the public interest. For example, when controls are applied with respect to the telephone system, and to private utilities, generally there is a guarantee of some rate of return. But we are not talking about that here. We are talking about whether or not this industry needs a special tax subsidy.

If they need a special tax subsidy, it is the duty of those who are in support of that subsidy to prove that the industry is in trouble, that the industry is in financial difficulty. They need to prove that the cost of production is so high with respect to the price that they need something to bail them out. I defy the proponents to prove that. They cannot do it. The only thing they can come in with here is the tactic of saying, "If you don't give these big oil companies and these little oil companies the subsidy, they won't explore."

The Senator from Minnesota said that they have the subsidy; they have had it for almost 50 years. What is the argument I hear from the Senator from Arizona and others? They say that until last year, the number of independent producers has been going down and down and down, despite the fact that they have had subsidies. So subsidies are not the answer.

What has happened lately? Some of these companies are beginning to make some money. Why? Because of the subsidy? Not primarily because of the subsidy, but because of price.

All I am saying is that with the new price structure and with what we know to be the facts of economic life today, the day for the oil depletion allowance is over; it is obsolete; it is an unfair tax privilege. It is unfair to the average taxpayer. It is unneeded by the oil industry. It does not result in greater production. It certainly does not result in any lower prices; not one bit. In fact, there is no evidence to indicate that prices are going to go lower at any time.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FANNIN. I challenge the Senator when he says that it has not accomplished the objectives of more exploration and more development. How can that be, when we are so far ahead of the other nations of the world in the amount of exploration and development? We have gone to other countries and have assisted them with our technology. That has come about because we have had the financial incentive. The depletion allowance was one of the greatest incentives to the wildcatter, to the small independent, and that is why he has drilled 75 or 80 percent of the wells.

When the Senator says we do not need it, I think he is talking about an entirely different picture. If he is talking about the major oil companies, I know that one of the major oil companies made a statement that they did not need it. But they said they did not want to be harassed any more, so they would just as well do without it.

We do not know what the prices are going to be in the future. This is not an off-again, on-again program.

We are in a difficult situation today. I think the Senator agrees that we face shortages next winter. We do not know what is going to happen. We have to import 35 percent of our petroleum. If we had handled the FPC on the same basis we handled the depletion allowance, we would not be in this fix today, because we would have greater drilling, we would have deeper wells, we would have natural gas at a decent price, we would have coal, and the other products would have come forward along with these fuels.

So I think the Senator is misleading himself when he says that we have not accomplished a great deal with the depletion allowance.

Mr. HUMPHREY. The Senator from Minnesota is not trying to mislead himself or anyone else. I am simply taking the arguments made here today by the distinguished Senator from Arizona and others—namely, that during recent years, the number of independent operators has decreased, and all the while the oil depletion allowance was maintained. In the last 16 or 18 months, the number of independent operators has increased, and they have done better. They have done better because they get a better price.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BARTLETT. The Senator said that the depletion allowance has been maintained, but I believe the Senator will recall that the depletion allowance has not been maintained at 27.5 percent. It was reduced in 1969 to 22 percent. When that happened, it added $500 million extra cost in taxes to the oil companies, which equated with approximately 17 cents a barrel of income. So it increased the cost. It decreased the profits, and it continued to decrease the amount of exploratory effort going on.

I am just quibbling over the use of the term maintained. Congress did see fit to reduce the depletion alowance in 1969.

Mr. HUMPHREY. From the late 1920s to 1969, the depletion allowance was 27.5 percent.

Mr. BARTLETT. Yes.

Mr. HUMPHREY. That is a tax subsidy, and everybody knows this. So when the Senator from Oklahoma says that they increased the taxes by $500 million, it was not that at all. He means that they decreased the subsidy by $500 million.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HUMPHREY. The oil depletion allowance is not a tax. The oil depletion allowance is a gift. So let us get our terminology straight.

What it really meant was that the bonanza of 27.5 percent was reduced to 22 percent.

Mr. BARTLETT. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. BARTLETT. What I meant to say was that it would increase taxes by $500 million and this would increase the cost of doing business and it would reduce profit.

The Senator mentioned earlier the pricing profits and separating the matter of taxes. Of course, any increase in the amount of taxes decreases the profits or has the same effect as decreasing the prices. This happened in the case of the depletion allowance being lowered. Prior to the time it was lowered the price was in a plateau, and the price of crude oil in 1957 was $3.09 a barrel. Then it went down and did not regain that $3.09 a barrel until 1969, at which time Congress saw fit to reduce the depletion allowance which had the direct effect of reducing the price equivalent by 17 cents a barrel. This is why we had the decline in the number of independents from 20,000 to 10,000; profits were not there. The majors went overseas and explored because there was a chance to make a profit there. They started to discover what is now called cheap foreign oil. They started to bring in more and more of this oil, thereby undermining the domestic industry.

The matter of lack of profit opportunity and the lack of profit drove the independents out of business and it drove the majors overseas.

Mr. HUMPHREY. May I say to the Senator that there might have been a time when one could make a strong argument in this body for the percentage-depletion allowance, whether it be 27.5 percent or 22 percent. The argument could be made then on the basis that the profitability of the industy required it, or the lack of profitability of the industry to be more exact. Second, one could make that argument on the basis that cost was so high relative to price that they needed a subsidy.

But that argument cannot be made today. The very argument used in the debates years ago for the depletion allowance is the best answer we have today for its removal. I was in this body when the late Matthew Neely, who was the author of the depletion allowance in the House of Representatives, used that argument as the reason for which a depletion allowance was needed. It was said at that time that this was one way we could assure profitability in the industry, and that with profitability there would be exploration and development.

But today, as I have said, that profitability of the industry is a matter even of some embarrassment for the industry itself. Today the profitability in this industry is clear and inevitable, and the price they get for the product is a high price. That is the incentive we need, the incentive for further exploration.

Let me say again a word about what would happen in terms of some of the price levels:

Imported oil—some 35 percent of our consumption—is produced without significant depletion claims, and the elimination of depletion would not materially affect its cost structure. Freely priced domestic oil—another 20 percent—tends to rise toward the inordinate price of imports. As everyone knows, that price is quite independent of costs, including taxes, and so changes in taxes would not affect it. Even the price ceiling on federally controlled oil—the remainder of U.S. consumption—is no longer even remotely based on costs, and the repeal of depletion would provide no reason to change it.

A businessman must take into account the cost to produce the product and to merchandise it, and then he has a markup or profit. But in the oil industry there is no relationship between the cost of the product and the price of the product. The price is just set arbitrarily. That is the fact we face today, which is entirely different from the situation we faced some years ago.

WHY NOT PHASE OUT DEPLETION MORE GRADUALLY?

There are those who say that if we are going to do anything about the depletion allowance we should do it gradually. There is merit to that argument.

Our proposal would carry out the reform much more quickly than the energy tax bill, H.R. 14462, which is now in the House of Representatives. It should be noted that that bill would take 3 years longer to phase out depletion for most oil and 5 years for the rest.

But the point needs to be made that the bill reported from the Ways and Means Committee in the House does get rid of the oil depletion allowance. They say we should do most of it in 3 years and wipe it out clean in 5 years. I do not believe the Ways and Means Committee has been unfriendly to the oil industry over its history. But that committee feels we can and should get rid of the depletion allowance; it is just a question of timing.

Frankly, I can see the wisdom in many cases of introducing major tax bills gradually to cushion their effects on pricing and to permit the taxpayer to adjust. But in the present case I do not believe it is necessary or wise to delay. First, it is a long overdue reform which can be enacted now without hurting the oil industry because the oil industry would be better off than ever before anyway.

Our proposal would carry out the reform much more quickly than the energy tax bill (H.R. 14462) under consideration in the House of Representatives. That bill would take 3 years longer to phase out depletion for most oil and 5 years to eliminate it for the rest. Second, people want action on oil profits now. The House bill's depletion reform does not apply this year and hardly touches oil profits next year. Our amendment would recoup twice as much revenue from depletion reform as the House bill in the first 5 years. Most of the difference would come in the 1974–76 period, when the oil companies are floating in profits that they don't know how to get rid of and ordinary taxpayers are sorely in need of tax relief.

Moreover, immediate depletion reform is the only way to raise revenues adequate to cover a substantial part of the tax cut that we propose in conjunction with it. There is no reason to delay and every reason to repeal this loophole immediately.

Mr. President, I had some prepared remarks in reference to our independent producers.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield.

Mr. BARTLETT. Mr. President, the distinguished Senator in referring to the depletion allowance said that it is a loophope. I would like to advise the Senator that when the income tax law was adopted, and I believe it was in 1913, the depletion allowance was a part of that.

Mr. HUMPHREY. May I say that the depletion allowance of 27.5 percent—and I may be in error on this because it has been some time since I argued about oil taxes—was enacted in 1925—1925 or 1926.

Mr. FANNIN. Yes.

Mr. HUMPHREY. In that period of time.

Mr. BARTLETT. I am quite sure the depletion allowance started in 1913 at the same time they adopted the constitutional amendment with the income tax on citizens, and then in 1919 we had the percentage depletion and the cost depletion.

My point is that this was not an oversight. It was a very definite provision for purposes of a depletable asset.

Mr. HUMPHREY. I accept the Senator's statement. I know he is well informed in this area of the tax law. I am of the opinion that the large depletion allowance was in the period 1925 to 1926.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. ROBERT C. BYRD. Would it be agreeable at this time to enter into an agreement that the 1 hour for debate on the motion to invoke cloture tomorrow on the amendment of the distinguished Senator from Minnesota will begin running at 12 o'clock noon so that the mandatory call for a quorum would begin at 1 o'clock, with the mandatory rollcall vote to occur immediately thereafter? Then, all Senators would know what time the vote is to occur.

Mr. HUMPHREY. I see no objection.

Mr. FANNIN. Mr. President, reserving the right to object, I would appreciate it if the Senator would withhold the request until the Senator could check with Senators who are now away from the floor.

Mr. ROBERT C. BYRD. I am glad to withhold the request. The time I suggested first came from the Senator's side of the aisle. I checked it with the Senator from Montana (Mr. MANSFIELD), who is the chief sponsor of the cloture petition.

Mr. FANNIN. I will tell the distinguished Senator from West Virginia that within the next few minutes I shall be very pleased to enter into an agreement with him.

Mr. ROBERT C. BYRD. Very well, I thank the Senator from Arizona, and I thank the Senator from Minnesota.

Mr. HUMPHREY. Might I say to the Senator from West Virginia that if in the next few minutes the call comes back and there is no objection and the Senator from West Virginia happens to be off the floor, we just could renew the request on the terms that the Senator has outlined.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. ROBERT C. BYRD. May I say, we could do this without any agreement. As a matter of fact, all we need to do is adjourn until 12 o'clock noon tomorrow, which is the regular meeting for adjournment, and rule XXII would take effect.

Mr. FANNIN. Mr. President, I am sure there will be no objection.

Mr. ROBERT C. BYRD. Yes, I understand.

Mr. HUMPHREY. As has been stated so clearly in this debate with some fervor on both sides, the amendment before us does wipe out the percentage depletion for oil and gas with no special exemptions for the smaller producers.

Personally, I do share the concern of my Senate colleagues about the role of the independent producers in the oil industry, and I want it very clear that I am dedicated to their survival.

Mr. BARTLETT. Will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. BARTLETT. I would like to ask the distinguished Senator from Minnesota, not really on this point he is making now, but the point tied in with the fact he did state that the elimination of the depletion allowance only pertains to oil and gas and not to other minerals. Could the distinguished Senator tell me briefly why that is, why he is discriminating against one industry?

Mr. HUMPHREY. Yes. I think there is a good reason for it. First of all, the price structure in the oil industry is very different from many commodities. Prices for oil are arbitrarily set today. Second, the profitability of this industry I think has become a matter of great public concern. It is almost out of hand with the high prices, most of which are dictated by the Mideast oil cartel on the one hand and some of which by our own rules and regulations.

Therefore, I do believe that the price structure in the oil industry, which is not related to production cost, makes it a rather unique industry.

Therefore, the type of tax subsidy which the oil depletion allowance provides is no longer needed, no longer desirable.

Mr. BARTLETT. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. BARTLETT. I would like to advise the distingnished Senator from Minnesota that the price structure today, both oil and gas, is controlled, as he knows, in total, at least, by the Federal Power Commission, partially by the Federal Energy Agency in the case of oil.

Approximately 30 percent of our domestic oil is controlled in the free market and seeks a level of close to or at the level of the foreign prices. The remaining, roughly, 70 percent, is controlled in price, whereas in the other minerals and all other businesses in the country there is not a controlled price on anything at the present time.

Mr. HUMPHREY. I understand, sir.

Mr. BARTLETT. So I would like to point out that the Senator is talking about prices, profits generated from those prices, that are not at the level of the free market.

Mr. HUMPHREY. I think the Senator makes a valid point, particularly in the part where we have the Federal controls. But the prices of uncontrolled oil are not exactly competitive prices. They are cartel prices.

And may I say that in the natural gas industry—and I know that I am talking to a Senator who is very knowledgeable about this industry, as is the Senator from Arizona—is it not true that about 50 percent of the natural gas is uncontrolled in the intrastate rather than the interstate market? And then, did not the Federal Power Commission recently increase the price of a large amount of regulated interstate gas from an average of about 22 cents to 42 cents? This was considered an equitable price adjustment.

Personally, I believe the whole subject of the natural gas controls ought to be opened up for very serious debate and reexamination. I think there is merit to much of the argument that has been made here by some of the proponents of such a debate, even though that is a subject that I think needs more examination than I have been able to give it from my personal point of view; but I am not locked in on that.

Mr. BARTLETT. I appreciate that very much because of the matter of the controlled prices I mentioned earlier, and this ties in with depletion because when we reduce depletion allowance, we increase the costs of doing business, we increase the taxes, we therefore decrease the profits, we decrease the amounts of money that may be reinvested, we also decrease the opportunity for borrowing equity capital for further development.

So we do hamper the current exploration effort that is now going on.

For the period of the controlled prices, the Senator is talking about, the drilling activity starting in 1956 started declining in 1971, resulting from the lack of profit, resulting from the control and low prices.

We still have these controlled prices, and even with the raise the Senator mentioned in natural gas, the depletion allowance that he is going to exempt or eliminate will increase the cost or reduce that effective price, and yet that effective price is only about half of what the free market price is in the interstate market.

We are not going to see any significant increase in the shipments of interstate gas to gas-short areas, such as the east coast, the Chicago area, I am not sure of Minnesota, I do not have any idea, but, certainly, perhaps the State of Minnesota.

The concern that some of us have is, how are sufficient supplies of natural gas and domestic supplies of oil going to be brought about if the efforts are continued to be made, such as the distinguished Senator's amendment proposes to do, to increase the costs of doing business, decrease the profits to bring about less drilling, bring on more imports of high-cost foreign oil, make this Nation that much more reliant upon the Arab countries? I think the distinguished Senator will agree with me that their source of supply over the years has not been a reliable source for this Nation and that we must rely on our domestic supply.

So I would like to ask the distinguished Senator, why does he want to reduce the exploratory effort now going on, which his amendment will do, by increasing the costs of drilling wells?

Mr. HUMPHREY. Well, Senator, I will give my answer, if the Senator will listen to me, in terms of what has happened to the profitability in this industry.

I do not deny that the cost of drilling wells has gone up, the cost of well drilling equipment has gone up, the cost of pipe has gone up, all these things have gone up. That is a fact. We know that. But I still say that much of the oil today is at an excessive price, particularly the international oil. The OPEC countries just set the price. It is not related to the cost. Much of the increase in domestic prices, moreover, is on old oil wells already drilled. Prices went up, but the costs of production or of drilling those wells were incurred years before.

Furthermore, the costs of exploration and drilling, as I have pointed out, are all deductible items.

Let me see if I can be more responsive to the Senator's very important question here.

Mr. BARTLETT. If the distinguished Senator would yield further on the point that he is now making, is it not the case that by eliminating the depletion allowance, it will increase very sharply the cost of drilling for oil? Is that not correct?

Mr. HUMPHREY. I do not think that it will have anything at all to do with the cost of drilling for oil, because the depletion allowance is only effective after the oil is obtained.

Mr. BARTLETT. All right. Is it not going to have the effect of decreasing the profits to the oil companies and decreasing the money that they will have for drilling wells, and also the opportunity for borrowing?

Mr. HUMPHREY. Well, as a matter of fact——

Mr. BARTLETT. Is that not correct?

Mr. HUMPHREY. Insofar as profitability is concerned, Senator, that will depend entirely upon the price in the marketplace as related to the cost of operating and drilling that well.

Maybe I am on the wrong wavelength with the Senator, but I want to be fair and I do not want to be ill-informed. It is my understanding that the only time the depletion allowance has any bearing upon the economics of the oil industry is when oil is discovered. The drilling costs and the exploration costs are all already covered by separate tax law. We are not touching this.

If the well comes in and oil is obtained, then the producer takes 22 percent of the full wellhead value of this oil as a tax deduction, so to speak, as a depletion allowance.

Mr. BARTLETT. The depletion allowance, of course, occurs during the whole time of production.

Mr. HUMPHREY. During the whole time of what, Senator?

Mr. BARTLETT. During the whole time of production.

Mr. HUMPHREY. The whole time of production.

Mr. BARTLETT. Of the producers. It can either be of the gross, as the Senator knows, or not, or cost depletion.

But the question I was asking was a very simple question and I know the distinguished Senator knows the answer. The cost of doing business for an individual operator or a small oil company or a big oil company will be increased as his taxes are increased, which will be a direct result of this amendment. The taxes would go up because of the depletion eliminated; therefore, the profits that the company can reinvest will go down. Is that not correct?

Mr. HUMPHREY. Well, as to the latter part, so far as the profits are concerned, the Senator can see there will be a reduction in profits, but we do not increase the taxes because the depletion allowance is a tax subsidy. It adds to the income of the company.

Mr. BARTLETT. Will the Senator yield?

Mr. HUMPHREY. It is a tax deduction.

Mr. BARTLETT. I beg to differ on the semantics. If the deduction is reduced from taxes, naturally the taxes are increased.

Mr. HUMPHREY. No; naturally, the subsidy is cut and profits are decreased.

Mr. BARTLETT. If the Senator eliminates this subsidy, he is going to decrease profits, increase the taxes, because this depletion allowance does reduce the taxes that are otherwise due and leaves more for profit.

Let me carry my point further.

Mr. HUMPHREY. One can take it either way. The only thing is, with the depletion allowance one can make more money, and without the depletion allowance out one supposedly will have less money.

Mr. BARTLETT. Not supposedly, Senator; he will have less money.

Mr. HUMPHREY. It will depend upon the market for one's product. It will depend a great deal upon the volume of sales and the price, because price minus cost is profit.

Mr. BARTLETT. Mr. President, will the Senator yield further?

Mr. HUMPHREY. Yes, I will.

Mr. BARTLETT. All right. With the greater cost of doing business and with the lesser profits that the Senator agrees will result, then there is going to be less drilling activity.

Mr. HUMPHREY. There is no proof of that.

Mr. BARTLETT. There is less money to do it with.

Mr. HUMPHREY. This is sort of like the bankers telling us what the interest rates need to be. There is a kind of mystique around here.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. BARTLETT. I will yield in just a moment.

This gets down to two points: Either the company could pass those additional costs of operation on to the consumer with an increase in the refined products, the end-use products, the gas, refined oil, and so on, or if he does not do that then there is going to be a reduction in the drilling activity, and less oil found, and the oil companies then will be required in order to have the same level of oil to bring in more high-cost foreign oil, and this high-cost foreign oil would raise the price higher than our domestic price, so that either way, either passing on the costs or importing more oil, is going to result in higher costs to the consumer from the Senator's amendment; is that not correct?

Mr. HUMPHREY. That is not correct, and I am going to address myself to it because it is a complicated process.

The argument the Senator makes is one which I have heard repeatedly. It is the argument made by the oil producers and by those who support the depletion allowance. They make the argument and they restate it. But merely to make it does not necessarily make it valid, and I want to address myself to it in a systematic way.

The Senator raises a point, and he is entitled to an answer, and I will try in the time I have here to give the Senator an answer.

Mr. BARTLETT. I will pay close attention to the Senator, and I would like the Senator to advise me of some oil operators who will support his thesis that this amendment of his, which eliminates the depletion allowance, would not result either in higher prices to the consumer either because of being passed on directly or because of larger imports of higher-cost foreign oil.

Mr. HUMPHREY. All I can say to the Senator is his argument tells us that the oil industry is not competitive, because if it is competitive, there is no reason why it should arbitrarily raise the price. And I am going to demonstrate here what the profit figures are for both independents and multinational corporations. If they want more profit than what these figures reveal, then all I can say is that they have an insatiable appetite. There ought to be some competition in this industry.

Mr. BARTLETT. The Senator just agreed a minute ago even though his amendment applies only to oil and gas, and that all the other minerals that currently are enjoying the benefits of the depletion allowance are in a free market, that the only area that is in a controlled market, with both oil and gas, is the oil and gas industry of the whole country, so we do not have the competition that comes from a free market. We have a controlled price at the present time.

Mr. HUMPHREY. One of the reasons we had it was because there was not any competition in the first place.

I can yield now to my colleague here.

Mr. BARTLETT. If the Senator will permit, I would just like to point out so far as competition is concerned in the oil and gas industry that 82 percent of the domestic wells are drilled by some 10,000 estimated independents. Of the large companies about whose profits we have been talking earlier, and counting them as 30 companies, they only drill 18 percent of the domestic wells drilled.

So I say it is competition. I cannot think of any industry that is more competitive than the exploration industry, other than agriculture in which, I know the Senator is interested and in which I am interested.

Mr. HUMPHREY. Yes, let me just point out the number of wells that are drilled and the number of operators drilling the wells do not tell you very much about the business of the oil industry. What is important about the business of the oil industry are the dollars, who has the money, not how many operators there are. There are a lot of little independent drugstores around, but they do not do very much business compared to the big ones. I am talking about where the money is and who controls the market, who really has the predominant influence in the market.

I am sure that no Senator here is going to tell me that some small private independent company has the same impact on the market as, say, Sun Oil or Standard Oil or Exxon or one of these big companies.

It is sort of like perpetuating a charade here to pretend that some of the smaller companies create real competition, because we have seen here in the last year what happened when the big oil companies decided to put the independents out of business. Thousands of independent retailers in this country were destroyed, thousands of them.

Mr. BARTLETT. Mr. President, will the Senator yield? I would like to repeat that we are talking about the exploration business. In the exploration business 82 percent of the wells are drilled by these 10,000, so it is obvious that they have a real impact in that market, and that they are competing for rigs, they are competing for pipe, and they are competing on a fair and equitable basis with others. But the impact of the majors is less than 20 percent in drilling the domestic wells.

So I think that the Senator, when he is talking about his amendment, must realize that the disastrous effect of this is going to apply to the middle man and it is going to hit him hard, because what this will do to the large company is they can pass on the costs, presumably, or they can go to other markets and other companes, and they can import more unreliable high-cost foreign oil. But the independent has the one business he is in, and he either can be in that business or find some other business, as many did during the sixties. But the independent must be able to accumulate the capital to drill the wells. He does not generate enough of his own.

Why does he find it possible to accumulate capital? Because of the depletion allowance which provides tax incentives for those in the higher income brackets who make their money as professional men or in some business and find it profitable because of this tax advantage to invest in the high-risk oil and gas business.

So the Senator's amendment has the direct effect of reducing the competition by giving more of the market to the major oil companies and by eliminating many of the independents who otherwise are providing this kind of competition in a very competitive business.

Mr. HUMPHREY. I appreciate the Senator's argument, and it is one that causes me concern. I have said, and I want to say once again, that I do not believe the continuation of ill-designed tax subsidies, regardless of current prices or profit levels, is the best way to assist an operator.

If the role of that independent oil man is declining—and it has been stated here repeatedly that it has been declining—this is not because of the lack of current profitability, and it surely could not have been because of lack of a depletion allowance, because the depletion allowance has been with us for many years.

I think it is rather because the biggest new oil developments are located offshore or sometimes in remote areas, such as the northern part of our State of Alaska, where the costs run into the hundreds of millions of dollars rather than in the hundreds of thousands and, as the Senator from Oklahoma has pointed out, small competitors frequently cannot raise this kind of money. I might add, they cannot raise it with or without percentage depletion.

Perhaps reconsideration of Federal leasing policy is a more suitable approach to this problem than perpetual subsidization. But I believe whatever action we take should be followed up by a special study of the future role of the independent oil men, and I am going to propose that Congress pursue such a study with an eye to the action that may be needed.

But again I say, looking at today's oil prices, it is impossible to understand how any impartial observer can continue to vote to continue this subsidy. It is hard to even see how oil men themselves can defend it with straight faces. When riches swell to embarrassing proportions even the beneficiaries must relent and pay their taxes.

In fact, some of the more responsible oilmen now see that point. Top executives of Arco and Shell have stated that percentage depletion should be removed. Much of the odium now being heaped on the oil industry is traceable to its unfair tax advantages. They are largely responsible for the industry's extremely poor public image. Percentage depletion is an affront to commonsense and to the rights of other taxpayers, who must pay more on account of it; and I see little excuse, if any, for any further delay in eliminating the inequity. To put it bluntly, the time to abolish it is now.

Mr. President, the American people do want tax reform and tax equity, and if Congress cannot be moved to enact fair taxation on the oil industry at this time of extraordinary oil prices, increasing market concentration, and unprecedented profits, then people will conclude that Congress is incapable of enacting any reform in this area.

I have heard about the destruction of profits and what is going to happen, and I know we always get the argument in any of these battles that we have here that it all comes down to the little guy; but we have to ask ourselves: How little are some of the little guys?

Earlier today the Senator from Connecticut (Mr. RIBICOFF) mentioned by name some of the independent companies and some of the profits that they have. On June 13, in the CONGRESSIONAL RECORD, in the Extensions of Remarks, there was a table that I am going to ask to have printed at this point in my remarks, because it gives the net income for the first 3 months of 1973 and for the first 3 months of 1974 and the percentage change in net income for over 50 oil companies, many of them independents. For example, the Marathon Oil Co. is one of them. Others were mentioned here, the Superior Oil Co., for example, the Crown Central Petroleum, and others.

I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE OIL COMPANY EARNINGS

[Dollar amounts in thousands]

	3 mo. 1974 net income	3 mo. 1973 net income	Percent change, net income
Amerada Hess Corp	$49, 851	$36, 706	+35. 8
American Petrofina, Inc	13, 083	4, 735	+176. 3
Apco Oil Corp	3, 024	889	+240. 2
Ashland Oil, Inc.[1]	19, 398	15, 904	+22. 0
Atlantic Richfield Co	93, 944	50, 303	+86. 7
Belco Petroleum Corp	6, 098	2, 984	+104. 4
Cities Service Co	68, 800	36, 800	+87. 0
Clark Oil & Refining Corp	13, 331	4, 846	+175. 1
Commonwealth Oil Refining Co	15, 635	2, 806	+457. 2
Continental Oil Co	109, 200	47, 500	+129. 9
Creole Petroleum Corp.[2]	43, 300	37, 400	+15. 8
Crown Central Petroleum Corp	4, 838	303	+1, 496. 7
Exxon Corp	705, 000	508, 000	+38. 8
General Crude Oil Co	8, 456	3, 514	+140. 6
Getty Oil Co	73, 644	33, 092	+122. 5
Gulf Oil Canada Ltd.[2]	41, 800	20, 800	+101. 0
Gulf Oil Corp	290, 000	165, 000	+75. 8
Imperial Oil Ltd.[2]	92, 700	46, 000	+101. 5
Kerr-McGee Corp	23, 619	11, 876	+98. 9
Kewanee Oil Co	6, 142	3, 605	+70. 4
Louisiana Land & Exploration	27, 963	15, 606	+79. 2
Marathon Oil Co	$30, 620	$14, 426	+112. 3
Mesa Petroleum Co	1, 147	4, 634	−75. 2
Mobil Oil Corp	258, 600	155, 800	+66. 0
Murphy Oil Corp	27, 373	7, 665	+257. 1
Occidental Petroleum Corp	67, 769	8, 289	+717. 6
Pennzoil Co	41, 347	19, 624	+110. 7
Phillips Petroleum Co	80, 900	43, 400	+86. 4
Quaker State Oil Refining	5, 330	3, 604	+47. 9
Royal Dutch Petroleum [3]	436, 500	166, 560	+162. 1
Shell Oil Co.[2]	121, 845	80, 233	+51. 9
Shell Transport & Trading [3]	291, 000	111, 040	+162. 1
Skelly Oil Co.[2]	19, 670	9, 961	+97. 5
Southlad Royalty Co	3, 039	1, 312	+135. 7
Standard Oil, California	292, 882	152, 809	+91. 7
Standard Oil, Indiana	219, 023	121, 116	+80. 8
Standard Oil, Ohio	22, 600	17, 500	+29. 1
Sun Oil Co	90, 825	49, 146	+84. 8
Superior Oil Co	14, 495	4, 747	+205. 4
Texaco, Inc	589, 412	264, 016	+123. 2
Union Oil of California	72, 960	38, 251	+90. 7

[1] Fiscal period corresponding to calendar period.

[2] Consolidated in report of parent company.

[3] Based on 60 percent of Royal Dutch/Shell Group for Royal Dutch Petroleum, and 40 percent for Shell Transport & Trading.

Date of source: May 29,1974.

Mr. HUMPHREY. Mr. President, I yield at this point to my colleague from Minnesota (Mr. MONDALE). Following his comments, I shall ask unanimous consent to have printed in the RECORD a table showing the estimated extent to which the domestic oil industry's profits would be reduced by the repeal of the depletion allowance. When I put that statement in the RECORD, I think my colleagues will have something to chew on for a while, in terms of what this amendment is all about.

I yield to my senior colleague.

Mr. MONDALE. I thank the Senator. It seems to me that the issue that we have been groping with all along is not only the question of tax reform, which is before us today, but also the question we had earlier this year of the price oil is being produced for here in the United States. The crucial question is: When is enough enough?

We all agree that the domestic oil industry needs incentives to drill, to build refineries, to build pipelines, to expand production of energy for this Nation's needs. I know of no one who disagrees with that.

The question we ask the opponents of this amendment to face is not the unanalyzed, generalized arguments about incentives. We all agree on that. The question is, When is enough enough?

We know that this industry is characterized by monopolistic tendencies. The Federal Trade Commission, a few months ago, commenced an action against the major oil companies on the ground that they are both vertically and horizontally integrated, that they are able to pass along fantastic price increases to the American consumer, isolated from the normal competition which many other industries face.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MONDALE. I would like to finish this argument, if I might.

The other day, the Senator from Oklahoma testified before the Finance Committee and made the same arguments we have heard today, that if we will just let the oil industry alone, let their prices rise and not increase their taxes, everyone will benefit, production will flow, and everyone will be happy. I confronted him with an article in the New York Times of a few weeks ago, which says this:

> A Nixon administration program introduced last summer to spur greater production of domestic crude oil by allowing its price to rise has failed to provide more oil. It has, however, enabled the nation's big oil companies to raise the prices of their own crude oil sharply, and pass those higher prices along to consumers of gasoline and fuel oil. It has also provided soaring profits for oil companies.

It goes on to point out——

Mr. BARTLETT. Will the Senator yield?

Mr. MONDALE. No, I would like to complete this, and then I will be glad to yield.

It goes on to point out that production in this country has actually dropped by 2 percent.

The cost of old oil has increased by nearly $2 a barrel in the last year. The cost of so-called new oil and deregulated oil has soared from something like $3.50 to $10 a barrel, so the cost of less oil this year to the consumers will be nearly $20 million higher than it was last year.

The argument of the oil industry is that that will bring back production. In fact, production has dropped, and reserves have risen. One wonders, if higher prices automatically bring forth more production, where it is.

If we look around, we can find out where it is. The other day Mobil Oil Corp. announced it intended to buy Montgomery Ward, which I do not believe is in the oil industry, and another major corporation. Mobil announced it was giving its 37,000 white collar workers a $32 million bonus for good behavior. Exxon, Standard, Continental, Standard of Indiana, and Shell were doing the same. And, of course, a few months ago Gulf Oil wanted to buy that great oil-producing concern, known as Barnum & Bailey's Circus.

That is what is happening. Just like the OPEC producing countries, which are charging the same prices as our domestic oil corporations are on 40 percent of their production, the big multinationals have such fantastic wealth that they do not know where to put it; and now they are having to come out with the embarrassing information that there is not a direct relationship between every dollar the consumer pays in fantastic price increases for oil and what goes into domestic production.

What we are saying is, when is enough enough?

We can do it two ways. We can reduce prices. We tried to do that, and the administration vetoed it. Or we can make this a taxpaying industry, which they are not today. The fact remains that though they have the highest profits, they report the lowest tax burdens of any industry in the country. Gulf paid 1.1 percent in U.S. taxes in 1973, Mobil paid 2.2 percent, Texaco paid 1.6 percent, Exxon paid 5.4 percent.

The major multinational industries are a virtually untaxed industry, in the face of a price policy that has gouged the American consumers and resulted in actually reduced production, in the face of new record earnings, in the face the fact much of it is not going to increased investment, but into diversification, bonuses, and circuses.

We say, why do we not then try to pick up a little of it in terms of a small reduction in some of the loopholes and the preferences that they enjoy? That is all that we ask to do here. We think it is a modest thing.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MONDALE. The floor is controlled by my colleague.

Mr. HUMPHREY. I yield to the Senator from Oklahoma, who wishes, I gather, to ask my colleague a question.

Mr. BARTLETT. The senior Senator from Minnesota—senior Senator, I guess——

Mr. HUMPHREY. It is the senior Senator.

Mr. BARTLETT (continuing). Gave the figures that Gulf has paid 1.1 percent of their income in taxes. I think the correct statement would be that their worldwide net income—they are saying that 1.1 percent of that in Federal U.S. taxes——

Mr. MONDALE. That is a very good point.

Mr. BARTLETT. To continue—if he included the figures on Gulf, I would point out they pay 62 percent in foreign state taxes of their worldwide net income, and if we add the two figures together we find the total income worldwide—am I not correct—would figure out to 63.1 percent in U.S. Federal, State, and foreign taxes.

Mr. MONDALE. I am very glad the Senator brought that up because the so-called foreign taxes are not taxes at all. As Paul Douglas used to say, that is a "golden gimmick." They take the royalties and call them taxes. About 20 years ago, the Internal Revenue Service agreed to go along with that, so that the royalties paid to foreign countries are called taxes——

Mr. BARTLETT. Mr. President, will the Senator from Minnesota yield?

Mr. MONDALE. I want to finish this first, because this is very important. The Senator is getting his answer now and I do not think he likes it. But they are called taxes and then they are credited against U.S. taxes on those foreign earnings. The credits are so generous that what has happened is that the major multinational companies have been almost seduced into going overseas and putting their refining capacity overseas because it is tax free, putting their shipping overseas because that is tax free, putting their insurance coverage overseas because that is tax free, because they can use these royalties, and they count as taxes against United States taxes and the taxes that the consumer pays when he goes to the gas pumps are not paid by the oil companies but by the consumer. But the industry continues to count that. It is a wonder they do not count their contributions to the Boy Scouts.

Mr. BARTLETT. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. My colleague is giving us such valuable information that I am indeed happy to yield time.

Mr. BARTLETT. I thank the Senator. I would like to tell the Senator from Minnesota that the figures I was using were tax figures he submitted for the RECORD. But I add them up and the royalties include, on Gulf, the worldwide net income, 1.1 percent in total taxes, but 63.1 percent in total taxes. I would like the Senator to point out to me any royalties that are in his figures and then I would like to go on to the others.

Exxon, he says; it is 5.4 percent. He does not say whether that is Federal tax as a percentage of U.S. income or Federal tax as a percentage of worldwide income. What it is, it is Federal taxes of the percentage on worldwide income. If we list all the taxes for Exxon, it would amount to 60.6 percent in taxes, not royalties, that they are paying as a percentage of their total net income worldwide. So what I am saying to the Senator from Minnesota is, I am using his figures and all the tables that he put in the RECORD, and I am adding them up. If he can show me that his own figures are wrong, I would like him to do so.

Mr. MONDALE. My figures are exactly accurate. Let me quote from Oil Week——

Mr. ALLEN. Mr. President, a point of order. I raise the point of order that the distinguished Senator from Minnesota is supposed to have the floor. If he has relinquished the floor, then I would like to be recognized.

Mr. HUMPHREY. I have not relinquished the floor. Any time we want to have a filibuster, I want the Senator from Alabama on my side.

Mr. ALLEN. Mr. President, I raise the point of order that the distinguished Senator from Minnesota may yield only for a question without losing his right to the floor.

Mr. MONDALE. Mr. President, will the Senator from Minnesota (Mr. HUMPHREY) yield to me?

Mr. HUMPHREY. I am glad to yield to my colleague for a senatorial question.

Mr. MONDALE. I should like to ask the Senator this question about taxes on multinational——

Mr. ALLEN. Mr. President, I would like to have a ruling on my point of order.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Alabama is correct.

Mr. HUMPHREY. Mr. President, we understand the rules. The junior Senator yields to the senior Senator from Minnesota for a question and I do not care how long the question is.

The PRESIDING OFFICER. With that understanding, the Senator may proceed.

Mr. HUMPHREY. We know what Senatorial questions are. So go ahead.

Mr. MONDALE. I thank the Senator from Alabama for his parliamentary instruction to us. I am not going to filibuster, but if I were, there is no man in the Senate who knows more about it than the Senator from Alabama.

My question to my distinguished colleague from Minnesota is whether these figures appearing in Oil Week and the taxes imposed on the multinational oil companies are essentially correct, reflecting their 1973 taxes.

Exxon paid a Federal tax of 5.4 percent on their net——

Mr. BARTLETT. On their net what?

Mr. MONDALE. Gulf——

Mr. BARTLETT. Their net worldwide income, not the U.S. net——

Mr. MONDALE. Mr. President, I make the point of order——

Mr. BARTLETT. Mr. President, will the Senator from Minnesota yield?

Mr. MONDALE. Mr. President, I ask for order. I will be glad to yield at the proper time. I answered the Senator's question once and he did not like it, but I will be glad to give him the opportunity again.

Mr. BARTLETT. The Senator wants a correct answer.

Mr. MONDALE. The Senator from Oklahoma went through this the other morning before the Senate Finance Committee. If anyone reads that record, they will find that the Senator from Minnesota is correct, that the major multinational oil companies are the most profitable, the least taxed, the most preferred industry in the United States. What we are trying to do is to get them to pay a little more in taxes and permit them to join the rest of American business as taxpaying citizens. Gulf paid 1.1 percent. Mobil paid 2.2 percent, Texaco, 1.6 percent. Standard Oil of California——

Mr. BARTLETT. Mr. President, will the Senator from Minnesota yield—will the Senator from Minnesota yield——

Mr. MONDALE (continuing). 4.1 percent. Will the Senator from Minnesota advise me if that is correct?

Mr. HUMPHREY. I have before me the report of the U.S. Oil Week for June 10, 1974, and I gather that is the same document to which the senior Senator from Minnesota refers. The figures he has given to the Senate are printed here. They are Federal and foreign taxes on the major oil companies, figures from the Securities and Exchange Commission, 10K form reports.

Mr. BARTLETT. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. The figures are based on net income before taxes. The Federal tax as a percentage of worldwide net income. Then there are the foreign—State income taxes and foreign—State as percentage of net.

Mr. BARTLETT. Will the Senator just tell me if I am correct or not? The Senator is leaving out some words.

Mr. HUMPHREY. I read them all.

Mr. BARTLETT. Mr. President, will the Senator from Minnesota yield?

Mr. MONDALE. I yield.

Mr. BARTLETT. Is not the 1.1 percent for Gulf the percentage that Federal income tax is to their total worldwide net income and not as the implication is, that it is to the U.S. income on Gulf; am I not correct?

Mr. HUMPHREY. I think the point the senior Senator from Minnesota was making was that the net income before taxes for Gulf—he did not give that figure—but the net income of Gulf was $2,164,000,000.

Mr. BARTLETT. Will the Senator just tell me if I am wrong?

Mr. HUMPHREY. But taxes paid to the U.S. Treasury were $23 million or 1.1 percent.

Mr. BARTLETT. I am asking the Senator if I am wrong, and if that is so, to advise me.

Mr. HUMPHREY. What the percentage of foreign and State tax is to worldwide income.

Mr. BARTLETT. Then we have the first column, one which is the percentage of net income and the percentage of Federal income tax on the net income worldwide. The second column is the percentage of what the foreign and State tax is to worldwide income. If you add them up, Gulf is paying 63.1 percent in taxes on their total worldwide income. If I am wrong, I wish the Senator would tell me.

Mr. HUMPHREY. Yes, the Senator is wrong. Taxes to foreign countries are not a Federal tax. The amount of money that comes into the U.S. Treasury, as we can see according to this report, which is not one prepared by the Senator from Minnesota, is 1.1 percent of net income before taxes on worldwide operations.

Mr. BARTLETT. You say income?

Mr. HUMPHREY. That is right. So what?

Mr. BARTLETT. Is it not true that the States are listed under column 2 and that they pay high taxes to the States in the form of a gross production tax?

Mr. HUMPHREY. Not as foreign state income taxes—foreign state. We are not going to cry any crocodile tears around here about that. If you want to give us Saudi Arabia that is different. But we do not get much from Saudi Arabia. We get high-priced oil. What the people of Minnesota are concerned about, what the people of the United States are concerned about, is how much these oil companies pay into the U.S. Treasury. They do not pay very much. That is what my colleague is talking about.

Mr. MONDALE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. MONDALE. The figures which the Senator cites are correct. I was wondering whether he would agree with an article that appeared a short time ago in the New York Times, entitled "Six Oil Giants Pay Low Income Tax."

The article reads, in part, as follows:

> The nation's six major multinational oil companies, which had total net profits of $6.7-billion in 1973, have reported that they paid worldwide taxes of $25.4-billion on their operations—but they paid only $642-million in domestic Federal income taxes. The companies gross revenues totaled nearly $50-billion for the year.

Would that be approximately correct?

Mr. HUMPHREY. I have a copy of that article in my hand. It was written by Ernest Holsendolph.

Mr. MONDALE. That is the same article. I think it would be well to put that article in the RECORD, because it shows that these corporations, among our largest, are paying into the Federal Treasury at tax rates of 1 percent, 2 percent, 3 percent, 4 percent, and then they are trying to explain this on the basis of what they say is especially high taxes overseas.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MONDALE. I should like to complete this point. I would appreciate it if the Senator would permit me to do so, and then I will yield.

What has happened is that former Senator Paul Douglas used to call "the golden gimmick," by which multinational oil companies are able to treat foreign royalties as taxes for tax purposes. They take all that as credit against U.S. taxes on foreign earnings. Since that makes them virtually tax free on foreign oil operations, they have put as much of their operations as they can into refining, shipping, insurance, and oil exploration overseas, and then they are tax free on these as well.

Recently, I learned that no other U.S. industry uses the foreign tax credit on the same massive scale as the oil industry. The U.S. oil companies take more than 45 percent of all foreign tax credits claimed by U.S. industry. For U.S. industry as a whole, foreign tax credits reduced U.S. tax bills by less than 15 percent in 1971, compared to more than 75 percent for the oil companies. In other words, it is this overseas tax credit gimmick, tied in to that privileged treatment of royalties, that makes their foreign taxes look extraordinarily high and permits them to convert foreign activity into a virtually tax-free operation.

Mr. HUMPHREY. Mr. President, let me continue, because other Senators wish to speak, and I should like to complete my remarks.

For the information of the Senate, I am asking that the amendment that I offered yesterday on behalf of myself and other Senators be divided, so that we can vote on separate sections.

I ask that the first vote be on section 3, which relates to repeal of the percentage depletion for oil and gas production. That runs through pages 1, 2, 3, and through line 3 on page 4. I understand that that is my privilege, as the author of the amendment.

Mr. BARTLETT. Mr. President, I reserve the right to object.

Mr. HUMPHREY. I believe I have that right.

The PRESIDING OFFICER. The request does not require unanimous consent. The request for a division has been stated, and the amendment will be so divided.

Mr. HUMPHREY. I thank the Chair.

I will return to the Senator from Oklahoma in a few moments, because I know he wishes to participate in this discussion.

OIL INDUSTRY PROFITABILITY

Earlier, in my discussion with the Senator from Oklahoma and others, I mentioned the question of oil profitability. I again want to say, in all fairness, that I recognize the difference between the independent and the large multinational corporation. I think that is a fair distinction that needs to be made in this debate.

The question that we have to place before the Senate is this: Will the amendment on which we will vote, on section 3, repeal of percentage depletion for oil and gas production, destroy profits? If it destroys or substantially diminishes profits, will this have any effect upon the depletion of our necessary energy resources?

I have made calculations on the basis of figures that were in the debate in the House of Representatives, plus information that has been provided to me by the staff of the Joint Economic Committee. If we take the estimated profits from domestic oil production and then apply the repeal of the depletion allowance, as it is proposed in the amendment before the Senate, we would have the following effect upon profits.

The aftertax profits in 1974, without oil depletion, would be $6.4 billion; in 1975, $6.8 billion; in 1976, estimated $7 billion; in 1977, estimated $7.3 billion; in 1978, $7.8 billion; in 1979, $8.8 billion. That is an average, over those 6 years, of $7.2 billion.

In 1973, the aftertaxes profit, including the oil depletion, was but $4 billion.

I repeat this, so that the record will be very clear: With the old depletion allowance included in the income and profit calculation for the domestic oil industry—I am talking now about American oil production—in 1973 the aftertax profit was $4 billion. In 1974, with the oil depletion allowance no longer operative, but with the increased prices, the aftertax profits are estimated to be $6.4 billion. It would run up the next year to $6.8 billion; in 1976, to $7 billion; in 1977, to $7.3 billion; in 1978, to $7.8 billion; in 1979, $8.8 billion. That is an average net profit, after taxes, even without percentage depletion, of $7.2 billion. That is approximately 80 percent increase in net profits, up approximately 80 percent over 1973.

My point, Mr. President, is that this kind of profit permits the exploration and development that we need, and if it does not, there is something wrong with the oil industry. It is a pampered industry. It has been on welfare too long.

I have heard arguments in this body about these poor souls around the country who are always getting welfare payments and that they will not work for pay. Well, the oil industry has been getting some welfare payments, and it is time that we took them off it. It is time they got out of the public trough. If they cannot have money available for exploration and development, with an aftertax net income of more than $6.4 billion, there is something basically, chronically, organically wrong with the oil industry.

Mr. President, at the suggestion of my senior colleague from Minnesota. I ask unanimous consent that the article published in the New York Times, to which he referred, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, May 28, 1974]

Six Oil Giants Pay Low Income Tax

(By Ernest Holsendolph)

The nation's six major multinational oil companies, which had total net profits of $6.7-billion in 1973, have reported that they paid worldwide taxes of $25.4-billion on their operations—but they paid only $642-million in domestic Federal income taxes. The companies gross revenues totaled nearly $50-billion for the year.

Under present United States tax law, the oil companies may deduct taxes paid abroad from their domestic tax burden. This accounts mostly for the relatively small amount of Federal income tax paid by the companies. The oil-depletion allowance (which may be abolished in this session of Congress) and intangible drilling costs also reduce domestic taxes.

As a consequence of this tax structure, the Exxon Corporation last year had a profit of $2.44-billion on its worldwide operations, which reached a volume of $28.5-billion over the 12-month period. The company paid $333-million in domestic income tax, it reported.

OPERATION ABROAD

This showing of relatively low Federal income taxes was most pronounced among oil companies with extensive international operations, such as the six biggest: Exxon, Mobil, Texaco, Gulf, Standard Oil of California and Standard Oil (Indiana).

Texaco, third in size, had a profit of $1.3-billion on total revenues of $11.8-billion in 1973. But its United States income tax bill was just $30-million currently plus $46-million deferred for later payment.

The Gulf Oil Corporation, fourth largest, had a profit of $800-million last year on total revenues of $10-billion. Domestic sales alone reached $4.62-billion in 1973. But United States income tax was $23-million for the year.

Oil companies say that, although their Federal income tax looks small in relation to worldwide earnings or even to domestic operations, their total tax burden is comparable to those of other industries.

OVERALL BURDEN

While the Standard Oil Company of California paid only $41.5-million in Federal income tax, the company reported foreign income taxes of $393-million. And various other kinds of taxes brought the total tax burden to $1.9-billion. California Standard, the nation's fifth largest oil company, had a profit last year of $843.6-million on total revenues of $8.9-billion.

Although Exxon's domestic income tax was just $333-million last year, it said that its total income-tax bill was $3.56-billion and that all taxes came to $10.6-billion.

The Mobil Corporation reported worldwide taxes of $4.6-billion for 1973, although its Federal income tax was just $50.4-million.

And the Standard Oil Company (Indiana) said its total taxes were $1.4-billion while the Federal income tax was $165-million. Its sales and revenues totaled $6.5-billion last year.

Oil executives hesitate to compare tax burdens of various oil companies because different companies have different mixtures of operations, including domestic and overseas ventures in petroleum, natural gas, chemicals and other sectors. And overseas tax rates vary by country and by activity.

For instance, foreign taxes are highest on overseas oil production—the actual extraction process—and run to more than half the cost of a barrel of oil. While taxes on distribution tend to be moderate both in this country and abroad by comparison with production taxes, tax rates on refining vary from one nation to another.

For instance, taxation connected with refining is light in the Caribbean and quite heavy in West Germany, people in the oil industry say. Taxes on domestic production, eased by the depletion allowance and intangible drilling allowances to permit write-off of some expenses and dry holes, are relatively light.

A substantial area of oil taxes, as listed by the companies in accordance with acceptable accounting practices, involve certain state taxes and consumer excise taxes. While these taxes are carried as part of the total tax burden, they are mostly collected at the gasoline pump and from customers elsewhere.

Exxon's total declared tax payments of $10.6-billion include about $2.3 billion consisting of state and excise taxes. In the case of Mobil, $1.23-billion of its total taxes of $4.6-billion consisted of state taxes and United States and overseas excise taxes.

In an analysis of the tax burden on the domestic oil and gas industry for the five years ended with 1972, the Petroleum Industry Research Foundation reported earlier this year:

"As in previous years, the oil industry's Federal income tax payments per dollar of revenue were smaller than those [of other corporations], particularly when compared to mining and manufacturing industries.

"The reason for the difference lies primarily in percentage depletion and the expensing of intangible drilling and development costs. These provisions reduce the oil industry's effective Federal income tax rate and, hence, its tax burden per dollar of revenue relative to that of other industries."

The foundation's report said, however, that other tax payments (including state and local property taxes and state production taxes on crude oil and gas) more than offset the advantage on other taxes.

Recently the foundation, whose research is underwritten by the oil industry, issued a report attacking proposed legislation that would reduce the oil companies' ability to offset domestic taxes with foreign taxes.

Mr. HUMPHREY. On that point, we have continued to hear a good deal in the last few weeks from the defenders of the oil industry, to the effect that the profits in that industry are not really high, as everyone believes, but are only about average or perhaps a little below average—we are reading that sort of nonsense; that taxes paid by the industry are not negligible, as most people believe, but instead are very heavy; that the industry cannot carry out the investments necessary to deliver the necessary energy supplies if they are required to pay normal taxes like other businesses.

Well, I think it is time these allegations are confronted with a few facts. First of all, oil profits are underestimated and not overestimated.

OIL PROFITS ARE UNDERSTATED

First, defenders of oil make a great deal of the proposition that oil profits as a percent of invested capital are about equal to those in other industries. Federal Trade Commission figures, however, show that the return on equity of the oil industry has exceeded that for other manufacturing in 17 of the 23 years from 1951 through 1973.

In judging this comparison, moreover, one must recognize that oil profits are always understated in comparison to the profits of other industries. This is true because of the many ways in which would-be profits of the oil industry can be passed through tax loopholes and disguised in the form of depletion allowances, intangible drilling expenses, dry hole expenses and the like. The immediate write-off of drilling expenses is a deduction from profits that are unique to the oil industry, and the vast bulk of percentage depletion also is taken by that industry. Thus, the oil industry enjoys extraordinary opportunities, as a result of its collection of tax favors, to generate tax-free cash flow that firms in other industries would have to report to profits.

1974 IS A NEW SITUATION

One also must recognize that profit data from 1972 or even from 1973 do not anticipate the situation that exists in the oil industry in 1974, since the revolution in oil prices in December of last year has changed the profits picture dramatically in favor of the companies.

In 1972, the 19 largest U.S. oil companies had before-tax earnings of $11.4 billion according to the newsletter, Oil Week. They paid only 6 percent in Federal income taxes. In 1973, profiting from the energy shortage, the companies raked in $18 billion before tax—a 57 percent increase—and still paid only 6.5 percent in U.S. income taxes. Their profits after all U.S. and foreign taxes were up from $5.6 billion to $9.2 billion.

In early 1974, it was estimated by Walter Heller and George Perry, two respected economists, that the cash flow of the oil companies would increase by $16 billion. The rate of return on capital in 1974, therefore, will be sharply higher again, but U.S. income taxes on this enormous income again will be minimal unless certain reforms are enacted. The independent oil producers have shared in this increase in profitability just as have the major oil companies.

INVESTMENT NEEDS

We hear continuous talk about the oil industry's need for funds to invest. The truth is that more funds in the hands of this industry cannot possibly increase real investments, which are rigidly limited by the physical availability of inputs. Higher oil profits will not drill one more well, because more drilling equipment cannot be bought at any price; they will not build one more pipeline or tanker, because there is no pipe or steel plate to be had before 1978 or 1979. In fact, the continuation of these oil tax loopholes promises to be quite inflationary, because oil companies are using these spare funds to buy up everything in sight at record prices—and they are not limiting themselves to buying assets in the oil industry either.

On June 12, Representative JAMES COLLINS of Texas referred to the shortage of oil equipment in a speech to the House of Representatives. He stated that—

> There are no Texas drilling rigs idle at this time. If more rigs were available there would be more drilling. There is also a shortage of drilling pipe as well as other oil well field equipment. This tends to limit further drilling until these supplies become more plentiful.

Representative BILL ARCHER of Texas, also had something to say in this regard. He quotes in the CONGRESSIONAL RECORD of June 13 from a letter he received from Hiram L. Walker, president of the Walker-Huthnance Offshore Oil Co. in Houston, Tex. Mr. Walker stated, "We ordered some tool joints from the Hughes Tool Co. and we were informed that we could expect delivery in 1979."

The thrust of the letter is that the equipment necessary for expanded production is in short supply.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield at this point.

Mr. BARTLETT. The distinguished Senator just a moment ago mentioned that the total taxes on the domestic petroleum industry were about 6 percent. He did not say that that was on gross income.

Mr. HUMPHREY. Will the Senator yield for a point of information?

Mr. BARTLETT. I yield.

Mr HUMPHREY. Mr. President, when I asked for a division of the amendment, I would want to vote on section 3 first.

Mr. ALLEN. I object.

Mr. HUMPHREY. There is no need for the Senator to object. It is not in order, because I have the privilege as the author of the amendment to divide.

Mr. ALLEN. The Senator has the right to divide but it has to come in order.

Mr. HUMPHREY. Section 3; I want the vote on that first.

The PRESIDING OFFICER. The Chair would inquire if the Senator wishes to divide it into two parts.

Mr. HUMPHREY. That is correct.

Mr. ALLEN. Reserving the right to object, the first part would be the first part appearing on the amendment?

Mr. HUMPHREY. That is correct. Section 3 of the amendment, title 3.

Mr. ALLEN. Very well.

Mr. HUMPHREY. The second part would be on the tax reduction features.

The PRESIDING OFFICER (Mr. HELMS). That is correct.

Mr. HUMPHREY. I thank the Senator from Oklahoma for his courtesy.

Mr. BARTLETT. Mr. President, I would like the distinguished Senator's attention because a moment ago he mentioned correctly that the oil industry pays 6 percent in taxes.

Mr. HUMPHREY. That is what I estimate the average to be, yes.

Mr. BARTLETT. He did not say but this is 6 percent of gross income revenue. I would like to read a report from the Petroleum Research Foundation. It shows that in 1972 the petroleum industry paid $3.8 billion in domestic taxes, exclusive of motor fuel and other excise taxes.

Mr. HUMPHREY. The excise taxes are paid by the consumer. It is bad for the oil industry even to insinuate that they paid those excise taxes any more than the cigarette company pays the excise tax when a person smokes a pack of cigarettes. He pays the tax himself, if he smokes.

Mr. BARTLETT. I think the Senator heard me say exclusive of these taxes. I said what they were. I said exclusive of motor fuel and other excise taxes. This is where I would like the Senator to listen:

> The total tax burden of the petroleum industry is about six percent of revenue in recent years.

This is what the Senator said a moment ago, but he did not say it was in comparison with less than 5 percent of all other business corporations.

Then I wish to read on. It says "including motor fuel and other taxes, would be 20 percent." I wish to point out that the 20 percent of total domestic taxes, and so forth, compares with about 6.5 percent of all corporations; but as far as all taxes are concerned, and this is the main point I make, the 6 percent paid by the oil industry of this gross revenue is greater than the 5 percent or less than 5 percent paid by all other businesses.

Mr. HUMPHREY. Yes. If I may, I gather there is honest disagreement, but my understanding is 6 percent before taxes. In other words, of taxable income. It is not on gross income. It is 6 percent.

Mr. BARTLETT. If the Senator would like to check this out, this is the report on 1972 income and it is 6 percent of the gross and this compares with all taxes.

Mr. HUMPHREY. Yes.

Mr. BARTLETT. I would like also to point out that on a 10-year basis or 20-year basis, up to the most recent year, that the oil industry in all domestic taxes paid more taxes on the average than all manufacturers on the average.

Mr. HUMPHREY. Well, the facts we have from the Federal Trade Commission in the Joint Economic Committee do not sustain that, but I would prefer not to get into a long argument about this. I do not want the RECORD to be false.

Mr. BARTLETT. The Federal Trade Commission has the figures I am talking about, as well.

Mr. HUMPHREY. They are the figures we had before the Joint Economic Committee, and the reports we have show that the tax I referred to was only on taxable income and not gross income. Second, the petroleum industry has neatly folded into what it calls its tax payments, its excise tax on diesel fuel, and everything else. It is wrong to do that, because that is paid by the consumer.

They may have to report the tax.

Mr. BARTLETT. If the Senator were listening, he would have heard that I excluded that.

Mr. HUMPHREY. I know, but when the Senator got around to that 20 percent a year later, that was included.

Mr. BARTLETT. That is right.

Mr. HUMPHREY. Again, I have the highest regard one could possibly have for the distinguished Senator from Oklahome and I know that if we disagree on figures it is simply because we have not gone to the same source, and I do not want this record to reveal any intentional misstatement of fact, and I shall privately visit with the Senator and we will make the record proper.

That goes, by the way, also to my good friend, the Senator from Arizona.

I know in Senate debate we can honestly disagree. On facts and figures, of course, we should have basic agreement and then we can make our arguments, our discussions, from those facts and figures.

I have one other point, and I will yield to the Senator from Iowa who has been very patient here.

EFFECT OF DEPLETION REPEAL ON CONSUMER PRICES

Earlier today, the distinguished Senator from Arizona and the distinguished Senator from Oklahoma talked very persuasively and sincerely about the effect of the depletion allowance repeal on consumer prices. I think that is a legitimate concern and we ought to face up to it.

The administration and others, for example, have said that the elimination of percentage depletion would mean higher oil prices for consumers. This statement should be seen for exactly what it is—an outrageous threat to take deliberate retribution against the consuming public if Congress cuts into big oil's tax breaks.

I repeat what I said earlier, there is no need of any increased price to the consumer unless the oil companies just want to make more and more money without regard for present profitability or the cost of operation.

The only way in which a depletion repeal could affect oil prices is if the administration uses it as a pretext to raise the ceiling on price-controlled domestic oil. The price of already decontrolled domestic oil surely will not be affected by the repeal, because this price is determined by the highest level set by the OPEC cartel—now about $10.50 for oil sold directly by the OPEC governments. This price of decontrolled domestic oil would be no more affected by depletion repeal than the price of imports itself. Neither price has the slightest relationship to production costs or taxes in the United States. They are set by the raw monopoly power of OPEC.

The administration could increase the ceiling on price-controlled domestic oil. In December 1973, the Cost of Living Council granted crude oil producers a price increase of $1 per barrel without any pretense of cost justification. I will say in defense of Dr. Dunlop that he never pretended there was any cost justification.

We now know from Government files obtained by Senator JACKSON that the officials approving that increase were informed in advance by their professional staff that no such action was justifiable. They went ahead with it anyway as a Christmas present to the oil companies, paid for by consumers in higher product prices. The result of the increase, incidentally, has not been an increase in oil production, as was promised. On the contrary, production continues to decline.

Now the Federal Energy Administration, which has taken over the controls on oil, could raise the ceiling again. But it is abundantly clear that old oil prices already have advanced far ahead of the costs of production, the vast bulk of which were incurred in an earlier day. Only about a year ago the industry representatives told Congress that a price for crude of $4.10 would be adequate to assure 85-percent self-sufficiency. Any new increase in the price ceiling based on the repeal of percentage depletion would signify an administration decision to use its power to maintain the windfall profits now being enjoyed by the oil industry at the expense of consumers. If gasoline prices go up again, it would result from another flagrant act by the administration to favor big oil over the public.

In fact, the numbers being bandied about on the size of the threatened increase in the ceiling indicate that the FEA might use this occasion as a pretext to give the oil companies a lot more than just enough to cover their taxes. The maximum value of percentage depletion on old oil at the present price is about 55 cents per barrel. If percentage depletion is withdrawn, firms could take cost depletion — normal depreciation — that would amount to roughly half this much. Thus, the additional tax liability would be at most about 25 cents per barrel. If fully passed through to the gas pump, this translates into about 0.6 cents per gallon. Yet people are talking about boosting the ceiling on old oil by amounts in the range of $1.50 per barrel and gasoline by some 3.5 cents a gallon.

I think this makes clear what is being threatened here. The administration will bear a very heavy onus in the public's judgment if any move is made to carry it out.

What I am trying to say in simple terms is that, based on costs of production and the realization of profit, there is absolutely no economic or moral justification for a price increase to the consumer with the removal of the oil depletion allowance.

Mr. BARTLETT. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. BARTLETT. I am very pleased that the distinguished Senator is concerned over the independent and over the oil business in general. I would like to read some excerpts from an article. I ask unanimous consent that the article be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDEPENDENTS REINVEST NEARLY ALL OF DEPLETION

Independent producers plow back virtually all of their percentage-depletion deductions, a survey by the Independent Petroleum Association of America discloses.

The survey was reported to Treasury Sec. William O. Simon in order to show the impact of legislation to repeal the provision, either effective Jan. 1, 1974, or by 1979, as different bills provide.

Repeal of percentage depletion, the survey showed, would reduce cash flow by 35%, but the impact would be more severe than this figure suggests, Simon was told.

123-member survey. IPAA obtained the data in a confidential survey of 123 members with gross income from oil and gas operations of $625,460,367. For this group, percentage depletion (in excess of cost depletion of $28,074,697) was $90,817,686, intangible drilling and development costs (excluding dry hole costs) of $126,061,626, dry hole costs of $76,939,394, canceled and surrendered leases of $41,221,977, and depreciation lease and well equipment $52,345,238.

Based on tax returns filed by the 123 operators, they drilled themselves into a taxable loss of $84,569,999. In other words, they drilled up all but about $6 million of the percentage-depletion deduction, C. John Miller, IPAA president, wrote Simon.

If the $90,817,686 percentage-depletion deduction were eliminated, cash flow of $127,889,689 would be reduced by federal income tax of $45,408,843, according to IPAA calculations. Cash flow would drop to $82,480,846. All of the remaining cash flow would be required for equipment on new wells.

If depletion were repealed, Simon was told, this group of independents would have no internally generated funds left (after equipping new wells) for acquiring leases, geological and geophysical expenses, equipment other than that for leases and wells, repayment of debt, or payment of dividends. Miller said substantial borrowing or reduction in drilling would be required merely to equip new wells.

"Hence," the IPAA president concluded, "the only logical alternative for most oil and gas operators would be to curtail drilling, pay tax on the funds available because of reduced drilling, and use the net funds for other capital expenditures in their oil and gas business or make alternative investments outside the oil and gas industry."

Previous cut hurt. Miller observed that the previous cut in the depletion rate, from 27.5% to 22%, effective with taxable years beginning after Oct. 9, 1969, "ties directly to an approximate 14% decrease" in drilling. Completions fell from 34,053 in 1969 to 29,467 in 1970.

"Certainly," he added, "an elimination of percentage depletion (or even a further reduction thereof) would cause a substantially more dramatic decrease in number of wells completed."

Miller declared that further cuts in depletion would be devastating to drilling rates, since independents customarily drill most of the wells in the U.S. In 1972 their share was 82.5%.

Mr. BARTLETT. The Senator said earlier that the repeal of the percentage depletion would not really affect too much the independents, but according to a 123-member survey of independents, it would reduce their cash flow by 35 percent.

Based on tax returns filed by these operators, they drilled themselves into a taxable loss of $84,569,999. In other words, they drilled all but $6 million of the percentage depletion allowance of $90,817,686.

Now, if the $90 million figure percentage depletion deduction were eliminated, cash flow of $127,889,689 would be reduced by Federal income tax of $45,408,843, according to their calculations. So the cash flow would drop to $82 million.

I would like to bring out that the previous depletion from 27.5 to 22 percent that we discussed earlier, effective with the taxable years beginning after October 9, 1969, ties directly into a 14-percent decrease in drilling completions which fell from 32,053 in 1969 to 29,467 in 1970.

So I want to bring out to the distinguished Senator that this could and I think will have the effect of increasing the ownership of the total industry by the major oil companies, decrease the competition, increase the import of high-cost oil, and I know the distinguished Senator knows that the crude oil in this country coming in that we use is much more costly than what we produce ourselves.

Mr. HUMPHREY. Correct. The Senator is right on the last point.

Mr. BARTLETT. Which is going to increase the business of finding our own oil and increase the amounts coming in, which is higher cost and will put us more than ever before in reliance on Arab countries, which do not seem to be interested in our energy supply.

Mr. HUMPHREY. I know the able Senator from Oklahoma is a very sincere advocate of his point of view, and I respect his words and his argument very much.

It is the view of the Senator from Minnesota that the best protection that the independent oil driller and the independent oil producer has is the price that he gets; that it is much better than depletion allowance. The depletion allowance hangs as an albatross around the neck of the oil industry, giving it a bad image, showing special tax favoritism, and it is my judgment that depletion allowance is out of date, that it is an outrageous subsidy, and that it should be repealed. That is the point, the premise on which I base my argument today.

Mr. BARTLETT. Will the Senator yield for just a second?

Mr. HUMPHREY. I will.

Mr. BARTLETT. I think the independent looks upon the depletion allowance as the reason that he is able to acquire outside capital to invest in drilling programs and wells that he originates.

It is because of the tax advantage that a person in a higher income invests in the high risk business of finding oil.

The independents, as the Senator knows, drill well over 80 percent of the wells drilled in this country. So it is the independents, the 10,000 smaller people who drill where one is not supposed to drill, who find oil nonetheless, that have made this country so strong from an energy point of view.

The discouragement that will take place by drying up their sources of capital, as well as reducing their profits, is bound to take effect on the number of wells drilled and will reduce the energy sufficiency level of this country. It will increase the time it is going to take to become energy sufficient and it is going to make us more reliant upon foreign crude, which has been up to this point unreliable and very high priced.

Mr. HUMPHREY. May I ask the Senator from Oklahoma if he has any intention of offering any kind of amendment which will relate to any favored tax treatment to the independent?

This is just a point of information.

Mr. BARTLETT. At this time, I would advise my distinguished friend from Minnesota that I have no plans for doing that at the moment.

Mr. HUMPHREY. I thank the Senator.

Mr. BARTLETT. I might have later on. I just have not reached any decision.

Mr. HUMPHREY. I want to thank the Senator from Oklahoma for his part in this argument.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am terribly sorry, but the Senator from Iowa has been asking me to yield to him. Does the Senator wish to ask a question?

Mr. ALLEN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Would the Chair define the right of the Senator to yield the floor to another Senator, and for that Senator to yield the floor to another Senator? Does the right of recognition belong to the Chair? Otherwise only one viewpoint will be presented.

Mr. HUMPHREY. May I say to the Senator from Alabama I have no intention of trying to regulate who speaks. I am going to yield the floor myself very shortly. But I understood the Senator from Iowa had a question, and I understand the Senator from Louisiana has a question.

If the Senator from Iowa will permit, I will yield to the Senator from Louisiana.

Mr. ALLEN. Mr. President, may we have a ruling.

The PRESIDING OFFICER. The Senator may yield only for a question. If he persists in yielding for more than a question, and a point of order is raised, then he will lose his right to the floor.

Mr. ALLEN. Mr. President, does he have a right to pass the floor on to other Senators?

The PRESIDING OFFICER. He does not.

Mr. ALLEN. In a line of succession?

The PRESIDING OFFICER. He does not.

Mr. ALLEN. Mr. President, at what point would that change be stopped then by the Chair?

The PRESIDING OFFICER. The point of order has to be raised from the floor.

Mr. ALLEN. Very well. I have no objection to the distinguished Senator from Iowa speaking, but I would not like this filibuster to continue without the opposing view being presented at some point.

Mr. HUMPHREY. May I say to the Senator whenever a filibuster starts we will let the Senator know. There is no filibuster. There is an argument here today that has been shared in by, I think, eight Senators, as a matter of fact, which is a pretty good debate for the day.

I agree with the Senator that no one should have the right to pass the right to the floor to other Senators.

Mr. ALLEN. I believe if the Senator will sit down we can get a vote on these other matters.

Mr. HUMPHREY. The Senator will be glad to do that, but there have been many questions.

Mr. LONG. Is the Senator aware of the fact that in 1972 the domestic oil industry was making substantially less profits than the average manufacturer in this country?

Mr. HUMPHREY. That is, Senator, what were the reported profits of the oil industry. I gather from what their reports are, that is what they say.

Mr. LONG. If the Senator looks at their return on equity, as the bankers do to see whether to lend money, that would be shown.

Is the Senator also aware of the fact that these big industry profits which occurred last year were not from the domestic industry but rather from the foreign industry? For example, it is a fact that the seven largest international petroleum companies reported in 1973 an increase of $135 million in domestic profits compared to an increase in foreign profits of $3,771 million. In other words, the increase in profits from foreign operations, as reported by those same companies, was about 30 times as much as the increase in profits here in the United States.

Mr. HUMPHREY. Senator, that may be the case, but they are American companies. Our point was how much they paid in taxes to the Federal Government, and they obviously have made very substantial profits.

I think the Senator has properly noted the difference between their profitability on American investment, on the one hand, and the profitability on foreign investment, on the other, and I think that is a legitimate point.

Mr. LONG. That raises the next question: I wonder whether the Senator knows that, although the increase in overseas profits was about 95 percent, nevertheless the increase in taxes proposed in the Senator's amendment will affect mostly the fellows in this country who did not make that big increase in profits?

Mr. HUMPHREY. Senator, all we are attempting to do here with this amendment is to take away what some oil companies themselves have said is an obsolete provision of the law, and one that they do not feel they need.

Obviously, most companies do not agree with that, but certain companies have said so. We are not changing the basic law with respect to the oil industry, with the exception that if you have an oil well and it is producing the value at the wellhead, to remove that 22-percent tax deduction at that particular time. That is a rather favorable tax treatment.

Mr. LONG. Is the Senator aware that the one oil company, Atlantic Richfield, that said they favored repeal of the depletion allowance, also said that they did so because they wanted the price of oil to go up?

Mr. HUMPHREY. The price of oil has already gone up.

Mr. LONG. Is the Senator aware that, so far as the domestic producers are concerned, the price of $5.25 per barrel of oil will have to be advanced if there is a tax increase? I just wonder if the Senator is aware of the impact on prices if the oil producers lose the depletion deduction.

Mr. HUMPHREY. I pointed out that $5.25 price is about $1.15 higher than the oil industry said it needed a year ago to become 85 percent self-sufficient in American oil. In fact, the oil companies came into Congress, before the Senate Committee on the Interior and testified just a year ago that if they got $4.10 a barrel, it would be a sufficient price to guarantee 85 percent of self-sufficiency in oil production in the United States by 1980.

Now they are getting $5.25 for oil under price controls. That is $1.15 more than they said they needed. They average out at about $7 and something with the old and new oil. The new oil that is not controlled runs at around $10 a barrel, and that is about, what is that, some 35 percent of the total domestic production.

So it appears to me that the only reasons why prices would go up are two: One, the Federal Energy Office might raise them, which it has the power to do up until February of this year, but I do not think it should do that even if it has the power to do it.

Second, the oil companies could just decide they wanted to make more money. They are not going broke, Senator.

Mr. LONG. The Senator is aware that the cost of everything went up last year, and the average of all commodities is about 12 percent.

Mr. HUMPHREY. I am aware of that, but the oil equipment to produce the already flowing oil did not go up; the only cost that went up in that case is the cost of the small amount of labor involved and they did not get a large increase.

Mr. LONG. To stay in business, the producer is going to have to find ways to replace the oil that he is depleting. If he is selling oil for $5.25, then he is going to have to be able to find oil which costs less than that $5.25 price; otherwise he cannot stay in business. If he cannot find new oil at a cost below the price at which he is selling, he is on the way out of business.

Mr. HUMPHREY. But, Senator, the new oil in the United States is selling at the new rate of the OPES companies' price of $10.50.

Mr. LONG. That is, when one can find it.

Mr. HUMPHREY. That is right; when one can find it.

The whole point is the depletion allowance is no good until you find it, and if one finds it, under the old system he was getting around $3.50 to $4 a barrel, and getting the depletion allowance.

Now, if one finds it, he is getting $10.50 a barrel and he does not need the depletion allowance, any more than a farmer today getting a $4 price for wheat needs it.

He says, "Look, if you give me a price, we do not need it."

But one might just as well say, if we are going to continue the subsidies to the oil industry, that we ought to subsidize the cotton farmer, the corn and wheat farmer all on the old subsidy basis, anyone could rightfully demand a subsidy. But, no, we say, "No, Mr. Farmer, you are getting a good market price, and because you are getting a good market price, we are not giving you a subsidy."

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HUMPHREY. Volleys from the left and from the right.

Mr. LONG. This is what I had in mind: Does it really make any sense, when we need to expand our domestic capacity to produce oil, to put a tax increase that amounts to $2 billion on the industry we expect to make heavy investments?

Instead of a $2 billion tax increase on the domestic industry, would it not make better sense to put the tax on foreign oil rather than domestic oil, due to the fact that that is where most of the profits are? That is where the bulk of it is, even according to the figures of the major companies, when they break down profits between domestic or foreign sources.

Mr. HUMPHREY. Mr. President, if the Senator wants to add to this amendment that we tax foreign oil more, I am for him.

Mr. LONG. The point is that 50 percent of the independent producers in this country went out of business during the last 20 years, 5,000 of them.

Mr. HUMPHREY. They went out while they were getting a subsidy. The problem is, they were not getting a price. But if the independent producers we are talking about drill a dry hole, their costs are all deductible, as we know; but if they find oil today, they get a high price of $10.50 per barrel, compared to $3.60 or $3.50 a barrel that they got only a year ago. So the depletion allowance argument, at $3.50 a barrel, may have had some justification, but at $10 a barrel I think it has lost its justification.

Mr. LONG. But that cheap foreign oil costs 25 cents a barrel to produce, and they bring it in for about a dollar a barrel transportation cost. Domestic producers could not compete with foreign oil that can be produced so much more cheaply, and their testimony is that even with the situation that we can anticipate at this moment, if we take away the depletion allowance, half of those that remain will be put out of business. In fact, some of these people testified that they had gone out to seek money to drill more wells, and when the prospective investors heard they would be denied the depletion allowance, all the money dried up.

Mr. HUMPHREY. The depletion allowance, insofar as this body is concerned, was a subject of debate and of legislative initiative about a month ago. There has not been much advance warning to the investment community that we were going to try to repeal the depletion allowance.

The House Ways and Means Committee, I understand, has a 3-year phaseout of the depletion allowance for most of the oil and gas industry, and 5 years completely across the board; and may I say that there are generally good, solid arguments for what is called phased reduction? If it were not for what I consider to be the unconscionable profit picture of the oil industry today, both domestic or international, I would be much more favorable to what we call the phaseout over a period of time, and it may very well be that this is something that will be offered here.

Mr. LONG. Here are the figures provided by the First National City Bank, and I would like to state that the seven largest international oil companies reported a percentage increase of 6.4 of their profits in the United States, while they reported a profit increase of 136 percent in their foreign earnings.

The reason we are in this big mess and not able to provide our needed energy is that this Nation permitted it to become so much more attractive for Americans to go overseas to produce oil rather than produce it here; and I would just ask if the Senator recognizes that to double or drastically increase the tax on our domestic industry without a similar increase in the foreign tax is just discriminating against the domestic producers all over again.

Does the Senator from Minnesota know how much his amendment would increase the tax on the increased profits in foreign oil?

Mr. HUMPHREY. About $40 million.

Mr. LONG. Forty million dollars; and how much would the amendment of the Senator from Minnesota increase the tax on domestic oil?

Mr. HUMPHREY. We do not have control over taxes on foreign oil. Other countries control them. I would like to be able to offer an amendment to change the tax laws in Saudi Arabia, but they do not permit it.

The only thing I am permitted to be is a Senator of the United States, not a Senator for Saudi Arabia; therefore, I thought most likely we ought to kind of confine ourselves to the tax laws of our own country.

We can modify the laws that relate to American corporations dealing overseas as to how much they have to return to this country for taxable purposes. That we are permitted to do, and if the Senator, who is the chairman of the Finance Committee, wants to offer such an amendment, I most likely would be eager to support it.

I call the Senator's attention to the profit figures that we placed in the RECORD earlier today. The Senator from Connecticut (Mr. RIBICOFF) introduced them originally. These figures are all on American companies, and many of them have no overseas activities at all.

For example, for the Marathon Oil Co., its 3 months in 1974 net income as compared to its 3 months in 1973 net income—and Marathon is a fine company; it is a great company—the percentage increase in net income was 112 percent.

Mr. LONG. Mr. President, does that really tell us anything unless we know what their income was and what their return on equity was in that previous year?

Mr. HUMPHREY. Mr. President, for the industry over the last 23 years, in 17 of those 23 years the relationship of profits to equity in the oil industry was better than that of, I think, all other manufacturing companies. For every year, I cannot say so, but for 17 out of the 23, that is not bad.

Mr. LONG. Mr. President, just to give an example, though, to show how little that means, the 10 largest companies in 1967 had a rate of return on equity of 12 percent in the United States; for 1973, the high-profit year the Senator is talking about, they had a return on equity of 10.6 percent, and that does not allow for the effect of inflation in reducing the purchasing value of the dollar.

Notice this: Comparing the same period in 1967, the return on foreign was 9.6 percent; 1973, 16.4 percent.

Mr. HUMPHREY. If you take 1974 on both domestic and foreign, Mr. President, we really get up in the stratosphere.

Mr. LONG. What I am saying is that if we want to tax windfall profits where the big profits have been, we would be taxing foreign oil.

For example, if we changed the foreign tax credit to be a deduction rather than a credit, and then gave the companies a break, an offsetting break, hopefully, by reducing their rate from 48 percent down to 24 percent, that would bring in about $2 billion in additional revenue.

Of that $2 billion, about $1.25 billion, or about 60 percent of it, would be on American oil companies doing business abroad, and if we did it that way we would then be taxing where the profits are; but what the Senator is proposing is to discriminate further against the domestic producer.

We hear great speeches about the enormous profits; and then we find that the profit someone is talking about is the profit made in Saudi Arabian oil, Near Eastern oil, Venezuelan oil, and Nigerian oil.

Then when we get around to reading the tax proposal, what is it? It is something to clobber the domestic independents, to set back the industry which is already too retarded.

We should be trying to increase the production in this country so that we do not have to pay $10 for oil. It is estimated that the long-term cost of that oil ought to be about $7 a barrel, provided we could hold the cost of living steady, and I would think that that is what we ought to be trying to achieve.

I personally have said—and I mean this—I will vote to repeal the depletion allowance on foreign oil. They do not need that. The Senator from Minnesota and I know that most of those companies have so many tax credits that if we repealed the foreign depletion the companies would not be able to use up their accumulated credits for years.

Mr. HUMPHREY. Correct. The Senator is right.

Mr. LONG. We could bring in a lot of money with regard to the taxes on the foreign oil, but when we make it more attractive to produce the oil there than here, we really cannot blame the industry for going abroad, because people tend to go where the profit potential is the greatest.

What I object to is to propose these tax increases on persons that I do not think the Senator wants to tax. For example, it is credible when the independents tell us that half of them went out of business during the past 20 years——

Mr. HUMPHREY. With the oil depletion on the books?

Mr. LONG. Yes, but in spite of that they tell us that if we repealed the depletion allowance——

Mr. HUMPHREY. At $10.50 for oil? That is all new oil we are talking about now.

Mr. LONG. That is what they tell us, and I believe it to be correct. That $10 price per barrel will not last. Over a period of time, the price of oil will settle at one price, not two as we have now. It will be whatever price the market in this country will permit or support. We are not going to maintain two prices over a long period of time. Prices will have to come into line, $7, $8, whatever it happens to be.

Mr. HUMPHREY. Is that not greatly dependent upon what the OPEC countries decide on?

Mr. LONG. Not necessarily. In any event, what is keeping the independents in business is that depletion allowance and the deduction for intangible drilling costs. It makes it attractive for someone to take a chance and invest some money, to help them drill a well; if they would not have the depletion allowance, the majors have all sorts of advantages over the independents. But that is one advantage of the independents over the majors. Look at the 70 percent personal income tax and compare it with the 48 percent rate on corporations; that depletion allowance attracts money to take a chance on drilling wildcat wells by the independents. That is the only competitive advantage they have. They cannot go out and drill offshore wells.

Mr. HUMPHREY. That is what I pointed out earlier today. I grant that.

Mr. LONG. They do not have the money to pay $200 million or even $20 million for leasing.

Mr. HUMPHREY. Could we not change our Federal leasing property laws a little?

Mr. LONG. I favor that, but it is enormously expensive. The independents cannot go overseas. I have talked to some who did, and when we find out the problems that they have in doing business overseas—the touchy local considerations, including assassination—we will find it is a little bit more than the hometown boy can hope to contend with when he tries to do business in those foreign lands. So for the domestic independents, if they lose the depletion allowance and the intangible drilling costs write-off, I believe that very few will be able to stay in business. If half of them cannot compete against foreign oil, which has a great cost advantage over them, I do not for the life of me, see, how we can take away the one thing that is keeping them in business.

I say to the Senator that I hope he really does not mean to put a death sentence on the independents because I believe they are good for the country.

Mr. HUMPHREY. I do, too. I believe that if what we were sponsoring was a death sentence, I would have no part of it. It has been my judgment—I may be in error—but I have high regard for the Senator from Louisiana on this subject, as well as on others, and he has been very fair through the years, I should say, in all matters concerning the oil industry and tax schedules. I have felt that with the new price of oil and the large number of independents who are in the area of exploration and development, when they hit a new well, knowing that exploration and development costs are deductible, they do not need the depletion allowance to be able to survive or to make a good profit because the present price and the foreseeable price of oil, particularly new oil, will be sufficiently high. There is no way I see where it will be substantially lower, so the profitability will be there. This is an honest difference of point of view. The Senator from Louisiana makes a powerful argument today, and I am pleased that he is here to join in this debate.

Mr. President, I do not want to keep other Senators from participating in this debate and I am going——

Mr. EAGLETON. Mr. President, will the Senator from Minnesota yield briefly for a question?

Mr. HUMPHREY. I yield for just one question.

Mr. EAGLETON. I should like first to preface my question by saying that I am in support of what the Senator is desiring to accomplish by his amendment. I should like to inquire of the Senator from Minnesota if he has thought of the price passthrough consequences of the amendment, since Secretary of the Treasury Simon in his testimony before the Finance Committee on June 5, 1974, said:

> Removal of percentage depletion will result in higher prices to consumers.

Then later, Frank Ikard, the president of the American Petroleum Institute, said before the Finance Committee on June 11, 1974, in response to a question by the Senator from Louisiana, as follows:

> LONG. A major tax increase on the industry—and that is all the repeal of the depletion allowance would be . . .—will have to be passed on to the public. Now, am I right or wrong about that?
>
> IKARD. I think you are unquestionably right. . . . It translates into something on the order of between 3½ and 4 cents a gallon of oil. . . . We can look for a marked increase in price for the consumer.

I should like to ask the Senator from Minnesota what his reaction is to that potential; that is, if the old depletion allowance is summarily repealed, what kind of consumer price increase might we expect, at the pump?

Mr. HUMPHREY. I went into that a little while ago. I gave my point of view about it and what I believe is in the hearings that have been held thus far and the studies made in the Joint Economic Committee. I pointed out that in December 1973, the Cost of Living Council granted crude oil producers a price increase of $1 per barrel without any pretense of cost justification.

In fact, the Senator from Washington (Mr. JACKSON) revealed in this body that the officials approving that increase were informed in advance by their professional staff that no such action was justifiable. Only a year ago, industry representatives told Congress that the price for crude of $4.10 was more than adequate to make self-sufficiency. I realize that Secretary of the Treasury Simon and others from the oil industry have been saying that we would have to have a substantial increase in the price of oil and gasoline to the consumer if the depletion allowance were taken out.

If the depletion allowance were taken out, the maximum value of the percentage depletion on old oil at present prices is 55 cents a barrel. If the percentage depletion is withdrawn—that is, on old oil—firms could take the cost depletion. That is normal depletion, which is roughly half of that, and thus the additional tax liability would be 25 cents a barrel at most. If fully passed through to the gas pump, this would translate into about 0.6 cents per gallon—half a cent a gallon—not three and a half cents, but one half a cent a gallon. Yet people are talking about boosting the ceiling on old oil by amounts in the range of $1.50 per barrel and gasoline by some 3.5 cents a gallon. I do not think it is justified. I do not think the economics justify it.

Mr. LONG. Mr. President, if the Senator will yield right there, briefly, some of the figures the Senator is quoting, if the companies are going to make the money back against the 48 percent tax rate, they have got to double the figures used by the Senator.

Mr. HUMPHREY. No.

Mr. LONG. If they are going to make the tax back, if they have to pay $1 of additional tax and they have got to make that dollar back against the 48 percent tax, then they have got to make $2.

Mr. HUMPHREY. I understand the economics. I understand them very well. I also understand that the calculation of the cost increase, if there needs to be any, and I do not think there needs to be any, because the profits are big and the price of new oil is what we are talking about here, because the depletion allowance is essentially affecting most new oil, so I do not think there is any need for any price increase at all, but if there were, it would be less than 1 cent—less than a penny. That is my judgment.

Mr. EAGLETON. Considering the possibility that if the depletion allowance is once repealed an exorbitant price increase at the pump might be passed on to the consumer, would not the Senator consider, perhaps, a perfecting amendment to his amendment, which would give authority to the Federal Energy Administration, which has the remaining jurisdiction over price controls insofar as petroleum is concerned, to guard against the gouging of the consumer at the pump?

Mr. HUMPHREY. Yes, I would. But, in all fairness, I would have to say that we would want to look at that amendment very carefully, to see that we would not penalize the industry itself, but at the same time not permit the gouging of the consumer.

For example, I believe that six-tenths of a cent would be the difference as a result of the repeal of the tax, or a cent—whatever the facts are. That would be a legitimate passthrough. I think that would do—but surely not the gouging, the building on, that the Senator spoke about.

Mr. EAGLETON. I even quarrel with the Senator from Minnesota about the legitimacy of a passthrough of six-tenths of a cent or a full cent.

There have been enormous windfalls or exorbitant profits in the oil industry. Congress has attempted various remedies to get at these. At one time, it considered an excess profits tax. At another time, it considered a price rollback, which was vetoed. Before us at this time is the repeal of the depletion allowance.

So I, for one, would not consider it propitious to add on even six-tenths of a cent or a penny.

Mr. HUMPHREY. I do not think it is needed.

Mr. EAGLETON. And have that come out of the hide of the consumer.

Mr. HUMPHREY. I do not think the economics of the industry requires it at all.

If the Senator has a proposal—and I understand he has—to make sure that there is no gouging and no major add-on of prices, because that would vitiate anything that the changes in this tax structure would bring about, I would like very much to talk about it with him and the other cosponsors of the bill. A member of my staff has presented the Senator's amendment to me. From what I have read hastily, it appears to be meritorious.

Mr. EAGLETON. I refer the Senator from Minnesota to amendment No. 1505. Without trying to crowd him on it at this time, and so that he may have a chance to discuss it with the cosponsors of his amendment, I ask him whether he might consider it at a later date as a perfecting amendment to his amendment, because I think the two go hand in glove.

Those who support repeal of the oil depletion allowance would be sad, indeed, if it were to become law, and then find a 2-, a 3-, or a 4-cent price increase triggered at the pump. We would be taking one step forward by repealing the oil depletion allowance, and sliding back several steps so far as the consumer is concerned.

Mr. HUMPHREY. In light of the testimony by Mr. Simon and others before the committee, I think an amendment along the lines the Senator is indicating would be a necessary modification of the proposal now before the Senate, as a protection to the consumer.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield the floor.

Mr. RIBICOFF. Mr. President, I am pleased that the Senate now has the chance to consider individual tax reform and tax relief proposals on their own merits.

I am speaking of amendment 1522, which is the pending business. This amendment, offered by the distinguished Senator from Minnesota (Mr. HUMPHREY), has my full support. I am a cosponsor along with a number of other Senators, including Senator MAGNUSON, who earlier joined with me in introducing a separate amendment to repeal the oil depletion allowance. The Humphrey amendment, No. 1522, contains our oil depletion proposal which I shall refer to later.

The amendment we are now considering proposes tax relief as well as tax reform.

First, it allows a taxpayer to take a personal exemption of $800 instead of the present $750. In the alternative a taxpayer could elect a $175 tax credit.

It is time to relieve some of the tax burdens which the working men and women of this country bear.

The purpose of this proposal is twofold. First, it will help to offset the increase in the cost of living caused by inflation. Second, it will provide a $5 billion fiscal stimulus to help pull the economy out of its sluggish period.

The purchasing power of the consumer has been seriously eroded by the high rate of inflation—10.8 percent in the first quarter of 1974. A tax cut will help restore some of this purchasing power. In addition the use of a fiscal stimulus is the most widely accepted means of dealing with economic downturns and I am hopeful that, like the tax cut of the early 1960's, this cut will help us turn the corner on our economic problems.

The second part of the amendment provides a 10-percent work bonus for low-income working families. This amendment, which Senator RUSSELL LONG and I first developed during consideration of the welfare reform proposals, recognizes that low-income working men and women are heavily burdened by social security taxes. Today, in fact, the majority of Americans pay more in social security taxes than they do in income taxes. The theory behind the 10-percent work bonus is to provide a rebate on the approximate amount which is paid into social security by an employee and his employer. The rebate begins to phase out slowly at $4,000 to prevent any notch problems. No person with incomes over $5,600 would receive any rebate. This provision will greatly ease the tax burden on those who can least afford the burden.

Finally, the oil depletion allowance would be eliminated as of January 1, 1974. There are many reasons for eliminating this multibillion dollar tax subsidy:

REPEAL THE OIL DEPLETION ALLOWANCE

It is time to eliminate the percentage depletion allowance tax loophole for gas and oil.

Every other business can deduct from its gross sales only the actual cost of replacing the goods it sells. Oil companies, however, can deduct 22 percent of their gross revenues from their taxable income, whether or not this deduction bears any relation to the actual cost of replacing the oil sold.

As a result, American taxpayers have been paying the oil companies and landowners billions of dollars a year through tax subsidies for the oil industry. The industry saved about $705 million in U.S. taxes in calendar year 1971 because of the oil depletion allowance. It has been estimated that because of rising prices, this provision will cost the U.S. taxpayer $2.6 billion in fiscal year 1975.

I can think of no better way to raise the money to pay for a tax cut for working men and women than to remove this special oil interest tax advantage and require the oil companies to pay their fair share of taxes.

The major oil companies' profits are skyrocketing and each of us is paying the price of these profits at the filling station and at tax time.

Look at the record. In the first 3 months of 1974, Exxon's profits were $708 million—39 percent above the same period in 1973.

Texaco's profits rose 123 percent to $589 million. Gulf Oil and Standard Oil of Indiana's profits were up 75 percent. Skelly Oil's profits were up 97 percent.

And Occidental's profits were up 817 percent.

It is unconscionable to allow these companies to reap such dividends at the expense of every working American. While the workingman in the lowest income tax bracket pays 14 percent of his income in taxes, four of the largest oil companies paid U.S. income taxes at an average rate of 2.89 percent. Aramco, the Middle-Eastern consortium of giant oil companies paid U.S. taxes at a rate of one-tenth of 1 percent.

Texaco paid 1.7 percent and Mobil 1.3 percent on incomes of $1.3 billion. These tax breaks helped the industry's profits climb 52 percent over last year to their highest levels ever.

Clearly, the percentage depletion allowance is costing billions of dollars.

Is it serving any useful purpose? I strongly believe percentage depletion serves no useful purpose.

Depletion allowances were originally enacted to enable oil companies to subtract from their income a suitable amount to cover the loss which occurs as an oil well wears out or exhausts its supply. The original depletion allowance was called cost depletion. The law was based on the cost of what the oil company actually lost. It was similar to depreciation provisions which most businesses utilize. In the 1920's, however, the law was changed, with the support of the oil companies, to allow the companies to subtract a set percentage of their income in computing taxes—originally 27½ percent and now 22 percent.

Today, the allowance has little to do with actual costs of depletion, is costly, wasteful, misdirected, and discourages the diversification of our energy resources.

1. THE OIL DEPLETION ALLOWANCE IS COSTLY

In calendar year 1971 the allowance cost taxpayers over $700 million. With rising oil prices it is estimated that it will cost the taxpayers nearly $3 billion in 1975. This is because the allowance is based on income. Thus, as prices and profits skyrocket, so does the depletion allowance. Instead of paying more taxes on more income, the oil companies pay less.

2. THE DEPLETION ALLOWANCE IS A WASTE OF MONEY

Most of the benefit of depletion goes to foreign operations and to people who cannot and do not produce oil. A landowner who receives royalties from an oil company gets the benefits of percentage depletion. But this landowner has nothing to do with exploring or drilling for new oil. In 1968 a major Treasury Department study—the CONSAD study—concluded that 42 percent of the depletion allowance goes to such nonoperating interests in domestic production or to foreign oil producers.

3. PERCENTAGE DEPLETION DOES NOT ENCOURAGE EXPLORATION

That portion of the depletion allowance which goes to domestic oil producers does not encourage exploration.

Since only 10 percent of the exploratory wells strike oil, depletion benefits only a small portion of the high-risk drilling. Oil companies prefer to spend money drilling in existing oil fields to be certain of receiving the oil depletion subsidy. The main effect of the allowance is to encourage overdrilling in known oil fields. A producer can use the allowance to wipe out a maximum of 50 percent of net income on a well before tax computation. This means that the biggest benefit of the subsidy goes to the most profitable wells.

The allowance may actually operate to discourage producers from operating less profitable or marginal wells. The stripper well operator—producing less than 10 barrels a day—gets the short end.

He is forced to pump the wells he has while the big companies can close down their marginal wells and skim the cream of their profitable wells. With generous tax laws such as the depletion allowance, the big companies have more money to buy up and gain control of most of the stripper well operations.

4. DEPLETION ALLOWANCE DISCOURAGES DIVERSIFICATION OF U.S. ENERGY RESOURCES

The United States is too dependent on oil. Yet this misdirected tax subsidy discourages the production of cheaper and more abundant sources of energy. First of all, depletion benefits for minerals are based on the value of those minerals in the ground and not in their final processed form. Therefore, a $7 barrel of crude oil gets the full benefits of the depletion allowance while a $7 barrel of oil made from coal will only receive depletion benefits on the value of the original coal. Since coal costs less than oil, the bulk of the $7 cost of liquefied coal lies in processing expenses these do not qualify for depletion.

At present, then, a company producing a $7 barrel of crude oil gets a tax bonus of about $1.30. A company producing the same $7 barrel of oil from coal liquefication would rescue a bonus from the taxpayers of only 10 cents. Those who develop solar energy or a more efficient gas engine would recieve no bonus at all.

In sum, the depletion allowance discourages the development of alternative energy resources, provides benefits to producers of foreign oil, pays dividends to foreign and domestic landowners to just sit back and collect royalties. And it gives most of its benefits to the large integrated oil companies and not independents.

I am pleased to note that the Ways and Means has decided to recommend repeal of the percentage depletion allowance. However, the slow phaseout of the allowance contemplated by that committee would have no effect in 1974. Our proposal would return significant revenues to the public treasury rather than turning them over to an industry whose profits rose 55 percent in 1973 while the consumer paid the price.

I urge my Senators to join with me in removing the percentage depletion tax loophole.

ARGUMENTS SUPPORTING THE ELIMINATION OF PERCENTAGE DEPLETION

First. Percentage depletion is an inefficient and ineffective way to stimulate exploration for, and the development and production of, additional oil and gas supplies. Under existing law, more than half the benefit of the percentage depletion deduction is obtained, directly or indirectly, by landowners, not oil producers. Since depletion is a percentage of gross income derived by the "owner" of an economic interest in the oil in place, a royalty owner is entitled to take a percentage depletion deduction on his royalty income. Moreover, the landowner, or owner of a right to exploit oil and gas reserves under the land—the "working interest," obtains benefits from depletion through higher prices for leases on his oil lands because the existence of percentage depletion causes producers to bid up royalties and lease acquisition costs. To the extent that the benefit of the depletion deduction is, in fact, obtained by landowners, instead of producers, the tax subsidy provided by the deduction does not attract capital to the oil industry and, in effect, is wasted.

Moreover, the amount of the depletion deduction is unrelated to the cost of production. Thus, the benefit is as great for the producer of low cost oil, which will be produced anyway, as for high cost oil. Indeed, because of the net income limitation, depletion is proportionately less valuable to the high cost producer. Benefits which are proportional to the cost of exploration or development—that is, the expensing of intangible drilling costs—are more effective in stimulating the actual expenditures necessary for additional exploration and development because they give more benefit to the high cost, marginal wells that would not operate without the subsidy.

Since the depletion deduction is computed on income from the production of oil, it is less effective for exploratory drilling—so-called wildcat drilling—than for the development of known oil reserves. Exploratory wells are much less likely to be successful than are development wells—that is, they are less likely to produce a depletion deduction. Since drilling equipment is in scarce supply, this strains the resources available for additional exploration and may actually retard the discovery of new oil and gas reserves.

Second. Recent substantial increases in the price of oil have caused a massive transfer of funds from consumers to oil producers. Profits from oil extraction in the United States will rise from about $4 billion after taxes in 1973 to an estimated $9 billion in 1974 under present tax law. When price controls are eliminated, there will be a further rise to $12 billion. The effect of this transfer of income could be mitigated either by a rollback in the price of crude oil or by reducing the tax incentives provided to oil producers. If prices are allowed to reach world price levels, the tax incentive, which is in effect a subsidy provided by taxpayers to the oil industry, may be removed with very little adverse impact on the industry, and thus help to correct massive shift in financial resources. The revenue gain from eliminating depletion—$2.1 billion—is less than the increase in oil profits.

Third. The percentage depletion deduction distorts the allocation of capital investment in a free-market economy. Capital is allocated in a free-market economy most efficiently in relation to the price of the commodity. Thus, when the price of the commodity is high, as is now the case for oil, capital will be drawn from other sectors of the economy for additional investment to increase the supply. In these terms, the overwhelming effect of the threefold increase in prices during the past 12 months—from $3.50 per barrel in early 1973 to $10 for new oil today—is most clearly shown by current shortages in skilled manpower and equipment needed for additional exploration, development and production of oil and gas. An additional subsidy is not only unnecessary in relation to the vast increase in funds already available to oil companies, but also harmful.

The harm arises because investors are attracted to the industry for the purpose of obtaining tax deductions. The operators of ventures in which tax-motivated investors are involved are less concerned with finding new reserves and more effectively exploiting existing reserves than with producing the tax benefits which have attracted the investment in the first place.

Fourth. The tax subsidy provided by percentage depletion is perverse in that it increases as the price of oil increases. The recent oil price increase has resulted in much higher profits for oil producers, even without the depletion deduction, yet because prices have risen, a greater tax subsidy is also provided. It is perverse to increase the tax subsidy at the precise moment it is needed less.

Fifth. The percentage depletion deduction discriminates against alternative and potentially more plentiful forms of energy. The percentage depletion deduction is available only for the extraction of oil and gas. If oil is produced through an alternative process, such as extraction of oil from shale or the liquefaction of coal, the percentage depletion deduction available is much less. This encourages continuing exploitation of a scarce depletable resource as opposed to developing the alternative resource which will obviously be needed in the future, and furthermore, works to maintain our dependence upon oil and gas at a time when that dependence must be lessened due to decreases in the world's supply of oil and gas and increases in its consumption of energy. These incentive effects are very unhealthy for future stabilization of energy supply and demand, since increased oil consumption now means lower consumption in the future.

Sixth. The depletion allowance provides an inequitable tax reduction for a single industry. The depletion allowance in effect, exempts a portion of the income of oil producers from tax. It bears no relationship whatever to the actual cost of development. The subsidy is a relatively small portion of the recent price increase received by all producers. In the interest of equalizing the tax burdens on all taxpayers, it is clear that this enormously expensive transfer of tax funds to the already wealthy oil producers is totally unjustified, and that the depletion deduction may be eliminated without adverse impact on oil supplies.

Seventh. The percentage depletion deduction provides an incentive to keep the price of oil high at the expense of refining. Since the percentage depletion deduction is proportional to the price of oil, oil producers have a direct incentive to keep prices for crude oil, and therefore tax benefits, high if they can. This serves as an artificial stimulus to reduce the profit margins of independent refiners, thereby making it more difficult for them to compete with integrated firms, which do not care about what stage of production distribution petroleum products produces their profit.

Mr. MONDALE. Mr. President, the issue before the Senate is now clearly posed: Shall the major multinational oil companies—who have profited extravagantly from this past year's inflation—be taxed like other businesses in order to fund a modest tax cut for the average working Americans who are being tortured by inflation and higher taxes?

There have clearly been winners and losers in this past year's double-digit inflation.

The biggest winners have been the large multinational oil companies. The price of oil has virtually doubled in the past year, and oil company profits have risen by more than 80 percent. Yet these companies continue to be taxed at scandalously low rates. A just completed study by U.S. Oil Week shows that the 19 major oil companies paid only 6.47 percent of their income in U.S. taxes last year—a lower percentage than a worker making $8,000 a year pays.

Many of the largest companies paid the smallest taxes. Gulf paid 1.1 percent, Mobil 2.2 percent, Texaco 1.6 percent, and Exxon 5.4 percent.

The average working American, however, has seen his income during this past year deeply eroded by inflation and higher taxes. He has had to pay more for food, gasoline, home heating oil, clothes for his family, medical care, and housing. He has had to pay higher social security payroll taxes. And even if his income kept up with inflation, his Federal income taxes went up faster as he moved into higher tax brackets. Not only are his dollars worth less; they are taxed more. As a result of all this, the average worker's real earnings—after inflation and taxes—are now 4.6 percent below what they were a year ago, and are actually lower now than they were in 1965—9 years ago.

A just released Labor Department study shows that low—$8,200—and middle—$12,200—income families have been hurt more by inflation and higher taxes than those with higher incomes—$18,200. The main reason was higher prices for food—which takes up a larger portion of low-income budgets—but Federal income and payroll taxes also increased more rapidly for low- and middle-income families.

Our amendment would take a portion of the benefits that have fallen to inflation's biggest winners—the multinational oil companies—and use them to ease the burden just a little on the low- and middle-income families that have suffered most from inflation.

The $2 to $3 billion the amendment would raise by repealing the oil depletion allowance will be used to help fund a modest $4.6 billion tax cut. The fiscal impact of this scaled-down tax reform and tax cut amendment is the same for this year as that of our original package, which contained reforms raising $4 billion, and a tax cut of $6.6 billion. The difference in each case is $2.6 billion. As in the original package, the revenue gain from reform will increase in later years. The first-year revenue gain from repealing depletion—$2 billion—will increase to $3.3 billion by the fifth year.

The administration has argued repeatedly that a tax cut would be inflationary. That argument is thin even if we are talking about a tax cut of $5 to $6 billion. According to press reports, an OMB study done a few months ago, but never released, showed that a tax cut of around $5 billion would not be inflationary. Again, just last week, Assistant Treasury Secretary for Economic Policy Edgar Fiedler wrote a column for the Washington Post saying:

> It is difficult to argue that in and of itself a cut of $5 billion—in the context of a $305 billion budget and a $1.4 trillion economy—would add substantially to inflation.

Now, when we are proposing a net reduction in revenues of only $2.6 billion in the first year and less in later years, the argument that it would be inflationary should be laid to rest.

We have scaled down our original tax cut amendment from $6.6 billion to $4.6 billion. It now provides for the option of either an $800 exemption or a $175 tax credit. It also includes Senator LONG's innovative work bonus proposal, which refunds to low-income workers with children an amount equal to 10 percent of their income up to $4,000, and a declining percentage of their income up to $5,600. This work bonus is payable whether or not these workers owe any income tax, and would make up for the highly regressive payroll taxes they must now pay.

The tax savings our scaled-down tax cut would bring to the average family are modest, but they will go at least part way toward making up for the higher taxes and prices imposed on them in this past year. Higher oil prices alone have cost consumers nearly $20 billion this year, and our amendment would return only a fraction of that.

A family of four with an income of $6,000 would save $192 under our amendment. A family of the same size making $10,000 a year would save $115.

Larger families, of course, would save more. A family of six earning $10,000, for example, would save $180.

More than 75 percent of the relief under our proposal would go to those making $15,000 a year or less, who have borne the brunt of this past year's inflation.

I ask unanimous consent that tables showing the distribution of the tax savings from our amendment by adjusted gross income class, and the change in tax burden for families of different sizes, be included in the RECORD at this point. The work bonus, which distributes $600 million to families earning less than $5,600, is not included in either table.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—FEDERAL INDIVIDUAL INCOME TAX LIABILITY UNDER PRESENT LAW AND UNDER A PROPOSAL TO INCREASE THE PERSONAL EXEMPTION DEDUCTION TO $800 OR TO AN OPTIONAL TAX CREDIT OF $175

SINGLE PERSON AND MARRIED COUPLE WITH NO, 1, 2, AND 4 DEPENDENTS (ASSUMING DEDUCTIBLE PERSONAL EXPENSES OF 15 PERCENT OF INCOME)

	Tax liability									
	Single person		Married couple with no dependents		Married couple with 1 dependent		Married couple with 2 dependents		Married couple with 4 dependents	
Adjusted gross income	Under present law	Under the proposal	Under present law	Under the proposal	Under present law	Under the proposal	Under present law	Under the proposal	Under present law	Under the proposal
$3,000	[1] $138	[1] $84	[1] $28							
$5,000	[1] 491	[1] 458	[1] 322	[1] $219	[1] $208	[1] $44	[1] $98			
$6,000	[1] 681	[1] 662	[1] 484	[1] 403	[1] 362	[1] 228	[1] 245	[1] $53	[1] $28	
$8,000	[1] 1,000	[1] 1,089	[1] 848	[1] 783	[1] 706	[1] 608	[1] 569	[1] 433	[1] 322	$83
$10,000	1,530	1,518	1,190	1,140	1,048	965	905	790	620	440
$12,500	2,059	2,046	1,628	1,606	1,463	1,430	1,309	1,258	1,024	908
$15,000	2,630	2,617	2,095	2,073	1,930	1,897	1,765	1,721	1,435	1,371
$17,500	3,249	3,233	2,604	2,579	2,416	2,379	2,233	2,189	1,903	1,837
$20,000	3,915	3,898	3,135	3,110	2,948	2,910	2,760	2,710	2,385	2,310
$25,000	5,420	5,401	4,310	4,282	4,100	4,058	3,890	3,834	3,470	3,386

[1] Computed without reference to the tax tables for returns with adjusted gross income under $10,000.

TABLE 2.—ESTIMATED DECREASE IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY RESULTING FROM INCREASING THE PERSONAL EXEMPTION DEDUCTION TO $800 OR TO AN OPTIONAL TAX CREDIT OF $175

BY ADJUSTED GROSS INCOME CLASS, 1974 INCOME LEVELS

	Number of returns affected (thousands)		
Adjusted gross income class	Total number with tax decrease	Number made nontaxable	Decrease in tax liability (millions)
0 to $3,000	4,057	2,042	−$176
$3,000 to $5,000	7,579	1,349	−415
$5,000 to $7,000	8,273	989	−548
$7,000 to $10,000	11,428	600	−874
$10,000 to $15,000	15,952	161	−990
$15,000 to $20,000	9,856	12	−434
$20,000 to $50,000	9,006	3	−484
$50,000 to $100,000	655	([1])	−64
$100,000 and over	160	([1])	−18
Total	66,966	5,154	−4,004

[1] Less than 500 returns.

Note: Details will not necessarily add to totals because of rounding.

Mr. MONDALE. Mr. President, the issue before us is one of tax fairness and equity.

The oil depletion allowance has for decades been one of the least defensible provisions in the Internal Revenue Code. Its supporters have sought to justify it as an absolutely vital incentive for oil exploration and development. Yet in a letter last year to the Senate Interior Committee, Treasury Secretary William Simon said that changes in depletion would have "relatively minor" and "little" effect on development and exploration in the short run, and "no effect" in the long run. In addition, Secretary Simon wrote, depletion costs the Treasury more in lost revenues than it saves consumers in lower prices, with the difference presumably going to profits, royalties, and dividends.

This letter was written in March of 1973, before the oil price explosion of this past year. With that doubling in prices, whatever slender rationale there was for the depletion allowance has been swept away.

When oil was selling for $3.50 a barrel last year, depletion was worth about 37 cents a barrel in lower taxes. Now, with oil selling at $7 and $10 a barrel, the incentives from price alone far exceed the incentives depletion has provided in the past. In addition, since the tax benefits from depletion increase with the price, the industry is now getting a double incentive—higher prices and higher depletion.

The oil industry's profits have become so bloated that they are unable to invest them all in new exploration and development, despite their repeated pledges to do so in expensive full-page ads.

Mobil announced just last week that it proposed to acquire the Marco Corp.—the parent company of Montgomery Ward department stores and the Container Corporation of America—at a cost of $500 million. One reason Mobil may have so much extra money floating around is that it paid only 2.2 percent of its income in U.S. taxes for 1973.

Mobil's announcement follows the effort a few months ago by the Gulf Oil Co. to acquire Ringling Bros. Barnum & Bailey Circus and the CNA Financial Corp. Gulf later dropped these plans, perhaps in embarrassment, but certainly not because they had to use the money to pay U.S. taxes. Their 1973 U.S. taxes came to 1.1 percent of their income.

Mr. President, enough is enough. The multinational oil companies are now profiting beyond the dreams of avarice from higher oil prices. They do not need depletion on top of this. Let us, therefore, tax them like other businesses are taxed, and let us use that extra revenue to bring some tax relief to those who have suffered while the big oil companies have flourished.

This amendment is only a modest step in the direction of fair and equitable burden sharing. It imposes a small extra burden on those corporations that can clearly afford it, and brings some modest relief to families that desperately need it. If ever there was a time for equity, it is now.

Mr. HASKELL. Mr. President, I send to the desk an unprinted amendment, which I, along with Senators CHILES and METZENBAUM, offer as a substitute for the pending amendment of the distinguished Senator from Minnesota (Mr. HUMPHREY) and other Senators.

The PRESIDING OFFICER. The Chair advises the Senator that the proposed amendment is not drafted appropriately as a substitute for this part of the divided amendment of the Senator from Minnesota.

Mr. HASKELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. In what respect is it not appropriately drafted?

The PRESIDING OFFICER. It is broader than the pending amendment and does not say that it is an amendment to the pending amendment.

Mr. HASKELL. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. If the amendment as sent to the desk were modified in writing to state that it is a substitute amendment for the amendment of the distinguished Senator from Minnesota, would the amendment be in order?

The PRESIDING OFFICER. If the Senator will state that the language of his proposed amendment is intended to be inserted in lieu of the language of part 1 of the amendment of the Senator from Minnesota, then the amendment of the Senator from Colorado would be in order.

Mr. HASKELL. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. This would be necessary in view of the fact that the distinguished Senator from Minnesota divided his amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HASKELL. Then, I state that the amendment which I have just sent to the desk is intended to be a substitute for the first part of the Humphrey amendment.

I should further state to the Senator that that part of the amendment I have just sent to the desk, in addition, deals with the second part of the amendment of the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator's amendment will be so modified, and the clerk will state the modification.

The second assistant legislative clerk proceeded to read the amendment, as follows:

In lieu of the language of part 1 of the amendment by the Senator from Minnesota (Mr. HUMPHREY) numbered 1522——

Mr. HASKELL. Mr. President, I ask unanimous consent that the further reading of the substitute amendment be dispensed with.

Mr. BARTLETT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The second assistant legislative clerk continued to read, as follows:

At the appropriate place in the bill, insert the following:

Sec. 3. Amendment of the Internal Revenue Code.

Except as otherwise expressly provided, whenever in section 4, 5, 6, 7, 8 or 9 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

Sec. 4. Limitation of Investment Credit.

(a) In General.—Section 46(a)(1) of the Internal Revenue Code of 1954 (relating to amount of credit) is amended to read as follows:

"(1) General rule.—The amount of the credit allowed by section 38 for the taxable year shall be equal to a percentage (determined under the following table) of the qualified investment (as defined in subsection (c)).

Mr. HASKELL. Mr. President, may I make a suggestion to the Senator from Oklahoma? This is going to be a rather long reading, and I think I can make a simple explanation. Of course, if the distinguished Senator desires that the reading continue, that is his privilege. I merely make the observation that the amendment we have introduced is quite lengthy.

Mr. BARTLETT. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Colorado the purpose of his amendment.

Mr. HASKELL. I shall be more than pleased to explain the purpose of this amendment to the Senator from Oklahoma.

The Senator from Minnesota offered an amendment——

Mr. BARTLETT. I still reserve the right to object.

Mr. HASKELL. This amendment, if adopted, would repeal the asset depreciation range (ADR) system, it would repeal DISC, it would limit the use of the investment tax credit to aggregate investments of $100,000 or less, it would prohibit the treatment of what are, in effect, royalty payments to foreign governments as income tax payments entitled to a Federal tax credit.

I say to the distinguished Senator from Oklahoma that we also have a substitute for the second part of the Humphrey amendment. We propose a tax cut in the form of a nonoptional $200 personal tax credit as a replacement for the present $750 personal exemption. We believe this nonoptional nature of our substitute is essential to true tax equity.

Mr. BARTLETT. I wonder if the distinguished Senator from Colorado will describe rather explicitly what he calls the disguise of royalty as a tax, and I will not object to his second request.

Mr. HASKELL. I think that section of the amendment can be read by the clerk without undue delay.

The PRESIDING OFFICER. Is there objection to dispensing with the reading? The Chair hears none, and the reading of the amendment is dispensed with.

Mr. Haskell's amendment is as follows:

In lieu of the language of part I of the amendment by the Senator from Minnesota (Mr. Humphrey) numbered 1522, insert the following:

Sec. 3. Amendment of the Internal Revenue Code.

Except as otherwise expressly provided, whenever in section 4, 5, 6, 7, 8 or 9 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

Sec. 4. Limitation of Investment Credit.

(a) In General.—Section 46(a)(1) of the Internal Revenue Code of 1954 (relating to amount of credit) is amended to read as follows:

"(1) General Rule.—The amount of the credit allowed by section 38 for the taxable year shall be equal to a percentage (determined under the following table) of the qualified investment (as defined in subsection (c)).

The amount of the credit is:

7 percent thereof.

$3,500 plus 6 percent of the amount in excess of $50,000.

$3,980 plus 5 percent of the amount in excess of $58,000.

$4,380 plus 4 percent of the amount in excess of $66,000.

$4,700 plus 3 percent of the amount in excess of $74,000.

$4,940 plus 2 percent of the amount in excess of $82,000.

$5,100 plus 1 percent of the amount in excess of $90,000.

$5,200.".

"If the qualified investment is:

$50,000 or less.

More than $50,000 but not more than $58,000.

More than $58,000 but not more than $66,000.

More than $66,000 but not more than $74,000.

More than $74,000 but not more than $82,000.

More than $82,000 but not more than $90,000.

More than $90,000 but not more than $100,000.

More than $100,000.

(b) Effective Date.—The amendment made by this section shall apply to property—

(1) the physical construction, reconstruction, or erection of which is begun on or after January 1, 1974; or

(2) which is acquired by the taxpayer on or after that date.

(c) Subpart B of part IV of subchapter A of chapter 1 (relating to rules for computing credit investment in certain depreciable property) is amended by adding at the end thereof the following new section:

"Sec. 50–1. Second termination of credit.

"(a) General Rule.—For purposes of this subpart, the term 'section 38 property' does not include property—

"(1) the physical construction, reconstruction, or erection of which is begun on or after January 1, 1974, or

"(2) which is acquired by the taxpayer on or after such date,

other than second pretermination property.

"(b) Second Pretermination Property.—The Secretary or his delegate shall prescribe regulations describing property which is treated as pretermination property for purposes of subsection (a). Such regulations shall prescribe rules similar to and consistent with the provisions of section 49(b).

"(c) Leased Property.—In the case of property which is leased on or after January 1, 1974 (other than pursuant to a binding contract to lease entered into before such date), which is section 38 property with respect to the lessor but is property which would not be section 38 property because of the application of subsection (a) if acquired by the lessee, and which is property of the same kind which the lessor ordinarily sold to customers before such date, or ordinarily leased before such date and made an election under section 48(d), such property shall not be section 38 property with respect to either the lessor or the lessee.

"(d) Property Placed in Service After 1980.—For purposes of this subpart, the term 'section 38 property' does not include any property placed in service after December 31, 1980."

(d) Clerical Amendment.—The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 50–1. Second termination of credit.".

Sec. 5. Repeal of the Tax Exemption for a DISC.

(a) In General.—Section 991 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after December 31, 1974."

(b) Technical Amendment.—Section 992 (a) (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) Termination.—No corporation shall be treated as a DISC for any taxable year beginning after December 31, 1974."

Sec. 6. Prohibition of Foreign Tax Credits for Royalty Payments.

(a) Section 903 of the Internal Revenue Code of 1954 (relating to definition of creditable taxes) is amended to read as follows:

"(a) In General.—For purposes of this subpart and sections 164(a) and 275(a), the term 'income, war profits and excess profits taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) Royalties.—

"(1) In general.—For purposes of this subpart and sections 164(a) and 275(a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(2) Determination by secretary or his delegate.—The Secretary or his delegate shall determine, in accordance with the provisions of paragraph (3), with respect to payments made to any foreign country in connection with income from the extraction, production, or refining of oil or gas in such country, what portion (if any) of that payment constitutes the payment of a royalty.

"(3) Basic rules.—In the case of any foreign country which imposes an income, war profits, or excess profit tax on income from activities other than the extraction, production, or refining of oil or gas in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, or of the amount of tax paid for the income or profits involved) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary or his delegate, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary or his delegate, on account of the manner in which it is determined, the rate or amount involved, or any other reason, to constitute the payment of a royalty is considered to be a royalty payment.".

(b) Section 904(f)(4) of such Code (relating to transitional rules for carrybacks and carryovers) is amended by adding at the end thereof the following new subparagraph:

"(C) Carryover to years beginning after December 31, 1973.—

"(i) Whenever pre-1974 taxes are, under the provisions of subsection (d), deemed to be post-1973 taxes, the pre-1974 taxes shall be redetermined in accordance with the provisions of section 903(b) (relating to royalties) as if those provisions applied to the taxable year in which the pre-1974 taxes were paid or accrued.

"(ii) For purposes of this subparagraph, the term 'pre-1974 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year ending before January 1, 1974, and the term 'post-1973 taxes' means taxes paid or accrued to any foreign country or possession of the United States in any taxable year beginning after December 31, 1973.".

Sec. 7. Repeal of asset depreciation range system.

(a) Section 167(m) (relating to the Asset Depreciation Range System) is repealed.

(b) Section 167(a) (relating to a reasonable allowance for depreciation) is amended by adding at the end thereof the following: "Such reasonable allowance shall be computed, subject to the provisions of Revenue Procedure 62-21 (including the provisions for the reserve ratio test) as in effect on December 31, 1970, on the basis of the expected useful life of property in the hands of the taxpayer.".

(c) The amendment made by subsection (a) shall apply to property placed in service after December 31, 1973. The amendment made by subsection (b) shall apply to taxable years ending after December 31, 1974, but it shall not apply to property placed in service by the taxpayer during the calendar years 1971, 1972, 1973, or 1974 if an election has been made to have the provisions of section 167(m) applicable to such property.

Sec. 8. Credit against tax, in lieu of deduction, for personal exemptions.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by renumbering section 42 as section 44 and by inserting after section 41 the following new section:

"Sec. 42. Personal exemptions.

"There shall be allowed, as a credit against the tax imposed by section 1 or 3, the amount determined under section 151 for personal exemptions. Such credit shall not exceed the tax imposed by section 1 or 3 for the taxable year."

(b) Conforming Amendment.—So much of section 151 of such Code (relating to deductions for personal exemptions) as precedes subsection (b) is amended to read as follows:

"Sec. 151. Credit for personal exemptions.

"(a) Amount of Credit.—The amount of the credit allowed by section 42 for the taxable year for personal exemptions shall be $200 for each exemption allowed to the taxpayer under this section for the taxable year.".

(c) Conforming Amendment.—Section 151 is further amended by striking out "of $750" wherever it appears therein.

(d) Technical Amendments.—

(1) Sections 2(a)(1)(B), 2(b)(1), 143(b)(1), 214(b)(1)(A), 874(b), and 931(e) are each amended by striking out the word "deduction" wherever it appears and inserting in lieu thereof the word "credit".

(2) Section 37(a) (relating to retirement income credit) is amended by striking out "and" before "section 35" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(3) Section 41(b)(2) (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(4) Section 46(a)(3)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 42 (relating to personal exemptions), and".

(5) Section 50A(a)(3) (relating to credit for expenses of work incentive programs) is amended—

(A) by striking out "and" and at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to personal exemptions)."

(6) Section 63(b) (relating to definition of taxable income) is amended by striking out all that follows after the words "adjusted gross income" and inserting in lieu thereof "minus such standard deduction".

(7) Section 72(n)(3) (relating to special computation of taxable income) is amended by striking out subparagraph (A).

(8) Section 170(b)(1)(C) (relating to unlimited charitable deduction) is amended by striking out clause (ii).

(9) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) Estates and trusts.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b).".

(10) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and any deduction in lieu thereof) and inserting in lieu thereof "as a credit under section 151 or a deduction under section 642(b)".

(11) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deduction allowed by this subsection shall be in lieu of the credits allowed under section 42 (relating to credit for personnel exemptions).".

(12) Section 703(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(13) Section 873(b)(3) (relating to nonresident aliens) is amended to read as follows:

"(3) Credit for personal exemption.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 151.".

(14) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and"

(15) Section 933(1) (relating to residents of Puerto Rico is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(16) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642(b)".

(17) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(e)(1) The Secretary of the Treasury within 90 days after the date of enactment of this Act shall prescribe new tables for the withholding of tax under section 3402 of the Internal Revenue Code of 1954 to reflect the amendments made by this section. The tables shall apply to usages paid after December 31, 1974.

(2) Section 3402 of such Code is amended by striking out "exemption" and "exemptions" each place they appear, and inserting in lieu thereof "credit" and "credits", respectively. The amendment made by this section applies to taxable years beginning after December 31, 1974.

(f) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1973.

Sec. 9. Tax credit for low-income workers with families.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (as amended by section 4 of this Act) is amended by inserting the following new section:

"(a) In General.—

"(1) Allowance of credit.—There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his employer with respect to wages received by the taxpayer during that year. In the case of a taxpayer who is married (as determined under section 143) and who files a joint return of tax with his spouse under section 6013 for the taxable year, the amount of the credit allowable by this subsection shall be an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his spouse, and their employers, with respect to wages received by the taxpayer and his spouse during that year.

"(2) Applicable percentage.—The percentage under paragraph (1) applicable to the social security taxes is—

"(A) 86 percent for calendar years 1974 through 1977,

"(B) 83 percent for calendar years 1978 through 1980,

"(C) 80 percent for calendar years 1981 through 1985,

"(D) 78 percent for calendar years 1986 through 2010, and

"(E) 68 percent for calendar years beginning after December 31, 2010.

"(b) Limitations.—

"(1) Maximum credit.—The amount of the credit allowable to a taxpayer (or to a taxpayer and his spouse in the case of a joint return of tax under section 6013) for any taxable year under subsection (a) shall not exceed an amount equal to 10 percent of so much of the wages (as defined in section 3121(a)) as does not exceed $4,000 received by that individual (or by that individual and his spouse in the case of a joint return of tax) during that year with respect to employment (as defined in section 3121(b) without regard to the exclusion set forth in paragraph (9) of that section).

"(2) Reduction for additional income.—The amount of the credit allowable under subsection (a) for any taxable year (after the application of paragraph (1)) shall be reduced by one-fourth of the amount by which a taxpayer's income, or, if he is married (as determined under section 143), the total of his income and his spouse's income, for the taxable year exceeds $4,000. For purposes of this paragraph, the term 'income' means adjusted gross income (as defined in section 62 but without regard to paragraph (3) (relating to long-term capital gains)) plus—

"(A) any amount described in section 71(b) (relating to payments to support minor children), 71(c) (relating to alimony and separate maintenance payments paid as a principal sum paid in installments), or 74(b) (relating to certain prizes and awards),

"(B) any amount excluded from income under section 101 (relating to certain death benefits), 102 (relating to gifts and inheritances), 103 (relating to interest on certain governmental obligations), 105(d) (relating to amounts received under wage continuation accident and health plans), 107 (relating to rental value of parsonages), 112 (relating to certain combat pay of members of the Armed Forces), 113 (relating to mustering-out payments for members of the Armed Forces), 116 (relating to partial exclusion of dividends received by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States),

"(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

"(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

"(3) APPLICATION WITH SECTION 6428.—The amount allowable to a taxpayer, or to a taxpayer and his spouse, as a credit under subsection (a) for any taxable year (after the application of paragraphs (1) and (2)) shall be reduced by the sum of any amounts received under section 6428 during that year.

"DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who maintains a household (within the meaning of section 214(b)(3)) in the United States which is the principal place of abode of the individual and a child of that individual with respect to whom he is entitled to a deduction under section 151(e)(1)(B) (relating to additional exemption for dependents).

"(2) SOCIAL SECURITY TAXES.—The term 'social security taxes' means the aggregate amount of taxes imposed by sections 3101 (relating to rate of tax employees under the Federal Insurance Contributions Act) and 3111 (relating to rate of tax on employers under such Act) with respect to the wages (as defined in section 3121(a)) received by an individual and his spouse with respect to employment (as defined in section 3121(b)), an individual and his spouse with respect to such wages by such sections if the definition of the term 'employment' (as defined in section 3121(b)) did not contain the exclusion set forth in paragraph (9) of such section.".

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal exemptions.
"Sec. 43. Tax credit for low-income workers with families.
"Sec. 44. Overpayments of tax.".

(c) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", 43 (relating to tax credit for low-income workers with families),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 43".

(d) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(1) inserting "OR" after "SECTION 39" in the caption of such section; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 43 (relating to tax credit for low-income workers with families),".

(e)(1) Subchapter B of chapter 65 of such Code (relating to rules of special application) is amended by adding at the end thereof the following new section:

"SEC. 6428. Advance refund of section 43 credit.

"(a) IN GENERAL.—A taxpayer may receive an advance refund of the credit allowable to him under section 43 (relating to tax credit for low-income workers with families) not more frequently than quarterly by filing an election for such refund with the Secretary or his delegate at such time and in such form as the Secretary or his delegate may prescribe. If the taxpayer elects to base his claim for refund on social security taxes imposed on him, his spouse, and their employers, the election shall be a joint election signed by the taxpayer and his spouse. An election may not be made under this subsection with respect to the last quarter of the calendar year, and any other election shall specify the quarter or quarters to which it relates and shall be made not later than the fifteenth day of the eleventh month of the taxable year to which it relates. The Secretary or his delegate shall pay any advance refund for which a proper election is made without regard to any liability, or potential liability, for tax under chapter 1 which has accrued, or may be expected to accrue, to the taxpayer for the taxable year to which the election relates.

"(b) LIMITATIONS.—

"(1) AMOUNT OF REFUND.—The amount of any refund for which a taxpayer files an election under subsection (a) shall be an amount equal to the amount of the credit allowable under section 43 with respect to social security taxes payable with respect to that taxpayer (or, in the case of a joint election, social security taxes payable with respect to that taxpayer and his spouse) for the quarter or quarters to which the election relates.

"(2) INELIGIBLE FOR CREDIT.—No advance refund may be made under this section for any quarter to a taxpayer who, on the basis of the income the taxpayer and his spouse reasonably may expect to receive during the taxable year, will not be entitled to claim any amount as a credit under section 43 for that year.

"(3) MINIMUM PAYMENT.—No payment may be made under this section in an amount less than $30.

"(c) COLLECTION OF EXCESS PAYMENTS.—In addition to any other method of collection available to him, if the Secretary or his delegate determines that any part of any amount paid to a taxpayer for any quarter under this section was in excess of the amount to which that taxpayer was entitled for that quarter, the Secretary or his delegate shall notify that taxpayer of the excess payment and may withhold, from any amounts which that taxpayer elects to receive under this section in any subsequent quarter, amounts totaling not more than the amount of that excess.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6428. Advance refund of section 43 credit.".

(f) Section 6011(d) of such Code (relating to interest equalization returns, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) RETURNS OF TAXPAYERS RECEIVING ADVANCE REFUND OF SECTION 43 CREDIT.—Every taxpayer who elects to receive an advance refund of the credit allowed by section 43 (relating to tax credit for low-income workers with families) during the taxable year shall file a return for that year, together with such additional information as the Secretary or his delegate may require.".

(g)(1) The Secretary of the Treasury shall develop simple and expedient application forms and procedures for use by taxpayers who wish to receive an advance refund under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), arrange for distributing such forms and making them easily available to taxpayers, and prescribe such regulations as may be necessary to carry out the provisions of sections 43 and 6428 of such Code. Each such application form shall contain a warning that the making of a false or fraudulent statement thereon is a Federal crime.

(2) The Secretary of the Treasury is authorized to obtain from any agency or department of the United Staes Government or of any State or political subdivision thereof such information with respect to any taxpayer applying for or receiving benefits under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), or his spouse, as may be necessary for the proper administration of section 43 of the Internal Revenue Code of 1954 (relating to tax credit for low-income workers with families) and of section 6428 of such Code (relating to advance refund of section 43 credit). Notwithstanding any other provision of law, each agency and department of the United States Government is authorized and directed to furnish the Secretary such information upon request.

(h) Section 402(a)(7) of the Social Security Act is amended by inserting after "other income" the following: "(including any amounts derived from application of the tax credit established by section 43 of the Internal Revenue Code of 1954)".

(i) Except as otherwise expressly provided, the amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973. No advance refund payment under section 6428 of the Internal Revenue Code of 1954 shall be made before October 1, 1974.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HASKELL. Mr. President, I send the amendment to the desk for several reasons. The distinguished Senator from Minnesota (Mr. HUMPHREY) and other Senators proposed last week a tax reform—tax reduction package. The goal of that package, which I voted in favor of, was to give to those persons hit by inflation the hardest much-needed tax relief, and to pick up revenue from other sources in order to minimize any threat of fueling the already-raging fires of inflation.

One of the principal items of revenue-pickup in their package was a repeal of percentage depletion. But, that package lost fairly substantially, and, in my opinion, in large part because of the depletion repeal. It is probably not realistic at this particular stage of events, then, to think that we are going to repeal percentage depletion, although I personally am in general agreement with those urging that step. I am sure that we shall very soon have another opportunity to deal with this issue. Last night, the distinguished Senator from Minnesota presented a second package. That package also repeals percentage depletion. The revenue gained from that repeal is about $1.9 billion. But, Senator Humphrey's amendment also proposes revenue relief which would cost us well over twice the $1.9 billion, that the amendment gains.

In my judgment, Mr. President, and in the opinion of many of those more qualified than I, this is not the time to have a cut in revenue—not when inflation is galloping in excess of 10 percent. The risk is simply not worth the monetary pleasure of a tax cut. The total revenue gained by our substitute is $5.2 billion. The tax cut that we propose will result in a revenue loss of $5.1 billion, leaving a net gain of approximately $100 million.

I should point out to Senators that this arithmetic on revenue gains ascribes no revenue gain to the modification of the use of the foreign tax credit that is included in our substitute. Our amendment states that when foreign taxes are real taxes—income taxes—there may be a credit, but when royalties or other normally deductible items are disguised as taxes they will not be allowed as a credit but only allowed as a deduction. The information on revenue effect was not available for that item; therefore, no figure is ascribed to that particular item. We can be sure, though, that the package we now offer is a noninflationary one.

I understand from talking with the distinguished Senator from Louisiana (Mr. LONG), there was some thought that the revenue gain from this part of our amendment might be in the neighborhood of $200 million or more, but that is uncertain.

Mr. President, I think we have discussed sufficiently the need for a tax shift in this country. It should be clear to all of us that low- and middle-income Americans are being crushed in the ever-worsening vise of inflation and shrinking real wages. It should be clear that these citizens desperately need our attention.

It should be clear, too, that there is room for a substantial tax cut if only we will take dramatic steps to close the worst of the gaping loopholes in our tax laws.

If an individual who makes $100,000 a year has to pay more for groceries and has to pay more for fuel, that is of no particular hardship because groceries and fuel represent a very minor portion of his budget. On the other hand, a man earning $10,000 a year, and having a family of four, spends the major portion of his budget on the necessities of life.

It is the cost of the necessities of life that has escalated in a way that is unparalleled. For these reasons, the families in the lower- and middle-income groups definitely should have a tax cut. Today, these groups pay more than their fair share—let us begin to end that injustice. At the same time should we give them this tax benefit without assuring offsetting revenues, the current inflation would get a further push. Inflation is now around 10 percent and could easily go considerably higher. If it should go any higher, we would have erased the little bit we had given them with a tax cut.

I would like to discuss the revenue-raising items I have chosen. I shall be brief. I will take the big one first, the investment tax credit. Our amendment would repeal the investment tax credit for all investments which exceed the aggregate qualified investment ceiling of $100,000.

The revenue effect of our repealing this provision would be a gain of approximately $3.5 billion. Why should we repeal it? This credit is a so-called incentive to businesses to invest in new plant and equipment. Whether they would so invest without the credit is immaterial; they get as a direct credit against their tax, liability an amount equal to 7 percent of the cost basis of their new assets.

There is considerable discussion on both sides as to whether the credit actually acts as an incentive. My personal feeling is that it is just another way of dramatically reducing corporate taxes. The vast bulk of the benefit of this incentive goes to the largest corporations. Little wonder, then, that, although the theoretical corporate tax rate is 48 percent, the overall effect rate is about 36 percent, while the 100 largest pay just 27 percent.

The Secretary of the Treasury, Mr. Simon, testified before the Finance Committee, chaired by the distinguished Senator from Louisiana (Mr. LONG), that to repeal the investment tax credit would have a terrible economic effect; that it would hurt business badly. Given Mr. Simon's background, that of an investment banker on Wall Street, his views do not particularly surprise me.

On the other hand, Professor Robert Eisner, a respected economist from Northwestern University, says just the opposite.

All I am trying to do is find an impartial analyst for this particular question: Does the investment credit really induce the investment in new plant and equipment? The most impartial source I have been able to find is the McGraw-Hill capital expenditures survey of 1973, which concludes that any inducement to investment caused by the credit is very, very minor. If so, then we are literally throwing away the taxpayers' money by subsidizing investment that would take place without the subsidy.

I could call upon my own limited experience prior to coming to the Senate. I feel that very few of the companies that I represented as a lawyer would have made investments just because of the investment tax credit. They decided what they wanted, what the return would be on it, what the return 10 or 20 years down the road would be, and then made the investment. Does it make any sense for the Federal Government to make profitable what would otherwise be an unprofitable investment? In the long run, I submit, it makes no sense at all.

Furthermore, I think prudent businessmen would not depend on the investment credit in making their return or their economic analysis, because I think the history of investment credit is that it has been a sometime thing. It is here today, it is gone tomorrow.

I would, however, allow the credit to stand for the small investor. An aggregate investment of $100,000 is not small to me, but it is in the business world, and I do believe that the small company, the closely held company, making that level of investment might be induced to make it because of the investment credit.

The second item which I seek to repeal is the asset depreciation range. The asset depreciation range says, in effect, that one can pretend that an asset has a 20 percent less useful life than it really has, and take depreciation on that basis.

Again, the McGraw-Hill Survey shows little incentive effect of the ADR system. Again, we have an unwarranted waste of the taxpayers' money. In the final analysis this type of tax incentive shifts the burden of taxation to the wage-earning public. It shifts the burden of taxation from those who make money by commercial transactions and puts it on the individual taxpayer.

The estimated revenue gain from the repeal of ADR is $1 billion.

The third item for repeal is DISC. I think there probably has been enough discussion on the floor of the Senate on DISCS's. Under the DISC provisions, if one does principally exporting business he can put his export receivables into one company and defer half the tax that he otherwise would have to pay. DISC went into effect several years ago. The Treasury estimated originally, if I am correct, that there would be a revenue loss of $100 million for 1972. It turned out to be two and a half times that amount, or $250 million. And obviously, it is going up all the time. The estimated revenue loss for the current year is in the neighborhood of $400 million.

DISC is not justified, as I can see, under any economic theory. It is, in effect, a subsidy for companies that happen to be in the export business. And, this subsidy exists even though the Treasury, the GAO and others attribute little of our recent export increases to DISC. Indeed, dollar devaluation and other international economic forces would likely have accomplished DISC's objective without the presence of a tax incentive.

These items of revenue can added up to $5.2 billion.

Incidentally, all these items are included in much their present form in an amendment which I submitted on May 2 of this year.

The fourth items was not in the amendment that I submitted on May 2, but it was a separate bill, S. 3095 which I submitted last March. I am pleased to say S. 3095 is cosponsored by the distinguished Senator from New Jersey (Mr. CASE), the distinguished Senator from Nevada (Mr. CANNON), the distinguished Senator from California (Mr. CRANSTON), the distinguished Senator from Minnesota (Mr. HUMPHREY), the distinguished Senator from New Hampshire (Mr. MCINTYRE), the distinguished Senator from South Dakota (Mr. MCGOVERN), the distinguished Senator from Illinois (Mr. STEVENSON), and the distinguished Senator from Idaho (Mr. CHURCH).

This amendment would permit income taxes paid to foreign governments which are truly income taxes to be a credit against U.S. income taxes. In my personal opinion, Mr. President, this is right and proper, because I think if we did not allow a legitimate foreign tax credit, we would then be putting our corporations at a relative disadvantage of these foreign countries.

What has happened in the last two decades resulting in gross abuse of the foreign tax credit provisions of the code was the subject of hearing presided over by the distinguished Senator from Idaho (Mr. CHURCH). By some agreements 20 years ago, the Arabian countries were induced, instead of reserving a royalty on the minerals which they leased to foreign companies—and the foreign companies at that time were mostly United States corporations—to disguise those royalties into the form of income taxes. At that time and since that time—and this came out in the hearings held by the distinguished Senator from Idaho—it was then executive policy to allow these royalties to be credited against taxes due the Federal Government even though they were properly entitled to treatment only as ordinary and deductible business expenses.

These huge so-called income tax payments to Saudi Arabia, Kuwait, and other Mideast countries, disguised in the form of income taxes, because a credit against U.S. income taxes and operated there as a transfer from the U.S. Treasury to both the Saudi Arabian treasury and the major multinational oil corporations.

Mr. President, I submit this is not desirable national policy. It is not sound economic policy. It is not sound tax policy in any sense of the term that I can see.

Now I shall speak briefly on the revenue loss side of our balanced amendment. The "work bonus" which was first articulated by the distinguished Senator from Louisiana (Mr. LONG) and which provides for a rebate of social security taxes to low income families is included in our amendment.

On top of the work bonus, we propose that everyone receive a $200 tax credit, in lieu of the present personal exemption. For a family of four that would be an aggregate $800 tax credit.

This would amount to a tax benefit for nearly 90 percent of the taxpayers of the United States. It would amount to a revenue benefit for almost all individuals earning $20,000 or less, and, together with the "work-bonus" will result in a revenue loss of $5.152 billion.

Our amendment differs from that suggested by the distinguished Senator from Minnesota in that he would go one further step. He would retain and raise the present exemption. The exemption now is $750 and, I believe, he is now proposing to raise it to $800.

Mr. President, an exemption for somebody in the 70 percent bracket, and earning in excess of $100,000, is worth 70 percent of the exemption. If the exemption is $800; that would be $560 in taxes saved.

But for someone in the 15-percent bracket, the $800 exemption is worth only $120. For most Americans, the exemption would be worth less than $200 in taxes actually saved. In short, the amendment by Senator HUMPHREY and others would create a two-tiered system of personal exemption. On the upper tier would be the majority of taxpayers for whom the credit would be better than the $800 exemption. Or the upper tier would be the wealthy whose personal exemption might be worth as much as $560.

Is it right to have a two-tier tax system? Is it right to give $560 less in taxes to the man earning in excess of $100,000 and only $160 to the man earning $15,000 or less?

I submit, Mr. President, that this is going in the wrong direction. I prefer to treat all taxpayers equally. That is why my amendment differs from that of the distinguished Senator from Minnesota in regard to the proposed tax cut.

Mr. BARTLETT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HASKELL. Certainly.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Ron Frank, David Russell, and Bud Scoggins of my staff have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I might say there are not enough Senators in the Chamber at the present time. I intend to ask for the yeas and nays on my amendment at the appropriate time.

I shall now yield the floor. If no Senator wants to take the floor, I suggest the absence of a quorum.

Mr. LONG. Mr. President, I would like to claim the floor for a few minutes.

Mr. HASKELL. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I will endeavor in the short time that is allotted to us to try to point out what I believe is the complete fallacy of the Humphrey proposal to try to finance a tax cut by repealing the depletion allowance of the domestic oil industry.

Mr. President, there were large increases in oil profits last year, but they were not made by the domestic oil industry.

I have before me a chart which relies upon information furnished to the First National City Bank of New York. It demonstrates that last year there were large increases in profits because the Arabs formed an international cartel and boosted the price of oil.

Much of that price increase was because the oil companies were on a first-in, first-out inventory basis, which is different from the way most companies do business, and it is a profit that would not be anything so substantial as this year when the inventory has turned over and when the oil being sold is the same oil that has been bought at the higher prices that the Arabs forced on the rest of the world.

It is important to notice, Mr. President, that the U.S. domestic oil industry increased its profits in 1972 by only 6.4 percent; that is speaking of the seven largest companies, although those companies had a profit increase of 136.8 percent in their foreign operations. Or, if you compare the increase in dollars, it was $3,771 million in profits on their total foreign operation, and only $135 million on their domestic operation.

Mr. President, a $135 million increase in profits might sound like something substantial, until one takes note of the fact that that is a 6.4 percent increase in profits, and the cost of living increased by more than that.

To put it another way: The depreciation in the value of our currency was such that in terms of constant dollars they made less money within the United States in 1973 than they did in 1972. The domestic oil industry did not do a lot better than that, Mr. President. An average for the top 10 companies provided from a different source shows a return on equity of 10.6 percent that year, and, according to Fortune's 500 companies, in 1973 the average was 13.7. The profits of the domestic oil companies—the big ones that are doing better on the average than the independents—are well below the profits of the 500 largest companies.

So, Mr. President, if one were to put a tax on so-called windfall profits of the oil industry, the tax increase should go on the foreign oil. When the Senator moves to propose a tax increase on the oil industry, if he wanted to collect an additional $2 billion of taxes, one would think he would want to tax the 1973 profits of the seven large multinational oil companies; this is, the foreign oil profit rather than the U.S. profit.

But, oh, no. Here they propose to absolutely clobber the domestic industry, and leave virtually untouched the foreign oil industry.

That is a sort of blindness to the facts of life. It is a sort of insensitivity to the problems and the issue that is responsible for the energy shortage we have right now.

Why did the price of oil go up so much last year? It was because this Nation made the mistake of relying upon foreign oil, on the theory that we could get that oil more cheaply. The Arabs tried to pull a boycott on us on two previous occasions but failed to succeed, because at that time we had a domestic industry adequate to the needs of this country. But, Mr. President, there were those who desired "cheap" foreign oil so badly that they continued to favor the foreign producer over the domestic producer. With the foreign tax credit and the low cost of foreign oil, companies abroad were able to make vast profits and pay little or no taxes to this Government, and the result was that it was far more attractive to produce the oil in foreign lands than here.

When those who were so shortsighted as to make this Nation dependent on foreign oil had finally reduced the domestic industry to the point that it could not save, could not protect, could not defend the American consumer, then the Arabs succeeded in doing what they had failed twice to do before, and this time they refused to sell a barrel to the American people who had favored that oil. The only amount they got was what little bit leaked through the boycott.

I can understand how emotional the Arab countries would be about their struggle with the Israelis. That undoubtedly was the cause of their boycotting the United States completely. But they raised the price of the overall operation, and by raising the price, they made enormous additional profits. In a single year, the foreign profit, the balance-of-payments surplus of these oil-producing countries, exceeded $60 billion. Just think how much money that is: $60 billion payments made to those countries in a single year. Those countries made that much in a single year, because of the unwise and shortsighted policies of those who would crucify and destroy the American energy industry.

Have we learned? What we should be doing is to build a domestic industry that can provide this Nation with its energy requirements. That is what Project Independence is. But, oh, no, Mr. President. Ever since we had the disaster that occurred with the increased prices of foreign oil, and this Nation having had its people in lines four blocks long to fill their gasoline tanks and with the prices skyrocketing at the pump, we have seen those who, rather than try to build a domestic industry that was adequate to the needs of the American people, have tried to destroy that industry every chance they got. They have tried to reduce the price to the point that there would not be a sufficient return on the product, so that those who would produce oil could not afford to produce it. That means they would proceed to tax the domestic industry out of business.

I am sure, Mr. President, that if they succeed in that, someone will have a proposal that the Government go into the business, and that the Federal Government provide us with our energy requirements.

Some of us who have observed the experience of how well the Federal Government has made out with the Post Office feel that that is not the most efficient operation one could anticipate. It will not do what its advocates have hoped for it. But, Mr. President, we have in this country 10,000 independent producers of oil and gas who are the real competitive element of the economy. They are the ones who will hold the price of energy down if we ever reach self-sufficiency again, and they are the ones who would be injured most, if the Humphrey amendment were adopted, because everyone agrees that the depletion allowance means a great deal more to the independents than it does to the major companies. The independents have to have it as a matter of survival, and the major companies could raise their prices and get by without it.

When one studies the statements of the industry, we find it is far more essential to the independents that they have a depletion allowance than it is to the major companies. In many respects, it is to the advantage of the major companies to abolish the depletion allowance, because it would help to drive out their competitors and get rid of the independent producers whose competition tends to hold down the price of oil and its products.

Mr. President, I ask unanimous consent that the table to which I have referred, showing the income of the seven largest companies, provided by the First National City Bank, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INCOME OF 7 LARGEST INTERNATIONAL PETROLEUM COMPANIES

	1972 (billions)	1973 (billions)	Increase	Distribution of profit Increase	Percentage Increase
Total	$4.865	$8.7	$3.906	100,0	80.0
Western Hemisphere (not United States)	.772	1.330	.558	14.3	72.0
Eastern Hemisphere	1.984	5.197	3.213	82.2	161.0
Total foreign	2.765	6.527	3.771	96.5	136.8
United States	2.109	2.244	.135	3.5	6.4

Source: First National City Bank.

Mr. LONG. Mr. President, there is no doubt in my mind that one could not find a more shortsighted proposal, if he wanted to be sure that Project Independence would not succeed and that this Nation would never be able to produce its requirements of energy, than to repeal the depletion allowance on domestic oil in such a fashion as is proposed by the Senator from Minnesota. His amendment imposes a tax burden of more than $2 billion on the domestic industry and only $40 million on the foreign industry, where the tremendous profits happen to exist. I shall have more to say about that later, Mr. President.

I point out that if we were to approach this matter in a different way, simply by trying to seek some revenue from all American companies which have made investments abroad, and if we were to change the foreign tax credit to a deduction instead of a credit, the Nation would gain about $4 billion in additional revenue. It may be that that tax rate would be altogether too high. I would be the first to concede that it would be if we add the American tax upon the foreign tax that has been imposed; but if we were to tax them at just one-half that rate, that would bring more tax revenue of about $2 billion. Of that amount, approximately $1.25 billion, or about 60 percent, would be revenues derived from U.S.-based multinational oil companies.

If we raise the revenue in that fashion, that would be taxing the oil where the big profits have been, taxing those major windfall profits, not taxing the independent segment of the business out of business and forcing a major price increase on the American consumer. It would make far better sense, if we wanted to tax the oil companies to help finance any tax proposal, to move in that fashion, than it would to move in a way that discriminated against the domestic industry and favored the industry's going abroad.

For that reason, Mr. President, I believe that the Humphrey tax proposal should be voted down, and I hope that when the Senate has a chance to vote on this matter, the Senate will reject that amendment, for the reasons I have mentioned here.

Mr. HART. Mr. President, the need for the tax reform and tax-cut amendment introduced by Senator HUMPHREY as amendment No. 1522, which I have cosponsored, is clear cut. Particularly after having been the subject of recent hearings before the Finance Committee floor adoption of it is warranted. The record against the percentage depletion provision is supersaturated, having been nurtured unceasingly from the time of its enactment some 50 years ago. Though I disagree with those who think tax reform is indispensable as a revenue-raising device to offset the cost of the tax cut proposal, I feel, nonetheless, that it is equally important as corrective surgery upon our present distorted tax system.

The oil companies would contribute $2.5 billion to the Treasury in 1974, if the section repealing the domestic percentage depletion allowance is passed; $2.5 billion from one industry may seem like a lot of money to the person who is looking forward to the $190 tax credit, but his perspective is bound to be restored when he compares $2.5 billion with a figure of $4 billion in 1973 profits earned by oil companies solely from producing U.S. oil. The figure will surpass $8 billion this year. The majors in this industry are quick to add, moreover, that most of their profit is raised abroad.

When trying to contrast the cost of the industry of repealing percentage depletion against the benefits they have derived from rising prices over the past months, the only frustration is trying to decide which of the indices of those benefits will best bring home the unsoundness of any suggestion that the allowance ought now to be continued in any form.

Yet the Ways and Means Committee apparently felt differently. Instead of dealing directly with the depletion issue, it recently approved a windfall profits tax for 1974 which would collect a mere $670 million. Though the percentage depletion option would ostensibly be reduced from the present 22 percent to 15 percent in 1975, 8 percent in 1976 and zero thereafter, several exceptions serve to maintain the allowance well above these levels through 1979.

The Democratic Caucus in the House has expressed its vehement disapproval of such a modest response to so compelling a situation. Recently it voted to direct Democrats on the Rules Committee to vote for a modified closed rule on the oil tax bill that would allow House Members to vote on the floor for a depletion repeal amendment identical to the one we now have before us. Here is our chance to take an equally strong stand on this important issue. Since the future of the Ways and Means package is in doubt, this may be our only chance this year.

The industry arguments favoring retention of the allowance grow weaker by the day. Price increases for crude oil over the past months have eliminated whatever validity there ever was to the notion that the costly and inefficient percentage depletion subsidy was necessary to provide the high-risk capital essential to find new crude oil deposits. Perhaps more than any other evidence supporting this conclusion, a December 1972 report of the industry-dominated National Petroleum Council demonstrates the belief of industry that present domestic prices are far in excess of those necessary to stimulate production of proven domestic resources and to finance exploration and development of oil in quantities estimated to be double the amounts already found by the end of 1970. This conclusion and several others of equal importance are contained in the following quote from the NPC December 1972 publication, "U.S. Energy Outlook":

> The volume of domestic oil and gas remaining to be found will not be a limiting factor on domestic supply prior to 1985. There remains to be discovered almost as much oil-in-place and twice as much non-associated gas as had been found by the end of 1970.
>
> The most effective economic incentive would be to allow prices to increase to the level at which the industry can attract and internally generate the risk capital needed to expand activity to its maximum capability. This requires both a fair return on total investments as well as the anticipation of attractive returns on current and future investments.
>
> Assuming a 15-percent annual rate of return in constant 1970 dollars, 1985 average oil "prices" may have to range from $5.06 to $7.21 per barrel to support the activity levels assumed . . .
>
> According to these same criteria the NPC came to the following conclusions for the "average required 'prices' " in terms of constant 1970 dollars. For the year 1975, a range of $3.54 to $3.70; and for the year 1980 a range of $4.26 to $5.16.

Though foreign earnings are higher because more of the majors' total production is done abroad, their rate of return on a barrel of oil produced in the United States is the highest in the world. The April 1, 1973, issue of Forbes magazine stated that the United States accounts for about 18 percent of Exxon's daily production of 6 million barrels, but more than a third of its total profits. Clearly then, repeal of the domestic percentage depletion allowance poses no threat that the majors will jeopardize domestic self-sufficiency by shifting production to other parts of the world.

It now appears unlikely that further price controls can be imposed on crude oil and petroleum products. Though so-called old oil is still price controlled with some exceptions, 1973 and first quarter 1974 profits of the domestic oil industry testify to the ineffectiveness of this partial control. Consequently, opponents of repeal can no longer argue convincingly that Government is chewing away at them from both ends, the tax end and the price end. To the extent natural gas remains under strict FPC price regulation or is committed under fixed-price contracts, an exception in the amendment retains the percentage depletion allowance for sales of that natural gas.

The effect of failing to repeal percentage depletion as of January 1, 1974, will be to grant the oil industry a Government subsidy of $2.5 billion. The use to which that grant would be put has already been clearly evidenced by the companies themselves. On Monday, June 17, Mobil offered to pay $500 million for Montgomery Ward. On the same day, a spokesman for Gulf, which last year made two unsuccessful attempts to diversify into other industries, said:

> The oil companies have a tremendous cash flow and so we're always looking for new opportunities . . .

That cash flow is so much greater for oil companies than for other industries largely because of percentage depletion. Imagine the reaction if any of these companies were to apply for a $500 million grant to diversity into other industries. Yet in a sense that is what this debate is really about.

I urge the Senate to face this fact squarely and repeal the grant of percentage depletion once and for all.

Mr. President, the tax-cut and work-bonus provisions of the amendment gives the Senate an important opporunity to help relieve low- and middle-income families of the bitter bite they have suffered recently as the economy plunges toward recession, while at the same time, inflation runs rampant.

My conviction that a tax cut will help rather than hurt was reached only after a dizzying and depressing trip through a maze of economic statistics and arguments issued on all sides of the question.

The first step, an evaluation of the antirecession benefit of stimulating demand and reduced unemployment, was relatively easy. Ever-mounting evidence of a decline in the gross national product was capped recently by revised first quarter Commerce Department figures, showing that the real value of GNP has declined at an annual rate of 6.3 percent, the severest drop since 1958.

Demand for durable goods generally, not only autos, has fallen, and consumption of nondurables and services has barely kept ahead of inflation. Though widely publicized shortages of some commodities and lengthening delivery schedules for certain capital goods are partly to blame, the overwhelming responsibility for the demand decline must be directed at higher unemployment, increased prices, particularly for food and fuel, tight money and higher taxes.

The administration and some respected economists say that sufficient fiscal stimulus has been built into the fiscal 1975 budget or will result from automatic increases in spending for unemployment compensation as unemployment rises. But the budget is actually restrictive and will become more so if defense expenditures are reduced, as they should be. I do not think we can afford to rely on President Nixon's announced contingency plans for recession since his view of our economic prospects seems to get more optimistic as conditions get worse. Witness the report of the Council of Economic Advisers submitted to Congress on May 28.

Most compelling of all arguments for the cut is the critical need to meet our responsibility to compensate low- and middle-income citizens for the recent erosion of the buying power of their incomes caused by inflation.

The Joint Economic Committee report on the economy issued in March shows that a family earning $12,000 lost over $1,000 in purchasing power last year, because of inflation. Lower income families were hit even harder since a greater percentage of their incomes was spent on necessities such as food and fuel, where price increases have been the greatest.

In April, real spendable earnings declined at annual rate of 9.6 percent. The Consumer Price Index rose at an annual rate of 11.5 percent for the first quarter of 1974, accelerating the annual rate increase of 8.8. percent experienced during the fourth quarter of 1973.

Not only were wage increases eroded by inflation, but also by higher taxes paid by people whose higher wages pushed them into higher tax brackets. This, coupled with the regressive social security tax, makes Government another undeserving beneficiary of the taxpayer's financial bind.

The tax cut proposal will increase the personal exemption deduction from $750 to $825, allow an optional $190 credit against taxes for each personal exemption, and allow a refund of social security taxes to low-income workers with children. The refund or "work bonus" equals 10 percent of annual wages up to $4,000. At wages above $4,000, the credit is phased out at 25 cents per dollar so that it disappears when income reaches $5,600.

The alternative deduction or credit for personal exemptions serves to restore greater progressiveness to the tax system by concentrating its benefit among low- and middle-income taxpayers. Almost 82 percent of the total tax decrease will be enjoyed by individuals with incomes below $15,000, most of whom will prefer to take the credit to the deduction.

I would like to have seen a mandatory credit for everyone rather than the option of a deduction or credit, because wealthy taxpayers can reduce their taxes by much more for each dependent by taking the deduction than can their poorer counterparts using the credit. It makes no sense that each dependent of a married couple with two dependents generates a $110 tax saving if the couple earns $5,000, while the comparable saving is $210 if their income is $25,000. However, the optional credit is an important step toward spurring public recognition of the greater tax equity that can be produced by changing many present personal tax deduction items to tax credits.

Like many who oppose this tax cut, my gravest concern was that it would serve only to fuel the inflationary fires still raging, seemingly uncontrolled in our economy. This fear has been eased, however, by several factors. First is the modesty of the cut. The benefit ranges from $14 for a single person with an adjusted gross income of $12,500 to $322 for a family of six sharing an adjusted gross income of $8,000. The savings on 1974 incomes will most likely be distributed in reductions of withholding taxes over the last half of 1974 and during the first quarter of 1975 when 1974 tax refunds are paid. Though some of the saving might be spent on scarce items, causing isolated inflationary effects, I am confident that most of it will go for consumer goods for which demand has slackened considerably in recent months.

If anything, therefore, the proponents

of this measure might be vulnerable to a charge that the cut is too little too late, as the cliche goes. Granted, much more can and should be done to fight inflation, reduce unemployment, and restore greater equity to our tax system, but this cut will bring significant relief to millions of citizens. If passed by Congress, it will signal the administration that counting on huge corporate profits and special tax and other subsidies for the few to bring general prosperity to the rest is unacceptable.

INFLATION, PERSONAL INCOME TAX DEDUCTIONS AND CREDITS

Mr. FANNIN. Mr. President, on June 17, 1974, it was pointed out that the so-called tax reforms are moving simultaneously in opposite directions—both of them wrong—in an attempt to devise a tax policy to cope with our inflation-ridden economy. To move toward a tax cut would only serve to intensify the inflation problem and to move toward a tax increase by further taxing business income would hurt productivity, increase unemployment, and send this country into deeper economic decline. The combination of the two could result in economic disaster for the country.

Today, I would like to comment specifically on why a tax cut would intensify the inflation problem and the economic effect on an individual taxpayer. The proposals to increase the personal exemption to $825, or provide an optional tax credit of $190 in lieu of the personal exemption, are designed to provide relief to taxpayers against the ravages of inflation. While recognizing that the tax cut is not intended to fully compensate taxpayers for their loss of real income as a result of accelerating rate of inflation, it would be helpful to consider the tax cut proposal and the inflation problem in a proper perspective.

Many economists question whether a permanent reduction in individual's taxes is the appropriate tool for dealing with the effects of inflation upon personal real income.

First, wages generally are adjusted upward to reflect changes in the cost of living within a period of months in some cases and over a slightly longer period for the balance of the work force. Under these circumstances the inflation argument does not justify a permanent tax cut.

Second, the benefits of the proposed tax reduction are insignificant when measured against the loss of real income due to an excessive rate of inflation. This relationship is illustrated in a table recently prepared by the Treasury Department.

Mr. President, I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INFLATION, PERSONAL INCOME TAX EXEMPTIONS AND PERSONAL INCOME TAX CREDITS

An inflation rate of 10 percent per year rather than 6 percent per year reduces the real income of a taxpayer by 4 percent of his after tax income per year—if his money income is constant. The annual reductions for families of four in various income levels and the reductions in taxes awarded by the Kennedy-Mondale proposal are as follows:

	Annual reduction in real income due to 4 percent additional inflation	Annual tax reduction awarded by Kennedy-Mondale proposal
Itemized deductions equal to 18 percent of AGI and adjusted gross income equal to:		
$8,000	$125	$49
12,000	227	35
15,000	305	22
Standard deduction and adjusted gross income equal to:		
$8,000	125	49
12,000	239	30
15,000	327	22

Source: Office of Tax Analysis, U.S. Treasury Department.

Mr. FANNIN. Mr. President, the table shows that a family of four, with $12,000 adjusted gross income and using the standard deduction, receives a tax reduction of $30 under the proposal.

On the other hand, the table shows that a 4-percent increase in the rate of inflation from 6 to 10 percent, which is similar to the increases we are experiencing this year, reduces the real income of that family of four with $12,000 gross income by $239. In other words the current 4-percent increase in the rate of inflation costs this family almost eight times the $30 tax cut they would realize under the proposal.

Further, in this period of demand-pull inflation, a tax cut of $6 billion will add substantially to the demands for consumption and can only worsen the inflation problem. Viewed in this perspective, the increase in the rate of inflation brought about by the $6 billion tax reduction going to consumers, will cause a loss in real income much greater than the benefit received under the tax cut.

Mr. President, as bad as this situation would be for a worker earning $12,000 a year, let us consider for a moment the disastrous results facing those millions of citizens living on small, fixed retirement income. A tax cut would operate as a double edge sword and cut both ways. These citizens pay little or no tax on their modest retirement income—nor should they be expected to pay—so a tax cut would not add $1 of spendable income. The resulting inflation would indeed affect those on a fixed income and they would soon have less dollars to pay for the escalating costs of housing, food, and medicine.

Mr. President, a tax cut at this stage of our economy constitutes a cruel political hoax on those citizens and taxpayers that are the least able to withstand the ravages of inflation.

Mr. MAGNUSON. Mr. President, high prices have created tremendous windfall profits for oil companies. The size of the windfalls is so large that the numbers are hard to grasp. The Joint Economic Committee on Internal Revenue Taxation estimates 1974 profits on domestic oil production alone will be $9 billion after taxes. These windfall profits are in large part attributable to taxpayer subsidies of the oil industry. It is time Congress insists that the oil industry pay its fair share of taxes on these increased profits. I am pleased to join with Senator RIBICOFF and other Senators in an amendment to H.R. 14832, the debt ceiling bill. Our amendment will restore equity to the energy tax system. We propose that the Senate act to repeal the oil and gas depletion allowance immediately. This huge tax loophole has outlived any usefulness it may have had. Simple justice requires that taxpayers no longer subsidize the industry that is reaping windfall profits far in excess of anything our Nation has ever experienced.

Proposals for repeal of oil depletion certainly are not new. The sponsors of subsidies to the oil industry have been around as long as the income tax, and so have those who oppose such special treatment. But it is now time to give serious scrutiny to the philosophy underlying continuation of depletion allowances. Depletion allowances are simply direct, out-of-pocket subsidies from taxpayers to producers. Any rationale that such subsidies were necessary in 1972 simply does not apply under the energy economy of 1974. Formerly, depletion was defended as needed to make domestic oil and gas exploration and development financially competitive with cheap foreign crude oil. But today, the new high prices of foreign oil provide a distinct price advantage to domestic producers.

Current windfall profits for the production of domestic oil and unregulated natural gas provide plenty of incentive for domestic development without additional taxpayer subsidies which make domestic production even more profitable. Today, domestic development activity is constrained not by lack of capital or profit incentive, but rather by the physical capacity of the industry and its equipment suppliers. The industry is suffering severe research shortages. Retention of repeal of the depletion allowance will not relieve or eliminate these shortages. However, retention of depletion will provide an added $2 billion windfall to oil producers this year alone. By 1980, the total difference between immediate and phased repeal of depletion, as proposed by the House Ways and Means Committee, will total $8 billion.

I expect that we will all hear the argument that this amendment is an inappropriate vehicle for change in the tax laws. I understand such concerns. I do not lightly recommend that the Senate act without further hearings on this matter. The Senate Finance Committee has held extensive hearings on this and other proposals in the last month. I believe the Senate must proceed. Tax subsidies are pouring to domestic oil producers at the rate of $5.5 million every day that the current depletion allowance is retained. Further delays will not add significant new information to the public record. The operation of the depletion allowance is widely understood. The literature on the subject is vast. Proponents and opponents of depletion have appeared many times on Capitol Hill over the last decade.

The totality of this public record indicates that depletion allowances have not stimulated exploration and development. To the contrary, a Library of Congress study indicates that they have stimulated overdrilling of existing fields. Further, depletion allowances reward large domestic producers out of proportion to the rewards received by smaller producers. Worst, during today's energy shortages, depletion allowances actively discourage capital expenditures in cheaper, more abundant energy sources, such as coal liquefaction, oil shale, and solar energy.

The Congress must choose the most efficient incentives to encourage the production of new domestic energy supplies. Existing depletion tax subsidies are inefficient incentives. In fact, they often act as disincentives to additional exploratory activity.

Such inefficient tax subsidies cannot be justified during times of windfall producer profits. Domestic oil prices have more than doubled over the past year, and the price of domestic crude oil continues to rise.

The President's energy message calls for a tax on windfall profits. The Senate has already voted in favor of a price rollback. It is unconscionable to argue that tax subsidies are needed to further increase oil profits today.

In 1972, domestic crude oil was more expensive than foreign crude oil. Today foreign crude oil has a posted price in excess of $10 per barrel. The cost of domestic crude oil production averages less than $3.50 per barrel. Yet, new domestic crude oil is being sold at foreign crude oil prices. Domestic producers are now reaping a $6.50 per barrel windfall on new oil sales. Repeal of the oil depletion allowance will reduce this windfall to about $5 per barrel. So immediate repeal of depletion will still leave massive increased profits as incentives to attract expanded oil and gas production. I wish to emphasize that the Senate has already voted in favor of a $3 per barrel roll-back on domestic crude oil. Repeal of depletion would result in a reduction of approximately $1.50 per barrel of the most expensive domestic crude oil. The average price impact would be less than $1 per barrel.

I believe there are three overriding reasons to repeal depletion tax subsidies today. Depletion allowances are inefficient subsidies. They have not stimulated exploration for new resources, they have stimulated overdrilling of already existing oil fields. Second, depletion allowances discourage production of cheaper and more abundant energy sources. They make investment (in alternative) energy sources such as solar and coal liquefaction distinctly disadvantageous. Third, it is simply not true that windfall profits are needed to finance future oil and gas expansion. Industry estimates predict 1974 capital investment levels about 30 percent above 1973. Yet, 1974 profits are over 100 percent above 1973 levels. There is no need for these huge windfalls. Even Secretary Simon has conceded:

> In the short run, changes in percentage and depletion should have little effect on the rate of expenditure of discovery efforts . . . in the long run, a change in depletion should have no effect, per se, on the rate of production.

I understand that many spokesmen for the industry have raised the red flag of increased costs for consumers if depletion allowances should be repealed. This is patent nonsense. It is true that repeal of depletion would cut into the profits of domestic producers. It is not true that this change in profits could be passed through to consumers. The limit on the price people pay for gasoline today is set by the price of foreign crude oil imports. Arab oil prices will not be affected by the repeal of U.S. domestic repeal allowances. Until the cost of U.S. domestic production reaches the cost of foreign crude oil imports, the tax subsidy structure for domestic production will have no effect on the price of domestic oil products to consumers. Any attempt to waive the "boogie man" of increased profits while OPEC is controlling the world price of oil is simply untrue.

I am pleased to report the strong support of professional economists and tax policy experts for this depletion repeal proposal. Economists around the Nation recognize that the basic economics of the oil-producing industry has changed here in the United States. This is a time of massive windfall profits for majors and independents alike. The industry is arguing for higher and higher profits while doggedly asserting its unlimited right to continued taxpayer subsidies.

Mr. President, I request permission to have printed in the RECORD a series of letters which I have recently received from economists and tax policy experts from around the Nation. In one of these letters, 59 noted economists, including 3 Nobel laureates, recommend the termination of the depletion allowance. Prof. Arthur Wright has stated elsewhere that the depletion allowance is a "very clumsy and ambiguous way to provide subsidies." Otto Eckstein, a member of the Council of Economic Advisers under President Johnson, was gracious enough to send me a letter on the subject and describes the depletion allowance as "obsolete." Stephen McDonald, chairman of the Department of Economics at the University of Texas, has stated publicly that:

> A direct cash subsidy to, say, exploration, would be preferable to the percentage depletion allowance.

As far back as 1968, the Treasury Department released a study entitled "The Economic Factors Affecting the Level of Total Domestic Petroleum Reserves." The major conclusion of the study was:

> Percentage depletion is a relatively inefficient method of encouraging exploration and resultant discovery of new domestic reserves of liquid petroleum.

Mr. President, I have been deeply impressed by the volume of mail I have received from the professional economists and tax policy experts around the Nation. These letters have been from individuals of national and international reputation, men and women held in the highest regard by their professional peers. The tone and urgency of the letters is so striking that I wish to share them with the rest of the Senate.

Mr. President, I request unanimous consent to have the letters I received printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PUBLIC INTEREST ECONOMICS CENTER,
Washington, D.C.

To the Congress of the United States:

For many years the Federal government has lightened the tax burden of the petroleum and other extractive industries by special provisions of the tax code. These indirect subsidies have been one of the causes of our long-run energy problem. They have stimulated production and consumption, draining the U.S. of our oil and increasing our dependence on foreign sources. And they have inhibited the development of substitute sources of energy, such as geothermal and solar, which do not benefit from these special provisions.

One alternative—to keep the present provisions intact and add on a "temporary" excess profits tax and a special investment tax credit—seems likely to be a mistake. The excess profits tax may indeed prove temporary while the special investment tax credit proves permanent, which has been the history of minerals taxation. This would further complicate an already too complicated tax code, creating new inequities and distortions, further lightening the oil industry's tax burden and worsening our long-run energy problem. On the contrary, the remedy is to simplify the tax code and move toward greater tax neutrality by eliminating the special privileges.

We should eliminate the percentage depletion allowance and treat capital expenditures in the extractive industries on the same basis as those in other industries. In the past, petroleum companies have been permitted to treat what are essentially royalty payments and excise taxes as foreign income taxes subject to the foreign tax credit. This practice should be reformed. If we eliminate the special provisions for the extractive industries, then it is doubtful that we would need an excess profits tax for petroleum. Incentives for exploration and development should not be made in the tax code. If such incentives are needed, they should be made explicitly on the expenditure side of the budget.

Respectfully submitted,

Allen R. Ferguson, President, Public Interest Economics Center;

Dr. Armen A. Alchian, Los Angeles, California;

Professor Kenneth J. Arrow, Department of Economics, Harvard University*;

Professor Robert T. Averitt, Department of Economics, Smith College;

Carolyn Shaw Bell, Katharine Coman Professor of Economics, Wellesley College;

Professor Charles A. Berry, Department of Economics, University of Cincinnati;

Professor Bradley B. Billings, Department of Economics, Georgetown University;

Professor Stanley W. Black, Department of Economics, Vanderbilt University*;

Dr. Gerard M. Brannon, Research Professor of Economics, Georgetown University;

Professor Charles J. Cicchetti, Department of Economics, University of Wisconsin;

Professor James Crutchfield, Department of Economics, Graduate School of Public Affairs, University of Washington;

Professor John H. Cumberland, College of Business and Public Administration, University of Maryland;

Professor Paul Davidson, Department of Economics, Rutgers University;

Professor Robert K. Davis, Department of Geography and Environmental Engineering, Johns Hopkins University;

Professor Fred C. Doolittle, Joint Program

Footnote on next page.

in Law and Economics, University of California at Berkeley.

Professor Thomas D. Duchesneau, Department of Economics, University of Maine;

Professor Robert Eisner, Department of Economics, Northwestern University;

Professor Arthur M. Freedman, Finance Department, Wharton School, University of Pennsylvania;

Professor A. Myrick Freeman III, Department of Economics, Bowdoin College;

Dr. John W. Fuller, Wisconsin Department of Transportation;

Professor Daniel R. Fusfeld, Department of Economics, University of Michigan;

Professor J. K. S. Ghandhi, Finance Department, Wharton School, University of Pennsylvania;

Professor Arnold C. Harberger, Department of Economics, University of Chicago, and Visiting Professor of Economics, Princeton University;

Professor Steve H. Hanke, Department of Geography and Environmental Engineering, Johns Hopkins University;

Professor Robert Haveman, Department of Economics, University of Wisconsin;

Professor Edward S. Herman, Finance Department, Wharton School, University of Pennsylvania;

Dr. Allen V. Kneese, Washington, D.C.

Professor Edwin Kuh, Department of Economics, Massachusetts Institute of Technology;

Dr. Jack L. Knetsch, Environmental Defense Fund;

Dr. John V. Krutilla, Washington, D.C.

Professor Wassily Leontiev, Department of Economics, Harvard University;

Professor Ervin Miller, Finance Department, Wharton School, University of Pennsylvania.

Professor James R. Nelson, Department of Economics, Amherst College.

Professor Roger G. Noll, Department of Economics, Division of the Humanities and Social Sciences, California Institute of Technology*;

Dr. Benjamin A. Okner, Washington, D.C.;

Professor Charles E. Olson, College of Business and Management, University of Maryland;

Dr. Talbot Page, Washington, D.C.;

Dr. Joseph Pechman, Washington, D.C.;

Professor Giulio Pontecorvo, Graduate School of Business, Columbia University;

Dr. Ronald G. Ridker, Washington, D.C.;

Professor Stefan H. Robock, Graduate School of Business, Columbia University;

Professor Paul A. Samuelson, Department of Economics, Massachusetts Institute of Technology;

Professor James D. Smith, Department of Economics, Penn State University;

Professor V. Kerry Smith, Department of Economics, State University of New York at Binghamton;

Professor Robert M. Solow, Department of Economics, Massachusetts Institute of Technology;

William Vickrey, McVickar Professor of Political Economy, Columbia University;

Professor Charles Waldauer, Department of Economics, Widener College;

Professor Harvey E. Brazer, Department of Economics, University of Michigan;

Professor Duane Chapman, Department of Economics, Cornell University;

Professor George M. Eastham, Department of Economics, California Polytechnic State University;

Professor Robert J. Gordon, Department of Economics, Northwestern University;

Professor Byron Johnson, Department of Economics, University of Colorado, Member, 86th Congress;

Professor Warren J. Samuels, Department of Economics, Michigan State University;

Professor Carlos Stern, Department of Environmental Economics, University of Connecticut;

G. L. Stevenson, Temporary New York State Charter Commission for New York City;

Professor Lester C. Thurow, Department of Economics, Massachusetts Institute of Technology;

Professor T. Nicolaus Tideman, Department of Economics, Virginia Polytechnic Institute and State University;

Professor James Tobin, Department of Economics, Yale University;

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass., May 15, 1974.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: I am writing this brief letter to affirm my support for any effort to eliminate the percentage depletion allowance from the federal income tax law. I am not specially qualified to predict the economic impact of immediate elimination of the percentage depletion provision or to choose between immediate elimination and elimination phased out over some relatively short period. But I am a student of the legal and practical aspects of the income tax, and it seems perfectly clear to me that the percentage depletion provision has been a very serious source of distortion, inequity and complexity in the income tax law and that its elimination, however effected, will be a very major step in the direction of a fairer and more coherent federal income tax. I am therefore happy to urge support of whatever course of action will be most likely to effect removal of this provision in the reasonably prompt future.

Sincerely yours,

WILLIAM D. ANDREWS,
Professor of Law.

HARVARD UNIVERSITY, PROJECT ON EFFICIENCY OF DECISION MAKING IN ECONOMIC SYSTEMS,
Cambridge, Mass., May 30, 1974.

Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MAGNUSON: I strongly urge your support of H.R.8217. I believe the time has certainly come that the Government should stop subsidizing the production of oil through oil depletion allowances. If we are to have a viable approach to energy, it will have to be based on reducing our demand, and surely one of the first steps in this is that the price of oil to the consumer reflect fully all the costs of production. The present situation, apart from its aspects of unjust enrichment, certainly produces inefficiency in the use of oil directly and indirectly.

Sincerely yours,

KENNETH J. ARROW,
Professor of Economics.

DATA RESOURCES, INC.,
Lexington, Mass., May 16, 1974.

Senator WARREN S. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: This is in reply to the proposed legislation to terminate the depletion allowance for the oil industry. My reaction is as follows:

Whatever the historical merits of the depletion allowance may have been in stimulating the development of reserves of oil, the changed energy picture has made the depletion allowance obsolete. The foreign price of oil is now so high that the market price of oil provides a far stronger incentive to the development of additional reserves than any tax incentives such as the depletion allowance could provide. Also, the short term profits of the oil industry are so great that some increased taxation of the industry is a matter of equity. So long as the tax increase is not too steep, the incentive to develop our energy resources will be left very adequate.

It has always been my feeling that the depletion allowance has been a political albatross around the neck of the industry. So long as the public relations goals of the oil industry were the preservation of the depletion allowance, it enjoyed little credibility on other issues with the public. I am sure this was a factor in our stumbling into the energy crisis.

The economic questions to a sudden and complete termination of the depletion allowances are these:

1. Will there be particular hardship cases where a company's financial situation would be disastrously affected in the short run? I am sure the staff of the Joint Committee on Internal Revenue Taxation would be able to identify these cases and would be able to devise some special provisions in the legislation.

2. Would the termination of the depletion allowance tilt the balance of incentives toward foreign oil development as opposed to domestic? The tax credit on foreign income taxes as well as the accounting possibilities open to multi-national companies have long provided tax incentives for foreign exploration that were far greater than the incentives available within the United States. If no other changes are made in the tax treatment of oil beyond the termination of the depletion allowance, there is a very real possibility that we would be reinforcing this unfortunate situation. Thus, the termination of the depletion allowance has to be assessed in the context of the total tax treatment of oil and of the other policy changes in this field.

Subject to the successful resolution of these questions, I favor the termination of the depletion allowance. It would be a sigficant step toward a tax system that treats different industries equally, and would shift the incentive for investment in exploration and development where it belongs—toward a good rate of return earned in the market place.

Sincerely,

OTTO ECKSTEIN.

PUBLIC INTEREST ECONOMICS CENTER,
Washington, D.C., May 21, 1974.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: I congratulate you and Senators Jackson and Ribicoff for sponsoring legislation that could repeal immediately the percentage depletion allowance for oil companies. Your measure will be much more effective in alleviating one of the long-run causes of our energy problems and in reducing the inequities in the tax system, than would the alternative legislation that provides for gradual phasing out of this particular tax subsidy. The phasing out legislation would have no effect on the huge 1974 profits on the oil companies and, with its offsetting provisions, would be ineffective and generally inimical to the public interest.

This amendment, like the Green amendment, which the House Democratic Caucus has voted to send to the floor, is compatible with the position advocated in the PIE–C statement sent you on February 11 of this year, on taxation of the mineral extractive industries. That statement was endorsed by 58 economists from all parts of the United States, including three of the nation's Nobel laureates in economics; it also advocated removal of the special treatment of foreign royalty payments and excise taxes, and opposed the proposed combination of a "temporary" excess profits tax with a special investment tax credit. An extra copy of that statement is enclosed. PIE–C also supported the Green amendment in the House of Representatives (copy of letter enclosed).

I hope that the Senate will take advantage of this opportunity to make a significant reduction in the inequitable tax advantages of the oil companies. I would be glad to talk about helping to develop and support further legislation encompassing the foreign tax credits and intangible drilling allowances as well.

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*Affiliations are indicated for purposes of identification only.

Sincerely yours,

ALLEN R. FERGUSON, *President*.

PHILADELPHIA, PA.,
May 13, 1974.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.
Att'n: Mr. Nick Miller.

DEAR SENATOR MAGNUSON: I am writing to indicate my strong endorsement of your proposed effort to seek the immediate repeal of the percentage depletion allowance for oil and gas. Further hearings on the subject are unnecessary. All that needs to be said has been, time and time again.

The case for repeal is clear. Further delay works substantial injustice.

Sincerely,

BERNARD WOLFMAN.

GEORGETOWN UNIVERSITY,
Washington, D.C., May 30, 1974.

Senator WARREN MAGNUSON,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR: As a research economist in the area of taxation of the energy industry and as a former tax policy official (Director, Office of Tax Analysis, Office of the Secretary of the Treasury), I wish to commend you for the introduction of legislation to bring about the immediate elimination of percentage depletion.

This is, in fact, a modest reduction in the tax benefits extended to the oil and gas industry, the permission to expend intangible drilling expenses on successful wells remains as a highly preferential tax benefit for oil and gas. Furthermore, percentage depletion is a highly discriminatory benefit between energy industries and is an impossible basis for a long run energy policy.

Sincerely,

GERARD M. BRANNON.

GEORGETOWN UNIVERSITY,
Washington, D.C., May 14, 1974.

Senator WARREN MAGNUSON,
Old Senate Office Building,
Washington, D.C.
(Attention of Mr. Elliott Segall).

DEAR SENATOR MAGNUSON: I understand that you plan to introduce as an amendment to an energy bill in the Senate language incorporating the substance of those provisions of the bill recently reported by the Ways and Means Committee of the House removing percentage depletion on oil and gas. Your bill would incorporate some improvements in the Ways and Means bill which will be proposed by Congressman William Green.

I have no useful opinion about the tactical considerations involved in moving the legislation in this way as compared to following the traditional channels of Senate action on the House bill. I do, however, want to applaud your decision to advance the substance of this proposal.

Percentage depletion is a bad tax provision. It provides basically that value added through exploiting our limited natural resources will be taxed less heavily than value added through manufacture. Thus, when oil is selling at $7 a barrel, the percentage depletion tax benefit is worth as much as $1.30 additional price. For oil manufactured from coal and selling at $7 a barrel, the tax benefit is worth about 10 cents. For energy generated from solar heat there is no percentage depletion benefit. For additional investment in equipment or insulation that saves a barrel of oil there is no tax benefit.

This highly discriminatory benefit is surely an insane way to deal with an energy crisis.

There may have been a shadow of justification for percentage depletion when U.S. policy was directed at protecting the high cost U.S. oil industry from foreign price competition. In the last year, however, we have seen the foreign oil price jump to previously unheard of levels such that U.S. energy producers are enjoying windfall profits. It is appropriate in this circumstance for the U.S. price to rise. We want to exploit every U.S. energy source that can deliver oil at less than the import price; and we want a higher price for energy to discourage U.S. consumption of energy. The proper U.S. policy is:

To remove Treasury support for the oil industry;

Permit oil and other energy producers to get their incentives in the market place;

Tax the profits of energy producers; and

Use the increased revenues to reduce the taxes paid by consumers.

When a tax provision is long in the tax law, it will have lead to additional supply in the affected industries and its sudden removal could impose losses on producers who expanded in reliance upon it. In the present circumstance, however, the tripling of the world oil price is a far greater benefit to producers than percentage depletion so percentage depletion should be removed in full, effective for all of 1974.

You should not be concerned about the effect of this action on investment in the energy industries. In our capitalist system, profitable industries will expand even without the need of an implicit subsidy provided by less than normal taxes on windfall profits. Actually, failure to repeal percentage depletion fully and immediately will serve to finance the expansion of existing large oil companies in proportion to their share of the windfall profits. This can only serve to reduce competition in the energy industries.

Neither should you be concerned by the complaints that this repeal will hurt "independents." The independent producers in the oil industry, which includes firms with sales up to $50 million, will, like other firms, be enjoying windfall profits and are not about to go out of business.

The Ways and Means Committee bill, even with the Green amendment, is still a very generous bill to the oil industry. It leaves untouched the existing provisions for the deduction of intangible drilling expenses on successful wells, a capital cost recovery system which is far more generous than that extended to other firms.

Sincerely,

GERARD M. BRANNON.

[TELEGRAM]

BETHEL, VT.

Senator MAGNUSON,
Washington, D.C.:

Please add our strong support to Magnuson depletion amendment. Clearly called for on efficiency and equity grounds.

RICHARD A. MUSGRAVE and PEGGY MUSGRAVE,
Harvard University.

WELLESLEY COLLEGE,
Wellesley, Mass., June 4, 1974.

Hon. WARREN MAGNUSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MAGNUSON: I write to support the amendment to HR 8217 that you, Senator Javits, and Senator Jackson have submitted (number 1326), calling for immediate repeal of the oil depletion allowance retroactive to January 1, 1974.

For use in helping young people learn economic analysis I have used the oil depletion allowance as an example of inequitable taxation and misguided efforts to provide business with incentives for capital investment. Now that the current energy crisis has made the repeal of this provision politically more feasible than ever before, I hope very much that a piece of economic good sense can be achieved. In particular the argument that repeal will have adverse effects on exploration and, therefore, the increase of oil reserves will be diminished should be seen for the red herring it is. Other areas in our tax structure provide evidence that a threat to profits, as to individual income, is as likely to induce greater effort and greater initiative as less. It is also true of course that our domestic oil supply currently makes up the overwhelming fraction of the total and therefore the repeal of this allowance will have little impact on consumer prices. I am sending a copy of this letter to Senators Kennedy and Brooke who represent me from Massachusetts.

With every good wish—

Sincerely,

CAROLYN SHAW BELL,
Katharine Coman Professor of Economics.

Mr. MAGNUSON. Mr. President, I wish to quote two recent statements which reinforce the opinions expressed in these letters. The first is by Mr. Fred Hartley, president of the Union Oil Co. He told a California State legislative committee on crude oil pricing:

> I think the incentive is currently greater than required, and that the oil company profits . . . —our company included—verify that.

He added that, since new oil prices have risen so far, profits have risen more than needed as an incentive for more exploration.

Secretary of the Treasury William Simon testified before the Senate Finance Committee 1 week ago that:

> I am not saying that, just because of the capital intensity of this industry, as many studies have stated, these Consumers have grown increasingly more frustrated as oil industry profits skyrocket. Energy supplies grow short, and the oil subsidy burden on the common taxpayer increases. Repeal of the depletion allowance, effective January 1, 1974, will yield $8 billion more revenues by 1980 than the Ways and Means "oil tax reform" bill. This money is readily available for redistribution for hard-pressed taxpayers.

The time to act is now. The choice is simple. Does the Senate wish to maintain unconscionably high windfall profits for big oil, or does the Senate wish to provide relief to the ordinary working man?

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRIFFIN). Without objection, it is so ordered.

NATIONAL PROGRAM OF BIOMEDICAL RESEARCH

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the conference papers on H.R. 7724, to amend the Public Health Service Act to establish a national program of biomedical research, fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes, have been lost.

I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

S. Con. Res. 94

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to prepare and sign official duplicates of the conference papers of the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research, fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 94) was considered and agreed to.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ROBERT. C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. Bennett). Without objection, it is so ordered.

RENEGOTIATION AMENDMENTS OF 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 898, H.R. 14833, an act to extend the Renegotiation Act, and that the unfinished business be laid aside temporarily and remain in a temporarily laid aside status until the disposition of the Renegotiation Act or until the close of business today, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 14833) to extend the Renegotiation Act of 1951 for eighteen months.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. On this bill, there is a limitation of 3 hours of general debate, with 30 minutes on each amendment.

Mr. ROBERT C. BYRD. Mr. President, who has control of the time for general debate? Mr. Long, Mr. Bennett, and Mr. Proxmire, I believe.

The PRESIDING OFFICER. Senator Proxmire, Senator Long, and Senator Bennett.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that during the consideration of H.R. 14833, a bill to extend the Renegotiation Act, including votes thereon, the following staff members of the Committee on Finance have the privilege of the floor:

Michael Stern, Robert Willan, William Morris, Joe Humphreys, William Galvin, Jay Constantine, Jim Mongan, and Karen Nelson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. I ask unanimous consent that the following staff members of the Joint Tax Committee also have the privilige of the floor:

Dr. Laurence Woodworth, Leon Klud, Bobby Shapiro, and John King.

Mr. President, in the absence of legislation, the Renegotiation Act will expire on June 30, 1974. The bill reported by the Committee on Finance, H.R. 14833, extends the act for an additional 18 months, or until December 31, 1975. The bill makes no other amendments to the act. This is identical to the House-passed bill.

Let me give a brief summary of the renegotiation process before discussing the reasons for the 18-month extension of the Renegotiation Act. The purpose of renegotiation is to eliminate excessive profits on military and space-related Government contracts. The act authorizes the Renegotiation Board to review the total profit derived by a contractor during a fiscal year from all of his renegotiable contracts and subcontracts in order to determine whether or not the profit is excessive. The Board is empowered to eliminate those profits found to be excessive in accordance with certain factors set forth in the statute. Thus, renegotiation is determined not with respect to individual contracts but with respect to all renegotiable contracts and subcontracts during a year.

Contractors with renegotiable sales in excess of the $1 million statutory minimum for a year must file a report with the Renegotiation Board. Renegotiable sales are those with the Department of Defense, the Departments of the Army, Navy and Air Force, the Maritime Administration, the Federal Maritime Board, the General Services Administration, the National Aeronautics and Space Administration, the Federal Aviation Administration, and the Atomic Energy Commission. Various types of contracts are exempt from renegotiation, some on a mandatory basis such as those for standard commercial articles and those with State or local governments. In addition, the Board has discretion to exempt certain types of contracts, such as those outside the United States and where profits can be determined with reasonable certainty when the contract price is established.

Mr. President, as I indicated previously, the Renegotiation Act would expire as of June 30, 1974, without further congressional action. The Committee on Finance is aware that a number of recommendations have been made to amend the Renegotiation Act.

I would like to point out, however, the action taken by Congress at the last extension of the Renegotiation Act in 1973.

At the time, both the House Committee on Ways and Means and the Senate Committee on Finance recommended a 2-year extension of the act, with a study of the renegotiation process to be made by the staffs of the Renegotiation Board and the Joint Committee on Internal Revenue Taxation. The study was to include a review and analysis of the three congressionally sponsored reports: the House Committee on Government Operations report, the report of the Commission on Government Procurement, and the GAO report. It was contemplated that a comprehensive study of these and other recommendations would be completed in sufficient time to allow congressional review prior to the expiration of the act in June 1975. However, the 1973 bill, H.R. 7445, was amended on the Senate floor to extend the act for only 1 year. This amendment was accepted in conference and approved by both the House and the Senate. Thus, the time for the study was significantly reduced.

In addition, the staff of the Renegotiation Board was unable to go on record until just recently in any official discussion of the specific recommendations contained in the aforementioned reports because of disapproval by the Office of Management and Budget of many of the Board's responses to the various recommendations and the OMB delay in finally granting approval to what the Board ultimately recommended to the Congress. Faced with no combined report by the staffs of the Board and the Joint Committee in sufficient time before the June 30, 1974, expiration date, the staff of the Joint Committee published a preliminary report independently of the staff of the Renegotiation Board. This report presented a summary analysis of the renegotiation process and of the various recommendations made in the three reports.

Since there was not sufficient time to complete the comprehensive study as contemplated by the Committee on Finance last year, the committee agreed with the House that the Renegotiation Act should be extended this time through the end of the first session of the next Congress in order for the study to be completed by the Joint Committee staff. The Committee on Finance expects the Joint Committee staff study to be completed well before the end of 1975, so that there will be sufficient time for a comprehensive review of the entire renegotiation process at that time. The 18-month period was selected instead of a 2-year extension as recommended by the Board so that the committee would make its substantive review prior to the end of the first session of the 94th Congress.

In addition, it is expected that within the next 18 months the backlog of renegotiation cases resulting from Vietnam-related procedure will be largely eliminated. For example, the Board reports that the bulk of the excessive profit determinations made during the first 9 months of fiscal year 1974 were applicable to contractor fiscal years 1967–1969.

For the above reasons, Mr. President, the Committee on Finance has requested that the staff of the Joint Committee on Internal Revenue Taxation complete its study on the renegotiation process. The staff of the Joint Committee is to continue their consultation with the Renegotiation Board staff, and make a final report in time for hearings to be held well before the expiration of the act, as extended by the bill.

At the same time, the Renegotiation Board is requested to report its legislative recommendations early in 1975 to give sufficient time for them to be considered by the Joint Committee staff prior to the hearings. The Board is further requested to continue its review of the statutory factors used in determining excessive profits in order to clarify the application of the factors in different cases. The committee believes that this is very important in considering further legislative changes.

Although the Renegotiation Board made several recommendations to the Congress, the Committee on Finance agreed with the House that it would be better to consider these proposals at the time the committee makes its comprehensive review of the entire renegotiation process next year.

Mr. President, the bill, H.R. 14833, was reported without objection by the Committee on Finance, and I urge its passage by the Senate.

Mr. President, while we are waiting for Senators to offer their amendments on this measure, the Senator from Virginia wishes to make a statement, and I ask unanimous consent that I may yield to him, without prejudicing my rights to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. I thank the Senator from Louisiana.

EXPORT-IMPORT BANK

Mr. HARRY F. BYRD, JR. Mr. President, I understand that in the next day or so a resolution will be presented to the Senate to extend the Export-Import Bank for 30 days. The authorization expires on June 30, and the proposal will be to extend it for 30 days. At the end of that time, as I understand it, a new Export-Import Bank Act will be presented to the Senate.

In order to expedite the consideration of the 30-day resolution, I hope that whoever manages this matter will bring to the Senate a letter from the Export-Import Bank stating that no additional loans will be made to the Soviet Union during that 30-day period. Many of us have been concerned about the large number of loans, the tremendous amounts of tax funds, that have been made available to the Soviet Union.

This has been done in defiance of legislation which already has passed the House of Representatives and is now before the Committee on Finance.

Mr. President, it seems to me that if the Senate is being asked and if Congress is being asked to extend for 30 days the life of the Export-Import Bank so that the new legislation can be considered at the end of that time, then the Bank should be willing to give a letter to Congress stating that no additional funds will be made available to the Soviet Union until Congress has an opportunity to consider the full extension of the Bank Act.

In the interest of time I hope that whoever is handling this legislation will contact the Export-Import Bank and arrange for such a communication to be sent to the manager of the bill who, in turn, could read it on the floor of the Senate.

I thank the Senator from Louisiana for yielding.

RENEGOTIATION AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months.

Mr. LONG. Mr. President, I know that amendments have been proposed by the Senator from Ohio (Mr. TAFT), the Senator from Minnesota (Mr. MONDALE), and the Senator from Connecticut (Mr. RIBICOFF). I do not intend to resist these amendments; in fact, I wish to support them.

Mr. President, on behalf of the Senator from Ohio (Mr. TAFT), I ask that his amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG), for Mr. Taft, proposes an amendment as follows:

At the end of the bill insert the following new section:

SEC. —. Section 1631 of the Social Security Act is amended by adding the following at the end thereof:

"Reimbursement to States for Interim Assistance Payments (g) (1) Notwithstanding subsection (d) (1) and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a State (or political subdivision thereof as may be agreed to by the Secretary and the State) from the benefits withheld an amount sufficient to reimburse the State (or political subdivision thereof) for interim assistance furnished on behalf of the individual by the State (or political subdivision thereof).

"(2) For purposes of this subsection, the term benefits means supplemental security income benefits under this title and any State supplementary payments under Section 1616 or under Section 212 of P.L. 98–66 which the Secretary makes on behalf of a State (or political subdivision thereof) that the Secretary has determined to be due with respect to the individual at the time the Secretary makes the first payment of benefits. A cash advance made pursuant to Section 1631 (a) (4) (A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

"(3) For purposes of this subsection, the term interim assistance means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

"(4) In order for a State to receive reimbursement under the provision of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(i) that if the Secretary makes payment to the State (or subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or subdivision of the State as provided for under the agreement) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

"(ii) such other rules as the Secretary finds necessary to achieve efficient and effective administration of this provision and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or subdivision of the State as provided for under the agreement) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or subdivision of the State as provided for under an agreement under paragraph (4)).

"(6) The provisions of this subsection shall expire on June 30, 1975. At least sixty (60) days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequacy of interim assistance provided and the efficiency and effectiveness of administration of such provisions. Such report may include such recommendations as the Secretary deems appropriate."

Mr. LONG. Mr. President, when an aged, blind, or disabled individual applies to the Social Security Administration for supplemental security income (SSI) benefits, a certain amount of time is needed for that Agency to determine his eligibility and process his claim to payment. While this processing is going on, several States have provided interim payments to meet the basic needs of aged, blind, and disabled persons until their SSI checks start coming. Present law, however, does not provide for reimbursing the States for these interim payments even though the State payment would have been unnecessary if the SSI claim had been processed sooner. The amendment would authorize the Social Security Administration, upon authorization by the individual, to withhold from his first SSI check an amount sufficient to reimburse the State for any interim payments it may have made to him in lieu of SSI benefits for which he was eligible but which had not yet been processed. No additional cost over present law would be involved. The amendment is temporary, expiring on June 30, 1975.

Mr. President, this amendment is meritorious, and the Committee on Finance would have taken care of the item had it been brought before the committee.

I ask that the amendment be agreed to on behalf of the Senator from Ohio.

Mr. TAFT. Mr. President, I am extremely pleased that the distinguished chairman has seen fit to support and accept my amendment. It should provide relief for hundreds of thousands of our aged, blind, and disabled citizens without increasing Federal income supplementation costs. I hope and trust that the House of Representatives will agree to allow this to happen.

As the chairman has explained, my amendment would allow the Federal Government to reimburse States and local governments for emergency assistance which they provide aged, blind, and disabled individuals waiting for determinations of eligibility for supplementary security income.

It has become apparently already after only 6 months that the lack of a viable emergency assistance program is a tragic shortcoming of the new SSI program. While it is true that benefits are paid retroactively once a determination of eligibility is made, this is of little consolation to the potential recipient during the 2 to 5 months that he sometimes must wait for a determination. The food bills, medical bills, and other necessary expenses will not wait for the Social Security Administration to make its determination.

Tragically, the delays generally have been the longest when our disabled citizens are involved. They may receive immediate assistance which continues for 3 months if they are determined presumptively disabled. However, this determination is made only under extremely limited circumstances, such as cases of double amputees, paraplegics, or those who are obviously blind. Other "presumptively eligible" citizens may receive only a one-time advance of $100, which is available only upon determinations that they face financial emergencies.

The Social Security Administration has made the argument that State and local governments should administer any programs of emergency advances.

However, these governments are understandably reluctant to do so since they cannot be assured of being reimbursed by the SSI recipient once the retroactive payment of SSI benefits has been made. As a result, in many States and areas the emergency assistance programs are extremely inadequate.

My amendment would allow the Federal Government to reimburse State and local governments for emergency assistance payments to an SSI recipient, by deducting those payments from the recipient's retroactive SSI payment. Protections are included to insure that the SSI recipient participates in this arrangement on a voluntary basis and is paid any SSI owed retroactively to him within 10 working days of its receipt by a State or local government. A June 30, 1975, expiration date is included so that while adopting my arrangement to provide immediate relief, Congress will continue to evaluate the Federal role in providing this type of assistance. To facilitate this end, the Government would be required to report on the effectiveness of this legislation and make recommendations concerning it 60 days prior to its expiration date.

This amendment is the result of hard work on the part of administration and American Public Welfare Association staff officials. I believe that it will address the problem in a manner which is satisfactory enough to all concerned so that it can be enacted promptly. The administration of emergency advances will remain at least for now a State or local function, but those governments will now have assured reimbursement for advances to persons eligible for SSI. As a result, the governments will be able to offer much expanded emergency assistance programs with minimized financial risk. Most importantly, many more SSI beneficiaries will be able to receive assistance immediately upon application for SSI.

An extra 2 or 3 months without Government assistance can mean the severest hardship to some of our elderly, blind, and disabled citizens. By adopting my amendment we can prevent many such cases, without even spending much money for a change. I can see no excuse for inaction.

Mr. President, on June 3 I introduced an amendment to the debt limit bill which would prevent some SSI recipients from being cut off food stamps in a discriminatory manner on June 30. My two amendments deal with problems related to the SSI program which must be straightened out immediately, and I am delighted that Congress has now passed a bill which would accomplish the purpose of my debt limit amendment. Several other problems have developed in this program and I am now considering legislation to deal with them.

In the meantime, however, I hope that the Congress will not fail to take final action upon this amendment. The Senate's action today is a fine start.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. LONG. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment ordered to be printed in the Record is as follows:

At the end of the bill, add the following new sections:

Sec. —. The last sentence of section 203 (e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93-233 and amended by section 2 of Public Law 93-256) is further amended by striking out "1974" and inserting in lieu thereof "1975".

Sec. —. Section 204(b) of the Emergency Unemployment Compensation Act of 1971 is amended by striking out "903(b)(3)" and inserting in lieu thereof "905(d)".

Mr. RIBICOFF. Mr. President, this amendment would extend the life of the extended benefits under the unemployment insurance program. This program provides an additional 13 weeks of unemployment benefits over and above the 26 weeks of benefits paid under the regular program.

When the extended benefits program was enacted into law back in 1970, there were two requirements for eligibility. First, the State's insured unemployment had to be at 4 percent. And, second, unemployment had to be rising at 20 percent over the previous 2 years. At a time of increasing unemployment, most States could participate because their unemployment was rising at the required 20 percent.

In the last year, however, unemployment has leveled off—often, as in the case of Connecticut, at a relatively high level.

In order to allow States to continue to participate in the extended benefits program, Congress has temporarily waived the 20-percent requirement, most recently in March of 1974 for a 3-month period. As of June 30, 1974, however, no State will be allowed to continue in the extended program unless it meets the 20-percent requirement. My proposal waives the 20-percent requirement for an additional year.

At the present time the States of California, Delaware, Maine, Massachusetts, Michigan, Minnesota, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington are paying benefits under the extended program. Connecticut has been eligible to pay entended benefits since late February, but the State legislature has failed to enact the enabling legislation necessary to permit an additional 13 weeks of benefits.

If my proposal is adopted, the following States will become eligible for an additional 13 weeks of benefits:

Alaska, California, Connecticut, Delaware, Hawaii, Idaho, Maine, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New Mexico, New York, North Dakota, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Utah, Vermont, Washington, and West Virginia.

It is time to extend the requirement that unemployment be rising at 20 percent. My bill allows States to change their laws so that unemployed workers can receive the additional 13 weeks of benefits without regard to any 20-percent provision.

In Connecticut it is imperative that additional assistance to unemployed workers be provided. In mid-April Connecticut unemployment was estimated at 82,000 or 5.8 percent as compared with 79,100 or 5.7 percent in March. While many of these unemployed workers are receiving unemployment benefits over 10,000 of them exhausted their 26 weeks of benefits between November of 1973 and February of 1974.

Workers who exhaust their 26 weeks of benefits and still have no jobs will have no place to go except on welfare unless my legislation is enacted. We must provide help for workers and their families who are temporarily out of work. My bill provides that help.

Mr. President, this matter has been discussed with the Labor Department. I have a letter addressed to Chairman Long indicating that the administration accepts the 1-year extension. I have discussed this with the chairman and, as I understand it, having cleared it with the administration, he is willing to accept it.

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the Record a copy of a letter from the Department of Labor which, in effect, states that the administration favors the amendment.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of Labor,
Washington, D.C., June 25, 1974.

Hon. Russell B. Long,
Chairman, Committee on Finance, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: As you know, section 2 of Public Law 93–256 suspended for a period of 3 months the "120 percent factor" in the State "on" and "off" indicators of the Federal-State extended unemployment benefits program. This factor requires that extended benefits are not payable in a State unless the rates of insured unemployment are at least 20 percent higher than they had been in the prior 2 years. The suspensions enacted by Congress have allowed a State to participate voluntarily in the program without regard to this factor, as long as insured unemployment in the State is sufficiently high. The present temporary suspension will expire with respect to weeks of unemployment which begin after July 1, 1974.

There appears to be general agreement that the 120 percent factor has not operated as intended, and, but for the temporary waiver enacted by the Congress on four occasions, would have resulted in extended benefits being unavailable in States with very high rates of insured unemployment, because such rates, high as they were, were not at least 20 percent higher than they had been in the prior 2 years.

At the same time, we do not believe that a permanent suspension of the 120 percent factor or its repeal is an adequate solution to questions of unemployment insurance duration. Permanent suspension or repeal without dealing with the problems with which the 120 percent factor was originally intended to deal would merely create other inequities and imbalances in the system.

A full study of duration issues, including the adequacy of the existing trigger mechanism, is clearly necessary and such a study is now underway in the Department of Labor.

In order to allow time for such a study and appropriate Congressional consideration, we would not object at this time to another temporary extension of the option to disregard the 120 percent factor provided that such extension is accompanied by a provision amending section 204(b) of the Emergency Unemployment Compensation Act to substitute a reference to section 905(d) of the Social Security Act for the reference to 903(b)(3). Advances from the Treasury which were made to pay the cost of emergency benefits would thus be repayable in the same manner as advances for the present extended benefits program. Thus, these advances would be repayable from Federal Unemployment Tax Act funds rather than Reed Act funds.

To avoid the necessity for additional interim extensions, we would not object to providing the States the option to waive the 120 percent factor with respect to weeks of unemployment beginning before July 1, 1975.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

Peter J. Brennan,
Secretary of Labor.

Mr. LONG. Mr. President, I have no objection to the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. LONG. I yield back my time.

Mr. RIBICOFF. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONG. Mr. President, on behalf of the Senator from Minnesota (Mr. Mondale) I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceed to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment ordered to be printed in the Record is as follows:

At the end of the bill, add the following new section:

Sec. —. (a) Section 1611 of the Social Security Act (as enacted by section 301 of Public Law 92–603 and as in effect on July 1, 1974) is amended—

(1) in subsection (a)(1)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of the Social Security Act (as enacted by section 301 of Public Law 92–603) is amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"Sec. 1617. (a) Whenever the Secretary, pursuant to section 215(i) makes a determination that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall determine and publish in the Federal Register (together with, and at the same time, as the material required by section 215(i)(2)(D) to be published therein by reason of such determination) the supplemental security benefit rate (as determined under subsection (b)) which shall be effective for the period beginning with the month following the first month that the increase (if any) in benefits payable under title II becomes effective under section 215(i) by reason of such determination by the Secretary.

"(b)(1) As used in this section, the term 'supplemental security benefit rate' means whichever of the following is the greater—

"(A) the dollar amounts (namely, $1,752 and $2,628, referred to in sections 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), and 1611(b)(2)), or

"(B) the dollar amounts (referred to in such sections) which were in effect immediately prior to the most recent increase under this section.

"(2) The supplemental security benefit rate which shall be effective by reason of an increase brought about by the application of subsection (a) shall be such rate, as in effect immediately prior to such increase, plus a per centum thereof equal to the per centum of increase in benefits payable under title II brought about pursuant to section 215(i).".

(c) Section 211(a)(1)(A) of Public Law 93–66 (as in effect on July 1, 1974) is amended by striking "$876" and inserting in lieu thereof "an amount equal to 50 per centum of the amount specified in section 1611 (a)(1)(A)".

(d) Title XVI of the Social Security Act is further amended by adding immediately after section 1617 (as added by subsection (b)) the following new section:

"OPERATION OF STATE SUPPLEMENTAL PROGRAMS

"Sec. 1618. (a) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) which has at any time after December 1973 had in effect a program of supplementation payments described in section 1616 (a) to be eligible for payments pursuant to title XIX, with respect to expenditures for any calendar quarter which beings—

"(1) after June 30, 1975, or, if later,

"(2) after the calendar quarter in which supplementation payments are first made under such program, such State must have in effect an agreement with the Secretary whereby the State will—

"(3) continue to operate such program,

"(4) maintain, under such program, a level of benefits which (prior to application of the provisions of paragraph (5)) is not lower than the level of benefits under the program for the first month that the program was in effect, or (if later) January 1974, and

"(5) in determining eligibility for and the amount of payment to which any applicant or recipient is entitled under the program disregard an amount of the income, including income in the form of benefits payable under section 1611, of such applicant or recipient equal to the amount, if any, by which

"(A) the aggregate amount of the increases which have occurred in the level of supplemental security benefits payable under this title as a result of cost-of-living adjustments under section 1617 (as determined under regulations of the Secretary) since the first month with respect to which payments were made under the State program of supplementation, exceeds.

"(B) the aggregate amount of the increases over the level specified in paragraph (4) which have occurred in the level of benefits under such State program.

"(b) The Secretary, in determining for purposes of subsection (a) the level of benefits provided under a State supplementation program and the aggregate amount of any increases in such level, shall (after reviewing the program as it affects the various classes and categories of beneficiaries covered thereunder) consider the program as it affects the vast majority of beneficiaries; and the Secretary shall not determine that a State has failed to meet the requirements imposed by paragraph (4) or (5) of such subsection solely because its supplementation program does not meet in one or more respects or in the case of one or more classes or categories of beneficiaries, such requirements, if the Secretary finds that the level of benefits provided under such program to the beneficiaries thereunder, when such beneficiaries are viewed as a single group, is not significantly lower than the level which would obtain if such requirements were fully met in every respect and in the case of each and every class or category of beneficiaries."

(e) Section 212(a)(3)(C)(i) of Public Law 93–66 is amended by inserting "(except that, there shall not be counted so much of any such benefit for any month as is attributable to any increase made in the level of supplemental security income benefits pursuant to section 1617 of such Act)" immediately after "Social Security Act".

(f) The limitation imposed by section 401(a) of the Social Security Amendments of 1972 on the amount payable to the Secretary of Health, Education, and Welfare by a State pursuant to its agreement or agreements under section 1616 of the Social Security Act shall be applied without regard to paragraph (2) of such section in the case of an amount equal to one-half of so much of the expenditures under the agreement or agreements as are necessary in order to enable the State to meet the requirements imposed by section 1618 of the Social Security Act or to meet the requirement imposed by the amendment made by subsection (e) of this section.

Amend the title of the bill so as to read as follows: "An Act to amend Public Law 93–233 to extend for an additional twelve months (until July 1, 1975) the eligibility of supplemental security income recipients for food stamps, and for other purposes."

Mr. LONG. Mr. President, present law provides for automatic increases in social security benefits if the cost of living has increased at least 3 percent during the prior year. Under the Mondale amendment. Federal SSI benefits for the aged, blind, and disabled would be increased by the same percentage and at the same time as social security benefits whenever there is an automatic cost-of-living increase in social security benefits. In addition, each State would have to raise the level of income assurance which it has established for aged, blind, and disabled persons by the dollar amount of the automatic cost of living increase in the Federal SSI level. Based on the current size of the SSI rolls and assuming a 10 percent annual rate of inflation in 1974, it is estimated that the cost of automatically increasing Federal SSI benefits would be roughly $300 million in fiscal year 1976—the first year the proposal would be effective. In most States, the requirement that the increase be passed along to recipients would involve no substantial increase in the amount of benefits being paid by a State. In eight States—California, Hawaii, Massachusetts, Nevada, New Jersey, New York, Rhode Island, and Wisconsin—there would be an absolute cost to the States. The additional costs in these States resulting from the amendment would be shared evenly by the Federal Government, $75 million, and the States, $75 million.

Mr. MONDALE subsequently said: Mr. President, I offer this amendment on behalf of myself and my colleague from Minnesota (Mr. HUMPHREY).

Mr. President, as every American knows, these are times of intolerable inflation. In the last year alone, the Consumer Price Index rose by 10.2 percent. All Americans are suffering under this burden. But those who suffer most are the aged poor, the blind, and the disabled who must struggle to live on fixed incomes which do not grow as the economy expands.

No national commitment is more fundamental to the character of this Nation than our promise to help these citizens toward a decent retirement.

And in the fall of 1972, we made major strides toward realizing this commitment. The Social Security Amendments of 1972 provided for automatic cost-of-living increases in the social security program. And these amendments provided for replacing the old and complex program of aid to the aged, blind, and disabled with the new SSI program—a Federal guaranteed minimum income for the aged, blind, and disabled.

At present the SSI program, which went into effect last January 1, provides a nationwide minimum income of $140 a month for aged, blind, and disabled Americans.

This amount will increase to $146 on July 1. This is by no means generous or even adequate. And in a majority of States, supplementation of this basic Federal payment by the States is essential if the program is to work fairly.

Unfortunately, the law which established the SSI program does not provide for automatic cost-of-living increases. This means that when cost-of-living increases take place under the Social Security Act, SSI payments are reduced by the same dollar amount. Elderly Americans who are poor are effectively deprived of the cost-of-living increases provided under the Social Security Act. This is a form of unjustifiable cruelty which we cannot tolerate.

But simply providing for automatic cost-of-living increases in the SSI program is not enough.

In January of this year there were approximately 3 million SSI recipients throughout the Nation. And of these, nearly half were receiving supplementary payments from State government. Under current law, Federal cost-of-living increases are not "passed through" to these recipients of combined Federal-State assistance. Instead, the increased Federal payments may be retained by State government and used for any purpose whatsoever. The two SSI increases enacted to date—one which took effect January 1 and one which will take effect July 1—have in effect resulted in adding hundreds of millions of dollars to the general revenues of State government. With respect to those aged, blind and disabled persons receiving State supplementary payments, they have not in most cases led to cost-of-living increases as the Congress intended.

And there is a third problem. The medicaid program provides medical care for low-income persons including the aged, blind and disabled. Yet in many States, a small increase in social security income can render a recipient totally ineligible for the medicaid program—leaving that person far worse off in real terms than before the increase.

Mr. President, the amendments which I propose today would address these three key problems:

By proposing cost-of-living increases in the SSI program to accompany such increases under the social security program, my amendment would help assure that social security increases are "passed through" to the aged, blind and disabled;

By requiring States which supplement to pass these increases through to SSI recipients receiving supplemental payments, my amendment would assure that the benefit of Federal cost-of-living increases is given to the aged, blind, and disabled and not to treasuries of State government; and

By assuring simultaneous cost-of-living increases in both SSI and social security, my amendment assures that Social Security cost-of-living increases will not render the aged, blind and disabled ineligible for the medicaid program.

Mr. President, in his economic message the President recommended cost-of-living increases in the SSI program. The staff of the Finance Committee, assuming 10 percent inflation over the course of the next year, has estimated that the cost of this provision would amount to $300 million in fiscal year 1976. In most States, the additional requirement to pass through the cost-of-living increase would not result in substantial additional expenditures. The States would be asked not to retain the Federal cost-of-living increase in their own treasuries.

In eight States—California, Hawaii, Massachusetts, Nevada, New Jersey, New York, Rhode Island, and Wisconsin—there would be an additional cost. These States have entered into an agreement with the Federal Government under which, in return for State payment to the Federal Government of its full 1972 cost of assistance, the Federal Government assumes full responsibility for any increase in costs due to increased caseload. Under present law, cost-of-living increases in these States are wholly a State responsibility. In these States, our amendment imposes the new requirement that States increase their payment to the aged, blind and disabled by the amount of any Federal cost-of-living increase in the SSI program. In addition, our amendment provides for Federal reimbursement of one-half of these additional costs. Federal cost of this provision in fiscal year 1976 has been estimated to be $75 million.

Mr. President, I deeply regret that these "passthrough" provisions cannot be made applicable to the Federal SSI and social security increases which will take place on July 1. I would emphasize that it is within the power—and I believe it is the responsibility—of every State to provide a cost-of-living benefit to their aged, blind and disabled citizens. I hope that they will do so.

And I also deeply regret that the

amendments which I proposed and which the Senate adopted in 1972—amendments which would have prevented this problem from ever arising—were rejected by the House. I am hopeful that the House and the Senate will join now to assure at least this minimum protection for the future to the elderly poor, the blind, and the disabled.

Mr. LONG. Mr. President, in my opinion, this amendment is meritorious. I know that it is surprised, at least in part, by the administration. Certainly the part which has the major cost effect, providing for automatic cost of living increases, is favored by the administration.

Therefore, I believe the amendment should be agreed to.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. LONG. I yield back my time.

Mr. JAVITS. Mr. President, will the Senator yield, first?

Mr. LONG. I yield.

Mr. JAVITS. Mr. President, I wish to express my gratification at the way in which the unemployment situation which we face is being accommodated. Twenty-four States are currently eligible for the extended benefits program. In my State alone, almost a quarter of a million workers are concerned.

Mr. President, I think it would be important, and I do not know whether the Senator from Louisiana has done so or not, to have printed in the RECORD the letter from the Secretary which gives support to what we are doing today. Has the Senator placed that letter in the RECORD?

Mr. LONG. Yes. It has been printed in the RECORD.

Mr. JAVITS. I thank the Senator.

I also wish to thank the Senator from Louisiana for the consideration which has gone on for a long time in the enactment of short extensions and now an extension for 1 year which is more commendable with respect to the unemployment situation we have.

This amendment would continue for 1 year the waiver of the unrealistic requirement that in order to trigger into the extended benefits program a State's insured unemployment rate must not only equal or exceed 4 percent, but must also be 20 percent higher than that State's rate for the comparable month of the preceding 2 years. This amendment is similar to amendments which the Senator from Connecticut and I have offered several times before, and which have been enacted into law on a temporary basis four times in the past 2 years.

Because of the current waiver, the following 24 States are currently eligible for the extended benefits program:

Alaska, California, Connecticut, Delaware, Hawaii, Idaho, Maine, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New Mexico, New York, North Dakota, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Utah, Vermont, Washington, West Virginia.

Without this amendment, only Michigan and Delaware of the 13 States currently paying extended benefits, and none of the 11 States currently eligible to pay benefits, but not doing so, would maintain their eligibility for the program after June 30.

According to the most recent Labor Department estimates furnished to me, if this amendment is enacted into law, about 1,400,000 workers who would otherwise exhaust their unemployment benefits during the 1-year term of this amendment could become eligible to receive 13 additional weeks of compensation. The actual number of beneficiaries would depend on how many States decide to participate in the extended benefits program under this amendment.

These workers must not be denied critically important benefits merely because these States have experienced chronically high unemployment rates. Indeed, it makes little difference to the individual unemployed worker searching for an adequate job whether or not the current unemployment rate in his State is 20 percent higher than the rate in 1 or 2 of the preceding years. This amendment is particularly important now that we see the national unemployment rate rising again from already unacceptably high levels.

This matter first came before the Senate in the fall of 1972. At that time, the Senate passed an amendment similar to the provisions of the amendment we are introducing today. That provision was weakened and made temporary by the House-Senate conference. When that conference report was brought to the floor of the Senate, the Senator from California (Mr. TUNNEY) and I expressed our concern about the need for enacting legislation to aid the States which had triggered out of the extended benefits program. At that time, the chairman of the House Ways and Means Committee, and the chairman of the Senate Finance Committee assured us on the floor of the House and Senate, respectively, that if, during the winter of 1972–73 the insured unemployment rate was over the 4-percent level in those States that would have benefited from the amendment we were then offering, but were not helped by the amendment adopted by the conferees, they would sympathetically consider legislation along the lines of our amendment.

Mr. President, I ask unanimous consent that excerpts from the CONGRESSIONAL RECORD of October 18, 1972 containing those statements which I have referred to by the chairman of the House Ways and Means Committee and the chairman of the Senate Finance Committee be printed in the RECORD at this point in my remarks: CONGRESSIONAL RECORD—House page 37098; CONGRESSIONAL RECORD—Senate page 37319.

There being no objection, the RECORD excerpts were ordered to be printed in the RECORD, as follows:

PUBLIC DEBT LIMITATION—CONFERENCE REPORT

Mr. LONG. Mr. President, I ask that the Chair lay before the Senate the conference report on H.R. 16810.

The PRESIDING OFFICER (Mr. FANNIN) laid before the Senate and the Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16810) to provide for a temporary increase in the public debt limitation, and to place a limitation on expenditures and net lending for the fiscal year ending June 1973.

Mr. LONG. Mr. President, during the period that has elapsed, while other matters were transpiring, conferences have been held and the situation has been discussed with regard to unemployment insurance. I am aware of the fact that the chairman of the House Ways and Means Committee has assured the Senators from New York and California that in the event the uninsured unemployment rate in January 1973 in those States should exceed 4 percent—and I would assume the same thing would be true of other urbanized States—and this becomes a problem, the chairman of that committee would propose to offer and support legislation to bring them under the Federal extended unemployment provisions contained on this debt ceiling conference report.

The Senate position, of course, would have brought them into it under the legislation that we sent them, and as far as the Senator from Louisiana is concerned, assuming that he is appointed chairman of the committee at that time, or even if he is not and is the ranking member, he would expect to use his best efforts to see to it that if that type of eventuality should develop, and some feel that it might, those States will receive prompt consideration.

Such a resolution must originate in the House of Representatives. They must send us a bill to afford us an opportunity to act. But I want to assure the Senators from those two States that if this situation should develop, and the House should send us legislation so that we would have the opportunity to act, they would have complete cooperation from the Senator from Louisiana in seeing that it was acted upon promptly.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. JAVITS. Mr. President, I greatly appreciate that, I have every feeling that if we are in that situation, relief will be available to us.

I would bear in mind the injunction of the chairman of the Finance Committee that if such a bill comes over here, I would hope a lot of nongermane amendments are not hung on it, and we would certainly expect to cooperate with him on that, as would, I know, the majority leader. The minority leader has given the same assurance, as has the distinguished chairman of the Committee on Commerce (Mr. MAGNUSON).

May I say, too, that in discussing the matter in the House of Representatives, which Representative MILLS did publicly while the Senator from California and I were there, making, generally speaking, in his own words the same statement Representative MILLS emphasized the fact that under these circumstances, with 4 percent uninsured unemployment, he would consider the so-called 120 percent figure unduly restrictive and would look with great sympathy upon such legislation.

May I have an expression of opinion from the Senator from Louisiana about these things?

Mr. LONG. Mr. President, as far as the Senator from Louisiana is concerned, our bill so indicated. I supported our bill, and if I had had the opportunity to bring in a conference report that included New York, I would certainly have asked that this 130-percent trigger should be deleted, or at least modified so that it would not prevent benefits in the fashion it does. If the House will help to solve that problem, the Senator can be sure that, so far as the Senator from Louisiana is concerned, I will help to work it out.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. Long. I yield.

Mr. Bennett. The Senator from Utah just wants to make the record clear that while the chairman has referred to New York and California, this will apply to any State in the Union, if the system adopted should trigger the benefits for that State, and it will not be legislation intended chiefly for the big States.

Mr. Long. Yes.

The reason why the record might appear to indicate that such a measure is intended for the good of two States is that New York and California would have the greatest number of people involved. But other States are also involved.

Mr. President, I ask unanimous consent to have printed in the Record a chart showing the numbers of people and the cost of the Senate bill. This is what we will look at again next year if the situation should require.

There being no objection, the chart was ordered to be printed in the Record, as follows:

TABLE 1.—STATES AFFECTED BY SENATE BILL

State	Number of beneficiaries	Costs (Federal and State share, in thousands)
Alaska	1,100- 1,500	$600- $800
Arkansas	2,750	1,000
California	140,000-150,000	80,000- 90,000
Hawaii [1]	1,500- 2,500	1,000- 1,500
Idaho	1,500	350- 400
Kentucky	5,000	2,000
Louisiana	6,000- 6,500	2,400- 2,700
Maine	7,000- 8,000	3,000- 3,500
Massachusetts	49,000	30,000
Michigan	71,400- 97,300	40,700- 55,400
Minnesota	11,000- 13,000	4,900- 5,500
Montana	1,700	435
Nevada	6,700	3,600
New Jersey	80,000-120,000	48,000- 72,000
New Mexico	400- 600	200- 300
New York	170,000-200,000	80,000-120,000
North Dakota	1,200	860
Ohio	12,000- 20,000	8,000- 10,000
Oregon	11,000- 14,000	4,000- 5,000
Pennsylvania [1]	22,000- 37,600	11,000- 18,800
Rhode Island	8,000- 9,000	5,000
Utah	1,900	850
Vermont [1]	3,600	2,000- 3,000
Washington	42,000	17,000
West Virginia	1,500	450
Total (about)	650,000-800,000	350,000-450,000

[1] Currently paying (these are costs after State drops below 120 percent).

Note: Assumes some economic improvement between Oct. 1, 1972, and July 1, 1973, and does not take account of emergency benefits payable under Public Law 91-373. Estimates prepared in consultation with the States. Federal share of cost would be half of total shown.

Mr. Magnuson. Mr. President, will the Senator yield?

Mr. Long. I yield.

Mr. Magnuson. What the Senator from Utah has said is correct. This whole problem has to be a piece of permanent legislation. I think that is what we are shaping up to next year, so that it will apply to any State where there is serious unemployment; because it does not make any difference what State you are in—if you are out of work, you are out of work.

I appreciate the problem, and I want to reiterate that I appreciate the problem that the members of the committee had on this matter with the House. I must say to the Senator from New York and the Senator from California that no one will be stronger in cosponsoring some legislation of this type and helping out than will the Senator from Washington next year.

Mr. Javits. If the Senator will yield, I appreciate that, I want to say again that, notwithstanding that the Senator from Washington was included and we were excluded, he fought very hard for us, without any reservation whatever, and that the Senator from Louisiana was willing to exclude his own State, which is going pretty far. I certainly do not think that is necessary.

Mr. President, just to complete the record, I ask unanimous consent to have printed in the Record a list showing the States which are covered and those which are not covered.

There being no objection, the list was ordered to be printed in the Record, as follows:

Oct. 1, 1972–June 30, 1973—States affected (these costs are only the costs of this amendment and do not include the costs of the EB program under Public Law 91-373 as currently operative.)

[States not included in the conference report are in parentheses]

State	Number of beneficiaries	Costs (Federal and State share) (thousands)
Alaska	1,100-1,500	$600-$800
(Arkansas)	2,750	1,000
(California)	140,000-150,000	80,000-90,000
(Hawaii) [1]	1,500-2,500	1,000-1,500
(Idaho)	1,500	350-400
(Kentucky)	5,000	2,000
(Louisiana)	6,000-6,500	2,400-2,700
Maine	7,000-8,000	3,000-3,500
Massachusetts	49,300	30,000
Michigan	71,400-97,300	40,700-55,400
(Minnesota)	11,000-13,000	4,900-5,500
(Montana)	1,700	435
Nevada	6,700	3,600
New Jersey	80,000-120,000	48,000-72,000
(New Mexico)	400-600	200-300
(New York)	170,000-200,000	80,000-120,000
(Ohio)	12,000-20,000	8,000-10,000
(Oregon)	11,000-14,000	4,000-5,000
(Pennsylvania) [1]	22,000-37,600	11,000-18,800
Puerto Rico	(2)	(2)
Rhode Island	8,000-9,000	5,000
(Utah)	1,900	850
Vermont [1]	3,600	2,000-3,000
Washington	42,000	17,000
(West Virginia)	1,500	450
(North Dakota)	1,200	860
(Connecticut)	(2)	(2)
Total	658,550-797,150	347,345-450,095

[1] Currently paying (these are costs after State drops below 120 percent).

[2] Not available.

Note: Assumes some economic improvement between Oct. 1, 1972, and July 1, 1973. Estimates prepared in consultation with the States. Federal share of cost would be half of total shown.

Mr. Javits. I point out that the list of States not covered includes such sparsely populated States as Montana and Louisiana, which happen to be the States of the majority leader and the chairman, as well as Hawaii, Idaho, Arkansas, North Dakota, and so forth. I thank the Senator from Utah for making that clear. There is no exclusivity about this.

Mr. Long. Mr. President, I ask unanimous consent to have printed in the Record a list of the States that would benefit under what we were able to work out with the House.

There being no objection, the list was ordered to be printed in the Record, as follows:

STATES AFFECTED BY THE PROVISION AGREED TO BY THE CONFEREES

States	Estimated maximum number of beneficiaries	Estimated maximum total additional costs (thousands)
Alaska	1,100-1,500	$600-$800
Maine	7,000-8,000	3,000-3,500
Massachusetts	49,300	30,000
Michigan	71,400-97,300	40,700-55,400
Nevada	6,700	3,600
New Jersey	80,000-120,000	48,000-72,000
Puerto Rico	33,000-42,000	9,000-11,000
Rhode Island	8,000-9,000	5,000
Vermont	3,600	2,000-3,000
Washington	42,000	17,000
Total	300,000-380,000	160,900-202,100
Federal share		80,000-101,000

The Presiding Officer. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. Long. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. Bennett. I move to lay that motion on the table.

The motion to lay on the table was agreed.

Future Review of Unemployment Situation

(Mr. Mills of Arkansas asked and was given permission to address the House for 1 minute.)

Mr. Mills of Arkansas. Mr. Speaker, we are in the closing hours, we hope, of a sine die adjournment, but there is a problem existing in the other body, and I am in hopes that I can clarify the situation to the satisfaction of those who see a problem existing and want to do something about it at this time. I just discussed the matter with two of our very distinguished friends from the other body, Senator Javits from the State of New York and Senator Tunney from the State of California. They are very concerned that there will be a greater degree of unemployment within their States some time during the early part of next year, and that if the House had accepted the Senate amendment on unemployment compensation, their States would have been protected, should that situation develop.

Now they will not be protected, as they know, in the event that there is a rise in unemployment in their States under the language that the House has agreed to that is pending before the Senate.

Naturally, fulfilling their responsibilities as Senators to their constituents, they are most anxious that something be done about it. I want to say this about unemployment in New York State and California, or anywhere else.

If we do have a rise in the rate of unemployment within these States or any other States, I want them to know and I want the Speaker to know and I want the public to know that I would be as much interested in trying to do something for the benefit of those people who are unemployed as they or any other Senators would be interested.

If this situation comes about, I think the proper way to do it is to go back to the temporary unemployment compensation program, as my good friend, the gentleman from Wisconsin, earlier suggested, and determine some more satisfactory method of triggering this program into existence and triggering it off, so that we do not have the anomalous situation existing of high levels of unemployment within a State for 3 or 4 years, but because the unemployment rate is not 120 percent greater than it was in the 2 preceding years even, though it may be at an 8-percent rate, because it was at an 8-percent rate in those years, this programs triggers off. To me that is not right.

I would want to assure them that if they have any fears about my own position, they need not have any fears about my desire to take care of the situation.

I wanted to say that while they were present here on the floor.

Mr. Pickle. Mr. Speaker, will the gentleman yield?

Mr. Mills of Arkansas. I yield to the gentleman from Texas.

Mr. Pickle. The gentleman is mindful of the colloquy we had earlier today. I was not here when the bill, H.R. 16810, was presented to the House. If I had been I would have objected to the manner in which it was presented.

I will say to the gentleman, since I see two of our distinguished colleagues from the other body here in the Chamber, I want the gentleman from Arkansas to know if the bill, H.R. 16810, comes back in a different form from what it was when it passed this House, I will make it quite plain I will object.

Mr. Mills of Arkansas. I understand the gentleman's position. He has made it clear before. I am not talking about that. I am talking about the situation next year. I know the gentleman from Texas would be as sympathetic in that case as I am.

Mr. PICKLE. Yes. The present Magnuson bill for States with chronic unemployment will not expire until actually the end of the year, and with the benefits we have been able to give they will go to early spring. But unless we include some other States, some 15 more than we did this afternoon, I will object.

Mr. MILLS of Arkansas. What we are talking about is the situation the Ways and Means Committee will look into and try to provide a remedy that will take care of that, and I am satisfied my friend, the gentleman from Texas, would want to do that next year if this develops.

I am sorry my friend, the gentleman from Wisconsin, will not be here with us, but what we are talking about is exactly in line with what he suggested earlier in the day: Let us go back and review the formula we have and make it work more satisfactorily than the present formula works.

REVIEW OF UNEMPLOYMENT

Mr. MILLS of Arkansas, Mr. Speaker, I ask unanimous consent for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS of Arkansas. One point which I overlooked in connection with my statement of a few moments ago: It is not 4 percent within the State that I am suggesting the change in, but 4 percent of covered employees made unemployed. If that figure is reached in a State or exceeded in a State, but I say at the same time it must be qualified by the 120-percent, then the program is not working properly.

Then the formula is not working.

Mr. BYRNES of Wisconsin. The insured unemployed?

Mr. MILLS of Arkansas. That is correct, 4 percent of the insured who are unemployed is what I am talking about.

Whenever that figure happens to be reached by a State, I want that State to get the benefit of this rule.

Mr. JAVITS. Mr. President, that commitment was given to myself and the Senator from California (Mr. TUNNEY) in October 1972. Since that time, it has become clear that remedial action must be taken in order to permit the Federal-State extended unemployment compensation program to function as Congress intended. That need is highlighted by the string of temporary amendments to which Congress agreed in an attempt to remedy the defects in the trigger mechanism on a temporary basis in June 1973, December 1973, and March 1974.

Mr. President, it is imperative that the Congress seek a permanent solution to the inadequacies of the trigger requirements of the extended benefits program. The amendment that I am cosponsoring with the Senator from Connecticut would provide a 1-year period during which it would be my hope that we would be able to fashion a permanent remedy to this difficult problem.

In the meantime, however, unless this amendment is approved, hundreds of thousands of workers who have exhausted their benefits will be required to seek welfare or to take jobs far beneath their potential earnings and capabilities.

The precise cost of this amendment is difficult to determine since each State will be free to decide for itself whether to take advantage of its provisions. In the case of those States which do take advantage of the amendment, the cost of the program is borne 50 percent by the State unemployment insurance trust fund, and 50 percent by the Federal trust fund established for that purpose. It should be emphasized that the source of these trust funds is entirely based on revenue generated by payroll taxes. No general revenue financing is involved. This amendment would merely permit the States to exercise their discretion as to whether or not they choose to participate in the program.

Mr. President, I ask unanimous consent that I may have included at the end of my remarks a chart prepared by the Labor Department showing the number of potential beneficiaries of this amendment on a State-by-State basis, and the potential maximum cost of this amendment also on a State-by-State basis, together with a copy of a letter cosigned by myself and 19 other Senators, which was sent to the chairman of the Finance Committee urging acceptance of this amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED EXTENDED BENEFITS—FISCAL YEAR 1975

[Assumptions: (1) Drop 120 percent trigger criteria; (2) insured unemployment rate equals 3.8 percent; (3) all States affected will pass conforming legislation]

	Number of beneficiaries	Total costs (millions)
Alabama		
Alaska	2,000	$1.1
Arizona		
Arkansas	2,800	1.4
California	244,100	136.2
Colorado		
Connecticut	75,000	52.4
Delaware		
District of Columbia		
Florida		
Georgia		
Guam		
Hawaii	3,000	2.1
Idaho	3,100	1.0
Illinois		
Indiana		
Iowa		
Kansas		
Kentucky		
Louisiana		
Maine	19,200	7.0
Maryland		
Massachusetts	122,500	79.6
Michigan	143,200	85.9
Minnesota	12,500	4.9
Mississippi		
Missouri	15,000	5.7
Montana	2,500	.7
Nebraska		
Nevada	7,800	4.5
New Hampshire		
New Jersey	167,400	101.0
New Mexico	2,900	.9
New York	270,000	164.7
North Carolina		
North Dakota	1,600	.6
Ohio		
Oklahoma		
Oregon	21,400	10.9
Pennsylvania	55,600	35.0
Puerto Rico	106,400	26.8
Rhode Island	21,200	12.0
South Carolina		
South Dakota		
Tennessee		
Texas		
Utah	1,500	.5
Vermont	4,700	3.0
Virginia		
Virgin Islands		
Washington	108,800	60.7
West Virginia	3,700	1.4
Wisconsin		
Wyoming		
U.S. total	1,417,900	800.0

Note: Costs would be shared 50–50 by States and Federal Government.

Mr. JAVITS. I thank the Senator for yielding.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. LONG. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONG. Mr. President, I send to the desk an amendment to be proposed on behalf of the Senator from Utah (Mr. BENNETT), the distinguished occupant of the chair, at this point.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read the amendment, as follows:

At the end of the bill insert the following:

To extend for three years the requirement of increased payments to States under medicaid plans for compensation or training of inspectors of long-term care institutions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 249B of the Social Security Amendments of 1972 is amended by striking out "June 30, 1974" and inserting "June 30, 1977" in lieu thereof.

Mr. LONG. Section 249B of the Social Security Amendments of 1972 authorized 100 percent Federal funding of expenditures under medicaid for training and compensation of inspectors of long-term care institutions between October 1972 and June 1974. Currently there are approximately 2,000 State inspectors.

It is now apparent that this 21-month period of increased Federal support is not enough to assure that States will have the capacity to meet their responsibilities in the area of inspection of long-term care institutions. A great deal remains to be done with skilled nursing facilities. Further, with the recent issuance of standards for intermediate care facilities, the demands on State inspection teams have significantly increased.

Because of the importance of State inspection programs to the health and safety of the thousands of individuals in long-term care institutions and the impetus full Federal funding can have in assuring that sufficient well-trained inspectors are available, the amendment would extend the authority for this full financial support for an additional 3 years. The cost is estimated by the Department at approximately $1 million annually.

Mr. President, I believe that there is no objection to this amendment.

I yield back my time.

The PRESIDING OFFICER. The Chair, as a Senator in charge of time, yields back his remaining time.

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG. Mr. President, on behalf of the Senator from Texas (Mr. BENTSEN) I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read the amendment, as follows:

At the end of the bill insert the following:

SEC. . (a) Section 15(c)(2) of Public

Law 93-233 is amended by striking out "December 1, 1974" and inserting in lieu thereof "March 1, 1975" and by striking out "July 1, 1975" and inserting in lieu thereof "March 1, 1976";

(b) Section 15(c)(5) of Public Law 93-233 is amended by striking out "March 1, 1975" and inserting in lieu thereof "June 1, 1975" and by striking out "October 1, 1975" and inserting in lieu thereof "June 1, 1976"; and

(c) Section 15(d) of Public Law 93-233 is amended by striking out "January 1, 1975, except that if the Secretary of Health, Education, and Welfare determines that additional time is required to prepare the report required by subsection (c), he may, by regulation, extend the applicability of the provisions of subsection (a) to cost accounting periods beginning after June 30, 1975" and inserting in lieu thereof "July 1, 1976".

Mr. LONG. Mr. President, section 15 of Public Law 93-233 contained two provisions related to the method of paying for physicians' services in teaching hospitals under the medicare program. First, it deferred, until as late as July 1975, the implementation of the 1972 amendment which provided, in part, that charges would be paid only where a teaching hospital patient is a "private patient." Second, it provided for the Secretary to contract with the National Academy of Sciences to conduct studies concerning appropriate methods of reimbursement under the medicare and medicaid programs for medical services in teaching hospitals, and also the extent to which funds under medicare and medicaid are supporting the training of medical specialties which are in excess supply; how such funds could be used to support more rational distribution of physician manpower, both geographically and by specialty; the extent to which such funds support or encourage teaching programs which tend to disproportionately attract foreign medical graduates; and the existing and appropriate role of using such funds to meet, in whole or in part, the cost of salaries of interns and residents in teaching programs approved under medicare; and to submit its report by July 1, 1975. These two provisions were deemed necessary because of concern about the possible impact of the proposed medicare regulations implementing the 1972 change on teaching hospitals' finances and patient care programs.

The National Academy of Sciences, in planning the studies authorized by section 15 of Public Law 93-233, has concluded that it will not be possible to conduct responsible studies of the scope contemplated within the time constraints that have been prescribed. The National Academy has proposed, and the staff agrees, that the July 1, 1975, deadline for the final reports should be extended to March 1, 1976, so as to afford adequate time to secure and analyze the required data and prepare the necessary reports. In addition, it is recommended that the due date for the interim reports be extended from December 1, 1974, to March 1, 1975. As under Public Law 93-233, the Social Security Administration would have 3 months from the due dates for the interim and final reports to submit its comments on them.

So that the National Academy's findings will be available when the regulations to carry out the 1972 teaching physician amendment are implemented, the effective date for that study is extended by the amendment from July 1, 1975, as provided for in Public Law 93-233, to July 1, 1976.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. LONG. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG. Mr. President, on behalf of the Senator from Nebraska (Mr. CURTIS), I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk proceeded to state the amendment.

Mr. LONG. Mr. President, I ask unanimous consent to dispense with the reading of the amendment. I will explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

That section 1902(a)(14) of the Social Security Act is amended to read as follows:

"(14) effective January 1, 1973, provide that—

"(A) in the case of individuals receiving aid or assistance under a State plan approved under title I, X, XIV, or XVI, or part A of title IV, or who meet the income and resources requirements of the one of such State plans which is appropriate—

"(i) no enrollment fee premium, or similar charge, and no deduction, cost sharing, or similar charge with respect to the care and services listed in clauses (1) through (5) and (7) of section 105(a), will be imposed under the plan, and

"(ii) any deduction, cost sharing, or similar charge imposed under the plan with respect to other care and services will be nominal in amount (as determined in accordance with standards approved by the Secretary and included in the plan), and

"(B) with respect to individuals who are not receiving aid or assistance under any such State plan and who do not meet the income and resources requirements of the one of such State plans which is appropriate or who, after December 31, 1973, are included under the State plan for medical assistance pursuant to section 1902(a)(10)(B) approved under title XIX—

"(i) there may be imposed an enrollment fee, premium, or similar charge which (as determined in accordance with standards prescribed by the Secretary) is related to the individual's income, and

"(ii) any deductible, cost-sharing, or similar charge imposed under the plan will be nominal;".

(b) The amendment made by subsection (a) shall be effective January 1, 1973 (or earlier if the State plan so provided).

Mr. LONG. Mr. President, section 208 of Public Law 92-603 amended title XIX, medicaid, to require States to impose an enrollment fee, or premium, on the medically needy. The medically needy are persons who have too much income to qualify for cash assistance, but not enough to pay for their medical care. At the time of consideration of H.R. 1, the Department estimated that this premium would result in program savings of approximately $55 million. It is now apparent that this savings did not take account of the increased administrative costs that State would face. These offsetting costs could be substantial.

As States have tried to implement this provision, many have found that it is extremely difficult and costly to administer. Medically needy persons typically apply for coverage when they are already facing medical costs and need care. It is difficult to keep track of them and to collect a regular premium payment. Further, at the point when medically needy persons do enter the system, they are often least able to make the premium payment.

This amendment would continue to allow States to impose a premium on the medically needy but it would not require them to do so if they do not believe it is feasible or cost effective. Since they could impose a premium if they believe it will produce a cost savings in the program, the overall cost impact of the amendment is expected to be negligible.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk proceeded to read the amendment.

The PROXMIRE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, lines 5 and 6, strike out "December 31, 1975" and insert in lieu thereof "June 30, 1975."

At the end of the bill add a new section as follows:

SEC. 2. (a) The staff of the Joint Committee on Internal Revenue Taxation shall conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended, with a view to determining whether such Act should be extended beyond June 30, 1975, and, if so, how the administration of such Act can be improved. The Joint Committee staff shall specifically consider whether exemption criteria and the statutory factors for determining excessive profits should be changed to make the Act fairer and more effective and more objective. The Joint Committee staff shall also consider whether the Renegotiation Board should be restructured.

(b) In conducting such study and investigation the staff of the Joint Committee on Internal Revenue Taxation shall consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

(c) The staff of the Joint Committee on Internal Revenue Taxation shall submit the results of its study and investigation to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on or before May 31, 1975, together with such recommendations as it deems appropriate.

Mr. PROXMIRE. Mr. President, the amendment to the bill to extend the Renegotiation Act which I have offered carries forward what I believe is the intent of the original bill, and I will explain it more fully in a moment.

But first I want to thank the distinguished Senator from Louisiana, the chairman of the Finance Committee, for his efforts over the past many months during which he has been laying the groundwork for a comprehensive reexamination of the renegotiation program. I am grateful for his responsiveness to my requests and for his willingness to consider my suggestions.

The Senate Finance Committee is a busy and highly productive committee with excellent staff resources. It is most encouraging that this committee, together with the House Ways and Means Committee, have undertaken the review called for by the original bill and my amendment.

I also want to express my thanks to the Senator from Louisiana for his cooperation and assistance in the drafting of the amendment and the refinement of its details.

The amendment does three things.

First, it directs the staff of the Joint Committee on Internal Revenue Taxation to conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended. The purpose of the inquiry is to determine whether the act should be extended beyond June 30, 1975, and if so, how the administration of the act can be improved.

The first part of the amendment also sets out some specific guidelines for the study. It calls attention to the exemption criteria in the act, the current statutory factors for determining excessive profits, and the question whether the Renegotiation Board should be restructured.

Second, in the conduct of the study the staff of the Joint Committee on Internal Revenue Taxation is directed to consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

Third, the extension of the act is reduced from 18 months to 12 months. The staff of the Joint Committee on Internal Revenue Taxation is directed to submit the results of its study to the House Committee on Ways and Means and the Senate Finance Committee on or before May 31, 1975, together with whatever recommendations it deems appropriate.

Submission of the staff report on May 31, 1975 will give the House and Senate committees 1 month to conduct hearings and send a bill to the floor, before the June 30, 1975 expiration date.

As I said, the amendment simply carries forward the basic intent of the original bill and the accompanying reports. It is a clarifying amendment, setting forth some specific guidelines for the study and establishing a somewhat tighter schedule.

In setting forth specific guidelines for the study it should be clear that there is no intent to limit the staff of the Joint Committee on Internal Revenue Taxation to the items contained in the amendment. Many questions have been raised about the Renegotiation Act and its enforcement. It is my hope that the staff will look into all of the questions, all of the problems, all of the issues, not just the ones referred to in the amendment or in the remarks made on the Senate floor today.

Of course, the staff must use its discretion so that it does not get bogged down in trivial or incidental matters. I have great confidence in the staff and no doubts that it will do a top rate job. I think it is one of the finest we have in either body of the Congress.

The point I want to emphasize most is that we need a comprehensive, root-and-branch examination of the Renegotiation Act and the Renegotiation Board. I will not try to hide or minimize my disappointment with the Board's work in recent years. A few weeks ago I recommended abolition of the Renegotiation Board along with other agencies which I believe have either outlived their usefulness or are not performing adequately enough to justify continued support.

In the past I have been one of the Renegotiation Board's staunchest supporters. Several years ago I fought successfully to preserve its funds and its personnel. That was during a period when the Board was under the leadership of a chairman, Lawrence Hartwig, who understood that the Board was laboring against a number of obstacles and that it was necessary to remove those obstacles so that the Board could perform effectively.

One of the major obstacles is that the Board is understaffed. Another is that the act is full of loopholes.

I would prefer, given the loopholes in the Renegotiation Act and the attitude of the present Chairman of the Renegotiation Board, that we simply abolish this agency. I say that, not because I believe the renegotiation process is no longer necessary, but because the Renegotiation Board is doing such a poor job.

For years I have been struggling to plug the loopholes in the Renegotiation Act and strengthen the Board. I have had only moderate success. When the administration planned to cut the Board's manpower significantly below the present level of about 200 employees, I intervened directly on its behalf with the Office of Management and Budget. The decision to reduce the manpower level was reversed.

It was difficult for me to understand why the Board's personnel should be cut during the height of the Vietnam war when renegotiable sales were at record heights. If anything, the administration should have beefed up the Board so that it could handle the massive increase in business. I might point out that in 1953, when the Board was dealing with the defense contracts generated by the Korean war, it employed 742 persons.

Today, 20 years later, the Board has 201 persons on its payroll.

Last year the Defense Department awarded $36.9 billion in prime defense contracts. The peak Korean war amount was $43.6 billion. At that time, as I have just pointed out, the Board had 743 employees. How can it do the job it did 20 years ago with less than a third the manpower? Contract awards were somewhat higher then, but they were not that much higher.

If you suspect that it might not be possible for the Board to adequately handle its workload with its limited staff, your suspicions are well founded.

There is no way for the Board to do an adequate job with 201 persons, including secretaries, stenographers and various other nonprofessional workers.

Why, then, does not the Board request more personnel? Why, when it appears before Congress, does it not point out that it needs more people?

The reason is, in my judgment, that the present Chairman of the Board and the majority of its members simply do not care. The present Board appears to have little desire to increase the capabilities and effectiveness of its own operations. This is in marked contrast to previous Boards whose members well understood the obstacles that prevented it from effective renegotiation and what needed to be done to begin removing those obstacles.

There is no way that the Board can adequately perform the role entrusted to it under the present circumstances.

I am chairman of the Appropriations Subcommittee which reviews the Renegotiation Board's budget requests. The more my subcommittee has looked into the operations of the Board the more have I become convinced that the purposes of renegotiation are not being served and will not be served unless the program is reformed.

In this year's hearings, on March 26, 1974, I asked the Chairman of the Board why profits as a return on equity are not considered by the Board. The Chairman replied, and I quote:

> I never heard of such a thing, return on equity.

In another exchange during the hearings I asked the Chairman how the Board justified allowing certain large aerospace companies to retain profits, after renegotiation, ranging from 76 percent of net worth to as high as 431 percent of net worth. The Chairman responded that he did not believe those rates were exceptionally high.

Over 4,000 filings from Government contractors were received by the Board in fiscal 1973. The Board assigns the grand total of 11 persons to review those filings in the Washington, D.C. office. That works out to an average of 2 filing reviews per day per person.

It is on the basis of these cursory reviews at the headquarters level that filings are referred to regional offices for further examination. How can such a reviewing process possibly identify all the companies whose defense profits need to be more closely scrutinized?

Mr. President, I have been trying to suggest that the renegotiation process today is beset with massive problems. Some relate to the statutory basis, some to the small size of the enforcement staff, some to the attitudes that prevail among the members of the Board.

There is no sense perpetuating the present situation. I agree with the concept of renegotiation. But I am convinced that it is not being properly implemented. The status quo should not be allowed to continue any longer than is necessary.

Finally, I believe a hard look needs to be taken at the structure of the Renegotiation Board. At the present time all the members of the Board are appointed by the President and serve at his pleasure. We must ask ourselves whether this kind of executive agency is best suited to investigate the reasonableness of profits earned on contracts awarded and administered by another executive agency.

In the renegotiation program one executive agency, in effect, has been given the responsibility for investigating another executive agency.

I believe everyone, those who dislike the concept of renegotiation and those who believe it is a good one, should be concerned about the way the Board is presently structured.

What we need, in my judgment, is a Renegotiation Board based on permanent legislation without loopholes, a Board with sufficient independence from the executive branch so that it will not hesitate to vigorously investigate the reasonableness of profits taken on contracts awarded by a large and powerful agency of the executive branch; a Board that will feel free to request additional funds and manpower if it feels they are necessary to more effectively carry out its responsibilities; a Board responsive and accountable to Congress.

If we do not have that kind of a Board then we would just as well do away with the program. There is no sense in kidding ourselves into believing the excessive defense profits problem has been solved. The facts demonstrate that it has not been solved.

Some people argue that we do not have to worry about excessive profits because if there are any they will be recaptured by the Renegotiation Board. I might agree with this argument if I knew that we had an effective, vigorous renegotiation program. At the present time we have a half-hearted program. Its very existence, however, may be lulling many people into thinking that we need not be concerned with procurement policies regarding defense profits.

Several major studies of renegotiation have been concluded in the past few years. All of the studies, including those done by the House Government Operations Committee and the General Accounting Office, identified serious problems and made recommendations for changes. The study we are authorizing today can build on those studies and the work of the Joint Economic Committee, which has also held hearings on this subject.

I am hopeful that at last, by this time next year, we will be in a position to make meaningful changes to improve the effectiveness of the renegotiation program.

I reserve the remainder of my time.

PRIVILEGE OF THE FLOOR

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. Richard Kaufman of the Joint Economic Committee staff remain on the floor during the remainder of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I am persuaded that the Senator has a good point in his amendment. It appears that the intent of Senator PROXMIRE's amendment to H.R. 14833 is similar to that of the Finance Committee; namely, that a comprehensive staff study of the entire renegotiation process be completed as soon as possible, along with thorough hearings by the respective congressional committees.

Although the 18-month extension of the Renegotiation Act as in the committee's bill would give the joint committee staff more time for completion of their study, a 12-month extension as proposed by the Senator PROXMIRE would appear to be feasible. A 12-month extension would coincide with the 2-year extension approved by the Finance Committee during consideration of the 1973 extension, but which was reduced to a 1-year extension. Thus, a 12-month extension now would make a total of 24 months for the study that was started last year by the joint committee staff.

Mr. President, as I understand it, the second part of the Senator's amendment spells out some of the details for the staff study that has been requested by the Finance Committee. This part is acceptable to the Finance Committee, as it puts into legislative language the basic intent of the committee. The joint committee staff will be studying whether the act should be extended, how to improve the administration if it is extended, whether the exemption criteria are appropriate, whether the statutory factors should be modified to make the act more effective and objective, and whether the Board should be restructured, among other areas for study. Some of the other areas for study are listed in the preliminary report of May 14, 1974, of the joint committee staff.

In addition, the joint committee staff will be consulting with the staffs of the Renegotiation Board, the GAO, and the Cost Accounting Standards Board, and will be happy to also consult with the staff of the Joint Economic Committee and other congressional committees having an interest in the subject. The final part of the Senator's amendment requires that the joint committee staff present its findings to the House Ways and Means and Senate Finance Committees on or before May 31, 1975, to give Congress time to review the staff recommendations prior to the June 30 expiration date, per the Senator's amendment.

Mr. President, I see no real objection to the Senator's amendment. It is one that the committee can take to conference.

I shall back the amendment, Mr. President.

I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

The amendment was agreed to.

Mr. CURTIS. Mr. President, I send an amendment to the desk and I ask the clerk to state it.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. CURTIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. My statement will cover the purport of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . (a) Section 211(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1) (A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such agreement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(b) Section 1402(a) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1) (A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such arrangement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management."

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

Mr. CURTIS. This amendment is designed to clarify the way in which certain farm rental income is treated for social security purposes. The amendment was approved last November by the Committee on Finance as a part of the bill, H.R. 3153, and was included in that bill as passed by the Senate.

Under present law, farm rental income is covered under social security if the rental arrangement provides that the landowner materially participate in the production of the agricultural or horticultural commodities on his land, and if there is material participation by the landowner. In determining whether the landowner's actions contribute in a material way to the production of the commodities raised on his farm, his own actions plus actions of his agent are considered. Actions by an agent are attributed to the farm landowner, so that if the agent participates in the management and operation of the farm, the farmowner is also deemed to be participating even though he does not personally participate.

A problem has arisen in the case of landowners who enter into an agreement with a professional farm management company or other person who has the responsibility to choose a tenant and to manage and supervise the farm operation. In such a situation, the landowner does not participate in the operation of the farm and views his income as investment income rather than income from farm self-employment.

Accordingly, the amendment provides that in such a situation the landowner would not be considered to participate in the operation of the farm. Therefore, his farm income would not count for social security purposes if he entered into an agreement with another person to manage or supervise the farm operation, including the selection of tenants, when there is in fact no participation on his part.

Also, it would provide that farm income for someone eligible for social security benefits would be regarded as investment income, and not income from participating in farming.

It would be my hope that inasmuch as the committee and the Senate have approved this amendment once before, it might be accepted and taken to conference on this bill.

Mr. LONG. Mr. President, I am prepared to abide by the judgment of the Senate. I have no objection to the amendment.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. CURTIS. I yield back the remainder of my time.

Mr. LONG. I yield back my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Nebraska (Mr. CURTIS).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Do Senators yield back their time on the bill?

Mr. LONG. Mr. President, if there are no further requests for time, I yield back my time.

Mr. MANSFIELD. I yield back the time in opposition.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill pass?

The bill (H.R. 14833) was passed.

Mr. LONG. Mr. President, I ask unanimous consent that the title of H.R. 14833 be amended so as to read: "An Act to extend the Renegotiation Act of 1951 for 12 months, and for other purposes."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent that the bill (H.R. 14833) be printed with the amendments of the Senate, and that in the engrossment of the amendments of the Senate, the Secretary of the Senate be authorized to make technical and clerical corrections, including section and subsection numbers and paragraph designations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I move that the Senate insist on its amendment and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. RIBICOFF, Mr. BENNETT, Mr. CURTIS, and Mr. FANNIN conferees on the part of the Senate.

EXTENSION OF THE EXPORT ADMINISTRATION ACT OF 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 1057.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

> A joint resolution (H.J. Res. 1057) to extend by 30 days the expiration date of the Export Administration Act of 1969.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read twice by its title, and the Senate will proceed to its immediate consideration.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. TOWER. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection——

Mr. TOWER. I withdraw that request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a limitation of 30 minutes on this measure, to be equally divided between the Senator from Alabama (Mr. SPARKMAN) and the Senator from Texas (Mr. TOWER); that there be a limitation of 90 minutes on an amendment by the Senator from Wisconsin (Mr. PROXMIRE), 60 minutes to be under the control of Mr. PROXMIRE and 30 minutes under the control of Mr. SPARKMAN; and that there be a limitation of 30 minutes on any other amendment, and on any amendment to an amendment, debatable motion, or appeal of 20 minutes, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I reiterate my request that I may suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. ROBERT C. BYRD. I ask unanimous consent that the 1 hour for debate on the motion to invoke cloture under rule XXII begin at the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF THE EXPORT ADMINISTRATION ACT OF 1969

The Senate continued with the consideration of the joint resolution (H.J. Res. 1057) to extend by 30 days the expiration date of the Export Administration Act of 1969.

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time consumed be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that my two staff aides be present on the floor during discussion of the pending bill.

The PRESIDING OFFICER. Will the Senator please name the staff aides?

Mr. PACKWOOD. Ed Kemp and Howard Beazley.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the pleasure of the Senate?

Mr. PACKWOOD. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes.

Mr. PACKWOOD. Mr. President, I simply ask the Senate to extend the Export Control Act without any amendment to it, because we are faced with the possibility that if we come into conflict with the House on any amendments when the act expires on June 30, if the act expires, except under the Trading with the Enemy Act, which is limited to the section under the Petroleum Act, but which would apply to the Petroleum Act, we will have no controls at all and no ability to apply any export controls on any commodities in the United States. We will not be able to apply it to present controls on ferrous scrap iron. It would be unwise at this stage to do anything other than to extend the act for 30 days.

The Banking Committee has been working on this matter extensively. We will be prepared to go, I am sure, within 30 days and have the bill in final form. I see no need for any extraneous amendments to it at this time.

Mr. SPARKMAN. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 3 minutes.

Mr. SPARKMAN. Mr. President, I want to echo what the distinguished Senator from Oregon (Mr. PACKWOOD) has just said. We have been working on legislation that we hope to get before June 30, but we are going into a recess in 2 more days from now. We have got to the point where we know that we can effect the legislation by June 30. The House has already taken note of that fact and has passed a simple extension of it for 30 days without any side dressing at all.

I feel that we should accept the proposal from the House of Representatives and extend it for 30 days, which will give us ample time to take the recess and get back here and hold the hearings and put the measure through in good shape.

Mr. President, that is about my speech.

I yield back any unused time.

The PRESIDING OFFICER. Who yields times?

Mr. PROXMIRE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> At the end of the joint resolution, add a new section as follows:
>
> SEC. 2. Notwithstanding any other provision of law, no cooperation with any nation or regional defense organization shall be undertaken pursuant to section 54, 57, 64, 82, 91(c), 103, 104(d), 123 or 144 of the Atomic Energy Act of 1954 (42 U.S.C. 2074, 2077, 2094, 2112, 2121(c), 2133, 2134(d), 2153 and 2164) on or after June 1, 1974 until the proposed agreement for cooperation has been submitted to Congress by the President and the Congress has adopted a concurrent resolution stating in substance that it favors the proposed agreement for cooperation.

Mr. PROXMIRE. Mr. President, the amendment I am proposing today would restore congressional authority. It states that before the President can enter into any proposed agreement with any foreign country involving the transfer of nuclear technology, he must first have congressional consent.

It says no more than that. Congress must first vote its approval before U.S. nuclear technology flows to any foreign country.

Under present conditions that is not the situation. In the case of civilian nuclear technology, the United States has entered into agreement with 30 countries without ever once having a vote in the Senate or House on this issue.

We have concluded research and power agreements for the commercial production of electricity with Argentina, Australia, Austria, Brazil, Canada, South Africa, Spain, Sweden, China, Finland, Italy, Japan, Korea, Norway, the Philippines, Switzerland, and Venezuela. We have a strictly power agreement with India.

Research-only agreements have been established with Colombia, Greece, Indonesia, Iran, Ireland, Israel, Portugal, Thailand, Turkey, United Kingdom, and Vietnam.

Not one of these international agreements has been subjected to a vote in the Congress.

This is not to say that there has been no oversight but simply that the full Congress has never had the opportunity to express its opinion of the subject.

AEC ACT OF 1954

Under the 1954 Atomic Energy Act, any proposed agreement for cooperation in civilian technology is submitted by the President to the Joint Committee on Atomic Energy where it is examined and then after 30 days goes into effect.

If the proposed agreement deals with military nuclear technology or restricted data, then the agreement is sent to the full Congress where it rests for 60 days. During this period the only way to overturn the proposed agreement is for both Houses to pass a concurrent resolution stating in substance that it does not favor the idea.

Mr. President, this leaves Congress in an untenable situation. It can easily be seen that a Presidential request to send nuclear weapons to some foreign country might be denied by the House but upheld by the Senater or vice versa. In both cases, the controversial agreements would go into effect.

Of course with regard to civilian technology—and I am not talking about nuclear weapons but civilian technology—as is the case with Egypt and Israel, there need be no vote at all. It is not required under the AEC Act. In fact the Joint Committee can even waive the 30-day requirement and the proposed agreement would go into effect almost immedately.

Such is the state of our congressional responsibility. We are authorizing foreign policy decisions of the greatest importance by a system of inaction. No action by Congress means approval for the presidential initiative. This is not the best way for Congress to monitor and share in such decisions. We should have a vote in the matter every time it comes up. Every Member should be afforded the opportunity to express his position.

My amendment would provide just that assurance of participation.

EXPORT ADMINISTRATION ACT

This amendment is attached to the 30-day extension to the Export Administration Act of 1969. It is not by accident that I have chosen the Export Administration Act or this particular extension.

First, the Export Administration Act controls scarce and critical materials and is directly related to a congressional concern over the export of these materials on foreign policy.

In title 50 section 2401 appendix, Congress stated that the "unrestricted export of materials, information, and technology without regard to whether they make a significant contribution to the military potential of any other nation or nations may adversely affect the national security of the United States."

How far sighted that congressional finding was. With fuel for nuclear power plants in critically short supply at the present the provision of section 2401 appendix seems directly applicable.

That section also states that:

> The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

It is clear, therefore, that the Export Administration Act envisions the type of situation facing us now with the proposed export of nuclear technology to Egypt and Israel. It recognizes this situation not only for its impact on foreign policy but as a question of national security and military policy.

Second, the issue is timely because the Atomic Energy Commission has indicated that our fuel supply is critically short for the out years and that any negotiations might have to be concluded before the end of the fiscal year. Under these conditions, it is imperative that we move quickly to reassert our basic right of review before the momentum of the present negotiations carries the process too far for correction.

It is conceivable and perhaps even likely that this could be done by the end of this fiscal year; that is, that the negotiations could be done by the end of this fiscal year. Under present law, it is very possible that the administration might be able to give approval without any opportunity for Congress to act. That is why I am putting it on this extension bill so that we can act now.

PROLIFERATION—A WORLD RISK

Just why should we be concerned about these agreements? After all, have not 30 countries received aid from the United States without any mishap or violation of safeguards?

The answer has been on the front page of America's newspapers for weeks. Can Congress turn its back on the proliferation of nuclear weaponry throughout the world? Should we idly stand by when the power of control is partially within our hands?

The combination of the unexpected test by India and the recent offer of nuclear powerplants to Egypt and Israel has caused a virtual cascade of potential nuclear powers to either openly or quietly seek out plutonium, and thus nuclear, power for military purposes.

The Shah of Iran reportedly has expressed strong interest in acquiring the bomb only to be denied by his Embassy here in Washington. Various reports also suggest that Pakistan may develop this technology. Even Japan is said to be reconsidering a prompt ratification of the Nonproliferation Treaty.

One after another, there is the possibility that the nuclear-potential states will enter into private agreements with the nuclear states that will result in the extensive proliferation of nuclear weaponry around the world.

Are the safeguards adequate against this kind of determination? Will countries covertly supply nuclear technology in trade for oil or other Earth resources?

Is it so farfetched to think of terrorist groups in the Middle East or elsewhere that will attempt to divert radioactive materials or even with help develop a rudimentary bomb? Who can say for sure?

EXAMPLES OF SAFEGUARD FAILURES

In August 1971, an intruder penetrated past guard towers and fences to enter the grounds of the Vermont Yankee nuclear powerplant at Vernon, Vt. He escaped after wounding a night watchman.

In November 1971, arson caused $5 to $10 million damage at the Indian Point No. 2 plant at Buchanan, N.Y., just prior to its completion. A maintenance employee was accused of the crime.

In February 1973, the Atomic Energy Commission's former top security officer, William T. Riley, was sentenced to 3 years probation. An investigation revealed that Riley had borrowed $239,000 from fellow AEC employees and had failed to repay over $170,000, part of which he used at the race track.

In March 1973, a guerilla band took temporary possession of a nuclear station in Argentina.

In August 1973, 21 dangerous capsules of iodine-131 were stolen from a hospital in Arcadia, Calif.

All but one of these events occurred in the United States, where we have an elaborate system of security. How much more likely and how much more dangerous such events might be if they occurred in foreign countries.

We can have something to say about such awesome problems. We can require that the export of our advanced nuclear technology be brought to a vote in this Chamber, with debate, discussion, and assurance about the safeguards, before they ever go into effect.

Consider for a moment an elementary problem. Let us say that the proposed agreements with Egypt and Israel go into effect, and then the Government of Egypt changes during a coup of some type. Maybe the new government feels no obligation to abide by the spirit or requirements of the U.S. safeguards or that of the International Atomic Energy Agency. What then?

We have a responsibility to think about such questions and to consider the merits carefully for each proposed agreement.

These agreements are beyond the control of Congress, since they are not treaties but have the same power. They are devices that give the President maximum authority and Congress minimum discretion. Of all the military and civilian agreements that have been reached by the United States and foreign countries, the only ones that have been brought to a vote have been with regard to the European Atomic Energy Community, approved by voice vote in 1958, and for the International Atomic Energy Agency, approved in 1957.

The other agreements have seemed to have slipped by without any votes.

Mr. President, I ask unanimous consent that a list of all agreements, their effective dates and termination dates, be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

THE JOINT RESOLUTION—EXTENSION

Mr. PROXMIRE. Mr. President, this amendment refers directly to the Atomic Energy Act of 1954. I do not dispute that.

It is attached to this joint resolution for several reasons.

First, with the negotiations proceeding between the United States, Egypt, and Israel, we have little time to rearrange our procedures. We must act now in order to be prepared to vote on the proposed agreement with Egypt and Israel.

Second, there is some question about the Atomic Energy Commission agreeing to supply fuel for the reactors after June 30, 1974.

Third, the Export Administration Act explicitly refers to situations which affect our national security—and surely proliferation does—and to the export of critical and scarce materials.

Fourth, this amendment will in no way abridge the authority of the Joint Committee on Atomic Energy. I want to emphasize that and call it to the attention of the distinguished Senator from Rhode Island (Mr. Pastore), who certainly has the respect and admiration of all Members of the Senate.

In fact, the authority of that committee will be enhanced, since all proposed agreements will have to be studied closely by the committee so that the committee can make recommendations to the Senate concerning their appropriateness. And the committee will be able to report directly to the full Senate on their findings.

Fifth, any restraint we can demonstrate to the rest of the world in terms of the export of U.S. technology may serve to cool the flaming ambitions for acquiring nuclear technology. If we move quickly, we may be able to influence other countries to approach this problem with greater study and deliberation.

Sixth, this is a question of basic congressional responsibility that for too long has been dormant. It is time to reassert that right which is ours to jointly determine foreign policy with the executive branch. We have been at the mercy of a powerful executive that finds ways to reach agreements that in effect are treaties but without a corresponding vote in Congress. We must shut the door to this kind of behind-the-scenes arrangements.

For all of these reasons, it is time to give back to this body that which it always had but has seldom exercised—the right to give consent or deny requests from the President that are treaties in nature and ominous in implication.

Mr. President, I ask unanimous consent that several newspaper articles dealing with nuclear proliferation be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

RADIOACTIVE MATERIALS THREAT

Mr. PROXMIRE. Mr. President, the threat from the transfer of nuclear technology is not limited exclusively to the production of a nuclear bomb. Access to radioactive materials would be just as attractive to certain groups.

For example individuals or groups may attempt to steal radioactive materials for money, political blackmail, or terrorism.

After an extensive review of the problems associated with theft and sabotage of special nuclear materials. Dr. Theodore Taylor, testified to a Senate subcommittee several weeks ago that:

> The frequency and character of nuclear theft attempts in the future is likely to be influenced greatly not only by the nature of physical safeguards against theft, but also by the general political climate and by prevailing attitudes toward violent behavior within societies where opportunities exist for such theft.

Can anyone argue that the general political climate and prevailing attitudes toward violence will improve measurably in the next decade? Will there still be societies that dream of military might and leverage?

But what about the physical safeguards? Just how safe is nuclear materials from theft? Based on two scientific studies by the Atomic Energy Commission and the Ford Foundation energy policy project, the safeguards even in this sophisticated country are "entirely inadequate."

The AEC report was prepared by a team of four outside consultants and one Atomic Energy Commission official.

Their conclusion stated that:

> We feel that the danger is large and growing due to the widespread and increasing dissemination of precise and accurate instructions on how to make simple nuclear

> weapons, and due to the increasing professional skills, intelligence networks, finances and levels of armaments of terrorists groups throughout the world. . . . The potential harm to the public from the explosion of an illicitly made nuclear weapon is greater than that from any plausible power plant accident, including one which involves a core meltdown and subsequent breach of containment.

The Ford Foundation report, under the direction of Mason Willrich and Theodore Taylor, is similarly disturbing. Characterizing U.S. safeguards as "incomplete," they concluded that "some basic issues pertaining to physical protection have not yet been resolved."

In many areas, the authors detail security regulations which are vaguely defined, ambiguous and inadequate. For example, there are no regulations requiring the physical protection of less than two kilograms of plutonium, even though a small fraction of that amount is sufficient to make a radiological weapon.

As the number of nuclear powerplants increases, the need for transportation of special nuclear materials increases as well. So do the opportunities for terrorism.

In last Sunday's Washington Post, an article by Thomas O'Toole outlined the concern of the scientific community regarding this growth.

> One thing that worries the experts about plutonium is that terrorists or criminals might get their hands on it. They wouldn't even need enough to make a bomb to make impossible ransom demands. The reason is that plutonium in its powdered form is about as poisonous a substance as there is.
>
> The threat of a plutonium smoke bomb tossed into a New York bank might be enough to extort $1 million from the bank. The threat of a plutonium "dispersal device" exploded in the air over San Francisco could be enough to empty the city. Winds could carry plutonium dust for miles, and people might have to stay indoors for days while trained troops wearing gas masks cleaned up the city streets and surrounding countryside.

Mr. President, it is quite clear that our safeguard standards do not even approach the stringent design standards that govern the building of a nuclear reactor. While the probability of a theft may be low, its consequences would be catastrophic.

Mr. President, I ask unanimous consent that a summary of the Willrich and Taylor study be placed in the RECORD along with the article from the Washington Post by Thomas O'Toole.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 3 and 4.)

Mr. PROXMIRE. Mr. President, having given this side of the question it is important to note that our agreements have not been subject to circumvention in the past. Our safeguard system is extensive and some think foolproof or nearly so.

I happen to side with the commonsense school which dictates, "where there is a will there is a way"—even if the goal is acquiring nuclear power or radioactive materials.

RADIOACTIVE WASTES

Another area of concern is the management of the radioactive waste products that result from the operation of civilian nuclear powerplants. In the past quarter-century, there have been serious shortcomings in the Atomic Energy Commission effort in this field.

And the problem is growing yearly. Not only are we having problems disposing of our own radioactive wastes but we have agreed to dispose of the wastes from all of the nuclear reactors that we build abroad.

In essence, we are becoming a radioactive dumping ground for the Western world.

Radioactive wastes are already stored by Japan, Canada, and Italy with Egypt and Israel now probably to join the evergrowing list.

Instances of radioactive seepage have crept into the news ever more frequently.

For example, there was the AEC National Reactor Testing Station near Idaho Falls, Idaho, where low-level radioactive wastes were being stored. In October 1968, health authorities discovered that there had been radioactive seepage into the ground water.

Or, what about the Rocky Flats plutonium production plant near Denver, Colo. Here it was discovered that the company had been storing 55-gallon drums of laden oil contaminated with measurable quantities of plutonium outside on pallets. They had been stored there since 1958. Over a decade later as the result of a fire at the plant it was discovered that the drums had corroded and the plutonium had leaked onto the soil, contaminating the area with a radiation level 100 times the worldwide fallout level. Yet no one was aware of it until the investigation after the fire.

Mr. President, I ask unanimous consent that two articles dealing with radioactive waste disposal be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

CONGRESS MUST DECIDE

Mr. PROXMIRE. Mr. President, these points are not made to discredit the AEC or open up old controversies. They are made to show the scope and urgency behind my call for a debate on the issue of providing the rest of the world with nuclear technology, watching a number of countries go nuclear, and allowing the United States to be the dumping ground for the waste products the other countries don't want or we think are too dangerous to dispose of elsewhere.

To return to the main issue, Congress must decide the merits of such disturbing reports by engaging in a debate culminating in a vote each time a proposed agreement is recommended by the President.

I know that there are eloquent and forceful spokesmen on both sides of the issue. My amendment will allow their views to be heard on the floor of the Senate.

That is as it should be.

The specific safeguards to be required by the proposed agreements with Israel and Egypt have not been released to Congress in any detail.

It should be pointed out, however, that the safeguards of the International Atomic Energy Agency (IAEA) when coupled with additional U.S. required safeguards, can be formidable.

The IAEA safeguards include nuclear materials accountancy. This means that the IAEA reviews nuclear facility design, checks records and requires accurate reports of inventories, input, process losses, wastes and shipments of nuclear materials. They also conduct inspections to verify the flow of materials and to insure that the containment and surveillance techniques are working properly.

On top of that the United States may require that any resulting plutonium will be reprocessed in a U.S. plant and that Egypt and Israel will agree not to build such a reprocessing plant.

Briefly it appears that the United States will give Egypt and Israel slightly enriched uranium rods for use in the power reactors. After about 1 year approximately one-third of these rods are removed and placed in a cooling basin where they lose radioactivity and heat. Then they are transferred under water to a huge lead box for transportation to a reprocessing plant probably in the United States.

Extracting plutonium for a bomb normally requires access to such a reprocessing plant. Thus if the United States controls this process, the plutonium will not be retained by Egypt or Israel.

This differs from the Indian situation. The Indians had their own reprocessing plant in operation for 10 years, collecting enough plutonium for several bombs. The Canadians had no control over this reprocessing plant nor did the IAEA.

What I have just recounted is based on discussions with various nuclear experts. I have no doubt that the Joint Committee will present the details of any proposed safeguard system to the Congress and explain the system much more thoroughly than I have. There are many who think that the safeguard system will work extremely well when coupled with bilateral assurances and doublechecks.

Mr. President, the Senator from Rhode Island was occupied at the time I discussed this matter in my speech, but I wish to call attention to the fact that this amendment in no way abridges the authority of the Joint Committee on Atomic Energy. As a matter of fact, the authority of that committee will be enhanced since all proposed agreements will have to be studied closely by the committee since they will have to make recommendation to the Senate, and the committee will have to make a report on their findings.

EXHIBIT 1

INTERNATIONAL AGREEMENTS

BILATERAL AGREEMENTS FOR COOPERATION IN THE CIVIL USES OF ATOMIC ENERGY

Country, scope, effective date, and termination date:

Argentina, Research and Power, July 25, 1969, July 24, 1999.

Australia, Research and Power, May 28, 1957, May 27, 1997.

Austria, Research and Power, Jan. 24, 1970, Jan 23, 2000.

Brazil, Research and Power, Sept. 20, 1972, Sept. 19, 2002.

Canada, Research and Power, July 21, 1955, July 13, 1980.

China, Rep. Research and Power June 22, 1972, June 21, 2002.

Colombia, Research, March 29, 1963, March 28, 1977.

Finland, Research and Power, July 7, 1970, July 6, 2000.

Greece, Research, Aug. 4, 1965, Aug. 3, 1974.

India, Research, Aug. 25, 1963, Oct. 24, 1993.

Indonesia, Research, Sept. 21, 1960, Sept. 20, 1980.

Iran, Research, April 27, 1959, April 26, 1979.

Ireland, Research, July 9, 1958, July 8, 1978.

Israel, Research, July 12, 1955, April 11, 1975.

Italy, Research and Power, April 15, 1958, April 14, 1978.

Japan, Research and Power, July 10, 1968, July 9, 2003.

Korea, Research and Power, March 19, 1973, March 18, 2003.

Norway, Research and Power, June 8, 1967, June 7, 1997.

Philippines, Research and Power, July 19, 1968, July 18, 1998.

Portugal, Research, July 19, 1969, July 18, 1979.

South Africa, Research and Power, Aug. 22, 1957, Aug. 21, 1977.

Spain, Research and Power, Feb. 12, 1958, Feb. 11, 1988.

Sweden, Research and Power, Sept. 15, 1966, Sept. 14, 1996.

Switzerland, Research and Power, Aug. 8, 1966, Aug. 7, 1996.

Thailand, Research, March 13, 1956, March 12, 1975.

Turkey, Research, June 10, 1955, June 9, 1981.

United Kingdom, Research, July 21, 1955, July 20, 1976.

United Kingdom, Power, July 15, 1966, July 14, 1976.

Venezuela, Research and Power, Feb. 9, 1960; Feb. 8, 1980.

Vietnam, Research, July 1, 1959, June 30, 1974.

Special arrangement, scope, effective date, termination date.

U.S.-U.S.S.R., Agreement on Scientific and Technical Cooperation for the Peaceful uses of Atomic Energy, June 21, 1973, June 20, 1983.

U.S.-Romania, Memorandum on Cooperation in Peaceful uses of Atomic Energy, Jan. 1, 1973, Dec. 31, 1974.

AGREEMENTS FOR COOPERATION WITH INTERNATIONAL ORGANIZATIONS

Organization, scope, effective date, termination date.

European Atomic Energy Community (Euratom), Joint Nuclear Power Program, Feb. 18, 1959, Dec. 31, 1985.

Euratom, Additional Agreement to Joint Nuclear Power Program, July 25, 1960, Dec. 31, 1995.

International Atomic Energy Agency (IAEA), Supply of Materials, etc., Aug. 7, 1959, Aug. 6, 1979.

TRILATERAL SAFEGUARDS AGREEMENTS

US/IAEA/Argentina, Trilateral for application of IAEA safeguards to U.S.-supplied materials, July 25, 1969.

US/IAEA/Australia, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Sept. 26, 1966.

US/IAEA/Austria **, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Jan. 24, 1970.

US/IAEA/Brazil, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Oct. 31, 1968.

US/IAEA/Rep. China, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Dec. 6, 1971.

US/IAEA/Colombia, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Dec. 9, 1970.

US/IAEA/Greece **, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Jan. 13, 1966.

US/IAEA/India, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Jan. 27, 1971.

US/IAEA/Indonesia, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Dec. 6, 1967.

US/IAEA/Iran **, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Aug. 20, 1969.

US/IAEA/Israel, Trilateral for application of IAEA safeguards to U.S.-supplied materials, June 15, 1966.

US/IAEA/Japan, Trilateral for application of IAEA safeguards to US.-supplied materials, July 10, 1968.

US/IAEA/Korea, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Jan. 5, 1968.

US/IAEA/Philippines, Trilateral for application of IAEA safeguards to US.-supplied materials, July 19, 1968.

US/IAEA/Portugal, Trilateral for application of IAEA safeguards to US.-supplied materials, July 19, 1969.

U.S./IAEA/South Africa, Trilateral for application of IAEA safeguards to U.S.-supplied materials, July 26, 1967.

U.S./IAEA/Spain, Trilateral for application of IAEA safeguards to U.S.-supplied materials, Dec. 9, 1966.

U.S./IAEA/Thailand, Trilateral for application of IAEA safeguards to U.S.-supplied, materials, Sept. 10, 1965.

U.S./IAEA/Turkey, Trilateral for application of IAEA safeguards to U.S.-supplied materials, June 5, 1969.

U.S./IAEA/Venezuela, Trilateral for application of IAEA safeguards to U.S.-supplied materials, March 27, 1968.

U.S./IAEA/Vietnam,** Trilateral for application of IAEA safeguards to U.S.-supplied materials, Oct. 25, 1965.

U.S./IAEA/Sweden, Trilateral for application of IAEA safeguards to U.S.-supplied materials, March 1, 1972.

U.S./IAEA/Switzerland, Trilateral for application of IAEA safeguards to U.S.-supplied materials, February 28, 1972.

AGREEMENTS FOR COOPERATION FOR MUTUAL DEFENSE PURPOSES [1]

NATO, March 12, 1965.

Australia, Aug. 14, 1957.

Belgium, Sept. 5, 1962.

Canada, July 27, 1959.

France (Land-Based Prototype Fuel Supply Agreement), July 20, 1959.

France, Oct. 9, 1961.

Germany, Fed. Republic, July 27, 1959.

Greece, Aug. 11, 1959.

Italy, May 24, 1961.

Netherlands, July 27, 1959.

Turkey, July 27, 1959.

United Kingdom, Aug. 4, 1958.

Exhibit 2

News Release

A group of leading nuclear reactor and nuclear weapons experts issued a report today that called the Nixon Administration's proposed sale of U.S. nuclear reactors to Egypt "imprudent and unwise, and possibly reckless."

The group included:

DANIEL F. FORD, Executive Director of the Union of Concerned Scientists. Mr. Ford has written extensively on problems relating to nuclear reactors and is a consultant on atomic energy regulation to the U.S. Senate Government Operations Committee.

HENRY W. KENDALL, Professor of Physics at M.I.T., and member of the Union of Concerned Scientists. Dr. Kendall is a leading authority on nuclear reactor technolgy. He also served for many years as a consultant to the Department of Defense.

GEORGE B. KISTIAKOWSKY, Professor of Physical Chemistry Emeritus, Harvard University. During World War II Dr. Kistiakowsky was in charge of the Manhattan Project Explosives Division which designed the implosion nuclear weapon. He was a member of the President's Scientific Advisory Committee from 1957 to 1964 and served as President Eisenhower's Science Adviser from 1959–1961.

GEORGE RATHJENS, Professor of Political Science at M.I.T. Dr. Rathjens is a nuclear arms control and nuclear strategy expert who has held important posts in the U.S. Department of Defense, Arms Control and Disarmament Agency, Institute for Defense Analyses, and the White House.

The highlights of the report issued today, entitled "The Proposed U.S.-Supported Egyptian and Israeli Nuclear Programs," are as follows:

1. "A simple implosion nuclear weapon requires from 4 to 8 kilograms of Plutonium, depending on the weapon design. A reactor of the size of those contemplated for sale to Egypt produces in excess of 200 kilograms of Plutonium per year. Accordingly, a few months operation of the reactor would produce enough material for a number of [nuclear] weapons."

2. "In building a nuclear weapon, the acquisition of the material is the most difficult part." Without nuclear reactors, acquisition of materials for a nuclear weapon requires "a massive technology far beyond the capacity of a nation with Egypt's resources." With nuclear reactors, however, the necessary material, plutonium, becomes readily available.

3. If plutonium is available, "a nuclear weapons development program is well within the capacity of the Egyptian nation. A few million dollars a year, at most no more than $10 million a year, for 6–10 years would, at the end of that time and with the necessary plutonium, almost surely result in successful nuclear explosives."

4. The consequences of the proposed U.S.-Egyptian nuclear power agreement "would be to convert the costly economic and difficult technical obstacles of a nuclear weapons program into a purely political decision." The sale of the reactors would open the door to nuclear weapons for Egypt, and it would be left up to them to decide whether to develop them.

5. The "assured safeguards" to be provided against diversion of plutonium for U.S. reactors in Egypt "would not be likely to include physical control of that material by U.S. personnel. At any time, then, a change of view of the governing regime, or a change of the regime itself, could result in the immediate diversion of plutonium to weapons use."

6. The report called attention to the "sharp controversy over safety in the U.S. nuclear program" and to the question of large-scale releases of radioactivity caused by sabotage or acts of war directed against nuclear reactors sold to the Middle East.

7. The report said that the "situation in Israel is different from that in Egypt." As a consequence of Israel's possession of a research reactor, Israel may already "be close to having a nuclear weapon at the present time."

Exhibit 3

A Summary—Nuclear Theft: Risks and Safeguards

(By Mason Willrich and Theodore B. Taylor)

This book analyzes the possibility that nuclear materials may be stolen from the fast-growing U.S. nuclear power industry and

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** Suspended in view of NPT Safeguards Agreements with Agency.

[1] Except for the Agreement with France of July 20, 1959, all these Agreements provide for exchange of classified information as provided for in Section 144b of the Atomic Energy Act.

used to make weapons. It finds the risk will be "substantial" unless effective steps are taken to assure the public's safety and the nation's security.

Nuclear energy is rapidly becoming a major source of electric power in the U.S. and many other countries. The same materials, plutonium and highly-enriched uranium, that form the explosive cores of atomic bombs, are also produced and used as fuel in nuclear power reactors. Within a few years, tens of thousands of kilograms of these fissionable materials will be flowing through the U.S. nuclear power industry. A few kilograms of these same materials are enough for an atomic bomb; and a few grams of plutonium are enough for a device that could cause widespread radioactive contamination.

The design and manufacture of a crude fission bomb is no longer a difficult task technically, once nuclear materials are at hand; making a plutonium dispersal device is even simpler.

Effective safeguard measures are therefore necessary, so that materials intended for use as nuclear fuels are not stolen and misused by criminals or terrorists. Based on their study, Willrich and Taylor find that the U.S. program to guard against the risk of nuclear theft is improving but incomplete; comparable measures in other nations with nuclear power programs also need improvement. But there are safeguards which, if implemented, will reduce the risk of nuclear theft to a very low level—an acceptable level, in the author's judgment. They are convinced that the costs of these safeguards will be small compared to the overall costs of nuclear power. The most difficult problems in developing an effective safeguards system are institutional and political, not technical, in character.

Many policymakers in the energy field are only vaguely aware of the nuclear theft problem, and most of the general public does not know that it exists. This study is intended to contribute to public understanding of the technical facts and policy issues involved. It contains no classified information. Drawing from extensive unclassified data, it describes in general terms what materials and skills are required to make crude atomic weapons; how much destruction they could cause; where in the nuclear power industry the key materials for such weapons are present; and why and how criminals or terrorists might try to steal them.

How much does the public need to know about the risks of nuclear theft? The most compelling argument against informing the public is that such an effort might inspire warped or evil minds.

But the fact is that a large amount of information, in more technical detail than this study presents, is already in the public domain.

More basically, the security risks which are intrinsic in nuclear power are not temporary; they are an inescapable characteristic of the use of nuclear energy to meet more and more of the world's demand for electricity. The public needs to know that the years just ahead provide the last chance to develop long-term safeguards. Once nuclear materials are flowing through the power industry at the levels expected in a few years, it will be too late to begin to develop effective safeguards against theft.

On the basis of an extensive review of published material open to the public, unclassified conversations with experts, and considerable thought, the authors conclude:

"Under conceivable circumstances, a few persons, possibly even one person working alone, who possessed about ten kilograms of plutonium oxide and a substantial amount of chemical high explosive could, within several weeks, design and build a crude fission bomb."

Fission explosives can also be made with a few kilograms of high-enriched uranium, or with uranium-233. All these materials are found in the civilian nuclear power industry. Besides nuclear material and chemical explosives, the other materials necessary for making a crude fission bomb can be bought in hardware stores or from commercial suppliers of scientific equipment for students.

People involved in this kind of criminal enterprise would need some laboratory and machine shop skills. They would have to be reasonably inventive, and able to find and understand the unclassified literature that deals with nuclear explosives, nuclear reactor safety, and ordinary explosives. They would have to be willing to take moderate risks of serious injury or death.

"Whatever opinions anyone may have about the likelihood that an individual or very small group of people would actually steal nuclear materials and use them to make fission bombs, those opinions should not be based on a presumption that all types of fission bombs are very difficult to make," the authors say.

A "crude fission bomb" is defined as one which has an excellent chance of exploding, with a probable yield equal of at least 100 tons of chemical high explosive, and a possible yield of as much as a few kilotons. Even a "small" nuclear explosion could cause enormous havoc. A nuclear explosion produces not only a blast wave and heat, but also lethal radiation. The effects of a nuclear weapon depend on the characteristics of the target as well as the weapon itself. In a typical suburban residential area, a "crude fission bomb" might kill 2,000 people, mostly by exposure to radioactive fallout. The same explosion in a parking lot beneath a skyscraper could kill as many as 50,000 people and destroy the entire building.

In criminal hands, plutonium could be a danger not only as raw material for a bomb, but also in a relatively simply dispersal device. Plutonium is among the most toxic substances known. Airborne particles small enough to be barely visible can cause fibrosis or cancer of the lung. The amounts that could pose a threat to society are accordingly very small.

One hundred grams (three and one half ounces) of the stuff could be a deadly risk to everyone working in a large office building or factory, if it were effectively dispersed. In open air the effects would be more diluted by wind and weather, but they would still be serious and long-lasting.

In the very near future, nuclear materials will be circulating in huge quantities through the fuel cycles of nuclear power plants. By 1980, tens of thousands of kilograms will be present in the U.S. industry, and several thousand kilograms will be flowing through civilian fuel cycles in other countries. Thereafter, it is expected that the total amounts of these materials in nuclear power industries throughout the world will rapidly increase.

Some parts of the nuclear fuel cycles are inherently more vulnerable to theft than others. Each kind of nuclear reactor, with its own destinctive fuel cycle, presents different problems.

The most common reactor in use today is the light-water reactor (LWR). The possibilities for theft in the LWR fuel cycle, as it now operates, are minimal. The low-enriched uranium the LWR uses for fuel is not at present a usable nuclear weapon material. However, the light-water reactor does produce plutonium (which now goes into storage but will by the late 1970's be recycled as LWR fuel). The plutonium is well protected against theft from the time it is made in the reactor until after it is separated from intensely radioactive spent fuel at a reprocessing plant; the radioactivity itself is a built-in safeguard against theft. The only points in the present LWR cycle where theft of plutonium might occur are after separation at a fuel reprocessing plant, during shipment to a storage plant, or at the storage plant itself. Transportation, as in all the fuel cycles, is probably the weakest security link.

When LWR's begin to use recycled plutonium as fuel, the chances for theft will multiply. The most vulnerable parts of the fuel cycle will be at the reprocessing plant, at the fuel fabrication plant, and during shipment between these sites. Completed fuel assemblies containing plutonium could also be stolen, but the heavy weight of such assemblies would make it a difficult undertaking.

One high-temperature gas-cooled reactor (HTGR) is ready to start up in 1974, as a demonstration model; several commercial-scale HTGR plants are on order. In the more distant future this kind of reactor may play a larger role. To begin with, the HTGR will use high-enriched uranium (which is 90 to 95 percent U–235) as fuel, and create uranium 233; later uranium 233 will be recycled and used as fuel.

The possibilities that uranium 233 might be stolen from the HTGR fuel cycle parallel in general those for plutonium in the light-water reactor cycle. However, fabricated HTGR fuel is much more dilute and difficult to convert to forms that would be usable in nuclear explosives. High-enriched uranium, the other HTGR fuel, is especially vulnerable at these points: as it leaves the fuel enrichment plant, in the form of a highly enriched uranium gas; while it is in transit to a chemical conversion plant (to be converted into solid form); at the conversion plant; and during shipment to the fuel fabrication plant.

The liquid metal fast breeder reactor (LMFBR) is still at an early stage today. But intensive development is underway, and the LMFBR may become the mainstay of nuclear power production toward the end of the century because it is able to "breed" from common uranium more nuclear fuel than it burns. The LMFBR dramatically extends the lifetime of uranium reserves.

The weak points in the LMFBR fuel cycle are the same as in the LWR cycle which includes a plutonium recycle. There is a difference however. The fast breeder's fuel assemblies contain a much higher concentration of plutonium than the LWR's; and it is easier to extract.

The probability of nuclear theft is very low, yet if it did happen the consequences could be catastrophic. In this way, the risk of nuclear theft is similar to the risk of a major accident in a nuclear power plant. But it is more difficult to assess the likelihood of theft, because the risks arise primarily, not from malfunctioning machines, but from malfunctioning people. The possible damage from nuclear theft is even greater than from the maximum credible reactor accident.

Terrorists or criminals or even a single fanatic might try to steal nuclear weapon materials, for money or for purposes of political coercion. If they succeeded, they could use the materials in a number of ways to threaten groups, governments, or whole communities. It is likely that nuclear theft attempts will be very much influenced by the general social and political climate. Factors over which the nuclear power industry has no control will, in other words, largely determine the range of threats. Without effective safeguards to prevent theft, the development of nuclear power will create substantial risks to the security and safety of Americans and people everywhere.

"The U.S. system of safeguards is incomplete at this time," the authors conclude. Although the AEC has substantially strengthened safeguard requirements in recent years, some basic issues pertaining to physical protection have not yet been resolved.

In many areas present security regulations are vaguely defined. The AEC is now at work developing better guides for some, such as design standards for a safe secure vehicle to transport nuclear weapon materials. For others, serious ambiguities still remain. In still other areas, requirements are precisely defined, but inadequate. For example, there are no specific requirements for the physical protection of less than two kilograms of plutonium, even though a small fraction of that amount is enough to make a radiological weapon. For another example, the requirements for keeping contact with vehicles while they carry nuclear shipments are ineffective.

There are no AEC or internationally administered requirements for the physical protection of nuclear materials which the U.S. exports for other countries to use in their nuclear power programs. Theft of such materials could pose a serious risk to the security of the U.S. as well as other countries. This will be a difficult need to fulfill, though the International Atomic Energy Agency in Vienna does administer an international system of nuclear materials accountancy.

Taken together, present U.S. safeguards do not constitute a system. An effective system of safeguards may evolve, if present trends continue. Today, there is no basis for evaluating such a system as it develops, because the AEC has not determined the maximum credible threat which safeguards are intended to meet, and the essentials of the safeguard system are hidden from public view, in the physical security plans which nuclear licensees file with the AEC on a confidential basis.

It is clearly necessary to keep detailed plans a secret. But the need for secrecy makes it doubly important for the AEC to develop specific safeguard standards that can be justified in public hearings, and to develop an inspection process that will make sure the standards are met.

"A system of safeguards can be developed that will keep the risks of theft of nuclear weapon materials from the nuclear power industry at very low levels," Willrich and Taylor conclude. The system should emphasize the prevention of theft and the detection of any theft in time to prevent its completion.

The principle of containment should be the basis for safeguard measures. The physical barriers and security forces that are designed to protect nuclear weapon materials should be capable of defeating the maximum credible threat that can be reasonably expected anywhere in any nuclear fuel cycle. That threat might involve an attack by a group of perhaps five to ten persons using sophisticated firearms and equipment.

Insofar as practical, techniques should be developed to provide a timely, accurate picture of the material flows in the various nuclear fuel cycles, so that any movement of nuclear weapon materials outside authorized channels can be immediately detected.

The study recommends:

The AEC should design a detailed system of safeguards for each of the nuclear fuel cycles based on use of the best available technology and institutional mechanisms. (The safeguard designs could then be evaluated for cost-effectiveness, to help determine what requirements should be adopted for the nuclear power industry, what safeguard R & D priorities should be established, and what risks of nuclear theft should be accepted.)

The AEC should consider the establishment of a federal nuclear materials security service with the sole responsibility of protecting nuclear materials subject to safeguards.

The AEC should develop and publish a set of procedures for the review of physical security plans submitted by industry licensees. (These procedures should provide the nuclear industry and the public with strong assurance that the security plans proposed by licensees will be assessed thoroughly; that standards will be uniform and equitable; that all plans will result in effective measures to prevent theft.)

The U.S. Government should initiate discussions with the governments of other nations with substantial nuclear power programs with a view to developing a common policy in favor of effective safeguards against nuclear theft anywhere in the world.

"None of man's previous discoveries compare with nuclear energy in terms of the demands placed on him to use it wisely," the authors conclude. "Indeed the widespread use of nuclear energy requires the rapid development of near perfect social and political institutions. This is the unprecedented challenge before us."

Exhibit 4

The Growing Membership in the Nuclear Club

(By Marquis Childs)

Watergate, inflation, kidnaping, all the black headlines of the moment must take second place to an event that for the long-range survival of mankind is shattering. That is India's explosion of a nuclear device, with an estimated equivalent force of the bomb that leveled Hiroshima at the start of the nuclear age.

First of all this breaks the barrier—the fragile barrier—of the nuclear non-proliferation treaty. It is significant that India decided to sign that treaty.

Second, with the barrier down, the way is open for other players to come into the game of nuclear roulette. They have been accumulating the chips to entitle them to get in. The following is an approximate rating of the top players:

Israel almost certainly has a nuclear device, if not atomic weapons. Over the years the Weizmann Institute has attracted some of the world's foremost physicists. They have contributed greatly to Israeli nuclear advances cloaked in the tightest secrecy.

Sweden approaches Israel in the high level of scientific and engineering brains in research and development. The capability, if not the actual device, exists. With sensitive measuring instruments, Sweden frequently reports on the scale of Soviet underground explosions.

Switzerland, with advanced scientific and technical development, is in much the same category.

Down the line, with the industrial capacity that can mean eventual production of plutonium and one day a nuclear device, are the following: Argentina, Brazil, Spain, South Africa and, at the bottom of the list, Pakistan.

India becomes the sixth member of the club following the last initiate, China. With every new member the hazard increases by a geometric ratio.

The danger is not only that an irresponsible member might resort to using a weapon. But one ally might secretly hand over a device for purposes of international blackmail.

And there is a more sinister scenario. It begins with the theft or hijacking of a weapon or the plutonium which could be made into a weapon with rather rudimentary knowledge.

The General Accounting Office, in a recent report, found major flaws in the transportation of plutonium and other nuclear material in this country.

A total of 132 pounds of U–235, sufficient to make a Hiroshima-type bomb, simply leaked away from a nuclear plant in Apollo, Pa. An investigation by the Atomic Energy Commission costing $5 million finally concluded that the material had been lost in processing or through shoddy inventory and accounting practices.

A hijacked plane that went zigzagging around the South hovered over the Oak Ridge, Tenn., nuclear complex with the hijackers threatening to crash into the plant and thereby trigger a nuclear explosion.

An atomic weapon acquired by theft or some other secret means could be used by a developing country for blackmail. *Give us what we must have or we will see that it is set off in your largest port or dropped one way or another over your principal city.* The potentialities are terrifying.

A sad commentary is how little push has been given to persuade lagging nations to sign the nuclear nonproliferation treaty.

In light of the worldwide reaction to the new member setting off the initiation fee, the government is busy protesting that India's nuclear capability would never be used for military purposes.

"Our armed forces know this is not for their use," said Defense Minister Jagjivan Ram. The plutonium, the government claims, was 100 per cent Indian made. The two nuclear reactors in India were largely provided by Canada, although Canadian authorities are saying they are not capable of producing plutonium.

The genie out of the bottle—that was the figure of speech used by President John F. Kennedy when he was working toward a test-ban treaty. With proliferation advancing so rapidly as these things are measured, the genie now looms large on the horizon.

[From the New York Times, June 15, 1974]

United States Will Rely on Controls on Military Nuclear Uses

(By John W. Finney)

Washington, June 14—Officials said today that in extending nuclear assistance to Egypt the United States would rely on international controls as well as special American safeguards to insure that none of the nuclear materials are diverted into the production of atomic bombs.

Despite the immediate anxiety expressed in some Congressional quarters, officials of the State Department and the Atomic Energy Commission expressed confidence that cooperation with Egypt in the peaceful development of atomic power would not lead to Egyptian possession of nuclear weapons.

Their confidence rested largely upon the effectiveness of an elaborate system of safeguards and inspections, developed first by the United States and more recently by the International Atomic Energy Agency, to prevent the diversion of fissionable materials into the manufacture of weapons.

The communiqué issued in Cairo today by President Nixon and President Anwar el-Sadat of Egypt made clear that the provision by the United States of nuclear reactors and the uranium to fuel them was contingent upon the working out of a safeguards agreement between the two nations.

THE MAIN BURDEN

The expectation was that the main burden of carrying out the safeguards would fall upon the International Atomic Energy Agency, the semiautonomous United Nations agency that has assumed in recent years the primary responsibility of monitoring the peaceful development of atomic energy. But State Department officials said the United States would also insist on special bilateral controls designed to give added assurance against diversion of any fissionable materials into military uses.

For example, according to information supplied to the Joint Congressional Committee on Atomic Energy, the United States will have a veto power over how Egypt processes stores and refabricated the plutonium produced in the reactors. Egypt has given commitments to establish special protective measures against theft or sabotage of fissionable materials.

On the basis of an Atomic Energy Commission briefing, Representative Melvin Price of Illinois, a senior Democrat on the Congressional committee, also reported that Egypt had given a commitment that none of the fissionable materials would be used for peaceful nuclear explosions. Egypt has thus foresworn following the route of India, which earlier this year used Plutonium obtained through Canadian assistance to explode what it said was a peaceful device.

In extending aid to Egypt, the United States is following a pattern of international cooperation in atomic development dating back to the Atoms for Peace program proclaimed by President Eisenhower in 1961.

The United States now has cooperative atomic agreements with some 35 countries, including Israel. In some cases, the assistance is limited to research, but with 25 countries the United States has cooperative agreements on the development of atomic power, such as it is now proposing to extend to Egypt and Israel.

Under an Atoms for Peace agreement, the United States in 1961 provided Israel with a small five-megawatt research reactor. Controls over the use of the reactor were exercised first by the United States, and then the responsibility was transferred to the International Atomic Energy Agency.

Similarly, the Soviet Union, which has had a far less extensive program of international cooperation than the United States, provided Egypt with a small two-megawatt research reactor in 1960. So far as is known, neither Soviet nor international controls were exercised over the reactor, but United States officials said the reactor has operated so infrequently that it could not have produced significant amounts of plutonium for possible use in a bomb.

GENERAL APPRAISAL

The general appraisal of American officials is that Israel is far ahead of Egypt both in nuclear technology and in the supply of fissionable materials that could be used to fabricate weapons. Under conditions of strict secrecy. Israel in the late nineteen-fifties obtained from France a reactor of a type particularly suited for producing plutonium. This reactor is not subject to any known international safeguards and is believed capable of producing enough plutonium for a few atomic weapons a year.

Now, almost in parallel, Israel and Egypt want to take the relatively big technological step of building large reactors capable of producing substantial amounts of electricity. In taking that step, they are turning to the United States for the reactor plants and the enriched uranium to fuel them.

State Department officials said the initial plan was to provide Egypt with a relatively large reactor capable of generating 600 megawatts of electricity. A similar offer is expected to be extended to Israel when President Nixon visits that country Sunday and Monday.

As the Nixon-Sadat communique pointed out, nuclear energy is "A double-edged sword—offering opportunities for peaceful applications, but raising the risk of nuclear destruction."

TECHNOLOGY WIDELY KNOWN

The basic technology involved in designing and operating an atomic power plant is much the same as that required for fabricating an atomic bomb. The once secret technology of atomic bombs, however, is now widely known, so any nation with trained scientists and engineers should be able to fabricate at least a rudimentary weapon.

The key is in obtaining the fissionable material—either highly enriched uranium or plutonium—for making bombs. It is at this point that international controls enter the picture to prevent peaceful uses from being diverted to military purposes.

Atomic reactors generally use uranium fuel with relatively low enrichment of uranium-235, the fissionable isotope used in bombs. The uranium fuel to be supplied Egypt, for example, will have less than 10 per cent of uranium-235. Weapons require uranium enriched to 90 per cent and more with uranium-235.

The possibility of diversion arises as the fuel is burned. Some of the uranium is transformed in the nuclear chain reaction into plutonium.

Safeguard systems, therefore, concentrate on controlling the plutonium, both in the reactor and in the chemical separation plants required to isolate the plutonium from the uranium fuel.

The safeguards take the form of physical controls, on-site inspection and accounting procedures. In some cases, seals are placed on a rector to provide assurance that it has not been opened and the plutonium removed. Through periodic inspections and accounting procedures, it is possible to determine how long a rector has operated and how much plutonium it has produced. Then, when a reactor is refueled, it is possible to check on the amount of plutonium and whether any was diverted.

[From the Washington Post, June 15, 1974]

SAFEGUARDS SEEN FOR A-PACT

(By Thomas O'Toole)

Before the United States provides a nuclear power plant to Egypt under the agreement announced yesterday, it will probably insist that Egypt agree to reprocess its spent nuclear fuel in another country.

Such a provision would provide an added precaution against the fuel's being used to make atomic weapons.

The "other country's could even be the United States itself, meaning that each time Egypt unloads a supply of burned-out nuclear fuel from the power plant it will be packed in thick steel casks and shipped back to the United States for reprocessing.

This would be an unusual safeguard against diversion of plutonium to make bombs, but the United States might well insist on it because of the unusual tensions in the Middle East and because of what happened in India.

The Indian government built an atomic bomb out of the plutonium it removed from a 40,000-kilowatt research reactor built for it by Canada. The agreement that India signed with Canada did not provide foolproof safeguards, allowing India to extract plutonium from spent uranium fuel.

The Canadian-built reactor also ran on natural uranium, meaning that India did not have to buy enriched uranium from the United States. It could supply its own uranium and then remove plutonium from the spent fuel whenever it wished.

The atomic power plant the United States has agreed to build for Egypt has been described as a 600,000-kilowatt plant. It will only run on fuel enriched with 3 to 4 per cent U-235, which is the isotope of uranium that is fissionable in a chain reaction.

Natural uranium is also fissionable, but to a far less extent than enriched uranium. Natural uranium contains less than 1 per cent U-235, making it far less desirable as a fuel than enriched uranium.

Enriched uranium is itself not rich enough in U-235 to make a bomb, which requires uranium that is 90 per cent U-235. The U-235 is a man-made metal, produced in huge, expensive enrichment plants by only a few countries.

Plutonium is also a manmade metal, but uranium in any nuclear reactor. A power plant the size of the one planned for Egypt would generate enough by-product plutonium its first year of operation to make a bomb.

There are several ways to safeguard against diversion of this plutonium. The safest and surest is to oversee any reprocessing of spent uranium fuel, where the irradiated fission products are extracted from the fuel to leave behind the uranium and plutonium.

The removal process is costly, time-consuming and hazardous. A special plant must be built to extract the plutonium and uranium for re-use.

Another precaution is for the United States to make sure it handles all shipments of uranium fuel to the power plant. This would be to guard against diversion of any enriched uranium fuel to a part of the reactor where it could be irradiated into plutonium away from inspecting eyes.

Nuclear power plants are usually reloaded with fuel once a year. The plants are shut down, when anywhere from one-fifth to one-third of the original fuel load is removed and replaced with fresh fuel.

The United States has already signed agreements with about 30 countries over the construction and fueling of nuclear plants. Under these agreements, there is a plant in France, two in West Germany, three in Italy, on in the Netherlands and one in India. Plants are being built in Spain, Japan, Yugoslavia, Mexico, Sweden, Taiwan, Korea, Switzerland and Brazil.

Agreements call for international inspections of these plants several times a year, always when the plant's fuel is being replaced. Shipments of the spent fuel are carefully watched.

Presumably, the agreement to be signed with Egypt will call for at least the same safeguards and probably more. Fuel shipments are expected to be fully controlled by the United States. Reprocessing of the fuel will be a little more ticklish, but the United States is expected to insist on control over where the reprocessing is done.

It could be done in Europe, where the costs of carrying the spent fuel from Egypt will not be too great. It will probably be done back in the United States—which would be as much a political move as anything else—to demonstrate to the rest of the world that Egypt is fully cooperating with American demands for safeguards.

[From the Baltimore Sun, June 15, 1974]

UNITED STATES TO SELL NUCLEAR FUEL TO EGYPT

(By Peter J. Kumpa)

JIDDA, SAUDI ARABIA.—President Nixon arrived in Saudi Arabia yesterday after agreeing to sell Egypt nuclear reactors and nuclear fuel as well as help it financially.

The Egyptians agreed in turn to help increase American investment here. Joint ventures already under "serious consideration" are valued at about $2 billion. They involved projects from petrochemicals to tourism to power.

NO FIGURES SET

No figures for American help were set in the joint declaration of principles of co-operation signed by Mr. Nixon and the Egyptian president, Anwar Sadat. But the President did agree to send the Secretary of the Treasury, William E. Simon, to Egypt in the near future to "initiate" a process of strengthening Egypt's financial structure.

In the nuclear field, an agreement for cooperation will be negotiated after "agreed safeguards" are spelled out. The United States said it was "prepared to sell nuclear reactors and fuel" to allow Egypt to generate substantial electric power by the early 1980's.

The White House press secretary, Ronald L. Ziegler, said in a briefing that any inference that the United States was helping Egypt achieve a military nuclear capability was "totally erroneous and false."

Asked if there was any concern that Israel might be anxious about the nuclear agreement, Mr. Ziegler said, "None whatever."

The day's oppressive heat in this desert kingdom had waned somewhat when Mr. Nixon arrived late in the afternoon after the flight from Cairo.

He was greeted by King Faisal, and after airport ceremonies, Mr. Nixon was whisked through clean-swept streets to the royal guest house.

Thousands of people in the streets clapped their hands in rhythm to salute the first American President to visit this country, which has been a U.S. ally since World War II.

FRUITS OF RELATIONSHIP

Some of the fruits of the "new relationship" with Egypt cannot be measured in dollars alone. In return for help in the reconstruction of Cairo's opera house the Egyptians will send the "treasure of Tutankhamen" for exhibition in the United States. Tutankhamen was an Egyptian ruler buried at Thebes in 1344 B.C. His tomb and its treasures were discovered in the 1920's.

Mr. Nixon finished a hectic and sometimes frenzied two-day visit in Egypt fulfilling the dream of centuries of tourists. He went out to see the pyramids after returning to Cairo by helicopter from Alexandria.

One of the more important results of Mr. Nixon's visit to Egypt has been a personal agreement that the road to a Middle East peace has to be reached through a cautious and careful "step-by-step" approach without rushing unprepared into a major Geneva meeting.

How this might be done was not spelled out in the joint communique.

To reach "a just and durable peace," both presidents agreed to intensify consultants and strengthen their own "active co-operation."

Though such general terms can mean almost anything, it is clear from the Egyptian side that there will be co-operation at a practical level to bring the Middle East out of its decades of war.

PALESTINIAN SITUATION

In the first version of the joint Egyptian-American statement, nothing specific was said about the Palestinian question. Some Egyptian newspapers had been predicting that Mr. Nixon would endorse the rights of the Palestinians to have a seat in any final peace talks.

Later, a White House spokesman contended a mistake had been made. He said lines "were dropped in transmission" of the statement from Alexandria to Cairo.

The new version of the statement did support "the legitimate interests of all the people in the Middle East, including the Palestinian people and the rights to existence of all states in the area."

This appeared to be nothing more than a reaffirmation of previous American policy statements, including a joint Soviet-American statement in Moscow in May, 1972.

SIX WORKING GROUPS

Some specifics in bilateral co-operation appeared more encouraging than the usual cliches of diplomacy. In the investment field, a new guarantee agreement is to be negotiated immediately. This will allow joint ventures in such areas as transportation, petrochemicals, machinery, land development, tourism, banking and a variety of other fields.

In all, six joint working groups are to be established in argiculture, technology, medical co-operation and cultural exchanges as well as in investment and reconstruction of the Suez Canal and the destroyed cities along its banks.

Cairo's papers began hailing the joint declaration of principles as "a historic document" even before the signing took place in early afternoon in the Abdin Palace in Cairo.

They reported that there had been "full agreement" on the basic principles on how to settle the Middle East crisis.

The agreement itself merely endorses general principles enunciated and agreed upon by the United Nations, principles that have been interpreted differently by Israel and by the Arab states.

Both presidents agreed to "seize the historic opportunity" for greater co-operation and perhaps pointedly agreed that nothing they do will be directed against any other states or peoples in the area.

[From the Baltimore Sun, June 15, 1974]

NIXON NUCLEAR OFFER TO EGYPT ASSAILED IN UNITED STATES

(By Charles W. Corddry)

WASHINGTON.—President Nixon's offer to sell Egypt nuclear reactors and fuel provoked strong reaction in Congress yesterday while government officials insisted that there would be fullest safeguards against misuse for military purposes.

Emphasizing that America has about 30 other agreements on peaceful use of nuclear energy, State Department and Atomic Energy Commission officials said the pact to be negotiated with Egypt will be tailored so that none of the nuclear material can be diverted to weapons production.

The plan, according to State Department officials who said it had been under development at least since April, is to sell Egypt two reactors and necessary nuclear fuel to establish a plant for generating electric power. The plant would have an output of 600 megawatts (600 million watts) and would begin to operate in the early 1980's.

Officials indicated they expected a similar agreement to be worked out with Israel, but not with other Middle East countries on Mr. Nixon's itinerary.

Concern that the forthcoming agreement—which must have congressional assent—would put Egypt on the road to achieving nuclear arms ran through the statements issued by members of Congress, who seemed not to be placated by any assurances about physical safeguards.

The only exception appeared to be the chairman of the congressional Joint Atomic Energy Committee, Representative Melvin Price (D., Ill.), who was among those told in advance about the agreement. "We have tightened up on safeguards and the Egyptians have accepted those tightened safeguards," he said.

Senator Henry M. Jackson (D., Wash.) described himself as "terribly shocked" and said Mr. Nixon's Middle East journey has "become dangerous." Mr. Jackson said bombs can be made "straight out of plutonium," a by-product of nuclear power plants, which, he said, is what India did recently in achieving a nuclear blast.

Senator Jacob K. Javits (R. N.Y.) said Mr. Nixon's announcement "marks a very basic policy decision which could involve the survival of Israel and the security of the whole Middle East." Senator Frank Church (D., Idaho) thought the President "has gone beyond propriety." Such a pact, undertaken with an impeachment investigation in progress, "is brought back to this country under a cloud."

Representative Clarence D. Long (D., Md) said the President "must have taken leave of his senses" and vowed to try to block the agreement. He said Egypt does not need nuclear power for electric purposes and wants it only for prestige or weapons. Representative Les Aspen (D., Wis.) said America would be giving Egypt "the makings for a bomb" and Mr. Nixon has "to be nuts to do something like this."

All the criticisms and worries about weapons potentialities were far off the mark, State Department and Atomic Energy Commission officials contended.

They appeared to receive support from an odd and unexpected quarter. The Israeli information minister, Maj. Gen. Aharon Yariv, was quoted as saying in Jerusalem: "There is no significance whatsoever to the Egyptian-American announcement beyond the commitment for the production of electricity."

Officials said "physical safeguards" rather than trust are the key to preventing diversions of nuclear materials to military purposes. These safeguards, as laid down by the International Atomic Energy Agency, call for periodic spot checks of power plants and rigorous accounting and tracking of nuclear materials.

Officials said the fuel to be sold to Egypt will be only 3 per cent fissionable Uranium-235, the rest non-fissionable Uranium-238. Weapons-quality material is about 90 per cent U-235.

To obtain plutonium, Egypt would need a reprocessing plant and officials said there would be most careful consideration of whether this would be included in sales to Egypt.

In a reprocessing plant, plutonium is separated from waste materials. An expert here said that, theoretically, if there were reprocessing, enough plutonium could be extracted from processed waste in a 600-megawatt plant to make the equivalent of 200 bombs a year, each with the destructive power of 15,000 tons of TNT.

[From the New York Times, June 15, 1974]

UNITED STATES WILL RELY ON CONTROLS ON MILITARY NUCLEAR USES

(By John W. Finney)

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THE MAIN BURDEN

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The general appraisal of American officials is that Israel is far ahead of Egypt both in nuclear technology and in the supply of fissionable materials that could be used to fabricate weapons. Under conditions of strict secrecy, Israel in the late nineteen-fifties obtained from France a reactor of a type particularly suited for producing plutonium. This reactor is not subject to any known international safeguards and is believed capable of producing enough plutonium for a few atomic weapons a year.

Now, almost in parallel, Israel and Egypt want to take the relatively big technological step of building large reactors capable of producing substantial amounts of electricity. In taking that step, they are turning to the United States for the reactor plants and the enriched uranium to fuel them.

State Department officials said the initial plan was to provide Egypt wtih a relatively large reactor capable of generating 600 megawatts of electricity. A similar offer is expected to be extended to Israel when President Nixon visits that country Sunday and Monday.

As the Nixon-Sadat communique pointed out nuclear energy is "A double-edged sword—offering opportunities for peaceful applications, but raising the risk of nuclear destruction."

The basic technology involved in designing and operating an atomic power plant is much the same as that required for fabricating an atomic bomb. The once secret technology of atomic bombs, however, is now widely known so any nation with trained scientists and engineers should be able to fabricate at least a rudimentary weapon.

The key is in obtaining the fissionable material—either highly enriched uranium or plutonium—for making bombs. It is at this point that international controls enter the picture to prevent peaceful uses from being diverted to military purposes.

Atomic reactors generally use uranium fuel with relatively low enrichment of uranium-235, the fissionable isotope used in bombs. The uranium fuel to be supplied Egypt, for example, will have less than 10 per cent of uranium-235. Weapons require uranium enriched to 90 per cent and more with uranium-235.

The possibility of diversion arises as the fuel is burned. Some of the uranium is transformed in the nuclear chain reaction into plutonium.

Safeguard systems, therefore, concentrate on controlling the plutonium, both in the reactor and in the chemical separation plants required to isolate the plutonium from the uranium fuel.

The safeguards take the form of physical controls, on-site inspection and accounting procedures. In some cases, seals are placed on a reactor to provide assurance that it has not been opened and the plutonium removed. Through periodic inspections and accounting procedures, it is possible to determine how long a reactor has operated and how much plutonium it has produced. Then when a reactor is refueled, it is possible to check on the amount of plutonium and whether any was diverted.

[From the Chicago Tribune, June 15, 1974]

Egypt A-Bomb Unlikely, but Possible

(By Ronald Kotulak)

Leading nuclear scientists said yesterday that it is unlikely that Egypt could make atomic bombs from the nuclear reactor and fuel that President Nixon has agreed to supply.

It is theoretically possible, they admit, but to do so Egypt would have to overcome enormous problems—including breaking treaties and developing an expensive nuclear technology that it doesn't have now.

"As long as we have the proper controls I am not concerned that the Egyptians will be able to build a nuclear bomb," said Dr. Herbert Anderson, who worked with Enrico Fermi at the University of Chicago in 1942 to make man's first controlled nuclear reaction.

Nevertheless, he added, "There are all kinds of ways to get around regulations, such as bribing inspectors, so that the safeguards must be good."

Vice President Ford said in Chicago yesterday that the United States "will take strong and affirmative action if any recipient of American nuclear energy tries to use it for military purposes."

"We'll cut them off within seconds," said Ford, who was here for a Boy Scout luncheon. He said the U.S. is responsible under the Nuclear Nonproliferation Treaty for firmly guaranteeing that nuclear power furnished by this country would not go to military uses.

The scientists also noted that the United States would avoid the mistake Canada made, allowing India to secretly divert a small Canadian research reactor into the production of fuel for weapons.

Each of the approximately 45 reactors the U.S. has agreed to supply fuel for in 14 foreign countries are under strict control. First they are inspected regularly by the United Nation's International Atomic Energy Agency to make sure none of the fuel is diverted to weapons-making.

Second, if the international agency couldn't do the job for some reason, the U.S. has the right, under its agreement with each country, to go in and inspect, control, and even remove the nuclear fuel.

It was learned, however, that Canada, which normally follows the same precautions, failed to make an agreement with India to have the IAEA inspect the research reactor. Instead, Canada relied on India's "word of honor" that it wouldn't use the reactor to make fuel for bombs.

India broke its word but not a treaty, since none existed. The Canadians became so upset that they have suspended all nuclear aid to India.

"This type of diversion couldn't happen to one of our reactors because we make no agreements with foreign countries without the proper regulations for inspection and control," said Dr. Abraham Friedman, head of the Atomic Energy Commission's international reactor program.

The U.S. has supplied India with two 200-megawatt nuclear reactors near Bombay, but they are under strict control and no fuel can be diverted for them, he said.

Egypt has asked for two 300-megawatt reactors to generate electricity. Once the final agreement is reached on safeguards, it will have seven to eight years to build the units, Dr. Friedman said.

After operating for one year there would be enough potential fissionable material in the spent nuclear fuel to make a bomb but "this is really inconceivable," Dr. Friedman said.

Dr. Robert Sachs, director of Argonne National Laboratory, said the chances of using a conventional power reactor for weapons production is rather remote.

[From the Baltimore Sun, June 15, 1974]

Cairo Lacks the Skills to Build Nuclear Arms

(By Frank Carey)

Washington.—Despite expectable apprehension in Israel and elsewhere, Egypt would have great trouble converting the know-how that accompanies America's nuclear aid into weapons of mass destruction.

First, the plan to help Egypt develop a nuclear power plant presumably will be limited by the same strict safeguards prescribed in the past agreements between the United States and other countries.

Despite the knowledge gleaned from the American assistance, the simple lack of technical skills would be another big problem. Moreover, Cairo's technological focus is likely to be turned, from sheer economic necessity, more to the development of non-nuclear industrial plants.

Details were not announced, pending further negotiations, on the United States plan to help Egypt generate nuclear power by the early 1980's. But it likely will be of the "trilateral" type the U.S. now has with 22 other foreign countries and with the International Atomic Energy Agency.

Under those agreements, IAEA safeguards are applied to any and all American-made nuclear materials supplied to such countries.

And these safeguards call for periodic inspections of power plants, laboratories and other facilities using such materials—and a strict accountability of how the materials are used and the nature and quantities of nuclear by-products produced from the original materials.

The kind of nuclear fuel that ordinarily is used in nuclear power plants could not, of itself, be used to make weapons. It is a refined version of "natural" uranium as it comes from the ground, and is 97 per cent uranium-238, which is nonfissionable, and only 3 per cent U-235, which is fissionable.

Thus, to make nuclear weapons employing uranium requires the building of a huge and highly complex "enrichment" plant of the type the United States has at Oak Ridge, Tenn.; Paducah, Ky., and Portsmouth, Ohio. These plants are called "gaseous diffusion" plants.

But, beyond building such plants, the process entails great technological and scientific know-how—and requires great quantities of electricity.

Another fissionable material that can be used to make weapons is plutonium, which does not occur in nature but is produced as a by-product of nuclear power plants.

[From the Christian Science Monitor, June 17, 1974]

Mideast A-Pacts: Hazards Debated

(By David F. Salisbury)

The effectiveness of international nuclear safeguards is under new scrutiny following President Nixon's agreement to provide Egypt with nuclear energy.

In particular, there is a danger that fissionable material used in a power plant in Egypt might be stolen by terrorist groups and used for blackmail.

In the last few months, two independent

studies have found even United States nuclear safeguards, the tightest in the world, to be inadequate to prevent the theft of nuclear materials by armed terrorist groups.

U.S. officials insist that the nuclear power program for Egypt will be under strict examination from the International Atomic Energy Agency (IAEA) in Vienna. This involves regular on-site inspection.

The U.S. now has cooperative agreements under similar conditions with 25 nations.

The Indian plant from which basic fissionable material was generated for India's first atomic blast recently was not under IAEA supervision. It was set up with the help of Canada, which has since ended its assistance in protest against the Indian detonation.

U.S. atomic energy officials must also consider the possibility that the Egyptians could use the plutonium generated by the U.S.-provided nuclear power plant to produce a nuclear weapon themselves.

Presently, the fuel rods that go into commercial nuclear reactors cannot be made easily into a nuclear bomb. However, in the core of the reactor some of the uranium transmuted into plutonium can be separated chemically and made into an explosive.

SEPARATION DIFFICULT

Because the spent fuel is highly radioactive, this separation must be done remotely, behind heavy lead shielding. The process is very expensive.

But by the 1980's, when Egypt's first commercial reactor is to be completed, present plans of the nuclear industry call for enriching fuel with plutonium. This will make it easier for any country with a stockpile of fuel rods to divert materials and fabricate a bomb within days or weeks after they decide to do so, arms control experts concede.

According to information supplied to the congressional Joint Committee on Atomic Energy, Egypt has agreed that it will not use any of the fissionable materials for even "peaceful" nuclear explosives, as the Indians have moved to do.

However, Republican Sen. Jacob Javits of New York, among others in Congress, is not so sure about relying on such promises. In a recent press conference, he recalled Egypt's violations of agreements made after 1956 and said, "We must be extremely wary about the possibility of introducing nuclear weapons into the Middle East tinderbox."

CONGRESS HAS VETO

Agreements providing nuclear assistance are subject to congressional veto. They take effect unless disapproved by both houses within 60 days after being submitted to them.

Some members of the congressional Joint Committee say they would watch closely any proposed safeguards.

A member of the committee, Sen. Henry Jackson (D) of Washington, said he is considering introducing a resolution to make the Middle East a nuclear-free zone. He said this would have an effect of prohibiting the supply of nuclear equipment and fuel into the region.

The Washington Senator called the plan absurd to send reactors and atomic fuel into a region which has a huge pool of the world's oil and natural gas resources and also is prone to terrorism.

Sen. Frank Church (D) of Idaho, a senior member of the Foreign Relations Committee, says he will introduce legislation prohibiting all American foreign aid to Egypt until the Cairo government signs the international treaty on the nonproliferation of nuclear weapons.

At the same time, it is the concern of some that Palestinian or other terrorists might be able to steal generated plutonium and use it for international blackmail.

Mr. Nixon is expected to sign a similar nuclear agreement with Israel. The Israelis have operated a French research reactor since the 1950's. Experts feel the Israelis have enough plutonium stockpiled to make at least 10 atomic bombs. This is in contrast with Egypt, which has operated two small Soviet reactors but not long enough to generate much plutonium.

DANGERS DESCRIBED

A long-time crusader for increased nuclear safeguards and co-author of one of the studies which found U.S. safeguards inadequate, Dr. Theodore B. Taylor has told how easy it would be for terrorists to steal nuclear materials and fabricate them into an explosive.

Both IAEA and U.S. Atomic Energy Commission (AEC) safeguards rely heavily on accounting methods, elaborate methods of weighing and measuring that are designed to detect theft of nuclear materials after the fact.

"A terrorist group would not care if their theft is detected," reasons Dr. Taylor. "In many cases they even want the publicity. So such a system does not serve as an effective deterrent."

EFFECTIVENESS DOUBTED

In addition, Dr. Taylor's study and another panel commissioned by the AEC, both conclude that such a system is inadequate to keep track of the large amounts of nuclear materials that will be flowing throughout the U.S. and the world in the foreseeable future.

Instead, Dr. Taylor has been pushing for a system stressing armed guards and electronic surveillance to protect against theft. In the U.S. he is optimistic that such a system can be implemented for a few percent of the total cost of nuclear energy. Internationally, he is less optimistic.

"There has been an increasing amount of talk within the IAEA of strengthening safeguards, but not much action," he says.

In addition to the present IAEA safeguards, the U.S. is reportedly insisting that Egypt use special procedures to protect against theft and sabotage.

[From the Washington Post, June 23, 1974]

SPREAD OF PLUTONIUM WORRIES A-SCIENTISTS

(By Thomas O'Toole)

When India decided in 1971 to build an atomic bomb, it was already halfway along to achieving its goal.

Hundreds of physicists had been put to work before 1970 at Bhabha Research Center near Bombay, designing the bomb and the super-sensitive explosive that would serve to trigger it.

Computers had begun the painstaking task of testing the weapon on paper. Most important, India had secretly been removing from a small "research" reactor the priceless plutonium it used to make the 14-kiloton bomb that exploded in the Rajasthan desert May 18.

Only India knows how much plutonium it put together to make its first bomb, but it could have been as little as 14 pounds.

Whatever they used, the Indians had little trouble accumulating it. For 10 years they had been gathering as much as 20 pounds of the gray metal every year, merely by separating it from the fission products of a uranium-fueled reactor built for the Indians by the Canadians in the 1950s.

India was the sixth country to explode an atomic bomb, the fifth to do it first with plutonium. Only China exploded a uranium bomb first, presumably because it acquired uranium before it could make plutonium.

Plutonium was discovered only three decades ago, and is made when an atom of U-238 (natural uranium) absorbs a neutron cast off by fissioning U-235, the isotope of uranium used in bombs and, in much less concentrated form, in reactor fuels. Every nuclear reactor in the world starts making plutonium the moment its uranium fissions and begins to make heat.

This means that whoever wants to make a bomb need only extract plutonium from the irradiated wastes of an atomic power plant. He doesn't need a uranium enrichment plant to make "weapons-grade" (93 per cent U-235) uranium, a factory that's likely to cost $250 million to build and $50 million a year to operate.

There are other reasons why a plutonium bomb is the cheapest and easiest to make. It can be built from half as much metal as a uranium bomb. It can also be made using impure plutonium. In fact, the impurities contain a built-in generator (an isotope known as Pu-240) of neutrons, something needed to start the chain reaction that explodes the bomb.

"It's the plutonium curse," is the way it's put by the Atomic Energy Commission's Dr. Charles Thornton. "Something that society is going to have to struggle with for the rest of time."

The perils of plutonium have been spotlighted by the world's rush to "go nuclear." There are today 15 countries operating atomic power plants, all of them quietly producing plutonium. It's true that a nation needs a plutonium separation plant to get at it, but India's example has served to dispel any ideas that plutonium extraction is reserved for the rich.

Atomic power plants are also being built in another 10 countries and are on order in at least 10 more, including oil-rich Iran. Spain is building six, Sweden eight, West Germany 13 and Japan a staggering 16. Egypt and Israel aren't on this list, even though President Nixon promised to sell one plant to each of the countries on his 10-day tour of the Middle East.

The likelihood that Egypt and Israel will have power plants producing plutonium has triggered a busy debate on Capitol Hill, where the House Armed Services Committee is to hold hearings on the subject this week.

Three senators (Lawton Chiles of Florida, William Proxmire of Wisconsin and Frank Church of Idaho) have questioned the wisdom of introducing plutonium to the Middle East.

"The world has witnessed a spurt of nuclear developments in several countries, which does not bode well for the future," said Church, a key member of the Senate Foreign Relations Committee. "I am particularly disturbed that President Nixon has committed the United States to furnish nuclear capability to Egypt and Israel, two countries which have fought four hot wars over the last quarter of a century."

It will be eight years before Egypt and Israel get the nuclear power plants promised by the President, and in those eight years the rest of the world will have accumulated more than 250,000 pounds of plutonium. That's enough to make 20,000 atomic weapons, almost as many as the United States has today in its arsenal.

By the time Egypt and Israel get nuclear power, the plants will probably be fueled with plutonium instead of uranium. So plentiful will plutonium be by the end of the decade that it might make sense to turn to "plutonium recycle," where the extracted plutonium is put back into the power plants to save uranium and money.

The pressures to go to a plutonium power economy will be enormous, partly because uranium is becoming scarce and partly because it is so expensive. A typical uranium fuel core with a 10-year lifetime costs more than $100 million. The value of the fissile uranium is close to $5,000 a pound, more than twice the price of gold.

Plutonium is more valuable than gold. More than $1 million worth of plutonium can be recovered every year from a nuclear power plant. Four plants could produce enough plutonium to run a fifth plant. In effect, a million kilowatts of electricity would be generated free of fuel costs for every 4 million kilowatts, whose costs run $40 to $50 million a year.

"Plutonium recycle means you must worry about theft as well as an Indian-type diversion," said Dr. Theodore B. Taylor, a one-time designer of atomic weapons for the Los Alamos Scientific Laboratory. "Theft becomes a distinct possibility with plutonium fuel moving around the world."

The thieves could be the scientists of a country deciding to build a bomb. They could also be organized criminals, lured not by the wish for weapons but by plutonium's rising value on the black market.

"Once special nuclear material (like plutonium) is successfully stolen, a market for such illicit materials is bound to develop," said AEC Commissioner Clarence E. Larson. "As the market grows, the number and size of the thefts can be expected to grow with it, and I fear such growth would be extremely rapid once it begins."

The AEC takes pains to point out that the world is still debating the merits of a plutonium-fueled economy, but spreading nuclear power plants without plutonium fuel are still a threat. It's true the United States builds safeguards into atomic plants, but there are ways to break safeguards.

The way India did it was to place its own natural uranium (less than 1 per cent fissile U-235) into the 40,000-kilowatt research reactor built for it by Canada. It took time and patience, but for every two pounds of uranium the Indians put in they got two ounces of plutonium out.

There are more clandestine ways to make plutonium. A few pounds of uranium could be taken out of the fuel package each year a plant is refueled, then irradiated secretly to make plutonium. Bootleg piping could be built into a power plant to remove tiny amounts of irradiated fuel, including the plutonium that has already been made.

The best way to do it would be to place plentiful natural uranium in the control rods and shielding inside the fuel bundle. Wherever neutrons leak out from the chain reaction will do. There is a chance of fouling up the neutron balance, and even a slight risk of losing the chain reaction this way, but if a country is dead serious about this approach it could make as much as 1,000 pounds of plutonium in a year.

One thing that worries the experts about plutonium is that terrorists or criminals might get their hands on it. They wouldn't even need enough for a bomb to make impossible ransom demands. The reason is that plutonium in its powdered form is about as poisonous a substance as there is.

The threat of a plutonium smoke bomb tossed into a New York bank might be enough to extort $1 million from the bank. The threat of a plutonium "dispersal device" exploded in the air over San Francisco could be enough to empty the city. Winds could carry plutonium dust for miles, and people might have to stay indoors for days while trained troops wearing gas masks cleaned up the city streets and surrounding countryside.

A person could hold plutonium in his hand and not be seriously harmed. He might even get away with swallowing some of it, but if he got any in his bloodstream (through a wound) or inhaled any of it death might follow in a matter of hours, days at the most.

Plutonium is one of four radioactive metals (americium, curium and polonium are the others) that are alpha-emitters, meaning that they discharge alpha rays as their radioactivity decays. Plutonium also endures. Its half-life is 24,000 years. An ounce of plutonium created today will be radiating alpha rays 200,000 years from now.

There is nothing more toxic than alpha rays, not even an overdose of X-rays. Their radiated energy is 10 times more potent than X-rays' and gamma rays', even though both those forms of radiation penetrate farther into the body.

Plutonium that seeps into the bloodstream seeks out the bone immediately, following the path of metals like calcium and strontium. It settles on the bone surface and stays there forever. It is even more poisonous to the lung, whose tissue is among the most delicate and sensitive in the human body. Inhaled plutonium would cause immediate lung damage, and if the dose were large death from suffocation would take place in minutes.

"An alpha particle lays down its energy much more rapidly and much more completely than an X-ray," said the University of Minnesota's Dr. Donald Geesaman, once with the AEC's Livermore, Calif., laboratory. "It's like getting hit with a car and then run over by a truck."

There is little hard medical experience with plutonium and humans. The people killed in the Hiroshima and Nagasaki explosions (one a plutonium bomb, the other with some plutonium) were killed outright by blast, heat and immediate and massive radiation from all fission products of the explosion, including plutonium.

There have been experiments with dogs, tests done over the past 25 years with beagles at the University of Utah. One series of tests involved plutonium injections into the dogs' bloodstreams. Another followed the inhalation of plutonium by the dogs.

The dogs injected with the lowest dose levels got sick from plutonium. Fully one-third of the 65 dogs injected got bone cancer, living nine months after the onset of the disease. Two dogs got cancer of the liver, surviving about as long as the bone-cancer cases once the disease had set in.

Dogs inhaling plutonium suffered more. Forty-four of the 65 dogs in this test died in less than five years, all of them from lung failure. Twenty of the 21 dogs who survived five years died of lung cancer, all within a year of the start of the disease.

Despite its obvious ill effects if inhaled from a smoke bomb or a dispersal device, plutonium is at its most fearsome when it is used to make an atomic bomb. The irony of the fear is that weapons experts worry less about other countries building a plutonium bomb and using it than they do about terrorists threatening to make a stolen smoke bomb.

"If anybody built a plutonium bomb and used the goddamn thing they could count on retaliation from the rest of the world," said one of the country's foremost atomic weapons experts. "You might find the Russians and the Americans falling over themselves to make a world example of what happens to nations who tinker with nuclear weapons."

[From the Los Angeles Times, Aug. 1, 1973]

NUCLEAR WASTES FROM FOREIGN REACTORS BEING STORED IN UNITED STATES

(By Lee Dye)

Deadly radioactive waste products from American-built nuclear reactors in foreign countries are being imported into the United States in spite of the fact that this country has serious problems in storing its own radioactive wastes.

While an Atomic Energy Commission official said the quantity of imported nuclear waste is relatively small, it is growing.

And it appears that the United States is well on its way to becoming the radioactive dumping ground for much of the world.

At the same time, U.S. Atomic Energy Commission officials concede that the United States has not solved its own problems of waste disposal. The 30-year history of the Nuclear Age is replete with serious shortcomings in the management of radioactive waste products in this country.

However, radioactive waste products already are in storage here from Japan, Canada and Italy, and many other countries will soon join that list.

American-made nuclear power plants are going into service in many countries. The American firms which build the reactors also hold contracts for reprocessing the fuel, the source for nearly all of the lethal radioactive waste products generated by nuclear reactors.

The fuel rods must be returned to the United States for reprocessing and the waste remains here.

This predicament evolved from the Atoms for Peace program which President Dwight D. Eisenhower laid before the United Nations on Dec. 8, 1953. In a dramatic speech, Mr. Eisenhower pledged this nation to the peaceful exploitation of the action on a worldwide basis.

He followed up on that theme two years later in a message to scientists from all over the world who had gathered in Geneva for a U.N. conference on peaceful uses of atomic energy. Referring to his earlier speech, the President said:

"I stated then, and I reaffirm now, that the United States pledges its determination to help find ways by which the miraculous inventiveness of man shall not be dedicated to his death but consecrated to his life.

WORLDWIDE PROGRAM

"This pledge which we gave 20 months ago has become the law of our land, written into our statutes by the American Congress and the new Atomic Energy Act of 1954. The new act states in forthright language that we recognize our responsibilities to share with others, in a spirit of cooperation, what we know of the peaceful atomic art."

That pledge led the United States into a worldwide program aimed at developing atomic energy. American scientists were dispatched to foreign capitals to encourage the use of nuclear power and foreign scientists and technicians were imported to learn from the AEC.

Over the years American industry moved to the forefront in the promotion of nuclear power. Today, companies like General Electric and Westinghouse build nuclear reactors for foreign countries around the world.

But as Dr. Frank Pittman, AEC director of waste management, has said, more money is to be made in the fuel than in the reactors themselves.

"General Electric produces fuel for reactors they have sold around the world," Pittman said.

The sales contracts require the buyer to purchase fuel from GE, Pittman said.

That means that the fuel rods from the reactors must be removed from time to time and shipped back to the GE reprocessing center in Morris, Ill. Reusable uranium and other saleable radioisotopes are extracted from the fuel rods, leaving considerable amounts of deadly radioactive waste.

Those waste products will remain in this country under what the AEC calls "perpetual care."

This situation came to light in a letter from Pittman to Sen. Mark Hatfield (R-Ore.). The senator had written the AEC at the request of Nancy Cutter of Portland, Ore., a member of Another Mother For Peace. The antiwar organization has turned much of its attention to nuclear power and recently made its files available to The Times.

PACTS MENTIONED

In his letter to Hatfield, dated Sept. 27, 1972, Pittman referred to agreements with 35 countries under the Atoms for Peace Program:

"Consistent with these agreements, small quantities of spent fuel from Japan and Canada have recently been processed at AEC and commercial facilities within the United States. The high-level radioactive wastes deriving from these processing activities remain in this country."

Pittman said he does not consider the

problem of foreign waste significant because it will not add appreciably to the waste generated by this country.

AMOUNT OF FUEL

He added that economics will force some countries to build their own reprocessing facilities rather than transport the material all the way back to the United States.

However, AEC documents indicate that the amount of fuel for foreign reactors that will be processed in this country may be very substantial in the years ahead.

In its annual reports on the nuclear industry in recent years, the AEC has projected that "foreign free world requirements" for fuel will nearly equal domestic requirements by 1985. The reports indicate that more than 60% of that requirement will probably be met by U.S. processing plants in 1985.

The reports also show that in dollar values the export of nuclear fuel material and isotopes exceeded the value of exported reactors and instruments as early as 1969.

As Pittman said: "The money in the long term is in the fuel."

[From the Washington Post, June 9, 1974]

RADIOACTIVE WASTE PROBLEM FOR THE AGES

(By Lee Dye)

LOS ANGELES.—In the last three decades, man has created radioactive poisons that will remain extremely toxic for hundreds of thousands of years.

And in the years ahead, he will create far more radioactive waste products as the nation's nuclear power program moves into full force.

What are we going to do with all that deadly garbage? Should we try to rocket it to the sun? Would we be better off to bury it somewhere in the earth where the chances that it will be uncovered accidently by either man or nature are virtually zero?

Scientists across the nation are coming to grips with these questions as man struggles to understand not only the world of today but the world of tomorrow.

The problem would be easier if we could be sure the earth would cooperate. But the earth is undergoing constant change as it continues along its evolutionary course.

Radioactive waste products could be buried in the polar ice caps, for instance, where the ice would help dissipate the heat generated by radioactive decay. But will the ice caps still be there 1,000 years from now? What geological changes are in store for the great polar regions 10,000 years from now?

Of more immediate nature, we know relatively little about that region of the earth. What are the chances that the material might move through the ice—possibly through waterways—and return to man's environment in an uncontrolled form in a few years?

These problems illustrate the profound questions that must be answered regardless of the method finally selected.

A study recently completed for the Atomic Energy Commission by Battelle's Pacific Northwest Laboratories points out, for instance, that so little is known about climatic changes that it is "necessary at this time to consider the possibility that large parts of the coastal areas and some inland areas of the United States could be inundated during the next million years."

Such changes could leach out radioactive materials, or possibly unearth burial grounds through erosion.

Other questions include:

What would be the effect of earthquakes? Could faulting open pathways that would permit water to move through the disposal area, leaching out radioactive materials?

Many scientists believe another ice age will occur within a few thousand years and the great glaciers of the north will once again move south. Are they right, and if so, would the next ice age come sooner than expected?

Beyond the technical questions, there is the basic problem of the unpredictability of the human race.

Regardless of how safely the material is stored, there is a chance that man will eventually stumble across the burial ground, possibly searching for minerals that are considered worthless. One scientist told a radioactive waste seminar at the University of Arizona last month that no matter where the material is buried, "I can write a scenario in which somebody will stumble on it."

Not everybody shares that view, however. Several scientists at Lawrence Livermore Laboratory in California believe the material could be buried safely in a mined cavity, possibly several miles underground.

They contend that material could be lowered down the shaft into the cavity and water could be pumped in to cool the waste. After several years the cavity could be retired by plugging the shaft and allowing the cooling water to boil away.

After a few decades, the waste would melt the surrounding rock. In about 1,000 years, the waste would have decayed to the point that the rock would resolidify and remain permanently fixed in place. The Livermore scientists believe water—the medium through which radioactive materials could most likely be transported—would be kept away by the material's own heat.

However, the Battelle report suggested that new technology would be required to mine large cavities at great depths. It also noted that little is known at this point about the effect of the molten mass on surrounding rock.

Many scientists believe the answer lies in burying the material in salt formations. Salt is extremely soluble and its presence proves that the surrounding geological formation has isolated it from water.

The AEC has devoted a great deal of research to this concept, particularly burial in bedded salt. Dr. George Kennedy, a University of California at Los Angeles geologist, has argued however, that salt domes offer a better opportunity than bedded salt.

Salt domes are giant, subterranean salt formations, sometimes measuring several miles across and several miles deep. Salt beds generally are much shallower and are formed through sedimentation.

Primarily as a result of Kennedy's efforts, the AEC has awarded a research contract to the University of Texas to study burial in salt domes.

On the more exotic side, it has been suggested that radioactive waste products could be shot into space, and possibly into the sun.

But, aside from the problem of errant rockets (affectionately known as short shots), there are a number of technological problems that appear to have eliminated space disposal for the foreseeable future.

One of the more intriguing ideas now under study concerns deep-sea burial.

A growing number of scientists are interested in the idea of burying the waste in the dense bedrock below the seabed. This concept often is erroneously portrayed as simply dumping the material at sea, which is not even under consideration.

According to the deep-sea concept, holes could be drilled into the dense seabed, beneath about five miles of water, and the material placed in the bottom of the holes. The holes could then be sealed. The concept appeals to some scientists because it appears unlikely that such areas will ever be mined by man, and thus the chances of man stumbling across the burial grounds seem remote.

There is a fancier version of the seabed concept.

Considerable evidence has been collected in recent years in support of the theory of continental drift. This theory holds that the continents, as well as other large land masses, "float" on a relatively plastic layer of rock known as the earth's mantle.

As the continents (sometimes referred to as "tectonic plates") inch forward, other tectonic plates are "subducted" under the advancing continents.

According to one theory, if the waste could be buried in the deep subduction trenches, at exactly the right spot, it could be subducted under the advancing plate.

However, it is all theoretical at this point, since no one is certain just how the tectonic plates interact, and exactly where the "subduction" zones lie. Also, movement of the continents is extremely minute.

It is sobering to note the possible results of large amounts of radioactive material entering the ocean.

W. P. Bishop of New Mexico's Sandia Laboratories observed during the Arizona meeting recently that by the year 2050, more radioactive waste products will have been produced than could be diluted effectively by the worlds oceans.

In addition, not all of the problems associated with waste disposal are scientific.

Many of the issues are political.

The oceans, like outer space, belong to all the nations. Any attempt to bury this nation's waste products at sea would undoubtedly involve international agreements, and in all probability, disagreements.

Conversely, if international agreements can be reached, it may be possible to approach the problem of waste disposal on an international scale with various burial grounds serving many nations.

The cost involved in solving some of these problems will be substantial.

The Battelle report estimated that research and development for seabed disposal could range as high as $1 billion, with actual waste disposal running between $2 and $5 billion. The cost for research for this one project would be several times greater than the entire amount currently being spent for seabed studies of all types.

Time is also a factor.

The Battelle report estimated it would be at least 20 to 25 years before research could be completed on seabed disposal. Geological disposal, depending on the type, could be available within 15 to 35 years.

Few of the scientists and technicians working on radioactive waste disposal believe the answers to their questions will come quickly, easily or cheaply.

Nearly all contend that the issue of radioactive waste disposal will be solved, but the problem will be around for a long, long time.

[From Science Magazine, June 28, 1974]

HOW SAFE THE SAFEGUARDS?

India's recent nuclear test was very much on the minds of U.S. officials as President Nixon announced agreements to supply Egypt and Israel with nuclear power reactors and fuel. Specific wording of the agreements is yet to be worked out, but officials of the Atomic Energy Commission say they intend to take special precautions to discourage Egypt and Israel from following the Indian example. "You can imagine, after India, that we're giving this very serious thought," one AEC safeguard expert said.

Much to the chagrin of the Canadian government, India was able to produce plutonium from a Canadian-supplied reactor, and then justify its use in the explosion of 18 May because of a semantic loophole in a bilateral agreement between the two countries. The nuclear aid agreement required only that the Canadian reactor be used for peaceful purposes. India—contrary to Canada's stated interpretation—defined the word "peaceful" to include explosives assertedly meant for mining and earth moving.

To discourage Egypt and Israel from following the Indian example, U.S. officials are considering requiring that spent reactor fuel—containing plutonium as a waste product—be processed either in the United States or another nation that is a party to the Non-Proliferation Treaty. (The treaty explicitly prohibits the nonnuclear parties from building peaceful or military nuclear explosives; Egypt has signed but not ratified the treaty; Israel has done neither.)

Short of requiring that fuel be sent elsewhere for processing, U.S. officials are thinking about writing a specific prohibition on Plowshare-type devices into the Egyptian and Israeli agreements.

The latter alternative—while justifiable—would be inconsistent with past practice. Since 1955 the United States has signed bilateral nuclear aid agreements with 29 nations, none of which contain explicit prohibitions on using American nuclear aid to build peaceful nuclear explosives. In effect, all of the agreements contain the "Canadian loophole."

Fourteen of the 29 nations have signed and ratified the NPT, so for them the possibility of a dispute over the terms of the agreements is moot. Eight others have signed the treaty, indicating their intentions to abide by it, but have not yet ratified it. Seven others—Argentina, Brazil, India, Israel, Portugal, South Africa, and Spain—have refused to sign the treaty and the first three of these have defended what they regard as their right to build peaceful explosives.

AEC officials concede, as one of them puts it, that "there's room for argument" over the meaning of the agreements, which specify merely that U.S. equipment and materials not be used for military purposes. Another official, William L. Yeomans, the AEC's assistant director for agreements and liaison, acknowledges that Argentina and the other non-NPT nations "could make the same argument as India," but that to do so would "knowingly be contrary to the position we have made known." Like Canada, the United States considers peaceful and military nuclear devices to be one and the same and therefore forbidden under existing bilateral agreements.

In attempts to formalize this position, the State Department has quietly reiterated it in recent years in diplomatic notes to Brazil, Spain, Portugal, and South Africa. The notes have been sent without fanfare when a nuclear agreement has come due for renewal or when one of the non-NPT nations has requested an amendment. Egypt and Israel may receive similar notes.

"The way it works," one AEC source said, "is that we say, 'This is the note we're giving you.' They're rather compelled to say so if they disagree with it."

Asked whether the recipients had acknowledged the notes, this official said, "Some have and some haven't."

Three knowledgeable AEC authorities said they were not aware that Argentina had ever acknowledged the U.S. view that peaceful explosives are prohibited under the terms of the 1969 bilateral agreement signed with that country. Argentina has not received one of the reminder notes. The agreement, under which reactor fuel and heavy water have been sold to Argentina, comes due for renewal in 1999. Until then, it appears, safeguards on American aid will rest on the none-too-substantial foundation of an informal understanding to which Argentina may or may not subscribe.—R.G.

[From the Washington Post]

IRAN EYES NUCLEAR WEAPONS

(By Ronald Koven)

The prospect of nuclear proliferation among the underdeveloped nations was heightened yesterday with a statement by the shah of Iran that he plans to develop nuclear weapons and a report from New Delhi that India may soon set off a hydrogen device.

The shah spoke in an interview with a French magazine on the eve of a state visit to France during which he is expected to follow through on an earlier general agreement to buy five French nuclear power stations.

France is not a signatory of the non-proliferation treaty banning the transfer of atomic weapons information to non-members of the nuclear weapons club. The French do not require any inspection of the nuclear power plants they sell to safeguard against the diversion of radioactive materials for weapons.

The Indian and Iranian statements are not unrelated. The shah has embarked on a multi-billion dollar arms purchasing program to make Iran the strongest conventional military power in the Persian Gulf and the western part of the Indian Ocean.

But India's recent nuclear explosion upset the shah's military advantage, at least in psychological terms, and apparently led him to conclude that he must also have a nuclear capability to make his claims to regional hegemony credible.

Asked by the French weekly business news magazine Les Informations whether he though Iran would have nuclear weapons some day, the shah replied: "Without any doubt, and sooner than one would think."

Iran plans to buy about 20 nuclear power plants altogether. The others are to be bought from such signers of the non-proliferation treaty as the United States and Canada.

In New Delhi, the United News of India, a news agency that is heavily influenced by the government, quoted informed sources as saying that as a follow up to India's first atomic blast on May 18, "India may achieve a more spectacular feat in the near future by exploding a thermonuclear hydrogen device." The Indian government issued no comment on the report.

The news agency said that Dr. Raja Ramanna, head of India's main nuclear research center, told a group of Indian scientists two weeks ago that another event is planned "which may thrill the nation more than the May 18 underground test."

United News of India said that the Indian Atomic Energy Commission is building a variable energy cyclotron in Calcutta that could make tritium, an istope used in hydrogen bombs.

U.S. Secretary of State Henry A. Kissinger has publicly stated that the first Indian explosion was set off with nuclear materials diverted from a Canadian-supplied nuclear reactor. Kissinger was speaking in defense of U.S. plans to provide Egypt with nuclear reactors. He argued that U.S. safeguards are far stricter than Canadian ones.

India has insisted that its explosion was only an experiment for peaceful purposes. But even the advanced nuclear nations have so far not had great success in finding efficient peaceful uses for nuclear explosions.

In Tokyo, Foreign Ministry sources were quoted by Agence France-Presse as saying that early ratification of the non-proliferation treaty by Japan had become more doubtful after the recent nuclear explosions by India, China and France. The sources were quoted as saying the Japanese Foreign Ministry has information that several other nations have been prompted by those tests over the past month to contemplate nuclear armaments more seriously than before.

Iran is expected to buy French-built Westinghouse reactors from France initially, but the shah is also interested in French development of fast breeder reactors, which produce more nuclear materials than they consume.

French officials have said that Iran may be invited to invest some of its burgeoning oil revenues in a uranium diffusion plant France plans to build at Tricastin in southern France with Italian, Belgian and Spanish help.

France is seeking a share of the lucrative Iranian conventional arms market, which has been dominated by the United States. Iran recently ordered six high-speed missile boats from France.

The shah is to be accompanied on his visit to France by Iran's general commissioner for atomic energy and is scheduled to tour the French nuclear research center at Saclay near Paris and a civilian nuclear production center at Marcoule in southern France.

In the past, the shah has maintained that the eventual depletion of Iran's oil resources made establishment of a nuclear energy industry imperative if his country is to become and remain an advanced nation. He has also argued that petroleum is too precious a commodity to be burned as a fuel and that other forms of energy should be developed so that oil can be used primarily as the basis for a large range of manufactured goods.

EXHIBIT 5

[From the Washington Post, June 24, 1974]

SHAH DENIES PLANNING A-BOMBS

(By Jonathan C. Randal)

PARIS, June 24.—Shah Mohamed Reza Pahlevi arrived today for an official visit amid controversy over reported remarks suggesting that Iran is determined to develop its econnuclear weapons.

Only hours before the shah arrived for talks aimed at increasing exports to pay for Iranian oil imports, the Iranian embassy issued a formal denial.

"Made out of whole cloth and without any foundation," the embassy here said of the shah's remarks reported in the economic weekly Les Informations.

Asked if Iran hoped to have nuclear weapons one day, the weekly quoted the shah as having replied, "Without any doubt and sooner than one would think."

The shah has the reputation of saying many things to many people, and he is quoted in a long interview published in today's Le Monde as saying that it would be "ridiculous" for any country in the Middle East to possess nuclear arms.

He repeated his previous assertions that "our zone should be non-nuclear," while insisting on the need to draw up the exact frontiers of any nonnuclear region.

He maintained: "We could never have parity with the great nuclear powers," and warned that if "every little counrty tried to arm itself with even elementary nuclear weapons, then perhaps the national interests of any given country could demand it followed suit. But I would find that completely ridiculous."

President Valery Giscard d'Estaing showed every sign of taking the shah's visit with the utmost seriousness in view of France's paramount need to even out its growing oil-induced trade deficit with Iran.

Although a declared foe of protocol for domestic occasions, the new French president laid on the standard airport greeting ceremony complete with 101-gun salute and put the Grand Trianon at the Versailles Palace at the Iranian sovereign's disposal.

French officials expressed guarded hopes today that the scope of the trade deals worked out during the visit would exceed the $5 billion value that had been set in principle last February.

That loose arrangement, covering a decade, was announced just two days before the American-convened international energy conference in Washington, and constituted the kind of major government-to-government deal then being criticized by the United States. That however, was before the signature of the recent deal between the United States and Saudi Arabia.

In February, in what Giscard as finance minister said was the biggest contract between an oil-producing country and an industrial nation, France pledged to provide Iran with five 1,000-megawatt civilian nuclear power plants worth $1.2 billion by 1985 and a host of other projects.

They included a $500 million petrochemical complex, a $250 million plant for special steels, $1 billion worth of liquid gas tankers and a gas liquefaction plant, and help in building a natural-gas pipeline to Europe.

An indication of the shah's abiding interest in nuclear power plants was provided by the official schedule, which has him visiting both the Saclay nuclear research center and Marcoule, site of France's second-generation Phoenix fast-breeder reactor, which produces more enriched uranium than it uses.

French sources confirmed that the power plants under consideration for Iran would involve a Westinghouse license.

Even before the shah took the lead in raising oil prices last year, France was caught in an ever-growing deficit with Iran.

Last year, France imported about $280 million worth of goods—90 per cent of that being oil—while selling Iran only $180 million worth. That gap increased 61 per cent to around $50 million in the first quarter of 1974 because of quadrupled oil prices.

Much of France's interest in developing trade with the shah is based on a desire to increase oil purchases from the current 98 million barrels to 140 million barrels by 1976.

The size of Iran's population—32 million—and its existing industrial base strike the French as making it a better trade partner than the Arab oil producers many of which have small populations incapable of absorbing large amounts of capital goods and services that France can offer in exchange for the oil.

Among other projects the French hope may interest the shah are France's Secam color television system, a subway system and new airport for Tehran, telecommunications and cooperation on a gigantic natural-gas field recently discovered by the French state company, ERAP.

France hopes to firm up Iran's tentative order for three Concordes, and the French will fly the shah back to Tehran abroad the Franco-British supersonic airliner.

[From the Washington Post, June 24, 1974]

The Proliferation of Plutonium

(By George F. Will)

More than a scarcity of food or energy or clean air or living space civilization is threatened by an exotic surplus. It is threatened by the proliferation of plutonium.

Bear this in mind as the government, floundering along miles behind events, debates the wisdom of giving Egypt a nuclear reactor. The problem is a lot bigger than that reactor.

Plutonium is the crucial—the explosive—component in nuclear weapons. It is a man-made element. Slightly more than three decades ago all the world's plutonium was in a cigar box in a U.S. laboratory.

But the rapid growth of the nuclear power industry, which is just beginning, will produce a terrifying amount of plutonium. Plutonium is a by-product of the fissioning of the fuel (enriched uranium) in the nuclear reactors that are used increasingly to generate electricity.

The process of enriching uranium is still very complex, secret, and expensive. But most nations can build (and if necessary, conceal) a reprocessing plant for extracting plutonium from used reactor fuel.

And a determined group or nation can get plutonium even if it has neither a reactor nor a reprocessing plant. It can steal it.

Once one has weapons-grade plutonium, construction of a bomb is a manageable task for a few competent physicists. If they need some tips they can send $4 to the U.S. Commerce Department for a book (declassified in 1961) that describes the technical problems involved in building the first atomic bombs.

The cover of the book says the government does not assume "any liabilities with respect to the use of, or for damages resulting from the use of, any information, apparatus, method, or process disclosed in this report."

(Cultural note: People were outraged in the mid-1960's when the cover of the New York Review of Books contained a sketch showing how to construct a Molotov cocktail.)

Looking ahead to the proliferation of electricity-generating reactors in the U.S., an expert says:

"Private companies will soon own more plutonium than exists in all the bombs of NATO. With the predictable growth and expansion of the nuclear industry, power companies will make a cumulative total of 10 million kilograms of plutonium within the last quarter of the twentieth century . . . Enough plutonium to make a weapon could be carried in a paper bag."

A small group of determined persons could steal that much from private industry here, or from public or private installations abroad. Indeed, that already may have happened. We can not know for sure.

We protect plutonium no more rigorously than we protect currency. And keeping track of plutonium as it is processed and used involves a significant margin of inaccuracy.

This is called MUF—material unaccounted for. Today, skillful pilfering of weapons-building amounts of plutonium MUF could go undetected here and around the world.

Nations or groups that do not have the patience for embezzling plutonium might try instead a bolder form of stealing, such as hijacking. By the end of this century a million kilograms of plutonium will be shipped annually by planes, trains, ships, and trucks between thousands of nuclear plants in more than 50 countries.

Brazil and Libya, perhaps with the help of India or France, soon may join the nuclear weapons club, which soon may be the least exclusive club in the world. According to some sober physicists, most nations could join.

It is possible that, say, Uganda could "go nuclear" in a few years. Getting the necessary physicists would be harder (but not all that much harder) than getting the necessary plutonium.

Imagine how stimulating life will be when a blithe spirit like Uganda's General Amin adds the tang of nuclear blackmail to his already frolicsome politics. But that thought, gruesome though it is, is not the grimmest thought one must consider.

The other day a terrorist bomb made a mess of Westminister Hall in London. It may not be long before the more sophisticated terrorist organizations will have bombs that can make a crater out of central London—or any other city.

Imagine the Irish Republic Army or El Fatah as a nuclear power. Someone once described the Nazis as "Neanderthals in airplanes." Neanderthals with nuclear weapons may be the ultimate 20th-century terror.

Mr. PROXMIRE. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PASTORE. Mr. President, how much time have we?

Mr. SPARKMAN. Thirty minutes on amendments and 30 minutes on the bill.

Mr. President, I yield to the Senator from Rhode Island such time as he requires.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I think I can make the point I need to make without scaring everyone to death. The central point here is the question of international cooperation.

I do not need a script to talk about it. I have been living with it since 1953. Under the Atomic Act of 1954, section 123(c) it is provided that where there is a cooperative agreement with another government that has to do with the peaceful atom, that agreement has to be sent up by the President of the United States with full safeguards that the material will not be used for military purposes.

It is true that under the law that agreement rests with Congress for a period of 30 days, which in some instances can be waived. It is also true that Congress does not have any positive relief, in the event they object to it, without introducing a bill that has to be signed by the President.

Section 123(d) has to do with military exchange. In that particular case it comes up for 60 days and unless it is rejected by Congress it becomes a consummated agreement.

That is all we are talking about. We are not talking about the emergency cooling system or security. The Senator from Rhode Island, together with the Senator from Tennessee, only last year made a visitation of our installations in Europe to make sure that the depository of the bombs we have in Europe would be in secure hands.

Mr. President, I apologize to no one for the diligence of the Joint Committee on Atomic Energy to see to it that the security of the country is protected.

What did I do when I received a letter from the Senator from Wisconsin (Mr. PROXMIRE) asking me to cosponsor his amendment? I called him on the telephone and said, "You do not want to do it on this bill. You are amending the atomic energy law. Leave it to me to amend the law." I made that clear to him. He said, "Yes, but we have to do it before June 30."

I know what the rush is. I introduced a bill this morning. We called a meeting of the committee this afternoon. Only one-half hour ago the Joint Committee on Atomic Energy, both the Senate section and the House section, reported the bill favorably. It will be on the calendar tomorrow in the Senate, and it will be on the calendar tomorrow in the House.

What does our bill do?

The bill that I sponsored relates to any cooperative agreement concerning a reactor where the heat power is more than 5 megawatts. Why do we say 5 megawatts? Because a small research reactor below 5 megawatts is no problem at all. There are some little research reactors in some of these developing countries, and I hope we do not have to debate them for a couple of days on the floor. It exempts them and leaves them under the law of section 123(c).

Every agreement involving more than 5 megawatts has to be sent by the President of the United States with the statement of all the safeguards as to the term, as to the security, and he has to pledge that it is to promote the security of the country and will not disturb our security.

Under that provision that we are stipulating—and it will be on the calendar tomorrow—peaceful uses reactors of greater than 5 megawatts will come under 123(d), which is the military provision. In every case, whether it be civilian or whether it be military, the President will send up his recommendations and his agreement. It will stay with the Joint Committee, and we must report it back with a resolution as to whether we favor it or disfavor it, whether we reject it or approve it.

Then it goes on to provide that within 60 days from the time that the President sends it up, Congress must act either to reject or to approve, and if it does neither it takes effect after 60 days.

Why do we do that? So that we cannot filibuster.

Under the amendment that is being suggested here, they could talk about it until the cows come home, and here we are. We are in limbo. There is nothing in the amendment suggested by the Senator from Wisconsin that gives a termination date, a time limit within which we must act.

As I said, Mr. President, give the Joint Committee an opportunity to do what it needs to do. This is going to be the bill we could consider tomorrow.

If an agreement does come up, we at least have 30 days. I know it takes months before they negotiate an agreement, to begin with. This idea that we will have an agreement by June 30 is a lot of poppycock. They do not have the experience. They have not had the experience. It takes months to negotiate an agreement. Even if they do want to speed it up, we have got 30 days to hold it off, and it is up to the leadership of the Senate. They can do it this week if they want to. All they have to do is call up that bill at once and we can have it done the regular way.

So I say, Mr. President, without prolonging this debate any further, all I know is the time has come when we have to revise the law. I know the agreement with Egypt that was announced by the President has precipitated all this. I know that, and I know that it has to be debated on the floor of the Senate.

I say that the law should be amended to do that, but why should it be on a bill where it does not belong? Why should the atomic energy bill be amended by a bill that comes out of the Committee on Banking, Housing and Urban Affairs? Why do they not leave it for the Joint Committee to do it?

And this idea that JOHN PASTORE is a great guy, he is respected, he is a wonderful man, but now we will kick him around a little bit to show he does not do his job—I am not buying that. I have been around for 40 years, I have heard that one before, and all I am saying here is that I cannot understand the obstinacy in this case of insisting it be done this way when it can be done the regular way and be done expeditiously.

Now, what would happen? If you attach this amendment to this bill and it goes to the House, it is subject to a point of order and you have nothing; and if you go my way, there is a House bill on the calendar, just reported out, there is a Senate bill on our calender just reported unanimously by 18 Members, including the Senator from Vermont (Mr. AIKEN).

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SPARKMAN. The Senator mentioned going to the House, and it would be nongermane. Of course it would be nongermane under the rules of the House.

Furthermore, I understand this identical amendment was offered on the floor of the House, and the House Parliamentarian ruled it nongermane.

Mr. PASTORE. Of course, the big question here is, Do we want a headline or do we want an amendment?

Now, if we want a headline, go ahead this way. If we want an amendment, go my way.

Mr. President, unless this amendment is withdrawn, I am going to move that it be laid on the table.

Mr. AIKEN. Will the Senator yield?

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. AIKEN. Might I suggest that one practical effect of the adoption of the amendment offered by the Senator from Wisconsin would be to turn the nuclear reactor business of the world over to other countries. At this moment, it happens to be France and Russia.

Mr. PASTORE. Well, that may happen, of course. They are in the game.

Mr. AIKEN. That is the practical effect.

Mr. PASTORE. But the Senator has got to realize that under our Nonproliferation Treaty, the nuclear powers have pledged to assist the nonnuclear powers in developing the peaceful atom.

Mr. AIKEN. Yes.

Mr. PASTORE. It is true we have to be careful how we do it. It is true that plutonium should not get in certain hands clandestinely and be used to manufacture a bomb. It is true, as we have heard the explanation, that one-third of the rods could be taken out, put in cooling water, then put in a cement barrel and sent to a second country, recycled, and then sent back. We would have to be half asleep if we did not do our job concerning all of these activities.

The point here is that there is one committee that knows what the safeguards ought to be, which is the Joint Committee on Atomic Energy, and if you want to do a service to the country do not take it away from the Joint Committee and put it in a committee which deals with banking and housing. It does not belong there.

It belong in the Joint Committee, and if it is amended and taken from the Joint Committee and put it in the committee handling banking, that is where the law will be amended.

Mr. SPARKMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Alabama has 20 minutes remaining on the amendment.

Mr. SPARKMAN. I yield 20 minutes to the Senator from Illinois.

Mr. STEVENSON. Mr. President, I thank the Senator from Alabama.

I have been assured by the State Department that no cooperative agreement with either Israel or Egypt will be entered before the end of June and, in fact, it would be virtually impossible to enter an agreement before the middle of August.

As the Senator from Rhode Island has pointed out, once such an agreement is entered, it in referred to the Joint Atomic Energy Committee, of which the Senator is cochairman. He has also pointed out that such an agreement resides in the committee for a period of 30 days unless it is approved at some point during that period of time.

Mr. PASTORE. Or waived.

Mr. STEVENSON. Or waived.

I just wonder, if we cannot assume on the basis of the representations by the State Department that there will be no cooperative agreement with either of these countries before the end of June, whether the distinguished Senator from Rhode Island could assure the Senator from Wisconsin and others of us who are very concerned about this matter—I think the Senator from Wisconsin rightly raises it—that the Joint Committee would take no action to approve or waive its right to disapprove such an agreement before the end of July.

By the end of July, the Senate will have to take up the Export Control Act. The bill will be reported early in June. The permanent legislation will be back before the Senate before the end of July. If there is no danger of a cooperative agreement with either of these countries before then, it could be approved by the Joint Atomic Energy Committee, the Senator from Wisconsin would have an opportunity to take the matter up at that time and, in the meantime, we would have an opportunity for hearings and learn more about the entire issue.

So my question to the Senator from Rhode Island is whether he would or could give the Senate some assurance that the Joint Atomic Energy Committee would not take any action before the end of July to approve either of these proposed agreements.

Mr. PASTORE. The answer undisputably is in the affirmative. As a matter of fact, it is elementary. Here I am. I introduced a bill this morning. We had a meeting this afternoon and reported the bill to the Senate. We reported it to the House favorably. Does the Senator think for 1 minute if the administration tries to pull any shenanigans on me I am going to let that bill go through without the 30 previous days being in it. The administration would have to catch me half asleep to do that; and PASTORE only sleeps from 10 o'clock at night until 5 o'clock in the morning.

Mr. STEVENSON. Mr. President, since the Senator is well assured there will be no action or nonaction in the Joint Atomic Energy Committee and that there will be such agreement before the end of July, I have discussed this with the chairman of the Banking Committee and have mentioned to him that the Subcommittee on International Finance has over a long period of months, as he well knows, held hearings on the subject of export controls.

So I would propose to the Senator from Wisconsin that before the end of July or before the Senate takes up the Export Control Act that we hold a day or two of hearings on this and some other subjects and, as the Senator from Wisconsin has suggested, have a little debate on this issue.

With that prospect, the assurances by the Senator from Rhode Island, and the assurance of some further hearings on export controls and transfers of nuclear power technology in particular, I wonder whether—this is a little premature to be taking up this matter now or to bring it to a vote—the Senator from Wisconsin would not consider withdrawing it and then, after some hearings later when we take up permanent legislation, and if he is so disposed, of bringing it up at that time.

Mr. PROXMIRE. Mr. President, let me reply on my time. I think the time on the other side is more limited than mine, and I do not have much more to say, so I will reply to the Senator from Illinois on my time.

I think what the Senator from Rhode Island and the Senator from Illinois say does have a considerable degree of logic, but I have a lot of trouble with some aspects of it.

Number one, I am concerned at the prospect of a veto. I think the Export Administration Act is a basic law that we have to have, that the President recognizes that, and that it would be unlikely that he would veto this bill.

I think that the likelihood of a veto of the Pastore bill may be greater; I do not know. The President may sign it, but I think because it is not tied to anything, it is not integrated with a bill that extends a basic law, for that reason I think it is a little more vulnerable and likely to be vetoed.

Then I had difficulty also—and I think the Senator from Rhode Island is wrong—when he talks about jurisdiction. This has nothing to do with the jurisdiction of his committee. We are not taking his jurisdiction away. I would certainly think the Senator from Illinois would be remiss, and I would be remiss, as a member of the committee—and anybody else on the Banking Committee—if we said that the Export Administration Act has to exclude anything that is within the jurisdiction of any other committee such as the Armed Services Committee, the Commerce Committee, the Atomic Energy Committee; otherwise we might as well forget the Export Administration Act and not have any jurisdiction at all.

Mr. PASTORE. Mr. President, will the Senator yield? The Senator is amending the Atomic Energy Law.

Mr. PROXMIRE. We are not taking anything away.

Mr. PASTORE. What gives life to the Joint Committee? Is it not the Atomic Energy law?

Mr. PROXMIRE. Of course.

Mr. PASTORE. Does not the Senator think we have the competence to know how it should be amended? Have I not suggested how it should be amended? But the Senator's amendment would require that if we wanted to give France three isotopes for medical reasons, we would have to have a debate on the floor of the Senate. This is ridiculous. The Senator would not want that.

Mr. PROXMIRE. I do not say that we have to have a debate on the floor. The Senator knows we pass hundreds of bills a week that are simple bills, that are passed automatically, and something like that could pass that way.

We agree to many treaties without debate.

Mr. PASTORE. All of a sudden it is simple. The Senator raised this as a grave question, and now it is simple.

Mr. PROXMIRE. We have an opportunity to step forward when we wish. I would feel very strongly that if we are going to provide this kind of technology to Egypt and Israel, that we ought to have an opportunity for an up-or-down vote in the Senate. Under the present law we are not sure of it.

Mr. STEVENSON. Mr. President, will the Senator yield to me?

This is just a resolution to continue the life of the Export Administration for 30 days.

Mr. PROXMIRE. That is correct.

Mr. STEVENSON. This resolution is not veto proof. It is not very important. The veto bill, if there is a bill, will be the permanent export control legislation. If that is the Senator's concern, it is a much better vehicle than this one.

Mr. PROXMIRE. I might say to the Senator from Illinois that if the President should veto this extension we would be on notice when the permanent bill came up that we had better attach it to that permanent bill. That would be the clearest kind of language that we cannot take some bill that the Joint Atomic Energy Committee reports out and pass that.

At any rate, Mr. President, there are differences in the amendment that I have proposed and the amendment that the Senator from Rhode Island has been discussing that, I think, are very significant.

He talked about the fact that his bill is on the calendar in the House and in the Senate, and the House and Senate, therefore, may act if the leadership is inclined to require action. They may not be so inclined. There may be a hold put on it. It may be held up for days, it may be filibustered. It may, as I say, be vetoed. It is vulnerable.

In the second place, his bill is limited to civilian reactor technology of a specified type, 5 thermal megawatts. He may be right. He is an expert on this. He certainly is more expert than this Senator, but he may not be right. I do not see any reason why we cannot cover all nuclear technology, materials, and cover them completely, and if we do so we do have a bill that goes through by unanimous consent.

Most of the time on most of these agreements, every Senator, every House Member, would have an opportunity to act if he wished to do so.

Furthermore, Mr. President, the main difficulty I have with the proposal of the Senator from Rhode Island is that he would require a negative action which would, in effect, kill the opportunity of the House or Senate to act.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. PROXMIRE. This is not true of the proposal I make. It would be necessary, as it is in all treaties, for both the House and the Senate to affirm this before this technology would be given to a foreign country.

Mr. PASTORE. It is obvious that the Senator has not read my amendment—absolutely obvious. My amendment requires that when the agreement comes up for 30 days, the joint committee has to act. It is compulsory that it act. The word "shall" is used; "shall report back a rejection or approval with a concurrent resolution," that 60 days from the time the President sent it up, which gives at least——

Mr. PROXMIRE. Suppose they do not act?

Mr. PASTORE. Well, if we do not act, then I think the benefit of the doubt ought to go to the administration. I do not think we ought to kill a bill by inaction.

Mr. PROXMIRE. That is what I am talking about.

Mr. PASTORE. I am saying if we do not act within 60 days, then the agreement is consummated. It means Congress cannot make up its mind, so let the President have his way. If we cannot make up our minds on an international agreement in the Congress of the United States, why should we die on the vine. That is the reason why it is in there. It makes sense to me.

Mr. PROXMIRE. I think this could be at least as solemn as most of the treaties that we pass to require a two-thirds vote.

At any rate, I think the Senator has a perfectly proper, legitimate point that I would certainly consider to be one that would make me wish to modify my amendment when he talks about the fact that the proposal could be filibustered. I would agree that is wrong, and I would modify my amendment to apply the antifilibuster provisions of the Reorganization Act to it so they cannot be invoked; that is correct.

Mr. PASTORE. There we go, legislating on the floor.

Mr. PROXMIRE. Mr. President, I want to ask the Senator from Rhode Island how many cases his bill would cover. Would it cover, to the best of his knowledge, what we know so far about the agreement with Israel?

Mr. PASTORE. Absolutely. As far as the Egyptian case is concerned, the Israel case—did the Senator know the Israelis have a research reactor of 26 megawatts sold to them by France?

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. President, whose time are we on?

Mr. PROXMIRE. I am on my time, and I am glad to yield to the Senator from Vermont.

Mr. AIKEN. I simply want to point out there are several hundred reactors in process of being planned, prepared, many of them under construction in heaven knows how many countries of the world.

The great majority of those reactors come from the U.S. companies. Three companies make most of them. As the Senator probably knows, some of them, I am advised, have facilities in his own State. So I was just wondering why we should force American firms to transfer their manufacturing business to other countries which they would almost have to do.

Mr. PROXMIRE. May I say to my good friend from Vermont that I do not think most Americans have any desire to push the nuclear technology business, and to feel that we must be outstanding in disclosing our nuclear technology and beating other countries to the proliferation of nuclear energy.

I think that we should be as conservative and careful in this respect as possible, do all we can by mutual agreement with other nuclear powers to try to persuade them to limit their dissemination of nuclear materials, and I think that one way to do it is to show as much restraint as we can in our legislation.

Mr. AIKEN. I am speaking only of the production of reactors for peaceful uses, which is proper, and I realize, too, that if we go too far in restricting arrangements with the other countries, that it would result in forcing the other countries to go elsewhere for their reactors. I believe that France and Russia would be the countries that would be the principal gainers.

Mr. PROXMIRE. Mr. President, I am delighted that the Joint Atomic Energy Committee has acted with such remarkable and unprecedented speed, has reported out legislation to the floors of the House of Representatives and the Senate so that, as the chairman of the committee has assured us on the floor tonight, we will have this on the calendar tomorrow in the House of Representatives and the Senate and will be in a position to act on it.

I think that is a great achievement, and I think the committee deserves credit for that, and I would hope that the leadership could find a way of scheduling that matter for consideration at the earliest possible moment, so that we can act on it.

Can the Senator from West Virginia give us any notion of how promptly the Senate could act on the Pastore bill if I should withdraw my amendment?

Mr. ROBERT C. BYRD. I may say in response to the distinguished Senator that the majority leader ultimately controls this matter, but I would imagine, if the Senator from Rhode Island wants quick action on the amendment, that the leadership will not have any problem in concurring with him in that regard; and I will assure the distinguished Senator from Wisconsin (Mr. PROXMIRE) that as far as I can I will make every effort to see that the matter is scheduled as soon as the Senator from Rhode Island is ready to move with it.

I hope that is satisfactory to the Senator from Wisconsin, because I know that he has his heart in the amendment, but I think he has made a contribution here, too, by virtue of the debate, and I would hope that he would withdraw his amendment. I think this would expedite not only the matter before the Senate, but in the long run expedite the action of the Senate on the matter which is being debated.

Mr. PROXMIRE. Will the Senator from Rhode Island yield?

Mr. PASTORE. Yes.

Mr. PROXMIRE. Would the Senator indicate his intentions on calling up this amendment or trying to persuade the leadership, I should say? He just said it was up to the leadership, and of course he is right, to call up these matters.

The leadership has indicated they would be more or less inclined to work with the Senator from Rhode Island.

Mr. PASTORE. I intend to impress upon the leadership the urgency of this matter, and, of course, the scheduling would be entirely up to them. Insofar as I am concerned, I will use all expedition. After all, I can only give the proof of today's activity: We introduced the bill this morning and reported back favorably, unanimously, this afternoon. Anyone that can beat that record, I will tip my hat to him.

Mr. PROXMIRE. Mr. President, I still feel very strongly that this Export Administration Act is the proper vehicle for many reasons, and I think it is important that we act very promptly. However, in view of the fact that the Senator from Rhode Island has indicated his determination to enact a change in the law that would give Congress the opportunity to act, and, more importantly, as far as I am concerned, give us a chance to amend his proposal on the floor, to provide what I think are further safeguards, and the further opportunity to assure our ability to act up or down on these agreements with Egypt and Israel, and any other country, under these circumstances, Mr. President, I withdraw my amendment.

Mr. STEVENSON. Mr. President, the questions raised by the proposed transfers of nuclear technology and materials to Egypt and Israel deserve careful consideration. Senator PROXMIRE is justifiably concerned, as I am, about the risks of nuclear proliferation. India's recent explosion of an atomic bomb points out the dangers.

Long ago, the Congress enacted the Export Administration Act to prevent exports of materials which could adversely affect the national security. The resolution which is now pending will temporarily extend that act for another 30 days. Within that time, the Congress will have a full opportunity to consider all matters pertaining to exports, including exports of nuclear materials and technology. However, in order to insure that questions pertaining to nuclear exports receive a complete airing before the Congress must act on permanent legislation, I intend to hold hearings on the issue on July 9 and 12 the Banking Subcommittee on International Finance. That way we will have an opportunity to evaluate fully all proposals dealing with this difficult and important matter and be in a position to legislate when the Export Administration bill comes to the floor.

The assurances we have received from the administration that it is extremely unlikely that it will sign a cooperation agreement with Egypt or Israel before August 15 gives us time to act on this subject in connection with the Export Administration Act after hearings.

The PRESIDING OFFICER. The yeas and nays having been ordered, the Senator will require unanimous consent to do so. Is there objection to the request of the Senator from Wisconsin? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Mr. President, I did not discuss this matter with the Senator from Rhode Island this morning when he made a 25-minute speech indicating what he had in mind. I am thoroughly in accord with his view that this is a matter which the Joint Atomic Energy Committee ought to consider. They have come forward with legislation. It is my understanding that it was reported unanimously today by the Joint Atomic Energy Committee, and I want to assure the distinguished Senator from Wisconsin that as far as the leadership on this side is concerned, we will make every effort to expedite the consideration of this much needed legislation. I think it is long overdue, and hopefully the Senate will have a chance to face up to it and consider amandments thereto before too long a period of time.

Mr. PASTORE. Mr. President, I ask unanimous consent that the Joint Committee on Atomic Energy may have until 12 o'clock midnight to report the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, in line with the assurances which I gave to the Senator from Wisconsin——

The PRESIDING OFFICER (Mr. HUDDLESTON). Who yields time on the bill?

Mr. SPARKMAN. Mr. President, I yield the Senator 1 minute.

Mr. STEVENSON. In line with the assurances which I gave the Senator from Wisconsin earlier, the Subcommittee on International Finance of the Committee on Banking, Housing and Urban Affairs, which has general jurisdiction over export controls, will hold hearings on July 9 and July 12 on this subject.

Mr. PROXMIRE. Mr. President, I thank the Senator from Illinois for that announcement.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H.J. Res. 1057) was ordered to be read a third time, and was read the third time.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HUDDLESTON). All time having been yielded back, the question is, Shall the joint resolution pass?

The joint resolution (H.J. Res. 1057) was passed.

Mr. SPARKMAN. Mr. President, I

move to reconsider the vote by which the joint resolution was passed.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXPORT-IMPORT BANK

Mr. HARRY F. BYRD, JR. Mr. President, earlier in the day I made some comments in regard to the Export-Import Bank, and in regard to the upcoming resolution to extend the life of the Export-Import Bank for 30 days.

During that discussion, I mentioned that I felt that the Bank had failed to cooperate with Congress in regard to huge loans to the Soviet Union. My comments were based on the action taken by the House of Representatives in putting restrictions on such loans.

Since then, I have talked with the President of the Export-Import Bank. He assures me that the loans which have been made by that Bank to the Soviet Union were ones on which commitments had been made by his predecessor. He also states that it would be his policy not to grant any more loans or make any more commitments to Russia until Congress has the opportunity to lay down a policy.

That, I think, is a very desirable attitude to be taken by the President of the Export-Import Bank.

He also is sending the Senator from Virginia a letter to state, in essence, what I have just related on the floor of the Senate. That being the case, I see no problem, so far as the Senator from Virginia is concerned, in handling this legislation tomorrow.

My main concern was that the proposed resolution not be used as a vehicle by which the bank could, during the period of extension, make more huge loans to Russia; but, apparently, that would not be the case.

I expect to get the letter from President Casey either this evening or tomorrow. Assuming the letter is satisfactory, and I have no reason to doubt that it will be, it occurs to me that the Export-Import Bank resolution could be handled expeditiously tomorrow morning.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUDDLESTON). The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

NOMINATIONS CONSIDERED EN BLOC

The PRESIDING OFFICER. The nominations on the Executive Calendar will be stated.

Mr. ROBERT C. BYRD. Mr. President, I ask that the nominations in the U.S. Air Force, the U.S. Army, the U.S. Navy, the Uniformed Services University of the Health Sciences; and the nominations placed on the Secretary's desk in the Air Force, in the Army, in the Navy, and in the Marines Corps all be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER TO PROCEED TO CONSIDERATION OF S. 424 WHEN SENATE RETURNS FOLLOWING RECESS ON JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate returns following the recess on July 8, 1974, upon conclusion of routine morning business, the Senate proceed to the consideration of Calendar No. 848, S. 424, a bill providing for the management, protection, and development of the natural resource lands, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—CLOTURE MOTION

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. GRIFFIN. Mr. President, notwithstanding the fact that H.R. 14832 is not now the pending business, I ask unanimous consent that I may file a cloture motion in connection therewith.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan?

Mr. ROBERT C. BYRD. Mr President, reserving the right to object—and I shall not object—this cloture motion goes into the bill itself, does it not?

Mr. GRIFFIN. That is correct. The vote tomorrow, as I understand it, will be on the cloture motion that relates only to the Humphrey amendment. This is a motion that will invoke cloture on the bill itself.

Mr. ROBERT C. BYRD. I have no objection. The Senator would have that right tomorrow at such time as the bill is again before the Senate. By his offering of the cloture motion today, it will assure a vote on Thursday.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none.

The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read the cloture motion, as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 14832, an act to provide for a temporary increase in the public debt limit.

Wallace F. Bennett, Jesse Helms, Robert P. Griffin, James B. Allen, Dewey Bartlett, Edward J. Gurney, William L. Scott, Hugh Scott, Paul Fannin, Clifford P. Hansen, John Tower, Charles H. Percy, Hiram L. Fong, J. Glenn Beall, Pete V. Domenici, James A. McClure.

Mr. GRIFFIN. I thank the distinguished Senator very much.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER. At this time the Senate will resume the consideration of the unfinished business which the clerk will state.

The assistant legislative clerk read as follows:

H.R. 14832, to provide for a temporary increase in the public debt limit.

The Senate resumed the consideration of the bill.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I believe that an order has been entered for the recognition of the distinguished Senator from Wisconsin (Mr. **PROX-**

MIRE) tomorrow, right after the two leaders have been recognized; is that not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF THE EXPORT-IMPORT BANK ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately after the order for the recognition of Mr. PROXMIRE has been consummated on tomorrow, the Senate proceed to the consideration of the measure dealing with the Eximbank.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TUNNEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the measure dealing with the Eximbank tomorrow, if time remains between that action and the hour of 12 o'clock noon, the Senator from California (Mr. TUNNEY) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at 10:30 a.m.

After the two leaders or their designees have been recognized under the standing order, the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) will be recognized for not to exceed 15 minutes, after which the Senate will proceed to the consideration of the measure dealing with Eximbank.

Upon the disposition of that matter, the leadership may proceed to the resumption of the consideration of the unfinished business, or the leadership may at that time call up some other matter that has been cleared for action.

In any event, at 12 o'clock noon, the 1 hour for debate on the motion to invoke cloture on the amendment offered by Mr. HUMPHREY will begin running. At 1 p.m. the mandatory quorum call under rule XXII will occur. Upon the establishment of a quorum, the mandatory rollcall vote on the motion to invoke cloture will begin. That would be around 1:15 p.m.

Depending upon the outcome of that vote, the Senate will then be guided by the result of that vote. In any event, rollcall votes are expected throughout the afternoon tomorrow on the unfinished business, which is H.R. 14832, an act to provide for a temporary increase in the public debt limit.

ADJOURNMENT TO 10:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10:30 a.m. tomorrow.

The motion was agreed to; and at 6:20 p.m. the Senate adjourned until tomorrow, Wednesday, June 26, 1974, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate, June 25, 1974:

DEPARTMENT OF TRANSPORTATION

Robert Henri Binder, of the District of Columbia, to be an Assistant Secretary of Transportation, vice John L. Hazard, resigned.

ENVIRONMENTAL PROTECTION AGENCY

James L. Agee, of Washington, to be an Assistant Administrator of the Environmental Protection Agency, vice David D. Dominick, resigned.

CONFIRMATIONS

Executive nominations confirmed by Senate, June 25, 1974:

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Philip O'Bryan Montgomery, Jr., of Texas, to be a member of the Board of Regents of the Uniformed Services University of the Health Sciences for the remainder of the term expiring May 1, 1977.

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. John C. Meyer, [redacted]FR (major general, Regular Air Force) U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Louis T. Seith, [redacted]FR (major general, Regular Air Force) U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Duward L. Crow, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Marion L. Boswell, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lee M. Paschall, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Gordon T. Gould, Jr., [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. George S. Boylan, Jr., [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James A. Hill, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Jack J. Catton, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, sction 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. William V. McBridge, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Louis L. Wilson, Jr., [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John W. Pauly, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Bryce Poe II, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be brigadier general

Col. Belisario D. J. Flores, [redacted]FG, Air National Guard.

Col. Charles L. Sullivan, [redacted]FG Air National Guard.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Theodore R. Milton, [redacted]FR [redacted]major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066 to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Ray B. Sitton, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. James William Sutherland, Jr., [redacted], Army of the United States (major general, U.S. Army).

The following-named officers to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Donald Vivian Bennett, [redacted], Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. Robert Ray Williams, [redacted], Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Walter Edward Lotz, Jr., [redacted], Army of the United States (major general, U.S. Army).

The following-named officers to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Walter Philip Leber, [redacted], Army of the United States (major general, U.S. Army).

Lt. Gen. Raymond Leroy Shoemaker, [redacted], Army of the United States (major general, U.S. Army).

The following-named Army Medical Department officer for temporary appointment to the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general, Medical Corps

Brig. Gen. William A. Boyson, [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

The following-named officer for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general, Medical Corps

Brig. Gen. William A. Boyson, [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

The following U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, section 593(a) and 3384:

To be major general

Brig. Gen. William Stanford Smith, Jr., [redacted].

Brig. Gen. Edwin Burgess Taylor, [redacted].

To be brigadier general

Col. Donald Jordon Brown, [redacted], Infantry.

Col. James Carroll Crutcher, [redacted], Medical Corps.

Col. John Sheldon Doud Eisenhower, [redacted], Infantry.

Col. Leo Joseph Golash, Jr., [redacted], Infantry.

Col. George E. McGovern, Jr., [redacted], Field Artillery.

Col. Paul Leonard O'Brien, [redacted], Military Intelligence.

Col. Konald Arthur Prem, [redacted], Medical Corps.

Col. Frederick John Scheer, [redacted], Civil Affairs.

The following Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 593(a) and 3385:

To be major general

Brig. Gen. Thomas K. Turnage, [redacted].

To be brigadier general

Col. Willard Keitg Carey, [redacted], Armor.

Col. James Clay Daugherty, [redacted], Infantry.

Col. Curney Joseph Dronet, [redacted], Infantry.

Col. Harold Lloyd Gwatney, [redacted], Infantry.

Col. George Robert Harper, [redacted], Armor.

Col. Francis Joseph Kelly, [redacted], Infantry.

Col. Collin McKinne, [redacted], Field Artillery.

Col. Gillespie V. Montgomery, [redacted], Transportation Corps.

Col. William Jesse Mullins, Jr., [redacted], Infantry.

Col. Delmer Hilton Nichols, [redacted], Armor.

Col. Salvador Monserrate Padilla, [redacted], Infantry.

Col. Lawson McKinney Safley, [redacted], Armor.

Col. Robert George Walker, [redacted], Infantry.

The following Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, section 293(a) and 3392:

To be major general

Col. John Richard Carson, [redacted], Ordnance Corps.

Brig. Gen. Wilfred Charles Menard, Jr., [redacted].

Brig. Gen. John James Womack, [redacted]

To be brigadier general

Col. William Kern Holoman, [redacted], Adjutant General's Corps.

Col. Reynold Lee Lopez, [redacted], Infantry.

Col. Franklin Everett Miles, [redacted], Air Defense Artillery.

Col. William John Sharrow, [redacted], Infantry.

Col. Charles Rhea Willis, [redacted], Armor.

IN THE NAVY

Adm. Thomas H. Moorer, U.S. Navy, for appointment to the grade of admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Pierre N. Charbonnet, Jr., U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

Clyde C. Andrews
Merrill H. Sappington
John M. DeLargy
Randolph W. King
Newton P. Foss
Joseph L. Coleman
Albert M. Sackett
Willis C. Barnes
Walter Dedrick
George F. Ellis, Jr.
William H. McLaughlin, Jr.
Cleo N. Mitchell, Jr.
Donald T. Poe
Richard E. Rumble
Warren H. O'Neil
Eugene J. Carroll, Jr.
Joseph W. Russel
Robert H. Wertheim
Ferdinand B. Koch
Frank S. Haak
Justin E. Langille III
Robert J. Hanks
John H. Nicholson
Warren M. Cone
Francis T. Brown
Jeffrey C. Metzel, Jr.
Owen H. Oberg
William L. Harris, Jr.
Kenneth E. Wilson, Jr.
Wycliffe D. Toole, Jr.
John G. Williams, Jr.
Charles W. Cummings
Paul J. Early
Max K. Morris
Fred H. Baughman
Frank W. Corley, Jr.
John S. Kern
William N. Small
Robert P. Hilton
George E. R. Kinnear II
Stanley S. Fine
William L. Read
Burton H. Shepherd
Robert R. Monroe
David F. Emerson
Ronald J. Hays
Thomas J. Bigley
Kinnaird R. McKee

MEDICAL CORPS

Philip O. Geib
Donald L. Custis
Edward J. Rupnik

SUPPLY CORPS

Eugene A. Grinstead, Jr.
Wendell McHenry, Jr.
Stuart J. Evans
William M. Oller

CIVIL ENGINEER CORPS

John R. Fisher
Kenneth P. Sears

DENTAL CORPS

Robert W. Elliott, Jr.

IN THE AIR FORCE

Air Force nominations beginning Wilfred K. Abbott, to be lieutenant colonel, and ending Carlton R. Williams, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 28, 1974.

IN THE ARMY

Army nominations beginning Harold D. Adams, to be colonel, and ending Dominic L. Mayo, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 29, 1974.

IN THE NAVY

Navy nominations beginning Paul Joseph Apocada, to be chief warrant officer, W-3, and ending Harold James Young, to be chief warrant officer, W-4, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 29, 1974.

Navy nominations beginning Robert R. Hood, to be ensign, and ending William E. Strain, to be a permanent commander and a temporary captain, which nominations were received by the Senate on June 3, 1974.

IN THE MARINE CORPS

Marine Corps nominations beginning Glen S. Aspinwall, to be colonel, and ending Clifford D. Warfield, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 29, 1974.

Marine Corps nominations of Forest L. Barbee and Daniel P. Hayes, to be second lieutenants, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 5, 1974.

Marine Corps nominations beginning Ronald M. Abshire, to be lieutenant colonel, and ending Calvin F. Simerly, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 10, 1974.

HOUSE OF REPRESENTATIVES—*Tuesday, June 25, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He that abideth in Me and I in him, the same bringeth forth much fruit.
—John 15:5.

O God, our Father, without whom our world drifts into darkness and despair but with whom light shines upon our path, life is born again, and love blooms within us, we lift our hearts unto Thee in this our morning prayer.

We need Thee, our Father, every hour we need Thee. Stay Thou nearby as we face the difficulties of these days and seek to solve the problems that confront us. Deliver us from unworthy ambitions which blind us to the rights of others and from unwarranted assumptions which breed suspicion and ill will. Keep us ever mindful of the needs of people in our Nation and in our world.

Beneath all differences of color, creed, and culture help us to see human aspirations coming to fruition and seeking to be satisfied. Abiding in Thee, may the fruits of love and joy and peace come to new life in us and in our world.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and joint resolution of the House of the following title:

H.R. 9281. An act to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighter personnel, and for other purposes; and

H.J. Res. 1062. Joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 1062) entitled "Joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. MAGNUSON, Mr. BIBLE, Mr. PASTORE, Mr. MONTOYA, Mr. INOUYE, Mr. HOLLINGS, Mr. BAYH, Mr. CHILES, Mr. YOUNG, Mr. COTTON, Mr. CASE, Mr. BROOKE, Mr. HATFIELD, Mr. MATHIAS, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14434) entitled "An act making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agreed to the amendment of the House to the amendment of the Senate numbered 17, to the foregoing bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3679. An act to provide emergency financing for livestock producers.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 1062, CONTINUING APPROPRIATIONS, FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. MAHON, WHITTEN, PASSMAN, FLOOD, Mrs. HANSEN of Washington, Messrs. CASEY of Texas, CEDERBERG, MINSHALL of Ohio, MICHEL, and SHRIVER.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 1062

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House on tomorrow or at any day thereafter to consider a conference report on the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 1062, MAKING CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORTS

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on H.R. 14214, health revenue sharing; and the conference reports on H.R. 7724, biomedical research; H.R. 11385, health services research; S. 2830, National Diabetes Act; and S. 2893, National Cancer Act amendments.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. BROWN of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 322]

Anderson, Calif.
Ashley
Badillo
Baker
Biaggi
Brasco
Burke, Calif.
Carey, N.Y.
Chisholm
Clark
Clay
Conyers
Daniels, Dominick V.
Davis, Ga.
Dellums
Diggs
Dingell
Dorn
Drinan
Esch
Gaydos
Gray
Grover
Hanna
Hansen, Wash.
Harsha
Howard
Kuykendall
McSpadden
Macdonald
Michel
Mills
Mitchell, Md.
Mizell
Moakley
Mollohan
O'Hara
Powell, Ohio
Reid
Robison, N.Y.
Rooney, N.Y.
Rosenthal
Rousselot
Steele
Steiger, Wis.
Teague

The SPEAKER. On this rollcall 387 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HON. JOHN L. BURTON

The SPEAKER laid before the House the following communication, which was read:

June 11, 1974.

Hon. CARL ALBERT,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is to advise that the Clerk's Office received today a Certificate of Election of the Special Election held in the Sixth Congressional District of California to fill a vacancy created by the resignation of William S. Mailliard.

This Certificate of Election indicates that according to the official returns of the Special Election held on the Fourth day of June, 1974, in the Sixth Congressional District of California, that John L. Burton was elected to the Sixth Congressional District for the unexpired term ending on the Third day of January, 1975.

The above mentioned Certificate of Election is on file in the Clerk's Office.

With kind regards, I am,

W. PAT JENNINGS,
Clerk, House of Representatives.

The SPEAKER. The Representative-elect will present himself at the bar of the House for the purpose of having the oath of office administered to him.

Mr. JOHN L. BURTON presented himself at the bar of the House and took the oath of office.

PERSONAL EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I was absent during the latter part of the afternoon of Friday, June 21, 1974, during the consideration of H.R. 15472, the agriculture-environmental and consumer protection appropriations bill for fiscal year 1975. For the record, I now state how I would have voted on each of the votes I missed had I been present:

Rollcall No. 315: An amendment that sought to strike language which prohibits the use of funds for salaries of employees of the Federal Trade Commission who: First, use the information provided in the line-of-business program for any purpose other than the statistical purposes for which it is supplied; or second, make any publication whereby the line-of-business data furnished by a particular establishment or individual can be identified; or third, permit anyone other than sworn officers and employees of the FTC to examine the line-of-business reports from individual firms. I would have voted "aye."

Rollcall No. 316: An amendment that sought to deny food stamp eligibility to striking workers. I would have voted "no."

Rollcall No. 317: An amendment that forbids eligibility for food stamps to all college students claimed as tax dependents by their parents. I would have voted "no."

Rollcall No. 318: An amendment that appropriates $7 million for grants to rural fire departments. I would have voted "aye."

Rollcall No. 319: Final passage of H.R. 15472, making appropriations for agriculture-environmental and consumer protection programs for fiscal year 1975. I would have voted "yea."

SECRETARY OF AGRICULTURE SHOULD CERTIFY U.S. CATTLE IN FEEDLOTS FREE OF DES

(Mr. MELCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MELCHER. Mr. Speaker, one of the problems that is facing the livestock industry at this time is that Canada on April 9 banned any U.S. beef or any cattle from coming into their country. In their market beef cattle are about $48 a hundredweight while the corresponding grade of cattle in this country is less than $40. It is obvious our usual trade with Canada would have helped the trade in livestock and meat at this time had that Canadian market been available to us.

It is up to the Department of Agriculture to certify the feedlots in the United States that do not use diethylstilbestrol, to certify those feedlots are free of DES in their cattle, and therefore open up the Canadian border to us once more.

I would urge the Secretary of Agriculture Earl Butz to drop all other matters and get on with that certification.

It is not only consumers in Canada that are concerned, but to safeguard the confidence of our own consumers it is imperative that the USDA act promptly to certify those cattle that are free of this synthetic harmone.

To accept the Canadian challenge, our Secretary of Agriculture should immediately certify all of the cattle that are free of DES in the United States. His own staff of veterinarians and thousands of licensed veterinarians in private practice throughout the country can provide the inspection service and the certification necessary.

As certification reassures the Canadian Government we shall also reassure American consumers that the beef we produce is the most wholesome and healthful that is available anywhere in the world.

The need is here and now. I hope Secretary Butz responds immediately.

EXTENDING THE EXPIRATION DATE OF THE EXPORT ADMINISTRATION ACT OF 1969

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 1057) to extend by 30 days the expiration date of the Export Administration Act of 1969.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WYLIE. Mr. Speaker, reserving the right to object, I wonder if the gentleman would explain the necessity for this 30-day extension of the Export Administration Act?

Mr. PATMAN. Yes. The Senate is expected to take a recess Friday. It is very close to the time that they will. This act expires the 30th of the month. If it were to expire, all the scrap in the country would be available for export at a price of $30 a ton more than this year and, obviously, it would go out.

Mr. WYLIE. I understand that there is a problem with scrap metal, that there are foreign buyers waiting almost at the gate.

Mr. PATMAN. With orders on file.

Mr. WYLIE. With orders on file. If the Export Control Act is not extended by 30 days, sellers would be free to ship scrap metal out of the country which is sorely needed in this country.

Mr. PATMAN. There are 3,071 companies that have scrap iron and steel ready to ship.

Mr. WYLIE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution as follows:

H. J. RES. 1057

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14 of the Export Administration Act of 1969 is amended by striking out "June 30" and inserting in lieu thereof "July 30".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO PERMIT U.S. PARTICIPATION IN INTERNATIONAL ENFORCEMENT OF FISH CONSERVATION

Mr. FRASER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14291) to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographic areas, pursuant to the International Convention for the Northwest Atlantic Fisheries, 1949, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 19, insert:

(g) Subsection (b) of section 4 of the Act of September 27, 1950 (64 Stat. 1068), is amended by adding the following sentence to the end thereof: "The Secretary of State shall submit an annual report to the Congress of the costs incurred in reimbursing travel and per diem expenses of members of the advisory committee pursuant to this subsection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF CHANGE IN LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, on tomorrow, we will call up by unanimous consent H.R. 13370, temporary suspension of catalysts of platinum and carbon used in producing caprolactam.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 14715, AUTHORITY FOR EMPLOYMENT OF WHITE HOUSE OFFICE AND EXECUTIVE RESIDENCE PERSONNEL

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1184 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1184

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14715) to clarify existing authortiy for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the Committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1184 provides for an open rule with 1 hour of general debate on H.R. 14715, a bill to provide authority for employment of White House Office and Executive residence personnel.

House Resolution 1184 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

The purpose of the bill is to provide legislative authorization for staff support, administrative expenses, maintenance, and operation of the White House Office of the President, the Executive residence of the White House and for the Executive duties and responsibilities of the Vice President.

H.R. 14715 allows the President to appoint a total of five administrative and staff assistants at the rate of pay for Executive Level II, which is $42,500 per year.

Mr. Speaker, I urge the adoption of House Resolution 1184 in order that we may discuss and debate H.R. 14715.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished gentleman from Florida (Mr. PEPPER) has explained the provisions of the resolution. I oppose the resolution, Mr. Speaker, and the bill if it is not amended. I think it is unconscionable that we here in the House should take partisan pot shots at the White House in reducing the salaries of existing employees.

Whatever the feelings of the Members might be, the Congress of the United States is no place for such action by any committee, or by this body.

Mr. Speaker, I have no requests for time.

Mr. PEPPER. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 15544, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1975

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1188 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1188

Resolved, That during the consideration of the bill (H.R. 15544) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1975, and for other purposes, all points of order against the provisions under the heading "SPECIAL ASSISTANCE TO THE PRESIDENT" beginning on page 10, lines 6 through 15, and under the heading "THE WHITE HOUSE OFFICE" beginning on page 10, line 17 through page 11, line 3, are hereby waived for failure to comply with the provisions of clause 2, rule XXI.

The SPEAKER pro tempore (Mr. O'NEILL). The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1188 permits the Committee on Appropriations to submit the 1975 appropriation bill for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for action on the floor of the House of Representatives.

House Resolution 1188 provides that all points of order against the provisions under the heading "Special Assistance to the President" beginning on page 10, lines 6 through 15, and under the heading "The White House Office" beginning on page 10, line 17 through page 11, line 3, are waived for failure to comply with the provisions of clause 2, rule XXI of the Rules of the House of Representatives—prohibiting unauthorized appropriations.

H.R. 15544 provides for new budget obligational authority of $5,507,947,000, a reduction of $69,349,000 below the budget estimates of fiscal year 1975 and $735,770,000 under the amount for the same agencies during the current fiscal year.

H.R. 15544 also makes appropriations for certain independent agencies such as the Civil Service Commission, the General Services and the U.S. Tax Court.

Mr. Speaker, I urge the adoption of House Resolution 1188 in order that the House may consider, discuss and debate H.R. 15544.

H.R. 14715, which will be considered immediately after this rule, includes the authorization for the two items in this bill which require a waiver. It is my understanding that the other body will hold committee hearings on the authorization bill tomorrow.

Mr. Speaker, I yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from Louisiana has given an adequate explanation of the resolution before us.

This resolution came out of the Committee on Rules by a voice vote, and I support the resolution.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. LONG of Louisiana. Yes. I yield to the gentleman from Texas.

Mr. ECKHARDT. May I ask the gentleman from Louisiana if in the waiver of points of order, particularly with respect to line 17 on page 10 and line 3 on page 11, that this waiver is to prevent a point of order which might be made against the language on page 11, "to be accounted for solely on his certificate"? Is that the purpose of that waiver?

Mr. LONG of Louisiana. Mr. Speaker, I would like to yield to the chairman of the subcommittee, the distinguished gentleman from Oklahoma.

Mr. STEED. May I say that that is the language in the bill, but in the light of the legislation on the floor, the authorization legislation, if this rule is granted, perhaps we will offer amendments to these two items to conform with the authorization. However, we could not anticipate, so we have used this form to get it to the floor so we can make it conform with whatever authorization bill the House sees fit to pass.

Mr. ECKHARDT. As I understand, there is present authorization in existing statutory language to protect, I believe, $40,000 for travel, from which amount moneys may be expended in the discretion of the President and accounted for on his certification only, and you would raise that to $100,000 in the authorization bill, as I understand.

Mr. STEED. Yes. The fact of the matter is that if the rule is not adopted, if the authorization bill is not passed, then both of these items will have to be stricken from the bill. Therefore, the whole provision as to the two items will rise or fall with what is in the authorization as it comes up.

Mr. ECKHARDT. Then there is another statute, I think, that permits $50,000 on the President's sole accounting. That has to do with certain expenses in the nature of entertainment, and so forth, and is in existing legislation.

Mr. STEED. In the legislation that deals with the compensation of the President, the $250,000 item exempts $50,000 for that purpose.

Mr. ECKHARDT. But what concerns me about this language in H.R. 15544 is that it seems to me that all of these funds referred to after the semicolon on line 24, page 10, that is, "hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel and official entertainment expenses of the President," all need to be accounted for solely on the certificate of the President and nothing more.

So that would be a very important point.

Mr. STEED. Mr. Speaker, I will state to the gentleman that this has been provided in the law as long as I can remember, but none of it will be effective here. The new language will be in the authorization bill that is going to come up now. We will have to offer amendments on the floor to these two items in order to make them conform to the authorization bill if and when the House passes the bill. That is why the authorization bill comes up before the appropriation bill, so that we can make those adjustments.

Mr. ECKHARDT. Of course, if the gentleman from Louisiana will yield further, it would be true, would it not, that if the authorization bill provides that certain sums contained therein need to be accounted for solely by the President, that would take care of the question and we may strike that language out of the appropriation bill?

Mr. STEED. Mr. Speaker, that is what I have told the gentleman. Some of the language will be stricken and substituted for in order to conform to the authorization bill.

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield so that I may ask the gentleman from Oklahoma a question?

Mr. LONG of Louisiana. I yield to the gentleman from Iowa.

Mr. GROSS. Then, Mr. Speaker, it is clearly understood that whatever comes out of the consideration of the next bill, H.R. 14715, the Committee on Appropriations will offer amendments to its bill to make it conform?

Mr. STEED. The gentleman is correct. We did not think that by this action we should have any control over the authorization bill which would become final and controlling. The reason we are having it acted on first is because that is the only way we know of to amend the appropriation bill in order to conform with the authorization bill. So as the day goes on, as soon as the authorization bill is finished, we then will prepare the amendments to make the appropriation bill fit that action on the authorization bill.

Mr. GROSS. Mr. Speaker, all I wanted to have clearly understood is that we understand the Committee on Appropriations will offer those amendments.

Mr. STEED. Mr. Speaker, if the gentleman from Louisiana will yield further, I will answer the gentleman:

The gentleman is correct. Furthermore, we will be glad to allow the gentleman to see the terms of the amendments before they are offered. If the authorization bill is not passed for any reason, we will have to strike the two items from our bill.

Mr. LONG of Louisiana. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I take this time to direct a question to the chairman of the subcommittee, the gentleman from Oklahoma (Mr. STEED).

I would like to inquire whether the rule in its present form would waive a point of order to an appropriation in the Civil Service Commission section for the executive interchange program, which I do not believe has been authorized.

Mr. STEED. Mr. Speaker, if the gentleman will yield, I will state that I would have to check up the law on that. I think we have looked up all the authorities, and when the bill comes up, we will have them available. If there is not some authority, we will have it decided on a point of order. There may be several points of order, but we did not go into that with the Committee on Rules because there were only the two sections cited where we thought we needed that sort of help.

Mr. VANIK. The resolution in its present form does not waive points of order to this particular section?

Mr. STEED. No, just to these two items.

Mr. VANIK. Mr. Speaker, I would like to serve notice now to the chairman of the subcommittee that at an appropriate time I expect to raise a point of order to the item of the lines 12 through 20, for the reason that I cannot find an authorization for an appropriation for the President's executive interchange program which is included in the $90,000,000.

Mr. STEED. Mr. Speaker, I appreciate the gentleman's telling us about that. I do want the gentleman to know that on this and on all other points of order in here except on these two items the Members' rights will be protected.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORITY FOR EMPLOYMENT OF WHITE HOUSE OFFICE AND EXECUTIVE RESIDENCE PERSONNEL

Mr. DULSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 14715, with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from New York (Mr. DULSKI) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. GROSS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. DULSKI).

Mr. DULSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 14715 was ordered reported by a record vote of 14 to 4. The committee report includes supplemental views which register objection to the action taken during the committee markup of the legislation, reducing the number of positions to be placed in the top levels, particularly in Executive Level II at the $42,500 rate, from the current number of 14 down to 5 positions. The action of our committee on this question was approved by a voice vote.

Mr. Chairman, I sponsored this bill on the basis of an official request from the administration. The purpose of the bill is to authorize appropriations for staff support, administrative expenses, maintenance, and operation of the White House Office of the President, the Executive Residence of the White House, and for the Executive duties and responsibilities of the Vice President. The authorizing legislation will meet the requirements of clause 2 of rule XXI of the House of Representatives, which provides that no appropriation shall be reported by the Appropriations Committee of the House in any general appropriation bill for any expenditures not previously authorized by law.

During the House consideration on August 1, 1973, of the Treasury, Post Office, and Executive Office, 1974 appropriation bill, points of order were made and sustained against the legislative language contained in the appropriations proposed for "Special Assistance to the President," the Office of the Vice President, and the "White House Office."

The legislative language was restored before enactment of the Appropriation Act, Public Law 93-143.

On April 29, 1974, the administration submitted an official request to the Congress for legislation authorizing appropriations for the ongoing staff support of the Office of the President, the Executive Residence, and the Office for the executive branch duties of the Vice President.

Chairman TOM STEED of the Subcommittee on Treasury, Post Office, and General Government Appropriations of the Committee on Appropriations, has advised our committee that questions could be raised as to whether there is authorization for five appropriations associated with the Executive Office of the President.

This legislation covers 3 of those appropriations; namely, the "White House Office," the "Executive Residence," and the "Special Assistance to the President." The other two appropriations, "Emergency fund for the President," and "Expenses of management and improvement," are not covered by authorizations in the reported bill. It is the view of our committee that these two appropriations involve matters not within the jurisdiction of our committee.

Mr. Chairman, the major features of this legislation are the limitations placed on the number of top level positions. As of May 1, 1974, there was a total of 510 positions in the White House Office, and 65 of these positions were at rates above $30,000, of which 14 were paid at the Executive Level II rate of $42,500. The limitations in the bill relate only to the 65 positions.

The bill authorizes 5 positions at the $42,500 rate for Executive Level II, which will require a reduction of 9 positions in Executive Level II from the current total of 14 to 5 positions.

The bill authorizes the President to have 5 positions at the $40,000 rate for Executive Level III, 10 positions at the $38,000 rate for Executive Level IV, and 15 positions at the $36,000 rate for Executive Level V, for a total of 30 positions at these levels. He now has 21 employees within the same salary range of $36,000 to $40,000. This number, plus the 9 positions to be reduced from the $42,000 rate, results in a total of 30 positions, which is the number of positions authorized by this bill.

The Vice President now has one position at the $42,500 rate, three at the $38,000 rate, one at the $36,000 rate, and one in the GS–16, –17, and –18 range, for a total of six positions at these rates. The bill authorizes a total of 14 positions at the top level rates, 1 at the $42,500 rate for Executive Level II, 3 at the $40,000 rate for Executive Level III, and 3 at the $38,000 or $36,000 rates for Executive Levels IV and V, respectively, and 7 positions in GS–16, –17, and –18.

In addition to the employees in the White House Office referred to above, there currently are 13 experts and consultants on a per diem when actually employed basis, and 25 employees detailed to the White House from other executive agencies on a reimbursable basis if the detail extends for more than 6 months.

Mr. Chairman, under 5 U.S.C. 3101, each executive agency—and this includes the White House Office—is authorized to employ such numbers of employees as may be appropriated for from year to year. The law does not place a limitation on a number of these employees for each agency, but other provisions of law do specify the numbers of positions in the Executive Schedule and the numbers in GS–16, GS–17, and GS–18 of the General Schedule.

The committee followed that same legislative policy in reporting this bill. The bill fixes the number of Executive Schedule positions and the number of positions in GS–16, GS–17, and GS–18, but subjects the numbers in GS–15 and below to the availability of funds.

The tables set forth on page 6 of the committee report show that the number of positions above GS–15 in the White House Office, as of May 1, 1974, was 65. The number authorized in the reported bill is 65.

The number of positions in these levels for the Vice President, as of May 1, 1974, was 6, but the Vice President has advised us that he currently is reorganizing his staff. Following discussions with the Vice President, the committee agreed to authorize a total of 14 positions for the Vice President above GS–15. The Vice President agreed with this number.

The total number of positions for the White House Office for fiscal year 1974, including the 65 above GS–15, was 510, and the comparable total requested for fiscal year 1975 is 540. The number in the Executive residence for fiscal year 1974 was 70, and the number requested for fiscal year 1975 is 82.

The number of employees in the Office of the Vice President for fiscal year 1974 was 30, and the number requested for fiscal year 1975 is 30. The Vice President's proposed reorganization of his office may require some change in the number for fiscal year 1975.

EXPERTS AND CONSULTANTS

The authority for the President to procure temporary or intermittent services of experts and consultants is included in the bill under subsection (d), beginning in line 13 on page 6, and similar authority is included for the Vice President on page 7 under subsection (e)(1), beginning in line 16.

This authority is similar to the authorization included for several years under the White House Office appropriation in the case of the President, and under the appropriation for special assistance to the President, in the case of the Vice President.

In the case of the President, the Appropriation Act for fiscal year 1974 included a limitation of not to exceed $2,250,000 for these expenditures, and the request for fiscal year 1975 increases that limitation to $3,850,000, or an increase of $1,600,000.

It would appear that any reduction in this limitation should be handled by the Appropriations Committee.

As of May 1, 1974, there were 13 consultants assigned to the White House Office. These are shown on page 10 of the hearings.

DETAILS

Title 3, United States Code, section 107, as amended by the reported bill, will authorize the President to request details from the executive branch of employees to serve in the White House Office. The President is required to advise the Congress of the names and general duties of the employees, and the employees may not be detailed for full-time duty on a continuing basis for any period of more than 1 year. The detail is to be on a reimbursable basis if the detail continues for more than 6 months.

As shown on page 6 of the committee report (H. Rept. No. 93–1100), 25 employees were detailed to the White House Office from other agencies as of May 1, 1974, and it is the current practice to reimburse the agencies for these details that continue for more than 6 months.

The number of 25 does not include 7 persons detailed to the President's Foreign Intelligence Advisory Board, which is not involved in this authorizing legislation.

ENTERTAINMENT EXPENSES

The bill does include authority under subsection (d) on page 7 for the appropriation of such sums as may be necessary to pay official reception, representation, and entertainment expenses to be expended at the discretion of the President and accounted for solely on his certificate.

This language is identical to the language contained for the past several years in the appropriation for the White House Office. There also is a provision in the appropriation for the Executive Residence for official entertainment expenses of the President.

Neither the Appropriation Act nor the reported bill contains any limitation on the amount of this expenditure.

The committee was advised during the hearings that approximately $75,000 was expended during fiscal year 1973 for official entertainment from the Executive Residence appropriation. (See p. 41 of the hearing.)

There were no amounts used for entertainment from the White House appropriation.

TRAVEL

Title 3, United States Code, section 103, as amended by this bill, will authorize not to exceed $100,000 for travel expenses of the President. This authorization for costs of travel is in addition to the major travel costs of the President of military airplanes and the auxiliary services furnished by the Department of Defense.

We were advised at the hearings, as shown on page 24 of the hearings, that this authorization covers the travel of those who accompany the President, for hotel costs and other incidental traveling costs. The total expenditure for fiscal year 1973 was $75,000, the amount appropriated. It was $100,000 for 1974. The budget request for fiscal year 1975 is for $100,000, the same amount authorized by the reported bill.

Mr. Chairman, I urge that the committee approve H.R. 14715.

Mr. GROSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the record will show that I voted to favorably report the bill H.R. 14715, authorizing the White House Office staff, and I did so for two reasons:

First, the legislation is long overdue inasmuch as Congress has been appropriating funds to staff the White House Office for many years in disregard of an important House rule. I refer, of ocurse, to rule XXI, clause 2, which requires prior legislative authorization of any funds appropriated. The legislation we bring to the House today, if enacted, will resolve that problem and will enable the appropriate legislative committee to conduct regular reviews of the staffing levels of the White House Office. Therefore, I believe this is a vital and necessary piece of legislation.

The second reason I voted to bring this bill to the floor in its amended form is that certain limits should be placed on the numbers of upper level positions created by the President in the White House Office, and I believe this bill, H.R. 14715, proposes proper limitations. I do not think there is any language in this bill which would inhibit any President, present or future, from satisfactorily conducting the affairs of his White House Office.

I suppose there could not be a worse time for considering legislation such as H.R. 14715. Nevertheless, as we proceed to the 5-minute rule, it would be my sincere hope that reason and fair play will prevail. I would urge that the bill not be used as a vehicle for imposing unreasonable restraints on the ability of the President to perform his duties.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, as was pointed out in supplemental views which accompanied the committee report on H.R. 14715, the main thrust of the committee amendment is to deny the President the authority to fill 14 positions in the White House Office at the rate of pay for Executive Level II.

Mr. Chairman, I also wish to emphasize the effect of the committee amendment which may not be readily apparent in reading the bill. If the committee amendment is approved reducing from 14 to 5 the number of Executive Level II positions authorized in the White House Office, that means that 9 persons currently serving in these positions will be required to take a reduction in pay. Such an action would be unconscionable, and I am certain that no Member of this House would stand by and allow his own staff to be legislated away in a similar manner.

The committee amendment to cut this authority back to five such positions is totally inconsistent with fair-mindedness. It is an action which seems suspiciously partisan when you consider that just 10 years ago the Congress enacted legislation which did away with pay distinctions of these same 14 positions and authorized the pay for all of them at the rate of Executive Level II.

It seems strange that the committee wishes to deny the incumbent President the same staffing authority that was granted the previous President.

I hope that this House will act objectively on this legislation and will treat the matter of White House Office staffing with the fairness that such an important subject deserves.

May I have the attention of the distinguished gentleman from Arizona, the future President of the United States. I may refer directly to the gentleman in my remarks and I would like to have his attention.

I think this bill represents the kind of legislative approach that this unfortunate political period seems to have thrust upon us. Basically what this bill does as produced by the committee would be to deny to the President the authority to fill 14 positions in the White House Office at the rate of pay of the executive level II. These positions are presently filled. Therefore, the practical effect is to reduce from 14 to 5 the number of positions authorized.

In this particular case in this bill before us, what we really do is cut back the authority which requires that nine persons presently employed by the President in these level II positions if they continue in his employ suffer by order of Congress reductions in pay.

I would just like to pose the question: How many Members in administering their own staffs, and granted their own staffs are not the size of the White House staff, but when we add up the total staff structure of Congress we have a great number of individuals, how many of us would look favorably upon a sudden decision to cut back the salaries of some of our employees, many of whom in accepting the positions did so in the rather practical view that the position would remain compensated for at the level that they accepted the assignment?

I think that is a human interest element that has been lost.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Arizona.

Mr. UDALL. I realize that people do not like to have their salaries cut; but does the gentleman seriously believe there will be suffering and malnutrition if these people are cut from $42,500, the salary of one of our committee members, the salary of a U.S. judge, or a Member of Congress; does the gentleman think there will be suffering and malnutrition if these people go down from $42,500 to $40,000?

Mr. DERWINSKI. No. Some of these men have children in college and at a time when their salaries are already frozen, we are imposing a further cut on them.

I realize in this day and age the well-known or faceless bureaucrats in the White House do not have too many friends; but I do not think this is a justifiable approach even in this political situation that applies to the President.

Mr. UDALL. Does the gentleman agree that we have too many high-level executives in the White House and the cut should be made, or are we just arguing when, in effect, we phase them out in the turnover?

Mr. DERWINSKI. My point now is that the President in good faith hired these men. They were hired at a salary that was agreeable to them.

Granted, there is the glamour of association. There is the glamour of a White House title, and of employment at the White House, but still in a family situation, a sudden substantial pay cut would create a personal problem.

At the risk of being a little personal, let me look at the future. As I understand it, political columnists in papers such as the New York Times, the Washington Post, and the Los Angeles Times, all highly regarded publications in the country, report that the real dark horse in 1976 for the Democratic Presidential nomination is our distinguished friend from Arizona (Mr. UDALL). I am not really at this point endorsing the gentleman, but I do make this point: I can just see this picture in 1977, with a Democratic President coming in and taking over the White House. He has made certain campaign commitments and will have to turn to Congress for more funds.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GROSS. Mr. Chairman, I yield 3 additional minutes to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I can just see this noble new President, who could well be the gentleman from Arizona, coming to the White House and looking over the budget he has inherited, the programs he has inherited, and saying, "I need billions and billions of dollars of additional spending."

He then turns to a friendly Congress and says, "Gentlemen, I not only need more personnel, but I need more money and more personnel in the departments so that we can carry out the mandate of our party convention."

This would obviously be done only at an increase in the budget. At that point, though, that President would have to turn to the Congress and say, "In some fashion we must economize also. We have to show the American public that we are economizing in at least one area."

Then, if the gentleman from Arizona is our President, he could at that point adopt the proposals he is proposing in this bill. He could cut back these level II's from 14 to 5 and cut the White House staff as he would propose to do it now. If we passed this bill as the gentleman presents it today, we will not give the gentleman room to economize legitimately in January 1977.

The gentleman will be accused of being a spender when he tries to increase the White House staff. Therefore, I am really trying to save the gentleman from Arizona from his own well intended but slightly narrow-minded political instincts.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I am happy to yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the gentleman has a more elaborate version of my position in 1976 than I have. The mayor of his city apparently has lost my telephone number, because I have not heard from him. None of the Senators, Mr. Chairman, have conceded as yet, but he gives me an opportunity to speak of this matter. I have not even learned "Hail to the Chief." I do not know the first stanza of the song yet.

The gentleman gives me an opportunity to make a point which I want to make. It has been said that this is some kind of partisan hatchet job on a President who is kind of weak right now. Those of us on the committee have been concerned about a reduction of the Executive Office for years. I want to get it nailed down now so that we are stuck with it.

I think we are going to have a Democratic President in 1977, and I want it in the CONGRESSIONAL RECORD that I think this White House staff has gotten all out of whack. There is no justification for this bloated bureaucracy.

We finally got a list of the kinds of people down there. I want my colleagues to know what we have at the White House. We have counsellors to the President at $42,500. We have assistants to the President; deputy assistants; eight counsel to the President; special counsels to the President—all at $40,000 to $42,500.

We have special consultants; executive assistants to the President; special assistants to executive consultants; deputy assistants to the President; deputy special assistants to the President; staff assistants to the President; and each of these have consultants. I think we have gone too far. I think the job ought to be done in the Cabinet departments and not down at the White House with all kinds of anonymous people making high salaries.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. GROSS. Mr. Chairman, I would be glad to yield an additional 3 minutes to the gentleman from Illinois, but I would hope that somewhere along the line he would give us his selection for the Republican candidate for President.

Mr. MALLARY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from Vermont.

Mr. MALLARY. Is it not important that we recognize the fact that back in 1964 we authorized for President Lyndon Johnson 14 positions that pay up to Executive Level II, and what we are suggesting in this bill is the taking away of that authorization and the personnel we authorized at that time?

Mr. DERWINSKI. Yes. That is true, but I did not want to say it in quite that way because I felt it was too much of a direct political statement. That is why I approached the subject more gently. Let me say that I recognize the motivation of 98 percent of the Members here is always for what they think is in the best interests of their constituents and of the country. However, I cannot help but think at this time of the year, with the political turmoil that has developed, that this bill, as presented to us, does, in fact, represent a political overkill.

It is one thing to preach about the high-salaried positions at the White House and then to forget the great responsibility that has been placed upon the White House by the bills this Congress has enacted, which force the President to rely ever and ever more on a larger staff. I wish our Federal structure was the size it was at the time Calvin Coolidge was President. But since the early 1930's we have been deliberately developing a huge Federal bureaucracy. The President has to control it, and he cannot control it entirely through his department heads. He has to have a staff.

Mr. Chairman, I will take second place to no one except perhaps the gentleman from Iowa in my determination to cut the Federal budget and the bureaucracy.

This is almost a political backlash. That is why I reemphasize that the real way to cut the White House is by putting the presssure and spotlight on the President.

The Committee on Appropriations certainly, if we pass the authorization, could go to work and trim the executive budget.

I think this is the wrong vehicle for doing it, and I cannot but question the political shortsightedness that in part motivates it.

Mr. DULSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I rise at this time to counter the arguments that have been expressed here by the gentleman from Vermont, and we will hear more of them today, that somehow we are taking an extensive whack at the numbers of bodies in the White House and we are doing this in a manner which is partisan and unfavorable, in comparison to the Johnson budget.

The fact is that Mr. Ash came in before our committee, and the request they made in the original bill was for 65 positions above GS-15.

The bill that the committee reported gives them 65 positions. So we are giving them exactly the number of positions they now have. The one thing the committee did do is this—and I am willing to discuss at some point with my friend, the gentleman from Illinois, the timing and phasing of this—we said there are too many overinflated, highly paid Federal jobs on Executive Level I at the salary of Cabinet Members, $60,000, and too many on Executive Level II; that is the Under Secretary level, and that is $42,500, which equates with Members of Congress, Senators, and chairmen of committees, and it equates with the U.S. Federal Court of Appeals judges.

They have now at the White House 14 of these, and I listed them. There are counselors and special assistants and deputy assistants and all of these other positions. They have 14 of these now.

Mr. Chairman, we give them exactly the same number of positions the President requested, but we bump some of the grades down. So some of the Executive Level II's are going to have to suffer along at Executive Level III salaries, and some of the III's are going to have to be satisfied with salaries of IV's and some of the IV's will have to suffer along at $36,000.

Let me say something about the comparable figures in the Johnson budget. Incidentally, I think salary levels ought to be raised. I have had previous discussions with my friend, the gentleman from Iowa, on this subject. I think perhaps something ought to be done for officials on this level, and that something ought to be done for Members of Congress. Perhaps one of these decades we might be due for a little bit of an adjustment in this era of inflation.

But on the idea that we somehow can compare this favorably with the Johnson budget, I went back and got the last Johnson budget. Earlier I gave the Members the figures for supergrades in the positions which President Nixon is asking for. That figure is 65, and we are giving him 65 in supergrades and above. In the Johnson budget the number was not 65; it was 24. In 1969, the year of the last Johnson budget, that was the number of people in these top positions which the Congress allowed.

Mr. Chairman, I have a little more time left here, so let me take the time to knock down just one other old chestnut here. They say, "Oh, yes, but it was a dishonest budget in the Johnson days." The gimmick was "detailing". The idea was that departments would send over highly paid people and put them on the White House staff. Those bodies did not show up in the White House budget.

There was a good deal of this going on. However, in this extensive study here which the committee commissioned me to do a couple of years ago, we made allowances for that. We counted the personnel detailed, and then we proved beyond any question of a doubt that the Nixon administration had gone completely berserk in adding on all kinds of highly paid positions at the White House.

It is like the situation where we might say you are running restaurant and somebody works for you and is allowed to eat one steak a day. It develops he is taking home five steaks a day. You confront him with this, and he comes back and says, "I admit it. Now I want to take 10 steaks a day out of the kitchen on my way home."

So it does no good in this debate to say, "We will not detail any more. We are giving the Congress an honest budget, and since we are providing an honest budget, we now to double it."

Mr. Chairman, I think what we are providing in this bill is responsible. I think if we have any respect for the legislative branch as against the executive branch, we ought to cut down on the numbers they have. In the Under Secretary level there are 14, on level II, in the White House. Do the Members know how many there are in all the other agencies? There are not more than 30 as I recall. They have almost half as many on the level of Under Secretary in the White House as they do in all the other agencies in the executive department. This is wrong, and we are trying to correct it.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, may I direct the attention of the Members to this: I am reading from the report of the Committee on Post Office and Civil Service of April 24, 1972, which was authored by the distinguished gentleman from Arizona (Mr. UDALL) on the subject of "The Growth of the Executive Office of the President."

The gentleman, I am sure, has a copy of that in his files.

The gentleman will note that on page 5, table 4, it shows that in 1970 the White House had 250 positions, and in 1971, 533. That is an increase of 283. Then it also shows that they had in 1970 detailed to the White House from other agencies 273 persons. That detail was then eliminated.

So, from what I have been reading, it was determined by the White House to take full responsibility for the personnel that previously had been detailed.

Mr. UDALL. Yes, and I commended him for that. That was an honest budget.

We should have the details. This should be brought down on the White House level, but I repeat that to use this "honest" budget in order to add on a complete new bureaucracy down at the White House makes no sense.

Mr. DERWINSKI. However, the gentleman will, I am sure, recognize that year after year, regardless of who has been the occupant in the White House, we inevitably have added to the burden of the executive branch?

Mr. UDALL. The gentleman is correct.

Mr. DERWINSKI. A good part of which was apposed for the President.

Mr. UDALL. And I voted for some of these things.

Mr. Chairman, my point is that in a cabinet kind of government, those functions ought to go into cabinet posts where the administrators who are sent to us to testify cannot claim executive privilege.

When I made this study, John Ehrlichman would not tell us anything. They indicate plainly that at the White House Congress was considered a bunch of clowns not entitled to this information.

Mr. DERWINSKI. Mr. Ehrlichman was not any more helpful to me, either. I just want the gentleman to know that he was bipartisan in the way he would handle Congressmen.

But I think we really should keep in mind—and this is an essential point this afternoon—that we cannot trim the executive branch at a time when we continue to add to its responsibilities.

Mr. UDALL. I am not trying to trim the executive branch, I am just trying to put this responsibility in the departments and the people who are responsible for making policy and administering it.

Mr. DULSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, when we have completed the general debate, and have entered into the 5-minute rule, I plan to offer two amendments to the pending legislation. One amendment would reduce the number of personnel in the White House in total numbers of 25: 10 from the levels of 4 and 5, and 15 from supergrades 16, 17, and 18. The other amendment would be one which relates to disclosure. A requirement that the White House publish each fiscal year a list of those persons who are employees at the White House, the moneys received or paid to those employees, and a general job description and title of the employees so involved.

I recognize, Mr. Chairman, that when the amendments are offered that there will be some who will claim that some partisanship is involved, but I want the House to know that as far as I am concerned they are offered because of two factors: One, it is my feeling that the staff in the White House is becoming so large and in effect so powerful that they would tend to do damage to what I think is the cabinet system of government.

Secondly, I think that the White House ought to furnish to the public and to both Houses of the Congress, the House and the Senate, a list of those people who are working there, and the salaries they are paid, and a job description and title of each job.

We in the House do this twice a year, and we publish it for everybody to see. I think that should be required equally of the White House. So I will offer those two amendments after we conclude general debate.

Mr. DULSKI. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, I have listened to the colloquy very attentively. Let me tell my colleagues in the House what this is all about. We have not cut one job out of the White House, there are still 510 jobs, as there were in the last appropriation, 510.

In 1969 the appropriation for the entire White House as a whole was $4,052,000. In 1973 it went up to $11,900,000. In 1974 it was $11,140,000; in 1975 we are going up to $19,111,000.

Mr. Chairman, I know that my colleagues will take different nips at the White House. I introduced this bill, and I am pleased to chair it, on a nonpartisan basis. But if we are going to continue to quarrel over some nine jobs and trying to prove we have demoralized the White House because we have scaled down some nine jobs from $42,500 to a lesser amount, I think that is wrong. I think it is foolish to take all this time to discuss a bill that could have been completed in 15 minutes.

Mr. Chairman, I now yield 2 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I rise to ask the chairman, the gentleman from New York (Mr. DULSKI), a couple of questions with respect to what this bill does with regard to certain funds provided for in certain statutes in which the expenditure of the funds requires no accounting at all to the Comptroller General.

First, this bill amends section 103 of title 3 of the Code, and it increases the $40,000, which sum, when appropriated, is to be expended in the discretion of the President and accounted for on his certificate only.

Incidentally, these funds are for travel. I understand this bill would increase this authorization to $100,000.

Mr. DULSKI. That is correct.

Mr. ECKHARDT. I do not disagree at all with the committee's increase to $100,000, nor do I disagree with such funds being expended at the President's discretion, but I am a little bit concerned about recurring language both in authorization bills and in appropriation bills which provides that there need be no accounting to the Comptroller General.

There is one other place where this is done, the only other area I know of that touches this matter. Perhaps the chairman might suggest something else, if there is anything else, that provides expenditure of money by the President not requiring his accounting therefor to the Comptroller General. The other place is in the previous section, section 102 of title 3, which makes available to him $50,000 to assist in defraying expenses related to or resulting from the discharge of his official duties, for which he is not required to make any accounting.

That is the other provision wherein no accounting is required.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DULSKI. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the chairman.

Mr. DULSKI. There is none, but as I understand, we only cover one phase of the travel of $100,000. The other $50,000 is in the appropriation bill. It is another part of the appropriation bill, but he has that out of his income tax.

Mr. ECKHARDT. Yes, so there would be between the two a total of $150,000 as far as authorizations are concerned that he need not account for. Of course, sometimes in appropriation bills we really insert legislation language which would ordinarily be subject to a point of order. But, as I understand it, the total authorization for expenditure without accounting is $150,000 in those two sections, assuming we pass this bill.

Mr. DULSKI. The gentleman is correct.

Mr. ECKHARDT. I thank the gentleman from New York.

Mr. DULSKI. Mr. Chairman, I have no further requests for time.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DULSKI. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

The gentleman just a moment or two ago mentioned some increases over a period of years in the executive budget, and that is understandable. I wonder if the gentleman has the figures for what the increases were for the House of Representatives in their budget in the same class.

Mr. DULSKI. I do not have the figures here, but we are not considering that in this bill. This is the executive bill. I do not have the figures.

Mr. KETCHUM. I understand that. I was just wondering what those figures are. I just imagine they are rather considerable, too.

I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GROSS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. ROBISON). In doing so, let me say that I greatly regret that he will be leaving Congress at the end of this session.

Mr. ROBISON of New York. I thank the gentleman for yielding, and for his kind remark. Mr. Chairman, I am also grateful to my friend, the gentleman from California, for the question he just asked. The report tells us that this bill—which is a necessary bill, let me say—is an outgrowth, in effect, of concern expressed over the years by the Committee on Post Office and Civil Service about the personnel and the personal costs of the Executive Office of the President. I am concerned about those things, too, and this debate will make our task apparent later on this afternoon, I will say to my friend, the gentleman from Iowa, when we present the White House budgetary items in the Treasury, Post Office, and general Government appropriation bill, either easier or more difficult, as the case may be.

But, in any event, in response to the question asked a moment ago by the gentleman from California (Mr. KETCHUM), as we know everything is relative. I suggest he look at the legislative appropriation bill this House passed, on April 4 of this year, and he will find these details on page 8 of the report, where he will see a compilation of the salaries and expenses we allowed just for the various officers of this House including the Clerk, the Sergeant at Arms, the Doorkeeper, the Postmaster, the Chaplain, the Parliamentarian, the Reporters, the Democratic Steering Committee and Republic conference, and so on. This is an appropriation item already voted on—which is over and above what we allow ourselves for our own individual office staff and allowances—and for these of our own purposes, we voted $16.5 million, which is about $200,000 over and above what the President, with all his problems and needs, is asking for the whole White House office staff operation in fiscal year 1975.

I thank the gentleman for yielding.

Mr. HARRINGTON. Mr. Chairman, I support passage of H.R. 14715, a bill to authorize and limit employment of White House personnel.

In one sense, I am reluctant to approve any authorization for the White House staff. I cannot help but wonder if I will be paying the salary of yet another Egil Krogh, John Dean, John Erlichman, Bob Haldeman, and even Tony Ulasciwitz, none of whom in my opinion were among the greatest public officials ever to serve this country.

Nevertheless, I am aware that in dealing with the abuses of the Nixon administration, Congress must not place undue restrictions on the office of the Presidency and future Presidents. Clearly, the President needs competent staff to help him perform his duties. However, H.R. 14715 places needed limitations for the first time on the growth of the President's office that began almost from its inception and which has accelerated out of control in the Nixon administration. Under the Nixon administration, the growth of the Executive office of the President has increased almost 400 percent over the last part of the Johnson administration.

While there is nothing inherently wrong with the concept of growth in itself, when in the wrong place and at the wrong rate, uncontrolled growth must be controlled. For at least two reasons the growth of the Executive office must be halted. First, because of President Nixon's highly original but constitutionally questionable doctrine of executive privilege extending over the entire executive staff, each new executive position results in one more policymaking individual refusing any accountability to Congress or to the public at large. This extension of secrecy in Government must be stopped today in order that it may be reversed tomorrow. Second, the expansion of the Executive office staff has led to needless duplication of efforts with the existing Government agencies.

H.R. 14715 is not going to end secrecy in the Nixon administration or eliminate duplication between the Executive office and the executive agencies. However, it is a step in the right direction. Through the bill, Congress for the first time authorizes employment of White House personnel rather than simply leaving White House staffing questions to the appropriation process. In addition, the bill will limit the number of professionals who can work in the White House office. The bill also stops the President from hiding top level executives in ungraded positions not subject to normal Civil Service controls. While the President has long had the authority to hire ungraded employees to enable the hiring of specialists, such as groundskeepers and French chefs, not falling within normal civil service classifications, President Nixon has distorted this authority to hire 70 top level officials in ungraded positions. Finally, the bill will put a limit on the length of time the White House may detail any single individual from another executive agency to work in the White House.

Despite my support for the bill, in many ways I think the bill should go further. While the bill restricts staffing of the White House office, it fails to restrict staffing of the proliferating number of councils and miniature bureaucracies within the Executive office of the President. From 1970 to 1972 alone, nine new satellite offices, many of whose functions previously had been performed by staff assistants, were created in the Executive office of the President. Some of these offices—such as the Office of Telecommunications Policy which apparently attempts to influence the Federal Communications Commission—seem to have no legitimate function at all.

The bill also fails to restrict the number of employees who can be detailed from executive agencies to the White House. While the bill does restrict the length of time that such employees may be detailed, it does not restrict the total number of employees who may be so detailed. Given that in 1971 the Nixon administration acknowledged detailing 273 employees from other agencies to the White House, this is a matter of considerable concern. In a related matter, the bill does not deal with the problem of what I call "laundered people." The White House must be prevented from placing high level policymakers at the White House on the payrolls of outside executive agencies when these individuals have never even served a day in the agency from which they are being paid.

Another shortcoming of the bill is its failure to take precautions against the possibility of the spending of White House funds for transitional activities after the resignation or impeachment of a President or Vice President. When Vice President Agnew resigned, he remained on the White House payroll sorting out his papers for 6 months. This situation must be prevented from recurring in the future.

In fact, while the bill does restrict to some extent the number of staff that the White House can hire, the bill places no restrictions on the type of activities that the White House must fund. Serious consideration must be given to restricting the White House from using the taxpayer's funds for anything other than governmental functions. Certainly, it is questionable as to whether Government funds should be used to defend the President from his alleged criminal activities.

In conclusion, H.R. 14715 is a good bill as far as it goes. But the bill must be kept in perspective as only a beginning in controlling the expansion of the White House staff; considerably more must be done in the future.

Mr. DRINAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. PICKLE). Since President Nixon assumed office in 1969, he has carried out an unprecedented expansion of the entire executive branch of Government and the White House Office in particular. The total number of full-time staff positions in the White House Office more than doubled between 1970 and 1973, rising from 250 to 510. Many of these new positions were created at executive and professional levels. In addition, the President has made increasing use of his blanket authority to retain experts and consultants to supplement his staff on a temporary basis. Finally, in an effort to circumvent congressional authority to enact personnel appropriations for specific Federal agencies, the President continues to detail employees of various executive agencies on to his personal White House staff.

At the present time, neither Congress nor the American taxpayer knows exactly who is working for the President and how much they are being paid. Seventy-nine full-time members of the White House staff have been exempted from civil service classification by the President. According to a staff report prepared for the Committee on Post Office and Civil Service under the direction of Congressman UDALL:

> The use of the ungraded position is one method for "hiding" personnel so that Congress and the public have no knowledge of what work is being done or by whom.

We have all recently borne witness to the tragic consequences of a Presidential staff which has grown so large that it has lost its sense of accountability to the Congress, the Constitution, and the American people. H.R. 14715, as reported by the committee, places no meaningful restrictions upon the continued expansion of the White House Office. The President will have continued authority to hire an unlimited number of outside "experts and consultants" and to transfer personnel from other executive agencies to his own staff without restraint.

The amendment offered by the gentleman from Texas places reasonable limits on these present sources of abuse. It reduces by 25 the number of high-level positions on the White House staff. More importantly, it sets a specific limit on the number of temporary consultants the President can add to his staff and on the number of employees he can transfer from other agencies to the White House staff. I believe that these limitations are both fair and responsible. This appropriations bill is one of the few avenues open to Congress for asserting its prerogatives toward the executive branch. We would be remiss in our duty if we failed to adopt meaningful limitations on the future growth of the White House Office.

Mr. GROSS. Mr. Chairman, I have no further request for time.

Mr. DULSKI. Mr. Chairman, I have no further request for time.

The CHAIRMAN. Pursuant to the rule the Clerk will now read the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment.

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-five Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated. The Committee will resume its business.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 105 of title 3, United States Code, is amended to read as follows:

"§ 105. Assistance and services for President and Vice President

"(a) The President is authorized to appoint such employees in the White House Office and the Executive Residence as the Congress may appropriate for each fiscal year, including not more than—

"(1) five employees at the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5;

"(2) five employees at the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5;

"(3) ten employees at the rate of basic pay then currently in effect for level IV of the Executive Schedule of section 5315 of title 5;

"(4) fifteen employees at the rate of basic pay then currently in effect for level V of the Executive Schedule of section 5316 of title 5; and

"(5) thirty employees at the respective rates of basic pay then currently paid for GS-16, GS-17, and GS-18 of the General Schedule of section 5332 of title 5.

"(b) The President is authorized to procure for the White House Office and the Executive Residence the temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5.

"(c) The President is authorized to procure goods and services as he considers necessary for the maintenance, operation, improvement, and preservation of the Executive Residence.

"(d) There are authorized to be appropriated each fiscal year—

"(1) such sums as may be necessary to pay official reception entertainment, and representation expenses, to be expended at the discretion of the President and accounted for solely on his certificate; and

"(2) such sums as may be necessary for allocation within the Executive Office of the President for official reception and representation expenses.

"(e) There are authorized to be appropriated each fiscal year such sums as may be necessary to enable the Vice President to provide assistance to the President in connection with the performance of functions specially assigned to the Vice President by the President in the discharge of executive duties and responsibilities, including funds to—

"(1) procure temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rates of pay for individuals not more than the daily equivalent of the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of title 5; and

"(2) appoint employees, including not more than—

"(A) one employee at the rate of basic pay then currently in effect for level II of Executive Schedule of section 5313 of title the Executive Schedule of section 5313 of title 5;

"(B) three employees at the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5;

"(C) a combined total of three employees at the respective rates of basic pay then currently in effect for levels IV or V of the Executive Schedule of sections 5315 and 5316 of title 5; and

"(D) seven employees at respective rates of basic pay then currently paid for GS-16, GS-17, and GS-18 of the General Schedule of section 5332 of title 5.".

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"105. Compensation of secretaries and executive, administrative, and staff assistants to President."

and inserting in place thereof—

"105. Assistance and services for President and Vice President.".

SEC. 2. (a) Section 106 of title 3, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"106. Administrative assistants.".

SEC. 3. Section 103 of ttile 3, United States Code, relating to travel expenses of the President, is amended by deleting "$40,000" and inserting in place theerof "$100,000".

SEC. 4. Section 107 of title 3, Unied States Code, is amended to read as follows:

"§ 107. Detail of employees of executive departments to office of President

"At the request of the President, the head of any department, agency, or independent establishment of the executive branch of the government shall detail, from time to time, employees of such department, agency, or establishment to serve in the White House Office. The President shall advise the Congress of the names and general duties of all such employees so detailed to the White House Office. An employee may not be so detailed for full-time duty on a continuing basis for any period of more than one year. The White House Office shall reimburse each such department, agency, or establishment, for the pay of each employee thereof so detailed for full-time duty on a continuing basis, for any period of such detail occurring after the close of the sixth month following the date on which such detail first becomes effective.".

Amend the title so as to read: "A bill to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes."

Mr. DULSKI (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PICKLE: Page 6, line 4, delete the word "ten" and insert in lieu thereof the word "five."

Page 6, line 7, delete the word "fifteen" and insert in lieu thereof the word "ten."

Page 6, line 10, delete the word "thirty" and insert in lieu thereof the word "fifteen."

Page 6, line 15, between the words "of experts," insert the word "ten."

Page 9, line 13, strike the "." after the word "Office," substitute a "," in lieu thereof, and add the following, "but at no time shall the number of employees so detailed exceed ten.".

Mr. PICKLE. Mr. Chairman, my amendment would reduce the number of high-level slots authorized in the White House by 25 positions, or 39 percent.

The reductions would be made in the following categories:

First. From 10 to 5 for Executive Level IV.

Second. From 15 to 10 for Executive Level V.

Third. For the super grade slots—GS-16, 17, and 18, I would reduce the number of slots authorized from 30 to 15.

My amendment would also add restrictions to the number of outside consultants the White House can hire and the number of people detailed from other agencies to the White House. The number in my amendment is 10 in each category. The committee bill places no restrictions in these areas.

The amendment makes these changes in the bill on page 6, lines 7, 10, 15, and page 9, line 13.

Mr. Chairman, I commend the committee for placing specific salary slot requirements on the White House.

But, Mr. Chairman, the committee has not attempted to correct a problem that is plaguing the executive branch of our Government, and as a result, the balance between the executive and congressional branches of Government.

The problem is this—the growth of the White House Office high-level staff has resulted in decisionmaking being transferred from the line agencies to a rather large inner circle.

In my opinion, this has stagnated the vitality of the Cabinet officers, their deputies, and their agencies. It has also isolated the President from the rest of executive branch workings outside of the White House.

What effect this is having on the legislative branch, the answer is obvious. No longer does the Senate advise and consent on the true decisionmakers. No longer or seldom do the real decisionmakers appear before Congress to discuss legislation, and to review the state of the Nation.

In short, the legislative branch, both in passing bills and in oversight work, is quickly approaching the point where a shell game is being played.

To solve these problems which reach to the very fiber of our constitutional system, a reduction in staff size would recreate the need to rely on Cabinet people for action.

The record is clear that the size of the White House Office is growing at an alarming rate.

Since the passage of the Reorganization Act of 1939, the White House Office staff has become an almost untouchable government.

It was thought then that these Presidential assistants would be housekeepers, instead of today's policymakers.

Overall, the size of the Executive Office grew only 12 percent between 1955 to 1965—a 10-year period. In the next 5 years, the Office grew another 12 percent. Then, in just a 3-year period, the size grew 25 percent between 1970 to 1973.

Thus, the 1973 figure is 57 percent over 1955, 25 percent over 1970, and also 12 percent over 1971.

In the 15-year period of 1955 to 1970, the cost of the White House increased $12 million; but in the next 3-year period, it increased $9 million, a much greater rate of increase.

Now is the time to put a stop to the growth of this government within a government, Mr. Chairman.

This is not a punitive amendment, for there are ample talent, slots, and expertise within the government for the President to call upon at any time.

This amendment is a constructive move toward bringing the functions of the White House staff more in line with the concept of our three branches of Government and our system of checks and balances.

I ask for the support of my amendment.

To summarize again, Mr. Chairman, my amendment would reduce 10 slots in levels IV and V. I do not make any attempt to reduce levels II and III, or any change from the committee's recommendation, but I would reduce 10 slots in the level of IV and V.

In the supergrade slots, my amendment would reduce the positions to 15.

Mr. Chairman, I want to say again that this amendment is offered in a bipartisan spirit. I recognize that the growth of the White House staff has been going on year after year after year, and what we thought was probably the proper course 20 years ago, I think we realize now that this has gotten out of hand.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. PICKLE was allowed to proceed for 2 additional minutes.)

Mr. PICKLE. Mr. Chairman, perhaps this has been the accepted kind of growth that we felt was best for the country. I would admit that what has happened in the last year or year and a half may have focused our attention on the problem, but whatever has caused us to give that consideration, I think it is important that we remember that if we do not do something to stop this continued White House growth, that we are going to have a larger inner circle of government within government to the extent that I say to the members of the committee that actually this inner circle is sometimes more powerful than the President, and certainly constantly thwarts the will of the legislative body.

Now is the time, if we are going to try to change our Government and go back to the cabinet type of office; now I think is the time that these reductions—and this is not a large reduction; be made; on the chart it shows there were some 65 slots, and this is being cut to 40—that is in category levels IV and V, and GS-16, 17, and 18. Overall, there are some 540 to 560 slots at the White House.

In this amendment, I would reduce it only by a total of 25. That is a very small reduction. I think it would be a figure where we can put more reliance on the President, more reliance on our Cabinet officers and departments. I think it is vitally important to our form of government that we take this step.

I recognize that if it were passed now, this might cause some inconvenience to those in the positions. I would not want that to happen, and that is not the intent of the amendment. Yet I think we must take this first step. I believe that time is now.

Therefore, I ask the Members to support my amendment.

AMENDMENT OFFERED BY MR. DERWINSKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. PICKLE

Mr. DERWINSKI. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Texas (Mr. PICKLE).

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI as a substitute for the amendment offered by Mr. PICKLE: Beginning on page 5, line 16, strike out all of subsection (a) of proposed section 105 down through line 12 on page 6 and substitute in lieu thereof the following:

"(a) Subject to the provisions of subsection (b) of this section, the President is authorized to appoint administrative and staff personnel in the White House Office and the Executive Residence, without regard to the provisions of title 5 governing appointments in the competitive service, and to fix the pay of such personnel, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates. Such personnel shall perform such official duties as the President may prescribe.

"(b) The President, under the authority of subsection (a) of this section, may appoint and fix the pay of—

"(1) not more than fourteen of such personnel at respective rates not more than the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5;

"(2) not more than twenty-one of such personnel at respective rates not more than the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(3) such other personnel as he considers necessary at respective rates not more than the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of title 5.

Beginning on page 6, line 13, redesignate subsections (b) through (e) of such section 105 as subsections (c) through (f), respectively.

Mr. DULSKI (during the reading). Mr. Chairman, I ask unanimous consent that the substitute amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DERWINSKI. Mr. Chairman, the purpose of my amendment is to restore some measure of equity and fairness to the legislation before us.

My amendment provides the President with staffing authority for the White House office in three specifics, all of which coincide with the staffing situation as it exists today.

First, my amendment restates existing law by authorizing the President to appoint not more than 14 administrative and staff personnel at the rate of pay of executive level II. This authority currently exists under sections 105 and 106 of title 3, United States Code. H.R. 14715 as it came from committee would deny the President this staffing authority which has existed for the past 10 years.

Second, my amendment authorizes the President to appoint not more than 21 administrative and staff personnel at rates of pay not more than the rate for executive level III. According to testimony provided to our committee in hearings on this legislation, there currently are 21 positions in the White House office at rates of pay ranging from executive level V to executive level III. My amendment would allow these positions to continue.

Third, my amendment would authorize the President to appoint such other personnel as he considers necessary at rates of pay not more than the maximum rate of the General Schedule. These positions would range from GS-1 through GS-18. According to information provided to our committee, there are currently some 61 such positions in the White House office. The flexibility of hiring under this provision would, of course, always be limited by the amount of the appropriation for this purpose.

Mr. DULSKI. Mr. Chairman, I rise in opposition to the amendments.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. DULSKI. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, I have been very interested in the number of Executive residences that this President has maintained—one at San Clemente, he has two houses—Key Biscayne, and he also uses one in the Bahama Islands. I understand he has one which the Government owns at Camp David. There is also one here in Washington which most of us refer to as the White House.

Which of these Executive residences are we talking about when we speak of furnishing more money and personnel?

Mr. DULSKI. Mr. Chairman, let me

give the gentleman the subsection for this. It is subsection (c) on page 6. It authorizes appropriations for the maintenance, operation, improvement, and preservation of the "Executive Residence."

We asked Mr. Ash, Director, Office of Management and Budget, whether this might apply to the three so-called residences of the President.

Mr. Ash replied, and I quote from page 35 of the hearings—

> We mean the White House in Washington in contrast to any other location.

This is what the committee intends, also. You will note several references in the committee report to "the Executive Residence at the White House."

I understand Mr. Dingell will offer an amendment to apply these provisions solely to the White House. I will support that amendment.

Mr. BROOKS. Mr. Chairman, I thank the gentleman.

Mr. DULSKI. Mr. Chariman, I rise in opposition to the amendment. The amendment would reduce the number of employees in the White House Office in executive level IV from 10 to 5; in executive level V from 15 to 10; in the supergrades from 30 to 15; a total reduction of 25 top level employees.

As I pointed out in my opening statement, there currently are 65 top level employees in the White House Office. The reported bill reduces the number of employees in executive level II, and the number in the other levels of the executive schedule, but the total number above grade GS-15 remains the same.

While I can appreciate the purpose of the gentleman's amendment in reducing the number of top level positions, I feel that the amendment would place unworkable restrictions on the operation of the White House Office.

I urge that the amendment be defeated.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. DULSKI. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, just so we keep the record accurate, the gentleman's closing remark, I am sure, was directed toward the original amendment offered by the gentleman from Texas (Mr. Pickle) because obviously my amendment is directed more to the President and his present staff and certainly would not restrict him.

Mr. DULSKI. The gentleman is correct.

Mr. DERWINSKI. So it is the Pickle amendment that bore the brunt of the gentleman's devastating statement?

Mr. DULSKI. Mr. Chairman, I would not say that "devastating" is the word. I will simply say that I oppose both amendments.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

I believe the responsible thing, Mr. Chairman, is to defeat both the amendment and the substitute.

The suggestion of the gentleman from Texas (Mr. Pickle) has a lot of merit. We really ought to begin the long, hard job of cutting back this White House staff which has exploded all out of bounds during these last years. However, to do it in the immediate fashion which the gentleman suggests, by cutting these 25 positions, I think, would put a cast of partisanship on this which I do not want to see injected.

We need a strong President. We need an adequate White House staff. I hope the Congress will provide such a staff.

The committee bill now gives the President and Mr. Ash all the positions they have requested. What we did was to cut back on the salaries in the highly paid positions.

What the substitute offered by the gentleman from Illinois (Mr. Derwinski) proposes to do is to go back to the old blank check system of the past: That the President can do no wrong, he can have any staff he wants and he can pay them whatever he wants to pay them. One of the evils we have been talking about for years is these so-called ungraded positions.

Every branch of the Federal Government has different grades, GS-12, GS-14, and the standard grades. The President has undertaken over the years to hire all kinds of people in what we call ungraded positions which are not subject to the Civil Service. The real vice of the Derwinski amendment leaves that discretion to the President, and it restores the evil insofar as it allows the President to hire anybody he wants to at whatever grade he wants, within certain very broad limitations.

This is how we got in a lot of this trouble, so I suggest that both amendments be rejected, and the committee can then go back, and I hope will consider the suggestion made by the gentleman from Texas (Mr. Pickle) in the next year or so, go to work on this and see if we cannot come up with the type of White House system and structure that can be permanent and within some sensible bounds.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. The gentleman has said that to support the Derwinski amendment would allow the President to hire anybody he wanted to, and at any salary he wanted to pay, within certain limitations. That is what we are talking about. Does he not at the present time have some limitations?

Mr. UDALL. Oh, yes, the Committee on Appropriations has drawn dollar limitations, and we have certain limitations with regard to grades, and so forth, but the point I apparently did not make very clear is that we have a structure in the Federal Government executive level 1, 2, 3, 4 and 5, and GS levels 18 down to 1 under the amendment. The President could make up his own levels and pay whatever salaries he wants. We think he ought to utilize the same system of levels that the other branches of the Government use. The Derwinski amendment gives him back this right to have ungraded positions.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. DERWINSKI. In effect, we in each of our individual offices are on the same ungraded system. You could use your staff allowance to hire 16 people, or to hire two or three people.

Mr. UDALL. But we do not have a civil service system in the legislative branch. The amendment proposed by the gentleman from Illinois on about the sixth line says that the President "is authorized to appoint administrative staff personnel without regard to the provisions of title 5 governing appointments in the competitive service."

Mr. DERWINSKI. Which is exactly the situation which exists today, and we are getting back to the key issue: are we going to impose on this President additional restrictions that were never heretofore applied?

Mr. UDALL. Yes. If I had my way, no future President could come along at any time and say I am not going to follow the system; I am going to just appoint anybody I want in any grade, as many people as I want to appoint.

And that is how we got into this trouble in the first place.

Mr. DERWINSKI. If the gentleman will yield still further, I am afraid that history will not back up what the gentleman from Arizona is saying.

Mr. UDALL. I have said to the gentleman twice and I am not going to revise and extend my remarks here, that I want Members on both sides—and I have worked with the gentleman from Iowa (Mr. Gross) on this—to nail down this principle of limited Presidential staff, so that for the future we can avoid the abuses we have had in the past.

Mr. ARENDS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Derwinski amendment.

Just a few moments ago I had the time to look back into the records and reports from various committees of the House and their committee staffs. There have been very substantial increases on almost every committee throughout recent years, both as to number of employees and salaries paid.

I have been here quite a while, and I have come to know how to recognize partisan politics when I see it. So I would suggest to the Members of this body that they carefully scrutinize their own committees and see what has been transpiring in their own back yard insofar as the staff and salaries are concerned in our House of Representatives before they vote against the amendment of the gentleman from Illinois (Mr. Derwinski).

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall not take the full 5 minutes. I simply would like to remind the Members what I think is the proposition before us.

The gentleman from Illinois (Mr. Derwinski) would restore the positions as they existed last year, that is, he would keep 14 positions at the level 2 grade, and the ungraded positions of 21, as they existed last year. The committee report I believe, keeps the same overall number, but just knock down those positions in about five categories.

I would make a total reduction of 25 positions overall in the White House staff.

I would hope that the amendment offered by the gentleman from Illinois would not be adopted so that we could have a good clear vote on the amendment that I have pending.

When we return to the full House, I will ask to insert in the RECORD a summary of three different articles which I think should be in the RECORD, for our Members to read and to study. One would be a report on the growth of the Executive Office of the President, which had been prepared under the direction of our colleague, the gentleman from Arizona (Mr. UDALL); a summary of the hearings before a subcommittee of the House Committee on Government Operations, taken from a study of the Congressional Research Service by Harold C. Relyea; and then a paper on "The Swelling of the Presidency and its Impact on Congress" by Thomas Cronin. I will ask that those be inserted in the RECORD.

The articles are as follows:

SUMMARY: A REPORT ON THE GROWTH OF THE EXECUTIVE OFFICE OF THE PRESIDENT, 1955–73. PREPARED UNDER THE DIRECTION OF CONGRESSMAN MORRIS UDALL (COMMITTEE ON POST OFFICE AND CIVIL SERVICE) PUBLISHED APRIL 24, 1972

From the middle of the Eisenhower administration (1955) through the middle of the LBJ administration (1965) the Executive Office increased an additional 12%. From 1970 to 1973 the Office increased in size by 24.9%.

The committee reports great difficulty obtaining data from the Executive Office on that office's size and personnel. The committee did receive data on the relative size of the office (set at 2,206 for 1973); however, this figure excludes personnel on Special Projects and on the Council on International Economic Policy because the Office would not relinquish the data. This figure of 2,206 is 57% increase over 1955, a 24% increase over 1970 and a 12% increase over 1971.

Long ago Congress gave the President the authority to employ personnel without regard to civil service regulations. Traditionally, however, these positions ("ungraded") were used for those performing housekeeping functions. But, President Nixon has used these ungraded positions for high-level policy employees. The committee reports having difficulty getting information from the Executive Office on the specifications of work done by these ungraded employees. The use of the ungraded position is one method for hiding personnel so that Congress and the public have no or little knowledge of what work is being done or by whom.

The number of personnel in upper level and highly paid grades has increased along with the size of the Executive Office. See Chart:

	GS 13–18 ($18,737–$39,693)	Executive level ($36,000–$60,000 per annum)
Since 1955	106 percent increase	175 percent increase.
Since 1965	57 percent increase	47 percent increase.
Since 1970	31 percent increase	25 percent increase.
Since 1971	20 percent increase	14 percent increase.
	Staff in 1972—688	Staff in 1972–50.

In the 1955–1970 period the total cost of the White House is estimated to have increased by $12,000,000. During the 2 year period (1971 to 1973) the cost of the Executive Office of the President has increased almost $9,000,000.

Recommends: Congress should insure that it will receive adequate data on the areas of personnel costs and growth and the functions of ungraded, highly paid personnel.

SUMMARY OF HEARINGS BEFORE A SUBCOMMITTEE OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS—IN MAY AND JUNE, 1972; TAKEN FROM A STUDY OF THE CONGRESSIONAL RESEARCH SERVICE BY HAROLD C. RELYEA, PUBLISHED APRIL 26, 1972

The actual arrangement for an enlarged White House staff came from the report of the President's committee on Administrative Management issued in 1937. The report called for executive assistants to assist the President. They were to help him quickly obtain pertinent information possessed by executive departments and assist in seeing to it administrative departments and agencies were informed of Presidential decisions. *No* authority was to be delegated to them. The report signaled the passage of a Reorganization Act in 1939 authorizing administrative assistants for the President and establishing the Executive Office.

The number of Presidential advisors has steadily grown. While Kennedy and Johnson reduced somewhat the number of advisors, the size of the White House staff continued to mount. Managerial authority has been given over to the President's advisors because other executive management instruments (i.e. the Cabinet) have proven unsuitable for the function.

What may be becoming a profound problem, however, is the development of the Presidential advisory staff, or some arm of the Executive Office, into an entity equal to a department. Indicative of this possibility is the growing amount of money spent by the Executive Office. The office has greater expenditures than the FCC, the FPC or the FTC. We may face a government controlled by exclusive decision makers, untouchable by either the Congress or departmental bureaucracy. This huge group of people who are removed from senatorial control may also claim executive privilege and thereby further avoid any Congressional checks on their activities.

SUMMARY: WORKING PAPERS ON HOUSE COMMITTEE ORGANIZATION AND OPERATION; "THE SWELLING OF THE PRESIDENCY AND ITS IMPACT ON CONGRESS" BY THOMAS CRONIN—SELECT COMMITTEE ON COMMITTEES, PUBLISHED JUNE 1973

Concentration of authority in the hands of the executive has been an almost continuing reality on a year to year basis for the past 40 years. Why has the Presidency become so powerful?

1. Expansion of presidential powers in times of emergency. These powers stay on after emergencies have faded.

2. Congress has acted on the basis of the belief that wise men need to be assigned to the White House in times of critical societal problems. So, we have the National Security Council, the Council of Economic Advisors and the Council on Environmental Quality. Once established, these units never die.

3. The creation of special offices for problems—i.e. the Federal Energy Office.

4. The White House occupants frequently distrust members of the permanent government.

5. As the coordination of national priorities has emerged as an important activity the White House has convinced us that only the Executive Office can handle coordination.

6. Congress has abdicated more and more of its authority to the presidency.

7. The White House staff has included the representation of interest groups. (Most disturbing about this is that more than 100 presidential aides are now engaged in various forms of selling and reselling of the President—evidence that these organizations helped in Nixon campaign efforts indicates violations of federal laws.) Congress and the cabinet have become less and less involved in the crucial decision-making of the nation. The nation has grown executive-dependent. Change is required and yet the society's values are rooted in a faith in incrementalism and a devotion to what constitutes the existing order.

Recommended changes include:

1. strengthening the political parties so that they are capable of keeping a check on our related leaders;

2. a re-evaluation of the presidency's penchant for secrecy and the people's right to know;

3. greater Congressional attention to the federal research money—where it goes and the results of the studies;

4. curbing of Congressional impulse to establish new presidential agencies;

5. better use made by Congress of GAO and Congressional Research Service—so that it may again lead government instead of following the President;

6. the development of Standing Committees on Executive Office Operations in both houses—designed to oversee the White House;

7. Congressional and public insistence on regular presidential press conference—with selected members of Congress among the questioners.

Mr. Chairman, I would point out that we have well over 540 to 550 positions in the White House. My amendment would only reduce this by 25 different positions, only 10 at the levels of 4 and 5, none at levels 2 and 3. It would reduce 15 in the supergrades where we have literally dozens of them. It has been estimated that we have well over 2,000 different employees in the White House staff. I do not know what the exact number is, but I think we must take this first step to show that we want the regular system restored, as we have lived under it in years past.

If we do not do this, we are going to see the White House government get bigger and bigger down at the White House.

I recognize, as the gentleman from Illinois said, that this amendment was not offered by me 6 years ago when President Johnson was in office. I imagine he might have viewed that with some misgivings if I had offered that amendment. I recognize that. The fact is the problem was growing then and it has grown on and on so, regardless of the administration or the time, we ought to go ahead and take this first big step. I think it is important that we do it, and I would hope that this amendment pending would be defeated, and that my amendment would be agreed to.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Would the gentleman be willing to cut his staff according to this amendment?

Mr. PICKLE. If the House so voted, if the gentleman offered such amendment.

Mr. ROUSSELOT. Would the gentleman support that issue?

Mr. PICKLE. The issue is not before me. If the gentleman offers an amendment, I might support it.

Mr. ROUSSELOT. Does the gentleman not think all Members of Congress in the name of equity also ought to show economy by doing the same thing?

Mr. PICKLE. Let me make this comparison to the gentleman. We have on our staff 13 or 14 positions.

Mr. ROUSSELOT. I am well aware of that.

Mr. PICKLE. Our positions do not constitute a problem or a threat to what I think is our form of government. If it were on that level and that serious, then I think we all should be willing to make a reduction in our own staff. But the fact that our congressional staff has grown does not mean that we have got to keep on allowing the inside White House staff to grow. I do not want to deprive the President of his personnel. I say if he wants that kind of personnel, he ought to go to the Cabinet involved, to the Departments of Interior or Defense or Justice, and so forth, to go to the people there to get him the basic information, and to work through his Cabinet officers.

Mr. ROUSSELOT. Of course the gentleman is well aware that his amendment would cut the staff from what it is today, and he has made that move to chop. I certainly joined the gentleman, I know, many times in trying to cut the bureaucracy, but the reason this appears a little strange to me at this time—is this happens to be also the time that we are going through "the impeachment process. We are all aware that the President probably has 10 or 15 or 20 attorneys working on his case, whereas the Committee on the Judiciary has a staff of well over 100. Many of us on the committee felt that this type amendment was just an attempt or attack to try to reduce the few lawyers that the President would have on his personal staff.

I am sure that is not the gentleman's intention at all.

Mr. PICKLE. It might have been desirous if we could have postponed this vote until the fall, but that is not our choice. The bill is before us, and the amendment is before us.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) as a substitute for the amendment offered by the gentleman from Texas (Mr. PICKLE).

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 26, noes 26.

RECORDED VOTE

Mr. DERWINSKI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 181, noes 237, not voting 16, as follows:

[Roll No. 323]

AYES—181

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Arends
Armstrong
Bafalis
Baker
Beard
Bell
Bevill
Blackburn
Bowen
Bray
Breaux
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Butler
Camp
Carter
Cederberg
Chamberlain
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Derwinski
Devine
Dickinson
Diggs
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Foley
Forsythe
Frelinghuysen
Frenzel
Frey
Froehlich
Gilman
Goldwater
Goodling
Gubser
Guyer
Hammerschmidt
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hébert
Hillis
Hinshaw
Hogan
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Pa.
Jones, Okla.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lent
Lott
Lujan
McClory
McDade
McEwen
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Martin, N.C.
Mayne
Michel
Miller
Minshall, Ohio
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Mosher
Myers
Nelsen
O'Brien
Parris
Passman
Pettis
Peyser
Powell, Ohio
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Robinson, Va.
Robison, N.Y.
Roncallo, N.Y.
Rostenkowski
Rousselot
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Skubitz
Smith, N.Y.
Snyder
Spence
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stratton
Symms
Talcott
Taylor, Mo.
Thomson, Wis.
Thornton
Treen
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C
Zion

NOES—237

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashbrook
Ashley
Aspin
Badillo
Barrett
Bauman
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brooks
Burton, John
Brotzman
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Byron
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clancy
Clark
Clay
Cleveland
Collins, Ill.
Conyers
Corman
Cotter
Culver
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dennis
Dent
Dingell
Donohue
Downing
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fascell
Flood
Flowers
Flynt
Ford
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gude
Gunter
Haley
Hamilton
Hanley
Hansen, Wash.
Harrington
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Holt
Holtzman
Howard
Hungate
Ichord
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Landrum
Leggett
Lehman
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCollister
McCormack
McFall
McKay
Maraziti
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Randall
Rangel
Rarick
Rees
Reuss
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roush
Roy
Roybal
Runnels
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Sikes
Sisk
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Stephens
Stokes
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson, N.J.
Thone
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Whalen
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zwach

NOT VOTING—16

Brasco
Carey, N.Y.
Daniels, Dominick V.
Dorn
Esch
Hanna
Hawkins
Heckler, Mass.
Holifield
McSpadden
Macdonald
Martin, Nebr.
Mills
Mollohan
Reid
Rooney, N.Y.

So the substitute amendment for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PICKLE).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PICKLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 77, noes 336, not voting 21, as follows:

[Roll No. 324]

AYES—77

Abzug
Adams
Alexander
Anderson, Calif.
Aspin
Badillo
Barrett
Biaggi
Bingham
Blatnik
Brademas
Brinkley
Brooks
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carey, N.Y.
Chisholm
Clay
Conyers
Davis, Ga.
Dellums
Dingell
Drinan
Eilberg
Evins, Tenn.
Ford
Giaimo
Gonzalez
Green, Pa.
Griffiths
Harrington
Hechler, W. Va.
Holtzman
Hungate
Ichord
Kastenmeier
Koch
Leggett
Litton
Long, Md.
Luken
Matsunaga
Meeds
Metcalfe
Mink
Mitchell, Md.
Moorhead, Pa.
Moss
Nix
Obey
Owens
Patman
Pickle
Poage
Podell
Rangel
Rarick
Reuss
Riegle
Rosenthal
Roybal
Ryan
Schroeder
Seiberling
Stark
Stokes
Sullivan
Symington
Thompson, N.J.
Vander Veen
Vanik
Wilson, Charles, Tex.
Wolff
Wright
Yates

NOES—336

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Blackburn
Boggs
Boland
Bolling
Bowen
Bray
Breaux
Breckinridge
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.

Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Derwinski
Devine
Dickinson
Diggs
Donohue
Downing
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flynt
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grasso
Gray
Green, Oreg.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hays
Hébert
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Howard
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Ketchum
King
Kluczynski
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Lehman
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Melcher
Mezvinsky
Michel
Milford
Miller
Minish
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
O'Brien
O'Hara
O'Neill
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncalio, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOT VOTING—21

Brasco
Clark
Daniels, Dominick V.
Dent
Dorn
Edwards, Calif.
Esch
Flowers
Hanna
Hawkins
Heckler, Mass.
Holifield
Lent
McSpadden
Macdonald
Mills
Minshall, Ohio
Mollohan
Reid
Rooney, N.Y.
Young, Ga.

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Pickle: Page 9, immediately after line 22, insert the following new section:
>
> Sec. 5. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new section:
>
> "§ 112. Statement of expenditures for employees.
>
> "(a) The President shall transmit to each House of the Congress, and make available to the public, reports with respect to expenditures for employees in the White House Office and the Executive Residence. Each such report shall be transmitted no later than 60 days after the close of each fiscal year and shall contain a detailed statement of such expenditures during the most recent complete fiscal year.
>
> "(b) Each report required under subsection (a) shall contain (1) the name of every employee in the White House Office and the Executive Residence; (2) the amount of appropriated moneys paid to each such employee; (3) the amount of reimbursements made by the White House Office for employees detailed to the White House Office under section 107; and (4) a general title and general job description for each employee."
>
> (b) The table of sections for chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new item: "112. Statement of expenditures for employees.".
>
> (c) The amendments made by the foregoing provisions of this section shall apply with respect to fiscal years beginning after June 30, 1974.

Mr. PICKLE. Mr. Chairman, I offer a solution to another problem of the modern-day White House Office—the problem being the lack of public disclosure of who works at the White House, how much these people are being paid, and what they are doing.

My amendment would add a new section to H.R. 14715, on page 9, after line 22.

The amendment would require the President to transmit to each House of Congress, 60 days after the end of the fiscal year, a report on the expenditures to White House employees.

This report must contain four things:

First. The name of every employee in the White House and Executive residence.

Second. The salary paid to each employee.

Third. Reimbursements made for employees detailed to the White House from other agencies.

Fourth. A general title and general job description for each employee.

Mr. Chairman, this is a most reasonable proposal—one which the leadership on both sides of the aisle will accept unanimously.

Since Public Law 88–454, passed in 1964, the Congress has published such information twice a year.

This amendment would require the White House to do the same once a year.

In 1964 it was said by our former colleague Oliver P. Bolton:

> It seems to me the very least we can do is to make our complete House and our expenditures open for public inspection. Certainly, that ought to take away all doubt from the minds of those who are criticizing us.

The same principle should apply to the White House 10 years later.

Mr. Chairman, we are witnessing the development of a secret government in the White House.

We see an anonymous group making the decisions for our country—away from the knowledge of the people.

How often have we received letters from the White House signed by people we have never heard of—nor do we know that person's duties?

How often during the past 2 years have we learned the names of White House staff personnel for the first time?

How often have we, after the fact, learned what these people's jobs were, and then, sadly, to have our sensibilities shocked?

Too many times, Mr. Chairman, too many times.

Recently a study made by the House Post Office and Civil Service Committee concluded that Congress should receive data on personnel and functions of the White House staff.

Not only should the Congress have this information, but also should the public have easy access to such documentation.

A hidden, unknown governing group is contrary to democracy.

It has no place in our system of government.

My amendment does no harm to the committee's bill. My amendment's requirements could easily be met, as shown by the twice-yearly reports of Congress, for more people.

A palace guard is not good for our basic principles.

A palace guard can become smug, arrogant, independent, haughty, and can easily drift into believing it is above the law. Such palace guard can literally control or direct the President himself. And surely the guard can thwart and defeat the legislative intent.

Mr. Chairman, my amendment addresses itself to this phenomena in a real, and meaningful, way.

It does so in a reasonable approach.

I urge the support of my amendment.

Mr. DULSKI. Mr. Chairman, if the gentleman will yield, I will accept the amendment. I approve of the amendment.

Mr. PICKLE. Mr. Chairman, I thank the chairman of the committee.

I ask for an "aye" vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Pickle).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PARRIS

Mr. PARRIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Parris: Page 8, line 13, strike out " ".".
>
> Page 8, immediately after line 13, insert the following:
>
> "(f)(1) Except as provided by paragraph (2), no employee appointed under subsection (a)(1), (a)(2), (a)(3), or (a)(4) may be appointed for any period or periods which, in the aggregate, exceed two years

during the term of one President, unless such employee has been appointed by and with the advice and consent of the Senate of the United States.

"(2) In the case of any employee appointed under subsection (a)(1), (a)(2), (a)(3), or (a)(4), whose two-year period of employment expires during the adjournment of the Congress sine die, such employee may continue to be employed by appointment without the advice and consent of the Senate for no longer than the end of the first period of 30 calendar days of continuous session of the Congress which occurs after such appointment.

"(3) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of the Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the 30-day period.".

Mr. DULSKI (during the reading). Mr Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PARRIS. Mr. Chairman, I would like in the few minutes allotted to me to talk about a situation that has come to be known over the last year generally as the Watergate problem as it relates to the involvement of members of the White House staff. We have all heard with sickening regularity about the overzealous misfits who have become subject to prosecution for their abuse of power. They were distressingly close to the Chief Executive of the United States and in some instances they have actually engaged in criminal misconduct in the name of the performance of their duties.

It is my opinion that when these gentlemen, who were perhaps originally well intentioned, get into the rarified atmosphere of the White House they become irresponsive and totally unaccountable to anyone other than the President himself, and in many instances not even to him. They are insulated from pressures and suggestions from the outside world. Although many of us, and the people of this Nation, have lamented the facts that have been disclosed over the past year, the only positive step to correct this situation that I have seen is my amendment. It will minimize the possibility of a recurrence of the past problems.

My amendment, very simply, Mr. Chairman, would provide that in the executive levels of 2 through 5, the 35 top administrative and executive assistants to the President of the United States, after the persons who hold those positions have served in that capacity for an aggregate period of 2 years, they would then become subject to confirmation by the Senate of the United States. This would, Mr. Chairman, give the President of the United States total flexibility in the appointment of his assistants and would not constitute an unreasonable restraint on the ability of the President to name his staff. He can appoint anybody he likes. After they serve for 2 years, however, they would then become subject to confirmation.

The fathers of this Nation, in the Constitutional Convention, provided that the Cabinet officers who were presumed to be the closest advisers to the President would be subject to confirmation by the Congress. That is the law today. They did not foresee that the President's closest advisers of today are not Cabinet officers, but staff personnel. That is why my amendment would be consistent with the original intent of the Constitution and would go a long way to preserving the public interest.

I believe that absolute power corrupts absolutely and that public business must be conducted in public, and that is all we are suggesting. If these gentlemen conduct the responsibilities of their office in a responsible way and are responsive to the people of the United States and to the Congress of the United States, then their confirmation will be pro forma, and if they do not so conduct themselves, their confirmation would be more difficult and it should be. In any event the public interest will be served.

I do not believe, Mr. Chairman, that we can continue to permit the faceless people in the White House to control the American political system. This proposal will add responsiveness and accountability to the members of the staff who wield awesome authority in the name of the President. I hope the House will see fit to adopt my amendment.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the present bill as it now stands, the President has the right to appoint 35 positions between $36,000 and $42,500. What this amendment says is that none of these positions can be filled by the President unless the Senate confirms them.

I am all for Senate confirmation in most cases, but I do think that the President has the right—we can argue the numbers and I think today we are getting a handle on the numbers and the inflated staff of the White House is going to be reduced over the immediate years ahead—but I think just as Members of Congress are entitled to have advisers whom they pick and who cannot be vetoed by outside authority, within his own ambit, within his own little shop, the President's close advisers should be appointed by him without confirmation by the Senate.

This has nothing to do with the regular departments. The law will continue to require the assistant secretaries, under-secretaries, the heads of agencies, the people with operating agencies who must come before the Congress and testify, that these people ought to be confirmed by the Senate; but the amendment goes a little too far. The distinguished gentleman from Virginia says in his amendment, and I commend him for trying to reach a problem that has concerned me; yet it goes a little too far to say that none of these people can be appointed unless the Senate confirms them.

The other protection we just added, which also makes a case against the amendment, is that at long last we are going to know whom these anonymous people of the White House are. The amendment of the gentleman from Texas (Mr. PICKLE) just adopted will require all these people to be disclosed and we can see who these people are and where they come from, what they are paid and what they do.

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. Yes, I yield to the gentleman from Virginia.

Mr. PARRIS. I am sure the gentleman has read carefully the language of the amendment. I respectfully suggest that his interpretation that even appointments could not be made without the advice and consent of the Senate is in error. The amendment would provide that any appointments could be made for an appointment of 2 years, but after service in that capacity for 2 years, they would be subject to further approval.

Mr. UDALL I oversimplified the amendment. I thank the gentleman for correcting me.

The principle is the same. The President ought to have the right to have his closest advisers selected by him without any Senate interference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. PARRIS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 6, line 24 strike the period and insert in lieu thereof the following: "at the White House: *Provided*, such procurement shall be subject to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, and the regulations issued thereunder."

Mr. DINGELL. Mr. Chairman, the amendment offered here is an amendment which has the endorsement of the General Accounting Office and the Comptroller General.

It is also an amendment which would carry forward the intent of my constituents who have been complaining to me intensively about the situation with regard to expenditures being made around the country at "White Houses."

History records this Nation has one seat of Government, one White House, one President, and that the functions of Government are conducted here in Washington, D.C.

All of us will recall that recently the Committee on Government Operations reported after some discussion that there had been something approximating $17 million expended at Presidential residences around the country.

While I have no objection whatsoever to providing appropriate security measures for the protection of the President and to enable him to communicate and participate effectively in the Government, I have great feelings about the failure of this Congress to control expenditures from the public.

Mr. DULSKI. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Mr. Chairman, I am happy to yield to the distinguished chairman of the committee.

Mr. DULSKI. Mr. Chairman, we would be very happy to accept this amendment on this side.

Mr. DINGELL. I thank my friend.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Mr. Chairman, I yield to my friend from Iowa.

Mr. GROSS. Mr. Chairman, we are glad to accept the gentleman's amendment on this side.

Mr. DINGELL. Mr. Chairman, I thank my good friend. It would be foolish for me to say more, except that the amendment covers the expenditures to those of governmental officials and limits the expenditures for Presidential residences to those at the White House in Washington, D.C., where the President is supposed to be.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 44; noes 30.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 8 immediately after line 13, insert the following:

"(f) Notwithstanding any other provision of this section or any other law, the Comptroller General of the United States shall have access to any books, documents, papers, statistics, data, records, and other information pertaining to the expenditure of funds to carry out the provisions of this section, shall audit such expenditures periodically, and shall report the results of such audit to the President and the Congress."

Mr. DINGELL. Mr. Chairman, the function of this amendment—as I am sure my colleagues can understand from the reading of it—is to assure that the expenditures made pursuant to this legislation will be subject to GAO audit.

As many of my colleagues know and understand, we have sought with some diligence to procure, over the years, information with regard to White House expenditures—how the moneys were spent, who they were spent on, whether they were involved in Watergate matters and so forth. At all turns, those who have sought this kind of information have been turned aside and advised that this is a matter of high privilege of the President.

To my knowledge the White House is the only institution of Government which is not subject to GAO audit—and if there are others, we certainly ought to see to it that they are required to submit to periodic GAO audits.

Mr. Chairman, one thing that must be clear in the consideration of this amendment is that this amendment does not relate to national security events. The legislation before us does not relate to national security expenditures. So, the amendment does not inject the GAO, the General Accounting Office, into the business of auditing national security expenditures except as otherwise provided elsewhere by law.

The amendment relates only to the day-to-day housekeeping expenditures, and the expenditures which would be authorized by this bill, which are not national security undertakings.

Mr. Chairman, I would urge my colleagues to vote for a simple audit, as required of all governmental undertakings, including functions inside the Capitol under a similar amendment offered by me to similar legislation in times past relating to the functioning of the Congress. It is my hope that the House will adopt the amendment.

Mr. DULSKI. Mr. Chairman, I rise in opposition to the amendment by my distinguished friend, the gentleman from Michigan. The amendment specifies that the Comptroller General have access to any books, documents, papers, and other information pertaining to the expenditure of funds authorized under the provisions of section 105 of title 3, United States Code. The amendment also requires that audits be performed periodically and that reports on the results of the audits be submitted to the President and the Congress.

This amendment is not necessary. If enacted, it would raise serious doubts as to the application of the authority the Comptroller General now has, as well as conflict with certain other provisions of section 105 of title 3, United States Code, as amended by this bill.

The Comptroller General now is authorized to audit the expenditures of the White House, and in his report on this legislation, which is included in the committee report, he raised no question whatever as to the need for any additional audit authority.

Yesterday I received a letter from the General Accounting Office in response to my request concerning this specific amendment and the Acting Comptroller General recommended against adoption of the amendment. I will include the Comptroller General's letter in the RECORD as a part of my remarks.

One provision of section 105 of title 3, United States Code, would be in conflict with the provisions of the amendment. Subsection (d) of such section 105 authorizes appropriations to pay official reception, entertainment, and representation expenses, to be expended at the discretion of the President, and accounted for solely on his certificate. This language is similar to language which has been in effect for several years, and, of course, precludes an audit by the General Accounting Office. It would be in conflict with the provisions of the amendment.

Since the General Accounting Office now has all the auditing authority it needs, and since the amendment would be in conflict with the one provision of the reported bill which I have referred to, I urge that the amendment be defeated.

The Comptroller General's letter follows:

WASHINGTON, D.C., *June 24, 1974.*

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, House of Representatives

DEAR MR. CHAIRMAN: This refers to the informal request of the Committee staff on June 21, 1974, that this Office provide comments on two amendments to the bill H.R. 14715 of the 93d Congress as reported to the House on June 11, 1974, which have been proposed by Representative John D. Dingell. See pages E3968 and E3969, Congressional Record for June 18, 1974.

The amendments proposed are as follows:

"Proposed amendments by Mr. Dingell on H.R. 14715, as reported

"1. On page 6 of H.R. 14715, as reported, line 24, strike the period and insert the following: 'at the White House.'

"2. On page 8 of H.R. 14715, as reported, between lines 13 and 14, insert the following:

"'(f) Notwithstanding any other provision of this section or any other law, the Comptroller General of the United States shall have access to any books, documents, papers, statistics, data, records, and other information pertaining to the expenditure of funds to carry out the provisions of this section, shall audit such expenditures periodically, and shall report the results of such audit to the President and the Congress.'"

We understand the purpose of the first amendment as being to limit public expenditures on the Executive Residence, as authorized by H.R. 14715, to those incurred with respect to the specific residence located at 1600 Pennsylvania Avenue in Washington, D.C. Its further purpose appears to be to express the intent of Congress that the authorization of expenditures provided by H.R. 14715 for maintenance, operation, improvement and preservation of a residence would not extend to such expenditures at private residences of the President.

In this connection we call attention to the Report to Congress of this Office, B–155950, December 18, 1973, copy enclosed, in which we reported on certain expenditures at Key Biscayne and San Clemente for the protection of the President. In that report we recommend enactment of legislation which would strengthen control over expenditures on residences of the President. See pages 78 and 79 of the enclosed report. We note that the bill, H.R. 11499, 93rd Congress, introduced on November 15, 1973, would implement, generally, the recommendations made in our report.

With respect to this amendment proposed to 5 U.S.C. 105(c) as amended by H.R. 14715, we recognize that the expenditures authorized by H.R. 14715 with respect to the Executive Residence are different in purpose from those required for protection of the incumbent of the Office of the Presidency with which our report B–155950 and H.R. 11499 are concerned. The expenditures authorized by H.R. 14715 for the Executive Residence are, we believe, applicable uniquely to the residence known as the White House in Washington, D.C., and we agree the amendment proposed by Representative Dingell would make this perfectly clear. In that connection see 3 U.S.C. 109 and 110, in which this residence is referred to as the "Executive Mansion" and the "White House", respectively.

The second amendment proposed by Representative Dingell would further amend 3 U.S.C. 105 by the addition of a new subsection (f), as quoted above, which would give this Office specific authority to audit expenditures authorized under that section and to have access to documents necessary for such audit.

In our report to the Committee on Post Office and Civil Service on H.R. 14715, dated May 22, 1974, we recommended that the Committee include in its report on the bill a statement to the effect that certain language appearing in the bill as introduced which would have permitted appointment of personnel "without regard to any provision of law" should not be construed to deny or diminish the authority of this Office to examine records and audit accounts covering expenditures authorized by the bill. We believe our authority as provided by the Budget and Accounting Act, 1921, the Act of June 10, 1921, chapter 18, 42 Stat. 20, as amended, is sufficiently broad to give us the authority which would be specifically provided by Representative Dingell's second amendment. See, especially, sections 312 and 313 of the Budget and Accounting Act, 1921, *supra*, 31 U.S.C. 53 and 54.

Therefore, and in order to avoid any possible ambiguity with respect to the authority of this Office as provided by the Budget and Accounting Act, we recommend against adoption of the amendment. However, although the language "without regard to any provision of law" in connection with appointments has been deleted from the bill as reported, we believe the report of the Committee might well include a statement that the Comptroller General's authority to audit and have access to documents as contained in the Budget and Accounting Act, 1921, is applicable to expenditures made under the amended section, 3 U.S.C. 105.

Sincerely yours,

R. F. KELLER,
Acting Comptroller General of the United States.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. DULSKI. Yes, I yield to the gentleman from Michigan.

Mr. DINGELL. Is the gentleman advising me that this amendment is not necessary in the light of the legislative history and the language of this legislation and all other laws requiring the GAO and the Comptroller General to audit White House accounts?

Mr. DULSKI. Yes, I am.

Mr. DINGELL. The gentleman makes that statement and the gentleman opposes the amendment?

Mr. DULSKI. I would say yes, because, as the letter from the Comptroller General specified, especially in the last paragraph, "sections 312 and 313 of the Budget and Accounting Act, 1921, 31 U.S.C. 53 and 54," and he goes on:

> Therefore, and in order to avoid any possible ambiguity with respect to the authority of this office as provided by the Budget and Accounting Act we recommend against adoption of the amendment.

Mr. DINGELL. Then I have a unanimous consent request, if the gentleman will yield further.

Mr. DULSKI. I would be very happy to yield.

Mr. DINGELL. Mr. Chairman, in the light of the comments made by the chairman of the committee, I ask unanimous consent to withdraw the amendment just offered by me.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. WHALEN

Mr. WHALEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHALEN: Add a new section to the bill to read as follows:
>
> SEC. 5. Notwithstanding the provisions of section 105 of title 3, United States Code, as amended by the first section of this Act, employees of the White House Office receiving basic pay at the rate for level II of the Executive Schedule on the date of enactment of this Act shall continue to receive basic pay at the rate for level II so long as they continue to perform the duties of the position they occupy on date of enactment of this Act.

Mr. WHALEN. Mr. Chairman, I support the substance of this measure. Indeed, I think it was strengthened by the adoption of the Pickle amendment.

However, I am concerned about the inequities which I believe are created as a result of, in effect, changing the rules in the middle of the game.

It is for this reason that I have introduced this amendment. What does this amendment propose to do?

Mr. Chairman, this amendment preserves the substance of the committee bill. It will retain the Executive II level at five persons.

What it will do, Mr. Chairman, is to "hold harmless" or provide a grandfather clause for the other nine who are in the Executive II level at the present time. Attrition will take care of the situation. As these individuals leave their jobs, then, of course, those jobs would be filled at the Executive III level.

Why have I offered this amendment? As I suggested, I think it would certainly impose a hardship on these nine individuals in the White House who would have to take a cut of $2,500. Not only that, but I think we in this body would be doing them an injustice.

This would at the most cost about $22,500 this year, and it certainly will not impose any added cost burden on the taxpayers.

There is ample precedent for this kind of an approach. The Members will remember that a year ago I introduced an amendment to the bill authorizing the Council on International Economic Policy, CIED. That amendment provided for approval for the head of that agency by the Senate upon the vacation of that position by the present incumbent. We have done the same thing for various other agencies of Government in situations where we have changed the ground rules.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, I wish to commend the gentleman for offering his amendment.

I offered this amendment in the committee. I think the adoption of this amendment would be only fair and just for those who have made their plans to live in Washington, who have accepted jobs and have set their economic structure.

I believe the Committee of the Whole should adopt this amendment, in all fairness.

Mr. MALLARY. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Vermont.

Mr. MALLARY. Mr. Chairman, speaking for myself, I believe the amendment is very much warranted. I think if the amendment is passed, it will make the bill seem much less like a slap in the face to these people who are employed at the White House. I strongly support the adoption of the amendment.

Mr. Chairman, I thank the gentleman for yielding.

Mr. WHALEN. Mr. Chairman, I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WHALEN).

The question was taken; and on a division (demanded by Mr. CARNEY of Ohio) there were—ayes 63, noes 5.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ECKHARDT: On page 7, line 5, strike "and" and all that follows down through "certificate" on line 6, and insert in lieu thereof the following: ", *Provided*, That the Comptroller General shall be furnished such information relating to such expenditure as he may request and access to all necessary books, documents, papers, and records, relating to such expenditure in order that he may determine whether the expenditure was for payment of official reception, entertainment, and representation expenses".

Mr. ECKHARDT. Mr. Chairman, I voted against the Pickle amendment to reduce the number of the President's staff. I supported the last amendment.

This amendment is in no sense offered as any restriction on either staff or on funds. It is offered merely to take an exception out of the bill which I think is undesirable when made respecting either the President or any other officer of Government.

That is the provision that the President may on his sole account determine whether an expenditure for entertainment purposes and other receptions is to be valid. In other words, the provision excepts him from an examination of the Comptroller General.

This amendment leaves the discretion with the President to expend the funds but provides that the Comptroller General shall have access to information to determine whether the expenditure was for payment of official receptions, entertaining, representations, and so forth.

I have talked to the Comptroller General, and he tells me it is a workable process. He assures me that the provisions would not be under the Administrative Procedures Act, and therefore not subject to the Freedom of Information Act. We would have only our own representative, the Comptroller General, determine whether or not the funds were expended in the manner for which they were authorized and appropriated.

Mr. Chairman, if this were not enacted it would open a very broad field, a very broad loophole in avoiding reporting to the Comptroller General, because the provisions of title III, section 102, concerning the compensation of the President limits to $50,000 the amount which may be expended solely upon his accounting.

Section 102 is the provision stating that $50,000 to assist in defraying expenses relating to and resulting from the discharge of his official duties, may be expended solely upon the President's accounting.

Under this act he can make any expenditure for entertainment or for representation, et cetera, and would be free from any accounting, and this would raise the $50,000 to any figure. So I simply urge that at least our own guardian of our own expenditures and our budget be able to review an expenditure and determine whether or not it was in fact for the purposes appropriated and authorized.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I am personally inclined to support the gentleman's amendment, but in so doing that I want to make sure we do not so hamstring the President that he does not have an adequate staff and allowance. I believe that he ought to have a sufficient entertainment allowance so that when people came to visit him that he can entertain them in a similar way that our leaders are entertained abroad.

So in supporting the amendment I am not attempting to reduce the President's reception and entertainment allowance. And I wish to make sure that what the gentleman is saying is that he makes no change in the words "at the sole discretion of the President," that is, the President can decide how to spend the money?

Mr. ECKHARDT. That is right.

Mr. UDALL. The amendment simply adds a provision to make sure that the General Accounting Office can look over the expenditures, in the same way that he makes a determination on military expenditures or any other expenditures of the Government.

If that is the intention of the gentleman from Texas, then I think it would have a very wholesome effect on Government at all levels to know that the Comptroller General could look at the items.

Mr. ECKHARDT. That is not only the intention of the gentleman from Texas, but that is the express language. The discretion of the President is left in the bill.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words. I do so, Mr. Chairman, merely to observe that this amendment on the face of it is the kind one does not object to. But I take the time to look beyond that comment and to compliment the gentleman from Arizona (Mr. Udall) for his objectivity in accepting the amendment.

I am sure that too often the Members have noticed that when a bill is brought to the floor and someone in good faith offers an amendment one of the first arguments against it is that we must protect the bill, and that one cannot retreat from the masterpiece that a committee has produced for us.

So I believe the gentleman from Arizona should be complimented for acknowledging that this bill, as brought to the floor of the House, was not perfect, and now that it has been subject to further modification and perfection, the new package is becoming acceptable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Eckhardt: Page 9, line 4 strike the period and add the following: "and by deleting 'and accounted for on his certificate solely' and inserting in place thereof ', *Provided*, That the Comptroller General shall be furnished such information relating to such expenditure as he may request and access to all necessary books, documents, papers, and records, relating to such expenditure in order that he may determine whether the expenditure was for payment of traveling expenses of the President of the United States'."

Mr. ECKHARDT. Mr. Chairman, this is merely a related amendment with respect to travel expenses. It does exactly the same thing respecting travel expenses as the other did with respect to entertainment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

I am going to support this amendment also. But I again want to emphasize that I believe the President of the United States ought to travel when he thinks the public interest requires it; he ought to have a right to travel; he ought to have a right to travel funds; he ought to be able to take staff with him.

But I think one of the lessons of Watergate is in—and I remember so reading—one of the drafts of the book of Jeb Magruder who said that when they discovered that one of the men arrested at Watergate was on the White House staff—

> We had no idea that we could not get him out. After all, we were the government.

One of the things that had led people in the White House to believe that they were the Government was that there were certain funds no one had to account for.

As I recall, there was publicity recently that the gentleman from California (Mr. Roybal) determined that one of these White House special project funds actually paid the air fare and salary for a man to go to Los Angeles to commit a burglary. This was one of the nonaccountable special funds.

I think all of us, Democrats, Republicans, whoever is in the White House or in an arm of Government, ought to know that the GAO has the right to come in and audit these travel expenses. It is going to make all of us a little more careful, and it is going to make Presidents a little more careful and accountable, and that is the some of the good that will come out of this legislation.

Mr. ECKHARDT. I thank the gentleman for his comments.

Mr. LANDGREBE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Indiana.

Mr. LANDGREBE. I thank the gentleman for yielding.

Does this type of overview apply to junkets taken by Congressmen? Does it take a good look at that?

Mr. ECKHARDT. I am on a bill to require that with a number of our colleagues. I favor that, but, of course, we cannot get to it in this bill.

Mr. LANDGREBE. Why can we not get to it? It has been a thorn in my side of a good many of my constituents for years—especially those lameduck junkets. Also, sir, is it not strange that this Democrat-controlled Congress would mandate overview of actions in the executive branch that it has not yet applied to itself?

Mr. ECKHARDT. I am coauthor of a bill to restore the publication of travel. That is not in this bill. The gentleman knows I could not put it in here if I wanted to.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

I support that also. For years we have had the often painful procedure of having put in the Congressional Record pages of details about who among our colleagues and staff spent what for travel, and we have accounted publicly for it all of those years. I think we ought to continue doing it.

Remember, we are not asking the President to account publicly at all, or his staff. We are simply saying the Comptroller General can go in and examine it.

Mr. ECKHARDT. I may say this, the gentleman from Arizona is absolutely right. We have not only given the right to the people to know it and the opportunity to newspapers to find it out, but up until recently we have actually required that it be published in the Congressional Record. I think that ought to be restored.

But I do want to make it clear that even now a newsman can find out where we travel, as I understand the law.

It is not quite as convenient as it formerly had been.

I want to conclude very briefly by saying this, that the gentleman from Arizona is absolutely correct. This amendment does not curb the President's discretion with respect to where he travels. As a matter of fact the committee quite properly extended the amount available under his discretion from $40,000 to $100,000. All this says is that the $100,000 worth of discretionary travel will be explained to the General Accounting Office, our representatives. That is all my amendment does.

Mr. LANDGREBE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Indiana.

Mr. LANDGREBE. Mr. Chairman, I would like to ask the gentleman one more question in a very friendly way. I receive from my committee a confidential personal report once a month and I cannot even make out from that report what it costs for my own trip to the Hawaiian Islands to have a look at the pineapple industry that is leaving our country and going to the Philippine Islands, where they seem to have people who want to work and where the government wants to have them. So frankly I am concerned about us sort of nitpicking the President since he is elected by the people for a 4-year term. I do not know why we are getting all that upset about it.

Mr. ECKHARDT. I do not think I am nitpicking. I am simply providing that the ordinary processes for determining how money that is appropriated by the Congress is spent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt).

The question was taken; and the

Chairman being in doubt, the Committee divided, and there were—ayes 53, noes 24.

So the amendment was agreed to.

The CHAIRMAN. There being no further amendments, the question is on the committee amendment, in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes, pursuant to House Resolution 1184, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MALLARY

Mr. MALLARY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MALLARY. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MALLARY moves to recommit the bill H.R. 14715 to the Committee on Post Office and Civil Service.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "A bill to clarify existing authority for employment of the White House Office and Executive Residence personnel, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1975

Mr. STEED. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15544) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 3 hours and that the time be divided equally between the gentleman from New York (Mr. ROBISON) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The question is on the motion offered by the gentleman from Oklahoma.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15544), with Mr. SISK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Oklahoma (Mr. STEED) will be recognized for 1½ hours and the gentleman from New York (Mr. ROBISON) will be recognized for 1½ hours.

The Chair now recognizes the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, bringing this bill here today is done with some mixed emotions. It is always a pleasure to have an important bill that involves as much work as this one finished to a point where we can bring it to the House; but the sad part of it is that today I am appearing here for the last time on a regular appropriation bill with my warm and good friend, the gentleman from New York (Mr. ROBISON), who has announced that he will retire from Congress at the end of this term.

The gentleman from New York (Mr. ROBISON) has worked with me for a great many years on this bill. I have grown very fond of him and formed a very warm attachment to him, because I have come to know him for not only a very able and dedicated lawmaker, but as a warm and trusted personal friend. I know that his departure will leave a big pair of shoes to be filled, because the service he has rendered has been of such a high quality and caliber, that his going will be a very distinct loss to our country.

I want to express my appreciation to him for all the patience and consideration and help that he has given me in the hard job of working this bill. He is a man who does his homework. He comes probably better prepared to the committee than any of us, and he has made many, many very fine contributions to the quality of this bill. My family extends to him and to his family our warm good wishes for his enjoyment of his retirement.

Mr. Chairman, the bill we have brought here today does reduce the budget request by a little over $69 million, which will have the effect of reducing the outgo of funds during the 1975 fiscal year by about $75 million, which apparent discrepancy comes about because of some changes in methods of funding. The bill, though, is about $735,670,000 under the last year. This is somewhat of a misleading figure which I think I should explain.

This reduction is largely due to the fact that two major items in this bill have been transferred to other sources of funding. The disaster bill funds which were in the bill last year have been transferred to another committee, and that accounts for about $400 million. Then, the items of the General Services Administration for the maintenance and upkeep of buildings and the funding of new construction is now under the new Public Buildings Fund which means that all agencies of the Government are now required to pay rent into this fund. So, the $680 million that was in the bill last year as direct appropriations for these activities has been eliminated in this bill and has now been spread throughout all the appropriations bills in the form of rent items for all of these various agencies of the Government.

This being the first year for this new approach, the committee has had some considerable problems trying to put it together in the proper form. We were involved with the full committee in the policy that made a flat 10-percent cut in the rent item throughout all the bills, so the total fund that this income would set up will be somewhat smaller than the original estimate, but since there is going to be a substantial surplus in the item anyway over and above what is being appropriated, we think that the rent cut was very modest. It probably could have been considerably more without doing any serious harm.

The Government occupies about 10,000 buildings, 3,000 of which the Government owns itself and the other 7,000 of which are being rented from private owners. Nearly all of these buildings are being carried under GSA as rental. One of the reasons for this new system of funding is that this makes each agency account for the space it occupies and gives Congress a better handle on what their space usage is. Hopefully, it will have some deterring effect on this very pronounced proliferation of space requirements which seems to prevail throughout the Government.

The bill this year involves about $54 billion, but only $5,507,497,000 is money over which this subcommittee had some control as it worked on the bill. The other items in the bill are more or less fixed costs that are carried here for the purpose of the record, but over which we had no jurisdiction. The biggest item is the $31 billion that will be used to pay the interest on the national debt.

At the time the bill was put together the estimate on the interest on the national debt was $30.5 billion, but the latest information we have is that this figure now stands at $31.5 billion.

Last year these uncontrolled items totaled $46,223,168,000. This year they total $49,147,884,000. This accounts for the fact that the total bill is $2,289,946,000 more than last year.

Included in some of these other items are refunds to Puerto Rico and the Virgin Islands of customs receipts that we collect for them and about $9 billion in trust items.

We have granted, because of increases in workloads, a 2,000 increase in the manpower requested in all the items in this bill.

We have tried to put in the report a comparison of the revenues provided for in this bill as compared to the previous year. While all of them show an increase, I think that careful consideration will show that most of these increases are more or less uncontrollable or of the mandatory type.

For instance, the agency that had to ask for rent money for the first time has an automatic increase in the amount it requested, and those who have had increases in workload and increases in their pay scales have had to ask for more money for that.

We have pretty much, I think, held to the prior work level that the modest increases and extra work seemed to indicate.

We have had some interest lately in an issue that involved the U.S. Customs Service, and I think if the Members will read the bill, they will find we have done very well by the Customs Service in this bill. We have also placed some language in the bill that restricts their funds solely to their activities, and while the issue that may have concerned many of them at the border may have to be decided somewhere else, I can assure the Members that there is nothing in this bill that will cause any problems, because we have a very heavy increase in the work of the U.S. Customs Service. That has been caused by a constant increase in the number of people crossing our borders, in the number of vehicles that cross our borders, and in the amount of cargo that is imported and exported.

I think of all the agencies of Government over the years, considering the increase in the work they are doing and the increase in the manpower as compared to what they used to do, this is probably as favorable as that of any other agency of Government that anyone can think of.

There will probably be some interest in the GSA items.

We tried to work this new bill out in as satisfactory a way as we could. I want to tell the Members that despite what else they may hear, the committee has tried its best to put this program in the proper form and to give the GSA the assets and resources it said it needed.

We have recommended $871 million. We restricted some items, and in nearly all cases we have allowed the exact amount that they said they needed.

We have made a $101 million cut in the Building Service item, but then we gave them a substantial amount more than they had last year.

This may have been too deep a cut. I still have a somewhat open mind on it, but involved in this, of course, is the servicing and upkeep of all those buildings over which they have jurisdiction.

They have to buy the soap and the toilet paper and all the other supplies, and they have to fix floors and fix roofs and do all sorts of things. There has been some complaint that the so-called janitor service they render has not been of a high enough quality. We are sure they are trying to improve that, and we think they will have some funds here with which to do that. If they really need more money and can justify their need for it, I believe we would be the first to go along with it, because we want a better service to be provided for all these various buildings which the Government uses and in which the Government carries on its work.

Mr. Chairman, we will have a problem concerning the item for the Office of Management and Budget, and I do not know of any way to resolve the differences that have grown up in that area except here on the House floor. We became aware that the issue was the sort of thing that could not have been settled finally either in the subcommittee or in the full committee. We have brought the item here in the best form in which I think it could be presented, in order for it to be considered in the House, solely on its merits, so the Members can work their will.

I understand that amendments will be offered, and the only thing I am anxious for is to see the House decide this issue once and for all so that we will have that decision as guidance.

The House has just finished its work on a legislative authorization bill that hopefully will solve two of the knottiest problems we have, and those deal with the special assistance to the President and the White House office. These items have grown over the years, sort of like "Topsy," with Executive orders being used as the authority. Now under rule XXI items not authorized are subject to points of order.

Since this issue came up last year we on the subcommittee have been quite insistent that the administration submit proposed language to deal with these subjects in a proper way.

The House today has worked its will, and at the proper time we will offer amendments in the bill to conform with the language in the bill which was just passed. If further changes may be made in the bill when it finishes in the Senate and in conference, of course, the other body then would have the responsibility of amending these items again to further conform with the law.

We asked for waivers of points of order on these two items as the only way we could devise to properly deal with the subject, since the delay in bringing the legislative proposals to the Congress was such that the Legislative Committee that presented the bill this afternoon has had to work under high pressure even to clear it before the time came to call this bill up.

So I think on balance we have as good a bill as I have ever had the honor to bring to the Members. We have been as candid as I know how in presenting the controversies which are natural to occur in as big a bill and all-inclusive a piece of legislation as this one is.

Mr. Chairman, we hope, with the indulgence and cooperation of the Members, we can expedite this very important piece of legislation during the rest of the day.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. STEED. I will be happy to yield to the gentleman from California.

Mr. SISK. Mr. Chairman, I appreciate the gentleman's yielding.

I wish to compliment the gentleman. I know he always does a great job. I compliment the committee as well.

I have a question I wish to ask the gentleman. Referring to page 8 of the bill, the item dealing with the National Commission on Productivity, I am sure my colleague will recall at least the events concerning this matter and the fact that this matter was held up last year in connection with the authorization. Then we recently passed the new authorization and cut the figure from the $5 million which was in the original request to $2.5 million.

I note that the committee has only seen fit to allow $1.5 million.

I raise the question merely because this National Productivity Commission, to my own certain knowledge, actually has been very helpful in connection with certain problems we have had on the west coast and with respect to transportation problems. I was curious to know if this result comes from a failure of the agency to make out a good case or if the gentleman would indicate what the future might hold in connection with this Commission.

Mr. STEED. As the gentleman I am sure realizes, when you have a bill with as many items as this one contains, and where there are some 200 hours of hearings, the difficulty is that some of these items were treated several weeks ago.

At the time this particular matter came up, the legislative situation was still unsettled. The Cost of Living Council had gotten involved with some of the personnel, the agency was being permitted to go out of existence, and so at that time it seemed that we could keep their activities together and hold them pretty well intact with the $1.5 million.

I have come into possession of information lately that had we had it at the time of the hearings and on the markup, that we might have been more generous. I have suggested that since the situation has come around to this point that they appear before the other body and present any new and up-to-date information that they have with the hope that maybe the matter can be worked out before the final version of the bill is completed.

Mr. SISK. I thank the gentleman very much for yielding to me, and I appreciate the gentleman's comments. I had intended to confer with the gentleman earlier on this matter, and it slipped my attention. I do deeply appreciate the gentleman's willingness to make his comments.

Mr. STEED. I am aware of the work that they did, along with the Council and others. As the gentleman mentioned, there are some areas where some very good work has been done, so we are not in any way reluctant to see them proceed and, hopefully, with enough resources to do the job.

Mr. SISK. Again, I thank the gentleman very much for yielding to me.

Mr. ROBISON of New York. Mr. Chairman, if the gentleman will yield, relative to the question asked by our good friend, the gentleman from California (Mr. SISK) about the National Commission on Productivity, I would like to say for the RECORD that we on the minority side look, I think generally speaking, with favor on the work of this commission. I think it is necessary and important. I believe, though, that it is fair to state that the reduction we made in the budget request was made in the light of the fact that the National Commission on Productivity's authority did run out, and had been renewed, and we were aware of the fact that it would take some time for the Commission to get reorganized and restaffed, even up to this level.

So, as the gentleman from Oklahoma stated, if the Commission supporters can present other information to the other body on this item I am sure we would be happy to consider it in an objective light at the time we go to conference.

Mr. VANIK. Mr. Chairman, in testimony of Commissioner Alexander before the Appropriations Subcommittee, the Commissioner stated that there were "unanticipated increases in delinquent accounts." Instead of reducing the inventory of delinquent accounts for fiscal year 1974 to 510,000 accounts, the number of delinquent accounts will amount to about 730,000.

Did the Commissioner give any explanation as to the reason for the increase in delinquent accounts? Is it the general economic situation. Could it be the example of the President's taxes?

What is the dollar value of present delinquent accounts? I understand that at the end of fiscal year 1973, the Treasury was faced with some $3.15 billion in delinquent accounts. As of April 30, 1974, the Treasury was faced with $1.8 billion in delinquent accounts—and that amount is only lower than similar times at previous years, because of a "new accounting" system which Treasury has started.

Does the committee believe that there are sufficient funds in this bill to enable the IRS to reduce the volume of delinquent accounts?

On this point, Mr. Chairman, I believe that one of the major reasons for an increase in delinquency is that when a taxpayer files late or makes an underpayment, he is usually only charged a low-interest penalty, which is tax deductible on his next year's return. The interest charged is only 6 percent. Almost any big investor is able to obtain a better rate of return than 6 percent. I believe that many taxpayers are underpaying their taxes or delaying in paying them, so that they can have the use of the money at today's interest rates of 9 or 12 percent. In other words, they are playing an arbitrage game with the IRS.

I have introduced legislation to increase the rate of penalty interest on delinquent accounts to 8 percent. Would the committee, from its knowledge of the situation, believe that this could help the Service in obtaining quicker payment of taxes owed?

Mr. STEED. Let me put it this way: No one is more interested in having the Internal Revenue system capable of meeting its workload needs than I am, but we have two or three matters that are very difficult to comply with. In the first place, and more important, the work they do in this particular field actually generates new business, because there is so much of it, and they just lack the necessary personnel to handle it.

We have always felt that they needed to devote more time and energy in this direction, but the big problem in the last 2 or 3 years has been the fact that the work does not get done, because every time an emergency comes up, like during the Cost of Living Council activity, everybody seems just to dip into the manpower of the Internal Revenue Service so as to take care of such problems with the result that we do not get the additional production out of the Internal Revenue Service that we thought we should.

I think this is all finished and their work force is back intact now and we are anticipating that the coming year is going to see some very marked progress in getting them in better control of the heavy workload they have.

Mr. VANIK. I wonder if the gentleman would not agree that perhaps we ought to raise the interest rate on tax delinquencies from 6 percent to a more realistic rate so that a taxpayer does not involve himself in delinquency in order to avoid borrowing money on the outside market.

Mr. STEED. Of course, the gentleman realizes that is not the duty of the committee. But having dealt with the tax people as long as I have, I am sure that they would not be averse to saying that this would be a useful tool and would help them to do a better job, because they are very aware of these advantages that are being taken.

Mr. VANIK. Mr. Chairman, will the gentleman yield for a further question?

Mr. STEED I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. Chairman, I have several questions about the IRS audit program. In IRS Commissioner Alexander's testimony before the committee, he stated that—

> The audit program in 1975 will concentrate on raising the rate of voluntary reporting in classes of taxpayers in which compliance is comparatively low while maintaining compliance in other classes.

Did the Commissioner report what "classes of taxpayers" have a "comparatively low" rate of compliance?

I understand that the IRS has conducted a study which indicates that in 1971, taxpayers with an income under $10,000 who itemized their deductions, owed on the average an additional $178 after they were audited. By contrast, for taxpayers with an income over $50,000 the average sum owed was $8,631. Of all returns examined in the under $10,000 category, 49 percent contained errors. Of all returns examined in the $50,000 and over class 82 percent contained errors.

The total unpaid taxes for all income categories was a projected $23 billion. But that does not include the tax money lost as a result of error and fraud by corporations. And for the most part serious in-depths audits of multinationals and certain other businesses are nonexistent or perfunctory.

In 1960, the IRS did a compliance study that indicated the compliance level to be 92 percent.

In 1969, that figure had dropped to 88 percent compliance level.

In 1973, the latest figures seem to indicate a compliance level of 83 percent.

Do you have any figures on the dropoff of taxpayer compliance in the past year? A dropoff trend seems to be supported by the fact that the Treasury is requesting more auditing manpower.

What income category for individuals, and asset size for corporations are responsible for the slippage in compliance? The figures seem to indicate that it is the high income brackets, which seem to require some assurance for the Congress that the increased audit manpower will be used in the most troubled areas of noncompliance.

Can you assure us here in the Congress that this additional manpower will be used on the high income returns of individuals and massive corporate operations?

Mr. STEED. We have been led to believe that the budget really, if approved here, will make a substantial improvement in the audit program. The problem has been largely, for a long time, the way they selected returns for audit. It caused them to be about 40 to 60 in auditing returns. That did not result in the best benefit.

They have developed a better technique, and today they are down to where about only less than one-fourth of the returns selected at random for audit are taking up any manpower, which is improving their ability to cover a wider area. Also they have cut out auditing some of the very small type returns beyond a certain look at them.

The thing that really concerns us is not that it produces a great deal more revenue than it costs to do this auditing. I suppose there would be a point of auditing where we would have no return. But the thing that concerns us is that the voluntary compliance with our income tax law is the heart of it, and if the public gets the idea that the auditing is so small and so inconsequential that evasion of tax responsibility can be gotten away with, then the time could come when the confidence of the public in the whole system would make it inoperative.

So we think it is a good thing to have a healthy audit program. I assure the gentleman that we are expecting this coming year to see some marked improvement in that.

Mr. VANIK. Mr. Chairman, will the gentleman yield for one further question?

Mr. Chairman, I am concerned about the level of taxpayer service being provided by the IRS.

Mr. VANIK. Mr. Chairman, I am concerned about the level of taxpayer service being provided by the IRS.

Apparently, the American public does not trust the IRS to help provide "service." Each year, there are stories of a newspaper reporter calling several IRS offices, posing the same relatively simple tax questions to different agents—and getting answers that vary by several hundred and even thousands of dollars.

The reliance of American taxpayers on tax preparers has increased dramatically. Between 1961 and 1972, the number of taxpayers using tax preparers jumped from 20.6 million to 36.4 million. In other words, in 1961, 33.4 percent of all returns filed had the signature of a preparer. Yet by 1972, 47.7 percent of all returns had the signature of a tax preparer. The result has been that the American taxpayer has moved from paying $17 million in fees in 1966 to paying $87 million in tax preparer fees in 1972.

Now I know that a major reason that persons use preparers is that the Tax Code is too complex. The forms are too complex. This is largely a fault of my Committee on Ways and Means. We are trying right now to correct some of these problems. I believe that this is important, because the taxpayer is already upset—in a bad frame of mind—when tax time rolls around. But when he is faced with complex forms and has to go to a tax preparer, when he has to fork over more money to a tax preparer just to do what the IRS demands—then he gets furious at the whole system of government.

I also am concerned about our constituents ending up with unscrupulous tax preparers. I am concerned about those operators who take the confidential data the taxpayer provides and give it out to others. In 1972 and 1973, the IRS selected 1,096 commercial preparers for prosecution for criminally fraudulent practices. Convictions or guilty pleas were obtained in 181 cases and there were only 18 acquittals or dismissals; 405 cases have been closed for lack of conviction potential and the balance are in various stages of investigation or trial.

Mr. STEED. If the gentleman will read our hearings I think he will be pleased to note the rather long discussions we had on this very point and the Commissioner's very ardent desire to improve this matter. They have had a great deal of trouble in getting qualified people. They have increased the training and the recruiting, but we are now getting geared up in all the regions with enough computer ability so that the field agent answering questions will now have a capability of retrieval of information in an automatic sort of way that he has never had before. We think this is going to make a major contribution to the fact that a taxpayer with an unusual question can get an answer that will be sufficiently reliable so that he can take advantage of it.

They want to improve this service. They think it is a good investment, because the more they can help in the preparation of returns the better saving there is all along the line in their work. They spend a great amount of time and money in making up just for normal human errors.

Mr. VANIK. Mr. Chairman, I would like to ask the committee, how much of the $705 million provided in this bill for accounts, collection and taxpayer service will be used for actual taxpayer service? How much will be used to train IRS personnel so that they give the correct answers? Will the IRS continue to investigate the tax preparer industry so that the bad apples can be separated from the reputable preparers?

Mr. STEED. Yes. There is not a rigid figure, but I think it is somewhere in the neighborhood of $30 million. They have considerable leeway as to how much of this they do. I believe the hearings show some very active statistics as to what has been done and some of the plans they have. How far they can get into some of those I do not know. They are really putting on a heavy drive to improve this matter.

Mr. VANIK. As one Member of this body, Mr. Chairman, I am extremely grateful to the chairman, to the distinguished ranking minority member, the gentleman from New York for their efforts, because I think this committee in their very vigilant efforts can do a great deal that needs to be done to preserve the integrity of the Internal Revenue Service and our tax collecting system. This is after all the lifeblood of the whole system of Government. We have to do everything we can to preserve its integrity and make it responsive to the public need.

Mr. STEED. I think it would be proper for me to say a word about the Commissioner, Mr. Donald Alexander. We have had a number of meetings with him and I think he has a better grasp and a better determination to make these functions of the Internal Revenue Service do a better job than they have been doing. I do not know of anything in the long haul that will do more to improve the overall service than improvement in just this field.

Mr. VANIK. I can heartily concur in what the distinguished chairman has said. I want to point out the Commissioner is from the State of Ohio and, of course, I share the gentleman's pride in the Commissioner's achievements.

Mr. STEED. I like the man's open, candid, and direct way of doing business. We have found him to be very refreshing.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

First of all I want to say we on this side are sorry we are losing our good colleague, the gentleman from New York, who has been a very conscientious member of the subcommittee and he has made a real attempt to try to impose some kind of semblance of order in this very burdening appropriation process. The gentleman from Oklahoma was very thoughtful in making sure we did pay our compliments to the gentleman from New York.

I have a question of the chairman of the subcommittee. In the deliberations and hearings relating to the Postal Service, have they told the committee why we have not been able to reduce this deficit, we were told when we passed the postal reform bill was going to be reduced and all these great things we were told were going to happen? Has the committee been able to question them as to the specific reasons why they have not been able to reduce the deficit?

Mr. STEED. I might say to the gentleman, we normally have had no difficulty at all getting any information we wanted from the postal people. They have usually been most cooperative.

Mr. ROUSSELOT. So the whole House will know, why is it that these wonderful things that were going to happen that we were told about when the postal bill was passed have not occurred; that is, they keep coming up here and asking for more and more money to make up this deficit, whereas they said they were going to try to make this agency, this independent agency, a self-sufficient agency?

Mr. STEED. I know that the gentleman is no more anxious to accomplish that than I am. We know they have a long way to go yet to accomplish that. We have been very concerned about it on the subcommittee. We have had a lot of hearings.

One thing that has handicapped it is that the Postal Rate Commission function has not been what we hoped. They have had a great deal of difficulty getting additional revenue through rate increases.

Mr. ROUSSELOT. If the gentleman will remember, however, the Postal Rate Commission did propose substantial postal rate increases which were to generate millions of dollars in new revenue.

The point I am making is that this committee can serve a real function by zeroing in on why this process of deficit financing has to go on.

Mr. STEED. I might point out to the gentleman what we brought up in the full committee the other day. If the gentleman will read the law, this subcommittee only has the power to ascertain the revenue foregone. I believe the figure was 10 percent.

Mr. ROUSSELOT. The bill we passed the other day would make it easier for other publications to phase out the so-called subsidies they were getting and the House itself contributed to that problem.

Mr. STEED. I might say this that, of course, no one is clairvoyant. I think we were all disappointed in many ways; but our legislative committee has scheduled hearings on the very matter the gentleman is asking about. We are urging everybody that has shown an interest in improving the Postal Service to give that committee all the help and benefit of their thinking that they can, because we just simply do not have the authority in this committee to cope with it. They do have.

I hope that out of their work will come not just answers as to why the failures, but some positive things that will maybe give us some assurance that the future will see some better results.

I know some of the reasons why they have a tough job, but it is beside the point to go into it here.

I do think that on the legislative committee the time has come when they ought to give this as thorough a going over as it is possible to give it.

Mr. ROUSSELOT. Of course, the gentleman knows that the $1,500 million in this appropriation is not just shortage foregone. When are we going to say that this is the end to this deficit financing?

Mr. STEED. When the Congress gives us the authority to say so.

Mr. ROBISON of New York. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from New York.

Mr. ROBISON of New York. I think the gentleman from Oklahoma is right. The gentleman from California ought to reassess this situation, not with regard to the effect that the postal subsidies are too big or that the Postal Service Corporation has gotten out of line or that the Postmaster General's carpet is too expensive or his remote control draperies should not have been purchased.

Mr. ROUSSELOT. If I may interrupt, the increased cost of rugs did not contribute to fiscal policy. I am sure the gentleman is aware of that.

Mr. ROBISON of New York. Here is the point. On June 11 I got a letter from my colleague, the gentleman from New York (Mr. HANLEY), who said that on July 9 his Postal Subcommittee is going to begin hearings on the Postal Reorganization Act. He commented as follows:

> It has become clear that the public is not yet receiving the quality of service which we hoped would occur with the passage of the Postal Reorganization Act. Those of us who were publicly skeptical of the high-flown claims made by the supporters of postal reorganization four years ago have come to see our skepticism justified. Many errors in that Act need to be corrected.

Then he said:

> The hearings will give the critics of the Postal Service an opportunity to come before us with their recommendations for legislative changes.

He means before his subcommittee, not before this committee.

Mr. ROUSSELOT. Of course, I am on that committee and I am well aware of the problems, because we get much of the mail. But, my point is that I think this Appropriations Subcommittee can help us by taking a tougher stand on what kind of deficit we want this agency to have, especially when they were the ones who came before us and told us that they were going to improve service with a lower deficit. None of those things have occurred.

I know this Committee is well aware of its responsibility to try to keep appropriations fiscally within what the Treasury is able to bear, and in this Committee I think we have gone along long enough. Perhaps next time we can cut it back.

Mr. Chairman, there is one other question I have for my colleague from Oklahoma. Is it not true that one reason we were able to show reductions in this particular appropriation is because disaster relief funds were moved to another appropriation?

Mr. STEED. Yes; I pointed that out in my remarks, plus the fact that we switched between $600 and $700 million in direct appropriations from GSA public building fund, so these two transactions more than offset the increases to the extent that we actually have a bill, so far as this bill is concerned, over $700 million under last year.

Mr. ROUSSELOT. I appreciate the gentleman yielding, and I hope that next year, as it relates to the Postal Service, the gentleman will be able to ask some more hard questions about why this deficit has not been reduced in the Postal Service. I thank the gentleman.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I ask the gentleman from Oklahoma that if this bill becomes law with the section now contained on page 35, which reads as follows:

> SEC. 612. None of the funds available under this Act shall be available for administrative expenses in connection with the transfer of any functions, personnel, facilities, equipment, or funds out of the United States Customs Service unless such transfers have been specifically authorized by the Congress.

If this bill becomes law with this section included, will the Office of Management and Budget still be able to direct the Customs Service to give up their responsibility for borders to someone else?

Mr. STEED. We cannot prevent them from issuing orders—whether such orders are authorized by law or not. However, this committee intends to hold the Customs Service responsible for the borders. That is the purpose of the language.

Mr. ROBISON of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I must begin by expressing my sincere and abiding appreciation for the kind things that have just been said about me—and my pending retirement—by my chairman, Mr. STEED, and my California friend, Mr. ROUSSELOT.

It is, of course, a bit embarrassing—rather like being at one's own funeral—to sit through such tributes.

But that does not mean, Mr. Chairman, I am ungrateful. Quite to the contrary, I am very grateful—and very humble. For it has truly been a great privilege for me to have served, these past 10 years, on the Appropriations Committee of this House; and to have tried, in some small way, to measure up to the demands of such a responsibility.

In my case, that effort has been made immeasurably easier by the opportunity that has been mine, of serving under, and with, the fine gentleman from Oklahoma, TOM STEED, who has been unfailingly cooperative and patient with, as well as helpful to, me. I shall always remember his friendship, and his leadership—especially in these past 2 or 3 years which have been difficult ones for our subcommittee even as this afternoon, before it wears out, will prove to be difficult for us.

I wish to express my appreciation—and my regards—likewise to the other members of our subcommittee, particularly to my New York colleague, JOE ADDABBO, the gentleman from California, ED ROYBAL, with both of whom I have worked closely, as well as, of course, to the minority members who have been so helpful to me this year—CLARENCE MILLER, VIC VEYSEY, and BILL YOUNG.

There is, I believe, a House tradition against including staff members in these kinds of tributes. But, under the circumstances, I expect to be forgiven if I also add my thanks to our hard-working clerk—and my special good friend—"Tex" Gunnels who, in the end, has to put everything together for us, and then try to hold us together, as he is doing again this year.

So, to you all—my thanks.

Now, Mr. Chairman, as to the bill, it is a comprehensive vehicle, covering the budgetary needs of the Treasury Department, the Postal Service, and the Executive Office of the President as well as a host of independent agencies. Most of the operations performed by all these various entities are of a service nature, involving large numbers of personnel, and virtually all of them annually face uncontrollably increasing workloads.

It is, therefore, a fact that it is practically never possible for our subcommittee to make deep cuts in the overall budgetary request submitted to us—and our bill, again this year, reflects that situation. What we seek to do, in the main, instead, is to provide the kind of annual oversight of the programs and policies of our numerous constituent agencies that needs to be done, and that no one else in Congress—generally speaking—attempts to tackle. Our hearings, therefore, provide a wealth of detail and information in such regard—and I commend them to you.

I support the bill, as presented. In final form, of course, it represents some degree of compromise—regarding which I had, here and there, some reservations—but I hope it will be approved without substantial amendment.

I will extend these remarks so as, for the record, to provide my comments and thoughts on a variety of problem areas, but—for the balance of my time, now, I want to concentrate on that one among several issues for subsequent debate that will probably take the greater share of our time when we reach the amending stage.

LEVEL OF FUNDING FOR OMB

Mr. Chairman, we will come to a most interesting issue for debate when we take up the question of the level of funding for the Office of Management and Budget. I hope we can have an objective, constructive and nonpartisan discussion of the issue underlying that question for therein, in microcosm, is reflected at least a portion of the historic struggle that so preoccupies us this year—something we have come to call "Watergate."

I refer now not to the impeachment side, per se, of Watergate, but to the aspect thereof that deals with the shifting balance of power and authority as between the Congress and the Presidency—a matter for historical debate whose roots long antedate the specifics involved in our present Judiciary Committee's grand inquest.

As every schoolchild is supposed to know, our Government is one based on a concept of separation of powers. It can be said, in that regard, that our Constitution institutionalized conflict. The framers of that document anticipated conflict—and in that very expectation seemed to feel they had found some guarantee of continuing freedom; specifically, a barrier against the exercise of arbitrary power by any of the three branches of our Government.

However, as Arthur Schlesinger, Jr., declares in "The Imperial Presidency," experience soon showed that a government of checks and balances only works well when one of the three branches takes the initiative. What is more, Schlesinger argues, it has proven to work efficiently only "in response to Presidential leadership."

Mr. Schlesinger says he wrote his book first to show how, little by little, the Presidency from George Washington to Richard Nixon has gotten out of hand, and second, to warn against too strong a reaction against a strong Presidency which, he states, could render us powerless to deal with our problems.

As to his first point, the strength of the Presidency has ebbed and flowed, actually, in accordance with the personality of its incumbents and the difficulties they encountered during their tenures. Wartime Presidents, like Lincoln, particularly bent the Constitution to their own felt needs. But when subsequent Presidents were denied that claim of crisis, Congress moved to reclaim its lost authority—and I think it fair to suggest that the Andrew Johnson impeachment affair was a warning as to how such a movement could, by itself, get out of hand.

As to Schlesinger's second point—if not exactly pertinent to the issue presently before us today—his words are worth remembering as the year wears on, for he declares:

> The answer to the runaway Presidency is not the messenger-boy Presidency . . . (and) American democracy must discover a middle ground between making the President a czar and making him a puppet.

In any event, Mr. Chairman, American Government has—particularly in this last generation—become very, very "big" indeed. So big, in fact, that at the Federal level it has also become well-nigh unmanageable, and there is virtually no aspect of life in any of our districts that it does not affect, directly or indirectly.

I am indebted to the distinguished chairman of our committee, Mr. MAHON, for the scholarly work he has done in the past in tracing the fiscal side of the congressional history of our growing problem with "big" government; with how, from 1885 to 1920, when legislative committees held jurisdiction over major appropriations bills, fiscal chaos reigned in the House. Finally, then, came approval of the Budget and Accounting Act of 1921, that created the Bureau of the Budget and the General Accounting Office, and restored full responsibility for appropriations to the Committee on Appropriations.

Despite these obvious congressional reforms, the Federal Government continued to grow, and grow. That growth was, of course, reflected in the size of the Federal budget which—and please listen to these comparative figures—in round numbers reached $43 billion in fiscal year 1950, at which time the Bureau of Budget—BOB—had 531 employees to struggle with it, of whom 46 were in its still somewhat new "Management Division," so-called.

When I first came here, Mr. Chairman—17 years ago—the fiscal year 1959 budget had climbed to a little over $92 billion but, for some reason, BOB now had only 435 people on its staff.

By fiscal year 1970, the budget in round numbers was $197 billion, and BOB now had 553 people, of which 49 were in its Management Division. For some time, BOB had been experimenting through that division with a management technique called the program planning and budgeting system—PPBS, for short—which, in retrospect, seems to have been BOB's effort to get a fiscal handle on what can only be called "Cabinet government"—that unwieldly and parochial-minded arrangement under which Federal departments and agencies were competing with one another both for programs and for slices of the Federal budget.

In time, PPBS might have produced some order out of the executive branch chaos which by then was frustrating President after President. But President Nixon, and others—including prominently Joseph Califano, Jr., former special assistant to President Johnson—thought they saw a better way, as it was presented, "to lift the Presidency out of the rut of patching and putting together fragments of policy," through the creation of an independent White House apparatus for both management and long-range national planning.

This further try at reform—at the Executive level, now, rather than congressional—took the form of Reorganization Plan No. 2 of 1970. Under it, all statutory powers previously granted to BOB were transferred to the President and, then, redelegated by him to the new Office of Management and Budget. At the same time, a Domestic Council was created within the White House, to "provide the President with a streamlined, consolidated domestic policy arm"—somewhat after the fashion of the existing National Security Council—and it would work with the Director of OMB to "seek greater interagency cooperation and coordination, particularly at the operating level—and—in assessing the extent to which Government programs are actually achieving their intended results and delivering the intended services to their recipients."

It was, thus, this emphasis that finally put the specific "M"—for "management"—in the OMB, an agency that, in fiscal year 1974 now, has an authorized strength of 660 people to deal with a Federal budget that has grown to about $275 billion; and of those 660 people, 108 are in OMB's so-called Management and Operations Division.

Reorganization Plan No. 2 of 1970 was rather strongly supported in the Senate—though no vote was cast on it there—with Connecticut's Senator RIBICOFF, himself once a frustrated Cabinet member, saying here was "a great opportunity to bring meaning to the Presidency and to help the Presidency."

The House had reservations, however. Our Government Operations Committee voted out a disapproval resolution which, after floor debate on May 13, 1970, was defeated by a vote of 164 to 193. That debate makes interesting re-reading, these days especially, since much of the concern expressed centered around the projected Domestic Council which would have the cloak of Executive privilege.

Upon reflection, I think much of that concern was later justified in that, under the guidance of John Ehrlichman—he who once said of Cabinet officers that when the President "says jump, they only ask how high"—the Domestic Council did, for a time, come to dominate both Cabinet and OMB, starting a trend toward such a centralization of Presidential powers as to lead Mr. Schlesinger to worry, toward the end of his book, more about a "runaway Presidency" than his "imperial Presidency."

In any event, at least in part thanks to Watergate, much of that threat—in my judgment—is gone. The Domestic Council staff is now down from a high of 75 to its present level of 30 and, under Kenneth Cole, Jr., seems to be performing an effective and necessary liaison role as between President and Cabinet-level and lesser executive branch officials.

This leaves, then, the OMB and its Director, Roy Ash, with his 660 people to struggle, in the first instance, with the projected fiscal year 1975 budget of close to $305 billion and to begin to face up to a fiscal year 1976 budget targeted at around $330 billion; and, in the second instance, to try to carry out as best they can what Mr. Ash conceives to be the "management" responsibilities specifically mandated upon him.

That latter process—which Mr. Ash describes in summary fashion for me on page 630 of part 3 of our hearings—is a complex and difficult one, requiring him to apply certain judgments and disciplines that render him no more likely to win a popularity contest than any former head of the old BOB.

My good friend and colleague from New York (Mr. ADDABBO), will shortly offer an amendment to further cut the $22 million now allotted in our bill for OMB. Let me tell you how we arrived at that figure—howsoever tentatively. OMB's fiscal year 1973 appropriation was $19.6 million. Its "regular" fiscal year 1974 appropriation was cut back to $18.5 million, after which it received a $900,000 supplemental, for a total of $19.4 million. Its fiscal year 1975 request was for $23.4 million, which included a request for 31 more staff people, of whom 14 would go to "management."

However, we have allowed OMB only the same base it has in the current fiscal year—$19.4 million—to which we have added its "uncontrollable" increases for salary raises, an adjusted rent item, et cetera, reaching a rounded-off total of $22 million. Despite what the report says on page 22, we have, in effect then, disallowed OMB's request for those 31 additional people and also eliminated all funds for whatever program increases it had in mind. In further effect then, we will also be requiring OMB to operate at a somewhat reduced funding level from that which it enjoyed in fiscal year 1973 although, in fiscal year 1975, the Federal budget it must supervise and—to whatever extent—manage, will have increased by about $58 billion in just those 2 years.

I do not presently know how much further Mr. ADDABBO will want to reduce OMB's capacities. For reasons good and sufficient unto him, he has said he wants to carve deeply enough to cut the "M" out of OMB.

On the assumption that Mr. Ash will not voluntarily surrender all of his management people, I would argue that Mr. ADDABBO cannot achieve his objective in this fashion; and I would argue further that the success of his amendment would only seriously reduce the "B"—for budget—side of OMB, something that could not come at a more inopportune time since the congressional "budgetary reform" procedures we are about to put in place will, for a time at least, place substantial burdens on that side of OMB's house.

Mr. Chairman—and my colleagues please listen—in the report entitled "Watergate: Its Implications for Responsible Government," as prepared by a distinguished panel for the Ervin Committee in the other body, it is stated:

> In the considered judgment of this Panel, the sound approach to balance in the American Constitutional system lies in strengthening Congress and not in weakening the Presidency.

Those are wise words, my friends, and we should heed them—especially at this moment in history.

What they tell us is, that one does not redress whatever imbalance presently exists as between the Congress and the Presidency by tearing the latter down to the former's size.

Until we, here in the Congress, have equipped ourselves through further reforms of our organizational structure, or operational style, or by added staff, we—quite purely and simply—are incapable of undertaking the broad review of executive branch performance and policy which is most needed.

Until we acquire such a capacity—if we ever do—both we in the Congress and whoever occupies the White House will need an OMB, or something like it, sufficiently funded and adequately staffed to carry out its most necessary budgetary and management functions.

I most urgently hope, therefore, that we will not yield to the temper of the times—as my New York colleague will propose—by removing both from the President and ourselves, let alone the Nation, a certain institutional capacity that, is for the moment, irreplaceable.

Mr. VEYSEY. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from California.

Mr. VEYSEY. I thank my colleague from New York for yielding.

Mr. Chairman, I am particularly heartened by the gentleman's closing remarks that the imbalance between Congress and the executive branch cannot appropriately be redressed by tearing down the executive branch. Rather we must build our own capability in the legislative branch to cope with the problems in America today.

Mr. Chairman, I should like to take just a moment to express both to the distinguished chairman of the subcommittee, the gentleman from Oklahoma (Mr. STEED), and to the ranking minority member, the gentleman from New York (Mr. ROBISON), my appreciation as a new member of the subcommittee for the rather delightful experience that I have had in working with both of them this year in bringing out this bill.

I do support this bill, although it does not have all of the changes in it that I might like to see. I think it is a good effort to make an adequate appropriation to provide the means to run our Government and at the same time is fiscally responsible.

I congratulate the Subcommittee on Treasury, Postal Service and the members of the committee for coming forth with such a bill. Our chairman has at all times been mild-tempered and very generous with all members of the committee, and I have particularly enjoyed working with him.

I want to say a particular word of commendation about my good friend, the gentleman from New York (Mr. ROBISON), who will be retiring, much to our sadness, this year. Thus, he is in a sense completing a cycle here, this being the last windup of this particular appropriation subcommittee. He has done a marvelous job and has made an outstanding contribution to this House over the years, and in this year particularly we have under him on the committee really learned to appreciate the magnitude of his contribution and the depth of his approach to the problem. I thank the gentleman very much for his contribution.

Mr. ROBISON of New York. I thank the gentleman for his very kind remarks.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

At this point, Mr. Chairman, I will not go into a long discussion as to the Office of Management of Budget. We start off on a sadder chord, and that is to note that the gentleman in the well, Mr. ROBISON, is making his last presentation on the basic Treasury, Post Office appropriation bill as its ranking minority member, having announced his retirement. I, although sitting on the other side of the aisle, regret his intention to retire. I was hoping that the people of his district would have by acclamation asked him to stay on to continue the great work he has been doing for his district and the State of New York, not only on this committee but also as a member of the Committee on Public Works. The gentlemen in the well has always been a gracious and outstanding opponent. When we do get to the amendment process, I will try to answer his points as far as the Office of Management and Budget is concerned. At that time we will have a full discussion as to the merits of their past action.

At this time I do join all of my colleagues in wishing my colleague, the gentleman from New York, well. We wish both him and his wife well and long years of good, healthy retirement.

Mr. ROBISON of New York. Mr. Chairman, I can only say that I am grateful to my colleague for his comments and look forward to his contributions later on in the debate when the bill is read for amendment.

Mr. VANIK. Mr Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. Chairman, I just want to say to my distinguished colleague from New York that I join with my colleagues in what has been said about our distinguished colleague in regret of his decision to leave the Congress in which he has made a monumental record.

I think the gentleman is on everyone's list as one of the good guys, of which there are so many in this body. I certainly want to express my best wishes for the gentleman in his future plans, and I want him to know that as a Member of this House who is not a member of the gentleman's particular committee or committee activity, I have always profoundly appreciated the gentleman's counsel and his judgment and his solid thinking and participation in the processes of legislation.

Mr. ROBISON of New York. That is a beautiful thought.

I hope the gentleman will vote with me later on this afternoon.

FUNDING POSTAL SERVICE CORPORATION

Mr. Chairman, another issue—though one of less consequence, I believe, for reasons I will explain in a moment—over which we will have some extended debate, is the $1,550,000,000 appropriation recommended in our bill as the fiscal year 1975 payment to the so-called Postal Service fund.

As is indicated on page 17 of our report, this represents a $2,607,000 reduction from the request, which included—in accordance, let it be noted, with the general provisions of the Postal Reorganization Act, and over which we really have little control—these three major items: $920 million for so-called public-service costs, plus $571,465,000, identified as "revenue-foregone" on free and reduced-rate mail, and the third item $61,151,000, for so-called transitional expenses.

Now, I was—and I remain—an advocate of "postal reform" and despite substantial disappointment over the way matters have worked out for the Postal Service Corporation to date, I am not yet ready to give up on the concept.

Nevertheless, the real difficulties the PSC has had in getting going, the labor problems it has had along the way, the monumental management tasks that still challenge it—and the frequent mistakes it may have made in the way of trying to surmount that challenge—plus the fact that inflation has had its impact here, on this wide-ranging operation which requires something like 675,000 employees, a fact that, in turn, means that about 85 percent of every dollar it spends goes for wages and salaries, that add up to about $400 million every 2 weeks, all this, along with the perennial public and congressional complaints about the quality of the mail service, has emboldened the original opponents of postal reform to seek, and gain, some recruits to their ranks.

Thus, Mr. Chairman, I am not optimistic about the future of the current arrangement; not optimistic; that is, unless the Congress is willing to consider the alternative objectively, warts and all so to speak, that alternative being simply to go back to a congressionally managed—or mismanaged—politically oriented, Post Office Department, or something like it.

A future Congress may decide to do just that, though I have to say I believe such a retrogression would be a serious mistake.

Now, I know full well that, as we move along here today, we on the subcommittee are again going to hear all about how bad the mail service is, about how unresponsive to congressional inquiries and complaints the Service is—and it has been unresponsive at times—and we are surely going to hear again about the supposed $30 million that was spent on the Service's new headquarters, here in Washington, including the "hand-carved walnut doors" installed in the Postmaster General's office, the expensive carpet on his floor, and his remote-controlled draperies.

I would agree that much of those latter expenses were unnecessary, and unfortunate—but I do not know what we can do about it now. In the same fashion, I would join the critics in being critical about some of the high salaries being paid some of the top-level people in the Service's headquarters, and about their tendency to over-manage out in the field despite all the fine talk, some years back, about how the individual postmaster was going to have a chance to run his own show and, if he ran it well, to anticipate appropriate advancements in pay or even in location. But, surely, by now the Postmaster General, and his top people, are well aware of these kinds of criticism—just as they now know, and admit, that a couple of years ago, caught in a bind between escalating operating expenses and a desire to hold costs and, thus, postal rates down, they cut costs back so severely as to sharply reduce the quality of service.

That latter mistake has been largely corrected—and I, for one, despite what my colleagues may say in this election-year when it is tempting to tilt at each and every unpopular "windmill" in sight, do not think our mail service is presently all that bad as it, here this afternoon, will be pictured. Of course, it could be better—what, in the way of governmental service ranging all the way from local trash collections to the services a Congressman provides his constituents, today, couldn't be improved?

So, I see this matter—as I see so many others, Mr. Chairman—as a relative thing; and I think back over the years to way before we had a Postal Service Corporation to complain about, and I remember well the constant complaints into my congressional office about mail service, then, even as now.

But, the question is: What are we going to do about it?

Will we, for instance, get better mail service by cutting back on our subcommittee's recommendation for the payment into the Postal Service fund?

Will it help save postal jobs for our mail clerks and letter carriers by cutting back on that payment to this corporation that had—at the time of our hearings in April, and the picture is probably even worse now—in "liquid" assets, as I understood it, only about a cushion of $120 million, while facing, at the same time, that payroll every 2 weeks of about $400 million? A corporation that is also now using its borrowing authority for operating expenses—and, in the words of its head, the Postmaster General, is "in damned poor shape"?

The answers are so obvious I will not even offer them.

And the further answer is, that the only result of denying the corporation the payments we recommend to it—or of substantially cutting them back out of displeasure or pique—is to hasten the day when we bring this whole operation, for better or for worse, crashing down upon our own heads, as well as on the heads of both business and public that have to depend on it for the essential handling of our mail.

That is no kind of an answer, my friends, unless you are so dead-set against that concept of "postal reform" that you do not now care what happens; which is about how you would have to feel since it is obvious, if the corporation now falls victim to our hands, we have given no thought whatsoever to whatever kind of machinery or institution we might then have to put in its place. I say our economy is in enough trouble as it now is, without giving it this potential added uncertainty and burden to struggle with.

What should we do, then?

The only true answer is, to approve this recommendation—to keep the corporation in business—and, then, to cooperate with my friend and colleague from New York (Mr. HANLEY), in his just-announced plan to hold some oversight hearings into this whole question of mail service and postal reform, in his Postal Service Subcommittee of the Post Office and Civil Service Committee, beginning on July 9.

So, Mr. Chairman, I would say to my colleagues who wish to throw stones in the direction of either postal-reform or the Postmaster General, do not throw them at us—we are the wrong targets—save them up, instead, and deliver them on Mr. HANLEY's subcommittee's doorstep in a couple of weeks.

That is the honest way—that is the responsible way—to represent your constituents, and do your thing for the kind of mail service, however it is organized and managed, you believe they want and deserve.

THE EXECUTIVE OFFICE OF THE PRESIDENT

Mr. Chairman, I do not know whether or not I am addressing these specific problem areas in this bill in the proper descending order of concern, since that is something I shall only find out later on.

However, in this "Year of Watergate," one has to presume that any budgetary request presented by this particular President for his own, institutional purposes, may well come under some fire.

I have already addressed myself, at length, to the OMB budget-level problem—which is part and parcel, in some fashion, of my concern in this regard.

However, it is an unfortunate fact—something I am sure Mr. STEED regrets as much as do I—that many of the items this bill normally carries, for the Executive Office of the President, had to be tailored by us this year to fit the problem, presented last year, of a lack of specific authorization for them. Earlier this afternoon, a bill designed to fill this technical legislative "gap" was considered by the House—a bill which we ought to have had far earlier than this date but one which, whatever one thinks of its provisions, will make this subcommittee's job next year easier than it has been of late.

As Mr. STEED has explained, through one of those quirks of fate, especially in this year of all times, we had authorization problems for the White House Office "Salaries and expenses" account, of all things, as well as for that budget request to provide the Vice President with an essential executive branch staff—an item about which I believe no one has any real question which, as reference to the bill and report will show, is called "Special Assistance to the President."

Inasmuch as these items had been carried in this particular annual appropriation bill for a number of years—much longer than that, in fact, for the White House Office "Salaries and expenses" item—we felt it incumbent upon us to try to, somehow, include that in our bill, again this year. Indeed, we felt that to do otherwise would seem to indicate to some—no matter how otherwise ran the intention—that the House was taking punitive action against this particular President, already in deep trouble, because it could not get at him, as yet, in other ways.

This is why, as my chairman has explained, we sought and obtained a rule waiving the points of order that might otherwise lie against House consideration, today, of these two items. This is an action neither of us particularly liked—but we saw no better way to resolve what was a sticky situation.

As I have just said, I believe the Vice President's staff allowance—under that title of "Special Assistance to the President"—is in no trouble.

However, the same cannot be said with equal assurance as to the White House Office "Salaries and expenses" item that may later come under fire.

Here, I think I can leave a good share of the burden for defending our subcommittee's recommendation upon my good friend, our chairman, for he feels very strongly as he has—or will—indicate about what he calls the principle of "comity" between the Presidency—as an institution, and not just this particular President—and the Congress. I would argue, just as he has—or will—that in the same fashion, we would most strenuously, and rightfully, complain if any President vetoed one of our legislative appropriations bills, or sought to impound any of the moneys we felt needed for our staffing purposes, either for our individual use as Congressmen or for committee purposes, we should not, unless matters got wholly out of hand, deny any President whatever numbers of people he felt he needed, and the moneys he felt needed to support them, to assist him in the carrying out of his tremendously heavy duties and responsibilities.

Thus, in our bill, we have allowed the full budget—or Presidential—request for White House Office "Salaries and expenses," including 30 additional positions, which would bring the authorized total White House staff level, in fiscal year 1975, to 540 permanent positions.

I am not, here, going to indulge in a re-hash of some of the discussions on this matter that preceded our bill here to the floor, this afternoon. I am content, rather, to let the matter rest as it is, and to join my chairman, if need be, in trying to defeat any amendments as may be offered to this item.

Of course, there are a lot of people working in, or for, the White House. But, given the constituency the President has today as compared to our constituencies; given the massive burden of the Presidency, today, even if there were no "Watergate" for the present incumbent to worry about, and given that principle of "comity," who is to say these are too many people?

Ours is, as I have already noted, a system designed on the concept of a separation of powers—and I suggest that, however great the provocation, we forget, or trespass upon, that concept only at the peril of the system, itself.

It is true, of course, that the size of the White House—and the Presidency—if measurable in such terms as the numbers of staff assistants, or the overall dollar cost of its internal operations, has grown substantially, even markedly, in recent years.

There is nothing unusual about that fact—since everything else, throughout the whole Federal Establishment grew, comparatively, in the same time frame. It might be helpful, however, to look at one specific comparison.

As the bill and report shows, we have allowed the full $16.3 million asked for, this coming year, for White House salaries and expenses. This will support 540 permanent employees. The average GS grade of these people will be 7.8. The average GS salary will be $12,470.

Now, if you would take a look at the legislative Appropriation bill this House passed on April 4, of this year, you would find—on page 8 of the report for details a compilation of the salaries and expenses we allowed for the various officers of this House, including the Clerk, Sergeant at Arms, Doorkeeper, Postmaster, Chaplain, Parliamentarian, Reporters, Democratic Steering Committee, Republican Conference, and so on. The total we appropriated for these House offices, alone, which is over and beyond what we allowed ourselves for our own individual staff and its costs, was $16.5 million—about $200,000 over what the President, with all his problems and needs, is asking for the White House Office.

Again, I ask: Has our committee allowed too much—and approved too many people?

I think the answer ought to be obvious, but—in this "Year of Watergate"—who knows what Congress will do, even though I, for one, and certainly as one who is no apologist for "Watergate," believe the seeds which grew to Watergate were planted many years, and many administrations ago and that, in many ways, Watergate was a product of a system which shaped and guided the behavior of its participants. Let us hope that the good which can—and, I believe will—come from Watergate will be its effect in changing that system, for the future, and in changing the attitude and philosophies of future Presidents, as well as of the American people they will serve, in such a way as to prevent another distortion of that system of the sort we now strive to deal with through the unhappy process of impeachment.

I do not precisely know—nor do I see any more clearly than I can presently foresee the outcome of the impeachment attempt—how this necessary change in attitude and philosophies towards the Presidency will come about. We know, for sure, only that we stand on shifting political sands—but we can draw, or redraw, wisdom for our future guidance from such words as these, written by James Madison in "The Federalist":

> In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself.

We can contribute, here in the Congress, to that governmental self-control by moving, wisely and responsibly as I have suggested, to redress certain imbalances that have developed vis-a-vis the Congress and the Presidency; through building up our own, internal capacity to better manage our half of what ought, essentially, to be a "partnership" governmental arrangement with the Presidency and, finally, through eternal vigilance of the sort that will, though there is no "fail-safe" mechanism, help insure that the checks and balances built into our system will continue to work as intended.

In that formula, you will note, there is no mention of and no room for intemperate, or punitive action against the President now in office, nor against the Presidency.

The size of the Presidential staff is not the problem, then.

And, just to wrap up these remarks, if one wishes to be objective about it this year's White House request for just 30 more people—to that new total of 540 slots—is not unreasonable. Further, an objective look back through the budgetary pages in recent years will show that there has not, in fact, been that "huge increase" in White House staff that some, earlier today, complained about. For, as we were told on our subcommittee by Caspar Weinberger, when testifying as OMB Director then on the fiscal year 1973 budget, in fiscal year 1970, at the beginning of the current administration, he found 273 people detailed from other agencies working at the White House. Those 273 people, when combined with the people then on the "regular" roll at the White House plus those others paid out of the then "special projects fund"—which we have since eliminated—made the actual, total White House staff back then 574 people. By comparison, again, in the current fiscal year, the White House has an authorized 510 people—the same number as in fiscal year 1971—and in the next fiscal year will have, by our recommendation 540; and, though there are still, and always will be, some "detailed" people there from other agencies, that problem seems to be under proper control and within reasonable bounds.

So, I believe the committee's position is responsible, Mr. Chairman, and deserving of support.

Two small items for final comment under this heading:

We have, as the report shows, eliminated a small request for continuing an effort called "Expenses of management improvement" that has been in the bill in past years. This, basically, is an offshoot of what we feel OMB should be doing—and probably can do—on the "management" side of its house; however, by melding this work into its other duties, one could say, I suppose, that we have further "cut" the OMB request by the $500,000 requested for this type of study.

Finally, because of a lack of authorization, we have struck from our bill—though without prejudice—the usual $1 million requested as an "Emergency fund for the President." This is, I believe, an essential, catch-all, contingency fund the Presidency ought to have—to meet true emergency needs—and I hope the other body will include the item in its companion bill so we can agree to it, in conference.

Mr. STEED. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Chairman, during the course of the consideration of this bill it is my intention to offer an amendment to add a new section to the bill which will prohibit the General Services Administration from spending moneys to provide what they call a Fednet organization. The GSA is attempting to spend a substantial amount to acquire five new computer systems. Four of these computer systems are for the Department of Agriculture and one is for GSA. The end results will be, as I understand it, that they will also have optional systems in which the GSA will also acquire an additional four units.

The project is being financed by the General Services Administration revolving computer fund. Therefore, GSA contends that it does not need congressional authorization to begin procurement procedures. GSA places the cost of the five units at $24 million. But there are others who disagree and feel that this program cannot be completed until more than $100 million are spent by the Government of the United States.

GSA has already published its specifications and is seeking bids on the computer systems. The specification design is based on modular expandability so that the system can be added into at a later date. There are to be 3,000 remote terminals scattered across the county that will connect into the system.

The computers can be used by other Government agencies on a shared time basis. At the subcommittee hearings GSA representatives stated that they had not contacted any other agencies concerning use of the computers. However, we have a letter written to a Senator of the United States which clearly indicates that this is not the case.

The shared time use of computers by many Government agencies opens up the specter of a national data bank. GSA admits they have not studied this problem and that they do not really know what the ultimate consequences of such a system would be. However, GSA's Mr. Sampson contends that the system is safe because the Administrator would control all data and be in control of all computers.

As one looks into this matter one finds that the Office of Management and Budget has already requested the General Services Administration to suspend its plans for Fednet because the proposed computers will not meet the needs of Agriculture, will not be economical, and could result in the invasion of privacy. Also, the Vice President of the United States and the Office of Telecommunications have written GSA opposing further implementation of the programs on the basis of possible invasion of privacy. At the subcommittee hearing Mr. Sampson stated that he was suspending implementation of the program pending an evaluation of the privacy question.

In other words, he promised the committee that nothing would be done until such time as the Congress of the United States had more time to study this legislation; but nevertheless, it appears now that GSA has already gone ahead with this particular program. They have already granted USDA 570 new terminals. They have already decided to even consider an increase to 4,000 new terminals.

It seems to me that if such agency promises a committee that they will not go ahead with any particular program until such time as the Congress has time to study it, that that Agency of the Government should definitely not go on with their program until the Congress has in fact had an opportunity to study the situation and then made the proper recommendation. If this bypass of Congress is permitted, it is quite possible that the General Services Administration will not only continue to ignore the committee but in the future be dictating to the Congress of the United States. Once we permit this to start, it will continue to go on. That is the reason why I believe that my amendment should be adopted and that we prohibit the General Services Administration from spending any funds for this system called Fednet until such time as this Congress has the opportunity to make a thorough study of it and make a proper recommendation.

Mr. STEED. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, I rise in support of the Treasury-Postal Service appropriations bill. I believe the bill as brought to the floor by the subcommittee chairman, the gentleman from Oklahoma (Mr. STEED), and the ranking Republican member, the gentleman from New York (Mr. ROBISON), is generally an excellent bill, one in which exhaustive effort was taken to assure not only that the bill contains little, if any fat, but also to assure that great attention was given to basic priorities.

As a member of the subcommittee, I would like to pay particular tribute to Mr. Gunnels and other members of the staff of the Appropriations Subcommittee their diligence and help so that the committee could work its will.

And I would like to again express my professional and my personal appreciation to the gentleman from New York (Mr. ROBISON), not only for his work on this bill, but for the many years of outstanding service he has rendered to the committee, the Congress, and to the Nation.

As far as I am concerned, there is not a more dedicated, unselfish or respected Member of Congress than the gentleman from New York, HOWARD ROBISON, with whom those of us on the committee have been lucky enough to have been associated.

He has always demonstrated remarkable graciousness, even under the most trying circumstances and his retirement at the end of this session will be a most grevious loss to all of us.

Mr. Chairman, the bill as it now stands totals $5.5 billion, some $69 million less than the total asked for by the administration. In some cases we have appropriated greater sums for certain activities; in other areas we have cut the administration's request. In some cases, I believe we should have cut more than we did, and I expect amendments to be offered on the floor—which I will support—to rectify those specific budget figures.

Additionally, I believe the committee cut as to the Office of Management and Budget was insufficient. I would recommend to you for your information my supplementary views in the committee report. When time comes later, I shall offer an amendment to cut the OMB budget to $16 million. I shall have more to say on that particular subject at the appropriate time.

I commend the customs service for its great service to this Nation, and all the dedicated men and women of the service whose untiring efforts have been a tremendous deterent to the smuggling in of drugs and other contraband while being a helping hand to the thousands of visitors and others entering our many ports and airports and crossing our borders. I believe that OMB is doing a disservice to the Nation and the dedicated and efficient men and women of customs when it attempts to downgrade and reduce its activities.

Mr. Chairman, I am in full agreement with the committee report, which is strongly critical of the Postal Service for its attempt to build empires within the service and for providing, basically, slow and unreliable mail service.

In addition, I support the committee position to disallow an increase in staff positions—1,356 of them—for the Treasury Department. I further support the increase of Secret Service funds by $7.4 million to allow for the security protection for the immediate family of the Vice President. Mr. Chairman, if hours of work alone would insure good legislation, we would have a near-perfect bill. As it is, with all its multitudinous features, I recommend the bill to the House enthusiastically.

Mr. STEED. Mr. Chairman, this is a very happy time to go to the consideration of this legislation. It represents many weeks of hard work. I just want to wind up the general debate by saying that I personally appreciate the fine cooperation I got from all the members of the subcommittee. Many fine contributions were made by all members of the committee. I have never worked with a more dedicated and competent group. Our staff has been very good. They have had to go through a lot of very difficult situations and they have handled them with great efficiency. I appreciate their work.

I think I can assure the membership that this is one of the most sincere and well-recommended pieces of legislation I have ever had any connection with.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, I just wish to congratulate the gentleman for the outstanding job he has done here today, as he has done on every other committee he has served on.

Mr. STEED. I thank the gentleman.

Mr. LEGGETT. Mr. Chairman, both Pickle amendments should pass unanimously.

The President of the United States has complete control over all members of the Cabinet and over all their principal subordinates. He can hire and fire them at will. It is through these men and women that the Government can most logically and most effectively be administered.

While it is reasonable for a President to have a small number of personal advisers upon whom he can call, the present administration has taken this practice entirely out of hand.

We have seen John Ehrlichman and H. R. Haldeman given power far exceeding that of the entire Cabinet combined. The point I make is not that these men did a miserable job—which they did—but that they were not subject to Senate confirmation, and by application of the dubious principle of executive privilege they were able to immunize themselves from congressional examination. Had they been forced to undergo Senate confirmation, it might well have been that the

Senate would have questioned the qualifications of a former soap salesman and proven crooked campaign manager to dictate domestic policy for the Nation.

A President simply does not need and should not have so many high paid, high-powered assistants free of responsibility to anyone but the President. The first Pickle amendment would reduce the number of superhigh salaried White House staff members from 65 to 40. In my view, 20 might be more appropriate, but the Pickle amendment is a step in the right direction.

The second amendment is even more desirable. We have seen the White House hire a bunch of thugs and screwballs, most of whom did not even have security clearances, and set them to work committing wholesale violations of the laws and the Constitution in the name of national security considerations supposedly too supersecret for the FBI or CIA to handle. No doubt Gordon Liddy, Howard Hunt, and Filepe Di Diego would have claimed executive privilege had they been called before a congressional committee before their arrest stripped them of respectability.

Our only hope of preventing similar abuses in the future is to provide the American people with explicit information on who is working in the White House, how much he is paid, and what he is paid for. Security against Presidential abuses should not have to depend on the curiosity of a Woodward or Bernstein.

Mr. DULSKI. Mr. Chairman, I will support the amendment offered by the gentleman from New York (Mr. ADDABBO), and want to associate myself with the position taken by the gentleman from Oklahoma (Mr. STEED) and other members of the Committee on Appropriations.

This is truly an incredible situation, where the Congress has to write into law a clarification already in the law, after several authoritative personal reminders of the limitations on powers granted to OMB. I cannot recall a more blatant, arrogant assumption of omnipotence by an executive agency—and we have witnessed quite a few striking examples in recent years.

The lack of justification for the proposed transferral of functions from Customs to INS is graphically illustrated by the announcement of a 38.2 percent increase in Customs Service drug seizures in the past fiscal year. This is attributed to a number of factors resulting in improved operations by Customs, but, capable as it is in its work, INS is not designed or equipped to produce the same record.

At this point, I would like to share with you the contents of a letter I sent to Director Ash on June 12, 1974. So far, I have not had the courtesy of an acknowledgment:

JUNE 12, 1974.

Mr. ROY L. ASH,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. ASH: It has been brought to my attention that your Office of Management and Budget has decided that it is no longer important to control drug smuggling along our borders. As a result of this decision, it has directed the Customs Service to cease its operations in this area.

You must be aware of the effective job that has been done and is being done by the Customs Service along the Mexican Border in halting the smuggling of drugs into the United States. Therefore, it is very difficult for me to comprehend the reasoning for this action.

I am astounded that your Office would assume the prerogative of making such a decision and I would be interested in knowing what "experts" in OMB, in the field of narcotics enforcement, would recommend such action.

I urge you, in the strongest appeal possible, to reconsider this directive and negate any move that has been made or is being contemplated to halt drug smuggling along the Mexican border. Our country can ill afford to relax any controls now in effect to curb the narcotics traffic.

Sincerely yours,

T. J. DULSKI.

The Customs Service's increasing success in combatting drug smuggling is most important to our overall fight against crime. But there is an even deeper and more crucial point at issue here.

Who is writing the laws, Congress or the Office of Management and Budget? When the laws are duly enacted, are they going to be insolently disregarded at the whim of an officer of the executive branch?

It appears to me that Mr. Ash and his minions have already carved out their fiefdom, and are working on establishing an entire kingdom.

Congress has lately had a hard time regaining the constitutional controls that we permitted to slip away over the years. We had better continue to hold the line on responsibility and duties.

Mr. ALEXANDER. Mr. Chairman, as I have noted during this series of discussions on appropriations bills, we are finding it difficult to determine just where much of the money which the Congress appropriates is spent in terms of metropolitan and nonmetropolitan areas. Such data in relation to this bill is particularly difficult to come by.

There are two programs for which a breakdown has been developed and two agencies which I feel compelled to comment upon.

First, the programs for comment. I would begin with the U.S. Postal Service for which we are asked by the committee to approve the spending of $1,550 million of the taxpayers' money. The information we need to determine how much of this money can be expected to benefit nonmetropolitan counties is not available.

However, we have noticed an increasing tendency in the U.S. Postal Service to centralize its operations in large cities and a corresponding tendency to help pay for these expenditures for buildings and equipment through reductions of manpower and services needed in the countryside.

What is needed here is a single-purpose effort by friends of the countryside directed at determining the nature of the impact of United Postal Service policy on efforts to proceed with implementation of the congressionally mandated national growth policy.

The second program on which I would comment is the appropriation for the operation of the Office of Management and Budget in the Executive Office of the President. It is as important to the executive branch as it is to the Congress to have a capability for managing its affairs and for budgeting its resources. OMB handles these chores for the President and is directly answerable to the President.

It seems reasonable to assume, in view of that, that OMB's actions reflect clearly the President's priorities. According to the President's messages to the Congress as far back as 1970 rural America was to get special attention. In his 1970 state of the Union address, Mr. Nixon said:

> We will carry our concern for the quality of life in America to the farm as well as to the suburb, to the village as well as the city. What rural America needs most is a new kind of assistance. It needs to be dealt with not as a separate nation but as a part of an over-all growth policy for all America. We must create a new rural environment that will not only stem the migration to urban centers, but reverse it . . .

In view of the actions of OMB in impounding funds for rural development and restricting the flexibility with which various departments may operate their programs to the benefit of the countryside, it would seem clear that there is a vast gulf between Presidential promise and Presidential performance.

The programs for which we have been able to develop some analysis are in the Civil Service Commission, employees health benefits and retirement and disability fund, and in the Department of the Treasury, general revenue sharing.

The chart below is developed in the same manner that the ones which I have used in connection with bills which we have dealt with earlier this month. The estimated amount which will be spent in nonmetropolitan counties from these appropriations is based on the percentage spent in nonmetropolitan areas in fiscal year 1973. It is recognized that in the case of expenditures relating to employees who have retired the CSC has, as is proper, no control over where the recipients of the program benefits reside:

[Figures are given in millions]

Program	1975 committee recommendation	1975 amount for nonmetropolitan areas	1974 appropriations	Percentage of fiscal year 1973 outlays going to nonmetropolitan areas
Civil Service Commission:				
Employees health benefits	$264.8	$0.26	$163.1	0.1
Retirement and disability fund	882.3	221.45	881.9	25.1
Department of the Treasury: General revenue sharing[1]	6,204.8	1,396.0	6,054.8	22.5

[1] This money is not a direct appropriation under this bill but is available to the department under the "permanent" appropriation law which does not require annual congressional action.

Mr. VEYSEY. Mr. Chairman, I rise in strong opposition to the efforts to defeat this rule on the Treasury, Postal Service, and General Government appropriations for fiscal year 1975.

As a member of the subcommittee, I know of the many hours of hearings and the hard work put in by the staff and members to report this important measure.

The House should do all possible to act on all appropriation measures before the end of each fiscal year. However, because of certain circumstances, including the lack of time, we have been unable to do so. The move to defeat the rule and to add further to the problems of passing appropriations bill before the end of the year, is totally irresponsible. There is absolutely no reason why the House should not be able to debate the issue, make the changes it desires, and then reject or approve the appropriations.

But to not debate the issue is, in my mind, a very serious error and I would implore my colleagues to support this rule.

Mr. STEED. Mr. Chairman, I have no further requests for time.

Mr. MILLER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the operation and maintenance of the Treasury Building and Annex thereof; hire of passenger motor vehicles; and not to exceed $7,500 for official reception and representation expenses; $21,600,000, of which not to exceed $100,000 shall be available for services as authorized by 5 U.S.C. 3109.

POINT OF ORDER

Mr. GROSS. Mr. Chairman, I make a point of order to the language to be found on page 2, lines 7 and 8, which read as follows: "And not to exceed $7,500 for official reception and representation expenses;"

Mr. Chairman, I make the point of order that this legislation is not authorized by law.

The CHAIRMAN. The gentleman from Iowa (Mr. GROSS) makes the point of order against certain language on page 2, lines 7 and 8, on the basis that the amount of money is not authorized by law.

Mr. STEED. Mr. Chairman, this language has been in the Treasury Department bill for many, many years. I can assure the Members that the uses made of it have always been in the public interest, but there is no authorizing legislation and we concede the point of order.

The CHAIRMAN (Mr. SISK). The gentleman from Oklahoma concedes the point of order.

The point of order is sustained.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

The Clerk will read.

The Clerk read as follows:

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, not otherwise provided for, including executive direction, administrative support, and internal audit and security; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; $40,000,000.

AMENDMENTS OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer three amendments, and I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. SYMMS: On page 4, line 21, strike the figure $40,000,000 and insert the figure $37,087,000.

On page 5, line 6, strike the figure $705,000,000 and insert the figure $610,683,000.

On page 5, line 14, strike the figure $780,000,000 and insert the figure $664,430,000.

Mr. SYMMS. Mr. Chairman, poverty is a contagious disease, and it is carried by the Internal Revenue Service.

Last year the IRS received $1,312,200,000 to run their operations. This year they are going to get $1,525,000,000. I am advocating that we hold this appropriation down to the same level that it was last year, $1,312,200,000.

All of us here, from both sides of the aisle, recognize that the Congress spends all the money it can get its hands on, and then a little bit more, and we have done this consistently for the past 42 years. I think because of the unnecessary harrassment that the American people are getting from the IRS that it certainly would be in the spirit of '76 trying to do something for our constituents, the taxpayers, to cut down on the number of people who are being harrassed unnecessarily by the IRS, and that this would be one way to do it. This would eliminate the expansion of this bureaucracy that certainly is an unpopular one with the American people. Not only that, Mr. Chairman, but 98 percent of the American people are paying their taxes.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman offering this amendment. I think it gives us a chance to point out to the House that that part of the responsibility of the IRS to administer those sections of the Wage and Price Control Act have now been terminated. Therefore the gentleman's position is correct; there really is no sense in increasing the appropriation of the IRS. I think, as a matter of fact, there are probably reasons to decrease the appropriation, but I think at least the gentleman is trying to keep the funding for IRS at the same level, and he is to be complimented on his amendment.

Mr. SYMMS. I thank the gentleman for his comments.

Last year the Internal Revenue Service had the additional burden of operating and enforcing the Cost of Living Council with the Wage and Price Control Board. This year they do not have that, so they have many more bureaucrats free to audit. This is why I think it should be called the taxpayers' amendment. It is certainly one that should receive just and fair consideration by the Members of this body.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

What the Internal Revenue Service does is create revenue which is needed to run the country. One of the great problems we have today is that too many people are dodging their obligations. I think it is foolish to withhold the expenditure of funds by an agency which is providing the lifeblood of the economy. I want to point out that most of the problems of avoidance and evasion are not in the low-income brackets; they are in the higher levels of income. I think all we have to do is concentrate the auditing on those higher brackets.

It is imperative that the Internal Revenue Service have the funds, the personnel, and the determination to follow through with proper audits to insure the integrity of our voluntary tax system.

Mr. SYMMS. I thank the gentleman for his contribution. However, I would disagree with him. One of the problems we have in this country is that there is too much money in the hands of the Government; 44 cents of every dollar earned in the United States of America is paid to some form of government, either the Federal Government, State government, or local government—44 percent of our dollars. The question comes up that we need more and more money to run the Government. That is not the problem. We have too much money already in the hands of the Government. The government creates so many problems for themselves, because of all the money they have—and I might add they are confiscating private property daily from hard-working American citizens.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from New Mexico.

Mr. LUJAN. I thank the gentleman for yielding.

I want to congratulate the gentleman for offering these amendments. We always hear that this is not the place to cut, that for some reason or another this department or some other department is not the place to cut. Now we hear that it is the Internal Revenue Service that brings in the money. I say to the gentleman I agree with him we have got to start somewhere, and the gentleman has been trying to start for a long time. This is as good a place as any to start cutting.

Mr. SYMMS. I thank the gentleman for his comments.

I will just say there will not be one single constituent who will complain to my colleagues who vote to cut the expenditure of the IRS.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Michigan.

Mr. HUBER. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman from Idaho. The taxpayer is presumed guilty until he proves himself innocent. I think it is about time somebody spoke out on this matter.

Mr. Chairman, I just received a letter today from a small business in my community who is going through this harassment. They are just trying very hard to stay alive in a two-man operation. They are presumed guilty until they prove themselves innocent. I resent this. I think it is time somebody spoke out, and I commend the gentleman from Idaho for his position.

Mr. SYMMS. I thank the gentleman for his comments.

Mr. Chairman, I will just say that my social security number is 518-46-563. I will welcome having the IRS come and look at me, if they do not appreciate my efforts on their behalf today.

Mr. STEED. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is hard for me to believe that any Member of the House would seriously consider supporting this amendment if he really knew the whole story about the Internal Revenue Service. I know tax laws are aggravating and a burden, but I remind the Members that Congress passes tax laws, the IRS does not do it. They are only charged with enforcing the tax laws we pass. This is where the revenue comes from.

If this amendment prevails, I can assure the Members that there will be several billion dollars of collectable taxes that will not be collected. There will be a lot of taxes that are not paid this year. The only people that will benefit from this amendment are people who evade the payment of taxes. Most Americans pay their taxes, and they are entitled to believe that the government will see to it that tax-evaders are no longer able to do so.

The proper designation for these amendments is not taxpayer amendments; these are tax-evader amendments, because they are the only ones who will benefit if we pass these amendments.

Mr. Chairman, I cannot understand why anybody would not want the Internal Revenue Service to have the money and the manpower it has to have to do these missions heaped upon them by the Congress. The backlog and the workload they have now heaped on them is astronomical. Even with the money we have allowed they are under a very tight budget.

I finally want to say if we adopt these proposals we have not left the Internal Revenue where they are this fiscal year because the same amount of money means they will have a great deal less next year because there have been manly increases in their operating costs. Wages and other costs they have no control over have gone up. So the same amount of money does not leave them in the same position they were in. What we will be doing here is denying the Internal Revenue Service the opportunity to do the extra work heaped on them and actually they will have to quit doing some of the work they have done.

Mr. Chairman, I urge defeat of this amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SYMMS. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendments were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COMPLIANCE

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities, and for investigation and enforcement activities, including purchase (not to exceed two hundred and three of which seventy-eight shall be for replacement only, for police-type use) and hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; $780,000,000.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. VANIK: On page 5, line 14 add the following: "*Provided*, That, no part of any appropriation contained in this Act, shall be available to finance any revenue ruling, ruling letter, or technical advice which is not made available to the general public.

Mr. STEED. Mr. Chairman, I reserve a point of order against the amendment.

Mr. VANIK. Mr. Chairman. I am deeply concerned with the practice of private revenue rulings and letter rulings which are made available to only a few special taxpayers—and usually only very wealthy taxpayers. To twist a phrase, the law, in its majesty, permits both the poor and the rich alike to apply for IRS private rulings. In reality, of course, private rulings seem to fall mostly to the super lawyers.

In 1971, the Internal Revenue Service issued 32,000 binding secret rulings to those wealthy enough to hire expensive tax lawyers to challenge the Internal Revenue Service. The private ruling process could best be described as "let's make a deal."

According to IRS Commissioner Alexander's testimony before the Appropriation Subcommittee, the practice of private rulings and technical advice is growing:

TECHNICAL

> The number of requests for rulings in all tax areas has increased by approximately 10 percent per year over the past 3 years. The present inventory of taxpayer requests for rulings is nearly 3,000 and there were about 2,000 precedent rulings, a 3-year backlog, awaiting publication at the beginning of fiscal year 1974.
>
> From within the organization, requests for technical advice have also been increasing. We expect these requests to mount by 15 percent in fiscal year 1975. Since most are related to the larger audit cases, it is absolutely essential that we provide the necessary advice promptly.
>
> Additional resources are also necessary to meet the anticipated substantial growth in our correspondence programs to provide a wider range of easily understood tax publications.

I am not necessarily against revenue rulings. They are necessary. All tax rulings are precedent. They should be available to the public so that all taxpayers are treated equally, so that all taxpayers may have equal access to the tax law—instead of the present practice where only those with the most expensive Washington lawyers know the full range of tax breaks and tax rulings.

In addition, if revenue rulings were made public, we in the Congress would have a better understanding of the tax laws—and the need for tax reform.

The problem of revenue rulings and loss of revenue is extremely serious.

Earlier this year, the 1973 annual report of A.T. & T. came to my attention. On page 34, there was the following statement as part of an explanation of this giant corporation's tax payments:

> The company and its telephone subsidiaries are adopting, for income tax purposes for the years after 1970, changes in their method of treating the cost of removal of certain property placed in service prior to 1971. *The Internal Revenue Service, by letter dated January 7, 1974, has indicated its approval of such changes* but such letter is subject to clarification and further interpretation. (emphasis added)

As the company's report went on to state, this letter was worth $270 million.

Mr. Chairman, how would you like to open up your mailbox and find a letter from the IRS to you agreeing that you could have a tax break of over a quarter of a billion dollars?

Mr. Chairman, there is nothing illegal at all in what the IRS and A.T. & T. did. It is perfectly proper—and the company was doing its duty to its stockholders.

What concerns me is that I, as a member of the Ways and Means Committee, the rest of the Congress, and smaller firms who do not have the tax knowledge of a giant like A.T. & T. would have been unaware of this tax decision if it had not been for the annual report of A.T. & T.

I called the company and asked for a copy of the IRS's January 7 letter. The company was most cooperative and sent it over immediately.

I called the IRS and asked for the letter. They refused to give it to me.

I then formally asked the IRS in a letter of April 10, for a copy of their letter to A.T. & T. as well as the background revenue rulings justifying this enormous giveaway of taxpayer revenues.

On June 15, I received the IRS response to my inquiry. The Service's letter took 2 months to reach me. I would like to enter it into the hearing record. As you can see, it could have been written in an hour by a part-time law clerk. In their response, IRS refuses to provide me with a copy of the $270 million letter. In addition, they refuse to provide copies of some of the comments they received from companies requesting this type of revenue ruling.

Mr. Chairman, because of the IRS's position, it is almost impossible for me to determine whether the IRS has correctly interpreted or administered the tax laws. The entire, extremely complex issue to asset depreciation ranges, depreciation, class lives and salvage values, is being investigated by a number of academic experts. The public interest tax organization, tax analysts and advocates, is conducting an analysis of the Services's ruling.

The conclusion of the studies, which will be available soon, is that in general the regulations and rulings which support the A.T. & T. letter will cost the Treasury about a billion dollars and are being primarily used by certain utilities.

It is generally agreed that the letter to A.T. & T. is consistent with the Federal Register notices of April 22 and June 7, 1972.

They do not agree, however, that there is any sound basis for the Federal Register notices in the law or in the intent of Congress. In other words, these IRS regulations and rulings—which will cost the Treasury a billion dollars—are primarily a giveaway by the bureaucrats of the Internal Revenue Service.

Of course, Mr. Chairman, my committee, my staff, and myself should have had a better understanding of the meaning of the Federal Register regulations when they were first issued. We should have objected then. But we are outstaffed and outmanned. It was only when I read the A.T. & T. annual report that I realized what an enormous giveaway was going on downtown.

The only way that I was even able to discover the giveaway was the openness of A.T. & T.'s annual report. The IRS was no help at all.

I have gone into detail on this case, Mr. Chairman, because it is a dramatic one—the loss of a billion dollars—the loss of $270 million to A.T. & T. alone. Yet it is typical of other cases. We must make these letter rulings open—so that the public and the Congress can know what is going on. So that when the Treasury officials come before the Congress and blame us for the deficits and say they do not know why corporate tax collections are lower than expected, we can point out that the fall off is due to their own giveaways.

Mr. Chairman, I hope the Committee can support my amendment to shed some light on what is happening down at the IRS and to restore the Congress to its constitutional role of leadership in taxation.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Idaho.

Mr. SYMMS. I know the distinguished gentleman is on the Committee on Ways and Means. Does the gentleman not think, instead of trying to put in more and more money in the IRS, we should go back and examine the way our tax laws are written, simplifying the tax laws so that the average citizen might understand his tax form?

Mr. VANIK. I agree that we ought to make the tax forms more simple. When we write tax laws, we are confused by the witnesses trying to get a tax advantage and people seeking a tax break.

Sometimes we get advice from the Treasury Department that is misleading and tends to open up tax loopholes, rather than closing them.

I agree tax reporting ought to be simplified. I ask in my amendment to reduce public expenditure by eliminating the cost of private tax rulings.

I think the gentleman who offered the previous amendment ought to be willing to support this one, which might have saved the Treasury Department a billion dollars and might pay for the added cost of running the Internal Revenue system.

The CHAIRMAN. Does the gentleman from Oklahoma insist on his point of order?

Mr. STEED. Yes. I do so with reluctance, because I am not necessarily opposed to what the gentleman is trying to do, but I am having difficulty in believing it does not constitute legislation on an appropriation bill, because the amendment says none of these funds shall be available to finance any revenue ruling, ruling letter, or technical advice which is not made available to the general public.

We have nine regional offices, over 50 district field offices in the Internal Revenue Service. This would impose new duties on the Internal Revenue Service that they are not now capable of performing. Since this would only apply to their operations for this fiscal year, it seems to me we are dealing here with something that purely would have to have authorizing legislation.

So even though I am all in favor of having done what the gentleman proposes today, I still think this is legislation on an appropriation bill and I insist on the point of order.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. VANIK. Yes, Mr. Chairman. I want to simply say in response that this does not impose any new duty on any public official.

As a matter of fact, all the amendment does is prevent public officials from using public resources and public time to render services to private people with private rulings, rather than to the general public. I think that the amendment is definitely in order.

The CHAIRMAN. The Chair is prepared to rule. The Chair, having examined the point of order made by the gentleman from Oklahoma against the amendment offered by the gentleman from Ohio (Mr. VANIK), in analyzing it feels that it is a negative limitation, that it does not seem to impose any additional burden and applies only, of course, to the present act and, therefore, overrules the point of order.

(By unanimous consent Mr. VANIK was allowed to proceed for an additional 1 minute.)

Mr. VANIK. Mr. Chairman, notwithstanding the fact that the Chair has found my amendment in order, I am quite impressed by the statement made to me by the chairman of the subcommittee concerning his intention and the intention of the committee to deal with this question of private rulings.

In light of that statement, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

When we look at the effect that this amendment would have, I have some very grave misgivings as to the problems it might impose on the Internal Revenue Service.

I think this is the kind of thing that would be much better dealt with in basic legislation. I would gladly support such a bill if it came before the House, because I think that this is an area in which the Service itself would have a much better image if it performed that sort of function.

However, I do not know whether we may be imposing additional manpower requirements on the Service. We are just not in a position here to know because we have had no hearings on it. Even if it is approved and even if it did not cripple the IRS to try to carry out this mandate, it would still only be effective for 1 year. The kind of problem we have here is not something which we can measure on a fiscal year basis. It is something that ought to be in permanent law.

Mr. Chairman, I would urge my colleagues to defeat this amendment, and at the same time tell my friend from Ohio that I would like to work with him to see if we could not somehow bring about some legislation that would really solve this problem.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), $1,600,000.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am intrigued by all of the councils and advisers for which appropriations are made in this bill. Some of them are years old, but how much longer are we going to continue all of these advisers and councils?

Here is the Council on International Economic Policy. What has it accomplished? The funds for it are being increased. $1,376,000 was appropriated for it last year. Recommended in the bill is $1,600,000, which represents an increase of $224,000. For what? For what? What is accomplished by the Council on International Economic Policy? We are going the wrong way internationally.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Oklahoma.

Mr. STEED. First, let me inform the gentleman that we do not have all of them in this bill. Altogether, we have something like 41 or 42 commissions in existence right now by act of Congress. Some of them are assigned to other subcommittees and some of them are the type whereby the General Services Administration handles the whole matter. These all have been created by act of Congress.

Mr. GROSS. The committee did knock out the management improvement outfit, which has apparently squandered a lot of money. Then we have the National Commission on Productivity, and productivity is going down by the day in this country.

What benefit does this Commission provide to the general welfare?

Further into the bill we find the Commission on the Review of the National Policy Toward Gambling. What has this outfit contributed to the general welfare? Does it operate for the benefit of the States that legalize gambling? What has this contributed to the common good?

Incidentally, the committee has increased funds for this Commission by $750,000 this year from an appropriation of $250,000 a year ago, or to a total of $1,000,000.

I do not understand why there are all of these expenditures. I would appreciate it if someone would justify any one or all of them. Does anyone care to make a contribution to this issue?

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes; I yield to the gentleman from California.

Mr. ROUSSELOT. Perhaps the gentleman recalls that just the other day we had this Council on International Economic Policy or whatever it is called, and we had quite a discussion on the floor on the issue, which clearly showed that the Council on International Economic Policy does little.

I think the gentleman makes an excellent point. In this case, unfortunately, we just let these agencies go on and on or let the commissions go on and on. Nobody really checks them. Then the Committee on Appropriations comes along and has to take a hard look at them if the authorization committee has not done so, and they are in an awkward position.

I compliment the gentleman from Iowa for raising the issue, and I think we ought to do more about these things.

Mr. GROSS. Mr. Chairman, I would ask the gentleman from Oklahoma, are all of these councils and commissions justified? What do we get from them?

Mr. STEED. Let me tell the gentleman this: I did not vote for the creation of all of these. I think the will of the Congress prevailed and the laws were passed. Once the Congress votes and we get the request from the administration and the approval of the Office of Management and Budget then we have to examine what they are doing to see that they are carrying out their mission, and that is all we are able to do.

I think we have reduced their requests just about all we can while still leaving them enough resources to do what they have to do.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For expenses necessary for the National Security Council, including services as authorized by 5 U.S.C. 3109, $2,900,000.

Mr. WOLFF. Mr. Chairman, I rise to strike the necessary number of words.

I take this time to ask the chairman of the committee, which one of these councils or departments has the responsibility for collecting the debts that are owed to this country, some from World War I? The Treasury Department was instructed to make some a schedule of these debts, to inform us as to what was due, how much was overdue, and whether or not we are making any progress in collecting these debts. There is somewhere around $40 billion that is owed to the United States by foreign nations.

Mr. STEED. I do not have any specific information on that matter with me at this time. I do not think either the Office of Management and Budget or the Treasury Department have made any recent reports to us on this. They have the statistics, of course, that have accumulated over the years and can be made available.

I doubt if there is any substantial progress being made toward collecting any of them. If there is any negotiation going on to collect any of them, I am not aware of it.

Mr. WOLFF. Mr. Chairman, does the chairman of the committee not think it is important to us as a nation suffering great economic hardship at the moment, with deficits continuing to pile up, to get some of these people to pay us some of the money they owe us?

Mr. STEED. I would like to see that happen very much. I will say that it is in our State Department and in the policy of the administration itself where we would have to find the thrust to cause anything of this sort to happen. But contrary to doing what we talk about, we seem still to be pretty liberal in continuing the policy of handing out additional moneys, either as partial loans or full loans or outright gifts. In many cases we are giving money to people who owe us money already.

Mr. WOLFF. Mr. Chairman, the Committee on Ways and Means has instructed the Federal Treasury to make up a schedule of debts, and they must be diverted to do whatever is necessary to collect these debts. I would ask the chairman of the committee to see that the mandate of the Congress is fulfilled by the Treasury Department.

Mr. STEED. Mr. Chairman, if the gentleman will yield further, in fairness to the Treasury, sometimes we get into matters where we also have to get the State Department involved. In cases where we see a situation of this sort, I believe, unless there is some very strong initiative from the top administrative powers themselves, we are not going to see much action or get many results.

Mr. WOLFF. Mr. Chairman, I hope that merely by bringing this to the attention of the chairman of the committee involved in the appropriations for the Treasury Department, there will be some strong representation made to the Treasury Department and, as well, to the State Department to see to it that we do collect some of these outstanding obligations.

Mr. STEED. Mr. Chairman, if the gentleman will yield, I would be glad, in view of the gentleman's interest, to ask the Treasury for an update on the situation and make it available to the gentleman.

Mr. WOLFF. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For expenses necessary for the Office of Management and Budget, including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, $22,000,000.

AMENDMENT OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADDABBO: Page 9, line 5, after 5 U.S.C. 3109, strike out "22,000,000" and insert "16,000,000".

Mr. ADDABBO. Mr. Chairman, there is not a member on this floor today who is unaware of the devastating impact that a concentration of governmental power can have not only on that government but on the Nation as well. It is precisely because of that reason that I am offering my amendment to cut the budget of the Office of Management and Budget from the committee figure of $22 million to $16 million either we in the Congress act now in public view to nip in the bud new tendencies to manipulate and control functions of the executive branch of government, or we shall learn later to our sorrow just how strong a power we have let grow unnoticed.

Where there is a void, men will move to fill it. In the case of OMB, that agency has moved into the void left by former advisers to the President. those administrators whose views are subordinate to those of OMB are rewarded; those who oppose OMB get discouraged or they get no budget authority. OMB continues to flourish even as the Government itself languishes. We are faced with a growing octopus with nine lives. All you need do is look at page 648 of part 3 of the committee hearings and see the proliferation of OMB.

My fear is that the Agency has gone far beyond the intention of even the President when he created the Agency 4 years ago.

The function of OMB, we must remember, was to coordinate for the President the budgetary problems so that he could resolve departmental needs in terms of priorities. There was no indication at the time President Nixon presented Reorganization Plan 2 that OMB would manage and dictate to the executive departments. Yet, what we in fact have today is OMB veto power on any proposed course of action by an executive department. We have even had, you may recall, OMB veto power over laws passed by Congress and signed by the President. Impoundment, until it was ruled unconstitutional by the courts, was OMB's veto over the Congress.

A year ago, I stood on this floor and said just about the same things. I was told that I had made unsupportable charges, that I was seeing danger where there was none. Well, it seems to me that events of the last 12 months have neither proven me wrong nor shown any reason why there should any longer be any doubt as to the meddling function of OMB in this administration.

A year ago I warned that OMB wanted budget authority to put men into the field, to check the operations of executive departments around the Nation that already had field operatives. If you will examine this year's OMB budget request, you will find the Agency sought to hire 60-plus new employees, some of which were to be used in the field.

A year ago I warned that OMB was extending its tentacles into the policy levels of executive departments. Just several weeks ago, we learned that Director Ash ordered—ordered, mind you—Secretary of the Treasury William Simon to supplant the functions of the U.S. Customs Service with personnel of the U.S. Immigration Service. Not only did OMB proceed with this demand after receipt of a letter from Chairman MAHON asking there be no action taken until hearings could be held, it was taken after he warned them the move could likely be illegal. Mr. Ash took the action because it is the intention of OMB to operate the Government as it desires. It should be no soace to the House that OMB does not win all its battles; what we should worry about are the battles it wins without the Congress even being aware that a battle has been fought and won.

There are none of us here today who are not politically sophisticated enough to realize that a President will run his administration as he desires, just as we realize that Mr. Ash and OMB are an extension of the President's attitudes. Within reason, that is justifiable. Where it becomes unjustifiable is where that determination collides with the authority of the Congress to legislate, approve programs, set spending limits and to demand that the people who operate the executive branches of Government testify candidly to the committees of the Congress. To eliminate the further possibility of infringement upon congressional authority, I seek to reduce the budget of OMB to the point where it can perform the functions it was created to perform, and to fund it to a point where it can only perform those functions.

The $16 million budget my amendment would appropriate to OMB is only slightly smaller than the budget appropriated to OMB in the current budget. If, as we have determined, OMB still had the ability in the present budget to interfere beyond its right to do so in an executive department, a small cut should be in order. The budget, at the level I have set, would eliminate new positions and would, I would hope, force OMB to curtail its extensive practice of sending people on its payroll to function out of and direct the offices of other departments and agencies.

I think we are all aware of the horror stories that departments relate about OMB. I think we know of personal knowledge of some of them. I think it is time the Congress acted decisively to cut back on an agency that is obviously power hungry and is obviously willing to go to any lengths to acquire that power.

I am not impressed greatly by the testimony of Mr. Ash when he was before our subcommittee that the actions of OMB are all taken in the name of and for the benefit of President Nixon. Others have used the same rationale and if I am certain of anything, it is that Mr. Nixon is not the better for it today.

Let us act then to nip this very dangerous program now before it leads this administration and this Government of ours into further difficulties. I believe that in supporting my amendment, you will not only be acting to improve the abilities of the Federal departments and agencies to function, you will eliminate a potential for mischief that left unchecked could bring sorrow to us all. The $16 million will permit full operation of the Budget Bureau and give OMB sufficient funds to carry out its oversight management responsibility.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ADDABBO was allowed to proceed for 1 additional minute.)

Mr. ADDABBO. Mr. Chairman, my amendment is only $2.5 million below last year's proposal.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Do I read the amendment offered by the gentleman from New York correctly in that the gentleman is asking for a decrease of about 27 percent. If so, I wonder if the gentleman from New York would be willing to offer similar amendments to some of the other appropriations for agencies such as HEW and some of the other big agencies I think that this would be a very consistent type of amendment for us in the House to cut. How about HEW?

Mr. ADDABBO. I will be offering an amendment to the Defense appropriation bill. As far as HEW is concerned, HEW is underfunded, because that is a priority this country needs, the housing, the education, and the health programs. That is where the money is needed, and not in increasing the budget for an office such as that of OMB.

Mr. ROUSSELOT. Even though all of their programs in HEW are not necessarily approved by the general public, as is shown in several polls, is the gentleman from New York unwilling to cut those appropriations?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ROBISON of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. KETCHUM. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty-five Members are present, not a quorum.

The Chair announces that this will be a regular quorum call, which means that all Members answering the call will be recorded, and three bells will be sounded accordingly.

The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 325]

Aspin
Blackburn
Blatnik
Boggs
Brasco
Broomfield
Brown, Calif.
Carey, N.Y.
Clark
Conyers
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Drinan
Esch
Evins, Tenn.
Fraser
Fulton
Green, Oreg.
Gubser
Hanna
Hébert
Heckler, Mass.
Kuykendall
Long, Md.
McDade
McSpadden
Macdonald
Martin, Nebr.
Mills
Minshall, Ohio
Mitchell, Md.
Mollohan
Mosher
Murphy, N.Y.
Parris
Passman
Pepper
Pike
Reid
Rooney, N.Y.
Shoup
Shuster
Steele
Stuckey
Teague
Vander Veen
Vigorito
Waldie
Widnall
Wilson, Charles H., Calif.
Wyatt

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 15544, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 381 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the point of order of no quorum was made, the Chair had recognized the gentleman from New York (Mr. ROBISON).

(By unanimous consent Mr. ROBISON of New York was allowed to proceed for an additional 5 minutes.)

Mr. ROBISON of New York. Mr. Chairman, I spoke on this issue at some length during general debate—in anticipation of the Addabbo amendment. In part, I said then that Mr. ADDABBO wishes—for reasons good and sufficient unto him—to cut into OMB's budget deeply enough to get the "M" for "management" out of this essential agency.

Now, I am going to address these remarks to the majority side of the aisle. I am doing so because I expect most of the votes for the Addabbo amendment will come from over here. Do not misunderstand me, though. I am not suggesting that this initiative is any part of "impeachment politics"—whatever that overworked phrase may mean—nor am I suggesting that this is a partisan issue.

Certainly, it should not be a partisan issue, and I do not want to make it one.

That is why I want to be the first to point out that my good friend, JOE ADDABBO—and most of the supporters he has rounded up—may believe, as Members who were here in 1970 and opposed Reorganization Plan No. 2 of that year when the House approved it, that they are now only being consistent.

Consistency may be a virtue but not, I suggest, when to follow it can only lead—as is the case with this amendment—to results which clearly can be as undesirable as unforeseen.

Let me explain:

When that reorganization plan which transferred the statutory functions of the Bureau of the Budget to the President—to be redelegated by him to OMB—was before us in 1970, we had a choice; we had a choice of going along with the President or of maintaining the status quo, or a modified version of it as some then urged.

Although our legislative options are still open in that we could, I suppose, reestablish something like the old Bureau of the Budget in the executive branch, that choice is not really before us, today.

The only issue before us, instead, is the question of the level of funding for OMB—a key executive branch agency upon which we have to depend, for now at least, every bit as much as the President.

OMB now has—for carrying out its combined budgeting and management functions—an authorized strength of 660 personnel. At the $22 million figure which I support in our bill, it will have to stay at about that strength—but, if the Addabbo amendment is approved, and unchanged in the other body, OMB in the forthcoming fiscal year will have to drop back to about 448 staff people.

Mr. ADDABBO evidently hopes that this reduction in force will all come on the "management" side of the agency—since it is that side of OMB that has incurred whatever congressional displeasure with it exists.

But I doubt that OMB's Director, Mr. Ash, would voluntarily so relinquish all, or even just the heart of, what he properly considers his mandate to try to coordinate and bring order out of what we all admit is an overblown and well-nigh unmanageable Federal bureaucracy.

Under the Addabbo amendment, some "management" people would go but so, too, would some "budget" people.

Now—to help you get an idea of how unwise and undesirable a result that would be—take a look at this chart.

As you see, it attempts to relate the personnel strength of both BOB and OMB, over a period of time, to the ever growing size of the Federal budget. Just as an example, look at fiscal year 1959—for the time I came here, 17 years ago. The old BOB then had 435 people, working on a $92 billion budget. Under the bill now pending, without the Addabbo amendment, OMB will have only those authorized 660 people—oh, we say in the report they can have 31 more, but we give no funds to pay them—working on a $304 billion budget in the forthcoming fiscal year 1975—so the figure in the last column should be $461 million, per employee, rather than $440 million—during which year some of them will have to also work on the projected $330 billion budget for fiscal year 1976, while others will have to work toward getting ready for the pending change in the fiscal year and those other aspects of "congressional budget reform" which we voted to put in place last week.

The vast majority of us felt we were striking a blow, last week in that regard, both for fiscal responsibility and for redressing the imbalance for control over the "public purse" vis-a-vis Congress and the Presidency, which is a matter that began to get out of kilter long before the emergence of "Watergate."

Let us not be responsible 1 week—and then totally irresponsible the next.

Let us recognize that we cannot now obtain a proper balance of power as between ourselves and the Presidency by tearing the latter down to our present size.

Let us be objective enough to admit—and we on the Appropriations Committee ought to be the first to acknowledge our limitations in this regard—that Congress has neither the capacity to conduct any true oversight into the operations of that overblown Federal bureaucracy, nor anything other than the idea for a Congressional Budget Office now in place.

And, finally, let those of you on the majority side who now dream of a "veto-proof Congress"—which I suppose means an attempted return to the questionable concept of "congressional government"—understand, no matter how you sometimes think it otherwise, that inflation, not "Watergate," is the greatest problem facing the Nation today, since it is the only one of those two that, in the end, could destroy the Nation. If I am right in this regard then, next year, no matter how many more of you there are, you will be glad—whatever your past complaints—to have an effective OMB to lean on. So, please join me in voting down this amendment.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to my friend, the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I believe the gentleman from New York who is in the well has pointed out quite vividly why we are seeking to pull some authority from OMB. The gentleman, who comes from my home State of New York, has stated that if my amendment is adopted and the intention of this House is that management be cut and budgetary activities not be cut, Mr. Ash will do as he sees fit or as he wishes and not as the Congress has directed, and that management would not be cut but budgetary activities would be cut.

Mr. ROBISON of New York. Mr. Chairman, if the gentleman from New York will allow me to respond, I will state that when we have a reduction in force of this sort, the decision relating to the people who have to go is based on seniority, veterans' preferences, and other matters which would not be related to whether they would come from OMB's budgetary side or the management side.

Mr. ADDABBO. Mr. Chairman, in that sense, they would have to be cut from the management side first, because management is the newest function of OMB. They have had the budgetary section for many years, and the management section is the newest function, and they would have less seniority.

Mr. ROBISON of New York. Mr. Chairman, if the gentleman will yield, it is only newer in the sense that the concept was somewhat changed after the Reorganization Act of 1970. BOB in fiscal year 1970 or so had something like 46 people in the so-called Management Division of the Bureau, and some of those people may still be there, so far as I know.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. ROBISON of New York. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, I would like to congratulate the gentleman from New York on the statement he has made.

I certainly trust that this amendment will not succeed. There is no doubt that this country needs management about as badly as it needs anything. I certainly dc not think this is a good way to get management.

If it is the objective of my good friend, the gentleman from New York, to strike at the present incumbent of OMB, I suggest this is not a very good way to do it. If it is an attempt to gain more control of the Office of Management and Budget, I will remind my good friend that only this year we passed a bill to provide that future Directors of the Office of Management and Budget must be confirmed by the other body.

I think that this Congress has done quite a few things to put OMB in its place. To adopt a meat-ax amendment like this which would have the effect of cutting the personnel in an agency which actually can bring more efficiency to the Government, would certainly be counterproductive.

Mr. ROBISON of New York. I thank the gentleman for his contribution.

Mr. VEYSEY. Mr. Chairman, I rise to oppose the amendment to further cut the budget for the Office of Management and Budget. As we all know, the subcommittee and the Appropriations Committee approved $22 million which was $1.4 million below the administration's request and only a $2.6 million increase over fiscal year 1974. This merely accommodates mandated salary and space increases, We also agreed to the proposed increase of 31 positions, but we added money.

I believe that this was a wise decision.

The OMB is experiencing a tremendous increase in workload. Every one of the office's divisions have been forced to assume new and important responsibilities. To decrease their budget for fiscal year 1975, would be like giving the boy a pair of scissors and telling him to cut the lawn.

Perhaps one of the areas most affected by the increase in workload is the Budget Review Division. This has occurred primarily by various recent actions and proposals. Among them are first, implementation of the Federal Impoundment and Information Act; second, follow-through on governmental spending aspects of the economic stabilization program; third, implementation of budget and fiscal aspects of the Legislative Reorganization Act of 1970; fourth, grant consolidation proposals of the President; fifth, executive branch reorganization; and sixth, budget reform.

OMB has responded to these challenges in a progressive and responsible fashion and I ask my colleagues to allow them to continue in this endeavor. Every one employee controls and manages over $400 million in Federal expenditures. We should insure that OMB has adequate staffing and funds to carry out their important responsibilites.

Mr. Chairman, it is, of course, easy and popular to take pot shots at the Office of Management and Budget—the abominable "no men" of the administration.

We have all experienced the disappointment of OMB opposing our legislative proposals, disapproving projects and grants in our districts, and recommending actions to the President we felt contrary to our desires and our wisdom molded by knowledge of local needs.

We hear vague charges that Director Roy Ash has assumed too much power, that he interferes with the departments, and that he is becoming too dictatorial.

As that famous Democratic Governor, Al Smith, used to say, "Let's look at the record."

Last year Mr. Ash broke precedent in the Budget Bureau's 52-year history by consulting with congressional committees before drawing up his budget proposals to the President. In past years the budgeteers dealt exclusively with the agencies and departments in getting their initial data. Recognizing, however, that the agencies have their own institutional biases that do not necessarily conform with the Congress, Director Ash came directly to us to get a feel for our sense of priorities. He discussed his ideas first with Speaker ALBERT, Minority Leader FORD, and their counterparts in the other body, Senators SCOTT and MANSFIELD; and after receiving their approval, he wrote to the chairmen and ranking Republicans of 25 authorizing committees, offering to come up to the Hill with his senior staff to discuss where efforts and resources should be focused under constrained budgetary conditions.

Fifteen committees accepted his invitation and he met with all of them in the months of October and November, spending an hour or more with each on an already overloaded work schedule. Bear in mind that he and his aides came to the Hill at our convenience.

Does that sound like the attitude of one who is dictatorial and contemptuous of the Congress—or one who seeks the middle ground of conciliation and understanding?

I asked his office for a record of the number of appearances he has made on the Hill in the 17 months he has been director of OMB.

It is an impressive record. Apart from 24 courtesy calls he made prior to formal installment, he has personally met 78 times—mostly on the Hill—with Members in both bodies on pending legislation, topics of their specific concern, or general interest. He has come up here eight times to speak before informal Hill groups and explain his budget as well as the operations of his office. He has testified before 43 formal committee and subcommittee hearings. He has met more than 30 times with Cabinet officers in their offices.

Again, is this the hallmark of a "commander of the Federal establishment"—or does it bespeak the efforts of a man going more than the extra mile to find agreement?

Does one who exercises power of a dictatorial nature, as has been alleged, voluntarily undertake to give it back to the legislative branch? Yet that is exactly what Director Ash has striven to do with the landmark Budget and Reform Act now in its final stages. Our colleagues on the Rules Committee can attest to the strong support he has given to the basic thrust of this measure—not only in lending his staff to work closely on technical details with the Rules Committee staffs of both bodies, but consulting closely himself on a personal basis.

This measure, when finally enacted, will closely circumscribe the action most identified in the public mind with Director Ash: the odious "impoundments." Even though Presidents since Jefferson have impounded congressional appropriations in one fashion or another, the reactions last year were unprecedentedly harsh. It mattered not that the level of impoundments, or reservations, as they are defined in the statutes, were at the same or under the levels as a percentage of appropriations of the three previous administrations. Whether good or bad, whether legal or illegal, this technique is an effective one for controlling outlays if the Congress will not do the job, and it has become synonymous with the ogres of OMB.

Still, we find Director Ash giving his strong support to the Budget Reform Act, which will diminish his power to impound by transferring a veto power to the legislative branch.

Again, does this abdication of power characterize an empire builder—or one who seeks to restore fiscal responsibility where it belongs in the first place, in the Congress?

Mr. Chairman, we are about to embark on one of the most important legislative reforms in a half century with the Budget and Reform Act. It will do us little credit if we start off by cutting the ability of our executive counterparts to cooperate in this great endeavor because of piques and disappointments that arose from our own past collective inability to control the people's purse strings.

I wish to also address myself to another key issue relating to this appropriation bill. The duplication of efforts between the Bureau of Customs and the Immigration and Naturalization Service.

The duplication was particularly evident when it became necessary for OMB to settle a jurisdictional battle between the two agencies as to who has the duties of the border patrol, traditionally under Justice Department. In my view, without arguing the merits or demerits of their decision, OMB attempted to resolve a problem that belongs to Congress, and caught themselves in a bureaucratic altercation.

Other agencies also maintain personnel at ports of entry and I believe that the time has arrived when congressional action is required before other problems arise.

Since no one, including myself, knows what we have here, a congressional study would be most appropriate. After such a study, legislation can be introduced and the Congress can play its rightful role as the legislative branch. I would hope that my colleagues would agree and support my efforts in this regard. I will introduce appropriate resolutions to bring this matter into congressional focus.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York.

One of the most delicate but important issues which we face in leveling appropriations is trying to find that proper balance of funding and staffing to get done well whatever task is assigned to the group. Too much funding and staffing makes for waste, bureaucratic hassle, and uncontrolled, unrestricted power. Too little staff makes for a job inadequately or haphazardly done.

When we favorably ruled on the creation of the Office of Management and Budget to replace the old Budget Bureau, we had in mind an increase in the competence and overall view of the Federal budget from the executive standpoint. We did not have in mind the totalitarian rule of our Cabinet and Executive Department by an all-powerful budget baron.

Yet that is precisely what we are faced with today. There is not a Congressman here, and there is not an agency of this Federal Government, which has not felt the sharp edge of OMB economic decisions. And I say economic decisions, for immediate economic book balancing is the chief tool which we have all seen the OMB use to make decisions with far-reaching policy and legal implications.

The House Select Committee is currently investigating the total Federal science policy. And one of the questions raised is the effect that OMB's economic decisions and predilection toward quick fix research has had on the long-term health of our national scientific and technological development.

We are all familiar with the impoundment of rural electric funding a few years ago, which resulted in the Congress finally setting up an entirely new system for this program, one which would have sufficient breathing room away from the OMB thumb.

In my own district, a critical comprehensive study of the Colorado River Basin, a study needed for environment and sewage disposal considerations, was held up for a year by OMB fiat.

The OMB has been taken to court so many times over its illegal economic and impoundment actions that when the Joint Committee on Congressional Operations printed them up in a report recently, the report was over 600 pages long.

This rule by economic fiat is dangerous and shortsighted in the extreme. It has no place for consideration of the long-term needs of the Nation. It has no room for the considered advice and expertise built up in the executive agencies over years of experience.

Perhaps even more dangerous, however, is when the OMB rule has extended beyond the economic sphere into actual policy formation, as it so often has.

In the science example, the OMB's favoritism of short-term objectives is a decision with extreme policy repercussions. In the case of the rural electric problems, there seemed to be an unabashed predilection toward phasing out parts of this program established by law. In the example of the river basin study in my own district, the focus of the quarrel was that those in charge and those responsible for the results of the project wanted to do it one way—the OMB wanted it done another. And, of course, there is the latest example involving the efforts to curtail drug smuggling across our international borders.

Since its creation 4 short years ago, the OMB's budget request for itself has doubled. How many other areas of the Federal Government can boast of that—with a chance of having the request fulfilled? Since its creation 4 short years ago, the OMB has gradually but steadily increased its staff and its heavyhandedness.

I think it is time a clear message went down the street.

Two years ago I offered an amendment to cut the OMB budget by some $4 million. I was not successful at that time, but I think I was reflecting a growing concern here in the Congress over the OMB role in our Government. I followed that effort with a major discussion of the entire budgetary process. And I supported wholeheartedly the progress of budget reform and impoundment control legislation through this Congress.

Now that legislation has been sent to the President for signature. The Congress is regaining the tools necessary to keep a firm control on the Federal budget.

It is time for the OMB to end its one-man rule of the Federal budget—and therefore of Federal priorities. If the OMB simply does the job of coordination and study that it was assigned to do, it will not need these additional funds and people.

The best way to insure that they do their job—and only their job—is not to give them these extra funds and people.

The committee has already cut the OMB request a bit. But I think more is in order. The time has come for us to decide whether the Congress is going to control the pursestrings or whether the OMB will continue to rule by fiat.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ADDABBO).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ADDABBO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 152, noes 252, not voting 30, as follows:

[Roll No. 326]

AYES—152

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bergland
Bevill
Biaggi
Bingham
Blatnik
Brademas
Breaux
Brinkley
Brooks
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Chisholm
Clark
Clay
Collins, Ill.
Conyers
Corman
Cotter
Danielson
Davis, S.C.
Delaney
Dellums
Dent
Derwinski
Dickinson
Dingell
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fascell
Ford
Fraser
Fulton
Gaydos
Giaimo
Gibbons
Ginn
Grasso
Gray
Green, Pa.
Griffiths
Gunter
Hanley
Hansen, Wash.
Harrington
Hays
Hechler, W. Va.
Helstoski
Hicks
Holtzman
Howard
Huber
Hungate
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kluczynski
Koch
Kyros
Landrum
Leggett
Lehman
Litton
Long, La.
Luken
McCormack
Mathis, Ga.
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Moakley
Morgan
Moss
Murphy, Ill.
Murtha
Nedzi
Nix
Obey
Owens
Pickle
Pike
Podell
Randall
Rangel
Rees
Riegle
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roy
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Sikes
Sisk
Slack
Smith, Iowa
Staggers
Stanton, James V.
Stark
Steelman
Stephens
Stokes
Studds
Sullivan
Symington
Thompson, N.J.
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vanik
Waldie
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Young, Ga.
Zablocki

NOES—252

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Biester
Boland
Bolling
Bowen
Bray
Breckinridge
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
de la Garza
Dellenback
Denholm
Dennis
Devine
Diggs
Donohue
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gettys
Gilman
Goldwater
Gonzalez
Goodling
Gross
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanrahan
Hansen, Idaho
Harsha
Hastings
Heinz
Henderson
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kazen
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lent
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Michel
Milford
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Myers
Natcher
Nelsen
Nichols
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Peyser
Pepper
Perkins
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Rarick
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo, N.Y.
Rose
Roush
Rousselot
Runnels
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Skubitz
Smith, N.Y.
Snyder
Spence
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Towell, Nev.
Traxler
Treen
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zion
Zwach

NOT VOTING—30

Blackburn
Boggs
Brasco
Brown, Calif.
Carey, N.Y.
Daniels, Dominick V.
Davis, Ga.
Dorn
Esch
Green, Oreg.
Hanna
Hawkins
Hébert
Heckler, Mass.
Long, Md.
McSpadden
Macdonald
Martin, Nebr.
Mills
Minshall, Ohio
Mollohan
Murphy, N.Y.
Parris
Pettis
Reid
Rooney, N.Y.
Stanton, J. William
Steele
Vander Veen
Wyatt

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 9, line 5, strike out "$22,000,000" and insert "$19,400,000".

Mr. GROSS. Mr. Chairman, I shall take only a minute to explain the amendment. It would simply cut the Office of Management and Budget back to the funds that it had last year, $19,400,000, and eliminate the increase of $2,600,000 provided by the committee. It is just that simple and I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Gross).

The question was taken; and on a division (demanded by Mr. Robison of New York) there were—ayes 100; noes 49.

RECORDED VOTE

Mr. ROBISON of New York. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 287, noes 104, not voting 43, as follows:

[Roll No. 327]

AYES—287

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Barrett
Bauman
Beard
Bennett
Bergland
Bevill
Biaggi
Biester
Blatnik
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Broyhill, Va.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Chappell
Chisholm
Clancy
Clark
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conyers
Corman
Cotter
Crane
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Flowers
Flynt
Ford
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grasso
Gray
Green, Pa.
Griffiths
Gross
Grover
Gude
Gunter
Guyer
Haley
Hamilton
Hanley
Hanrahan
Harrington
Hastings
Hays
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hillis
Hogan
Holt
Holtzman
Howard
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kyros
Latta
Lehman
Lent
Litton
Long, La.
Luken
McCloskey
McCormack
McDade
McKay
McKinney
Madden
Mann
Maraziti
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, N.Y.
Moakley
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Hara
Owens
Patman
Pepper
Perkins
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rarick
Rees
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waldie
Walsh
Wampler
Whitehurst
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Zablocki
Zion
Zwach

NOES—104

Anderson, Ill.
Arends
Bafalis
Baker
Bell
Bingham
Boland
Bolling
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Carter
Casey, Tex.
Cederberg
Chamberlain
Clausen, Don H.
Clawson, Del
Collier
Conable
Conlan
Conte
Coughlin
Davis, Wis.
Dellenback
Devine
Donohue
Edwards, Ala.
Erlenborn
Findley
Fisher
Flood
Foley
Forsythe
Frelinghuysen
Goldwater
Gubser
Hammerschmidt
Hansen, Idaho
Harsha
Heinz
Hinshaw
Holifield
Horton
Hunt
Johnson, Pa.
King
Kuykendall
Lagomarsino
Landgrebe
Lott
Lujan
McClory
McCollister
McEwen
McFall
Mahon
Mallary
Martin, N.C.
Michel
Milford
Miller
Mizell
Montgomery
Moorhead, Pa.
Mosher
Myers
O'Brien
O'Neill
Passman
Patten
Pettis
Poage
Quillen
Regula
Robison, N.Y.
Ruppe
Ruth
Schneebeli
Sebelius
Shriver
Smith, N.Y.
Steed
Talcott
Teague
Treen
Vander Jagt
Veysey
Waggonner
Ware
Whalen
White
Wiggins
Williams
Winn
Wyatt
Wydler
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.

NOT VOTING—43

Blackburn
Boggs
Brasco
Brown, Calif.
Carey, N.Y.
Cronin
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Esch
Gettys
Green, Oreg.
Hanna
Hansen, Wash.
Hawkins
Hébert
Heckler, Mass.
Hosmer
Karth
Landrum
Leggett
Long, Md.
McSpadden
Macdonald
Madigan
Martin, Nebr.
Mills
Minshall, Ohio
Mitchell, Md.
Mollohan
Murphy, N.Y.
Parris
Reid
Rhodes
Rooney, N.Y.
Ryan
Stanton, J. William
Steele
Steiger, Wis.
Stephens
Vander Veen
Whitten

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For expenses necessary for the White House Office including not to exceed $3,850,000 for services as authorized by title 5, United States Code, section 3109, at such per diem rates for individuals as the President may specify, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000), and official entertainment expenses of the President, to be accounted for solely on his certificate; $16,367,000.

AMENDMENT OFFERED BY MR. STEED

Mr. STEED. Mr. Chariman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Steed: Strike out all after line 17 on page 10 through line 3 on page 11, and insert the following: "For expenses necessary for the White House Office as authorized by law, $16,367,000."

Mr. STEED. Mr. Chairman, I do not think we need to take a lot of time on this amendment. This is the amendment we talked about earlier, and it brings our bill in line with the authorizing legislation passed by the House earlier today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. Steed).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CIVIL SERVICE COMMISSION

SALARIES AND EXPENSES

For necessary expenses, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; and advances or reimbursements to applicable funds of the Commission and the Federal Bureau of Investigation for expenses incurred under Executive Order 10422 of January 9, 1953, as amended; $90,000,000 together with not to exceed $18,698,000 for current fiscal year administrative expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Commission in amounts determined by the Commission without regard to other statutes: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds for administrative expenses of effecting statutory annuity adjustments. No part of the appropriation herein made to the Civil Service Commission shall be available for the salaries and expenses of the Legal Examining Unit of the Commission, established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose.

POINT OF ORDER

Mr. VANIK. Mr. Chairman, I make a point of order on the language beginning at line 12 on page 12 of this bill with the figures "$90,000,000" through line 20 ending in the word "adjustments."

The CHAIRMAN. Does the gentleman desire to be heard further on his point of order?

Mr. VANIK. Mr. Chairman, the basis for this point of order is the requirement of House rule XXI clause 2, which provides that:

No appropriation shall be reported in any general appropriation bill, or be in order as

> an amendment thereto, for an expenditure not previously authorized by law.

Mr. Chairman, it is my understanding that there is in fact no authorization for the President's Commission on Personnel interchange for which $353,000 is herein requested. It was created solely by Executive Order 11451 on January 19, 1969.

This House rule is supported in this regard by title 36 of the United States Code, section 673, which also indicates that no funds should be expended by this body without authorization. The full section of the law reads as follows:

TITLE 36, SECTION 673

> No part of the public monies, or of any appropriation made by Congress, shall be used for the payment of compensation or expenses of any commission, council or other similar body, or any members thereof, or for expenses in connection with any work or the results of any work or action of commission, council, board, or similar body, unless the creation of the same shall be or shall have been authorized by law; nor shall there be employed any detail hereafter or heretofore made or otherwise personal services from any Executive Department or other Government establishment in connection with any such commission, council, board, or similar body.

Mr. Chairman, I have a particular concern in regard to a program whose appropriation is contained within the language of lines 12 through 20 of page 12 of this bill. The program is the President's Commission on Personnel Interchange, created solely by Executive Order 11451. There has never been an authorization hearing concerning its operation, since its creation at the beginning of 1969.

A preliminary examination during the past several months by my office and the GAO has revealed a series of potential conflicts of interest. These problems are so serious that the GAO has already referred two cases involving Presidential interchange personnel to the Justice Department for potential criminal conflicts-of-interest violations.

Mr. Chairman, this point of order does not necessarily mean the end of this program. The Congress may and should consider it through the regular authorization process. By following normal procedures, the Congress may be able to write in safeguards preventing future conflict-of-interest problems.

In addition, one must remember that the program's cost of $353,000 as outlined in one brief sentence in the House subcommittee hearing, is only one-tenth of the actual cost of this program since all salaries, travel, moving expenses, and other incidental costs are paid fully by the agency which hires for 1 year an interchange candidate.

I have grave reservations concerning the continuation of this program at all, since I believe that agencies which regulate certain industries will surely have problems with conflict of interest when they hire key industry personnel from the very industries which they are supposed to regulate. I object to personnel from oil companies being hired by FEO and predecessor agencies. I object when a person from the pesticides division from a major company ends up at the pesticide control division of EPA; I object when an auditor from a large accounting firm works for the chief auditor of the SEC—and the SEC has filed allegation of fraud against the firm from which the interchange candidate works for.

The list of obvious potential conflicts of interest is endless. Who among us knows how many real conflicts have existed because of the manner in which this program has proceeded. It seems to me that the Congress must be very alert to prevent potential conflicts of interest. We must not participate in the institutionalization of potential conflict-of-interest situations because of programs just like the Presidential interchange program.

As the GAO recently said in its report to me on conflicts of interest in this program:

> In our view, the more important question raised by FEO's use of presidential executive interchange program personnel with oil and related industry backgrounds concerns the judgment exercised in placing executives on a year's leave of absence from private industry in positions in an agency exercising a regulatory-type responsibility over the activities of the very company to which the individual involved will return at the completion of his year's assignment. It was this action which created potential conflict of interest situations. At your request, we now are making a broad review of the Presidential Executive Interchange program.

It took us years to begin to root out this very kind of conflict system at the Department of Defense and here we are, a party to its institutionalization.

In any event, I feel strongly that the appropriation of funds for this program would be contrary to both the statute and House rule I have cited.

I ask the Chair to rule.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. STEED. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentleman from Oklahoma (Mr. STEED) concedes the point of order.

The point of order is sustained.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I make a point of order to the language to be found on page 12, lines 7 and 8, which read as follows: "not to exceed $2,500 for official reception and representation expenses."

Mr. Chairman, I make a point of order because it is not authorized by law.

Mr. STEED. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentleman from Oklahoma (Mr. STEED) concedes the point of order.

The point of order is sustained.

Does the gentleman from Oklahoma have an amendment to offer?

Mr. STEED. Mr. Chairman, not having a copy of what has been stated here, we are having a little bit of difficulty. My amendment would restore the amount which should not have been stricken by the point of order.

The CHAIRMAN. The gentleman from Oklahoma proposes to offer an amendment to page 12, line 12, to return the money less that which was unauthorized by virtue of the point of order. Is that correct?

Mr. STEED. That is correct, Mr. Chairman. We were not given a copy of this so we have not been able to determine just what the point of order did.

The CHAIRMAN. If the Chair can state it, the point of order has been sustained, that was conceded by the gentleman from Oklahoma, which had the result of striking out the $90 million on line 12, page 12, and all the way down to line 20 through the word "adjustments." It was the understanding of the Chair that the point of order was based on a sum amounting to some $350,000 that was included in the $90 million unauthorized or actually being used by virtue of an Executive order. Therefore, the Chair had understood that the gentleman from Oklahoma desired to offer an amendment which would be in the sum of $89 million-plus, or $90 million less the $353,000.

AMENDMENT OFFERED BY MR. STEED

Mr. STEED. The amount would be $89,647,000.

Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

> Amendment offered by Mr. STEED: Page 12, line 12, insert "$89,647,000 together with not to exceed $18,698,000 for current fiscal year administrative expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Commission in amounts determined by the Commission without regard to other statutes: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds for administrative expenses of effecting statutory annuity adjustments."

Mr. STEED. Mr. Chairman, this amendment will restore to the bill the authorized amount and leave out the matter that was involved in the point of order.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I concur in the need for the amendment and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Commission on the Review of the National Policy Toward Gambling

SALARIES AND EXPENSES

For expenses necessary to carry out functions of the Commission on the Review of the National Policy Toward Gambling, established by section 804 of the Organized Crime Control Act of 1970 (P.L. 91–452; 84 Stat. 938), $1,000,000.

AMENDMENT OFFERED BY MR. MYERS

Mr. MYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Myers: On page 14, lines 16 and 17, strike $1,000,000 and substitute $250,000.

Mr. MYERS. Mr. Chairman, it seems to be the mood of the committee this afternoon to make cuts. This would simply restore the funds for the Commission on the Review of the National Policy Toward Gambling back to last year's level. This Commission was established pursuant to the Organized Crime Control Act of 1970 and was not funded until last year. This Committee last year did put in $250,000 for this study. And this was done not in the subcommittee, but on this floor.

This Commission has grown rather rapidly. It now has 11 people employed. It has been letting contracts for travel and for studies on gambling. We have 11 people and they are asking for 9 more. Twelve would be GS–12's or higher.

They let a contract recently to make a study. In their proposal they say they are going to study the history of gambling, mythology and astrology of gambling.

Also, in the proposal they propose four trips to Las Vegas, 20 days in Las Vegas. We in Congress are not to deal if we are not opposed to gambling, but does it take a million dollars to study gambling in Las Vegas?

Mr. HUNT. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from New Jersey.

Mr. HUNT. I am sure the gentleman knew this Commission existed and they were going to make a bona fide investigation. Where would they start, other than Las Vegas? There is only one way to get to Las Vegas, I am sure the gentleman will agree; that is to travel there.

If the gentleman had been acquainted in the field of investigation he would not make these statements he has just made, because it takes people to make a trip to the locale to determine what is going on in the field of legalized gambling and whether or not it should be expanded to other States or whether or not it should be suppressed. This is the general idea of the Commission at the present time. They seek conclusive data in the field of legalized gambling.

Eleven people, I am sure my colleague will agree, does not amount to very much when we look at the Judiciary Committee with 125 extra employees. Of course the 11 employees do not leak information and that is why their expenses are questioned.

Mr. MYERS. In response to the gentleman from New Jersey in this study in Las Vegas, the proposal is for a writer-editor, 50 days at $100, $5,000.

Researcher, 80 days at $50, $4,000.

Overhead 70 percent, $63,000. That is a lot of overhead.

But does it take 4 trips and 20 days in Las Vegas to study gambling? Does it take 50 days for a writer and 80 days for a researcher?

Mr. HUNT. I would not take the job at $200 a day. That would be my fee and has been my fee, $200 a day. I think we get some pretty cheap material for $50 a day.

Mr. MYERS. A million dollars is not cheap in my book.

Mr. HUNT. I did not say $1 million is cheap, but this House created the Commission. It now behooves us to fund it properly and carry out the mission you and your colleagues have voted in.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from Illinois.

Mr. COLLIER. I cannot see the rationale of having the Federal Government make a Las Vegas study of gambling for the benefit of other States. It is my understanding that each State can legalize gambling if they wish. Certainly they do not need help from a Federal Government study to make this decision.

Mr. MYERS. I am sure the House understands the question of gambling. This is a simple way to save $750,000. I ask for the passage of this amendment to save money for an extravagant study.

Mr. WYMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the things this country has for sure is the problem of finding more revenue. One of the ways this country can produce more revenue is by having a national lottery. That needs some study, because there is no one in this Chamber who can deny the fact that a national lottery would produce for America significant additional revenue, perhaps somewhere between $1 billion and $5 billion a year. This in a very real sense would be a way of paying and collecting taxes with a smile.

If with the aid of computer technology we can proceed to a telephonic-electronic system that can take organized crime out of the numbers racket in America and also get billions of revenue for this country, to help balance the budget and end these terrible deficits that cause inflation, that burden the American people we should do so. With the price increases we face today, we ought to, at the very least, study the subject with care.

It is not for the purpose of going out to Las Vegas to see whether we should encourage the extension of gambling from Nevada to other States in the Union. There are significant facts that need to be assembled, related, and evaluated. Even State-licensed gambling operations are substantial at this time. The question of Federal participation or supersession is immensely complicated. Certainly States with present revenues from wagering would seek assurance that they would net at least as much from a national lottery with guaranteed State sharing.

What is needed to do in this country's fiscal crisis is to find out whether we can gain significant additional revenue in a constructive way from a national lottery operation. I believe it is worth a try. Certainly it is deserving of careful study.

Mr. ROBISON of New York. Mr. Chairman, will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from New York.

Mr. ROBISON of New York. Mr. Chairman, I am not sure I would join with the gentleman in the position he has just stated because we have differences of opinion, but I would join the gentleman in hoping that this amendment would be defeated.

I am not exactly enamored of this operation, however, this is a short-term operation, as the gentleman from New Jersey (Mr. Hunt) can tell us. Its work is supposed to be over—or nearly so—this coming fiscal year. We have made a reduction in the budget request, and while there were some differences of opinion on the subcommittee as to whether or not the work ought to go forward at all, but eventually, we did agree at this level, so I hope the amendment will be defeated.

Mr. WYMAN. I thank the gentleman for his comments.

I have had pending in this House for several years a bill to establish a National Lottery Commission to conduct a national lottery. I am perplexed that it should have been contended in debate that the majority of the Members of this House are against gambling. I must assume this was uttered facetiously. I do not think they are.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, here we go again with Members rising on the floor wanting to know about certain commissions created by action of this House. What are they trying to do, tell the people of this country that we do not know what the House is doing? Everything in this bill was cleared by this House.

The House creates an agency and it is brought before the subcommittee. We do our best to find out what they are going to do. We have the people here to justify the budgets. We have read the act which this Congress passed which created them.

We made a determination that they could get by on about $281,000 less than they were asking for. We think that if they are going to do the job that was given to them by this Congress, they need this money. Here is an amendment making a further cut in it. I think it is going to be penny wise and pound foolish and might just kill the whole thing. If the Members are going to do it, they should do it right. I hope this amendment is defeated.

I wish the Members who were supposed to be here, and supposed to know what the House was doing when it created all these commissions, would protect themselves by not putting in the RECORD statements of astonishment when they finally find out at this late date all these acts have been enacted by this House. We are only trying to carry out the mandate the Congress has imposed on us. We have done our level best to do it with all the prudence we have. So, I think under the circumstances we are entitled to the support of the House in trying to fulfill the mandate imposed upon us.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, let me ask the gentleman why he gave this outfit $250,000 last year. Why does he want to increase it $750,000?

Mr. STEED. The gentleman has asked a good question. They are a short-life commission. They were only in operation a few months last year. We gave them all the money they needed for that fiscal year, knowing they were going to build up to this larger amount this year. Next year, it will be another small amount to finish up. It started out slow, it is now peaking and will go back down because they will have finished their work in 3 years. This is what the action of the House and Senate said to do, and we have acted accordingly. I think we have been prudent.

Mr. GROSS. What will they do, study the question of whether gambling is good for the soul, or just what do they do?

Mr. STEED. They are trying to accumulate information about parimutuel betting and the experience that some States have had with this program. They are trying to find out what the experiences of States which have tried legalized gambling, have been and are trying to find out from enforcement officials from all over the country, what they can do about organized and illegal gambling. Whether they ought to be doing this or not I do not know, but the Congress says they should.

This House passed this law authorizing the Commission and we are trying to give these people the resources they have to have to carry out an order given by this Congress.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. STEED. Yes, I yield to the gentleman from Indiana.

Mr. MYERS. Mr. Chairman, my amendment would not do what the gentleman says, but do they need two directors, do they need two lawyers, do they need four researchers, do they need seven secretaries and—get this one—a driver-messenger? Do they need that?

Mr. STEED. To answer the gentleman, the people who have the responsibility for that say they do. We say we have given them enough money to do a creditable job, and we hope the Congress will let them have enough money to do a creditable job. I do not believe they can do a creditable job otherwise.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. YOUNG of Florida for the amendment offered by Mr. MYERS:

Page 14, lines 10 through 17, strike lines 10 through 17 and renumber the following lines.

The CHAIRMAN. The Chair states that this is not a proper substitute for the amendment now pending. Once the pending perfecting amendment has been disposed of, then the gentleman's amendment to strike out the paragraph would be in order.

Mr. CARNEY of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment to cut funds for the Commission on Review of the National Policy Toward Gambling.

When Speaker ALBERT appointed me to the Gambling Commission last year, I hoped that the Commission would make a meaningful contribution to law enforcement with respect to gambling activities. I regret that the Commission has not proceeded in the way I had hoped. Instead, the Commission has gone far afield from the duties assigned to it by the Organized Crime Control Act of 1970. These duties were: To study the effectiveness of existing practices and statutes with respect to gambling activities, and to consider possible alternatives.

The Commission has authorized a number of research contracts in the social sciences which I believe are irrelevant and unnecessary. One such study, approved by the Commission over my objections, includes the history of gambling, the mythology and astrology of gambling, gambling in Cuba and Haiti, and the great literature, from Dostoevski and Dickens to Mark Twain. The sponsor of this proposal promised to "arouse a feeling of fascination" toward gambling.

This proposal, which was submitted by a Washington-based research outfit, calls for no fewer than four round trips to Las Vegas. The Commission rejected a similar proposal submitted by a professor at the University of Nevada who is a scholar, trained researcher, and expert on gambling. The University of Nevada professor would have cost $7,000 less than the proposal which was approved by the Commission.

Another social science contract for $9,000 was awarded to a Massachusetts-based outfit to design the agenda and act as methodological consultant during the construction of the agenda, including recommendations to the Commission about specific contracts that should be let.

The Commission is actively considering a "comprehensive, authoritative research package in conjunction with the National Science Foundation, the National Institute of Mental Health, and the National Institute for Law Enforcement and Criminal Justice costing an estimated $1.5 million. This research package seeks to answer such questions as: Who gambles? How much is bet and spent on illegal gambling? How much in taxes can be raised from legalized gambling? This package would also include a proposal to collect identical information in 10 different communities in the United States that differ in which games are legal and law enforcement practices. The Commission also proposes a research paper on compulsive gambling.

In approving these irrelevant and unnecessary social science research contracts, several of the congressional members of the Gambling Commission have become disillusioned, and I seriously doubt whether the Commission will be able to fulfill its statutory mandate. Therefore, I urge my colleagues to support the amendment reducing the appropriation for the Commission on the Review of the National Policy Toward Gambling.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. CARNEY of Ohio. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, I have great respect for the gentleman's opinion, being a member of the committee.

Did I understand the gentleman to say that the Commission was not studying, had not studied, and has made no effort to look into the question as to whether the country would benefit from a national lottery?

Mr. CARNEY of Ohio. Mr. Chairman, there has been nothing about that subject to my knowledge, and I have attended most all the meetings.

Mr. WYMAN. Has the subject been included on the agenda of the Commission?

Mr. CARNEY of Ohio. No, it has not, to my knowledge.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. CARNEY of Ohio. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, I will ask the gentleman this:

Has the gentleman introduced legislation to kill this Commission?

Mr. CARNEY of Ohio. No, I have not.

Mr. STEED. Did the gentleman come before the subcommittee and give us the benefit of his knowledge and his information?

Mr. CARNEY of Ohio. No, this is the first opportunity I have had. I did not know the gentleman was interested, and this is the first time I have had a chance to take a crack at the problem.

Mr. STEED. It has been in the RECORD every day. Does the gentleman not keep up with such information in the performance of his duties as a Member of this Congress?

Mr. CARNEY of Ohio. I perform my duties just as the gentleman does. I do my duty as I see it.

Mr. Chairman, I urge that this amendment be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. Myers).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL BUILDINGS FUND LIMITATIONS ON AVAILABILITY OF REVENUE

The revenues and collections deposited into a fund pursuant to Section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), shall be available during the current fiscal year for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings, including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by purchase contract; in the aggregate amount of $871,875,000 of which (1) not to exceed $25,000,000 shall be available for construction of buildings as authorized by law including construction projects at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:
Arizona:
Lukeville Border Station, $2,081,000
Texas:
Laredo Border Station, $15,462,000
Washington:
Blaine, Pacific Highway Border Station, $3,374,000
Extensions and conversions:
Colorado:
Denver, Federal Center Building #50, $1,209,000;
Denver, Federal Center Building #85, $1,727,000;
Ohio:
Dayton, Federal Depot, #4, $1,147,000.

Provided, That the immediately foregoing limits of costs may be exceeded to the extent that savings are effected in other such projects, but by not to exceed 10 per centum; (2) not to exceed $26,244,000 for purchase contract payments; (3) not to exceed $350,000,000 for rental of space; (4) not to exceed $98,000,000 for alterations and major repairs; (5) not to exceed $293,594,000 for real property operations; (6) not to exceed $54,037,000 for program direction and centralized services; and (7) not to exceed $25,000,000 shall be available for obligation in fiscal year 1976: *Provided further*, That for the purposes of this authorization, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356), the Public Buildings Amendments of 1972 (40 U.S.C. 490) and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of General Services Administration shall be considered to be, under the control of General Services Administration shall be considered to be federally owned buildings: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under Section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 1 U.S.C. 3056, as amended, shall be available from such revenues and collections: *Provided further*, That any revenues and collections and any other sums accruing to this Fund, excluding reimbursements under Section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)), in excess of $871,875,000 shall be deposited in miscellaneous receipts of the Treasury of the United States.

POINT OF ORDER

Mr. HARSHA. Mr. Chairman, I make a point of order against the language in the bill appearing at page 15, lines 10 and 11, that this is legislation in an appropriation act, and it is, I believe, in violation of rule XX, clause 2.

Mr. Chairman, two provisions under the appropriation heading, "Federal Buildings Fund—Limitations on Availability of Revenue," are subject to a point of order because they change existing law.

The first such provision is the clause, "during the current fiscal year," at page 15, lines 10–11 of the bill. This language would limit the use of funds made available to GSA from the Federal Building Fund to fiscal year 1975. This is in direct conflict with section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended, which specifically provides that "the fund shall be available for expenditure—without regard to fiscal year limitations." The language in the bill is clearly designed to change the authorizing law and is contrary to rule 21, clause 2 that prohibits legislation in an appropriation bill.

The objectionable language in the bill cannot be supported on any theory of retrenchment of expenditures. The limtation requiring that moneys made available for real property activities be spent in the fiscal year does not reduce expenditures, but would tend to increase costs and spending by encouraging expenditures over a shorter period of time than good management and planning would otherwise require.

If the language is allowed to remain in the bill, the Congress will, in effect, be substantially modifying the concept of a Federal Building Fund. The Public Works Committee, when it considered the Public Buildings Amendments of 1972, which established the fund, concluded that the Federal Building Fund would have to be available without regard to fiscal year limitations, but with reasonable congressional control, if the purpose of reforming real property management financing was ever going to be achieved.

The committee concluded that the most significant problem facing the Public Buildings Service prior to the establishment of the Federal Building Fund was the many appropriations GSA had to obtain in successive years for the construction of a single building. Planning money would be made available 1 year, site money in some following year, and sometimes a building was literally divided for funding purposes with substructure money being made available separately from money needed to build the superstructure and complete the building. The fund was intended to give GSA the operational flexibility needed to overcome the financing problem. To retreat to the situation which existed prior to the establishment of the fund will result in expensive delays in GSA's programs. Actually having the effect of increasing the total cost of the program rather than retrenchment of expenditures.

The fiscal year limitation applies to all construction work performed by GSA including the construction of new buildings and conversion and extensions to older buildings. The restriction is thus directly in conflict with section 682 of title 31 of the United States Code which provides that appropriations for construction of public buildings remain available until completion of the work; that is, without regard to fiscal year limitations. I know of no single instance where the Congress has placed a fiscal year limitation on the construction of new buildings.

Elimination of the objectionable language in the appropriation bill will not in any way interfere with normal congressional controls of appropriations to GSA for its real property activities. The Appropriations Committee in considering the 1976 budget requests can take into account any unobligated balances in the fund in determining the amount to be made available to GSA from the fund in fiscal 1976.

For the above-stated reasons, the phrase "during the current fiscal year" is subject to a point of order and should be deleted.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. STEED. I do, Mr. Chairman.

Mr. Chairman, this is a simple, negative limitation, it merely restricts the use of the funds to the fiscal year. The fact that there is no authority to make them available for a longer period of time does not constitute a point of order against the language here. It may be a matter of personal judgment as to whether there ought to be a longer period of time or not, but the language here is not legislation on an appropriation bill. It is a very simple limitation, it is a completely negative action within the law.

The CHAIRMAN (Mr. Sisk). The Chair is prepared to rule.

The gentleman from Ohio makes the point of order against the clause on page 15, lines 10 and 11 of H.R. 15544 which limits the availability "during the current fiscal year" of the aggregate amount of $871,875,000 for expenditure by GSA from the Federal Buildings fund. The gentleman from Ohio contends that this language in H.R. 15544 violates clause 2, Rule XXI by constituting a change in existing law [section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (Public Law 92–313)] which provides:

> (2) Moneys deposited into the fund shall be available for expenditure for real property management and related activities in such amounts as are specified in annual appriations Acts without regard to fiscal year limitations."

The gentleman from Ohio contends that this law requires that amounts in Federal Building Fund must be made available by the Appropriations Committee without a fiscal year restriction, and that the Committee on Appropriations has no authority under clause 2, rule XXI to limit the availability of amounts from that fund for the current fiscal year. The Committee on Appropriations, on the other hand, contends that such a provision of law merely permits, and does not require, the Committee on Appropriations to appropriate funds from the Federal Building Fund without a fiscal year limitation, or to be available until expended, and therefore that the limitation contained in the paragraph for the current fiscal year is within the prerogative of the Committee on Appropriations under Public Law 92–313.

The Chair would point out that while authorizing legislation customarily provides that funds authorized therein shall "remain available until expended", the Committee on Appropriations has never been required, when appropriating for those purposes, to specify that such funds must remain available until expended. The Appropriations Committee often confines the availability of funds to the current fiscal year, regardless of the limit of availability contained in the authorization. Conversely, however, where the authorizing statute does not permit funds to remain available until expended or without regard to fiscal year limitation inclusion of such availability in a general appropriation bill has been held to constitute legislation in violation of clause 2, rule XXI.

The Chair thus is of the opinion that Public Law 92–313 should be construed as has been suggested by the Committee on Appropriations, absent a clear showing that the language in question was intended to require appropriations from the Federal building fund to be made available until expended. In this regard, the Chair has examined the legislative history of Public Law 92–313 in an effort to understand congressional intent on this question. The Chair notes that on June 5, 1972, during debate on the conference report on S. 1736 which became Public Law 92–313, the gentleman from Illinois (Mr. GRAY) in response to a question by Mr. Bow of Ohio, stated that:

> Any residue left over from existing appropriations now will go automatically, when this legislation is signed into law into the revolving fund. That residue from previous appropriations plus the amount of rents collected from all Federal agencies will make up the total revolving fund, and the House Committee on Appropriations will have complete control on an annual basis over the revolving fund.

The gentleman from Ohio (Mr. HARSHA) then stated during that debate:

> I think there is quite an adequate safeguard in what the Committee on Appropriations can do in controlling the implementation of this measure. All of the money that goes into the revolving fund must be appropriated before it is expended. Therefore, the Committee on Appropriations will have control from that standpoint.

The Chair holds that the Committee on Appropriations has not changed existing law by limiting the availability of a portion of the funds taken from the Federal building fund to the current fiscal year. The Chair therefore overrules the point of order.

AMENDMENT OFFERED BY MR. WYMAN

Mr. WYMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WYMAN: Page 16, line 4, after "of", strike out "$871,875,000" and insert "$946,875,000".
>
> Page 17, line 9, after "exceed", strike out "$293,594,000", and insert "$368,594,000".
>
> Page 18, line 11, after "of", strike out "$871,875,000" and insert "$946,875,000".

Mr. WYMAN. Mr. Chairman, I ask unanimous consent that the three amendments may be considered as one because they amount to a single amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Chairman, this is a workhorse amendment. All this does, despite the language that the Clerk just read, is to add $75 million to the operations category in the General Services Administration. The reason for this, with all due respect to my earnest and hardworking colleagues on the committee and the subcommittee in particular, is that they cut too much money in this particular category. They cut $101 million out of this item. If this is continued the General Services Administration will require a reduction of 9,000 employees to be riffed in the following classifications: 5,989 in cleaning; 1,649 in security and guard; and 1,520 in maintenance and repair.

This is too big a cut in vital housekeeping functions.

The reduction of $101,600,000 in the Federal Buildings Fund authorization will severely impact GSA's ability to perform its buildings management functions in fiscal year 1975.

Under the Public Buildings Amendments of 1972 (Public Law 92–313) the Administrator was directed to charge agencies commercial rates for space and services which he provided to them. In return for the payment of these commercial rates, GSA was to furnish commercial levels of service equivalent to that received by tenants who lease private buildings in the marketplace.

This large reduction not only will not permit GSA to carry out the mandate of Congress as specified in the Public Buildings Amendments of 1972; but it also would require reduction in the level of service below that currently being provided in GSA space under the present funding structure of direct appropriations to GSA. Clearly, this was not the intent of Congress in passing Public Law 92–313. Rather, the Congress intended to streamline the management of real property operations under the control of GSA. Thus, the $101,600,000 reduction negates the will of the Congress whereby GSA would operate its buildings management functions on a business-like basis, giving the equivalent of commercial services for commercial charges.

As an indication of the severity of the reduction—consider plans which GSA has had to make—should the reduction stand.

A reduction in force of approximately 9,200 employees must be undertaken immediately.

This reduction must occur in the buildings management activity since that is where the dollar cut is proposed in the bill.

Such a reduction has the following effect:

Twenty-eight new buildings completed this fiscal year could not be fully operated in fiscal year 1975;

Twenty-five other new buildings scheduled to be completed in fiscal year 1975 must stand vacant;

Cleaning services will be curtailed below any measurable industry standard;

In some buildings, cleaning will be eliminated;

Cleaning contracts would be canceled causing further unemployment in the private sector;

Trash and waste will accumulate causing health and safety hazards;

Protection will be eliminated in certain buildings containing predominantly office space;

All protection contracts with commercial firms will be canceled;

The U.S. courts could not be given the protection that prudence dictates; and

Machinery and equipment could not be maintained resulting in much more costly repairs in the future merely to keep buildings operating.

Obviously, the Congress does not want these actions to occur. It is shortsighted; it is poor management; it is dangerous to life and property; it is not the way to protect the Government's real property investment in facilities running in the billions of dollars. No manager would even consider diversion of resources away from day-to-day operations of his properties. No less can the Government afford to.

I include the following:

INCREASE IN REAL PROPERTY OPERATION DUE TO NEW WORKLOAD IN FISCAL YEAR 1975

	Number of buildings	Average square feet	Estimated fiscal year 1975 cost
Completed fiscal year 1974:			
Direct construction	8	145,800	$373,240
Purchase contract	17	1,093,900	2,495,300
Lease construction	3	466,000	1,192,960
Subtotal	28	1,705,700	4,061,500
Completed fiscal year 1975:			
Direct construction	5	1,177,500	3,014,400
Purchase contract	16	1,932,400	4,274,400
Lease construction	4	636,700	1,629,900
Subtotal	25	3,746,600	9,918,700
Total new workload	53	5,452,300	13,980,200

Note: The above assumes an average operations cost of $2.56 per square foot.

INCREASED WORKLOAD, FISCAL YEAR 1975 (COMPLETED FISCAL YEAR 1974)

Direct construction	Total square feet	Average square feet affecting fiscal year 1975
Mobile, Ala., FOB	146,500	12,200
Fayetteville, Ariz., CT FOB	45,600	7,600
Calexico, Calif., BS	72,000	24,000
Wilmington, Del., CT CU FOB	135,600	23,000
Augusta, Ga., PO FOB	100,000	8,500
Houma, La., Allen J. Ellender PO FOB	49,700	41,400
Champlain, N.Y., BS	93,100	7,800
Midland, Tex., PO CT FOB	85,100	21,300
Subtotal		145,800

Purchase contract	Total square feet	Annual costs	Fiscal year 1975 square feet average	Fiscal year 1975 costs
Tucson, Ariz., FOB	87,200	$224,600	36,300	$94,300
Batesville, Ariz., POCT FOB	33,400	99,100	25,000	74,300
Van Nuys, Calif., FOB	176,100	443,500	146,700	368,100
Dover, Del., FOB	25,800	58,300	12,900	29,100
Athens, Ga., FOB	50,000	233,300	25,000	116,700
Rome, Ga., PO CT	63,800	185,600	5,300	14,800
Chicago, Ill., FRC	180,000	176,100	118,800	116,300
Mt. Vernon, Ill., FOB	13,000	41,800	2,200	7,100
Iowa City, Iowa, PO FOB	73,600	234,200	30,700	98,400
Hattiesburg, Ms., Wm. M. Colmer Federal Building	36,500	112,800	12,200	37,200
Las Cruces, N. Mex., CT FOB	35,700	109,000	23,800	73,000
Albany, N.Y., Leo O'Brian Federal Building	185,900	624,600	140,300	468,500
Aberdeen, S. Dak., FOB	102,300	307,600	68,200	206,100
Rapid City, Conn., FOB	53,300	150,300	17,800	49,600
Nashville, Tenn., CT FOB Annex	308,600	890,700	231,400	668,000
Fort Worth, Tex., FOB parking facility	437,500	68,800	182,300	28,900
Wenatchee, Wash., PO FOB	60,100	179,700	15,000	44,900
Subtotal			1,093,900	2,495.300

INCREASED WORKLOAD, FISCAL YEAR 1975 (COMPLETED FISCAL YEAR 1974)

Lease construction	Total square feet	Fiscal year 1975 square feet average
Shreveport, La., CT FOB	116,000	67,700
Fort Monmouth, N.J., Army Electronics Command	535,000	178,300
Reston, Geological Survey Bldg	660,000	220,000
Subtotal		466,000
Total		1,705,700

Direct construction	Total square feet	Average square feet affecting fiscal year 1975
Department of Labor Building	1,324,400	500,000
Chicago, Ill., Federal Correctional Center and Parking Facility (GSA Prtn)	366,300	165,200
FOB	959,000	140,000
Philadelphia, Pa., Wm. J. Green, Jr., FB and James A. Byrne FCT	1,327,600	237,300
San Antonio, Tex., CT FOB	270,200	135,000
Subtotal		1,177,500

Purchase contract	Total square feet	Annual costs	Fiscal year 1975 square foot average	Fiscal year 1975 costs
San Diego, Calif., CT FOB	639,000	$1,693,400	108,600	$287,900
Richmond, Calif., SSA, Payment Center	415,800	1,041,400	104,000	260,400
Santa Ana, Calif., FOB	197,500	497,100	140,700	372,800
Santa Rosa, Calif., FOB	49,300	149,200	20,500	62,700
Los Angeles, Calif., PF	705,600	196,400	58,800	15,700
Sandpoint, Ind., FOB	27,200	81,400	9,100	26,900
Indianapolis, Ind., FOB	461,400	1,328,500	424,500	1,222,200
Fitchburg, Mass., Philip J. Philbin, FOB	108,300	322,800	45,100	93,600
Lincoln, Nebr., CT FOB PF	422,500	988,700	245,100	573,500
Syracuse, N.Y., CT FOB	312,000	895,200	130,000	376,000
Akron, Ohio, CT FOB	286,900	983,000	250,700	815,900
Dayton, Ohio, CT FOB	117,300	401,700	29,300	100,400
Eugene, Oreg., CT FOB	67,800	189,400	33,900	94,700
Portland, Oreg., FOB	346,500	947,100	58,900	161,000
Philadelphia, Pa., SSA Payment Center	425,700	1,228,400	178,800	515,900
San Juan, P.R. CT FOB	283,300	893,300	94,400	294,800
Subtotal			1,932,400	5,274,400

Lease construction	Total square feet	Fiscal year 1975 square foot average
Birmingham, Ala., SSA Payment Center	506,800	466,200
Wilkes-Barre, Pa., Wilkes-Barre Consolidation	66,000	5,500
Parkersburg, W. Va., Bureau of Public Debt	240,000	140,000
Parkersburg, W. Va., Bureau of Public Debt Records Center	25,000	25,000
Subtotal		636,700
Total		3,746,600

My amendment leaves a cut here of 26 million.

This alone will force a RIF of 2,000 employees.

This is stiff enough.

I urge restoration of this $75 million to GSA's real property operations so it can properly operate the 10,000 Federal buildings that are its responsibility.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the House ought to know that this item amounted to $289 million in the current fiscal year, and the committee has allowed $293 million for next year, an increase of almost $5 million.

Now, if it is true, as our good friend has just said, that we have been too severe on the agency, it is because of the information they gave us. We think we have given them ample funds for this item. This may be another classic example where some agencies outsmart themselves when they fail to give the committee the information that the committee should have to analyze and reach sound conclusions on appropriation requests.

Now, if it is true that more funds are needed here, they have an opportunity to go to the other body and make requests. In the light of new information they present, we would be glad in conference to consider any adjustments they could justify; but on the basis of the testimony we heard and on the basis of our best judgment in connection with it, we thought this was a fair sum and I hope the House will support it.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Is it not a fact the gentleman used figures supplied to the committee by the Comptroller General that showed $289 million in the categories of the GSA for public buildings management and a whole bunch of reimbursable items coming to several millions of dollars, about $44 million; is that not a fact?

Mr. STEED. The reimbursable items are not a part of the $289 million. That is an addition and they will be in addition to the amounts allowed by the committee, too.

Mr. WYMAN. No. Is it not a fact those items under the present law are no longer reimbursable and are not covered? I submit they should not go to the Senate.

Mr. STEED. No. The reimbursable items covering these matters will be $167 million this coming fiscal year.

Mr. WYMAN. Those are no longer reimbursable in 1975.

Mr. STEED. Oh, yes. They are reimbursable. They are in addition to the limitations set by the committee.

Mr. WYMAN. I submit the gentleman is in error.

Mr. BOLAND. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, seldom, if ever, have I interjected myself into the matters of other subcommittees. I hestitate to do it now and reluctantly so, because of my great admiration for my distinguished friend, the gentleman from Oklahoma.

I am concerned about the cut in this particular item. My concern arises from the fact that up until 4 years ago the General Services Administration was funded within the independent offices of the appropriation bill that I now chair. When the gentleman from Oklahoma opened general debate on this bill, he indicated that perhaps in this particular item there may have been an error made by the subcommittee and the full committee with respect to the funding for this item.

The thrust of the amendment of the gentleman from New Hampshire goes to the building management services its real property operations. In 1974 the General Services Administration received $333 million for building services management.

The request by the GSA for their program for fiscal year 1975 was more than $400 million and the Bureau of the Budget allowed $395 million.

Now, what the gentleman from Oklahoma says is quite correct. $289 million was for direct costs for these services in fiscal year 1974. But in order to get a fair figure, a comparable figure, it is necessary to add the reimbursables. There were three substantial reimbursable items that are not included in the $289 million referred to by the Chairman, Mr. Steed. One is for extra cleaning, one is for extra protection, one is for the alterations that always take place when an agency moves from one building to another or another space within a building. They are alterations made of space and in walls and they are substantial.

So, Mr. Chairman, we ought to be concerned about this particular fund. The Federal Government, the taxpayers, have invested in federally owned buildings billions of dollars. The failure to provide the right kind of services for cleaning and all the services the gentleman from New Hampshire has pointed out—the failure to do that means that these buildings are going to deteriorate and in the not too distant future we will be paying a lot more than $75 million that has been requested in this amendment.

I would hope that we could strike some accommodation in this particular amendment. There is no valid reason to reject it.

It is going to be increased on the Senate floor, the Chairman says. That is not really the way to appropriate by this committee. I think the House itself ought to exercise its own good judgment and best judgment.

I must repeat that this is one of the most important items in the whole Federal buildings trust fund. We are trying to make the fund work to protect and preserve the huge investment that the Federal Government, and hence the Nation's taxpayers have in federally owned buildings. The Committee is going to make it work better if the GSA is provided the kind of funds that are going to keep the Federal spaces in the right kind of condition. That is exactly what the $75 million amendment proposes to do.

Mr. ROBISON of New York. Will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. ROBISON of New York. Mr. Chairman, I find myself in considerable sympathy, if not support, of the position presented by the gentleman from Massachusetts, in support of the amendment offered by the gentleman from New Hampshire.

The hour is very late to try to now arrive at an accommodation such as the gentleman suggests, and I respect the position of my subcommittee chairman, but I would say if an adjustment can be made here, or should be made here in our bill in the other body, then I will be happy to carry to the conference, if I am one of the conferees, the questions and concerns of both gentlemen, the gentleman from Massachusetts and the gentleman from New Hampshire, and work for a favorable solution of them.

Mr. BOLAND. I appreciate the remarks of the gentleman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire (Mr. Wyman).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 28, noes 67. So the amendment was rejected.

AMENDMENT OFFERED BY MR. ROBISON OF NEW YORK

Mr. ROBISON of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Robison of New York: On page 18, line 8, after the word "excluding" add the following: "amounts merged with the Fund under section 210(f) (3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f) (3)) and".

Mr. ROBISON of New York. Mr. Chairman, it is with some hesitancy that I offer this amendment for the situation which compels me to do so was brought to my attention only late last week, and it has been difficult to sort through the merits. Nevertheless, I have come to the conclusion that the amendment, basically technical in nature, is needed.

What the amendment seeks to do is to insure that GSA will be able to utilize in fiscal year 1975 previously appropriated "no year" funds for construction, sites and expenses, additional court facilities, repair and improvement, et cetera.

According to GSA, and I quote from a copy of a letter I received which was addressed to Mr. Steed, chairman of our subcommittee:

> In the President's budget estimate, the unobligated amounts in these appropriations at the end of Fiscal Year 1974 were estimated to be $28.3 million. At the present time, however, the best estimate of these unobligated balances is $126 million. The delays in the scheduled obligation of these funds during FY 74 were due primarily to delays in design completion, extension of construction schedules due to adverse weather conditions, transportation disruptions, and labor stoppages in both the construction industry and manufacturers of supplies and materials for the construction industry.

According to GSA, they are mandated under present law to merge these unobligated funds and unexpended balances of previously obligated funds with the new Federal Buildings Fund.

Under the language of this bill as reported, the actual obligation of those unexpended funds would be subject to the overall $871,875,000 spending limitation we have placed on the Federal Buildings Fund.

Again, quoting from the GSA letter, this would have the following impact:

> The net effect of this language would be to reduce the FY 75 planned obligations by $126 million (in addition to the $115.6 million reduction). Since individual limitations have been proposed for all of the activities set forth in the Federal Buildings Fund budget, GSA would be unable to continue work and to settle claims on previously authorized but financially incomplete projects. This would require termination of design or construction contracts, cessation of site acquisition actions, and cancellation of badly needed repairs and improvements to facilities, subjecting the Government to damage claims, criticism for partially completed but unoccupied projects, and result in disruptions to Federal agencies in the conduct of the public's business.

There are those who can argue, and with justification, that this information should have been presented to our subcommittee in advance of our markup. I would agree. Nevertheless, we may face a serious and difficult situation, for if the bill is not changed to exclude the "no year" funds from the overall limit on Federal building fund spending, under the terms of the continuing resolution GSA states it would be forced to "initiate serious stoppages" in Federal building construction.

What my amendment seeks to do is exclude from our spending ceiling of $871,875,000 for the Federal building fund the approximately $126 million of unobligated balances which have accrued as the result of "no year" appropriations for Federal building construction, site preparation, and so on.

Had the subcommittee had this information during the markup, I am confident that we would have found an accommodation that would have ameliorated the situation in such a manner so as to make my amendment today unnecessary.

Since that did not occur, I have decided that the responsible course of action is to offer the amendment—though I do not intend to seek a record vote on it. I fully intend to draw this matter to the attention of the Senate Appropriations Committee and will urge that they explore it at some length.

Finally, I would like to make one last comment. For the first time this year we on the Treasury, Postal Service, and General Government Committee struggled with the practical application of the new Federal building fund. It was a difficult task for attempting to make the kind of normal budget comparisons with previous year expenditures was not easily done. Again, I would like to compliment the subcommittee staff for helping make order out of a chaotic situation. We did our best. We tried to act responsibly. Given the completely new method of budgeting, I feel we did a good job. But we probably did make some mistakes. If so, I hope that the House will understand how this might have happened. In the years ahead, this will be less difficult and the need for the kind of amendment I am forced to offer today will be eliminated.

I urge the adoption of the amendment.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

May I say, Mr. Chairman, that I very reluctantly oppose the amendment of the gentleman from New York. I would never oppose any proposal of his in good conscience, generally, and I am not certain that I am opposed to this proposal except that I am having some difficulty in trying to decide what it really does. It is a very technical amendment. We have had absolutely no opportunity to study it or to do any research on it.

The $126 million carryover from prior year accounts was an item that the GSA was not a bit eager to tell us about. We dug that out ourselves.

The whole history of this thing has caused me to have some serious doubts about just what this is all about.

Mr. Chairman, what I would like to do would be to have this amendment rejected here, with the understanding that the other body will go into it. If all it does is to preserve the unspent surplus of $126 million and nothing else, I would have no difficulty in accepting that in conference, but I could not at this moment tell the House what this amendment will or will not do, because we have not had a chance to do any research on it.

For that reason, much as I hate to disagree with my friend, the gentleman from New York, I would like to have it put in abeyance until the other side has had an opportunity to go into it more thoroughly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Robison).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 3. No appropriation contained in this Act for the General Services Administration shall be available for administrative expenses in connection with the execution of a purchase contract under section 5 of the Public Buildings Amendments of 1972 unless such proposed purchase contract has been presented to the Committee on Appropriations of the Senate and House of Representatives, respectively, and the Congress within a period of sixty days thereafter has not passed an appropriation for the acquisition of an equivalent amount of space; or if, during such period, the proposed contract has been disapproved by the Committees on Appropriations of the Senate and House of Representatives, respectively.

POINT OF ORDER

Mr. GRAY. Mr. Chairman, I make a point of order as to section 3, lines 13 through 25, inclusive, particularly to the language appearing on line 22 after the semicolon: "or if, during such period, the proposed contract has been disapproved by the Committees on Appropriations of the Senate and House of Representatives, respectively."

Mr. Chairman, I submit that this is legislation on an appropriation bill and it usurps the prerogatives of the Committee on Public Works. Under the Public Buildings Act, that committee has the authority to approve prospectuses submitted under the Public Buildings Act of 1972, as amended.

Mr. STEED. Mr. Chairman, we concede the point of order.

The CHAIRMAN (Mr. Sisk). The gentleman from Oklahoma concedes the point of order.

The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Roybal: Page 24, immediately after line 25, insert the following new section number 4:

Sec. 4. None of the funds available under this Act shall be obligated or expended for the procurement by purchase, lease or any other arrangement, in whole or in part, of any or all the automatic data processing system, data communications network, or related software and services for the joint General Services Administration-Department of Agriculture MCS project 97-72 contained in the Request for Proposal CDPA 74-14, any successor to such project, or any other common user shared facilities authorized under section 111 of the Federal Property and Administrative Services Act of 1949.

Mr. ROYBAL. Mr. Chairman, this amendment adds a new section to the bill. It merely states:

None of the funds available under this Act shall be obligated or expended for the procurement by purchase, lease or any other arrangement, in whole or in part, of any or all the automatic data processing system, data communications network, or related software and services for the joint General Services Administration and the Department of Agriculture.

Mr. Chairman, this has become necessary because during the last few days it came to the attention of the committee that the General Services Administration has decided to go on with the development of a massive, comprehensive data processing system which may invade the privacy of every man, woman, and child in the United States.

The General Services Administration has already published specifications and is at the moment seeking bids. On January 21 it granted the U.S. Department of Agriculture direct procurement authorization for 570 terminals. On April 25, the General Services Administration received an additional request for 4,000 terminals, but they immediately notified the Department of Agriculture that they had only authorized 570; therefore, their request was going to be held in abeyance.

The truth of the matter is that on June 12 the General Services Administration again accepted a request by the Department of Agriculture increasing that number to 952 outlets.

During the time that this matter was being proposed before the Committee we questioned the propriety of such action, and GSA told us that this matter was financed by a revolving computer fund under their control and that the Congress of the United States need not provide the necessary authorization.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, as the gentleman knows, we entered into a discussion in some detail concerning this matter during the hearings, and the outcome of that was that in view of the very active interest which had been displayed concerning this matter by the Office of Management and Budget, by Members of the other body and by other groups concerned about this problem of privacy, we were told that the matter had been placed in abeyance. We were told by the OMB that they had been assured that it would be held in abeyance.

Further studies are to be made. We keep hearing reports that this may not be so. But I will say this to the gentleman from California, that if what we have been told officially by those who are in position to be involved is true, then the gentleman's amendment does no harm. Since there are some misgivings about what we have been told, it may be that the amendment is needed to make sure that the assurances we have had will remain firm.

I personally have no objection to the gentleman's amendment.

Mr. ROBISON of New York. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I will yield to the gentleman from New York.

Mr. ROBISON of New York. I do not know that I have an objection, specifically, to the amendment offered by the gentleman from California, but I would like to reserve an objection on this matter after it goes to the other body so as to have a chance in conference to consider its exact implications.

So we have no objection now to the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Roybal).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. STEED. Mr. Chairman, I ask unanimous consent that all of title V and title VI be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. HARSHA. Reserving the right to object, Mr. Chairman, I wish to make a parliamentary inquiry.

PARLIAMENTARY INQUIRY

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. HARSHA. Mr. Chairman, my parliamentary inquiry is this: I have a point of order to raise on section 611. Would that point of order be in order at this time?

The CHAIRMAN. The Chair will state that, yes, the point of order would be in order at this time. In fact, any points of order that may lie to these titles should be made immediately.

Mr. HARSHA. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

POINT OF ORDER

Mr. HARSHA. Mr. Chairman, I make a point of order on page 34, line 24, section 611.

The portion of the bill to which the point of order is raised is as follows:

> Sec. 611. None of the funds available under this or any other act shall be available for administrative expenses in connection with increasing the standard level user charge (rental charge) above the rate established for government agencies in the President's Budget for fiscal year 1975.

Mr. Chairman, this is obviously outside the scope of this legislation. It is too broad. I do not believe it is germane. I urge the Chairman to sustain my point of order.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. STEED. I do, Mr. Chairman.

Mr. Chairman, this merely holds the rates at the level they already are. It is clearly a limitation, and nothing else. It requires no action in the area. It just leaves things the way they are.

The CHAIRMAN (Mr. Sisk). The Chair is prepared to rule.

Upon examination of the language the Chair feels that this section does go substantially beyond this act because on line 25 it will be noted that it restricts funds in this "or any other act" and the Chair therefore sustains the point of order.

AMENDMENT OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Addabbo: Page 35, after line 9, a new section 613:
>
> None of the funds available under this bill shall be available for administrative expenses for the purpose of transferring the border control activities of the Bureau of Customs to any other agency of the Federal Government.

Mr. ADDABBO. Mr. Chairman, under existing law in the Reorganization Plan No. 2, Customs retained its interdiction role "at regular inspections located at ports of entry or anywhere along the land or water borders of the United States."

This would be a restatement, and therefore, prohibiting the Office of Management and Budget or anyone else from taking that power away from Customs.

Mr. ROBISON of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do so reluctantly because the hour is late and the matter is a complex one. But the fact of the situation is this, that a joint OMB-Treasury-Justice study of Federal law enforcement activities along the Nation's borders was initiated in December 1973. That inquiry indicated that some readjustment of the existing responsibilities as between Customs and the Immigration Service ought to be worked out. An attempt has been made at the beginning that readjustment, and I know full well that the pending proposal on the part of the Department of Justice and, I suppose, to an extent on the part of OMB is very strongly opposed by my friend, the gentleman from New York, and also by our subcommittee chairman, Mr. Steed.

However, the point of the matter now is that OMB has agreed to a congressional review of this issue, along with the Departments of Justice and Treasury, and has arranged to have the Committee on Government Operations of this House investigate the entire matter and conduct a review of both sides of this issue. In the interim we have been told—Mr. Steed and I—just the last several days, that there will be a deferral of the Department of the Treasury's redeployment of personnel in order to permit this review to go forward.

If we put this language in our bill—and I understand why the gentleman wants to do it—we might just as well say to the Committee on Government Operations of this House: Do not bother to look into the matter, Mr. Chairman. We do not care whether there are two sides to the issue or not. We do not care what you do. We think we are right, and we want to freeze our position into this appropriation bill for all of the next fiscal year.

Mr. Chairman, I think that is not the right way of trying to solve a complex and uncertain issue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Addabbo).

The question was taken; and on a division (demanded by Mr. Addabbo), there were—ayes 43, noes 56.

RECORDED VOTE

Mr. ADDABBO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 283, noes 100, not voting 51, as follows:

[Roll No. 328]

AYES—283

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Armstrong
Aspin
Badillo
Bafalis
Barrett
Bauman
Beard
Bennett
Bergland
Bevill
Biaggi
Biester
Blatnik
Boland
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brotzman
Broyhill, Va.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Byron
Camp
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Flowers
Flynt
Ford
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harrington
Hastings
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Howard
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lujan
Luken
McCloskey
McCormack
McDade
McFall
McKinney
Madden
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Railsback
Rangel
Rarick
Rees
Reuss
Rinaldo
Roberts
Robinson, Va.
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Schroeder
Shipley
Shoup
Shuster
Sisk
Smith, Iowa
Snyder
Spence
Staggers
Stanton, James V.
Stark
Steed
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symms
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOES—100

Anderson, Ill.
Andrews, N. Dak.
Archer
Arends
Ashbrook
Baker
Bell
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burlison, Mo.
Butler
Carter
Cederberg
Chamberlain
Clancy
Cochran
Collier
Collins, Tex.
Conable
Conlan
Davis, Wis.
Dellenback
Dennis
Devine
Duncan
du Pont
Eilberg
Erlenborn
Findley
Fish
Forsythe
Frenzel
Froehlich
Gude
Hansen, Idaho
Harsha
Holtzman
Horton
Hosmer
Hunt
Johnson, Colo.
Johnson, Pa.
Ketchum
King
Lagomarsino
Landgrebe
McClory
McCollister
McEwen
McKay
Mahon
Martin, Nebr.
Mayne
Mazzoli
Michel
Miller
Mink
Mizell
Moorhead, Calif.
Mosher
O'Brien
Pettis
Price, Tex.
Pritchard
Quie
Quillen
Randall
Regula
Rhodes
Robison, N.Y.
Rodino
Ruppe
Ruth
Scherle
Schneebeli
Sebelius
Seiberling
Shriver
Skubitz
Slack
Smith, N.Y.
Steelman
Steiger, Wis.
Talcott
Towell, Nev.
Treen
Vander Jagt
Veysey
Whalen
Wiggins
Williams
Winn
Wyatt
Wyman
Young, Ill.
Zwach

NOT VOTING—51

Ashley
Bingham
Blackburn
Boggs
Bolling
Brasco
Brooks
Brown, Calif.
Carey, N.Y.
Daniels, Dominick V.
Diggs
Dorn
Esch
Fisher
Foley
Frelinghuysen
Hanna
Hansen, Wash.
Hawkins
Hébert
Heckler, Mass.
Holifield
Long, Md.
Lott
McSpadden
Macdonald
Madigan
Meeds
Mills
Minshall, Ohio
Mitchell, Md.
Mollohan
Murphy, N.Y.
Obey
Parris
Reid
Riegle
Rooney, N.Y.
Rosenthal
Roy
Ryan
Sikes
Stanton, J. William
Steele
Steiger, Ariz.
Stephens
Sullivan
Symington
Teague
Vander Veen
Wilson, Charles, Tex.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 28, immediately after line 26, insert the following new section:

SEC. 508. No part of the moneys appropriated by this Act shall be available to pay for legal counsel or assistance, travel, or personal staff for any person with respect to the period which begins on the day of the failure of such person to comply with a valid subpoena or other valid legal process issued under the authority of either House of the Congress, and ends on the day of the compliance of such person with such subpoena or process, or on the day on which such person is excused by the entity issuing such subpoena or process from compliance therewith, whichever day is earlier.

POINT OF ORDER

Mr. ROBISON of New York. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROBISON of New York. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill. The determination of compliance or noncompliance with a so-called valid subpena or legal process and the determination, indeed, as to whether or not a subpena or legal process is "valid," in this context, are additional administrative duties and therefore violate clause 2 of rule XXI of the House.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard?

Mr. DINGELL. Yes, Mr. Chairman, I desire to be heard.

Mr. Chairman, the words "valid subpena" impose no discretion on the executive officer or individual toward whom the subpena might be directed. These are words of art in the legal profession which have been used for generations. They are words which simply indicate appropriate legal process, and the word could either be "valid" or "appropriate."

I would remind my good friend, the gentleman from New York, that each and every subpena issued by this body or by the other body is fair on its face and is presumed to be valid.

Mr. Chairman, what the amendment says is that every person who receives a subpena from this body or from the other body and who fails to repond thereto shall receive no part of the funds appropriated by this act to pay for legal counsel or legal assistance, travel, or personal staff for any person during the time that he is not in compliance with the subpena or other legal process issued by the House or by the Senate.

There is no judgment imposed upon any person, because subpenas and legal processes issued by the House or by the Senate are clear on their face and are presumed to be valid until proven otherwise. So the individual has no discretion.

There are no responsibilities or ministerial duties imposed upon any person. There is simply a limitation upon the expenditure of funds for persons who are not in compliance with this particular amendment.

Mr. ROBISON of New York. Mr. Chairman, may I be heard further on my point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. ROBISON of New York. It seems to me, Mr. Chairman, that the distinguished gentleman in the well, who is obviously far more of an expert than am I, has just helped my point of order by saying a few moments ago that these so-called subpenas, valid subpenas and valid legal processes, are clear on their face and presumed to be valid, or whatever his words were, until determined otherwise. I think that was a phrase the gentleman used.

So that requires, then, some determination by someone outside of the Congress.

Mr. Chairman, I renew my point of order.

The CHAIRMAN (Mr. SISK). The Chair is prepared to rule.

The gentleman from Michigan (Mr. DINGELL) has offered an amendment which is intended as a limitation upon an appropriation, to which the gentleman from New York (Mr. ROBISON) has raised a point of order that it constitutes legislation on an appropriation bill.

The Chair has examined the amendment at considerable length and feels that there is ample precedent in connection with this type of limitation. The Chair will cite one precedent: A ruling by the gentleman from Connecticut, Mr. Monagan, Chairman of the Committee of the Whole, back on June 22, 1972, in connection with the same appropriation bill, on which an amendment providing that no funds in a general appropriation bill shall be expended for the compensation of persons who refuse to appear before a committee of Congress on the grounds of "executive privilege," except 10 persons designated by the President, or for the compensation of persons in the Executive Office holding more than one position therein, was held to constitute a valid limitation on the use of funds in the bill which did not interfere with the President's executive discretion or impose additional duties or policy changes upon him.

The Chair feels that this amendment is fully in line with the precedents here, and the Chair overrules the point of order.

Mr. DINGELL. Mr. Chairman, this amendment has been very carefully drafted, first of all, to avoid the pitfalls of the Constitution which prohibits the House from interfering with and prohibits the Congress from interfering with or changing the compensation of the President during his tenure of office.

The amendment offered here simply limits the expenditures of these funds so that none of them may be expended by any person for the following purposes: To pay for legal counsel or assistance, travel, or personal staff during the period that such person fails or refuses to comply with legal process or legal subpena issued by the House or the Senate; and as soon as that noncompliance has abated, then the individual may commence to have those expenses paid from this appropriation.

I do not think it is unreasonable for the Congress to say that we expect our subpenas and our processes will be honored by the executive department or by any other person. I do not think it is too much to say that we expect the President or anyone else to comply with the laws of this Nation and to respond to the subpenas and other processes of the Congress.

The Committee on the Judiciary of the House of Representatives has been sending, by overwhelming and nonpartisan votes, subpenas for tapes, for documents, and other information from the White House. The White House has at all times refused to comply therewith.

Mr. YOUNG of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. If the gentleman will permit me to complete my statement I will yield to the gentleman later.

Mr. Chairman, I find myself incapable of believing that this body or the other body would permit our or their mandate to inquire into the impeachment of the President to go to the faithful and full implementation of the law to inquire, as the grandest inquest in the Nation, in the language of the legal scholars and historians, to be ignored by any person, high or low.

I think it is very clear that in another position where other individuals perhaps were involved in this, we might have overwhelming support on both sides of the aisle. It is my hope that this will not be a partisan question, but rather it will be viewed, as it properly is, as a question of whether we are going to sustain the prerogatives of the House of Representatives to make its proper inquiries.

Those who voted overwhelmingly, with only a most miniscule number of dissenting votes, to vest in the Committee on the Judiciary the power to issue subpenas with regard to the impeachment proceedings now going on of the President of the United States, this House—and the Committee on the Judiciary, by overwhelming votes, has at the same time approved the issuance of subpenas—and one member of the Committee on the Judiciary this morning was quoted in the Washington Post as saying not one member of the committee dreams that the President will comply with these subpenas, not one member dreams.

Well, Mr. Chairman, I would never dream that a President or anyone else would fail or refuse to comply with the subpenas or with the laws of this Nation.

I do not think it is too much to say that the subpenas and the processes of this Congress should be adhered to, and should be carried out.

This is not a vote of impeachment, this is simply a vote as to whether this body intends to see to it that the processes and the subpenas issued by this Congress are honored by all persons in high or low estate.

Now I will yield to the gentleman from Illinois.

Mr. YOUNG of Illinois. Mr. Chairman, I want to say at the beginning that I have great respect for the judgment of the gentleman from Michigan. I would like, however, to believe and understand the import of the amendment the gentleman is offering.

Would it be my collect understanding that if the amendment of the gentleman from Michigan is offered, or his proposition were adopted, that it would be interpreted to mean at the present time that the President of the United States is not in compliance with a subpena and that therefore he would not be entitled to receive any payment?

Mr. DINGELL. The answer to that question is yes. The President is not in compliance with the whole series of subpenas. And these are so well known; in fact, better know to the Committee on the Judiciary and to a number of Members who serve on that committee, than they are to me.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my good friend, the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, having dealt for a good many years with the question of subpena power——

The time of the gentleman has expired.

(On request of Mr. ICHORD, and by unanimous consent, Mr. DINGELL was allowed to proceed for 5 additional minutes.)

Mr. DINGELL. I yield further to the gentleman from Missouri.

Mr. ICHORD. The amendment offered by the gentleman from Michigan (Mr. DINGELL) does raise a very interesting legal question.

Actually, what the House of Representatives is doing at the present time, and has for the last 100 years, is to rely upon the processes of the courts to enforce its subpena power. Of course, the House of Representatives, as one part of a coequal branch of the Government, would have the inherent power to enforce its own powers of subpena.

Mr. DINGELL. If the gentleman would permit me, he is entirely correct. We could do what we have done in the past, what the English Parliament did before us, and that is to hail the recalcitrant persons before this body and to try them, or to sentence them right here for failure to comply. I am trying to avoid that action. I want a fair action here to consider whether the President is guilty of wrongdoing justifying his impeachment, or to establish that he is innocent of wrongdoing so that we can clear him, so that he can begin to function.

But the answer to my good friend is, I have chosen this very reasonable, righthanded fashion to enable the Congress to procure compliance with its subpenas without getting into that kind of behavior, because I think the President should be cleared if he is innocent. He should be impeached, convicted, and removed from office if he is guilty of wrongdoing. This will enable us to expedite the process that the people are tired of waiting to have carried out by this body of getting the information required.

Mr. ICHORD. Mr. Chairman, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Then it is specifically the position of the gentleman from Michigan that we would not have to wait for a court decision if the amendment of the gentleman from Michigan is agreed to?

Mr. DINGELL. The answer to my good friend, the gentleman from Missouri, is that we are seeing here essentially a test of the powers that were decided in the confrontations between the Parliament and the Stuart Kings wherein the question of the expenditure of the public purse was resolved in favor of the powers of the Parliament. This is a fundamental principle emblazoned in the Constitution and in the laws of this land going back for 200 years.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Indiana.

Mr. DENNIS. I thank the gentleman for yielding.

The gentleman from Michigan is a good lawyer. Setting the political fun and games aside, he knows that these questions of executive privilege and constitutional rights of information between the executive and the legislative branch are great, unresolved constitutional problems of the Nation. Now I suggest he is presenting an amendment which is going to call on some clerk in the Department of the Treasury to decide that great, unresolved constitutional question every time a subpena is issued, not only to the President of the United States but to any member of the executive branch who for any reason refuses to honor it.

Mr. DINGELL. The gentleman from Indiana is entirely correct. This is a very simple amendment. It does not impose any difficult judgments on any person. It treats everybody alike, whether they be the lowest clerk in the executive branch, the ditchdigger, the garbage collector, or the President. It just says that the mandates of this Congress are going to be respected.

It also says something else. We are exercising the power of the purse, which is an ancient power of the legislature gathered with great difficulty from a recalcitrant king.

I would point out something else that is equally important. I do not agree with the gentleman with regard to executive privilege. It is my view that it does not exist. The President, as does everybody else, has a duty to comply with the law.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my friend, the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

First of all, the gentleman knows we do not have any parliamentary system in this country.

Mr. DINGEL. We have traditions in this country, and we have a written Constitution. Those are important and they must be upheld.

Mr. BROWN of Michigan. Will the gentleman yield for a couple of questions?

Mr. DINGELL. Certainly.

Mr. BROWN of Michigan. First, I should like to have the gentleman define "assistance" in his amendment. Second, I should like to have him define what constitutes a subpena which is valid, and legal process which is valid.

Mr. DINGELL. The answer to the first question is: There is a clause which appears in the second line of the amendment which says "for legal counsel or assistance," meaning legal assistance.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we could talk about this a long time and we would end up just where we are right now. I am sure every Member of the House knows what a frivolous amendment this is. We have other persons at work on this, and this is not the time nor the place for this kind of amendment. Mr. Chairman, I urge the Members to do themselves a favor and vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The amendment was rejected.

AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

SEC. 602. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act, who, being eligible for citizenship, has filed a declaration of intent to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from Cuba, Poland, or the Baltic countries lawfully admitted to the United States for permanent residence: *Provided*, That, for the purposes of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined not more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal-clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

The Clerk read as follows:

Amendment offered by Mr. WHITE: On page 29, line 22, after the word "date" insert the following: "and is actually residing in the United States".

Mr. WHITE. Mr. Chairman, this is a perfecting, correcting type of amendment which I have presented to both sides.

This amendment provides that on this continent for an alien who has declared himself as desirous of becoming a citizen, to work for the U.S. Government he must actually reside in this country. This is for the thousands of so-called green card persons who work in this country but live in Mexico and do not pay taxes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE).

The amendment was agreed to.

Mr. STEED. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 15544) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. STEED. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GROSS. I am, Mr. Speaker.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROSS moves to recommit the bill H.R. 15554 to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 367, nays 13, not voting 54, as follows:

[Roll No. 329]

YEAS—367

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boland
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Corman
Cotter
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Flood
Flowers
Flynt
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Harrington
Hastings
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Brien
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—13

Alexander
Ashbrook
Collins, Tex.
Conlan
Crane
Gross
Huber
Landgrebe
Price, Tex.
Rarick
Rousselot
Shuster
Symms

NOT VOTING—54

Ashley
Blackburn
Boggs
Bolling
Brasco
Brooks
Brown, Calif.
Carey, N.Y.
Carney, Ohio
Conyers
Coughlin
Daniels, Dominick V.
Diggs
Dorn
Esch
Fish
Fisher
Foley
Frelinghuysen
Hanna
Hansen, Wash.
Harsha
Hawkins
Hébert
Heckler, Mass.
Holifield
Long, Md.
Lott
McSpadden
Macdonald
Madigan
Meeds
Mills
Minshall, Ohio
Mitchell, Md.
Mollohan
Murphy, N.Y.
Obey
Parris
Reid
Riegle
Rooney, N.Y.
Rosenthal
Stanton, J. William
Steele
Steiger, Ariz.
Stephens
Sullivan
Symington
Teague
Thompson, N.J.
Ullman
Vander Veen
Wilson, Charles, Tex.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Ashley.

Mr. Hébert with Mr. Brown of California.

Mr. Teague with Mrs. Hansen of Washington.

Mr. Rooney of New York with Mr. Mills.

Mr. Dominick V. Daniels with Mr. Reid.

Mr. Holifield with Mr. Steele.

Mrs. Boggs with Mr. J. William Stanton.

Mr. Mitchell of Maryland with Mr. Dorn.

Mr. Brasco with Mr. Mollohan.

Mr. McSpadden with Mr. Blackburn.

Mr. Carney of Ohio with Mr. Conyers.

Mr. Murphy of New York with Mr. Madigan.

Mr. Carey of New York with Mr. Coughlin.

Mr. Rosenthal with Mr. Frelinghuysen.

Mrs. Sullivan with Mr. Esch.

Mr. Hawkins with Mr. Long of Maryland.

Mr. Diggs with Mr. Vander Veen.

Mr. Brooks with Mr. Harsha.

Mr. Hanna with Mr. Fish.

Mr. Foley with Mrs. Heckler of Massachusetts.

Mr. Fisher with Mr. Lott.

Mr. Macdonald with Mr. Parris.

Mr. Obey with Mr. Steiger of Arizona.

Mr. Riegle with Mr. Charles Wilson of Texas.

Mr. Stephens with Mr. Symington.

Mr. Meeds with Mr. Ullman.

The result of the vote was announced as above reported

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN H.R. 15544; AND GENERAL LEAVE FOR ALL MEMBERS ON H.R. 15544

Mr. STEED. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make conforming technical corrections to H.R. 15544, the bill just passed, pursuant to the amendments adopted by the House; and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

A $2 BILL FOR OUR 200TH BIRTHDAY

(Mr. PETTIS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and included extraneous matter.)

Mr. PETTIS. Mr. Speaker, I have today introduced a bill, H.R. 15585 for the purpose of directing the Secretary of the Treasury to issue a $2 bill with a reverse design emblematic of the Bicentennial of the American Revolution.

The Continental Congress first authorized a $2 bill in 1776, and in 1862, the first national currency note in the $2 denomination appeared. Steeped in historical tradition, this denomination, last issued in 1966, is a perfect vehicle to proclaim our national heritage and complement the three bicentennial coin designs authorized during the first session of this Congress.

Issuing a $2 bill would serve an important historical and fiscal purpose. James A. Conlon, Director of the Bureau of Engraving and Printing, estimates that the reissuance of the $2 bill could save the Government between $4 million and $5 million annually, based on a production cut in $1 bills.

I commend two articles that summarize the pros and the cons of reissuing the $2 bill. The first appeared in the October 9, 1973, Wall Street Journal by reporter Timothy D. Schellhardt. The second appeared subsequently in Numismatic News Weekly.

In introducing this bill, Mr. Speaker, I would urge prompt consideration by this House. The Bicentennial era has already begun, and any time there is the opportunity to save the Government $5 million, it ought to be very carefully considered.

FINALLY, GOVERNMENT MULLS ACTION TO MAKE GREENBACK GO FARTHER—IT MAY BRING BACK 2-DOLLAR BILL, SHELVED IN PAST AS UNPOPULAR; WILL SUSAN ANTHONY BE ON IT?

(By Timothy D. Schellhardt)

WASHINGTON.—Everybody is complaining that a dollar doesn't go very far any more. Before long, the government just may do something new about the situation:

It may resurrect the two-dollar bill.

In the not-so-inflationary 1960s, the two faded away, the victim of neglect by shoppers and shopkeepers; Uncle Sam stopped printing it in 1965. But now that the one-dollar bill won't even buy a pound of bacon or three gallons of gasoline, Washington policymakers are thinking it may be time for a greenback with more clout at the supermarket, the gas station and elsewhere.

Reissuing the two is "under active consideration," says John Sheehan, a Federal Reserve Board member who heads a Reserve Board panel seeking to determine whether such a bill would make economic sense and whether people would take to it better than before.

"There's rejuvenated interest" in the two-dollar bill, declares James A. Conlon, director of the Treasury Department's Bureau of Engraving and Printing. He figures a revival could slash the bureau's bulging production costs. It could print only half as many ones as it does now.

Lots of people have reasons of their own for promoting a return of the two. The American Revolution Bicentennial Commission wants it reissued in time to celebrate the country's 200th birthday in 1976, noting that the Continental Congress first authorized a two-dollar bill in 1776. Actually, the comeback could begin in 1974.

SUSAN OR TOM?

There's a women's-rights angle, too. Republican Rep. Victor Veysey of California has introduced legislation to put the portrait of suffragette Susan B. Anthony on a new two-dollar bill; Thomas Jefferson appeared on the departed version. "We need to recognize the importance of women to our economy, and this seems a logical way to accomplish that," he says.

If they could be assured that women—or anyone else—would use the bills, government officials say they'd quickly start the presses rolling. What concerns them is that the two-spot might again receive the same reception it got for many years in the past. "Let's just say it wasn't a particularly hot item," allows Treasury Under Secretary Paul Volcker.

That's an understatement from the under secretary. When the bill was dropped ("for lack of public interest," explained the Treasury), only $135 million in twos were in circulation. That represents less than one-third of one percent of all the currency circulating. The public used the bills so seldom that by 1965 the average life of a two—a good measure of its use—was about six years, compared with 18 to 20 months for a one or a fiver. Most of the time, the twos gathered dust in Federal Reserve bank vaults.

Explanations for this unpopularity abound. One barrier to acceptance was the nation's retailers. Many complained that clerks making change often mistakenly handed customers two dollar bills instead of ones. (This objection also operated in reverse; shoppers feared paying out a two in place of a one.) In addition, storekeepers grumbled that their cash registers contained no special compartments for the bills.

ARE THEY BAD LUCK?

Moreover, at one time the twos gained notoriety when politicians began using them to pay for votes. In the presidential election of 1880, when the Republican Party spent sizable sums to carry several crucial states, possession of a two-dollar bill in those states was considered a tipoff that a man had sold his vote; the going price per vote was two dollars.

But to some, the real culprit all along was the ghost of Alexander Hamilton, the Treasury Secretary who was killed by Aaron Burr in a famous duel. When Hamilton's portrait appeared in 1862 on the first two-dollar note issued by the U.S. government, many people whispered that the bill was bad luck. The superstition stuck.

Even when the picture of Hamilton was replaced the following year by that of Jefferson, many Americans wouldn't use the bill. Others began tearing one corner off the bill, believing that that would somehow counter its curse. That practice continued well into this century, and the Treasury had to print new bills to replace mutilated ones.

Mr. Conlon, for one, believes the superstitions have vanished, and he says the public now would accept a two-dollar bill. He cites the general acceptance of the same denomination in such countries as Canada. (And, he adds, by cutting production of one-dollar bills, the Bureau of Engraving could save $4 million a year.)

Mr. Sheehan says his Federal Reserve panel is giving the whole matter of reissuance "a complete airing." He says the answer—"among, quote, sophisticated, unquote, people is that it isn't a good idea." But he says many of the arguments in favor of the two-dollar denomination "make good sense to me."

COST FACTOR MAY RESULT IN RETURN OF $2 BILL

(By David L. Ganz)

The $2 bill may make a comeback. That's the word from the director of the Bureau of Engraving & Printing, James A. Conlon. The Federal Reserve is believed to be "actively considering" reissuance of the bill, last printed by the BEP in 1966.

Reissuance of the note could come as early as next year, although sources suggest it will be revived in conjunction with the bicentennial celebration in 1976. The American Revolution Bicentennial Commission has recommended that a $2 issue be printed with a design representative of 200 years of U.S. freedom.

Never a popular issue, the $2 bill was first printed in 1862. In the Tammany Hall era, it was used frequently to buy votes. By the early 1960s, the Treasury had all but ceased to print them. Just six million notes were produced annually, mostly to satisfy statutory requirements. As Conlon noted, this was not enough to allow the note to circulate.

A career employe since 1942, Conlon rose through the ranks to become director in October, 1967. Since 1969, he has advocated reissuance of the $2 bill as a "cost effectiveness" technique.

"We could save $1½ million a year with a $2 bill," Conlon told Numismatic News Weekly in an interview in May. This economy would derive from a decrease in the number of $1 bills needed. Currently, more than two-thirds of the BEP's production of currency is devoted to making the dollar bill.

For four years, the matter has been studied by the Federal Reserve, the nation's leading fiduciary institution, and the Treasury's under-secretary for monetary affairs.

The Federal Reserve study is headed by John E. Sheehan, chairman of Fed cost cutting operations. Sheehan has said the Fed "would give serious consideration to any idea that would cut currency costs."

Paul A. Volcker, undersecretary of the Treasury for monetary affairs, also is reviewing the matter. He recently responded this way when asked by a newsman what he thought was the problem with the last issue of $2 bills: "Let's just say it wasn't a particularly hot item."

So far as the Federal Reserve is concerned, the agency's chief interest in any cost reducing technique is that it be "practical and acceptable."

The Treasury's chief concern is that "the bills be used" if made. "It didn't work well the last time around," a spokesman commented. "That doesn't say it couldn't work now, but we have to be sure that the Federal Reserve will order them, that banks will distribute them and that customers will accept them."

Bicentennial commemoration is one prominently mentioned linkup with rejuvenation of the $2 bill. This, so the argument goes, would change public thinking on the subject and give the bill maximum acceptability.

Reissue of the $2 bill is bound to involve controversies over the note's design. Rep. Victor Veysey, R-Calif., has proposed that suffragette Susan B. Anthony appear on a new $2 bill. In this proposal, he joins a list of congressmen who have suggested similar changes—unsuccessfully.

AN HISTORICAL SALUTE TO NORTH KINGSTOWN

(Mr. TIERNAN asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. TIERNAN. Mr. Speaker, I would like to call the attention of Congress and the Nation to North Kingstown—a community in Rhode Island's Second Congressional District which this year celebrates the 300th anniversary of its incorporation as a town.

North Kingstown has a long and distinguished history—a past so interesting that I would like to sketch it in outline for my colleagues today. This town, located about 20 miles south of Providence, is bounded by the towns of Narragansett and South Kingstown on the south; partly by the town of Exeter on the west and partly by the town of East Greenwich on the west and the north, also by my own city of Warwick on the north, and on the east by beautiful and bountiful Narragansett Bay.

North Kingstown's earliest recorded history was intertwined with the activities of the famous Narragansett tribe of Indians, for the land upon which the community now rests was part of the Narragansett country. This Indian domain corresponded roughly with present-day Washington County of which North Kingstown is a part, and it was in that portion of their holdings which eventually became North Kingstown that the Narragansetts cultivated crops of maize or Indian corn, beans, squash, tobacco, and strawberries. So proficient were these Indians as planters that they are reported by contemporaries to have been "the best farmers among the aborigines along the Atlantic seaboard."

When English and Dutch merchants came to America they soon found their way to the land of the Narragansetts, and a brisk trade in agricultural produce developed, particularly in North Kingstown's fine natural harbor at Wickford Cove, an area the Indians called Cocumscussoc—marshy meadows. One such trader, John Oldham of Plymouth Colony, ventured many times to Narragansett waters in his brig. This colonial entrepreneur described the countryside in the area which was to become North Kingstown as treeless farmland but "very stony and full of Indians."

In 1636 Roger Williams came to the region as a religious exile to establish the settlement of Providence at the head of Narragansett Bay. It is well known that Williams' Providence settlement, devoted to the great American principles of religious liberty and separation of church and state, was the earliest Rhode Island town. What is not generally known is that Williams had a role in the development of the Narragansett Country and in the establishment of a permanent settlement in present day North Kingstown.

When the popular litany of Rhode Island's early towns is recited the emphasis has been on the four "original" incorporated towns—Providence, 1636, founded by Williams; Portsmouth, 1638, and Newport, 1639, founded principally by William Coddington; and Warwick, 1642, founded by Samuel Gorton. Those who are better versed in Rhode Island history are aware of the Pawtuxet Village community established by William Harris and his associates in 1638. But there are very few, indeed, who realize that the permanent settlement of North Kingstown also dates from this formative era entitling this community to rank as one of Rhode Island's pioneer towns.

That settlement can be traced to the year 1637 when Roger Williams and Richard Smith each set up trading posts near Wickford Harbor. These establishments were ideally situated with the Bay to the eastward and the Pequot Trail to the west. This road was described as the great Indian thoroughfare through the Narragansett Country and "its one real artery of life." Portions of its meandering path in later years became the Old Post Road.

Williams, of course, made his fame and his reputation elsewhere, so it fell to Richard Smith, "the first English settler of the Narragansett Country," to become North Kingstown's founding father. In 1641 Smith purchased from Canonicus and Miantonomi, renowned sachems of the Narragansett Tribe, a tract of land north of Wickford Harbor. Shortly thereafter he built a blockhouse, part fort and part trading center, which became known as "Smith's Castle." Then he bought out the local trading rights of John Wilcox another North Kingstown pioneer, and by 1651 purchased Roger Williams' post, thus becoming the sole proprietor of the Cocumscussoc area.

Smith had trading contacts with the Dutch in New Netherlands and his wife and family often journeyed there. On one such trip his daughter Catharine met Gysbort Op Dyck—Updike. The young couple married and eventually, after the death of Richard Smith, Jr. in 1692, title to Cocumscussoc passed to their child Lodowick Updike. Thus began an Updike dynasty at Cocumscussoc that endured until 1812.

Smith's Castle was burned in King Philip's war, 1675–76, but immediately thereafter it was rebuilt by Richard Smith, Jr. to become "the focal point of the diverse forces and cross-currents—political, military, commercial, agricultural, and social—that shaped the uncertain destiny of the struggling colony," according to its historian, Dr. Carl Woodward, president emeritus of the University of Rhode Island and a noted student of American agricultural development.

Despite the success of the Smith clan, North Kingstown was beset by several problems during its formative years. The first controversy arose in 1659 when a group of land speculators known as the Atherton Co. laid fraudulent claim to a large portion of the Narragansett country. This attempted land grab was followed in 1662 by the issuance of Connecticut's royal charter, a document which granted to that colony all lands up to the western shore of Narragansett Bay. When the Atherton Co.—with whom Richard Smith, Sr. collaborated—decided to support the Connecticut claim, Rhode Island's control of North Kingstown and the remainder of the Narragansett country was placed in jeopardy. Fortunately, Rhode Island's royal charter of 1663 set the colony's boundary at the Pawcatuck River, thus superseding the Connecticut claim and preserving the Narragansett lands. The conflicting provisions of the two charters, however, set off a series of boundary disputes, and not until 1726 was North Kingstown's position as a Rhode Island town fully secured by royal decree.

During that period of boundary strife several important events transpired. In 1674 a large portion of the Narragansett Country comprising the present communities of North Kingstown, South Kingstown, Narragansett, and Exeter was incorporated under the name Kings Towne. Since North Kingstown was the most populous and first settled community of the four, it is regarded as the parent town and we celebrate its incorporated history from that year.

Not long after its legal establishment the town experienced further adversity. In 1675–76 it was ravished in King Philip's war. No sooner had it recovered than Sir Edmund Andros and his Dominion of New England acquired jurisdiction over it and renamed the town Rochester. When the Dominion collapsed in 1689 after the fall of King James II, local autonomy was restored and so was the name Kings Towne.

The 18th century brought to North Kingstown more prosperity and less adversity than occurred during the formative years. The boundary disputes were settled, the Indians were pacified, population increased, commerce expanded, and agriculture prospered with the aid of Negro slaves. In some respects this era marked the high-point of the town's influence in state affairs—it was North Kingstown's "golden age." The rapid growth resulted in Kings Towne's subdivision. From its southern sector South Kingstown was carved in February 1722–23 and from its western portion Exeter was created in March 1742–43, because, according to the general assembly, the town was "very large and full of people."

It was also during the 18th century that the village of Wickford, formerly called Updike's Newtown, became a significant port and the town's political and economic center. From its harbor sailed vessels to the West Indies, to the fishing grounds off the Grand Banks and to other ports along the Atlantic coast. Here was located ship building facilities, a distillery and other commerce-related industries. This picturesque village is now graced with the historic and stately homes of those colonial merchants who prospered during Wickford's commercial heyday. These structures serve as tangible reminders of Wickford's era of commercial prominence.

It was also during this 18th century golden age that North Kingstown produced several native sons who achieved distinction in their respective spheres. One was Daniel Updike of Cocumscussoc who served as state attorney general for 25 years, 1722–32, 1743–58, the longest tenure of any attorney general in Rhode Island history. Another was Gilbert Stuart who was born in a gambrel-roofed snuff-mill nearly 4 miles below Wickford. Stuart's early years were spent in this still-extant structure, and though his fame was made elsewhere as the great portrait painter of George Washington and other Founding Fathers, he remains North Kingstown's most illustrious native son.

During the 18th century the town also attracted some notable residents. Foremost among these were the Reverend James McSparran and the Reverend Samuel Fayerweather, the successive Anglican rectors of North Kingstown's St. Paul's Church. St. Paul's, popularly known as "the Old Narragansett Church," was built in 1707 on "the platform," 4 miles south of Wickford, but in 1800 it was moved to its present site on Church Lane in Wickford Village. Under the guidance of McSparran, a writer, teacher, and physician, and the learned Fayerweather, St. Paul's became the region's intellectual and cultural, as well as its religious center. Fortunately its fascinating history has been preserved by the pens of Wilkins Updike and Daniel Goodwin.

When the American Revolution erupted in 1775 Rhode Island was in the vanguard of the movement for independence, and North Kingstown was a very active and willing participant in that struggle. Since its position on Narragansett Bay rendered it vulnerable to English attack, its citizenry petitioned the State legislature for permission to form a military company called the Newtown Rangers in 1777. When permission was granted, the blacks of the town followed suit and formed a sizable military company of their own, officered, of course, by white men. Thus did the courageous blacks of North Kingstown unite to help the whites gain full political freedom, even though they themselves had been denied the most basic civil rights by the people to whose aid they came. Happily the Revolution generated a spirit of reform in Rhode Island which led to the passage of an act in 1784 which provided for the gradual abolition of slavery.

George Babcock, whose name heads the petition for the charter of the Newtown Rangers, became a successful commander of the Revolutionary privateer *Mifflin*. This 20-gun ship, manned by 130 men enlisted in North Kingstown and Exeter, took prize after prize from the English. Babcock and his men capped a sensational career of privateering with the defeat and seizure of the 26-gun British naval vessel *Tartar* and its complement of 162 men off the Banks of Newfoundland in 1779.

As the 18th century drew to a close one could say without contradiction that North Kingstown had played a very prominent role in Rhode Island development—it was the State's sixth largest town; it wielded considerable political weight, it was a leader in agriculture, an important if secondary commercial center, a place of cultural, religious and intellectual vitality, and a town whose residents had performed courageously in the Revolutionary movement.

But this success and progress, at least in the material sphere, was not destined to endure. The opening of western farmlands adversely affected local agriculture, the port of Wickford declined, and Updike's Cocumscussoc plantation was subdivided bringing its era of prosperity to an end. In the 19th century, manufacturing replaced commerce and agriculture as the backbone of the Rhode Island economy, and this new source of wealth and importance centered not in North Kingstown but in Providence and the valleys of the Pawtuxet and the Blackstone Rivers. The result of these various factors for North Kingstown was a long period of economic stagnation and painfully slow growth. The Federal census of 1790, a year approximating the end of the town's golden age, listed 2,907 inhabitants in North Kingstown making it the State's sixth most populous community. In 1940, a century-and-a-half later, its population had only climbed to 4,604 and its rank was 23 out of 39 communities. In that same period Rhode Island's total population had increased more than ten-fold.

During the 19th century agriculture continued to predominate as North Kingstown's major activity, but for many local farmers it was not particularly lucrative. Their small holdings and rocky soil kept farming at the subsistence level.

Manufacturing, however, did make some inroads. An historian of the town writing in 1878 noted "four cotton and eight woolen mills, with others in the process of construction." He also observed that these industries "represent an invested capital of between $1 and $2 million, and the sound of factory bells assembles daily from 500 to 600 operatives." Many of these workers were undoubtedly farmers who supplemented their income by toiling long hours in the mills.

Despite the limited nature of North Kingstown's industrial activity when compared with Providence, Pawtucket or Woonsocket, manufacturing was not without its impact on the town. Along the banks of such local streams as the Pettaquamscutt and the Annaquatucket, on the Post Road, or on the Providence-Stonington Railroad line small mill villages or mercantile hamlets sprang up such as Allenton, Annaquatucket, Bellville, West Wickford, Hamilton, Kettle-Hole, Mount View, Lafayette, Wickford Junction, Narragansett, Oak Hill, Davisville, Saunderstown, Silver Spring, Scrabbletown, Sandy Hill and Slocum. Most of these tiny settlements were the products of the selective spread of industry in 19th century North Kingstown, but despite their random creation, the general character of the town continued to be rural and agrarian.

The first four decades of the present century wrought only slight change in the composition and size of the town. From 1900 to 1920 the population actually dropped from 4,194 to 3,397, a loss that was probably attributable in part to the general decline in the Rhode Island textile industry. By 1940, however, the beginnings of the suburban movement brought about a mild revival—at that point the town's inhabitants numbered 4,604.

Then came the great economic and population boom. The U.S. Navy was the catalyst. Largely through the efforts of U.S. Senator Theodore Francis Green, the Federal Government decided to locate major naval installations in the northeastern sector of the town at the hamlet of Davisville and at nearby Quonset Point, a small peninsula on Narragansett Bay, part of which had become a summer resort while another portion served as a training camp for the Rhode Island National Guard.

On May 25, 1939, President Franklin D. Roosevelt signed into law the bill appropriating $1 million to be used for the purchase of North Kingstown land. By July 12, 1941, the Quonset Naval Air Station was commissioned. In the interim 11,000 civilian laborers dramatically transformed the area—peat bogs, some as deep as 30 feet and 400 feet long were removed, nearly 45,000 cubic feet of ledge rock was dynamited to provide room for the spur track railroad, millions of square feet of asphalt was laid over the once-grassy landscape, and some 20 million cubic yards of fill was taken from Narragansett Bay to add 200 man-made acres to the air station area.

The Naval Air Station and the adjoining base at Davisville which serves as the home of the Atlantic Seabees, the Naval Construction Battalion, have had a remarkable impact on North Kingstown, R.I., and the Nation. Here in 1941 was developed the famous Quonset Hut. Then, during the years of World War II, antisubmarine warfare patrols flew constantly from Quonset and auxiliary stations, pilots and crews were trained for carrier operations, and 7 days a week around the clock the Overhaul and Repair Department's Navy-civilian team worked to "Keep em Flying."

In the years following the war, Quonset played another major role, this time in the operational development of carrier-based jet aviation; and the Navy's first all-jet fighter squadron was formed and trained at Quonset Point. In recent years Quonset has served as the home of the subhunters and as a base of operations for the Navy's Antarctic exploration. Throughout the station's entire lifetime, Quonset's O. & R. Department, manned by many residents of North Kingstown, has played a vital role in keeping the Atlantic Fleet's aircraft and ordinance in ready condition.

Largely because of the existence of Quonset and Davisville, the U.S. Navy became Rhode Island's largest single employer, and the Navy's North Kingstown installations had a dramatic effect on the economic and physical growth of the town. The community which had gained only 1,697 inhabitants in the century-and-one-half from 1790 to 1940 increased its population by 10,206 during the decade of the forties. The population leap from 4,604 to 14,810 was a 221.7 percent increase, by far the highest growth rate in the State for that 10-year period.

From 1950 to the present North Kingstown's remarkable development has continued, primarily as a result of the suburban exodus. In 1960 the town's population rose to 18,977 and by the 1970 census it had jumped to 27,673—a growth rate of 45.8 percent for the decade of the sixties. This population increase has been accompanied by significant economic development caused by the creation of many new firms and by the relocation of the large-scale industrial operation of the Brown and Sharpe Manufacturing Co.

Indeed the economic future seemed bright for North Kingstown until it was announced last year that Quonset Naval Air Station would be closed and Davisville would have its activities curtailed. The immediate impact of this cutback on local wage earners and merchants was severe. Ironically in June, 1974 as the town celebrates its 300th anniversary a more solemn ceremony will be held—the formal closing of Quonset.

Yet the town is not without hope, for many firms are interested in locating their plants on Quonset land including the Electric Boat Division of General Dynamics Corp. If economic development plans are successful, large-scale private industry will more than offset the effect on North Kingstown of the Navy's departure. I expect that this will be the case, for North Kingstown has a long-standing habit for overcoming adversity whether it be in the form of fraudulent land speculators or Indian attackers; whether it results from the decline of maritime activity or the demise of the textile industry. With such a record of tenacity and resiliency, the citizens of North Kingstown can scarcely fail to cope with their present economic crisis. I feel that the history of this town should be a source of inspiration to its residents and provide them with the courage and determination to face the future and shape it to their needs. This is why I call upon the Members of Congress to join with me in saluting this remarkable Rhode Island town on the tricentennial of its incorporation. May its future be as challenging as its past.

PRELIMINARY INJUNCTION PROHIBITING ENFORCEMENT OF PARTS OF RECENT MINIMUM WAGE LAW

(Mrs. GREEN of Oregon asked and was given permission to address the House for 1 minute, to revise and extend her remarks.)

Mrs. GREEN of Oregon. Mr. Speaker, I take this 1 minute to call the attention of my colleagues in the House to action that was taken yesterday in Oregon which prohibits the enforcement of part of the minimum wage law which was passed by this Congress recently.

Mr. Speaker, to my chagrin and dismay, we find in the minimum wage law there is a prohibition against children under 12 years of age picking strawberries or working in certain harvest fields. In the minimum wage bill, we allowed the 11-year-old to pick strawberries on his parents' farm, or on a farm that was not covered, but if he picked strawberries on a covered farm, then he was prohibited under the minimum wage law.

A suit was brought; and the court ruled yesterday that the Secretary of Labor could not enforce this law in the State of Oregon, and a preliminary injunction was granted.

Mr. Speaker, it seems to me that this might be of interest to people from other States who are having the same problem that we have had in the State of Oregon. It makes no sense to me to spend millions and millions of dollars in various programs to keep kids off the street and to try to prevent and control juvenile delinquency, and then pass laws at the same time that say they cannot work.

I cannot understand the thinking of those people in the other body, who seem to know only the jungles of the big city and who have never visited the strawberry fields of Oregon, and who equate the summer harvest work with injurious child labor as known of old in the infamous sweat shops. I assure them it is not. It is healthy, good work for youngsters in the summer which provides not only the opportunity to earn money but also, in addition, provides self-discipline and character training. The fact that the U.S. district court has granted a preliminary injunction, must not deter us in correcting the provision in the minimum wage bill that was never intended by the majority of the Members of the House.

At this point I read the document granting the preliminary injunction. It may be of immediate help in other States:

[In the U.S. District Court for the District of Oregon, Civil No. 74-450, preliminary injunction]

Larry William Kelly and Larry William Kelly, Guardian Ad Litem for Jodi Woodruff, David Murray, James Meeuwsen, Jeff Tolke, and Deanna Von Wald, minors, Plaintiffs, versus Peter J. Brennan, Secretary of Labor, United States of America, Defendant.

This matter was heard before a three-judge panel, 28 U.S.C.A. § 1331(a) and 28 U.S.C.A. § 2284. Pursuant to Rule 65(a), plaintiffs request the issuance of a preliminary injunction enjoining the defendant from enforcing Section 12 of the Fair Labor Standards Act as amended, 29 U.S.C. § 212.

We have considered the complaint, the affidavits, and the stipulation of counsel. It appears that there is no factual dispute.

The plaintiff Larry William Kelly is a farmer. He has approximately 85 acres planted in strawberries. The strawberries are picked by hand—no farm machinery is involved.

For many years plaintiff has been dependent upon school children to pick and harvest his crop. During the peak of the harvest season, he has engaged 500 to 600 children, 25% to 33⅓% being under 12 years of age.

The plaintiffs Jodi Woodruff, David Murray, James Meeuwsen, Jeff Tolke, and Deanna Von Wald appear through Larry William Kelly, their guardian ad litem. They are under 12 years of age and have been seasonally employed picking strawberries with parental permission and desire such employment in 1974.

The defendant, Peter J. Brennan, is the Secretary of Labor of the United States of America and is required to administer and enforce the Fair Labor Standards Act as amended.

By the act of April 8, 1974, Public Law No. 93-259, Fair Labor Standards Act Amendments of 1974, which became effective on May 1, 1974, Congress has prohibited the plaintiff Larry William Kelly and others similarly situated from engaging children under the age of 12 years to harvest and pick their strawberry crops.

Estimates of surveys made in the states of Oregon and Washington indicate that the challenged legislation will reduce this season's harvest by 9,000 tons, 21,000 pickers would not work and would lose $1,386,000 income, 18,000 fewer production workers would be employed and would lose $1,500,000, and the two states would lose $113,000 in taxes.

Because of the legislation, the plaintiff Kelly anticipates losing one third of his expected crop, at a loss of $66,000. He would be deprived of many workers. The children affected would lose personal income. The plaintiffs and those similarly situated would suffer immediate, substantial and irreparable injury. On the other hand, restraint of the defendant will cause no substantial harm to the defendant or other interested parties.

A strong showing of the likelihood of success on the merits of the case is an element which the Court considers in the issuance of a preliminary injunction. However, this element must be considered along with others, namely, that irreparable injury will occur unless relief is granted; restraint will cause no substantial harm to other interested parties; and that the public interest favors the relief. We must consider whether the potential injury is grave and great. Less importance should be placed upon the element of likelihood of success on the merits where the potential injury is severe. If the balance of hardships tips decidedly toward the plaintiff, it is ordinarily sufficient that the plaintiff has raised questions going to the merits which are so serious, substantial, difficult, and doubtful as to make them fair grounds for litigation and for more deliberate investigation. *Costandi v. AAMCO Automatic Transmissions, Inc.*, 456 F. 2d 941 (9th Cir. 1972); *Semmes Motors, Inc. v. Ford Motor Co.*, 429 F. 2d 1197 (2d Cir. 1970).

Although on first impression we express considerable doubt as to the validity of plaintiffs' claims, nevertheless we must recognize the great importance of the constitutional issues, the immense public interest, the extent of the probable irreparable damage to plaintiffs, the lack of damage to defendant, and the fact that Congress is considering the legislation on an emergency basis.

We have concluded that plantiffs are entitled to a preliminary injunction to stay the proceedings until we have time for further consideration. Needless to say, we express no opinion on the eventual outcome of the litigation.

It is ordered that the defendant, his agents, assistants, attorneys, successors, and all persons in active concert and participation with him and all persons acting by, with, through, or under him or by his order who receive actual notice of this order by personal service or otherwise are hereby preliminarily enjoined during the pendency of this case from enforcing the provisions of Section 12 of the Fair Labor Standards Act as amended, 29 U.S.C. § 212, as it pertains to the harvesting of strawberries by children under 12 years of age in the employ of Larry William Kelly, the plaintiff and other similarly situated.

It is further ordered that this preliminary injunction is on condition that a bond be filed by plantiffs herein in the sum of $500.00 for the payment of such costs and damages as may be incurred or suffered by any party who is found to be wrongfully enjoined or restrained. Said bond shall be approved by the Clerk of this Court or by the Court.

Dated this 22d day of June, 1974.

/s/ John F. Kilkenny,
/s/ William G. East,
/s/ Otto R. Skopic, Jr.,
U.S. District Judges.

MINIMUM WAGE ACT

(Mr. DENT asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. DENT. Mr. Speaker, I know the problem very well. I want to assure the House that the House did not vote for that provision when the bill went through the House. It was added on the Senate by an amendment, which apparently had no problem in it until after it was interpreted.

We passed a bill as it has been since 1966 in which a youngster was permitted to work if he was accompanied by his parent or parents, or had written consent from his parent or parents. This did not work a hardship, and it has worked well. It makes it possible under the present interpretation of the act in many of these instances for the mothers and fathers to go out and work in the crops that are in many instances called instant crops, like strawberry picking and other fruits and vegetables, that have to be picked at the ripening period.

Our committee understood that, but an amendment was offered which said, unless that farm or agricultural pursuit was previously under the Minimum Wage Act, not realizing what is had done, it then removed the exemption from those farms that are covered under the Minimum Wage Act and allowing only 5 percent of the farms in the country. It so happens this particular type of endeavor is in that type of farm almost exclusively.

I told the gentlewoman that at the present time the reform on pensions is very serious and time consuming, and I had hoped to have that matter completed over 3 weeks ago and probably this week will be the end of it, I pray, and as soon as I have the reform on pensions completed, we will take up not only her problem but also our problem on child labor in the hand-picking industries.

Mrs. GREEN of Oregon. Mr. Speaker, if the gentleman will yield, I want to make it abundantly clear that the gentleman from Pennsylvania has been most cooperative and he does understand the problems where there is truck gardening, the strawberry harvest, and other harvests.

I regret there are a few people on the other side of the Capitol who as I indicated seem to know nothing except the asphalt streets of the big cities and who seem to equate the old sweatshops with the beautiful strawberry fields and wide-open spaces and mistakenly believe it is going to be injurious to the child's health to work in the open air and pick strawberries a few hours each day.

I thank the gentleman from Pennsylvania.

Mr. DENT. I thank the gentlewoman from Oregon.

Mr. Speaker, I want to assure those who have been coming to me with serious problems on the interpretation also of the so-called babysitter rule that I told this House I would defend the position of the House in all instances. I would rather lose my seat in Congress than lose my standing with the Members of this Congress.

THE 107th ANNIVERSARY OF THE CORTLAND STANDARD

(Mr. HANLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, during this month, the Cortland Standard, published daily in Cortland, N.Y., celebrates its 107th anniversary. As the Representative in Congress of the people of Cortland, I take this opportunity to join them in congratulating the newspaper. As one of the oldest institutions in Cortland County, the Cortland Standard has had a significant and constructive role in the growth and development of the community of which it is a part.

The newspaper was established by Francis G. Kinney, in June of 1867, and was published on a weekly basis. Four years after the paper's second owner, Wesley Hooker, merged it with the Cortland Journal, the Cortland Standard was bought by William H. Clark, in 1876. Mr. Clark served as the paper's editor and publisher for 52 years. His son, Edward H. Clark, served as president and editor for 45 years, until his death less than 1 year ago. Paul L. Geibel now serves as president and treasurer, and Walter W. Conklin is managing editor of the newspaper.

Today, the Cortland Standard is one of a very small number of family owned newspapers that still exist in New York State.

The first daily issue of the Cortland Standard was published on March 8, 1892, with an initial circulation of 3,000 copies. The four-page paper sold for a mere 2 cents in that bygone era. Today's newspaper bears little resemblance to the paper of 1892. Modern equipment and techniques are used to produce a multisection newspaper of the highest quality, with a daily circulation of 12,650 copies.

I call attention to this anniversary of the Cortland Standard, not only to applaud its long history of success, but also to note its role as an essential institution in the Cortland community. The Cortland Standard is exemplary of the importance of newspapers in communities throughout the United States. The necessity for a free and independent press has been recognized since the inception of the Nation. Though as public officials we may have found ourselves at odds with the press from time to time, I believe that every Member of this Congress recognizes the fundamental role of newspapers in our society.

As our society becomes increasingly complex and there is an ever burgeoning amount of knowledge to be absorbed by the public, this role has become more vital than ever before. Newspapers such as the Cortland Standard provide the public with access to an awareness of events of importance at the local, State, National, and international levels. Newspapers are the most thorough and readily available means that the public has of obtaining this information.

I congratulate and commend the Cortland Standard for the invaluable service it has performed for the people of Cortland County.

BURKE FIGHTS TO COMBAT RISING COSTS OF FOOD

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, may I take this opportunity to bring to the attention of the House the great efforts being made by our esteemed colleague, Mr. BURKE of Massachusetts, in his fight to combat the rising prices of food. Mr. BURKE has with great clarity explained the high prices of vegetables, the predicted shortages of food in the years to come, and what we can do to correct the problem.

Congressman BURKE is one of the closest Members to the average man that I know of. His keen insight into the problems that concern the poor, the low-income and the middle-income people of this Nation has earned for him the respect of all the Members of Congress. He has never wasted his time in Congress, his motto is "We Only Have Time for the Best."

I hope the House Committee on Agriculture will report his seed bill favorably. It will only cost the Government $6 million and will result in the production of an estimated $380 million in good nutritious vegetables. It will encourage a return to the soil in the urban areas of our country. Good healthy outdoor exercise for the youngsters. What better way can the Government do than to help people help themselves. I include a news article that appeared in today's Washington Post written by William Grieder:

BACKYARD SEEDS AND SUBSIDIES, BUT WILL AGRIBUSINESS COTTON TO IT?

(By William Greider)

A congressman named Burke is cultivating an idea he thinks is as ripe as sweet corn in August.

All these years, Burke figures, the rural congressmen have been legislating big federal handouts for their farmers back home. So why can't a city guy take care of his folks? With a little agricultural subsidy for the backyard gardeners of America?

"These hobby farmers and these big corporate farmers get all these tremendous tax breaks," said Rep. James A. Burke, the second-ranking Democrat on the House Ways and Means Committee. "There wouldn't be any harm in giving the home gardener a little nibble at the cake."

The Boston congressman talks grandly of germinating a "back-to-the-soil movement" that would eclipse the Victory Gardens of World Wars I and II, drive down food prices and feed the nation in times of shortage.

"It would also give the American family a chance to find out what a real tomato tastes like," he said.

The congressman, who represents close-in Boston suburbs, discusses his movement with a sort of Irish wink, but he is as serious as friend eggplant.

For starters, Burke has asked the House Agriculture Committee to enact a bill distributing free vegetable seeds to home gardeners, three packets to a family. Then he persuaded his colleagues on the Ways and Means to approve tentatively a 7 per cent investment tax credit for backyard garden equipment.

"The Home and Family Garden Tax Credit Amendment," as he styled it, would let gardeners subtract up to $7 on their income-tax bills if they spend up to $100 on hoes, rakes, wheelbarrows, spades, pitchforks and such.

"White potatoes—$4.65 a peck; lettuce—85 cents a head; onions—69 cents a pound," Burke wailed. "Take a look at the people in the supermarket. It's bad enough, the look of despair when they go along the meat counter, but then they go to the vegetable counter and all they hit is these high prices."

Burke has been talking up the idea among the serious gardeners in the House of Representatives, tillers of the soil like Reps. Wayne Hays (D-Ohio), Silvio Conte (R-Mass.) and Richard Bolling (D-Mo.).

"I told Jim I think it's a helluva idea," said Rep. Frank Annunzio (D-Ill.), a producer of peppers, corn and tomatoes in the 39th Ward of Chicago. "We got to go back to garden farming to get the prices down. If people will think they're doing something patriotic, it will go."

Rep. Hays, who gardens a sixth of an acre on his farm near Belmont, Ohio, will go along with the tax credit, but he's skeptical about free seeds. "The government used to do that," he said. "I got my doubts about how many of them got planted."

Congressman Burke, who remembers with considerable nostalgia the Victory Garden produce he raised as a boy, no longer gardens himself. He calculates that $6 million in free seeds from the government would yield $380 million in homegrown produce at retail prices. Congressman Hays, who *does* garden, knows that sometimes it doesn't work out so neatly.

"The year before last, Hays recalled, "I supplied half of the Hill with cucumbers. I must have had 25 or 30 bushels. Last year, my cucumbers got blight. I don't guess I had a bushel of cucumbers."

Hays gardens on weekends, tomatoes, peas, beans, corn and so on, but this is an election year which means he can't keep up with the weeds the way he ought. Personally, he has been more upset by the rising price of flowers than inflation at the vegetable counter.

"I usually put in geraniums around the house when the tulips are finished," Hays said. "This year, geraniums went out of sight. I planted marigolds instead."

Rep. Conte, from Pittsfield, Mass., gardens at home in Washington, onions, three kinds of lettuce, squash, chicory, herbs, and four dozen tomato plants.

"I planted the garden originally when I was fighting the big-time corporate farmers on subsidies," Conte said. "I called it my protest patch."

Over the years, Conte and allies have won most of what they were seeking in limits on cash subsidies to large cotton and sugar growers. But he kept his garden for non-political recreation. In the evenings, he wanders through the rows, with a drink in hand, picking suckers off his four dozen tomato plants.

Conte likes Burke's backyard subsidy. "It's not giving anybody something not to plant crops," he said. "And we'd drive these prices down."

Who could be against it? Well, the Department of Agriculture for one. The department is opposed to Burke's seed distribution bill and, while it hasn't taken a position on the tax credit, a department horticulturist expresses a dim view of the proposal.

"The department takes the position," said horticulturist Robert Wearne, "that seed is readily available and people can get seeds with their food stamps if seed is a need . . . The logistics of sending out seeds would be almost prohibitive."

According to the department archives, the government distributed free seeds to home gardeners until 1923 when it was discontinued, partly at the behest of seed companies. The packets were sent to citizens through congressional offices, a gratuity that has been supplanted by the popular Agriculture Yearbook, which the department publishes and congressmen distribute.

Wearne said the tax credit for tools probably wouldn't have much impact either. According to one survey, he said, about 30 million American families have some sort of home garden already but the biggest obstacle isn't tools or seeds but land.

"If Congress were going to do something," Wearne suggested, "it could make a lot of land available for gardening in urban areas—highway right-of-way, vacant lots of urban renewal projects, school lots."

In any case, Wearne is dubious that home gardening will do much to bring down inflated vegetable prices. "A lot of people start into it thinking gardening is easy," he said. "Then they run into flea beetles and cut worms and one thing or another. They find out there's a lot more to it than planting a seed and watching it grow."

Meanwhile, says Congressman Burke, his gardening friends plan to lobby Congress this summer with baskets of ripe tomatoes and other homegrown delights.

"It's difficult," he said, "to get a bill like this through in the wintertime."

NUTRITION BENEFITS FOR OLDER AMERICANS TO BE EXPANDED

(Mr. PEPPER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PEPPER. Mr. Speaker, over 200,000 elderly Americans were assured of the continuance and expansion of their hot meals and social and recreational programs on June 19 by the unanimous vote of 90 yeas in the Senate to extend title VII of the Older Americans Act. The House passed a similar bill, H.R. 11105, on March 19 of this year by a vote of 380 to 6.

Since I introduced the original bill providing for this program on May 28, 1970, with my able and distinguished colleagues, Representative JOHN BRADEMAS in the House, and Senator EDWARD M. KENNEDY in the Senate, as chief original sponsors, I have been heartened by the high praise the elderly participants have accorded this program. The benefits they are receiving in the nutrition programs throughout our Nation are helping to preserve their dignity, their health, and their self assurance. The program has received also wide acclaim from Members of Congress, gerontologists, physicians, nutritionists, and many other public servants and specialists who have observed the operation of these projects and interviewed the participants.

I recall the first congressional hearings on this legislation were scheduled by the House Select Education Subcommittee in my congressional district in the spring of 1970. Under the aegis of the Senior Centers of Dade County, a pilot nutrition program had been conducted under title IV of the Older Americans Act and the program has flourished there since that time under community sponsorship, and later under title VII. Dr. Bruce Quint, executive director of the Senior Centers of Dade County, in his recent testimony before the House Select Education Subcommittee, in February of this year, summarized the acclaim of thousands who have supported the program during the first year of implementation. Dr. Quint said:

> Title VII allows us to address ourselves to a wide variety of needs of the elderly. The expansion of the program will permit us to see to it that a far greater number of elderly will be served with a minimum of frustration and moral outcry on their part. (2) Perhaps most important, the dividends that are returned on our investment far exceed our expectations. While I do not attempt to disparage other social programs, I challenge reliable spokesmen for other programs to demonstrate that their programs have had as great a success as ours in so short a time. Title VII in effect is a program without waste. Our success has been remarkable yet our needs have never been as great.

I commend all the distinguished Members of the Senate for their support of this bill and most particularly Senator EAGLETON and all the distinguished members of his Subcommittee on Aging, Senate Labor and Public Welfare Committee, for the amendment to title III of the Older Americans Act. This amendment provides an authorization of $35 million for fiscal year 1975 for a new transportation program in conjunction with the title VII nutrition projects. This will mean that the State of Florida will receive an additional $1,645,000 to help provide urgently needed transportation to the congregate meal sites.

The new authorizations under title VII will be allocated on the basis of the percent distribution of the 60-plus population in each State. The State of Florida received $4,704,547 for the first year; and this bill will provide $7,056,820, $9,409,094, and $11,761,000 for fiscal years 1975, 1976, and 1977 respectively. If the older American population continues to grow at the rate it has been in the State of Florida, it will mean even larger grants will be provided.

Mr. Speaker, I am confident that this legislation will soon be given final approval by the Congress and the President so that implementation of the expanded program may immediately proceed under the capable direction of Dr. Arthur S. Flemming, Commissioner on Aging.

PROPOSED AMENDMENTS TO THE LIVESTOCK "BAIL OUT" BILL

(Mr. VANIK asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, yesterday, the other body passed legislation to provide unlimited Government-guaranteed loans to livestock and poultry producers during the next 12 months.

Mr. Speaker, most of the livestock producers' problems were created by their own greed of last year, their own boycott of the market, and the fact that the American consumer has subsequently turned to other types of cheaper food. Now these producers—who last year wanted a free market and the high prices that go with it—want protection—and support—as much as $350,000 per farmer or rancher.

This is disgraceful legislation. The

loans may be used to support the cattle producers while they institute a new boycott. The loans will maintain overproduction. The loans will benefit a huge number of city doctors and lawyers who have over-invested in feedlot operations for tax shelter and tax avoidance purposes. Some producers may use the loans to up-grade their operations and provide for future expansion—and future cycles of high and low prices.

Mr. Speaker, the market is correcting itself—just like Adam Smith's theories said it would. As of June 13, Department of Agriculture figures show cattle on feed down 16 percent from a year ago. New cattle placed on feed are down 40 percent from a year ago. The oversupply will soon be gone and the beef producers will be receiving higher prices.

The legislation in its present form is designed to bail out the feedlot operators rather than the cattlemen. The feedlot operators enjoy the speculation of high profits during market shortages and seek to be rescued when the tables are turned.

If this legislation comes to the floor of the House of Representatives, I intend to offer the following amendments:

First, no loan may be made to any beef producer supported by a tax shelter syndicate or general-limited partnership operation;

Second, loans should be limited to family farmers and ranchers—and loans should be limited in size to $50,000 or $100,000; and

Third, no loan should be guaranteed to provide for any expansion of operations or facilities.

In its present form, this type of bail out legislation is a rip-off of the consumer and of the taxpayer—one of the most disgraceful special interest bills ever to come before the Congress.

REPRESENTATIVE JACK KEMP MOVES TO INSURE U.S. FULFILLMENT OF ITS IMPORTANT TREATY OBLIGATIONS WITH CANADA TO CLEAN UP THE GREAT LAKES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, I have introduced a bill today to help insure U.S. fulfillment of its important treaty obligations with Canada to clean up the Great Lakes and to stop their pollution.

My bill—which is, I believe, the first of its type—would amend the Federal Water Pollution Control Act to authorize additional funds for grants for the construction of badly needed sewage treatment works specifically related to the cleanup of the Great Lakes in furtherance of our treaty obligations.

When it became obvious last winter that the United States appeared to be weakening its commitment with Canada to clean up the Great Lakes, I called upon the President, specifically requesting the creation of a new, separate, additional fund from which to honor our pollution control agreements.

As a result of the poorly conceived administration decision to impound urgently needed water pollution control funds, and as a result of an ill-timed decision by the Congress to relieve any obligation on the part of the Federal Environmental Protection Administrator to require States along the Great Lakes to consider U.S. treaty obligations in their own priority planning, it is obvious that the cleanup of the Great Lakes is in trouble.

I think this administration has made commendable strides in the area of pollution control. I commend the President and his very able administrators of these particular programs for those successful efforts. The commitment of Russell Train, the EPA Administrator, and his regional administrators, like Jerry Hanssler in region II, to restoring the quality of our environment is particularly commendable. But, in this particular matter—the cleanup of the Great Lakes—I think the administration—principally OMB—has actually contributed to the United States slipping far behind schedule. This cannot be allowed to continue.

I think it is important that we recount for a moment how hard it has been for those committed to a cleanup of the Great Lakes—like myself—to keep this program on track.

The United States and Canada have cooperated for a number of years on many problems associated with the Great Lakes—pollution, year-round shipping season, conservation and wildlife protection, fisheries development.

On April 15, 1972, after years of negotiation, President Nixon signed an agreement in Ottawa with the Canadian Prime Minister, providing for greatly increased American-Canadian cooperation in improving the water quality of the Great Lakes.

How has this commitment been honored?

As of now, Canada is projected to serve 98 percent of its population along the Great Lakes with adequate water treatment by 1975, while the United States will only be able to serve 58 percent of its population along the Lakes with adequate treatment by that date. Thus, the United States is far behind its commitment, while Canada has almost totally made its.

In 1972 I testified before the Committee on Appropriations, strongly urging the appropriation of $100 million to adequately fund the new, cooperative program. Those funds were provided by the Congress—specifically allowing the U.S. Environmental Protection Agency—EPA—to fund 9 or 10 selected storm and combined sewer projects along the lakes in order to study the cost-benefits of the various systems. Inasmuch as EPA did not at that time yet have the specific statutory authority to fund the construction of storm and combined sewers of this nature, the Congress directed that $100 million in water and sewer funds previously appropriated to the U.S. Department of Housing and Urban Development and arbitrarily frozen by the Office of Management and Budget—OMB—be used to fund the program.

The Congress then followed up that action by passing the Federal Water Pollution Control Act Amendment of 1972, providing authority in section 211 thereof to fund the 9 to 10 special projects.

Yet, funds were still not released by OMB.

On April 10, 1973, therefore, I again took the case for the construction of these projects to the Agriculture-Environmental-Consumer Protection Subcommittee of the Committee on Appropriations. In that testimony I stated:

> I would like to reiterate my support of this vital Great Lakes cleanup program and strongly urge the Committee recommend appropriations for these programs at at least the level requested by EPA. To many, the Great Lakes stand as a symbol of man's degradation of the environment. We in the Congress have the opportunity to make them an outstanding example of our Nation's determination to restore and preserve our priceless natural resources.

The committee made that recommendation, and the Congress passed it. Still nothing happened—the funds remained frozen.

At the urging of myself and a number of my colleagues in the House, the committee again recommended the honoring of this commitment through the construction of these projects in fiscal year 1974, again directing $100 million be spent. But, the committee has not been advised that no use will be made of these funds during fiscal year 1974, despite a recent release of $120 million by OMB and the Department of Agriculture for use by rural communities on waste and water facility construction. The charge which I made in addressing the Association of Towns of the State of New York on February 4 of this year—that the administration was waffling on this matter—has been proved by the actions—perhaps, better put as inactions—of the administration.

Last week the House again insisted that these funds be expended. I was unable to vote on that measure, because I was en route to testify in Buffalo in support of a crucially needed flood control and environmental protection program for Cazenovia Creek, which flows through Erie County and the flooding of which has brought countless heartaches to residents along its banks. If I had been here, rest assured that I would have spoken for and voted for those funds once again.

This problem has not gone without public notice. I quote from a recent article in the Wall Street Journal:

> Every day, 85 million gallons of raw sewage from this city ("screened to remove a few lumps," says a state environmental official) pour out of two huge pipes at the bottom of the famous waterfall and are swept into Lake Ontario, 10 miles downstream.
>
> But across the Niagara River at Niagara Falls, Ontario, all of that Canadian city's sewage—seven million gallons a day of it—is chemically treated, disinfected and then used to help drive hydroelectric generators at the falls before being released to flow harmlessly downstream.
>
> What especially irks Canadian officials is that by the end of 1975 they'll have kept their

part of the bargain and all of their municipal sewage projects will be in operation, while many U.S. plants will be still under construction. That, one Canadian environmental official says will be "like mixing a glass of clean water with a glass of dirty water. You end up with dirty water."

That dramatic contrast, both Canadian and U.S. environmental officials agree, illustrates the different ways in which the United States and Canada have followed through on a joint Great Lakes clean-up agreement signed with much fanfare by President Nixon and Prime Minister Pierre Trudeau in April 1972.

Under the agreement the two countries committed themselves to having municipal sewage treatment plants for all major cities on the five Great Lakes completed or under way by the end of 1975. And they pledged to cut all Great Lakes pollution, whether from municipal, industrial, agricultural or other sources, in half by 1977.

But the U.S., it now appears, is lagging badly.

To this, the Christian Science Monitor has added:

Right from the outset the Canadians moved aggressively forward on the project. By early this year, they had built or modified some 34 treatment facilities—including 16 new ones.

All told, it is estimated that roughly 75 percent of all Canadian project funds have been met, in some cases with dramatic results, as treatment plants have eliminated or sharply reduced the flow of pollutants into the lakes.

On the U.S. side, meanwhile, the program has been slowed by a wide range of problems, from administrative snafus to red tape to laxness by municipal officials in aggressively going after available federal funds and, according to some Canadian officials, to impoundment by Mr. Nixon of federal water-pollution-control funds.

The Buffalo Courier-Express, which has been in the forefront of urging a cleanup of the Great Lakes for years—and is to be commended by all of us for that leadership, brought this point home to our attention on June 13. That editorial brought to our attention not only the latest report of the International Joint Commission's Water Quality Board on the failure of the Federal Government to sufficiently honor our commitments, but also on how delays in water-management projects along the Great Lakes contribute to a worsening of the problem. This excellent editorial follows:

IJC's FAMILIAR THEME ON LAKES

The latest report from the International Joint Commission's Water Quality Board came down on an old and valid theme: The federal government in Washington is not moving fast enough or with sufficient commitment to meet the 1975 deadline terms of the Great Lakes cleanup act signed by President Nixon and Prime Minister Trudeau.

We certainly agree (as we have previously) with the IJC's stress on release of funds appropriated by Congress but which have been partly withheld by the White House. Congress voted $11-billion but President Nixon and his Budget Office have "impounded" $6-billion of that. Although there has been some sign of movement on this general issue—Agriculture Secretary Butz recently agreed to "unfreeze" $120-million for use by rural communities on waste and water facilities under a program not directly related to the $11-billion 1972 clean-waters program approved by Congress—it remains entirely unfathomable why the White House continues to balk full implementation of the accord it signed with Canada.

Because run-off water (carrying pesticide residues, for one thing) is one of the unresolved problems in the lakes, we also were pleased that the House last week voted a variety of funds for Western New York flood-control and water-management projects, and we hope the Senate will soon follow. These included $275,000 for work in the Buffalo River drainage area and $135,000 covering planning of the Ellicott Creek diversion channel. Along with Rep. Jack Kemp, R-Hamburg, we find it distressing that the state appears to be dragging its feet on its share of the latter project's cost.

We've recently noted various reports of gains made in the fight to reverse pollution of Lakes Erie and Ontario and we find that very encouraging, of course. Yet it's a monumental task. All the lakes have to be considered as having a common, interrelated problem requiring treatment on a group-therapy basis. When a court permits a firm to continue dumping pollutants into Lake Superior, for instance, communities along all the other lakes eventually will be affected to some degree or other. Progress seems to come one small step at a time; we urge our representatives to keep up the good work and the pressure to get all the duly-voted money flowing freely to these badly-needed projects.

What these observations boil down to, in my opinion, is showing that there is too much talk on the American side and too little action.

Something else has to be done—something to specifically provide EPA with separate funding authority—and clear direction and intent on the part of the Congress—to honor these commitments. My bill would do this.

If the concern is that a particular treaty obligation to clean up the Great Lakes draws funds away from the rest of the country or the remainder of those areas not emptying into the Great Lakes but yet being in Great Lakes States, then let us maintain the integrity of the general funds and, at the same time, establish a new funding source for honoring our international pollution control agreements—with Canada or any other nation. My bill would do this.

The bill specifically provides that in addition to other funds now being provided, the EPA Administrator may make grants from these new funds to any State, municipality, or intermunicipal or interstate agency for the construction of publicly owned treatment works which—as determined under regulations prescribed by the Administrator—are required for compliance with any water pollution control agreement between the United States and any other nation. Federal participation in these projects—since they are constructed in furtherance of a Federal treaty obligation—would be 100 percent of the costs of construction.

The bill would authorize the level of funds which the Congress has already authorized—but which have not been expended—for the past 3 fiscal years—$100 million per fiscal year.

The full text of the bill follows:

H.R. 15594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Federal Water Pollution Control Act is amended by inserting after section 205 the following new section:

"INTERNATIONAL POLLUTION CONTROL AGREEMENT

"SEC. 205A. (a) In addition to grants under section 201(g)(1) from funds allotted under section 205, the Administrator may make grants from funds authorized to be appropriated under subsection (c) of this section to any State, municipality, or intermunicipal or interstate agency for the construction of publicly owned treatment works which (as determined under regulations prescribed by the Administrator) are required for compliance with any water pollution control agreement between the United States and any other nation.

"(b) Notwithstanding section 202(a), the amount of any grant for the construction of any treatment works made under subsection (a) of this section shall be 100 percent of the cost of the construction of such treatment works.

"(c) There is authorized to be appropriated to carry out subsection (a) of this section not to exceed $100,000,000 for each of the fiscal years of the authority of this Act."

SEC. 2. (a) Section 203(a) of such Act is amended by inserting after "allotted to the State under section 205" the following: "or under section 205A(a) from funds authorized to be appropriated under section 205A(c)".

(b) Section 204(a) of such Act is amended by inserting after "under section 201(g)(1)" the following: "or under section 205A(a)".

(c) Section 204(b)(1) of such Act is amended by inserting after "under section 201(g)(1)" the following: "or under section 205A(a)".

(d) Section 207 of such Act is amended by inserting after "other than sections" the following: "205A,".

Mr. Speaker, it is going to require a determined effort by the Committee on Public Works and by the House and Senate to guarantee not only the passage of this legislation but its implementation.

The same attitude which has pervaded this matter to date will most probably characterize the debate on this bill.

On April 29—nearly 2 full months ago—I inquired in writing of EPA as to its attitude on the bill which I introduced today and as to the estimated cost of totally honoring our treaty commitment. As of this date, I have not heard word one—written or oral—from EPA on this matter.

I cannot help but feel that this is no fault of EPA's, but rather is a problem arising from the administrative policies foisted upon the agency by OMB.

I use this opportunity to request of the distinguished chairman of the Committee on Public Works, Mr. BLATNIK of Minnesota, that he insist that EPA provide its independent views on this bill and provide the Congress with an accurate estimate of the projected costs of honoring our treaty obligations.

I think the cause of water pollution control on the Great Lakes and throughout the Nation would be promoted by holding public hearings on this bill at the earliest possible date.

I call upon my colleagues—especially those who are members of the Conference of Great Lakes Congressmen—which is chaired by the chairman of the

Committee on Public Works, Mr. BLATNIK—to join with me in seeking enactment of this legislation.

A BILL TO DELAY REDUCTION IN THE COST-OF-LIVING ALLOWANCES FOR THE MILITARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I am today introducing a bill which would provide a delay of at least 30 days before any reduction in the cost-of-living allowance (COLA), directed by the Secretary of Defense for members of the uniformed services, would become effective.

Recently, all members of the military forces serving in Alaska received a drastic cut in the COLA. The announcement was made on March 28, and became effective the beginning of the next pay period, which was 2 days later.

This decrease in monthly revenue resulted in a reduction of from $37.50 to $86 per month, per family serving within the Alaska command.

I am deeply concerned, not only with the COLA reduction itself, coming at a time when prices in Alaska are escalating rapidly, but because of the tremendous impact felt by these families when their incomes were greatly reduced with only 2 days' notice.

Thousands of families, many with children to feed, clothe, and house, had no time to plan ahead for this decrease in income. Letters are pouring into my office daily relating the hardships these military members and dependents are experiencing. Many of the lower ranking servicemen relied heavily upon the cost-of-living allowance to provide assistance with apartment rental, utility fees, and other essential living expenses.

Mr. Speaker, my amendment does not alter the basis used for determining cost-of-living allowances. It will, however, provide for a period of time whereby military members can adjust for the lowering of their monthly income.

The amendment follows:

H.R. 15605

A bill to amend section 405 of title 37, United States Code, to delay for a period of at least 30 days the effective date of any reduction in the cost-of-living allowance authorized by the Secretary concerned under such section for members of the uniformed services serving at certain duty stations outside the United States or in Alaska or Hawaii

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 405 of title 37, United States Code, is amended by adding at the end thereof the following: "Whenever the per diem allowance for any location outside the United States or in Alaska or Hawaii is reduced, such reduction may not become effective in the case of any member entitled to such allowance on the day preceding the day on which such amendment is made until the beginning of the first pay period following the expiration of at least 30 days after the Secretary concerned has announced the new reduced allowance."

FEARS OF MOSCOW SUMMIT CONTINUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 10 minutes.

Mr. BLACKBURN. Mr. Speaker, last Wednesday I commented regarding my concern that President Nixon's forthcoming Moscow visit could result in a further Soviet nuclear arms advantage over the United States.

I noted that signs point increasingly to the possibility that the President will be forced to grant the Kremlin concessions on the order of those associated with SALT I. As I noted, that agreement contained several dangerous flaws by conceding U.S. ballistic missile superiority to the Soviet Union.

The SALT I agreement was negotiated at a time when President Nixon was riding the crest of popularity at home—a wave which he does not obtain today.

The questionable "benefits" which our country has derived from SALT I negotiations creates considerable uneasiness in consideration of the probable consequences of any agreement which might be termed "SALT II."

Quite obviously, a continuation of trends set by SALT I is not the sort of agreement which our national security can afford. This concern is not peculiar to me. Mr. Paul Nitze made this quite clear in his recent resignation as a U.S. strategic arms negotiator.

In an interview telecast on CBS last evening, Alexander Solzhenitsyn, Russia's recently-exiled Nobel Prize-winning author, told newsman Walter Cronkite, bluntly enough:

> Never before has an American President been in so weakened a position.

Earlier, yesterday, the Wall Street Journal, in a lead editorial, "On to the Summit," voiced similar concern. In this expression, which I now insert into the RECORD, this respected publication reflected great fear that, spurred by the problems of Watergate, Mr. Nixon may dash into a Moscow summit and fall into a "trap" which is "likely to be the most expensive Watergate of all."

Quite obviously, we do not wish to see this happen; our Nation could ill afford it. It is hoped that, perhaps, one way to contribute to its not hapening is to attempt to warn of it before the mission to Moscow begins.

The editorial follows:

[From the Wall Street Journal, June 24, 1974]

ON TO THE SUMMIT

With scarcely time in Washington to catch a breath after his Middle Eastern trip, President Nixon takes off for the NATO meeting tomorrow and the Moscow summit starting Thursday. Inevitably the results of these meetings will be read in the context of Watergate at home.

The complaint about Watergate diplomacy can perhaps be overdone, but we do confess to certain trepidations about the forthcoming summit. We believe that Richard M. Nixon is a patriot who would not sell out American interests for personal motives. But we also believe that even without Watergate Mr. Nixon brought home a terrible strategic arms agreement from his last visit to Moscow. We worry that Watergate will intensify an underlying disposition to take risks today for detente tomorrow, warping Mr. Nixon's view of where the American interest lies.

The fact is that no worthwhile arms agreement is currently within reach. We are certain that this conclusion as well as Watergate lies behind the resignation from the SALT delegation of Paul Nitze, the hard-eyed realist of the American team. (Senators Goldwater and Thurmond recently blocked Mr. Nitze's appointment to a Pentagon post because of his long-standing liberal-Democratic connections, proving once again that American conservatives don't know who their true friends are.)

At one time talk of an agreement centered on a "quick fix" limit on multiple warheads, or in other words on limiting American advantages without compensating concessions on Soviet advantages. More recently it has swung to a "threshold test ban" on nuclear weapons. This would not be a good treaty because of policing difficulties, and because the history of the atmospheric test ban shows that American testers take such treaties far more seriously than do Soviet testers. Yet if designed to be meaningless, a threshold test ban could be a cheap enough price to pay for detente atmospherics, which presumably are worth something. At the same time, there is a danger in atmospherics that fogs basic issues.

The reason a more solid agreement is not within sight is that the Soviets simply do not see arms negotiations the way Americans do. Our negotiators try to conceive agreements from which both parties can benefit. The Soviets see the negotiations as a "zero-sum game," in which a gain for one party is by definition a loss for the other. Given such adversaries, the U.S. will probably not be able to get a solid agreement until it demonstrates that it has the political will to offset Soviet arms advances, that is, the will to spend more for defense.

What matters is not only or even primarily Soviet perceptions of American political will; it is Mr. Nixon's perception of American political will. The reason he accepted such a poor bargain in SALT–I was that past administrations and past Congresses had not kept pace with Soviet advances, and he did not believe he could persuade current or future Congresses to do so either. But since then the situation in Congress has changed dramatically. With a hard look at SALT–I, with Solzhenitsyn, the Middle East war and brilliant political maneuvering by Senator Jackson, a different attitude toward the Russians now prevails on Capitol Hill. It is no accident that the defense budget has just sailed through unscratched.

What worries us is that Watergate may prevent Mr. Nixon from recognizing this fundamental change. He is after all more cut off from Congress than ever before, and has good reason to feel himself besieged. If you imagine that rightly or wrongly in his private mind he considers himself innocent in Watergate, it's easy to also imagine an attitude that Congress, the press and even the American people are essentially feckless. And of course, a major psychological prop would be that as President of the United States he is the only person in the world who can bargain on equal terms with the Chairman of the Soviet Communist Party.

Our fear is that in Mr. Nixon's mind this will add up to a feeling that no matter how bad an agreement he gets it will be better than the one the next President could get. This would be a fundamental misreading of the American mood at the moment, and if the President does fall into this trap it is likely to be the most expensive Watergate price of all.

STRIP MINE CONTROL NEEDED NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 20 minutes.

Mr. TALCOTT. Mr. Speaker, the coal industry these days is like a somewhat frumpy middle-aged ballerina rushed out of semiretirement to fill an unanticipated gap in a show that must go on. Suddenly the old girl is back in demand. During the next 10 years we will have to double or treble our production of coal, according to an increasing number of experts in the field of energy.

It is hard to think of any industrial activity in this Nation with a worse image for the destruction of our natural heritage than the surface mining of coal. But it is now economically feasible to strip mine coal, and mend the land afterward, even in steeply sloping terrain. The time has clearly come for the Congress of the United States to pass into law new and strong regulations which will allow mining to proceed, but under rules which will safeguard our priceless natural heritage. If we do not meet our responsibilities to the American people we will assure creation of new badlands on a scale never before contemplated.

Coalmen invoke the energy crisis as an argument against careful reclamation, even though higher fuel prices brought about by scarcity will amply cover reclamation costs.

They have attempted to claim that the problem is one of past production, but anyone who has driven through, or even flown over, States with weak reclamation laws—and that is most coal mining States—knows that thousands of acres are being ruined right now.

Soon the bill written by the House Interior Committee will reach the floor for consideration. A similar measure has already passed the Senate. The heart of both of these bills is the reasonable requirement that after the coal is removed the land must be returned to its "approximate original contour." This rule is patterned after the regulations in effect in Pennsylvania, where the country's toughest reclamation law has not prevented sizable increases in strip mining production.

At least a fifth, and possibly as much as a third, of our best coal deposits lie within 100 feet or so of the surface. This is within reach of the machines which can remove the dirt and rock "overburden" to expose the seam of coal. Strip mining has grown rapidly, its share of coal production having grown from 31 percent in 1960 to nearly 50 percent in 1973. This growth is continuing because surface mines can be opened faster than deep mines. They have a history of fewer labor problems, and are generally much safer. Surface mining can economically remove 80 to 90 percent of the coal while in underground mines as much as 50 percent is left behind to prevent cave-ins. And most importantly, production is at least three times higher.

Unfortunately, many Americans see strip mining as the worst example of Western man's unthinking willingness to devour the landscape and destroy the wilderness solely to keep air-conditioners running and needless lights blazing. Strip miners have already churned up an area the size of the State of Delaware, and each day another 250 acres are sacrificed to our appetite for energy.

The coal industry is wrong—dead wrong—in attacking the basic reclamation standards that form the heart of the House and Senate measures. They both require that, in the absence of well-documented plans for a different use of the land after mining, this is for schools or industry or housing, mining companies must return the land to its "approximate original contour." That requirement is fair, it is equitable, and it is absolutely necessary if we are to save hundreds of thousands of acres of natural terrain.

The new economics of coal removes any doubt that the industry can afford compliance. Reclamation costs can easily be "internalized" in the price of electricity. Recently an executive with the Continental Oil Co., the corporate parent of Consolidation Coal, told security analysts just how minimal the effect would be. Even a relatively high reclamation cost of $1 to $3 per ton, he said, raises a typical electric bill "only 2 to 3 percent."

In short, we can have our cake, and eat it too. We can take the coal and mend the land.

The ugly scars left by strippers in some of the world's most beautiful hardwood forests is only part of the damage. The naked cliffs are a hazard to wildlife, hikers, and hunters. It is all but impossible for a vegetative cover to become established on steep spoil banks which are subject to sloughing and erosion. The disturbance to the watershed land causes streams over a wide area to siltup, and this measurably increases the danger of flooding.

West Virginia, a major coal producer, has enacted its own reclamation act. One of the executives of a West Virginia coal mining firm producing over 1.5 million tons of coal a year recently said that the necessity of restoring the land contour behind his mining operations have raised his costs by about 60 percent. Nevertheless, these costs, which are about the highest expected for surface mining, are no higher than those of underground mining. In today's market his company can make a satisfactory profit on the coal.

We must face the reality that Appalachia's mountains cannot supply all of the coal, particularly the low-sulfur coal that the country needs, and that is why companies are now looking west of the Mississippi for coal to strip. Ever since the Lewis and Clark Expedition the Northern Great Plains have been known to contain prodigious amounts of coal.

What geologists refer to as the Fort Union formation, extending over North Dakota, Montana, and Wyoming, is the largest single deposit of fossil fuel. It contains more than a trillion tons of coal and lignite. The strippable reserves alone, which may reach 80 billion tons, greatly exceed the proven oil reserves of Saudi Arabia in energy content.

We cannot ignore our energy needs. We must exploit our domestic energy resources. But we cannot, and we must not fail to act now to insure that we restore the land once we mine the resources beneath it. I will be working to see that this important legislation is passed overwhelmingly by the House.

VETERANS EDUCATION BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, approximately 1 month ago, I rose in this Chamber to alert my colleagues to the urgent need to pass an extension of eligibility for veterans education benefits under the GI bill. What finally was enacted was a 30-day extension of the eligibility to allow the House and Senate to work out their differences on a comprehensive reform of veteran education programs.

Now, 1 month later, I can report that some progress has been made in passing comprehensive legislation. In the interim, the Senate has finally passed its version of this legislation. Late last week, staff members from the House and Senate Veterans Committees met to work out compromises on a number of minor differences between the two bills.

Now, the House must act. It is up to the chairman of the House Veterans Committee to formally request a conference with the Senate, so that we can resolve our differences without any further delay. I call on the chairman to make such a request, and I urge those of my colleagues who share my concern for veterans to join me in asking for a conference.

Unfortunately for the veterans in school, the House and Senate are still far apart, and it may take more than a couple of days to come up with a bill that adequately meets the real needs of the young veteran who must bear the tremendous financial burden of paying for an education—an education that is an absolute necessity if he is to obtain a good job in today's economy.

Thus I take this time today to remind the House once again that the first priority in this legislation is to extend the period of eligibility for 2 years, so that Vietnam era veterans can have enough time to finish school under Federal assistance.

I call once again for the House and Senate to immediately pass a simple bill extending the eligibility for 2 years. This is an issue on which the House and Senate have no differences, and the only reason why it has not been enacted is because it has been tied to the comprehensive bill. I think it is long past the time when this provision be separated from the other issues and enacted.

One further issue deserves special attention by Members of the House. Section 204 of the Senate passed bill, S. 2784, tightens up the VA's procedures for approving the participation of vocational and career schools in the GI bill programs. It is a much-needed mandate, as evidenced by an excellent investigation by the Spotlight Team of the Boston Globe, which uncovered a shocking lack of controls, by the VA and by State governments, of the quality of these institutions. The Globe team showed that a pattern of alleged fraud, misrepresentation and deceit has characterized some of these schools. The result has been that the veteran has been cheated, and the VA has done nothing.

I support the Senate's provision to require that the VA require evidence of a 50-percent placement rate of school graduates prior to VA certification of the school's participation in the GI bill. Also, I favor giving the VA access to the investigative capabilities of the Federal Trade Commission to study the advertising practices of these schools. If I am a conferee on these bills, I will support inclusion of section 204 of the Senate bill in the conference report.

Mr. Speaker, the issue of giving our young veterans an equal opportunity to obtain an education is still before us, after all of these months. The legislative vehicle to redress the inequities is before us, and I call once again for the chairman of the Veterans' Affairs Committee to call a conference immediately.

THE CURRENT PLIGHT OF THE U.S. INTERNATIONAL AIRLINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, I am greatly concerned over the current plight of the U.S. international airlines. I think we are all aware of the importance of maintaining a sound and healthy air transportation system so as not to be totally dependent on service from other countries. The best interests of the American public are well served by our own system which contributes to our labor force, our balance of payments, and an overall stronger economy.

Last week my distinguished colleague and majority whip, Congressman JOHN McFALL, addressed the International Aviation Club here in Washington. As chairman of the Transportation Subcommittee of the Appropriations Committee, he is, of course, particularly well versed in transportation matters, and I found his remarks to be of significant interest. Congressman McFALL clearly points out the many fronts on which our international airlines are being threatened.

I want to submit his remarks for the information of all my colleagues in the House, in order that we may better understand the seriousness of this situation and consider the alternatives currently being reviewed in hearings in the Interstate and Foreign Commerce Committee:

REMARKS OF CONGRESSMAN JOHN J. McFALL TO THE INTERNATIONAL AVIATION CLUB, JUNE 18, 1974

I'm glad I am with you today, because tomorrow I will be on the House floor managing the Transportation Appropriations bill for 1975.

Therefore, it is very appropriate for me to say again my brief speaker's prayer: O Lord, give us the wisdom to utter gracious and tender words for tomorrow, we may have to eat them.

As I am sure you are all aware, our transportation bill provides about $1.7 billion for the activities of the Federal Aviation Administration. This includes funds for personnel facilities, and research. Last year, we asked FAA to look at the future capacity requirements at our major terminals. We are hopeful that this study will soon be implemented. In our report this year, we indicated that FAA should consult with the users to agree upon appropriate measures and translate these into action programs. Our bill also provides funds for the National Transportation Safety Board, CAB, and payments to local service and Alaskan air carriers.

It will be a busy day tomorrow—part of a busy week. In fact, Congress has a very heavy schedule ahead. This week we have three appropriations bills, a major housing and urban development bill and a conference report on a far-reaching budget and impoundment control act. Next week we have four more appropriations bills, including the big Labor-HEW bill that funds many of our major domestic programs.

In the following weeks our workload will include bills on windfall profits tax, strip mining, tax reform, mass transit assistance, campaign reform, protection of private pension rights, elementary and secondary education act extension, and a $2.7 billion cancer research extension. National health insurance is now undergoing hearings.

Estimates now are that impeachment will come to the floor by late July or early August. So much press and public attention has been focused on impeachment that it really has obscured the fact that this has been a hard-working Congress.

We have already enacted a substantial body of legislation that benefits millions of Americans in a great number of ways. For example, an eleven percent social security increase that becomes fully effective next month; a new minimum wage; a comprehensive manpower program and appropriations of $620 million for public services jobs and $305 million for youth summer employment this year. There are new school lunch and other education laws to help our children, a $544 million program to help older Americans, and health programs to help everyone. We have enacted a number of laws improving veterans benefits, a $3 billion crime control act, major federal highway and mass transit construction programs, and $600 million for sewerage construction. In the energy field, we have enacted the Federal Energy Administration, the Alaska pipeline and the mandatory fuel allocation program, and the House has passed a deepwater ports bill and an Energy Research and Development Administration to be built around the Atomic Energy Commission.

It is just not correct to say that this Congress is sitting around waiting for impeachment. One committee has been working very hard and very conscientiously on that matter. Meanwhile, the rest of the House has carried on with the business of the people, and the record shows that.

The fact that we have an International Aviation Club which brings together men and women who represent so many of the world's airlines, as well as air attaches from so many embassies, is testimony to the success achieved in fostering international aviation growth. Many of the world's airlines achieved substantial economic strength as the result of being given the opportunity to serve the U.S.-origin market; the richest air market in the world.

Some now view this country's policies toward international aviation as too successful, in the sense of producing a saturation of international airlines flying to and from the United States. That viewpoint is understandable. In addition to U.S. carriers, 57 foreign air carriers are now authorized to provide such services. All told, about 40 scheduled and supplemental airlines now compete on North Atlantic routes, alone. This situation developed as a result of the attractiveness of the market and the long-standing U.S. policy of bilateral exchange of air rights.

Such bilateral exchanges were founded upon the concept of equal opportunity for the carriers of each nation to compete in each other's marketplace for international air passengers and cargo. Increasingly, however, U.S. airlines have been denied equality of competitive opportunity in many of the countries in which they operate overseas.

Frankly, I do not understand foreign government discrimination against airlines of a nation that has done so much to help develop other nation's economies, including the air transport systems of other economies. Nor do I understand policies of our own government tending to place U.S. international airlines at a competitive disadvantage with airlines of other nations.

There is little equity when a U.S. international airline and a foreign-flag carrier purchasing the same model aircraft, possibly intended for head-to-head competition with each other on the same route, pay sharply differing interest rates. A U.S. airline seeking to borrow money on the private market to finance new equipment must pay interest rates of between 11 percent and 12 percent these days, provided, of course, that money is available.

A foreign-flag airline buying aircraft from U.S. manufacturers can receive much of the financing from the U.S. Export-Import Bank, at interest rates of seven percent.

I raise the point not in criticism of the Bank, but in recognition of the fact that today's interest rates on borrowed capital constitute a major and growing cost of doing business for many companies. When two airlines compete on the same route and one can finance aircraft at a much lower cost than the other, that one starts out with a substantial financial advantage.

Despite the massive contribution made by U.S. Nationals to tourism abroad, in some areas U.S. carriers are charged excessive amounts through the imposition of landing fees and other user charges. No one can reasonably object to an equitable system of user charges.

But the user should not be required to subsidize either aviation facilities which they do not use or other functions of Government. Unfortunately, such practices exist in a number of countries today.

Let me illustrate by citing two well known examples.

Australia's Department of Civil Aviation sets landing fees and other user charges at Sydney Airport not only to recover costs there, but also to recover the costs of running airports at Perth, Brisbane and Darwin, which are less used by the U.S. carrier. This probably explains, in part, why the landing fee for a 747 is $4,200 in Sydney, compared with $271 in San Francisco. In this case, I think the burden on the U.S. carrier is excessive and I am glad to see that our State Department has, at last, taken up the matter with Australia.

U.S. carriers serving Great Britain face a somewhat similar situation in their use of London's Harthrow Airport. The British Airport Authority sets user charges at Hearthrow not only to cover operating expenses there, but to support a number of underused airports and to realize a 14 percent return on investment, as directed by the British government. This may explain why U.S. airlines pay a total charge to land a 747 with passengers at Heathrow of $1,675. This is 3 times the average amount charged foreign airlines to land at major U.S. airports.

Some years ago, the International Aviation Organization recommended a set of principles member countries should follow in assessing user charges. One of these principles is that the charge must be related to the cost of providing the service. The imposition upon U.S. international airlines of user charges to support airports that they do not use does not, in my opinion, meet this test. Nor is the test met when governments, as in the case of Italy, Greece and some South American countries, excuse their own national carriers from the same user charges they impose upon other airlines.

Foreign flag carriers are, for the most part, treated as competitive equals in the U.S. market. For all practical purposes, they can sell seats and cargo space to whom they please. They face no restrictions on currency, sales or advertising. They are offered a wide choice of domestic air service for connecting flights, air freight forwarders and other services supportive of air transportation. And they have done well here, capturing over 51 percent of scheduled-U.S. originating passengers on the North Atlantic.

Contrast this open competitive climate with the situation existing abroad. Many countries restrict government contractors, international business travel, and certain cargo shipments to the national carrier. Hence, the U.S. carrier is frozen out of an enormous segment of the market in these countries.

There are other problems: in Eastern Europe the U.S. carrier is prevented from making sales in local currencies. In countries where the domestic carrier has a monopoly, the U.S. carrier is placed at a disadvantage in obtaining connecting space for passengers and cargo.

In addition, national carriers may get preferential treatment from travel agencies, tour wholesalers, and freight forwarders owned by the national carrier. Free services from Customs and government-owned television and radio may also be available to them.

The cumulative impact of these discriminatory practices tends to sap the economic strength of U.S. international airlines. Neither our scheduled or supplemental carriers can afford to accept these practices any longer, particularly in light of the enormous increases in the price of fuel.

In the exercise of international diplomacy at its best, we have seen some rather remarkable successes recently. Perhaps it is time to focus such expertise on achieving a better balanced opportunity in international air transportation.

In conclusion, I wish to emphasize to this group, with its international interest, that nothing that I have said should be interpreted as counseling isolation. Far from it, a strong and viable international air transportation system is a necessary ingredient of effective world commerce and embodies the essence of internationalism.

I personally, will do everything I can to encourage international cooperation in aviation. This is one reason why our subcommittee was pleased to work with the Department of Transportation and the U.S. airlines in helping to resolve the problems associated with the Aerosat program. The Memorandum of Understanding for this program is expected to be signed this month. Immediately thereafter, the U.S. co-owner, ESRO, and Canada will proceed with the competitive selection of the hardware suppliers. The Aerosat program—a first step in the application of satellites for civil aviation—is ready for activation and we look forward to the first launch in 1977.

Clearly, we need a viable international air transport system.

Without it, international air travel and trade could well stagnate.

With it, international air travel and trade will increase its worldwide economic and social benefits manyfold—for all countries not just the United States—and with it peace and understanding for all the peoples of the world.

PERSONAL ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Minish) is recognized for 5 minutes.

Mr. MINISH. Mr. Speaker, today I am placing in the Record pertinent information pertaining to my Federal Income Tax for taxable year 1973.

Pursuant to House rules, on April 15, I filed with the House Ethics Committee my financial disclosure statement. This statement will, of course, be on file in that committee, its contents available under the stipulated conditions.

My total income for 1973 was $46,778. Of this, $42,500 comes from my congressional salary; $4,278 comes from dividends and interest. My adjusted gross income was $43,298. My taxable income was $36,044 on which I paid Federal income taxes of $10,360.

REDUCING THE PAYROLL TAX BURDEN OF LOW- AND MIDDLE-INCOME WORKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, earlier this year, I introduced legislation to reduce the payroll tax burden on millions of low- and middle-income workers. The legislation would effect this relief, in part, by utilizing the Federal Government's general revenues. I have become more and more convinced over recent months of the need to adopt this approach. The 1974 report issued last month by the social security board of trustees indicated that the social security system cannot keep paying out benefits the way it has without additional tax increases during the next 10 years. The reason is that there will be relatively fewer workers in the future paying taxes to support the aged and other beneficiaries under social security. The system is in trouble, and the only alternative is some financing from the Federal Government's general revenues.

At a time when the social security tax rate is higher for more families than the Federal income tax rate, the prospect of still further increases in the tax to bail the system out is unthinkable.

The Congress cannot push this matter aside any longer. It cannot wait until the next Congress; 131 Members of this House have seen the light and have joined me as cosponsors. I would like to encourage others to join me at this time.

I ask permission to include for the record those Members who have shown some progressive thinking in this area. They are listed below:

Cosponsors of Payroll Tax Reduction

Abzug, Bella (NY), Addabbo, Joseph P. (NY), Annunzio, Frank (Ill), Ashley, Thomas L. (Ohio), Aspin, Les (Wis), Badillo, Herman (NY), Barrett, William A. (Pa), Biaggi, Mario (NY), Biester, Edward G., Jr. (Pa.), Bingham, Jonathan B. (NY), Boland, Edward P. (Mass), Brasco, Frank J. (NY), Brown, George E., Jr. (Calif), Burke, J. Herbert (Fla), Burke, James A. (Mass.).

Burke, Yvonne Brathwaite (Calif), Burton, Phillip (Calif), Carey, Hugh L. (NY), Carney Charles J. (Ohio), Chisholm, Shirley (NY), Clark, Frank M. (Pa), Clay, William (Mo), Collins, Cardiss (Ill), Conte, Silvio O. (Mass), Conyers, John, Jr. (Mich), Corman, James C. (Calif), Cotter, William R. (Conn.), Cronin, Paul W. (Màss), Daniels, Dominick V. (NJ).

Davis, Mendel (SC), Delaney, James J. (NY), Dellums, Ronald V. (Calif), de Lugo, Ron (VI), Denholm, Frank E. (S. Dak), Dent, John H. (Pa), Diggs, Charles C., Jr. (Mich), Donohue, Harold D. (Mass), Drinan, Robert F. (Mass), Edwards, Don (Calif), Eilberg, Joshua (Pa), Evins, Joe L. (Tenn), Fauntroy, Walter E. (DC), Flood, Daniel J. (Pa), Ford, William D. (Mich).

Fraser, Donald M. (Minn), Frey, Louis, Jr. (Fla), Gaydos, Joseph M. (Pa), Gilman, Benjamin A. (NY), Grasso, Ella T. (Conn), Gray, Kenneth J. (Ill), Green, William J. (Pa), Gunter, Bill (Fla), Hanley, James M. (NY), Hanrahan, Robert P. (Ill), Harrington, Michael (Mass), Hawkins, Augustus F. (Calif), Hays, Wayne L. (Ohio), Hechler, Ken (W. Va.).

Heckler, Margaret M. (Mass), Helstoski, Henry (NJ), Hicks, Floyd V. (Wash), Holtzman, Elizabeth (NY), Horton, Frank (NY), Hungate, William L. (Mo), Johnson, Harold T. (Calif), Jordan, Barbara (Tex), Karth, Joseph E. (Minn), Kluczynski, John C. (Ill), Koch, Edward I. (NY), Kyros, Peter N. (Maine), Lehman, William (Fla), Lent, Norman F. (NY).

Luken, Thomas (Ohio), McCloskey, Paul N., Jr. (Calif), McCormack, Mike (Wash), McKinney, Stewart B. (Conn), Macdonald, Torbert H. (Mass), Madden, Ray J. (Ind), Metcalfe, Ralph H. (Ill), Minish, Joseph G. (NJ), Mitchell, Parren J. (Md), Moakley, Joe (Mass), Moorhead, William S. (Pa), Morgan, Thomas E. (Pa), Moss, John E. (Calif), Murphy, Morgan F. (Ill).

Nedzi, Lucien N. (Mich), Nix, Robert N. C. (Pa), O'Hara, James G. (Mich), Patten, Edward J. (NJ), Pepper, Claude (Fla), Perkins, Carl D. (Ky), Podell, Bertram L. (NY), Price, Melvin (Ill), Pritchard, Joel (Wash), Randall, William J. (Mo), Rangel, Charles B. (NY), Reid, Ogden R. (NY), Reuss, Henry S. (Wis), Riegle, Donald W., Jr. (Mich).

Rodino, Peter W., Jr. (NJ), Roe, Robert A. (NJ), Rooney, Fred B. (Pa), Rose, Charles (NC), Rosenthal, Benjamin S. (NY), St Germain, Fernand J. (RI), Sandman, Charles W., Jr. (NJ), Sarasin, Ronald A. (Conn), Sarbanes, Paul S. (Md), Schroeder, Patricia (Colo), Seiberling, John F. (Ohio), Shoup, Dick (Mont), Stanton, James V. (Ohio), Stark, Fortney, H. (Calif).

Stokes, Louis (Ohio), Stubblefield, Frank A. (Ky), Studds, Gerry E. (Mass), Thompson, Frank, Jr. (NJ), Tiernan, Robert O. (RI), Vander Veen, Richard (Mich), Vanik, Charles A. (Ohio), Vigorito, Joseph P. (Pa), Waldie, Jerome R. (Calif), Wilson, Bob (Calif), Wilson, Charles H. (Calif), Wolff, Lester L. (NY), Won Pat, Antonio Borja (Guam), Yatron, Gus (Pa), Young, Andrew (Ga), Young, C. W. Bill (Fla), Zablocki, Clement J. (Wis).

QUALITY HOUSING FOR ALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES), is recognized for 10 minutes.

Mr. STOKES. Mr. Speaker, on June 20, 1974, the House of Representatives passed the Housing and Urban Development Act of 1974, which provides some important new initiatives in the housing area. I was pleased to be able to offer an amendment which would make the quality of housing for low- and moderate-income Americans a basic policy consideration underlying all Federal programs relating to housing. Unfortunately, elsewhere in the bill, the housing allowance proposals, while noteworthy and ambitious, are relatively untried and only address themselves to one aspect of our housing problem. But there were some significant improvements made in the bill on the floor of the House before final passage.

I wish to thank my colleagues for their valuable support in helping to pass my amendment and to make it part of the Housing and Urban Development Act of 1974. This amendment will require the Secretary of the Department of Housing and Urban Development to totally reorient HUD's policies with regard to the quality of materials, design, and construction.

To understand the significance of this amendment, one must review and understand what our current housing situation is, the enormity of the problem, the nature of our previous efforts, and the lack of a truly major, consistent effort to remedy the situation. In 1949, Congress committed itself to the goal of a "decent home and a suitable living environment for every American family." But for millions of low-income American families that pledge has been nothing but a hollow and vicious joke. Millions have neither a decent home nor a suitable living environment.

In cities around this Nation, there are boarded-up houses and apartments which are no longer suitable for human habitation. However, because of our housing crisis, people are actually forced to live in such buildings, which are often falling apart. Whether inhabited or not, such buildings often serve to bring a blight to the entire street, block, or neighborhood.

What does it mean for those who live in or near this type of deterioration? It means rats biting your children and lead-based paint for them to eat and die from; it means a plague of crawling, filthy roaches, it means plaster falling from your ceiling, gaping holes in the walls, leaky roofs, doors and windows that do not shut properly much less lock, and broken glass; it means dangerous rotting floors and steps; and it means plumbing that leaks and does not work; worn out stoves and heating equipment that often cause dangerous explosions, and faulty electrical wiring which can cause fires. Broken air-conditioning is not a housing problem that the poor often have to worry when they have no heat for days or weeks in mid-winter. Their greatest problem may simply be that they do not have any choice: Neither the choice to move, nor the choice to repair their expensive problem.

In this great technological society of ours 3.1 million American families have only cold running water or no piped-in water at all; 3.3 million families either share a flush toilet or do not have one. Not surprisingly, while black Americans are only 11 percent of the population, they make up a quarter of the American families who do without these basic elements of comfort and sanitation.

According to the Department of Housing and Urban Development's own estimates there are over 14 million households, most with incomes of far less than $5,000 per year, who are eligible for housing subsidies, but for whom there is no subsidized housing available. Almost all of these families live in housing which is either unsafe, unsanitary, or which costs so much that other basic needs cannot be met.

Those of us who have been closest to the problems of the cities of this Nation have long agonized over the constant deterioration of the already totally inadequate housing available for the low- and moderate-income families of our urban areas.

Considering the nature and immensity of the problem, it would be expected that solving it would be a priority domestic undertaking. However, despite overwhelming evidence of our failure to provide either numerically sufficient, or decent quality housing for many millions of human beings in this Nation, the current administration has refused to provide any leadership in this area except to oppose, veto, impound, and generally attempt to cripple all programs which might alleviate the situation for those with the greatest housing need.

But even the focus of our past housing efforts as well as the direction of so many of the current proposals before us has not been aimed at the resolution of our worst problems. For example, the FHA, since it was created in 1934, has insured more than $81 billion in residential mortgages for 7.5 million families; 7.3 million of those families were white. That program produced some good and bad results, but for most black Americans caught in blighted urban and rural areas, there was no program to produce any result, good or bad. Today, as a nation, we really do not have a housing program for the poor. Why does this administration, and why do so many others in power today, refuse to assist in providing the type of home which would allow every American to go home at night to a house he can enter with pride and dignity?

If finally enacted, my amendment would seek to change the prevailing attitude of those who, up to now, have been building or renovating housing for low- and moderate-income families. Their approach has usually been to cut costs wherever possible, and to use the cheapest quality materials not absolutely forbidden by law. The result was poorly designed housing which would begin to deteriorate within months or, at best, within a couple of years. This type of housing is wasteful from an economic viewpoint, callous from a humanitarian viewpoint, and foolish and shortsighted from a social viewpoint.

When the Government builds planes, space stations, dams, bridges, courthouses, highways, or anything else, it does not build using the cheapest designs or with the cheapest, least durable materials available; but that is what it has done when it has built housing for the poor. Why should buildings that house human beings not be of the same high quality as that of almost every other Government structure? The answer is that to those in power the residents of these buildings are not people, they are "the poor." And somehow the poor are not expected to know the difference.

The effect of my amendment is that it will be legally necessary, that any housing structure built for low- or moderate-families must be designed and constructed with materials which will provide the maximum possible life. By quality, I, of course, do not mean solid gold plumbing. But, I do mean that the basic premise would be to construct housing that will last 30 or 40 or more years. These buildings are a public investment. If they are constructed in a way to allow reasonable repairs when necessary, then the basic structure and major components can, indeed, have an extremely long life, and with the proper design features and proper maintenance their usefulness can be prolonged even further.

Whether in Shaker Heights, Ohio, Montgomery County, Md., Bergen County, N.J., or any similar extremely affluent area, it is obvious that the houses in such areas are built to last. They are larger and richer than it makes sense to build, but the strength and quality of their construction ought to be completely copied when building houses. Likewise, major office buildings are so constructed as to last for decades: The homes of families ought not be constructed with less care and quality. My amendment attempts to insure that buildings constructed to house even the poorest of citizens shall reflect the dignity and humanity we all share.

The text of my amendment follows:

AMENDMENT TO H.R. 15361, AS REPORTED OFFERED BY MR. STOKES

Page 116, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

MATERIALS, DESIGN, AND CONSTRUCTION REQUIREMENTS FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 525. The Secretary of Housing and Urban Development shall take such steps as may be necessary (including the insertion of appropriate requirements, specifications, and enforcement provisions in assistance contracts) to make certain that all housing which is constructed for use by low or moderate income families with assistance under any law or program administered by the Secretary or under his jurisdiction is designed and constructed in such manner, and utilizes materials of such quality and durability, as to assure to the maximum extent feasible that such housing will have a long economic life, resist deterioration, and provide ease of maintenance, regardless of any savings in cost which might otherwise be realized through the use or application of inferior design, construction, or materials.

CONGRESSIONAL ACTION IMPERATIVE: RESOLUTION OF INQUIRY AND AMENDMENT TO EXPORT ADMINISTRATION ACT INTRODUCED TO DETERMINE EXTENT OF AND PREVENT SPREAD OF NUCLEAR GIVEAWAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 15 minutes.

Ms. ABZUG. Mr Speaker, how dare Mr. Nixon assume that he can hand out nuclear power around the world as a form of largess to curry favor?

Egypt, naturally, gives assurances that the power will be used for peaceful purposes—but since a peace agreement has not yet been signed, this promise is open to question. It is an act of pure madness to inject nuclear capability into the extremely volatile situation in the Middle East. Moreover, one cannot help being suspicious of the eventual uses to be made of this nuclear material when one remembers that the shipment is being made to the oil center of the world.

Hundreds of scientists have told us that there is no such thing as a peaceful atom. Any nuclear material can quickly and easily become a nuclear weapon. We have just seen India explode a nuclear device made from peaceful atoms given her with the best of intentions, no doubt, by Canada. Now the Canadian Minister of External Affairs regretfully states that nuclear explosions for military and peaceful purposes are indistinguishable. The Washington Post for June 23rd warns us that scientists are extremely concerned about the lethal qualities of the plutonium produced by any kind of reactor. This theme is repeated by George F. Will in an article appearing in today's Washington Post, which I am attaching.

Mr. Nixon's reckless promises to Egypt and to Israel have had one beneficial effect, however; they have called to the attention of the Congress and the public a little-known fact: under similar executive agreements, the United States has already sent some 75 nuclear reactors to approximately 25 other countries. These agreements were submitted, pursuant to section 123 of the Atomic Energy Act, to the Chairman of the Joint Committee on Atomic Energy, where they lay for 30 days while Congress was in Session. In no instance has an agreement been rejected by the Joint Committee and in only one instance has there even been an attempt to do so. In those instances where agreements have provided for military nuclear cooperation, section 123(d) provides for submission of such agreements to the Congress with an opportunity for Congress to reject such an agreement by passing a concurrent resolution within 60 days.

Approximately 10 such agreements have been submitted to the Congress since 1958, when subsection (d) was enacted. None has ever been disapproved.

It should be obvious to us now that even so-called peaceful uses of nuclear materials present irreversible hazards for which we have not yet designed adequate protective measures. There is danger at every step in the production, transportation, storage, and disposal of nuclear materials. Yet we continue to ship such materials around the globe. And the President, through his recently announced agreements with Egypt and Israel, proposes to add further to this nuclear traffic. International safeguard measures, as mandated by the Non-Proliferation Treaty, are primitive compared to the sophistication of the materials handled.

Since India's recent entry into the field of nuclear weaponry, do we need any further reminder that nuclear technology or nuclear materials, even for so-called peaceful uses, can only increase the capability for developing nuclear weapons? The line between peaceful and military uses is thin indeed. The consequences of the international exchange of nuclear technology or materials, for whatever purpose, are just too great to be left to the discretion of the Executive. Congress must be given the opportunity to review these agreements and to approve them prior to their execution.

The present provisions of the Atomic Energy Act, allowing for rejection by the Congress in the case of agreements for military cooperation, are not adequate. Only by requiring affirmative action by Congress prior to execution can we be assured of adequate consideration of the extraordinary questions raised by all such agreements for nuclear cooperation. Accordingly, I have today introduced a bill to amend the Export Administration Act (Public Law 91-184) to require affirmative congressional approval of all agreements for the transfer of nuclear materials or technology. Amendments to this act, which deals with restrictions on the export of strategic materials and technology, will be coming to the floor within the next week or two.

The Atomic Energy Commission has told its Egyptian counterparts that an agreement must be signed by June 30 or it cannot be guaranteed. So many contracts have been signed here and abroad, the Commission states, that it is running out of fuel for new customers. The implications are horrifying. Immediate action must be taken by the Congress, and many questions must be asked—and answered. For example:

First. Will the United States require a commitment by Egypt and/or Israel not to construct chemical separation plants to extract weapons-grade plutonium from the fuel elements of the nuclear reactors supplied?

Second. What safeguard provisions, in addition to the minimal ones prescribed in the Nuclear Non-Proliferation Treaty, will be required by the United States to prevent the diversion of plutonium from energy to weaponry purposes?

Third. What provisions will be made to prevent the terrorist acquisition of radioactive materials in the volatile Middle East?

Fourth. What steps are being taken, in the negotiation of the agreement for cooperation with Egypt and in the negotiation of the agreement for cooperation with Israel to comply with the provisions of section 123 of the Atomic Energy Act (42 U.S.C. 2153)?

Fifth. Will any nuclear technology or nuclear materials be distributed to Egypt or to Israel pending conclusion of such agreements for cooperation?

Sixth. Will the United States require, as a condition of such agreements, that Egypt and Israel sign the Nuclear Non-Proliferation Treaty?

These are but a few of the grave issues inherent in the proposed nuclear agreements. As of now, the American people are in the dark. President Nixon's recent announcement of our intention to sell nuclear reactors to Egypt came as a complete surprise to most of us. We are still reeling from the shock and we are still in the dark, even after the White House statement of June 14, 1974, purporting to explain the proposed agreement with Egypt. Until there is some new legislative directive requiring the submission to Congress of all such agreements, we have no reason to expect that we will be informed on any of these still unresolved momentous issues. Therefore, I have also introduced today a resolution of inquiry to request the President to furnish the answers to these questions. A copy of my bill and the resolution of inquiry follow:

H.R. 15583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 12 of the Export Administration Act of 1969 (50 U.S.C. 2411) is amended by adding a new subsection (c):

"(c) Notwithstanding the provisions of subsection (a) of this section or any other provision of law, no agreement for cooperation with any nation or regional defense organization providing for the transfer or distribution of nuclear materials or nuclear technology shall become effective until the proposed agreement has been submitted to the Congress by the President and the Congress has adopted a concurrent resolution stating in substance that it favors the proposed agreement for cooperation."

H. Res. 1189

Resolved, that the President of the United States be, and he hereby is requested, to furnish to the House of Representatives, within ten days after the adoption of this resolution, full and complete information on the following:

1. The steps being taken, in the negotiation of the Agreement for Cooperation with Egypt and in the negotiation of the Agreement for Cooperation with Israel for the sale of nuclear reactors and fuel, to comply with the provisions of Sections 54 and 123 of the Atomic Energy Act (42 U.S.C. 2074 and 2153);

2. Whether or not the United States has required a commitment by Egypt and/or Israel not to construct chemical separation plants to extract weapons-grade plutonium from the fuel elements of such nuclear reactors;

3. Whether or not any distribution of nuclear materials or of classified nuclear technology will be made to Egypt or to Israel prior to the conclusion of such Agreements for Cooperation;

4. What steps, if any, the United States has taken to require, as a condition of such agreements, that Egypt and Israel sign the Nuclear Non-Proliferation Treaty;

5. The safeguard provisions, beyond those prescribed in the Nuclear Non-Proliferation Treaty, which the United States has imposed to prevent the diversion of plutonium from fuel to weaponry purposes or to prevent terrorist acquisition of radioactive materials.

THE PROLIFERATION OF PLUTONIUM

(By George F. Will)

More than by a scarcity of food or energy or clean air or living space, civilization is threatened by an exotic surplus. It is threatened by the proliferation of plutonium.

Bear this in mind as the government, floundering along miles behind events, debates the wisdom of giving Egypt a nuclear reactor. The problem is a lot bigger than that reactor.

Plutonium is the crucial—the explosive—component in nuclear weapons. It is a man-made element. Slightly more than three decades ago all the world's plutonium was in a cigar box in a U.S. laboratory.

But the rapid growth of the nuclear power industry, which is just beginning, will produce a terrifying amount of plutonium. Plutonium is a by-product of the fissioning of the fuel (enriched uranium) in the nuclear reactors that are used increasingly to generate electricity.

The process of enriching uranium is still very complex, secret, and expensive. But most nations can build (and, if necessary, conceal) a reprocessing plant for extracting plutonium from used reactor fuel.

And a determined group or nation can get plutonium even if it has neither a reactor nor a reprocessing plant. It can steal it.

Once one has weapons-grade plutonium, construction of a bomb is a manageable task for a few competent physicists. If they need some tips they can send $4 to the U.S. Commerce Department for a book (declassified in 1961) that describes the technical problems involved in building the first atomic bombs.

The cover of the book says the government does not assume "any liabilities with respect to the use of, or for damages resulting from the use of, any information, apparatus, method, or process disclosed in this report."

(Cultural note: People were outraged in the mid-1960s when the cover of the New York Review of Books contained a sketch showing how to construct a Molotov cocktail.)

Looking ahead to the proliferation of electricity-generating reactors in the U.S., an expert says:

Private companies will soon own more plutonium than exists in all the bombs of NATO. With the predictable growth and expansion of the nuclear industry, power companies will make a cumulative total of 10 million kilograms of plutonium within the last quarter of the twentieth century . . . Enough plutonium to make a weapon could be carried in a paper bag.

A small group of determined persons could steal that much from private industry here, or from public or private installations abroad. Indeed, that already may have happened. We can not know for sure.

We protect plutonium no more rigorously than we protect currency. And keeping track of plutonium as it is processed and used involves a significant margin of inaccuracy.

This is called MUF—material unaccounted for. Today, skillful pilfering of weapons-building amounts of plutonium MUF could go undetected here and around the world.

Nations or groups that do not have the patience for embezzling plutonium might try instead a bolder form of stealing, such as hijacking. By the end of this century a million kilograms of plutonium will be shipped annually by planes, trains, ships, and trucks between thousands of nuclear plants in more than 50 countries.

Brazil and Libya, perhaps with the help of India or France, soon may join the nuclear weapons club, which soon may be the least exclusive club in the world. According to some sober physicists, most nations could join.

It is possible that, say, Uganda could "go nuclear" in a few years. Getting the necessary physicists would be harder (but not all that much harder) than getting the necessary plutonium.

Imagine how stimulating life will be when a blithe spirit like Uganda's General Amin adds the tang of nuclear blackmail to his already frolicsome politics. But that thought, gruesome though it is, is not the grimmest thought one must consider.

The other day a terrorist bomb made a mess of Westminster Hall in London. It may not be long before the more sophisticated terrorist organizations will have bombs that can make a crater out of central London—or any other city.

Imagine the Irish Republic Army or El Fatah as a nuclear power. Someone once described the Nazis as "Neanderthals in airplanes." Neanderthals with nuclear weapons may be the ultimate 20th-century terror.

REGARDING PROPOSED NUCLEAR POWER AGREEMENTS WITH EGYPT AND ISRAEL

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, in my floor statement of June 18, 1974, I described the comprehensive procedures whereby the Joint Committee would review any proposed cooperative agreements with Egypt and Israel involving the possible export of special nuclear material or nuclear reactors. An important element of this review procedure in the past has been the conduct of thorough hearings in which the specific details of the proposed arrangements are thoroughly explored by the committee. For the information of my colleagues, I would like to include in the record at the end of my remarks a listing of the hearings, executive and public, which the committee has held on this subject over the past 20 years.

I would like to assure my colleagues again that the proposed cooperative agreements with the governments of Egypt and Israel will receive similar thorough consideration upon submittal to the Joint Committee in accordance with the provisions of the Atomic Energy Act. In the event the present legislation providing for the congressional review of such agreements is inadequate in any way, the Joint Committee on Atomic Energy will not hesitate in proposing amendments to the Atomic Energy Act as may be appropriate.

I would like to emphasize that the schedule for the commencement of negotiations on the basic agreements for cooperation with Egypt and Israel has not as yet been established. Obviously, considerable time and effort will be needed to reach agreement on the proposed agreements. After these negotiations are completed, the agreements will then be submitted to the Joint Committee on Atomic Energy in accordance with the Atomic Energy Act. The committee will keep the Congress informed of major developments as they occur:

INTERNATIONAL AGREEMENTS FOR COOPERATION FOR PEACEFUL USES OF ATOMIC ENERGY

PUBLIC AND EXECUTIVE HEARINGS OF THE JOINT COMMITTEE ON ATOMIC ENERGY

Argentina: July 29, 1955—Exec., June 22, 1960—Exec., June 20, 1964—Open.

Australia: March 1, 1961—Exec., August 6, 1957—Exec., March 20, 1967—Open.

Austria: March 20, 1967—Open.

Berlin Reactor: March 6, 1957—Exec.

Brazil: July 27, 1965—Open., May 20, 1964—Exec., June 22, 1960—Exec., July 16, 1958—Exec., June 8, 1955—Exec.

Canada: June 22, 1960—Exec., July 6, 1955—Exec., June 14, 1955—Exec.

China (Rep. of): August 25, 1966—Open, June 30, 1964—Open, June 22, 1960—Exec.

Colombia: June 8, 1955—Exec., March 20, 1967—Open.

Denmark: June 25, 1968—Open, July 16, 1958—Exec.

Euratom: June 22, 1973—Open, September 5, 1963—Open, June 22, 1960—Exec., January 21, 1959—Open, March 28, 1957—Exec., March 9, 1956—Exec.

France: June 30, 1964—Open, March 1, 1961—Exec., July 24, 1957—Exec.

Germany: July 24, 1957—Exec.

Greece: June 30, 1964—Open, June 22, 1960—Exec.

India: September 5, 1963—Open, June 25, 1963—Exec.

Indonesia: January 27, 1966—Open, June 22, 1960—Exec.

Iaea: April 29, 1965—Open, June 30, 1959—Open.

Iran: June 30, 1964—Open, March 28, 1957—Exec.

Ireland: June 25, 1968—Open, March 1, 1961—Exec.

Israel: August 25, 1966—Open, April 29, 1965—Open, May 20, 1964—Exec., June 22, 1960—Exec.

Italy: July 24, 1957—Exec.

Japan: June 25, 1968—Open, July 16, 1958—Exec.

Korea: June 4, 1965—Open.

Netherlands: July 24, 1957—Exec.

New Zealand: June 22, 1960—Exec.

Norway: March 28, 1957—Exec.

Peru: July 24, 1957—Exec.

Philippines: June 25, 1968—Open, June 28, 1966—Open, June 22, 1960—Exec., June 6, 1955—Exec., June 8, 1955—Exec.

Portugal: May 20, 1964—Exec., June 22, 1960—Exec.

Russia: May 26, 1966—Open, June 22, 1960—Exec., March 30, 1960—Exec.

South Africa: June 9, 1967—Exec., July 24, 1957—Exec.

Spain: January 27, 1966—Open.

Sweden: August 25, 1966—Open.

Switzerland: January 27, 1966—Open, June 22, 1960—Exec., July 29, 1955—Exec.

Thailand: June 30, 1964—Open, June 22, 1960—Exec.

Turkey: May 26, 1966—Open, June 4, 1965—Open, June 8, 1955—Exec.

United Kingdom: April 4, 1966—Exec., June 28, 1966—Open, June 17, 1965—Exec., July 19, 1965—Exec., July 6, 1955—Exec., June 14, 1955—Exec.

Viet-Nam: June 30, 1964—Open.

Yugoslavia: June 22, 1960—Exec., March 30, 1960—Exec.

DEMOCRACY, DIVERSITY, AND THE FLIGHT FROM FOREIGN POLICY

(Mr. FRASER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, Thomas L. Hughes, president of the Carnegie Endowment for International Peace and former Director of Intelligence and Research for the Department of State, has written an editorial printed in the spring of 1973 issue of Foreign Policy.

Mr. Hughes believes it to be an "indispensable foreign policy requirement" that the democratic instinct be revived. He contrasts the democratic instinct and its philosophy, democracy, with pragmatism which Hughes identifies with a tolerance for diversity:

> Democracy is a variety of viewpoints, but it is also a viewpoint; diversity is just a variety of viewpoints. Democracy arouses the moral dissatisfaction, the critical conscience, the constructive insight; diversity elicits the ready apology, the easy explanation, the contentment that allows one to close the books after a routine day and rejoin the social circuit with abandon. Democracy puts everyone on the hook; diversity lets everyone off it. Democracy, never achievable, is a standing proposal for change; diversity, never escapable, tends to over-ratify things as they are. Democracy provides the organizing fervor, the energizing principle, the motivation for the continuing effort, the leitmotiv for long-run striving; diversity anticipates the failure, predisposes toward accommodation, readies for adjustment, conditions for the inevitable.

But Hughes also knows that "the democratic instinct is no patent medicine for indiscriminate or universal application. It provides no magic formula for decisionmaking. It is less pertinent to negative policies than to positive ones. It has less to do with maintaining nuclear deterrence than with promoting economic and political development, less to contribute to East-West relations than to West-West and North-South."

Hughes believes it to be false history to write off democratic instinct as the inevitable raw material for a military crusade.

Mr. Speaker, I find this essay to be a thoughtful and thought-provoking one. It has struck me that a concern for the average citizen of the world is not present in U.S. foreign policy these days. This is another way to describe the demise of the democratic instinct that Mr. Hughes sees.

The essay follows:

OPINION—DEMOCRACY, DIVERSITY, AND THE FLIGHT FROM FOREIGN POLICY

(By Thomas L. Hughes)

There is, reportedly, a sign on the White House desk of one of Mr. Nixon's prominent practitioners of pragmatism which reads, "No problem is so big or so complicated that it can't be run away from." Like foreign policy, for instance.

There are many kinds of flight involved: the flight from the foreign policy we decry, the flight from the foreign policy process we distrust, the flight from the foreign policy officials we dislike. There is the flight of internationalists from an internationalism gone sour; the flight of the sensitive who are sick of heaviness, crudity, and manipulation; the flight of men of principle who seek some oasis from the desert of pragmatism; the flight of the still committed who crave relief from cynicism and corruption; the flight of a Presidential candidate who, stirring the mystic chords of memory, ambiguously calls America to Come Home.

Interacting and reinforcing one another are large, constituent elements, including the populist's flight from elitism; the urbanist's flight from distorted priorities; the liberal's flight from the lies and the letdowns; the congressman's flight from his demonstrated lack of influence; the purist's flight from contamination with power; the individualist's flight from the gimmickry and the handouts; the advocate's flight from the missing audiences or from the listeners who do not hear; the intellectual's flight from the mediocrity and the philistinism; the permanent minority's flight from the frustration of always losing; the humanist's flight from all the callousness and the inhumane consequences.

Formerly the flight from foreign policy was championed by the New Left for whom the flight itself was the next best freak-out to hijacking one's way to Havana. Today the flight extends all the way to resentful establishmentarian experts who are unreconciled to settling for Realpolitik as a lifelong spectator sport. For others the flight focuses on the particular foreign policy one most deplores—whether it is in the Middle East, Southern Africa, the Indian Subcontinent, or Latin America.

There is the flight from foreign policy of some of the officially culpable who, having retrospectively retouched their reputations, now have their ethics and politics in a more coherent, contemporary focus. They are part of a much larger flight from the U.S. government in general, by people who have become tired of being guilty by association with its out-sized, late twentieth century, vulnerability. And accompanying them are aspirant future leaders who see clearly that they must follow if they are going to lead.

What is more, this phenomenon is not merely a flight from Washington after a decade of disillusionment. In all of those restless quarters where law and order are code words for the status quo, there is widespread evidence of a flight from the whole paraphernalia of government in general—from the institutionalism of bureaucracies, sovereignties, armies, courts and police. There is a flight from international institutions as well, for they, too, smack of frustrated hopes, swollen staffs, and disenchanting inaction. Such targets do not escape the wrath of the disillusioned just because they happen to embody institutionalized goodwill or are affiliated with, say, the United Nations, in auspices, location, or personnel.

There is a residual flight from foreign policy among those remaining inside government. It manifests itself in a retreat from real issues and a contentedness with ceremonial roles. This is especially true of many technically still within the corridors of power who have been burned by previous conflagrations or expelled from active foreign policy participation. Once they thought they were in a Government of Talents; now they see it as a Government of Two.

However one looks at it, the velocity and depth of this contemporary American foreign policy turn-off is breathtaking. One can speculate that most of these swallows will come back to Capistrano when this special season of defeatism and recoil is over. But meanwhile this many forms of flight by this many birds of passage has to add up to systematic failure. The resulting breakdown of consensus and the threatened collapse of the American foreign policy dialogue invite inquiry and analysis from many angles of vision. Here I propose to select one angle which returns us to an old debate. By the conventional wisdom, it is a debate which one side long since won. Let us see whether the losing side has any lingering wisdom to offer in explanation, expiation, or—may I say it?—regeneration.

DEMOCRACY AND DIVERSITY

I am thinking of the provocative themes of democracy and diversity. They are awkward themes, so alike and yet so unalike. For present purposes I should like to consider them as symbolic contrasts of nuance, affinity and commitment—contrasts which will serve to highlight at least one set of determinants in the flight from foreign policy and our possible recovery from it.

"Ink and paper can cut the throats of men, and the sound of a breath may shake the world." Americans, more than any other people on earth, used to know that this was true. Think only of two famous twentieth century phrases of two world-minded Presidents, and at the same time consider the contrast.

Fifty-six years ago, President Wilson delivered his war message to the Congress:

"The world must be made safe for democracy. . . . We shall fight for the things which we have always carried nearest our hearts—for democracy, for the right of those who submit to authority to have a voice in their own governments . . . the day has come when America is privileged to spend her blood and her might for the principles that gave her birth. . . . God helping her, she can do no other."

The world must be made safe for democracy. . . .

Ten years ago next summer, President Kennedy delivered his famous peace appeal at American University:

"So let us not be blind to our differences—but . . . if we cannot end now our differences, at least we can help make the world safe for diversity. For our most basic common link is that we all inhabit this planet. We all breathe the same air. We all cherish our children's future. And we are all mortal."

At least we can help make the world safe for diversity. . . .

Democracy or diversity? Why the change in the space of half a century? Apart from today's disposition to try to make the world safe for neither, is the dichotomy suggestive or relevant? Or does it obscure as much as it illumines?

Of course, at one level, democracy is diversity and diversity is democracy. They are synonyms, one often duplicating and defining the other. Diversity suggests the element of agnosticism fundamental to democratic life, the toleration for ventilating differences, the richness, variety, and experimentation which democratic systems exist to preserve and express—"the spirit," as Learned Hand once put it, "which is not too sure that it is right."

Yet in proposing that we try to save the world for diversity rather than democracy, President Kennedy had something deliberate in mind. I do not wish to be impliedly unfair to him in focusing on his words. He was clearly conscious of Wilson's antecedent phrase, and he meant to moderate it. He intended a symbolic scaling down, presumably in the direction of realism.

In 1917 Wilson was delivering a war message. In 1963 Kennedy was delivering a peace message, hoping to convince the Kremlin that war was against our mutual interest. Even then—10 long years ago—our disillusionment over past failures, our revulsion against moralistic posturing, our retrenchment from prescribing what was best for other people, our withdrawal symptoms from the exhilarations of overcommitment—all these argued for the perspective of diversity; for lowering our goals. Contrary to some of the new mythology, even the best and the brightest fully understood that making the world of the 1960's safe for democracy would have sounded implausibly old-fashioned, dangerously adventurous, and hopelessly utopian. Making it safe for diversity struck one as possible if not plausible—in any case a distinct advance toward realism. For most men agreed a nuclear world was too dangerous for uninhibited zeal, certainly for a Wilsonian crusade. President Kennedy meant to highlight this danger.

Moreover, from a variety of pragmatic perspectives, the work-a-day preference for diversity over democracy was conclusive, unanswerable. It was dictated by the facts of international life. It bespoke elemental and conventional truths. We had learned the hard way that you could lead Diversity to Democracy but you couldn't make him drink. Also, considering the undemocratic nature of our favorite clients of the past decade from the Caribbean to Southeast Asia, the terminology of diversity was surely more accurate and less embarrassing. Diverse the world unquestionably appeared to be—self-evidently composed of a diversity of goals and instructions, of means and men.

Democracy, by contrast, remains as arguable as it is actual. It has as much aspiration to it as attainment. There is much that is insufficient about the concept itself, much that is naive and vulnerable. "They are a little short on democracy in Cuba," a former British Prime Minister conceded in the days when selling buses to Castro was at issue. And they are still a little short on it many other places, too. Much is working against democracy everywhere in the dilemmas of our time. Many of the practitioners and beneficiaries of democracy in the world are demagogues in democratic clothing.

Hence any overview of the world political situation is bound to start with the actuality of diversity. But suppose we wish today to reverse the flight from foreign policy. Shall we settle then for diversity as an acceptable substitute point of reference? I shall argue against doing so, aware that I am arguing a hard case.

For just as there are ways in which democracy can be most inconvenient for diversity, there are ways in which diversity can be most embarrassing for democracy. Let loose in the blossoming transnational politics of the twentieth century, flirtations with diversity, especially when eagerly pursued, tend to split the difference between democracy and autocracy. At best they arrive at a halfway house for the hesitant, at worst a comfort station for the conservative. For somewhere on this descending escalator of goal-reduction, when making-the-world-safe-for-democracy becomes making-the-world-safe-for-diversity, the latter slips into making-the-world-safe-for-anti-democracy, and we have turned Woodrow Wilson upside down.

THE NUANCES

Let us consider some of the nuances and see where they lead: Democracy asserts the hope; diversity reasserts the reality. Democracy usually evokes tomorrow; diversity always claims today. Democracy often reaches for the intangibles; diversity abruptly returns to the tangibles. Democracy judges; diversity adjusts. Democracy summons us to abstain and censure; diversity leads us to relax and enjoy.

Democracy is a variety of viewpoints, but it is also a viewpoint; diversity is just a variety of viewpoints. Democracy arouses the moral dissatisfaction, the critical conscience, the constructive insight; diversity elicits the ready apology, the easy explanation, the contentment that allows one to close the books after a routine day and rejoin the social circuit with abandon. Democracy puts everyone on the hook; diversity lets everyone off it. Democracy, never achievable, is a standing proposal for change; diversity, never escapable, tends to over-ratify things as they are. Democracy provides the organizing fervor, the energizing principle, the motivation for the continuing effort, the leitmotiv for long-run striving; diversity anticipates the failure, predisposes toward accommodation, readies for adjustment, conditions for the inevitable.

Democracy develops its own set of clients: featuring constitutional governments, significant partisan rivalry, nonviolent transfers of power, civilian control of the military, turning popular aspiration into participation, talking a universal political language, and taking cross-cultural leaps. Diversity gravitates toward the set of clients democracy leaves out—featuring kings and juantas, authoritation and military governments, the politics of paternalism and condescension, and the sanctity of culture-bound parochialisms which we are increasingly asked to appreciate, yea admire.

Democracy makes one uncomfortable in dictatorships, no matter how essential they may be to our strategic plans, or to five-power balances, or to spheres of influence, or to intelligence gathering; no matter how charming their autocrats, how glittering their society, or how rich their ancient undemocratic tradition. Diversity renders one comfortable in these environments. It is conducive to little lessons in problem-avoidance and averting one's gaze. Democracy will argue for breaking relations (however ineffectually) to communicate discomfort, disapproval, and distance; diversity will argue for normalcy, for the line of least resistance, for the prompt post-coup resumption of arms supplies. Democracy makes you distinguish, as a ranking American politician once did, between the cold handshake for dictators and the warm abrazo for democrats; diversity explains how the same politician, after making the distinction, could be photographed giving the Dominican torturer Trujillo the warmest of abrazos.

For democracy often appeals to the sentimental, the sincere, the other-worldly; diversity regularly attracts the corrupted, the sophisticated, the under-worldly. Democracy can chill like a cold shower of Anglo-Saxon moralism; diversity can condone a thousand conflicts of interest. Democracy chastises itself over hypocrisy and sham; diversity consoles itself with William James's "rich thicket of reality." Democracy can, on occasion, pull us together, diversity disperses and scatters us. Democracy can inspire and mobilize, diversity excuses and explains away. Democracy is compulsive, stouthearted, and value-oriented, diversity is directionless, lighthearted, and value-free.

In political philosophy, democracy instinctively pulls toward one American tradition. Diversity instinctively pulls toward another. Each tradition will confusedly contest for relevance in technocratic, pluralistic, futuristic, twenty-first century America. The more we say we are for diversity, the less it will sound like democracy. As happens so often in the realm of politics, one America will find another America coming back.

Overlapping, inseparable, democracy and diversity are doomed to coexist in the human context and to contest for allegiance in the oncoming American generation.

Democracy or diversity? In one sense, genuinely both. In another sense, simply a semantic choice between two gifted Presidential phrasemakers in a world where the well of words has subsequently run dry. But more profoundly, a real choice. For the words can be made to disguse whole views of the world. There is as much reality here as rhetoric. It is my strong conviction that we are talking about something here intimately involved in the contemporary flight from foreign policy and central to our eventual national ability to recover from it.

THE INSTINCT FOR DEMOCRACY

Consider, for example, the future of the American Foreign Service—and particularly the qualities of character and mind which go to make up the personnel ranks of a large bureaucracy purporting to represent the American people. The most important quality of all may be the most elusive—the one which never appears on paper, the instinct for democracy. How much democracy does a man have in him—country director V, economist W, intelligence officer X, soldier Y, ambassador Z? On paper there is no easy way to tell. I confess I do not know precisely how you locate and identify this instinct, this commitment to people, this concern for human consequences. I am not sure how you recruit for it, employ it, protect and nurture it, much less how you promote it, reward it, and regain prominence for it as the most authentic American voice.

However, I do know that the age of transnational politics presses upon us: the rapid, burgeoning, and free flow of people, ideas, words and pictures across all the frontiers in the non-Communist world and into the Communist world as well. Some will argue what they consider to be a self-evident proposition: that in such a world we will need all the talents we can find—and that if Americans of democratic instinct are unavailable, men of less-democratic talents will be suitable. Others will regard the decline of the democratic instinct as a welcome relief from naivete and nonprofessionalism. Still others will readily propose that we conveniently economize on our talent-impact ratios, compartmentalize our interests, rationalize our inspiration, stand for different things in different places, and address separate audiences inconsistently as we have so often in the past. The instinct for diversity accommodates itself readily, as usual, to such assignments.

But the instinct for democracy. There's the rub. One never knows when it will be needed most, where it will shift the balance, when it will make the difference, in which close decisions, at what levels of governmental or societal behavior. The same list of questions, the same mix of problems, the same set of facts may be fatefully nudged in one direction or another depending upon which instincts are present around the table, at work in the process, or lying at the back of policymakers' minds.

Democracy and diversity will often be competitive instincts when confronting contemporary conflicts of choice. More and more they tend to tug in different directions, represent different magnetic attractions, symbolize different gravitational pulls. They incline our affinities toward competing constituencies, and point our orientations toward separate sets of subjects. They determine our receptivity to new situations. They select the people and attitudes we feel at home with, at home and around the world.

Today perhaps more than at any other time in this century the instincts toward democracy and diversity compete unevenly in American public life. The democratic instinct is bound to be disadvantaged bureaucratically, especially when it comes to foreign policy. Here the underlying issues go far beyond the current eclipse of the foreign affairs bureaucracy by the White House. Consider only the bureaucracy's traditional role as a powerful shock absorber, the congenial channeling of like-minded people into like-minded jobs, the penalties against wearing institutionalized hair shirts, the power of negative thinking, the time officialdom spends keeping things from happening, the disposition to conform rather than create, the inhibiting effects of formalized paper flow, the vagaries of access, the manifold claimants for tickets of admission to meetings, high posture and low posture as ways of life, the hesitations between ambition and propriety, the tendencies toward expatriation when leaving Washington for the field—in short, all the predicaments of being prisoners of process.

SUBJECTIVE REALITIES

The Communists talk about "objective realities." I am talking about subjective realities. Focus, for instance, on the youngest careerist today in the State or Defense Departments, in AID, CIA or ACDA. What does he really believe? How does he really relate? Where are his real sympathies? Whom does he really admire? Which are the real attitudes that he will inject into the foreign affairs environment as his career stretches on to the twenty-first century? Can he master the new requirements for technical proficiency and yet maintain the ability to transcend them? Can he contribute constructively to the politics of rising above politics? How will he behave when he discovers what the secretary or the ambassador or the administrator really thinks after three Scotches and soda? Where will he personally adjust when our people-oriented programs collide with our strategies of conflict? What navigational principles will accompany him as he moves through the seas of the public frustration, congressional vacillation, the unmanageability of complexity, and the emotional drain on all involved?

This instinctive personal factor is related to, but it both precedes and goes beyond, the mechanisms, the externals, the machinery-of-government problems, beyond the institutionalized restructuring. It goes to content, not forms. It goes, significantly, to the difference between the people who think the instinct for democracy is an asset and those who think it is a liability. In scope and scale this is supremely an issue on which America confronts America.

Today the most serious component elements of the flight from foreign policy consist of those whose instinct for democracy is strongest. The direction and content of American official behavior in the 1960's outran their toleration for complexity, their willingness to acquiesce, their disposition to defer. This we can now see clearly, but the costs are not yet in. The results may well be more destabilizing than we yet comprehend.

No man, of course, can ultimately choose his stage. He must write his personal history in terms of current history. Only rarely and within strict limits can he select his issues, his context, the setting for his career. Nevertheless, today each American of democratic instinct who desires a public career can decide broadly whether to enlist for domestic or for foreign service. Between these two large options he can choose. He can compare the nature, scope, and challenge of current problems in the foreign and domestic fields, judge his own potential impact and satisfactions, and opt if he wants to. Our national needs—even, if you will, our national interests—and his inclinations may just happen to be out of phase.

The departure of those whose instinct for democracy is strongest can, if unchecked, distort the substance and diminish the appeal of U.S. foreign policy in historic proportions. Democracy, by all odds, has in the past been the central ingredient which has made our national interest interesting to others. But democracy, if it is to remain credible in a world of exploding communications, must now more than ever be represented by those whose democratic instincts are genuine. Everywhere we face a new obligation for authenticity. By that test, the residual ascendency of diversicrats will have dispiriting effects.

What is worse, the process is unfolding in a doubly dangerous way. The disinclination for democracy and the inclination for diversity can splay unevenly across the new streams of talent available to American public life. As the flight from foreign policy continues, a compensatory phenomenon may be occurring in the reverse direction. One notices that certain precepts and practices, going well beyond the bounds of American domestic practice and acceptance, can readily be transported into a foreign affairs milieu and allowed to flourish there. I'm thinking about something more than the petulance of Presidents, grossly symbolic as their bombings, minings, and invasions at times may be. I am thinking of a more pervasive problem. Sentiments which contemporary America would not suffer among public officials on the domestic scene are not only lived with but appreciated as the wisdom of the ages when applied to certain foreign enemies, clients, affiliation, targets and issues.

In that sense the very notion of foreign service thrusts toward being value-free. There are so many assignments, so many cultures, so many viewpoints, so many intractabilities requiring so many fungible personalities, that to prepare for a career amidst them is to guarantee enhancing any man's inclination toward relativism and accommodation. International relations allow full scope for anti-democratic instincts—for the bizarre, the curious, and the irrational; for ancient concepts of inequality, aristocracy, blood feuds, and false pride—instincts which American political life no longer admits as respectable or tolerable.

Darwinian temptations, therefore, arise for a new kind of natural selection—where careers congenial to obsolete ideas will shift their venue from the inhospitable habitat of domestic democracy into the hospitable habitat of foreign diversity. Attitudes of mind and behavior, rejected at home, not only will be embraced in many foreign policy circles, but will be re-imported for domestic consumption—often to sit in judgment on basic issues where democracy and diversity contend.

In the multitude of private decisions now being made about career preferences by Americans in their twenties, the steaming domestic cauldron of urban challenge, the rebuilding of our local, state and regional institutions to brace for the twenty-first century—these crises of domestic democracy—can excite publicly oriented young men and women and pull them away from the world scene into the domestic one. Partly for that reason, and in contrast to it, there may be an abnormal proportion of other publicity-oriented Americans who may now seek refuge in a flight into foreign policy—a flight from the tempestuous egalitarianism of the American scene to the more comfortable inequalities of world affairs. Unquestionably competent, talented, often energetic, they mentally check out of our domestic crises and bring along with them an underlying set of non-democratic, even anti-democratic, attitudes precisely at the time when American foreign policy needs such attributes the least.

The tendencies grow imperceptibly into a serious splitting apart of the environments of attitude in the next official generation. We could be left with an unwanted polarization of tendencies—a fateful conversion of cross-currents—with our official policy circles less and less significantly responsive to human issues, just at the time when our domestic affairs are being replenished, hopefully, with rechargeable men of democratic instinct fresh from their flight from foreign policy. Almost without knowing it, we could face an increasingly awkward division of affinities which could distort if not dry up our natural supply of foreign affairs leadership.

Now I do not wish to be misunderstood. I do not mean that we are necessarily on the threshold of a new burst of domestic democracy, for the trends may indeed go the other way. Nor do I wish to exaggerate the multitudes of men of democratic instinct available in the on-coming generation in America, for democratic instincts may be in short supply all around. Least of all am I suggesting an artificial ingrafting of domestic astigmatism upon our vision of world realities.

Nor would anyone today pretend that the democratic instinct, with its steady humanist, egalitarian, and populist overtones, occurs in a pure or undiluted form in any human carrier. All of us in some degree are split personalities. It is hard to identify individuals, therefore, who personify the democratic instinct on a continuing basis. At any rate I do not include among them those prominent statesmen of the present or recent past who have publicly promenaded the democratic instinct as an adjunct of cold war Calvinism.

Even when identified and reliably present in foreign policy deliberations, the democratic instinct is no patent medicine for indiscriminate or universal application. It provides no magic formula for decision-making. It is less pertinent to negative policies than to positive ones. It has less to do with maintaining nuclear deterrence than with promoting economic and political development, less to contribute to East-West relations than to West-West and North-South. But present, ventilated, and heard in policy-making councils, it could play a central role in reordering priorities. It comes close to the heart of our most serious predicaments of choice, not only on the statecraft issues of how and toward whom we tilt, but on the more epochal issues of how we expend our lives, our fortunes, and our (once) sacred honor.

INDISPENSABLE REQUIREMENT

Hence I do mean to stress the indispensable foreign policy requirement of reviving the democratic instinct despite the current fashion among both the remorseful and the revisionists to rejoice in its demise. For that instinct is now languishing, in part from its own self-abdicating retreat, and in part from the misplaced revulsion of otherwise sensitive critics. Which leads me to a final admonition: The democratic instinct need not become the handmaiden of non-democratic forces. It is fashionable but false history to write it off as the inevitable raw material for a military crusade. Of course, the instinct that wants to make the world safe for democracy betrays an intellectual preference for other democracies and for human beings in general. But that by no means proves that the instinct pushes uncontrollably in the direction of a naive universalism, careless of means and ends, bent upon trying to make the world itself democratic.

The democratic instinct like any other instinct can be manipulated, misused, and betrayed. Men of cynicism, masquerading as men of democratic instinct, can try to cosmeticize their barbarities with the public relations of democratic language. But despite what the New Revisionism teaches, the democratic instinct need not be a ready decoy for power politics. It need not indiscriminately march off to imperialist adventures—its caricature does that.

My own experience was that the democratic instinct in the bureaucracies of the 1960's tried to keep us out of unjust wars, not get us into them. After all, most of the critics of the Vietnam war were, from the beginning, those whose democratic instincts were most alive—those who saw and worried and warned of the predictable human costs. There may not have been enough of them, and their names may not have become household words. But they weren't all up there in front chorusing the war chants, composing the white papers, mounting the covert operations, and dropping the bombs. More was going on in the way of democratically-based dissent than the best sellers have disclosed. Perhaps someone will yet discover that the democratic instinct often defined the difference between the best and the brightest.

Americans of democratic instincts today are internationalists in suspension. But those instincts are still there, untapped, unchanneled, undirected, unaroused. They still constitute, as they always have, a unique national resource. Today their revival is just as essential to the rediscovery of international élan and spirit generally as it is to the reformulation of a viable foreign policy consensus in the United States itself.

Whether we look at the flight from foreign policy descriptively or prescriptively, the reinclusion of this democratic life force is essential to restraining or reversing that flight. Whether our values are cultural, pragmatic, or normative, the breach between democracy and foreign policy must be healed. Where else will we rediscover that cross-cultural continuity of political commitment that sees poverty, disease, pollution, and illiteracy as human problems that know no national boundaries? Who else will convert the human motive power, dedicated domestically to better health, housing, education, and development, into their transnational applications? Upon whom else can we depend for the moral insight which can hope to curb the propensities for power—and the excessive displays of power—which in recent years have been targeted on other human beings in the name of the American people?

Maurice Maeterlinck warned us long ago that on every crossway on the road that leads to the future, each democratic spirit is opposed by a thousand men appointed to guard the past. The least that the most timid of us can do is not to add to this immense dead weight that nature drags along. The rest of us can, if we wish, go out into this generation to stand for the propositions that man's future on earth need not be cancelled; that we need not resign ourselves to catastrophe; that our political ingenuity may still rescue us from ruin; that our democratic instincts still are here; that building the institutions of peace is worth the effort; and that we can have a world made safe for those things most centrally and lastingly human.

CONGRESSMAN WYDLER CONGRATULATES BELLEROSE ON ITS 50TH ANNIVERSARY

(Mr. WYDLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WYDLER. Mr. Speaker, recently I had the high honor of attending commemorative services in honor of the 50th anniversary of the Village of Bellerose, one of the smaller but nicer communities in my Fifth Congressional District. This village is indeed a gem in the collection of communities that make up the district I represent in Congress. I think it is most appropriate that the history of Bellerose Village be set forth in the Record so it may be noted by all my colleagues in the Congress:

Bellerose Village: A History

MRS. MARSH

The story of Bellerose begins with an energetic, intelligent and able lady from Lynn, Massachusetts, Mrs. Helen M. Marsh. After entering the real estate business at the age of nineteen and being rather successful, she dreamed of creating a model community. While on a trip to New York around the turn of the century, she visited this section of Long Island which seemed ideally suited to her purpose.

Five parcels of land comprising seventy-seven acres were destined to become the Village of Bellerose. Different sections were owned by various farmers over the years—the Rhodes family from before 1808 until 1906, the Frost family from 1872 until 1894 and John Lewis Childs from 1894 to 1905. The total acreage operated as a gladiola field must have been a beautiful sight.

On October 26, 1906, the United Holding Company was formed for the purpose of raising the $155,000 needed to purchase the property. Mrs. Marsh became its General Manager.

The Panic of 1907 began almost immediately. Banks closed, the stock market plunged, railroads went bankrupt, factories shut down, and thousands were out of work. It was clearly a poor time to own undeveloped real estate.

As a direct result of the Panic, a $50,000 mortgage was called on one of the parcels of land. Mrs. Marsh pledged her own securities so that the mortgage would not be foreclosed and her dream would be realized!

Mrs. Marsh's visualization of the Village has been likened to a fan with the streets terminating at the railroad station or to a wheel with the station as the hub and the boulevards as spokes. At any rate, in rejecting the conventional checkerboard pattern or grid style prevalent at the time, she ran into problems trying to find an engineer and a title company that would share her vision.

As soon as she imported an engineer from Boston and work began, she set about naming the streets after states and the Great Lakes. It is a mystery why the Hudson River was favored over Lake Erie.

At one time or another Mrs. Marsh lived in twenty-two houses in Bellerose. Even before the first house was constructed in 1910, she was living on the outskirts of the property in the red house on Jericho Turnpike now being used as an antique shop. She and her niece, Mildred Varney, moved into 4 Massachusetts Boulevard before it was completed and they lived for a time under fairly primitive conditions.

Mrs. Marsh was evidently not afraid of hardship or hard work. Not only did she water newly planted trees during the summer drought, using a borrowed horse and wagon, but she also kept the fires going throughout the winter in new houses under construction. No detail was too minute to escape her attention. She selected color schemes for the houses as well as flowers and shrubs for the gardens.

When local banks refused to lend money for construction, Floral Park farmers, among them Jacob Wicks and Joseph Rose, supplied the cash. While the second house was being built at 5 Commonwealth Boulevard, five other houses were started.

In 1922, when 117 homes had been completed and 400 people were living in the community, the United Holding Company was dissolved and all unsold land was acquired by the Bellerose Land Company. That same year title to the property changed hands again when Mrs. Marsh and another resident of Bellerose, Edgar C. Ruwe, formed the Marsh and Ruwe Company.

Advertising houses in Bellerose was done in a fairly unusual way, mainly through social activities such as teas, dances and progressive dinners. Many houses were sold when those who had already bought homes invited their friends to a party in a newly completed house. In addition Mrs. Marsh rented a studio apartment in Manhattan and held parties for prospective residents.

It is surprising that she could devote so much time and energy to Bellerose because she had many other business interests. These included large parcels of land north of Jericho Turnpike extending to the now unused railroad line, a golf club in New Jersey, a silver mine in Colorado and even a Brake Service Station on Jericho Turnpike.

Records show that in 1926 she was Treasurer of Marsh and Ruwe Company, a member of the Board of Directors of the Bellerose Association, and a member of the Board of Directors of the Rosebelle Corporation which owned and was developing some of the commercial property on Jericho Turnpike.

One of the earliest village gatherings recounted in great detail, the social event of the 1912 summer season, was the wedding of Mildred Varney to Donald Ralston. It was held on the grounds of the first two houses built in Bellerose. In addition to an altar of palms and flowers and a daisy chain aisle, the wedding featured a hidden orchestra, a platform for dancing, an outdoor reception tent and, last but not least, a bridal veil from Paris.

WAR EFFORTS

Whenever the United States was at war Bellerose responded generously. In 1917 a Home Defense League was formed. The men were drilled by Captain Robert Winne, a retired Army man and a veteran of the Spanish American War. Not to be outdone, the women supported the Red Cross and a community liberty garden.

During World War II victory gardens were planted in vacant lots on the Turnpike and scrap campaigns were launched to recycle rubber, fats, iron, tin cans, and copper. Dim out and blackout restrictions were imposed and the Village bought War Damage Insurance.

Over one hundred and thirty residents joined the various branches of the services. The War Monument in front of the Fire House honors the memory of those who died in battle.

Throughout the Korean Conflict a very active civil defense organization existed. The Village made a cash contribution toward the purchase of a pair of binoculars for the Civil Defense Observation Post at Belmont Park.

CONTROVERSIES

Over the years Bellerose has fought many good fights, some more extensive than others. For example, close to thirty years of negotiations were necessary to have the railroad tracks elevated.

Very early in its history a different kind of danger threatened Bellerose. New York State was considering various proposals which would have permitted New York City to annex adjacent property in Nassau County. In the case of Bellerose the Village would have lost a strip about a hundred feet wide across its northern boundary. This area, assessed at $990,000 in 1930 and containing all of the Village commercial property, comprised twenty-seven per cent of Village area.

Mr. Frank Dougherty, long-term resident and Village Counsel, was appointed by the Nassau County Village Officials Association to work against the proposed annexation. Bellerose, as well as many other areas in Nassau County, has good reason to be grateful to him.

THE NAMING OF BELLEROSE

At the time the land for Bellerose was purchased there was a large farm south of the railroad owned by Joseph Rose, who had a daughter named Belle. An old shed stood on his property along the railroad tracks. In pictures of this shed the name "Bellerose" is clearly visible.

He may have used that shed for shipping his produce and he may have named the station for his daughter, but there was never any way to verify that fact.

Every effort was made to trace the name. In a letter from Mr. Peter Woodward, General Passenger Agent of the LIRR Co. New York, dated August 3, 1937, it was stated that while they had no record of the old shed, their records did indicate that Mrs. Marsh did name the station.

At any rate, when the Long Island Rail Road did agree to provide service to Bellerose, Mrs. Marsh named the station expecting that the property owners would choose a permanent name at a later date. In 1917 they unanimously ratified her choice.

Years later Mr. Herbert Ricard, Historian for the Borough of Queens, asked Mrs. Marsh if the name "Bellerose" had any special significance. She replied:

"My Dear Mr. Ricard: Regarding Bellerose, will say it has no special meaning, except it seemed like a euphonious name and suitable word for a high class development. The reason it has been taken and used from one end of the county and the city of Queens, is because it is a unique development and so different from most places. We built a beautiful station, and have kept up a high class development and community and different from anything else.

"Trusting this gives you the information required, I am, yours very truly—Helen M. Marsh."

Mrs. Marsh was reported to have said that one of the biggest thrills of her life occurred when a conductor in New York called out, "First stop, Bellerose."

BELLEROSE ASSOCIATION

The purpose of the Bellerose Association, which was incorporated in 1908, is to "acquire and to construct, maintain and improve, regulate and beautify, private parks, roads, drain . . . and generally to promote the social and community interest of the owners . . ." of land in Bellerose. One vote is allotted for each 4,000 square feet of property owned and both men and women may vote.

In contrast the Bellerose Civic Association, which was organized in 1917, limited eligibility for membership to "male" property owners. Even though the 19th Amendment to the Constitution adopted in 1920 gave women the right to vote, the Civic Association did not get around to permitting any "resident" to join until 1931. Women's liberation would have a word for this!

In the early years of the Village the United Holding Company as owners of the property held most of the votes. However, as more and more families bought houses, the balance changed. The Bellerose Association had the power to approve the plans and specifications of any house or garage built on the property.

By 1916, when getting the Board of Directors of the Association together often proved difficult, Mrs. Marsh was "appointed a permanent committee to pass upon and decide all questions that may arise concerning building construction and to approve or reject all building plans. . . ." She vigorously exercised her extraordinary powers.

As well as providing for the types of buildings to be constructed, the restrictions in the by-laws of the Association even set minimum standards for the cost of construction. These standards originally ran from $2,500 to $6,000, but over the years they were periodically updated. Many of the ideas used by the Association in creating a pleasant and well-planned community were inspired by the Heathcote Association which earlier had created Scardsdale in Westchester County.

In 1910 the owner of the mortgage gave the United Holding Company permission to turn over the streets of Bellerose to the Association for the sum of one dollar. Fourteen years later the Association turned the streets over to the newly incorporated Village keeping back the parks at the west end. This effectively prevented the streets from becoming public thoroughfares.

Then the Village had to undertake the all-important job of negotiating with the public utilities and private companies which provided services to Bellerose. Over the years the restrictions have been modified and extended usually for several years at a time. They will come up for extension in 1975. The Architectural Review Board set up in 1970 does some of the work previously delegated to the Bellerose Association.

WOMAN'S CLUB

It is virtually impossible to tell the story of Bellerose without spending a great deal of time on the Woman's Club which celebrates its sixtieth anniversary in 1974.

In 1911 Mrs. Marsh, Miss Varney and Mrs. Hardon began to meet informally once a week for sewing, conversation and tea. When the number attending the sewing bee reached ten, the women felt the need for greater mental stimulation so the Woman's Club was organized with Mrs. Marsh as its first President. After a four-year term of office she became Honorary President.

The purpose of the Club has always been "to further the social and intellectual interests of the community and to promote the highest ideals of citizenship."

During World War I all of the forty acres of vacant land in the Village were patriotically turned into a War Garden sponsored and worked by members of the Woman's Club. In addition to canning thousands of jars of vegetables, the women also worked with the Red Cross.

In 1922 when membership reached eighty and the station, which had always been a convenient meeting place was being turned over to the Long Island Rail Road, the members of the Woman's Club faced the formidable problem of providing another suitable place for meeting. Within three years they had solved this problem in characteristic style by not only acquiring four plots of land on Superior Road but also by building a Club House.

In order to raise the $2,000 cost of the land various club members volunteered to bake, chauffeur, sew, iron, baby sit, cut hair and give bridge parties. The money for the construction of the Club House was raised when each member took out a $50 note from a bank. Soon afterward the Woman's Club of Bellerose became a Holding Company with each member owning a share of stock.

By 1934 membership reached an all time high of two hundred and ten. Always responsive to current needs, during World II club members worked with Civilian Defense, the Red Cross, War Relief and wounded service men. Today the Woman's Club of Bellerose continues to live up to its admirable purposes. A complete list of other active organizations in Bellerose may be found in Appendix A.

CHURCHES

The needs for a church became apparent by 1927 when the Rector of St. Elizabeth's Episcopal Church in Floral Park began coming to the Woman's Club every Sunday to conduct Sunday School for an ever-increasing number of children. The Episcopal bishop of Long Island established a Mission in Bellerose and sent his son, the Reverend Ernest Stires, to be the first Rector.

With enthusiastic support from the community St. Thomas' Church was erected. The first service was held on Thanksgiving Day, 1928. Within ten years the Mission became self-supporting and St. Thomas' was incorporated as a parish. From 1938 until his election as Episcopal Bishop of Long Island in 1948, the Reverend Jonathan Sherman served as Rector.

Under the leadership of the current Rector, Reverend Bayard Carmiencke, who was installed in 1968, the work of the Church continues to flourish through the Church School, the Couples and Singles Club, the Evangelism Commission, the Nursery Program, the Women's Auxiliary and the Narcotics Guidance Council.

St. Thomas' was not always the only Church in Bellerose. After its property was taken by New York City for the construction of the Cross Island Parkway in 1938, the Bellerose Baptist Church held services at the Woman's Club for a while and even purchased a parcel of land on Commonwealth Boulevard with a view to constructing a church. In 1940 a Baptist Church was erected on Braddock Avenue and 241st Street so the property held in the Village was eventually sold.

TENNIS COURTS

The United Holding Company originally laid out the tennis courts on the east side of Pennsylvania Boulevard close to the railroad station where they immediately became a gathering place for residents. When this property was offered for sale in 1927, the Bellerose Tennis and Skating Club took over several lots east of the Woman's Club on Superior Road. Members of the Club distinguished themselves by winning many Long Island Tournaments.

Eleven years later the Village purchased the tennis courts from Mrs. Marsh for $6,000, the cost of the mortgage. Over the years the property has been used for such divergent activities as art shows and dog shows.

Many plans have been suggested for the tennis court area ranging from the construction of a swimming pool to the building of basketball courts and a children's playground. With the current revival of interest in tennis the Village was wise to preserve the area as it is. Not surprisingly the property has been named *Marsh Field*.

MUSEUM

In 1956 William Meisser requested permission from the Board of Trustees to purchase from the Village the lot at the southwest corner of Bellerose. Mr. Meisser, who, until his retirement in 1972, was Chairman of the Board of Elections in Nassau County, came to Bellerose from Illinois in 1927. He had purchased the Findley home, one of the oldest houses in the Town of Hempstead. He moved the home to Bellerose and restored and furnished it in early American style.

Over the years Mr. Meisser has collected such diverse objects of interest as a gown worn by Grace Coolidge, a gas street light and pole, an old wall phone, old dolls and a carved wooden eagle in full flight. Many Village residents refer to this historic house as "The Museum" and some have been fortunate enough to be able to visit it.

VILLAGE SERVICES

In 1909 Jamaica Water Supply Company, one of the largest privately operated water utilities in the country, had been granted the franchise to supply water to Bellerose but that was about as far as modern conveniences went. (Today Bellerose gets its water from an interconnecting grid system of ninety-six deep wells scattered all over Long Island.)

A year later when Mrs. Marsh moved into the first house constructed in Bellerose, services taken for granted today were virtually non-existent. Lacking electricity, gas or telephone services, she got along with kerosene, candles and coal for the first three months before electricity was installed.

Mail delivery and refuse removal were things of the future while transportation to grocery stores presented a problem. The earliest evidence for phone service is a real estate brochure from 1915 which lists Mrs. Marsh's telephone number as No. 88 Floral Park.

In 1916 after six years of fruitless attempts to secure gas for Bellerose, an agreement was signed with the Public Service Corporation of Long Island and the laying of gas mains commenced. As more houses were constructed a market wagon delivered groceries and a railroad carriage took people to social functions. (Prices in 1914 for the Floral Park and Elmont areas are unbelievable: steak—15¢ a pound, hot dogs—25¢ for fifteen, eggs—18¢ a dozen, and butter—26¢ a pound.)

In 1916 Mrs. Marsh hired Eric Anderson from Lynn, Massachusetts, as a general handyman. Various sources report that he took care of the ashes from the coal furnaces and the refuse from the houses as well as gardening, removing snow, sweeping the sidewalks weekly, recoiling the fire hose after drills and finding lost children.

He had keys to many of the houses since ashes and refuse were removed from the basements and since he made rounds early in the morning to insure sufficient heat.

The story of mail delivery by Mattie B. Moesser, Woman's Club Historian, bears retelling:

"As the village grew, the mail service was found to be inadequate. In the early days, Mr. E. V. Conwell who lived at 15 Pennsylvania Boulevard, walked to the Floral Park Post Office each morning, picked up the mail for Bellerose, boarded the train there for New York. When the train reached Bellerose, he tossed the mail from the vestibule of the train and Mildred Varney picked it up, sorted it and delivered it. . . .

"But, in February 1913, Mr. Ernest G. Sicard who was a close friend of George B. Cortelyou, the Postmaster in Washington, D.C. secured free delivery mail service from the Queens Post Office. It was a big improvement, but in July 1929, Bellerose was given its own post office, a branch of the Jamaica Post Office. It was first located in a store on Jericho Turnpike near Rocky Hill Road [Braddock Avenue], but later was moved to Jericho Turnpike, just east of Commonwealth Boulevard [249–04 Jericho Turnpike]. In 1959, it was moved to Rocky Hill Road near Hillside Avenue."

For many years mail was delivered twice a day. Recently attempts have been made to improve postal service in Bellerose by having mail delivered through the Floral Park Post Office but as yet these efforts have been unsuccessful.

FIRE DEPARTMENT

Recognizing the need for fire protection eighteen citizens founded the Bellerose Fire Department in 1916. The first purchases of the new organized department were a hose, a reel and a nozzle.

An iron hoop reputed to be from the wheel of an early railroad train was used for a fire alarm. This iron hoop, which presently stands outside the Fire House, was a gift of Ernest G. Sicard, a director of the United Holding Company.

One night in 1923 the alarm sounded for the third and most serious fire up to that date. Answering this alarm a fireman taking a short cut was injured when he collided with a clothes line. As a result a rule was passed compelling residents to remove lines after dark.

Two years later during Prohibition the Fire Department held its first and last stag beefsteak dinner at the newly-built Woman's Club. This uproarious event was supposedly immortalized by Westbrook Pegler, the widely syndicated newspaper columnist. A fuller account may be found in Appendix B.

Suffice to say that the affair ended with an early morning sing under a certain lady's window. Perhaps the intrepid Mrs. Marsh did not mind too much since she was one of the few woman members of the early Fire Department.

In 1927, just three years before the Fire House was built on a plot adjoining the Long Island Rail Road, the Fire Department was incorporated. It now houses a 1972 Ward LaFrance thousand-gallon pumper and a 1964 Mack thousand-gallon pumper. Currently fifty-seven firemen are answering alarms.

POLICE DEPARTMENT

One of the first accomplishments of the newly elected Board of Trustees immediately after incorporation of the Village in 1924 was the hiring of James Murphy to act as policeman at an annual salary of $1,800.

He was on duty for approximately ten hours a day from 7 A.M. to 5 P.M. and he traveled around the village on a bicycle. This proved his undoing one time when would-be criminals he was chasing made good their escape by scattering tacks in his path. He was aided in his work by his dog, "Sheik."

In order to provide round-the-clock protection, two additional policemen were hired. In 1929 twenty-four year old Frank Dunn began his forty-five years of service to the village as the fourth member of the police force. In 1941, four years after the official establishment of a Village Police Department, he was made Police Lieutenant (Chief) at an annual salary of $2,400.

Constantly working above and beyond the call of duty, Chief Dunn was especially beloved by the village children and by a generation of young women he personally escorted home from the Long Island Rail Road Station after dark.

When the Village contracted for the services of the Nassau County Police Department in 1969, Frank Dunn became the Superintendent of Public Works and Deputy Village Clerk, positions which he held until his retirement three years later.

TRANSPORTATION

Jericho Turnpike was built in colonial days for the purpose of bringing farm products into New York City. It was developed along a path or trail made by residents of Jamaica and Hempstead as they visited back and forth. Both settlements were founded around the middle of the seventeenth century. A toll gate is said to have stood where Pennsylvania Boulevard meets Jericho Turnpike.

As early as 1904 the Vanderbilt Cup Races were being held along the Turnpike, then part of the Long Island Motor Parkway. Cars from all over Europe and the United States would compete—some reaching the breakneck speed of a mile a minute. In 1908 George Robertson, who was to become Chief of the Bellerose Village Fire Department in 1931, won the Vanderbilt Cup and established a new speed record.

Earliest pictures of Bellerose show horse and carts competing with a newly-built trolley line along Jericho Turnpike. Long-time residents still remember a quick trolley ride into Queens Village for shopping.

For many years various bus lines paid for the right to a franchise through Bellerose. In 1927 the cost of a bus ride from Bellerose to Saks Fifth Avenue in New York City was firmly established at fifty cents. Nothing was said as to how long it might take to get there.

The Village also issued licenses renewable yearly to various taxi cab companies who maintained stands at the railroad station. For a long time the fare from the station to any point in the Village was twenty-five cents.

Over sixty years ago real estate brochures for Bellerose stressed its ideal location on the main line of the Long Island Rail Road just twenty-six minutes from Herald Square and the heart of Brooklyn. Also mentioned in 1913 was the fact that forty-eight trains a day stopped in Bellerose. This was a real triumph in view of Mrs. Marsh's struggle persuading the railroad to supply train service to Bellerose.

On the south side of the tracks about 1000 feet west of the present station was an old shed used as a loading station. Mrs. Marsh preferred a more central location so, in 1910, the United Holding Company erected the first Bellerose station where its elevated successor now stands.

In spite of having said "no" so many times, when the station was completed the Long Island Rail Road gave in, graciously or otherwise, and permitted four trains a day to be flagged down at Bellerose. Previously a horse and carriage took travelers to the Floral Park Station.

The new railroad station, which was the pride and joy of the Village, became a real community center. Dances, banquets and meetings were held there and the Fire Department stored its gear there until the Fire House was completed. As many as 104 trains a day were stopping at Bellerose during the 1940's. At the present time Bellerose is serviced by fifty-three trains daily.

As early as the 1930's, Bellerose along with many other villages on Long Island, began considering the possibility of either depressing or elevating the railroad tracks in order to eliminate a safety hazard. For most of his thirty year term of office Mayor James Magee fought the good fight with the Long Island Rail Road until finally the tracks were elevated and the new station was completed in 1962.

In a fitting tribute recognizing his forty years of village service, ten of which were spent as a trustee, Station Plaza was renamed Magee Plaza when the Mayor retired in 1963.

SCHOOLS

In 1906 the Floral Park School (later called the John Lewis Childs School) consisted of eight rooms, eight grades and 138 pupils. At first only three Bellerose pupils made the trip to school by horse and open wagon. By 1921 the school had added six classrooms, an auditorium and a kindergarten.

Eight years later the Floral Park Bellerose school was completed. It contained thirty-two classrooms and had an enrollment of almost eight hundred children ranging from kindergarten to eighth grade.

Before the completion of Sewanhaka High School in 1930 students in the ninth through twelfth grades had the choice of making a five-mile trip to Jamaica High School or to Hempstead High School. In 1957 Floral Park Memorial High School was built for grades seven through twelve and both the Floral Park Bellerose School and the John Lewis Childs School became sixth grade schools.

Mrs. Rena Hayden, who taught at the John Lewis Childs School for five years and was principal for thirty-five years until her retirement in 1948, lived in the only house in existence on the property of Bellerose Village when it was purchased by Mrs. Marsh. The edifice on the northeast corner of the Village at Jericho Turnpike which is presently being used as an antique shop was built in 1875 and occupied by Mrs. Hayden and her family from 1913 to 1951.

STATISTICS

Bellerose Village, ninety feet above sea level, is a three block by four block area bounded on the north by Jericho Turnpike, on the east by Remsen Lane, on the south by the Long Island Rail Road, and on the west by Colonial Road. It is one of the smallest villages in the state if measured in terms of area rather than population.

It encompasses seventy-seven acres on which are built 387 houses. There just possibly might be room for the construction of one more house.

Population figures vary. The 1970 census reports 1,136 residents while an informal census made by the Fire Department in 1973 shows 1,283. Peak figures of over 1,300 residents were reported in the 30's, 40's and 50's.

Even the trees have been counted. There were approximately eight hundred in the mid 1960's. Dogs number over a hundred. Parking is permitted on its 3.60 miles of roads for one to four hours with the exception of the period between 2 A.M. and 6 A.M.

The official newspaper is *The Gateway* published in Floral Park. Over the years the following have been either the official paper on the alternate: *The Sunrise Trailer, The Sun, The Nassau Daily Review-Star, Newsday* and the *Long Island Press.*

VILLAGE GOVERNMENT

Prior to incorporation on April 3, 1924, Bellerose Village was governed by meetings similar to New England Town meetings. All the residents turned out to consider important issues and each property owner had his say. With a population approaching five hundred, direct democracy must have become rather cumbersome.

With incorporation the Village acquired the legal power to provide certain services such as contracting for a water supply, a sewage system, street paving and lighting and a police department. However the Village remained under the jurisdiction of the town or the county for such services as public health and welfare.

Incorporation brought representative democracy. The first Village Board consisted of a President, Rufus Smith, and two Trustees, Ellery Mann and John Snyder. Since then only six Mayors have served—Ellery Mann, Charles Lohse, James Magee, Harry Ingerson, David Cunnison and William Bottenus. This circumstance contributed to a remarkable continuity in Village government.

The current Village Board is comprised of a mayor who is elected every two years and four trustees who serve a two-year term with two being elected every year. Token salaries for the Mayor and trustees were instituted just last year.

At present more than fifty people are either elected by the residents or appointed by the Village Board to serve Bellerose in various capacities. The complete list may be found in Appendix B.

As Bellerose approaches its fiftieth anniversary of incorporation, a quotation which appeared nine years ago in the New York Herald Tribune sums up the feelings of its residents today:

> The people who live in Bellerose believe their community was good in the past, is rather excellent in the present, and they will be delighted if it stays the way it is for the future.

APPENDIX A

Name of village organization	Year organized	Meeting days	Meeting-places	Activities	Number of members
American Legion Post 1294	1945	3d Monday	Firehouse	Memorial Day Parade	40
Brownies	1930	Monday afternoon	St. Thomas' Church	Community service	19
Civic Association	1917	Quarterly on Monday evenings	Woman's Club	Informs property owners	200
Cub Scouts	1943	Pack—last Wednesday evening; dens—Tuesday afternoon.	do	Projects and service	42
Fire Department	1916	Tuesday evenings	Fire house	Fire protection and education	57
Girl Scouts:					
Troop 1523	1965	Tuesday afternoon	St. Thomas' Church	Community service	25
Troop 1088	1967	Monday afternoon	Woman's Club	do	32
Junior Woman's Club	1933	3d Wednesday evening	do	Promotes social, civic, and intellectual interests.	70
Narcotics Guidance Council	1971	Thursday evenings	St. Thomas' Church	Recreation and education programs for teenagers.	7
Republican Club (Floral Park-Bellerose)	(1)	2d Thursday evening	Republican Club of Floral Park	Fund raising and civic affairs	100
Woman's Club	1914	2d Tuesday afternoon	Woman's club	Promotes social, civic, and intellectual interests.	88

(1) Merged 1974.

APPENDIX B—INCORPORATED VILLAGE OF BELLEROSE

OFFICE AND OFFICIAL

Mayor: William R. Bottenus, Jr.

Trustee: Franklin O. Kaupp, Thomas J. McDonagh, John V. Grimaldi, Henry D. Stubing.

Village Clerk: Ralph J. Sposato.

Village Engineer: John T. Vitale.

Asst. Village Engineer: Raymond J. Cappiello.

Village Attorney: Austin J. Power, Jr.

Treasurer/Tax Collector: Robert J. Berkin.

Secretary to Board: Ralph J. Sposato.

Village Justice: Hugo S. Puglia.

Acting Justice: James F. Fanning.

Village Prosecutor: Anthony DeGaeto.

Clerk of the Court: Arthur A. Walsh.

Board of Appeals: William T. Whitelock, George M. Walsh, Gertrude L. Downing, Gerald W. Griffin.

Board of Assessors: William Hedley, Joseph H. Rooney, James G. Kelly.

Deputy Mayor: Franklin O. Kaupp.

Charge-Police Affairs: William R. Bottenus, Jr., Franklin O. Kaupp.

Fire Commissioner: Elwood M. Rebhann.

Deputy Fire Commissioner: Joseph P. Campi.

Bureau of Fire Prevention: Elwood M. Rebhann (Chairman), Joseph P. Campi, Herbert J. Pritz.

Inspectors for Bureau of Fire Prevention: Malcolm L. MacEachen, Andrew M. Simko, Richard E. Connors, Edward R. Gillen, Thomas Mylod, William J. Conway, Len B. Cooke, Jr., William Eichholz, Henry T. Hochuli, Paul C. Reilly.

Fire Chief: Herbert J. Pritz.

Building Inspector: Lavern Gabbard, Philip K. Ebel, Andrew M. Simko, Thomas F. McWilliams (S.M.).

Narcotic Guidance Council: George J. Cappiello (Chairman), Rev. Bayard Carmiencke, William T. Whitelock, Peter Porrello, Mrs. J. C. Friel, Thomas Bloom, Joseph Araneo.

Board of Architectural Review: Robert Richardson, Mrs. Frederic R. Gruger, Jefferson Stearns, Richard J. Kliegl, Len Cooke, Jr., Charles Cunningham.

Environmental Council Commission: Paul Leary, Mrs. Evelyn G. Kaupp, Mrs. Frances Altman, Richard De Iasi.

Registrar: Arthur A. Walsh.

Deputy Registrar: Robert H. Stewart.

Village Historian: Mrs. Carol Mylod.

Recreational Commissioner: William J. Conway.

QUALIFIED RIGHT TO PRIVACY

(Mr. WYMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WYMAN. Mr. Speaker, it has consistently been my position that persons who seek election to public office, or who hold public office by election, have voluntarily chosen to waive personal rights of privacy that apply to citizens in private life. This principle applies to disclosure of assets and liabilities, taxes paid, organizations belonged to, travel at public expense, and anything else that is relevant to voter judgment.

I have previously introduced legislation in the Congress to require the disclosure of any and all holdings of assets of a substantial amount—in my bill in the last Congress, in excess of $25,000 in value whether or not subject to Government regulation. At the present time, each Member of Congress must report to the Ethics Committee only holdings in excess of $5,000 in value and then only if those holdings are subject to Government regulation. We all so report each year, but this is far short of full disclosure.

Being a candidate for the U.S. Senate, I am publishing herewith a statement of my adjusted taxable income and taxes paid on a joint tax return with my wife for each of the years in which I have held elected public office, together with a statement of my entire personal assets and liabilities. In so doing, I express no criticism of other Members who may see fit for whatever reason to refrain from taking such a step:

Year	Taxable income	Federal income tax paid
1963	13, 376. 02	3, 054. 72
1964	13, 617. 64	2, 827. 26
1967	24, 119. 15	5, 782. 16
1968	26, 233. 63	7, 044. 72
1969	33, 468. 13	10, 299. 65
1970	34, 930. 30	9, 890. 73
1971	34, 392. 30	9, 855. 20
1972	50, 322. 75	17, 428. 30
1973	43, 712. 66	14, 837. 28

My entire personal property and assets are as follows:

REAL ESTATE

Cabin, guest cottage and land (5½ acres) Wolfeboro, N.H	21, 800. 00
Cabin and one acre of land, Ellsworth, N.H	5, 150. 00
Contents of leased camp, Pittsburg, N.H	100. 00
Apt. Naranja, Fla. (Mtge. $11,500.: Equity $4000)	4, 000. 00

Wild land, Ellsworth, N.H. (55 acres)	5,350.00
House and ¾ acre land, 121 Shaw St., Manchester	35,510.00
PERSONAL PROPERTY	
Misc. personal property incl. cameras, guns, fishing rods, camping equipment, golf clubs, clothing, etc	2,500.00
Beneficial interest in trust created under will by my father, Louis E. Wyman, ⅓ interest equally with brother and sister	65,000.00
Capital interest in library, furniture and equipment at former law office, Manchester	8,000.00
Checking account, House of Representatives	4,000.00
Contents of rented apartment, Wash., D.C	1,000.00
Fractional interest in Northeast Blanco Gas Unit New Mexico (.0131120%) acquired 1954	17,500.00
3 cars (Fords, One '71, One '72, One '74 Pinto	5,000.00
SAVINGS ACCOUNT	
Amoskeag Savings Bank	853.43
Manchester Savings Bank	3,000.00
Merrimack City Savings Bank	10,347.58
Merchants Savings Bank	500.00
Misc. checks held in anticipation of taxes due (Wyman Trust Distribution: proceeds from sale of stock and certain dividends)	2,500.00
STOCKS AND BONDS	
257 shares AT&T (est)	12,000.00
1 Debenture AT&T	700.00
100 Shares Std., N.J	7,000.00
50 Shares MidCont. Tel. Co	600.00
300 Shares West Pt. Pep	7,800.00
106 Shares Sperry Rand	3,922.00
200 Shares Peoples Gas	5,200.00
200 Shares Velcro Corp	1,400.00
50 Shares Worthington Biochemical	600.00
25 Shares Merrill, Lynch	225.00
50 Shares Sturm Ruger Co	500.00
500 Chrysler Warrants	2,250.00
300 Braniff Warrants	3,600.00
650 gallons of Tomatin Malt	2,000.00
1 Debenture Franchard Corp	500.00
150 Shares Apex Minerals	50.00
1 Massachusetts Housing Authority Bond	5,000.00
INSURANCE POLICIES	
VA Endowment Policy, U.S. Government	7,500.00
Policy on son's life for educational reserve—paid up value	6,400.00
Policy on daughter's life, paid value	1,300.00
Penn Mutual paid up policy	7,000.00
N. E. Mutual Life cash surrender value	900.00
Misc. other personal assets and trinkets (estimate) antiques, pictures, etc	1,500.00

Values assigned in respect to stock are recognized to fluctuate from day to day. Values on real estate are assessed values. Listed are all of my assets without undertaking to inventory the exact worth of such items as a pair of cufflinks, an old stamp collection, or the like.

I have no secret or hidden assets unreported or undisclosed, to my knowledge, nor do I own any foreign bank accounts, foreign gold, or other assets, either directly or indirectly, nor have I made any substantial gifts or transfers of property to members of my family within the last decade.

The furniture in our residence at 121 Shaw Street in Manchester, N.H., belongs to Mrs. Wyman, and that in my various camps is of negligible value. There is some furniture in the apartment at Naranja, Fla., but this I occasionally rent and there is only a living room, kitchen, and two bedrooms. The place is not elaborately furnished.

Of possible relevance in the context of this disclosure, is the fact that all contributions to my U.S. Senate campaign will be made to the Wyman for Senate Committee, of which Mr. John Drayton of Manchester, N.H. is chairman and Mr. William Bisson, also of Manchester, N.H., is treasurer. All expenditures will also be made by this committee. Both contributions and expenditures will be reported to the various Federal and State offices in accordance with law. There have been no secret contributions to this committee in any designated time period beforehand and not reported. I utilize only this single committee for both contributions and expenditures and shall continue my campaign with solely this one committee.

My liabilities consist of the aforementioned mortgage on the Naranja property—approximately $11,000—and notes owed to my father's trust for capital lent, in the amount of $6,300.

PERSONAL ANNOUNCEMENT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in order to keep an engagement in New York, I was compelled to leave before the final vote late Friday evening on H.R. 15472, appropriations for agricultural, environmental, and consumer protection programs.

Before leaving, I had voted in favor of various amendments, including allowing the Federal Trade Commission to conduct line-of-business reporting procedures on the largest corporations, and I supported funding the FTC in its antitrust lawsuit against the eight largest oil companies. I voted against amendments banning food stamps for strikers and students.

We prevailed in allowing strikers to continue to receive food stamps. Unfortunately we did not prevail in increasing the funding or powers of the Federal Trade Commission, or in allowing students to receive food stamps.

However, the bill as a whole is positive. It provides $13.4 billion in necessary funding for a wide range of environmental, consumer protection, and agricultural programs. These include the Environmental Protection Agency—$644 million; the Office of Environmental Quality—$2.5 million; the Food and Drug Administration—$199 million; the Federal Trade Commission—$37 million; the Consumer Product Safety Commission—$36 million; and $4.75 billion in food program appropriations, including child nutrition and food stamp programs. Had I been present on final passage, I would have voted for the bill.

UKRAINIANS APPEAL FOR JUSTICE

(Mr. KOCH asked and was given permission to extend at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have spoken on several occasions during this Congress of the abuses suffered by Ukranians at the hands of Soviet authorities. In yesterday's New York Times there appeared an appeal for Ukrainian freedom far more compelling than any words I have been able to muster. It was published as an "Appeal to the American People" by the Ukrainian Congress Committee of America, a Ukrainian-American organization whose dedication to the welfare of the people of the Ukraine is well-known to me and other Members of Congress. The statement catalogs 70 cases of Ukrainian intellectuals who have been incarcerated in Soviet jails, concentration camps, and psychiatric wards. With few exceptions, the crimes are identical: the defense of the dignity of the Ukrainian people against Russian bigotry. On the eve of the President's visit to Moscow, there is no more critical time for my colleagues in Congress and the American people to realize the intensity and scope of the suffering of free-thinking Ukrainians in the Soviet Union. In the hope that the United States will strengthen its resolve against any concessions to Soviet tyranny, I am appending the statement of the Ukrainian Congress Committee. The statement follows:

Appeal to American People—Treatment of Ukrainian Political Prisoners in Soviet Union Is Concern of Civilized Humanity

Fellow Americans!

In a few days President Nixon will embark upon his journey for a second "Summit" meeting with the Russian Communist leaders in Moscow. In a public statement he said that the purpose of his visit is to strengthen the policy of détente with the USSR, and that any attempt by the U.S. Congress and American citizens to demand concessions to freedom would constitute "interference" in the domestic affairs of the Soviet Union.

We do desire the relaxation of international tensions and the establishment of a just peace in the world.

Precisely because of this we ask you to voice your concern for the treatment of Ukrainians who are being barbarously persecuted and abused by the Soviet government in Ukraine only for political reasons. A policy of détente should not necessarily mean an abandonment of our belief in the rights of the individual as the cornerstone of society.

WHO IS BEING PERSECUTED

From 1970 to 1973 the Soviet secret police, the KGB, arrested over 560 Ukrainian intellectuals, all of whom were tried in camera and sentenced to severe terms in jails and concentration camps, or incarcerated in "psychiatric wards" for an indefinite period. These men and women, born mostly in the 1930's, are writers, literary critics, poets, professors, artists, journalists, teachers, academicians, students, film directors, research personnel, army officers, and others.

WHY ARE THEY PERSECUTED

These young Ukrainian men and women have been formally sentenced and are being punished for participating in "anti-Soviet propaganda and agitation," that is, for criticizing the police terror, the Russification of Ukraine and the violations of human rights as defined in the U.N. Universal Declaration of Human Rights and the Soviet constitution. They are branded as outlaws because of their protests against suppression of their national, religious and cultural freedoms and traditions—the inherent elements in the struggle for freedom and the national statehood of Ukraine.

TORTURE IN JAILS AND "PSYCHIATRIC WARDS"

Valentyn Moroz, 38-year-old Ukrainian historian, and Leonid Plyushch, 34-year-old Ukrainian mathematician and cybernetics specialist, are reported to be suffering torture and being driven to literal insanity.

Prof. Andrei D. Sakharov, outstanding Russian physicist, in his appeal from Moscow on February 12, 1974, discussed that "Leonid Plyushch is near death" in the Dnipropetrovsk "psychiatric ward" and that "the unregulated administration of large doses of haloperidol has caused a sharp deterioration of his health . . ."

Anatole Radygin, a Jewish poet and former Soviet prisoner, who met Moroz in Vladimir Prison, has reported that "from his cell we often heard screams and yells . . . they would subside for a while and then the beatings would start again . . ."

Pavel Litvinov, grandson of the former Foreign Minister Maxim Litvinov, now in this country, reported that Moroz stated that if he were not transferred to a concentration camp by July, 1974, he would start a hunger strike "until death."

Fellow Americans!

We appeal to you, in the name of justice and humanity, to express your concern by urging President Nixon to intercede on behalf of these Ukranian political prisoners and to urge the Soviet government to release forthwith Valentyn Moroz and Leonid Plyushch, so that they can receive proper medical treatment abroad and salvage their lives!

In doing so, our President will honorably uphold the basic precepts on which our government is founded: human dignity, freedom and justice.

Ukranian Congress Committee of America, Inc. For further information, please contact: Prof. Lev E. Dobriansky, President, 302 West 13th Street, New York, N.Y. 10014, Tel. (212) WA 4-5617.

UKRANIAN INTELLECTUALS VICTIMS IN SOVIET JAILS, CONCENTRATION CAMPS, AND PSYCHIATRIC WARDS!

The following is a partial list of Ukranian intellectuals who are now languishing in Soviet jails, concentration camps and psychiatric wards! With a few exceptions, they are all young Ukranian men and women who have been arrested, tried and sentenced in the last few years for being patriotic Ukranians! They protested against discrimination of the Ukranian language, Russification of Ukranian culture and the gross violations of human rights in Ukraine!

If you are a believer in the principles of freedom and justice, demand that these victims of Soviet Russian tyranny be released forthwith! Most of them have been tried in secret trials on "evidence" supplied by the arbitrary and unbridled Soviet secret police—the KGB!

Write to President Nixon, U.N. Secretary General Kurt Waldheim, the International Red Cross and, above all, write your Senator and Congressman urging them to oppose economic and technological assistance to the USSR until these Ukranian political prisoners, "prisoners of conscience," and prisoners of other nationalities in the USSR are released!

Ukranian political prisoners are not criminals—they are patriots who love their country and are resisting the alien yoke of Communist Russia!

You can help them by expressing your concern. Write to President Nixon and urge him to intercede for these victims of Soviet tyranny! Write to your Senator and Congressman to do the same!

1. Antoniuk, Zenoviy. b. 1933, philologist, sentenced 1972 to 7 years in a hard-regime labor camp and 3 years of exile.

2. Brynd, Yulian, b. 1930; sentenced to 2¼ years in a general-regime labor camp in 1972.

3. Chornovil, Vyacheslav, b. 1938. TV commentator and writer (*The Chornovil Papers*); in 1972 sentenced to 7 years at hard labor and 5 years of exile—a total of 12 years.

4. Didyk, Halyna, Ukrainian Red Cross worker; sentenced in 1950 to 25 years at hard labor; still in prison.

5. Duzhynsky, V., artist; in 1957 he hoisted the Ukrainian national flag at the University or Lviv and was sentenced to 10 years at hard labor; presumably released.

6. Dyak, Volodymyr, b. 1931, engineer and poet; in 1972 sentenced to 7 years at hard labor and 5 years of exile.

7. Dzyuba, Ivan, b. 1931, literary critic and author (*Internationalism or Russification?*); sentenced in 1972 to 5 years at hard labor; pardoned and released in November, 1973, after recantation.

8. Gereta, Ihor A., scholar, Institute of Geophysics, Ukrainian Academy of Sciences; in 1968 sentenced to 3 years at hard labor; possibly released.

9. Grigorenko, Petro, Gen., b. 1907 in Ukraine, noted military writer and professor at the Frunze Military Academy, noted human rights advocate, is committed indefinitely to a psychiatric ward in Chernyakhovsk (East Prussia).

10. Hel, Ivan, b. 1937; spent 3 years in labor camps (1966–1969); in 1972 sentenced again to 5 years in strict-regime labor camps, 5 years in general-regime camps and 5 years of exile—a total of 15 years.

11. Hevrych, Yaroslav, student at Kiev Medical Institute; in 1960 sentenced to 5 years at hard labor; possibly released.

12. Hluzman, Vyacheslav, b. 1942, psychiatrist; in 1972 sentenced to 7 years at hard labor and 5 years of exile.

13. Holtz, Ihor, b. 1946, lieutenant in the Army Medical Corps; in 1972 sentenced to 3 years at hard labor.

14. Horbovy, Volodymyr, Dr., prominent Ukrainian defense lawyer and a citizen of Czechoslovakia; in 1947 he was sentenced to 25 years at hard labor; he was released in 1972.

15. Horyn, Bohdan, M., literary and art critic; in 1966 sentenced to 4 years at hard labor; presumably released.

16. Horyn, Mykola M., brother of Bohdan, psychologist and author; in 1966 sentenced to 6 years at hard labor; possibly released.

17. Hryn, Mykola, research worker, Institute of Geophysics, Ukrainian Academy of Sciences; sentenced to 3 years at hard labor in 1968.

18. Husak, Daria, a Ukrainian Red Cross worker, sentenced in 1950 to 25 years at hard labor; presumably still in jail.

19. Ivashchenko, Dmytro P., member of Union of Writers of Ukraine and university lecturer; in 1966 sentenced to 2 years at hard labor; presumably released.

20. Kalynets, Ihor, b. 1939; poet and writer; in 1972 sentenced to 9 years at hard labor.

21. Kalynets-Stasiv, Irena, b. 1940 (wife of Ihor); writer and college teacher; in 1972 sentenced to 6 years in general-regime labor camps and 3 years of exile.

22. Kandyba, Ivan O., outstanding lawyer, writer and Marxist theoretician; in 1960 he was sentenced to death, but the sentence was commuted to 15 years at hard labor.

23. Karavansky, Svyatoslav, b. 1920; poet, writer and literary translator; in 1944, as an officer of the Red Army, he was sentenced to 25 years at hard labor; released in 1960, he was rearrested in 1965 and sentenced to 8 years and 7 months at hard labor.

24. Karavansky-Strokata, Nina, b. 1925 (wife of Svyatoslav); a microbiologist, she was sentenced to 4 years at hard labor in 1972.

25. Kovalenko, Ivan b. 1918; teacher; in 1972 sentenced to 5 years at hard labor.

26. Kuznetsova, Eugenia F., chemist, b. 1913; in 1966 sentenced to 4 years at hard labor; presumably released.

27. Lukyanenko, Lev H., political activist; in 1960 he was sentenced to death, but the sentence was commuted to 15 years at hard labor.

28. Lupynis, Anatole, poet, b. 1937; spent 11 years as a political prisoner (1956–1967); in 1972 he was committed to a psychiatric ward as a "dangerous individual."

29. Martynenko, Alexander E., engineer; in 1966 sentenced to 3 years at hard labor; presumably released.

30. Masyutko, Mykhailo S., b. 1918, poet and writer; in 1966 he was sentenced *in camera* to 6 years at hard labor; also punished by a camp court for writing; is still in prison.

31. Melnychuk, Taras, b. 1942, poet; in 1972 he was condemned to 3 years at hard labor.

32. Menkush, Yaraslava Y., b. 1923, industrial designer; in 1965 was sentenced to 2 years at hard labor, released.

33. Moroz, Valentyn, b. 1936, historanian and writer; in 1966 he was sentenced to 4 years at hard labor; released in 1969, he was re-arrested in 1970 and on November 17, 1970 he was tried *in camera* and sentenced to 9 years at hard labor and 5 years of exile. His book, *A Report from the Beria Preserve*, is a powerful indictment of the Soviet system and concentration camps.

34. Osadchy, Mykhailo, b. 1936, writer and university professor; in 1972 sentenced to 7 years at hard labor and 3 years of exile.

35. Ozerny, Mykhailo D. b. 1929, teacher and translator; in 1966 he was sentenced to 6 years at hard labor; presumably released.

36. Plyushch, Leonid, mathematician and research officer at the Ukrainian Academy of Sciences; born in 1940, he was dismissed from his post in 1968 and four years later was sent for "psychiatric treatment"; in January, 1973, he was placed in Dnipropetrovsk Prison's psychiatric ward, where he is forcibly given large doses of haloperidol (in a recent message Prof. Andrei D. Sakharov described Plyusch as being "near death").

37. Reshetnyk, Volodymyr, b. 1937, college professor; in 1972 condemned to 2 years at hard labor.

38. Riznykiv, Alexander, writer; in 1972 sentenced to 5 years at hard labor.

39. Rokytsky, Volodymyr, b. 1947, student; in 1972 condemned to 5 years at hard labor.

40. Romaniuk, Vasyl Rev., a priest; in 1972 sentenced to 7 years at hard labor and 3 years of exile.

41. Senyk, Irena, educator; she was first arrested in 1946 and sentenced to 10 years at hard labor, which she served fully; in March, 1973, she was sentenced again to 6 years at hard labor.

42. Serednyak, Lyuba, b. 1953, student; in 1972 she was condemned to one year at hard labor; presumably released.

43. Serhiyenko, Alexander, b. 1932, art teacher; in 1972 sentenced to 7 years at hard labor and 3 years of exile.

44. Shabatura, Stephania, b. 1938, artist and rug designer; in 1972 sentenced to 5 years at hard labor and 3 years of exile.

45. Shukuevych, Yuriy, b. 1933, electrician, son of Gen. Roman, commander of the anti-Nazi and anti-Soviet Ukrainian Insurgent Army (UPA); he was first arrested at the age of 15 and sentenced to 5 years in prison, 5 years in hard-regime labor camps and 5 years of exile—a total of 15 years.

46. Shumuk, Danylo, b. 1914, political activist; his precious imprisonment totaled 28 years (1930–1938, 1945–1955, 1957–1967); in July, 1972, he was condemned to 10 years at hard labor and 5 years of exile.

47. Shumuk-Svitlchny, Nadya, b. 1942 (wife of Danylo Shumuk and sister of Ivan Svitlychny); a radio scriptwriter, she was sentenced in April, 1973 to 4 years at hard labor.

48. Soroka Mykhailo, political leader, was first arrested in 1940 and sentenced to 8 years; released in 1948, he was rearrested in 1951 and sentenced to 25 years; he died in a Soviet prison in 1972.

49. Stus, Vasyl, b. 1938, poet; in 1972 he was sentenced to 5 years at hard labor and 5 years of exile.

50. Sverstyuk, Evhon, b. 1928, literary critic, publicist and essayist; first arrested in 1965 and imprisoned for several months. In 1972, he was sentenced to 7 years at hard labor.

51. Svitlychny, Ivan, b. 1929, literary critic and author of several literary works; he was first arrested in 1966, but released after 8 months; in 1972 he was expelled from the Union of Writers of Ukraine and sentenced to 7 years at hard labor.

52. Virun, Stepan, was sentenced to death in 1960 for demanding more rights for Ukraine in accordance with the Soviet constitution; in 1961 the sentence was commuted to 15 years at hard labor.

53. Zarytska, Katherine, wife of Mykhailo Soroka; was sentenced in 1947 to 25 years as a member of the Ukrainian Red Cross; she was released in 1972.

54. Zvarechevska, Maria, b. 1936, archivist; in 1966 sentenced to 8 months at hard labor; released.

Additional list

55. Koroban, Andrey, b. 1930; in 1970 he was sentenced to 6 years at hard labor for writing an essay on Soviet policies in Ukraine; he served 10 years before.

56. Antonenko-Davydovych, Evhen B., son of a prominent Ukrainian writer, Borys Antonenko-Davydovych: arrested in 1972, he was sentenced to an indefinite term in prison.

57. Bedrylo, Stepan, b. 1932, an agronomist; in January 1970 was sentenced to 4 years at hard labor for disseminating Ukrainian underground publications.

58. Bondar, Mykola, b. 1939, philosophy lecturer at the University in Uzhorod; on May 12, 1971 he was sentenced to 7 years at hard labor; is incarcerated in prison in Perma.

59. Horska, Alla, b. 1929; outstanding Ukrainian artist and human rights advocate in Ukraine; on November 28, 1970, she was murdered by the KGB near Kiev.

60. Kaliosh, Hryhory V., b. 1929; a teacher, in 1970 he was sentenced to 10 years at hard labor.

61. Kovalenko, Leonid M., b. 1922, a philosophy instructor at the Institute of Literature at the Ukrainian Academy in Kiev; in 1972 was sentenced to a 5-year prison term and 3 years of exile.

62. Lisovy, Vasyl, b. 1942, research officer at the Institute of Philosophy at the Ukrainian Academy of Sciences in Kiev; in 1972 he was sentenced to 5 years at hard labor.

63. Murzhenko, Alexander, b. 1943; served 6 years in prison for "political activities"; in 1970 he was tried with a group of Jews in Leningrad for attempting to highjack a plane and escape abroad; was sentenced to 15 years at hard labor.

64. Paradzhanov, Serhiy, noted Ukrainian film director who made the internationally known film, The Shadows of Forgotten Ancestors; he wrote protests against the Russification of Ukraine; in 1974 he was arrested on suspicion of "money speculation and homosexualism."

65. Plakhtoniuk, Mykola, a medical doctor and senior research officer at the Medical Institute in Kiev; in January, 1972 he was arrested and sent to the Serbsky Psychiatric Institute in Moscow as an "insane individual."

66. Popadiuk, Zoryan, student of Ukrainian philosophy at Lviv University; in 1972 he was sentenced to 7 years at hard labor for demanding that subjects in schools in Ukraine should be taught in Ukrainian.

67. Proniuk, Evhen, professor and research officer at the Ukrainian Academy of Sciences in Kiev; in 1972 was sentenced to 2 years at hard labor for "anti-Soviet propaganda."

68. Shcherbyna, Vasyl, member of the Baptist-Evangelical group in Ukraine; in 1973 he was sentenced to 3 years at hard labor.

69. Sokulsky, Ivan, b. 1940, poet and author, advocate of human rights in Ukraine, in 1970 he was condemned to 4 and a half years at hard labor.

70. Starchyk, Petro, b. 1938, a religious man, he completed philosophical studies; a staff member of the Institute of Psychology in Moscow, he was arrested in 1972 and sent to a "psychiatric prison" as a "dangerous individual," for an indefinite term.

ISRAEL'S OBLIGATION TO DEFEND ITS CIVILIAN POPULATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Arab terrorists have struck again in Israel and snuffed out the lives of a woman, an 8-year-old girl and a 7-year-old boy. In recent months, Arab terrorists have killed 50 Israelis. A macabre coincidence is that in Sudan, President Jaafar Nimeri yesterday released to the Palestine Liberation Organization, one of the very organizations responsible for terrorism in the Middle East, the eight Palestinian guerrillas who murdered three Western diplomats a year ago.

The terrorists' killings continue and yet Lebanon, where their arsenals and training centers are located, does nothing to stop their lawless activities. Most of the terrorists' operations are located in refugee camps in Lebanon which have fallen under the direct control of the terrorist organizations. The Lebanese Government refuses to police the camps. In short, the Lebanese Government has defaulted in its responsibility as a civilized nation to stop the generation of wanton terrorism from within its borders. The terrorists do not come from sanctuaries in Egypt, Syria, and Saudia Arabia. Those countries do not permit terrorist activities to eminate from their countries. But, the Lebanese Government does. The innocent lives taken both in Israel and Lebanon are the responsibility of the Lebanese Government, as well as the Arab terrorists whom the Lebanese refuse to control.

If Lebanon refuses to stop such lawlessness coming from within its borders, what other recourse does Israel have in protecting her citizens than to strike at the source of terror? It is so unjust that when the Israelis do strike at the terrorist centers, many in the world cry out in condemnation while having stood mute in the face of the original terrorist act.

There is an important difference between the strikes of the Israelis directed at the terrorists and the indiscriminate killing levied by the terrorists on innocent Israeli citizens. The terrorists' killing is not directed only to Israel's armed forces; instead they have chosen the more cowardly course of imposing a reign of terror by killing women and children. The Israelis, on the other hand, strike at the terrorists' bases. At times innocent civilians are killed in these strikes, but this is because the terrorists hide in their midst and use them as shields for their own protection. If the Lebanese government is truly concerned about the welfare of her citizens, she should take steps to remove the terrorists from civilian populations. In the most recent Israeli reprisal, 11 houses were selected for pin point targeting in that they housed the terrorists and nine were in fact directly hit.

The Israelis cannot depend on the governments of other countries to assist in the elimination of the terrorists or even to deal justly with those who are caught perpetuating acts within their own countries. One only need look at the history of various governments who had Arab terrorists in hand and then let them go. The latest outrage is that of the Sudanese government in releasing the eight guerrillas yesterday.

The Israeli government has an obligation to defend its civilian population and undoubtedly will continue to do so.

MATERNAL AND CHILD HEALTH PROGRAMS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I want to commend the House Appropriations Committee's action in recommending additional funds for maternal and child health programs. The appropriations bills which we will consider Thursday, includes $284,868,000 for material and child health—which is an increase of $19,000,000 over the administration's budget request.

These children and youth projects and maternal and infant care programs represent one of the major reservoirs of experience in comprehensive health care today, especially to the poor children of the country.

With a team of trained professionals they have prevented illnesses, increased well child visits, reduced hospitalization, reduced infant mortality, and assured a large population of needy persons that someone does care and will help.

In an area served by the projects in New York City, the infant mortality rate has been cut by 50 percent, and hospitalization requirements have been greatly reduced.

I am pleased to see the House committee support the development of a national policy on the health of children. In the face of the administration's refusal to support funding of these projects in needy areas, it is reassuring to see that the Congress can regain its control over the purse-strings.

The administration has done more than refuse to support these programs—it has done much to reorganize the maternal and child health services out of existence. It is of utmost importance that Congress have some oversight of HEW actions in this area to assure that sufficient funds be appropriated and then used as they should be so that the poor in cities and rural areas will not have to rely on the already overcrowded hospital out-patient departments—which deliver treatment that is light years away from what we have seen can be done in total health care delivery given by these title V programs especially designed for children.

The Appropriations Committee report has directed that a cadre of Maternal and Child Health staff is to be maintained within HEW in order to assist the States in meeting their statutory obligation to mount a program of projects which will include maternal and infant care, children and youth, dental, newborn intensive care, and family planning projects, and to support the *development* of a national policy of the health of children.

I would like to append for the information of our colleagues information I have received from the American Academy of Pediatrics which describes the present staffing pattern at HEW which the Congress is now attempting to rectify. The material follows:

Summary of Title V Positions, May 1974

CENTRAL OFFICE

Prior to reorganization and reduction in staff the MCH Service had 83 fulltime positions, five of them AID reimbursable positions serving in international activities under an agreement with the State Department. Within the last year nine persons have transferred, retired or resigned, one is on special assignment, 14 are on outplacement lists (includes five AID positions) and 52 have been assigned to functional divisions within the Bureau of Community Health Services. Eight positions (including two vacancies) in the Office of the Associate Bureau Director for MCH are the only positions devoting full-time to MCH activities.

A few consultants have been assigned to administrative positions and their services as consultants in their professional disciplines have been curtailed.

This shift in responsibility, some of which was voluntary, coupled with the outplacement leaves only one consultant in each of the following disciplines: nursing, nutrition, medical social work, speech and hearing, obstetrics and pediatrics (P.T.). At present there is no occupational therapy consultant, no physician in the Office of the Associate Bureau Director and three of four statisticians are on the outplacement program.

REGIONAL OFFICES

The regional reorganization is to take place no later than July 1, 1974. Before regional reorganization was initiated and before position ceiling reductions maternal and child health units had 77 full-time budgeted positions in regional offices. As of 6/30/74 the 77 positions will be decreased to 48. Each of the 10 regions will have one full-time MCH consultant. The remainder of the staff will provide services to all Bureau of Community Health Service programs—Migrant Health, Health Maintenance Organizations, Neighborhood Health Centers, Family Planning, National Health Service Corps and Maternal and Child Health.

In addition to being the regional consultant for all BCHS programs in their various disciplines, former maternal and child health staff will carry other responsibilities such as project officer for all Bureau projects within a geographic area or regional state representative. In one region for example the MCH staff will be two teams, with each team covering certain states. The nutrition consultant will serve as the project officer and be responsible for all Bureau projects in the states covered by her team and in addition be expected to provide nutrition consultation for all other regional programs. The administrative methods consultant is expected to become a regional state program representative and be responsible for liaison on all BCHS programs within one or two states.

In no region will MCH have the full-time services of specialized consultants as in the past. In those regions without a full complement of staff reorganization will cause a further dilution of services. For example, there is no medical social work position in Region I (Boston); in Region II (New York) and Region III (Philadelphia) the social worker will be the MCH program counsultant; in Region IV (Atlanta), Region V (Chicago), and Region VI (Dallas) the social worker will serve all BCHS programs and may have other administrative responsibilities. In Region VII (Kansas), Region VIII (Denver) and Region IX (San Francisco) the position is vacant and will not be filled because of staff reductions and in Region X (Seattle) there is no social work position allocated to the region. In summary, either because of reorganization or position reductions there will be no full-time social work coverage in any region for MCH programs and in Regions I, VII, VIII, IX and X there will be none.

The following analysis of regional coverage by discipline indicates part-time or no consultation services in the several disciplines;

	Physician	Nurse	Dentist	Social work	Nutrition	AMC
Region:						
I	0-PT[1]	PT	0	0	PT	PT
II	PT	PT	0	0-PT[1]	PT	0
III	0	PT	PT	0-PT[1]	PT	0
IV	0	0	0	PT	PT	0-PT[1]
V	0-PT[1]	PT	PT	PT	PT	PT
VI	0-PT[1]	PT	0	PT	PT	PT
VII	0-PT[1]	PT	0	0	0	PT
VIII	0	PT	0-PT[1]	0	PT	PT
IX	PT	PT	0	0	PT	0-PT[1]
X	0	0	0	0	0	0-PT[1]

[1] 0-PT indicates program consultants who also serve as division directors, branch chiefs and/or in other capacities.

MCH regional office positions have been used to staff HMOs, Equal Employment Opportunity, administrative services positions and in other capacities such as members of the teams doing reviews of Comprehensive Health Planning in four regions. Generally, many Title V supported positions have been and will be used for non-Title V activities. Highly trained and skilled personnel who have been providing MCH consultation to states and projects will be loaded down with administrative tasks, record keeping and a variety of other duties for which they have no particular expertise and which do not contribute to the maternal and child health programs. In exchange MCH programs will receive equivalent time of nonspecialists who have little or no experience in providing health services to mothers and children and who, in most instances have had little or no experience with state departments of health.

A number of questions came to mind. How will medical social work consultation be obtained in regions where there is no social worker position? There are four regions without physician services; how will this deficit be covered? In some regions there are no dental consultants; how can dental consulatation be provided to all regions with two part-time dental consultants and one central office consultant? These questions and many more show serious gaps in program consultation with little chance of fulfillment.

In the past, core regional office staffing for the provision of adequate program consultation has consisted of a physician, a nurse, a medical social worker, nutritionist, administrative methods consultant, and a dentist with support staff.

THE DECRIMINALIZATION OF MARIHUANA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, On Monday, June 17, the Illinois State Bar Association passed a resolution calling for the legalization of marihuana possession. The resolution summarizes, in simple and direct terms, the case for ending the "new prohibition":

> Because the individual and social costs resulting from existing laws punishing personal use or simple possession of marihuana substantially outweigh any benefits derived Federal, State, and local laws punishing personal use or simply possession of marihuana should be repealed.

This is the latest in a series of actions by State bar associations endorsing the decriminalization of marihuana. On January 27, 1973, the New York State Bar Association officially adopted the position that "the criminal prohibition of marihuana . . . undermines respect for all law . . ." On February 14, 1974, the Massachusetts Bar Association endorsed elimination of the crime of intentional possession. A similar action was taken that same month by the Vermont Bar Association, which declared that "our current marihuana laws have clearly failed" because they have not minimized the damage of legal sanction to individuals, particularly young offenders.

I think it significant, Mr. Speaker, that eminent legal organizations like these are bringing their views to bear on the marihuana debate. The tendency in recent years has been to leave this issue to the physicians and research scientists to the relative exclusion of inquiry into the legal dimensions of the question. In formulating a rational marihuana policy, the question of harm to individuals from criminal sanctions is at least as decisive as the question of harm from consumption of the drug. The case for legalization has never rested on the naive assumption that marihuana is absolutely harmless. It contends rather that, on balance, the benefits derived from prohibition as a deterrent to use are minimal when set against the social costs of officially designating as criminals 26 million citizens who have smoked marihuana and invoking criminal sanctions against significant numbers of users. It is from this perspective that legal organizations are joining the fight for decriminalization.

No one questions the fact that a segment of medical opinion holds consumption of marihuana to be harmful. Various recent studies have tried to establish links between the drug and chromosome breakage, increased susceptibility to disease and, most recently, reduced sperm counts in males. In all cases, the studies have received serious criticism in the scientific community. The shortcomings are similar to those of previous work: failure to isolate consumption of marihuana from consumption of other drugs, unreasonable dosages given to subjects, and uncertainty as to the meaning of the results. The net impact is that findings of harm are as inconclusive as they have been in the past.

The point that needs making is that no study has revealed an effect of marihuana damaging enough to justify the current punitive laws. There is a threshold of harm from widely consumed substances that society can tolerate, just as there is a limit to the application of societal sanctions against them. We learned this lesson during the prohibition of alcohol; we know intuitively that it applies to the issue posed by tobacco. The marihuana issue is teaching the lesson again. Even if we accept the most dire allegations of harm, when compared with alcohol and tobacco, marihuana clearly falls below the threshold of harm tolerable to society. And, as the most respected bodies of legal opinion are coming to recognize, criminal sanctions against marihuana have exceeded the limits of societal viability.

The Javits-Koch bill, H.R. 6570, is, I think, a realistic alternative to current law. It legalizes the possession and personal use of 3 or fewer ounces of marihuana and retains criminal penalties for the sale, distribution, or transfer for profit of the drug. In view of the growing conviction in the legal community that the time for decriminalization has arrived, I invite my colleagues to consider cosponsorship of this measure. The current cosponsors of the Javits-Koch bill are: Ms. ABZUG, Mr. BADILLO, Mr. CONYERS, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. PODELL, and Mr. RANGEL.

PERSONAL STATEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert at this point in the RECORD a statement regarding two recorded votes which I missed on June 3, 1974, and an indication of how I would have voted had I been present.

Rollcall No. 261: The vote on final passage of House Concurrent Resolution 271, expressing the sense of Congress with respect to the missing in action in Southeast Asia. The resolution was agreed to 273 to 0, and had I been present, I would have voted for it.

Rollcall No. 262: A motion to suspend the rule and pass H.R. 14833, the Renegotiation Act extension. The motion carried 278 to 2, and the bill was passed. I was paired for this motion, and had I been present I would have voted for it.

AMBASSADOR MAILLIARD SPEAKS ON "INTER-AMERICAN RELATIONS IN TRANSITION"

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, on June 6 our former colleague, William S. Mailliard, now U.S. Permanent Representative to the Organization of American States, delivered an important address to the Pan American Society of San Francisco on the status of our relations with the nations of Latin America and the Caribbean. In his speech Ambassador Mailliard spoke candidly about Secretary Kissinger's serious attempt to improve our relations with our Hemisphere neighbors. He also spoke candidly of the U.S. role in the OAS and efforts by members of the organization to streamline the organization. Because of the importance of Ambassador Mailliard's remarks I want to take this opportunity to call them to the attention of the House of Representatives:

ADDRESS BY THE HONORABLE WILLIAM S. MAILLIARD

INTER-AMERICAN RELATIONS IN TRANSITION

When I was offered the job of Ambassador to the Organization of American States, I accepted it for several reasons. High among these was my conviction that Latin America is very important to the U.S. and may I note that when I refer to Latin America I mean to include the Caribbean nations, some of which are not "Latin" in historical and cultural background.

In fact, I think it is probably the area of the world where there is the greatest gap between its importance to us and the attention the general public, Congress and the executive have given it. I believe that we and Latin America have enough in common —a common European cultural background and basically similar values, for example—to make long-range political and economic cooperation between us a reasonable hope for the future. Many of the Latin American countries have reached a stage of development where a highly technological society such as the U.S. has a great deal to offer—and they have much to offer us in return. And most importantly, I am convinced that Secretary Kissinger is personally and strongly committed to real and productive changes in our attitudes and policies in the hemisphere.

Unfortunately, over the past half century, U.S.-Latin American relations have oscillated for the most part between "fair" and "bad". In the thirties and early forties, the Good Neighbor Policy and then mutual concern over the dangers of Axis influence in the hemisphere gave rise to a feeling of shared interests and of cooperation. The OAS Charter, providing for a structure of peaceful hemispheric cooperation, was signed in 1948. The Rio Treaty, the hemisphere's mutual security and peacemaking instrument, had been agreed to the year before. The concepts in both treaties antedate the Cold War and owe somewhat more to Latin ideas than to our own.

There was an unfortunate decline in U.S. interest during the late forties and fifties, but the phenomenon of Castroism helped remind us of Latin America's nearness and crucial importance. In the closing years of the Eisenhower Administration and during the Kennedy Administration we gave a new dimension to our relations. We joined with the Latin Americans in a major push to improve the economic and social conditions of life in the hemisphere. As we now know, the Alliance for Progress has not been all we might have hoped for. It did inaugurate, however, a joint moral commitment to mutual efforts for economic development, a commitment which though somewhat ailing is still very much alive. During the mid and late sixties and up to recently our attention has been diverted by crises in other parts of the world and by our own urgent domestic problems.

During these years, significant and sometimes dramatic changes have occurred in the hemisphere. The whole world has become much more interdependent, and the notion of autarchy has less and less relevance to the needs of nations, large or small. The dynamic of interdependence produces new opportunities for international cooperation, and also new risks of dislocation and tension.

No longer is it possible to divide the world into neat blocs of nations. The Third World has an increasing appeal for some of the nations in this hemisphere. It is a gross over-simplification to say that the world is now cut North-South (or rich-poor) rather than East-West (or Free World-Communist). The world is more complex than that. But the north-south dichotomy has more reality than a few years ago. And it affects relations in the hemisphere.

Very soon after he became Secretary of State, Secretary Kissinger began to move to strengthen relations with Latin America. The Department of State tackled two of the most serious bilateral problems facing us in the hemisphere. Agreement with Peru on expropriation problems and agreement with Panama on principles for working out the Panama Canal negotiations demonstrated a new political will to resolve outstanding problems. Somewhat earlier, we also found a basis for agreement with Mexico over the long time irritant of the quality of the waters of the Colorado.

I was present at a luncheon in New York early last fall when Secretary Kissinger invited the Foreign Ministers of Latin America and the Caribbean to embark with him on a "new dialogue". He suggested that the Latins get together and decide what they would like to discuss. The Latin American Foreign Ministers met in Bogota in November, decided on an 8-point agenda and came to a common position on the items on that agenda.

I was also present in February in Mexico City, when Secretary Kissinger met with the Foreign Ministers for full and remarkably candid discussions, on the eight items on the Latin American agenda, plus two items which we had added. Some first steps were taken toward attacking such thorny problems as what to do about multi-national corporations and how to promote the transfer of technology. But the most important thing to emerge from the meeting was a new spirit of trust and cooperation, too long absent, which began to be diffused through inter-American relations. This "spirit of Tlatelolco" has prepared the way for vastly improved relations among the Americas.

Most of this new dialogue has so far taken place outside the framework of the OAS—the traditional regional institution. The issues and the people are the same, so why has the locus of the new dialogue been outside the structure? One reason stems directly from the OAS itself, or more accurately, from the rigidity that has characterized some of the institutions of the inter-American system in recent years.

For too long the OAS has been a forum for formal statements of positions, not for solving problems. This was not a particularly suitable atmosphere for new initiatives or for the freewheeling style of the new U.S. Secretary of State.

A second reason for holding the dialogue outside the OAS is that some of the countries of the Americas are not members. Guyana is effectively barred from membership by an article of the OAS Charter which denies accession to aspiring members which have territorial disputes with existing members. Other new countries, such as the Bahamas, have not yet decided whether they wish to join. Canada is not a participant and the Cuban issue has proved divisive in OAS forums.

The dialogue among the Foreign Ministers has been the central element in inter-American relations over the past eight months. At the same time, most of the decisions taken by the Foreign Ministers have either been assigned to inter-American institutions or else ad hoc working groups are being set up outside the OAS to work out the necessary ways and means of implementation.

If, over time, the nations of the hemisphere set up permanent institutions outside the framework of the OAS to deal with inter-American problems—in other words, if the Foreign Ministers decide that the OAS can't or won't do the job—then we would have to ask some hard questions about the future of the OAS as an institution. Right now, however, we are embarked on what seems to me to be a constructive course of action, that of seeking to instill the spirit of the dialogue into the Inter-American System and to reinvigorate and reshape its institutions to deal with the needs of today and tomorrow.

In 1973 the General Assembly of the OAS created CEESI—The Special Committee to Study the Inter-American System and Propose Measures for Restructing It.

The Special Committee has been laboring off and on for a year both in Lima and in Washington on reforms in the principles and the workings of the Inter-American System. But so far it has concentrated most on divisive substantive issues and has made little real progress.

The OAS General Assembly in its recent meeting in Atlanta made perhaps its most important decision in directing the Special Committee to continue its work and to submit its final report, including recommendations for correcting the procedural and operational deficiencies of the organization, by February 15, 1975. The General Assembly also gave the OAS Permanent Council power to serve as a sort of board of directors, to give more direction and purpose to the OAS's activities. The U.S. strongly supported both of these resolutions. At Atlanta, the member nations gave considerable evidence of their intent to instill the Spirit of Tlatelolco and the procedures of the dialogue into the OAS.

The Special Committee resumed its deliberations yesterday in Washington and I think the results of its labors will go a long way toward answering the question, "Whither the OAS?"

I would like to say a further word here about the Atlanta General Assembly because it demonstrated so clearly the OAS's capacity both for positive achievement and for wheelspining. Certainly there was in Atlanta a spirit of getting on with the resolution of outstanding problems—as evidenced by the Council reform and the directions given to the Special Committee. A new program budget, with emphasis on developmental programs, was also approved at Atlanta. But there was also ample evidence that the OAS members have not yet made a decision to bite the bullet on many issues. The old pattern of lengthy traditional statements of positions was still quite visible. The old habit of shuttling problems from one organ of the OAS to another without resolution was still very much in evidence.

* * * * *

Let me discuss briefly but candidly some of the substantive problems we must confront in the inter-American arena. A broad complex of problems is encountered under the heading of the phrases "cooperation for development" and "collective economic security". These are the subjects which have received the greatest emphasis in the dialogue of the Foreign Ministers and have been accorded priority by the Atlanta General Assembly in the effort to reform the Inter-American System.

If I understand them correctly, (and these terms have not been clearly defined) what the Latin Americans are saying here is that national development possibilities are conditioned by the external circumstances which affect the international transfer of resources. They are talking not only about official development assistance—foreign aid, as we usually call it—but about all of the channels of resource flows through trade, private investment, technological transfer, and international payments mechanisms.

They hold, as we do, that the basic responsibility for development is that of the individual nation itself. Insofar as domestic development is constrained by external factors, they hold that U.S. and other developed countries have a moral obligation to make external resources available. To fulfill this obligation the U.S. must grant trade preferences, and stimulate the transfer of technology, and of course, increase the level of official capital flows. The U.S. should do this "without imposing unilateral conditions". What this amounts to is that resources should be made available without using criteria other than technical ones; that external assistance should not be used to achieve political objectives, to influence the form of government, or to persuade a government to take any specific action or to reverse some action already taken.

In other words, if some Latin American country seizes a U.S. fishing boat 130 miles at sea, or expropriates a U.S. firm without just compensation, this does not justify cutting off U.S. assistance.

Obviously, this view gives us a few problems. It is very difficult to convince a U.S. citizen that the U.S. government should stand by and do nothing when he gets picked up and fined for fishing in what the U.S. regards as international waters. It is also difficult to convince a U.S. businessman that the U.S. government should do nothing when his firm's foreign subsidiary is expropriated without compensation. It may also be hard to convince the U.S. taxpayer that his tax dollars should continue to flow to countries which take actions he views as hostile to the interests of the United States.

It is questions such as these which must be examined frankly and openly if the new dialogue is to become meaningful in our normal relationships with one another.

In considering cooperation for development, it is impossible to avoid the issue of foreign private investment. As you know, some unfortunate history colors this issue. But U.S. companies do have productive investments in many places in Latin America and, seen from the other side, the amount of public funds available from all of the developed nations can never be sufficient to provide adequate developmental capital. Foreign private investment becomes at once a necessity and a problem.

Most of the governments of the hemisphere recognize the importance to their development of foreign private capital and expertise. Sometimes, however, foreign companies become too prominent in the economic landscape. We have seen reaction in Canada and Australia, as well as Latin America, to what is perceived as foreign domination of the economy. Fortunately, in most cases, the governments and companies are wise enough to work out reasonable solutions. But sometimes there is confrontation that sours relationships for years to come.

This whole question of private investment cries out for more factual analysis and for mutually beneficial accommodation between the interests of the host country and the foreign private investor. There are a number of things we can and should do to improve the conditions of resource flows to Latin America, but to do these things will require support from the Congress and the people of the United States. This support is difficult to obtain unless the Latin American countries show a willingness to arrive at ways to avoid or at least mitigate the kind of problems we have been talking about. That is why it is a very healthy sign that the Foreign Ministers agreed in Washington to set up an ad hoc working group to look at the issue of multinational corporations and that the OAS General Assembly, in a complimentary move, directed a study of the same subject.

The concept of collective economic security, as a conceptual framework for dealing with the problems of interdependence, has considerable appeal. Among other things, the concept recognizes that security is not simply a question of safeguards against armed aggression, as essential as these safeguards are. In the lives of nations, as well as individuals and families, economic security can be a dominant factor. Nor should it be overlooked that causes of violence in the world are often closely linked to the economic well-being of nations. And finally, the concept implies corresponding duties and obligations for both developed and developing nations.

But as this concept is sometimes presented, it takes on a one-sided cast. Collective economic security becomes solely a mechanism to prevent the U.S. from taking actions viewed by some Latins as "economic aggression". An example of "economic aggression" in their view might be when the U.S. decides to suspend assistance to a Latin American country as a result of uncompensated expropriations. Another might be when the U.S. or perhaps a more powerful Latin neighbor adopts policies which adversely affect the economic interests of a small country. The idea which some have proposed is to create a mechanism for a collective response which would force the U.S. (or possibly Brazil or Mexico) to cease and desist and perhaps even compensate for injury caused by such "economic aggression".

This is clearly unrealistic. We accept the basic concept, and in advance of negotiations on the specific issue of collective economic security, are now engaged in an effort to write regulations under which adequate prior consultation would assure that all interests are taken into consideration when economic decisions are made. But—it would be sad indeed if a "system of collective economic security" would turn out to be merely a mechanism for confrontation.

* * * * *

The atmosphere of U.S.-Latin American relations is good.

It is inevitable that in this early stage of building up our relations, there would be something of a we-they relationship, as we work to resolve existing we-they problems. But more and more we are leaving the paternalism of the past behind us, and trying to adopt the key concept of mutuality. We will help Latin America in the achievement of its goals, and we are confident that the countries of Latin America are prepared to be helpful to us and one another in those areas where they can be. As Secretary Kissinger has pointed out, this does not mean a quid pro quo—a one-for-one tradeoff. As a wealthier and more powerful nation we are prepared to do more, as should the more affluent Latins, to assist the poorer nations in their efforts to improve the quality of life of their citizens.

In short we hope that the new spirit which the meetings of Foreign Ministers have established has produced an atmosphere in which we can recognize our interdependence and our respective interests in a wide range of regional and global problems. Mutual effort and understanding should enable us to confront problems rather than confront one another. Considering the complexity of the problems, no one should expect the task to be easy.

Cautious optimism is an overworked expression, I know, but that is how I feel about the prospects for significantly improved hemispheric relations in the years just ahead.

RECENT ELECTIONS IN THE DOMINICAN REPUBLIC

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, as my colleagues in the House are well aware, elections recently took place in the Dominican Republic in which this important Caribbean nation relected President Joaquin Balaguer to a third successive term. This event was a significant one both for the Dominican people and the United States. It was significant because only 9 years ago this nation was torn by a civil war which sparked a controversial involvement of the United States in its affairs. The past election was the third Presidential election since the civil war. This election and the economic and social progress made in the last 9 years indicate that the people of the Dominican Republic are devoting themselves to the democratic development of their country.

Three weeks ago I was visited in my office by the Honorable Pedro Morales Troncoso, Secretary of State of the Dominican Republic Without Portfolio. He came as a special emissary of President Balaguer to counter certain reports regarding Dominican elections which appeared in the U.S. press. Several news articles have appeared claiming that the past election was "mere ritual" and that there had been widespread boycotting of the election and many abstentions. Secretary Morales is an articulate and highly informed statesman who is proud of his country's accomplishments and speaks well for them. I appreciated President Balaguer's thoughtfulness in sending him to see me.

Secretary Morales has put forth his position regarding the elections in a letter printed June 4 in the Miami Herald. Mr. Speaker, I include the text of this letter to be printed in the RECORD:

DEMOCRACY WON IN DOMINICAN ELECTION

Letters to the EDITOR:

Now that the returns of the presidential election in the Dominican Republic are in, that event should be viewed in fair perspective, particularly in light of contemporary news accounts depicting the balloting as "more ritual" than a test of popular will because of allegations of "massive protest absenteeism."

These articles contain factual errors which obscure the reality of an impressive exercise of political democracy in my country.

The undisputed fact is that President Balaguer won a successive elected third term through a popular landslide.

In all, there are two million eligible voters in the Dominican Republic. As in the United States, not every eligible voter goes to the polls and I would conservatively estimate that the normal Dominican "attrition" rate is 20–25 per cent. This leaves a total of some 1.6 million votes. Of this total, President Balaguer received nearly one million votes, a clear victory by any test, and a number of votes substantially surpassing his 1966 and 1970 victory margins. More than one half of the 600,000 remaining votes were divided between the other opposition parties, were improperly cast or are still being counted, the latter being farmer votes cast in the cities.

At best then, there were 175,000–200,000 remaining votes that might reasonably be characterized as true "abstentions" or "boycotts." Even if one were to attribute each and every one of these so called abnormal "abstentions" votes to the "Santiago Accord," the coalition of parties that decided to boycott the election at the eleventh hour, President Balaguer indisputably won the election by a wide majority. Of these so-called abstentions votes, however it is reasonable to also assume that numbers of Partido Reformista (President Balaguer's party) decided not to vote at all because they could not vote against the withdrawn Santiago Accord (many have told me this) or because they felt that President Balaguer was a clear choice.

It is unfortunate that the "Santiago Accord," the main opposition group, withdrew at the last moment. This is not an untraditional characteristic of Latin American politics, where unlike American elections, the losers never congratulate the winners. The Santiago Accord's withdrawal, I believe, was a cynical move to frustrate the smooth functioning of the electoral system, and the constitution and was motivated by prior knowledge of imminent defeat.

In sum, nearly one million voters cast their ballots for President Balaguer out of a range of 1.6 million voters. This was an unprecedented vote of confidence in his record on social and economic development established over the past eight years. These years have seen the implementation of land and redistribution laws, a "concrete revolution" in dams and roads and rapid strides in schooling, tourism, education and medical care.

While we are struggling daily, as the entire hemisphere is, with inflation and unemployment and with the problems of rural migration to urban centers, our free institutions are creating the twin foundations of stability and confidence.

PEDRO E. MORALES TRONCOSO,
Secretary of State Without Portfolio,
Santo Domingo, Dominican Republic.

HUD ANALYSIS AND INDEPENDENT HOUSING ANALYSIS

(Mr. TALCOTT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. TALCOTT. Mr. Speaker, during recent hearings before the HUD, Space, Science and Veterans' Subcommittee of the Committee on Appropriations there was discussion of the comparative costs of housing provided under the revised section 23 rental assistance program, and under the older section 236 program.

Because we will be considering the fiscal year 1975 appropriation for the Department of Housing and Urban Development this Wednesday, I am sure that many Members would appreciate the opportunity to study the information before the debate.

Therefore, I am including in my remarks at this point copies of an analysis provided by HUD, and an independent analysis made by a housing expert on the staff of the Library of Congress. I urge all Members to notice that there are two tables: I, based on an annual income of $3,240 and II, based on an annual income of $8,260; then an analysis of the HUD tables prepared by the Congressional Research Service, the Schechter report, then a series of questions submitted by our committee and responses thereto by HUD, and then an evaluation of the HUD answers by the CRS, and, finally, a rebuttal to the CRS evaluation supplied by HUD.

Housing is not only an urgent national need—for shelter and jobs; it is a highly complicated and complex subject which involves most aspects of our society. All segments of our society are involved as consumers, builders, financiers, maintainers and taxpayers.

Unfortunately, policies and arguments are sometimes based on different assumptions. The housing industry is in a state of flux.

The new housing and urban development authorization bill passed by the House last week, and now headed for a stormy conference, will probably modify the section 23 programs—further complicating the subject and adding new dimensions to the implementation of our housing goals.

I believe that these honest differences of opinion among experts in the field indicate that the best course will be for the Congress to allow HUD to proceed with proposed section 23 projects. We will then be able to obtain a true comparison of costs with other housing programs, particularly section 236 projects now in progress. This is the method members of our subcommittee have decided to adopt, and we have already informed the Secretary of Housing that we will take a long and careful look at all of the data they are able to develop in the coming year.

I include some extraneous materials including tables:

TABLE I.—COST COMPARISONS[1] OF SUBSIDIZED HOUSING PROGRAMS SERVING A FAMILY WITH INITIAL ANNUAL INCOME OF $3,240

		Sec. 236		Revised sec. 23 program		
	Conventional public housing	With rent supplement	Without rent supplement	State financing[2]	FHA insured	Conventional financing
Gross rent	$2,610	$3,440	(3)	[4] $4,440	$3,440	$3,440
Tenant contribution[5]	810	810	(3)	810	810	810
Direct subsidy	[6] 1,800	2,630	(3)	2,630	6,230	2,630
Indirect subsidies:						
Foreclosure[7]		[8] 35	(3)		35	
HUD Administration	20	20	(3)	20	20	[9] 10
LHA Administration	(10)		(3)	[11] 80	[11] 80	[9] 80
Federal tax foregone	[12] 1,520	[13] 102	(3)	[14] 1,520	65	65
Local tax foregone	[12] 940		(3)			
Total indirect subsidies	2,480	175	(3)	1,620	200	155
Total annual subsidy per unit[15]	4,280	2,805	(3)	4,250	2,830	2,785

[1] All estimates reflect 1976 projected price levels.
[2] Tax-exempt State bond financing without Federal guarantees.
[3] Cannot serve a family with an annual income of $3,240.
[4] Assumes increased amenities instead of rent reduction as result of State financing.
[5] 25 percent of gross income of $3,240.
[6] Includes annual contribution and operating subsidies.
[7] Costs in excess of MIP receipts, which are included in gross rents and estimated at $115.
[8] Actual experience indicates a somewhat higher foreclosure cost for 236.
[9] Reflects absence of Federal or State processing for financing.
[10] Included in gross rent.
[11] Could be reduced under pending legislation.
[12] Estimates based on National Housing Policy Review.
[13] Reflects special tax treatment unique to 236.
[14] Assumed the same as LHA bonds.
[15] The commitment is 20 yrs for sec. 23, 40 yrs for conventional public housing and 236. For example, costs could be $171,200 for conventional public housing, $113,200 for 236 with rent supplement and $56,600 for sec. 23 with FHA insurance (undiscounted).

TABLE II.—COST COMPARISONS* OF SUBSIDIZED HOUSING PROGRAMS SERVING A FAMILY WITH INITIAL ANNUAL INCOME OF $8,260

		Sec. 236		Revised sec. 23 program		
	Conventional public housing †	With rent supplement ‡‡	Without rent supplement	State financing[1]	FHA insured	Conventional financing
Gross rent			$3,440	[2] $3,440	$3,440	$3,440
Tenant contribution[3]			2,065	2,065	2,065	2,065
Direct subsidy			1,375	1,375	1,375	1,375
Indirect subsidies:						
Foreclosure[4]			[5] 35		35	
HUD Administration			20	20	20	[6] 10
LHA Administration				[7] 80	[7] 80	[7] 80
Federal tax foregone			[8] 120	[9] 1,520	65	65
Local tax foregone						
Total indirect subsidies			175	1,620	200	155
Total annual subsidy per unit[10]			1,550	2,895	1,575	1,530

[1] Tax-exempt State bond financing without Federal guarantees.
[2] Assumes increased amenities instead of rent reduction as result of State financing.
[3] 25 percent of gross income of $8,260.
[4] Costs in excess of MIP receipts, which are included in gross rents and estimated at $115.
[5] Actual experience indicates a somewhat higher foreclosure cost for 236.
[6] Reflects absence of Federal or State processing for financing.
[7] Could be reduced under pending legislation.
[8] Reflects special tax treatment unique to 236.
[9] Assumes the same as LHA bonds based on National Housing Policy Review.
[10] Commitment is for 20 yrs for sec. 23, 40 yrs for sec. 236, e.g., sec. 236 could cost $62,000; sec. 23 State-financed $57,900; sec. 23 FHA-financed $31,500; sec. 23 conventionally-financed $30,600 (undiscounted).
* All estimates reflect 1976 projected price levels.
† Family with income of $8,260 considered overincome.
‡ Rent supplements not necessary to serve a family with an income of $8,260.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., May 24, 1974.

To: House Appropriations Subcommittee on HUD, Space, Science and Veterans.
From: Economics Division.
Subject: HUD subsidy cost comparisons for Section 23 versus Section 236 and conventional public housing.

This memorandum is with reference to Tables I and II on Cost Comparisons of Subsidized Housing Programs, submitted for the record of hearings before your subcommittee on May 21, 1974. All estimates in that table

A. *Section 236 versus Section 23 cost comparisons:*

1. *Assumption of equal gross rent:*

On both tables, an estimated gross per unit annual rent of $3,440 is shown for Section 236 and for Section 23 under each of three different types of financing. The three types of financing for Section 23 are State financing, FHA-insured financing, and conventional financing.

The question of cost differences, which would cause rent differences, is largely assumed away by the assumption of equal per unit gross rents under Section 236 and Section 23. There is a recognition that amenities and development costs might be different, at least with respect to State financed Section 23 projects. This recognition is reflected in a footnote which "assumes increased amenities instead of rent reduction as a result of State financing."

As a practical matter, there probably also will have to be greater amenities in Section 23 projects with FHA-insured and conventional financing than in Section 236 projects. Since Section 23 projects capable of attracting mostly non-subsidized tenants are to receive subsidy support preference, such projects will have to be designed with more amenities than Section 236, in order to be competitive in the non-subsidized market. The necessity for HUD to permit such greater amenities and costs and rents under Section 23 also relates to the types on FHA-insured mortgage financing which are permitted, namely, 207, 220, 221(d)4, 231 and 221(d)(3). The latter would be limited to non-profit sponsors. Required processing procedures under the applicable mortgage insurance program must be followed. Such procedures will include an FHA analysis of the marketability of the proposed project units, including a market comparison analysis in the same and competitive neighborhoods. Under such procedures, HUD will have to allow for competitive amenities for non-subsidized housing in FHA-insured and conventionally financed housing when it sets its Fair Market Rent for a locality.

The inclusion of greater amenities in non-subsidized rental housing is reflected in available data with regard to average living area per unit in projects started with FHA-insured mortgage financing in 1972, as follows:

Square feet of living area per unit

Program:	
Section 207	892
Section 221 market interest rate	807
Section 236	740

The greater size, and amenities which go with it, will generally be reflected in greater replacement costs, requiring greater mortgage amounts and equity investments in housing which can be built under Section 23 than under Section 236. An exception to the latter observation is with respect to projects financed with Section 221 market interest mortgages, primarily under Section 221 (d) (4). Due to mortgage amount limitations, however, Section 221 market interest rate projects have been concentrated in smaller localities. Thus, as shown in Table 1, over 48 percent of Section 221 market interest rate mortgages have been in places of under 50,000 population. Only 3 percent have been in areas of 1 million or more population.

Based on available 1973 data, the differences in per unit mortgage amount and equity investment, and the resultant differences in rents as compared with Section 236, have been estimated in Table 2. Based on that analysis, it appears that average annual rents would exceed those in Section 236 projects by about $400 in Section 207 or conventionally financed projects and about $800 in Section 220 projects. In contrast, in Section 221 market interest rate projects without rent supplements would be about $100 per year less than in Section 236 projects.

TABLE 1.—PERCENTAGE DISTRIBUTION OF UNITS IN SELECTED FHA PROGRAMS BY SIZE OF PLACE AS OF END OF 1972

Size of place	Percentage distribution of units under—				
	Sec. 236, regular	Sec. 236, elderly	Sec. 207	Sec. 220	Sec. 221, market rate
Under 50,000	40.4	27.7	22.3	2.8	48.4
50,000 to 249,999	25.5	32.8	21.6	10.6	24.2
250,000 to 999,999	25.6	34.8	18.8	39.2	24.0
1,000,000 or more	8.5	4.7	37.3	47.4	3.4

Source: HUD Statistical Yearbook, 1972, table 163.

TABLE 2.—ESTIMATED GREATER (+) OR LESSER (−) AMOUNT OF AVERAGE MORTGAGE AND EQUITY AND RELATED DIFFERENCES IN RENT BETWEEN SEC. 236 PROJECTS FINANCED UNDER OTHER PROGRAMS OR METHODS, AS INDICATED

Item of difference estimated	Sec. 207 [1]		Sec. 220 [1]		Sec. 221 market rate [1]		Conventional [3]	
	Amount of difference	Difference in rent	Amount of difference	Difference in rent	Amount of difference	Difference in rent	Amount of difference	Difference in rent
Average mortgage amount	+$4,167		+$8.176		−$901		+$1,823	
Annual debt service	+376	+$376	+738	+$738	−81	+$81	+165	+$165
Equity investment average	[2] +463		[2] +909		[2] −100	−6	+2,808	
Return on equity at 6 percent	+28	+28	+55	+55	−6			
Return on equity at 8 percent							+225	+225
Difference in rents based on debt service and equity return		+404		+793		−87		+380

[1] Based on projects committed by FHA for insurance in 1973; mortgage amount, based on HUD-HPMC 301 reports.

[2] Estimated on basis of assumption that mortgage equals 90 percent of total replacement cost.

[3] Estimated that total replacement cost would be same as under 207 but mortgage would be for only 80 percent, and debt service factor would be same as under 207 because higher interest rate of ½ of 1 percent would be offset by absence of a mortgage insurance premium; return on equity estimated at 8 percent instead of maximum of 6 percent under FHA programs.

Note: Memorandum as to basic data—Average unit mortgage amounts and estimated replacement costs and equity for mortgage insurance commitments issued during 1973:

Program	Mortgage amount	Estimated replacement cost	Estimated equity investment
Sec. 236, regular	$16,933	$18,814	$1,881
Sec. 207	21,000	23,444	2,344
Sec. 220	25,109	27,899	2,790
Sec. 221, market rate regular	16,032	17,813	1,781
Conventional [1]	18,755	23,444	4,689

[1] Wholly estimated—see footnote 3 above.

Since 221 market rate projects are not feasible in many larger areas, where costs are higher and greater amenities are required by market competition, however, a large proportion of the FHA-insured Section 23 projects will be financed under other eligible FHA mortgage insurance programs than 221. Also, judging from prevalent patterns of multifamily financing patterns in recent years, a high proportion of all Section 23 projects will probably be financed conventionally. Even if as much as one-third of the Section 23 projects are financed with 221 market rate projects, and the other two-thirds are divided equally between other FHA mortgage insurance programs and conventionally financed, the average Section 23 rent would be about $300 per year more than the average Section 236 rent, based on 1973 data.[1] By 1976, the year for which the projected $3,440 average rent has been estimated, the difference would probably be 15 percent higher or about $345. This difference in rents also represents an equivalent amount of difference in required subsidy, since the tenant's payment share will be fixed as a percentage of his income.

2. *Federal tax foregone—privately financed units:*

Federal taxes foregone are shown as $120 per unit per year for 236 and $65 per unit per year for privately financed Section 23 units. The difference is attributed to special tax treatment unique to 236.

If this difference is attributed to capital gains treatment of recaptured excess depreciation (i.e., accelerated depreciation in excess of straight line depreciation) in sales proceeds in 10 years under 236 instead of 16⅔ years under other financing, it is unlikely to be realized. Section 23 leases, practically assuring occupancy, can be renewed for up to 20 years, encouraging ownership for that period. After 16⅔ years of ownership all excess depreciation proceeds are treated as capital gains.

If the difference is supposed to be due to the deferral of tax payment on capital gains when there is a "roll over" sale to tenants, it should be noted that very few, if any, "roll over" sales have taken place.

For these reasons, the greater foregone taxes of $55 per unit per year attributed to Section 236 than Section 23 should be completely discounted.

3. *Revision of HUD comparative cost estimates:*

Revision of the HUD cost comparisons to reflect the above findings as to Federal taxes and average $345 rent differences would show the following changes in total annual subsidy costs per unit.

(a) SUBSIDIZED HOUSING PROGRAMS SERVING A FAMILY UNIT WITH INITIAL ANNUAL INCOME OF $3,240

	Sec. 236 with rent supplement	FHA-insured financing	Conventional financing
HUD estimates	$2,805	$2,830	$2,785
Revised estimates	2,750	3,175	3,130

(b) SUBSIDIZED HOUSING PROGRAMS SERVING A FAMILY WITH INITIAL ANNUAL INCOME OF $8,260

	Sec. 236 without rent supplement	FHA-insured financing	Conventional financing
HUD estimates	$1,550	$1,757	$1,530
Revised estimates	1,495	1,920	1,875

b. Section 236, conventional public housing and State financing:

1. *Taxes foregone due to tax-exempt financing:*

Federal tax foregone with public housing or State tax-exempt financing is shown as $1,520 per unit per year. A mortgage insurance premium amount of $115 per unit per year is shown in footnotes with respect to FHA-insured projects. Since the mortgage insurance premium is ½ of 1 percent, an average mortgage amount (or equivalent other debt obligation) of $23,000 per unit apparently has been assumed. A $1,520 tax loss equals more than 6½ percent of the per unit debt amount. Furthermore, if the average holder of a tax-exempt bond is in the 50 percent marginal income tax bracket, this would imply about a 13 percent interest rate on tax-exempt bonds. A more realistic estimate, assuming a liberal 6 percent interest rate on tax-exempt bonds, would be a tax loss of $690.

2. *Local property taxes foregone on public housing:*

Table I (only) includes an allowance for local taxes foregone of $940. Since local losses are being counted, an offsetting local gain of equity in land and structures as the bonds are amortized should also be counted. The land which accounts for 5 percent of total development costs, will certainly have value, and part of the site improvement value, accounting for about another 10 percent will also remain. The value of those assets, plus a minimum value of structures that could still be used, suggest that the remaining value of land and structures will be at least 20 percent of the original development cost of $23,000, or $4,600 would remain in local public ownership after the bonds are paid off. That would represent an average of $115 per year over 40 years.

3. *Revision of comparative cost estimates:*

Revision of the HUD cost comparisons to reflect the above findings and those in Section A of this memorandum would show the following changes in total annual subsidy costs per unit:

(a) SUBSIDIZED HOUSING PROGRAMS SERVING A FAMILY WITH INITIAL ANNUAL INCOME OF $3,240

	Conventional public housing	Sec. 236 with rent supplement	Sec. 23		
			State financing	FHA-insured	Conventional financing
HUD estimates	$4,280	$2,805	$4,250	$2,830	$2,785
Revised estimates	[1] 3,335	2,750	3,420	3,175	3,130

[1] If the public housing subsidy is estimated only on the basis of cash Federal outlays ignoring Federal taxes foregone, local property taxes foregone and the value of and and structures remaining after full debt repayment it is $1,820.

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[1] Based on 221 market rents averaging $100 less than 236, other FHA units $600 more and conventionally financed $400 more than 236.

(b) SUBSIDIZED HOUSING PROGRAMS SERVING A FAMILY WITH INITIAL ANNUAL INCOME OF $8,260

	Sec. 236 without rent supplement	Sec. 23		
		State financing	FHA-insured	Conventional financing
HUD estimates	$1,550	$2,895	$1,575	$1,530
Revised estimates	1,495	2,065	1,920	1,875

COST COMPARISONS OF SUBSIDIZED HOUSING PROGRAMS

HUD RESPONSE TO COMMITTEE QUESTIONS

Q. 1. Assuming that the priority for Section 23 projects with 20 percent or less assisted units has the desired effect, a large proportion of the projects will have to be designed to attract non-subsidized tenants. They would have to be marketable in competition with other non-subsidized housing. That requirement would be enforced by FHA for insured mortgage financing and by lenders for conventional financing. In order to be effectively competitive in the non-subsidized market, wouldn't the Section 23 projects have to have units with greater living areas and amenities than non-competitive Section 236 units. To support such competitive features, won't the fair market rental have to accommodate the required cost in excess of Section 236 costs. And won't this generally require significantly greater gross rents and and subsidy costs under Section 23 than would be possible under Section 236? What were the comparable market rents for new units of a given size (number of bedrooms) in the same locality in 1972 or 1973, under 236 and under each of the FHA-insured programs eligible for Section 23 financing?

A.1. In the Section 236 program the builder-developer had a strong incentive to maximize his profits by adding amenities in order to bring costs up to the maximum insurable mortgage amount. The Section 23 projects are likely to cost less than Section 236, because developers must bid competively in order to secure the subsidy, and since the ACC limits the amount of rent, he has the incentive to keep the initial rent low by economizing on construction costs so as to have a margin for rent increases in the future.

Again, because there was no need to compete for unsubsidized tenants, the builder-developer did not have a strong incentive to produce a given level of amenities in the most efficient cost-effective manner possible. Because of this and other factors, the National Housing Policy Review found that for any given level of amenities, Section 236 costs were some 20 percent higher than the costs of conventional units competing on the private market.

A comparison of new Section 236 two-bedroom units with all recently completed units in 15 cities found that Section 236 rents exceeded the rents for all new units in 12 of the 15 cities by amounts ranging from $10 to $97 per month. In the other three cities payments were lower by only $10 to $15 per month. Although the bedroom sizes used in these comparisons are not exactly comparable, the large rent differentials are at least indicative of significantly higher rents being charged for 236 units.

The only data offered in the CRS study which supports the contention that Section 23 would have higher costs is that the square footage of the average Section 236 unit is lower than that in the average 207 and 221 unit. However, this comparison would only be meaningful if the projects being compared were comparable in both age and location. Clearly, they are not. The 221 data is more heavily weighted with rural sites where land is relatively cheap and such favorable land cost differential can be used to increase unit size.

A.1. Even if it could be shown that in the past Section 221 and 207 projects were produced with greater amenities and larger living space, there is no reason to believe these programs used in conjunction with the Revised Section 23 Regulations, which prohibit "luxury" housing (See HUD Handbook 7431.1), would produce housing with the same high level of amenities (and high costs) in the future.

Q.2. Federal taxes foregone are calculated as $55 per unit per year greater under Section 236 than under Section 23 due to a tax treatment unique to Section 236. What is this unique treatment? If it is supposed to be the deferral of taxation of capital gains from a "rollover" sale to tenants and reinvestment of sales proceeds in another Section 236 project, what is the number of such project rollover sales that have been consummated and what percentage of 236 projects insured through 1973 does this number represent? If the unique treatment is supposed to be the capital gains treatment of all sales proceeds above book value after 10 years for 236 projects, and 16⅔ years for all other rental housing, won't this wash out if the Section 23 owner retains ownership for the 20-year maximum Section 23 lease period?

A.2. The roll-over provision (Section 1039), wherein taxation of capital gains is deferred upon sale of the housing to the tenants followed by reinvestment of the proceeds in another Section 236 project, was estimated to result in more Federal tax foregone under Section 236 than under Section 23. The optimum time for disposition of a low- or moderate-income project is 10 years, when all excess depreciation is converted to capital gains under Section 1250. It was assumed that the privately financed projects would be sold after 10 years, and the proceeds from the Section 236 project would be reinvested in another low-income project, thus deferring the tax on the capital gains another 10 years. At a 6 percent discount rate, the present value of a tax payment 10 years in the future is about 1.8 times greater than the present value of a tax payment 20 years in the future. This factor was applied to the Federal taxes foregone under Section 236 to estimate a lesser tax loss of about $65 for other low- and moderate-income housing which is not subject to the "roll-over" provision. The optimum time to dispose of most Section 236 projects from a tax viewpoint has not yet been reached, so that it is not surprising that the provision has not yet been utilized to any extent. Nevertheless, the provision is certainly of great future importance as 236 projects approach the optimal roll-over time.

The fact that Section 23 leases may extend for as long as 20 years does not imply that owners will hold it for that long. Many may perceive higher rates of return on other investments and therefore it is likely that a significant number will opt out of lease renewals by the 10th year.

Q.3. Federal tax foregone under public housing and State tax-exempt financing is shown at $1,520 per unit per year. What assumptions have been made as to the per-unit capital debt amount, the interest rate on the tax-exempt securities issued, and the average marginal income tax rate of the holders of such securities issued, and the average marginal income tax rate of the holders of such securities? And how have these factors been applied arithmetically to arrive at the $1,520 per-year figure?

A.3. The conventional public housing program traditionally has been built to a higher set of construction standards than has privately owned housing, and requires a much longer development time, averaging about 48 months. These difference give rise to higher total development costs than are the case in the Sections 23 and 236 programs. Also, publicly owned housing experiences a different set of operating costs due to tax exempt interest on the capital financing, and local property taxes foregone.

For these reasons, conventional public housing was treated as a special case, and subsidy costs were based on actual budget projections of average annual contributions needed in FY 1976 for conventional public housing units. The budget figure was $1,785 per unit. This amount was reduced to $1,700 to account for the slightly smaller units (in bedroom sizes) produced under the Sections 236 and 23 programs. An additional payment of $100 per year in operating subsidies was also assumed, at least for the early years of the program, for a total direct subsidy cost of $1,800.

The annual contribution of $1,700, at a 6 percent bond interest rate, will support a total development cost of $25,700. This compares with a mortgage amount of $23,000 under the other programs. At the 6 percent rate the interest payment in the first year is about $1,537, and the average over the first five years is $1,516. This was rounded to $1,520 of average annual interest income to the holder of the bond.

A.3. At a 50 percent marginal tax rate, $1,520 in tax-exempt interest income is equivalent to $3,040 in taxable interest income, and the tax loss to the Treasury is the difference between the $3,040 in taxable income and the $1,520 in income after taxes, or $1,520. At a lower marginal tax rate, the Treasury loss would be less, of course, while the converse is true if a higher marginal tax rate had been assumed.

Q.4. Since local property taxes foregone are counted as a public housing cost, shouldn't there also be an offset to costs in the form of local agency equity value accumulated in land and structures as the capital debt is paid off? How many units will there be in projects that become debt free within 10 years? And what will be the estimated average current per-unit value of land and structures in those projects?

A.4. It is true that a local public body would retain ownership of the land underlying publicly owned local public housing projects after 40 years when the capital debt is fully amortized. Also, the structure, still should remain on the land. However, despite traditional theory concerning the residual value of land, it is premature to assume that this land will still have value, or that the structures will still retain some useful economic life. Both may have zero value, such as is true currently with many inner city properties. This value may even be negative if structure demolition costs exceed residual land value. Even if a residual value remained, the discounted present worth of that value of 40 years hence would be minimal. Local property tax exemption in excess of payments in lieu of taxes is significant and is a cost which is present from the time of initial acquisition of the project land by an LHA.

EVALUATION OF ANSWERS SUPPLIED BY THE DEPARTMENT

1. The response to question one does *not* provide comparable market rents for new units of a given size (number of bedrooms) in the same locality under 236 and FHA programs eligible for Section 23 financing. Such data should be available from accumulated program statistics.

The validity of the 15 city comparison of 236 and other rental unit costs is questionable. *In Housing in the Seventies*, the data from the 15 cities, identified as the HUD rent survey data, were not used because, as was explained in the supplementary HUD *Technical Record*, rents were not adjusted for differences in amenities or neighborhood characteristics.

As is noted in the HUD reply, the bedroom sizes used in the comparison "were not exactly comparable." To compare rents of units with different rent sizes and different amenities does not provide a meaningful answer to the question.

2. The HUD reply indicates that in the table it apparently was assumed that *all* Section 236 units would be sold under the "roll-over" tax benefit provisions. It is claimed in the HUD reply that this would happen after ten years of ownership—which would be the most propitious time for such sales. Actually, the most propitious time may be much earlier, depending upon sales price. Organizing a tenant group to purchase the project will prove most difficult at any time. Probably, very few, if any, Section 236 projects will be sold under the "roll-over" provision—and the additional tax benefit revenue loss related to 236 on this basis is grossly overstated.

3. The answer to question three reveals a confusion between "Federal tax foregone" and the comparable after tax income value of interest to the bondholder. The Federal tax foregone is only the tax foregone on the tax-exempt interest income, estimated at $1–20. If it is assumed the holder of the tax-exempt bond is in the 50 percent marginal income bracket, then the tax revenues foregone is $760—not the full $1520 in interest income received by the bondholder.

4. The answer to question four was not responsive. It did not give the number of public housing units that would be free of bonded indebtedness and the average per unit value of land and structures. Instead, a hypothetical possibility is raised of negative value, such as is now the case with some inner city properties. The fact is that these are public housing projects that are occupied and in acceptable neighborhoods which will be debt free in a few years. The HUD reply completely evades the reality of the situation which was raised by the question.

RESPONSE TO FURTHER EVALUATION BY THE CRS

1. Originally, the CRS argued that the gross rents would be higher in the Section 23 program because units would have to contain a *higher* level of amenities than Section 236 in order to compete in the private market. We responded suggesting that the incentives in the two programs were such that, if anything, the level of amenities would be lower in the new Section 23 program. *However, for the purposes of most of our cost comparisons we assumed that amenity levels would be the same.*

The data which we presented for 15 cities lent some support for our contention that units which compete on the private market typically cost less than 236 units either because of fewer amenities or because a given level of amenities tends to be provided more efficiently. We admitted that the comparisons were somewhat flawed because bedroom sizes were not exactly comparable, but we believe that the differences which were reported overwhelm any biases introduced by the non-comparability of bedroom sizes.

The reference to *Housing in the Seventies* in the CRS Evaluation is a red herring. It is true that the data which we provided should not be used in comparing costs of a *given* level of amenities, but the main issue raised by CRS is that amenity levels would differ.

Past program data is also irrelevant to the main question raised by CRS since Section 23 regulations have undergone a radical change in order to improve incentives in the program. Only future experience will allow precise estimates of the effects of these changes, but in the interim, we believe that it is quite reasonable to assume that gross rents will be the same in the two programs and *if anything, our estimates are biased against the Section 23 program.*

2. The assumption was made that all Section 236 units *which had not defaulted* would be sold under the "roll-over" tax benefit provisions. Since Section 236 families are of moderate income, generally employed, with income growth rates quite similar to the national average, it was felt that after 10 years they would be able to assume responsibility for the property under some form of ownership. It is also true that the propitious time for roll over may be shorter than 10 years.

These assumptions may or may not be realistic, but *it must be noted that a relatively minor issue is being debated here.* Our estimates assumed a difference of $55 between the taxes foregone under Section 236 and Section 23. Even if CRS is correct in stating that this is a "gross overstatement" and if the estimate is lowered by $30, this amounts to about one percent of the total subsidy cost.

3. We believe that it is the CRS which is confused on the issue of how much Federal tax revenue is lost because of the tax exempt nature of the housing authority bond. They simply ask how much tax would be raised by taxing the *tax-exempt* interest on the bond as though interest rates and the pattern of investment in the country would not be affected by eliminating the exemption on such bonds. This is clearly unrealistic.

However, the fact that CRS takes an erroneous approach does not mean that finding the correct answer is easy. One way of posing the question is to ask how the investor in authority bonds would invest his funds if the housing unit was not built and therefore, the bond was not available. If he invested in a way that stimulated new corporate investment, the increase in tax revenues would be very much more than we estimated since the new income stream would first be taxed by the corporation income tax and then by the personal income tax as it was reflected in increased dividends or capital gains. Of course, there would be other second-order effects as other investors shifted their assets in response to the change in the portfolio of the original investor. If the original investor chose to invest in another tax-exempt or in a different tax shelter, the increase in tax revenues would be less than we estimated unless the second-order effects of other investors being driven out of tax exempts generated considerable tax revenues elsewhere.

We chose a very simple approach which was to assume that the original investor directly sought out an investment which provided the same after-tax income as that received from the tax exempt bond. We ignored the possibility of corporate or other tax revenues being generated.

There are many other approaches to this complex problem and these are discussed in D. Ott and A. Meltzer, *Federal Tax Treatment of State and Local Securities*, Brookings, 1963.

In general, any program using tax free bonds for financing will be relatively expensive. The basic reason is that the revenue losses to the Government exceed the interest saving to the Local Housing Authority. *However, note that even with the CRS estimate of the tax loss, the conventional public housing unit is more expensive than those Section 23 units which do not use State financing.*

4. CRS accuses us of concocting a "hypothetical possibility" that some public housing units will have a negative rather than positive value within 40 years. Unfortunately, projects like Pruitt-Igoe are all too real and some projects will achieve negative values even before 40 years have passed. Some, of course, will have positive values.

However, even if *all* had positive value and if we accepted the CRS estimate of a value of $4,600 per unit in the year 2016, *it must again be noted that a minor issue is being debated.* One way of estimating the implied cost saving is to calculate the sinking fund payment which would accumulate to $4,600 at a 6 percent rate of interest. The amount is $29.73, less than one percent of the subsidy amount. (The CRS calculations did not apply a discount factor to the $4,600 even though most of this amount will not accrue for a long period of time. Clearly, this procedure is unacceptable.)

CRS requests data on the number of projects which are soon to be free of bonded indebtedness. We do not think that such data is relevant to what may occur between now and 2016, but it is estimated that as many as 100,000 units may be free of indebtedness by 1980.

At this time there are very few projects in this category and we do not have precise estimates of their value.

CONFERENCE REPORT ON S. 2830

Mr. STAGGERS submitted the following conference report and statement on the bill (S. 2830) to amend the Public Health Service Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus:

CONFERENCE REPORT (H. REPT. No. 93–1147)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2830) to amend the Public Health Service Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment to the text of the bill insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "National Diabetes Mellitus Research and Education Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress makes the following findings:

(1) Diabetes mellitus is a major health problem in the United States which directly affects perhaps as many as ten million Americans and indirectly affects perhaps as many as fifty million Americans who will pass the tendency to develop diabetes mellitus to their children or grandchildren or to both.

(2) Diabetes mellitus is a family of diseases that has an impact on virtually all biological systems of the human body.

(3) Diabetes mellitus is the fifth leading cause of death from disease, and it is the second leading cause of new cases of blindness.

(4) The severity of diabetes mellitus in children and most adolescents is greater than in adults, which in most cases involves greater problems in the management of the disease.

(5) The complications of diabetes mellitus, particularly cardiovascular degeneration, lead to many other serious health problems.

(6) Uncontrolled diabetes mellitus significantly decreases life expectancy.

(7) There is convincing evidence that the known prevalence of diabetes mellitus has increased dramatically in the past decade.

(8) The citizens of the United States should have a full understanding of the nature of the impact of diabetes mellitus.

(9) The attainment of better methods of diagnosis and treatment of diabetes mellitus deserves the highest priority.

(10) The establishment of regional diabetes research and training centers through-

out the country is essential for the development of scientific information and appropriate therapies to deal with diabetes mellitus.

(11) In order to provide for the most effective program against diabetes mellitus it is important to mobilize the resources of the National Institutes of Health as well as the public and private organizations capable of the necessary research and public education in the disease.

(b) It is the purpose of this Act to—

(1) expand the authority of the National Institutes of Health to advance the national attack on diabetes mellitus; and

(2) as part of that attack, to establish a long-range plan to—

(A) expand and coordinate the national research effort against diabetes mellitus;

(B) advance activities of patient education, professional education, and public education which will alert the citizens of the United States to the early indications of diabetes mellitus; and

(C) to emphasize the significance of early detection, proper control, and complications which may evolve from the disease.

DIABETES PLAN

SEC. 3. (a) The Director of the National Institutes of Health shall, within sixty days of the date of the enactment of this section, establish a National Commission on Diabetes (hereinafter in this section referred to as the "Commission").

(b) The Commission shall be composed of seventeen members as follows:

(1) The Directors of the seven Institutes referred to in subsection (e).

(2) Six members appointed by the Secretary of Health, Education, and Welfare from scientists or physicians who are not in the employment of the Federal Government and who represent the various specialties and disciplines involving diabetes mellitus and related endocrine and metabolic diseases.

(3) Four members appointed by the Secretary of Health, Education, and Welfare from the general public. At least two of the members appointed pursuant to this paragraph shall be diabetics or parents of diabetics.

The members of the Commission shall select a chairman from among their own number.

(c) The Commission may appoint an executive director and such additional personnel as it determines are necessary for the performance of the Commission's functions.

(d) Members of the Commission who are officers or employees of the Federal Government shall serve as members of the Commission without compensation in addition to that received in their regular public employment. Members of the Commission who are not officers or employees of the Federal Government shall each receive the daily equivalent of the rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Commission. All members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

(e) The Commission shall formulate a long-range plan to combat diabetes mellitus with specific recommendations for the utilization and organization of national resources for that purpose. Such a plan shall be based on a comprehensive survey investigating the magnitude of diabetes mellitus, its epidemiology, and its economic and social consequences and on an evaluation of available scientific information and the national resources capable of dealing with the problem. The plan shall include a plan for a coordinated research program encompassing programs of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the National Eye Institute, the National Institute of Neurological Diseases, the National Heart and Lung Institute, the National Institute of General Medical Sciences, the National Institute of Child Health and Human Development, and the National Institute of Dental Research and other Federal and non-Federal programs. The coordinated research program shall provide for—

(1) investigation in the epidemiology, etiology, prevention, and control of diabetes mellitus, including investigation into the social, environmental, behavioral, nutritional, biological, and genetic determinants and influences involved in the epidemiology, etiology, prevention, and control of diabetes mellitus;

(2) studies and research into the basic biological processes and mechanisms involved in the underlying normal and abnormal phenomena associated with diabetes mellitus, including abnormalities of the skin, cardiovascular system, kidneys, eyes, and nervous system, and evaluation of influences of other endocrine hormones on the etiology, treatment, and complications of diabetes mellitus;

(3) research into the development, trial, and evaluation of techniques and drugs used in, and approaches to, the diagnosis, treatment, and prevention of diabetes mellitus;

(4) establishment of programs that will focus and apply scientific and technological efforts involving biological, physical, and engineering science to all facets of diabetes mellitus;

(5) establishment of programs for the conduct and direction of field studies, large-scale testing and evaluation, and demonstration of preventive diagnostic, therapeutic, rehabilitative, and control approaches to diabetes mellitus;

(6) the education and training of scientists, clinicians, educators, and allied health personnel in the fields and specialties requisite to the conduct of programs respecting diabetes mellitus;

(7) a system for the collection, analysis, and dissemination of all data useful in the prevention, diagnosis, and treatment of diabetes mellitus;

(8) appropriate distribution of resources between basic and applied research.

The long-range plan formulated under this subsection shall also include within its scope related endocrine and metabolic diseases and basic biological processes and mechanisms, the better understanding of which is essential to the solution of the problem of diabetes mellitus.

(f) In the development of the long-range plan under subsection (e), attention shall be given to means to assure continued development of knowledge, and dissemination of such knowledge to the public, which would form the basis of future advances in the understanding, treatment, and control of diabetes mellitus.

(g) The Commission may hold such hearings, take such testimony, and sit and act at such time and places as the Commission deems advisable to develop the long-range plan required by subsection (e).

(h)(1) The Commission shall prepare for each of the Institutes whose programs are to be encompassed by the plan for a coordinated diabetes research program described in subsection (e) budget estimates for each Institute's part of such program. The budget estimates shall be prepared for the fiscal year ending June 30, 1976, and for each of the next two fiscal years.

(2) Within five days after the Budget for the fiscal year ending June 30, 1976, and the Budget for each of the next two fiscal years is transmitted by the President to the Congress the Secretary shall transmit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Labor and Public Welfare of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for each of the Institutes for diabetes research, and a comparison of such amounts with the budget estimates prepared by the Commission under paragraph (1).

(i)(1) The Commission shall publish and transmit directly to the Congress (without prior administrative approval) a final report within nine months after the date funds are first appropriated for the implementation of this section. Such report shall contain the long-range plan required by subsection (e), the budget estimates required by subsection (h), and any recommendations of the Commission for legislation.

(2) The Commission shall cease to exist on the thirtieth day following the date of the submission of its final report pursuant to paragraph (1) of this subsection.

(j) There are authorized to be appropriated to carry out the purposes of this section $1,000,000.

DIABETES MELLITUS PREVENTION AND CONTROL PROGRAMS

SEC. 4. Section 317 of the Public Health Service Act is amended—

(1) by striking out "communicable disease control" each place it occurs and inserting in lieu thereof "communicable and other disease control";

(2) by striking out "communicable diseases" in subsection (a) and inserting in lieu thereof "communicable or other diseases";

(3) by striking out "communicable disease program" in subsection (a) and inserting in lieu thereof "communicable or other disease control program";

(4) by striking out "communicable disease" in subsection (b)(2)(C)(i) and inserting in lieu thereof "communicable or other disease";

(5) by striking out "Rh disease," in subsection (h)(1) and by inserting "diabetes mellitus and Rh disease and" before "tuberculosis" in that subsection; and

(6) by striking out "COMMUNICABLE" in the section heading.

RESEARCH AND TRAINING CENTERS; DIABETES COORDINATING COMMITTEE AND GENERAL AUTHORITY

SEC. 5. (a) Part D of title IV of the Public Health Service Act is amended by adding at the end thereof the following new sections:

"DIABETES RESEARCH AND TRAINING CENTERS

"SEC. 435. (a) Consistent with applicable recommendations of the National Commission on Diabetes, the Secretary shall provide for the development, or substantial expansion, of centers for research and training in diabetes mellitus and related endocrine and metabolic disorders. Each center developed or expanded under this section shall (1) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Secretary; and (2) conduct (A) research in the diagnosis and treatment of diabetes mellitus and related endocrine and metabolic disorders and the complications resulting from such disease or disorders, (B) training programs for physicians and allied health personnel in current methods of diagnosis and treatment of such disease, disorders, and complications, and (C) information programs for physicians and allied health personnel who provide primary care for patients with such disease, disorders, or complications. Insofar as practicable, centers developed or expanded under this section shall be located geographically on the basis of population density throughout the United States and in environments with proven research capabilities.

"(b) The Secretary shall evaluate on an annual basis the activities of centers developed or expanded under this section and shall report to the Congress (on or before

June 30 of each year) the results of his evaluation.

"(c) There are authorized to be appropriated to carry out this section $8,000,000 for fiscal year ending June 30, 1975, $12,000,000 for fiscal year ending June 30, 1976, and $20,000,000 for fiscal year ending June 30, 1977.

"DIABETES COORDINATING COMMITTEE

"SEC. 436. For the purpose of—

"(1) better coordination of the total National Institutes of Health research activities relating to diabetes mellitus; and

"(2) coordinating those aspects of all Federal health programs and activities relating to diabetes mellitus to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities,

the Director of the National Institutes of Health shall establish a Diabetes Mellitus Coordinating Committee. The Committee shall be composed of the Directors (or their designated representatives) of each of the Institutes and divisions involved in diabetes-related research and shall include representation from all Federal departments and agencies whose programs involve health functions or responsibilities as determined by the Secretary. The Committee shall be chaired by the Director of the National Institutes of Health (or his designated representative). The Committee shall prepare a report as soon after the end of each fiscal year as possible for the Director of the National Institutes of Health detailing the work of the Committee in carrying out the coordinating activities described in paragraphs (1) and (2)."

(b) Section 434 of the Public Health Service Act is amended by adding at the end the following new subsection:

"(d) The Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, working through the Associate Director for Diabetes (if that position is established), shall (1) carry out programs of support for research and training in the diagnosis, prevention, and treatment of diabetes mellitus and related endocrine and metabolic diseases, and (2) establish programs of evaluation, planning, and dissemination of knowledge related to research and training in diabetes mellitus and related endocrine and metabolic diseases."

ASSOCIATE DIRECTOR FOR DIABETES

SEC. 6. The Secretary of Health, Education, and Welfare may establish within the National Institute of Arthritis, Metabolism, and Digestive Diseases the position of Associate Director for Diabetes who would report directly to the Director of the Institute and who, under the supervision of the Director of the Institute, would be responsible for programs with regard to diabetes mellitus within the Institute.

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
SAMUEL L. DEVINE,
ANCHER NELSEN,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HARRISON A. WILLIAMS,
GAYLORD NELSON,
THOMAS F. EAGLETON,
ALAN CRANSTON,
HAROLD E. HUGHES,
CLAIBORNE PELL,
WALTER F. MONDALE,
W. D. HATHAWAY,
RICHARD S. SCHWEIKER,
JACOB JAVITS,
PETER H. DOMINICK,
J. GLENN BEALL, Jr.,
R. W. TAFT, Jr.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2830) to amend the Public Health Services Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House to the text of the bill with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The Senate bill provided the following short title: "The National Diabetes Research and Education Act".

Under the House amendment, the short title was "National Diabetes Mellitus Act of 1974".

The conference substitute conforms to the Senate bill.

GENERAL FINDINGS AND PURPOSE

The Senate and House findings are basically similar. The Senate bill contained a finding not found in the House amendment which stated that the establishment of regional diabetes research and training centers throughout the country is essential for the development of scientific information and appropriate therapies to deal with diabetes mellitus. The Senate bill identified the National Institute of Arthritis, Metabolism, and Digestive Disease as the primary institute within the National Institutes of Health capable of advancement against diabetes mellitus. The Senate bill also stated its purpose as the expansion of the authority of the National Institute of Arthritis, Metabolism, and Digestive Disease in order to advance the national attack on diabetes mellitus.

The House amendment contained findings not in the Senate bill which stated—

(1) an indication of the incidence of diabetes mellitus (estimated 10 million Americans directly affected, 50 million with genetic traits);

(2) that diabetes mellitus is a family of diseases that have an impact on virtually all biological systems of the human body;

(3) that the severity of diabetes mellitus in children and most adolescents is greater than in adults, which in most cases involves greater problems in the management of the disease; and

(4) that the complications of diabetes mellitus, particularly cardiovascular degeneration, lead to many other serious health problems.

The House amendment stated its purpose to be the establishment of a long-range plan to—

(1) expand and coordinate the national research efforts against diabetes mellitus;

(2) advance activities of patient education, professional education, and public education, which will alert the citizens of the United States to the early indications of diabetes mellitus; and

(3) emphasize the significance of early detection, proper control, and complications which may evolve from the disease.

The conference substitute combines the findings in the Senate bill and House amendment and contains a combination of the Senate and House statements of purpose, with the designation of the National Institutes of Health (as contained in the House amendment) as the agency authorized to mount the fight against diabetes.

AGENCY FOR DIABETES PLAN

The Senate bill amended the Public Health Service Act to require the Secretary of Health, Education, and Welfare to establish a ten-member National Task Force on diabetes consisting of six scientific and four lay members for the purpose of preparing, in nine months, a long-range plan to combat diabetes mellitus. $500,000 was authorized for the work of the National Task Force.

The House amendment required the Director of the National Institutes of Health to establish a 17-member National Commission on Diabetes to formulate a long-range plan to combat diabetes mellitus. The Commission was to be composed of the Directors of seven NIH Institutes and six scientific and four lay members. $1 million was authorized for the National Commission. The Commission was given seven months in which to make its report, and the Commission was to cease to exist when it finished its report. The Commission was also to prepare and submit budget estimates to the President and the Congress concerning the diabetes research program.

The conference substitute conforms to the House provisions, except that it allows the Commission nine months in which to make its report.

THE DIABETES PLAN

Both the Senate bill and House amendment required the development of a plan to combat diabetes mellitus and the requirements for the plan were similar.

The compromise agreed to by the conference follows the House provision, except that—

(1) a requirement (in the House amendment) that the Director of the National Institutes of Health seek the advice of his advisory council in establishing the Commission is deleted;

(2) a requirement (in the Senate bill) that the plan include a plan for an appropriate balance of basic and applied research is included;

(3) a requirement (in the Senate bill) that the plan include related endocrine and metabolic diseases and basic biologic processes and mechanisms whose understanding is essential to the solution of the problem of diabetes mellitus is included;

(4) a requirement (in the Senate bill) for a system for the collection, analysis, and dissemination of all data useful in the prevention, diagnosis, and treatment of diabetes mellitus is included in place of a similar requirement in the House amendment;

(5) a requirement (in the Senate bill) that the plan give attention to means of disseminating knowledge of diabetes mellitus to the public is included; and

(6) a requirement (in the House amendment) that the plan contain proposed Federal, State and local programs for the screening and detection of diabetes and continuing counseling and education of doctors and diabetics (and their relatives) is deleted.

DIABETES PREVENTION AND CONTROL PROGRAM

The Senate bill required the Director of the National Institute of Arthritis, Metabolism and Digestive Disease to establish in cooperation with Federal, State, and local agencies programs of epidemiology, prevention, and control of diabetes with a total authorization for fiscal years 1975–1977 for this purpose of $17.5 million.

The House amendment contained no comparable provision.

The conference substitute adds diabetes mellitus to the list of diseases for which prevention and control programs are supported under section 317 of the Public Health Service Act but does not authorize additional appropriations for that purpose.

DIABETES RESEARCH AND TRAINING CENTERS

Both the Senate bill and House amendment required the establishment by HEW of diabetes research and training centers. The conference substitute generally follows the House provision with the following exceptions:

(1) the Senate bill required that the establishment of the centers be consistent with the recommendations of the entity responsible for the long-range plan to combat diabetes, and this provision is included.

(2) The Senate authorized $10 million in 1975, $15 million in 1976, and $20 million in 1977, a total of $45 million. The House authorized for the centers $5 million in 1975, $7.5 million in 1976, and $10 million in 1977; a total of $22.5 million. The conference substitute authorizes $8 million in 1975, $12 million in 1976, and $20 million in 1977, a total of $40 million.

Diabetes Coordinating Committee

Both the Senate bill and House amendment contained a requirement for the creation of an Inter-Institute Diabetes Coordinating Committee for the purpose of coordinating all research activities in the National Institutes of Health which relate to diabetes mellitus. The Committee was to be composed of representatives from each of the participating Institutes. In addition, the Senate bill, but not the House amendment, required the establishment of an interagency technical committee to coordinate the activities of the various Federal departments concerned with diabetes mellitus.

The conference substitute requires the establishment of a Diabetes Mellitus Coordinating Committee within the National Institutes of Health to be chaired by the Director of NIH (or his designated representative) and gives it the additional functions of the interagency technical committee required by the original Senate proposal.

ASSOCIATE DIRECTOR FOR DIABETES

The Senate bill required the establishment of a position for an Associate Director for Diabetes in the National Institute of Arthritis, Metabolism, and Digestive Disease and required that such Associate Director be responsible for carrying out the diabetes programs of the Institute. The House amendment contained no comparable provision. The conference substitute authorizes the Secretary to establish such a position, but does not require it, and requires that, if the position is established, the Associate Director be responsible for conducting the diabetes programs of the Institute.

Harley O. Staggers,
Paul G. Rogers,
David E. Satterfield,
Samuel L. Devine,
Ancher Nelsen,
Managers on the Part of the House.

Edward M. Kennedy,
Harrison A. Williams,
Gaylord Nelson,
Thomas F. Eagleton,
Alan Cranston,
Harold E. Hughes,
Claiborne Pell,
Walter F. Mondale,
W. D. Hathaway,
Richard S. Schweiker,
Jacob Javits,
Peter H. Dominick,
J. Glenn Beall,
Robert Taft, Jr.
Robert T. Stafford,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 7724

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 93–1148)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill insert the following:

Section 1. This Act may be cited as the "National Research Act".

TITLE I—BIOMEDICAL AND BEHAVIORAL RESEARCH TRAINING

SHORT TITLE

SEC. 101. This title may be cited as the "National Research Service Award Act of 1974".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 102. (a) Congress finds and declares that—

(1) the success and continued viability of the Federal biomedical and behavioral research effort depends on the availability of excellent scientists and a network of institutions of excellence capable of producing superior research personnel;

(2) direct support of the training of scientists for careers in biomedical and behavioral research is an appropriate and necessary role for the Federal Government; and

(3) graduate research assistance programs should be the key elements in the training programs of the institutes of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration.

(b) It is the purpose of this title to increase the capability of the institutes of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration to carry out their responsibility of maintaining a superior national program of research into the physical and mental diseases and impairments of man.

BIOMEDICAL AND BEHAVIORAL RESEARCH TRAINING

SEC. 103. The part II of the Public Health Service Act relating to the appointment of the Directors of the National Institutes of Health and the National Cancer Institute is redesignated as part I, section 461 of such part is redesignated as section 471, and such part is amended by adding at the end the following new sections:

"NATIONAL RESEARCH SERVICE AWARDS

"SEC. 472. (a) (1) The Secretary shall—

"(A) provide National Research Service Awards for—

"(i) biomedical and behavioral research at the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration in matters relating to the cause, diagnosis, prevention, and treatment of the disease (or diseases) or other health problems to which the activities of the Institutes and Administration are directed,

"(ii) training at the Institutes and Administration of individuals to undertake such research,

"(iii) biomedical and behavioral research at non-Federal public institutions and at nonprofit private institutions, and

"(iv) pre- and postdoctoral training at such public and private institutions of individuals to undertake such research; and

"(B) make grants to non-Federal public institutions and to nonprofit private institutions to enable such institutions to make to individuals selected by them National Research Service Awards for research (and training to undertake such research) in the matters described in subparagraph (A) (i).

A reference in this subsection to the National Institutes of Health or the Alcohol, Drug Abuse, and Mental Health Administration shall be considered to include the institutes, divisions, and bureaus included in the Institutes or under the Administration, as the case may be.

"(2) National Research Service Awards may not be used to support residencies.

"(3) Effective July 1, 1975, National Research Awards may be made for research or research training in only those subject areas for which, as determined under section 473, there is a need for personnel.

"(b) (1) No National Research Service Award may be made by the Secretary to any individual unless—

"(A) the individual has submitted to the Secretary an application therefor and the Secretary has approved the application;

"(B) the individual provides, in such form and manner as the Secretary shall by regulation prescribe, assurances satisfactory to the Secretary that the individual will meet the service requirement of subsection (c) (1); and

"(C) in the case of a National Research Service Award for a purpose described in subsection (a) (1) (A) (iii) or (a) (1) (A) (iv), the individual has been sponsored (in such manner as the Secretary may by regulation require) by the institution at which the research or training under the Award will be conducted.

An application for an Award shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe.

"(2) The award of National Research Service Awards by the Secretary under subsection (a) and the making of grants for such Awards shall be subject to review and approval by the appropriate advisory councils to the entities of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration (A) whose activities relate to the research or training under the Awards, or (B) at which such research or training will be conducted.

"(3) No grant may be made under subsection (a) (1) (B) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe. Subject to the provisions of this section other than paragraph (1) of this subsection, National Research Service Awards made under a grant under subsection (a) (1) (B) shall be made in accordance with such regulations as the Secretary shall prescribe.

"(4) The period of any National Research Service Award made to any individual under subsection (a) may not exceed three years in the aggregate unless the Secretary for good cause shown waives the application of the three-year limit to such individual.

"(5) National Research Service Awards shall provide such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the recipients of the Awards as the Secretary may deem necessary. A National Research Service Award made to an individual for research or research training at a non-Federal public or nonprofit private institution shall also provide for payments to be made to the institution for the cost of support services (including the cost of faculty salaries, supplies, equipment, general research support, and related items) provided such individual by such institution. The amount of any such payments to any institution shall be determined by the Secretary and shall bear a direct relationship to the reasonable costs of the institution for establishing and maintaining the quality of its biomedical and behavioral research and training programs.

"(c) (1) (A) Each individual who receives a National Research Service Award shall, in accordance with paragraph (3), engage in—

"(i) health research or teaching,

"(ii) if authorized under subparagraph (B), serve as a member of the National Health Service Corps or serve in his specialty or

"(iii) if authorized under subparagraph (C), serve in a health related activity approved under that subparagraph,

for a period computed in accordance with paragraph (2).

"(B) Any individual who received a National Research Service Award and who is a physician, dentist, nurse, or other individual trained to provide health care directly to individual patients may, upon application to the Secretary, be authorized by the Secretary to—

"(i) serve as a member of the National Health Service Corps,

"(ii) serve in his specialty in private practice in a geographic area designated by the Secretary as requiring that specialty, or

"(iii) provides services in his specialty for a health maintenance organization to which payments may be made under section 1876 of title XVIII of the Social Security Act and which serves a medically underserved population (as defined in section 1302(7) of this act),

in lieu of engaging in health research or teaching if the Secretary determines that there are no suitable health research or teaching positions available to such individual.

"(C) Where appropriate the Secretary may, upon application, authorize a recipient of a National Research Service Award, who is not trained to provide health care directly to individual patients, to engage in a health-related activity in lieu of engaging in health research or teaching if the Secretary determines that there are no suitable health research or teaching positions available to such individual.

"(2) For each year for which an individual receives a National Research Service Award he shall—

"(A) for twelve months engage in health research or teaching or, if so authorized, serve as a member of the National Health Service Corps, or

"(B) if authorized under paragraph (1) (B) or (1) (C), for twenty months serve in his specialty or engage in a health-related activity.

"(3) The requirement of paragraph (1), shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's Award, as the Secretary shall by regulation prescribe. The Secretary shall (A) by regulation prescribe (i) the type of research and teaching which an individual may engage in to comply with such requirement, and (ii) such other requirements respecting such research and teaching and alternative service authorized under paragraphs (1) (B) and (1) (C) as he deems necessary; and (B) to the extent feasible, provide that the members of the National Health Service Corps who are serving in the Corps to meet the requirement of paragraph (1) shall be assigned to patient care and to positions which utilize the clinical training and experience of the members.

"(4) (A) If any individual to whom the requirement of paragraph (1) is applicable fails, within the period prescribed by paragraph (3), to comply with such requirement, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A=\emptyset\ \frac{t-1/2s}{t}$$

in which 'A' is the amount the United States is entitled to recover; 'ϕ' is the sum of the total amount paid under one or more National Research Service Awards to such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at a rate fixed by the Secretary of the Treasury after taking into consideration private consumer rates of interest prevailing at the time each Award to such individual was made; 't' is the total number of months in such individual's service obligation; and 's' is the number of months of such obligation served by him in accordance with paragraphs (1) and (2) of this subsection.

"(B) Any amount which the United States is entitled to recover under subparagraph (A) shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States. Until any amount due the United States under subparagraph (A) on account of any National Research Service Award is paid, there shall accrue to the United States interest on such amount at the same rate as that fixed by the Secretary of the Treasury under subparagraph (A) to determine the amount due the United States.

"(4) (A) Any obligation of any individual under paragraph (3) shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulation provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(d) There are authorized to be appropriated to make payments under National Research Service Awards and under grants for such Awards $207,947,000 for the fiscal year ending June 30, 1975. Of the sums appropriated under this subsection, not less than 25 per centum shall be made available for payments under National Research Service Awards provided by the Secretary under subsection (a) (1) (A).

"STUDIES RESPECTING BIOMEDICAL AND BEHAVIORAL RESEARCH PERSONNEL

"SEC. 473. (a) The Secretary shall, in accordance with subsection (b), arrange for the conduct of a continuing study to—

"(1) establish (A) the Nation's overall need for biomedical and behavioral research personnel, (B) the subject areas in which such personnel are needed and the number of such personnel needed in each such area, and (C) the kinds and extent of training which should be provided such personnel;

"(2) assess (A) current training programs available for the training of biomedical and behavioral research personnel which are conducted under this Act at or through institutes under the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration, and (B) other current training programs available for the training of such personnel;

"(3) identify the kinds of research positions available to and held by individuals completing such programs;

"(4) determine, to the extent feasible, whether the programs referred to in clause (B) of paragraph (2) would be adequate to meet the needs established under paragraph (1) if the programs referred to in clause (A) of paragraph (2) were terminated; and

"(5) determine what modifications in the programs referred to in paragraph (2) are required to meet the needs established under paragraph (1).

"(b) (1) The Secretary shall request the National Academy of Sciences to conduct the study required by subsection (a) under an arrangement under which the actual expenses incurred by such Academy in conducting such study will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such study.

"(2) If the National Academy of Sciences is unwilling to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations under which such groups or associations will conduct such study and prepare and submit the reports thereon as provided in subsection (c).

"(c) A report on the results of such study shall be submitted by the Secretary to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate not later than March 31 of each year."

CONFORMING AMENDMENTS

SEC. 104. (a) (1) Section 301 of the Public Health Service Act is amended (A) by striking out paragraph (c); (B) by striking out in paragraph (d) "or research training" each place it occurs, "and research training programs", and "and research training program"; and (C) by redesignating paragraphs (d), (e), (f), (g), (h), and (i) as paragraphs (c), (d), (e), (f), (g), and (h), respectively.

(2) (A) Section 303(a) (1) of such Act is amended to read as follows:

"(1) to provide clinical training and instruction and to establish and maintain clinical traineeships (with such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees as the Secretary may deem necessary);".

(B) Section 303(b) of such Act is amended by inserting before the first sentence the following: "The Secretary may provide for training, instruction, and traineeships under subsection (a) (1) through grants to public and other nonprofit institutions.".

(3) Section 402(a) of such Act is amended (A) by striking out "training and instruction" in paragraph (3) and inserting in lieu thereof "clinical training and instruction", and (B) by striking out paragraph (4) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(4) Section 407(b) (7) of such Act is amended (A) by striking out "and basic research and treatment", and (B) by striking out "where appropriate".

(5) Section 408(b) (3) of such Act is amended by inserting "clinical" before "training" each place it occurs.

(6) Section 412(7) of such Act is amended by striking out "(1) establish and maintain" and all that follows down through and including "maintain traineeships" and inserting in lieu thereof ", provide clinical training and instruction and establish and maintain clinical traineeships".

(7) Section 413(a) (7) is amended by inserting "clinical" before "programs".

(8) Section 415(b) is amended by inserting before the period at the end of the last sentence thereof the following: "; and the

term 'training' does not include research training for which fellowship support may be provided under section 472".

(9) Section 422 of such Act is amended (A) by striking out paragraph (c) and by redesignating paragraphs (d), (e), and (f) as paragraphs (c), (d), and (e), respectively, and (B) by striking out "training and instruction and establish and maintain traineeships" in paragraph (e) (as so redesignated) and inserting in lieu thereof "clinical training and instruction and establish and maintain clinical traineeships".

(10) Section 434(c)(2) of such Act is amended by inserting "(other than research training for which National Research Service Awards may be made under section 472)" after "training" the first time it occurs.

(11) Sections 433(a), 444, and 453 of such Act are each amended by striking out the second sentence thereof.

(12) The heading for part I of title IV of such Act (as so redesignated by section 103) is amended by striking out "Administrative" and inserting in lieu thereof "General."

(b) The amendments made by subsection (a) shall not apply with respect to commitments made before the date of the enactment of this Act by the Secretary of Health, Education, and Welfare for research training under the provisions of the Public Health Service Act amended or repealed by subsection (a).

SEX DISCRIMINATION

SEC. 105. Section 799A of the Public Health Service Act is amended by adding at the end thereof the following: "In the case of a school of medicine which—

"(1) on the date of the enactment of this sentence is in the process of changing its status as an institution which admits only female students to that of an institution which admits students without regard to their sex, and

"(2) is carrying out such change in accordance with a plan approved by the Secretary,

the provisions of the preceding sentences of this section shall apply only with respect to a grant, contract, loan guarantee, or interest subsidy to, or for the benefit of such a school for a fiscal year beginning after June 30, 1979."

FINANCIAL DISTRESS GRANTS

SEC. 106. Section 773(a) of the Public Health Service Act is amended (1) by striking out "$10,000,000" and inserting in lieu thereof "$15,000,000", and (2) by striking out "1972" each place it occurs in the last sentence thereof and inserting in lieu thereof "1974".

TITLE II—PROTECTION OF HUMAN SUBJECTS OF BIOMEDICAL AND BEHAVIORAL RESEARCH

Part A—National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research

ESTABLISHMENT OF COMMISSION

SEC. 201. (a) There is established a Commission to be known as the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (hereinafter in this title referred to as the "Commission").

(b)(1) The Commission shall be composed of eleven members appointed by the Secretary of Health, Education, and Welfare (hereinafter in this title referred to as the "Secretary"). The Secretary shall select members of the Commission from individuals distinguished in the fields of medicine, law, ethics, theology, the biological, physical, behavioral and social sciences, philosophy, humanities, health administration, government, and public affairs; but five (and not more than five) of the members of the Commission shall be individuals who are or who have been engaged in biomedical or behavioral research involving human subjects. In appointing members of the Commission, the Secretary shall give consideration to recommendations from the National Academy of Sciences and other appropriate entities. Members of the Commission shall be appointed for the life of the Commission. The Secretary shall appoint the members of the Commission within sixty days of the date of the enactment of this Act.

(2)(A) Except as provided in subparagraph (B), members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of the basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of the duties of the Commission.

(B) Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

(C) While away from their homes or regular places of business in the performance of duties of the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(c) The chairman of the Commission shall be selected by the members of the Commission from among their number.

(d)(1) The Commission may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 59 of such title relating to classification and General Schedule pay rates.

(2) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

SEC. 202. (a) The Commission shall carry out the following:

(1)(A) The Commission shall (i) conduct a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects, (ii) develop guidelines which should be followed in such research to assure that it is conducted in accordance with such principles, and (iii) make recommendations to the Secretary (I) for such administrative action as may be appropriate to apply such guidelines to biomedical and behavioral research conducted or supported under programs administered by the Secretary, and (II) concerning any other matter pertaining to the protection of human subjects of biomedical and behavioral research.

(B) In carrying out subparagraph (A), the Commission shall consider at least the following:

(i) The boundaries between biomedical or behavioral research involving human subjects and the accepted and routine practice of medicine.

(ii) The role of assessment of risk-benefit criteria in the determination of the appropriateness of research involving human subjects.

(iii) Appropriate guidelines for the selection of human subjects for participation in biomedical and behavioral research.

(iv) The nature and definition of informed consent in various research settings.

(v) Mechanisms for evaluating and monitoring the performance of Institutional Review Boards established in accordance with section 474 of the Public Health Service Act and appropriate enforcement mechanisms for carrying out their decisions.

(C) The Commission shall consider the appropriateness of applying the principles and guidelines identified and developed under subparagraph (A) to the delivery of health services to patients under programs conducted or supported by the Secretary.

(2) The Commission shall identify the requirements for informed consent to participation in biomedical and behavioral research by children, prisoners, and the institutionalized mentally infirm. The Commission shall investigate and study biomedical and behavioral research conducted or supported under programs administered by the Secretary and involving children, prisoners, and the institutionalized mentally infirm to determine the nature of the consent obtained from such persons or their legal representatives before such persons were involved in such research; the adequacy of the information given them respecting the nature and purpose of the research, procedures to be used, risks and discomforts, anticipated benefits from the research, and other matters necessary for informed consent; and the competence and the freedom of the persons to make a choice for or against involvement in such research. On the basis of such investigation and study the Commission shall make such recommendations to the Secretary as it determines appropriate to assure that biomedical and behavioral research conducted or supported under programs administered by him meets the requirements respecting informed consent identified by the Commission. For purposes of this paragraph, the term "children" means individuals who have not attained the legal age of consent to participate in research as determined under the applicable law of the jurisdiction in which the research is to be conducted; the term "prisoner" means individuals involuntarily confined in correctional institutions or facilities (as defined in section 601 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781)); and the term "institutionalized mentally infirm" includes individuals who are mentally ill, mentally retarded, emotionally disturbed, psychotic, or senile, or who have other impairments of a similar nature and who reside as patients in an institution.

(3) The Commission shall conduct an investigation and study to determine the need for a mechanism to assure that human subjects in biomedical and behavioral research not subject to regulation by the Secretary are protected. If the Commission determines that such a mechanism is needed, it shall develop and recommend to the Congress such a mechanism. The Commission may contract for the design of such a mechanism to be included in such recommendations.

(b) The Commission shall conduct an investigation and study of the nature and extent of research involving living fetuses, the purposes for which such research has been undertaken, and alternative means for achieving such purposes. The Commission shall, not later than the expiration of the 4-month period beginning on the first day of the first month that follows the date on which all the members of the Commission have taken office, recommend to the Secretary policies defining the circumstances (if any) under which such research may be conducted or supported.

(c) The Commission shall conduct an investigation and study of the use of psychosurgery in the United States during the five-year period ending December 31, 1972. The Commission shall determine the appropriateness of its use, evaluate the need for it, and recommend to the Secretary policies defining the circumstances (if any) under which its use may be appropriate. For purposes of this paragraph, the term "psychosurgery" means brain surgery on (1) normal brain tissue of an individual, who does not suffer from any physical disease, for the purpose of changing or controlling the behavior or emotions of such individual, or (2) diseased brain tissue of an individual, if the sole object of the performance of such surgery is to control, change, or affect any behavioral or emotional disturbance of such individual. Such term does not include brain surgery designed to cure or ameliorate the effects of epilepsy and electric shock treatments.

(d) The Commission shall make recommendations to the Congress respecting the functions and authority of the National Advisory Council for the Protection of Subjects of Biomedical and Behavioral Research to be established under section 217(f) of the Public Health Service Act.

SPECIAL STUDY

SEC. 203. The Commission shall undertake a comprehensive study of the ethical, social, and legal implications of advances in biomedical and behavioral research and technology. Such study shall include—

(1) an analysis and evaluation of scientific and technological advances in past, present, and projected biomedical and behavioral research and services;

(2) an analysis and evaluation of the implications of such advances, both for individuals and for society;

(3) an analysis and evaluation of laws and moral and ethical principles governing the use of technology in medical practice;

(4) an analysis and evaluation of public understanding of and attitudes toward such implications and laws and principles; and

(5) an analysis and evaluation of implications for public policy of such findings as are made by the Commission with respect to advances in biomedical and behavioral research and technology and public attitudes toward such advances.

ADMINISTRATIVE PROVISIONS

SEC. 204. (a) The Commission may for the purpose of carrying out its duties under sections 202 and 203 hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems advisable.

(b) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties. Upon the request of the chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) The Commission shall not disclose any information reported to or otherwise obtained by it in carrying out its duties which (1) identifies any individual who has been the subject of an activity studied and investigated by the Commission, or (2) which concerns any information which contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code.

(d) Except as provided in subsection (b) of section 202, the Commission shall complete its duties under sections 202 and 203 not later than the expiration of the 24-month period beginning on the first day of the first month that follows the date on which all the members of the Commission have taken office. The Commission shall make periodic reports to the President, the Congress, and the Secretary respecting its activities under sections 202 and 203 and shall, not later than ninety days after the expiration of such 24-month period, make a final report to the President, the Congress, and the Secretary respecting such activities and including its recommendations for administrative action and legislation.

(e) The Commission shall cease to exist thirty days following the submission of its final report pursuant to subsection (d).

DUTIES OF THE SECRETARY

SEC. 205. Within 60 days of the receipt of any recommendation made by the Commission under section 202, the Secretary shall publish it in the Federal Register and provide opportunity for interested persons to submit written data, views, and arguments with respect to such recommendation. The Secretary shall consider the Commission's recommendation and relevant matter submitted with respect to it and, within 180 days of the date of its publication in the Federal Register, the Secretary shall (1) determine whether the administrative action proposed by such recommendation is appropriate to assure the protection of human subjects of biomedical and behavioral research conducted or supported under programs administered by him, and (2) if he determines that such action is not so appropriate, publish in the Federal Register such determination together with an adequate statement of the reasons for his determination. If the Secretary determines that administrative action recommended by the Commission should be undertaken by him, he shall undertake such action as expeditiously as is feasible.

PART B—MISCELLANEOUS

NATIONAL ADVISORY COUNCIL FOR THE PROTECTION OF SUBJECTS OF BIOMEDICAL AND BEHAVIORAL RESEARCH

SEC. 211. (a) Section 217 of the Public Health Service Act is amended by adding at the end the following new subsection:

"(f) (1) There shall be established a National Advisory Council for the Protection of Subjects of Biomedical and Behavioral Research (hereinafter in this subsection referred to as the 'Council') which shall consist of the Secretary who shall be Chairman and not less than seven nor more than fifteen other members who shall be appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Secretary shall select members of the Council from individuals distinguished in the fields of medicine, law, ethics, theology, the biological, physical, behavioral and social sciences, philosophy, humanities, health administration, government, and public affairs; but three (and not more than three) of the members of the Council shall be individuals who are or who have been engaged in biomedical or behavioral research involving human subjects. No individual who was appointed to be a member of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (established under title II of the National Research Act) may be appointed to be a member of the Council. The appointed members of the Council shall have terms of office of four years, except that for the purpose of staggering the expiration of the terms of office of the Council members, the Secretary shall, at the time of appointment, designate a term of office of less than four years for members first appointed to the Council.

"(2) The Council shall—

"(A) advise, consult with, and make recommendations to, the Secretary concerning all matters pertaining to the protection of human subjects of biomedical and behavioral research;

"(B) reviews policies, regulations, and other requirements of the Secretary governing such research to determine the extent to which such policies, regulations, and requirements require and are effective in requiring observance in such research of the basic ethical principles which should underlie the conduct of such research and, to the extent such policies, regulations, or requirements do not require or are not effective in requiring observance of such principles, make recommendations to the Secretary respecting appropriate revision of such policies, regulations, or requirements; and

"(C) review periodically changes in the scope, purpose, and types of biomedical and behavioral research being conducted and the impact such changes have on the policies, regulations, and other requirements of the Secretary for the protection of human subjects of such research.

"(3) The Council may disseminate to the public such information, recommendations, and other matters relating to its functions as it deems appropriate.

"(4) Section 14 of the Federal Advisory Committee Act shall not apply with respect to the Council."

(b) The amendment made by subsection (a) shall take effect July 1, 1976.

INSTITUTIONAL REVIEW BOARDS; ETHICS GUIDANCE PROGRAM

SEC. 212. (a) Part I of title IV of the Public Health Service Act, as amended by section 103 of this Act, is amended by adding at the end the following new section:

"INSTITUTIONAL REVIEW BOARDS; ETHICS GUIDANCE PROGRAM

"SEC. 474. (a) The Secretary shall by regulation require that each entity which applies for a grant or contract under this Act for any project or program which involves the conduct of biomedical or behavioral research involving human subjects submit in or with its application for such grant or contract assurances satisfactory to the Secretary that it has established (in accordance with regulations which the Secretary shall prescribe) a board (to be known as an 'Institutional Review Board') to review biomedical and behavioral research involving human subjects conducted at or sponsored by such entity in order to protect the rights of the human subjects of such research.

"(b) The Secretary shall establish a program within the Department under which requests for clarification and guidance with respect to ethical issues raised in connection with biomedical or behavioral research involving human subjects are responded to promptly and appropriately."

(b) The Secretary of Health, Education, and Welfare shall within 240 days of the date of the enactment of this Act promulgate such regulations as may be required to carry out section 474(a) of the Public Health Service Act. Such regulations shall apply with respect to applications for grants and contracts under such Act submitted after promulgation of such regulations.

LIMITATION ON RESEARCH

SEC 213. Until the Commission has made its recommendations to the Secretary pursuant to section 202(b), the Secretary may not conduct or support research in the United States or abroad on a living human fetus, before or after the induced abortion of such fetus, unless such research is done for the purpose of assuring survival of such fetus.

INDIVIDUAL RIGHTS

SEC. 214. (a) Subsection (c) of section 401 of the Health Programs Extension Act of 1973 is amended (1) by inserting "(1)" after "(c)", (2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and (3) by adding at the end the following new paragraph:

"(2) No entity which receives after the date of enactment of this paragraph a grant or contract for biomedical or behavioral research under any program administered by the Secretary of Health, Education, and Welfare may—

"(A) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or

"(B) discriminate in the extension of staff or other privileges to any physician or other health care personnel,

because he performed or assisted in the performance of any lawful health service or research activity, because he refused to perform or assist in the performance of any such service or activity on the grounds that his performance or assistance in the performance of such service or activity would be contrary to his religious beliefs or moral convictions, or because of his religious beliefs or moral convictions respecting any such service or activity."

(b) Section 401 of such Act is amended by adding at the end the following new subsection:

"(d) No individual shall be required to perform or assist in the performance of any part of a health service program or research activity funded in whole or in part under a program administered by the Secretary of Health, Education, and Welfare if his performance or assistance in the performance of such part of such program or activity would be contrary to his religious beliefs or moral convictions."

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 215. Section 772(a)(7) of the Public Health Service Act is amended by inserting immediately before the semicolon at the end thereof the following: ", or (C) providing increased emphasis on, the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society".

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
SAMUEL L. DEVINE,
ANCHER NELSEN,
Managers on the Part of the House.

HARRISON WILLIAMS,
GAYLORD NELSON,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
HAROLD E. HUGHES,
ALAN CRANSTON,
CLAIBORNE PELL,
THOMAS F. EAGLETON,
JACOB K. JAVITS,
PETER H. DOMINICK,
RICHARD S. SCHWEIKER,
J. GLENN BEALL, Jr.,
ROBERT TAFT, Jr.
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—BIOMEDICAL AND BEHAVIORAL RESEARCH TRAINING

Short Title.—The House bill provided for the following short title: "National Biomedical Research Fellowship, Traineeship, and Training Act of 1973". Under the Senate amendment the short title was "National Research Service Award Act". The conference substitute provides the following short title: "National Research Act".

Biomedical and Behavioral Research Training.—The House bill required that the Secretary of HEW establish and maintain (1) fellowships for the conduct of biomedical research and for training to conduct such research within the National Institutes of Health (NIH) and the National Institutes for Mental Health (NIMH); (2) fellowships for biomedical research and training at non-Federal public and nonprofit private institutions; (3) traineeships and training within NIH and NIMH; and (4) grants to public and nonprofit private institutions to award traineeships (commonly referred to as training grants) except for residency training. It required that fellowships, traineeships, and training grants be awarded only upon approval of an application therefor, subject to review and approval by the appropriate advisory councils to the National Institutes of Health and the National Institute of Mental Health. Traineeships awarded by nonprofit institutions under a training grant from HEW would have to be made in compliance with regulations. The period of support per fellowship, traineeship, or training grant was limited to three years, unless the Secretary waived that limitation for good cause. Fellowship awards could provide for payments to be made to the institution at which the research or training was to be carried out, in order to offset the cost of providing institutional support services for the individual. The House bill required each individual receiving a fellowship or traineeship to provide one of the following kinds of public service upon completion of training: (1) Engage in health research or teaching for two years for each year of support received, or (2) if no suitable health research or teaching positions were available, serve in the National Health Service Corps for two years for each year of training received.

The House bill required that if any individual failed to meet the service requirements within the prescribed period, the United States would be authorized to recover a certain amount from the recipient (except in case of death or extreme hardship), computed by multiplying the amount of assistance received plus interest by a fraction based on the extent to which the recipient engaged in the required activity or service.

The Senate amendment provided for the provision of National Research Service Awards for biomedical and behavioral research and training in such research at the National Institutes of Health, the National Institute of Mental Health and at non-Federal public and nonprofit private institutions. The Awards were to be made only upon approval of an application therefor. All applicants for National Research Service Awards for research or research training at non-Federal public and private nonprofit institutions had to be sponsored by such institution. Each Award was to be subject to the review and approval by the appropriate advisory council of the institutes of the National Institutes of Health or of the National Institutes of Mental Health. The period of a single Award was three years with the provision for a waiver of that three-year limit by the Secretary for good cause. Awards could also provide for payments to the accredited institutions at which the programs for research or training were to be carried out for the cost of support services including, but not limited to, a portion of faculty salaries, supplies, equipment, staff, general research support, and overhead. Each individual receiving an Award would be required to provide one of the following kinds of service upon completion of training: (1) Health research or teaching at an accredited institution for a period of one year for each year of support received, or (2) if no suitable health research or teaching positions were available (A) service as a member of the National Health Service Corps utilizing the specialty for which he had been trained for a period of one year for each year of training received, (B) service in his specialty in private practice in a geographic area designated by the Secretary as requiring that specialty for a period of 20 months for each twelve months of training received, or (C) service in his specialty as a member of a nonprofit prepaid group practice authorized for reimbursement under title XVIII of the Social Security Act for a period of 20 months for each year of training received. If the individual failed to meet the service requirements, a monetary payback requirement comparable to the House bill would apply.

In addition, the Senate amendment repealed all existing biomedical and behavioral fellowship and training authority in the Public Health Service Act.

The conference substitute combines the provisions of the House bill and the Senate amendment. It provides for National Research Service Awards, as specified in the Senate amendment, for research and research-training in NIH and the Alcohol, Drug Abuse, and Mental Health Administration (the Administration created by P.L. 93-282 has supervisory authority over NIMH, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse) and non-Federal public and nonprofit private institutions. Provisions of the House bill which enabled the awarding of grants to non-Federal public and nonprofit private institutions in order for those institutions to select and support their own trainees is included, with technical and conforming changes, in the conference substitute. The conferees believed that this provision was essential if the administrators of research training programs were to be able to plan their programs on a prospective basis. The conferees used the existing training grant programs of the National Institutes of Health as the model for this provision. In addition, the conference substitute specifies that of the sums appropriated at least 25 percent shall be reserved for the direct provision of National Research Service Awards to individuals. The conference substitute adopts the Senate service requirements, adding the stipulation that service for a health maintenance organization may be chosen only if the organization serves a medically underserved population designated as such under title XIII of the Public Health Service Act.

It is the intent of the conferees that the Secretary liberally apply the provision authorizing waiver of the three-year limitation of support under the National Research Service Awards. The conferees believe that the period of training of individuals could, in some instances, exceed the three-year limitation, especially in those cases where individuals are attempting to complete both predoctoral and postdoctoral training programs.

The conferees also believe that the provision authorizing waiver of the monetary payback requirements should be applied in such a manner so as not to discourage future applicants from seeking training under this legislation.

The conference substitute adopts the Senate language on repeal of existing training and fellowship authority under the Public Health Service Act, with technical and conforming amendments. The conferees point out that in the conforming amendments, present law authorizing the conduct of clinical training is retained in section 303 of the act. The conferees intend that the term "clinical training" be broadly construed to include all types of training, except research training.

Authorizations.—The House bill authorized two years support for both fellowships and traineeships:

Fellowships and Traineeships awarded directly to the individual—$54,599,000 each for fiscal years ending June 30, 1974, and June 30, 1975.

Training grants to nonprofit institutions—$153,348,000 each for fiscal years ending June 30, 1974, and June 30, 1975.

The Senate amendment authorized $207,947,000 (the total annual House authorization) for the fiscal year ending June 30, 1974.

The conference substitute authorizes an appropriation of $207,947,000 for the fiscal year ending June 30, 1975, subject to the requirement that not less than 25 percent of the appropriations shall be used for the direct provision by the Secretary of National Research Service Awards to individuals.

Studies Respecting Biomedical and Behavioral Research Personnel.—Both the House bill and the Senate amendment required the Secretary to arrange for the conduct of certain studies relating to establishment of the Nation's need for biomedical research personnel and the adequacy of existing training programs conducted under the Public Health Service Act and other existing training programs in fulfilling the established need for such personnel.

The House bill required a report of the results of such studies to be submitted to appropriate committees of Congress within one year from date of enactment. The Senate amendment required a series of ongoing studies and reports, to be submitted on an annual basis, not later than January 31 of each year. The Senate amendment provided that after completion of the first study the Secretary may grant National Research Service Awards in a given specialty only after he had certified, after evaluation of the study report, that a need for additional manpower in that specialty existed.

The conference substitute adopts the Senate provision with technical and conforming changes and modifies the reporting requirement so that the annual report must be submitted not later than March 31 of each year.

Sex Discrimination.—The Senate amendment amended section 799(A) of the Public Health Service Act, which requires applications for grants under title VII of such Act to provide assurances that health professions schools will not discriminate in their admissions policies on the basis of sex, to render its provisions inapplicable until June 30, 1979, in the case of schools in the process of changing their status from institutions admitting only female students to institutions admitting students without regard to sex (in accordance with an approved plan).

The conference substitute adopts the Senate amendment.

Financial Distress Grants.—The Senate amendment amended section 773(a) of the Public Health Service Act, which authorizes grants to assist health professions schools which are in financial distress, to increase the fiscal year 1974 authorization from $10,000,000 to $15,000,000.

The conference substitute adopts the Senate provision.

The conferees note that a supplemental appropriation has been included in PL 93–245 for an additional $5,000,000 under section 773(a) and that release of these funds is contingent upon this approval of an increase in the authorizing legislation.

TITLE II—PROTECTION OF HUMAN SUBJECTS OF BIOMEDICAL AND BEHAVIORAL RESEARCH

National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.—The House bill provided that the Secretary could not conduct or support research in the United States or abroad which was in violation of any ethical standard respecting research which was adopted by the National Institutes of Health, the National Institute of Mental Health, or by their respective research institutes.

The Senate amendment established a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. It was to have the following characteristics:

(1) It was to be comprised of eleven members, appointed by the President from the general public and from among individuals in the fields of medicine, law, ethics, theology, biological science, physical science, social science, philosophy, humanities, health administration, government, and public affairs.

(2) The President was to appoint, with the advice and consent of the Senate, one member to serve as chairman and one to serve as cochairman, each for a term of 4 years.

(3) Not more than 5 members of the Commission could be people who have engaged in biomedical or behavioral research involving human subjects.

(4) Members were to serve for staggered terms of four years each.

(5) Nominees for Commission members were to be solicited from the National Academy of Sciences and other appropriate independent nongovernmental organizations.

(6) Members could not serve more than two full terms.

The duties of the Commission were—

(1) to undertake a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects; to develop and implement policies and regulations to assure that research is carried out in accordance with the ethical principles identified by the Commission;

(2) to develop procedures for the certification of Institutional Review Boards;

(3) to develop and recommend to the Congress the implementation of an appropriate range of sanctions and the conditions for their use and for the failure of Institutional Review Boards to respond to Commission rules;

(4) to develop and recommend to the Congress a mechanism for the compensation of individuals and their families for injuries or death proximately caused by the participation of such individuals in a biomedical or behavioral research program;

(5) to develop and recommend to the Congress a mechanism to broaden the scope of the Commission's jurisdiction; and

(6) to consider (A) developing guidelines for the selection of subjects to participate in biomedical or behavioral research, (B) the nature and definition of informed consent in various settings, (C) the role of assessment of risk benefit criteria in the determination of the appropriateness of research involving human subjects, (D) the conditions and procedures by which appeal of an Institutional Review Board decision could be made to the Commission, (E) defining the boundary between biomedical and behavioral research involving human subjects and the accepted and routine practice of medicine, (F) evaluating and responding to requests from the biomedical and behavioral research communities and the public for clarification of particular ethnical problems confronting society, (G) the need for variation in the review procedures carried out by the Institutional Review Boards, (H) evaluating and monitoring of the performance of Institutional Review Boards, (I) the question of conflict of interest in the performance of Institutional Review Board duties, and (J) conditions and procedures by which individual protocols may be referred to the Commission for decision.

The Senate amendment provided that the policies established and implemented by the Commission would take precedence over existing Department of Health, Education, and Welfare policies wherever the two were in conflict. The Senate amendment required the Commission to conduct a study and investigation of the use of pychosurgery over the 5 year period ending December 31, 1972. It also required the Secretary to apply, to the maximum feasible extent, as appropriate, the policies and procedures developed by the Commission to the delivery of health services in health service programs (other than programs under the Social Security Act) funded in whole or in part by the Department of Health, Education, and Welfare.

The Senate amendment required the establishment of Institutional Review Boards at all entities which received grants or contracts to conduct research involving human subjects. The review boards were to be composed of sufficient members including religious leaders, persons schooled in ethics, and non-health care professionals with such varying backgrounds of competence as to assure a complete and adequate review. Each Institutional Review Board was to have two subcommittees: A protocol review subcommittee and a subject advisory subcommittee. The latter was to be primarily concerned with the protection of the rights of subjects of biomedical and behavioral research and was responsible for assuring that human subjects of research were as well informed about the nature of that research as reasonably possible. The National Commission was to establish regulations applicable to Institutional Review Boards, and certain duties were prescribed for such boards.

The Senate amendment provided for interim provisions for the protection of subjects of biomedical and behavioral research to be effective until Institutional Review Boards were established. These interim provisions prescribed basic requirements of informed consent for each participant in a research project involving human subjects.

The Senate amendment required the National Commission to annually set aside one percent of its budget for the evaluation of its activities and those of the Institutional Review Boards. This evaluation was to be conducted by contract with a qualified independent organization.

The Senate amendment required the Commission to compile a complete list of decisions pertaining to programs under its jurisdiction and to annually publish and distribute reports of important decisions. The Secretary and the Commission were given authority to require inspections and certain kinds of record-keeping which would be necessary for the Commission to responsibly carry out its activities. Provision was made for confidentiality of records.

The Senate amendment also required the Commission to conduct certain special duties which would involve a comprehensive investigation and study of the ethical, social and legal implications of advances in biomedical and behavioral research and technology. This would include, without being limited to, (1) an analysis and evaluation of scientific and technological advances in the biomedical services sciences, (2) an analysis and evaluation of the implications of such advances both for individuals and for society, (3) an analysis and evaluation of laws, codes, and principles governing the use of technology in medical practice, (4) an analysis and evaluation through the use of seminars and public hearings and other appropriate means of public understanding of and attitudes towards such implications, and (5) an analysis and evaluation of implications for public policy of such findings as are made by the Commission with respect to biomedical advances and public attitudes towards such advances.

$3 million was authorized to be appropriated for the fiscal years ending June 30, 1974, and June 30, 1975, for the purposes of the title.

The conference substitute represents a significant modification of the Senate amendment. Under the conference substitute the Commission shall have a life of only two years. It is to be advisory in nature, and not have the regulatory authority proposed in the Senate amendment. However, the conference substitute requires that all Commission recommendations must be published and that the Secretary must publicly respond to each of its recommendations. Commission members are to be appointed by the Secretary of Health, Education, and Welfare within 60 days of enactment of this legislation instead of by the President, as proposed in the Senate amendment. The composition of the Commission is identical to the composition required in the Senate amendment, except that one or more of the members of the Commission must be a representative of the behavioral sciences. Members shall serve for the life of the Commission.

The conference substitute provides for the following Commission duties:

1. To conduct a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects.

2. To develop guidelines which should be followed in such research to assure that it is conducted in accordance with such principles.

3. To make recommendations to the Secretary for administrative actions that may be appropriate to apply those guidelines to biomedical and behavioral research in order to fully protect the subjects of that research.

4. To consider the following: (A) The boundaries between biomedical or behavioral research involving human subjects and the accepted and routine practice of medicine, (B) the role of assessment of risk-benefit criteria in the determination of the appropriateness of research involving human subjects, (C) appropriate guidelines for the selection of human subjects for participation in biomedical and behavioral research. (D) the nature and definition of informed consent in various research settings, and (E) mechanisms for evaluating and monitoring the performance of Institutional Review Boards and appropriate enforcement mechanisms for carrying out the decisions of those review boards.

5. To consider the appropriateness of applying the principles and guidelines identified and developed by the Commission to the delivery of health services to patients under programs conducted or supported by the Secretary.

6. To identify the requirements for informed consent for participation in biomedical and behavioral research by children, prisoners, and the institutionalized mentally infirm and make such recommendations as it deems appropriate to assure such informed consent.

7. To conduct an investigation and study to determine the need for a mechanism to assure that human subjects in biomedical and behavioral research not subject to regulation by HEW are protected. If the Commission determines such a mechanism is needed, it shall develop recommendations for it and send them to the Congress.

8. To conduct an investigation and study of the nature and extent of research involving living fetuses, the purposes for which such research has been undertaken, and alternative means for achieving such purposes. The Commission must report the results of this study to the Secretary within four months after the month in which the Commission is established.

9. To conduct an investigation and study of the use of psychosurgery in the United States during the five-year period ending December 31, 1972, determine the appropriateness of its use, and recommend appropriate policies to the Secretary.

10. To make recommendations to the Congress respecting the functions and authority of the National Advisory Council for the Protection of Subjects of Biomedical and Behavioral Research (described below).

In addition to these duties, the Commission must undertake the special study as provided for in the Senate amendment pertaining to the ethical, social, and legal implications of advances in biomedical and behavioral research and technology.

The Commission is to complete its duties not later than 24 months after it is established and shall, within 90 days of the completion of its duties, make a final report to the President, the Congress, and the Secretary respecting its activities and its recommendations for administrative and legislative action. The Commission shall cease to exist 30 days following submission of its final report.

The conference substitute requires that the Secretary publish, within 60 days of its receipt, any recommendation made by the Commission. This publication must be in the Federal Register and an opportunity must be provided for interested persons to submit written data, views, and arguments with respect to the Commission recommendation. Within 180 days after the publication of the recommendation in the Federal Register, the Secretary must determine whether to favorably act upon the recommendation or whether to reject it. If the recommendation is rejected, the Secretary must publish his reasons for that determination in the Federal Register.

The conference substitute also provides for the establishment of a permanent National Advisory Council for the Protection of Subjects of Biomedical and Behavioral Research, effective July 1, 1976. The Secretary is to serve as Chairman of the Advisory Council. The Council shall have a membership (in addition to the Secretary) of not less than seven nor more than fifteen individuals selected from the fields of medicine, law, ethics, theology, the biological, physical, behavioral and social sciences, philosophy, humanities, health administration, government, and public affairs. Three, but not more than three, of the members of the council shall be individuals who are or who have been engaged in biomedical or behavioral research involving human subjects. Council members shall have terms of four years except for an initial staggering of the terms. No individual who was an appointed member of the National Commission may be appointed to the Council.

The conference substitute sets forth the following duties for the Council:

1. To advise, consult with, and make recommendations to, the Secretary concerning all matters pertaining to the protection of human subjects of biomedical and behavioral research.

2. To review existing policies, regulations, and other requirements that govern biomedical and behavioral research in order to determine the extent to which those policies are effective and consistent with the basic ethical principles which should underlie the conduct of that research, and to make recommendations to the Secretary respecting appropriate revision of policies, regulations, or requirements which are not effective or consistent with basic ethical principles.

3. To review periodically changes in the scope, purpose, and types of biomedical and behavioral research being conducted and the impact such changes have on the policies, regulations, and other requirements of the Secretary for the protection of human research subjects.

Unlike his responsibilities with respect to Commission recommendations, the Secretary is not obligated to publish or formally respond to Advisory Council recommendations. However, the Advisory Council is authorized to disseminate to the public such information, recommendations, and other matters relating to its functions as it deems appropriate. The conferees expect that all Council recommendations will undergo extensive public discussion.

The conference substitute also provides that the Secretary shall by regulations, promulgated within 240 days of enactment, require entities which apply for a grant or contract under the Public Health Service Act for a program which involves the conduct of research involving human subjects to provide assurances that it has established Institutional Review Boards. It also requires the Secretary to establish a mechanism within the Department of Health, Education, and Welfare under which requests for clarification and guidance with respect to ethical issues that may be raised in connection with research involving human subjects shall be responded to promptly and appropriately.

The conferees deleted the interim informed consent provisions of the Senate amendment only after carefully reviewing the new Department of Health, Education, and Welfare regulations for the protection of subjects of biomedical research (promulgated May 22, 1974) and concluding that the objective of the Senate interim informed consent provision was incorporated into the regulations. The conferees expect that the Secretary's enforcement of such regulations will achieve the objectives of this provision of the Senate amendment, which the conferees fully support and endorse, more expeditiously through its enactment into law.

Limitation on Research.—The House bill prohibited the Secretary from conducting or supporting research in the United States or abroad on a human fetus which is outside the uterus of its mother and which has a beating heart.

The comparable Senate provision was keyed to other provisions of the Senate amendment. The Senate provision required that until such time after certification of Institutional Review Boards were established pursuant to provisions of the Senate amendment and the permanent Commission contemplated by the Senate developed policies with regard to the conduct of research on the living fetus or infants, the Secretary could not conduct or support research or experimentation in the United States or abroad on a living fetus or infant, whether before or after induced abortion, unless such research or experimentation was done for the purpose of insuring the survival of that fetus or infant.

The conference substitute combines the two approaches. It provides that until the temporary Commission established pursuant to the conference substitute has made recommendations to the Secretary with respect to fetal research, as required by the conference substitute, the Secretary may not conduct or support research in the United States or abroad on a living human fetus, before or after the induced abortion of such fetus, unless such research is done for the purpose of assuring the survival of such fetus.

Individual Rights.—The Senate amendment contained provisions which (1) would prohibit an individual from being required to perform services or research under projects funded by the Secretary of Health, Education, and Welfare if such performance would be contrary to the religious beliefs or moral convictions of the individual, (2) would prohibit entities from being required to make their facilities available for the performance of services or research under projects funded by the Secretary if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions, and (3) would prohibit discrimination in employment, promotion, termination of employment, or extension of staff or other services with respect to physicians or other care personnel by an entity solely because such personnel performed or assisted or refused to perform or assist in the performance of a lawful health service or research activity if the performance or refusal to perform would be contrary to the religious beliefs or moral convictions of the personnel.

The House bill contained no comparable provision.

The conference agreement adopts, with technical and clarifying modifications, the provisions of the Senate amendment which prohibits requiring individuals from performing a part of a health services program or research activity funded by the Secretary if such performance would be contrary to the religious beliefs or moral convictions of such individuals and the provisions of the Senate amendment which prohibit discrimination in employment or extension of staff privileges to an individual because he performed or refused to perform lawful research or services contrary to his religious beliefs or moral convictions, except that the provisions are made applicable only to entities that receive grants or contracts for biomedical or behavioral research under programs administered by the Secretary.

Special Projects Grants and Contracts.—The Senate amendment contained a provision which would amend section 772(a)(7) of the Public Health Service Act (which authorizes the awards of grants and contracts to health professions schools to carry out certain special projects) to include programs which provide increased emphasis on, the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society as projects for which grants and contracts would be authorized.

The conference substitute adopts the Senate provision.

Review of Grant and Contract Awards.—The Senate amendment contained a provision not in the House bill which would require the Secretary to provide for proper scientific, peer review of all grants and all research and development contracts administered by the NIH or the NIMH.

The conference substitute does not contain the Senate provision. The conferees note that a comparable provision is contained in the conference report on S. 2893, the National Cancer Act Amendments of 1974.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
SAMUEL L. DEVINE,
ANCHER NELSEN,
Managers on the Part of the House.

HARRISON WILLIAMS,
GAYLORD NELSON,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
HAROLD E. HUGHES,
ALAN CRANSTON,
CLAIBORNE PELL,
THOMAS F. EAGLETON,
JACOB K. JAVITS,
PETER H. DOMINICK,
RICHARD S. SCHWEIKER,
J. GLENN BEALL, Jr.,
ROBERT TAFT, Jr.
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. PARRIS (at the request of Mr. ARENDS), after 3:30 today, on account of official business.

Mr. MCSPADDEN (at the request of Mr. O'NEILL), for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KETCHUM) to revise and extend their remarks and include extraneous matter:)

Mr. WHALEN, for 15 minutes, today.

Mr. KEMP, for 30 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. BLACKBURN, for 10 minutes, today.

Mr. TALCOTT, for 20 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. BLACKBURN, for 60 minutes, on June 26.

(The following Members (at the request of Mr. GINN) and to revise and extend their remarks and include extraneous matter:)

Mr. O'NEILL, for 10 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. STOKES, for 10 minutes, today.

Ms. ABZUG, for 15 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. BINGHAM, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FRASER and to include extraneous matter notwithstanding the fact that it exceeds 3½ pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $595.

Mr. WYDLER and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $836.

Mr. VEYSEY to revise and extend his remarks immediately following the remarks of Mr. ROBISON of New York.

Mr. TALCOTT and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $888.25.

(The following Members (at the request of Mr. KETCHUM) and to include extraneous material:)

Mr. HANRAHAN in two instances.

Mr. SANDMAN.

Mr. BELL.

Mr. KEMP in three instances.

Mr. MINSHALL of Ohio.

Mr. SPENCE.

Mr. WALSH.

Mr. HEINZ.

Mr. DICKINSON.

Mr. ARCHER.

Mr. RUPPE.

Mr. FRELINGHUYSEN.

Mr. HUBER.

Mr. ASHBROOK in seven instances.

Mr. RONCALLO of New York.

Mr. VANDER JAGT.

Mr. CAMP.

Mr. YOUNG of Illinois in two instances.

Mr. FROEHLICH.

Mr. WYMAN in two instances.

Mr. PRICE of Texas.

Mr. FREY.

Mr. VEYSEY in two instances.

Mr. WIDNALL.

Mr. ANDERSON of Illinois in two instances.

Mr. LAGOMARSINO in two instances.

Mr. FRENZEL.

Mr. GILMAN in two instances.

Mr. ABDNOR.

Mr. ROUSSELOT.

Mr. HOSMER in three instances.

(The following Members (at the request of Mr. GINN) and to include extraneous matter:)

Mr. DENT in seven instances.

Mr. MURPHY of New York.

Mr. EDWARDS of California.

Mr. SYMINGTON in four instances.

Mr. RODINO in two instances.

Mr. BADILLO in three instances.

Mr. CAREY of New York.

Mr. MATSUNAGA.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. PATTEN in two instances.

Mr. HUNGATE in two instances.

Mr. DINGELL in two instances.

Mr. BURKE of Massachusetts.

Mr. HARRINGTON in five instances.

Mr. YOUNG of Georgia.

Mr. WRIGHT in three instances.

Mr. LEGGETT.

Mr. BINGHAM in 10 instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3679. An act to provide emergency financing for livestock procedures; to the Committee on Agriculture.

ADJOURNMENT

Mr. GINN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 6 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 26, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2487. A letter from the President of the United States transmitting amendments to the request for appropriations for the Department of Defense in the budget for fiscal year 1975 (H. Doc. No. 93–322); to the Committee on Appropriations and ordered to be printed.

2488. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various facilities projects proposed to be undertaken for the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

2489. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions by James B. Engle, Ambassador-designate to Dahomey, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2490. A letter from the Acting Secretary of the Interior, transmitting notice of the transfer of the Government Comptroller of the Virgin Islands, pursuant to 48 U.S.C. 1599(a); to the Committee on Interior and Insular Affairs.

2491. A letter from the General Counsel, National Council on Radiation Protection and Measurements, transmitting the audit of the Council's financial statements for calendar year 1973, pursuant to section 14(b) of Public Law 88-376; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. H.R. 15465. A bill to provide for increased participation by the United States in the International Development Association and to permit U.S. citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad (Rept. No. 93-1142). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. H.R. 15046. A bill to authorize appropriations for the U.S. Information Agency, and for other purposes (Rept. No. 93-1143). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUNGATE: Committee on the Judiciary. H.R. 15461. A bill to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974 (Rept. 93-1144). Referred to the House Calendar.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 15427. A bill to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes; with amendment (Rept. No. 93-1145). Referred to the Committee of the Whole House of the State of the Union.

Mr. STRATTON: Committee on Armed Services. H.R. 15406. A bill to amend title 37, United States Code, to refine the procedures for adjustments in military compensation, and for other purposes (Rept. No. 93-1146). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference. Conference report on S. 2830 (Rept. No. 93-1147). Ordered to be printed.

Mr. STAGGERS: Committee of conference. Conference report on H.R. 7724 (Rept. No. 93-1148). Ordered to be printed.

Mr. PRICE of Illinois: Joint Committee on Atomic Energy. H.R. 15582. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology (Rept. No. 93-1149). Referred to the Committec of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 1194. Resolution providing for the consideration of H.R. 14883. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes (Rept. No. 93-1150). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 1195. Resolution providing for the consideration of H.R. 14920. A bill to further the conduct of research, development, and demonstration in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes (Rept. No. 93-1151). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1196. Resolution providing for the consideration of H.R. 15323. A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes (Rept. No. 93-1152). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1197. Resolution providing for the consideration of H.R. 15276. A bill to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes (Rept. No. 93-1153). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PRICE of Illinois (for himself, Mr. Holifield, Mr. Young of Texas, and Mr. Hosmer):

H.R. 15582. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology; to the Joint Committee on Atomic Energy.

By Ms. ABZUG:

H.R. 15583. A bill to amend the Export Administration Act of 1969 to require that all proposed agreements between the United States and any foreign nation providing for the transfer or distribution of nuclear materials or technology be subject to congressional approval; to the Committee on Banking and Currency.

By Mr. PHILLIP BURTON (for himself, Mr. John L. Burton, Mr. Taylor of North Carolina, Mr. Udall, Mr. Kastenmeier, Mr. O'Hara, Mrs. Mink, Mr. Meeds, Mr. Stephens, Mr. Melcher, Mr. Roncalio of Wyoming, Mr. Bingham, Mr. Seiberling, Mr. Owens, Mr. de Lugo, Mr. Jones of Oklahoma, Mr. Cronin, Mrs. Hansen of Washington, Mr. Evans of Colorado, and Mr. Waldie):

H.R. 15584. A bill to amend the act of October 2, 1968 (82 Stat. 931) to expand the Redwood National Park in California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PETTIS:

H.R. 15585. A bill to direct the Secretary of the Treasury to issue $2 bills bearing a design emblematic of the Bicentennial of the American Revolution on the reverse side; to the Committee on Banking and Currency.

By Mr. ASPIN (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Bafalis, Mr. Beard, Mr. Brinkley, Mr. Carney of Ohio, Mrs. Chisholm, Mr. Del Clawson, Mr. Coughlin, Mr. Dominick V. Daniels, Mr. Dellums, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Eshleman, Mr. Fish, Mrs. Grasso, Mr. Green of Pennsylvania, Mr. Grover, Mr. Gunter, and Mr. Tiernan):

H.R. 15586. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. ASPIN (for himself, Mr. Harrington, Mr. Ketchum, Mr. Koch, Mr. Kyros, Mr. Long of Maryland, Mr. Luken, Mr. Mayne, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Murphy of Illinois, Mr. Owens, Mr. Pepper, Mr. Pritchard, Mr. Rangel, Mr. Reid, Mr. Riegle, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roy, Mr. St Germain, and Mr. Sarasin):

H.R. 15587. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. ASPIN (for himself, Mr. Sarbanes, Mrs. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Steele, Mr. Studds, Mr. Symington, Mr. Thompson of New Jersey, Mr. Thone, Mr. Ullman, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Wolff):

H.R. 15588. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. CAREY of New York:

H.R. 15589. A bill to amend the Internal Revenue Code of 1954 to extend the cutoff date for qualification of low-income housing rehabilitation expenditures for the 5-year depreciation privilege provided by section 167(k); to the Committee on Ways and Means.

By Mr. DAVIS of South Carolina:

H.R. 15590. A bill to amend the Social Security Act to provide for medical, hospital, and dental care through a system of voluntary health insurance including protection against the catastrophic expenses of illness, financed in whole for low-income groups through issuance of certificates, and in part for all other persons through allowance of tax cerdits; and to provide effective utilization of available financial resources, health manpower, and facilities; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 15591. A bill to amend section 62 of the Internal Revenue Code of 1954 in order to permit penalties incurred because of premature withdrawal of funds from time savings accounts or deposits to be deducted from gross income in calculating adjusted gross income; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 15592. A bill making an appropriation to Radio Liberty to provide for initiating broadcasting in Baltic languages into the Union of Soviet Socialist Republics; to the Committee on Appropriations.

By Mr. FREY (for himself, Mr. Kyros, Mr. Symms and Mr. Bob Wilson):

H.R. 15593. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. KEMP:

H.R. 15594. A bill to amend the Federal Water Pollution Control Act to authorize additional funds for grants for the construction of treatment works which are required for compliance with international pollution control agreements; to the Committee on Public Works.

By Mr. McKINNEY:

H.R. 15595. A bill exempting State lotteries from certain Federal prohibitions and for other purposes; to the Committee on Ways and Means.

By Mr. MAYNE:

H.R. 15596. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MITCHELL, of Maryland:

H.R. 15597. A bill to amend title 28 of the United States Code to permit certain suits against the United States with respect to tort claims arising out of assault, battery, false imprisonment, and false arrest; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland (for himself, Ms. Chisholm, Mr. Davis of South Carolina, Mr. Podell, Mr. Harrington, Ms. Schroeder, Mr. Murphy of Illinois, and Mr. Diggs):

H.R. 15598. A bill to amend the Internal Revenue Code of 1954 to provide individuals one additional income tax exemption for each dependent who is handicapped; to the Committee on Ways and Means.

By Mr. RONCALLO of New York:

H.R. 15599. A bill to amend the Internal Revenue Code of 1954 to encourage the recycling of lubricating oil by repealing the provisions which allow the repayment of the excise tax imposed on lubricating oil not used in highway motor vehicles; to the Committee on Ways and Means.

By Mr. ROY:

H.R. 15600. A bill to direct the Secretary of Agriculture to conduct a cost production study of cattle, hogs, sheep and lambs; to the Committee on Agriculture.

By Mr. STEELMAN (for himself, Mr. Steele, Mr. Fraser, and Mr. Cohen):

H.R. 15601. A bill to amend the Public Health Service Act to provide for the making of grants to assist in the establishment and initial operation of agencies and expanding the services available in existing agencies which will provide home health services, and to provide grants to public and private agencies to train professional and paraprofessional personnel to provide home health services; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN (for herself, and Mr. Leggett) (by request):

H.R. 15602. A bill to authorize the President to prescribe regulations relating to the purchase, possession, consumption, use, and transportation of alcoholic beverages in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. TRAXLER:

H.R. 15603. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for owners and processors of livestock or livestock products which have been condemned or quarantined by a Federal or State official for reasons of public health; to the Committee on Agriculture.

By Mr. WYATT:

H.R. 15604. A bill to repeal the act terminating Federal supervision over the property and members of the Confederated Tribes of Siltz Indians of Oregon, and to reinstate the Confederated Tribes of Siletz Indians of Oregon as a federally recognized Indian tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of Alaska:

H.R. 15605. A bill to amend section 405 of title 37, United States Code, to delay for a period of at least 30 days the effective date of any reduction in the cost-of-living allowance authorized by the Secretary concerned under such section for members of the uniformed services serving at certain duty stations outside the United States or in Alaska or Hawaii; to the Committee on Armed Services.

By Mr. BOWEN:

H.R. 15606. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. CAREY of New York:

H.R. 15607. A bill to extend for 1 year the suspension of the 120-percent criterion for State "on" and "off" indicators for purposes of the Federal-State Extended Unemployment Compensation Act of 1970; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 15608. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. HARRINGTON (for himself, Mr. Helstoski, Mr. Addabbo, Mr. Pepper, Mr. Rosenthal, Mr. Wolff, Mr. Podell, Mr. Yates, Mr. Moakley, Mr. Waldie, Mr. Rangel, Mr. Drinan, Ms. Burke of California, and Ms. Holtzman):

H.R. 15609. A bill to establish a National Resource Information System, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. Reid, Mr. Conte, and Mrs. Heckler of Massachusetts):

H.R. 15610. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Ms. HOLTZMAN (for herself and Mr. Bingham):

H.R. 15611. A bill to amend section 214 of the Internal Revenue Code of 1954 to provide a deduction for dependent care expenses for married taxpayers who are employed part time, or who are students, and for other purposes; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Davis of Georgia, Mr. Wydler, Mr. Fuqua, Mr. Frey, Mr. Symington, Mr. Hanna, Mr. Flowers, Mr. Roe, Mr. Conlan, Mr. Cotter, Mr. Cronin, Mr. Bergland, Mr. Pickle, Mr. Brown of California, Mr. Milford, and Mr. Gunter):

H.R. 15612. A bill to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to amend the National Science Foundation Act of 1950 and the National Aeronautics and Space Act of 1958, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes; to the Committee on Science and Astronautics.

By Mr. MELCHER:

H.R. 15613. A bill to direct the Secretary of Agriculture to conduct a cost of production study of cattle, hogs, sheep and lambs; to the Committee on Agriculture.

By Mr. O'BRIEN:

H.R. 15614. A bill to amend the chapter of title 10 of the United States Code relating to U.S. real property, to permit a percentage of the receipts from leasing certain property to be used by public schools where the property is located; to the Committee on Armed Services.

By Mr. RONCALLO of New York:

H.R. 15615. A bill to provide for the reimbursement of regulated public utilities engaged in the sale of electric power at the wholesale or retail level for any amount expended for residual fuel oil which is more than average price for residual fuel oil during calendar year 1972, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 15616. A bill to provide for the labeling of major appliances and motor vehicles to promote and effect energy conservation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 15617. A bill to extend the Solid Waste Disposal Act, as amended, for 1 year; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine) (by request):

H.R. 15618. A bill to amend the Federal Power Act and the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN (for herself, Mr. Dingell, and Mr. Biaggi):

H.R. 15619. A bill to provide for the conservation and management of fisheries, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CLANCY:

H.R. 15620. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. ROE:

H. Con. Res. 551. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. VEYSEY:

H. Con. Res. 552. Concurrent resolution to establish a select joint committee to be known as the Joint Committee on Customs and Immigration Policy; to the Committee on Rules.

By Ms. ABZUG:

H. Res. 1189. Resolution requesting certain information regarding nuclear agreements with Egypt and with Israel from the President of the United States; to the Committee on Foreign Affairs.

By Mr. CAREY (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Biaggi, Mr. Brasco, Mr. Delaney, Mr. Fish, Mr. Grover, Mr. Koch, Mr. Rangel, Mr. Roncallo of New York, and Mr. Rosenthal):

H. Res. 1190. Resolution expressing the sense of the House that the President not attend the Summit meeting until Soviet leaders provide assurances that his visit will not be used as an excuse for intensified persecution of the Soviet Jewry; to the Committee on Foreign Affairs.

By Mr. HEINZ (for himself, Mr. Abdnor, Ms. Abzug, Mr. Andrews of North Carolina, Mr. Broomfield, Mr. Buchanan, Mr. Burgener, Mrs. Collins of Illinois, Mr. Conte, Mr. Robert W. Daniel, Jr., Mr. Davis of South Carolina, Mr. Drinan, Mr. Frey, Mr. Froehlich, Mr. Harrington, Mr. Hanna, Mr. Helstoski, Mr. Jarman, Mr. Johnson of Pennsylvania, Mr. Ketchum, Mr. Kyros, Mr. Lagomarsino, Mr. Luken, Mr. Mayne and Mr. McKinney):

H. Res. 1191. Resolution to create a Select Committee on Aging; to the Committee on Rules.

By Mr. HEINZ (for himself, Mr. Moakley, Mr. Mosher, Mr. Murtha, Mr. Preyer, Mr. Regula, Mr. Roncallo of New York, Mr. Ruppe, Ms. Schroeder, Mr. Stark, Mr. Steelman, Mr. Stokes, Mr. Talcott, Mr. Thone, Mr. Walsh, Mr. Bob Wilson, Mr. Charles H. Wilson of California, Mr. Won Pat, Mr. Yatron, Mr. Young of Georgia, Mr. Young of

Illinois, Mr. KEMP, Mrs. BOGGS, Mrs. CHISHOLM, and Mr. RONCALIO of Wyoming):

H. Res. 1192. Resolution to create a Select Committee on Aging; to the Committee on Rules.

By Mr. VEYSEY:

H. Res. 1193. Resolution to authorize the Committee on Government Operations to conduct an investigation and study of the feasibility of consolidating into one Federal agency all existing Federal Establishments concerned with the immigration of individuals and the importation of goods into the United States; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

505. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the tax-exempt status for State and local bonds for federally aided projects; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 15621. A bill for the relief of Antoni B. Wojcicki; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland:

H.R. 15622. A bill for the relief of Anthony Mohamed Kaikai; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

452. The SPEAKER presented a petition of the Board of Commissioners, North Redington Beach, Fla., relative to the Veterans' Administration hospital at Bay Pines, Fla.; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

UTILITY CONSUMER BILL OF RIGHTS

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 25, 1974

Mr. METCALF. Mr. President, the Michigan Public Service Commission adopted a "utility consumer bill of rights." It is an excellent statement. I ask unanimous consent to print it in the Extensions of Remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MICHIGAN PSC ADOPTS UTILITY CONSUMER BILL OF RIGHTS

The Michigan Public Service Commission has taken final action to put into effect a consumers bill of rights for all Michigan residential gas and electric utility customers.

The Commission approved final rules which will bring the relationship between the customer and the utility into the 20th century.

The comprehensive rules cover customer-utility relationships including payment of bills, late charges, security deposits and complaint and termination procedures.

The rules, first issued in November for public comment and hearing, must first be reviewed as to form and legality, and then sent to the Joint Administrative Rules Committee of the Legislature for final approval.

The Commission strongly urged the legislative committee to take prompt action prior to adjournment to enable the Public Service Commission to put the rules into effect.

The new rules, which represent the first revision of consumer standards since 1944:

Require each utility to give a customer 21 days to pay his bill.

Require the utilities to eliminate all late payment charges and discounts.

Require each utility to extend utility service to a customer without a deposit until he proves himself to be a bad credit risk.

Eliminate all standards for deposits except the customers failure to pay his bill and to refund current deposits that do not meet the new rules.

Require each utility to publish and distribute a comprehensive pamphlet which in layman's terms fully describes the customers rights and responsibilities.

Establish complaint procedures which will insure prompt, courteous and effective handling of all customer inquiries, service requests and complaints.

Require each utility to set up hearing procedures which will give each customer a due process right to challenge a utility's decision to cut off service prior to termination.

Require the utilities to hire hearing examiners to conduct hearings and prevent them from performing any other services for the utility.

Prevent the utility from discontinuing utility service when a medical emergency exists.

Require the utility to offer a customer a reasonable settlement agreement to pay his bill in installments when financial emergencies occur.

Require the utility to follow strict procedures prior to physically terminating utility service.

Require the utilities to file comprehensive quarterly reports concerning relationships with customers.

Permit the newly established Consumer Services Division to constantly monitor and review all utility-custom activities.

The Commission stressed that the relationship between the consumer and the utility company has been affected by our changing society. It is abundantly clear that basic utility services are necessities of life, and services that millions of consumers depend upon to function and exist in our society. It is, therefore, essential that this relationship be governed by rules and regulations which adequately reflect the realities of the 1970's.

The Michigan Public Service Commission has the statutory responsibility to insure that every consumer in the State of Michigan has an equal opportunity to obtain and receive adequate and safe utility services under reasonable conditions. In the opinion of the Commission, the proposed rules establish fair and practical standards guaranteeing basic rights to every Michigan gas and electric utility consumer.

In essence, the rules reflect one essential theme—fairness to the utility customer:

A fair opportunity for ratepayers to pay bills within a reasonable time without penalty.

A fair opportunity for all ratepayers to obtain utility service without deposits or guarantees unless and until they establish unacceptable credit.

A fair opportunity, as embodied in the concept of due process of law, to protest incorrect charges or practices at the company and Commission.

A fair opportunity to be informed of utility practices, rules, conditions of service and complaint procedures.

The Commission believes that these rules, when formally enacted, will provide Michigan utility customers with the most effective and advanced set of standards ever implemented by a regulatory commission.

The Commission stressed that while the new rules establish fair service policies for all gas and electric customers, they also encourage the utilities to improve collection procedures and take prompt action when customers refuse to pay bills without legitimate reasons.

While utility bills have increased due to inflation and higher fuel costs, the rules do not relieve every customer of the responsibility to pay in full all legitimate charges for utility service.

The rules represent the culmination of the work of the Commission staff under the direction of Carl H. Kaplan, Deputy Director of Policy. The utilities, consumer groups and the general public have all contributed a great deal of effort in formulating the rules and are commended by the Commission for their contributions.

TELEVISION AND IMPEACHMENT

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 25, 1974

Mr. METCALF. Mr. President, in a commencement address at Northwestern University, Fred W. Friendly made a compelling argument for responsible broadcast coverage of impeachment proceedings—should such proceedings occur—in the U.S. House and Senate.

A former president of CBS News, Mr. Friendly concluded that the American people will demand "a first-person, unbridged view of so historic an event" without having it strained and filtered through even the most responsible press and broadcast observers.

He told graduates of the Medill School of Journalism—

> None of us here today can know whether such a trial will take place, but I can assure you that neither history nor the American public will accept surrogate witnesses to so momentous an event.

Most signficantly, Mr. Friendly warned his audience that in any such coverage of impeachment proceedings, journalism in general and broadcast journalism in particular will also be on trial. The danger, he said, is that broadcast journalists in their competitive drive will permit production values to overwhelm the event—"and suddenly the atmosphere of a political convention will prevail."

To avoid this trap, which he said could set broadcast journalism back a generation, Mr. Friendly recommended a series of guidelines for television coverage should the impeachment process occur.

Mr. President, I believe all of my Senate colleagues will wish to have an opportunity to read Mr. Friendly's thoughtful presentation, and ask unanimous consent that it be printed in the Extensions of Remarks.

There being no objection, the address

was ordered to be printed in the RECORD, as follows:

IMPEACHMENT AND TRIAL? TEST FOR THE PRESIDENT AND TELEVISION

(By Fred W. Friendly)

Freedom in a Rocking Boat is the title of a book by Sir Geoffrey Vickers who in that single phrase sums up the predicament of much of the planet and all of America.

Our boat *is* rocking in a troubled, turbulent sea. It is crowded and befouled. Our reserves of food and water are down, and our fuel supply is low. Morale can best be described as sullen but not quite mutinous although there are certain pockets of unrest which threaten to flare up.

The Captain at the tiller is remote and clearly rattled, with confidence from passengers and crew rapidly deteriorating. The balance between survival and freedom is sometimes strained almost to the breaking point. Although no one is ready to send out S.O.S. signals, some quiet prayers "certainly wouldn't hurt."

To maintain freedom in a rocking boat—reliable information is crucial. In desperate hours the journalist's task is to provide "a picture of reality on which men can act" to take bearings and sightings—to detect the immediate reefs and shoals; to perceive hazards beyond the curvature of the earth; to know where we are, and what we must do to get where we must go.

That's always been the journalist's mission and it has always required stamina because the freedom to report has always been one of the first things that someone wants to sacrifice when the ship of state starts rocking. It's an ironic conundrum—you can't rechart your course or stabilize the situation until you know where you are, and how bad it is. The liberty to do that effectively is what nervous politicians often want to deny. To the extent that journalists fail, democracy falters. A lazy press and a responsible government have about as much chance to co-exist as a totalitarian government and a free press. The interface between a responsible press and a responsive government is the very mortar which gives each its resilience.

James Madison understood that when he wrote, "In framing a government which is to be administered by men over men . . . you must first enable the government to control the governed, and in the next place, oblige it to control itself." The Bill of Rights, particularly the First Amendment, was Madison's device for protecting that delicate circuitry. "The whole art of government consists in the art of being honest," as Jefferson put it. The journalist's job from Lincoln Steffens to Ed Murrow to Woodward and Bernstein is to keep that government honest.

Less than two centuries ago, not quite 183 years ago, when the Bill of Rights amended the original Constitution, none could have dreamed of the massive stress to the system which would be triggered by the nightmare chain of events, which began two years ago this Monday at a place called Watergate.

Whether impeachment charges are brought against the President, no man can yet say, but the traumatic shock of impeachment proceedings might well overload that delicate circuitry. Never before in the short history of mass communications have journalists grappled with a challenge of such magnitude. This is not a trip to the moon; it's not a political convention; not a coronation or a state funeral. It is unlike any event since the birth of radio and television. It is the impeachment of the President of the United States of America.

It will be a testing time not only for the President but for the media which, beginning with The Washington Post and climaxing with the television hearings of the Senate Select Committee, played such a vital role in flushing out the dark secret of the Oval Office.

It is no overstatement to say that when Chief Justice Burger calls the Senate to order, if it comes to that, journalism, and particularly broadcast journalism, will also be on trial. Indeed, while President Nixon will probably elect not to be in the dock, the broadcasting industry will be, and the manner in which it conducts itself and the public verdict on that performance may be, in its way, as historic and decisive as the drama it is reporting from the floor of the Senate.

Currently the debate is over whether cameras and microphones will be permitted. Senator Mansfield says yes—"there is no other means to convey the gravity of the proceedings;" Senator Buckley says no—"It will turn the trial into a circus." The Washington Post says television, yes; The New York Times says no. Reston is against it; Cyclops and Newton Minow vote yes.

Recently I told the Senate-House Joint Committee on Congressional Operations that the argument is an academic one, that may provide good Op-ed Page material—but at the end of the day the American people will make the decision—they will require a first-person, unabridged view of so historic an event without having it strained and filtered through the eyes and ears of even the most responsible newspapers and broadcast observers. None of us here today can know whether such a trial will take place, but I can assure you that neither history nor the American public will accept surrogate witnesses to so momentous an event.

The New York Times has stated that, "the very nature of reporting a legislative body inevitably favors the printed word—just as the nature of reporting a rocket take-off to the moon, a Presidential inaugural or a football game gives the TV screen an edge over the newspaper." That reasoning carried to the ultimate would preclude newspaper coverage of such events but more relevant, does the Times really believe that its coverage of the Army-McCarthy Hearings, Vietnam, or the Ervin Watergate hearings could ever have had the comprehensive impact of the broadcast experience? Try transplanting the Welch-McCarthy encounter into copy, or think of what we missed when cameras were barred from the 1964 debate over Tonkin Gulf when two lonely Senators opposed the resolution that was to affect all our lives, to say nothing of the lives of millions of inhabitants of Southeast Asia.

If Mr. Reston's thesis that television pictures of impeachment around the world will so debase the nation's image is true, then that is a reason to vote against impeachment proceedings—but not to ban the image of that reality which an enlightened public opinion will require. Without live TV coverage "the spectacle" that Reston and Buckley fear, will be sketched, described secondhand in corridors, re-enacted and distorted around the world; with it, the whole world will be watching our system of justice work, and almost as important, how our system of broadcast journalism works.

The opportunity and challenge to report the proceedings, perhaps the most critical drama in the history of the Presidency, will not be without pitfalls for the broadcast media. My purpose now is to warn my colleagues in commercial and public broadcasting because those traps if not avoided could set broadcast journalism back a generation and rekindle the ugly torch so recently carried by Spiro Agnew.

The crucible for television will not be the usual challenge of enterprise and ingenuity but of restraint and understanding that it is a vital part of a due process that will bring most citizens closer to the heartbeat (and heartbreak) of government than they have ever been before.

The danger is that broadcast journalists in their competitive drive will permit production values to overwhelm the event and suddenly the atmosphere of a political convention will prevail.

I do not mean to suggest that responsible executives and correspondents at the networks have not concerned themselves with such hazards. Richard Wald, President of NBC News recently warned his staff:

"It is the biggest event of our times and we were drawn into news because we wanted to deal with history, with events greater than ourselves, with the issues and the men that are important.

"But therein lies a problem that worries me. We tend at times like this to get manic, to fall into that form of excitement that sustains us in the small hours of an election morning and makes the problems seem worthwhile. The deadline pressure and the story carry us along, unthinking, on a crest of activity.

"I do not want us to become part of the story. We are not hounds chasing the hare. The excitement is in the event, not in us. What begins in journalistic energy must not end in predicting, or reaching or guessing."

Mr. Wald's sober sense of awe and responsibility is to be commended but it will just be rhetoric unless some specific guidelines are articulated in advance and announced to the public.

It is not the chief reason for doing it, but letting those Senators and Congressmen, who are apprehensive of television's presence, know the high sense of purpose and restrained preparations with which broadcasters approach these proceedings, may have much to do with the ultimate decision on access.

Some recommendations (should the impeachment process occur):

1. The technicians should keep light levels at a minimum. The values of color transmission of this kind of event are marginal and black and white cameras require far less light and space. Their presence can be minimized particularly if call letters and the redundant red lights are removed. Obviously it will be a pooled event with a maximum of four or five pooled cameras, all in fixed unobtrusive positions.

2. The networks should not station anchormen in the House or Senate auditoriums nor utilize rear screen projection to achieve the same effect. Cronkite, Chancellor, Smith and Reasoner are consummate professionals who, unless they are goaded by zealous production ambitions, will not wish to intrude themsleves into a situation which will be traumatic enough for all. If impeachment becomes a "You Are There" contrived spectacle it will become a completely different event for the television audience of millions that for the 500 citizens in the gallery. What the viewer will require is not the presence of a host or anchorman to place a network's imprimatur on it but the kind of expertise that comes from having lived with the Watergate story and the central players in the drama for the past 18 months. Washington reporters such as Bruce Morton, Carl Stern, Fred Graham, Dan Schorr, Leslie Stahl, Sam Donaldson, Paul Duke, can identify all the participants, from the backbenchers to the staff assistants, to the committee investigators, without a score card or a "spotter." They have encyclopedic memories on every phase of the Select Committee hearings, the Special Prosecutor's investigations, the House Judiciary hearings, the White House tapes and the statements. The urge to replace their unique skills with high visibility anchor stars from New York will have to be requested. In fact, if I know these anchormen as well as I think I do, they will consider it more important to stay with the flow of national and world news enabling them to give the impeachment and trial the perspective it will

surely require. These thoughtful practitioners will need some small distance between the event and the perspective Americans will expect of them each night.

3. There should be no floor, cloak room or entrance reporters. The Senate and House rules will probably restrict the former but the button-holing of members in the usual competitive drives, particularly in an election season could be a destructive mockery. Such restraint will require an agreement on ground rules and self-discipline but the first time Congressman X turns the House hallway into his own impeachment chamber, broadcasting will have altered the solemn reality of the event. It must be remembered that one-third of the Senate and all of the House must stand for election this November. The temptation to respond to or even seek out an open mike or a hot camera will be almost irresistible. In fact, the political advisors to many candidates will be seeking devices to manipulate the event for the exposure of their man. For example, how many of us realized that Congressman Jerome Waldie was a candidate for the Democratic Gubernatorial nomination in California while he was daily holding forth outside the House Judiciary hearings.

4. No editorial commentary or interpretive reporting while the gavel-to-gavel coverage is in progress. It is not a matter of the broadcaster's rights or even the defendant's as much as the citizen's right to hear and see and draw his own conclusions. Historical perspective and commentary on the rules of the chamber are in order but if news analysis includes evaluation of certain evidence or testimony as being "very damaging to the President" or "helpful to his cause," the broadcasters may have influenced the outcome of the trial every bit as much as if they had intruded their views into a jury room.

In fact, the Grand Jury in impeachment and the jury in the Senate trial cannot be sequestered. The members will be hearing about what is broadcast but far more important will be the impact of such commentary on the ultimate jury—the American people and they certainly cannot be sequestered. No doubt many of the Representatives will vote their consciences but they will also be listening to their constituents. Those citizens no less than their Representatives deserve to witness the raw event, unseasoned by even the most knowledgeable expert opinion on how the trial is going.

The nightly newscasts are different as are the newspapers and the news magazines. There is some isolation from the event itself and the viewer or reader is aware that he is being exposed to something *after* the event. But in the experience of live or comprehensive taped coverage it is virtually impossible for even the most sophisticated viewer or listener to know where the proceedings of the actual trial begin and end and where the reporting and observations of the commentators begin and end.

5. Filling time during recesses, stage-waits and other delays: This may not be quite the problem it was during the Ervin Committee and the McCarthy Hearings of two decades ago. Because the impeachment and eventual trial if they come to pass will be the only event going on in the House and/or Senate, there will be no interruptive buzzers for roll-call votes requiring endless commentary or excessive commercials. Conversely the absence of honest interruptions will require discipline on the use of commercials. To fight for the right to cover these momentous proceedings and then to interrupt them for station identification or some other excuse for inserting the backed-up commercial schedule would be an unacceptable intrusion. It will interfere with the public's right to know as much as if commercials interrupted evidence in a courtroom. Broadcasters had better make up their minds before they commit to these events that they are going to be expensive in lost revenues and there will be no respectable way to make them up. This time the overused, misused phrase, "in the public interest" must literaly mean, the public trust.

6. The rating battle and promotional campaigns: The first time a network runs a full page advertisement proclaiming "Network A had more than twice the audience of all other networks combined" the broadcast industry will have impeached itself. To turn these solemn, sad events into a rating war as has been the accepted practice for nominating conventions, landings on the moon, and a few state funerals is to proclaim that in broadcast journalism, nothing is sacred. Worse than that, if the rating game is permitted to escalate there will not only be bizarre promotional campaigns in newspapers and in huckster spots on the air, but the performance of journalists will be vulnerable to all the excesses which may or may not boost audiences. No more who has ever been associated with convention coverage will deny that too often the important but sometimes dull proceedings are sacrificed for the dynamic but irrelevant spectacle. How many times has a nervous producer left the convention floor for a manipulated demonstration on the boardwalk or a disturbance in the parking lot.

Obviously it would be unthinkable and probably a violation of the First Amendment. But I wish no one, especially the newspapers and trade journals, would publish any comparative rating statistics until the impeachment and trial are over. No single act of statesmanship would improve the level of serious coverage as much.

As suggested by others, the prospects of rotation among the three commercial networks probably makes sense. In the past, particularly with the Senate hearings on Vietnam, I have resisted rotation because it lessens the competitive drive and because some viewing areas have only one or two network stations and rotation can deny access to the concerned public in those markets.

In the event of impeachment proceedings, the Public Broadcasting Service has announce that it will carry unabridged, gavel-to-gavel coverage at night. One would also hope that where rotation denies live coverage because all three networks do not have affiliates, there would be an agreement that one station in each area would transmit the impeachment proceedings regardless of the originating network.

The compelling reason for rotation is not to save the stations money, although that will be the motivation for many of them, but the implications of a captive audience should many continuous weeks and impeachment and trial surfeit tens of millions of viewers in an endless and sometimes boring spectacle they might otherwise choose not to watch. Committed as I am to making every moment of the impeachment proceedings available, it cannot be force-fed. One station at a time and public broadcasting at night, plus the network specials in prime time will do the job.

Again, the dialogue and decision on this should be out in the open with the public engaged in the decision, rather than a trade decision made at the various network offices.

It is not rotation that is reasonable in itself, but such an approach minimizes the temptation to play the rating game with all the accompanying excesses.

I have no doubt that my position on the coverage of impeachment and trial will be unpopular with many, particularly the advocates of the new journalism or those who simply believe that Watergate is journalism's finest hour and that impeachment and trial are the climactic act of that drama.

The flaw in that reasoning is that it confuses journalism with that transcendental moment when history overrides news values. Carl Sandberg once loaned me a ticket to the impeachment of Andrew Johnson and we speculated at the time on what it would have been like to sit in that gallery. In 1974, television's credential for admittance will be the justified claim that it can provide a reserved ticket for every American who wants a front row seat in that spectators' gallery. The citizen with such a seat is entitled to his privacy, even his solitude without some well-meaning sightseeing guide or expert whispering in his ear. The citizen has the right to an unobstructed view with the option to search out his own judgments and reach his own conclusions. Freedom to watch and listen without overproduced intrusions or unwarranted advertising and other clutter is what he has a right to expect and overzealous broadcasters who get between the citizen and this momentous event will do so at their own peril.

Thus far my critique, advance as it is (but the only kind of survey which can be constructive for an event which hopefully will not occur again in this century), has been directed at potential errors of commission and "overkill." Now let's turn to errors of omission and underreporting. While effectual journalism will be judged by its restraint during the actual transmission of impeachment and trial, it has a heavy responsibility prior to those events and in regularly scheduled news programs as well as specials to provide background and documentation of the long train of events that began when Frank Wills noticed the tape on that Watergate apartment door.

A year ago, CBS producer Les Midgley and reporter Dan Rather, contributed several first-rate hour-long documentaries on Watergate, as did Bill Moyers on Public TV, CBS and NBC provided hour-long specials at the time the edited White House tapes were published, but generally the coverage, other than the Ervin Senate hearings, has been restricted to the nightly news. Mike Wallace's interviews with John Ehrlichman, Dita Beard and Charles Colson were not only news beats, but genuine contributions to public knowledge revealing the potential of the medium. *The New York Times, The Washington Post, The Los Angeles Times* and other newspapers, including those in Chicago performed an important public service in printing the edited White House tapes. Public television, which came of age during the Senate Watergate Hearings with its gavel-to-gavel coverage, abdicated its responsibilities when it failed to commit the air time and energies to the kind of comprehensive reading of the White House tapes that National Public Radio had the foresight to broadcast.

The kind of reporting that the public requires now as a background to impeachment proceedings is not just the response to news breaks but some primers on the meaning of impeachment from the Duke of Suffolk in the 15th Century through the deliberations of the Founding Fathers in the 18th Century, through the Andrew Johnson trial after the Civil War in the 19th Century, and including Congressman Gerald Ford's recent attempt to impeach Justice William O. Douglas in the 20th Century. The debate between the President's counsel, James St. Clair and Constitutional authority Raoul Berger, among others, is whether a President can be removed only for criminal offenses, or whether he must be judged on his entire conduct in office.

Article 2, Section 4 of the U.S. Constitution says, "The President . . . shall be removed from office on impeachment for and conviction of, treason, bribery, and other high crimes and misdemeanors." Journalism's job is to provide historical insights into the means and the machinery by which the Senate and House will examine such charges and make their findings.

The verdict on Defendant Nixon will not involve treason, but will depend on the question of high crimes and misdemeanors. That question makes impeachment every bit as much a political exercise as a trial under law.

In lieu of a charge to the jury, the Congressmen, the Senators, and the final jury at home will need to think hard on what the Founding Fathers purposely left vague but what on the the final roll call will have to be specific.

Did the framers of the Constitution intend to confine impeachment only to "indictable offenses?" The President and his defense will claim that's all they meant and there will be many scholars to support that. Other legal authorities and the prosecution will probably argue that all that Congress must establish is that the President's conduct has subverted the orderly processes of government and as General Telford Taylor says, "brought his high office into disrepute."

Because this will be the substance of the trial debate the American people will require a depth of understanding far more complex than simply the brutal band of raw facts. For journalists to explain this, they will have to understand it and then they will have to raise the constitutional consciousness of the citizenry as a great teacher does—not during or on the eve of an examination, but as a continuing experience.

As I suggested earlier, Watergate and reporters are forever welded together in a crucible that will be the severe, searching test for the profession of journalism as well as for the President. Some cheerleaders call Watergate journalism's finest hour. I call it *The Washington Post*'s finest hour and with very few exceptions, one of journalism's worst hours. Many newspapers did not play *The Washington Post*'s initial investigative reporting prominently, including some subscribers to *The Washington Post, Los Angeles Times* News Service. Ironically, there was almost a blackout on Watergate information until late in the Campaign when CBS News did two reports on the Cronkite broadcast which utilized *The Washington Post* and some research by Dan Schorr. Only then did newspapers elevate Watergate to the front page prominence it deserved. I guess you could call that electronic agenda setting.

In recent months there has been criticism, not just from Nixon supporters but from others, that the press and broadcasters have gone beyond the function of uncovering and reporting and have assumed the role of judge and now executioner. I reject that argument but I suggest that the temperature reading of the crucible will take a quantum jump when and if Speaker Albert and Chief Justice Burger solemnly rap for order.

Nothing like it has ever happened in the history of television. Doing it well means a demonstration that the electronic media can bring "the great commanding theater of the nation" to the citizenry on a continuing basis. It has been the dream of some Senators, Representatives and most broadcasters for years. The responsible, restrained use of television and radio to bring this event, the whole event and nothing but the event, will be a major breakthrough that might eventually persuade the Supreme Court and other high courts of appeal to realize that the public is entitled to an electronic seat in their courtroom. I'm not talking about criminal trials with juries and defendants present on the witness stand but the arguing of constitutional issues where the presence of cameras would not likely affect the performance of jurist or lawyer.

But if impeachment and trial take on the atmosphere of a political convention or anything remotely like it, the cause of serious broadcast involvement will be set back incalculably.

I began by talking about freedom in a rocking boat. I came here today to help welcome you aboard—not to be piped aboard to the accompaniment of a brass band or even a boatswain's whistle, but more on a boatswain's chair in choppy seas with gale winds. God knows, you're needed.

I shall not extoll you and proclaim that the future belongs to you, nor quote all the bromides of journalism like, "Print the news and raise hell," or "The newsman's job is to comfort the afflicted and to afflict the comfortable." It's more complex than that.

I have chosen to talk to you about your profession's past and its tortured but vital present. Rather than its "promising future" I have chosen to talk to you as one professional to another about the most formidable challenge it has ever faced. Only a few of you will participate in it for now, but you will all witness it.

You will soon observe that one of the foibles of your new profession is that it is plagued by second guessers and Monday morning quarterbacks. My remarks through you to that profession are intended to forestall some of those recriminations which could be yet another self-inflicted wound from Watergate. The medium, all due respects to Professor McLuhan, has never really been the message but in the event of impeachment and trial the instruments of communications must constantly bear in mind that man is the message and the man in this instance is Richard Milhouse Nixon—what he did and did not do.

The verdict of guilt or innocence whenever it comes will also be a judgment of how the trial was conducted. Television will be as much a part of that process as the prescribed rules and procedure of the two chambers. The producers and correspondents almost as much as the presiding officers and the parlimentarians will hold in their hands the delicate balance between fair trial and free press.

The image at the end of the tube no less than the deliberations in the Senate Chamber may determine what history will eventually judge to be a mistrial or justice.

Order in this courtroom will be maintained not only by the rules of conduct and the procedure established by judges and lawyers but by the men and women who control the means and temper by which this ordeal will reach the American people. To fail would be in contempt of the public trust and their own calling.

THE OLD CHARLEY PONZI CON—ADD WINE

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. DENT. Mr. Speaker, when I was younger I heard a story—a true story I might add—about an old Italian barber who was so busy making money that he hardly had time to cut hair. The story goes like this.

His name was Charley Ponzi, and he was an old immigrant with a one-chair shop in Boston. Charley was considered dumb by many—his thick Italian accent must have contributed heavily to that myth—yet he came up with a scheme that netted him millions before people figured out what was up.

Charley Ponzi's scheme was simple. With the stock market operating as it did in New York the idea of investing was attractive even to those who had not the money to invest. So Charley gave the poor immigrants who were his neighbors the chance at investment at any amount they might have. They could invest in Charley's barber shop.

At first, the investments came in slow. After all, people would say, what kind of investment is that, putting your money in a one-chair barber shop? But then Charley started to pay dividends, quite large dividends really, to those who had taken a chance and put money into his business.

Then the investing picked up, to the point where Charley was literally making thousands a week. Where once he walked to his shop, now he was chauffered. Certainly this was a marvelous businessman.

Actually a marvelous con man. Charley Ponzi quit paying dividends, but continued to encourage investments. There was no business in his barber chair, thus the initial dividends were only seedings. And Charley almost got away with a million dollars.

I tell this story simply because, quite by accident I noticed the 1974 version of the old Charley Ponzi con in an article dated June 21, 1974, in the Washington Post. Instead of hair cuts the nonexistent product was wine. And this time the con took in some of our banking wizards in Virginia.

The Washington Post article is as follows:

FOUR VIRGINIA BANKS FACE LOSS IN WINE SCHEME

(By Donnel Nunes)

The Virginia State Corporation Commission said yesterday that four Virginia banks face the possibility of substantial losses from more than $6 million in loans made to persons who subsequently invested the money in a wine investment scheme the Securities and Exchange Commission has called fraudulent.

Virginia State Corporation Commissioner Junie L. Bradshaw, who estimated the total amount of the loans, said that in virtually all cases the loans were secured by promissory notes made by the wine importing firm, notes that the SEC now says may be worthless.

None of the banks ever tried to verify that the wine importing firm, Ridge Associates of McLean, had contracts it claimed to have with major food processing companies that supposedly bought the wine, Bradshaw said, nor did the banks ever investigate the firm itself.

The United Virginia Bank-First & Citizens National of Alexandria faces the largest possible loss, Bradshaw said in response to a question. But he declined to name the other banks, two more in Northern Virginia and the fourth in Norfolk.

The SEC has charged in a complaint that Robert Dale Johnson, 39, a McLean businessman, lured new investors with promises of high rates of return on their investment and then paid off older investors with the new money. At least $26 million has been invested in the wine investment scheme, the SEC has charged, and only about $6 million can now be accounted for.

"I would say that all the banks can absorb the loss," Bradshaw said. "It's not a question of solvency but of liquidity. Some of them may have to sell loans to get more money to cover their loans (to the investors)."

Bradshaw said that there were probably other banks which made loans to investors in the scheme, but he said that the number of those loans was much smaller than those made by the four banks.

"The smallest single loan (to an individual to invest in Johnson's scheme) we've found so far is for about $25,000," Bradshaw said. He estimated that at least 50 persons received the loans, but noted that complete tabulations had not yet been received by the state commission.

"Most of these things (assurances to the bank from Johnson about the existence of the wine contracts) were verbal," Bradshaw said. He said that Johnson would use the wine contracts to guarantee the loans made to investors, and that the loans would be additionally secured with company promissory notes. Bradshaw said that the contracts apparently did not exist, and the SEC contends the promissory notes may be worthless.

According to Bradshaw, Johnson told bank loan officers that he had contracts to sell industrial wine—wine used in the preparation of salad dressings, for example—to food processing companies such as Heinz and Kraft's. "Kraft's was the favorite," Bradshaw said.

The loans made were generally short-term loans, "made for only a few months," he said. "The question is whether many of the people who got the loans planned on paying them off out of the profit they made from the investment. If that's the case, many of the banks could have trouble recovering the money."

While officials at Alexandria's United Virginia Bank-First & Citizens National continued efforts to determine how much money they lent to investors, a Richmond official for the bank's parent company, T. H. Flinn, said yesterday. He said that almost all loans made by the company had been made by a single loan officer.

Officials refused to comment on what measures, if any, the bank was considering taking against the unnamed loan officer, saying only that a public statement would be made within the next few days.

In another development, the president of a major Washington stock brokerage firm, Johnson Lemon & Co., confirmed reports that the company had discharged a stock counselor on Monday for introducing persons to those selling the unregistered wine investment promissory notes.

President Harvey B. Gram Jr., said that Robert H. McKinley Jr., was discharged because he "violated company policy" in making the introductions without clearing the investments with company officials first. "You cannot offer unregistered securities," Gram said.

Efforts to reach McKinley were unsuccessful.

OLD-TIME FIDDLERS JAMBOREE SET IN TENNESSEE AS JULY 4TH CELEBRATION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. EVINS of Tennessee. Mr. Speaker, on July 4–6, the Chamber of Commerce and merchants of Smithville and DeKalb County, Tenn., are hosting the third annual Old-Time Country Fiddlers Jamboree and Arts and Crafts Exhibits.

This unique event is modeled after Independence Week celebrations, the traditional backbone of rural American entertainment, and features 18 categories of keen amateur music competition.

More than $1,500 in cash prizes will be awarded for old-time fiddlers champions including fiddle string band; bluegrass band; square dancing; old-time and bluegrass banjo; harmonica; mandolin; dulcimer; folk and gospel singing; guitar; dobro; buckdancing; spoon clacking; musical jug blowing; Jew's harp; Ozark mouth bow; washboard rubbing; and other novelty and comic arts.

Amateur country and bluegrass musicians, dancers and singers from anywhere in the country are invited to compete.

Special, noncompeting guest performers will be: America's most renowned harmonica concert artist, Larry Logan, public relations ambassador for Nashville's first American National Bank, and and the globe-trotting notable Rutherford Square Dancers of Murfreesboro, Tenn.

Especially featured this year will be approximately 100 booths of authentic mountain and contemporary arts and crafts exhibits and sales. Craftsmen and artists from all over America are coming to display and sell their products.

Over 1,000 foreign students and faculty members from 18 American universities will be special guests at this unique occasion.

Last year over 30,000 spectators, including a 6-man television crew from the British Broadcasting Co. of London, England, who will be back this year, attended the Smithville Jamboree. A larger crowd is expected this year. Ten camping grounds have been provided near the public square. There is no charge for admission to the show or any of the camping grounds.

Certainly all America is welcome to this annual 4th of July Jamboree and Folk Festival celebration.

CONGRESS TAKES DECISIVE ACTION IN CONTROLLING GOVERNMENT SPENDING

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HEINZ. Mr. Speaker, last week, I introduced into the RECORD part I of a three-part series of excerpts from the National Journal concerning H.R. 7130, the Budget and Impoundment Control Act. This legislation, a vital proposal to reassert congressional power of the purse, has now been approved by both Houses of Congress and sent to the President for his signature. Hopefully, following final approval of this legislation, Congress can begin to utilize the proper tools in evaluating the financial needs of our Nation, and bring coherence to our appropriations process.

The second of these excerpts from the National Journal follows:

CONGRESS TAKES DECISIVE ACTION IN CONTROLLING GOVERNMENT SPENDING

House: The compromise reached by the House on the membership of its budget committee was proposed by Whitten. The Democratic Caucus and the Republican Conference will choose 23 members according to this formula: five from Appropriations, five from Ways and Means, 11 from the legislative committees and one each from the Democratic and Republican leadership.

No one can be a member of the House Budget Committee for more than four years in any 10. Whitten said he inserted this provision to allay the fears of some Members that the budget committee would become a "superduper committee" and that its chairman would become a "budget czar."

Senate: The Senate departed even further from the joint study committee's recommendations. The 15 members of its committees will be chosen by the party caucuses, without regard to other committee membership. Beginning in 1977, budget committee members must belong to only one other major committee, and many will have to resign from one of their committees.

"It is not intended that the budget committee diminish the responsibilities of any other committee," the Rules and Administration Committee said in its report on the bill. It added that the budget committee will allow the Appropriations and Finance Committee to operate more effectively.

An effort by Sen. Gaylord Nelson, D-Wis., to make the Senate budget committee's membership rotating was defeated 24–56 on the Senate floor. Ervin said: "If rotating the members of the committees had been desirable, it would have been done sometime between 1789 and the present date."

Chairmen: Neither version of the bill makes provisions for choosing budget committee chairmen. So the chairmen will be selected by the majority party, presumably according to seniority.

In the House the chairmanship will rotate just as the membership will. In the Senate, staff members have speculated about the possible budget chairman.

At the top of the list is Sen. John O. Pastore, D-R.I., the most senior Democrat without a committee chairmanship and a member of the Appropriations Committee. Also mentioned is Muskie, one of the most senior Democrats without a committee chairmanship among those who helped write the budget reform bill.

BUDGET STAFF

Both the House and the Senate expanded on the joint study committee's recommendation that the new budget committees have a joint staff.

Makeup: The House bill would establish a Legislative Budget Office, which would play a limited role in assisting Congress as a whole. The budget committees would have no additional staff.

The Senate bill would create a Congressional Office of the Budget as an agency of Congress on a basis somewhat comparable to the General Accounting Office (GAO). The budget Office would assist all congressional committees and Members when its services were not required by the budget committees. The two budget committees would have their own staffs in addition to the budget office.

The staff group working for the conference committee is leaning toward the Senate version of the budget office, although possibly with the House bill's title of Legislative Budget Officer Bolling said he has no basic objection to the Senate's approach.

Duties: The budget office will have broad powers to obtain budgetary information from agencies of the executive branch. The Senate bill provides that the budget office report to Congress each spring on the economic impact of alternative levels of revenues and spending for the coming fiscal year.

Sen. Jacob K. Javits (R-N.Y.) amended the bill on the Senate floor to provide for an annual report by the budget office on recommended national goals and priorities. Staff aides for the conference committee said a watered-down version of this provision probably will remain in the bill.

Staff members who helped draft the Senate bill said they intended that the budget office staff number no more than 100, compared with 650 at OMB. However, Muskie said he hopes the budget office eventually will help Congress conduct OMB-style review of individual federal programs.

BUDGET CYCLE

The bill finally adopted by Congress probably will establish a congressional budget cycle that will begin every November and end just before or even after—the new fiscal year begins the following Oct. 1.

The Senate's budget return bill spells out a much more precise timetable for congressional action on budgetary items than the bill passed by the House. The House puts deadlines only on the key events such as passage of the first and second budget resolutions. The Senate adds deadlines on actions by committees and individual houses.

"It's fine to have a statement of principles, but the key is a timetable that will make those principles work," Percy explained in an interview.

Drafters of the House bill feel the timetable in the Senate bill is so specific that Congress could not meet it. "The Senate approach is meat and potatoes for people who want to make Congress look silly," said one House staff aide.

Fiscal year: The current July 1 date for the beginning of the fiscal year was adopted when Congress usually accomplished all its work in the first six months of each year. But in recent years Congress has passed most of its appropriations bills months after the new fiscal year has begun.

The House Rules Committee considered three new dates for the beginning of the fiscal year: Aug. 1, Oct. 1, and Jan. 1. It discarded August because it offered only one additional month, and it feared that the budget-making process would get caught up in national elections and the adjournment rush if Jan. 1 were the date.

The Senate, adopting a recommendation of its Government Operations Committee, also chose Oct. 1 to begin the fiscal year. It decided that a Jan. 1 date would guarantee that Congress would be in session until Christmas every year.

Current services: The Senate bill requires the President to submit a "current services budget," detailing the cost of all current programs if they were continued in the next fiscal year, by Nov. 10. Percy said the current services budget would allow congressional staff to begin planning the next budget while Members were away for the fall election campaign and Christmas recess.

House Members have expressed no serious opposition to this provision, and it is likely to be in the final bill.

President's budget: The House bill requires the President to continue to submit his budget message for the upcoming fiscal year during the first 15 days of each session of Congress. The Senate bill gives the President until Feb. 15.

The Senate version is a concession to OMB Director Roy L. Ash, who told the Rules and Administration Committee that March 15 would be the earliest date that would allow OMB to use final data from the previous fiscal year if the fiscal year ended on Sept. 30.

However, the House version is likely to prevail. Conference committee staff aides said Congress will need all the time it can get after the President submits his budget to implement its new budget making procedures.

Committee reports: Both the House and Senate bills provide for the budget committees to receive reports early each year from appropriations, tax and legislative committees. The reports are to contain information pertinent to the budget for the coming fiscal year.

The House bill calls for these reports to be transmitted by March 1: the date in the Senate bill is April 1. The outcome will depend on the determination of other key dates in the budget cycle.

First resolution: The radical change in the new congressional budget process is the requirement that Congress each spring pass a concurrent resolution—not requiring Presidential signature—that spells out Congress' spending and revenue targets for the coming fiscal year. The budget resolution is to originate in each budget committee.

Contents—As provided for in both the House and Senate bills, the first budget resolution will contain:

Appropriate levels of total outlays and budget authority for the coming fiscal year.

These totals broken down by the budget's 14 major functional areas, (national defense, health, etc.);

Estimated revenue;

The recommended budget surplus or deficit.

The Senate bill also provides that the budget committee reports accompanying the resolution break down the spending totals among the legislative committee and appropriations subcommittees that have the power to recommend outlays and budget authority for the coming fiscal year. The purpose of this provision is to assist an annual debate on national priorities. The House, at Bolling's urging, rejected this approach because it feared Congress would get bogged down in debates over individual programs before the Appropriations Committees had a chance to hold their hearings.

A possible compromise under discussion by House and Senate staff would leave the committee-by-committee spending totals out of the budget committee reports on the resolution, but include them with the conference committee report.

The Senate bill requires that if the conference committee on the first budget resolution becomes deadlocked, it should split its differences arithmetically. This provision may or may not survive in the final budget reform bill.

Timing—The House bill requires that Congress pass the first budget resolution by May 1; the Senate bill gives Congress until June 1.

The Senate provided the later date so that Congress would have a better idea of its budgetary requirements for the coming year. The House went with the earlier date to allow more time for the subsequent appropriations process.

The likely compromise would require passage of the first budget resolution by May 15.

Authorization bills: Both the House and Senate versions of the budget reform bill recognize that late passage of authorizing legislation is one reason that Congress usually passes appropriations bills after the fiscal year begins.

The House placed a March 31 deadline on the enactment of all authorizing legislation for the coming fiscal year, with a waiver for individual bills if approved by a majority of the House. The Rules Committee said this date was a compromise between recommendations ranging from Dec. 31 to June 30.

Rep. F. Edward Hébert, D–La., chairman of the House Armed Services Committee, which is traditionally late with its annual authorizing bill, tried on the House floor to change the date to June 30. He was rejected by 106–300.

The Senate decided that the March 31 deadline would be unworkable, especially in the first year of a Congress, when committees often are not organized until March. The Senate bill requires only that the legislative committees report their authorizing bills by May 15, with a waiver similar to the one in the House bill.

This could be a difficult issue for the conference committee. But Muskie said he feels the conferees will find a solution because the issue is pragmatic, not philosophical.

Spending bills: Both bills forbid either chamber to consider appropriations bills or other spending bills on the floor until passage of the first budget resolution. But because the targets in the first resolution are not binding, spending bills may exceed these targets.

The House bill prohibits the House Appropriations Committee from reporting any bills to the floor until it has marked up all 13 of its annual bills. This requirement, which will remain in the final bill because it applies only to House procedures, could cause a logjam if any of the Appropriations subcommittee is late.

The House bill puts a deadline of Aug. 1 on completion of congressional action on spending bills. The Senate bill's deadline on enactment of spending bills is Aug. 7 or five days before the August recess.

The Senate would send all spending bills to the President for signature, although Congress could vote later to rescind some outlays and budget authority already enacted. The House would send only those bills that fell within the targets of the first budget resolution; other bills would be held for possible later cuts.

The conference committee staff is leaning toward the Senate approach. The House version is a remnant of the joint study committee's recommendations, and Ullman said he would keep fighting for it because it strengthens the first budget resolution. But Ullman is not a conferee.

Backdoor spending: Legislative committees in Congress have found ways to require that money be spent without the permission of the Appropriations Committees. These are the so-called "backdoor" spending bills.

One form is borrowing authority, such as the student loan guarantee program, which permits borrowing from the Treasury to back up private loans. Another is contract authority; the government is allowed to enter into contracts to build public housing and provide other services. A third is the entitlement, which guarantees federal aid to such groups as veterans and welfare recipients.

From fiscal 1969 through 1973, while appropriations bills cut Presidential budget requests by $30 billion, backdoor spending bills increased the budget by $30 billion. Both the House and Senate versions of the budget reform seek to close the back door to the legislative committees.

Both bills require that new legislation providing contract and borrowing authority be effective only to the extent that money is set aside in subsequent appropriations bills.

The House bill applies the same provision to entitlements; the Senate bill requires that new entitlements approved by legislative committees be referred to the Appropriations Committee for 10 days for the possible adoption of limits on spending authority. The Senate bill also makes new entitlement programs effective only with the beginning of the next fiscal year. The conference committee staff is leaning toward the Senate version.

Sen. Abraham Ribicoff, D-Conn., tried on the Senate floor to weaken the entitlement provision in the Senate bill. But Percy said Ribicoff's amendment would create a big loophole for big spenders, and the amendment lost 31–55.

Nevertheless, both the House and Senate bills exclude social security trust funds and other trust funds that are at least 90 per cent self-financing from backdoor controls. The Senate bill also exempts all extensions of general revenue sharing.

Second resolution: Both bills provide Congress with an opportunity in September to pass a second budget resolution, reaffirming or revising the figures in the first resolution. The second resolution would let Congress take into account changing economic conditions and congressional action on individual spending bills since passage of the first resolution.

The second resolution could direct the Appropriations Committees to report legislation rescinding spending authority in appropriations bills already enacted. It could require the House Ways and Means Committee and the Senate Finance Committee to report new tax legislation.

In addition, the Senate bill provides that the second resolution could require legislative committees to make recissions in their backdoor spending bills. The Senate version is likely to prevail in conference.

Reconciliation bill: According to the Senate version, the budget committee in each chamber will fashion a single "budget reconciliation bill" out of the recommendations of all the committees called upon by the second budget resolution to make changes in legislation affecting the budget.

The Senate bill puts a Sept. 25 deadline on completion of congressional action on the reconciliation bill; the House bill has no deadline. Both bills forbid Congress to adjourn until it has adopted a reconciliation bill.

Both the House and the Senate considered a provision that would make all spending bills ineffective until they were triggered by passage of the reconciliation bill. They rejected such a provision as an unnecessary complication of a new process that will be complicated enough without it, although the Senate bill allows Congress to approve a triggering provision in its first budget resolution.

Further resolutions: At any time after passage of the second budget resolution and the reconciliation bill, Congress may revise the budget further. But first it must pass a new budget resolution revising the figures in the previous one.

OUTLOOK

There is no real doubt that Congress will pass budget reform legislation. The big question now is how it will work—if it works at all.

Style: The new procedures are sure to have profound effects on how Congress operates.

Members will be confronted every spring and fall with questions of how much money the federal government should spend and whether it should operate at a surplus or a deficit. Legislative committees will have to report their authorizing legislation earlier than ever before, and the Appropriations Committees will have to finish work on their spending bills earlier than ever before.

"Most Senators don't appreciate the extent to which senatorial styles are going to be changed as a result of this bill," said Muskie.

Reconciliation: What will Congress do in the fall if its spending exceeds the targets it set for itself in the spring? Will it lift the targets and increase the deficit? Or will it reverse earlier decisions to spend money?

These are questions that most Members are not prepared to answer. Muskie said the answers will depend on many unknown factors: the nature of the issues, the state of the economy, the stance of the Administration.

"I consider this the beginning of an experiment," said Bolling. "The members of the budget committees are going to be plowing new ground and I just don't know how it will turn out."

Missed deadlines: Hardly anyone expects Congress to meet all the deadlines it will set for itself in the budget reform bill.

Muskie said it will be no calamity to miss the Oct. 1 deadline for wrapping up the congressional budget making process. Congress does not now complete action on the budget before the beginning of the fiscal year on July 1, and the government limps along on continuing resolutions that provide authority to keep spending money.

"No matter what happens, it's got to be an improvement," said one House staff aide.

Will it work: The last time Congress tried new budget making procedure was in 1946, when it passed the Legislative Reorganization Act (60 Stat. 812). That act required Congress to set a spending ceiling four or five months before the beginning of the fiscal year.

In 1947 Congress failed to adopt a ceiling. In 1948 it adopted a ceiling but ignored it in appropriations bills. It never tried to use the new procedures again.

Sen. McClellan and Rep. Harrington and some other Members fear the same fate awaits the 1974 congressional budget reform bill. They believe the new procedures are so complicated that Congress either will ignore them or fail miserably to meet all their deadlines. The bill's sponsors are determined to prove that Congress is more disciplined than the bill's critics think.

"The enactment of this piece of legislation is just the beginning of the beginning," said Bolling. "We won't be doing something historic by passing this damn thing. We'll be doing something historic if we succeed in making the new process work."

STUDENT SCORES DROP IN TESTS

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HUBER. Mr. Speaker, on several previous occasions, I have noted the disturbing trend in test scores of our young people. The most recent revelation is that science knowledge and skills of American students ages 9, 13, and 17 are declining. These test results, coming on top of a 10-year decline in SAT scores for college-bound students should give us all pause to think. As the article recalls, the launching of "Sputnik" by the Soviet Union in 1957 generated a great deal of activity to bolster our national spending on science education in particular and education in general. Evidently, money alone is not the answer. The article from the Washington Star-News of June 22, 1974, follows:

SCIENCE: STUDENTS' SCORES DROP IN TESTS

(By John Mathews)

Science knowledge and skills of American students ages 9, 13 and 17 are declining on the average, according to preliminary results of a nationwide sample of about 100,000 students tested over a three-year interval.

The decline raises the prospect that intensive efforts during the 1960s to improve science teaching in the schools—a direct reaction to the 1957 Soviet Sputnik launch—may be faltering this decade.

While the drop only amounts to less than two percentage points between the 1969–70 and 1972–73 school years when the tests were given, it is considered significant and more than just a statistical quirk.

The National Assessment of Educational Progress, a federally funded project of the Education Commission of the States, released the preliminary science results today at a Miami meeting. Since 1969, the assessment has completed tests of young Americans in science, reading, writing, music, citizenship, social studies and literature. Over the next two years, results will also be issued for mathematics, art and for a career survey.

Although some of the subject areas have had two rounds of tests, science is the first with results comparing tests over a span of time. The pair of tests are comparable, but not exactly similar, in order to avoid cheating.

Overall, the new science results show declines in just about every knowledge and skill area tested. Some questions were repeated in the second test with the result that student performance dropped on two-thirds of the repeated questions and rose on only one-third.

Results of the seven tests completed during the last five years show a composite picture on student performance which most teachers have generally suspected without firm evidence.

The results demonstrate that children who come from the Northeast, live in the suburbs, who have better educated parents and are white do better on the tests than children from other regions or those who live in rural areas or inner cities, or who have less educated parents and are black.

Family wealth and parent education have a greater positive effect on student performance on the tests than race or the geographic region where a child resides. Race results show that being white does not guarantee significantly better performance, but that being black—which often also means being poor and from a less educated family—results in lower test performance.

Over the seven tests, 17-year-old black children perform from nearly 20 percentage points below the national average in writing and 16.4 points below in reading to 5.7 points in music.

In reading, a 17-year-old—regardless of race—whose parents have had no high school education performs 11.1 points below the national average, while a 17-year-old whose parents have gone to college rates 5.6 points above the national standard.

Students from wealthier suburban families also significantly outdistance rural and inner city 17-year-olds. In reading, the typical suburban 17-year-old performs 5.6 points above the national average. The rural child is 2.6 points below and the inner-city child 7.7 points under the national scale.

The dramatic gaps in performance between children based on race, economic level, and family education also hold true for 9 and 13-year-olds tested in all seven subject matter areas.

Geographic regions shows the Northeast slightly ahead of the Central and Western regions of the nation, while the Southeast is significantly lower than the national average and the other sections.

ANTHONY M. YELENCSICS: DISTINGUISHED HEALTH LEADER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. PATTEN. Mr. Speaker, on Sunday, June 23, 1974, I took part in the dedication of the expanded John F. Kennedy Medical Center in Edison, N.J. Besides praising the contributions and efforts of many persons and organizations, I commended the superb leadership of Anthony M. Yelencsics, chairman of the center's board of trustees.

I have inserted the remarks I made at that expansion ceremony, so I can send a copy of the CONGRESSIONAL RECORD containing the speech to Anthony M. Yelencsics, a distinguished health leader and a cherished friend. The remarks follow:

Remarks by Congressman Edward J. Patten on Dedication of Expanded John F. Kennedy Medical Center, Edison, N.J., on Sunday, June 23

Ladies and gentlemen, this notable achievement we are celebrating today—expanding a 205-bed medical institution to a 415-bed complex—was made possible by the abilities and contributions of many people. They deserve the thanks of not only the 400 patients who enter this center every month, but the gratitude of thousands more who will use its efficient and modern facilities in the future to enjoy what Emerson called, "The First Wealth," which is, of course, good health.

I believe, however, that of all the many wonderful individuals and groups who helped convert this expansion dream to reality, one person—perhaps more than any other—deserves a special kind of appreciation for his deep interest, for his rare devotion, and for his truly great leadership: The chairman of the center's board of trustees—Anthony M. Yelencsics.

Tony Yelencsics' distinguished life can be described in four beautiful words: He cares about people. Whether he was mayor of Edison township during its most dynamic period of growth, whether he was active in civic affairs in positions of major responsibility or whether he provided the vigorous leadership that has helped make the John F. Kennedy Medical Center one of the finest and most respected in the east, Tony was there to help—and to lead. He is more than a popular leader and lover of mankind. Tony also has what Aristotle called, "excellence of character."

However, as we observe the dedication of this $13 million expansion project, I hope we will remember all of the persons who made their contribution, regardless of whether it was in finance, service, or in leadership. They all helped make this unforgettable day possible—and I salute them.

This medical center, which not only advocates, but practices, medical care that is efficient and compassionate, was named after a President millions of Americans will always admire, even cherish. During his brief, but memorable life, John F. Kennedy expressed many beautiful thoughts—and one of those that came from that highly cultivated mind was written on February 7th, 1963, in a special message to Congress on the importance of improving the Nation's health.

In that urgent message, President Kennedy expressed one of the Nation's most critical needs:

"Good health for all our people is a continuing goal. In a society where every human life is precious, we can aspire to no less. Healthy people build a stronger nation, and make a maximum contribution to its growth and development," President Kennedy declared.

Appealing to the imperative need of working together, the President with the promise of greatness reminded us that—"This national need calls for an effort which involves individuals and families, States and communities, professional and voluntary groups, in every part of the country." Ladies and gentlemen, even though over 11 years have passed, for some reason, I remember the day that message was sent to Capitol Hill by the late President. Even though he is physically no longer with us, I always feel inspired and refreshed by just thinking of him—what he tried to do, what he represented, and for what he would have achieved if he lived.

The dedication of the expanded John F. Kennedy Medical Center is an example of what can be achieved with the spirit of cooperation cited by President Kennedy in the past and now practiced by another great health leader, the chairman of the Senate Health Subcommittee, Ted Kennedy. He's leading the fight in Congress for national health insurance along with Rep. Wilbur Mills and Rep. Paul Rogers and I support their strong efforts as we seek a solution to one of our most serious domestic problems—the health field.

For despite our growing emphasis on the importance of providing better and more economical health care, America, the most powerful nation in the world, ranks poorly with less resourceful countries in effective health care. Although the quality of health care is not easy to measure, we know this: America ranks first among industrial nations in what is spent for health, but continues to trail in effective health care. The anomaly has aroused deep concern in Congress—and I share that concern.

The United States, for example, ranks 23rd in male life expectancy, which is incredible to me. Female life expectancy is also poor, ranking 10th, and our infant mortality rating is higher than in 13 other countries. Something has to be done to improve these disgraceful ratings. America should be preeminent in health and I firmly believe that national health insurance offers our best hope for achieving that preeminence.

Ladies and gentlemen, I'm very happy—and proud—to participate in this ceremony, because I know that this expanded center will help provide "good health for all our people" in the Middlesex County area—the kind of health envisioned by the late President Kennedy.

This has been the policy of this outstanding medical facility since it opened its doors—and its heart—to people in need of medical help in August, 1967. And I know that with your continued assistance and leadership, that policy will continue in the challenging, but bright and promising years ahead.

Now, from time to time, we hear the charge that there is a surplus of bed space in some hospitals—and that may be true in some cases. But I think that those who make that charge should consider the growth factor for the future—and the Middlesex County area is one of the most rapidly-growing in the east. This naturally means that as the population increases, the need for hospital beds increases.

Listen to these figures and you will be proud of Middlesex County's future:

In population, we had 584,000 persons in 1970. By 1980, Middlesex County will have about 709,000 people—an increase of 125,000! And by 1990, our population will probably reach 841,000—an increase of 44% since 1970.

In another important area, jobs, there will also be tremendous growth: The 1970 census showed there were over 236,000 jobs—and that by 1990, there will be 363,000—an increase of almost 54%!

I think that's wonderful. We've had a fine past and present and I know that we're also going to enjoy a great future. And one of the reasons I have faith in the future is because of people like you. In my lifetime, many persons have dreamed about building a hospital, but very, very few have succeeded, because there are many problems. But because of persons like Tony Yelencsics and you people, that dream has become an achievement. You've given your time, your minds, your hearts, perhaps even part of your souls—and I love you for that—and so do many others who have visited your marvelous medical center, which will continue to grow with the years.

I want to give you this assurance as I close:

As a Member of the House Health and Education Subcommittee on Appropriations, I'm going to continue to work—and fight—for increased appropriations so we can do the work that is vital in the most important field of all. We have to do more in the battles against cancer, heart disease, stroke, and other areas that affect millions of our people.

I also promise you that I will continue to be active in the fight to restore Federal aid for hospital construction, and medical schools, which has been eliminated by this administration in Washington that says so much but does so little. I want to see the fellowships and grants that have been eliminated, restored. There is so much more to do to improve the health of our people and you will always have a strong and active supporter in Ed Patten. Thank you very, very much.

MONSIGNOR FLANAGAN DAY

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. YOUNG of Illinois. Mr. Speaker, the headlines of our news media and our newscasts daily tell us of the ills and problems of our society. It is not news to talk about all of the good things that are happening in America since the great majority of our Nation are law-abiding, God-fearing, and responsible citizens. Now and then, however, it is necessary, proper, and appropriate to call to the attention of my colleagues and the people of the United States the accomplishments of some of our outstanding citizens. These individuals are often little known and little heralded outside of their own communities.

I would like to commend Mayor Nicholas Blase and the village of Niles, Ill., for officially proclaiming Sunday, June 30, 1974, as "Monsignor Flanagan Day":

Monsignor Flanagan Day

Monsignor Flanagan is the founding pastor of St. John Brebeuf parish—a Catholic community of more than 3,000 families. Though remaining in residence, he is retiring as pastor, effective July 1.

ORDAINED IN 1931

Monsignor John Flanagan was ordained to the priesthood of the Archdiocese of Chicago by His Eminence George Cardinal Mundelein, April 11, 1931. His education was at Epiphany school, Quigley Prep Seminary, and St. Mary of the Lake Seminary in Mundelein.

Before his appointment to Niles, he served as associate pastor at St. William's, Resurrection, and Our Lady of Solace parishes in Chicago, and at St. Hugh's parish in Lyons, Ill.

On June 29, 1953, His Eminence Samuel Cardinal Stritch appointed Monsignor Flanagan to form a new parish in the rapidly-expanding Village of Niles. Here, with a handful of families and some vacant property on Harlem avenue, the life of the parish began, with St. John Brebeuf, one of the Jesuit North American martyrs, as its patron.

In that year, 1953, Monsignor Flanagan had a dream—a dream to build a city of love. Now, 21 years later to that date, that dream is being realized. He is spiritual leader of more than 3,000 families. The buildings and grounds of St. John Brebeuf parish, on a 19-acre quadangle campus, are dominated by the church building, dedicated in 1966.

GROWN TOGETHER

Under the spiritual leadership of Monsignor Flanagan, St. John Brebeuf parish and the Village of Niles have grown together. With a school of enrollment of over 1100 students in 36 classrooms, more than 15,000 Niles students have been educated in St. John Brebeuf school. The parish's most famous event, the annual festival, attracts some 6,000 members of the community. The contribution of parishioners to the Niles Blood Program is outstanding.

Monsignor Flanagan has served the church and community well.

BEAN COUNTING

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. PRICE of Texas. Mr. Speaker, the conventional and most universally accepted method of describing the relative military strengths of the United States and the Soviet Union is to quantify the various military weapons systems by program, measure the defense expenditure of each, and then assess the relative military balance between the two. Sometimes called bean-counting, this rather useful and dynamic process results in an equation against which one can apply increases or decreases in military programs or expenditures to determine the impact on the military balance.

The major flaw in this system is the emphasis on quantity of weapons systems with only tangential reference to the quality of the systems. Admittedly, any measurement of qualitative characteristics is imperfect at best, but it is critical to the strategic equation. The utility and value of a weapons system is in direct proportion to the amount and level of research and development—R. & D.—a nation is willing to expend, and a major breakthrough in technology, which would significantly increase the quality of a system, is critical to the military balance. This fact can best be illustrated by our recent experience with the first Strategic Arms Limitations Talks—SALT—signed in May 1972.

This SALT agreement, concluded and formalized during President Nixon's visit to Moscow in May of 1972, gave the Soviet Union a quantitative edge over the United States in nuclear delivery systems. This asymmetry was accepted by the United States because our qualitative lead was considered sufficient as the necessary hedge against the quantitative advantage given to the Soviets. The U.S. edge was in the multiple independently targeted reentry vehicle—MIRV—which we were placing on our Minuteman missiles. We accepted the numerical asymmetry in nuclear weapons systems because of our qualitative lead. What we did not know, however, was that the Soviet Union was near completion of research and development on MIRV systems, which have since been tested aboard three or four totally new ICBM's. This "technological surprise" made our first SALT agreement less palatable, and the negotiations presently under way with the Soviet Union, referred to as SALT II, are bogged down in that qualitative quagmire.

The specific R. & D. programs which have enabled the Soviet Union to field many new weapons and demonstrate new technologies are unknown, primarily because of the closed Soviet society; but the aggressive modernization program undertaken by the Soviet Union is impressive and formidable. In the past year alone the Soviets have flight-tested four new ICBM's and have developed their first multiple reentry vehicle—MRV—launched from a submarine. Three of the four new ICBM's have been tested with the MIRV, which requires advanced computer technology, and all of the new ICBM's tested have demonstrated improved accuracy. Only through an aggressive R. & D. effort could results such as these have been achieved. The uncertainties of the Soviet R. & D. effort are frightening. For example, we do not know the degree of success the Soviets have had with the development of lasers as a weapons system, with new radar technology, new surface-to-air missiles, computer systems, or chemical and bacteriological warfare technology. The Soviet R. & D. effort is roughly twice that of the United States. We have reduced our military R. & D. program by about 21 percent since 1968, while the Soviet's R. & D. effort has remained vigorous and constant.

While the present defense budget before the Congress proposes several strategic R. & D. programs, designed as hedges against the uncertainties of SALT II, they are programs working with known technology and not pure research designed to delve into the unknown. This is one of the problems with our system. As the budget is reduced and the dollars get tight, we tend to invest more of our R. & D. dollars into programs in which there is certainty of achievement, rather than in areas of exploration.

One essential element in the strategic equation is the invisible level of Soviet R. & D., which poses a significant threat to our national survival. We can ill afford to be surprised by a weapons system developed by the Soviets against which we have no defense. This could be a real possibility if our R. & D. efforts continue to slide. We must have a broad-based continuing R. & D. program in basic research which cuts across the scientific spectrum in order to find new and advanced technology to insure our Nation's defense remains second to none.

IF YOU THOUGHT THE SQUEEZE SEASON WAS OVER, LOOK AGAIN

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. DENT. Mr. Speaker, I am curious to know, of course, where it all started, but I am more frightened to know where it is all going to end.

The other day in the New Republic I saw another warning of the newest trend in commodity retaliation—the Jamaican bauxite squeeze:

NOW THE JAMAICANS

The appointment of Arthur Goldberg as chief negotiator for the American aluminum companies in their running dispute with Jamaica—prime source of their bauxite—may defuse an explosive issue. Justice Goldberg is an experienced labor negotiator and a long-time acquaintance of Jamaican Prime Minister Michael Manley, who previously headed the National Workers Union, which includes Jamaica's 9500 bauxite workers. The former Supreme Court justice and US ambassador to the United Nations will be a prestigious advocate whose recommendations may be expected to carry weight with the powerful aluminum interests who have hired him.

The simmering quarrel with Jamaica, which has just announced its intention to up its annual "take" from approximately $25 million to around $200 million—comes at a time when the Nixon administration is still highly sensitive to anything faintly resembling another "economic war." The Arab use of oil as a weapon during and after last autumn's Yom Kippur war, and especially its sudden shock effect on a complacent American society, left ripples that still can be perceived. Recent—somewhat confused—efforts by seven Latin American banana-producing countries to levy unilateral export taxes on fruit mainly for the US market; moves by the world's six chief mercury producers to organize to hoard output and boost prices; formation in Conakry, Guinea in March of the International Bauxite Association, headquartered in Kingston, Jamaica—all these are worrying trends.

It is not the true "cartel" that concerns administration economists so much as sporadic actions by less developed producer countries determined, in some cases for domestic political popularity, to offset rising prices of vital imports by "soaking" buyers of their products. The true "cartel" is highly disciplined: it maintains tight control over output; it keeps reserve stocks on hand; it discourages competition from rival producers; it discourages its customers from switching to substitutes; it keeps prices high. The diamond producers—and to a lesser extent the gold and platinum producers—are true cartels. But the cartel implies orderly production and distribution. The Arab-inspired oil "embargo" was temporarily disruptive of economies in the US, West Europe and Japan but essentially it was disorderly. Some OPEC members cut back production (Saudi Arabia, Libya); others expanded to reap windfall profits (Iran, Iraq, Nigeria, Indonesia among others); some "embargoed" oil shipments to the US; others winked at lucrative violations.

The Arab example has served to stimulate some of the less sophisticated raw material producers to link price rises for their exports to price rises for their vital imports. The fledgling banana "cartel," for instance, already seems to be marching off in different directions. Costa Rica, the bellwether, plus Honduras and Panama have imposed a one-dollar tax per 40-pound crate of bananas for the US market. But Ecuador, now waxing rich on new oil strikes, is hesitant, as are Colombia, Nicaragua and Guatemala. Few seem to have been galvanized by the defiant threat of Panama's strong man, Omar Torrijos, who boasts that if the Americans refuse to buy bananas at the higher price he will "throw the bananas into the Panama Canal."

In the early 1950s—10 years before Jamaica won its independence from Great Britain—the American aluminum companies, headed by Reynolds, began buying bauxite reserves in Jamaica. By the 1960's Kaiser, Alcoa, Revere and Anaconda—plus Canada's Alcan—had moved in, too. Inexperienced and compliant, Jamaican governments arranged easy taxes solely on "profits" which, because the companies owned the ore and were merely transferring it or its second-stage, alumina power, to parent companies in the US or Canada, were remarkably light. In recent years Jamaica has been netting about $25 million yearly for 15 million tons worth of bauxite or alumina worth on the US market $175 million to $350 million. One ton of bauxite costs about $15 (it is rising to $22 shortly) but finished aluminum ingot, for example, is now selling at more than $600 per ton.

Two years ago the cost of living in Jamaica rose five percent, last year, 20 percent. Oil imports—used largely for processing bauxite into alumina—soared from $50 million to $150 million. Wheat imported for the vital US-Canadian tourist trade rose from $2.25 a bushel 18 months ago to six dollars and now is settling at around three dollars to $3.50. Other imports rose accordingly.

To offset price rises in imports—over which it had no control—Prime Minister Manley's government decided to raise the yield from the foreign aluminum companies whose activities it could control. Last year Manley suggested talks. His words fell on deaf ears. In mid-March this year, when talks finally began in Kingston, aluminum negotiators were slow at first to get Manley's message. By mid-May when the talks deadlocked, however, the aluminum giants had agreed to raise overall payments from $25 million to $80 million—but the Jamaicans refused to drop below the additional $200 million that they estimate they will have to pay the oil and other industrial producers this year and every year as far as anyone can see.

Manley has got approval of Parliament (where he has the votes) for legislation to: boost aluminum royalties and taxes to around $200 million; link these payments not to "profits" (which turned out—on paper at least—to be virtually invisible) but to the finished aluminum ingot prices in the US; fix minimum yearly production at 14 million tons. In addition he intends to win a "stake" or equity participation for Jamaica in each company, whether by stock transfers or the issuance of new stock. "Jamaica is the only bauxite producer in the world," said one Jamaican official "that doesn't own a penny of its own chief industry. Bauxite provides 40 percent of our foreign earnings—twice what we can earn from tourism."

Like so many sun-splashed, palm-fringed tourist meccas in the Caribbean, Jamaica is a tinderbox. Nearly half its two million inhabitants are 14 or younger. Population is growing at three to four percent yearly and every year sees tens of thousands of young men and women jamming into a labor market with virtually no chance of jobs. Crime—especially teenaged crime—is rising and the Manley government has responded with tough new gun laws and "gun courts."

From the US viewpoint an open break with Jamaica over "money" issues would be serious. The ripple effect would be grave throughout an already sullen Caribbean where Jamaica's example is closely watched. Talks are due to resume in Kingston soon and the hope is that Manley, a respected, moderate figure (and the son of Sir Norman Manley, a pioneer of Jamaican independence) will exert his considerable influence for a friendly settlement.

So that is what it means for the Jamaicans and the Alcoans and the Anacondians, but what about us Americans? Read on:

JAMAICA RAISES PRICES ON RAW MATERIALS—ALUMINUM'S GOING TO COST MORE

(By Ed Craig)

NEW YORK.—Prices of a wide range of household items will rise as a result of a move by a small Caribbean island to boost its income.

Pots and pans, toasters, ranges and range hoods, screen doors, lawn furniture—anything made of aluminum—presumably will be slapped with higher price tags when the island of Jamaica applies higher taxes and royalties on the bauxite it produces. Bauxite is a major component in the production of aluminum ingot.

Such basic economic areas as home building, autos, airlines and space vehicles also would be affected.

FOREGONE CONCLUSION

A bill increasing levies eightfold—from the present $25 million a year to $200 million—already has passed the Jamaican Parliament at request of Prime Minister Michael Manley. Its approval by the Senate is said to be a foregone conclusion.

While spokesmen for aluminum companies in the United States were reluctant to estimate the filtering down price effect on everyday items, the consensus was that it would mean an increase to two to three cents a pound in products made of aluminum.

Jamaica ships about two-thirds of its annual production of bauxite—approximately 13-million tons—to six U.S. and Canadian firms. They include Reynolds, Kaiser, Aluminum Co. of America (ALCOA), Anaconda, Revere Jamaica Alumina Ltd., and Aluminum Co. of Canada (ALCAN).

Kaiser has estimated its increased costs would jump $46 million a year. Alcoa and Anaconda said they would be paying an additional $22.5 million and $12.5 million, respectively.

"And we would have no choice but to pass on these hikes to the consumer," a spokesman for one fabricating firm said.

Using the yardstick of two to three cents a pound more, this would mean that a two-pound roll of aluminum household foil would cost another four to six cents at the local supermarket.

Aluminum foil, misnamed "tinfoil," consists almost totally of aluminum. More than 200-million pounds of foil is used every year in U.S. homes, institutions and elsewhere.

MORE COSTLY

The workingman, sprawled on a chaise lounge in his backyard with a beer can tilted to his lips, would find the experience more costly.

About two pounds of aluminum goes into a 24-can case of beer or other beverages. The average aluminum lawn chair weighs about seven or eight pounds, exclusive of the webbing.

Replacing a 10-pound screen door would mean another 20 to 30 cents added to its cost. A set of aluminum screens weighing a total of 20 pounds would go up another 40 to 60 cents.

Covering wood and frame houses with aluminum siding also would be more expensive, even if the increase would seem infinitesimal compared to the total cost—which ranges from between $2,000 and $3,000.

One industry spokesman estimated that it takes about 200 pounds of aluminum siding for the average Cape Cod house. Thus its cost would rise $4 to $6.

About one quarter of the annual aluminum output in the U.S. goes into the building and construction industry—more than 3 billion pounds. Producers of autos, trucks and airplanes use more than 2.2 billion pounds.

The average standard size automobile uses approximately 90 pounds of aluminum. The added cost with an aluminum price increase would run to more than $2.

An aluminum industry spokesman said the price of aluminum by the time it reaches the consumer level "is affected by many factors" and that to assume the added cost to the consumer would be a matter of "a few cents a pound" is "somewhat simplistic."

"Chances are the cost at the consumer level would be well above this in the end."

A spokesman for the Architectural Aluminum Manufacturers Association suggested that a 10-pound aluminum screen door "would cost what the traffic would bear.

"The housing industry is in pretty much of a slump these days, but even so screen door distributors would hardly boost their prices by a matter of a few pennies. The increase probably would be at least 15 per cent of the current price."

As to whether aluminum producers would look elsewhere than Jamaica for their bauxite, the Aluminum Association in New York pointed out that Australia is No. 1 in the industry. But shipping costs from Australia range up to $15 a ton; the cost of shipping bauxite from Jamaica comes to $3 to $4 a ton.

Probably the only good coming out of it all will be the mixed blessing of less aluminum cans cluttering the environment and more aluminum workers out of work. And what kind of a blessing is that?

CITIZEN OF THE YEAR AWARD

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, it is indeed my pleasure to call to the attention of my colleagues a noteworthy distinction bestowed upon a constituent of mine, Mr. Laurence Curtin of Quincy, Mass. The Citizen's Association of Quincy has honored Mr. Curtin with the "Citizen of the Year" award. As the following excerpt from the June 20 Quincy Sun explains, Mr. Curtin has served his community as a public spirited citizen for over 50 years. These long years of devoted service to the community through various organizations and civic affairs have prompted the Quincy Citizens Association to name their annual award after Mr. Curtin. I would like to congratulate Mr. Curtin in being the first recipient of this award and for setting such a high example for citizen participation in public affairs.

The text of the article follows:

The Quincy Citizens Association recently presented its first annual "Citizen of the Year Award" to the man whose name will be perpetuated by the award—Laurence J. Curtin.

"Henceforth," stated QCA president Pat DiStefano, "the award will be known as the 'Laurence J. Curtin Citizen of the Year Award'."

One of the founders of the QCA in 1967, Curtin has served the city of Quincy for more than fifty years in various church, civic and fraternal organizations.

When he graduated from Boston College in 1922 he was told by one of his Jesuit instructors to "go out into the community and become a part of it." And that is exactly what he did.

Curtin was a teacher for four years before he entered politics. In his first attempt at elective office he was defeated for Ward Three Councillor, but he came back two years later to be elected Councillor-at-large. He served in that position for six years and as City Council President for two. He lost in a bid for Mayor, but again, two years later was elected Councillor-at-large where he served for another four years. He was an unsuccessful candidate for Mayor in 1941 and then in 1957 when Quincy returned to Plan A government after eight years under Plan E (city manager).

Curtin was an outspoken opponent of the Plan E form of city government and as chairman of the Citizens Committee for Plan A, he was eventually successful in restoring the strong Mayor type of government to the city. Quincy has operated under the modified Plan A charter for the last 17 years.

"The real policy of Plan E was to borrow and spend," Curtin noted. "The city debt almost tripled in the first five years under the plan," he said.

But in addition to the costs, he voiced opposition to Plan E because it removed the local government further from the people. All councillors were elected at-large and the city manager was appointed and not subject to the will of the people. The "Mayor" was elected by the City Council and his functions were mostly ceremonial.

Curtin continued this philosophy of bringing government closer to the people by helping to organize the QCA. In its statement of purpose, Curtin wrote that the QCA was established to . . . "stimulate in the citizens of Quincy an active interest in governmental affairs, to increase the efficiency of popular government, to provide a forum for discussion of local, city-wide and other governmental affairs, and to provide our elected officials with the sentiments of the people on public affairs."

In short, Curtin wrote that, "not only should government be brought closer to the people, but the people should be brought closer to the government."

Curtin again tried to involve citizen participation when the city was recently rezoned. He served as presiding chairman of the Advisory Committee on Proposed New Zoning at its public hearings in 1970, and worked with community leaders from across the city on zoning recommendations.

Curtin has also been active in the Knights of Columbus, where he is an honorary life member. He joined Quincy Council No. 96 in 1926 and was named Knight of the Year in 1973. He is also past Grand Knight, former District Deputy and holder of the Meritorious Service Award for 1971–72.

A native and life-long resident of South Quincy, Curtin resides on Dale Ave. with his wife of forty years, the former Margaret Brown. He has two sons, Peter Curtin of Texas and Laurence Curtin, Jr. of Braintree, and seven grandchildren.

A man of principle and a man with a philosophy of government, the Curtin Award will be presented by the QCA to persons who measure up to the standard set by its first recipient—Laurence J. Curtin.

FINANCIAL DISCLOSURE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WALSH. Mr. Speaker, in accordance with a promise I made several weeks ago, I herewith make public my financial statement for inclusion and publication in the CONGRESSIONAL RECORD of June 25, 1974:

My total gross income for 1973 was $60,648. The adjusted gross income was $55,975 and I paid a total State and Federal income tax of $12,480.

The income is derived from my congressional salary, plus income from a New York State pension, fees as a member of the board of trustees of a local bank, interest on savings, and interest on mortgage on a home I formerly owned. The State pension is based on 36 years of membership in the New York State retirement system during which time I made contributions to the fund.

I serve as a member of the board of directors of Maria Regina College and Elmcrest Children's Center for which I receive no fees.

I do not accept honoraria for speaking engagements.

My assets include real estate valued at $54,000, a modest savings account, a $5,000 car and a $2,500 station wagon.

I have liabilities of approximately $12,000.

The full details have been filed with the Clerk of the House of Representatives as required by law.

ENERGY AND THE ENVIRONMENT

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RUPPE. Mr. Speaker, the following editorial which appeared in today's Wall Street Journal is a commendable statement on the responsible manner in which the House Committee on the Interior and Insular Affairs acted in writing H.R. 11500, The Surface Mining Control and Reclamation Act of 1974. It demonstrates some of the misconceptions presently held as to the contents and effects of this legislation. I direct my colleagues attention to this article and, especially, the section dealing with "approximate original contour":

> ENERGY AND THE ENVIRONMENT
>
> You wouldn't know it from all the ruckus, but the administration and the House Interior Committee are not all that far apart over the strip mining control and reclamation act soon scheduled for debate in the House.
>
> There is a lot of public clamor, to be sure, with the administration claiming and the committee majority denying that provisions in the bill could reduce total coal production by as much as one third. But essentially, both sides agree that federal minimum standards are necessary to balance important national environmental and energy needs. Now it remains for them to work out the details so that a genuine balance is preserved.
>
> Perhaps the major drawback of the House Interior bill is that it tries to be all things to all people. To cite just one example, the decision to earmark the millions of dollars for research and training in mining and mineral extraction, to be carried out by private firms and at one public college or university in each state, appears to have been dictated as much by political as engineering considerations.
>
> Nevertheless, overall the bill strikes us as a reasonable attempt to reconcile conflicting viewpoints, particularly since some of its principal sponsors recognize imperfections in it and appear willing to compromise. Some members say privately they have no real objection to extending the interim compliance section, which as written requires mining companies to meet environmental standards almost immediately during the 36-month transition period. Other members are inclined to agree with the administration that the proposed 30 cent-per-ton reclamation fee may be too high, although they insist that some sort of fund is necessary to reclaim abandoned coal mines and rehabilitate the land and streams damaged by earlier coal mining.
>
> But the House proposal is saddled with misunderstanding and even misinterpretation. For example, industry critics say the requirement that mined land be restored to its approximate original contour would require digging "another hole nearby, two or three times as large, without removing the coal—and thus disturbing two or three times as much land in the name of protecting the environment." Industry and the administration also insist that the "approximate original contour" provision precludes more desirable post-mining land uses. But the bill specifically exempts such foolishness.
>
> Moreover, it specifically permits planned and controlled subsidence (or "longwall" mining). This means that fears about millions of tons of coal being taken out of production, in the belief the bill would be interpreted to prohibit orderly subsidence, have no real basis in fact. In any event, the administration and Interior Committee basically agree on this issue, so all that remains is to rewrite the provision in mutually acceptable language.
>
> Like the Senate strip mining bill, the House Interior version will impose changes on the coal industry. Some will be merely pro forma, others will be annoying. Still others, like the approximate original contour provision and provisions regulating highwalls and spoil on downslopes, will require major changes in coal mining procedures. Ultimately they will raise costs for consumers.
>
> The alternative to federal legislation is to leave standards to the states, which largely lack the means to enforce them and which generally don't require adequate planning and financing of rehabilitation. But a federal law would provide a legal framework within which companies could mine coal with a clear understanding of just what is and what isn't allowed. That would spare the industry the agony of doubt and indecision, and at the same time it would express the national concern about protecting the environment while we search for solutions to the energy shortage.

UNITED STATES IS KEEPING ITS WORD

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. SPENCE. Mr. Speaker, the Jane Fondas and Tom Haydens of this country have not yet given up their dream of a Communist victory in South Vietnam. For years we have suspected that what they meant by "peace" in Indochina was the laying down of the arms of one side—the side of our allies—and unified rule from Hanoi. The evidence is accumulating that this is what these people had in mind all along.

The syndicated political columnist, Mr. Nick Thimmesch, recently pointed this out in the Baltimore Sun of June 6, 1974. This experienced commentator noted that:

> James R. Schlesinger, the Secretary of Defense, was right when he said the U.S. is committed to send South Vietnam the

tools for self-protection for one simple reason: because we said we would. The same point could be made about continued military assistance to Israel—we must do it, because we promised we would.

Mr. Thimmesch went on to write that—

> The effort to cut funds for South Vietnam was carefully laid out last October by the "Indochina peace campaign", representing 15 organizations, and spurred by Tom Hayden, husband of Jane Fonda. Mr. Hayden had already met in Paris with officials of the Viet Cong's Provisional Revolutionary Government, thus suggesting a well-coordinated plan.

Mr. Thimmesch continues:

> The October meeting, ended with a "united campaign to pressure Congress," and the view that "the antiwar movement now has the objective capacity to actually force an end to U.S. aid to the Thieu government" and to Cambodia.

Mr. Speaker, I hope all of our colleagues will read this very perceptive column by Nick Thimmesch and I insert it into the Record at this time:

U.S. Should Keep Its Word To Saigon

(By Nick Thimmesch)

Washington.—Of the lesser priorities in most Americans' thinking these days is what happens to South Vietnam. Most people want to forget that ordeal. But a struggle continues in Congress over whether the United States will keep its word and help the Saigon government remain strong.

James R. Schlesinger, the Secretary of Defense, was right when he said the U.S. is committed to send South Vietnam the tools of self-protection for one simple reason—because we said we would. The same point could be made about continued military assistance to Israel—we must do it, because we promised we would.

Yet, it has become popular among some aspiring politicians in this town, Senator Edward Kennedy (D., Mass.), for one, to join the pro-Hanoi lobbying group against South Vietnam. Their line is that President Nguyen Van Thieu's government is corrupt, the war and the killing go on, there is brutality toward political prisoners, and our support costs billions. Therefore, the U.S. should sharply cut, or eliminate, military and economic aid to Saigon.

The anti-Saigon lobbyists had fair success. The Nixon administration asked for $1.6 billion in military aid to South Vietnam for 1975. The House finally okayed $1.1 billion, and the Senate will soon vote on a $900-million recommendation by its Armed Services Committee. An administration request for $775 million economic aid in 1974 was trimmed to $650 million. The administration asks for $910 million in 1975.

The effort to cut funds for South Vietnam was carefully laid out last October by the "Indochina peace campaign," representing 15 organizations, and spurred by Tom Hayden, husband of Jane Fonda. Mr. Hayden had already met in Paris with officials of the Viet Cong's Provisional Revolutionary Government, thus suggesting a well coordinated plan.

The October meeting ended with a "united campaign to pressure Congress," and the view that "the antiwar movement now has the objective capacity to actually force an end to U.S. aid to the Thieu government" and to Cambodia.

A "spring offensive" was promised, and it came in March with an anti-South Vietnam meeting in a House office building conference room arranged for by Representative Ronald V. Dellums (D. Calif.).

Miss Fonda and Mr. Hayden toured the country, appearing on TV and radio talk shows, and giving newspaper interviews about the bad old United States to anyone gullible enough to listen. Their rule was they would not allow guests on the programs to challenge their views. Indeed, they even appeared on Martin Agronsky's Evening Edition, a public broadcast TV program from Washington, holding Mr. Agronsky to their no-challenge rule.

The reality of South Vietnam is that President Thieu, while not a democrat by American standards, is about as good as any ruler in Indochina, has held the country together, and has an army which has successfully repulsed the Viet Cong and North Vietnamese forces.

The North Vietnamese are as wanton and ruthless as ever, killing village leaders, burning homes of resettled refugees (Wonder why Senator Kennedy never speaks of that?), and violating the Paris agreements.

Henry A. Kissinger, the Secretary of State, responded to Senator Kennedy's challenges on Indochina with a short letter and a long statement, and was expected to do more this week before Congress. The gist of Dr. Kissinger's argument is that the U.S. will continue to provide "material assistance and political encouragement" to the Indochinese governments so that they can determine their own futures.

Dr. Kissinger noted that casualties in South Vietnam have been substantially reduced since the 1973 ceasefire, but that "the fundamental problem is that the North Vietnamese are still determined to seize political power in the South, using military means if necessary . . . [with] continued widespread terrorism against the population."

THE STATUS OF SOVIET JEWRY AND THE PRESIDENT'S TRIP

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BADILLO. Mr. Speaker, later today the President will embark upon a trip to Moscow, ostensibly to further the cause of détente between this country and the Soviet Union. However, the foundation upon which détente is being created is seriously jeopardized by the attitude of the Soviet Government toward the Jewish minority in the U.S.S.R. and, in particular, by the ill-conceived moves taken to stifle the voices of legitimate dissent in the Jewish community and to deny the freedom of emigration to many Jewish citizens.

The outrageous action of the Soviet Union in arbitrarily arresting and imprisoning some 50 persons associated with the movement to provide freedom for Soviet Jews a few days in advance of Mr. Nixon's visit is a blatant violation of basic human rights and deserves the strongest possible condemnation by our leaders. Silence on this pressing issue cannot be maintained and a meaningful détente cannot be achieved if the Soviets persist in these untoward acts which defy international agreements to which both of our countries are parties.

On the broader issue of freedom of emigration and the protection of the basic rights of Soviet Jews, the United States must make its position crystal clear to Secretary Brezhnev and his officials. The President's journey would be a most appropriate occasion during which this pressing matter could be fully aired with Soviet leaders with a view toward securing a meaningful commitment that the long-standing campaign of harrassment and intimidation of the Soviet Jews will cease and that they will be guaranteed the right to travel freely and to emigrate to other lands should they so desire.

Yesterday, 39 of our colleagues joined with me in writing to the President, urging him to raise the issue of the status of Soviet Jews with Communist Party Secretary Brezhnev and to express the deep concern of this country over the problem of the Jews' emigration rights. I want to thank this bipartisan group for joining in the letter to the President and I insert it herewith for inclusion in the Record:

House of Representatives,
Washington, D.C., June 24, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: As you are about to embark on your important mission to the U.S.S.R. we respectfully urge that you raise with Secretary Brezhnev and other Soviet leaders, at the earliest possible time, the long-standing and very troubling issue of the status of Soviet Jews. We are especially anxious that you impress upon the Soviet officials our very deep concern, and that of our constituents, over the various forms of repression and intimidation of Jewish citizens by the Soviet Union and the unconscionable campaign by that government to deny the freedom of movement and emigration to many of its citizens.

We understand that the Soviet Union claims that its emigration practices are solely an internal affair. It must be clearly noted, however, that the freedom of movement and the right of a person to leave any country is universally recognized as a basic human right and upheld by international law, including the Universal Declaration of Human Rights.

While some Jewish citizens have been fortunate in receiving official permission to leave, the Soviet government has reduced emigration by almost 40 percent this year and at the present time there are estimated to be some 135,000 Jews who are awaiting permission to emigrate. May recorded the lowest monthly emigration figure in over two and a half years. This fact certainly defies the Soviets' claim that the number of applications have declined and that most of those applying for exit visas have received them.

In adhering to the United Nations Charter the U.S.S.R. supported that body's basic principles of ". . . promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion; . . ." However, its actions and policies toward the Jewish minority would surely seem to belie such a commitment. Those who have the courage to apply for exit documents are economically, socially and culturally isolated and are singled out for especially prejudicial treatment. Some have been arrested and imprisoned on trumped-up charges and others are fired from their positions and live in a state of constant fear and apprehension.

The Congress has clearly indicated its position on this critical issue by its overwhelming support for the right of individuals to freely emigrate. Thus, we believe that the leaders of the Soviet Union must be reminded of our firm resolve on this matter and of our strong disapproval of the inhumane tactics employed against Soviet Jews. We feel it is incumbent upon you to express to them America's moral concern and indignation over the problem of the emigration rights of Jews in the Soviet Union and earnestly hope that you will do so.

Sincerely,

HERMAN BADILLO,
Member of Congress.

OTHER SIGNATORIES

Bella S. Abzug, Bill Archer, Frank Brasco, George E. Brown, Jr., Mendel J. Davis, John J. Duncan, Donald M. Fraser, Sam Gibbons, Ella T. Grasso, Ken Hechler, Marjorie S. Holt, Clarence D. Long, Charles A. Mosher, Claude Pepper, Thomas M. Rees.

Joseph P. Addabbo, Alphonzo Bell, Jack Brinkley, Hugh Carey, Robert F. Drinan, Hamilton Fish, Jr., Bill Frenzel, Benjamin A. Gilman, Bill Gunter, H. John Heinz III, Norman F. Lent, Elizabeth Holtzman, Edward J. Patten, Peter Peyser, Peter W. Rodino, Jr.

Angelo Roncallo, Paul S. Sarbanes, Lester Wolff, Andrew Young, Jack Kemp, Benjamin S. Rosenthal, Charles Vanik, Antonio B. Won Pat, Gilbert Gude.

THE PRESIDENT SHOULD NOT ATTEND THE SOVIET SUMMIT MEETING

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RONCALLO of New York. Mr. Speaker, 50 Russian Jews have been arrested, some severely beaten, in anticipation of the President's trip to the U.S.S.R. This trip is not worth the brutalizing it might continue to cause to innocent Russian Jews. It is necessary for each of us to publicly raise our voices in protest at this latest barbaric threat to Soviet Jewry. I have cosponsored a resolution calling upon President Nixon to intervene on behalf of the 50 arrested Soviet citizens and to forgo the Soviet summit meeting until Russian leaders give their assurance that the President's visit will not be used as an excuse for the persecution of Soviet Jewry.

The resolution follows:

DRAFT OF RESOLUTION

Whereas we along with all Americans and freedom-loving people throughout the world are outraged over the Soviet Union's arrest in advance of the summit meeting of fifty Soviet dissidents involved in the movement to free Soviet Jews, and

Whereas many of these persons involved have been severely beaten, harassed, and imprisoned, and

Whereas such oppression is contrary to international morality and the sanctity of basic human rights, and

Whereas Soviet leaders have consistently stated that political harassment is outside Soviet law, and

Whereas no successful détente can be established without assurance of the preservation of fundamental human rights which are basic tenets in the American tradition: Therefore be it

Resolved, That it is the sense of the Congress that the President not attend the summit meeting until Soviet leaders provide assurances that this visit will not be used as an excuse for intensified persecution of these heroic people struggling for basic human rights; and be it further

Resolved, That it is the sense of the Congress that the President immediately intervene on behalf of these fifty persons and demand both an end to these injustices and the immediate release of all those involved.

COSTS OF ELECTRONIC SURVEILLANCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. KOCH. Mr. Speaker, I am appending material from Prof. Herman Schwartz' article entitled "A Report on the Costs and Benefits of Electronic Surveillance—1972" for the information of our colleagues:

COST OF ELECTRONIC SURVEILLANCE

1969

With the arrival of the Nixon administration, federal wiretapping and eavesdropping began. It started slowly in 1969, but by 1971 the federal government became the single most extensive eavesdropper. The states did not slack off, however, and as a result 1969 saw a sharp increase in the overall rate of law enforcement surveillance.

1. Federal surveillance.

a. Authorizations and installations.

The federal government made only 34 applications for electronic surveillance authority, of which 33 were granted and 30 installed.

b. Offenses.

Authorizations: G, 22;[1] D, 5;[1] H, 0; K, 1; O, 5.

Installations: G, 20; D, 4; K, 1; O, 5.

This predominance of gambling—67%—with drugs a weak second, has continued and indeed increased, as the summary shows.

c. Place.

Six of the 30 installations were in New York, and 6 in New Jersey—thus 40% were in just two states, a concentration that is repeated in the state figures.

d. People.

The Appendix figures indicate that some 4,256 people were overheard, an average of about 147; again the Admin. Off. Rep. is somewhat different, but the differences are not great—an average of 152 and a total of 4,308. What is especially interesting, however, are the averages per installation, by offense:

G, 101; D, 145; K, N.I.; O, 332; All, 147.

As will appear below, these contrast very sharply with the State averages, which are much lower.

e. Conversations.

Adding up the conversations reportedly overhead as individually described in the Appendix, we get an overall total of 41,929, and an average of 1,446 conversations per installation, a few thousand conversations less than the 44,442 total derived from the Admin. Off. Rep. average of 1444.4 for the 30 installations.

The breakdown of average number of conversations per installation, by offense, is as follows:

G, 1,512; D, 1,778; K, N.I.; O, 921; All, 1,446.

It will be noted that in 1969 more was overheard on drug installations than on gambling. This pattern shifted radically in future years, without any apparent explanation.

f. Duration.

Of the 30 installations, some 20 were less than 20 days—generally, the average period of time, including extensions, has been some 13 days. However, 3 of the gambling installations, 1 drug and 2 others were from 20 to 29 days, and 3 installations were from 30 to 59 days.

2. State surveillance.

a. Authorizations and installations.

By December 31, 1969, some nine states had authorized use of wiretapping, though Massachusetts did not report any usage in 1969; the other states were Arizona, Colorado, Florida, Georgia, Maryland, New Jersey, New York and Rhode Island. These states obtained 269 authorizations and made 260 installations; there were 189 extensions. Here again, the Admin. Off. Rep. has a much lower figure for installations: again this is because the Administrative Office improperly considers installations for which there are no reports of conversations and persons overheard, as not installed.

b. Offenses.

The relative proportions begin slowly to move toward an increase in gambling and a corresponding decrease in the rest, particularly drugs. The 1969 individual Appendix figures show the following:

Authorizations: G, 79; D, 85; H, 19; K, 1; O, 85; All, 269.

Installations: G, 78; D, 80; H, 19; K, 1; O, 82; All, 260.

c. Place.

Again, New York accounts for the bulk of the interceptions, this time with New Jersey a distant but clear second: 191 orders were granted in New York and 45 in New Jersey. Within New York, a preponderance in some areas appears again. This time, Queens had 51 orders and some 49 installations; Brooklyn and the Bronx dropped to 19 and 23 respectively, from the prior year's 68 and 33, even though the time period was twice as long. Elsewhere, Maryland had 15 orders and installations, Arizona had 8 orders of which at least 5 were installed, Georgia had 5 orders and at least 2 were installed, Colorado and Florida each had 2 orders and 2 and 1 installed, respectively, and Rhode Island had one.

d. Persons.

There is a very great disparity between the figures computed from the Appendix and those in the Admin. Off. Rep. The 1971 ACLU Report indicated that some 26,876 people were overheard—this is the difference between the average number of people overheard, multiplied by the total number of installations for all 1969 surveillances (116×271=31,436) less the federal average multiplied by the federal total (152×30=4,560). But adding up the total of the individual reports in the Appendix produces only 8,590 for some 214 installations, or an average of only 40, not the 112 indicated in the Admin. Off. Rep. Even if the 40 is extrapolated to all 260, the total is still only 10,400.

The 40 figure seems the more plausible, since the 1969 figure was only 25 and, as will be seen below, the 1970 and 1971 state figures from the Appendix are 43 and 34 respectively, and from the Admin. Office, 39 and 33 respectively. For this reason, the overall average for all installations is not likely to have been 112, as the Admin. Off. Rep. indicates, but about 50. As a result, the original 1969 state figure in the ACLU report was overstated by about 16,000.

The breakdown of averages of people overheard per installation by offense is as follows:

G, 48; D, 27; H, 16; K, 19; O, 54.

e. Conversations.

Here, the Appendix and Admin. Off. figures are close. The Appendix figures show 126,452 conversations in 228 installations, or an average of 555 per installation, broken down by offense as follows:

G, 525; D, 405; H, 1,100; K, 21; O, 615; All, 555.

Extrapolating this 550 average to the 260 installations, one arrives at 144,300, or about

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[1] The Admin. Off. Rep. summaries show 23 gambling and 4 drug applications, but this seems wrong, according to the individual statistics in the Appendix.

15,500 more than the Admin. Off. Rep. figure of 128,771 which is arrived at by deducting from the total (641×271) the federal total (1498×30).

f. Duration.

Again, the surveillances were for very lengthy periods. Out of 229 installations for which time reports were filed, four were over 200 days, 5 were from 100–199 days, 37 were 60 to 99 days, 70 were 30–59 days, and 47 were 20–29 days. 116 out of 229, or over 50% were 30 days or more, and 46/229, or 20% were 60 days or more.

In New York, 60 days was very common, and in Manhattan, devices were in operation for as long as 200 and 120 days; in Queens there were two 220-day installations and several for about 100 days.

1970

1. Federal surveillance.

a. Authorizations and installations.

Federal surveillance began to move into high gear with 180 installations on 183 applications, all of which were granted; in addition, there were 43 federal extensions. No federal applications were turned down.

b. Offenses.

The federal pattern became clearer, as it switched overwhelmingly to gambling.

Authorizations: G, 121; D, 40[2]; H, 0; K, 0; O, 22[2]; total, 183.

Installations: G, 120; D, 39; O, 21; total, 180.

c. Place.

Fifty-three out of the 180 were in New York or New Jersey, with another 29 in Pennsylvania. Thus, 3 states accounted for almost half the total installations.

d. Persons.

The total number of persons overheard, according to the appendix statistics was 10,158, broken down by offense as follows:

G, 6,746; D, 2,234; O, 1,178; All, 10,158.

This is very close to the total obtained from multiplying the federal average for 1970 (57) by the 180 installations, which comes to 10,260; the averages are also similar to those of the Admin. Off. Rep., which has an overall average of 57;

G, 56; D, 57; O, 56; All, 56.

There are huge drops from the 1969 average figures. For example, the drug average drops from 145 to 57 (the state average in 1969 was 31), and there is an enormous drop in the Other, from 332 to 56 (the state average in 1969 was 54). Since the 1970 averages are close to the 1971 figures, it seems likely that the 1969 figures are unusually high or unreliable, or both.

e. Conversations.

Here, the figure is very close to that computed from the Admin. Off. summaries: 143,508 from the Appendix as against 142,780. The breakdown here is:

G, 120,645; D, 17,453; O, 5,410; All, 143,508.

The averages per installation by offense are:

G, 1,006; D, 448; O, 271; All, 797.

The Admin. Office average is 821.

f. Duration.

The average duration again seems to be between 10 and 15 days (105 were 1–19 days) but 30, or 1/6 were 30 or more days, with the balance from 20–29 days.

2. State surveillance.

a. Authorizations and installations.

Some 414 authorizations were granted to law enforcement officers in 11 states. These resulted in 410 installations; the Admin. Office reports only 403, probably for reasons similar to those already discussed.

b. Offenses.

These authorizations and installations break down as follows:

Authorizations: G, 205; D, 86; H, 20; O, 96; N.I., 7.

Installations: G, 204; D, 84; H, 20; O, 95; N.I., 7.

It will be noted that gambling has gone way up, accounting for 50% of the total, that drugs have dropped to 20% from about 30% in 1969 and 42% in 1968; this corresponds to the federal movement.

c. Place.

Again, New York accounts for the single largest proportion—213 authorizations—but this time with New Jersey close behind with 178. Together they accounted for almost 85% of the installations. Sixteen other states granted their police wiretapping authority, but seven did not choose to exercise it.

d. People.

The number of people overheard on these state surveillances was 15,654 (the Admin. Off. Rep. reports a similar figure, 15,392). The breakdown is:

G, 5,836; D, 3,383; H, 185; O, 6,240; N.I., 15.

The averages per installation by offense, and for all offenses are:

G, 29; D, 53; H, 11; O, 82; All, 43.

The overall average of 43 is quite close to the Admin. Off. Rep. average of 39 and to the computed 1969 average of 40, and supports the soundness of that figure as against the 112 figure in the Admin. Off. Rep. The averages per offense vary sharply from the 1969 and 1968 figures, however, with a very sharp reversal in the drug and gambling averages.[3]

e. Conversations.

The total from the Appendix figures comes to 230,255 which is somewhat lower than the Admin. Off. Rep. figure of 234,085. The breakdown per offense, and the relevant averages are:

G, 82,481; D., 28,363; H, 23,974; O, 33,616; N.I., 61,122.

G, 408; D, 476; H, 1,351; O, 566; N.I., 10,187; All, 665.

The overall average of 665 is much greater than a figure of less than 500 in the Admin. Off. Report.

f. Duration.

Again, the state surveillance was very lengthy. Eleven were between 100–199 of which 2 were 200–299 days; 22 were 60–99 days, and 55 were 30–59. Thus, 88 were 30 or more days, or over 20%. Out of 170 gambling installations for which permits were reported, 127 were 0–19 days; on the other hand, 32 out of 62 Other installations were 30 or more days, with 17 over 60; the two 200–299 were in this category. The drug installations were evenly scattered among the three first time categories (0–19, 20–29, 30–59) with six lasting for 60 or more days.

WITHDRAW RECOGNITION FROM SUDAN

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. LEGGETT. Mr. Speaker, I have never felt that recognition of a foreign power should depend upon our evaluation of its domestic policies. I favored establishment of relations with mainland China back in the days when Mr. Nixon would have called me a traitor had he known my views. Today I do not advocate withdrawal of recognition from repressive dictatorships such as Greece, Brazil, and Chile, no matter how repugnant their governments and no matter how disgraceful our policy of supplying them with the economic and military support necessary for them to stay in power.

Nevertheless, I believe it is clear that Sudan has forfeited its right to our aid and to our recognition. Two of our official representatives were killed on its soil and the murderers were captured; yet, today they are free, returned to the organization which directed their murderous activities.

Since our diplomats do not enjoy the protection of the law in Sudan, we cannot continue to send them there. Withdrawal of recognition—and, more importantly, of aid—is necessary both as an act of justice and as a deterrent to other nations which may be tempted to follow a similar course should a similar atrocity occur on their soil—as we can be sure it will if we continue business as usual in Sudan.

ELECTRIC UTILITIES—BUSINESS AS USUAL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HARRINGTON. Mr. Speaker, one fact of the energy crisis that has not received the attention it deserves is the tremendous hardships it has inflicted on the majority of Americans. Skyrocketing petroleum and electricity prices have fueled our double-digit inflation. Millions of Americans at the lower end of income scale, and those on fixed incomes and social security have been hardest hit by the tremendous increase in the cost of basic energy resources.

Yet the Nation's utilities have paid little or no attention to the hardships they have helped foster. The fuel adjustment clause, which insulates the utility from rising costs at the direct expense of its customers is the most notable example to the utility industry's response to the energy crisis.

In a perceptive article in the New York Times of June 23, Edward Cowan describes the "business as usual" attitude of our electric utilities, both public and private.

Until the utilities recognize that they must accept some responsibility for the hardships they are creating by their skyrocketing rates, and begin to act to alleviate some of the burden on their less fortunate customers, then the anger and outrage that has been directed toward the utilities in the past months will continue to grow in the months ahead.

I commend this article to the attention of my fellow Members:

SOCIAL IMPASSE IN ELECTRICITY RATES

(By Edward Cowan)

WASHINGTON.—There was a disturbing flavor of business-as-usual when W. Bonham Crawford, president of the Edison Electric Institute, discussed the electric utility industry's problems here the other day.

An Annapolis graduate and former vice President of Consolidated Edison, Mr. Crawford heads an organization that says its 193 member companies serve 78 per cent of the country's electricity consumers.

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[2] The Admin. Rep. has 41, but it should be 40; #5 may have been counted as a "drug," though listed only as "conspiracy."

[3] An annual comparison of the averages will appear in the summary to this section.

To be sure, Mr. Crawford came to the National Press Club to speak and to answer questions with the express purpose of showing that business is not as usual, that his industry is experiencing genuine problems and needs help from government. Yet Mr. Crawford seemed essentially to be talking about "profits" and "growth," a rather narrow lens through which to view a national energy problem.

The industry "faces real financing difficulties," the chief spokesman for privately owned utilities said. And what did he prescribe to cure these ills? "More adequate, more expeditious rate relief," Mr. Crawford said.

There may be a measure of realism in that. After all, the utilities, like everyone else, are paying more for coal and oil. So they have to charge more, right?"

But they already pass along higher coal and oil prices as a "fuel cost adjustment," shown separately on the electric customer's monthly account. If there are other major cost increases that justify a general plea for additional rate relief, Mr. Crawford didn't make much of them.

More disturbing was his tone on other issues. He did not deal directly with a question that suggested utilities weren't promoting conservation aggressively because they feared the revenue loss. He acknowledged "an adverse effect" and then went on to befog the issue by saying piously that "it is not in anybody's interest to promote wasteful use" of power.

Mr. Crawford seemed to imply that the industry already has done its bit for conservation. In the first 20 weeks of 1974, he said, national power consumption climbed by a thin 0.5 per cent, as against pre-1974 expectations of 6 to 7 percent annual growth.

He went on to forecast that electricity would expand its share of the energy pie and that consumption would return to its former growth rate—or more.

That led (no surprise) to his assertion that the industry must earn profits of 12 to 13 per cent on equity, instead of a recent 9 per cent, to be paid by customers in addition to the "fuel cost adjustment." The public must accept, that the "days of cheap energy are a thing of the past," Mr. Crawford argued.

He was not so keen about breaking with the past, however, on the question of rate design. Someone asked how the industry could justify continuing the "quantity discount"—charging lower unit prices to big users.

The president of the Edison Electric Institute attacked "quantity discount" as a euphemism, then went to demonstrate that it is literally accurate. Power prices should reflect power costs, he said.

That did not, however, lead him to discuss proposals for charging penalty rates to peak-load customers, who are said by some analysts to account for more than their proportionate share of costs. Such customers might be factories, stores and households—anyone using power during the hours of peak demand.

Would it be fair, he asked rhetorically, "to charge General Motors the same price" paid by its employees at home? He thought not. And he warned that "discrimination against industrial customers" could have "job and incomes ramifications."

But wouldn't rate inversion (raising the price per kilowatt-hour as consumption rises—or at least flattening rates that now decline) promote industrial efficiency, someone asked.

Mr. Crawford replied that, sure, it was possible to manipulate rates to achieve some presumed social purpose" but that it was "a question of who is to be discriminated against, who makes the decision."

He seemed to be saying, that the utilities cannot imagine themselves making policy decisions by anything other than the traditional economic calculus.

That is true not only of privately owned utilities according to a spokesman for the publicly owned variety.

"Our members feel rather strongly that they don't want to get into these judgments," said Alex Radin, general manager of the American Public Power Association.

Mr. Radin, who heard Mr. Crawford's speech, said the utilities feared that "they might be sued by a large industry for being discriminatory" if they inverted their rates. He also said that his constituents would adopt peak-load pricing "if it follows costs" and that they have sought ways "to better balance loads and spread out the peaks."

There is a cost case to be made for inverted rates, but not the kind that can be adduced from the utilities' books. As Mr. Crawford suggested, it is a case that rests on social values that go beyond profit-and-loss. It is a case that takes account of the wider costs of energy gluttony—environmental damage, balance-of-payments drain, weakened foreign relations, choked roads and too little exercise.

To judge from the remarks of spokesmen like Mr. Crawford and Mr. Radin, the managers of the nation's electric utilities are unlikely to embrace bold, innovative measures, especially if the basis is social cost. As Mr. Crawford seemed to be suggesting to the National Press Club, it looks like a job for government.

REVENUE SHARING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. LAGOMARSINO. Mr. Speaker, I include the following letter in the Record as an example of what revenue sharing can do:

FILLMORE, CALIF.,
June 20, 1974.

Congressman Robert J. Lagomarsino,
U.S. Congress,
Washington, D.C.

Dear Sir: We feel that our expenditures of Revenue Sharing Funds are being used for very outstanding programs which we could not have had without these funds. Following are examples, illustrated by our Entitlement No. 5 expenditures:

1. Fire Truck—$15,000.00. We have been saving $2,000.00/$5,000.00 per year over the past few years for this much needed equipment. Now, because of Revenue Sharing, we will have our truck at least five years sooner than we had planned.

2. Youth Employment Service Program—$7,320.00. Prior to Revenue Sharing this was impossible; now it is a reality.

3. Dental Care Program—$500.00. This program allows underprivileged children to have necessary dental care which has not been available to them before.

4. Audit Fee—$500.00. For audit of Revenue Sharing.

5. Summer Recreation Program—$500.00. This expenditure is in addition to our monies from our General Fund and this is a great program.

6. Office Equipment—$531.00. This will be expended in addition to funds from our General Fund for specialized equipment.

7. Lease for Mini-Bus—$15,600.00. This bus program is probably one of the most successful programs of its type in the United States. The elderly and underprivileged particularly appreciate this service because before now they could not conduct their normal responsibilities independently as they had no transportation. Now they are much more independent and happy, thanks to Revenue Sharing. These people especially appreciate what we are doing for them and they let us know of their appreciation.

8. Tennis Courts—$14,000.00. This is a form of recreation that we have not really been able to enjoy. The School District asked for this joint venture so the students can utilize the courts during school hours and the public can enjoy them during non-school hours.

The decisions for Revenue Sharing expenditures are made through public inquiry and public meetings.

The saving of costs for administering Revenue Sharing as opposed to administering grants is at least 1000%. We can utilize the Revenue Sharing funds for what we feel they are intended and not have to spend so much time filling out some of the most ridiculous forms you can imagine.

The economic vitality has been taken from a very negative attitude toward an active positive outlook on the government because of their involvement with these monies and making programs "people oriented".

We do feel the distribution formula is not in our best interest as we are being penalized because of our tax effort. We have more services for the people without special districts, etc., but we have had to work hard, hard to keep taxes down and now some of our neighboring cities who took the attitude "let the taxpayer pay" are being rewarded for their tax effort. Consider the Parkinson's law of economics and I believe you will agree that the taxing effort is in reverse.

The purpose of this letter is to express our appreciation of what Revenue Sharing is doing for our people and our city. Thank you from the entire City of Fillmore.

Yours very truly,
R. Wesley Nichols,
City Manager.

WATERGATE—REQUIEM FOR A PRESIDENT

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HANRAHAN. Mr. Speaker, the following article by Mr. Ted Weckel appeared in the News—a local paper in the Chicago area. This article was sent to President Nixon and I have also inserted his reply. I believe this will be interesting to my colleagues:

Watergate—Requiem for a President

(By Ted Weckel)

As I sat watching "The Making of a President" last week on my local T.V. outlet, namely my family room couch, I could not help from reflecting how far a man could come back from adversity and conversely how far a man could sink to the brink of ruin, all within a decade.

For those of you who were not privileged to have viewed the show, it was the documentary of John F. Kennedy's campaign for the Democratic nomination for President, as well as his campaign for President against R. M. Nixon in the memorable election of 1960, I am referring, of course, to one Richard M. Nixon, our now embattled President elect who is not only fighting for his political life but who well may be serving, as our president, his last few months in office.

Tomes of words have been written about the many faces of Dick Nixon. Most of which our readers are more than familiar with, but where did it all start and why did he allow it to happen. These are the questions that are uppermost in the nation's minds. This writer, being a neophyte in the great game of politics, will not speculate on the why's or how's of Watergate, for I will leave these observations and comments to the professionals who make a living at their trade.

I would like, if I may, to take a quick look at the human side of our President. Yes, good people, he is a human being just like you and me and I think the humaness of our President has somehow been lost in the overwhelming lust for certain factions of our nation who are seeking to destroy not only the man but the office of President as well.

Unfortunately for President Nixon, and for those who will follow, our political system is not that sophisticated that any one man can possibly control the myriad of committees and their particular functions on an "in depth" capacity, that surrounds the highest office in the land. Consequently, due to the humaness of any President, he must choose and select people who he believes will operate their particular segment of a campaign in an honest and forthright manner. Now, no matter how sage a human being may be, the margin for error in judgment in selecting a number of "bad apples", in this vast multitude of workers, is extremely prevalent. Needless to say, in the "Watergate Horror", this has never been more evident.

Now the question has been posed—so many, many times—can a President be held accountable for the actions of these "Bad Apples" that have been "caught with the goods"? But let's take that supposition a wee bit further. Can any President be held accountable for being "caught in the act" of a system that we, the people of the U.S. of A. have created? How many public officials have not been caught. That is the question. How can we as a nation, and more specifically, the "uncaught" public officials now have a "Holier Than Thou" attitude, when the quarters and dollars are still hanging from the sides of their mouths from their daily trips to the trough. No—two wrongs don't make a right and I hope they never will, but all of this self righteousness and goody-two-shoes" attitude that is being displayed by the politicians on both sides, as well as the Press and Television, just has to be the height of hypocrisy.

I somehow feel that Mr. Nixon, at this point in time, is "Taking the Pipe" so to speak, for all of the past Presidents' sins and errors, from good old George Washington down to L.B.J. I somehow get the feeling that we are all about to witness an old fashioned lynching. The unruly and unthinking crowds, worked up to a fever pitch, are about to take the prisoner from the jail, throw the rope over the old Oak tree and proceed with the hanging. After it is all over, the crowds look in sullen silence, hang their heads and shuffle off, each to their own thoughts. Most wondering whether it was the right thing to do.

I will not sit in judgment of Dick Nixon, for some day all of us will be judged on our own individual merits, from the leaders of the world to the lowest caste of India. All will be judged accordingly and in their proper perspective. But for those who cry "Impeach, Impeach"—let them cast the first stone—but perhaps a more proper epitaph for the Presidency of Richard M. Nixon might read—"Father forgive them—for they know not what they do."

PRESIDENT NIXON ACKNOWLEDGES "NEWS" EDITORIAL

THE WHITE HOUSE,
Washington, D.C., June 7 1974.

DEAR MR. WECKEL: Mrs. Weckel kindly sent me your column, "Watergate—Requiem for a President," with the thought that I would find it of interest, and I did indeed. It's not easy, in the intense an impassioned atmosphere that has gripped Washington the last months, to bring a responsible measure of perspective to the situation. But your column may well have done that for many of your readers, and I did want you to know that it is deeply appreciated here as well.

With best wishes,

Sincerely,

RICHARD NIXON.

GARDENING PROPOSALS BY REPRESENTATIVE JAMES A. BURKE ARE RIPE FOR HARVEST

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BROWN of California. Mr. Speaker, one of our colleagues has recently been getting considerable attention for an idea he is cultivating concerning home gardens. I am pleased to support our colleague from Massachusetts, the Honorable JAMES A. BURKE, in his efforts to encourage and assist home gardening. Judging by the publicity his modest proposals are getting, I would guess his legislation will be promptly acted on by this body.

I have an interest in encouraging gardening for reasons beyond those of fighting inflation. I believe there is positive human value in planting, and tending gardens, and the simple, inexpensive steps to begin this activity are ones that should be within reach of anyone who has access to suitable land.

The Washington Post of June 25 had an article on Representative BURKE's proposal and in it a Department of Agriculture spokesman stated that more land should be made available in urban areas for gardening, and the Burke bill was not that useful. I disagree with his assessment of the Burke bill, but I do agree that more land should be made available.

Mr. Speaker, this may seem trivial to some, but unless we can slow down enough to recognize a positive action and program when one comes along, we will miss much of the valuable parts of life. I insert the Post article in the RECORD for my colleagues to appreciate:

BACKYARD SEEDS AND SUBSIDIES, BUT WILL AGRIBUSINESS COTTON TO IT?

(By William Greider)

A congressman named Burke is cultivating an idea he thinks is as ripe as sweet corn in August.

All these years, Burke figures, the rural congressmen have been legislating big federal handouts for their farmers back home. So why can't a city guy take care of his folks? With a little agricultural subsidy for the backyard gardeners of America?

"These hobby farmers and these big corporate farmers get all these tremendous tax breaks," said Rep. James A. Burke, the second-ranking Democrat on the House Ways and Means Committee. "There wouldn't be any harm in giving the home gardeners a little nibble at the cake."

The Boston congressman talks grandly of germinating a "back-to-the-soil movement" that would eclipse the Victory Gardens of World Wars I and II, drive down food prices and feed the nation in times of shortage.

"It would also give the American family a chance to find out what a real tomato tastes like," he said.

The congressman, who represents close-in Boston suburbs, discusses his movement with sort of an Irish wink, but he is as serious as fried eggplant.

For starters, Burke has asked the House Agriculture Committee to enact a bill distributing free vegetable seeds to home gardeners, three packets to a family. Then he persuaded his colleagues on Ways and Means to approve tentatively a 7 per cent investment tax credit for backyard garden equipment.

"The Home and Family Garden Tax Credit Amendment," as he styled it, would let gardeners subtract up to $7 on their income-tax bills if they spend up to $100 on hoes, rakes, wheelbarrows, spades, pitchforks and such.

"White potatoes—$4.65 a peck; lettuce—85 cents a head; onions—69 cents a pound," Burke wailed. "Take a look at the people in the supermarket. It's bad enough, the look of despair when they go along the meat counter, but then they go to the vegetable counter and all they hit is these high prices."

Burke has been talking up the idea among the serious gardeners in the House of Representatives, tillers of the soil like Reps. Wayne Hays (D-Ohio), Silvio Conte (R-Mass.) and Richard Bolling (D-Mo.).

"I told Jim I think it's a helluva idea," said Rep. Frank Annunzio (D-Ill.), a producer of peppers, corn and tomatoes in the 39th Ward of Chicago. "We got to go back to garden farming to get the prices down. If people will think they're doing something patriotic, it will go."

Rep. Hays who gardens a sixth of an acre on his farm near Belmont, Ohio, will go along with the tax credit, but he's skeptical about free seeds. "The governmen used to do that," he said. "I got my doubts about how many of them got planted."

Congressman Burke, who remembers with considerable nostalgia the Victory Garden produce he raised as a boy, no longer gardens himself. He calculates that $6 million in free seeds from the government would yield $380 million in homegrown produce at retail prices. Congressman Hays, who does garden, knows that sometimes it doesn't work out so neatly.

"The year before last," Hays recalled, "I supplied half of the Hill with cucumbers. I must have had 25 or 30 bushels. Last year, my cucumbers got blight. I don't guess I had a bushel of cucumbers."

Hays gardens on weekends, tomatoes, peas, beans, corn and so on, but this is an election year which means he can't keep up with the weeds the way he ought. Personally, he has been more upset by the rising price of flowers than inflation at the vegetable counter.

"I usually put in geraniums around the house when the tulips are finished," Hays said. "This year, geraniums went out of sight. I planted marigolds instead."

Rep. Conte, from Pittsfield, Mass., gardens at home in Washington, onions, three kinds of lettuce, squash, chicory, herbs, and four dozen tomato plants.

"I planted the garden originally when I was fighting the big-time corporate farmers on subsidies," Conte said. "I called it my protest patch."

Over the years, Conte and allies have won most of what they were seeking in limits on cash subsidies to large cotton and sugar growers. But he kept his garden for non-political recreation. In the evenings, he wanders through the rows, with a drink in hand, picking suckers off his four dozen tomato plants.

Conte likes Burke's backyard subsidy. "It's not giving anybody something not to plant crops," he said. "And we'd drive these prices down."

Who could be against it? Well, the Department of Agriculture for one. The department is opposed to Burke's seed distribution bill and, while it hasn't taken a position on the tax credit, a department horticulturist expresses a dim view of the proposal.

"The department takes the position," said horticulturist Robert Wearne, "that seed is readily available and people can get seeds with their food stamps if seed is a need . . . The logistics of sending out seeds would be almost prohibitive."

According to the department archives, the government distributed free seeds to home gardeners until 1923 when it was discontinued, partly at the behest of seed companies. The packets were sent to citizens through congressional offices, a gratuity that has been supplanted by the popular Agriculture Yearbook, which the department publishes and congressmen distribute.

Wearne said the tax credit for tools probably wouldn't have much impact either. According to one survey, he said, about 30 million American families have some sort of home garden already but the biggest obstacle isn't tools or seeds but land.

"If Congress were going to do something," Wearne suggested, "it could make a lot of land available for gardening in urban areas—highway right-of-way, vacant lots of urban renewal projects, school lots."

In any case, Wearne is dubious that home gardening will do much to bring down inflated vegetables prices. "A lot of people start into it thinking gardening is easy," he said. "Then they run into flea beetles and cut worms and one thing or another. They find out there's a lot more to it than planting a seed and watching it grow."

Meanwhile, says Congressman Burke, his gardening friends plan to lobby Congress this summer with baskets of ripe tomatoes and other homegrown delights.

"It's difficult," he said, "to get a bill like this through in the wintertime."

THE LITTLE RED HEN

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. SYMINGTON. Mr. Speaker, my good friend, Mr. George Weber of Eureka, Mo., recently shared with me the following speech written by his wife, Roberta. Mrs. Weber's remarks won first prize in the speech contest held by Council I of the Ozark Region of the Toastmistress' International, which was held in St. Louis on April 13, 1974. The speech also won first prize in the Ozark Region contest held in Kansas City, Mo., on May 25. Mrs. Weber will again present her prize-winning speech next month at the 33d annual convention of Toastmistress' International in Honolulu, Hawaii:

The Little Red Hen

SPECULATION

The sky is falling in! The sky is falling in! Run and tell the king! Most of you were brought up on simple stories as I was. Stories such as Chicken Licken, The Three Little Pigs, and of course my favorite, The Little Red Hen. Suppose these stories had been written today, how much would the dialogue and plot have to be changed to relate to the modern world? Chicken Licken might have to run around crying, "The market is dropping! The market is dropping! Run phone your stock broker!" And the Three Little Pigs couldn't possibly have built those houses, because they would never have met the building codes of today. As for the Little Red Hen, well, she would have run into all sorts of problems. One of the biggest would have been finding a place to have wheat ground into flour. Actually I wonder if the story could have been written today. So let's bring the Little Red Hen into today's world and see what happens to her.

Once upon a time, there was a Little Red Hen, who consistently laid Grade AAA jumbo size eggs. Her profits were so good, that for tax purposes, an investment was indicated. Now Little Red Hen was such a timid chicken, she decided to seek the expert advice of her friend the Cow. On her way to the cow's pasture, she passed the house of the Three Bears.

"Hello Little Red Hen!" called Papa Bear. "Come in for some Metracal. We're celebrating the extra large dividends from one of our blue chip stocks that came in today."

"Oooh, I didn't know you played the stock market!" said the Little Red Hen.

"Oh, I don't;" replied Papa Bear. "I'm an economist, and all economists are bearish where the market is concerned you know. Let me give you some advice, Little Red Hen, don't ever invest in anything that will drop off sharply because of outside conditions. You'll risk your money investing in things that have iffy propects. Go into something solid!"

"I'll remember what you said; promised the Little Red Hen, as she went on her way.

Cow greeted her little friend enthusiastically, "Hello, Little Red Hen, You certainly came to the right place for advice. Why I've made a fortune in the Dairy Commodities. Of course I had an advantage of knowing when to sell, since I am connected with the business. And my husband is a commodity broker. All commodity brokers are bullish you know! Now let's see . . . There have been a lot of floods in the river bottoms, and drought and dust in the southwest, plus that commitment for wheat promised to Russia. . . . Yes, I think you should invest in wheat futures, Little Red Hen.

"But what about blue chip stocks?" asked the Little Red Hen.

"Oh, they're solid enough, but the money is in commodities." counseled the cow. "That's where you can make some fantastic profits! You have a lot more leverage. Why for five hundred dollars you can control five thousand bushels of wheat, so for five thousand dollars you control fifty thousand bushels!"

So the Little Red Hen put all her money into wheat futures. That week she read the daily market report avidly; and when wheat went down the limit for the day, she'd fly over to the Cow for reassurance. For a solid week and a half, wheat futures dropped the limit each day, coming under heavy selling pressure on the Chicago Board of Trade.

"Sell! Sell!" cried the Little Red Hen.

The Cow warned, "You bought long, so you'll be selling short. Hang in there, prices will go up again. Harvest time is almost here, and there was reported crop damage due to tornadoes at the close of trade today."

The Little Hen sobbed, "I don't care, this pressure is just too much for me! My egg production is being affected by this. Since I went into this I've only laid Grade A Large."

So the Little Red Hen turned chicken and sold her wheat futures at a loss. Something solid, Papa Bear had advised. What could be more solid than pure silver, that had been a precious metal since the beginning of time. Solid silver, delivered right to the nest! A sadder but wiser little hen settled down in her nest with her silver. "That will teach me to always keep a nest egg for a rainy day!" thought the Little Red Hen. But do you know what happened today? Silver dropped thirty cents an ounce. The Little Red Hen had forgotten that you can't put all your eggs in one basket. Poor Little Red Hen, I don't think her story can be written today either.

FEDERAL RULES OF CRIMINAL PROCEDURE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HUNGATE. Mr. Speaker, on Monday, June 24, the Judiciary Committee, by unanimous vote, favorably reported H.R. 15461, a bill to secure to Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure transmitted to Congress by the Supreme Court on April 22, 1974. The proposed amendments, some of which have been worked on for over 4½ years, make changes in 10 existing rules and establish 3 new rules. The proposed amendments, therefore, affect roughly 20 percent of the Federal Rules of Criminal Procedure.

The amendments are significant not only in terms of number, but also in content. Reaction to the proposed amendments has been received from Federal judges, Federal prosecutors, defense attorneys, and professional organizations. These comments from responsible segments of the legal profession raise issues regarding the wisdom and constitutionality of nearly all of the proposed amendments.

The time given to Congress to study the proposed amendments, 90 days, is not enough, given the number and scope of the proposed amendments. Rules that took over 4½ years to write cannot effectively be reviewed in 3 months. Support for the committee action has come from such diverse parts of the legal profession as the Justice Department, the American Civil Liberties Union, and the Public Defender Service for the District of Columbia. I am inserting at this point in the RECORD copies of letters received from these organizations supporting a postponement in the effective date of the rules:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., June 17, 1974.

Re Proposed Amendments to Federal Rules of Criminal Procedure.

Hon. WILLIAM L. HUNGATE,
Chairman, Subcommittee on Criminal Justice, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The views of the Department of Justice have been requested by the House Judiciary Subcommittee on Criminal Justice concerning the proposed amendments to the Federal Rules of Criminal Procedure which are scheduled to take effect on August 1, 1974, unless rescinded, modified or delayed by Congressional action.

The Department has thoroughly reviewed these proposed amendments and has received comment thereon from substantially all of the U.S. Attorneys in the federal districts.

It is the conclusion of the Department that there are significant objections to the following:

1. the amendments to Rule 16 which would (a) specifically mandate disclosure of the names and addresses of government witnesses, and (b) make discovery mandatory and upon request rather than controlled by the court's discretion invoked by motion;

2. the amendments to Rules 4 and 9 which would provide that upon the filing of a complaint, indictment, or information a summons, rather than an arrest warrant, will

issue unless the government establishes a "valid reason" necessitating a warrant.

The proposed changes to Rule 16 are of grave concern to the Department. The potential threat to the safety of witnesses and the harmful impact on effective law enforcement are matters that deserve additional consideration before these amendments are implemented. The disclosure of the identity of a potential witness may not only endanger the life and property of the witness but such disclosure may have a chilling effect on the willingness of potential witnesses to step forth and cooperate with the U.S. Attorney in the prosecution of criminal cases.

The mandatory discovery change in Rule 16 may well embroil trial courts in additional litigation fostered by parties over whether each side has fully complied with its mandatory and continuing disclosure requirements.

The suggested amendments to Rules 4 and 9 would make the summons the routine preferred process for all cases. These changes are likely to encourage the following results:

1. increased number of fugitives among defendants charged with serious federal crimes,

2. Increased opportunity for the secretion and destruction of evidence and the fabrication of alibis by defendants prior to apprehension,

3. an increased usage of warrantless arrests by law enforcement officers as a countermeasure to preserve evidence, and

4. substantial additional delays in the administration of criminal justice.

The U.S. Attorneys of the Department of Justice have been asked by the U.S. Attorneys Advisory Committee whether they favor delaying the implementation of these rules until August 1, 1975. Ninety of the 94 U.S. Attorneys have responded indicating concern that the proposed changes will be injurious to the effective administration of justice.

The Department of Justice had the opportunity to comment on the preliminary drafts disseminated by the Judicial Conference but the final drafts submitted to Congress did not receive a review and consideration by this Department.

I appreciate your Committee's consideration of the Department's views on these proposed amendments and request that Congress delay the effective date of these rules until August of 1975.

Yours very truly,

WILLIAM B. SAXBE,
Attorney General.

AMERICAN CIVIL LIBERTIES UNION,
Washington, D.C., May 31, 1974.

Hon. WILLIAM L. HUNGATE,
Chairman, Subcommittee on Criminal Justice, Committee on the Judiciary, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN HUNGATE: This is in reference to your announcement (appearing at 120 Cong. Rec. 12794, May 2, 1974), concerning the amendments to the Federal Rules of Criminal Procedure.

The ACLU opposes the automatic implementation of these Rules on August 1, 1974. The reason for our stand is that the Rules as presently drafted contain serious constitutional defects involving erosion of the Fifth Amendment right against self-incrimination. In addition, there are serious drafting and technical defects throughout the Rules which require careful Congressional scrutiny.

Briefly stated, our specific objections are as follows:

1. Rule 12.1. The defendant who intends to raise an alibi defense should not be required to notify the government of the place where he claims to have been at the time the crime was committed. It lies at the foundations of our criminal jurisprudence that an accused must be assumed innocent until proved guilty. Moreover, the provision violates the privilege against self-incrimination, and the Sixth Amendment guarantee that an accused shall have compulsory process for obtaining witnesses in his favor. In doing so, it nibbles away at the adversary theory of justice to the defendant's disadvantage, a theory that should be changed—if at all—only by deliberate and intensive examination, not by fragmentation.

2. Rule 16. Under amended Rule 16, the government can discover a defendant's entire case prior to the trial, thus forcing him to incriminate himself in violation of the Fifth Amendment. The government can obtain not only all documentary and tangible evidence from the defendant but can secure his list of witnesses as well. This would permit the government to subpoena these witnesses before a grand jury and find out their testimony.

Such an amendment in the Federal Rules effects a virtual revolution in the way in which a criminal trial is held. Such a radical change should not be made without careful evaluation of the Fifth Amendment rights involved.

We do not believe that it is any answer to say that the defendant has a reciprocal right of discovery. The government has the most powerful and efficient engines of discovery in the form of the grand jury and police investigators and informers. The defendant starts so far behind the government in discovery that granting each party reciprocal rights does not overcome the disadvantage.

3. There are serious drafting and technical problems in the Rules. These include the following:

a. *Rule 11(e)(6)* prohibits the use of plea-bargaining negotiations at the trial. However, there are no similar prohibitions against the use of a notice of alibi under Rule 12.1 or a notice of insanity defense under Rule 12.2. Does the absence of a prohibitory clause mean that these notices can be used against the defendant at trial if he changes his mind and does not rely on an alibi or insanity defense? The problem is compounded by the fact that such notices must be filed very early in the proceedings.

b. *Rule 16(a)(1)(B)* requires that the government furnish the defendant such copy of his prior criminal record "as is then available to the attorney for the government." *Rule 16(a)(1)(E)* requires that the government furnish the defendant with records of prior felony convictions of its witnesses which are "within the knowledge of the attorney for the government." Why are two separate tests applied? Are they supposed to encompass the same duty on the government?

c. The definition of work product, *Rule 16(a)(2)*, is totally inadequate. The cases have determined that legal memoranda and opinions of counsel are not subject to discovery. See e.g. *United States* v. *Mackey*, 36 F.R.D. 431 (D.D.C. 1965); *United States* v. *Harrison*, 265 F. Supp. 660 (S.D. N.Y. 1967). As a result government counsel often interweave factual matters which are subject to discovery and legal memoranda and opinions which are not. A distinction should be made between the two so that factual matters will be made subject to defendant's discovery.

The National Conference of Commissioners on Uniform State Laws have drafted very precise rules on the work product exception [see Rule 22(b)(1) of the proposed Uniform Rules of Criminal Procedure]. These are far preferable to the confused definition found in amended Rule 16(a)(2).

We will be happy to testify in greater detail about each of these matters and others at your convenience.

We would urge that Congress not permit the Rules to become effective without a careful examination of their constitutional limitations.

Sincerely,

HOPE EASTMAN,
Associate Director.
LEON FRIEDMAN,
Staff Counsel.

PUBLIC DEFENDER SERVICE
FOR THE DISTRICT OF COLUMBIA,
Washington, D.C., June 18, 1974.

Congressman WILLIAM L. HUNGATE,
Chairman, Subcommittee on Criminal Justice of the Committee on the Judiciary, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN HUNGATE: In reply to your memorandum of May 8, 1974, relating to the proposed amendments to the Federal Rules of Criminal Procedure, please find enclosed copies of two letters which I have sent recently to Chief Judge Greene of the Superior Court of the District of Columbia. Both of these letters deal with the views of the Public Defender Service concerning the proposed Rule amendments.

The letters reflect our belief that there are a number of problems with the proposed amendments as drafted, and accordingly we favor delaying enactment of the Rules until these difficulties are corrected. If you or members of your staff have questions about positions of the Public Defender Service expressed in the enclosed letters, I trust you will not hesitate to let me know.

Very truly yours,

NORMAN LEFSTEIN,
Director.

PRIORITY CONSIDERATION NEEDED NOW FOR THE HUMAN RIGHTS OF THE PEOPLE OF THE CAPTIVE NATIONS OF THE WORLD

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ROE. Mr. Speaker, as the President prepares for his summit meeting with officials of the Soviet Union, I join with many of our colleagues here in the Congress in seeking a prominent place on the agenda for discussion of the vital issue of the responsibility of human rights and the policy to be adopted by the U.S.S.R. in adjudicating and resolving the long standing usurpation of the states and fundamental rights of the "captive" oppressed people of Lithuanian, Estonian, Armenian, Latvian, Ukrainian and Jewish heritage whose religious and cultural freedoms as well as their right to emigrate are being rejected by an unjust and cruel exercise of authority.

On June 15, 1974, the 34th anniversary of the forcible annexation of Estonia, Latvia, and Lithuania by the Soviet Union, commemorative services were observed by freedom-loving people throughout the world in reaffirmation of the right of self-determination for the people of the Baltic Nations.

During the 86th Congress Public Law 86–90 was adopted in condemnation of the imperialistic policies of communist Russia which subjugated the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Udel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, et al. The President was also authorized and requested by this congressional resolution to issue a proclamation each year designating the third week of July as "Captive Nations Week" until such time as freedom and independence is achieved for all of the captive nations of the world.

The 89th Congress adopted House Concurrent Resolution 416 proclaiming the rights of the Baltic peoples of Estonia, Latvia and Lithuania as well as all other peoples to self-determination and national independence.

Mr. Speaker, no matter how we equate or measure our investments—by whatever standard applied—in our sense of values and our constant quest for excellence, it is fundamental that investment in human values is paramount to our mutual endeavors and responsibilities.

In the final analysis the integrity and destiny of the future of all peoples throughout the world depends on the solid foundation of the cornerstone laid by the founders of our democracy which provided, first and foremost, for justice on behalf of the inalienable human rights of the individual.

Here in America we can hope to assure the people of the captive nations of their identity as a people and continue to strive to assist them through never relenting on our concerted endeavor to attain universal understanding and sympathy from the worldwide international community of nations. I trust that our congressional recognition of the seriousness of their plight will help to provide human justice essential to the solution that will remove Soviet domination, unjust treatment, discrimination and oppression of the human rights of the individual that is practiced in these occupied states by the U.S.S.R. and achieve national sovereignty for the states of these courageous people and insure their rightful place in international communion with all nations and all peoples throughout the world.

POLAND'S SITUATION

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. DICKINSON. Mr. Speaker, a most interesting and informative article written by the Ambassador of the Commonwealth of Poland-in-Exile has come to my attention. I would like to share these thoughts on the situation of Poland with my colleagues, therefore, the article follows:

THEY ARE STILL WAITING

It was 183 years ago on May 3, 1791 that Poland declared its own Constitution. The Polish Constitution, declared only fifteen years after the Declaration of Independence of the United States of America, is still considered the most democratic Constitution.

The Polish Constitution and its counterpart, the United States Constitution have by the people, for the people to ensure the people's freedom and equal rights. Both were many things in common. Both were designed created at a time when their countries were threatened by foreign powers—the United States of America by England and Poland by Russia as their respective main enemies.

The American people, joined by people from other nations, have fought long for their independence and for the implementation of the principles of their Constitution and to this day, they have been victorious. The Polish people are still fighting for their independence, and in doing so, they are joined by other East Central European nations who also have been enslaved by Soviet Russian imperialists since the Potsdam Protocol.

May we quote here the words of the late Ambassador of the United States to Moscow, William C. Bulleitt broadcast on February 12, 1944 in which he stated:

"We know that friendship is not a one-way street and that cooperation means mutual consultation and give and take. We know also that—as in the year of 1939—the case of Poland is the test case which will determine the fate of the smaller nations of Eastern, Southeastern and Southwestern and Central Europe. We know, therefore, that if there is to be peace after this war, the case of Poland must be decided not on the basis of force but on the basis of justice and fair play—the principles of the Atlantic Charter. We do not want this war to be the preface of World War Number Three. Therefore, we are vitally interested in the resurrection of Poland as a genuinely free and independent power, neither engulfed by any other nation nor dominated by a Quisling Government imposed by any other power. Poland cannot be wiped out of the hearts of the Poles. He who attempts to ensalve Poland prepares only war."

We do not believe either that world peace can be built upon the slavery of all those nations, including Poland, who were never given the right and opportunity to choose their own governments and their own way of life.

It will be proper and of interest to the President of the United States, to the members of Congress and to the American people at large to recall this fact and mention it, so that the free world continues to be aware of the support by the United States of the fight of his nation, which 183 years ago, ratified the most democratic Constitution.

On behalf of the Government of the Commonwealth of Poland-in-Exile, we pledge to support this struggle of our people until independent Poland can join the family of the free nations for the benefit of world peace.

We ask all those people who are interested in justice and peace for our children to come to support our fight wherever they can.

On behalf of the President of the Commonwealth of Poland-in-Exile, Count Juliusz N. Sokolnicki.

ALEX. OSTOJA STARZEWSKI,
Ambassador of the Commonwealth of Poland Exile.

UNEMPLOYMENT AND THE "GNP GAP"

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BADILLO. Mr. Speaker, it is a well-documented and accepted fact that this Nation has been in the midst of long-standing crisis in unemployment and that the situation will considerably worsen before the end of this year. Although various economic devices have been utilized in attempts to stem the flow of unemployment and underemployment, they have all been singularly unsuccessful and we are faced with the very real prospect of more than 5 million fellow citizens being out of work within a matter of a few months. It is particularly tragic that this unemployment crisis has hit the minorities—the blacks, the Spanish-speaking, women, youth, Vietnam veterans, the elderly, the impoverished, and disadvantaged—especially hard and has seriously exacerbated a variety of challenges with which they are already confronted.

Directly related to the extraordinarily high rate of unemployment is the general malaise of the economy, the lack of economic growth, and the seemingly endless inflationary spiral. This situation is carefully reviewed in the current issue of the monthly economic letter of the First National City Bank of New York. Predicting that economic growth is expected to lag for some time to come and that the rate of unemployment will continue to rise, this timely and perceptive article draws an interesting relationship between the GNP gap—the difference between the economy's production potential and what is actually being produced—and the unemployment level. It observes that the GNP gap and the unemployment rate move in parallel directions as both measure deficiencies in resource utilization.

I believe careful attention should be given to this article—especially as we will be considering appropriations legislation later this week which will have a direct bearing on the unemployment crisis—and I insert it herewith for inclusion in the RECORD:

UNEMPLOYMENT: THE WORST IS YET TO COME

The GNP gap is a statistical yardstick, useful in forecasting unemployment. And the gap shows signs of growing—which means a period of higher joblessness ahead.

In this era of gaps—whether missile, generation or credibility—there is one little-known statistical interspace that's important to everyone. It's called the GNP gap, the difference between what the economy is capable of producing in any given time period and what it actually turns out. The gap has been widening since early 1973 and is expected to spread further during the remaining quarters of 1974. Indeed, the width of the gap may reach a degree not seen since the 1960–61 recession. And as the gap widens, unemployment will probably rise to about 6% by year-end.

A number of signals have been foreshadowing the latest cyclical rise in unemployment, which began with a half-percentage-point jump in the first quarter. The manufacturing work-week and overtime hours both peaked early in 1973 and have eased steadily downward ever since New hires and the "accession" rate—which includes rehires—in manufacturing also reached their highs in the first half of 1973, while manufacturing layoffs, an inverse indicator that rises in recessions, have been increasing since late-summer, early-fall of last year. This latter series excludes service employees, such as airline personnel, who suffered layoffs due in part to energy problems. All of these series are officially classified as "leading indicators" by the National Bureau of Economic Research. They have performed well in foretelling developments in employment as well as in the general economy. Moreover, the employment indicators, unlike others, are not measured in dollar terms and are therefore, not directly distorted by inflation.

LEADERS AND OTHERS

As they curtail production, businessmen initially seek to reduce the size of labor input in man-hours with a minimal disruption of employment levels. This is particularly true with respect to overtime, which can be reduced with no effect on unemployment. Other adjustments cushion the unemployment from abrupt changes, but still contribute to unemployment. As new hires decline, for example, there is no loss in employment, but people seeking work will be less successful.

Thus, the unemployment rate itself is considered a coincident, not a leading indicator. As the economy withdraws further from its inherent upward path, the unemployment rate will rise step by step, lagging just a few months behind the GNP gap.

The reason the GNP gap and unemployment rate move in parallel is that both measure deficiencies in resource utilization. The unemployment rate is a measure of labor underutilization while the GNP gap measures the underutilization of both labor and capital. The GNP gap is most meaningful when expressed as a percentage of the economy's real potential output, since economic growth will widen the actual dollar gap over time.

The concept of real potential gross national product was popularized in 1962 by the Council of Economic Advisers. It is intended as a gauge of the level of real GNP that would prevail if available resources were fully employed. Estimating the level of potential GNP requires the use of some admittedly arbitrary assumptions, such as the unemployment rate assumed to represent full employment—traditionally, at 4% rate has been used.

In addition, since potential GNP is intended to reflect changes in the labor force, hours worked, the capital stock, technology and labor skills, it cannot be expected to grow in a steady, smooth fashion. But because it can't be measured precisely, smooth rates of increase have been projected. The CEA has estimated that potential real GNP grew at a 3½% rate in 1952–62, 3¾% in 1963–65 and 4% from 1966 to the present.

Computational difficulties notwithstanding, the calculation provides a useful tool for economic analysis. Whenever real GNP grows less rapidly than the potential growth rate and the percentage gap widens, it is an indication that business conditions are softening. And when actual growth exceeds the potential growth rate—as in post-recession periods—it is both a sign that slack is being taken up and a warning of possible inflationary demand pressures. Over the years, the percentage gap has averaged between 3½% and 4%, corresponding to an average unemployment rate of 4½–5%.

The unemployment rate is a slightly more slippery notion because changes in its numerator, the number of unemployed, are intertwined with developments in its denominator, the labor force—the number of people working or seeking work—and because growth in the labor force is quite volatile as opposed to the smooth tracking calculated for potential GNP. Most notably, labor-force growth appears to respond to changes in the real wage rate. In the late stages of expansion and heading into a recession, the typical softening in the labor markets and in real wages often produces a reduction in labor-force growth. This restraints the rise in the unemployment rate, but not enough to prevent it from performing cyclically anyway. There is one further aspect of the GNP gap-unemployment rate mutuality to consider: lags. And this introduces a more quantitative analysis.

Arthur Okun, an erstwhile member of the Council of Economic Advisers and later its chairman during part of the Johnson Administration, was the first economist to describe econometrically the relationship between the percentage real GNP gap and the unemployment rate. He suggested that each percentage point difference above the 4% full-employment target was associated with a 3% decrease in real GNP over the course of the year. This approach was subsequently refined and reestimated to provide a model linking changes in the unemployment rate to changes in the GNP gap. Its most recent redefinition indicates that if real GNP were to remain flat for a year the unemployment rate would rise by between 1.2 and 1.4 percentage points.

DRAWING A FORECAST

One form of the model that is more useful in forecasting correlates the current level of the unemployment rate with the levels of the percentage gap in both the current and previous quarters. In fact, the influence of the gap in the previous quarter is three to four times greater than that in the current one, reflecting the factors that make the unemployment rate a coincident, rather than a leading indicator.

Linking this model with the outlook for the economy sketched in the first article in this issue of the *Letter* produces the forecast of a rise in the unemployment rate. Until real GNP begins to grow at a 4% annual rate, the GNP gap will continue to increase. Real GNP is not likely to rise this strongly until the end of 1974 at the earliest. It appears probable, therefore, that the unemployment rate will rise at the end of the year to the neighborhood of 6%.

Employment, however, should remain relatively steady, with most of the increase in the unemployment rate reflecting labor-force growth. With the exception of the 1948–49 recession, the percentage decline in employment has consistently been smaller than that in output.

HE WHO GETS STUNG

A rise in the overall unemployment rate will not affect different age-sex groups uniformly. All rates will rise, but those for adult females and teenagers will not rise proportionately as much as that for adult males. Plotted on the chart are the ratios derived by dividing first the female and then the teenage unemployment rates by the rates for males. They show a very clear cyclical pattern, turning down in advance of a recession and then dropping sharply as it runs its course. In addition, an examination of the percentage-point difference, or spread, between the female and teenage rates and the male rate suggests that, at least for women, it also narrows during bad business times. This is in marked contrast to the experience of black workers, for example, in which the ratio of black-white unemployment rates remains fairly stable at 2:1 while the absolute spread increases.

The reasons for this variation in relative rates of unemployment are not entirely clear. In part, the answer may be purely statistical. Since the unemployment rate for adult males is typically at a much lower level when recession begins, the proportional rise in the rate tends to be large. But there are also more substantive reasons.

The labor force can be divided into those workers who are strongly committed participants and into another group for whom participation is one option in a choice of life styles. The first group is composed largely of family breadwinners while the spouses and teenaged children of those breadwinners make up a goodly proportion of the second group. When a member of the first group is laid off or otherwise out of work, he or she joins the ranks of the unemployed until a new job is found. Some members of the second group, however, leave the labor force when jobs are lost and potential members don't enter the labor force when jobs are scarce.

Since the adult women and teenage segments of the labor force comprise a larger proportion of people in this second category, this helps to explain why unemployment rates for these groups don't rise proportionately as much as they do for adult males when recession strikes. The converse is that, at such times, participation rates for these groups are subject to wider variations from trend than the rates for adult males.

While the dimensions of the prospective rise in unemployment are not up to the colorful projections heard during the chill of the oil embargo, they project the most serious dose of unemployment since 1961. The recent decline in the jobless rate—down 0.2 percentage points from January-February to 5.0% in April—cannot be treated as a harbinger of things to come, and must be discounted. Economic growth is expected to lag for some time yet, and this means a period of uncomfortably high unemployment.

SANDMAN APPEALS TO LAW OF SEA CONFAB MEETING IN CARACAS

HON. CHARLES W. SANDMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. SANDMAN. Mr. Speaker, I have appealed directly to the U.S. delegation to the international Law of the Sea Conference now underway in Caracas, Venezuela, to achieve a negotiated extension of our fisheries jurisdiction from 12 to 200 miles from our coast-line.

This important conference opened last Thursday, June 20 with some 150 nations of the world represented. It will last until August 29.

I asked the leader of the U.S. delegation, Ambassador John R. Stevenson, to press for specific and permanent solutions to the problems that have been created by the virtual invasion of foreign fishing fleets into the fishing grounds that lie off my congressional district in the Atlantic Ocean.

Specificaly, Mr. Speaker, I have urged that a 200-mile fisheries jurisdiction be achieved through negotiations at this conference and, if necessary, through subsequent treaties to be ratified by the Senate.

Many Members of the House, well over 100 at last count, are joining me and Congressman NORMAN F. LENT (Republican of New York) in sponsoring legislation to establish a contiguous fishery zone of 200 miles from shore.

There are nearly a dozen different versions of this legislation, Mr. Speaker, but they all recognize the urgent need for action to protect the domestic fishing industry of the United States and to preserve the fish resources of adjacent Ocean areas which are being raided unmercifully by foreign fleets.

Within the coming week, it is my intention to circulate among other Members with a letter encouraging the U.S. delegation to press for the 200-mile extension at the Law of the Sea Conference in Caracas.

I think we can all agree that of the two ways there are to achieve our goal, the best is through international negotiations and treaties instead of through a simple, unilateral declaration of Congress that could set off a chain reaction of repercussions around the world.

Should the conference fail to achieve meaningful progress, I submit that the effort to achieve the unilateral declaration of a 200-mile limit will gain considerable momentum.

In fact, the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Merchant Marine and Fisheries Committee is midway through a series of field hearings on this issue so that if the conference fails to act, the Congress will be prepared to do so promptly.

Mr. Speaker, I include my message to the delegates of the Law of the Sea Conference, and the news statement that was released today on the subject to be printed in the RECORD at this point:

A MESSAGE TO THE DELEGATES OF THE LAW OF THE SEA CONFERENCE FROM U.S. CONGRESSMAN CHARLES W. SANDMAN, JR.

CARACAS, VENEZUELA,
June 20, 1974.

I have requested Ambassador Stevenson to transmit my views on the need for improved international agreements to protect the fish resources of the Oceans to all of the members of the United States Delegation to the Law of the Sea Conference as it opens today in Caracus.

My Congressional District includes nearly one half of the coast of the State of New Jersey fronting on the Atlantic Ocean. Fishing grounds off my District and off New England are the most lucrative in the world, because of the confluence of currents and ready food sources. Thousands of my constituents make their livelihoods by industries related to the commercial harvesting of fish and my State's largest single industry depends on the coolness, cleanness and productivity of the Atlantic Ocean. That industry, of course, is tourism.

It is my sincere hope that this Law of the Sea Conference can deal in a specific and permanent way to solve the very critical problem that has been created by the virtual invasion of foreign fishing fleets into this productive region that lies within 200 miles of the United States coast.

I urge the United States delegation to press for a negotiated extension of the fisheries jurisdiction to 200 miles from our coast. Such a negotiated agreement would be preferable to a simple, unilateral declaration of Congress because of the possible repercussions.

Should the Law of the Sea Conference, however, fail to achieve meaningful progress to end the reckless raiding of our fishing banks, I submit that the effort to achieve the unilateral declaration of a 200-mile limit will gain considerable momentum.

In fact, the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Merchant Marine and Fisheries Committee is midway through a series of field hearings on this issue so that if the Conference fails to act, the Congress will be prepared to do so promptly.

Many Members of Congress, well over 100 at last count, are sponsoring legislation to establish a 200-mile contiguous fishery zone. I suggest to you that is a significant movement of interested officials. Let me assure you that Congress as well as the American people will be watching developments closely in Caracas this summer.

I send best wishes to the United States Delegation to the Law of the Sea Conference and want you to know that I for one am optimistic that lasting achievements will be realized.

CHARLES W. SANDMAN,
Member of Congress.

[News Release of June 25, 1974]

SANDMAN IS "OPTIMISTIC" ON 200-MILE FISHING BID

APPEALS TO U.S. DELEGATION AT LAW OF SEA CONFAB IN CARACAS

CARACAS, VENEZUELA.—An appeal from U.S. Rep. Charles W. Sandman, Jr. of New Jersey for a negotiated increase of the U.S. fishing jurisdiction to 200 miles from shore has been heard at the international "Law of the Sea Conference" here.

The veteran Congressman's message was presented through U.S. Ambassador John R. Stevenson to the delegates at the important Conference, which commenced last Thursday, June 20th.

Sandman said he is "optimistic" that the official United States government opposition to the 200-mile fishing limits "will be softened" at the conference. The Congressman also said he is "hopeful that meaningful progress will be made to protect the fish resources that exist off the coasts of New Jersey and New England."

He called on the Conference to "deal in a specific and permanent way to solve the very critical problem that has been created by the virtual invasion of foreign fishing fleets into this productive region that lies within 200 miles of the United States' coast."

Treaty approach

Congressman Sandman said that of the two ways to achieve the 200-mile fishing jurisdiction extension that is needed, he prefers that the approach of international negotiations and treaties be used rather than a simple unilateral declaration of Congress that could, in his words, "set off a chain reaction of repercussions around the world."

He said that if the international negotiations to achieve the 200-mile limit fail, Congressional sentiment to resort to the unilateral declaration will increase to a point where it may pass at least the House of Representatives this Fall despite the possible international ramifications.

Congressman Sandman has long advocated the 200-mile limit and is one of the original sponsors of legislation in Congress (HR–4247) to extend the fisheries jurisdiction to 200 miles. Sandman's legislation was introduced on February 8th, 1973 with U.S. Rep. Norman Lent (R–NY) and 21 other Members of Congress.

More than 100 Congressmen are co-sponsoring the legislation or similar measures, Sandman pointed out.

Hearings on Sandman's bill and similar legislation are now being held at various locations along the Atlantic coast. The Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Merchant Marine and Fisheries Committee has held field hearings in Portland, Maine, New Bedford, Massachusetts and at Toms River, New Jersey.

Following additional field hearings in July, perhaps in Delaware and Virginia at places and times to be announced, formal hearings at the Capitol in Washington, D.C. will be held. Rep. Sandman is the first witness to have indicated his intentions to testify at the final hearings, set sometime in August.

At the Toms River hearing, Sandman was represented by his District Assistant for conservation and environmental matters, Robert E. Jack, the former Mayor of Pennsville Township, Salem County. The Congressman was unable to personally attend because the House Judiciary Committee, on which he is fourth-ranking minority member, had a late session on the night previous in Washington.

On June 7th, Sandman greeted a delegation of legislators from Maine, Massachusetts, New Hampshire and Rhode Island called "Save the American Fisheries" as they stopped off in Cape May, New Jersey during their "Sail on Washington" trip designed to focus public attention on the need for a 200-mile fisheries jurisdiction.

In a letter to Sandman dated June 19th, the Congressman's efforts on behalf of the 200-mile limit campaign were praised by Russell A. Cookingham, Director of the Division of Fish, Game and Shell Fisheries of the New Jersey Department of Environmental Protection.

On Monday, June 24th, Congressman Sandman addressed his colleagues in Congress about the importance of the Caracus Conference. He called for a unified voice in pressing for action to achieve the 200-mile limit for protecting fish resources.

Sandman pointed out that "our fishing banks have been over-fished for the last several years to a point where several varieties of fish are on the verge of extinction with many others being dangerously depleted by reckless harvesting.

Of the nearly 2,000 fishing vessels spotted off the coast of the eastern United States this spring, Sandman said, only about 15 percent are from this country.

Presently, the United States exercises jurisdiction insofar as fishing is concerned for 12 miles from shore while other nations, notably Equador, Chile and Peru have set 200-mile limits to protect their tuna industries. Iceland has established a 50-mile limit aimed particularly at the fishing fleets of England and Scandinavian countries.

The fishing grounds off New Jersey and New England are the most lucrative in the world, with numerous edible species attracted to the area by the confluence of currents and ready food sources.

WATERLOGGED JUSTICE?

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HANRAHAN. Mr. Speaker, the House Judiciary Committee does seem to be leaking a great deal of confidential information regarding the impeachment investigation. It does not seem fair for this evidence to be brought before the public in this manner. The following editorial from the Washington Star-News should prove interesting to my colleagues:

[From the Washington Star-News, June 21, 1974]

WATERLOGGED JUSTICE?

Justice is supposed to be blind but no one has ever suggested that she ought also to be waterlogged. But such seems likely to be the case if the House Judiciary Committee doesn't get busy and plug its leaks.

To describe what has been coming out of the committee as leaks is actually a misnomer. It's more a torrent, an almost daily outpouring of confidential material that violates the pledge by Chairman Rodino that the impeachment inquiry would be handled in a fair and even-handed manner and that the committee would guard the confidentiality of evidence in its possession until such time as deemed proper to put the material into the public record.

To be fair to Rodino, it is not he who is doing violence to his promises; it is the work of certain members apparently intent upon sinking the Nixon administration at any cost, who are laboring under the misguided notion that their cause will be helped by leaking material damaging to the President and present or past members of his administration. The alacrity with which presidential aide Patrick Buchanan denounced the leaks as coming from "nameless, faceless character assassins" is evidence that they are playing into the White House hands.

Considering the sins, political and otherwise, that can be chalked up to the Watergate White House, Buchanan's statements might be dismissed as sanctimonious posturing if there were not a large element of truth in what he said. In more subdued language, Senate Democratic Leader Mike Mansfield made essentially the same point. Mansfield said the Judiciary Committee leaks are "creating impressions and innuendoes and speculations and rumors which ought to be considered only by the committee concerned and the courts."

The House committee is not the only one guilty of engaging in trial by leaks. Former Special Watergate Prosecutor Archibald Cox, who hardly can be listed as an administration sympathizer, denounced tactics of the Senate Watergate Committee as similar to those used by the late Senator Joe McCarthy during the 1950s. He accused the Senate committee's "staff and possibly some members" of leaking the results of incomplete investigations, of giving out accusatory inferences drawn from secret testimony, and even suggesting the guilt of men under indictment and awaiting trial. The Senate committee, as we have said before, served a good purpose in publicly exposing Watergate, but both it and the Congress are being ill-served by those who now are using their positions to get more political mileage out of an investigation that has run long past the time when it was either productive or relevant.

The House Judiciary Committee is where the action is now. It is engaged in a solemn constitutional process that has been undertaken only twice in the nation's history. To allow its impeachment inquiry to degenerate into a campaign of leaks and innuendo serves not the high cause of restoring the people's faith in public institutions—the cause for which the inquiry was undertaken—but rather undermines it.

PERSECUTION CONTINUES UNABATED IN THE CAPTIVE NATIONS

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ANNUNZIO. Mr. Speaker, in September of last year, I brought the attention of my colleagues to an article by my constituent Tedis Zierins, in which he outlined the case of Daniels Bruveris, who had been on a hunger strike for 4 weeks because the Soviets would not permit him to leave Soviet-occupied Latvia and join his wife Rudite in West Germany.

In a letter to me dated June 23, 1974, Mr. Zierins reports that: .

> Because of your stand and also because of publicity in the newspapers in several Western countries, Daniels was permitted to leave Soviet-occupied Latvia at last.

Mr. Speaker, though we can all rejoice that Daniels Bruveris was finally allowed to rejoin his wife, Mr. Zierins reports:

> Since Daniels Bruveris left Latvia, his relatives have been watched very closely by Soviet government officials. Yesterday morning, June 22, at 1:45 a.m., I got a phone call from Daniels' father-in-law (Daniels lives with his wife's parents). In this overseas phone call I was told that Daniels' two brothers, Pavils Bruveris, born April 10. 1949, and Olafs Bruveris, born August 26, 1947, were arrested by Soviet police on May 24, 1974 . . . they are in solitary confinement in the main KGB prison on Lenin-Engels Street in Riga, Latvia. No relatives or friends are permitted to visit them.
>
> The State Prosecutor is the investigator of special cases of Soviet Secret Police. His name is Dembovskis. Their crime is that they had discussed with their fellow workers some needed improvements in TV programs and in everyday life. As a result of this discussion they had prepared a little opinion poll among their fellow workers. For all that they were arrested and placed in solitary confinement."
>
> It seems the Communists were looking just for an excuse to arrest them, because Bruveris' family had been harrassed before. They are a devout Christian family. Their father had been deported twice to Siberian forced labor camps, from where he returned in poor health.

Mr. Speaker, only 10 days ago, we in Congress observed Baltic States Freedom Day to commemorate and honor those who fought and died in the illegal and brutal Soviet occupation of Estonia, Latvia, and Lithuania in 1940. That struggle for human dignity and freedom continues to this day, and our Government and each American citizen must continue their support and encouragement of these heroic individuals and captive peoples. Let us remember they are suffering persecution and sacrificing personally at this moment to show the world that they will not be intimidated by tyranny, but will struggle in defense of the nobel ideals of individual liberty and national self-determination.

A SALUTE TO THE LEGISLATIVE BUREAU OF THE SETON HALL SCHOOL OF LAW ON THE COMPLETION OF ITS FIRST YEAR OF OPERATIONS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RODINO. Mr. Speaker, something new is happening in legal education. Something new and good for the legislative process. This development, revolutionary though it may be, is the creation of clinical programs designed to train future lawyers in the research and drafting skills so necessary for the continuance and improvement of our lawmaking institutions.

One such clinical program in the forefront of this new trend is the legislative bureau at the Seton Hall School of Law in the city of Newark, N.J.

The Seton Hall Legislative Bureau was created 1 year ago to provide law school credits for research projects completed by the student members of the bureau upon the request of State and Federal legislators.

During their first year of operations the 30 student-members of the Seton Hall Law School Legislative Bureau have completed 25 major legislative research projects, donating some 10,000 manhours of research effort to the improvement of the legislative process.

The legislative bureau also fills a much neglected educational objective—that of teaching prospective lawyers legislative skills—which, I am sure you will agree, can only help to bring more highly trained young people onto our own congressional staffs.

The newly elected editorial board for the coming year includes: Thomas S. Boyd, Jr., editor in chief; Ms. Margaret Schaffer, managing editor, publications; Mr. Steven Picco, managing editor, research; along with staff editors: Mr. Edwin Casey, Mr. John Barbour, Mr. Richard Steen, and Mr. Leon Sokol.

The faculty adviser for this program is Prof. Lawrence Bershad of the law school. Congratulations to these fine young people on their selection as editors and a salute to the Seton Hall School of Law and its dean, John F. X. Irving, for encouraging this fine innovation in legal education.

PERFORMANCE EVALUATION FOR TEACHERS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RANGEL. Mr. Speaker, in most business corporations individuals have to meet certain standards. Their performance is evaluated frequently and thoroughly. But for the people in charge of our children's education, no such evaluation occurs. At least it does not happen everywhere, yet.

Performance evaluation is not designed to banish particular teachers or to give the administrators complete control over their teachers' reputations and job futures. Rather it is intended to help the teacher, the students, and the entire school community by involving teachers in ongoing evaluation and improvement of their own performance.

I enclose, for the information of my colleagues, a useful article on the application of performance evaluation in the academic world by Robert Olds in the current issue of Compact magazine.

The article follows:

PERFORMANCE EVALUATION RATES A CLOSE LOOK

(By Robert Olds)

> A comparatively quiet but spectacular development in the states recently has been the enactment of laws and regulations requiring periodic evaluation of all teachers and other professional personnel in public school districts.
>
> One-third of the states (17 at the latest count) have taken this step, most of them during the past two or three years. Others seem certain to follow.
>
> Why the teacher-evaluation boom?
>
> The reason given invariably by legislators and other state officials is to improve education. School administrators and teachers also cite this as being the purposeful outcome of an evaluation program.
>
> But what is most likely to happen—and already is happening—is that required evaluation merely will create another paper avalanche of checklists and rating forms, uncounted hours diverted to paper shuffling and the need for much more filing space for personnel records.

Many school systems appear to be extending to their entire staffs the traditional "rating game" heretofore limited mostly to probationary teachers who had not achieved tenured status.

In the rating approach, school principals judge teachers on the basis of personality traits—such as "sympathy," "professional attitude," "loyalty," etc. Probationary teachers who get low ratings are not rehired. Attempts to use ratings to fire teachers usually fail, however, in court tests.

With ratings, evidence about teachers' actual classroom performance usually is lacking. The same is true of administrative efforts to help correct claimed deficiencies. And no research has yet shown that ratings improve teachers' performance.

A sizable group of school districts, however, may be expected to reject the rating schemes in favor of a more advanced concept known as performance evaluation. This term is somewhat of a misnomer—partly because it is already being abused, but also because the evaluation becomes part of an organization's mode of planning and conducting its work. Performance evaluation might be described more accurately as an organizational approach requiring maximum involvement by the individuals chiefly responsible for the work in setting the objectives, planning and analyzing the results of that work.

In brief, the basic purpose of performance evaluation is to use a teacher's own goals to improve his job performance in specific ways. At the end of the evaluation period, both the teacher and the evaluator analyze the teacher's progress toward the goals.

Until very recently, virtually all performance-evaluation plans were developed and adopted voluntarily in school systems whose teachers and administrators were dissatisfied with the shortcomings of conventional rating plans. Many of these districts are located in states that have not yet established mandatory evaluations.

This situation parallels the development of performance evaluation in industry and other fields. Just as most educators find it difficult to think of evaluation other than in terms of ranking, grading and classifying as an end product, so have evaluators in other endeavors tended to cling to simplistic rating methods.

Dissatisfaction with ratings has been a major factor in stimulating performance-evaluation plans. There are other factors, however. The nature of work in organizations is undergoing great change, with "management by objectives," broad participation in decision making, accountability procedures, motivational techniques, the redesign of jobs and the like. Education has not been exempt from these changes. Terms such as team teaching, planning-programming-budgeting, individualized instruction, paraprofessionals, open classrooms and differentiated staffing are becoming commonplace.

Performance evaluation stresses the relatedness of organizational jobs, individual involvement in planning, feedback and sharing of performance data, as well as analyses of the results of work. All of this is contrary to the mythology that today's very complex education programs can be carried out effectively by professionals who operate in semi-isolation and are somewhat indifferent to the organization's purposes and efforts to achieve them.

Too little attention is paid in education to "What are we trying to do? How well are we doing? How can we do better?" This flaw, shared by professionals and boards of education, is at the root of much of the public disenchantment wtih education these days.

One of the great problems involved in extending any development type of teacher evaluation is the threatening and punitive connotation the term has acquired.

You can be almost certain, for example, that most sponsors of the new teacher-evaluation laws actually did not envision an evaluation program designed to raise the performance level of *all* teachers and administrators. More likely, the sponsors intended to help administrators force out substandard teachers. In fact, some of the new statutory provisions on evaluation can be found immediately adjacent to sections of the law providing for the dismissal of teachers.

The term "accountability" is being equated with "evaluation," especially by some teacher organization spokesmen. "Let's face the facts," said Albert Shanker, vice president of the American Federation of Teachers (AFT). "Teachers are frightened of accountability because it means, 'Let's go out and find which teacher is not good.'"

Raoul Teilhet, president of the California Federation of Teachers, remarked: "This anxiety factor is the source of the problem of evaluation. Teachers become extremely defensive about it."

Teachers, of course, have a unique reason for being concerned about evaluation, particularly when it resembles the same kind of rating that teachers have subjected students to for generations. On the other hand, teachers seem to find it easier than school administrators do to understand, appreciate and support a positive type of performance-evaluation program.

The AFT has traditionally maintained a formal position of hostility toward teacher evaluation ("rating"). Yet member interest has been so great that the federation's executive council has been requested to develop an "ideal" teacher-evaluation model.

The National Education Association (NEA), the largest teacher organization, has long maintained an active interest in improved teacher-evaluation methods. NEA President Helen Wise says sound performance evaluation "probably has more hope and more promise than anything we've talked about so far as teacher evaluation is concerned.

"Teachers want very much to be a part of the evaluative process," she continues. "We want good teachers in the classroom. When we have poor teachers, it is demeaning to all of us—to the entire profession. But the plan must, first of all, be cooperatively developed so that we are personally responsible for the development of the procedures. . . . We must take into consideration conditions like the readiness of children that we are teaching; the kinds of things that we're teaching, the expected learning outcomes, the objectives we have set and so forth."

Moreover, state teacher organizations have been actively involved in developing the most recent legislation and regulations requiring mandatory evaluation. Interest by organizations representing administrators and school boards has been much more passive.

Performance evaluation is used today in all types of organizations and government agencies. Probably the most intensive effort to refine performance-evaluation plans has taken place in major corporations. Generally, executive, professional and technical personnel have been involved.

Like educators, business people have become disenchanted with simple rating plans. The "superiors" rebel at being required to "play God" in making ratings and discussing them yearly with the "subordinates." On the other hand, the idea that a subordinate could be involved in setting performance targets and assume much more initiative in the entire evaluative process has been too precedent—shattering for some managerial minds. Again, the reason for many industry failures in the evaluation process has been that the purpose of the evaluation plan has not been fundamentally to improve performance levels. Some plans have been used to try to find a basis for merit pay and promotion decisions.

The best-known article about today's concept of performance evaluation was written by the late Douglas McGregor, famed professor of management at the Massachusetts Institute of Technology, in 1957. Appearing originally in the *Harvard Business Review*, the article—"An Uneasy Look at Performance Appraisal"—was so highly regarded that it was reprinted 15 years later by the same periodical.

McGregor concluded that judgmental rating schemes should be condemned as ineffective and undesirable, and that a completely new approach was in order.

"A sounder approach, which places the major responsibility on the subordinate for establishing performance goals and appraising progress toward them, avoids the major weaknesses of the old plan and benefits the organization by stimulating the development of the subordinate," wrote McGregor. He predicted that this type of performance evaluation would be more costly in terms of managerial skills and time, but that greater motivation and more effective development of those in the organization would justify the larger investment.

One of the most widely discussed teacher-evaluation laws is the California Stull Act, authored by State Senator John Stull, which took effect in 1972. It requires the regular evaluation of all professional staff members in the schools. Each school district must establish a performance-evaluation plan, including such items as establishment of "standards of expected student progress" in each study area, assessment of "personnel competence" as related to the standards, evaluation of "adjunct duties," maintenance of "proper" classroom control and preservation of a "suitable learning environment."

The language used in more recent statutes and regulations of other states is clearer. However, if a law allows full local determination of an evaluation plan, what is likely to emerge is a traditional rating program. One of the great frustrations of California educators has been to try to make a rating framework fit the performance-objectives concept. It doesn't work.

A number of perceptive school boards and top school administrators have understood, however, that the design and implementation of performance evaluation takes on sizable dimensions when properly carrying out steps of involvement in planning, communication, piloting, orientation and training. In some instances, full-time staff coordinators have been employed. Two to three years may be required to get a program fully operational. Administrators of a medium-sized district in Oregon voiced satisfaction that a performance program had become fully operational in slightly less than four years.

Although California's Stull Act initially called for evaluation plans to be operational within months after passage of the measure, new perspectives have developed. Three to five years will be required to judge the law's effectiveness, says Senator Stull. "Hopefully, districts will change their guidelines each year, adapting to difficulties and improvements as they occur."

Although three attempts to alter the California evaluation law have failed because of gubernatorial vetoes, Stull does not discount the possibility that the law might in the future be emasculated or repealed. He believes, however, that the concept will endure. "Professionals, and by that I mean people who take pride in their work, will demand it," he says.

Does performance evaluation eliminate substandard teaching? Administrators in districts which have operated plans for several years say it is far more successful than rating. Those defending teachers in formal dismissal actions on charges of incompetency are delighted to have ratings submitted as evidence. The stage is set for attacking unsubstantiated charges, in effective supervision, sloppy administration and unfair personnel practices.

Performance evaluation, on the other hand, can help provide evidence of good faith and effort to help bring about successful performance. Also, it usually leads the person being evaluated to realize that a change of assignment or position is desirable. Teacher-organization representatives, after determining that procedures have been carried out according to the ground rules, are then disinclined to become involved in defensive actions.

School administrators also point out that performance evaluation is designed to raise the performance level of everyone in the organization, not of just a few.

One of the great myths of education, faithfully subscribed to for many years by legislators, board members and educators, is that colleges and universities turn out teachers and administrators as finished products guaranteed to work satisfactorily in any school district. Supporters of performance evaluation are disbelievers. They regard formal university training as only an introduction to educational work. The real growth takes place on the job.

RATING VERSUS EVALUATION: A COMPARISON

Some of the main differences between traditional rating approaches and performance evaluation are indicated in the comparative descriptions below.

Performance evaluation

1. Developed by fully representative staff committee.
2. Used for all professional employes.
3. Objectives for improvement established by employe, in harmony with goals of the school. Objectives discussed with evaluator, who may commit administration to providing needed material and other assistance.
4. Both evaluator and employe assume responsibility for collecting and exchanging performance data. Prompt feedback may lead to modification or abandonment of original objectives.
5. Employe uses performance data to prepare self-evaluation report. Evaluator also prepares report. Reports are exchanged.
6. Performance results jointly diagnosed by employe and evaluator, with follow-up action agreed to.
7. Both evaluation and employe's objections, if any, are filed.
8. Evaluation may be used for recommendation of personnel action, including dismissal, but due process is assured.

Traditional Rating

1. Developed primarily by the administration.
2. Usually limited to probationary teachers.
3. No objectives established.
4. Brief classroom visits made by evaluator for "observation." A conference with employe may be held later.
5. Rating form filled out by evaluator, giving judgments (ranging from, say, "poor" to "superior").
6. Rating may not be shown to employe.
7. Rating placed in personnel file. Employe may not be permitted * * *
8. Rating may be used as basis for recommendation of nonrenewal of contract or dismissal.

STATE LAWS

The following states have some type of required teacher evaluation: Alaska, Arizona, California, Connecticut, Florida, Hawaii, Kansas, Montana, Nevada, New Jersey, Oregon, South Dakota, Tennessee, Texas, Virginia, Washington and West Virginia.

Most of the states simply require school boards to establish and carry out programs of teacher evaluation without specifying how. In Montana, for example, the requirement is that the boards "adopt specific policies and procedures for evaluation . . . [that have been] developed in consultation with administrators, teachers, other staff members and students."

A few states specify what should be evaluated. California has the most elaborate standards in this connection, specifying by law that the evaluations encompass "standards of expected student progress," the competence of personnel and teachers' adjunct duties, "control" and ability to sustain a "suitable learning environment."

STRIP MINING AND ITS DEVASTATING EFFECTS

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. YOUNG of Georgia. Mr. Speaker, I believe every Member of Congress received a copy of the recent letter addressed to you from the Rev. R. Baldwin Lloyd, executive director of the Appalachian People's Service Organization.

Reverend Lloyd's forceful statement needs no introduction, nor does the fine article by Washington Post columnist Colman McCarthy, which Reverend Lloyd enclosed. I simply want to join this dedicated man in urging you and my House colleagues to face the issue of strip mining and its devastating effects on our land and our people, and act to protect this country and its future by promptly enacting the kind of meaningful and effective legislation as that introduced by our distinguished colleague from West Virginia, Mr. KEN HECHLER.

We must not force our children to conclude that their fathers sacrificed the land of their forefathers to the temptation of quick corporate profits.

With permission, Reverend Lloyd's letter and the attached article by Mr. McCarthy follow:

APPALACHIAN PEOPLE'S
SERVICE ORGANIZATION, INC.,
Blacksburg, Va., June 21, 1974.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ALBERT: With a great sense of urgency I am writing to you to fight and vote for legislation that will put an end to the incredible and devastating impact of strip mining in our country.

For more than six years, I have come to know first-hand the terrible human and environmental cost of strip mining in Appalachia. As Executive Director of the Episcopal Church's Appalachian People's Service Organization (APSO) and director of the seventeen-denomination Commission on Religion in Appalachia's project, Operation Coal, and co-chairman of the Appalachian Coalition, I have come to know intimately people in Tennessee, Kentucky, Virginia, West Virginia, Ohio, Pennsylvania and Maryland who have suffered the ill effects of strip-mining—that has caused death (3 persons in southwestern Virginia alone), injury, incredible property damage and devastation of the environment they live in.

The real issue that every American must understand and accept is: *the full cost of mining coal,* deep or strip, *must be borne by all Americans;* industry and consumers. For too long the coal industry has passed on a major portion of the human and environmental costs of mining to the miners, and to the people who live in the region. Knowingly or unwittingly all Americans have allowed this to happen—from industry's side, in order to allow a profit; from the consumer's side, for a cheaper coal.

The argument that to do what is right will increase the price of coal is a spurious argument. The mining of coal has a total price which is always the same. The question is simply how is the total cost going to be paid and who is going to pay it? At present, when industry talks about the price of coal, it means simply minimum costs to insure maximum profit. A large portion of human and environmental costs never have been included. It is time all Americans shared equally in paying for that total cost of mining coal. It is time to end the unequal and unjust practice of passing on to some people the heavy cost of death, injury, ill health, property loss and damage and a devastated environment in which it is becoming increasingly hazardous to live.

I implore you as Speaker of the House to urge Congress to assume the moral leadership to end this evil. The time has come that Congress must act. There is ample evidence that lays before Congress the sense of urgency for strong and immediate action on their part.

I am enclosing for your information a copy of an excellent article by Colman McCarthy. I also refer you to testimony which I gave at the House and Senate hearings in March and April of 1973 in which I focused on the human costs of strip mining.

What makes it even the more incredible that we should even be faced with this issue of strip mining, is that there is absolutely conclusive evidence from industry and government sources that the overwhelming amount of recoverable coal resources are deep mineable—according to the Council for Environmental Quality, as much as 97%—but even the more conservative industry and government figures indicate enough deep-mineable coal for 300 to 500 years at present rate of use. Why, then, do we not only allow strip mining, but worse yet, encourage its acceleration and the relaxation of enforcement of the very poor existing laws? The only immediate advantage is to the vested interests of a few—with little regard for the fantastic social and environmental costs being passed on for generations to come.

Finally there is every evidence that if all strip mining's social and environmental costs were paid, strip mining for a profit would be prohibitive. England and Germany can supply us with all we need to know. In those two countries, because social and environmental costs are fully included, strip mined coal is a premium coal, even in the very best of conditions.

If the moral and just reasons why strip mining must be phased out are not enough, then perhaps a pragmatic reason may help. For those who are concerned about the survival of the Appalachian and Eastern coal industry, the phase-out of strip mining is a must. For details on this subject, I refer you to the articles in the May 14, 1974, edition of Business Week, and in the June, 1974, edition of Fortune Magazine which speak of deep mining as a bargain, and also to an article in the Sept. 27, 1973, Washington Post in which reference is made to remarks of Russell E. Train of the Environmental Protection Agency. Mr. Train points to the decided employment and clean air advantages of deep mining for now and the future.

I therefore urge again that you fight and vote for legislation that calls for a phase-out of all strip mining in this country—a bill such as Rep. Ken Hechler's HR 15000 which will be presented as a substitute for HR 11500, or for amendments that give every incentive to a speedy return to deep mining.

Not until we return to deep mining will we see an end to the incredible evils of strip mining. Also only then will deep mining in this country receive the attention required to develop to its fullest capacity necessary safety and health measures and increased protection measures to people and the environment they live in.

Please let me know how you intend to vote and how I can be of any assistance to you.

Respectfully yours,
Rev. R. Baldwin Lloyd,
Executive Director, APSO.

[From the Washington Post]

Strip Mines: New Disaster Areas

(By Colman McCarthy)

In "Hillbilly Women," a valuable book by Kathy Kahn, the author tells of a W. Virginia woman who begged a coal company, with its big strip mine machinery, not to spread the spoil banks so near her home. They ignored her.

As a result, when the spring rains came, her four acres of lawn were flooded. "Then the damage comes to your house because of so much dampness. The doors won't close, the foundation sinks and cracks the walls in the house, your tile comes up off your floors, your walls mold, even your clothes in your closets. Then your children stay sick with bronchial trouble, then our daughter takes pneumonia—X-rays are taken and primary TB shows up."

From the Northern Great Plains, Carolyn Alderson, a successful Montana rancher, also fights for her way of life. She tells the strip miners: "Don't make the mistake of lumping us and the land together as 'overburden' and dispense with us as nuisances . . . Don't be so arrogant as to think you can get away with the murder of this land where tougher and better men have failed."

Such statements, when heard in the board rooms where the captains and generals of the coal-oil-utility industry see themselves as saving America from the supposedly blackmailing Arabs, can be dismissed as emotional outbursts—and from women, no less, who don't understand the economics of energy. But even if the arguments from a mountain woman and a plains woman can be dismissed—how strange that saving one's own house or own business is suddenly made remote from saving America—what can't be dismissed are the unemotional facts behind them.

Much of Appalachia has been devastated by strip mining, and now the coal rush moves West. But there is a difference in attitude this time. In the hills of West Virginia, Pennsylvania, Kentucky and other victim states, the coal, oil and utility companies seldom bothered to hide their raw intentions of abusing the land and those living on it. But in going to the Northern Great Plains, where citizens like Carolyn Alderson are braced for the ethics of strip miners, the companies present themselves as patriots at the service of the public.

American Electric Power, one of the nation's largest electric utilities, is running a $2.7 million ad campaign to sell the idea that "America has more coal than the Middle East has oil—let's dig it." In one recent ad, AEP announced in large print that "The government has something the people need but won't release it." AEP talks about the federally owned coal reserves in the West saying, "It's the people's coal, and the people need it."

Doing everything but standing on a strip mine and singing "America the Beautiful," AEP equates its own interests with those of the citizens. This will be news to citizen Carolyn Alderson. It is though the West is an open coal pit, useful for nothing better than feeding electric generators and making happy the stockholders of AEP, and never mind how the land on top of the seams is now being used or will be used by citizens to come.

The amazing presumption of the AEP is that suddenly it represents the people, with the old representative now being in the way. Overthrowing the government used to be what private enterprise accused the fanatical Eldridge Cleavers of trying to do, but here is a private company—talking from New York, not Algeria—telling the people's government to release the people's land.

AEP's may be the fanaticism of another style, muted by the dignity of a printed ad and lacking the clenched fist, but it comes from a similar brazenness: the belief that the people's collective wisdom should be suspended because Mr. Cleaver or AEP, from on high, have a better use for the republic.

A major issue of Western strip mining is land reclamation. Coal companies, generously absolving themselves of profaning Appalachia, announce they will not do the same in the West. To trust them this time is like loaning one's new car to a racing driver in a demolition derby. He vows to return your car "like new" after a few hours of smashes, bangs and crashes, even though the last car he borrowed is fit for a junk heap. On June 3, the National Academy of Sciences issued its report on the "Rehabilitation Potential of Western Coal Lands." There is small chance for rehabilitation in desert areas, the report said. In more promising areas, success "depends on an intensive, coordinated effort that has never been made anywhere in the United States and requires strong new federal and state laws. There are other difficulties. Long term experimental . . . experience and equipment are lacking . . . A standard of 'complete restoration' cannot be met anywhere, and the chances of approaching the original ecosystem are only moderate on the best of sites."

The NAS report calling for a strong federal law came only days after the Interior Department sent out a call for a weak law. The department told the House Interior and Insular Affairs committee that the latter's bill "could seriously damage the nation's energy position."

The administration's alliance with the coal-oil-utility industry continues an old pattern, except now there is the convenient specter that America teeters on the brink of an energy famine. This "Project Independence" is concocted, although evidence already suggests that this option has all the substance of earlier cure-alls for other problems: The Philadelphia Plan, The Right to Read and Operation Candor.

In opposing the House bill—which Business Week magazine calls "a sensible compromise"—the administration argues that as bad as strip mining may be, we have to do it. "That's exactly the point," says Louise Dunlap of the Environmental Policy Center. "We don't have to strip mine at all. Our coal reserves are overwhelmingly deep mineable. We are going to depend on these underground mines eventually, so to ignore them now is a foolish use of long-term capital investment."

Each week sees another 1,200 acres of land stripped. While this earth quakes, Congress nears its fourth year in leisured debate on regulatory legislation. In this session, the Senate has raised hopes by backing the view of Sen. Mike Mansfield who tells the coal operators to stay out of the West and instead "expand and perfect deep mining of coal."

But the haggling over this and other strict measures will persist, and in the end legislation may be passed that encourages stripping rather than stops it. It is as though Congress, tranquilized, persists in believing in a quick-fix solution: How else can strip mining be defined, except as quick devastation for quick corporate benefits? If Congress does ignore the many calls for strong legislation—the latest from the scientists last week—nothing remains but to create a new type of National Disaster Area, for the disaster laid upon the land not by an Act of Nature but by an Act of Congress.

AUTOMOTIVE AIR POLLUTION MUST STILL BE CONTROLLED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BROWN of California. Mr. Speaker, I have frequently commented on the need to control air pollution from automobiles. This body and the other body have both decided to back away from the enforcement route of air pollution control and allow the automobile manufacturers more time to come up with a solution. I thought then, and think now that this was a bad decision.

The time extensions that were granted to the auto manufacturers included no specific requirements for compliance, and when the time runs out under the current extension I suspect a renewed effort will be made to further postpone the deadlines. While this process goes on, the areas of the country that have been exposed to harmful levels of air pollution continue to suffer.

The expenditures for research and development have not been increased with the increased demand for results. Instead the Federal role in developing ground propulsion systems that are clean and energy efficient has been reduced.

On June 18 the Space Science and Applications Subcommittee of the House Science and Astronautics Committee completed its 7th day of hearings on my bill, H.R. 10392, a bill to authorize NASA to conduct research and development on ground propulsion systems. The testimony at those hearings dramatically pointed up the need for greater R. & D. in this field, and demonstrated the failure of Government and industry to properly address this problem. The bill was opposed by the administration on the flimsy excuse that this type of legislation should await the coming of ERDA. The auto manufacturers were supportive or neutral on the bill, and the remainder of the witnesses were very supportive of this legislation.

Mr. Speaker, I hesitate to elaborate on my own legislation, but because there is such a need for clean and efficient automobiles, and such a colossal failure of all of our institutions to meet this need, I very strongly feel that my bill, or some comparable legislation, should be enacted by this Congress in the near future.

I intend to comment on this subject at greater length in the future. At this time I would like to bring to my colleagues' attention an article that appeared in the San Bernardino Sun-Telegram concerning local air pollution control measures in southern California. The heart of this article is the sentence, "Why do we have to do these things when the Federal Government says to the auto manufacturers, 'You don't have to do a darned thing?' "

The article follows:

Hearing Becomes Diatribe on Federal Failure

(By Bill Rogers)

San Bernardino.—San Bernardino County Supervisors yesterday turned a public hearing on proposed new air pollution control rules into a diatribe against the federal government for its failure to clean up the automobile engine.

The county board postponed action until July 16 at 2:15 p.m. on proposed amendments to antismog rules including two new regulations aimed at preventing emissions of gasoline vapors from storage tanks and automobiles at service stations.

"Why do we have to do these things when the federal government says (to the auto manufacturers) 'You don't have to do a darned thing'?" Supervisor Daniel D. Mikesell exclaimed with reference to federal orders delaying ultimate compliance deadlines for new vehicles for two years.

Noting estimates that vapor control systems which two of the proposed rules would require about 1,200 service stations to install would cost at least $1,200 apiece, Supervisor James L. Mayfield complained

"We're attacking industry, we've attacking community development—we're attacking everything except the problem (the auto engine) that 535 congressmen are too lackadaiscal to attack . . . The blame is wtih 535 congressmen, and I'm not going to sit here and be a fall-guy for them."

Supervisor Dennis L. Hansberger said that although the new control measures proposed to be required at service stations would reduce hydrocarbon emissions in the county by only three tons per day or about 1.5 per cent, he added, "That's a significant reduction, and I think it's worthwhile."

On the other hand, he said with reference to the 182 tons of hydrocarbons which are emitted from moving vehicles every day, "It still doesn't take care of the 80 per cent of the smog that comes from autos."

"What do you expect when the President got $5 million from the oil industry?" Mayfield asked.

"That's very true," Hansberger replied, "but I would hope the Democratic Congress would be willing to overrule the President, and they haven't done so."

Board Chairman Nancy E. Smith joined Hansberger in arguing the county must take every antismog step it can. But she agreed that, because local air pollution control districts are the only forms of government that have taken effective steps, it is "exasperating" to hear officials at higher levels "say that local government cannot do the job."

The board asked APCD Director Donald M. Thomas to arrange a "workshop" session to explain the proposed new rules in more detail—and the need for them—before the next hearing July 15.

The only opposition from among service station operators was voiced by George Newton, owner of a chain of independent stations in the desert area.

Newton said gas retailers already are facing a federal requirement to install at least one pump, costing $10,000, to provide no-lead gasoline for 1975-model cars, or else convert one pump to serve only those models, which he estimated will represent only one or two per cent of all cars on the road in the first year.

"Every additional fee or tax levied on a business or service station," Newton said in objecting to the proposed vapor control rule, "is a non-productive expense."

He charged the major oil companies are "promulgating" the rule because independent operators can least afford it. "Standard Oil, which made a little over $800 million profit in the first quarter, can afford it a little better than myself."

The two disputed rules would require nozzle devices to prevent the escape of gas vapors from auto fuel tanks and convey them to station storage tanks—and would require equipment to prevent the escape of vapors from station tanks and provide for gasoline trucks to collect and dispose of them.

Thomas said the rules are required by the U.S. Environmental Protection Agency and similar measures are being considered by the five other counties in the South Coast Air Basin. He conceded the EPA probably will not impose the rules within a short time if the counties do not.

Mayfield contended the desert area should not be made subject to the rules because most of its smog comes from the coastal basin. Other board members tentatively agreed the question for that area should be left up to the five-county Southeast Desert Basin Air Pollution Control Coordinating Council.

Other proposed amendments would, among other things, provide possible exemptions for the 16 smallest among 165 boilers in the county from a requirement for use of low-sulfur oil, would establish emission limits for the first time for fluorine, chlorine, bromine and certain of their compounds and would clarify and broaden industrial variance procedures.

During a discussion of second-stage smog alerts which occurred in the county late last week, Mayfield said news media reports should emphasize that such high oxidant concentrations are "damned injurious to your health."

The board approved Hansberger's motion asking the APCD and the county health officer to devise ways of making the broadcasting of smog alerts more understandable to the public.

EQUAL CREDIT OPPORTUNITY FOR WOMEN

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. KOCH. Mr. Speaker, the Consumers Affairs Subcommittee had 2 days of hearings last week on equal credit legislation. As a member of that subcommittee, I know that we are most hopeful that a bill will shortly be reported out of committee.

Recently, WNBC–TV in New York, aired an editorial supporting the end of discrimination in all matters, including credit dealings. For the information of our colleagues, I am appending a copy of that editorial:

Editorial

Hearings held two years ago exposed the discriminatory practices of many major creditors against women—regardless of their ability to repay. As a result of those hearings and public awareness of this practice, fourteen States, including Connecticut and New York, have passed laws prohibiting credit discrimination against women. Now, legislation has been introduced in the House of Representatives to outlaw discrimination in credit matters based on race, color, religion, national origin, age, sex or marital status. Similar laws exist relating to housing and employment but this is the first Federal application of this principle to the area of cridit dealings.

The purpose of this bill is to require creditors to make their decisions based on an individual's creditworthiness rather than on extraneous factors. That should be the sole criteria in making a credit judgment. We support the four area Congressmen who are among the sponsors of this overdue bill—and urge its swift passage.

GRADUATION: CLASS OF 1974: NEW DORP HIGH SCHOOL

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MURPHY of New York. Mr. Speaker, on June 24, I had the honor of addressing the graduating senior class of New Dorp High School. The affair was held outdoors, and inclement weather prevented the completion of the entire program, including the remarks I had intended to make. Thus, I am inserting those remarks, including the short remarks I made in their stead, in the Congressional Record:

Faculty and Staff of New Dorp High School, the very proud parents and friends of the graduates, and especially, members of the Class of 1974:

I convey to you and your families and friends my sincere sense of pride in your accomplishments. You have achieved an honor which accompanies years of personal efforts and sacrifices and the efforts and sacrifices of your families who have helped make possible your success.

Most of you know my beliefs and my principles and New Dorp really put them to a test. I think I know your principles and beliefs and in a crowded City Hall room, you proved conclusively to me that you could see through the random dialogues that surround and confuse our electorate. The weather is now threatening and in the interest of all present, the rain particularly, I shall mail you a copy of my remarks which I am sure you will appreciate more than hearing them in this downpour.

The graduation remarks of Congressman Murphy follow:

Statement of Congressman John M. Murphy

The great English Philosopher, Alfred North Whitehead has correctly said that, "The vigor of civilized societies is preserved by the widespread sense that high aims are worthwhile." In that framework, the challenge for Americans today is to examine our problems and ourselves to see if we are achieving the American dream. That is the ideal which inspires us to achieve freedom *and* justice *and* opportunity for *all* individuals—not just for small privileged groups.

The American dream is based on the idea, set forth in our Declaration of Independence, of the inherent dignity of man, uniquely endowed by our creator with a soul, a spirit if you will, and with certain rights that are his and his alone. This high emphasis on the dignity and rights of man makes sense and gives reason to the system of government we call democracy. Without it, men become things—things to be manipulated and controlled, rather than respected as a democracy requires.

Respect for the dignity and the rights of all men—the poorest and the humblest—is a relatively recent development in the history of the human race.

It is also the most fragile of human relationships.

Power hungry men are always at work ready to subvert this highest form of human relationship.

The sad story presently unfolding in Washington today is proof of this.

And in this the greatest of all democracies, the ideals stated in the Declaration of Independence have never been fully reflected in our social, economic, and political system.

In the last 200 years we have only gradually extended the franchise and other civil rights and liberties to include the poor, and the racial, religious and national minorities. Full legal equality is in sight today, but we have a long way to go before the promise of social and economic justice and opportunity contained in the Declaration of Independence is fulfilled.

Yet, as painfully slow as our progress might appear in hindsight, we have come a long way in just two hundred years.

And we can do better if we can overcome some of the flaws, some of the all too human frailties, that have plagued the great American experiment.

Part of our problem is due to our successes. General prosperity and our fascination with national economic growth in the years since the end of World War II have made economic materialists of too many Americans.

President Kennedy recognized this when he asked young people to work for America. And by America, he meant *all* of the people—the poor, the uneducated, the disenfranchised and the weak. The Peace Corps was President Kennedy's extension of this idea to the poor and underprivileged of the world. To Kennedy, the growth of America meant conferring dignity on *all* of our people.

But we have too often perverted the idea of "growth" in the naive hope that ever-increasing production and income would eventually — inevitably — eradicate poverty and elevate the poor and disenfranchised into the same status as the majority of Americans.

Somewhere since November of 1963, we have lost sight of where we are "growing." Rarely have we paused to ask "growth for what?" Even when examining other societies we have tended to determine their success based on the speed of their economic growth. We should rather examine them in order to see how their growth is used to perserve not only the most, but the least of their citizens.

Only recently have we begun to question the idea that an expanding economy—more cars, more TV sets, more of everything—automatically improves the well-being of all Americans.

We have a trillion-dollar economy today, but it is painfully evident that not everyone's standard of living is improving. Nor is it evident that our public services in health, education, welfare, housing and transportation are improving either in quantity or quality, fast enough to meet very real and urgent needs.

Very little—compared to a trillion dollars—is being spent to solve the litany of problems facing millions of Americans.

Not enough is being spent on the devastating health problems of the 20th century American—heart disease, stroke, cancer, birth defects, mental illness and the like.

Not enough is being spent on the social problems of America in the 1970's—crime, law enforcement, drug addiction, poverty, veterans care, social insurrection, programs for the aged.

Not enough is being spent to solve the problems of our highly mobile country—mass transit, energy resource development, efficient and newer methods of moving people and goods.

And whenever and wherever a portion of this intricate system breaks down, it is the American that is the least privileged that suffers.

Like blinders on a horse, for too many Americans in and out of government, our attention is riveted on economic growth as the main indicator of national well-being.

Overconsumption has become a way of life for many Americans, even while other millions have continued to starve.

While it is true that changes in technology and growth patterns have made it possible to bring a rising volume of goods to more people, it is a painful fact that rising incomes have scarcely touched the large majority of the poor, particularly the elderly poor. And to make matters worse, what gains there have been are being eaten up or reversed by inflation. A Government study released just this month reports that ours is a nation "in which the wealthiest one percent possess more than eight times the wealth of the bottom 50 percent, in which the percentage of national income going to the lowest fifth of the population has remained the same for 45 years, and in which 40 million people remain poor or near poor."

The magnitude of the hunger problem is such that all the billions that are being spent on food stamps and supplemental feeding programs have been reduced to an irrelevancy. According to the report, "The food programs cannot end their poverty, and fundamentally, people are hungry because they are poor."

I must make it very clear at this point that money alone is not the answer. It is necessary, but it is only a part of the answer. The tragic lesson of the 1960's was that the Federal Government, the State government—or any government—cannot solve complex social problems simply by creating mammoth new agencies and funneling massive amounts of tax money into programs and ghetto areas that are ill-equipped and unprepared to absorb it.

Too often our efforts to deal with distress themselves increase the very distress we are trying to alleviate.

Of course, it is not only the poor who are suffering because too many Americans exhibit a single-minded attachment to growth. In our cities, that part of the economy which is supposed to make urban life agreeable or even tolerable, services such as housing, surface transportation, hospital and health services, street cleaning, police services and the courts, and other municipal services and education, are provided with increasing relative and often with increasing absolute inefficiency.

In the suburbs, with their miles of neon lights, gas stations, motels, fast food chains, and rings of highways, suburbanites are realizing all too painfully that the problems they thought they left behind them in the city are fast catching up with them. For example, air and water pollution today are costing our society $14 billion a year (damage) not to mention the immeasurable damage to our health.

Increased production and material well-being can be valuable only if it stays within reason and is not allowed to destroy or diminish the least privileged of our people. It is essential that we preserve the humane qualities of all our people and the environment in which we all must live.

More and more abundance must not give just a few of us more free time.

It must help all of us achieve a free spirit, a vision focused on the needs of all of our people or we have achieved nothing at all.

Technological growth must come second to the growth of our people and our society.

The growth and evolution of the United States must continue to be an evolution of the American dream. You young people must be ever devising, ever seeking a higher perfection for each individual.

One million young Americans—not much older than you here today—have fought and died for this dream. I am not asking that you die for it, I am asking that you develop the will, the decisiveness, to guarantee that the America for which we have fought for 200 years is elevated to the highest level in the history of mankind.

It will be a monumental triumph for your time on earth.

It will be a triumph on your collective will.

It is not enough that you have high ideals.

It is not enough that you have high aspirations.

You must have the will to see our ideals and aspirations for this country through the reverses and frustrations you will face—and you will face them.

Your will must be a commitment from this point on, on the central figure of American life—the people.

We could do well to adopt for our creed the words of Woodrow Wilson, who said, "I am all kinds of a Democrat, so far as I can discover, but the root of the whole business is this, that I believe in the patriotism and initiative and energy of the average man."

This is where you come in.

It is, for example, what the vista program is all about.

From you and from others like you throughout the Nation, Americans hope for leadership capable of bringing—

Reconciliation to millions of people who are today the victims of fear, doubt and division. Remember that where human institutions are concerned, love without criticism brings stagnation, and criticism without love brings destruction.

As you seek reconciliation between black and white, rich and poor, young and old, you must keep this insight before you.

From you, Americans hope you will bring—

Reconstruction to a Nation whose cities and rural countryside are plagued with problems of pollution, economic deterioration, dilapidated housing, inadequate health care and education. A policy of reconstruction will require that you develop a balanced national growth policy affecting both the rural and urban areas.

From you, we hope you will bring—

Reaffirmation for a people who are questioning life in these United States. With your help this country needs to reaffirm those qualities that have always been America's greatest strength—individual responsibility, creativity, willingness to take risks in great causes, sense of justice and fair play, and a compassion for the unfortunate. We need to be reunited in a common purpose, dedicated to making this country whole again.

The Federal Government, including the Congress, remains committed to doing everything possible to build a healthy society in which a better life is available for everyone. It will continue to provide advice and financial support on a vast scale. Whether we succeed or fail, however, depends on the personal commitment of individual Americans like yourselves.

It depends on your, on our determination not to allow individuals and their problems to be subordinated or manipulated as means rather than as ends. It depends on our ability to put the focus back on individual integrity and responsibility instead of cravenly delegating it to government and other powerful public and private institutions.

An America with freedom and justice and opportunity for everyone remains the promise of our people.

And if we fail even one small group, we will have failed our purpose.

We cannot say that we are all equal—but some of us are more equal than others—which means some of us are above the law.

That attitude gave us the spectacle of Watergate—and we cannot afford any more of those.

I believe we can bring the promise of the American dream to full flower in your lifetime and so do you, I think, or you wouldn't be here.

Abraham Lincoln stated America's goal eloquently in his first inaugural message. It is to continue "The struggle for maintaining in the world that form and substance of government whose leading object is to elevate the condition of men; to lift artificial weights from all shoulders; to clear the paths of laudable pursuit for all: to afford all an unfettered start and a fair chance in the race of life."

And I repeat, if you have the will, the staggering problems facing this country today—as they have faced every generation—can be overcome.

To paraphrase a great Englishman, I come to you today with the plea that your country needs you. The years ahead may have nothing to offer but hard work, a lot of sweat and not a few tears. But it is a great and good country deserving of your very best. And I ask that your years of leadership be marked with decisiveness coupled with compassion so that one day it might well be said that this, indeed, was your finest hour.

And, in those dark hours that must come occasionally, I ask you to remember the words of a great American—a young President Kennedy who, facing an equally dangerous future, said, "I do not shrink from this responsibility—I welcome it. I do not believe that any of us would exchange places with any other people or any other generation. The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it—and the glow from that fire will truly light the world."

The endeavor was the United States of America.

The task was to help those on whose behalf I speak to you today—to raise the poor and disenfranchised out of the depths and make them truly equal.

As President Kennedy concluded in his inaugural address, "If a free society cannot help the many who are poor, it cannot save the few who are rich."

MAKING GOOD ON THEFTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RANGEL. Mr. Speaker, with the increasing rate of crime in the United States, it is becoming imperative that new methods be found of successfully rehabilitating offenders. Recently, Time magazine reported on a new program in Minneapolis which aims for rehabilitation through restitution. This program, which shows promise, represents a possible new trend in correction. I place the article in the RECORD for the benefit of my colleagues:

MAKING GOOD ON THEFTS

With the astonished landlord trailing in his wake, the young burglar who had previously robbed the place roamed the apartment complex, suggesting a change of lock here, a sturdier door there and providing other professional advice on security. Another Minneapolis felon recently brought his disabled car to the garage where he had once passed a $123 bad check that landed him in prison. One thief now gets along so well with the shopkeeper he once stole from that he was offered a job in the store.

These three offenders are not engaged in an oddball plot to haunt their old victims. They are part of an unusual experiment in Minneapolis that aims for rehabilitation through restitution. Under the program, convicts sentenced for nonviolent property crimes live in a halfway house, take jobs and use part of their earnings to repay what they stole. Says Ron Johnson, supervisor of the Minnesota Restitution Center. "It's one thing to break into a garage. It's another to have to look the owner in the eye afterward. We're building a sense of responsibility."

Started 21 months ago, the program has so far handled 58 felons chosen at random from convicted thieves, forgers and the like in Minnesota prisons. The victim and the convict must work out a written contract. Forger Jerry Bixby, for instance, is now working to pay a debt of $643 in installments of $33 a month. When the victim refuses to cooperate, a symbolic contract establishes a set number of hours of unpaid volunteer work to make good the crime.

Once an agreement is made, the parole board releases the prisoner to the halfway house (on the seventh floor of the downtown Minneapolis Y.M.C.A.). Counselors help find a job, and initially there is an 11 p.m. curfew. Group therapy sessions twice a week continue for the first six months. Though the debt is sometimes quickly paid off, the inmates must stay in the program until they are fully released from parole.

NO RISK

The convicts are enthusiastic. "I would have spent 18 months in the reformatory," says Steve Norlund, who has been working off $417 in forged checks by assembling freezers. "I know I'll be going back if I screw up. This makes a lot more sense." Speaking for the eleven-member staff, Johnson adds: "When I was a parole agent, I would see my guys maybe once a month. Here we have daily contact." As for the victims, Garage Owner Carl Brown notes "It's no further risk to me. He's making the payments. Maybe this will straighten him out."

Of course, it does not always work that way, authorities claim only a "modest success" so far. Of the 58 "clients," as they are called, 18 have either disappeared, committed new crimes or bent the rules sufficiently to be sent back to prison. Supervisor Johnson believes that it was one of them who burgled the Johnson apartment, leaving an anonymous thank-you note. The program will now try to improve results by dropping random selection. Meanwhile, there is special pride in the thief who last month became the center's first graduate. Now completely on his own, he is working full-time as a truck driver.

HERSCHER BAND IS MIDWEST NATIONAL CHAMPION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. O'BRIEN. Mr. Speaker, I am very proud that the Herscher High School Band has marched off with the Midwest National Band Championship for the second year in a row. Herscher is a community of 988 population in Kankakee County.

The competition was held at Rock Falls, Ill., and attracted the top-ranked high school bands from several Midwestern States.

Herscher not only won the overall competition but also took first place in field competition, second place in concert, and third place in parade competition.

In addition, Director Dale Hopper was named "Director of the Year."

I would like to congratulate Mr. Hopper and all 150 members of the band for their fine performance and wish them the same success when they compete for the American Legion State Championship July 20 and 21. The following is an account of the Rock Falls competition published in the Kankakee Daily Journal:

HERSCHER BAND CHAMPION AGAIN

For the fourth straight year the Herscher High School band has some trophies in its case from the Midwest National Championships at Rock Falls—and for the second straight year one of the trophies is the No. 1 overall championship award.

Competing against some of the best bands in the midwest, Herscher won first place in the overall competition and first place in the field competition, second in concert and third in parade, all in Class B competition.

Added to all these earnings was another award, the Herscher High band director, Dale Hopper, being chosen as "Director of the Year" at the competition.

For the successful Hopper, who has guided Herscher bandsmen to many IHSA state awards and helped keep the Herscher High music program among the tops in the state in its class, it was another in a series of honors that have come his way. Hopper, a product of old Kankakee Senior High School, was named "Jazz Band Director of the Year" at the huge Oak Lawn Jazz Festival in 1970. Last summer he was elected into the American School Band Directors Association, one of only 30 in Illinois accorded the honor. In addition, he has been inducted into Phi Beta Mu, national honorary music fraternity.

In the weekend competition at Rock Falls the 150-piece Herscher band ranked first in the field show preliminaries with a score of 76.6 while the band from Oregon, Wis., was second with 75 points and Rocori High School band from Coal Springs, Minn., was third with 71 points. In the Saturday night finals Herscher was first with 76.8, Oregon was second with 76, South Tama County of Iowa was third with 69.3 and North Judson, Ind., was fourth with 64.25.

In the Class B concert contest North Judson was first with 80.5, Herscher was second with 78, Humboldt, Iowa, was third with 77.5, Oregon was fourth with 76.66, South Tama County fifth with 64.33 and Rocori sixth with 58.33.

Rocori took first place in the parade competition with 79.5, South Tama was second with 78.8 and Herscher was third with 78.6.

The overall champion was chosen on the basis of scoring in the field, concert and parade competition. Oregon was second to Herscher and South Tama and North Judson completed the first four.

Indication of how star-studded was the Class B group is the fact that South Tama is the Class B champion in Iowa, Oregon is the Class B champion in Wisconsin, Rocori is the state marching band champion in Minnesota and North Judson was runnerup in the American Legion state championships in Indiana last year. Herscher, of course, is the reigning Illinois American Legion state champion in Class B.

Other overall winners at the Midwest championships were Dundee High School of Illinois in Class AA; Bridgeport, Mich., in Class A and Mt. Vernon, Iowa in Class C. Classes, of course, are determined by school enrollment.

This marked the fourth year Herscher has competed in the Rock Falls contest.

In its first year Herscher was in Class AA and won both the field and parade championships. Three years ago the Herscher band won the concert competition and last year it won the concert and overall titles.

Assistant band director is Terry Tomlin. Drum majors are Joyce Kroll and Paula Baylor. Color sergeants are Anita Turner and Patricia Wolles.

Hopper said he is considering entering the band in one more competition this summer before it attempts to retain its American Legion state championship July 20–21 in Elk Grove Village.

OVERRUNS IN POSTAL SERVICE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks I am including the sixth in a series of investigative articles which began on June 9 in The Washington Post. The article concentrates on cost overruns on postal contracts which have taken $140 million from the pockets of American taxpayers.

The reason for the cost overruns lies in "poor management and poor planning," in the words of official of the General Accounting Office concerning the postal dilemma. However, poor decision-making is nothing new around the Postal Corporation.

A Postal Service document points out that $128 million in cost overruns were found on contracts which had not been competitively bid. The law of the land may not demand competitive bidding, but the law of economy does.

In retrospect one wonders why the Postal Service strayed from the promised path of efficiency and thrift. Certainly, it is easy to see that this agency has lost sight of its goals and objectives at the expense of millions of Americans.

How much longer will the Congress wait before it recognizes the need to rectify past errors by returning the Postal Service to the people?

The article follows:

NEW POSTAL CONTRACTS COST $140 MILLION IN OVERRUNS

(By Ronald Kessler)

The new U.S. Postal Service has spent more than $140 million on contract cost overruns since the assertedly cost-conscious policies of the new agency were adopted in 1969, a computer print-out obtained by The Washington Post shows.

The print-out shows that overruns amounting to $128 million occurred on contracts that had not been competiilvely bid through formal advertising. The overruns on these contracts amounted to 40 per cent of the original contract prices.

In fiscal 1973, Postal Service figures show, only about half the contracts let by postal headquarters for $5,000 or more were given after formal, competitive bidding. The items purchased without bidding ranged from fork lift trucks to carpeting for Postmaster General Elmer T. Klassen's office.

The law that created the new postal agency does not require competitive bidding. It does require it to operate efficiently. Both the postal agency and the General Accounting Office, the audit branch of Congress, have said competitive bidding is generally the cheapest and fairest way of procuring goods and services.

When it was informed of The Post's findings on Postal Service contracting, the GAO said it would begin an investigation of the agency's procurement practices.

Robert H. McCutcheon, assistant postmaster general for procurement and supply, said, "I don't feel the figures (from the computer printout) are an objective portrayal of procurement in the Postal Service." He added, "I'm not trying to cover up any messes."

McCutcheon contended that formal advertising is not the only way of securing competitive bidding. He said a different procurement method—called "negotiated" contracting—is also competitive.

Under the "negotiated" method, the agency selects companies to submit bids. The bids are not sealed, and the agency is not bound to accept the lowest one.

McCutcheon said two-thirds of the negotiated contracts let by the postal agency in a recent period were first listed in a publication that is read by potential contractors.

Asked about McCutcheon's comments, a GAO official cited by the agency as an expert in government procurement said, "Negotiation is not pure competition the way we would like to see it."

Although he was singled out by the GAO public information office as an official spokesman, the expert asked not to be named.

McCutcheon also said many cost overruns apparently had occurred because the Postal Service had changed the requirements of some of the contracts in question. He said other increases might have occurred because the agency ordered additional quantities under a contract allowing extra items to be purchased at the original price.

McCutcheon cited two examples of these contracts, but both turned out to be with another government agency rather than with a company. Those contracts were not included in The Post's analysis. A postal contracting source called the number and value of such contracts "minimal" and McCutcheon declined to cite the total amount of such contracts, saying it would require too much manpower.

In general, the GAO official said, any increase in the price of a contract is an overrun and should not occur. It does not make any difference, he said, if the increase is caused by the contractor or the Postal Service. If changes occur often, he said, "It's poor management and poor planning."

Even a price increase caused by an increase in quantities ordered may not represent efficient procurement, the GAO official said. If each quantity desired were bid as a separate contract, he said, the agency should get a better price.

Almost from its inception, the Postal Service has been engaged in controversy over its contracting methods.

For example, the postal agency chose an underwriter to handle the sale of $250 million in bonds it sold to the public in 1971 without competitive bidding.

Congressional hearings later revealed that the underwriter, Salomon Bros. in New York, hired the former law firm of President Nixon and former Attorney General John N. Mitchell to handle the legal work for the offering.

The law firm was hired by William E. Simon, then a Salomon Bros. partner and more recently federal energy chief and Treasury Department secretary. Simon has acknowledged he is a friend of Mitchell.

Another contract for $8.4 million was given without competitive bidding to the Speaker Sortation Division of ATO Inc. by a postal official who had been a paid consultant to the company.

The Postal Service official, George R. Cavel, justified giving the contract to Speaker on the grounds it had the required equipment without the need for substantial development work. The GAO later said the postal agency knew at the time that Speaker's equipment—package sorting machinery for a bulk mail facility at Jersey City, N.J.—required further development.

Indeed, the GAO said much of the equipment has continued to require modifications even after it was installed. The Postal Service refused to allow this report to see the machinery.

More recently, the Postal Service spent $32 million to buy a new headquaters building in Washington's L'Enfant Plaza because its old building on Pennsylvania Avenue was too large and inefficient. Many postal officials now complain that the new building is too small.

Just before he took over as postmaster general on Jan. 1, 1972, Klassen pledged to tighten contract procedures. "We must do something from inside to provide better controls to avoid this kind of criticism from Congress," he said.

Since that time, Klassen himself has been found to be involved in giving contracts to acquaintances without competitive bidding.

Postal Service files show Klassen instructed postal officials to give contracts eventually amounting to more than $700,000 to a New York marketing firm headed by Charles N. Burnaford, a longtime Klassen business associate.

Burnaford said recently that Postal Service auditors had disallowed $135,000 in payments to his company. "The government steps on you," he said.

Although the Postal Service's contracting manual provides that goods and services should be purchased through competitive bidding with formal advertising unless it would interfere with "prompt, reliable, and efficient postal service," a memo in the Burnaford file shows how the requirements are circumvented.

The memo, between postal contracting officers, says a $43,000 contract must be given to Burnaford without competitive bidding because of the "crash nature" of the work to be done.

The project: preparation of documentary films for the 1973 Postal Week program.

Another method of avoiding competition is illustrated by a $3.7 million contract given by the Postal Service in 1971 to Westinghouse Electric Co.

Why the job was given to an outside contractor is not clear. The job—to evaluate job positions to determine if they fit job duties—had previously been performed by postal employees.

"The feeling," said one postal official who asked to remain unidentified, is you have to cover your ass, and if you give work assigned to you to someone else (outside the agency), you can't be blamed if something goes wrong."

On the surface, the Westinghouse contract appeared to be routine. Indeed, then Postmaster General Winton M. Blount claimed in 1971 congressional hearings it had been competitively bid with formal advertising.

As a House postal subcommittee later reported, the contract was far from routine. "The evidence is overwhelming," it said, "that the Postal Service made up its mind long before the bids were solicited that the contract was going to Westinghouse."

How this happened provides a fascinating case history of procurement methods sometimes used by the Postal Service.

The House subcommittee found that more than a month before bids were solicited, the agency approached Westinghouse and began drawing up a contract to do the job. Robert W. Eidson, the postal official who gave the contract, told his superiors in a memo, "I can now say this will be Westinghouse for the contractor . . ."

The postal agency's legal department, however, blocked the attempt to give the contract without bidding.

Eidson then solicited bids from six companies, including Westinghouse. By soliciting bids, rather than advertising for them, Eidson was using the negotiatiated contract method.

The subcommittee reported that specifications in the solicitations for bids were tailored to fit the proposal already submitted by Westinghouse. It also found that the firms were given less than a week to submit bids after being told the agency's requirements.

When the bids were received, the one from Westinghouse turned out to be the highest in price. It exceeded the lowest bid by $1.8 million.

Eidson justified giving the contract to Westinghouse on the grounds it was most experienced in doing job evaluations and had the necessary qualified personnel.

However, a Westinghouse official later testified that his firm, which makes electrical equipment and appliances, had previously performed only one job evaluation. In contrast, several of the other bidders considered by Eidson to be less experienced had performed thousands of such evaluations, the subcommittee reported.

Eidson had also acknowledged before he rated the bids that Westinghouse was "not knowledgeable in the job evaluation area," according to the testimony of a former postal official, Anne P. Flory. She said Eidson told her Westinghouse would have to be trained by another firm to do the job.

Another firm was hired to train Westinghouse—at Postal Service expense. An official of that firm, Fry Consultants Inc., testified it could have performed the entire job evaluation contract for $2.2 million less than Westinghouse charged.

The official said his firm had never heard of an organization hiring a company to train another company to complete a contract.

Eidson also said the Westinghouse bid was superior because it complied with one particular requirement of the solicitation: that the contract be performed in 3,132 man weeks.

One of the bidders, Booz, Allen & Hamilton, was eliminated because it said it could do the job in about 2,000 man weeks.

Eidson acknowledged under the subcommittee questioning that he did not know how many jobs the Postal Service had to evaluate when he arrived at the requirement of 3,132 man weeks.

"Yet you come up with not an approximation, not approximately 3,000 or approximately 2,000, but you come up with a figure of exactly 3,132 man weeks?" Eidson was asked rhetorically at subcommittee hearings.

The subcommittee referred its findings to the Justice Department for "appropriate action," but no action has been taken by Justice.

Westinghouse defended the Postal Service decision to give it the contract on the grounds that its bid complied with the man-weeks requirement. In addition, Westinghouse said previous experience in job evaluations was not necessary, so long as those assigned to the job had intelligence and general industrial experience.

Eidson, asked for comment recently, declined to say why he chose Westinghouse. He then refused to discuss any aspect of the episode.

When Eidson gave the contract to Westinghouse, he was in a department headed by Harold F. Faught, who had previously been employed by Westinghouse for 21 years and continued to receive deferred compensation from Westinghouse.

Faught said in subcommittee hearings that Eidson was temporarily detached from his staff while the Westinghouse contract was being negotiated. Although Eidson knew Faught had worked for Westinghouse, and the two men saw each other often, Eidson never mentioned the contract, Faught testified.

Last summer, Faught left the Postal Service as senior assistant postmaster general to become a vice president of Emerson Electric Co., which has a $4 million competitively bid contract with the Postal Service.

Emerson's chief executive, Charles F. Knight, is the son of the chairman of Lester B. Knight & Associates, an architectural engineering firm that has received nearly $6 million in postal contracts without competitive bidding.

Faught acknowledged recently that while at the Postal Service, he had helped select the Knight firm as a contractor, but he said any claim of a connection between the contracts and his jobs is "ridiculous."

SENIOR CITIZENS' REFERRAL SERVICE

HON. ANDREW J. HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HINSHAW. Mr. Speaker, I want to call the attention of my colleagues to how one individual can apply himself to a problem and come up with some really meaningful results. Mr. James Wilson of Oceanside, Calif., has undertaken the task of helping senior citizens in an unusual manner and the impact on the community is very visible.

To give you an idea of the type of activities involved I will quote an article from the Oceanside, Calif., Blade Tribune of May 1, 1974.

Senior Citizens' Referral Service

"Oceanside.—When Jim Wilson said he wanted to help senior citizens, he meant it.

And proof of his intentions are very visible in the Oceanside Senior Citizens' Referral Service.

Located in the West Coast National Bank building at Mission Avenue and Horne Street, the service is a clearing house and coordination center for senior citizen services and activities.

The 68-year-old Wilson was a leader in the drive to get the service established with city funds and he has been a daily non-paid volunteer worker since its activation.

That's daily except for the eight weeks he was out with a broken leg.

He mans the office with Margaret Braden Monday through Friday, assisted by other volunteer workers. What do they do?

During the first six months of operation since the Oct. 7, 1973 opening the referral service they:

Obtained 214 volunteer workers and drivers for incapacitated seniors. These volunteers put in 1,397 hours.

Obtained the services of a tax expert who handled more than 200 income tax returns for free.

Set up a blood pressure monitoring program.

Recorded 735 telephone calls where actual assistance to the caller was rendered.

These are only some. Others include the registering of Oceanside seniors and the issuing of senior citizen identification cards.

Seniors who have received the cards have found they are good for discounts at many local businesses ranging from movies, restaurants and haircuts to banks, bowling and buses.

Wilson said that any senior with questions on these and the many other programs and services should call the office at 722–3854.

Or they can drop by anytime. He's there to help."

SENATE—*Wednesday, June 26, 1974*

The Senate met at 10:30 a.m. and was called to order by Hon. Joseph R. Biden, Jr., a Senator from the State of Delaware.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, whose splendor fills the world, from everlasting to everlasting Thou art God and before Thee pass the generations. We bless Thee for our place in the march of life, for the fallen warriors who have gone ahead, and the singing youth who fill the ranks behind. Since we know not what a day may bring, preserve us from grumbling or complaining. Give us joyful and dauntless hearts, prepared for surprises, always ready to lay hold upon fresh opportunities to improve the lot of mankind and advance the Nation's well-being. Make us worthy of Him who in the agony of the cross could commit His spirit to the eternal.

And to Thee shall be all glory and praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., June 26, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Joseph R. Biden, Jr., a Senator from the State of Delaware, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. BIDEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, June 25, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 926, 928, and 930.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MICHAEL A. KORHONEN

The bill (H.R. 7089) for the relief of Michael A. Korhonen was considered, ordered to a third reading, read the third time, and passed.

REDESIGNATION OF THE ALAMOGORDO DAM AND RESERVOIR, N. MEX.

The Senate proceeded to consider the bill (S. 2001) to redesignate the Alamogordo Dam and Reservoir, N. Mex., as Sumner Dam and Lake Sumner, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, at the beginning of line 4, strike out "authorized to be constructed by" and insert in lieu thereof "referred to in", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Alamogordo Dam and Reservoir, New Mexico, referred to in the Act of August 11, 1939 (53 Stat. 1414), are redesignated as Sumner Dam and Lake Sumner, respectively. Any law, regulation, map, document, record, or other paper of the United States in which such dam or reservoir is referred to shall be held to refer to such dam as Sumner Dam or such reservoir as Lake Sumner.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FUNDS FOR FOREST HIGHWAYS

The bill (S. 3490) providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding the provisions of section 118(b), title 23, United States Code, sums authorized for fiscal year 1972 and apportioned to States for forest highways under section 202 (a), title 23, United States Code, shall remain available until expended.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

(The remarks Senator Scott of Pennsylvania made at this point on the introduction of S. 3702, dealing with Vietnam veterans, are printed in the Record under Statements on Introduced Bills and Joint Resolutions.)

PUBLIC OPINION POLLS

Mr. HUGH SCOTT. Mr. President, public opinion polls have caused much discussion and controversy in the past few years. Now, an interesting article written by James L. Payne appearing in Sunday's Washington Star-News explains how these polls work. I think my colleagues will benefit from reading this most provocative article.

It shows that a polltaker can get almost any answer he wants, according to the way he frames the question. It also shows polltakers can affect political policy by phraseology designed to channel the respondent's replies along the lines which may be favored by the polltaker. That seems especially the case in some of the questions asked by pollster Louis Harris.

Mr. President, I ask unanimous consent that the article be included at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star-News, June 23, 1974]

Since Public-Opinion Pollsters Use Modern Techniques and Have a Good Record in Predicting Election Results, Their Surveys on Political Attitudes Can Be Relied on for Similar Accuracy

(By James L. Payne)

Since it is now generally conceded that, for better or worse, the media constitute a fourth branch of government, let us ponder the credentials of a fifth branch: The public opinion polls.

The attention given to polls in recent years supports their claims; the most important facts about such matters as Vietnam and Watergate seem to be poll results. How the war was going seemed less important than how the public thought the war was going; what Nixon did in connection with Watergate seemed, at least until recently, less important than what the public thought he had done.

Before we concede too much authority to the polls, however, we ought to remind ourselves of their limitations. It is often said, of course, that the polls are wrong. Unfortunately, there is little specific criticism, little explanation about why this or that poll is misleading. The general tendency is to accept poll results as facts when the results are congenial, and when they are not, to retreat with the rather lame blanket objection that polls are often wrong.

There are several causes inhibiting real criticism of the polls. First, the only real public tests of their accuracy are their predictions of election results, which are ordinarily so close as to make us impute a similar accuracy to all polling, and to forget the important distinction between polling about specific election options and surveys of attitudes. Indeed, objectors to attitude polls usually support their contentions by reminding us that the pollsters were wrong about the 1948 election, a point whose effect lessens as 1948 recedes further into the past. Second, we are usually kept in the dark about sampling procedures, and have no way of knowing in a given case whether a poll is based on a representative selection of respondents, and therefore whether its results are distorted.

But the most serious defect of opinion surveys lies in the questions asked. If these questions are loaded, vague, or confusing, the results of the survey are contaminated. This obvious point is curiously neglected in the handling of survey results. Although the questions are normally given when the survey is first reported, they are almost always deleted when columnists or senators relay the results. We rarely hear "79 percent of the public agreed with the statement. 'The war in Vietnam has been a difficult and frustrating experience.' " Instead we hear the speaker transmit his presumption of the statement's content: "79 percent of the people oppose the war in Vietnam." This disregard for the wording of public opinion statements reveals a profound naivete; the unstated assumption is that any question on a given subject, say, "opposition to the war in Vietnam," would reveal about the same proportion of agreement and dissent.

But this is rarely true. Changing the wording of a question usually causes major shifts in percentages of apparent sentiment. This hardly requires documentation, perhaps, but an illustration from my own experiments will dramatize the point.

My technique has been to give a group of subjects a written questionnaire containing loaded policy questions, then, two weeks later, to give them another questionnaire concerning the same issues, but with the questions loaded in the opposite direction. For example, I gave the following question to 66 political science majors at the University of Maine. "People who don't earn their own living are not entitled to have the taxpayers support them in comfort." Half the students disagreed, 39 percent agreed, and 11 percent were undecided. If we pretend that question wording does not matter, we may summarize the results thus: Only 50 percent of the students favor welfare.

Two weeks later I gave them this statement: "A country has an obligation to see that its less fortunate citizens are given a decent standard of living." This time 88 percent agreed, 12 percent disagreed. Now 88 percent of the students "favor welfare."

Further study reveals that the subjects most likely to change their apparent opinions in response to question-loading are those who are less interested in politics, and less knowledgeable about it. This finding should hardly surprise us; and what is true of students of poltical science is probably true, in even greater measure, of the public at large. How are we to cope with the hazards of loaded questions? A little thought and some knowledge of English usage usually suffice; sometimes a little guidance is also helpful.

Let's take the case of pollster Louis Harris. Although the questions he asks are often appropriate for sounding public opinion, it must also be observed that many of them are defective. A Harris question in June 1973 ran as follows:

"(Tell me if you tend to agree or disagree with the following statement.)

"It is hard to believe that, with his closest associates involved in the Watergate affair, President Nixon did not know about the planning and later coverup of the affair."

Harris called this item "a projective question" which he believed measured "where public suspicions lay" about the Watergate affair. But was it likely to measure anything? First, consider the use of the vague "It is hard to believe that," an idiom with at least three meanings:

1) I do not believe ("I find it hard to believe the world is flat"); 2) I believe, but find it surprising ("I find it hard to believe the nearest star is six light years away"); 3) I doubt ("I find it hard to believe that an outsider could have pulled the robbery"). Since different respondents are likely to take the phrase in different senses, the meaning of an "agree" response is not evident in the single case, and an aggregate of such responses is probably hopelessly muddled.

A second objection to this question is that it involves a double negative. Given the length and complexity of the question, some respondents may be unable to extricate the meaning from the structure. They may respond only to ". . . President Nixon did not know . . ." and answer "agree" even though they hold a contrary opinion.

Third, the question is gratuitously loaded with an immaterial phrase: ". . . with his closest associates involved in the Watergate affair . . ." Never mind the assertion of unproven allegations, or the ambiguous use of "closest." Even if the phrase were unequivocally true, it would still load the question, the respondent is being supplied with a reason for favoring one response over another. Consider the following examples:

(1) The Devil's Canyon dam, which will add 16 million kilowatts to Valley electric power reserves, should be built.

(2) The Devil's Canyon dam, which will destroy 12,000 acres of scenic and recreational land, should not be built.

In each case, the insertion of a simple fact immaterial to the possession of the opinion itself loads the question.

Finally, the question is defective in being compound: ". . . the planning and later coverup . . ." Respondents who believe one and not the other are given no chance to record their belief. Through inattention, they may be led to give an "agree" response, not realizing they are assenting to beliefs they do not hold.

Another Harris question, dating from 1972, runs as follows:

"Considering the fact that the North Vietnamese now occupy much of the northern part of South Vietnam, would you favor or oppose:

"A ceasefire in the fighting in which both sides kept their troops where they are now?

"An agreement to end the war but to let North Vietnam keep the territory it now occupies? (May 1972)"

This question contains another extraneous "loader" ("Considering," etc.), and the last item is compounded, failing to allow for the respondent who favors "ending the war" but not "letting North Vietnam keep," etc. Moreover, the question is simply too long. The danger of misinterpretation increases exponentially with the number of words it contains. A short question will be rather unambiguous; but as one piles on more and more words, respondents are more likely to go separate ways, reacting to different sections of the question. Some respondents who did not necessarily favor the last item's proposal in toto probably indicated their agreement anyway, being most affected by the "end the war" component.

In the same report, Harris included the results of administering this question:

"Suppose the only way we could get peace in Vietnam were to have President Thieu of South Vietnam resign from office. Would you favor or oppose such a move? (May 1972)"

This question serves no purpose except perhaps to determine whether the respondent is logical. We can safely assume that all respondents would prefer almost anything to endless, perpetual war in Vietnam forever and ever; and so, since the question stipulates that Thieu's resignation is the *only* way to get peace, everyone is bound to agree. Only the illogical would disagree. The American people came off rather well: Only 14 percent were illogical. (A year earlier they came off less well, with an illogicality coefficient of 39 percent. That time Harris stipulated that the "only way we could get peace in Vietnam" was to agree to a coalition government that included Communists.)

Items posing hypotheticals make poor public opinion questions. One is, in effect, sounding two opinions simultaneously: A person's belief about X, and his belief about X if certain conditions obtain. Since the responses are a muddle of both beliefs, no clear meaning can be attached to them.

From this brief examination of some defective questions we can formulate some general rules about satisfactory public opinion questions. A good polling question (or statement) should have the following properties:

It should not, ordinarily, exceed about 15 words. In most cases where other principles are violated, this one is too.

It should not contain "loaders," clauses or phrases immaterial to the opinion itself. Such clauses often begin with since, as, now that, in view of the fact that, considering, because, so that, in order to; also watch the use of which, that, and with. Since loaders are often appositives or independent clauses requiring commas, the following rule is helpful.

It should not contain any internal punctuation. (Exception: neutral ice-breakers like "Generally speaking, do . . .?")

It should not contain compound subjects or objects; the words and, or, but, and yet should not appear.

It should not contain a hypothetical: no if, assuming, or suppose.

It should not contain a double negative.

Let us test against these rules a survey question purporting to measure "isolationism," published in the American Political Science Review in 1971:

"In spite of all the claims to be contrary, America can defend herself, as she has always done, without the aid of so-called allies. (Agree or disagree.)"

The statement contains 25 words, three commas, and two immaterial loaders, one of which is patently false ("as she has always done"). We must conclude that answers to this question had little to do with isolationism. If they measured anything, it was probably a predisposition to agree with loaded, ambiguous statements containing errors of historical fact.

As citizens and observers of politics, then, we need not feel overwhelmed and helpless in confronting opinion poll results. A knowledge of the exact question asked and a thoughtful analysis of that question will often enable us to distinguish worthwhile results from tom-foolery.

ORDER FOR AMENDMENT OF ATOMIC ENERGY ACT OF 1954 TO BE CONSIDERED ON JULY 8 OR 9

Mr. MANSFIELD. Mr. President, the distinguished Republican leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), and I have been discussing Calendar No. 932, S. 3698, a bill out of the Joint Committee on Atomic Energy, to amend the Atomic Energy Act of 1954.

It is our considered judgment that it would be a good time to take this bill up either on July 8 or 9, after the Senate returns from the 5-day recess. We just wanted to make our position clear at this time.

Mr. HUGH SCOTT. I thank the distinguished majority leader. We have consulted about it. We believe that would be a good time to consider it, rather than take it up on the calendar today.

DECLARATION REAFFIRMING WESTERN UNITY

Mr. HUGH SCOTT. Mr. President, the 15-nation NATO meeting in Brussels, at which President Nixon today signed a declaration reaffirming western unity, is evidence of our continued concern and cooperation with our western allies. I believe that all Americans will welcome this Atlantic area declaration.

We will have an opportunity to discuss this matter further in the Senate Foreign Relations Committee, but I think it should be noted that this is one more step in the direction of cooperation and consultation with our long-time friends in the European area.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR A 10-MINUTE LIMITATION ON H.R. 13221, APPROPRIATION FOR THE SALINE WATER PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to request a 10-minute limitation on H.R. 13221, with the time to be equally divided between the Senator from Washington (Mr. JACKSON) and the Senator from Wisconsin (Mr. PROXMIRE) under the usual rules.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is anticipated that there will be a good likelihood that this bill be called up before the cloture debate begins, at which time it is the intention of the joint leadership to ask for the yeas and nays, if not before.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD subsequently said: Mr. President, I ask for the yeas and nays on Calendar No. 927, H.R. 13221.

The ACTING PRESIDENT pro tempore. Is there objection to ordering the yeas and nays at this time?

Mr. MANSFIELD. I obtained unanimous consent previously.

The yeas and nays were ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

WHAT IS RIGHT WITH THE FEDERAL GOVERNMENT: PROGRESS IN CONGRESSIONAL REFORM

Mr. PROXMIRE. Mr. President, during the last few months, there has been a growing feeling of disappointment among Americans in their Government. The failure of our economic policies to curb inflation, our unpreparedness for the problems posed by energy shortages, and the revelations of Government corruption in Watergate have all contributed to a growing cynicism in America. Since 1789 Congress has been a prime butt of national humor, cynicism, and sarcasm. Will Rogers made a great career out of chiding Congress as the one truly native criminal class in the country.

No branch of Government is more urgently in need of improvement than the

Congress, but it is beginning to take its first tottering steps in the right direction. Congress is one branch with so much wrong that any change will almost certainly be an improvement, and there is solid evidence that improvement is now underway.

WHERE CONGRESS FAILS

First, however, let us face the congressional failures and weaknesses:

Too many Members of Congress simply do not work at it. There are far too many absences at rollcalls, in committee hearings and markups, and the Senate—the so-called greatest deliberative body in the world—has not had even a third-class debate in years, and if we had it no one would be on the floor to hear it, except two or three Senators doing the talking.

As a result there has been no adequate public discussion of military spending, arms limitation, anti-inflation policy, or in such major problem areas as trade, health, civil rights, or civil liberties.

Second, there have been grievous substantive failures of the Congress in addition to a massive surrender of congressional responsibility to the Executive across the board in both domestic and foreign policy. This includes uncoordinated and excessive spending policies, riddling of the Federal income tax with special exemptions and privileges, excessive reliance on the regressive payroll tax, and pitifully inadequate action in enacting effective housing legislation.

Finally, there has been far too much awe to the point of obsequiousness before the phony expertise of self-alleged experts in military technology, foreign policy, nutrition, and—based on our experience yesterday, I would say in nuclear energy, too—many other areas where the experts are divided and contradictory, and decision has to be made by simple commonsense.

Yet, despite these weaknesses, the record indicates that the Congress has done more than any other branch of Government to purge itself of the secrecy and elitism that undermine democratic systems.

A HIGHER ETHICAL STANDARD

First in the area of standards of official conduct for Members of Congress. Both Houses have adopted tough financial disclosure requirements. The Senate applies their standard covering income, outside employment, and fundraising to all who make more than $15,000 a year. Ten years ago there were no requirements whatsoever. In the House the establishment in 1965 of a temporary Select Committee on Standards of Official Conduct culminated in the establishment in 1967 of a permanent committee and the adoption in 1968 of a code of ethics for House Members and employees as well as a financial disclosure requirement.

CAMPAIGN REFORM

The Federal Elections Campaign Act, passed in the 92d Congress, sharply limits media spending in House and Senate races. It includes the stringent new reporting requirements that have played such a key role in the Watergate prosecutions.

Before passage of this bill the assertion was increasingly being made that political office was becoming the domain of the wealthy, or of candidates primarily responsible to wealthy groups. We have by no means completely refuted these assertions, but the act was a step along the way toward doing so.

Title I of the act limits the total amount that can be spent by Federal candidates for advertising time in communications media—which includes radio and TV, newspapers, magazines, billboards, and automatic telephone equipment—to 10 cents per eligible voter or $50,000 whichever is greater. An escalation in the media spending limit based on annual increases in the Consumer Price Index is also provided for.

Among other things, title II places a ceiling on contributions by any candidate or his immediate family to his own campaign of $50,000 for President or Vice President, $35,000 for Senators, and $25,000 for Representatives.

Title III requires all candidates and political committees to report names and addresses of all persons who make contributions or loans in excess of $100, and of all persons to whom payments in excess of $100 are made. It also prohibits any contribution by one person in the name of another person.

The Senate has passed new legislation during this Congress which both modifies and supplements the 1971 legislation. S. 372 and S. 3044 set new limits on contributions and expenditures. S. 3044 also provides for optional public financing of congressional election campaigns and creates a Federal Elections Commission with both civil and criminal enforcement powers for violations of election campaign laws. In addition, the Commission is authorized to conduct examinations and audits, to conduct investigations, and to require the keeping and submission of any books, records or other information necessary for the proper allocation of the public financing authorized in the bill.

Finally, the new bill takes firm steps to prevent an incumbent from using his office unfairly to his own political advantage during a campaign. An incumbent is prohibited from using the franking privilege for mass mailing 60 days immediately preceding the date on which any election is held in which he is a candidate. No solicitation of funds may be made by a mailing under the frank.

It is now my fervent hope that the House will also take action on these important reforms in this Congress.

FIFTEEN YEARS OF PROGRESS

The congressional record in the areas of standards of conduct and campaign financing demonstrates that we have come a long way in the last 15 years. Fifteen years ago, Members of Congress and congressional employees were guided by unwritten, indefinite mores regarding what constituted ethical conduct. Today, both bodies have codes of conduct to guide Members and staff and committees to investigate alleged misconduct. Fifteen years ago, Members and their top staff were subject to no financial disclosure requirements at all. Today, both Members and top staff must file financial disclosure statements open to public scrutiny. Finally, in the area of campaign finance, the new awareness of Americans of the importance of the financial aspects of running for elective office and the potential for abuse has prompted Congress to pass meaningful reform.

LEGISLATIVE REORGANIZATION

Major congressional reform has also taken place in the area of legislative organization. The Congress has created new mechanisms to better handle old problems. Examples are the standardized budgeting and fiscal data system, the Cost Accounting Standards Board, which sets standards for Federal procurement, and the new Office of Technology Assessment which is designed to help Congress foresee the probable technological impact of changes that are occurring in practically every facet of our lives in carrying out its legislative tasks. Computers have speeded up congressional performance in sectors as diverse as voting on the House floor, tracking the process of a bill, and making out the congressional payroll.

Many of these reforms were contained in the Legislative Reorganization Act of 1970. Noteworthy aspects of the act provide for a better informed and more efficient legislative process. Electronic voting devices were authorized by the act and became operational as of 1973. A Joint Committee on Congressional Operations was created to provide for continuous study of reorganization of the Congress. The duties of the Congressional Research Service of the Library of Congress were expanded and its staff was strengthened.

Fiscally significant measures are contained in title II of the Reorganization Act. A standardized data processing system was set up and is now maintained for Federal budgetary and fiscal data by the Secretary of the Treasury and the Director of the Office of Management and Budget. This system enables congressional committees to have quick access to information on Federal programs, activities, receipts, and expenditures, saving both time and tax dollars. The General Accounting Office, the congressional watchdog over executive branch spending, was given a broad new mandate in 1970 to review and analyze the results of Government programs as well as perform cost-benefit studies. The result? An increasing stream of useful criticisms of the executive branch.

Extensive provisions were included to provide for cost forecasts of all Government programs: The President is required to send to Congress—as part of the budget—a 5-year forecast of the cost of every new or expanded Federal program. Most committee reports are now required to include cost estimates for authorized programs for a period of at least 5 years. These requirements help to insure that all fiscal measures before the Congress are considered not only in terms of their present impact but also in terms of the future consequences so that Congress can avoid committing itself to programs which later turn out to be fiscal monsters.

Mr. President, I recognize that these provisions, while they are new, and the intent is good, have not had an adequate impact on the Members of Congress. Therefore, I intend to try to further amend this procedure to require the 5-year cost of every bill and amendment must be printed on the face, the first page, of the bill and on the first page of the amendment.

LET THE PEOPLE KNOW

The veil of secrecy hanging over so many committee hearings was lifted by the 1970 Congressional Reorganization Act and blasted aside by subsequent rule changes. As a result, the overall percentage of closed committee meetings dropped from 40 percent in 1972 to 16 percent in 1973. The 1970 act provided that House committee hearings be open except if the committee by majority vote determines otherwise. Senate hearings were to be open except under circumstances which might jeopardize national security, defame someone's character, or disclose confidential information. Business meetings and markup sessions in the Senate were to remain closed while House markups and business sessions could be closed by majority vote.

The committees in both Houses were also opened to fuller public view by the act's authorizing live TV-radio broadcast coverage of open committee hearings—although for many years prior to the act the Senate had permitted such broadcasts—and by its requiring all rollcall votes taken in committee on a bill to be noted in the report which accompanies that bill to the floor.

In March of 1973, both bodies took action to curtail secret committee sessions. The House adopted a resolution requiring hearings to be open to the public unless closed by a majority on a rollcall vote. House markup sessions were also opened to the public unless closed by a specific rollcall vote of the committee. In the Senate a similar resolution was considered. Although the Senate did not make open markups the rule, Senate rules were altered to allow a committee to permit open markup sessions. I am happy to cite the Senate Banking Committee, of which I am a member, as regularly holding open markup sessions.

The ideal of "government in the sunshine" however, has not yet been entirely realized. Many committees continue to hold important markup sessions in private. Also, the Senate should change its rules to correspond with the House by placing the burden on those who seek to close committee meetings to the public rather than on those who favor openness. Nevertheless, it is clear that we have come a long way toward opening the congressional process to public scrutiny through these reforms.

FAIRER COMMITTEE ASSIGNMENTS

Another important portion of the 1970 act, which focused on the Senate, established guidelines for the equitable distribution of committee assignments. With safeguards for Members' assignments at the time the act went into effect, committees in the Senate were divided into major and minor committees and Senators were limited to service on two major and one minor committee. In addition—again with safeguards for then current Members—Senators were limited to membership in only one of four important committees, that is, Appropriations, Armed Services, Finance, and Foreign Relations. Senators were prohibited from holding more than one subcommittee chairmanship on a single major committee.

Finally, the 1970 Reorganization Act guaranteed the minority on House and Senate standing committees two of the permanent professional staff authorized each committee. A majority of minority members can call witnesses of their choosing during at least one day of hearings on a measure or topic. Debate on a conference report is now required to be evenly divided between the majority and minority sides. At least one-third of the committee's funds are required to be used for minority staff. These were important steps toward recognizing the needs and rights of the minority party.

The 1970 Reorganization Act, particularly with regard to the Senate, was the first step in many years toward opening up the committee system to more active participation by more members. Since that time, both parties, in the House as well as the Senate, have made great strides in diminishing the influence of seniority in the selection of committee and subcommittee leaders.

In 1971 House Democrats modified their procedure for naming committee chairman by permitting the caucus to consider nominations for chairman individually rather than en bloc, and providing for secret votes on chairman at the request of 10 Members. At the same time House Democrats voted to limit Members to chairmanship of one legislative subcommittee. At the beginning of 1973, House Democrats went one step further by requiring automatic votes on each chairman and by making those votes by secret ballot at the request of one-fifth of those present. House Republicans instituted mandatory secret ballot votes on ranking Members in 1971. Senate Republicans in the 92d Congress adopted a rule restricting Members to service as ranking member on only one committee. In 1973 Senate Republicans passed a resolution allowing committee members to elect their ranking member subject to the approval of the Republican conference. In 1971 Senate Democrats set a precedent by requiring approval of all appointments to committees, including that of chairman. Thus, since 1970, both parties in both Houses have taken steps to insure greater accountability of committee leaders to the committee and the party which they serve, moderating the "iron law" of seniority in the selection of committee leaders.

MORE EFFICIENT LAWMAKERS

Another area in which progress has been made is in facilitating scheduling of legislation. In the House, this has come about through the coordinated efforts of the majority and minority leadership with the House Rules Committee. Since the 1930's, the efforts of the House Democratic leadership to bring controversial legislation to the floor were often stymied by an obstructive Rules Committee. Until 1961, this committee was comprised of 12 members, 8 from the majority party and 4 from the minority. Frequently, a coalition of conservative Democrats and Republicans combined to block floor consideration of legislation which a majority of the House favored. In 1961, through the efforts of Sam Rayburn, then the Speaker, the committee was enlarged to 15 members, with 10 majority party members. This made it easier for the leadership to get rules from the committee on controversial legislation. In this Congress the Rules Committee, under the chairmanship of RAY MADDEN, has attempted to work closely with the leadership to develop the legislative program for the House.

In the Senate, the increased efficiency has been largely attributable to the spirit of accommodation and cooperation between the majority and minority leadership. When I first came to the Senate, prolonged consideration of a single controversial bill could bring the Senate to a virtual standstill, preventing action on any other item of importance. Today, the Senate works on a multitrack system permitting the simultaneous consideration of several bills on the Senate calendar. Because of this system, the Senate can now act to complete the people's business whereas in previous years it was sometimes powerless to act.

Thus, in both House and Senate, it is now possible for the leaders to schedule business with greater certainty and far greater efficiency than 15 years ago. While this does not mean that Congress has successfully overcome its massive and ever-increasing workload, or that Congress acts on every issue requiring congressional attention, it does represent an important, an indispensable step in that direction.

ASSERTING CONGRESSIONAL POWER

Within the last year Congress has begun to assert itself in areas where there had been unprecedented surrender of congressional power to the executive.

The Congress has passed over the President's veto legislation to restore to the Congress much of the war-making power by requiring congressional approval of any Executive commitment of troops to foreign military action within 60 days of such commitment. In addition, the President can commit U.S. Armed Forces to hostilities only pursuant to a declaration of war, specific statutory authorization, or a national emergency created by an attack upon the United States, its territories, possessions or Armed Forces.

Congress has passed and sent to the President a budget reform act that will force the Congress to establish a ceiling on spending, make decisions on spending priorities itself and for the first time become fiscally disciplined and responsible. The act requires Congress, before acting on appropriations and spending measures, to adopt a budget resolution setting target figures for total appropriations, total spending and appropriate tax and debt levels. New House and Senate committees would be created to analyze budget options and to prepare the budget resolutions. The act also provides procedures for putting limits on backdoor spending programs and for forcing the President to spend impounded funds.

It is my hope that the War Powers Act and the Budget Reform Act signal a new congressional awareness of the constitutional powers delegated to the legislative branch and will be followed by additional legislation.

In reviewing congressional reform it is clear that there is much more to be done, yet I think we have made significant strides in modernizing the Congress during the last 15 years. At this time of low public regard for Congress, I think the record of our achievements in congressional reform needs to be pointed out.

Mr. President, I yield the floor.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the Senator from Alabama (Mr. SPARKMAN), for consideration of the Export-Import Bank legislation.

SENATE JOINT RESOLUTION 218—EXTENSION OF EXPIRATION DATE OF THE EXPORT-IMPORT BANK ACT OF 1945

Mr. SPARKMAN. Mr. President, I introduce for myself and the Senator from Texas (Mr. TOWER) a joint resolution to extend the operations of the Export-Import Bank for 30 days. Under existing law, the authority of the bank expires on June 30. Our committee has completed its work on this legislation, but it is unlikely that the legislation will be reported and can be considered by the Senate and the House of Representatives before the expiration date of the law.

Our joint resolution would simply give Congress the time it needs to consider the legislation properly by extending the operation of the bank for 30 days.

I send the joint resolution to the desk and ask unanimous consent for its immediate consideration.

The Senate proceeded to consider the joint resolution (S.J. Res. 218) which was read twice by its title, as follows:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30" and inserting in lieu thereof "July 30".

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I had planned to do whatever one Senator could do to hold up this joint resolution.

I have been concerned for some time about the vast sums of American tax dollars that have been made available to the Soviet Union—hundreds of millions of dollars, and at subsidized interest rates.

I felt that this action by the Export-Import Bank was contrary to the clear intent of the House of Representatives, which has passed legislation putting certain restrictions on loans to the Soviet Union. It is true that the Senate has not yet passed such legislaion, but the House has clearly acted.

The U.S. Government has been borrowing money at 9 percent and loaning it to Russia at 6 to 7 percent. No American or American company can borrow money at that interest rate; mostly it is 11 percent.

Yesterday I had a very satisfactory talk with the President and Chairman of the Export-Import Bank of the United States, the Honorable William J. Casey. That discussion was followed up by a letter to me from Mr. Casey, of which I shall read the last paragraph, and then, when I conclude my remarks, I shall ask that the entire letter be printed in the RECORD.

The last paragraph of the letter is as follows:

> I want to assure you that the Bank will not act on this commitment or extend any other financing to the Soviet Union until such time as Congress has determined what policies the Bank should follow in this regard and has enacted the legislation presently before the Banking, Housing and Urban Affairs Committee.

That is the end of the quotation from the letter to me signed by William J. Casey, President and Chairman, Export-Import Bank of the United States. I commend Mr. Casey for his assurance and his attitude.

Mr. President, that letter takes care fully, clearly, and explicitly of the problem which I previously had with this joint resolution extending the life of the Export-Import Bank. As a result of this letter and as a result of my conversation yesterday with Mr. Casey, I am pleased to support the joint resolution offered by the distinguished senior Senator from Alabama.

I ask unanimous consent that the letter to me dated June 25, 1974, signed by Mr. William J. Casey, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., June 25, 1974.

Hon. HARRY F. BYRD, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: The Senate has before it a Joint Resolution which would extend the life of the Bank from June 30, 1974 to July 31, 1974. Certain questions have arisen regarding new transactions with the U.S.S.R.

Since I became Chairman of the Export-Import Bank on March 14, of this year, the Bank has refrained from issuing any new commitments for transactions in the U.S.S.R. until such time as the Congress has determined the policy guidelines for the Bank to follow. During this period we have done nothing beyond honoring commitments previously made. Only one such commitment is now outstanding. We have not heard anything about it for some time and don't know if the deal, which relates to a transfer line to produce crankshaft half bearings, is still alive.

I want to assure you that the Bank will not act on this commitment or extend any other financing to the Soviet Union until such time as Congress has determined what policies the Bank should follow in this regard and has enacted the legislation presently before the Banking, Housing and Urban Affairs Committee.

Sincerely,

WILLIAM J. CASEY.

The ACTING PRESIDENT pro tempore. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, and was read the third time.

The ACTING PRESIDENT pro tempore. The joint resolution having been read the third time, the question is, Shall it pass?

The joint resolution (S.J. Res. 218) was passed.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business under the usual stipulations, not to extend beyond the hour of 11:20 a.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. At the end of that time, I ask unanimous consent that Calendar No. 927, H.R. 13221, an act to authorize appropriations for the saline water program, be laid before the Senate and made the pending business, even though the unfinished business will continue to be laid aside temporarily.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there further morning business?

ASSISTANCE TO VIETNAM VETERANS

Mr. McGOVERN. Mr. President, the House and Senate conferees are about to meet on matters relating to the veterans of the Vietnam war. I have today written the following letter to the Senator from Indiana (Mr. HARTKE), who is chairman on the Senate side of that conference:

JUNE 26, 1974.

DEAR VANCE: I am deeply distressed to learn that there is a possibility that the tuition allowance included in the Senate Vietnam Veterans bill may be eliminated by the House-Senate conferees. This would be a catastrophe for the veterans and a grave injustice. I personally will not tolerate it.

If the tuition allowance is eliminated from the veterans bill, I intend to fight the conference report with all of my strength on the Senate floor. It is an outrage that we would send these young men by the millions into battle and then deny them the educational benefits which you and I and other members of the World War II generation enjoyed at the end of that war.

I think our participation in the Vietnam war was a tragic and costly mistake, and like you, I said so for many years. But this should in no way reflect on the veterans who participated in that war. They were not the architects of the war. They were its victims, and we have a special obligation to see that the allowances given to them are at least as generous as the ones given to us at the end of the second world war.

I urge that you insist on the Senate version of the bill and continue your brave and effective efforts toward that end.

Sincerely yours,

GEORGE MCGOVERN.

Mr. MCGOVERN. I realize it is a little unusual to speak about a conference while it is still in progress, but this is a matter of great importance to several million young men of the Vietnam era who are not being fairly treated.

The cost of higher education in this country has increased three times as fast as we have increased the educational allowances. There is no way that millions of these young men can possibly finance their education at today's costs, if we do not maintain in this pending legislation the tuition allowances at the level provided for in the Senate bill.

Let me stress again, and I hope that other Senators will stand with me in this effort, that if the conferees do not see fit to include that provision in the bill, we should reject the conference report and send it back and insist that justice be done toward these young men who participated in this tragic war in Southeast Asia.

I think especially that those of us who were critics of the war have an obligation to see to it that these young men who participated are fairly and justly treated.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legisative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

SUDANESE JUSTICE

Mr. ROBERT C. BYRD. Mr. President, a Sudanese court has sentenced eight Palestinian guerrillas to life imprisonment for the murder of U.S. Ambassador Cleo Noel and Chargé d'Affaires George Moore.

Sudanese President Jaafar Numeiry reduced the sentences to 7 years' imprisonment, and the convicted men have been turned over to the custody of the Palestine Liberation Organization to serve their sentences because, the Sudanese Premier said:

> The PLO is the legal representative of the Palestinian people.

The decision to hand the murderers over to the Palestinian Liberation Organization is tantamount to setting them free, notwithstanding the fact that all eight accused admitted the murders, and said in court that they were members of the Black September terrorist arm of the PLO. This is a disgraceful miscarriage of justice.

Prior to, and during the trial in Khartoum, the Sudanese Government came under strong political pressure to treat the guerrillas as fighters for the Arab cause and set them free. It is obvious that by taking the steps he has taken, President Numeiry and the Sudanese Government bowed to this pressure, while allowing the mockery of a trial and punishment to take place.

On three occasions in 1973 and 1974, I asked Secretary of State Kissinger for status reports on the conduct of this case. On each occasion I was assured by letter signed by the Assistant Secretary for Congressional Relations at the State Department that the judicial process in Khartoum was being carefully monitored by the U.S. Government. The last assurance I received was dated March 21, 1974, and that letter informed me that the case had been remanded for trial under five provisions of the Sudanese penal code, including murder.

Mr. President, I am well aware that the United States cannot interfere in the judicial processes of a sovereign state. I am well aware that under international protocol and usage our Government's hands were tied as far as having any influence in the trial, the sentence or the reported disposition of the criminals. But I am also aware that this is a disgraceful situation, and one that brings us no honor when eight self-admitted murderers of two American diplomats can apparently commit such a dastardly act and pay no penalty for their crimes.

Our recent improved relations with the Arab world have been the subject of much praise and congratulations for the efforts of Secretary of State Kissinger in this regard. I have no wish to denigrate these considerable diplomatic achievements, which conceivably will have important future benefits for the United States.

I am constrained to ask, however, whether, in the euphoria of these diplomatic triumphs, the human element in our relationships may not have been consigned into limbo. I wonder about the feelings of the families of Ambassador Noel and Charge d'Affaires Moore at this time, with their knowledge that their loved ones gave their lives for their country just as surely as any American ever gave his life on the battlefield.

Mr. President, I do not call for revenge, but I do call for justice. It is most unlikely that anything can now be done as far as the eight murderers are concerned. But it is surely within the bounds of possibility that the U.S. Government can make it abundantly clear to our new-found friends in the Middle East that such flagrant flaunting of justice and human decency will not be tolerated if the spirit of cooperation and friendliness so recently established is to continue.

The U.S. Ambassador to the Sudan has been recalled for consultation. Perhaps the recall should be permanent.

The United States rightly expressed outrage at the massacre of the Israeli Olympic athletes in Munich by the Palestinian terrorists of the Black September organization. We should feel equal or greater outrage at the latest example of bending the knee to that same group of inhuman killers. If peace in the Middle East is to become a reality, and if American efforts to bring about that peace are to be more than just lipservice, it must be a part of our Government's responsibility to insure that no man, or no nation, can murder Americans who are in the performance of their duties abroad, in the knowledge or the assumption that their foul crimes will go unpunished.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. BIDEN):

A resolution of the House of Delegates of the Indiana State Bar Association pertaining to the need for the creation of two additional Federal judgeships in Indiana. Referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EAGLETON, from the Committee on the District of Columbia, without amendment:

S. 3477. A bill to amend the act of August 9, 1955, relating to school fare subsidy for transportatoin of schoolchildren within the District of Columbia (Rept. No. 93–965).

By Mr. EAGLETON, from the Committee on the District of Columbia, without amendment:

S. 3703. An original bill to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes (Rept. No. 93–966).

By Mr. EAGLETON, from the Committee on the District of Columbia, with an amendment:

H.R. 15074. An act to regulate certain political campaign finance practices in the District of Columbia, and for other purposes (Rept. No. 93–967).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2838. A bill for the relief of Michael D. Manemann (Rept. No. 93–968).

H.R. 3534. An act for the relief of Lester H. Kroll (Rept. No. 93–969).

H.R. 5266. An act for the relief of Ursula E. Moore (Rept. No. 93–970).

H.R. 7128. An act for the relief of Mrs. Rita Petermann Brown (Rept. No. 93–971).

H.R. 7397. An act for the relief of Viola Burroughs (Rept. No. 93–972).

H.R. 8823. An act for the relief of James A. Wentz (Rept. No. 93–974).

H.R. 9800. An act to amend sections 2733 and 2734 of title 10, United States Code, and section 715 of title 32, United States Code, to increase the maximum amount of a claim against the United States that may be paid administratively under those sections and to allow increased delegation of authority to settle and pay certain of those claims (Rept. No. 93–973).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1193. A bill for the relief of Oscar H. Barnett (Rept. No. 93–975).

By Mr. HARTKE, from the Committee on Veterans' Affairs, without amendment:

S. 3705. An original bill to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuant of educational programs by veterans, wives, and widows (Rept. No. 93–977). Considered and passed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PASTORE, from the Committee on Commerce:

The following named persons to be members of the Federal Communications Commission:

Abbott Washburn, of the District of Columbia;

Glen O. Robinson, of Minnesota; and

Robert E. Lee, of the District of Columbia.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced or reported, read the first time and, by unanimous consent, the second time, and referred, placed on the calendar, or passed as indicated:

By Mr. HUGH SCOTT:

S. 3702. A bill to establish a national program for the employment of Vietnam-era veterans within the Federal Government. Referred to the Committee on Veterans' Affairs.

By Mr. EAGLETON:

S. 3703. An original bill to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes. Ordered placed on the calendar.

By Mr. BARTLETT (for himself and Mr. Bellmon):

S. 3704. A bill to amend section 1 of Public Law 90–503 (82 Stat. 853). Referred to the Committee on Interior and Insular Affairs.

By Mr. HARTKE:

S. 3705. An original bill to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows. Considered and passed.

By Mr. SPARKMAN (for himself and Mr. Tower):

S.J. Res. 218. A joint resolution to extend by 30 days the expiration date of the Export-Import Bank Act of 1945. Considered and passed.

By Mr. HRUSKA (by request):

S.J. Res. 219. A joint resolution to authorize the President to proclaim the period of September 15, 1974, through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month." Referred to the Committee on the Judiciary.

By Mr. FULBRIGHT (for himself, Mr. Jackson, and Mr. Hugh Scott):

S.J. Res. 220. A joint resolution to provide for the reappointment of Dr. William A. M. Burden as Citizen Regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. A joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as Citizen Regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 222. A joint resolution to provide for the appointment of Dr. Murray Gell-Mann as Citizen Regent of the Board of Regents of the Smithsonian Institution. Referred to the Committee on Rules and Administration.

THE STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 3702. A bill to establish a national program for the employment of Vietnam-era veterans within the Federal Government. Referred to the Committee on Veterans' Affairs.

Mr. HUGH SCOTT. Mr. President, I introduce today for appropriate reference a bill to establish a national program for the employment of Vietnam-era veterans within the Federal Government, because the veterans of that war have been neglected by comparison with the treatment accorded by the Government to veterans of other wars and should no longer be the forgotten men.

Mr. President, the Vietnam veteran has long been the forgotten man when Federal legislation has been enacted. This may be an effort to forget this highly unpopular war. But forgetting the war is one thing; forgetting the men who fought in it is another. From the mail I get from Vietnam veterans and in personal conversations I have had with them, they tell me that their greatest hardship is the inability to find employment. Hopefully this bill will provide them substantial assistance.

This bill, a companion to a bill introduced in the House by my colleague from Pennsylvania, Representative Joseph McDade, will automatically qualify a Vietnam veteran, including a disabled veteran, for employment by a Federal agency up to the pay level of GS–6, or an annual maximum of $9,100. The veteran would be eligible during his employment for additional job training. After a year on the job, the veteran would be eligible for career civil service status based on his satisfactory performance in the job and his completion of educational programs if he had been involved in such programs.

I urge my colleagues to give this worthwhile legislation their most careful consideration. I ask unanimous consent that the text of the bill be printed in the Record immediately following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3702

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Veterans Federal Employment Act".

Section 1. (a) The director of an agency is authorized to make an excepted appointment, to be known as a Vietnam veterans appointment, to any position in the competitive civil service, up to and including GS-6, or the equivalent thereof, of a veteran or disabled veteran, as defined in section 2108 (1), (2), of title 5, United States Code, who—

(1) served on active duty in the Armed Forces of the United States during the Vietnam era; and

(2) is found qualified to perform the duties of the position.

(b) Employment under paragraph (a) of this section is authorized in conjunction with a training or educational program developed by an agency in accordance with the guidelines established by the Civil Service Commission.

(c) An employee given a Vietnam veterans appointment under paragraph (a) of this section shall serve subject to—

(1) the satisfactory performance of assigned duties; and

(2) participation in the training or educational program to which he may be appointed.

(d) An employee who does not satisfactorily meet the conditions set forth in paragraph (c) of this section shall be removed in accordance with appropriate procedures.

(e) An employee serving under a Vietnam veterans readjustment appointment may be promoted, reassigned, or transferred.

(f) An employee who completes the training or educational program or who has satisfactorily completed one year of substantially continuous service under a Vietnam veterans appointment shall be converted to career-conditional or career employment. An employee converted under this paragraph shall automatically acquire a competitive status.

(g) In selecting an applicant for appointment under this section, an agency shall not discriminate because of race, color, religion, sex, national origin, or political affiliation.

Sec. 2. (a) A person eligible for appointment under section 1 of this Act may be appointed only within two years after his separation from the Armed Forces, or two years following his release from hospitalization or treatment immediately following his separation from the Armed Forces or two years after involuntary separation without cause from (i) a Vietnam veterans appointment or (ii) a transitional appointment, or two years after the effective date of this Act if he is serving under a transitional appointment.

(b) The Civil Service Commission may determine the circumstances under which service under a transitional appointment for the purpose of paragraph (f) of section 1 of the order.

Sec. 3. Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service shall also disqualify a person otherwise eligible for appointment under section 1 of this order.

Sec. 4. For the purpose of this order—

(a) "agency" means a military department as defined in section 102 of title 5, United States Code, an executive agency (other than the General Accounting Office) as defined in section 105 of title 5, United States Code, and those portions of the legislative and judicial branches of the Federal Government and of the government of the District of Columbia having positions in the competitive service; and

(b) "Vietnam era" means the period beginning August 5, 1964, and ending on such date thereafter as may be determined by Presidential proclamation or concurrent resolution of the Congress.

Sec. 5. The Civil Service Commission shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

Sec. 6. An agency director shall file an affirmative action report biannually with the

Civil Service Commission, the Veterans' Administration, and the Congress. Such reports shall detail that agency's progress under the Vietnam veteran appointment program.

By Mr. HRUSKA (by request):

Senate Joint Resolution 219. A joint resolution to authorize the President to proclaim the period of September 15, 1974, through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month." Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, I am today introducing by request a joint resolution authorizing the President to proclaim the period of September 15, 1974 through October 15, 1974 as "Johnny Horizon '76 Clean Up America Month."

I introduced a measure last year for the same purpose. On September 13, 1973, the Senate passed House Joint Resolution 695, an identical House-passed resolution.

The purpose for this resolution is to bring recognition to a continuing nationwide program of environmental improvement. It is designed as a public service campaign and relies heavily on local sponsorship.

As in the past year, the period between September 15 and October 15 will be reserved for scheduling events to encourage the cleaning up of America's environment. I understand that passage of a congressional resolution in 1973 greatly enhanced the success which resulted from the earlier program.

I am advised that this program has been officially recognized by the American Revolution Bicentennial Administration to promote a cleanup of America prior to the 200th birthday celebration in 1976. Government agencies such as the Civil Service Commission, General Services Administration, Department of Transportation, and Department of Defense have also endorsed and promoted this program. It has also received the support of the U.S. Postal Service, the National Governors Conference, and many national associations, both civic and commercial.

I urge my colleagues to support this measure. I ask unanimous consent that a copy of the joint resolution be printed in the Record immediately following my remarks.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 219

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the period of September 15, 1974 through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month" and calling upon the people of the United States and interested groups and organizations to observe such period with appropriate ceremonies and activities.

By Mr. FULBRIGHT (for himself, Mr. Jackson, and Mr. Hugh Scott):

S.J. Res. 220. A joint resolution to provide for the reappointment of Dr. William A. M. Burden as Citizen Regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. A joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as Citizen Regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 222. A joint resolution to provide for the appointment of Dr. Murray Gell-Mann as Citizen Regent of the Board of Regents of the Smithsonian Institution. Referred to the Committee on Rules and Administration.

Mr. FULBRIGHT. Mr. President, at the request of the Board of Regents of the Smithsonian Institution, I introduce for myself, Senator Scott of Pennsylvania, and Senator Jackson, three joint resolutions to provide for the reappointment of Dr. William A. M. Burden and Dr. Caryl P. Haskins, and for the appointment of Dr. Murray Gell-Mann as Citizen Regents of the Board of Regents of the Smithsonian Institution, each for the statutory term of 6 years.

I ask unanimous consent that these resolutions be printed in the Record, together with biographical sketches of each of the appointees.

There being no objection, the resolutions and biographical sketches were ordered to be printed in the Record, as follows:

S.J. Res. 220

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor William A. M. Burden of New York, New York, on July 2, 1974, be filled by the reappointment of the present incumbent for the statutory term of six years.

S. J. Res. 221

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor Caryl P. Haskins of Washington, District of Columbia, on May 30, 1974, be filled by the reappointment of the present incumbent for the statutory term of six years.

S. J. Res. 222

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor Crawford H. Greenewalt of Wilmington, Delaware, on May 30, 1974, be filled by the appointment of Dr. Murray Gell-Mann of California for the statutory term of six years.

Biographical Sketches

BURDEN, WILLIAM ARMSTEAD MOALE

Financier; b. N.Y.C., Apr. 8, 1906; s. William A. M. and Florence Vanderbilt (Twombly) B.; A. B. cum laude, Harvard, 1927; D. Sc., Clarkson Coll. Tech., 1953; LL. D., Fairleigh Dickinson U., 1965, Johns Hopkins U., 1970; m. Margaret Livingston Partridge, Feb. 16, 1931; children—William A. M. (dec.), Robert Livingston, Hamilton Twombly, Ordway Partridge. Analyst aviation securities Brown Bros., Harriman & Co. N.Y.C. 1928–32; charge of aviation research Scudder Stevens & Clark N.Y.C. 1932–39; v.p. dir. Nat. Aviation Corp., aviation investment trust, N.Y.C., 1939–41; v.p. Def. Supplies Corp. (subsidiary RFC), 1941–42; spl. aviation asst. Sec. of Commerce, 1942–43; mem. NACA, 1942–47, asst. Sec. Commerce for Air, 1943–47; U.S. del. Civil Aviation Conf., 1944; chmn. U.S. delegation interim assembly Provisional Internat. Civil Aviation Orgn., 1946; aviation cons. Smith Barney & Co., Inc., 1947–49; partner William A. M. Burden & Co., 1949—; spl. asst. for research and devel. to Sec. of Air Force, 1950–52; mem. Nat. Aeros. and Space Council, 1958–59; U.S. ambassador to Belgium, 1959–61; mem. U.S. Citizens Commn. for NATO, 1961–62; dir. Am. Metal Climax, CBS, Inc., Mfrs. Hanover Trust Co. (hon.). Chmn. bd. Inst. for Def. Analyses, 1961—; trustee, past pres., chmn. Mus. Modern Art; gov. Soc. of N.Y. Hosp., 1950—; trustee Columbia, 1956—, Fgn. Service Edn. Found., French Inst. in U.S., Regent Smithsonian Instn., 1962—; bd. dirs. Atlantic council U.S., 1961—; bd. govs. Atlantic Inst., 1964—. Decorated comdr. Cruzeiro do Sul (Brazil), comdr.'s cross Order of Merit (Fed. Republic Germany), grand official El Sol del Peru (Peru), grand officer French Legion of Honor, comdr.'s cross Order of Merit (Italy), grand cordon Order of Leopold (Belgium), asso. comdr. (Bro.) Order of St. John Mem. Council Fgn. Relations (dir.), Am. Inst. Aeros. and Astronautics, France-Am. Soc. (pres.), Confrerie des Chevaliers du Tastevin. Clubs: Somerset (Boston, Mass.); The Brook, Racquet and Tennis, River, Links, Century, Downtown Assn. (N.Y.C.); Metropolitan, Chevy Chase, Cosmos (Washington); Buck's and White's (London); Travelers (Paris). Author: The Struggle for Airways in Latin America, 1943. Address: 630 Fifth Av. New York City N.Y. 10020.

HASKINS, CARYL PARKER

Educator, research scientist; b. Schenectady, Aug. 12, 1908; s. Caryl Davis and Frances Julia (Parker) H.; Ph. B., Yale, 1930; Ph. D., Harvard, 1935; D.Sc., Tufts Coll., 1951, Union Coll., 1955, Northeastern U., 1955, Yale, 1958, Hamilton Coll., 1959, George Washington U., 1963 LLD., Carnegie Inst. Tech., 1960. U. Cin., 1960, Boston Coll., 1960, Washington and Jefferson Coll., 1961, U. Del., 1965; m. Edna Ferrell, July 12, 1940. Staff mem. research lab. Gen. Electric Co., Schenectady, 1931–35; research asso. Mass. Inst. Tech. 1935–45; pres., research dir. Haskins Labs., Inc. 1935–55, dr., 1935–, Chmn. bd., 1970–; pres. Carnegie Instn. of Washington, 1956–71, also trustee. Dir. E.I. duPont de Nemours & Co. Asst. liaison officer OSRD. 1941–42, sr. liaison officer, 1942–43; exec. asst. to chmn. NDRC, 1943–44, dep. exec. officer, 1944–45; sci. adv. bd. Policy Council, Research and Devel. Bd. of Army and Navy 1947–48; cons. Research and Develop. Bd., 1947–51, to sec, of def., 1950–60, to sec. of state 1950–60; mem. President's Sci. Adv. Com., 1955–58, cons., 1959–; mem. President's Nat. Adv. Comm. on Libraries, 1966–67; mem. Joint U.S.–Japan Com. on Sci. Coop., 1961–67, cons., 1967–, Internat. Conf. Insect Physiology and Entomology; panel advisers Bur. East Asian and Pacific Affairs, Dept. of State, 1966–68. Trustee Carnegie Corp. N.Y., 1955–, Rand Corp., 1955–65, 66–; fellow Yale Corp., 1962–; regent Smithsonian Instn., 1956–; bd. dirs. Council Fgn. Relations, 1961–, Population Council, Ednl. Testing Service, Center for Advanced Study in Behavioral Scis., Inst. Current World Affairs, Arctic Inst. N.Am., Schenectady Trust Co., Woods Hole Oceanographic Instn., Nat. Geog. Soc., Franklin Book Programs, 1953–58, Council on Library Resources, Pacific Sci. Center Found., Asia Found., Marlboro Coll. Mem. vis. coms. Harvard Overseers Com., Johns Hopkins; U.; bd. visitors, Tulane U. Recipient Certificate of Merit (U.S.), 1948, Kings Medal for Service in Cause of Freedom (Gt. Britain), 1948. Fellow Am. Phys. Soc., A.A.A.S. (dir.), Am. Acad. Arts and Scis., N.Y. Zool. Soc., Pierpont Morgan Library, Royal Entomol. Soc. (Gt. Britain), Entomol. Soc. Am.; mem. Washington Acad. Scis., Royal Soc. Arts (Benjamin Franklin fellow), Faraday Soc., Met. Mus. Art, Am. Mus. Natural History, Am. Philos. Soc., Brit. Assn. Advancement Sci., Audubon Soc., Save-the-Redwoods League, West Australian Naturalist Soc., Biophys. Soc. Nat. Acadm. Sci. N.Y. Acad. Scis., N.Y. Bot. Garden, P.E.N., Pilgrims, Sigma Xi (nat. pres. 1967–69), Delta Sigma Rho, Omicron Delta Kappa, Phi Beta Kappa, Episcopalian Clubs: Century, Coffee House (N.Y.C.); Mohawk (Schenectady); Metropolitan, Cosmos, Chevy Chase, Federal City, University (Washington). Author: Of Ants and Men, 1939; The Amazon, 1943; Of Societies and Men, 1950; The Scientific Revolution and World Politics, 1964; contbr. to anthologies and tech. papers. Editor: The Search for Understanding, 1967; (with others): Am. Scientist, 1971–. Home: 1545 18th St., N.W., Washington, D.C. 20036, Office: 2100 M St., N.W., Washington, D.C. 20037 also; 22 Green Acre Lane Westport Ct. 06880.

GELL-MANN, MURRAY

Theoretical physicist; b. N.Y.C., September 15, 1929; s. Arthur and Pauline (Reichstein) Gell-M.; B.S., Yale, 1948; Ph.D., Mass. Inst. Tech., 1951; m. J. Margaret Dow, April 19, 1955; children—Elizabeth, Nicholas. Mem. Inst. for Advanced Study, 1951; instr. U. Chicago, 1952–53; asst. prof., 1953–54, asso. prof., 1954, research dispersion relations, developed strangeness theory; asso. prof. Cal. Inst. Tech., Pasadena, 1955–56, prof., 1956—, now R. A. Millikan prof. physics, research theory of weak interactions, developed eightfold way theory and Quark scheme. NSF post doctoral fellow, vis. prof. Coll. de France and U. Paris, 1959–60. Recipient Dannie Heineman prize Am. Phys. Soc., 1959; E. O. Lawrence Meml. award AEC, 1966; Franklin medal, 1967; Carty medal Nat. Acad. Scis., 1968; Research Corp. award, 1969; Nobel prize in physics, 1969. Fellow Am. Phys. Soc.; mem. Nat. Acad. Scis., Am. Acad. Arts and Scis. Club: Cosmos. Author (with Y. Ne'eman) Eightfold Way. Home: 1024 Armada Dr., Pasadena, California 91103.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3460

At the request of Mr. DOMINICK, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 3460 to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions.

S. 3556

At the request of Mr. PERCY, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 3556, the Highway Energy Conservation and Safety Act of 1974.

S. 3564

At the request of Mr. EASTLAND, the Senator from Mississippi (Mr. STENNIS), the Senator from Alabama (Mr. SPARKMAN), the Senator from Tennessee (Mr. BAKER), the Senator from Alabama (Mr. ALLEN), and the Senator from Tennessee (Mr. BROCK) were added as cosponsors of S. 3564, to authorize the financing of parkways from the highway trust fund.

S. 3571

At the request of Mr. PERCY, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 3571, the Higher Education Expenses Tax Deferment Act.

S. 3641

At the request of Mr. MONTOYA, the Senator from Rhode Island (Mr. PASTORE) was added as a cosponsor of S. 3641 to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes.

S. 3698

At the request of Mr. PASTORE, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S. 3698, to amend the Atomic Energy Act of 1954.

SENATE JOINT RESOLUTION 217

At the request of Mr. DOMINICK, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of Senate Joint Resolution 217, to designate the third week of September of each year as "National Medical Assistants Week."

SENATE CONCURRENT RESOLUTION 95—SUBMISSION OF A CONCURRENT RESOLUTION TO PROVIDE FOR A "U.S. SPACE WEEK"

(Referred to the Committee on the Judiciary)

Mr. BENTSEN. Mr. President, I rise today to introduce a resolution calling for the creation of a "U.S. Space Week" which would commemorate the accomplishments of our country in the field of space technology. Yearly, on the Monday of the week which contains the date of July 20, all Americans could observe this occasion with appropriate ceremonies and festivities.

I am sure that Americans remember with pride that day, July 20, 1969, when Neil Armstrong took that "one small step for a man, but one giant leap for mankind," and for a brief moment, moment, brought the world closer together. Many events which may appear Earth-shaking today, will fade into oblivion as time marches on, but man's first walk on a world not his own will live in the pages of history forever. Far from commemorating just this one event however, "U.S. Space Week" would be a tribute to the sacrifices and triumphs of all Americans, from the astronauts who gave their lives toward the accomplishment of these remarkable goals, to the American citizens who gave their tax dollars to make these programs possible.

The space program in the United States has truly been a concerted effort on the part of all Americans to make giant leaps across the dark expanses of the unknown in order to expand our knowledge. From Florida to Texas, from California to Hawaii; all across the United States, Americans have worked together to make dreams become reality.

It is for these reasons, Mr. President, that I present this resolution calling for the creation of a "U.S. Space Week," and ask unanimous consent that it be inserted into the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 95

Resolved by the Senate (the House of Representatives concurring), whereas a purpose of the United States space program is the peaceful exploration of space for the benefit of all mankind; and

Whereas the United States space program and its technology directly and indirectly benefit relations among countries, astronomy, medicine, business, air and water cleanliness, urban development, industry, agriculture, law enforcement, safety, communications, the study of Earth resources, weather forecasting, and education; and

Whereas the United States space program has an efficient organization and strong moral leadership, both of which serve as good examples to the people of the United States and to the people of all nations; and

Whereas the National Aeronautic and Space Administration and other organizations throughout the world involved in space exploration programs have cooperated in the cause of the peaceful exploration of space for the benefit of all mankind; and

Whereas the United States space program, through Project Apollo and other space efforts, has provided our Nation with scientific and technological leadership in space; and

Whereas the United States aerospace industry and educational institutions throughout the United States contribute much to the United States space program and to the Nation's economy; and

Whereas in the week of July 15 through 21, 1969, the people of the world were brought closer together by the first manned exploration of the Moon: Now, therefore, be it

Resolved by the Senate (the House of Representatives Concurring), That the President is requested to issue a proclamation designating the seven-day period, beginning on Monday, that contains the July 20 date of each year as "United States Space Week", and calling upon the people of the United States to observe such period with appropriate ceremonies and activities.

SENATE RESOLUTION 349—SUBMISSION OF A RESOLUTION RELATING TO PRINTING OF THE REPORT "MATERIAL NEEDS AND THE ENVIRONMENT TODAY AND TOMORROW"

(Referred to the Committee on Rules and Administration.)

Mr. RANDOLPH submitted the following resolution:

S. RES. 349

Resolution authorizing the printing of the report entitled "Material Needs and the Environment Today and Tomorrow," as a Senate document.

SENATE RESOLUTION 350—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON FINANCE (REPT. NO. 93–976)

(Referred to the Committee on Rules and Administration)

Mr. LONG, from the Committee on Finance, reported the following original resolution:

S. Res. 350

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance, or any subcommittee thereof, is authorized from the date this resolution is agreed to, through February 28, 1975, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $30,000, of which amount not to exceed $18,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1975.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 351—SUBMISSION OF RESOLUTION RELATING TO AN INVESTIGATION OF PRICE SPREADS AND MARGINS FOR LIVESTOCK, DAIRY PRODUCTS, POULTRY, AND EGGS

(Referred to the Committee on Agriculture and Forestry.)

Mr. McGOVERN submitted the following resolution:

S. Res. 351

Whereas a strong and viable farm livestock industry is essential to the very well-being of this Nation's economy; and

Whereas costs of production in the livestock, dairy, poultry, and egg industry have skyrocketed and show no signs of abatement; and

Whereas the ability to provide the consumers of this Nation with an abundance of quality food now, and in the future, is thus being jeopardized; and

Whereas farm prices of livestock, dairy products, poultry, and eggs have declined materially; and

Whereas these reduced prices to farmers do not appear to have been fully reflected in reductions of prices at retail to consumers: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate, that the Federal Trade Commission undertake immediately an investigation of margins that exist between farm prices of the specified commodities and prices at retail, to determine—

(a) the margins that exist now and have existed in the past for the specified commodities;

(b) the changes in the relative values of the items that comprise the margin;

(c) whether these margins fully reflect appropriate farm price changes;

(d) whether any important level in the food marketing chain experienced any losses since August of 1973;

(e) profits of each important level in the food marketing chain;

(f) on a preliminary basis whether market power concentration exists to the extent that such concentration impedes competitive forces.

ADDITIONAL COSPONSORS OF A RESOLUTION

At the request of Mr. Inouye, the Senator from Utah (Mr. Bennett) and the Senator from Wyoming (Mr. McGee) were added as cosponsors of Senate Resolution 347, relating to the role of the Federal Government in tourism in the United States.

CONSERVATION AND REHABILITATION PROGRAMS ON MILITARY RESERVATIONS—AMENDMENT

AMENDMENT NO. 1533

(Ordered to be printed and to lie on the table).

Mr. ABOUREZK submitted an amendment, intended to be proposed by him, to the bill (H.R. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENT

AMENDMENT NO. 1534

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN (for himself, Mr. Dole, Mr. Humphrey, and Mr. Abourezk) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1469

At the request of Mr. Beall, the Senator from Hawaii (Mr. Fong) was added as a cosponsor of amendment No. 1469, intended to be proposed to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1487

At the request of Mr. Nelson and Mr. Ervin, the Senators from Illinois (Mr. Percy and Mr. Stevenson), the Senators from Iowa (Mr. Hughes and Mr. Clark), the Senator from South Dakota (Mr. Abourezk), the Senator from Maine (Mr. Hathaway), the Senator from Massachusetts (Mr. Kennedy), the Senator from Minnesota (Mr. Humphrey), the Senator from Washington (Mr. Jackson), the Senator from California (Mr. Tunney), the Senator from Oregon (Mr. Hatfield), the Senator from Montana (Mr. Metcalf), the Senator from New York (Mr. Javits), and the Senator from Maine (Mr. Muskie) were added as cosponsors of amendment No. 1487, intended to be proposed to repeal the no-knock provisions of S. 3355, the Comprehensive Drug Abuse Prevention and Control Act of 1970.

NOTICE OF HEARINGS OF THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

Mr. MOSS. Mr. President, I would like to inform my colleagues of several upcoming hearings before the Committee on Aeronautical and Space Sciences.

The first set of hearings, scheduled for July 16 and 18, will focus on the new ideas for aircraft of the eighties and nineties. We want to explore the most advanced conceptual thinking of the best brains in the country in aeronautics.

The hearings, in which both Government and private witnesses will testify, will cover five general areas:

First. New aircraft designs.

Second. New engines and new fuels.

Third. Lighter-than-air vehicles.

Fourth. General aviation.

Fifth. Safety.

The next hearing, scheduled for July 23, will focus on S. 3542, a bill Senators Goldwater, Stevens, and I are cosponsoring, to authorize appropriations to the National Aeronautics and Space Administration for research and development relating to the seventh applications technology satellite.

There is widespread support for a seventh applications technology satellite, and the hearings are being designed to examine all sides of the issue.

The third set of hearings, scheduled for August 6 and 8, will focus on S. 2350, a bill I introduced on August 3, 1973, to amend the National Aeronautics and Space Act of 1958 to provide for the coordinated application of technology to civilian needs in the area of earth resources survey systems, and to establish within the National Aeronautics and Space Administration an office of Earth resources survey systems, and on S. 3484, a bill introduced by Senators Abourezk, McGovern, and Young on May 13, 1974, to establish, within the Department of the Interior, the Earth Resources Observation Administration.

Experimental earth resources satellites are proving beyond our fondest hopes their ability to find, monitor, and preserve our limited natural resources. The first experimental bird, ERTS-1, has excited worldwide interest in hosts of disciplines including agriculture, geology, oceanography, land-use planning, forestry, and many more.

Now is the time to give careful consideration to the best way to move into a truly operational system.

The witnesses for these hearings will be announced at a later date.

ADDITIONAL STATEMENTS

THE SLUR OF VICE PRESIDENT FORD

Mr. BEALL. Mr. President, recently I came across an article by Ray Gill, which appeared in the Easton, Md., Star-Democrat.

While short, the article was very much to the point and is—I feel—worth the time to read. I, therefore, commend it to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Slur of Vice President Ford

(By Ray Gill)

The elitist liberal writers are fond of saying that Vice President Gerald R. Ford is a decent sort of chap, but they always slyly inject the thought that he, uh, well he really isn't very smart.

One might ask where they have been lately. Ford has been handling issues arising from the impeachment proceedings against President Nixon with political artistry that could not be matched by any genius I know.

Since being sworn into office last December 6 under the most unpleasant circumstances—the former vice-president having resigned in disgrace and the president facing the threat of impeachment—Ford has demonstrated nothing less than considerable intelligence and extraordinary political skill.

While stoutly expressing confidence that Nixon is innocent of any wrongdoing in the Watergate and related messes, Ford has simultaneously criticized the White House for its stubborn resistance against the demands of the House Judiciary Committee.

As the man who would succeed to the Presidency if Nixon is ousted or resigns, Ford is in an extremely sensitive position.

There is no doubt of his loyalty to Nixon and his efforts to somehow deter impeachment of Nixon by the House of Representatives, where Ford served 25 years.

As a product of Congress, where he established lasting relationships and earned nearly universal respect as House minority leader, Ford can move where other members of the Nixon Administration would be unwelcome because of the prevailing hostilities.

Moreover, he certainly must be acutely aware that he will need the good will of his former colleagues in the House if circumstances propel him into the Presidency.

Thus, we find Ford defending Nixon while trying to work out compromises by which the House Judiciary Committee would obtain more of the documents and tapes it has requested from the White House.

Nixon has refused to provide the Judiciary Committee with any more material, insisting that it has sufficient evidence to render a decision on impeachment, and emphasizing the constitutional point that unlimited congressional access to presidential files would destroy the independence of the Presidency.

There is considerable merit to Nixon's argument that the Presidential office could be damaged forevermore by allowing a congressional committee to rummage through whatever Presidential files it demands, but the question is how much is enough.

Nixon has slammed the door, and Ford has expressed the view that "a stonewall attitude isn't necessarily the best policy."

He knows the House, and he senses that "a stonewall attitude" by Nixon could shift enough votes to impeach Nixon when the showdown vote is taken.

While Nixon makes his stand on what he perceives to be the constitutional principles at stake, Ford's every instinct is to work for compromise and accommodation. They are the instincts of a veteran congressman.

Ford is likely to come through this whole mess with an excellent public image that could make him a first-rate Presidential contender in 1976, if he does not assume the office sooner.

He defends the presumption of Nixon's innocence which is altogether proper and even expected of the vice-president, but he also wins acclaim as a critic of the Nixon strategy and is perceived as not being attached to it.

Whatever way the fates move, Ford could emerge without any scar, nor even the slightest blemish.

One wonders why those smart liberal writers keep describing Ford as not very smart.

After watching Ford's performance in the vice-presidency for several months, I am convinced he could teach anybody a thing or two about the intelligent practice of the political arts.

PADRE OF THE AMERICAS

Mr MONTOYA. Mr. President, on April 11, 1974, Rev. Father Joseph F. Thorning, Ph. D., D.D., offered the prayer in the U.S. House of Representatives. I would like to take this opportunity to offer my respect. This was the 30th consecutive year that the servant of the people of God we know as the "Padre of the Americas" delivered the invocation in response to the invitation of the leaders of both parties.

In February 1974, I related that "the Padre" had served at various times as dean of the graduate school of Georgetown University and European correspondent of America. Currently, he is honorary chaplain of the Inter-American Defense University and board, as well as an associate editor of World Affairs. Recently, the Reverend Father Thorning was accorded the highest award the U.S. Marines are authorized to grant a civilian lover of peace. In addition, on June 14, 1974, he was accorded a "Diploma of Honorary Membership" in the Inter-American Defense College. This great honor was given "in recognition of, and in gratitude for, his outstanding support of the principles and objectives of the college."

The "Diploma of Honorary Membership" was awarded on the occasion of the graduation ceremonies of the officers of Air Force, Navy, and Army from many Western Hemisphere nations. These gentlemen had completed their course in the university with distinction.

The chairman of the Inter-American Defense Board, Adm. Oliver Hazard Perry, Jr., was present on the dais for the graduation exercise. Other leaders at the podium in the Hall of the Americas were His Excellency Ambassador Guillermo Sevilla Sacasa of Nicaragua; Secretary General Galo Plaza of the OAS; Maj. Gen. Enrique Gallardo Basslesteros of the Army of Bolivia; Brig. Gen. Pedro R. Florentine of the Army of Paraguay; and Licienciado don Antonio Ortiz Mana, president of the Inter-American Development Bank. The award, unique in the history of the inter-American world, bears the signature of George S. Beatty Jr., director of El Inter-Americano Colegio de Defensa.

Reverend Father Thorning, "El Padre de las Americas," delivered both the invocation and the benediction in the language of the genius, Cervantes. I want to take this opportunity to offer sincerest praise for this fine man. I, therefore, ask unanimous consent that this tribute to Rev. Father Joseph F. Thorning, offered by the National Conference of Christians and Jews, in the Religious News Service, on Tuesday, May 28, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOMESTIC SERVICE: PRIEST OFFERS PRAYER IN HOUSE ON "PAN AMERICAN DAY"

WASHINGTON, D.C.—Father Joseph F. Thorning, known in Congress as "the Padre of the Americas," has offered the opening prayer in the House of Representatives on Pan American Day for the 30th consecutive year.

The 78-year-old educator, author, lecturer and priest helped, in 1944, bring about an Act of Congress establishing the official celebration of Pan American Day in the U.S. Capitol, which commemorates the political, economic and spiritual unity of the Americas based on the doctrine of juridical equality and respect for the sovereignty of each.

Each year since then, Father Thorning, who lives at St. Joseph's-on-Carrollton Manor, Md., has been invited back by the House leadership to open the legislative session with prayer.

An active supporter of the present government in Spain since the Spanish Civil war, he is said to have "inspired his friends in the Senate and House" to approve a $65 million loan to the Madrid government following World War II.

He was named by President Truman an official member of special diplomatic missions to Brazil and also to Central America. Later (in 1956), President Eisenhower appointed him to serve on another special mission, also to Brazil.

The Senate Subcommittee on Inter-American Relations asked him to accompany Secretary of State John Foster Dulles to the Tenth Inter-American Conference in Caracas, Venezuela.

Despite his age, the priest's interest in the cause of inter-American friendship throughout the Western Hemisphere continues. He participated in the World Council for Freedom Congress in Mexico City in August 1972, and earlier that year delivered a series of lectures at several major South American universities.

He has more recently coordinated cooperation between the Argentine and Mexican Embassies and Georgetown University here in producing two cultural programs at the Jesuit university, one commemorating the Argentine classic "Martin Fierro," and the other featuring a presentation by the celebrated Mexican poet Carlos Pellicer.

ELEVEN HUNDRED MORE LIVES SAVED IN MAY

Mr. PERCY. Mr. President, the National Highway Traffic Safety Administration—NHTSA—has just published its traffic fatality figures for the month of May. The highway death toll nationwide was 1,101 fewer than in May of 1973.

This continues the pattern of dramatic reductions in highway fatalities which began last November when speed limits were reduced to conserve fuel. According to NHTSA's data, highway deaths have been running almost 24 percent below last year's total during the 5 months since the national 55-miles-per-hour speed limit went into effect.

This astounding reversal in traditional trends of highway fatalities demonstrates beyond a doubt the importance of retaining the lowered speed limits. Since people have been driving slower, many are enjoying their driving much more, they get less fatigued and less tense. Consequently they are more alert and drive more safely.

S. 3556, the bill I introduced on May 30 along with my colleagues, Senators RANDOLPH, STAFFORD, and WEICKER, would extend indefinitely the present nationwide speed limit of 55 miles per hour. We have recently welcomed Senators RIBICOFF, CHILES, and GRAVEL as additional cosponsors of S. 3556.

Every month, as the tally mounts of lives saved due in large part to lowered speed limits, I am more and more convinced of the importance of enacting this bill. According to NHTSA's figures, nearly 6,000 men, women, and children now owe their lives to reduced speed limits, effective traffic enforcement, and the safer driving atmosphere that has been created since the severe fuel shortage began last November.

In announcing the figures for May, NHTSA's administrator, Dr. James B. Gregory directed the public's attention to the need for continued safe driving over the July 4th weekend. Dr. Gregory said:

> In particular, we are hoping that the public will be as mindful of safety over the upcoming July 4th holiday weekend as it was over the Memorial Day holiday, when the 390

highway deaths recorded were 149 fewer than for the same three-day holiday period a year ago. That figure was the lowest traffic death count for that holiday period in more than a decade and we certainly would like to duplicate that effort.

Mr. President, I ask unanimous consent that the full text of the National Highway Traffic Safety Administration's press release be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF TRANSPORTATION NEWS

NATIONAL HIGHWAY TRAFFIC
SAFETY ADMINISTRATION,
Washington, D.C., June 24, 1974.

The nation's traffic deaths declined again in May, the seventh consecutive month that highway fatalities have been below the comparable period a year ago, the U.S. Department of Transportation reported today.

Preliminary figures for May, based on 49 state reports to the Department's National Highway Traffic Safety Administration (NHTSA), show a saving of approximately 1,100 lives, or a reduction of 23 per cent below the number of persons killed in traffic accidents in May of 1973.

Dr. James B. Gregory, the NHTSA Administrator, attributed the decline in highway fatalities to a combination of factors, including lower speed limits, effective traffic enforcement, and cooperation by the motoring public.

"Contrary to our expectations—with the disappearance of gas lines and the advent of good weather—that fatalities might climb, the May data continue to show an unprecedented decrease," Dr. Gregory said. "Law enforcement agencies are apparently making a significant contribution, and the motoring public obviously continues to be more conscious of safety on the highway and fuel conservation practices."

The federal safety administrator cautioned that the summer months ahead represent a critical period since statistically, highway deaths increase with more motorists on the road.

Gregory noted that the Federal Energy Administration says gasoline supplies are available to meet the demand this summer, if the public exercises sensible conservation and restraint in its driving habits.

"Individual action and cooperation does lead to worthwhile results and could provide this nation with one of the safest summers on record," Gregory said.

"In particular, we are hoping that the public will be as mindful of safety over the upcoming July 4th holiday weekend as it was over the Memorial Day holiday, when the 390 highway deaths recorded were 149 fewer than for the same three-day holiday period a year ago. That figure was the lowest traffic death count for that holiday period in more than a decade and we certainly would like to duplicate that effort."

The preliminary figures show a reduction in traffic deaths from 4,813 in May 1973 to an estimated 3,712 in May of this year. The total reduction in traffic fatalities since last November approaches an estimated 6,000 lives compared to the same period a year ago. Highway deaths for the first five months of 1974 are running almost 24 per cent below the total for the same period a year ago.

ESTIMATED TRAFFIC FATALITIES AND CHANGES

	1974	1973	Percent change
January	2,928	3,781	−22.6
February	2,655	3,458	−23.2
March	3,191	4,343	−26.5
April	3,444	4,448	−22.6
May	3,712	4,813	−22.9

TRAFFIC FATALITY ESTIMATES BASED ON EARLY REPORTS, MAY 1974, 1973 (JUNE 20, 1974)

State	1974	1973	Percent change
Alabama	90	104	−13.5
Alaska	5	16	−68.8
Arizona	51	87	−41.4
Arkansas	58	61	−4.9
California	323	444	−27.3
Colorado	54	73	−26.0
Connecticut	24	58	−58.6
Delaware	15	15	0
Florida	181	241	−24.9
Georgia	128	177	−27.7
Hawaii	10	11	−9.1
Idaho	28	35	−20.0
Illinois	163	215	−24.2
Indiana[1]	77	137	−43.8
Iowa	47	80	−41.3
Kansas	29	66	−56.1
Kentucky	60	115	−47.8
Louisiana	51	123	−58.5
Maine	12	16	−25.0
Maryland	65	81	−19.8
Massachusetts	72	97	−25.8
Michigan	140	178	−21.3
Minnesota	58	91	−35.6
Mississippi	58	78	−25.6
Missouri	107	110	−2.7
Montana	21	24	−12.5
Nebraska	33	30	+10.0
Nevada	20	20	0
New Hampshire	22	9	+144.4
New Jersey	94	123	−23.6
New Mexico	50	51	−2.0
New York	274	266	+3.0
North Carolina	105	161	−34.8
North Dakota	8	14	−42.9
Ohio	157	194	−19.1
Oklahoma	66	60	+10.0
Oregon	63	53	+18.9
Pennsylvania	171	201	−14.9
Rhode Island	10	11	−9.1
South Carolina	85	78	+9.0
South Dakota	8	20	−60.0
Tennessee	77	105	−26.7
Texas	245	296	−17.2
Utah	32	35	−8.6
Vermont	16	6	+166.7
Virginia	69	116	−40.5
Washington	50	78	−35.9
West Virginia	29	54	−46.3
Wisconsin	87	88	−1.1
Wyoming	13	12	+8.3
Total	3,712	4,813	−22.9

[1] State report not received.

AMENDMENT TO REPEAL "NO-KNOCK" PROVISIONS TO AUTHORIZATION FOR DRUG ENFORCEMENT ADMINISTRATION

Mr. KENNEDY. Mr. President, as a cosponsor of the amendment to S. 3355 introduced by the distinguished Senators from North Carolina and Wisconsin, I urge the Senate to adopt the amendment for two reasons. First, the "no-knock" provisions of the Comprehensive Drug Prevention and Control Act of 1970 and of the District of Columbia Court Reform and Criminal Procedure Act of 1970 inherently infringe upon the protections guaranteed by the fourth amendment to the Constitution. Second, these provisions have not proved necessary to effective law enforcement and in fact have been little used in the past year.

I opposed the "no-knock" provisions of both bills when they were pending before the Senate. In May 1970, I joined the Senator from North Carolina in a letter which said:

> "No-knock" challenges the very significance of the Fourth Amendment. The constitutional authority safeguarding the sanctity of the home from unlawful government intrusion ensures to the individual a "privileged sanctuary"—a place where he can enjoy what William Faulkner has called that "last vestige of privacy without which man cannot be an individual."
>
> This "no-knock" authority goes far beyond the limited exceptions to the common-law and constitutional rule that officers must announce their presence and purpose before entering.

The fourth amendment contemplates that a warrant will be issued by an impartial magistrate upon a showing of probable cause of a crime. The officer charged with the responsibility of carrying out the warrant has the obligation to properly identify himself and give notice to the inhabitant of the premises to be searched.

The experience of the past 4 years demonstrates that many of the dangers foreseen in 1970 have come to pass. The myriad instances of terrified citizens thinking they were being subjected to burglary or more frightening acts, only to find they were being "searched" by law enforcement officers who entered without notice, have been well documented by the distinguished Senators from North Carolina and Wisconsin.

There may be circumstances, such as those detailed in Justice Brennan's opinion in *Ker* v. *California,* 374 U.S. 23 (1963), in which entry without notice may be constitutionally permissible. These may include situations in which the officer is justified in the belief that persons within are in imminent danger of bodily harm or are attempting to escape or destroy evidence after being made aware that there is someone outside. But it is my view that these circumstances, which will only be present in a tiny fraction of cases, can only be apparent to the officer executing the warrant immediately before entry, on the doorstep of the house. They cannot be known to a judge at the time the warrant is issued.

The "no-knock" provisions which would be repealed by the amendment before us severely impinge upon the fourth amendment right to be free from unreasonable searches and seizures and on the constitutionally protected right to privacy. On constitutional grounds, the amendment deserves support.

In addition, recent experience has demonstrated that "no-knock" searches have not proven of significant value to law enforcement. Since July 1st of last year, Federal authorities have sought to use the "no-knock" provisions only three times, and have actually executed a "no-knock" warrant only once. Chief Jerry V. Wilson of the Metropolitan Police Department stated only 2 weeks ago that repeal of the provisions "won't affect us one way or another" and that he would not object to a repeal. District of Columbia police have not used "no-knock" warrants since October 1971, a span of over 2½ years.

There could be no clearer indication that the "no-knock" provisions, which were intended for the benefit of Federal and District of Columbia law enforcement, have not been of significant value for that purpose and in fact have been little used during the past year.

The amendment before us will merely restore Federal narcotics officers and District of Columbia police officers to the status of the law with regard to search warrants as it existed before the passage of the "no-knock" provisions in 1970. In no way will their effectiveness to fight crime be diminished.

In the era of Watergate, Americans need reassurance that the Congress is doing all it can to safeguard their individual right to privacy and to freedom from unreasonable searches and seizures. Passage of the amendment before us will constitute a small but significant step toward providing that assurance.

PRIVACY AND THE PUBLIC SECTOR

Mr. PERCY. Mr. President, I am impressed by the enormous public response to hearings on the right to privacy held last week by the Committee on Government Operations and the Constitutional Rights Subcommittee of the Judiciary Committee. There can be no doubt that the American public is deeply concerned with the growing encroachment on individual privacy by Government and private organizations maintaining dossiers of highly sensitive personal information. I am certain that many of my colleagues in the Senate are receiving a large response from constituents, as I am, on the issue of personal privacy. The sentiment is clear: the time for legislative action by this Congress to safeguard the right of privacy has arrived. Newspapers across the country are unanimous in their call for prompt action by Congress to insure that the gathering, use, and distribution of information about individuals is adequately regulated.

I wish to call attention to an essay in the New York Times of Saturday, June 15, written by Mr. Frank T. Cary. According to Mr. Cary, chairman of the Board of IBM, there is a real need for reformulating both our ways of handling personal data and our thinking about what is and what is not the proper concern of "outsiders." Mr. Cary makes a vital distinction which should be recognized by all of us. He points out that safeguarding the security of data stored in a computer is a technological problem; but decisions concerning what information may be collected by whom, and to whom this information may be made available, involve social and legal issues and, therefore, must reflect the ways in which we personally value our right of privacy. Mr. President, I ask unanimous consent that the article referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON SAFEGUARDING THE RIGHT OF PRIVACY

(By Frank T. Cary)

ARMONK, N.Y.—Writing in The Harvard Law Review of 1890, Louis D. Brandeis warned of "mechanical devices" that would threaten the solitude and privacy of the individual.

Because of a cluster of new inventions, he noted, a "next step" was needed to protect a person's "right to be let alone." That warning went largely unheeded and the mechanical devices he wrote about so apprehensively—the snapshot camera and the telephone—quickly passed into familiar use and easy abuse.

Eighty-four years after Mr. Brandeis's admonition we are still waiting for that next step. Infringement of privacy, a lively issue long before the computer, still concerns those who would protect the individual from the misuses of technology.

The basic conflict between personal liberty and public rights continues to defy a simple resolution. We still seek that delicate balance between a person's right to guard those confidences that make up his private life and society's desire for freedom of information.

In the past you had to be famous or infamous to have a dossier. Today there can be a dossier on anyone. Information systems, with a seemingly limitless capacity for storing and sorting information, have made it practical to record and transfer a wealth of data on just about anyone. The result is that we now retain too much information. The ambiguous and unverified are retained along with legitimate data.

Clearly, there is a real need for reform, not only in our ways of handling personal data but in our thinking about what is and what isn't the proper concern of outsiders. Safeguarding data stored in the computer is a procedural and technological problem. But determining what information may be collected, by whom and to whom this information may be made available is a social and legal one.

There have been many proposals suggesting guidelines about who may have access to what in the computer. Last year, for example, there were some seventy bills dealing with protection of individual privacy pending in state legislatures. Whatever legislation is considered, we can minimize the need to revise or refine it by agreeing on a few general provisions for automated and manual files.

First, individuals should have access to information about themselves in record-keeping systems. And there should be some procedure to find out how this information is being used.

Second, there should be some way for an individual to correct or amend an inaccurate record.

Third, an individual should be able to prevent information from being improperly disclosed or used for other than authorized purposes without his consent, unless required by law.

Last, the custodian of data files containing sensitive information should take reasonable precautions to be sure that the data are reliable and are not misused.

Of course, one way of preventing misuse of personal information is to discourage its collection in the first place.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the most common complaints leveled against lawmakers and other politicians is that they do not pay enough attention to the human side of political issues and that, instead, they get caught up in a seemingly all-inclusive net of technicalities, facts, and figures which shroud the actual issues at stake. Such a complaint seems justified in the case of the Genocide Convention.

There is no question but that Senate ratification of the Genocide Convention would be a step toward peace. It would outlaw genocide and establish procedures for the trial and punishment of genocidal acts. Ratification of the treaty will deter the crime and therefore promote peace, yet the Senate has failed to act.

This failure, Mr. President, stems in large part from the Senate's failure to perceive the convention as a moral statement, a statement of basic human concerns. I think it would be worthwhile to recall the preamble to the convention:

> The Contracting Parties;
>
> Having considered the declaration made by the General Assembly of the United Nations in its resolution 96(I) dated 11 December 1946 that genocide is a crime under international law, contrary to the spirit, and aims of the United Nations and condemned by the civilized world;
>
> Recognizing that at all periods of history genocide has inflicted great losses on humanity; and
>
> Being convinced that, in order to liberate mankind from such an odious scourge, international co-operation is required, Hereby agree as hereinafter provided.

Mr. President, we should examine the convention in light of this preamble and the U.N. resolution. Consideration of the treaty in this way would concentrate our attention on the human side of the political issue and would lead to prompt ratification by the Senate.

FINANCIAL ASPECTS OF THE ENERGY SITUATION

Mr. CURTIS. Mr. President, on June 6, 1974, Mr. David Rockefeller of the Chase Manhattan Corp., gave an address at Williamsburg, Va., on the "Financial Aspects of the Energy Situation." His comments are very timely and merit the attention of the Congress. I therefore ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FINANCIAL ASPECTS OF THE ENERGY SITUATION

(By David Rockefeller)

When this conference met a year ago, both international monetary reform and the long-range energy problem were discussed. At that time, however, little connection was made between the two.

Certainly none of us foresaw the huge rise in the price of oil which was to come in the final months of the year, or the disruptive impact it was to have on world financial relations. In retrospect, the relevance of Secretary Shultz's speech last year is clearer to most of us now than it was then.

These developments once again illustrate how our best laid plans can often be disrupted by unforeseen external developments—what economists are fond of calling "exogenous variables" and others often call "good excuses!"

Well, what was exogenous yesterday is very much a fact of life today, and it is the subject our panel will discuss with you this afternoon.

For my part, I'll begin by laying out the broad dimensions of the problem, pointing to some of its implications for international financial and political relations, and suggesting what seem to be some promising approaches to solutions. My distinguished associates on the panel will then give us their various perspectives on the situation.

In the final quarter of last year the Organization of Petroleum Exporting Countries (OPEC) increased the price of oil fourfold—a substantially more rapid increase in price than that of other critical commodities. Given these prices and present levels of production, this means they will receive more than $100 billion yearly for their oil exports. Of this $100 billion, the oil-producing nations will spend some $40 billion for goods and services—leaving $60 billion or so as a surplus to be reinvested. This $60 billion surplus, incidentally, compares with a $4 billion surplus by the same countries in 1973.

Taking into consideration existing reserves, and interest and dividends on these massive funds, total reserves of the oil-producing nations are likely to exceed $70 billion by the end of 1974, $140 billion by 1975 and $200 billion by the end of 1976. These are staggering amounts—and only over a three-year period.

The principal holders of these reserves will be in the Gulf Area, with Saudi Arabia, Iran and Kuwait accounting for about one half. Other important reserve holders will be Iraq, Libya and Venezuela. And, of course, Nigeria and Indonesia will also benefit.

These huge surpluses of necessity must be offset by corresponding deficits on the part of oil consumers. The balance of payments deficit of the developed countries is projected to increase by $40 billion. The key deficit nations, after adjusting for other balance of payments considerations, will be Italy, the United Kingdom, France, Japan and the Scandinavian countries. My own country will swing from a surplus in its current account, which it had struggled hard to attain, to a deficit once again this year.

The developing nations, for their part, will face a severe increase in their combined deficit of close to $20 billion a year. Countries such as India, Bangladesh and Sri Lanka will have particularly hard times.

All of this suggests a structural disequilibrium of major proportions in the balance of payments of countries around the world—one that could have serious implications for the world economy and international financial mechanisms. Somehow, in some manner, the huge surpluses of the oil producers must be recycled back to the deficit oil consumers. As it is, higher prices are having damaging inflationary impacts on the domestic economies of oil consumers. On the other hand, if recycling does not occur, the oil consumers will be forced eventually to deflate their economies with severe consequences of another sort for the Free World.

In considering this recycling problem it is helpful to distinguish between the short run—say the next year to eighteen months—and the longer period. One must also distinguish between three groups of oil consumers: first, the industrial nations; second, developing nations which are in a fairly strong financial position; and third, those developing nations which are in a decidedly weak position.

We already have gained some experience in the short run. The first sizable payments were made by the oil companies to the producer nations in March, April and May, and thus far they have been recycled back successfully—principally through the international banking system.

The oil-producing nations, for example, have been placing their money mainly in the Eurodollar market or in sterling. The banks have been the major recycling vehicles, taking this money on deposit, usually at call or on very short maturity, and relending it to oil-consuming nations for periods of five to seven years—a process which obviously creates a very unbalanced and precarious maturity structure.

So far this year, $12 billion or more has been committed to industrial nations to help cover their 1974 balance of payments deficits. To a considerable extent, the borrowing is being carried out by governments or governmental entities, such as the British railways.

While this process can be successful for a limited period of time, there are at least four very serious shortcomings to it, especially in view of the astronomical amounts that loom ahead.

First, the banks cannot continue indefinitely to take very short-term money and lend it out for long periods of time. We hope that this problem will be alleviated to some extent by countries in the Middle East agreeing to place funds at longer maturity as they become more familiar with the recycling process.

Second, and even more serious than the question of maturities, is the likelihood that banks eventually will reach the limits of prudent credit exposure, especially with regard to countries where it is not clear how present balance of payments problems can be solved.

Third, the oil-producing countries cannot be expected to build up their bank deposits indefinitely. They, too, will soon reach prudent limits for individual banks or even for individual nations.

My own view is that the process of recycling through the banking system may already be close to the end for some countries, and in general it is doubtful this technique can bridge the gap for more than a year, or at most 18 months. Perhaps Mr. Guth will comment on this later.

Finally, this form of recycling is not even a temporary solution for lesser-developed countries in a weak financial position—countries like India, Bangladesh and Sri Lanka which are not in a position to borrow at all in commercial markets. The World Bank estimates that an additional $2 billion will be needed in 1974 by financially weak lesser-developed countries for balance of payments purposes. This may not seem a huge sum in an absolute sense, but even this relatively small amount places tragic strains on the countries involved—strains that can only be alleviated by new international governmental approaches and a firm sense of global commitment and cooperation. And these are strains that will accelerate dramatically in 1975 and beyond as already limited reserves are exhausted.

Compounding these very pressing shorter-range problems are a host of far thornier questions and obstacles down the road. Structural adjustments, of course, will gradually get underway between the economies of the oil producers and the consuming nations. Prices may be reduced somewhat, and the oil producers will step up their imports and increase the speed of their own internal development. Countries like Iran, Venezuela, Nigeria and Indonesia have a longer-run capacity to use most of their oil surplus for internal purposes. But these processes will take considerable time. In the interim, these countries will be large accumulators of reserves.

Moreover, countries such as Saudi Arabia, Kuwait and the United Arab Emirates clearly lack internal absorptive capacities in any way commensurate with the incomes they will receive. On the contrary, one of their major aims is eventually to accumulate a body of invested wealth outside their countries which will yield an income great enough to replace their oil revenue as it runs out. Naturally they are concerned about such matters as world inflation, exchange risks, and the possibility of expropriation of their assets.

We are fortunate in having Dr. Awad on our panel, and I am sure he will be able to tell us more about the uses to which the oil-producing countries in the Middle East expect to put their surplus funds for both internal and external purposes.

Looking at the situation realistically, I believe it is clear that both the private sector and governments must play a much more significant role in the long-term investment process.

Financial and industrial concerns from Europe, Japan and the United States already are proving of some assistance in speeding up internal development in the Middle East. My own bank, for example, is establishing a merchant bank in Saudi Arabia and a commercial bank in Iran (both jointly owned with local participants) as well as branches in Egypt, the United Arab Emirates and elsewhere. We plan to serve as one of the bridges between the Mid-East and the industrial world—both for internal development and for external investment. Yet ours can only be a small supporting role in a drama of massive proportions.

Though not yet large, long-term investments by Middle Eastern countries in the industrial nations are beginning to build up a modest scale in real estate, selected securities and some direct investments in industry. Hopefully, in the future they may be persuaded to participate more widely in such investments, as well as to assist in the financing of major international undertakings like the James Bay power project in Canada. Yet the sums requiring investments are so enormous, and the institutional facilities necessary to carry them out so limited, that I question whether such investments will have much impact on the gap for some time to come.

All of this clearly suggests that both the World Bank and the International Monetary Fund will increasingly be called upon to play key roles in the recycling process. The World Bank will need to concentrate on those lesser-developed countries that are in most serious need, while the Monetary Fund will probably have to deal with both developed and developing countries.

Ideally, funds for this purpose should come from the surpluses generated by the oil producers. Iran, for instance, has already offered to lend funds to the World Bank and IMF, and also to make some direct loans to India and others at concessionary rates to finance oil imports. Similarly, the recently announced willingness of the oil producers to establish a $2.75 billion "oil facility" to help countries with balance of payments problems is a positive move at least in the shorter term.

I fear, however, that this can only be seen as a modest first step when one considers the magnitude of the funds that must be redistributed. Solutions in many cases will demand more concessionary terms than those currently envisioned by the oil-producing nations. Moreover, both the World Bank and the IMF may have to adopt more flexible concepts of risk.

We must apply even more in terms of resources and imagination at all levels if we are to arrive at constructive long-range solutions. Critical additional steps are necessary on both the philosophical and administrative fronts to handle the massive needs involved. New techniques, strategies and mechanisms will have to be devised—and devised quickly. Most importantly, a premium will have to be placed on international cooperation.

For some time, for example, the Committee of 20 in the IMF has been considering a new central reserve asset—a revised SDR, which would represent a basket of currencies, and hence neutralize the exchange risk between major currencies. Perhaps this asset could play a role in future investment plans of the oil-producing nations, and, indeed, it is assumed that it will be part of the new IMF "oil facility."

It may additionally be possible to work out international guarantee arrangements with regard to expropriation. In this respect, we should remember that the oil producers have one important alternative to accumulating reserves and making investments abroad—they could leave the oil in the ground. From the point of view of the consuming nations, this would create serious shortages, at least for some years to come.

It is also highly desirable that ways be found to channel surplus oil revenues into projects designed to create alternate sources of energy. This would not only help the world at large, but would also provide a source of continuing revenues for the oil-producing nations after their reserves have been exhausted. But it will have to be done in collaboration with the industrialized nations which have the necessary technology, and it is to be hoped that serious discussions along these lines will not be delayed.

Finally, it is imperative that the developed countries of the world join with the oil producers to assist the less-developed nations. Unless there is a far more concerted effort by all, including my own country, in this direction, I fear that the only result will be economic and political chaos. In this connection, it is imperative that Congress act favorably on the replenishment of the International Development Association as quickly as possible. It has perhaps never been so clear that the true self-interest of any nation depends ultimately on the welfare of others.

Underlying all of these requirements, however, is the fact that we must come up with a means of recycling funds on a far more massive scale than now possible. Some argue that we should simply wait for the forces of supply and demand to bring prices down and thereby create a new structural equilibrium. Others feel that inflation in the oil-consuming nations will help alleviate the problems.

While there is some validity to both of these positions, I believe we must also be aware of their limitations. First of all, inflation has little hope of answering the problem since the purchases of even the largest oil producers are so relatively small. Second, I fear that relying solely on supply and demand can have disastrous results for many of the developed nations—leading to disruptive domestic unemployment and depression in these countries, and to a general sense of distrust in the world community. One cannot ask nations to call continually on their reserves when they can see no clear light in the future. This is like draining one's swimming pool in the midst of a drought. Moreover, if the position of the developed nations is eroded further, the developing nations can have little hope at all.

On the other hand, of course, some painful structural changes will be required, and it would be imprudent to ignore them. The challenge, it seems to me, is to achieve a delicate balance between necessary concessions to countries with problems and an orderly realization over time of the inevitable impact that the laws of supply and demand will have on shifting world resources.

Creating a mechanism to handle recycling of this scale and to determine acceptable concessions and risks is, of course, exceedingly difficult. Perhaps the mission of the IMF could be expanded in this direction, or perhaps it would be best to create a separate vehicle so as to avoid burdening the IMF with the dual responsibilities of policing monetary affairs and curbing unemployment.

Whatever the means, I believe it is imperative we develop swiftly a new way of looking at world financial needs—a perspective that emphasizes global stability as well as individual national credit worthiness. If we are to progress significantly, we must have a vehicle that allows us time both to act, realistically to correct structural disequilibriums and to avoid disharmony. And this vehicle must result from a conscious decision of both the oil-consuming and oil-producing nations. I would hope this question would be high on the agenda of the Committee of 20 when it meets later this month.

Needless to say, all of this may seem somewhat academic if either the price of oil or the demand for oil should suddenly decline. The outlook here is highly uncertain, though hardly cause for unbounded optimism. I'm sure Mr. Morris will be able to enlighten us on these issues.

Let me just say that there are some signs that the present high price is restricting demand for petroleum products in the consuming nations at least to a limited extent. Our bank estimates that world petroleum consumption this quarter will run slightly behind a year ago, whereas an increase normally would have been expected. Also, we believe that production has been expanded so that it is now running somewhat ahead of consumption. If this is the case, pressure could very well build up on prices, and it will be interesting to see how the OPEC countries react to the problems.

While oil prices may eventually come down somewhat, my own judgment is that plans and policies throughout the world should not be based on the assumption that the decline will be large enough to solve the recycling problem. Modest price reductions may give us more time, but they will not materially alter the basic situation. Indeed, I would guess that we would need a price reduction of some 40%-to-50% to produce anything close to a new structural equilibrium. Thus we have no choice but to face up to the recycling challenge and, in cooperation with the oil producers, to devise the institutional arrangements necessary to cope with it.

The successful creation of such mechanisms will be highly dependent on the political climate. Here, one conclusion is certain: the Middle East countries, by reason of a shift of wealth and resources, are entering a new period—a period during which their political influence, as well as their economic weight, will loom larger on the world scene.

The strenuous efforts in which Henry Kissinger has been engaged provide testimony to that fact, as has the parade of cabinet members from other countries to the Middle East in recent months. At the same time, the new wealth in the Middle East is likely to strengthen the hands of moderate governments in that area and orient them more firmly toward the West.

If sustained, this trend toward moderation may well be a highly desirable and significant political dividend. It will also be essential in assuring the stability that must underlie an orderly approach to the redistribution of international capital.

The situation is still beset with uncertainties, both political and economic, and we are running out of time on many fronts. Given a clear realization of the interdependence of all the nations involved, however, I believe we can find ways to transform the problem of surplus capital in the hands of some nations into many positive opportunities for progress and development worldwide. But this will not happen by itself. It will demand the involvement and dedication of both the public and private sectors on a scale far exceeding that which exists now.

Above all, it must involve a degree of global teamwork which we have not seen up to this point. If the nations of the world approach the energy situation sincerely and resolutely, there is reason to hope that it can be used as a catalyst and a rallying point for a new era of international cooperation.

It is a sad fact that challenge is too often the most effective father of unity. In the past, the fear of communism has served to lend common purpose to the nations of the Free World, and the threat of nuclear holocaust has awakened all nations to the necessity of meaningful joint solutions. Now, as these threats diminish in the minds of many, some may well be tempted to place immediate, more selfish concerns ahead of global imperatives. It would be tragic if the energy situation becomes a force for further devisiveness. Let us hope rather that it is a new spark to rekindle a mutual striving among nations that recognize the world's inevitable interdependence.

SARNOFF ADDRESS TO THE ARMED FORCES COMMUNICATIONS AND ELECTRONICS ASSOCIATION

Mr. MOSS. Mr. President, Mr. Robert W. Sarnoff, chairman of the RCA Corp., recently gave a wideranging address to the Armed Forces Communications and Electronics Association about the advancement of communications and electronics over the 28-year career span of the Association, and about the need for a rational, long-term plan based upon a clear conception of national needs and objectives, an appreciation of the technological resources we command, and an awareness of the problems to be resolved.

Mr. Sarnoff, also chief executive officer of RCA, has been associated with communications for over 35 years.

Without going into this any further, Mr. President, I ask unanimous consent that the address by Mr. Sarnoff be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ROBERT W. SARNOFF

I am grateful for the honor you have conferred upon me, and for the invitation to address you today. This occasion is something of a homecoming for a Sarnoff. My father particularly valued his close ties with this body of professionals in the most critical and demanding of modern technologies. I can assure you that the feeling carries on undiminished into the second generation.

The 28-year career of your Association is short in time but long in achievement. It spans the most intensely productive sequence of advances yet recorded in communications and electronics. It has witnessed the birth of the transistor and the dawn of solid state electronics. It has seen the coming of age of electronic data processing, the conquest of space, and the establishment of global wideband communications by satellite.

These 28 years have brought a total transformation in the basic building blocks of electronics, and radical innovation in the design and function of systems for communicating and processing information.

Today we create highly complex circuits comprising thousands of active elements on chips measured in millimeters. We mass produce them at extremely low cost per function and so precisely that they are almost infinitely reliable. We interconnect and couple them in any combination with sensing, control, and memory devices. We fashion them into self-contained units small enough to embed in the human body, tough enough to pack into the nose of a projectile, reliable enough to seal within a powerful satellite relay station thousands of miles above earth.

These changes constitute a scientific and engineering revolution of the first magnitude. They have created a whole new technology universal in its application to information handling and process control.

The traditional distinction between government and commercial electronics is being erased. Increasingly, the new devices and systems combine the performance standards for defense and space application with the cost efficiency demanded for more general use. The range of electronic equipment available off the shelf from commercial suppliers for specialized defense and space applications is steadily enlarging.

Another result is deeper penetration of electronics into commercial markets where extreme reliability is vital—in critical areas of medicine, automotive safety systems, controls for continuous industrial processes.

But nowhere has the impact of recent change been more far-reaching than in communications.

Domestically, first wideband coast-to-coast link was completed in 1951. It has sent forth a vast grid of facilities reaching into every state. Technical innovations since the early 1960s have multiplied its capacity. Now domestic satellites are adding a new dimension. One service is in operation, and three new systems will soon be able to supply point-to-point voice and data circuits as well as nationwide TV network distribution.

Internationally, this nation was linked to the world in 1959 by 1,000 high frequency radio and cable channels that provided only basic telegraph and limited and costly voice services. Today, it is served by 32,000 wideband voice-grade channels that carry public and leased-line services in voice and image, high-speed data, and television, through satellites and transistorized cables. Additional transoceanic cables and more powerful satellites will soon be available.

Inevitably, the swiftness and magnitude of these changes have produced growing pains. New developments have sprung from so many sources in such rapid succession that we have been fully occupied simply putting them to work. On reflection, it is evident that the new technology raises some basic questions that we cannot yet answer.

Do we know, for example, what kind and quantity of new communications facilities will best serve the nation's public and private needs over specified periods in the future?

Volumes of data have been compiled—but no one has brought them into clear focus as a basis for realistic planning and allocation of resources. Meanwhile, change accelerates.

Numerous public and private ventures are in prospect to apply the latest technology to new satellites for communications, weather surveillance, resource studies, navigation, national security, and even direct broadcasting.

A maritime satellite system will soon provide both the Navy and the shipping industry with swift and reliable voice and data communications with vessels anywhere in the world. A satellite system will be orbited in the near future for commercial air traffic control on ocean routes.

The spacecraft that RCA is building for its domestic communications satellite system will provide twice the capacity of any now in orbit. It will offer 150 times the capability and more than five times the designed life of the pioneering Early Bird of 1965—and at a small fraction of the cost per circuit year.

Innovations will continue to increase the speed and lower the cost of transmitting and processing information. Only a decade ago, data communications were limited to speeds of a few thousand bits per second. Now the rate is measured in many millions of bits per second, and systems are in prospect that may achieve a billion-bit rate—equivalent to an Encyclopedia Britannica every second.

Experience indicates that communications has its own Parkinson's Law—that new capacity tends to generate new demand. Under these conditions, we cannot continue to rely on yesterday's projections. We must establish yardsticks based on today's technical outlook. Then we must devise means for continuous updating to secure a valid current base for planning future developments.

Unless we establish a relationship among all our satellite activities—and those of other countries as well—we risk growing confusion and needless duplication. Consider, for example, the use of satellites in geostationary orbit.

Space may seem unlimited, but desirable locations are not. Until methods are perfected to avoid drifting, geostationary satellites must be spaced about 100 miles apart to avoid colliding. But communications satellites operating in the same frequency range, as they do now, must be kept from 1,200 to 2,000 miles apart to prevent mutual interference. This provides room for only eight to thirteen in the orbital segment covering North America and Hawaii.

New technology promises to open higher frequency ranges in the near future. It may then be possible to reduce the distance between such satellites by as much as half. The resulting population of perhaps twenty or more satellites might seem to be more than enough for any of our communications needs. But is anyone today prepared to say with certainty that our future demands will not exceed even this capacity?

To ensure that we can meet tomorrow's needs, we should encourage and prepare for greater sharing of satellite facilities. The time is fast approaching when dedicated systems will be both unjustifiable and wasteful, except for a few highly specialized defense requirements.

It is long-standing government policy to rely on private enterprise to supply government needs. And secure techniques exist for handling classified traffic through satellites shared by several users. A commercial satellite facilities continue to expand, we should expect a trend away from further dedicated systems and the greater use of dedicated channels for government traffic in satellites shared by commercial users.

We are already taking modest steps toward the greater use of common facilities. The Navy's NAVSAT system is used by commercial vessels, and similar sharing is in prospect for the maritime satellite. NASA is proposing a commercially owned tracking and data relay system that could be shared by other government agencies, including the military. The separate and different weather satellite systems operated by the National Oceanic and Atmospheric Administration and the Department of Defense will soon share a common design and launch vehicle, and provide mutual backup capabilities.

With the advance of basic electronics, smaller and more sophisticated subsystems will add many more capabilities and functions to individual spacecraft without increasing their size, weight, or power requirements. We can envision an operational satellite no larger than INTELSAT IV, combining greater communications capacity with the weather capabilities of the ITOS series, the navigational functions of NAVSAT, and the scientific potential of an orbital observatory.

Except for experimental projects, there is reluctance today to commit so many eggs to a single orbiting basket because of the inordinate cost of a failure. But in another decade, the space shuttle may enable us to service and supply satellites in orbit. Then it could become practical to build many different operational functions into a single manned space workshops and laboratories for a wide range of service applications and scientific experiments. We will be able to design genuinely shared systems, not only among users, but among functions that now require many separate vehicles and costly launchings.

A change of this order will represent a quantum leap forward in space technology. It will open a broad range of opportunities that can be properly exploited only if we have in advance a clear idea of what we wish to achieve.

All of these unfolding possibilities raise another key question. How should we allocate our scientific and engineering resources to meet future communications needs?

In general, communications research and development have adequate support today because of heavy investments in new technology by the major companies, NASA, and the Department of Defense. As a result, there has been swift and steady progress in transmission and switching techniques, and particularly in satellite development.

But there is an imbalance at the far end of the line, where local distribution systems carry information to its final destination. Here is where the next major breakthrough is required.

Covering the last few miles new accounts for a disproportionate part of the total cost of long-distance telecommunications service. In too many areas, we must still rely on yesterday's local network of overhead wires and manual or mechanical systems to finally deliver information sent instantly thousands of miles through powerful geostationary satellites and computerized switching centers.

Fortunately, new technologies are germinating in commercial and military laboratories. Optical systems promise to handle immense amounts of information at visible frequencies with light-emitting diodes and fiber optics. The development of low-loss fibers now opens the way to possible application of these techniques in extremely wideband long-hand lines.

Millimeter-wave systems may transmit nearly as much information even more economically over short distances at frequencies just below the visible range. They are less subject to atmospheric interference than optical systems, and may lend themselves to local distribution from switching centers directly to receivers in metropolitan and suburban areas.

Low-cost earth stations may eventually solve the problem with small rooftop satellite antennas that entirely circumvent local distribution systems. This technology may, in fact, come first with the move to higher frequencies in the next generation of communications satellites.

Because all these approaches have obvious tactical application, they have probably been carried farthest in military form. But they are equally applicable to business and private use. Therefore, every effort should be made to encourage a full exchange of information among the government and industry teams that deal with them. They should also receive top priority in the assignment of resources for communications research and development.

From this chronicle of swift and far-reaching change, it should be evident that we cannot expect to get the most out of new communications and electronics technology without a far more organized approach than we have demonstrated so far. What we need, and do not have, is a rational long-term plan based upon a clear conception of national needs and objectives, an appreciation of the technological resources we command, and an awareness of the problems to be resolved.

Today, we seem to prefer improvising our way forward while gambling on new technology. This has worked before, and it may work again. But it is wasteful and expensive, and I question seriously whether we can afford the cost in the long run.

Other developments threaten to escalate costs still further. Shortages have appeared in such critical materials as copper, aluminum, and steel. The burgeoning commercial market for advanced electronics has caused a run on basic components from microcircuits to capacitors and led to a scarcity of many key items. Mounting inflation continues to multiply the costs of all materials and services.

Declining enrollments in engineering schools are diminishing the flow of competent new technological talent. In all categories of engineering, the output of graduates is lagging nearly 20,000 behind average annual demand. There is a specific shortage of new professional level telecommunications engineers who can assume broad responsibilities in such areas as systems planning and management.

All of these trends add immensely to the cost and complication of maintaining an adequate and balanced research and development effort, particularly without any coherent plan or policy. How can we apportion the available time, funds, and skills without awareness of long-term communications needs? How can we allocate these resources without setting priorities for developing new electronic systems and services? Or without any means of coordinating the many diverse programs that are contributing to further technological change?

What I have described is one aspect of a broader problem. Our approach to communications and electronics is characteristic of the way our nation uses all of its scientific resources and technological skills.

Even now—three decades after the first nuclear chain reaction, 26 years after the dawn of the solid state revolution, 16 years into the Space Age—the United States is without a coherent long-range policy and program in science and technology. We continue to treat these precious assets as if there were no tomorrow, expending them more in response to crises than in fulfillment of considered goals. The most vivid example is the massive new energy research and development program which has been hurriedly improvised and set in motion without any clear line of authority and without carefully defined objectives.

It is for this reason that I recently proposed the establishment by Congress of a new independent agency, a Science and Technology Board, to coordinate the diverse research and development activities of the government and to maintain ties with the general scientific and engineering community. Such an agency would be the focal point for planning as well as coordination. It would provide for the first time a means for setting and imposing priorities in science and technology.

Within its broad policy context, the agency would of course concern itself with the disarray that now obscures the future of our communications and electronics technology. It would bring order to the vigorous but chaotic progress in this field by establishing a rational framework for the wise diversity of research and development in government and industry. It would provide a solid base for this country's dealings with other nations on problems of global communications technology. All users of communications—military, commercial, and private—would benefit from the more orderly flow of development and application that would result.

In the rush of progress, it is too easy to lose sight of larger objectives. I believe that we needlessly penalize ourselves today by failing to look beyond the problems and accomplishments of the moment.

Our technology is a triumph of vision and design. If all of us in the profession will now apply these same qualities to its application for the long-term benefit of the nation, the rewards can be immeasurable .

THE TRADE SCHOOL INDUSTRY

Mr. PERCY. Mr. President, I recently introduced a bill, S. 3572, to help prevent the growing number of defaults in the guaranteed student loan program, which currently amount to more than $80 million annually. In the course of my preparation of that legislation, I learned that perhaps as much as 75 percent of those defaults are by students who attended and for one reason or another dropped out of vocational and technical profit-oriented schools and courses.

Eric Wentworth of the Washington Post has just completed a study of the trade school industry, its excesses and abuses, its unfortunate victims, and the resulting drain on the Federal Treasury. In a four-part series, Mr. Wentworth has reported certain distressing aspects of his investigation.

The training programs offered by Bell and Howell and a number of other prominent companies are mentioned. My colleagues are well aware of my past association with Bell and Howell, though I cannot speak from personal experience about their technical schools business as it is an activity entered into after I had left the company. But, because of my past association I was pleased that Mr. Wentworth did not condemn the company's extensive investment in the technical trade school industry.

I do believe, that as Mr. Wentworth's study indicates, it is high time for the training-for-profit industry to come under some type of effective regulation. Trade schools and courses can be a tremendous benefit to millions of young people seeking occupational training, and the reputations of the many legitimate programs must be protected while the unscrupulous ones are closed down. Alphonzo Bell and Jerry Pettis have introduced legislation in this area and we should consider companion legislation in our body. With millions of Federal dollars and the hopes and expectations of millions of young Americans at stake, Congress must surely make every effort to seek solutions to this increasingly critical situation.

I ask unanimous consent that Eric Wentworth's articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, June 23, 1974]

Profit-Making Schools: Deception and Exploitation Charged

(By Eric Wentworth)

Businessmen who run schools to make money have, in many cases, been exploiting federal student and programs at the expense of the young Americans those programs are supposed to benefit.

Salesmen motivated—like the schools' owners—more by earnings than educational ideals have gone hunting for customers in the ghetto of Atlanta, Boston and Los Angeles, in Greenville, S.C., and Shreveport, La., in the public housing of Ardmore, Okla., in the food stamp lines of San Antonio, Tex., in the barracks of Army bases in West Germany and even in a halfway house for mental patients in the Pacific Northwest.

Dangling dreams of quick training for well-paid jobs as computer programmers, color-television technicians, executive secretaries, motel managers or airline hostesses, they have lured young consumers into contracts that often lead to debts and disillusionment.

One victim, an Atlanta welfare mother, complained a finance company was dunning her to repay nearly $500 on a federally insured student loan for three weeks she spent at a local business college. She dropped out because conditions were poor and the school wanted more money.

Another, a veteran in Duluth, Minn., wrote his congressman in desperation because a Chicago bank was demanding a $405 repayment on his student loan which he didn't think he owed. He had been lured into a correspondence course in color-television technology, dropped out because the course proved too difficult, and said the school was refusing to help straighten out his problems with the bank.

In another case, a group of young people recruited by an airline personnel school in Hartford, Conn., through what they allege were numerous false claims are suing the school for damages. The majority had been signed up to federally insured loans to help pay their tuitions.

Salesmen eager for commissions have often failed to spell out the financial fine print when they sign up unsophisticated customers to enrollment contracts and loan applications. They have sometimes misled them to think, for example, that they will only have to repay their loans after landing that job for which they'll be trained.

Many young customers come from low-income families, hold unrewarding jobs—if they're employed at all—and have missed out on less costly educational opportunities such as public community colleges.

PROTECTION LACKING

Yet the government, while offering subsidies for their schooling—subsidies which salesmen use as bait—has failed time and again to protect these young Americans from fraud and needless financial losses.

At the same time, the government has failed to protect the taxpayer. It has doled out tens of millions of dollars on insurance claims for defaulted student loans and tens of millions more on GI Bill benefits for wasteful correspondence courses.

These conclusions result from months of reporting by The Washington Post on education's profit-seeking sector and the public and private agencies which are supposed to keep it honest.

The multibillion-dollar industry has thousands of members, from mom-and-pop secretrial schools in small Southern towns to nationwide chains and correspondence course factories owned by International Telephone and Telegraph, Control Data, Bell & Howell, Montgomery Ward and other large corporations.

While enrollment figures vary widely, the Federal Trade Commission has estimated that industrywide total at more than 3 million students—which would be at least one-third of the total for all public and private nonprofit colleges and universities. Bell & Howell alone recently reported 150,000 students in its correspondence courses and another 10,000 in classrooms, which would make it as large as the entire University of California system.

What sets the industry's members apart from UCLA, Yale or your local communtiy college is that they're all commercial ventures, selling education for profit.

A number of businessmen-educators undoubtedly run respectable operations. Advance Schools of Chicago, one of the big correspondence schools relying heavily on federally insured loans and the GI Bill, is eyed askance by some who find its reputation somehow too good to be true. But Sherman T. Christensen, founder and now chairman of Advance Schools, makes a strong case that its recruiting is scrupulous, its business practices ethical and fair, its courses properly educational and its 72,000 students relatively satisfied.

On the other hand, scores of interviews with a variety of sources and scrutiny of numerous public and confidential files have turned up many examples involving other schools of deceptive advertising, predatory recruiting, wrongful withholding of refunds and other unscrupulous or irresponsible practices.

Industry spokesmen, sensitive to occasional exposes, contend profit-seeking schools shouldn't be singled out for criticism. After all, they argue, nonprofit colleges, hard-pressed to fill classrooms and balance budgets these days, have begun resorting to commercial recruiting tactics, too.

But the fact remains, based on available evidence, that it is in the profit-seeking sector where abuses have been more frequent and extreme, and where the human as well as the public costs have so far been the greatest.

Dropout rates have exceeded 50 per cent in some profit-seeking classroom schools and run 75 per cent or more in many correspondence schools. True, rates are also high among nonprofit private and public colleges—where one 1971 study showed fewer than half the freshman would finish two-year programs and only one-third would finish four years.

But the profit-seekers, selling shorter courses aimed at specific careers, could be expected to have lower rates than most. Their dropouts, who in most cases have signed contracts to take and pay for an entire course, often quit at an early stage. Students at nonprofit colleges usually pay by the semester, and dropouts tend to leave at semester's end.

Neither profit-seeking nor nonprofit schools boast perfect scores in graduate job placements—witness recent reports of Ivy League graduates driving taxicabs. But for the profit-seekers, training for jobs—stripped of broader educational objectives—is the name of the game.

Certainly profit-seeking schools have been setting the pace when it comes to marketing. They advertise widely in all sorts of magazines—from Penthouse to Popular Mechanics—as well as newspapers and the Yellow Pages. They promote their services on matchbook covers and postcards, as well as television. Some use mass mailings. Others canvass by telephone. And those that find salesmen productive.

According to a detailed 1970 report on the industry by Edubusiness, Inc., of New York City, profit-seeking schools generally spent only about 20 per cent of their budgets on instruction but up to 60 per cent on marketing.

"Good sales representatives," Edubusiness reported, "command annual salaries considerably higher than those according the teaching staff."

One recent example was the magazine ad to recruit salesmen run last fall by Atlantic Schools, a subsidiary of National Systems, Inc., selling courses in the airline-travel field. "Generous commissions!" the ad promised. "Just five sales per month can earn you over $10,000 annually. Many of our salesmen earn more than $20,000 per year—and up to $60,000."

Weaver Airline Personnel School, advertising for salesmen in The Washington Post help-wanted columns last Nov. 18, offered salesmen "high commissions plus monthly annual bonuses and our TOP reps have won extra bonuses, from a car to a European vacation."

While some profit-seeking schools for one reason or another have shunned heavy involvement in federal programs, others have increasingly used them to fullest advantage to enroll large majorities of their students.

In the federally insured student loan program, for example, profit-seeking schools generally have been accounting for about one-third of the total multibillion-dollar volume. But in the 1973 fiscal year, according to government figures, three school owners alone—Advance Schools, Bell & Howell and Montgomery Ward—enrolled more than 200,000 insured-loan borrowers. In the January-March, 1973, quarter, those same three accounted for more than $45 million in new-loan volume, or nearly 20 per cent of the total for all institutions in the program.

And according to Veterans Administration data published last fall, a dozen profit-seeking schools each enrolled more students under the GI Bill during 1972 than even the largest state university campuses.

Profit-seeking schools gained access to the federal student subsidies in the mid-1960s. Congress followed the precedent of prior veteran-aid programs in including them when it revived the GI Bill in 1966. The lawmakers made them eligible for the insured-loan program, and since then for other Office of Education student aid, on grounds that vocational education under all legitimate auspices merited more recognition and support.

Eligibility for these programs greatly broadened the potential student market for profit-seeking schools by giving millions of young people the financial means to enroll. It was doubtless a factor, in the late 1960s, in attracting Bell & Howell, McGraw-Hill, Montgomery Ward, Control Data, ITT, Lear Siegler, LTV and other corporations into what seemed a lucrative new field. Their involvement, through acquisitions and new ventures, brought fresh resources and apparent respectability to an industry still dominated numerically by far smaller enterprises.

Education profits have in fact proved elusive for many companies, large and small. A variety of management problems, the rising rivalry of low-tuition public community colleges, and a roller-coaster national economy have spelled slim earnings for quite a number and heavy losses for some. LTV and Lear Siegler have cashed in their chips.

Most companies, however, are staying in the game. And the industry as a whole has clearly emerged from the educational back waters it inhabited for decades into the mainstream. Looking ahead, school owners can expect a new boon for recruiting if the government's recent "basic opportunity grants" for low-income students are funded at more than $1 billion as the Nixon administration has proposed.

DEVELOPING SHIFT

Moreover, they stand to gain at least in the short run from the developing shift in student goals away from traditional liberal arts degrees and into programs geared toward work-world careers. Meat-and-potatoes career training, after all, is the industry's long-claimed specialty.

North American Acceptance, in turn, was acquired and owned until recently by Omega-Alpha Corp., the conglomerate that financier Jim Ling put together after his ouster from control of LTV.

Under new ownership, Blayton built enrollment by aggressive recruiting. By one account, a team of salesmen would telephone local high school graduates. The salesmen would offer them a ride to the school in a company-owned station wagon to inspect its facilities—including the plushly furnished president's office and reception rooms—and to view a recruiting film.

Those persuaded to enroll would be signed up, in practically every case, to a federally insured loan from North American Acceptance. All told, according to Office of Education estimates, the finance company's insured-loan volume soared by last summer to $1.3 million.

By last August, however, the federal agency's Atlanta office became concerned by Blayton's high dropout rate and a growing number of loan defaults and complaints from one-time students.

One handwritten complaint came from Linda Sloan, an Atlanta welfare mother. "I have received a number of letters and telephone calls from North American Acceptance," she wrote. "They are asking for money that I do not think they deserve. They are telling me that I borrowed almost $500 from them. I have never been there before in my life. This money is for a couple of weeks that I went to Blayton Bus. College.

"I signed a contract but was not permitted to read it because they said that it changed so often that 'by the time you start classes it will be different.' I was also told that during the first week of school, I would be offered a job. (None of this was true.)

"I went for about three weeks," she continued, "and after I found out that I was expected to pay over $1,000 I went to the office and told them I had quit. All they said was o.k. They didn't even make a note of it.

"I have been telling these people that I do not have a job, but they keep making all kinds of threats. They say I went to school for 35 days. I did not. I didn't even have a perfect attendance record the short time I was enrolled. The conditions there were poor, and I think it is unfair for them to force me to pay this much money for nothing . . ."

STUDENT WALKOUT

Last Aug. 20, an estimated 150 students—three-fourths of Blayton's largely black total enrollment at the time—staged a walkout to dramatize their complaints about the school. Their long list of grievances included a misleading catalogue (in which white employees of North American acceptance allegedly posed in photographs as students so it appeared the school was integrated), low admissions standards, unqualified teachers, insufficient equipment, unavailable courses, deceptive sales pitches and exorbitant tuition.

The students were also upset by the resignation of Mrs. Terry Davis, the school's black placement director.

Mrs. Davis said she had become disenchanted herself by the school's inferior quality, which made it hard for her to find jobs for its graduates, and was frustrated by undue restrictions on her work. The last straw came, she said, when the school's administrators—who clamed later that she had been unproductive—sought to hire a second placement director without telling her.

The Blayton students who walked out evidently hoped their demonstration would force the school to make some improvements. Student protests had been common enough on college campuses. Occasionally they had led to violence—far more often, to reforms.

The last thing the Blayton protesters expected was that the school's adminstrators would summarily expel them. But that, in fact, was what happened.

And with publicity about the protest causing enrollment cancellations among fresh recruits scheduled to start classes in October, Blayton officials decided they would simply close down the school when the summer term ended.

While the expelled students reportedly had partial refunds credited to their North American Acceptance loan accounts, depending on how long they had been enrolled, they were still faced with repaying the rest of their loans—for an unrewarding, unfinished, dead-end education.

Edward L. Baety, a lawyer retained by Mrs. Davis to represent her and the students, decided to file suit against North American Acceptance to free the students if possible from their repayment obligations.

He was "on the way to the courthouse," Baety said, when he picked up a newspaper, read that North American was filing for bankruptcy, and gave up his mission.

HUGE LEGAL TANGLE

Baety said recently he saw little hope for the students in adding another, relatively minor lawsuit to what has become a monstrous legal tangle. The collapse of North American Acceptance (sold by Omega-Alpha last August to GCI International, Inc., a California holding company) has touched off a flurry of investigations plus class-action suits on behalf of some 12,000 Georgia investors who were left holding an estimated $40 million in short-term North American Acceptance notes.

And the Blayton students weren't out of the woods. Robert E. Hicks, North American's court-appointed trustee, said he was legally obligated to "maximize" the finance company's assets in the interests of its creditors. That meant, he added, that an "effort will be made"—however unpopular—to collect from the student borrowers.

Should the students refuse to repay their loans, North American Acceptance through its trustee would presumably file claims for federal insurance on the defaults. And if the government paid those claims, it would then set about collecting from the students itself.

As things stand, the insured loan program allows forgiveness of debts only for death, disability or personal bankruptcy.

Time and again, where a profit-seeking school misled or short-changes its students, overlooked Office of Education collection officials have been later assigned to extract money from the victims.

Said one official, "I can't find it in my own conscience to go out and collect from these people."

CORRECTION

The first article in this series published Sunday, described events last year at Blayton Business College in Atlanta as an example of what can befall students in the absence of effective regulation of such schools.

Blayton was accredited by the Association of Independent Colleges and Schools, approved by the Georgia Department of Education and eligible to enroll students under the federally insured loan program.

Blayton, originally a local family venture, had been acquired in 1971 by American Schools, Inc., which was owned in turn by North American Acceptance Corp., the finance company that made federally insured loans to most students enrolling at the school.

Paragraphs containing these facts about Blayton, which shut down after student protests last August, were inadvertently omitted from the Sunday article.

[From the Washington Post, June 24, 1974]

Folding Schools Increase Loan Defaults

(By Eric Wentworth)

When Technical Education Corp. of St. Louis abruptly folded last fall, Judy Rodriquez of Ottawa, Ill., was one of thousands of students taken by surprise—or, she later suspected, simply taken.

Like students at a number of other profit-seeking schools which exploited federally insured student loans in recruiting, she wound up a victim rather than a beneficiary of the government porgram.

Miss Rodriquez, a 22-year-old drugstore clerk, signed up in October, 1972, for Technical Education's correspondence course in data processing. She made a $100 down payment, and applied for an $890 federally insured loan to pay the balance.

She had completed about 60 lessons last October when Technical Education ran out of money and its creditor, EDCO Financial Services of Los Angeles, foreclosed.

EDCO set up a new school in Phoenix, Ariz., and said it would finish training Technical Education's stranded students.

But there was a catch. The now-defunct St. Louis school had spent all the tuition revenue from Miss Rodriquez and as many as 3,000 others who had paid in full with insured loans when they first enrolled. Hence, EDCO said, it would have to charge them extra for its own services.

Anxious to finish the course and get a certificate, Miss Rodriquez reluctantly took EDCO up on its offer and has spent an extra $100 so far—at $3 for each lesson she submits for grading.

Her original contract with Technical Education, she said, also covered tuition, travel and living costs for two weeks of classroom training in St. Louis. EDCO would provide that training in faraway Phoenix—but it would cost her an additional several hundred dollars which she can't afford.

Nor, Miss Rodriquez said, can she afford, on a drugstore clerk's salary, to repay the $890 federally insured loan which is supposed to come due this summer. (She assumes a bank or finance company will start dunning her, though she has no idea who—if anyone—holds her loan note.)

"I don't feel I owe anybody anything," she complained. She could refuse to pay the noteholder, who could then file a default claim and collect the federal insurance. But then the federal government itself would try to collect from her.

SORRY EXPERIENCE

Ideally, Miss Rodriquez would like to get her money back and put the whole sorry experience behind her. She has written letters about a refund without success. Technical Education, of course, is insolvent, and EDCO says it isn't responsible for Technical Education's liabilities. The government, under existing law, can neither pay refunds nor forgive student debts.

Malcolm H. Harris, EDCO chairman, said he understood that possibly 3,000 young students who had enrolled in Technical Education's courses with insured loans were owed anywhere from $300,000 to $3 million in unpaid—and apparently unpayable—refunds. (Nobody seemed sure of this figure.)

"Unfortunately and unjustly," Harris said, "I think they have really had the course. They're up the creek without a paddle."

The plight of Judy Rodriguez and other former students of Technical Education in the same boat—one U.S. Office of Education official called it a "horrible, lousy, stinking situation"—would be serious enough in itself.

In fact, it is only one of many problems that have cropped up in the past two or three years where profit-seeking schools were exploiting the insured-loan program to boost their enrollment revenues. In case after case, the students, whom the program was intended by Congress to benefit, have been the ones to suffer most.

School owners, some of them using misleading ads and hordes of glib salesmen, have lured thousands of young Americans into debt for training opportunities that turned out to be dead ends rather than promising paths to high-paid jobs. For many victims, these were debts and disillusionments they could ill afford.

The sorry scenario goes as follows:

The salesman signs up his young customers to an enrollment contract and insured loan application. He may gloss over the fact that they will be going into debt. He may imply that they will only have to pay off the loan after landing that lucrative job after training, or that Uncle Sam will pick up the tab if necessary.

In any event, the salesman gets his commission or adds to his sales-quota body count. The school owner himself gets ready front-end cash, since the loan proceeds usually provide him with the full tuition revenue before the young borrowers even enter the classroom.

The prospective students meanwhile, are caught up for the moment in heady dreams of a new life as computer programmers, executive secretaries or other skilled and well-paid jobholders.

Then the dreams start going sour.

Many student start their training but soon drop out. They may have found inferior lesson materials, inadequate equipment, unqualified instructors, overcrowded classes, indifferent administrators or other shortcomings they hadn't expected. Conversely, despite the salesman's assurances, they may have found the course too difficult for students with limited prior education.

UNEXPECTEDLY STRANDED

Others stay with their courses but then are unexpectedly stranded when the school's owner—for financial or other reasons played close to the vest—suddenly decides to shut down.

Students elsewhere who are able to finish their courses often discover the school's placement service is less than promised, or that their costly training carries little weight in any event when they go hunting for jobs themselves.

All these unfortunate individuals, however—like all the luckier student borrowers at other institutions—wind up with insured loans to repay.

It doesn't matter whether the ones who dropped out or were stranded got whatever refunds they had coming to them. And it doesn't matter whether those who finished the course got their money's worth.

Victims of this scenario and its many variations have turned up all over the country.

Barbara Rice, trying to support three children on a secretary's salary in California, was faced with a $1,500 insured-loan debt she couldn't afford for a court-reporting course. She never finished the course because the school, technically nonprofit Riverside University, was driven out of business when the state sued it for fraud.

In Hartford, Conn., Terry Allen and other former students of Atlantic School's airline personnel course have charged the school with fraud in their own lawsuit. Allen was angry when the school fell far short of the salesman's rosy description, and angry, too, when he couldn't get an airline job afterward. Then he was angry all over again when a savings and loan association in the Dakotas demanded repayment of his $600 insured loan—which he has refused to do.

It's hardly surprising that thousands of young borrowers who have had experiences of this sort at the hands of a number of profit-seeking schools have been angrily or desperately defaulting on their loans.

The Office of Education doesn't know for certain how many defaulters have legitimate if unavailing complaints against such schools—as opposed to deadbeats and ordinary hardship cases throughout the $6.7 billion loan program.

Hence, it doesn't know how much they are contributing to the total default volume for students who attended all types of private and public institutions.

CONTROVERSIAL LEVELS

It does know, however, that the overall volume of defaults is reaching costly and controversial levels.

By January of this year, the government had paid nearly $76.3 million in federal insurance to private lenders for 81,200 defaults, plus another $62.9 million to state and private loan-guarantee agencies whose default payments it partially reinsures.

Federal officials do have some indications, however, that borrowers enrolled by profit-seeking schools have been producing at least their share of defaults. One limited analysis, in fact, showed students enrolled by such schools accounting for 10 to 15 per cent of total federally-insured loan volume and later, at repayment time, for about 75 per cent of the defaults.

Moreover, the government agency's files contain a growing number of cases in which particular profit-seeking schools have short-changed their insured-loan students by one means or another—including failure to pay refunds to disillusioned dropouts.

Though students like Judy Rodriguez didn't know it, Technical Education Corp. had repeatedly been in trouble with the government before it folded. In a July, 1969, Federal Trade Commission consent order the company agreed to cease and desist from a number of alleged sales deceptions.

Then, in October, 1971, the Office of Education suspended Technical Education's authority to make its own federally insured loans on grounds it had been signing up ineligible high school students.

In March, 1973, the Office of Education also stopped insuring loans for Technical Education students from other lenders—which effectively barred its use of the program altogether.

A federal auditors' report, released subsequently, estimated that as much as 60 percent of some $3 million in insured loans to Technical Education students were in fact uninsurable because the borrowers had still been in high school, had enrolled but never started training, or had started but dropped out.

The auditors added that Technical Education had been "extremely slow, in most cases," in making refunds to those borrowers.

Finally, a month after Technical Education went broke, Judith Roman of the Greater St. Louis Better Business Bureau disclosed in a confidential report that there had been many complaints about the school's advertising, sales tactics, instructional services and failure to make refunds. "Letters promising still undelivered refunds to students go back as far as January, 1973," she reported.

For his part, Charles R. Johnson, Technical Education's president, said he was "a little bitter" about the whole experience. He said his school had taken advantage of the insured loan program to compete with larger rivals but found it "the worst thing that ever happened to me."

$900,000 IN LOANS

Johnson said the Office of Education "broke us" after March, 1973, when it held up insuring some $900,000 in loans for new students until refunds to former students were paid.

He said he vainly asked the federal agency to assure the lender that insurance would be forthcoming once the refund obligations were met. Then came the auditors' report, which he called "ridiculous . . . unreal."

Johnson said his school went ahead with educating the new students even without tuition revenue from their still-uninsured loans. The Office of Education kept stringing him along while the company's cash pinch tightened, he said, and finally, "We just ran out of money."

How many Technical Education students with loans insured earlier will ultimately default won't be known for a while. But federal officials have repeatedly found high default rates from schools which didn't make the refunds they were supposed to—either to dropouts or students they had stranded. Students who feel a school owes them money are less likely to pay their own debts.

Two years ago, for example, federal officials looked at the records of Marsh Draughon Business College in Atlanta, one of nearly 40 small schools throughout the South which LTV Corp. had bought a few years earlier when education seemed a rich new frontier for American business.

The officials were concerned because former Marsh Draughon students were defaulting on their loans at a high rate—later analysis showed nearly 62 per cent of them weren't making repayments. Their investigation disclosed that among 113 individual defaulters, 95 were owed a total of nearly $60,000 in unpaid refunds.

LTV executives, alarmed, sent their own audit team to check the books of all LTV schools. The results produced a shock in LTV Tower, corporate headquarters in Dallas. According to the auditors, the school chain owed at least $5 million in unpaid refunds—more than wiping out the supposed profits previously on the books.

The former LTV students, it turned out, were relatively lucky. The big conglomerate, 21st last year on Fortune magazine's roster of the 500 largest industrial corporations, decided it would, belatedly, make good on the refunds. (Faced with operational problems as well as unexpected red ink, it has also sold off all its schools.)

Other school owners, faced with financial problems or threatened investigations, have simply shut down their schools.

Last June, the Office of Education wrote one industry accrediting group, the Association of Independent Colleges and Schools. Thirteen of the group's schools, the Office of Education complained, had closed within eight months "without delivering the educational services for which a large number of student borrowers have paid in advance from proceeds of federally insured student loans . . ."

"Questionable recruitment and admissions practices have usually resulted in an alarmingly high dropout rate by these institutions prior to their closure," wrote John R. Proffitt, director of the Office of Education's accreditation and institutional eligibility staff. "Accordingly, many of these institutions lacked the financial capability to meet required student refund liabilities because of apparent mismanagement."

Questionable at best were practices which the accrediting association had already uncovered at one of the 13 schools. Community College in San Antonio, Tex., had been recruiting 80 to 85 per cent of its students under the insured loan program, and by the summer of 1972 had run up a total loan volume of some $3.5 million. More than 55 per cent of some 1,755 recruits had droped out.

Jack H. Jones, Florida school owner and association leader who was sent to investigate the school in September, 1972, found its salesmen had been recruiting large numbers of welfare recipients—three salesmen, in fact, had been assigned to a local welfare office where people came to get food stamps.

"A very high percentage of these welfare recipients," Jones wrote in his confidential report, 'were migratory farm workers who could be expected to remain in the area only short periods of time before moving on to another part of the country, automatically producing a dropout that would be very profitable to the institution under a strict interpretation of the [association's] refund policy, but a windfall under the distorted policies administered by the institution."

$500,000 OWED

All told, Jones reckoned, Community College owed its former students some $500,000.

Hardly less callous was the attitude Jones and a colleague had encountered a few months earlier when they investigated another of the 13 schools—Delta School of Commerce in Shreveport, La.

"Although instructors appeared dedicated to a job of educating the young people," they reported, "management appears to have no interest in the welfare of the student body.

"Top management," they continued, "apparently had devoted itself to the collection of substantial sums of tuition in advance and the utilization of its capital in acquiring or opening other institutions for the purpose of obtaining additional windfalls."

A new owner acquired Delta School of Commerce in the late summer of 1972, according to Louisiana authorities. Then, in February, 1973, the Louisiana attorney general's consumer protection unit in Shreveport began investigating a student's complaint about an unpaid refund. A few days later, Delta School of Commerce announced an "early spring vacation," closed its doors and has never reopened.

A federal official's confidential memo, based on an investigation of school problems in the South, describes a blatant pattern of loan-program exploitation:

A school owner makes a deal with a bank, which agrees to pay his school a specified sum, say $150,000.

The school owner then sends salesmen to recruit 100 students and sign them up for $1,500 loans to cover tuition. The salesmen also get the students to sign papers authorizing the bank to turn over the loan proceeds directly to the school.

The bank then pays the school the $150,000 as agreed, frequently without contacting the borrowers or making sure they show up for classes.

This way the school owner has his cash. The bank gets federal interest subsidies on the loans while the borrowers are supposedly in school, and the protection of federal insurance if they default.

Only the unwitting students, faced with repaying their loans to the government if not to the bank, regardless of whether they get an education, stand to lose.

CALIFORNIA CASE

Student borrowers are left holding the bag even if a school shuts down as a result of illegal activities. This happened three years ago in California, where the state attorney general's office filed a civil fraud suit against self-promoting though technically non-profit Riverside University. The school, swiftly forced into receivership, was charged among other things with certifying numerous ineligible students for insured loans.

Some had signed up for insured loans but hadn't yet started classes when Riverside folded. Since the school had received and spent their loan proceeds, however, the prospective students had to repay the loans despite receiving neither educations nor refunds.

Aroused by what happened at Riverside, California Congressmen Jerry L. Pettis and Alphonzo Bell introduced a bill last December aimed at better controlling school eligibility for student aid programs.

"A fine industry which is fulfilling an ever increasing need for good post-secondary education," Pettis asserted, "is being discredited by con men, hustlers and run-of-the-mill incompetents."

To protect students, their bill would relieve insured-loan borrowers of their debts if it was found the schools which short-changed them should never have been eligible for the program in the first place.

[From the Washington Post, June 25, 1974]

Schools Lure Veterans With Tools and TV's

(By Eric Wentworth)

"Build and keep one of today's most advanced color TVs!" urged Bell & Howell in its three-page advertisement in the April Reader's Digest. "It's the perfect spare-time project . . . an enjoyable way to learn about the exciting new field of digital electronics!"

The ad, one of many Bell & Howell has been running, invited readers to send in for more details and a free booklet about GI Bill benefits.

The GI Bill, according to George P. Doherty, who headed the company's education ventures until resigning recently, has been subsidizing about two-thirds of the 150,000 students taking Bell & Howell correspondence courses in color-television technology, other electronics fields and accounting.

Bell & Howell, in fact, is one of numerous companies selling correspondence courses in subjects from color-television technology to motel management that have found the GI Bill a bonanza for enrollments.

Veterans pursuing conventional classroom educations receive fixed monthly benefits regardless of their expenses—a system causing repeated outcries as tuition and living costs soar. But those taking correspondence courses are reimbursed for completed lessons at a flat 90 per cent of the tuition, whatever it happens to be and whatever—such as expensive "build and keep" television sets—it happens to cover.

The market subsidized by the GI Bill is immense. When Congress launched the present program eight years ago, it provided benefits not only for Vietnam veterans but for all those who had been mustered out as far back as 1955. And, for the first time it extended coverage to active-duty servicemen.

All told, the present GI Bill has rendered some 9.7 million young and not-so-young Americans eligible for benefits. Through last June, the Veterans Administration had spent some $8.1 billion on training benefits for more than 4.1 million on those eligible—making the GI Bill by far the largest federal student subsidy program.

VETERANS' EDUCATION

Companies selling education for profit—including big corporations such as Bell & Howell which have entered the field since the current GI Bill began—have taken advantage of this student market in a massive way. While most people might think of veterans using their benefits to study on college campuses, nearly one in four has been spending them on commercially sold correspondence courses.

In 1972, according to Veterans Administration data published last fall by Educational Testing Service, 12 profit-seeking schools each enrolled more GI Bill students than the University of Maryland at College Park.

Advance Schools, Inc., of Chicago led the VA list with 51,114 GI Bill correspondence students, more than the total student bodies—part-time as well as full-time—of American, George Washington and Georgetown universities combined.

Commercial Trades Institutes, owned by Montgomery Ward, was second with 34,880 GI Bill students. Further down the list were two Washington-based schools owned by McGraw-Hill: Capitol Radio Engineering Institute with 8,564 GI Bill enrollees and National Radio Institute with 7,901.

The University of Maryland at College Park, with the largest GI Bill enrollment that year among all public and private non-profit institutions, had only 4,381.

Companies in the correspondence school business have captured a big share of the market through aggressive selling. Their ads appear in Army Times, Argosy, Action Comics, Popular Mechanics, Popular Electronics, Penthouse, Front Page Detective, Glamour, Hot Rodder, Ebony, National Enquirer and a host of other publications.

These ads extol the high pay and status, even the excitement and glamor, that supposedly await students completing the course. Cleveland Institute of Electronics, promoting its color-television course, claims, "You'll Be Dynamite."

The ads also state "Approved for Veterans" or similar wording assuring readers that the courses qualify for GI Bill benefits.

Some companies exploit the GI Bill blatantly. Recently, for example, Commercial Trades Institute display boxes crammed with "take one" cards appeared in a laundry and a delicatessen on Wisconsin Avenue here. The red-white-and-blue cards, headed "Attention All Veterans," with an American flag in one corner, read, "It will pay you to learn about your benefits under the GI Bill. Specialized home study training for those who qualify. Tools and equipment furnished and are yours to keep."

Veterans could mail in one of the pre-addressed cards for more information about courses in color-television servicing and six other subjects.

FIVE HUNDRED NINETY SALESMEN

Some correspondence-school companies rely wholly on ads and promotional mailings. Advance Schools, on the other hand, uses 590 fulltime salesmen operating out of 147 district offices. Bell & Howell uses both ads and salesmen, of which it has 400 for its electronics courses and another 100 for accounting.

The European edition of Stars and Stripes published a special series last November on how some correspondence school salesmen, including retired military officers, were preying on enlisted men overseas. Stars and Stripes reporters found salesmen gaining illegal entry to military bases, signing up soldiers without worrying whether they could benefit from the courses, inducing them to evade required counseling with base education officers, and even supplying them with exam answers to hasten their progress.

Two years ago, the VA and Congress decided the GI bill was making it all too easy for profit-seeking correspondence schools to sell their courses—and both taxpayers and consumers were suffering as a result.

A special General Accounting Office report showed 75 per cent of the veterans and servicemen whose GI Bill benefits had stopped were dropouts. Only about half of those who finished their courses and sought training-related jobs were successful.

One could well conclude, though the GAO didn't say so, that there had been a massive waste of tax money in GI Bill subsidies to veterans who dropped out of their courses.

Though GI Bill benefits were supposedly covering 100 per cent of tuition at that time, the GAO found some 134,000 dropouts had paid an estimated $24 million out of their own pockets. This occurred because VA based benefits on lessons completed, while schools accredited by the National Home Study Council—as most were—based student charges on the elapsed time since they first enrolled.

Congress adopted a package of reforms. GI Bill benefits would cover 90 per cent, instead of the full 100 per cent of tuitions. A "cooling-off period" would require GI Bill students to reaffirm their intentions in writing at least 10 days after signing an enrollment contract. And servicemen would have to consult with base education officers before applying for benefits.

Congress also accepted the National Home Study Council's refund-policy reform for accredited schools, which would tie refunds to percentages of lessons completed.

The reforms took effect Jan. 1, 1973, and had a marked effect. VA reported that new enrollments in commercial correspondence courses during the first six months fell 27.8 per cent, from 130,937 a year earlier to 94,495. New enrollments by servicemen alone dropped dramatically, from 26,190 to 12,803.

"Somebody out there has been saying something right to people about commercial correspondence courses," Col. John J. Sullivan, Pentagon adult education director, told a gathering of military-base education officers last fall in Dallas.

PROBLEMS PERSISTED

Serious problems, however, have persisted. Droupout rates have remained high. Even Bell & Howell, promoted as the "Cadillac" of correspodence schools, reported that at most 50 per cent of those who sign up for its courses actually complete them.

The Stars and Stripes articles, a recent Boston Globe series, and The Washington Post's own investigations confirm that sales abuses still occur.

And, in particular, the fact that GI Bill benefits for commercial correspondence courses remain pegged to tuition rates—even at 90 per cent instead of 100 per cent of those rates—helps perpetuate the program's heavy costs.

To the extent tuition rates cover marketing as well as instructional costs, the GI Bill subsidizes both.

A study funded by the Carnegie Corp. six years ago estimated medium-sized correspondence schools were spending 40 to 45 per cent of their budgets on sales and promotion, and less than half that amount—17 per cent—on direct instructional costs.

A Washington Post reporter mailed in coupons or letters answering the ads of some three dozen commercial correspondence schools to learn about their promotional methods. They responded with salvos of folksy form letters and elaborate glossy brochures.

National Camera, which runs a camera repair school based in Colorado, was the most prolific. It sent a total of 14 pieces of mail over an eight-month period in response to one inquiry.

Getting no response to its initial mailings, LaSalle Extension University wrote, "When you first inquired about the LaSalle course in motel/hotel training you had taken a positive step toward a bigger future. And now, for some reason, you have faltered along the way."

EYE-CATCHING EQUIPMENT

Many companies promote their courses with a heavy stress on expensive or eye-catching hardware which they would supply with the lessons. They seemed to include such equipment as much to sell the course as to enhance its educational value. In extreme cases, they seemed to be selling equipment rather than education.

This seemed most notably the case with Bell & Howell, Cleveland Institute of Electronics, National Technical Schools, International Correspondence Schools and others selling color television technology courses in which they featured deluxe "build and keep" construction kits as well as assorted testing equipment.

Anyone can buy such kits by mail order from the Heath Co. in Benton Harbor, Mich., which supplies detailed and readable manuals for step-by-step assembly, maintenance and troubleshooting. Richard Shadler, Heath's contract sales manager, confirmed that his company sells "Heathkit" color television sets at volume discounts to Bell & Howell and several other schools for them to use in their correspondence courses.

If you buy, and build the $599.95 GR-900 or $649.95 GR–2000 "Heathkit" sets from Heath directly, of course, you pay the full price yourself. If you're a serviceman or veteran and acquire a modified "Heathkit" through Bell & Howell's $1,595 correspondence course, however, the GI Bill will cover 90 per cent of your total course cost.

Bell & Howell's Doherty conceded someone could sign up for the course under the GI Bill more to get a 25-inch-screen color television set at a government-subsidized bargain than to get an education in electronics. But there were obstacles, he insisted: the 170-lesson course was difficult and time-consuming, GI Bill benefits were paid only for lessons completed, and students received their "Heathkit" components only in the last quarter of the course.

In addition, the GI Bill is supposed to subsidize only veterans and servicemen whose studies have an educational, vocational or professional objective for which they are not already qualified—and they must state their objective on the benefits application form. Courses with a "recreational or an avocational purposes" aren't supposed to qualify for benefits.

LOCAL RESIDENTS

Nonetheless, Washington Post telephone survey of local residents taking the Bell & Howell course under the GI Bill turned up Pentagon civilians and miltiary officers, business executives, airline pilots and even dentists who said they had enrolled for a hobby, to acquire a new television set, or to learn to repair sets they already owned.

"We don't require them to take a lie detector test," a Veterans Administration official commented.

Aside from $600 television kits, other companies offer a variety of valuable if less glamorous hardware. National Radio Institute included a "handsome window air conditioner that serves as a training unit as well as a welcome addition to your home" in one of its courses.

Belsaw Institute's $275 locksmithing course included a $125 Belsaw Machinery Co. key machine-code cutter and other tools and supplies—total retail value $215, or 78 per cent of the tuition.

The North American Correspondence Schools, owned by National Systems, spiced up their courses with a $129.50 adding machine for accounting, and "three big drafting kits" for drafting.

True, anyone taking vocational or technical training learns more effectively with access to the tools and equipment giving "hands-on experience." Students who attend classes at a school get that access in the school's labs or shops. Correspondence students can't do that, so the schools instead mail them what amounts to their own individual laboratories.

It can be argued that since the schools can't control what happens to equipment in the hands of farflung correspondence students, it makes sense to let the students keep what's sent to them.

"We don't want to go all over the country recovering TV sets from all our students and then have a massive repair operation," Doherty said in explaining why Bell & Howell has correspondence students "build and keep" their color televisions.

Students taking a comparable course through on-site training at one of Bell & Howell's DeVry Institutes of Technology use school equipment instead and don't get sets to keep. "A couple of resident instructors are watching over the students," Doherty said, "and the amount of damage is held to a minimum."

There are, however, exceptions to the "build-and-keep" approach in correspondence courses. National Camera mails tools, test instruments and camera components to its correspondence students on temporary loan—requiring refundable cash deposits as high as $233.10 in various phases of the course.

"Their cost, if you had to pay for each item," National Camera informs its students, "would nearly double tuition fees. To keep tuition cost at a minimum, this equipment is loaned to you."

DIAMONDS LOANED

Likewise, the non-profit Gemological Institute of America loans out on the honor system a series of diamonds worth up to several hundred dollars apiece for students in its appraisal course to grade and mail back.

Even Bell & Howell itself, according to Doherty, makes an exception in one of its other correspondence courses, on electronic communications. Because one piece of equipment costs $1,000 and is needed for only one phase of the course, he said, the company loans it out under a $100 deposit rather than letting students keep it and pay extra tuition cost.

Some schools padded their offerings with less expensive but less essential paraphernalia which would still add something to tuition costs.

The North American School of Travel, for instance, embellished its travel-agent course with a Rand-McNally globe, wall map and atlas plus a set of Holiday Magazine guidebooks.

Modern Upholstery Institute, an unaccredited California school state-approved for GI Bill students, showed how fuzzy the line can be between educational essentials and non-essentials in correspondence study.

The school started out offering a $255 course, which veterans could take with 90 per cent GI Bill subsidies. The course included more than 125 lessons, upholstering tools, and six kits of materials to make an ottoman, boudoir chair and other furnishings.

Failing to make a sale, the school then offered a "compact" upholstery course in which students would grade their own lessons. The compact course, no longer qualifying for GI Bill benefits, cost $150 with only four kits (no boudoir chair or club chair) or $124 without any kits.

The school claimed that the compact course allowed it to slash costs "without reducing its instructional value in the slightest degree." (Ultimately, the school came up with a "streamlined" course for only $76 in which all the lessons—and a set of tools—would be mailed in "one giant package." Still, it claimed, "not one single vital bit of information has been omitted!")

BONUS DISCOUNTS

North American schools were among the front-runners when it came to offering bonus discounts up to $150, or gifts, to students mailing in enrollment contracts by certain deadlines. Their gifts included a "deluxe travel bag" from the School of Travel and a pair of binoculars from the School of Conservation.

Cleveland Institute of Electronics offered up to 17 "free gifts" worth a total $165.25—including an electronic pocket calculator—for prompt enrollments. And Technical Home Study Schools in New Jersey, also for prompt enrollments, offered an 18-volume "Encyclopedia of Good Decorating" from its Upholstery and Decorating School, and more than 100 key blanks from its Locksmithing Institute.

Still another come-on which several companies used involved opportunities for postgraduate training. Students who could afford their own travel and living expenses could take advantage of the opportunities without extra tuition.

North American School of Conservation offered "a thrilling week, or more" of lectures, field trips and "leisure fun" at its "summer camp in Wyoming's breath-taking scenic beauty."

ENVIRONMENTAL CENTER

Its rival outdoor-careers school, the National School of Conservation (acquired since by Technical Home Study Schools) last fall was offering a week-long "remarkable living and learning experience . . . and, yet, it's like the vacation of a lifetime" at an environmental study center in Wisconsin's North Woods.

Less recreational but perhaps more educational, National Camera offered a two-week "resident seminar" at its Englewood, Colo., headquarters; National Technical Schools offered up to a full month's "workshop training" at its school in Los Angeles; National Radio Institute offered one week's training at York Institute in Pennsylvania for its air conditioning, refrigeration and heating students; and North American School of Drafting offered 50 hours' training at Cleveland Engineering Institute.

School owners, in short, have been able to charge tuitions that cover a wide array of embellishments while GI Bill benefits pay 90 per cent of whatever those charges happen to be.

This government generosity persists at a time when veterans attending conventional colleges complain bitterly that their benefits—based on flat monthly rates regardless of tuition and other costs—aren't meeting their needs. It's a time, as well, when young Americans are finding other federal student aid funds in generally short supply.

[From the Washington Post, June 26, 1974]

For Thousands, Accreditation Has Spelled Deception

(By Eric Wentworth)

Back in the 1960s, an outfit calling itself Citizens Training Service, Inc., set up shop in Danville, Va., and took in nearly $1 million selling bogus correspondence courses before being shut down for mail fraud.

A North Carolina farmboy with only a sixth grade education was one of its 10,000 victims, who were assured the courses would get them Civil Service jobs. A 71-year-old woman already past normal Civil Service retirement age was another.

To avoid a fleecing, consumers these days are advised to sign up only with schools accredited by a government-recognized trade association. Thus the Council of Better Business Bureaus recommends, "One of the best and easiest ways for you to protect yourself when selecting a school is to see if the school is accredited."

And both the Federal Trade Commission in a consumer education brochure, and the Veterans Administration in a bulletin on correspondence courses, state that accredited schools necessarily meet the minimum standards of their respective associations.

Given such advice, consumers may predictably assume that all accredited profit-seeking schools will treat them fair and square. Recent experience, however, has repeatedly shown that the present accrediting system keeps consumers in the dark about school abuses that could victimize them.

True, the trade groups' accrediting commissions have fostered generally higher standards of teaching, physical facilities and business practices than would be likely to exist in their absence.

But still they have failed, in case after case, to protect young consumers from being enticed into debt with federally insured student loans by schools that short-change them, or from wasting their GI Bill benefits on costly, blind-alley correspondence courses.

For thousands of veterans and other consumers, accreditation has in fact spelled deception.

ACCREDITING GROUPS

The accrediting groups, to which the U.S. Office of Education grants formal "recognition" and delegates many regulatory duties, aren't solely to blame, however. They are only part of a mixture of public and private agencies that are supposed to be watching out for consumers' interests. These agencies have generally scanty resources, restricted powers, misplaced priorities, conflicting interests and often mutual suspicions.

"The blame for this situation cannot be directed in any one direction," Judith Roman of the Greater St. Louis Better Business Bureau asserted after the collapse of Technical Education Corp. last fall stranded thousands of students. "In fact, it is the very nature of the program which diffuses the guilt.

"The individual schools are guilty, of course," she continued. "But, they are accredited and those accrediting commissions are responsible for policing the schools and their policies to maintain standards.

"If the accrediting agency falls short, then it is the responsibility of the Office of Education . . . to remove that agency from their approved list."

Accreditation of education's profit-seeking sector is largely in the hands of three groups, each of which accredits—and counts as members—only a fraction of the schools in its field. They include the National Home Study Council, which accredits about 160 correspondence schools; the Association of Independent Colleges and Schools, which accredits about 500 schools largely in the business-secretarial field, and the National Association of Trade and Technical Schools, which accredits about 400 schools teaching everything from computer programming and welding to fashion merchandising. (Since some companies own numerous schools, these totals overstate the number of school owners.)

The possibly 600 correspondence schools, 700 business-secretarial schools and 3,000 trade and technical schools which aren't accredited may be worse—or in some cases better—than accredited institutions.

Unaccredited schools may be too new to qualify, may have sought accreditation and so far failed, may have held accreditation and then lost it, or—since it's a voluntary system after all—may have simply wanted to avoid the fees, red tape and restrictions that accreditation entails.

For those who want it, accreditation has a number of advantages. It's a mark of respectability, helpful in recruiting, especially since consumers are advised to rely on it. In many states, accreditation brings eligibility for GI Bill enrollments with fewer restrictions—as well as exemption from some or most state licensing regulations. And, with some exceptions, accreditation is a requirement for enrolling students under the federally insured loan program.

DOUBLE ROLES

The three industry groups play double roles. On the one hand they are trade associations, protecting and promoting their members' images and interests on Capitol Hill, with various federal and state agencies, and wherever else they can be helpful.

On the other hand, to perform accrediting functions, they have created commissions which operate with somewhat tenuous independence. The commissions are charged with enforcing numerous standards which—on their face—appear to go far toward assuring that accredited schools are educationally sound, financially stable and ethical.

Unfortunately for consumers, however, too many accredited schools have ignored, distorted or defied these standards—and gotten away with it for months, even years.

When federal auditors last year challenged the president of Technical Education Corp., Charles R. Johnson, for failing to abide by National Home Study Council refund standards, Johnson insisted those standards were mere "recommendations" which his school could—and did—reject.

Practically all the school problems described in these articles, in fact, developed at accredited schools.

The basic problem: industry accrediting groups are neither inclined nor properly equipped to act as policemen despite the regulatory responsibilities they've had delegated to them.

"Accreditation," said William A. Fowler, National Home Study Council executive director, "is not really designed for day-by-day enforcement of individual rules."

"We would rather be helping schools to upgrade their programs," explained Dana Hart, executive secretary of the Association of Independent Colleges and Schools' accrediting panel, "than telling them what not to do."

To consumers and other outsiders, a school either is or isn't accredited. From the vantage point of the accreditors, however, matters are less clear-cut.

STIPULATIONS APPLY

Bernard H. Ehrlich, counsel for both the home-study and trade-and-technical groups, said many schools are accredited "with stipulations"—conditions, based on sometimes serious deficiences, which they are told they must satisfy to stay accredited. "If you try to explain this to the public," Ehrlich insisted, "how would the public understand?"

All three groups have procedures, both formal and informal, for handling problems that arise with accredited schools. If a complaint from a student or one of the school's competitors seems minor, an accrediting-group official may try to work things out with a phone call or letter. When the problem appears serious, particularly when the Office of Education wants action, the accrediting commission may launch a formal—and confidential—investigation.

Investigations typically include inspecting the problem school with a team comprising officials from other schools and an accrediting group representative. Depending on the team's makeup and other circumstances, such inspections may be searching or superficial.

A federal official who accompanied one National Home Study Council team's visit to a problem school on the West Coast last year reported finding the team inadequately briefed on what to look for, one member arriving hours late, the school's required self-evaluation report "totally inadequate," and the inspection's five-hour duration insufficient.

Many months may elapse from the time an accrediting commission launches an investigation until its final decision to withdraw a school's accreditation. The Home Study Council's commission, for example, decided to investigate Technical Education Corp. in May, 1973, after learning from the Office of Education—which had suspended insuring its students' loans—that the St. Louis school was in trouble.

INSPECTION TEAM

But commission procedures allowed Technical Education time to prepare and submit its self-evaluation report and pay the inspection fee. Hence, the inspection team's visit wasn't scheduled until October.

It was too late. The day before the visit, Fowler recalled, the Home Study Council got a phone call from St. Louis: Technical Education—out of cash—had collapsed. (Two days later, at a hastily called meeting, the accrediting commission accepted the school's resignation from accreditation to prevent further delays in decisionmaking.)

At least the home study accreditors' investigatory wheels had been turning. William A. Goddard, executive director of the trade and technical schools association which also accredited Technical Education, said he hadn't been aware that the school was in trouble before it closed.

"The last financial statement we got from them was not the strongest," Goddard said, "but it indicated the school would last . . . This was one of the schools we thought we knew."

The three accrediting groups, while relied on by the Office of Education to regulate their schools, are nonetheless private agencies subject to all sorts of legal constraints. This was dramatized four years ago when Macmillan, Inc. (then Crowell, Collier and Macmillan) sued the Home Study Council.

The giant publishing concern claimed that the council had violated due process by denying reaccredition to its six correspondence schools among them LaSalle Extension University and by publicizing the denial. Macmillan also challenged the Office of Education for recognizing and delegating duties to a trade association.

The case was settled out of court. Macmillan set about upgrading its educational programs, while the Home Study Council agreed to continue the school's accredition and revise its own procedures. Though the council and its accreditors were thus spared prohibitive legal costs, the public lost a chance for court rulings on some basic issues.

MACMILLAN SUIT

The Macmillan suit, other legal challenges to accreditation and pressure from the Office of Education led all three accrediting groups to build more due process into their decisionmaking. They developed provisions for school owners to respond to charges, for hearings, for appeals—and for bans on publicity until a final decision to withdraw a school's accreditation.

These provisions, as followed today, tend to protect school owners from ill-considered decisions, protect accrediting groups from more frequent lawsuits, protect the Office of Education's continued reliance on private accreditation—and leave student consumers more in the dark than ever, over longer periods of time, about serious school problems.

"If we were free from legal liability," said Richard A. Fulton, executive director of the Independent Colleges and Schools Association, "we would be delighted to run up the flag and say we're investigating the problems of X, Y and Z schools." Fulton conceded, however, that his group has never sought such immunity.

Even when an accrediting body does withdraw a school's accreditation, it holds publicity about the decision to a minimum. "It's not up to us," Fulton insisted, "to put the scarlet letter on the forehead of a school."

Often schools which have their accreditation withdrawn have already gone out of business anyway. Opinions differ on whether withdrawal can be fatal to those still operating, but certainly schools heavily dependent on federal student aid are hard hit when withdrawal costs them their eligibility. In any event, accreditors generally appear more inclined to prod away at a school in hopes it will eventually clean itself up than to use their ultimate weapon and kick it out of the club.

If the accrediting groups could be more aggressive in protecting the consumer, so could the Office of Education. In its statutory role of "recognizing" individual accrediting groups, the Office of Education occasionally has shown as much tolerance toward their shortcomings as they have shown toward accredited schools.

The federal agency's accreditation staff while well intentioned, is short of people and overwhelmed with paperwork. It must screen applications for initial or renewed recognition, provide staff services to a committee advising the education commissioner, and try as best it can to monitor some 50 recognized accrediting bodies.

HANDLING COMPLAINTS

Practical necessity, then, as well as legislative authority has led staff director John R. Proffitt and his aides to depend heavily on the accrediting groups to handle complaints against individual schools and enforce standards generally.

While the Office of Education has prodded an accrediting group to remedy lapses in performance—such as a serious conflict-of-interest episode in the Association of Independent Colleges and Schools—its dependence is such that it has never used its power to revoke a group's recognition.

One well-versed critic has called this symbiotic relationship an "unholy marriage, dangerous to both parties, failing adequately to protect the public and student interest while endangering the independence of accrediting agencies.

Down the hall from Proffitt's staff, the Division of Insured Loans has also mixed good intentions with mediocre performance in protecting student borrowers. Division officials have become increasingly concerned over the past three years about accredited profit-seeking schools which have abused the insured-loan program at students' expense.

At the outset, these officials understood that so long as the schools kept their accreditation they remained necessarily eligible for insured loans. To remedy that, Congress in 1972 gave the Office of Education authority to audit schools and to limit, suspend or revoke their insured-loan eligibility.

Yet nearly two years later, the Office of Education still hasn't published the regulations required to exercise that authority.

SUSPENDED INSURANCE

Meanwhile, federal officials have resorted to several ad hoc devices to curb predatory recruiting, wrongful withholding of refunds or other school abuses. For one, they have suspended some schools' authority to make insured loans to their own students.

For another, they have gone further and suspended insurance on loans from any lender for students at a given school. Intended to force the school owner to clean up his operations, this device in some cases has dried up the school's cash flow and driven it out of business—stranding students with unfinished educations and no hope of refunds, yet still with loans to repay.

According to Technical Education's Johnson, it was the Office of Education's suspension of loan insurance which "broke us."

Federal insured-loan officials had a more promising approach going for awhile. When a school's recruiting tactics aroused suspicion, they would send questionnaires to individual student loan applicants the school was enrolling. In numerous cases, the applicants, if they replied at all, proved ineligible, unaware that they would be going into debt, or misinformed about their eventual repayment obligations. Many would cancel their loan applications and pull out of the school.

In a case two years ago involving 20 young people recruited for International Business Academy in Oklahoma City, questionnaires brought no response at all from 11 and canceled applications from four others. Further cheeking showed another student was still in high school and thus ineligible, and two more were high school dropouts unlikely to succeed in the training.

Predictably, some school owners complained angrily about the questionnaires—a lawyer for one called them "heavy handed"—and last fall the Office of Education abruptly told its regional offices to stop using them. Someone, it seemed, had convinced Office of Education officials in Washington that they were breaking the rules since the questionnaires didn't have proper bureaucratic clearance and were being used only selectively—that is, against certain schools.

FRESH QUESTIONNAIRE

Soon afterward, a top official in the Office of Education's insured loans division said his staff was working on a fresh questionnaire and would seek proper clearance to use it. More than six months later, that project was still hanging fire.

For their part, various spokesmen for the profit-seeking school industry criticized the Office of Education for being inconsistent, confusing, uncommunicative or even devious—as when, they assert, loan applications submitted for insurance approval mysteriously "get lost in the computer."

Elsewhere in the government, the Federal Trade Commission has been relatively aggressive in policing the school industry. Two years ago, after extensive hearings, the FTC laid down "industry guides" defining what it considered unfair or deceptive in advertising, recruiting and related school practices. About the same time, it issued proposed complaints against some industry giants—Lear Siegler, Control Data and Electronic Computer Programming Institute.

Last August, the FTC launched a nationwide media campaign to help consumers recognize and escape school abuses. And in hopes of laying out further rules—on refund policies for example—it has continued investigating industry problems.

Still, when it comes to enforcement activity, the FTC's investigations have been necessarily tedious, its proceedings ponderous, and its penalties limited. While its case against Lear Siegler is still pending, for example, the company—for unrelated reasons, officials say—has nearly finished selling off all its schools.

The Veterans Administration, responsible for the multibillion-dollar GI Bill program, is required by statute to delegate most supervisory duties to "state approval agencies"—which vary considerably in staffing, other resources and diligence.

While VA supervises as well as subsidizes these state-level surrogates, and spot-checks schools to some extent itself, there is little evidence that "Approved for Veterans" protects consumers any better than accreditation.

State governments, for their part, have school licensing or approving agencies of their own. They, too, and whatever laws they have to enforce, are a study in contrasts. Some states, like Florida and Texas, aroused by past profit-school scandals, provide relatively effective regulation. Others such as California have laws flawed by loopholes, and still others have practically no regulation at all.

The Education Commission of the States sponsored a task force's development of model state legislation last year. It hoped to encourage a more even and effective level of state-by-state regulation. But Indiana's Joseph A. Clark, who heads the new National Association of State Administrators and Supervisors of Private Schools, said his group would come up with a different and better bill.

REGULATORY CRAZY QUILT

Washington Post interviews with federal, state and accrediting-group officials throughout the existing regulatory crazy quilt repeatedly encountered disagreements, distrust and mutual criticism: Office of Education officials who look down on VA's state aproving agencies, FTC officials who find the Office of Education paperbound and lethargic, state officials who scorn the accrediting groups while resenting FTC incursions on states' rights, accrediting officials who consider the Office of Education inconsistent or indecisive, and the like.

Such discord, among people supposedly sharing to some degree the same broad objectives—good schools, satisfied students and well-spent tax money—dramatize the political obstacles to improving the system.

Improvements, however, are badly needed. While specific remedies are open to debate, the general needs include these:

A far higher priority, among all concerned, for protecting student consumers.

More aggressive, methodical monitoring of school marketing practices, financial stability and other matters in which consumers have a stake.

More timely and effective enforcement of government regulations and accrediting standards—and in the case of the accrediting commissions, open rather than secret proceedings.

For correspondence schools, a requirement that GI Bill benefits be spent on educational essentials rather than extravagant color television sets and other window-dressing.

And for the insured loan program, relief from debts when student borrowers have been defrauded or short-changed.

COUNTERFORCE STRATEGY

Mr. MUSKIE. Mr. President, for most of the postwar period, the declared strategic doctrine of the United States has been deterrence—a policy that seeks to persuade a potential aggressor not to initiate nuclear war by confronting with the certainty of unacceptable destruction in return. In recent months, Secretary Schlesinger has played a leading role in stimulating a national debate on the question of whether the United States can improve the character of its deterrent forces by improving and stressing what have heretofore been deemphasized as the secondary characteristics of our nuclear arsenal. He has proposed, among other things, changes in the structure of our forces, further improvements in their accuracy and destructive capacity, and shifts in our declaratory policy.

Earlier this month, when the Senate was considering the McIntyre-Brooke amendment to the military procurement authorizations bill, the general thrust of the administration's proposed changes in our strategic thinking was discussed on the floor. An excellent article in the July issue of Foreign Affairs, entitled "The New Nuclear Debate: Sense or Nonsense," written by Ted Greenwood and Michael Nacht, makes a valuable contribution to the ongoing debate over the proposed changes in our strategic doctrine. I commend this article to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW NUCLEAR DEBATE: SENSE OR NONSENSE?

(By Ted Greenwood and Michael Nacht)

I

There is a widespread and deep-seated dissatisfaction today with many of the fundamental premises underlying American strategic weapons policy. The dissatisfaction stems in part from disappointment with the terms of the arms control agreements concluded between the United States and the Soviet Union at the Moscow summit meeting in May, 1972. The treaty on the Limitation of Anti-Ballistic Missile Systems is sometimes claimed to provide little more than a codification of the immoral relationship in which the population of each superpower is left hostage to the strategic nuclear forces of the other. The Interim Agreement on Strategic Offensive Weapons is faulted for conceding numerical superiority to the Soviet Union.

The inability of political accords to keep pace with technological innovation is being cited as dooming strategic arms control agreements to obsolescence almost before the ink dries. In part, too, the dissatisfaction stems from the vigor of Soviet strategic weapons programs and from apparent Soviet intransigence at the second round of the strategic arms limitation talks (SALT II). Other aspects of Soviet policy—their stance during and subsequent to the 1973 war in the Middle East and their continued rigidity in dealing with the question of human rights within their own society—while perhaps logically decoupled from strategic issues, nevertheless reinforce a general skepticism of Russian intentions.

This dissatisfaction has provided the context for a new debate over the size and structure of the nation's nuclear forces. Origins of this debate may be traced to statements about the need for increased nuclear flexibility 1970. Last year's articles in *Foreign Affairs* by Dr. Fred Ikle, now Director of the United States Arms Control and Disarmament Agency, and Dr. Wolfgang Panofsky, Director of the Standford Linear Accelerator Center, provided additional stimulus. Dr. Ikle questioned the desirability of continuing to rely on a policy of deterrence to prevent nuclear war and expressed the hope that alternatives be found to strategic doctrine and weaponry that, in the event of an attack, require a massive, instantaneous retaliatory strike against the enemy's civilian population. Dr. Panofsky responded that Dr. Ikle was greatly overstating the rigidity of both the doctrine and the weaponry, that an instantaneous, massive retaliatory attack was far from our only available option, but that, in any event, the call for alternatives to deterrence was futile in the face of the inability of either technology or strategy to alter the mutual hostage relationship between the United States and the Soviet Union.

The debate claimed increased public attention following two press conferences last January by Secretary of Defense James R. Schlesinger and the subsequent release of his *Annual Defense Department Report FY 1975*. Secretary Schlesinger called for increased targeting flexibility, more accurate missiles and larger warheads as well as continuing or initiating the development of several new offensive weapon systems. These include larger intercontinental ballistic missiles (ICBMs) to be launched from Minuteman silos, a mobile ICBM, the Trident missile and submarine programs, a smaller missile-launching submarine, air- and sea-launched strategic cruise missiles, and the B-1 strategic bomber.

The Secretary of Defense is clearly concerned with the recent Soviet deployment of a new, long-range submarine-launched ballistic missile and their extensive testing of four improved-accuracy ICBMs, three of which have been tested with multiple independently-targetable reentry vehicles (MIRVs). He anticipates that the Soviet Union will eventually be able to deploy many thousands of large and accurate MIRVs that would threaten the American bombers and fixed land-based missiles. This capability would also provide the Soviets with an edge in the number of deliverable warheads to add to their previously acquired advantages in missile launchers and total megatonnage. He finds it unacceptable for the Soviet Union to be able to threaten major components of American strategic forces without the United States "being able to pose a comparable threat." While he does not require complete symmetry between the two forces, he does insist that all asymmetries should not favor the Soviet Union. "Essential equivalence" is his stated objective.

Unfortunately, much of the discussion responding to the Administration's position has failed to clarify the primary issues at stake. Terminology has been inconsistently and erroneously employed; concepts have remained ambiguous; and partisan views have tended to dominate analytical discussion. It is appropriate therefore to reexamine the elements of this new nuclear debate in a manner that will clearly identify the choices that actually confront us. We shall do this in four steps. First, we shall identify the central concepts relevant to the debate. Second, we shall set out the arguments in favor and against the pursuit of strategic nuclear options. Third, we shall evaluate these arguments and present our own position. Fourth, we shall set the debate in a broader context by critically examining the underlying premises of the Administration's current policy.

II

During the period that Robert McNamara was Secretary of Defense, the primary official justifications for the strategic nuclear forces were assured destruction and damage limitation, with the former gradually rising to ascendancy over the latter. In 1966 he stated that the assured destruction criterion required the maintenance of a force necessary "to deter deliberate nuclear attack upon the United States and its allies by maintaining, continuously, a highly reliable ability to inflict an unacceptable degree of damage upon any single aggressor, or combination of aggressors, at any time during the course of a strategic nuclear exchange, even after absorbing a surprise first strike."

Secretary McNamara and his staff distinguished carefully between the assured destruction criterion as a planning device for sizing the force and the doctrine that was to be followed in the event of war. There was no requirement that a massive nuclear response would automatically follow any level of nuclear attack against the United States or its allies. Nevertheless, the increasing emphasis on assured destruction in official statements focused attention on scenarios involving massive destruction of urban populations. Other scenarios were relegated to a secondary position and received less serious consideration.

Use of the strategic forces for other than a massive attack was the subject of intermittent discussion and debate during the McNamara period. During the early 1960's the strategic contingency plans were altered to include other possible responses, and Secretary McNamara briefly advocated a targeting doctrine intended to discourage attacks against cities in the event of nuclear war. But concern for these matters waned throughout the tenure of the Johnson Administration. Only in recent years have they again come under significant scrutiny. Various high-level officials of the Nixon Administration as well as the President himself have publicly expressed the need to provide nuclear options other than the initiation of a massive nuclear attack involving large-scale civilian casualties.

Three scenarios in particular have received widespread attention: a massive Soviet attack directed against American strategic forces; a limited Soviet attack designed to achieve limited political objectives; and the escalation of a conventional or tactical nuclear war in Europe. In each of these cases a response other than a massive nuclear attack against Soviet cities might be desired. In the first instance the United States might wish to retaliate by attacking comparable military targets in a manner that would not encourage the subsequent destruction of population centers. In the second instance a limited response might be called for, including perhaps the destruction of military installations, selected urban areas, dams, power plants or pipelines. In the third instance means might be sought to influence directly the outcome of a European war without encouraging Soviet strikes against American and European cities. The strategic forces could be used, for example, in coordinated attacks against communication installations, transportation facilities, storage depots for nuclear weapons, petroleum supplies and military hardware in Eastern Europe or Soviet medium- and intermediate-range ballistic missiles.

In thinking about nuclear war scenarios, two factors need to be taken into account: the nature of the targets and the magnitude of the attack. Targets may be categorized as countervalue or countermilitary. Countervalue targets include urban-industrial areas (commonly referred to as "countercity" targets) and any non-urban civilian site of economic, political or cultural value. Countermilitary targets include not only strategic nuclear forces (commonly referred to as "counterforce" targets) but also the many thousands of other assets that comprise a nation's war-making capability including troop concentrations, airfields, materiel depots, transportation networks and communications systems. Hardened missile sites and command and control facilities, an important subset of counterforce targets, are referred to as "hard targets."

Any of these target systems could be attacked at various levels of intensity, ranging from very restricted, using a few weapons, to very extensive, employing many thousands of warheads. It is especially useful to distinguish four separate categories of counterforce attacks, reflecting different political-military objectives: limited counterforce, that seeks to destroy only a selected portion of the opponent's strategic forces; substantial counterforce, that permits the destruction of a larger fraction of the opponent's forces but is not intended to reduce significantly his ability to inflict damage; extensive counterforce, that does seek to reduce the opponent's ability to inflict damage; and disarming first strike, that strives to eliminate completely the opponent's retaliatory capability. These categories call for successively increasing hard-target kill capability.

With these distinctions in mind, we can now address the substance of the current debate about nuclear options. Although participants in this debtae have rarely afforded adequate attention to the views of their opponents, the absence of empirical evidence makes a complete and systematic examination of all relevant issues a precondition for reaching a responsible conclusion. It is to such an examination that we now turn.

III

The arguments concerning the increase of Presidential nuclear options can be aggregated into six categories. The first deals primarily with targeting flexibility and concerns the relationship between increasing the likelihood of nuclear war and improving its controllability. The second focuses on the extent to which improving counterforce capability is equivalent to the pursuit of a disarming first strike capability. The third deals with the linkage between counterforce capability and the nuclear arms race. The fourth addresses the feasibility of conducting limited nuclear war. The fifth concerns the effect of nuclear options on the credibility of American security guarantees to its allies. The sixth deals with the question of whether advances in Soviet nuclear flexibility require comparable measures by the United States.

The first argument addresses the advantages of being able to fight a controlled nuclear war and the extent to which having such a capability increases the likelihood of war. Proponents of targeting flexibility contend that since the possibility of nuclear war cannot be denied, the President must not be limited to choosing between surrender to an aggressor and touching off a massive slaughter of civilian populations. They argue that since there is great uncertainty about how a nuclear war might start, responses should be available to deal with a wide range of possibilities. Limiting targeting options to strikes against civilian population is said to be immoral, unwise and unnecessary. If a war begins on a small scale, there should be military responses that not only refrain from inviting escalation but also provide incentives against it. Even if war were to be initiated by a massive counterforce strike resulting in relatively heavy casualties, an appropriate response must be available that would not automatically trigger subsequent attacks against population centers. In short, it is argued that contingency plans are needed to fight a nuclear war at whatever level and in whatever way is required.

It is not suggested that such plans should be implemented as substitutes for the pursuit of political and diplomatic efforts toward preventing, limiting or terminating hostilities. Rather, they are intended to provide credible military responses if diplomacy fails. In fact, it is sometimes argued that if a potential aggressor knows that usable military options exist, he is less likely to initiate a nuclear war or to resist its termination. Targeting flexibility is therefore said to strengthen the American deterrent. Indeed, some would say that it is essential for deterrence to be credible.

On the other side, opponents of targeting flexibility claim that as nuclear war becomes more manageable, it also becomes more likely. Increasing nuclear options is therefore viewed as not only undesirable but dangerous. This increased likelihood of war is said to come about in several ways. The argument is made that as the use of nuclear weapons becomes more thinkable, it also becomes more acceptable; the horrors of such weapons would be obscured or forgotten; and the psychological barriers inhibiting political leaders from employing them would be weakened. A false confidence might be generated that nuclear war can be controlled and limited. In a crisis the very existence of a variety of seemingly clear-cut military contingency plans might suppress the inclination to pursue elusive and uncertain political initiatives that might otherwise defuse the situation. A nuclear strike might therefore be chosen instead of a diplomatic initiative. While such a course may seem very unlikely for rational leaders to adopt, proponents of this view stress that there is no guarantee that rationality will always prevail, particularly during times of crisis.

The second argument is one that dominated the debate about multiple independently targetable re-entry vehicles from 1969 to 1971. It centers on the claim that seeking improved counterforce capability is equivalent to working toward a disarming first-strike capability. It is said that if missile accuracy continues to improve and the number of available warheads continues to grow, the ability to destroy an opponent's fixed land-based missile forces can eventually be achieved.[1] Some view this development, especially when considered in conjunction with substantial effort to improve anti-submarine warfare, as movement toward the achievement of a disarming first-strike capability. Others claim that it will be perceived as such by the Soviets, even if American intentions are otherwise. Advocates of both views frequently suggest that heightened anxiety over the vulnerability of land-based missile forces would increase the likelihood of pre-emptive nuclear war. Each side might be tempted to fire its missiles before they could be destroyed.

The claim is also made that improvements in counterforce capability might lead to the adoption of a launch-on-warning doctrine. While the land-based missiles are currently felt to be capable of riding out a nuclear attack, in the future they might be launched early if only a small fraction were expected to survive. This would increase the probability that nuclear war might begin by accident or miscalculation. An extreme case of the launch-on-warning doctrine that is sometimes discussed imagines a system that launches the strategic forces automatically, without human intervention, upon receipt of electronic signals from the early-warning satellites or radars, thereby placing the fate of the world at the mercy of fallible sensors, computers and communications systems.

The equating of improved counterforce with disarming first strike has been challenged. The claim is made that the redundancy of the strategic forces precludes even a theoretical ability to destroy all land-based missiles from constituting a disarming first-strike capability. Those who make this argument frequently stress that there is no technology, either currently available or foreseeable, that would significantly reduce the invulnerability of ballistic missile submarines. Even in the event of an all-out attack, sea-based missiles and the portion of the bomber force that could avoid destruction by becoming airborne upon receipt of warning would still be able to inflict overwhelming damage on the attacker. The conclusion is that improving counterforce capability neither moves the United States nor causes the Soviet Union to perceive movement toward the ability to inflict a disarming first strike.

The argument is also made that the difficulty involved in destroying a large fraction of hardened land-based missile forces has now been realized to be much greater than was once thought. This is not just because of the possibility that much of the force may be launched before the attacking warheads arrive, the so-called empty hole problem, but applies even under the assumption that the force rides out the attack. Careful analyses of the dynamics of a heavy attack against missile silos have suggested that the dust, debris or blast waves resulting from early explosions could damage or deflect subsequently-arriving re-entry vehicles.

While there may be techniques by which these "fracticidal" effects can be minimized, they certainly impose severe requirements of timing, coordination, reliability and accuracy on the attacker. To many analysts this suggests that high-confidence destruction of an opponent's land-based missiles would face significant practical impediments. For both these reasons it is claimed that improvements in counterforce capability should not provide an incentive to launch a pre-emptive attack or to adopt a launch-on-warning doctrine.

The third argument suggests that the improvement of counterforce capability would inevitably lead to an expensive and uncontrollable arms race. Given a counterforce doctrine, it is claimed that the military services can readily generate requirements for very large numbers of warheads and highly sophisticated weapons. This is precisely what happened in the early 1960's after Secretary McNamara endorsed a damage-limiting counterforce strategy, and it was undoubtedly an important consideration in the abandonment of counterforce rhetoric. Proponents of this view also foresee that if the United States deploys highly capable counterforce weapons, the Soviet Union will respond by increasing its own arsenal.

In part this response might derive from a rising level of anxiety touched off by American activity. In part, too, American actions might reinforce the position of those in the Soviet government who favor weapons deployments for other reasons. A variant of this argument suggests that the large force requirements generated by a counterforce doctrine are likely to inhibit the negotiation of meaningful limitations or reductions of strategic forces. Not only are some of the weapons systems that might result difficult to control because of verification problems, but diversification of each side's forces would also increase the degree of asymmetry and thereby make strategic arms limitation agreements more difficult to achieve.

Improvements in counterforce capability are defended against this charge in a variety of ways. Some concede that an arms race with the Soviet Union might result from such improvements, but they are willing to accept this eventuality. They argue that the United States is wealthier and technically more advanced than the Soviet Union and can almost certainly stay ahead in such a race. The current problem, as they see it, is for the United States to keep pace with the continuing Soviet advances in strategic weapons. Others suggest that technological momentum or bureaucratic and domestic politics have much more influence on weapons decisions than do actions taken by the other side. Denying the validity of the action-reaction thesis, they maintain that the pursuit of improved counterforce capability has little bearing on the strategic arms race. Still others contend that if only minor improvements are made, limited to flexible targeting and modest counterforce capability, and if an image of restraint is projected, the arms race should not be stimulated.

The fourth argument against increasing either targeting flexibility or counterforce capability claims that nuclear warfare is simply not possible. It is asserted that no nulcear war can be fought cleanly and with few casualties. For one thing, many military targets are in or near population centers. Attacks against them would necessarily kill a large number of people. It is frequently claimed as well that the number of fatalities resulting from even a low-level attack using strategic weapons would be so large that escalation into general and strategic warfare involving urban-industrial targets would be virtually inevitable.

Those in favor of improving nuclear options respond that while it is true that many people would almost certainly be killed in any nuclear attack and that a small war *might* become uncontrollable, there is nothing inevitable about either escalation or large scale destruction of populations. It makes a very great difference whether the number of deaths is measured in thousands, millions, or hundreds of millions. Contingency plans can and should be designed that would discourage escalation. The type of weapons available and the manner in which they are employed are said to influence the number of fatalities and the level to which a strategic exchange would escalate.

Although some proponents of counterforce targeting favor large nuclear weapons for use against hard targets, others would prefer reliance on small clean weapons and precision accuracy in order to minimize the collateral damage resulting from any nuclear exchange. While the proximity of some military targets to cities is readily admitted, it is pointed out that many others are far from population centers. Limited or even substantial countermilitary or counterforce attacks could therefore be made without inflicting enormous numbers of casualties. Furthermore, it is suggested that the Soviet Union might initiate nuclear war by means of a limited attack. In such a case the United States should not be the one to escalate the conflict.

A fifth set of issues relates to the continuing credibility of the American nuclear umbrella. It is argued that the United States must maintain a flexible nuclear war-fighting posture that could be employed in the defense of its allies. Otherwise they might perceive a gradual weakening in the American security guarantee. European countries and Japan might then loosen their economic and political ties to the United States and seek individual accommodation with the Soviet Union—a process referred to as "Finlandization." Some even foresee the emergence of independent German and Japanese nuclear forces as an end result of this process.

The contrary argument holds that although the credibility of American security guarantees does depend on the maintenance of rough nuclear parity between the United States and the Soviet Union, the conduct of diplomacy and economic affairs tends to dominate alliance relationships. The maintenance of tactical nuclear weapons and sizable conventional forces in the local theaters and the linkages these provide to the strategic forces are said to be much more important than particular targeting plans or levels of counterforce capability. The Allies' perceptions are relatively insensitive to the detailed structure of the American strategic forces.

A sixth argument is that the Soviet Union has or will have great targeting flexibility and counterforce capability in its own strategic forces. The Soviets now have sufficient warheads for uses other than assured destruction and their numbers will continue to grow as MIRVs are deployed. Soviet strategic writers have consistently advocated a capability to engage in and to win a strategic nuclear war. With its large missiles, its demonstrated MIRV capability and its developent of improved accuracy technology, the Soviet Union could eventually have substantial nuclear flexibility. To some American analysts, this prospect is sufficient justification for the United States to improve its strategic forces. Others argue that if the United States does not have comparable options, the deterrent against limited countervalue and counterforce attacks would be weakened.

Opponents of increasing nuclear options claim that possession by the Soviet Union of a particular capability is insufficient justification for comparable American actions. This is particularly true of improved counterforce capability since it is said to be expensive, of little value and a probable stimulant to the Soviet-American strategic arms competition. These critics argue that the likelihood of nuclear war would be less if one side rather than both possessed broad nuclear options.

Neither the arguments usually presented in favor of nuclear options nor those against seem to us to be fully acceptable. Targeting flexibility is said to be either desirable or not; counterforce capability is said to be either essential or dangerous. But structuring the debate in these absolute terms obscures the real issues. In the world of policymaking and force-structuring the important questions are what degree of targeting flexibility is desirable, how much counterforce capability is needed and what costs are acceptable for such programs. A formulation is needed that integrates the advantages of flexibility with those of restraint and which seeks to avoid the major dangers of both. It would not be a policy of absolutes but one of compromise. It would take account of both existing capabilities and aspirations to achieve meaningful arms control.

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[1] Although the ability to destroy hard targets can also be improved by increasing warhead yield, both accuracy improvements and the number of available warheads are substantially more important. In fact, accuracy improvements or MIRVing can enhance the hard-target capability of a missile force despite reductions in warhead yield.

The most important argument against increasing targeting flexibility is that it would make nuclear war more acceptable and therefore more likely. Whether or not this is impossible to demonstrate. One's conclusions on the issue must ultimately depend on personal judgment. While we would not claim that improving targeting flexibility would have no effect on increasing the likelihood of war, we would argue that the effect is very small and easily overwhelmed by other factors, many of which are totally unrelated.

The history of warfare suggests that decisions to initiate hostilities more frequently than not derive from perceptions and misperceptions of political will. They are rarely triggered by an increase in the real or perceived flexibility of available weaponry. Particularly in the nuclear age, details of military hardware and intricate war plans are unlikely to be crucial in decisions about war and peace between major powers. The uncertainties and risks of escalation would remain so large that the existence of even great flexibility should fail to tempt political leaders into a precipitant use of nuclear weapons.

Equally important is the pervasive psychological inhibition against any use of nuclear weapons. The precedent of almost thirty years of non-use remains a formidable barrier against future use. The primary firebreak is between conventional and nuclear weapons. Although there has been no lack of warfare since 1945 in which nuclear weapons might have been used, the fact is that they have not been used. Improvements in real or perceived flexibility would not obscure the nature of this firebreak and consequently would not significantly increase the likelihood of nuclear war. In fact, by permitting a controlled response if deterrence fails, the credibility of the deterrent would be enhanced and the likelihood of nuclear war might be decreased.

The arguments concerning counterforce capability deal with a different set of issues. If either the United States or the Soviet Union ever developed a disarming first strike capability, the strategic balance would be widely perceived as unstable. Even if it became feasible just to limit damage significantly by means of a pre-emptive counterforce attack, there might be an incentive to initiate a nuclear war in time of crisis. To prevent the other side from achieving either capability, both countries would surely be prepared to increase their spending on strategic forces. As Secretary McNamara once pointed out, the damage limitation problem of one side is the assured destruction problem of the other.

Neither of these capabilities is even remotely feasible, however. As Secretary Schlesinger stated in the *Annual Defense Department Report FY 1975:*

> "Neither the United States nor the Soviet Union now has a disarming first strike capability, nor are they in any position to acquire such a capability in the foreseeable future, since each side has large numbers of strategic offensive systems that remain untargetable by the other side."

The same is true of significant damage limitation capability. The bombers, sea- and land-based missiles that would survive even the most devastating attack would be more than sufficient to inflict overwhelming retaliatory destruction on the attacker. This follows inextricably from the inherent difficulties in destroying all three elements of the strategic forces and from the devastating nature of thermonuclear weapons. It does not even depend on the operational uncertainties that an attacker must face or the possibility that the retaliatory force might be launched on warning. There appears to be no improvement in counterforce capability, anti-submarine warfare or anything else that would permit either a disarming first strike or significant damage limitation unless force levels were drastically altered or reduced.

Even if the fixed land-based missiles are in the future perceived to be vulnerable, there would be no incentive to launch them pre-emptively. The certain knowledge that overwhelming destruction could follow such an attack would act as a deterrent despite such perceptions. Moreover, the ability to launch the Minuteman force on warning has long existed and will surely be retained. This option and the uncertainty about whether or not it would be exercised are important aspects of the deterrent. In no way is this meant to suggest that the United States should create the sort of automatic system that critics of a launch-on-warning policy sometimes imagine. The order to launch the force should and undoubtedly will continue to be the President's responsibility. There is a big difference between maintaining an option to launch on warning and installing a doomsday machine.

The logic of the situation, however, may not prevail. Either Soviet or American political leaders may become anxious about the improved counterforce capabilities of the other side. Ideological distortion, bureaucratic arguments and the momentum, emotion and ambiguities of political relationships have in the past propelled decision makers to formulate erroneous linkages between counterforce and first strike. What needs to be stressed, therefore, are the technological and operational impediments to the achievement of a disarming first strike or damage-limiting capability. At the same time, the United States should refrain from deploying systems that could cause anxiety in the Soviet Union and continue both its research and development and its intelligence gathering in order to hedge against unforeseeable advances that might alter this reality.

The situation with respect to limited and substantial counterforce capability without significant damage-limitation objectives is very different. Both capabilities are feasible, particularly in the absence of extensive ballistic missile defense, and in large degree exist for the United States today. The number of available warheads, while still growing, is large enough and the yield/accuracy characteristics of the force are such to permit substantial counterforce targeting. All but hard targets can be readily destroyed in large numbers and even many of these could be eliminated if they were deemed sufficiently important to divert enough warheads from other targets. The only conceivable impediment to limited counterforce, as for any other limited war option, would be a lack of contingency plans. Secretary Schlesinger has indicated that even following an expansion of nuclear options in the early 1960's, contingency plans continued to involve large numbers of weapons. This deficiency is now being corrected by the inclusion of limited responses. Improvements in counterforce capability could of course be made, but only at great expense. Since significant damage limitation is unattainable and since substantial capability exists today, such improvements would enhance military effectiveness only marginally.

That the seeking of an improved counterforce capability might prove to be a stimulant to the arms race is difficult to dispute. Although the action-reaction dynamic is certainly not the only factor influencing Soviet-American competition in strategic weapons, the historical record suggests that one side rarely attains a new capability without the other side's responding. While the argument can be made that the many Soviet strategic weapons developments now in progress demonstrate unilateral initiatives rather than reactions to American strategic programs, the motivation and justification of these developments cannot be known with certainty.

To the extent that American activity might be an influential factor in Soviet weapons decisions, its role could probably be minimized if the United States adopted a policy of restraint in its pursuit of counterforce capability and undertook a concerted effort to project a conciliatory image. Rhetoric, tone and nuance are important in this task. Similarly, the establishment and clear enunciation of limited objectives should aid in the control of domestic constituencies that otherwise could justify a large number of expensive, new weapons programs on the basis of a doctrine of extensive counterforce.

The feasibility of waging a limited nuclear war is in many ways a false issue. The question is not whether a "clean" nuclear attack is feasible and escalation inevitable, but the anticipated number of casualties and the potential for escalation that would accompany a variety of scenarios and the degree to which these would be affected by changes in the force structure. The size and diversity of the American strategic arsenal is so great that, even were it reduced substantially, the President and the national command authorities could still have a wide array of options to respond to any type of Soviet attack. Continued improvement in targeting flexibility, contingency planning, accuracy and command and control systems and the availability of low-yield warheads would permit the selection of targets to minimize either the number of casualties or the risk of escalation or both.

The credibility of American security guarantees to Western Europe and Japan depends primarily on overall political and economic relationships. We would nonetheless agree with those who claim that the strategic nuclear forces play an important role in maintaining this credibility. It is, however, the size of these forces, both in absolute terms and relative to the Soviet Union, the rate at which improvements are made and the degree of American confidence in its deterrent as displayed in domestic debate that provide meaningful indicators. Details concerning the degree of targeting flexibility or counterforce capability built into the forces are not matters of central importance. Improvements in nuclear flexibility cannot be justified, therefore, as a means of strengthening alliance relationships.

One additional issue concerns the nature of Soviet doctrine and its emphasis on nuclear war-waging as a rationale for structuring American strategic forces. It seems probable that the Soviet Union will improve its strategic flexibility to the extent that its skills and resources permit. While American strategic debates may, over the years, have had considerable impact on Soviet strategic thinking, it would be unrealistic to conclude that an inflexible American strategic force would be mirrored by the Soviet Union. The United States should therefore maintain a flexible force both to deter the exercise of Soviet strategic options and to respond appropriately if deterrence fails.

The analysis so far leads us to make four points. First, more attention should be given, both in strategic analysis and in force planning, to scenarios in which strategic nuclear war breaks out at a low level or in the escalation of a conventional war. Of all the ways that nuclear war might start, a massive attack against either population centers or land-based missiles appears least likely. Exclusive concentration on these scenarios is unwarranted. It is the problems of deterring the low-level attack and preventing escalation that demand greater investigation.

Second, the United States should provide itself with a broad but restrained set of nuclear options. Improvements in contingency planning, retargeting capabilities, and command, control and communications that would increase nuclear flexibility are relatively inexpensive and worth the cost. Particular emphasis should be placed on creating systems that would enhance the maintenance of communications with the sea-based missile forces in the event of war. Such systems should preclude the use of these forces without Presidential approval and maintain submarine invulnerability. Limited and even substantial counterforce capability including some ability to destroy hard targets exist currently and should be retained.

Third, since it is not possible to achieve an extensive counterforce capability predicated on damage-limitation objectives, improvements in this direction are unnecessary and wasteful. Major development programs leading to higher yield MIRVs and larger missiles are very expensive and would provide little in additional military capability. As the Soviet Union continues to build up its invulnerable sea-based forces, the ability to destroy a large fraction of land-based counterforce targets, including hard targets, will progressively decrease in value.

Fourth, missile accuracy beyond current capabilities is, on balance, more detrimental than beneficial. While accuracy improvements could assist in reducing collateral damage if associated with lower yield warheads, they would nevertheless be very expensive and, in all likelihood, would contribute to anxiety about the vulnerability of Soviet fixed, land-based missiles. Given the existing accuracy of American guidance systems, additional capability is not worth the psychological and economic costs.

The strategy of restrained options outlined at the end of the previous section differs substantially from official government policy as enunciated by the Secretary of Defense. Implementation is not contingent upon any new offensive weapons programs other than those needed to replace aging hardware. The emphasis is on contingency planning, targeting flexibility and more effective command and control systems. Unlike the Administration's program, the strategy of restrained options does not require accuracy improvements, higher-yield warheads and larger missiles. This distinction results in part from differing estimations of the relative advantages and disadvantages of accuracy improvements, and in part from the Administration's desire for more counterforce capability than we believe to be militarily useful. More important, however, is the Administration's concern about Soviet offensive weapons programs and the American negotiating posture at SALT.

The objective of essential equivalence is based on the desire to match Soviet counterforce capability, to maintain momentum in American weapons development, and to prevent the Soviet Union from attaining numerical superiority in all "static" measures of strategic forces (namely, numbers of delivery vehicles, numbers of deliverable warheads and total deliverable megatonnage). This strategy can be best understood by considering strategic weapons, and even the apparently conscious decision to generate a public debate about them, as elements in a complex political process in which national images are projected to adversaries, allies and other powers. With respect to the Soviet Union, strategic weapons programs can be said to demonstrate technological pre-eminence, a determination not to relinquish the initiative on the stage of world politics, and continued American resolve in the pursuit of its various foreign policy objectives. These programs are also intended to reduce the likelihood of confrontation and crisis by dissuading Soviet leaders from believing that their superiority in nuclear weaponry, as measured by static indicators, is exploitable diplomatically or militarily.

With respect to the allies, the continuation of strategic weapons programs and the prevention of major asymmetries in favor of the Soviet Union are expected to maintain the credibility of American security guarantees. Preventing a significant disparity in counterforce capability may be of particular relevance to the traditional NATO concerns about Soviet medium- and intermediate-range ballistic missiles that are targeted against Western Europe. And, with respect to the rest of the world, American strategic forces help to project an image of overwhelming power and technological sophistication. Involvement of the United States in conflicts all over the globe, particularly those in which the Soviet Union also has interests, is increasingly legitimized on the grounds that, without American restraining influence at an early stage, military escalation might lead to Soviet-American confrontation and the threat of nuclear war.

Although the United States now seems to be willing to abandon its former objective of nuclear superiority, its political leaders show no willingness to appear less than co-equal with the Soviet Union. Being or appearing to be number two is evidently unacceptable.

An additional underlying premise of the Administration's strategic weapons policy is the need to gain leverage for use at SALT. There is a broad consensus within the government that the American threat to deploy the Safeguard missile defense system was largely responsible for the ultimate Soviet acceptance of an offensive weapons agreement at SALT I. A similar bargaining strategy is thought to be the most likely means of achieving a favorable outcome at SALT II. The Administration's new weapons programs are intended to lend credibility to the threat that if the Soviet Union insists on increasing the levels of its forces, greatly improving its counterforce capability or even maintaining its numerical advantages, the United States is prepared to match them. The officially expressed hope is that Soviet leaders will be persuaded that major investments in offensive weapons are futile and will agree to a policy of mutual restraint codified at SALT.

There are several dangers inherent in the Administration's approach to these problems. By publicly endorsing the need for improved counterforce capability and by initiating the development of several new strategic programs, Secretary Schlesinger is unleashing forces that will be difficult to control. The Secretary of Defense appears to believe that any of the weapons programs can be terminated if a satisfactory arms control agreement is reached with the Soviet Union. But as these programs advance, powerful domestic and bureaucratic constituencies will coalesce behind them. Not only will cancellation become very difficult, especially once they have entered the engineering development stage, but their very existence will alter the formulation of the American bargaining position at SALT. The emphasis on developing "bargaining chips", therefore, may very well result in the deployment of weapons systems that could otherwise have been avoided. Moreover, by linking American weapons development directly to Soviet behavior, the Administration is needlessly constraining future policy choices while simultaneously running the risk of building Soviet overconfidence in their ability to control American procurement decisions.

The Administration's reliance on bargaining chips as the best means of encouraging Soviet agreement at SALT can be viewed with significant skepticism as well. It is by no means clear that the threat of Safeguard deployment was essential to the success of SALT I. Different explanations are possible and plausible. The Soviet leadership may have believed that accommodation at SALT was a prerequisite for access to American technology, economic support and other advantages of detente. Moreover, the constraints on offensive weapons agreed upon at SALT I may have fallen within a pre-established range set by the Soviet leadership in their strategic force planning. One cannot know with certainty, therefore, whether the ultimate success of SALT I was predicated on the use of bargaining chips. Given the fragility of detente and the need to include different weapons, confidence in the success of this tactic for SALT II is unwarranted.

The Administration has also failed to come to grips with the long-term relationship between its weapons decisions and ultimate arms control objectives. Is the preferred outcome of SALT merely to achieve essential equivalence, is it to freeze forces at or near current levels, or is it to bring about small or even deep cuts in the strategic forces of both sides? Are SALT agreements merely intended to be a symbol of the era of detente or are they expected to contribute meaningfully to an ongoing process of improved relations? Are the benefits to be primarily political or are they also to include future financial savings? There is no public evidence that these issues have been faced inside the government or that the announced weapons programs are part of an overall long-term strategy. Whether intended or not, the Administration's approach might inhibit rather than encourage Soviet accommodation at SALT. At best it is likely to produce a patchwork agreement to stabilize forces at current or higher levels.

What alternatives are available to present policy? The answer depends on one's opinion of the bargaining chip approach, one's views of the importance of strategic forces in projecting national images, and one's preferred outcome for SALT. Based on a deep skepticism of the utility of the bargaining chip approach and with the goal of ultimately arriving at lower force levels consistent with the strategy of restrained options, two courses of action seem possible.

First, if one rejects the assertion that strategic forces play a significant role in image projection and is unconvinced of the importance of Soviet strategic superiority as measured by static criteria, one should be willing to size and structure American strategic forces almost independently of Soviet force posture. So long as Soviet activities do not jeopardize the American ability to exercise a strategy of restrained options, the United States need not respond to Soviet deployments. Such a policy could be adopted unilaterally and need not be tied to agreement at SALT.

If one agrees, however, as we do, that national images are important, that the strategic nuclear forces play a significant role in the projection of these images, and that there is some risk of Soviet attempts to exploit a situation of perceived strategic superiority, then this decoupling of American force structure from Soviet actions should be rejected. Nonetheless, we are of the opinion that since the significance of particular force postures depends on a complex web of relationships, changes in the perceptions of the strategic balance occur slowly, over a long time frame. Without risking long-term goals, therefore, the United States could undertake short-term unilateral initiatives in the hope that the Soviet Union would reciprocate. Consideration could be given, for instance, to the suspension of selected weapons programs, to the limitation of the number of full-range missile tests or to the reduction of the land-based ICBM force, each be to persuade the Soviet leadership through for a specified period of time. The goal would positive incentives to join in a reordering of political priorities and perceptions that would permit gradual and continuing strategic arms reductions. In our view this approach deserves serious attention.

Nearly five years ago in these pages McGeorge Bundy stated, ". . . beyond a point long since passed the escalation of the strategic nuclear race makes no sense for either the Soviet Union or the United States." While it may be hoped that this realization will one day be reflected in the actions of both powers, it is no longer unreasonable to seek American self-restraint as a means to that end.

SPEAKING UP FOR SMALL MUNICIPALITIES

Mr. BEALL. Mr. President, I believe that the affairs of our people should be handled whenever possible by the governmental units closest to the citizens. Decisionmaking on the local level provides the individual with his greatest representation, and allows his voice to be heard. Unfortunately, in recent years, many Government programs are being administered at higher and higher levels of Government. Thus, it is indeed refreshing to me to read of a small municipality that meets problems head-on, and solves them in a way that would often be impossible to deal with at the State or Federal level.

Such a small municipality is Poolesville, Md., a nearly 200-year-old community in the far northwest corner of Montgomery County, Md., some 35 miles from Washington. Poolesville has a population of about 1,200 people, which insures that its residents can indeed have a loud voice on local issues.

The May–June 1974 issue of Municipal Maryland carries an intersting and valuable article by the Honorable E. E. Halmos, mayor of Poolesville, entitled "Speaking Up for Small Municipalities." Mayor Halmos points out very effectively the value of small municipalities, and I ask unanimous consent that the article be printed in the Record, for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the Record, as follows:

Speaking Up for Small Municipalities

Most of this talk about "efficiency" making the small municipal government obsolete—particularly in large metropolitan areas—is real nonsense.

It is nonsense because it ignores the basic point of responsiveness of government to its citizens.

If you live in a small, incorporated municipality within such a metro area, you may have to put up with some duplication (usually very small) in taxes, some local inefficiencies. But: You know exactly where to go to get answers or make complaints, you know the people involved, and you can get results.

More than that: In any face-off with the larger area government, such as a metropolitan county, the resident of an incorporated municipality has a much bigger voice—through his local government—than any other citizen of the area.

In Maryland, the older municipalities are full equals under the state constitution with the counties in which they find themselves. Thus their governments are entitled to a full and respectful hearing in any county or state forum—regardless of the number of votes they may represent.

In an area where individual citizens of metropolitan areas disappear into faceless numbers on computers, this consideration is probably the most important one in considering the reason for being—and the continued existence—of small municipal governments.

One example of what a local government can do—sometimes, anyway—came during the late-February gasoline crisis in the area, when Poolesville's two regular gasoline stations ran completely dry at mid-month.

Town commissioners considered this an emergency—in view of the fact that the nearest sizable community (Gaithersburg) is some 15 miles away; that nearly 100 per cent of the town's working population must commute at least 10 miles, each way, each day; that there is virtually no available public transportation; that the town doesn't even have a doctor in residence.

A special meeting was held, an emergency was declared, and—with the help of a special state energy office—the town government itself bought 20,000 gallons of gasoline. This was parcelled out to the two stations under strict rules: (1) the stations were to be open only two hours each day—one 7–9 a.m., the other 4:30–6:30 p.m. (2) they were to be open only five days a week; (3) a maximum of $4.00 worth could be sold to any one customer (a reasonable amount—roughly eight gallons—considering the distances to be covered).

Using a little arithmetic, the commissioners figured there would now be gasoline for two weeks, until March allowances arrived.

It worked out exactly: the last drop was sold on the evening before the allocations came in. Meanwhile, the action eliminated most of the panic that gripped most of the east—lines were never more than two blocks in length, most often less. Reason: Local residents knew that gasoline would be available for a total of four hours each day—if you missed enroute to work in the morning, you could get your share when you returned to town in the evening.

There are some other advantages, too: After our first snowstorm of the winter, citizens could move about in Poolesville easily within hours—far better than those unfortunates who live "in the county" (even in heavily and better-known areas such as Bethesda and Chevy Chase). When a contractor blew a hole in one of our water mains, a local crew had it repaired and full service restored in less than an hour. When neighbors got disturbed because a resident was apparently running an auto-painting shop in his garage, they got an investigation and action (in court) within days. When one of the state roads leading into the town developed a major traffic hazard (a narrow bridge with curves at both ends) the town took up the cudgels—and got guardrails and proper warning markers erected. When the local high school wanted to field a football team—despite a countrywide school board dictum that the school was too small—the town took a hand, and a football team was in fact fielded.

And when a local taxpayer doesn't understand his tax bill, needs advice on dealing with other agencies, wants some work done on a road or to improve local police protection (though the town doesn't have its own force)—he knows exactly where to go and who to see.

That is not inefficiency.

That's what government is all about.

Montgomery County, Maryland, the incorporated town of Poolesville at its far northwestern corner, and the 13 other incorporated municipalities contained within it, is probably as good an example as any in the nation.

The county has a very large land area—some 480 square miles—and a population now exceeding 550,000. It is a metropolitan county, in the sense that it borders a major city (Washington, D.C.), provides many near-municipal services, such as police, highway maintenance, (through the bi-county Washington Suburban Sanitary Commission) water and sewer services, and a countywide school system.

It contains two cities—Gaithersburg and Rockville, and incorporated towns ranging in size from Barnesville (population about 200) to Chevy Chase and others with populations of several thousand. In fact, one fifth of all county citizens, about 120,000 people, live within the incorporated areas.

But perhaps 75 per cent of the total population live in the area from Rockville (about at mid-point in the county) southward to the Washington city line—in such sprawling unincorporated areas as Bethesda and Silver Spring.

The county's government consists of a county executive, elected independently, and a seven-member county council with the elected school board added on.

Under the "one man, one vote" dictums of the courts in recent years, county election districts are tortuously constructed in order to find the requisite number of bodies, as nearly evenly divided by seven as possible.

The result is obvious: The huge, sparsely-populated upper section of the county has no representation at all at any level of county or even state government. Not a single member of the county council, the delegation to the state legislature, or even the school board comes from the "Upper County."

Any individual citizen, or any delegation from the "Upper County", attempting to deal with the county government, must face the question (whether it be spoken or not) of how many votes he represents. The fact is if any such group could claim to represent *all* the Upper County votes, the total wouldn't be enough to influence the election of any county official.

(It should be added hastily that this is not to accuse county officials of not caring about the Upper County. But, inevitably in an elected system, they must pay most attention to where the greatest noise—and the greatest number of votes—comes from.)

But the incorporated towns, acting as legal equals, can and are being heard, on behalf of their own citizens, and even "county" citizens in surrounding areas—without regard to their size. And they are getting results, as witnessed by recent establishment of official consultative committees between the towns and the county executive and county council, to provide a forum for discussion and agreement on matters of mutual concern. [See Nation's Cities, Oct. 1973, Page 40.]

And there's more: The towns can do things for their own citizens with a knowledge and an understanding that no computer bank could provide. The Town of Poolesville—then with a population of less than 300 and some 18 miles away from the County seat at Rockville, needed sanitary facilities very badly, back in 1963. So badly, in fact, that state health authorities were seriously threatening to prohibit further land sales and future occupancy of existing homes and buildings, because well-septic-field interaction was so severe.

Too far, geographically, to count on any help from the mammoth Sanitary Commission, the town undertook to build its own sewer system, completing it in 1965 and operating it successfully ever since. This brought some growth—and with it need for a water system, which the town has now been operating on its own for more than three years.

Well outside the interest of the big down-county planning agencies, the town undertook its own planning—successfully. It has quadrupled its population in less than four years—and did it in accordance with its own master plan, zoning, building, and other ordinances, adopted after a lot of "education" for its five unpaid "Commissioners," and sound advice from a consulting engineering firm in the area. Using its planning powers, the town has projected its own growth for the next decade, is providing parks and playgrounds, shopping areas, a system of streets to provide true traffic circulation, and making its own decisions—in accordance with the desires of its own citizens—for a future community that will be worth calling home.

Among other things, the town hit on the idea of "density zoning" nearly six years ago, in advance of other agencies now adopting that idea. The zoning ordinance, for example, provides that housing density may not exceed three units per contiguous acre regardless of the type of housing. To put it simply: a 100-acre tract (and there are many such large, undeveloped pieces within the corporate limits) may be developed to no more than 300 housing units. If a developer wants to build nothing but townhouses (and assuming he gets permission to do so from town authorities), he'll wind up with a lot of land that must be kept open, and may not be built on at all.

Planning and zoning controls, by the way, are probably the most important functions of such small incorporated communities. Admittedly, they aren't done by vast staffs of technical people, backed by armies of computers and theories. But they are done by people who have a thorough knowledge of the local situation and local desires. They also realize that they are dealing with real people, not numbers and lines on pieces of paper.

It isn't easy to maintain such services on a local scale. In Poolesville (as in most smaller municipalities of its type) the work is done almost entirely on a volunteer basis. Only the full-time sewer-water maintenance superintendent, and the part-time town clerk and a secretary receive any pay at all for their services. But as long as interest can be maintained—as it is—in the public service aspect of such work, the small municipalities can and will continue as vital parts of the American system of government.

It comes back to one principal point:

In Poolesville, an individual voter is one voice among about 1,000. In Rockville (a city, as noted) he is one voice in about 47,000. But in Montgomery County, he is only one voice among 550,000.

STAY AND SEE AMERICA IN GEORGIA

Mr. TALMADGE. Mr. President, the State of Georgia as one of the Original Thirteen Colonies has a heritage that is rich in history and patriotism. As our Nation moves toward its 200th anniversary, the State of Georgia of course expects to take an active and leading role in the American Bicentennial celebration.

I have been advised of a comprehensive Bicentennial program, sponsored by the Georgia Chamber of Commerce, and I am very favorably impressed by its scope and direction. It is called, "Stay and See America in Georgia," and in addition to being designed to celebrate the Nation's founding, it is also directed to promoting the American way of life which has made ours a free and prosperous nation.

I commend the Georgia Chamber of Commerce and its leadership in the bicentennial celebration, and I bring to the attention of the Senate, an outing of the "Stay and See America in Georgia" program.

I ask unanimous consent that this material be printed in the RECORD as an extension of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STAY AND SEE AMERICA IN GEORGIA

Georgia is going to have the finest and largest American Bicentennial Celebration in the nation. The program is called Stay & See America in Georgia and is sponsored by the Georgia Chamber of Commerce, an active, innovative and highly progressive organization.

The Georgia Chamber has been making preparation for this major event since 1962 when the Chamber launched its original grass roots, do-it-yourself, bootstrap, volunteer program for Georgia communities called Stay & See Georgia. Stay & See Georgia was a master plan for the development and promotion of a new industry, Tourism.

During the eleven years of Stay & See Georgia 400 Georgia communities were touched and stimulated to organize committees and launch projects which resulted in better places to live, work and visit. The dollar value of Tourism trippled and community pride and community spirit skyrocketed. Top business executives were organized in each Congressional District and served as volunteer leaders. Tourist industry related firms sponsored events and over 100 out-of-state travel writers visited Georgia's attractions.

Stay & See America in Georgia is a stupendous American Bicentennial Program designed to celebrate our country's birthday, applaud 200 successful years of the private enterprise system and kindle a rebirth of the American Spirit. The program is an expansion of the basic eleven year old Stay & See Georgia Program.

The Georgia Chamber believes that in order to accomplish the purposes of its Stay & See America in Georgia program there must be mass participation and therefore the reason for its diversified seven divisions: American Way, Celebration, Vision, Business-Advertising, Education, Music, Speakers-Program Bureau.

The American Way Division is overall community development and promotion geared to making America a better place to live and visit and dedicated to the United States of America and the perpetuation of the "American Way Of Life" private enterprise system. The category includes publicity plus five areas of activity: Clean-up and Beautification, development and promotion of community's (Bicentennial) Points of Interest, development and promotion of "first class" Accommodations and Facilities, Courtesy and Hospitality and New Attractions for the Bicentennial visitor. Small communities which do not have a Bicentennial historical attraction can participate and give their country a clean hometown for its 200th birthday.

The Celebration Division is for those communities or groups wishing to encourage, promote, recognize and honor arts, educational and cultural happenings, fairs, festivals, pageants, dramas, parades, athletic and special events, etc. featuring the red, white and blue color scheme and the American Way Of Life private enterprise theme, and dedicated to the Bicentennial of the United States. Stay & See America in Georgia events will be promoted in a special printed calendar beginning January, 1975.

The Vision Category is for (1) those wishing to build and develop permanent new attractions dedicated to the Bicentennial . . . such as parks, schools, libraries, plazas, fountains, statues, flag poles, galleries, zoos, etc.; (2) those wishing to channel their energies toward solving a community problem, such as crime, drugs, pollution, failure to vote, mass transit and economic illiteracy; and (3) for those wishing to initiate serious study and establish new goals for the long range betterment of their hometowns.

The Business-Advertising Division is for businesses who wish to tie-in and convert their advertising programs into American Bicentennial themes.

The Education Division plans to produce the opening American Bicentennial Event in Georgia in early January, 1975 and tie-in with the Georgia Chamber of Commerce's Freedom Foundation award-winning Star Student and Star Teacher program and the American Way of Life cruises at Callaway Gardens. This division will also feature private enterprise seminars for college students at the State's economic centers, produce and promote the sale of the "Declaration of Independence" and "American Way of Life" Coloring Book and the Student's Photobook of Georgia featuring a section on Bicentennial attractions.

Stay & See America's Music Division plans to research and list appealing patriotic music and to print a song book with the best selections found. There will be a contest, with cash awards, for the best new music written for the celebration.

The Speakers and Program Bureau will select and list speakers on American History, private enterprise and patriotism for clubs and organizations to draw from during the celebration.

In addition to stimulating statewide participation in the seven divisions, the Georgia Chamber of Commerce will produce an original, creative and unique project in each division of national and international significance.

Stay & See America in Georgia as designed by the Georgia Chamber of Commerce will provide for mass participation and expanded involvement by Georgians in the nation's birthday. It is planned to include both sexes, all ages, all creeds and all colors.

The program will generate an appreciation of 200 splendid and highly productive years of private enterprise; dramatize patriotism through countless festive activities; clean-up and beautify Georgia; provide information on Bicentennial points of interest; promote visitor accommodations and facilities; stimulate courtesy and hospitality; create new attractions; solve community problems; educate adults and college students on the strengths of the American economic system; stimulate community betterment research, encourage community goal setting, activate community and patriotic spirit; make America in Georgia attractive, inviting and lively; and Stay & See America in Georgia will give Georgia and Georgians the nation's finest and most effective American Bicentennial Celebration.

DETERRENCE VERSUS DÉTENTE

Mr. THURMOND. Mr. President, in the June 20 issue of the Aiken Standard newspaper in Aiken, S.C., the noted columnist, Holmes Alexander, presented an outstanding article entitled, "The Story of Deterrence Versus Détente."

The title of this article is interesting enough to attract readers, so it is my hope Members of the Congress and other national leaders will study the succinct yet sound position presented by Mr. Alexander.

Mr. President, I ask unanimous consent to have this article printed in the RECORD at the conclusion of my remarks.

There being no objection, the article

was ordered to be printed in the Record, as follows:

The Story of Deterrence Versus Detente

(By Holmes Alexander)

In the vast armed camp of West Europe, there is a story of deterrence vs detente.

More than 25 years old, the Atlantic Alliance has lived with the sole purpose of preventing a war, and you soon learn that some of the big difficulties are made by friendly forces which are promoting peace.

You learn this from sources close to united military command of the 15 NATO members. Not peace, but peace-making, they say, is breaking out all over. It saps the credibility of the war training, the war games and the general preparedness which are the elements of deterring an enemy attack. Detente mocks the drill sergeant, and sings a lullaby to the budgeteering parliaments.

In Geneva sits a conference on Security and Cooperation in Europe (CSCE) which is a standing invitation for the Warsaw Pact enemy "to join in this search for progress toward peace." In Vienna sits a conference on Mutual and Balanced Force Reductions (MBFR), a Nixon initiative, which in 1970 invited the Warsaw Pact nations to discuss reciprocal disarmament "with special reference to the central region" of Europe. By 1973, with the President thoroughly warmed up as a peacemaker, the USSR and its allies agreed to talk about thinning out the confronting forces.

In Geneva sits the treaty-making body on Strategic Arms Limitations (SALT). In Moscow, in Washington, and again in Moscow, the heads of the superpowers meet to talk peace, and there are continuing visits by the heads of smaller states. The journeys of Dr. Kissinger have resulted in troop withdrawals and cease-fire agreements on fighting fronts. Put it all together, and it adds up to multiple problems for the Generals, Air Marshals and Admirals who must provide visible proof to the enemy that NATO is in fighting fettle.

Deterrence has other difficulties in these days of detente. The so-called Anglos (America, Britain and Canada) have all gone to Volunteer Forces, and the Europeans still rely on conscription.

Higher pay and softer living by the volunteers have brought disaffection among the conscriptees. The American "drug culture" is indeed in the military population, though under better control than it was during the Vietnam War period. The availability of France as a fighting participation depends entirely upon action by whatever government is in power. The Belgians, the Dutch, the Danes and the Norwegians are stuck with obsolete warplanes, and this has engendered a sales competition between French and American firms to supply new aircraft.

The story of deterrence vs detente has a strong chapter on challenge and response. In the 1950s and 60s, it was a fair complaint that the European allies were sponging on the United States and welching on their fair share of the costs. In the McNamara era under the Kennedy-Johnson administrations, there was also the regretted decision to settle for "parity" in nuclear arms and to change the strategy of massive retaliation to one of flexible response.

Distracted by hysteria over the Vietnam War and the Nixon misfortunes, the American public hardly noticed how these two problems were met. Under Defense Secretary Melvin Laird, the program called AD 70 (Alliance Defense in the '70s) contained an agreement for the 10 European members to increase their payments by $1-billion over a five-year period. This brought about a physical strengthening of defenses, such as hardened shelters for grounded aircraft. The two Mid East wars in '67 and '73 gave NATO authorities a well-turned opportunity to study Soviet tactics and weapons.

There is no blinking the enormous price of NATO preparedness. It must be paid out in the manufacture of sophisticated armament, in its maintenance and in the expensive training of personnel to operate its computerized components. Meanwhile, the enemy is moving rapidly to add technical efficiency to the advantage in manpower, but this was offset during the period of the Tory ministry in Britain. In those years there was marked improvement in the British army of the Rhine which the Labor government in London has not yet dismantled.

Contrary to forebodings by the American liberals, the Nixon scandals have had little impact on the Atlantic Alliance. Europeans remain as ignorant as ever about politics and government in the United States.

It is incomprehensible that the Executive and the Legislative branches can be in partisan opposition and still function. There is no equivalent here to the U.S. Supreme Court. European intellectuals feel that the American decline began long before President Nixon came to power. They see it beginning with the assassinations in 1963 and '68 and in the American inability to win a decisive victory in Korea and Vietnam. "It's bigger than Nixon," is the gloomy opinion of the heavy thinkers, and does not preclude a feeling that Mr. Nixon may yet turn the decline around by his stubbornness.

NATO has succeeded greatly in two overlooked areas. It has made Europe safe for American business of which the middle class here stands in solemn awe. And NATO has defused several local wars, such as the one threatening between Greece and Turkey, which formerly detonated the big wars.

Deterrence and detente do not work smoothly, but they must succeed together, or not at all.

ECONOMISTS DO NOT KNOW WHETHER THEY ARE ON FOOT OR HORSEBACK

Mr. PROXMIRE. Mr. President, it is increasingly obvious to anyone concerned with public policy that there are no easy answers to the problems of our economy. Perhaps we have been overly optimistic in the past in assuming that traditional remedies would work in the economies of the present time. It is noteworthy that economists are doing more and more soul-searching about the impasses which confront their craft and the need for new insights and considerable rethinking. In any case, the textbooks that we have all read are not doing us much good these days.

It is most interesting to read a review by Geoffrey Barraclough of nine recently published books by economists on this subject. All of them are either pessimistic about the outlook or are highly critical of the current policy mix. There is a general theme running through all of them to the effect that we need a great deal more information and a great deal more analysis. I commend this able review to my colleagues and ask unanimous consent to have it printed in the Record.

There being no objection, the review was ordered to be printed in the Record, as follows:

The End of an Era

(By Geoffrey Barraclough)

The New Economics: One Decade Older by James Tobin. Princeton University Press, 105 pp., $6.50.

The Unstable Economy: Booms and Recessions in the US Since 1945 by Victor Perlo. International Publishers, 238 pp., $10.00: $4.25 (paper).

Death of the Dollar by William F. Rickenbacker, Delta, 189 pp., $1.95.

The World in Depression, 1929–1939 by Charles P. Kindleberger. University of California, 336 pp., $10.00; $3.45 (paper).

The Kondratieff Wave by James B. Shuman and David Rosenau. Delta, 198 pp., $3.45 (paper).

The Great Wheel: The World Monetary System by Sidney E. Rolfe and James L. Burtle, Quadrangle, 279 pp., $9.95.

The Management of Interdependence: A Preliminary View by Miriam Camps. No. 4 in the Council Papers on International Affairs, Council on Foreign Relations, 104 pp., $2.50 (paper).

The Retreat of American Power by Henry Brandon, Doubleday, 368 pp., $8.95; Delta, $2.95 (paper).

An Inquiry Into the Human Prospect by Robert L. Heilbroner. Norton, 150 pp., $5.95; $1.95 (paper).

I

"The most significant political figure in Nixon's Washington," economist Eliot Janeway once observed, is "Hoover's ghost." Not, as journalists like Henry Brandon would have us believe, Metternich's ghost, strutting about in the guise of "the President's first minister, Dr. Kissinger." Like Metternich, Brandon candidly reports, Kissinger is "bored" by economics. It is a cardinal flaw in a world in which, unlike Metternich's, economics and politics are inseparable, and it is only necessary to recall the fate of Kissinger's much trumpeted Grand Design, produced with such fanfare in April, 1973, to see its consequences. "Pure baloney," commented Joseph Kraft when the Kissinger plan appeared, and he was not wrong.

Janeway's observation is salutary because it directs attention away from the short term, where politics appears to dominate, to the long-term factors in the current world situation, from the fleeting events of newspaper headlines—"flowers of a single day, fading so quickly that no one can grasp them twice—to what Fernand Braudel, in a famous essay, called *la longue durée*; in other words, to the recurrent rhythms and cycles, particularly the economic cycles, by which the actions even of those whom history acclaims as among the greatest manipulators of events—Bismarck, for example—prove, on close examination, to be almost entirely conditioned. More specifically, in invoking "Hoover's ghost," Janeway (sponsor, incidentally, of the lectures on which James Tobin's new book is based) directed us back to the 1930s, the great watershed in twentieth century history. If, as Brandon predicts, the 1970s, will go down in history as the second great watershed, the experience of the 1930s is certainly not irrelevant.

Janeway was not the first, and certainly will not be the last, to draw parallels between the 1970s and the 1930s. Already in 1959 that "dangerous radical" (the phrase is Tobin's), Professor Triffin of Yale, issued a prophetic warning, only too dramatically confirmed in 1971, of a repetition of the 1931 debacle. In 1965 came William McChesney Martin's famous "outburst" (the phrase, again, is Tobin's) on the "lessons of 1929." Since then the chorus has swollen without cease—and this on the part of responsible, conservative writers, bankers, economists, leaders of international finance, not the professional purveyors of Toynbeean gloom.

Consider, for example, the Institute of Applied Economics in Melbourne in 1971: the crisis facing Australia, it warned, was potentially as great as the Depression of the Thirties; "here, as in North America and Britain, the future of the economy and the society we have been building over the last quarter of a century is at stake." Or Alan Day of the London School of Economics:

"the worst crisis since 1931." Or Professor Harry Johnson, an oracle at the University of Chicago as well as in London: "the textbook gives no answer," or (as Alan Day puts it), "We have to rethink the whole nature of our economic and monetary system, involving a revolution as profound as the Keynesian revolution of the 1930s." Or, finally, the statement of a senior Treasury official in England, backed by the authority of Lord Robbins and Lord Roberthall: iw the position were allowed to slide—and yet no one knew the way out—"parliamentary democracy would ultimately be replaced by a dictatorship."

Shades of Hitler, with Haldeman and Ehrlichman cast in the parts of Goebbels and Goering! The Depression of the Thirties marked the demise of old-style capitalism: will the crisis which came to a head in 1971 mark the demise of neocapitalism, or what Galbraith more innocuously calls "the new industrial state"? As late as 1968, introducing the revised edition of his *Modern Capitalism,* Andrew Shonfield could still maintain "a major setback to Western economic growth" was "unlikely," and reaffirm his belief that "there is no reason to suppose that the patterns of the past . . . will reassert themselves in the future." His faith in the efficacy of the "new economics"—in improved "techniques of economic measurement," in market management, "fine tuning," and the manipulation of monetary policy and fiscal controls—has few convinced adherents left today.

Of the writers listed above only James Tobin, himself closely involved in the Kennedy economic machine, retains a (muted and cautious) belief in the "new economics." No doubt, Tobin is right in saying that the "new economics" was "oversold," that "too much was claimed" and far more expected than could possibly be delivered. The fact remains that the pendulum has swung in the opposite direction. Not only is the public disillusioned—as well it might be, with US inflation running at 14 percent or more and likely to top 20 percent by the year's end, and gross national product down by more than 5 percent in the first quarter of 1974—but economists also have turned sour. Rickenbacker's book is, in effect, a diatribe against the sins of the "money managers," while Rolfe and Burtle advocate, less stridently, recourse to "free market prices" as the best and quickest way to find the "right answers." Even Robert Heilbroner makes gentle fun of "fine tuning" and of "the Kennedy generation of managerialists" who propagated the art. Not only the ghost of Hoover is stalking the corridors of Washington, it seems, but the ghost of Adam Smith as well.

Economic crisis always produces a rash of plausible and less plausible remedies, and I do not believe, any more than Professor Tobin does, that the currently fashionable exercises in "monetarist" or "Friedmanite" heterodoxy offer a solution, or, even if in theory they did, that there would be the smallest likelihood of their being adopted. Considering how rapidly short-term analysis is overtaken by events, not much would be gained by subjecting all the books listed above to detailed examination; but cumulatively their existence is symptomatic, and perhaps more indicative of what Heilbroner calls "the pervasive unease of our contemporary mood" than Tobin's rather complacent review of the current scene.

I doubt whether Tobin will have much success in convincing anyone today that "the social costs of inflation" have been "greatly exaggerated." When he assures us that, in spite of inflation, "the economy is producing more and more of the goods, services, and jobs that meet people's needs," the simple answer—or at least the answer of left-wing critics—is that the goods produced are far too often not the ones people need, the services are deplorable and shockingly neglected (let him try the public transport if he has any doubts), and the job market is erratic and inadequate. When the Republicans lost the congressional by-election in Michigan in April, one reason alleged (not, I have no doubt, the only one) was that unemployment there was in excess of 12 percent.

It would not be difficult to find other examples of a similar complacency—for example, Tobin's suggestion that recovery and growth in the 1960s did "more to lift the incomes of the poor and disadvantaged than any conceivable redistribution" program, a proposition, I would have thought, disposed of trenchantly enough in these pages by Leonard Ross as long ago as 1971.[1] But two more general aspects of Tobin's position seem to me more germane. The first is the suggestion, never quite stated but implicit in the argument, that the "system" is sound in itself and that you can get out of current difficulties by tinkering with the tax and budget machinery (or, as Tobin puts it, by sharpening "our fiscal and monetary tools"). The second is that (in the words of the 1965 Economic Report of the President) "no law of nature compels a free market economy to suffer from recession or periodic inflations."

About the first, it is sufficient to say that it looks suspiciously like fiddling while Rome burns; or (as William Rickenbacker puts it), "We cannot deal with fundamentals by technicalities and improvisations." The second is, of course, the current orthodoxy. With the advent of Keynesian economics, Kindleberger assures us, a depression of the severity of that of the 1930s would "never again" be possible; the basic trouble was "economic ignorance." Today, in 1974, we shall be inclined to ask whether economic wisdom has done a great deal better.

Professor Tobin is, of course, perfectly correct when he says that there is no reason why we should "fatalistically accept business cycles, unemployment and inflation as acts of nature." Indeed, we have only to look as far as the socialist world to see that booms and recessions can be obviated; as Victor Perlo insists, "There are no reasons for the business cycle to exist in the planned economy of socialism." The question, rather, is whether Marxist economists are right in arguing that a cycle of booms and recessions is inherent in the capitalist mode of production. Here it is necessary to make an important distinction. Even Perlo, for all his Marxist dogmatism, does not deny that economic management and the manpulation of "stabilizers" have been successful in smoothing out short-term business cycles and mitigating their consequences, though predictably enough he maintains that "they do not eliminate the contradictions that are rooted in capitalism." But short-term cycles, of which Perlo counts five (on the average, one every five years) since 1945, are one thing, long-term cycles another.

Economists conventionally distinguish between the short-term (forty-month) Kitchin cycle, the intermediate (nine or ten year) Juglar cycle, and the long-term Kondratieff cycle of approximately fifty years. What concerns us today is the long-term Kondratieff cycle. Based on an analysis of European and American prices, wages, interest rates, and other indices from (roughly) 1780 to 1920, this cycle shows a regular series of rises and falls (rising, for example, from 1789 to 1814, from 1849 to 1873, and from 1896 to 1920, and falling in between). Kondratieff's observations enabled him to predict the beginning of the decline in 1921, and the point is that—assuming his calculations still apply—the year 1971, like 1921 before it, marked the mid-term of the cycle, the beginning of the downturn and the start of the next long period (twenty to twenty-five years) of lean times, recession, and austerity. And though it may be conceded that "fine tuning" makes it possible in some degree to control short-term business cycles, the duration of the Kondratieff cycle, as Peter Jay has pointed out,[2] is so long that there is no evidence or reason to think that "Keynesian principles of economic management have displaced it."

Cyclical theory, of which the best known exponent was Joseph Schumpeter, has been under a cloud ever since the 1950s when a new generation of economists, led by W. W. Rostow, discovered (or thought they discovered) the secret of self-sustaining, self-generating, almost irreversible growth. When lecturing not far from Chicago a couple of years ago, I spoke of Kondratieff—whose name, incidentally but perhaps not insignificantly, occurs only once, misspelled, in Kindleberger's book—I was told afterward by the chairman of the economics department that not one of the graduate students had any idea whom or what I was talking about. And since Kondratieff was purged by Stalin his name is anathema among orthodox Marxists too (needless to say, he is systematically ignored by Perlo).

Today, as we become more impressed (in H. V. Hodson's words) by the "diseconomics" than by the magic of growth,[3] and as we move into the downturn of the cycle, the climate is changing. It is no accident that Kondratieff's two most notable articles were reissued in German in 1972 by heretical Marxists dissatisfied with the limitations of "pure" Marxist analysis.[4] And now we have a paperback edition of Shuman and Rosenau's *The Kondratieff Wave,* first published in 1972, which should at least ensure that the American reading public is aware of Kondratieff's name and the outlines of his theory.

Long-wave theory, unfortunately, has little interest for "practical" economists with their noses fixed to the Wall Street grindstone. Anything that looks beyond next month's fluctuations of the Dow Jones Index smacks, to them, more of theology than of economics. Moreover, the problem is compounded by the fact that, though no one, so far as I know, questions its existence, the way the long-term cycle operates is still shrouded in mystery.[5] I am afraid Shuman and Rosenau, more enthusiastic than discriminating in their attempt to apply Kondratieff to the current American scene, are unlikely to win over the skeptical.[6] On the contrary, their book, with its facile and light-hearted predictions (not a few of them already disproved by events), could discourage rather than encourage the use of Kondratieff for serious analysis.

And yet, intelligently used—not, that is to say, as a magic wand opening all doors and disclosing all secrets, but as a practical tool—Kondratieff can help us to perceive and understand many features of the current world situation. For one thing, he forces us to view it in historical perspective, not as the unhappy outcome of a series of historical accidents caused by a glut of foot-loose Eurodollars, the greed of Arab sheiks, the costs of the Vietnam war, or the machinations of overmighty multinational corporations (though all these and other things enter in), but rather as a particular phase in a recurrent phenomenon, which has its parallels in the past. In other words, he directs us back—and this is the second point—to earlier periods of large-scale recession—1871 to 1896, or 1921 to 1940—as landmarks from which to take our bearings.

Thirdly, he makes us aware that the long wave, though economic in origin, is not merely an economic phenomenon. Rather, as

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Shuman and Rosenau rightly insist, "It reflects not only major economic trends . . . but all facets of national life—from prosperity to social unrest to involvement in foreign affairs"—producing major sociological and political changes, including in the phase of downturn "a strong shift to political conservation."

Finally, if we accept the Kondratieff cycle, it conveys the frightening warning that we are only at the beginning of the "lean years" and that we must suppose that things will get worse before they get better. To that extent the parallels often drawn between 1971 and 1931 are misleading, and so is the conclusion that as things did not turn out as bad when the dollar went off gold as they did when the pound went off gold in 1931, we are out of the wood. On the contrary, the parallel, if there is one, of 1971 is with 1921, when the boom which began in 1896 ran out, and our comparative place in the cycle today is 1924, not 1934. Evidently, there is still time, as governments fiddle and inflation grows, for another Hitler—or worse.

The necessary starting point for any consideration of the present-day economic crisis is the Depression of 1929, not because of any facile comparisons we may be tempted to draw, but because it was the catalyst of the world in which we live. By 1933, when Roosevelt succeeded Hoover, it appeared that the capitalist system was on its last legs, and the purpose of the New Deal—no different from the purpose of John Maynard Keynes—was to ensure that it did not totter to its fall. The experience of the Depression colored the mental outlook of a whole generation. No one who stood in the breadline was likely to forget it; but neither were the businessmen, corporation lawyers, and Wall Street financiers who thronged into the Roosevelt Administration. For them, also, it was a traumatic experience.

As revisionist historians, such as Williams and Kolko, and Lloyd Gardner in particular, have shown, the international policies of the New Deal were conditioned by the Depression, not only before but during the war years.[7] Dean Acheson's statement in November, 1944, to the Congressional Committee on Postwar Economic Policy has been much quoted, but is worth recalling because it epitomizes so much of American thinking. "We cannot," he said, "go through another ten years like the ten years at the end of the Twenties and the beginning of the Thirties without having the most far-reaching consequences upon our economic and social system." Six years later Truman drove home the same lesson even more directly:

"In 1932, the private enterprise system was close to collapse. There was real danger that the American people might turn to some other system. If we are to win the struggle between freedom and communism, we must be sure that we never let such a depression happen again."

What such a depression signified in economic terms and the stages by which it developed—beginning with the recession in agriculture and primary commodities many months before the Wall Street crash in October, 1929, signaled the general collapse—we can now see, with a minimum of dogmatism and a maximum of cool factual information, thanks to C. P. Kindleberger. Kindleberger's book is a major achievement. Perhaps because its impact was so overwhelming, its scale so vast, there has been so far—as any teacher searching for an appropriate book for his reading list can testify—no really satisfactory history of the Great Depression. Kindleberger fills the gap. His views of the origins of the Depression are frankly eclectic, and he is deliberately cautious about the sort of one-track remedies which are being so freely canvassed today. Even "with perfect monetary policy," he insists, "even with anticyclical capital movements, there would have been a depression." Symmetry "may obtain in the scholar's study," but "is hard to find in the real world." Kindleberger's concern is with the real world, or at least with that part of the real world where administrators, Treasury officials, bankers, and the politicians operate.

The story Kindleberger unfolds is of a chain reaction which, granting the initial conditions and built-in predispositions of the actors, it was beyond human capacity to halt; and the attentive reader cannot fail to be struck by the number of disturbing parallels with today. Reading through Kindleberger I quickly noted no fewer than fifteen points of similarity. Obviously I cannot list, still less discuss, them all. But who, for example, can fail to be impressed by the similarity between Roosevelt's "America First" policy when he took the dollar off gold in in 1933 and Nixon's economic nationalism when he took the dollar off gold in 1971? "This," said Lewis Douglas in the first instance, "is the end of Western civilization"; Nixon's policy of "benign neglect," Arthur Burns is reported by Henry Brandon to have said, amounted to "murdering the international monetary system without proposing to put anything else in its place." True, it was followed by the Smithsonian agreement of December 18, 1971, a parallel in its way to the Tripartite Monetary Agreement of 1936, and the world of international finance heaved a sigh of relief. But where today is the Smithsonian agreement, with its elaborate devices of "snakes" and "crawling pegs," to replace the link between the dollar and gold? "Dead," is Tobin's succinct answer.

By the time Rolfe and Burtle wrote, in 1973, there were five major currencies floating independently, and this floating was accompanied by "a plethora of short-term capital controls" and trade enactments. We do not yet have, quite, the "headlong stampede to protection and restrictions," to the "beggar-thy-neighbor tactics in trade and exchange depreciation," that Kindleberger describes as characteristic of the 1930s. But for how much longer? Rolfe and Burtle take heart from the fact that the "horror scenarios" of "trade war . . . tariffs and countertariffs and a return to the competitive devaluations of the 1930s" have not "come to pass." The point is that we are not yet at that stage in the cycle.

There is plenty of food for thought in Kindleberger's book. In particular, there is food for thought in his conclusion that "the main lesson of the inter-war years" is "that for the world economy to be stabilized, there has to be a stabilizer." Before 1931 it was the United Kingdom; after 1945 it was the United States. Today there is none. Mrs. Camps' conclusion in *The Management of Interdependence* is that "the United States, Western Europe, and Japan will in effect share leadership," but none will "fully accept the obligations of that role" and none "will be prepared to see any of the others gain the perquisites that go with the obligations." A discouraging prospect.

The alternative, according to Kindleberger, is "international institutions with real authority and sovereignty," and this I find more discouraging still, in a world in which, as Mrs. Camps puts it, "the dominant characteristics" are "an increasing concern with domestic problems, a more strident emphasis on national interest, and a decline in the prestige of international organizations." In the 1930s also, "proposals for embryonic international monetary funds were legion. . . . They were uniformly turned down." Those who, like Rolfe and Burtle, pin their hope on Special Drawing Rights (SDRs) as the "base for a future monetary system without economic warfare" please take note.

Kindleberger's book, for all its merits, does not quite live up to the promise of its title. Its subject is not "the world in depression." but, as he himself correctly says, "the world economy in depression." The difference is important. Apart from the usual obligatory references to Hitler, and a passing remark about its effect in stimulating "fifty revolutions in Latin America," there is little in Kindleberger's book to bring home to the reader the shattering political consequences of the Depression or its global impact.[8] His attitude is rather like that of a general on a battlefield, unmoved by the carnage and destruction, thinking only of tactics and strategy. It would be a pity if this rather severely technical approach obscured the fact that the Depression was not just an unfortunate economic relapse, but also the solvent of the entire, admittedly fragile, existing international order. It was scarcely an accident of history that the Japanese invasion of Manchuria, the first major break in the international structure established after 1918, occurred in 1931.

Historians too often write as though Hitler, or Saito and Konoye, or Mussolini overthrew the existing *status quo*. In reality, they simply exploited the dislocation the Depression had created. And this also is not without modern connotations. If in 1930 the international order re-established after the First World War collapsed under the impact of the slump, by 1970 the new international order created by the United States after 1945 was visibly creaking at the joints. Already in the summer of 1968 one commentator announced that "money pressure" was "forcing detente all over the world." [9]

With the advent of Nixon the prediction was simply confirmed. The Guam doctrine, announced on July 25, 1969, and the Kissinger-Nixon visits to Peking and Moscow that followed, may not, as Rolfe and Burtle insist, have meant a "retreat of American power," but they certainly indicated a major shift in world forces, and no one would deny that "money pressure"—in other words, a radical change in the economic climate, a downward swing in the Kondratieff cycle—was an operative factor. As Henry Brandon puts it, "Shortage of money became one of the most potent American policy makers, just as its abundance had been a generation earlier."

The broader effects of the Depression in the advanced industrial countries are too well known to need description; but their impact on existing ideologies was no less shattering. Above all, they drove home the lesson that unemployment on the scale of the 1930s must never be allowed to occur again. The classic remedy of massive deflation was out, and the maintenance of full employment became the central pillar of postwar economic policy, both domestic and international.

This preoccupation with full employment was due to the "gnawing fear" (as The New York Times put it in 1946) that, once the postwar boom was over, "the United States might run into something even graver than the Depression of the Thirties," with all its incalculable social and political possibilities.[10] Internationally, it translated into a fear "whether the American capitalist system could continue to function if most of Europe and Asia should abolish free enterprise," a determination "to increase our outlets abroad for manufactured products," and an opposition to high tariffs, exclusive trading blocs, and unfair economic competition, which—as Cordell Hull, never tired of insisting—bred the war which broke out in the Far East in 1937, spread to Europe in 1939, and engulfed the United States in 1941. Considering the small part that foreign trade played (and still plays) in the United States economy, this obsession with foreign markets is easier to explain on psychological than on rational grounds; but Dean Acheson was certainly expressing a prevalent view when he said:

> You don't have a problem of production. The United States has unlimited creative

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energy. The important thing is markets . . . My contention is that we cannot have full employment and prosperity in the United States without the foreign markets.

The other thing that was necessary was the restoration of a functioning international monetary system to revive the flow of trade. This, as everyone knows, was the purpose of the Bretton Woods agreement of 1944, which in effect restored the gold exchange system operating between 1925 and 1931 with the dollar as "reserve currency" that is to say, the currency that could be held by central banks in lieu of gold—and at the same time set up the International Monetary Fund as a mechanism for maintaining currency stability. Since 1971 a great deal of myth and a good deal of mystique have been attached to Bretton Woods; it "guided the postwar world," it is often said, "to peace and prosperity." In harsh reality, "Bretton Woods was a system," as Rolfe and Burtle point out, "that never, or hardly ever, worked," and the middle section of their book, entitled "the rise and fall of the Bretton Woods system," is a clear and vigorous (if sometimes opinionated) account of the reasons why.

Not 1944, the year of Bretton Woods, but 1947, the year of the Marshall Plan, or rather 1949, the year in which it actually went into effect, was the real starting point of the new postwar economic system. As the $12 billion of the Marshall Plan poured in, the pumps were primed, and the wheels began to revolve—so rapidly that by 1953 Western Europe was experiencing the biggest boom of its history. After 1950 it was fired by continuing American deficits. In the words of Rolfe and Burtle, "the *wunderwirtschaft* miracle economies of the early postwar years were little more than export-led booms, depending in large measure on the American deficit, aided and abetted by currencies undervalued by deliberate American action."

No one questions the generosity of the Marshall Plan; no one should question either the element of enlightened self-interest it embodied. This was the period of the "dollar gap," of a grossly deficient liquidity in the international monetary system, which only aid from the Marshall Plan and the subsequent outflow of dollars could correct. Foreign governments eagerly sought dollars which were "as good as gold" (in some ways better than gold, most of which was locked up in Fort Knox anyhow), and the United States, confident (as Rolfe and Burtle put it) in its "capacity to remain economically dominant," cheerfully accepted the deficits. In 1950 the National Security Council told Truman the country was so wealthy it could safely use 20 percent of its gross national product for military purposes without danger to the economy. The administration and its successors never managed quite to live up to this precept, but they certainly did their best.

But by 1958, when the Rome treaties linked the European Common Market behind a unified tariff barrier, things were changing. Compared with growth in Germany, Italy, and France, to say nothing of Japan, growth in the United States was lagging badly. In 1963, "the year of the end of the dollar era," a new situation took shape. After forty years characterized by the "dollar gap," the world entered a period of dollar surplus. The signs were brushed aside as a temporary maladjustment which would right itself by 1968. This was to reckon without Vietnam. When 1968 came the dollar surplus turned into a "dollar glut"; that is to say, the outflow of dollars from the United States to pay for stockpiling, military aid, the costs of military bases and the like—expenditures far in excess of the earnings of United States foreign trade—caused dollars to pile up in the creditor countries.

Even now, the crisis was staved off by the willingness of the European central banks to hold and accumulate paper dollars. But in 1971 the day of reckoning arrived. This was the first year in the twentieth century when the United States had a deficit on its foreign trade account, and the over-all deficit on capital account in the third quarter—with the gold stock down to $10 billion—reached the formidable figure of $12 billion. The European central banks were saturated with paper dollars and wanted no more. Pressure on the dollar rose to new heights, and on August 15, Nixon officially abandoned convertibility. Central banks ceased to support fixed international exchange rates, and currencies were permitted to "float." This is what is meant by "the fall of the Bretton Woods system."

III

It is fashionable today, three years later, to shed no tears over the demise of Bretton Woods. Contrary to prediction chaos did not ensue, the wheels did not grind to a halt. We have learned to live with floating currencies. Why ask, Rolfe and Burtle adjure us, "whether floating can in fact work? It does." Nor are they alone in praising the Nixon-Connally policy of "benign neglect"—that is to say, of taking no steps to check the outflow of dollars or to secure a balance of payments—as a "brilliant stratagem," Dollar devaluation, it is argued, was a beneficient readjustment. By 1965 the dollar was evidently overvalued; now it is finding equilibrium, and would have done so sooner—so the argument runs—but for the mistake of agreeing, in December, 1971, to impose a premature stabilization in deference to European wishes and susceptibilities.

The trouble with this analysis is the way it isolates the international monetary system, as though it operates in a vacuum with no overspill. For most of us, outside the charmed circle of high finance, it is the overspill that matters. For what, in a broader context, was the result of "benign neglect"? The brief answer is a world-wide inflation, which no one knows how to stem or control. The mechanism is adequately described by Rolfe and Burtle, and a good deal less charitably by Perlo. As dollars poured out of the United States during 1969, 1970, and the first half of 1971, nothing was done to halt the flow. Instead, central banks elsewhere, notably in Western Europe and Japan, were left to absorb the unwanted dollars, thus piling up additional reserves.

If it had worked as intended, the Smithsonian Agreement of December 18, 1971, might have checked the process. In fact, the outflow continued after 1971 as before. As *The Financial Times* tartly put it in December, 1972, the United States was still "paying for its deficits with its own currency."[11] And "since," as Perlo observes, "there was no prospect of ever redeeming most of the huge stockpile, the operation represented a drain on the national wealth of the countries with strong currencies."

But, much worse than this, "the swelling flood of deutschmarks and other currencies paid out in exchange for the dollars became a source of mounting domestic inflation." Western Germany was the country most directly affected. To fight inflation, the Bundesbank in 1970 raised its discount rate from 6 to 7½ percent. The result was to make things worse. Attracted by the higher interest rates, foot-loose dollars flowed into Germany, and in the last nine months of 1970 German reserves rose by no less than $5.8 billion, aggravating all the inflationary tendencies.

It would, of course, be wrong to blame all this entirely on Nixon's policy of "benign neglect." Already in 1970 a shrewd commentator pointed out that "throughout the 1960s" the United States had been "exporting inflation" on a grand scale; it was "thrusting an inflationary solution to an inflationary problem upon the world."[12] As, under Johnson, the war in Vietnam reached its peak, stoking the fires of inflation in the United States, the outflow of dollars overheated an already overheated world economy. Indeed, it could be argued—as Perlo argues—that such countries as West Germany, Switzerland, and Japan were in effect "subsidizing . . . US imperialism to the tune of many billions of dollars per year," and doing themselves untold harm in the process.

By the time Nixon succeeded Johnson as president, according to Max Silberschmidt's figures,[13] short-term dollar debts, which had amounted to $8 billion in 1949, had risen to $33 billion. But "benign neglect" opened the sluice gates. By 1971 dollar liabilities abroad had almost doubled, from $33 billion to $63 billion. Today what Rolfe and Burtle call the "vast and unregulated . . . cascade of dollars pouring into the rest of the world" and frustrating all efforts to check inflation is well in excess of $100 billion. When the recording angel writes up the ledger of history for the 1970s, the havoc inflicted on the world by "benign neglect" may well be entered as a worse sin than Watergate.

IV

The theory of inflation, as set out by writers such as Samuelson, is simple enough.[14] If credit is easy and employment at a high level, there will be inflation; if credit is tight and there is considerable unemployment, inflation will decline or even cease. Granted that no government anywhere is prepared to countenance the vast unemployment of the 1930s, the practical problem for economists and administrators is to secure the proper "trade off" between unemployment and inflation by timely "inputs" and equally timely "cut-offs." The answer was provided by the so-called "Phillips curve." Put crudely, if by tolerating a "mild inflation" of (say) 3 percent, you could ensure an increase in gross national product of (say) 4 percent, the net result was another increment of economic growth, and (as Samuelson puts it) "the losses to fixed-income groups"—a few millionaires with inherited wealth, no doubt, but, mainly pensioners, the swelling ranks of the old aged, people on Social Security, and the unemployed—would usually be "less than the gains to the rest of the community."

In fact, the new "growth economics" worked tolerably well (considering the amount of slack in the European economy to be eliminated it could hardly have done otherwise) for a dozen or more years after the war. After 1968 there was a sudden and startling change. It was not only that inflation took off on the spiraling course, like a missile aiming for the moon, which leaves us today with inflation rates hitting (often far exceeding) double figures in all the major countries of the world—14 percent in the United States and the United Kingdom, 13 percent in Australia, 26 percent in Japan, 16 percent in France, around 10 percent in Western Germany—and still rising.[15] More ominously, it became only too obvious that the "Phillips curve" had ceased to operate.

When, after eighteen months of Conservative government in England, you got unemployment over the million mark—the highest rate since 1940—and at the same time a rise in prices of 17 percent (the position in the United States during Nixon's first two years was little different except in degree), something was evidently wrong. As Sir Frederick Catherwood, director general of the National Economic Development Council in the United Kingdom, put it, "The inflation we now face is very different not only in degree but in kind, too, from the inflation of the mid-Sixties"; and since it had occurred "in every advanced economy in the free world," it was "fair to assume that there is now a new situation."

Footnotes at end of article.

I do not propose to discuss the causes of this new situation, still less the responsibilities. Much could be said of the role of the multinational corporations, still more of the effects of the Vietnam war, once pooh-poohed, now admitted by writers across the whole political spectrum from Tobin to Perlo to have been a vital factor. More recently, there have been the effects of the energy crisis, brewing already in April, 1973, when Nixon made his well-known speech on the subject, much accentuated after the Arab-Israeli war in October, 1973, when oil supplies from the Middle East were shut down and prices forced up. For present purposes it must suffice to mention them. Nor is there much profit in arguing whether or not "benign neglect" was forced on Washington by the recalcitrance of the French, the Germans, and the Japanese. The game of the pot calling the kettle black, indulged in once again by Nixon in his Chicago speech on March 15, is fine for politicians; for those of us who have to live with them—and that is all of us—the consequences matter more than who is to blame; and the consequences are grim enough.

The clearest conclusion of Kindleberger's book is that all countries were responsible in one way or another for the Depression of the Thirties; that fact was small comfort for the victims and did not make the consequences more bearable. If we slide into a depression today—as every index suggests we are doing—we shall be less concerned with who was responsible than with what it is doing to us and to the world in which we live.

It is often said—by writers as dissimilar in all their assumptions as Rolfe and Perlo—that there will be "no repetition of 1929–1932." That is surely true. There will not be a recrudescence—at least in the industrialized countries (the underdeveloped world is a different matter)—of the sort of unemployment facing Roosevelt when he took over in the United States at the beginning of 1933. That can be avoided and, by all. What other problems *will* be created in avoiding it is another question. Social stability can be eroded by unemployment, as it was in Germany in 1932; it can also be eroded by inflation, as it was in Germany in 1923. The downswing of the Kondratieff cycle does not mean that the present crisis is identical with the 1929 crisis; but it does mean that the time has come, as Shuman and Rosenau insists, to stop talking about "recession" and start talking about "depression"—"the awful word economists have refused to apply to any economic downturn since the 1930s."

Because the depression into which we are moving is not identical with the Depression of the Thirties, I have no intention of indulging in prognostication. Least of all do I propose to discuss Robert Heilbroner's apocalyptic vision—familiar, in any case, to readers of this periodical, where it first saw light[16]—of the coming centuries when, like monks in a sixth-century monastery after the fall of Rome, we shall find "solace" in "tradition and ritual" and our "private beliefs," amid the ruins of "the giant factory, the huge office," and "the urban complex." Truly, *The Great Ascent* has become *The Great Descent!* Spengler and Toynbee could not have done it better—though they would have done it at far greater length. For me, I must confess, there is something infinitely sad in this capitulation of a liberal conscience and in the fatalism which surveys; one by one, the possible remedies only to conclude that they "are not likely to be realized." Nevertheless, Heilbroner's book is important, as a reflection and expression of the new mood of resigned pessimism which the growing sense of economic crisis has bred.

It is important, too, because it shows how pervasive the new conservatism, concomitant always of stringency and crisis, has already become. Heilbroner has managed to convince himself, and now seeks to convince us, that we must forego the freedoms he prizes so highly and accept the necessity of authoritarian governments, "capable of rallying obedience," as the only way of making "the passage through the gauntlet ahead." He need not have agonized so much over his conversion, or justified himself so profusely, for all the signs are that the reaction, whether "necessary" or not, is beginning; indeed, in retrospect, it may well appear that Nixon's only mistake was to turn the machinery of espionage, intimidation, and harassment thought appropriate for militant workers, blacks, students, and other underprivileged and "subversive" groups, against the other half of the establishment.

In 1968 and 1969 we witnessed the last efflorescence of the liberal dream, the end, as the Administration liked to call it, of the "era of permissiveness." Shuman and Rosenau are not exceptional in predicting "a strong shift to political conservatism." Rolfe and Burtle foresee "departures from the type of democracy now dominant in all the developed world," and Rickenbacker can discover "no reason" why, faced by the choice between totalitarianism and depression, "we shall choose depression without first having had a go at totalitarianism." The odds, it seems to me, are that we shall get both. Fascism can stage a comeback—provided, as Huey Long once said, it calls itself anti-fascism.

"Unstable world economic conditions," Rolfe and Burtle tell us, "can be disastrous for . . . the system." Hardly a world-shattering insight, but significant enough when we survey the signs of instability around us. Early in May, before the fall of the government in Thailand, *The Financial Times* listed no fewer than twenty countries (excluding Latin America and Africa and the rest of the underdeveloped world) which "are now politically unstable," and the basis of instability in every case, it suggested, was economic.[17] Inflation and conflict over the methods of coping with it were the main factors, of course, but not only inflation.

What else? In Germany (where the much-publicized revelations about Brandt's personal life only masked more deep-seated conflicts) unemployment, almost unheard of in the past, over the half-million mark; in the United States gross national product down more than 5 percent; prime rate at the Bank of England 12 percent ("according to tradition," Kindleberger tells us, "a 10 percent bank rate . . . would draw gold from the moon"), and the rate for federal funds used for interbank borrowing scarcely better at 10.78 percent; in England a disastrous slump in fixed capital investment, in the United States, on the contrary, a huge increase, but (as *The New York Times* points out) with "enormous disparities," the clearest indication of "an economy being twisted out of shape by the differential impact of inflation", [18] building starts down from 2.5 to 1.5 million in the United States, the construction industry in England bedeviled by bankruptcies (Lyon) and the "land/market near to collapse", spectacular bankrupties, also, in secondary banking (Cedar Holdings), or in the United States large-scale rescue operations (over $1 billion in the case of Franklin National) by the "Fed"; prime rate in New York at 11½ percent, recalling William Rickenbacker's prediction in 1969 of "Short-term interest levels reaching 10 or 20 percent," accompanied by the ominous warning: "Toward the end of the inflationary boom of the 1920s, short-term money earned exactly 20 percent on Wall Street. Just before the end."

Each item might perhaps, be capable of being coped with separately on a national basis. But today, confronted as we are by a vast, uncontrolled flow of international liquid capital, estimated at over $130 billion—a strikingly new feature of the situation, for the "hot money" of the Thirties reached nothing like the same dimension—there *is* no separate national basis, even for the United States. Tobin writes of the need for "international monetary devices which preserve some national autonomy"; but his words sound more like pious hope than firm conviction. Mrs. Camps, who shares Tobin's views, candidly admits that "the present mood—almost everywhere—is running against the kinds of change that seem to be required." The alternative? Controls. Controls on money, controls on trade (the latest, at the time of writing—for there will be more—the 50 percent deposit clamped down by Italy on "nonessential" imports, accompanied, naturally, by the usual protestation that it is "strictly temporary"), retaliation, and a retreat into economic autarchy.

As Tobin rightly says, "We can hardly imagine that the Common Market will passively allow the U.S. to manipulate the dollar exchange rate in the interests of U.S. domestic stabilization. Nor can we imagine the reverse." Already in May, 1972, Arthur Burns was speaking pessimistically of a "world economy divided into restrictive and inward-looking blocs" and of the "financial manipulations, economic restrictions and political frictions" that would ensue. The blocs. it is true, have not yet fully materialized, but they took time to materialize in the Thirties also; the political friction, however, is already a fact. Who today would seriously quarrel with Shuman and Rosenau's prediction that "tariffs are here to stay because America is feeling the first pinch of the long-wave downturn," or with Brandon's view of the Seventies as a period of increased economic warfare?

V

A cycle of booms and slumps is endemic in the capitalist system; as Perlo argues, cogently enough in spite of his lapses into stale Marxist polemics, it could not function without them. Nor, indeed, is the fact denied by liberal economists, who only argue that Keynesian analysis has taught us how to tame and control them. But the difference between the short-term recession and the long-term depression is that the former introduces strains but leaves the structure standing, whereas the latter imposes lasting structural changes. This is what happened in the 1930s, and it is safe to predict that it will happen today. What is more hazardous is to predict what the changes will be.

The first thing to say is that there is no evidence—even Perlo never quite suggests that—that the crisis of "neocapitalism" (for that is what we are witnessing) means its collapse and replacement by socialism. It is true, as Perlo points out, that capitalism today is "no longer a unique, closed system," but instead has "to coexist in a world containing a powerful and growing socialist economic system," and that is a major difference by comparison with the 1930s. But capitalism did not wither away of its own internal contradictions and give way to socialism in the Thirties, and I can see no reason why it should in the Seventies; the vested interests involved—conveniently summed up in the two much canvassed phrases, the "military-industrial complex" and the "multinational corporation"—are too big and powerful.

On the other hand, Heilbroner's Malthusian foreboding seem to me to go beyond all reason. Gerhard Mensch, one of the few modern economists to concern himself seriously with Kondratieff, has shown convincingly enough how, in each crisis in the last 170 years, recovery has come about through the

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Footnotes at end of article.

exploitation of a series of basic innovations.[19] Why should there be no such break-through this time? Why, for example, should scientists not succeed in harnessing solar energy (a possibility mentioned in passing by Heilbroner, only to be dismissed out of hand), a break-through which, evidently, would transform the whole situation?

Heilbroner would have us believe that we stand today at the end of the world we know, like the characters in *Waiting for Godot* awaiting the moment when "all will vanish and we'll be alone again, in the midst of nothingness." In reality, we stand at the end of an era, of a fifty-year period of history, of the age of neocapitalism. We are entering a period of radical readjustment, which is bound, before it ends, to breed misery and widespread suffering; it will be a traumatic experience, as long as it lasts, but not the irreversible calamity Heilbroner foresees. Nevertheless, the world that emerges from the crisis will be as little like the world of the 1960s as the world after 1945 was like that of the 1930s. Toynbee has predicted a "stockade society" and a "siege economy" in which private property will be nationalized, free enterprise abolished, and certain economic activities—for instance, stockbroking and real-estate developing—will disappear (and who except the stockbrokers and real-estate developers will shed a tear?) at the behest of "a ruthless authoritarian government."[20]

He may be right. What seems certain is that some solution to the problem of uncontrolled inflation will have to be found, if the fabric of society is not to be torn apart; and though at present most governments are resorting to the classic remedy of wage controls and restrictions on the right to strike—depressing the standard of living. Perlo would say, in order to maintain profits—the likelihood, as the crisis reaches its peak, is that the only way out will be to control business, too.

What is clear, in any case, is that there is no solution within the existing system. The underlying postulate of the "new economics" was that the capitalist system would display a steady trend to economic growth, and the socially harmful results of its operations—poverty, social neglect, unemployment—could be effectively dealt with by government intervention within the framework of private property and the market. Both parts of the theorem have been belied by events, and are likely to be even more drastically falsified as the crisis gathers pace in the next few years.

Tobin clings, rather wistfully, to the view that the "new economics" will eventually stage a comeback, but it is hard to believe he is right. For one thing, the disillusion is too great. When *The Wall Street Journal* conducted a countrywide survey in the fall of 1972 it found frustration everywhere, particularly frustration with the mythology of growth and affluence.[21] Not surprisingly. There is, after all, a basic contradiction when an economic system which claims to have discovered the secret of rising living standards for all can only find a way out, when the crisis develops, by reducing living standards; in that way, either through miscalculation or through deception, the professions upon which the whole structure depends are proven to be false.

Secondly, it has become only too abundantly clear that the trade-off between unemployment and inflation, which is a fundamental element of the equation, is unattainable under present conditions. And since no government dares contemplate the risks of massive unemployment and no government can live with galloping inflation, they will be forced—less, no doubt, through choice than through the inexorable pressure of events—to devise some other system.

What it will be, how far it will depart from the present system, no one can predict. On the whole, I would agree with Heilbroner that the most likely outcome is the "transformation of 'private' capitalism into planned 'state' capitalism." This, he says, is already "partially realized" in Japan. It was also pretty effectively realized by Hitler—and, the historian with a longer memory might add, in the Byzantine Empire. What we can see, in any case, is that neocapitalism, with its pretensions to have found the answer to Marx, was the expression of a temporary situation, borne along not by its own dynamic but by the upward wave of the economic cycle; but Marx's vision of a society dedicated to welfare, not to power and profit the only vision that makes sense in today's circumstances—still eludes us, and will do so until another crisis, even more crippling than the crisis that is brewing today, brings home to the whole world the perils it faces.

FOOTNOTES

[1] Leonard Ross, "The Myth that Things Are Getting Better," *The New York Review*, August 12, 1971, pp. 7, 9.

[2] Peter Jay, "Will Konratieff [*sic*] Prove Stronger than Keynes?" *The Times* (London), December 24, 1971.

[3] H. V. Hodson, *The Diseconomics of Growth* (Ballantine Books, 1972).

[4] *Die langen Wellen der Konjunktur. Beiträge zur Marxistischen Konjunkturund Krisentheorie* (Berlin, Edition Prinkipo, 1972).

[5] But see the critique by George Garvy, "Kondratieff's Theory of Long Cycles," in *Readings in Business Cycles and National Income*, A. H. Hansen and R. V. Clemence, eds. (Norton, 1953), pp. 438–466.

[6] It does not appear that they have actually read Kondratieff; at least, his work does not figure in their short bibliography, although in fact a translation (abbreviated) of "The Long Waves in Economic Life" appeared in the *Review of Economic Statistics*, XVII (1935), pp. 105–115, and was reprinted in the American Economic Association volume, *Readings in Business Cycle Theory* (Blakiston, Philadelphia, 1944), pp. 20–42.

[7] William Appleman Williams, *The Tragedy of American Diplomacy* (new enlarged edition, Delta Books, 1962); Gabriel Kolko, *The Politics of War* (Vintage, 1970); Lloyd C. Gardner, *Economic Aspects of New Deal Diplomacy* (Beacon, 1971).

[8] Kindleberger says virtually nothing, for example, of Africa; but it is clear that the economic setback paved the way for the effective mass movements under new leaders—e.g., Azikiwe or Bourguiba—which finally brought about the political emancipation of most of the continent; cf. A. G. Hopkins, "Economic Aspects of Political Movements in Nigeria and in the Gold Coast," *Journal of African History*, VII (1966), pp. 133–152.

[9] Joseph Kraft in the *Boston Globe*, July 10, 1968.

[10] Cited by Williams, *The Tragedy of Amercan Diplomacy*, p. 268; for the following citations, cf. pp. 161, 198, 235.

[11] *The Financial Times*, December 8, 1972.

[12] David Deitch in the *Boston Globe*, September 12, 1970.

[13] Max Silberschmidt, *The United States and Europe* (Harcourt, Brace, 1972), p. 189.

[14] Paul A. Samuelson, *Economics*, 8th ed. (McGraw-Hill, 1970), pp. 254–258, 807–814.

[15] I take my figures from *The Financial Times*, May 11, 1974; they are, no doubt, already out of date.

[16] *The New York Review*, January 2, 1974.

[17] *The Financial Times*, May 11, 1974; the same point was taken up in a dispatch from London in *The New York Post*, May 28, 1974.

[18] *The New York Times*, May 9, 1974.

[19] Gerhard Mensch, *Innovation und industrielle Evolution* (Berlin: International Institute of Management, 1973).

[20] Arnold Toynbee, "After the Age of Affluence," *Observer* (London), April 14, 1974 (also syndicated in the US).

[21] *The Wall Street Journal*, October 16, 1972.

THE CONCORDE

Mr. GOLDWATER. Mr. President, the feeling continues to haunt me that probably the biggest mistake the Congress of the United States ever made as far as American supremacy in the air and in industry was when we stopped the American construction of the Supersonic Transport. The Concorde, developed by England and France, has, in my opinion, already proven the aerodynamic ability to maintain supersonic flight across the oceans, and while I will admit that economically it still has a way to go to make it feasible, I feel that before many years go by some or more than one airline in America will be forced to buy this aircraft because of the demand from the passengers.

Robert Hotz, writing in Aviation Week & Space Technology on June 24, described briefly a trip from Boston to Paris and Paris back to Boston at which time the flying time was 6 hours and 17 minutes and it was a routine flight. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD. as follows:

[From Aviation Week & Space Technology,
June 24, 1974]

A ROUTINE FLIGHT

(By Robert Hotz)

Last Monday, June 17, we flew a transatlantic roundtrip between Boston and Paris in Concorde 02. Our flying time was 6 hr. 17 min. and our cruising speed was 1,350 mph. It was a routine flight.

The takeoff weights (386,000 lb.) were the same at Boston and Paris. Payload of 24,500 lb. was carried both ways. The takeoff rolls were identical, 39 sec. down the runways at Logan and Charles de Gaulle airports. Navigation was direct and simple. From Boston, the compass needle never varied from due east (090 deg.). At Paris, Concorde took its heading from the 270-deg. takeoff runway and never varied from due west until entering the Boston terminal area.

Supersonic climbout and Mach 2 cruise were the same sensationless floating experiences we had encountered on previous Concorde flights. Even the champagne—Dom Ruinart 1966—was the same fine vintage on both legs. It bubbled as effortlessly at Mach 2.01 and 54,000 ft. as it did on the Boston and Paris terminals at zero speed and sea level.

Flight time varied only a single minute on each crossing—3 hr. 9 min. to Paris and 3 hr. 8 min. to Boston. Fuel consumption varied by only a few hundred pounds. Even the pilots were routinely interchangeable. Gilbert Defer flew the Boston-Paris leg with Jean Pinet in the righthand seat. On the return, Pinet took over with Pierre Dudal, a veteran of the Concorde program from the French flight test center, as copilot.

On the way over we read Newsweek and the Boston Globe—on the way back Le Figaro and L'Express. When we walked out through the Air France Jetway at the new John A. Volpe international terminal at Boston, just 7 hr. and 28 min. after we had walked in, there was only a bottle of Armagnac and a half ounce of Arpege perfume in our brief case as tangible evidence that we had indeed been in Paris at lunchtime.

The message that is coming through to us after four Mach 2 flights in Concorde and three transatlantic crossings is that supersonic airline service for the average business traveler is a refreshing, routine experience and that Concorde is a flying machine of still unappreciated precision and stamina.

Concorde 02, on which we have made all our flights, is now headed back to the factory at Toulouse after 462 hr. of flight testing, including 225 hr. at Mach 2. Its route-proving role will be taken over by production Concordes of significantly improved performance.

Concorde 02 will be fitted with the new carbon brakes and reenter the test program to prove another of the many technology state-of-the-art advances that have combined in Concorde to make supersonic airline service a realistic routine.

Concorde and its Anglo-French producers are now embarked on a methodical program to demonstrate the realities of supersonic airline service and demolish its myths. In its two visits to the Americas last fall and this month Concorde has established some hard data points:

It has routinely cut in half subsonic airline flight times on the major North and South Atlantic routes.

It has demonstrated its conventional behavior as a subsonic aircraft using existing airport facilities and current traffic control systems while fully exploiting its unique performance capability in an environment that does not impinge on subsonic traffic.

It has exposed the mythology of its environmental critics and proved that it meets current airport noise standards and does not devastate the surrounding terrain with sonic booms or excessive pollution. By the time Concorde goes into airline service in 1976, there will be sufficient measured factual data to bury these environmental myths at the depth they deserve.

It has developed the beginnings of an operational foundation for routine airline use with serviceability, quick turnarounds and maintainability.

As a revolutionary new mode of public transportation, Concorde must be demonstrated to its potential users to establish its credibility and confound its critics with performance. So far, the French partners in the Concorde alliance have exhibited far more elan than their British counterparts in accepting this challenge. During all of the technical and political problems that have cluttered Concorde's progress, the French have never faltered either with faith in its ultimate success or in support of the program.

In contrast, a great part of British officialdom, press and even airline managements has been so dubious that the durability of British participation in the program has long been questioned. Even now, the future of Concorde balances on the decision of a group of fuzzy-minded British Labor ministers whose past record of folly on technological decisions is unsurpassed. It would save no money nor make any sense for Britain to withdraw from Concorde now. But Denis Healey and his associates in the current Labor government made far more disastrous decisions when the fate of British technology was in their bumbling hands some years ago.

Concorde still faces many problems in its future development—some technical but most political and economic. Its future is by no means assured even if the British government continues support.

But its recent demonstrations in the Americas, where it proved its performance and was accorded a warm reception by airport officials, passengers and the public, have proved that it has a fighting chance for success if both governments continue support and if the program managers and their airline customers inject an untraditional energetic and innovative approach to putting it into regular airline service.

THE BELLAMY FLAG AWARD

Mr. SPARKMAN. Mr. President, the Huntsville, Ala., High School has recently been honored in being selected to receive the 34th annual Bellamy Flag Award of 1975. An article recently in the Huntsville Times tells the story of the award. I ask unanimous consent that this newspaper article be printed in the RECORD along with an award notice published by the National Organization of Portsmouth, Va., in which information is given regarding this annual award.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Huntsville (Ala.) Times,
Apr. 14, 1974]

HUNTSVILLE HIGH SEEKS HONOR

Joe Anglin believes Huntsville High School should retain its traditional approach to education—emphasizing responsibility and decision-making in its teachings.

As principal of the 2,100-student high school since 1971, Anglin, although a believer in the traditional, has attempted to bring about many changes, most importantly a more tranquil relationship between whites and blacks since racial disturbances divided the school more than a year ago.

It is for these principles of tradition mixed with change that Huntsville High is being considered for a national award for all-around excellence.

Since 1942, a representative high school from a different state has been selected to receive the National Bellamy Flag Award, an award bearing the name of Francis Bellamy, author of the Pledge of Allegiance.

High schools in Alabama are being considered for the award this year. Of the 51 state schools invited to compete for the coveted recognition, three have been selected as finalists—Huntsville High, Cullman High and Hueytown High.

It is an award not for a single performance or accomplishment or for activities during the current year, but recognition for contributions made over the years by students teachers, administrators and the entire community.

Anglin is not the type of person who would like to forget the past or cover up the unpleasant facets of it. He talks of racial strife in the halls of Huntsville High just a year ago—and what the school has attempted to do to end it.

"We didn't know why the problem existed here," says Anglin, who first came to Huntsville High in 1969 when he transferred from Sparkman in the county.

"But gradually, we began to learn the needs of the black students. I think the problems we had at Huntsville were caused by a lack of student interest—by both blacks and whites.

"But, although it may sound silly, we took a look at our student organizations, realizing, because most club meetings were scheduled at night, most ninth graders missed them because of no transportation. And many black students had no way of getting back to school in the evenings.

"So we changed our club system, and now each Tuesday, for 45 minutes, we set aside time what we call our student activity program. We wanted the students to have something to identify with, and now they have."

With solutions such as these, Huntsville High has coped with problems as the city of Huntsville has grown. The school, accredited by the Southern Association of Schools and Colleges in 1919, is the oldest accredited high school in Alabama. Today its 95 teachers possess high academic qualifications—53 hold masters degrees.

Seven Huntsville High School students were chosen National Merit Scholarship finalists in 1972; two were picked in 1973, and two were picked this year.

While other schools in the city have converted to team teaching, Anglin says he and his teaching staff dislike the new method, preferring instead to improve the quality of the curriculum to meet the needs of all high school students, whether or not they plan to attend college.

For instance, the English curriculum has been designed to meet the needs of every Huntsville High student, the courses divided by phases, not grade levels. Phase I English courses are molded for students who find reading, writing, speaking and thinking quite difficult. Phase II courses are for students needing improvement; phase III for those with an average command of the basic language skills; phase IV for those learning fairly rapidly; and phase V for students looking for a challenge in English.

Next year the school will initiate a program in math designed similarly to the English instruction, with courses to meet the needs of the slow learner and others for those capable but less motivated than other math students.

Huntsville High's senior class has gained city-wide attention in recent years for its practice of purchasing with its funds equipment and other items needed by the school.

In past years, the classes have contributed $10,000 towards the cost of air conditioning the school building; $4,000 for a sound system in the auditorium; $4,000 for an intercom unit for the school; $1,000 for the library.

The Class of 1973 contributed $3,500 for renovation of the auditorium and $2,150 for the purchase of a video tape recorder for school use.

In recent years, Huntsville High has been recognized nationally and within the state through student awards in various activities such as debate, art, journalism, band, choral and athletics. Trophies denoting these achievements stand three and four deep on the shelves of glass cases in the school's hallways.

THE NATIONAL BELLAMY AWARD,
Portsmouth, Va., June 14, 1974.

The 34th Annual Bellamy Flag Award of 1975, which honors the author of the Pledge of Allegiance, Francis Bellamy, and the public schools of the United States, will be presented to the Huntsville Senior High School next year at special ceremony.

The Huntsville Senior High School has been designated by the National Bellamy Board of Directors to serve as standard bearer for quality schools in the State of Alabama for a fifty year period. The Cullman High School has been named Alternate Bellamy Award School for the State. Only one secondary school in a state may hold the honor. Huntsville Senior High School, termed one that "never rests on its laurels," has been selected for the coveted national honor for these specific reasons—

1. The proficient performance of duty by the administrators: Joe L. Anglin, principal, and Dr. V. M. Burkett, superintendent, are cited for leadership in a school and school district that strives to retain the traditional approach to education all the while bringing about the necessary changes for all-around excellence designed for an entire student body.

2. An accomplished faculty that teaches by practical, living experiences in the classroom—the true method of learning by doing: economics students learn the basics by investing in the stock market, sociology classes offer keen concepts and understanding in experimental marriage, history classes simulate the depression era for better comprehension of the times. A concerned faculty, through its educational association, works closely with administrators, students and parents for the public good. Full concentration is placed on a curriculum that

meets all students' needs, whether or not they are college bound.

3. The Board of Education philosophy: ". . . the school program should be designed to assist the student . . . in recognizing the functions of constructive citizenship in a democracy and in understanding and appreciating the cultural heritage.

4. The PTA (900 strong) that speaks up with words and action for its school and city. In a day when the school dollar is microscopic, the PTA has donated substantially to the school to supplement state and federal funds.

5. A loyal and generous student body that excels academically and culturally: Seven students were chosen National Merit Scholarship finalists in 1972, and two finalists in each successive year. State and national achievements have been recorded through the years; recently in debate, languages, the arts and athletics. Senior classes have gained city-wide attention for the practice of raising thousands of dollars annually through magazine sales, primarily for school equipment and school needs. Individual student achievement plays an important role in diverse areas of learning in a large student body—among them: ballet, karate, and senate page.

6. Noteworthy current student records warrant citation of "Representative of the Best"—

The largest number of Scholastic Art Awards (23) in the State.

The top debate team in Alabama.

The band awarded all four top ratings in concert selection.

The best one-act play production for three consecutive years in State competition—Alabama Thespian Society.

Swim teams take Alabama State Championship—boys and girls swim teams compete against 29 schools in the State.

Girls netters place second in the State.

7. Outstanding school publications.

The school magazine, The Spectrum, twice selected among the best student literary magazines in the nation—Columbia Scholastic Press Association Medalist Award for 1973.

The school newspaper, Red/Blue, awarded the highest honors in three scholastic press association competitions: All-American rating by the National Scholastic Press Association, All-Southern Award by the Southeastern Interscholastic Press Association, and the General Excellence Award in the Alabama Press Association Better Newspaper Contest.

8. A distinguished and accomplished alumni eminent in the fields of the creative arts, agriculture, education, government, law and medicine.

9. A cooperative and supportive local press with excellent school-press relationships.

10. A civic-minded community, one of 63 cities selected as a Model City Center, deeply interested in the schools and school-related activities; a community where all five high schools work together readily on major fund-raising projects for mutual benefits; one of the few communities across the nation voting another school tax on itself.

Principal Joe L. Anglin and superintendent Dr. V. M. Burkett with a member of the Huntsville Senior High School Junior Class will participate in "Bellamy Week," the week of October 6, 1974 when the State of New Mexico receives the 33rd annual Bellamy Flag Award at the Los Alamos High School.

Dr. MARGARETTE S. MILLER,
Executive Director.

BEEF IMPORTS

Mr. JAVITS. Mr. President, it seems incredible to me that Secretary of Agriculture Butz can so consistently put forward policies that seem to me to injure the American consumer. Although Secretary Butz was an ardent advocate of liberal trade policies last year, when huge wheat sales to the Soviet Union were a serious element in food price increases for the American consumer, he would now reverse his free trade stance by limiting meat imports into the United States. While meat imports are only a small proportion of U.S. meat consumption such imports would help maintain the lower prices for meat that present the one bright spot in the otherwise bleak picture for consumer food prices. The administration, has argued strongly for the trade bill and a reduction of trade barriers and should not now erect barriers on just those products which could help somewhat the hard-pressed consumer.

The editorial from the Washington Post of June 24, makes this point and also deals with the larger issue of the movement toward protectionism developing among the industrialized countries in response to sharply higher oil prices. Inflation, fueled in large part by sharply higher oil and food prices, has reduced the demand for the more expensive food products, especially beef. I should also point out that unrestrained export policies drove up the price of grain, which contributed to the losses the beef producers are now experiencing.

Industrial countries are now beginning to take restrictive measures to limit internal demand and boost their exports in an effort to reduce their balance-of-payments deficits caused by oil price increases. However, it is clear that the effect of these measures will be to endeavor to shift the deficit to some other oil importing country, since at present price levels, it is not possible to shift the deficits back to the oil producers. Those of us concerned about the dimensions of this problem have warned for months that cooperative action among the industrialized countries was essential, and that the alternative was nationalistic economic policies that would be destructive of the values we had worked for so hard since 1945.

In a speech I made on the Senate floor on February 7, 1974, on the eve of the Washington Energy Conference, when the oil embargo was at its height, I said:

> Although the American people are greatly worried over the insufficient supplies of gasoline and heating oil, and the sudden and substantial increase in the prices of these commodities, we have not yet addressed ourselves properly to the more crucial problem of the increase in crude oil prices demanded by the OPEC nations, and the effect of these price increases on the world economy.

We have seen the first results of oil price increases on the Italian economy, which is on the verge of bankruptcy. However, Britain and France are also in serious balance-of-payments trouble.

The answer in each case is to restrict internal demand, limit imports, and attempt to boost exports, but as the Economist pointed out forcefully a few weeks ago, the simultaneous application of these policies by industrial countries will induce domestic recession, reduce the growth of world trade, and lead ultimately to a world depression. It is absolutely essential that we take the necessary steps to prevent a slide into protectionist measures. The United States needs to lead in this effort. Thus it is particularly depressing to find the Secretary of Agriculture leading the charge for import restrictions on meat, instead of accepting the necessary consequences of the free trade policies he has pursued.

Mr. President, I ask unanimous consent that the editorial for the Washington Post, of June 24, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 24, 1974]

CHOOSING BETWEEN BEEF AND OIL

Beef surpluses are now turning up all over the world, as governments begin the struggle to pay for oil. To keep the crucial shipments of fuel coming, it appears that many of the industrial countries are going to cut back on foodstuffs. In the case of beef, they are already doing it in ways that promise deep disruption of agriculture worldwide and severe harm to the producers. Each of the rich nations is engaging in a diligent effort to save itself at the expense of its trading partners. Each of the governments keeps calling for international cooperation and mutual aid and all that. But you can hardly hear their voices for the slamming of doors and the pulling up of drawbridges.

Throughout the world, the soaring oil prices are making inflation steadily worse. Not only in the United States but in all of the wealthy countries, families are reacting to this inflation by cutting back on groceries and particularly on luxuries like beef. Meanwhile governments, hard pressed to conserve foreign exchange to pay for oil, are discouraging imports of meat. A year ago it seemed as though there could never be enough meat to fill the world's rising demand for it. But the new oil prices have changed all that. Now it appears that we are headed into a serious worldwide oversupply of meat.

In the United States the cattlemen are loudly demanding protection from imports because of falling prices. In fact, imports have very little effect on American meat prices because they amount only to a trivial proportion of our consumption—last year about 8 per cent. But the cattlemen are taking tremendous losses and the administration is thrashing about in a wild competition with Congress to find appropriate scapegoats. Imports are always an easy target.

"We are about the only country whose borders are open to meat imports," Secretary of Agriculture Earl Butz testified the other day. "It shouldn't be that way. We are not going to stand by alone and be the dumping ground for excessive supplies of world meat imports." Imports mean low prices, which is good for the consumer and helps bring down the inflation rate. A year ago the Nixon administration was following that logic, but it is now apparently reversing itself.

A reversal will be extremely expensive for Australia. A year ago, when high beef prices were a source of acute political embarrassment to the Nixon administration, the United States urged Australian beef growers to step up their shipments to us. Unfortunately, beef production cannot be turned on and off like a faucet. It takes time to breed and raise the animals. Now that they are beginning to be ready for slaughter, Secretary Butz is having second thoughts. He is sending one of his assistants off to try to talk the Australians into holding back on shipments here. The Australians will doubtless reply that, because of bad weather, their shipments this year are already 20 per cent under last year. What does Secretary Butz suggest that they do with the meat that he has now decided he does not want coming to the United States?

Well, maybe the Australians can find somebody else to take it. Say, what about the Japanese? Unfortunately, that door is also shut. Japan says that it has more beef than its consumers are buying. It also has a ferocious inflation rate and huge oil bills to pay. The Japanese government is currently issuing no more beef import quotas. Another major market for the Australians was Britain, but Britain is now part of the European Common Market. This spring Italy, another country desperately strained by oil bills, took extraordinary action to cut off the wave of nonessential consumer goods from northern Europe. High on the list was beef from Germany and France. Now the Common Market is cutting back meat imports. That affects producers not only in Australia, incidentally, but in South America as well. The beef growers of Argentina have nowhere else to ship their meat—unless, of course, they can find buyers in the United States.

While Secretary Butz is threatening to cut off American imports of beef from other countries, he is simultaneously protesting Canada's decision to cut off imports from us. Earlier this year a court here overturned the federal ban on DES, an artificial growth stimulant suspected of causing cancer. Canada, which prohibits the use of DES by its growers, banned American meat. Cattle prices have fallen sharply in Canada and some Americans suspect the Canadian government, which faces an election early next month, of having more than DES in mind. In any event, the trade in beef across the Canadian border would be minuscule, since both countries are major producers. But the mutual irritation is real and adds to the general deterioration in the two governments' willingness to work together on trade.

Under the grievously disruptive burdens of inflation and the cost of oil, the governments of the industrial countries are taking less responsibility for the stability of the world economy. They are reacting generally in narrow terms to protect their own producers and their own employment. All of them know perfectly well that their prosperity is deeply dependent on world trade. But none of them seems capable of anything more than threats of retaliation. The most depressing aspect of this series of responses is that it was all foreseen months ago by sensible and experienced men who warned their government where it would lead. If the recent troubles of the beef producers is an accurate foreshadowing of the next stage in world trade, no nation's prosperity is secure.

U.S. POLICY TOWARD LAOS: A GAO REPORT

Mr. KENNEDY. Mr. President, as chairman of the Subcommittee on Refugees I have requested the General Accounting Office (GAO) to update their previous reports to the Subcommittee on Humanitarian Problems Confronting War Victims in Indochina. One report in this series is a "Followup Review of Refugee, War Casualty, Civilian Health, and Social Welfare Programs in Laos."

This report on Laos is classified "secret." However, I have prepared a sanitized summary of the GAO report, which I would like to share with my colleagues in the Senate, because I believe it raises troubling questions over the course of U.S. policy toward Laos.

No one reading this GAO report, or listening to testimony recently presented in congressional hearings, can help but express deep concern over our policy in Laos and toward its newly established Provisional Government of National Union (PGNU), which is a coalition between the former Royal Lao Government and the Pathet Lao. The PGNU is headed by Prince Souvanna Phouma.

Despite our country's general public support for the cease-fire agreement and the new government, several indicators suggest that the intent of some of our remaining presence in Laos can only help to perpetuate old relationships and the division of that country. And this poses a threat of renewed conflict in several areas.

Mr. President, we have gone that route once before, with tremendous cost to our own country and the people of Laos as well. We must not repeat this mistake and failure of the past.

I fully recognize the difficult problems in bringing normalization and peace to the people of Laos. However, I am extremely hopeful that U.S. policy and diplomacy—and our aid and presence in the field—will do everything possible in working toward this end.

The new government must be given a chance to work. Our true remaining responsibilities in Laos and all of Indochina are not to armies or political factions, but to the people who live there—especially the millions of war victims who need our help. As the GAO report on Laos documents, their needs are real and great, and they deserve the highest priority in our relations with the area.

Mr. President, the GAO report notes that considerable progress has been made in meeting relief and rehabilitation needs among war victims in areas controlled by the former Royal Lao Government. But about one-third of the population resides in other parts of the country, and our Government must actively support international efforts to meet humanitarian needs in all parts of Laos.

Mr. President, I ask unanimous consent that the text of a sanitized summary of the classified GAO report be printed in the Record.

There being no objection, the text of the summary was ordered to be printed in the Record, as follows:

Sanitized Summary of the General Accounting Office Report on "Follow-Up Review of Refugee, War Casuality, Civilian Health, and Social Welfare Programs in Laos, June 10, 1974"

GENERAL

1. The United States has continued to assist the Royal Lao Government in providing essential services and facilities for its people and alleviating the effects of war.

2. On September 14, 1973, the Royal Lao Government and the Pathet Lao signed the Protocol implemeting the February 1973 cease-fire agreement between the two dissident forces. The Protocol spells out the details on such issues as the formation of the new Provisional Government of National Union, withdrawal of foreign troops and military personnel from Laos, and return of prisoners. In regard to assistance to refugees, article XIX of the Protocol stipulates that:

". . . the people who had to flee during the war have the right to choose whether they wish to stay where they are or freely to return to their old villages without anyone exercising this authority to threaten or hinder them in any way. Both sides will use every means to the best of their ability to help them to remain where they are or return to their old villages easily in order to earn a living and have their living conditions return to normal as quickly as possible."

3. Information from the Mission indicated there would be a transition in the [AID] program in fiscal year 1974. The AID program has been security oriented and geared to meeting emergencies, but it will shift more to reconstruction and expansion of humanitarian assistance. (Additional reference to the impact of the ceasefire and new Laos government on the AID program is classified "secret".)

4. In spite of the situation's continuing fluidity, the AID Mission has been engaged in long-range reconstruction, rehabilitation, and resettlement planning since July 1972. Two possible contingencies have been considered.

5. The first contingency envisioned a settlement wherein the current geographic division between Government- and Pathet Lao-controlled areas would be maintained. The second assumed that the Provisional Government would administer all areas of Laos and would allow free movement throughout the country.

6. AID estimates that 2 million of the approximate 3 million people living in Laos live in areas under control of the Royal Laotian Government. The remaining 1 million people are believed in Pathet Lao-controlled areas.

7. Program priorities during the next 2 fiscal years "will concentrate on assisting Laos to maintain reasonable economic stability and to provide temporary support for refugees as well as permanent resettlement assistance to the displaced population."

8. The exact amount of foreign assistance requirements for Laos over the next several years will depend on the degree to which the Pathet Lao request and accept foreign aid from Western nations for areas under their control. Regardless of the magnitude of Western aid, reconstruction and development will emphasize restoring war-damaged infrastructure and extending basic government services to the Laotians where they can be reached.

9. It is hoped that foreign assistance efforts in Laos will, over the next 3 to 5 years, be able to move from the current priority concern with refugees and reconstruction to focus upon development. Although the Lao Government does not desire to participate in a multilateral reconstruction program for all of Indochina, the Prime Minister agrees with the concept of a consultative group, as long as Laos is kept separate from multilateral aid structures which might be established for other states in Indochina.

10. In addition to moral considerations, successful settlement of the refugees is both economically and politically crucial to the Lao Government.

11. For planning purposes, the AID Mission has assumed that refugees desire to be relocated within the areas now controlled by the Government.

12. AID officials estimate that it will take 7 to 8 years to permanently resettle in Government-controlled areas all refugees requiring assistance and to make them self-sufficient.

13. The refugees include a substantial number of "former irregulars" (CIA-sponsored paramilitary personnel) and the dependents of the "former irregular forces".

14. References to the demobilization and rehabilitation of Lao armed forces is classified "Confidential".

15. Regarding public health planning, "measures envisioned by the Mission include projects in environmental sanitation, improved water supplies, malaria control, and nutrition. The Lao Ministry of Public

Health, assisted by the World Health Organization (WHO), will lead in developing these services. AID's role, as the Mission contemplates in its current posthostilities planning, will be more along the lines of support for developing rural public health services. Primary emphasis will be in the establishment and renovation of rural health centers on a tripartite basis with the Ministry and WHO. The Mission has already started some projects to improve village water supplies."

16. In addition, the projects to help the Lao Government provide medical services to the refugees and develop its own health care system will continue until the need no longer exists. The Mission told us that, in all cases, public health aspects (as distinguished from curative services) will continue to be emphasized. No timetable has been developed for integrating the Mission's Public Health Division systems into Lao Government and international health organizations' operations.

ASSISTANCE TO MILITARY AND PARAMILITARY FORCES AND THEIR DEPENDENTS

1. With the exception of two brief paragraphs, this chapter of the GAO report is classified "secret".

2. This chapter, however—as did similar chapters in earlier GAO reports on Laos—continues to document and support some independent Subcommittee findings and concerns over the use of humanitarian funds and programs as a "cover" for military and paramilitary purposes.

3. Some background to this chapter:

a. A decision to involve AID as a "cover" for support of Lao military et al—including, according to an internal USAID memorandum of January 1970, "direct military/logistical support"—was made some 10 years ago at a high level of the U.S. government.

b. Early in 1971, the Subcommittee reported that efforts were being made to remedy this situation, and that a number of "cost-sharing" agreements among U.S. government agencies were transferring portions of the AID funding responsibility to more appropriate agencies, including the Department of Defense and the CIA.

c. Moreover, a May 1971 letter to Senator Kennedy from former AID Administrator John Hannah stated: "I can report to you now that with one shift made early this year and others that will be effective at the beginning of fiscal year 1972, all of the AID financing with which you have been concerned will be terminated."

4. This current GAO report confirms previous Subcommittee findings that the assurances given by Administrator Hannah and other U.S. officials to the GAO and the Subcommittee were never fully carried out.

5. Moreover, because "cost-sharing arrangements [among AID, DOD and CIA] will cease at the end of fiscal year 1974", AID will apparently resume a funding responsibility for the support of at least some "former" paramilitary personnel and their dependents.

CIVILIAN WAR CASUALTIES AND MORTALITY

1. Except for some incomplete records on hospital admissions, no official estimates or statistics are available on the number of civilians wounded or killed during the war in Laos.

2. References to "civilian casualties resulting from accidental bombings" are classified "secret."

3. Lao civilians are injured by accidental detonations of unexploded munitions and mines, according to U.S. Mission officials. Records on the number of persons injured . . . are not kept by the Lao Government or the U.S. Mission. Additional references to this issue are classified "secret."

ASSISTANCE TO REFUGEES

1. The Lao Government estimates that the political and military conflict in Laos has resulted in nearly one million people, about one-third of the country's total population, being forced at one time or another to leave ancestral homes, villages, and farmlands. Over the years, three-quarters of these refugees either have resettled on lands where they continue their traditional farming with a minimum of Government assistance or have migrated into urban areas where they have been absorbed into the war economy's demand for manpower.

2. A twofold program has been developed to assist these displaced persons—emergency relief and resettlement.

3. Projected number of persons receiving assistance:

	Number of persons
Persons, including paramilitary personnel and their dependents, receiving assistance as of June 30, 1973	376, 200
Former paramilitary personnel may be phased out of program during FY 1974	19, 200
Refugees	357, 000
Estimated refugees who will return to their original villages during FY 1974	29, 000
Estimated refugees who will resettle on their own initiative during FY 1974	9, 000
Estimated refugees who will be permanently resettled and self-supporting by June 30, 1974	15, 900
Estimated reduction of refugees	53, 900
Estimated refugees receiving assistance as of June 30, 1974	303, 100

NOTE: This date was furnished by the Mission but was not verified by GAO.

4. The AID Mission believes that, in the long run, it will be possible to successfully resettle the refugees except for certain hill tribe groups.

5. Not all refugees will be resettled in new villages. It is assumed that because of the cease-fire many will return to their original villages while others will resettle themselves. Assistance provided to those returning to their former villages will be determined on the needs and conditions of the original village. Although refugees will be encouraged to return, no pressure such as reduction of assistance will be exerted upon them.

6. The goal of the [assistance] program is to help the refugees reach a living standard comparable to that of nonrefugee villagers. Initial surveys completed by the AID Mission indicate that, in many instances, the refugee receives better health and education services than his nonrefugee neighbors.

OTHER ASSISTANCE TO REFUGEES

1. Apart from the specific emergency relief and resettlement program for refugees referred to above, "AID supports the refugee activities through its air technical support (distribution of commodities and the evacuation of refugees), general technical support (administrative support), public health, education development projects, and programs for the development of agriculture and of the rural economy. Although these projects are intended to benefit the general population, they contribute significantly to the refugee effort. Public Law 480 commodities are also distributed to the refugees under a Government-to-Government agreement."

2. Regarding the Air Technical Support Project, previous GAO reports to the Subcommittee "stated that AID contracted with Air America, Inc.; Continental Air Services, Inc.; and Lao Air Development, Inc., to transport by air persons and supplies within Laos." The current GAO report notes that "since then the contracting arrangements have changed."

3. These changes in the "contracting arrangements" and related data are classified "secret". However, the unclassified sections of the report make these points:

a. AID's Air Support Branch is responsible for maintaining usage records for all aircraft under contract. These records are coded and summarized monthly as to which agency used the aircraft and for what purpose. Those flight hours attributable exclusively to a particular user are identified as such; however, flights for refugee purposes, such as airdropping rice, are presumed to benefit both DOD and AID and are allocated on a predetermined basis.

b. Cost allocation was 70% to DOD and 30% to AID in fiscal years 1972 and 1973. In fiscal year 1974 the cost allocation was changed to 60 and 40 percent. Both the AID Auditor General and GAO have questioned the validity of these rates.

c. Over the years, the air support project provided air transportation to areas not readily accessible by other means of transportation. Services furnished to the refugees under this project continue to generally consist of transporting (usually airdropping) food, medical supplies, housing, and other materials. Evacuation of personnel is no longer a significant use of air support.

4. U.S. food commodities *authorized* to be shipped under provisions of title II of PL–480 have nearly doubled—from nearly 8,500 metric tons in FY 1972 to more than 16,000 in FY 1973.

a. The increase in Public Law 480 commodities is the result of the Mission's target to replace part of the refugee rice ration with these commodities. The purpose of such substitution is to reduce dollar expenditures abroad for purchases of rice and protein supplements.

b. However, Mission officials state that the nonavailability of commodities limits program effectiveness. In fiscal year 1974 the Mission was informed that nonfat dried milk and cornmeal would not be provided because the commodities were not available. Both commodities are relatively well accepted in the program, according to Mission officials.

PROBLEMS RESETTLING HILL TRIBE REFUGEES

1. A substantial number of these refugees are Meo tribespeople associated with General Van Pao and the U.S. sponsored paramilitary forces.

2. They now live in heavily "congested" areas, where the population density has increased from 11 people per square kilometer in the early 1960s, to roughly 98 people today.

3. The Meo situation is "becoming critical", because they cannot at this time return to their former homes in Pathet Lao controlled areas, and because land availability in Royal Lao Government controlled areas is not enough to support slash and burn agriculture.

4. GAO states that "because of the history of U.S. Government involvement with and support of the MEO, the Mission believes special emphasis on assisting these people must continue. They feel that there is not only a humanitarian justification but a moral obligation to provide a better chance for the future of this large minority group."

5. General Vang Pao, the leader of this group, following the cease-fire in February 1973, requested special assistance from the U.S. for his people. He desired aid in terms of relocation to relieve population congestion; facilities, such as schools, dispensaries, and fish ponds, to help the people make a living and progress, and resettlement-related activities such as access roads, land clearing, and housing. The AID Mission responded by initiating a special planning effort for developing the area. We were told that several discussions have taken place between the General and AID officials. An interim report was developed, including recommendations

for specific activities and projects to be undertaken as soon as possible.

6. In summary, the AID Mission believes some combination of the alternatives outlined above [return to former homes, resettlement in "Government-controlled" areas and alternatives to slash and burn agriculture] offers the possibility of greatly relieving, if not solving, the refugee problem in the area. Mission officials have told us that it is evident that the refugees cannot stay where they are indefinitely, nor can they all be moved at present, nor will they all be able to return to their former homes. They hope to be able to implement, in some measure, each of the possible actions in the future. The rapidity with which the various alternatives can be implemented will depend upon the progress made in the Lao political arena.

NATIONAL HEALTH DEVELOPMENT

1. The U.S. has continued providing assistance to the Lao Government in dealing with civilian health and war-related casualties in Laos. This assistance has been administered primarily by AID through the Village Health and Operation Brotherhood (OB) projects under the National Health Development program.

2. The AID Mission advised us that the problem of caring for displaced persons will continue to occupy a large proportion of its resources for at least 2 more years. Now that hostilities have ceased, greater emphasis will be placed on more traditional public health and preventive medicine programs than was previously possible. Along this line, a malaria control program combining efforts of the Lao Government, the World Health Organization (WHO), and the Mission Public Health Division is being undertaken, as is a similar arrangement to develop rural public health services in Laos.

3. The basic problem is still insufficient indigenous medical capabilities to meet the immediate or long-range public health needs of the general population. The U.S.-financed National Health Development program is aimed at meeting these needs. In addition, international professional medical staffs of voluntary agencies and other countries are providing medical assistance.

4. Refugee medical care is provided primarily through the AID Village Health Project, which for many years served as a "cover" to support paramilitary forces. This Project supports "small dispensaries for which AID provides medical supplies and equipment, the training of medics, practical nurses, and technical personnel. The project also supports a 250-bed hospital at Ban Xon in north-central Laos where hill tribe refugees are heavily concentrated."

5. Some important references to the Village Health Project are classified "confidential".

6. The number of AID-supported dispensaries has decreased.

7. The Operation Brotherhood Project involves U.S. Government contracts dating back to 1963, with Operation Brotherhood International, Inc., a Filipino non-profit organization. OB has concentrated its services almost exclusively on the operation of municipal hospitals and the training of Lao medical personnel.

8. It is not possible to make a realistic projection on when the OB project can be terminated.

CONTROLS OVER REFUGEE AND MEDICAL COMMODITIES

1. Previous GAO reports to the Subcommittee documented problems involving "the use of sole-source procurement for transportation services, weaknesses in AID's supply management of refugee commodities, and . . . control over freight payments."

2. The current GAO report states that "the Mission's procedures for controlling the movement of refugee and medical commodities have not changed", and that "the controls over commodities received need improvement."

3. All cargo for Laos arriving by sea must transit Thailand. GAO states that the U.S. Mission in Vientiane continues to depend on the "monopolistic" services of the Express Transport Organization (ETO), a Thai Government enterprise, for the shipment of commodities to Laos.

4. GAO states that "AID reports claim that the [ETO] charges are excessive. Estimates on the amount of the excess range from 30 percent to over 50 percent."

5. The GAO reports primary reference to "U.S. efforts to deal with the monopolistic practices" of ETO is classified "confidential".

6. Citing "recent findings of AID's Auditor General", the GAO states: "Reviews of the Mission Public Health and Supply Management Divisions' warehousing procedures for receiving, storing, and issuing material show a definite need to improve the controls in certain locations."

7. For example, recent problems involving commodities for the Public Health Division, have included " 'thievery, diversions, and weaknesses in management. . . .' "

8. GAO suggests that reforms are being implemented.

OBSERVATIONS ON GENERAL PROGRAM MANAGEMENT

1. Management of refugee assistance and aid to civilian health and war-related casualties is the responsibility of two separate AID Mission organizations—the Office of Refugee Affairs and the Public Health Division.

2. Previous GAO reports to the Subcommittee on Refugees were highly critical of AID program management practices and operating procedures, including those involving the acquisition and distribution of supplies. Little, apparently, has changed.

3. As in the past, the AID Mission in Laos manages the AID program. AID officials in Washington, D.C., control operations by approving or disapproving requests for funds and personnel to support the program. Most of the records concerning the details of program operations are located in Laos. There has been no change in these management practices.

4. The management organization of both the refugee program and the public health program is essentially the same as we reported in our 1972 reports. We inquired about possible future changes foreseen as part of the AID Mission's transition from security-related activities to humanitarian and developmental assistance.

5. The Mission said that, for the next couple of years, it would maintain the same basic organization structure. It believes it may be necessary to redefine functions if the formation of the new coalition government and its policies indicate that a change is needed. The Office of Refugee Affairs and the Office of Field Operations, however, will be combined into one office at the beginning of fiscal year 1975.

6. We pointed out in our prior reports that neither the refugee program nor the health program had adequate written operating procedures and that field personnel were left largely to their own resources.

7. Some progress was apparently made regarding written operating procedures for the refugee program. Regarding progress for the health program, the AID Auditor General reported in September 1973 that he was not satisfied. On October 6, 1973, the Mission Director told AID/Washington that management steps had been taken to put the supply system in order. The Mission believes the situation is now under control and is improving.

WE NEED YOU AGAIN, PAUL REVERE

Mr. HUGH SCOTT. Mr. President, earlier this month, State Senator Richard Snyder of Lancaster County, Pa., observed that Americans today—especially as we approach our Nation's Bicentennial in 1976—must cherish the ideals of our forebears who designed a great nation. Senator Snyder addressed the Donegal Society of Lancaster County.

I wish to share his observations with you, and I ask unanimous consent that his speech, "We Need You Again, Paul Revere," be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

We Need You Again, Paul Revere

In this hallowed place, and in these bicentennial times, our thoughts return to the one successful revolution of all times—the American Revolution.

We remember Paul Revere, and his fellow rider, William Dawes, who had a simple mission: To spread the word that the British were coming.

If our nation is to celebrate its tercentenary 100 years hence, we must recruit some Paul Reveres and William Daweses for an equally important mission. It is not the British who march over the hill this time, with bayonets gleaming. We would be lucky if it were. At least we could identify the target easily.

No, this time it is a different enemy. For lack of better term, let us call them vandals—not the kind who overturn tombstones—but ideological vandals. They seek to change your beliefs and attack on two general fronts: Our freedom of enterprise, and our traditions.

It will be our effort today to show what is being done to our national fabric and why the need for counter-measures is urgent.

First: The attack on competitive enterprise.

Or to put it positively: In praise of profits.

IN PRAISE OF PROFITS

As many of you know, Frank W. Woolworth, founder of the 5 and 10 cent stores, enjoyed his early success in Lancaster—the first store of a great chain built by nickels and dimes.

Several years ago on the 90th anniversary of the founding, the Woolworth Board of Directors held a dinner meeting in Lancaster as a grateful gesture to the community. A clergyman gave the invocation, and used the occasion to bemoan what he saw as a preoccupation with profits in a world in which poverty was being eliminated too slowly. He did not quite condemn business as crass and sinful, but the general tenor was that we should scatter some wealth. There were no kind words for commerce.

The exhortation seemed out of key with the event, in my view. An opportunity had been missed. For who had done more to eliminate poverty—if that is one of our missions in life—than the late Mr. Woolworth?

By skillful buying, planning, and merchandising, he made little luxuries available to the average person. The 5 and 10 was within everyone's reach. People who previously could not afford a toothbrush, a comb, or cold cream, or a hundred other items, could buy them now. This was really lifting people from a life of denial to an enjoyment of comforts.

Our unique economy is not the work of merchants alone—the Woolworths, Wanamakers, Sears and others. There are the inventors: Edisons, Graham Bells, Wrights. The mass producers: Fords, Eastmans, Gillettes, Kellogs, Singers. The advertising men: Bartons, and Thompsons. It is the combination of these talents, and their resourcefulness and persistence, which brought us comfortable homes, varied food, greater travel and—if we seek it—greater wisdom.

Our wealth per person has been rising for years, and poverty—as measured by living standards or income—has declined from about 50% at the turn of the century to less than 10% now. Indeed, it was the dynamic nature of our economy which raised the living standards rather than any formal disbursement of wealth through poverty programs.

One common denominator runs through all this individual and collective enterprise: The need for a profit. Without it, production fades and poverty flourishes. With it, the engine turns and the trip begins. It is incentive—everyman's hope for a better life for his family—that puts the gleam in the eye—the idea in the brain—and the drive in the muscle.

DO WE UNDERSTAND THE SYSTEM?

A system which provides more for its people—more material goods AND more leisure—and at the same time permits every citizen the most freedoms—should have everyone rising, applauding and cheering in the aisles. As Lawrence Welk would say: "Wunnerful, wunnerful." One would expect our learned scholars to write treatises in support of such a society, with praise of matchless achievement.

Not so, I regret to say.

In the first place, there is crushing evidence that most Americans don't understand the system, and have a growing lack of confidence in it.

A MAN FROM MARS

As a matter of fact—

If a man came down from Mars to spy on the earth, and returned to Mars to report:

That in one nation on earth
The citizens had more comforts and liberties
Than in any other land on earth
But that the system which produced this abundance
Was being disparaged by its intellectual elite

He would be told to go back and check his report for accuracy.

"No" the man from Mars would insist,—he even checked the poorest county in the poorest state (Tunicia county, Mississippi) and 52% of the families in that county have TV sets and 48% have automobiles. By contrast, the people of India, China and Russia have far less of either. He further reported that 99% of the homes in America are electrified, and medical progress has raised the life expectancy by 10 years in our lifetime.

Yet in spite of this, the man from Mars would report, scholars and communications people who were themselves enjoying all this were undermining the system. Some thought so poorly of profits they wanted to eliminate them entirely.

If Mars is anything like the earth, his report was submitted to something called the Planning and Research Council of the Planet of Mars. That Council would probably do as we do in Harrisburg with a report we don't believe, or don't like: Pigeonhole it, and praise the research man for his "sincere effort". On Mars they probably sent him to Venus for a "much needed rest."

FOUR MISCONCEPTIONS ABOUT BUSINESS

Is it as bad as we think? So that my facts were up-to-date I called the Opinion Research corporation at Princeton, which takes random samples of what Americans think of business.

The results were as bad as I thought, and are getting worse.

Let me zero in on four misconceptions which are current about the American economy.

(1) "Business profits are excessive."

Wrong. Why do people believe that? Because people think profits average about 28%. What do manufacturing corporations profits average, in fact? Between 4 and 5%.

(2) "Business should pay more taxes."

I doubt the wisdom of this. Few realize what business pays now. For example, last year Armstrong Cork Company, on about $800 million of sales, had net profits of $55 million, after it paid taxes of $74 million. If taxes had been lower the company could have reduced the price of its products, expanded its plant to produce more, or paid its shareholders more in dividends—or all three.

There is a mistaken belief that if you tax business you are relieving the individual taxpayer. Not so. Business must pass its tax costs along to the consumer. This is one of the reasons you pay so much for a loaf of bread. There are 161 hidden taxes on bread between the wheat field and the check-out counter.

So perhaps you can tax business more, but my belief is that we have about reached the limit on that. Increase them and in truth you tax the consumer.

The third misconception:

(3) "That the economy needs more government regulation." Do we really? I think we have too much now.

"Step in," when crises arise. But as Governor Reagan has said: "Government can hardly wait to 'step in'." The trouble is that it generally makes a mess of things. Furthermore, if you know bureaucrats, you should know they are unwilling to reverse the step and leave. Especially to leave a job.

Yet opinion research polled four types of activists (church-affiliated, environmentalists, corporate social activists and educators) and found that more of them think people have a better chance to improve themselves through the help of government than through the workings of the competitive enterprise system.

Eleven years in State government have convinced me that this point of view is suicidal. Government too often has erratic leadership. You cannot pin responsibility. Government is not aware of costs or if it is, it does not seem to care. Diligence is often ignored while flamboyance is rewarded. Government thinks short-range when long-range judgment is needed.

It will be said that business is not perfect either, and this is true in an imperfect world. But we can have more confidence in a system in which each decision is related to the career of the decision-maker. There is some answerability, some sense of money value before action is taken. Industry can't talk its way out of red ink, but a deficit doesn't worry a government. It simply asks for a deficiency appropriation.

Governments are spenders. Businesses are creators. For the sake of the average man (who is both consumer and tax-payer) we need more business advice to government, and less government interference in business. There is currently a grave imbalance.

Business is the consumer's friend and the executive branch of government is the taxpayer's bane. This is because business must economize to make a profit, and to remain solvent. Government must spend if it expects to get more next year. However watchful we lawmakers may be, the bureaucrats will squirrel away this year's money in purchases, payroll or consulting services to assure enlargement of their empire. A government agency hates left-over surplus like nature abhors a vacuum.

The fourth misconception:

(4) We do not need to produce now, all we need to do is to divide it differently.

This is the greatest heresy.

It would seem fundamental that if you want a bigger share of the pie, the obvious solution is to bake a bigger pie.

There was a time when the public agreed. In 1948, for example, 43% of the people who had an opinion on the matter said we should produce more if we wanted to raise the standard of living. Only 27% thought it more practical to seek more out of existing production.

The latest poll shows a complete reversal of viewpoint. Almost twice as many say, in effect: Divide the pie differently. Only half as many say: Bake a bigger pie.

IS IT SERIOUS?

If you agree with me that the system of competitive enterprise is a good one—that profits are essential—that overfixing is dangerous—and that more production is the only way to raise our standard of living even further—

If you believe the Public Opinion figures on the changing beliefs—

You still may ask: Is it serious?

Barry Goldwater, who spoke to the Society here several years ago, is now warning that anti-business legislation is a "clear and present danger" to the enterprise system. I'll take his word for it. He is in a unique position to know how Congress would react when the public holds such misconceptions. Our economy could be shackled quickly in such a climate.

Why have competitive enterprises and profits so few friends? Even though both sides of society—profit seeking and non-profit—depend upon profits, the non-profit element seems almost hostile. Why? Is it envy? Ignorance? Fuzzy thinking? Subversive efforts?

Whatever it is, we need some Paul Reveres to warn of this vandalism in the sphere of ideas. The time is late. The need is urgent.

IS THE NONPROFIT AREA EFFICIENT?

In any contrast of business and the nonprofit sector of the economy, there are several other worries.

One is: Are we getting our money's worth out of public spending?

The other: Is the nonprofit side of the economy using unreasonable amounts of the gross national product, all of which is produced by the profit side of the economy.

In state government, we spend over half the general fund for education. We are proud of our schools and colleges but the consistently declining Standard Achievement Test scores compel us to ask: Are we getting what we are paying for? Remember it is the educators themselves who developed these measures of testing. We are entitled to their explanation.

The next biggest lump expense is welfare. When the federal government sampling shows that 24% of the people in Pennsylvania on public assistance are *overpaid* through loose administration and 16% are completely *ineligible*—they should not be on the rolls at all—we are entitled to wonder what could be saved if it was operated by business standards—where the difference between profit and loss can be less than 5%.

As for general government expense—the growing army of clerks, inspectors, typists, and others—we see Parkinson's law in operation: that declining efficiency seems to parallel an increase in payroll.

We recall Pope John's answer when someone asked, "How many people work in the Vatican?" He replied, "About half."

Yet the non-profit side is annually taking a bigger slice of our total output, and we ask ourselves how long this trend can continue. Killing geese that lay golden eggs is unwise. The vandal who is upsetting the balance between the profit and the nonprofit areas is endangering both.

A paradox of these times is this: Even though the government performs its own primary duties poorly, each new social ill brings a cry for some new form of government meddling.

"Throwing money at a problem" is eternal futility. It creates career people with a vested interest in keeping the problem unsolved. The late H. L. Mencken said: "For every problem there is a solution; simple, neat, and wrong." When the solutions depend predominantly on the government, I agree.

TRADITIONS ARE VANDALIZED TOO

The vandalism extends to the traditions of America—patriotism, religion, home and family—pillars of our land from 1776. Yes—even back to 1620.

Even in the past four years, polls by Daniel Yankelovich show that young people place less and less importance on personal morality, religion, patriotism and hard work. Worse still, it is the *college* students who place an even lower value on them than the average of youth.

The vandals of the media are part of this problem. On July 4, 1971, while Vietnam was in progress, I listened to the NBC evening newscast over WGAL. One might have expected some story of valor or sacrifice; something to lift one's heart in praise of America's soldiers. Something that recalled: "I regret that I have but one life to give" or "Surrender? We have not yet begun to fight."

Not a word. The first two news items were counterpatriotic. One concerned disciplinary trouble in a Marine Boot camp, and the other was an oblique reflection on army brass. They were the sort which an enemy of the United States would have wanted as a psychological undercut at the home morale.

Even the courts have become a party to reversal of tradition: The flag salute cases. The school prayer cases.

You might assert that individual rights deserve to be protected, and what choice do the courts have but to determine them?

This is arguable. Dean Erwin Griswold, Solicitor-General under President Johnson and then under President Nixon, felt the school prayer case would have been better left undecided. Just because an atheist wanted to litigate the matter is no reason why the nine black-robed justices of the Earl Warren court had to render an opinion. They could simply have denied a hearing and that would have been that. No confusion in a hundred thousand schoolrooms. Just a morning prayer.

Let us recall that our nation was founded by those who believed devoutly in God, in worship, and in prayer.

It is worth remembering that 48 of the 50 states refer to a deity in their constitutions. That the Pilgrims, on landing, wrote a compact which began: "In the name of God, Amen". . . . Our coins have historically borne the legend "In God we Trust." Our Congress and legislatures open daily with prayer. Even our Courts convene after hearing the words: "God Save the Commonwealth, and this honorable court." Yet now, no school prayer.

Matters of deep conviction are rarely aided by narrow inspection. Submit a sentimental appeal to logic and its red, white and blue turn to gray. It is like putting Miss America, with all her glamour, back of an x-ray machine. It is still the same person, but reduced to medical terms, the charm has been lost.

So it is with these values which you, here in Donegal church, hold dear.

Campus vandals and Media vandals, with the bemused help of innocents, will extinguish sparks of inspiration wherever they turn up. And be quite arrogant about it, too. When the head of NBC was asked about the two July 4 news items I mentioned, his reply, in effect, was: "We don't make the news; we just tell it." Wrong. As David Brinkley said on another occasion: "The news is what we say it is."

There is a group of ideological vandals who deserve to be separately identified: The Schools of Social Work. They would chip away at the "Work ethic."

For example, in the 1960's it was Professors Piven and Cloward who urged people to apply for welfare and swamp the public assistance rolls. This school of thought advised against doing what was called "menial work", ignoring the time-honored American concept that any necessary work is honorable and deserves better than to be described in derogatory terms.

When the cost mounted, the solution was to spend more. In other words: to solve the problem of the burning haystack, pour on more hay.

WHAT WE CAN DO

What can we do about all this?

Tell your colleges you want a stop to disruptive factions. An inquiring approach to life, yes. A tearing-down of what has been built up, no. Put a comment with your alumni contribution. Let the college president answer.

Tell your social welfare-minded friends to be realistic about their views. Tell your United Fund you want the needy cared for, but you want no funds spent to invite dependency.

Tell your public officials you want economy, efficiency, a tight budget, less regulations, and a freer economy.

Tell your TV and radio stations you want them to speak up in their status as affiliates and not to let the big networks in New York dominate their policy . . . and your screen.

Perhaps, as a partial remedy, before we send our youth to college to be indoctrinated, we should warn them against the typical academic hothouse plant, Associate Professor Leftwing, all charm and no experience, mostly personality and little substance, and all his adult life on a campus, either as student or instructor.

Encourage students to ask this charmer, if he teaches political science, when he last ran for public office. Or, if he teaches economics, when he last succeeded in the business world in any capacity? Unfair? Well, no more unfair than for him to warp young minds against the very system which paid for the building in which he teaches. It was state taxes or business profits which provided his latest fringe benefits, you may be sure.

Paul Revere we need you again.

Change your slogan to "The vandals are coming", or better, "The vandals are here."

The vandals may be more covert than those who stormed into Rome centuries ago, but they may be more lethal.

They would deride the spark which has produced so much, and preserved our freedoms.

Yet we see an erosion, a sly siphoning off of the qualities which made America.

It behooves us to unmask them, to rebut their false theories, and to put history in true perspective.

It would be supreme irony if—in this age when we are saving the environment and are conscious of ecology—we should fail to preserve fundamental truths and the inspiring traditions which made America.

If we could pierce the veil of eternity and give, in one sentence, to each of our founding fathers a message they would be most interested in hearing about their America, what would we tell them?

I have my own replies. Let me call the roll:

Patrick Henry, Orator: The liberty you championed is now enjoyed by 200 million Americans.

Tom Paine, Pamphleteer: America has a free press in every sense of the concept.

Ben Franklin, Inventor: The energy which you caught on your kite, called electricity, now illuminates nearly all American homes.

James Madison, Federalist: Your thirteen colonies have expanded to 50 states and the federalist system is an enduring reality.

John Marshall, Jurist: The constitution into which you breathed life is still well and has been amended only 26 times in nearly 200 years.

Alexander Hamilton, Economist: Our banking system is thriving, and half the economic activity since the world began has taken place under American auspices.

James Monroe, Statesman: Your doctrine has succeeded; every Latin American nation is free and independent and so are the islands of the Carribean.

Robert Fulton, Steamship developer: Ocean liners a thousand feet long ply the seas and, more amazingly, airliners carrying hundreds of persons fly the skies.

Thomas Jefferson, Farmer and University founder: America's farmers outproduce Russian farmers 4 to 1, and in the field of education, every American child has an opportunity.

Nathan Hale, Hero: A Million Americans have died in the service of this nation, as you did, to save its freedom and the freedom of other lands.

General Lafayette: The help you gave America has been returned in two world wars. France is free and America is free.

George Washington: The nation you fathered is first in strength among the nations, first in generosity among nations, and today is the peacemaker of the world.

Paul Revere: You served America well with your message in 1776; today we should do the same with the central truths of our times.

The time is ripe for a thousand Paul Reveres.

NEW ACT FURTHERS ABILITY TO BETTER REACH GOALS OF ENERGY SUPPLY AND ENVIRONMENT

Mr. RANDOLPH. Mr. President, Presidential approval of the Energy Supply and Environmental Coordination Act of 1974 is welcome news. It means that we can begin to make the first adjustments necessary to accommodate our lives to the achievement of energy self-sufficiency.

This act was developed by the Congress over the past 8 months subsequent to the imposition of the Arab oil embargo. That embargo has now been lifted but the United States must never again see an energy-supply disruption like that which occurred during embargo days. The embargo emphasized that the American people cannot and must not continue to depend on foreign sources of petroleum to compensate for domestic supply-demand deficits. Instead we must move over the long term toward a greater reliance on coal and nuclear electric energy.

The Energy Supply and Environmental Coordination Act of 1974 was never intended to represent the final reconciliation of environmental and energy supply issues. It is, instead, the first congressional action toward establishing a balanced and equitable approach to eventually achieving both energy self-sufficiency and a major degree of environmental quality enhancement. For these goals are mutually desirable and mutually attainable. Moreover, they can be simultaneously achieved without compromising either the economic strength of our Nation or the goals of national environmental policies.

This act permits the conversion to coal of some electrical generating plants now fueled by oil and natural gas. This authority also includes the necessary environmental safeguards to assure that public health is protected by such conversions to coal.

In addition, the act adjusts the timetable for compliance with automobile emission standards. This, too, was done with the knowledge that continued progress will be made in reducing pollution from motor vehicles.

The Energy Supply and Environmental Coordination Act of 1974 is not the final answer to either energy or environmental problems, but I hope it will stimulate us to continue our efforts to accommodate both fields in our national policies.

We were informed yesterday that the United States last month suffered a balance-of-payments deficit of $776.9 million. A substantial portion of this deficit can be attributed to the high cost of imported oil. This bill provides further impetus to cutting imports of foreign fuels.

Congressional activity in the environmental and energy fields is steadily moving forward. The President, by signing the Energy Supply and Environmental Coordination Act of 1974, enables us to cope with one aspect of the short-term and intermediate-term problems. It is a beginning. In the future we will build on this action in a responsible and effective manner toward increased energy self-sufficiency for the benefit of all the American people.

INFLATION

Mr. GOLDWATER. Mr. President, today's newspaper headlines focus attention on the misbehavior of about two dozen individuals who worked on the campaign to reelect President Nixon.

Tonight's television news will give us more information on the truce in the Middle East.

There may be new developments in the Patty Hearst kidnap case.

All of these items are newsworthy, but they have very little bearing on the future of the Republic or the welfare of its people.

When Abraham Lincoln was running for the office of President of the United States there was one overriding public concern: the extension of slavery into the new territories. And Lincoln, recognizing that this was the all-important issue, devoted all of his attention to that one subject.

Today, every American family, every business enterprise, every professional practice, every man, woman and child in this Nation, stands in deadly peril.

Inflation threatens to destroy all that we Americans hold dear.

We are all familiar with the statement that "the power to tax is the power to destroy." It is equally true that the power to spend—if unwisely exercised—will destroy any nation, reduce its people to privation and want, and prepare the way for the establishment of a dictatorial, all-powerful central authority.

It was inflation in Germany after World War I which destroyed the Republic and led to the rise of Adolf Hitler.

It was inflation in Italy which created Benito Mussolini. And it is the Government's expansion of the money supply which causes inflation.

For almost 50 years wise men in the councils of government and commerce, and in certain of our universities, have warned us—and their warnings have gone unheeded.

Why? Because inflation is the great pretender, because inflation, like a tranquilizing drug, has given us a pleasant sensation of well-being.

Our pay checks are fatter, and we like that.

If we own property, it has increased in value, and we like that.

If we are unemployed, we can turn to the Government for support, and we like that.

If a tornado strikes, we turn to the Government in order to rebuild, and we like that.

When the chicken farmers had to destroy their birds because they constituted a threat to public health the Government covered their losses, and they liked that.

New money dumped into the economic system by deficit financing has helped us to indulge our appetites beyond our ability to pay, and we like that.

But, my friends, the day of reckoning is at hand.

The Federal debt stands at more than $438 billion. The interest cost amounts to more than $24 billion a year.

The Keynesian economists have controlled our national thinking since the election of President Franklin D. Roosevelt.

What does it matter if we go into debt? We owe the money to ourselves, don't we? And all the money is right here, except for the $150 billion or so we have sent overseas since the end of World War II. What is wrong with inflation?

I will tell you what is wrong. Inflation destroys real value.

And, I will tell you what else is wrong. The Congress of the United States, which is and has been dominated by radical-liberals, has continued to appropriate and spend money that we do not have. This is the real fuel under the fires of inflation in this country.

Once the paper currency of the United States was the standard of the world. It was backed by gold and silver. Franklin Roosevelt took us off the gold standard, and his successors have taken the silver out of our coins.

In the 24 years between 1948 and 1972 the American dollar lost 43 percent of its buying power.

In 1945 you could buy grade A sirloin steak for 41 cents a pound. Today it will cost you a dollar and a half a pound.

In 1945 you could buy a pound of weiners for 29 cents. Today a 12-ounce package will cost you 69 cents. In 1945 a Cadillac car cost less than $4,500, with all the extras you could put on it. Today that car will cost you over $9,000.

But wait a minute, GOLDWATER, the defenders of inflation will say, wages have gone up, too. Profits are up—there is more money in circulation. The average per capita income has increased, and so it has, but not equally—not for everybody.

The increase in the paper money supply, printed by the Federal Government, has created a false sense of well-being. Money which is not backed by gold or silver has no intrinsic value, it is merely a convenient medium of exchange.

In Arizona's early days a gutsy pioneer by the name of Charles Poston presided over a colony of miners down along the Santa Cruz River. For convenience, he printed a medium of exchange. Because his employees were mostly illiterate, he identified his tokens with drawings of sheep and cattle and horses, and using these tokens in exchange for goods was more convenient than a pure system of barter.

Productive capacity determines a nation's wealth—not the amount of money in circulation. When the government increases the supply of money by $10 or $20 billion it merely reduces the buying power of the dollar—it robs every holder of dollars of a percentage of that value.

The price of anything we need or use or desire is determined by the amount a willing buyer will pay to a willing seller in exchange for those goods or services or property or whatever. But this is true only in a very limited sense.

The factory worker on the production line in Detroit cannot grow his own grain to make his own bread. His wife cannot spin cotton to make his clothes. Willing or not, he must pay the price the grocer demands for food, pay the price the clothier demands, pay the rent the landlord sets, buy gasoline for his car, hire a doctor to take care of his children, and pay the taxes the government demands.

In February of 1970, President Nixon proposed a budget of $202 billion. He projected spending of $200 billion, and a budget surplus of $1.3 billion.

This year the President is proposing a budget of $310 billion—a proposed increase in 4 years of more than 50 percent.

And where will this money come from? From the Government printing press—through the elaborate manipulations of the Federal Reserve System—we will borrow $20 billion, and perhaps more.

American productivity this year has increased at an annual rate of less than 3 percent.

If we are to control inflation before it destroys the American system, before it reduces all Americans to poverty and dependence, before it creates a crisis which will pave the way for a new dictator, Federal spending must be reduced, and productivity must be increased.

To be sure, there are other factors—union labor contracts with escalation clauses which require wage increases when the cost of living increases. These are self-defeating because when the cost of living increases and then the wages increase the cost of living merely is increased further. But the unions are not to blame. The working people of America are not to blame. They are entitled to a proper place at the table of our abundance.

To be sure, the increased world price of oil imposed by the oil-producing nations has tremendously increased our cost of transportation. But long before the Arabs raised the price of oil we had embraced inflation as a national policy.

Since 1933 the Democrats have controlled the Congress of the United States for all but 4 years, and the single major cause of the inflationary spiral is Federal deficit spending—borrowing money to pay for programs which the Congress believes will please the people.

One of the great beneficiaries of inflation is the Federal tax collector. If a family in 1945 had $6,000 in income, and paid $600 in Federal income tax, and now has a family income of $12,000, he pays at least twice as much in Federal income taxes. The respected economist Henry Hazlitt has said:

> The politicians, and alas, the majority of the rest of us, have kept inflation going because of the false theory that monetary inflation is necessary to secure and maintain full employment. What we have not realized is that once we embark upon this course, the inflation must be accelerated expotentially in order to have the same stimulating effect. The inflation must always exceed expectations whatever they are.

A week or so ago Arthur F. Burns, Chairman of the Federal Reserve System, stated bluntly that:

> Continued high rates of inflation are threatening to bring a significant decline in economic and political freedom for the American people.

He said the increase influence of Government already is undermining private initiative.

> The public nowadays expects the government to maintain properous economic conditions, to limit such declines in employment as may occasionally occur, to ease the burden of job loss through illness or retirement, to sustain the incomes of farmers, homebuilders and so on.

And then Arthur Burns said:

> The growing Federal involvement was largely responsible for the current inflation which could lead to ever more government controls. Federal spending has increased 50 per cent in the past five years.

And Burns said the effect of excessive Federal spending is that wages and prices have become less responsive to the discipline of market forces and inflation has emerged as the most dangerous economic ailment of our time.

George Orwell's "1984" is closer than we think. Let me remind you what Alexis de Tocqueville had to say about the absolute power of goverment. In 1830 he wrote:

> Above this race of men stands an immense and tutelary power, which takes upon itself alone to secure their gratifications and to watch over their fate.

What a perfect description of the welfare paternal state.

De Tocqueville goes on to say:

> That power is absolute, minute, regular, provident and mild. It would be like the authority of a parent if, like that authority, its object was to prepare men for manhood; but it seeks, on the contrary, to keep them in perpetual childhood. It is well content that the people should rejoice, provided they think of nothing but rejoicing. For their happiness such a government willingly labors, but it chooses to be the sole agent and the only arbiter of that happiness. It provides for their security, foresees and supplies their necessities, facilitates their pleasures, directs their industry, regulates the descent of property and subdivides their inheritances—what remains but to spare them all the care of thinking and all the trouble of living?
>
> The will of man is not shattered, but softened, bent and guided; men are seldom forced by it to act, but they are constantly restrained from acting. Such a power does not destroy but it prevents existence. It does not tyrannize, but it compresses, enervates, extinguishes and stupifies a people, until each nation is reduced to be nothing better than a flock of timid and industrious animals, of which the government is the shepherd.

My friends, what is the answer? What is the solution? It is time to pay the piper. Deficit spending must be stopped. Federal expenditures must be reduced. Productivity must be increased before the threatening shortages engulf us. We need a Congress with the courage and the determination and the understanding to act now. There is work to be done.

THE CACHE RIVER PROJECT

Mr. McCLELLAN. Mr. President, a very controversial Corps of Engineers project is the Cache River project in Arkansas.

A great deal of misinformation concerning this Cache River project has been circulated through the national media. Inaccuracies have been so repeatedly published that many interested citizens have been misled into believing them to be correct. To clarify some of this misunderstanding, I ask unanimous consent that an article entitled "Cache River Project To Preserve Woodlands" be inserted in the Record at this point.

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There being no objection, the article was ordered to be printed in the Record, as follows:

Cache River Project To Preserve Woodlands

The most lopsided environmental issue the Commission has had, or probably ever will have, under consideration is the Cache River controversy. It undoubtedly is also the most misunderstood.

On one side is the preservation of 70,000 acres of additional woodlands. On the other side there is no guarantee for the preservation of a single acre of woodlands which would be in addition to those which have already been acquired by the Game and Fish Commission.

There are, of course, other elements of the environment which are in addition to woodlands. But when all the woodlands are gone, virtually all other desirable elements of the natural environment are also gone.

The woodlands serve as the only buffer in the Cache River Basin between damages from increases in siltation and insecticides and other agricultural chemicals and damages from decreases in wildlife habitat; declines in the water table; and deterioration in air, water and scenic quality.

Although originally widely disputed, it is now generally conceded that economic pressures are strong enough to place in jeopardy every remaining acre of privately owned woodlands in the entire Basin, even if the ditch never were completed.

The woodlands that have not been cleared are located on land that is no lower in elevation, or no wetter, than some other previously wooded tracts which have already been cleared and placed in cultivation. The risks to growing crops in the Cache River floodplains are great, but these risks are not sufficiently great to prevent the woodlands from being cleared.

In some places levees have been constructed around some of the wetter land, and pumps have been installed to keep the cropland dry during the crop growing season. Now that the price of soybeans is about double what it was a couple of years ago, additional clearing will be speeded; and leveeing and pumping will be increased.

The Commission, at its July, 1972, meeting, discussed the Cache River Project. At that time there was some feeling that the Commission should join the opponents to the project. Instead, the Commission instructed its Environmental Preservation Division to direct its efforts toward obtaining mitigation which would be in addition to the 30,000 acres of woodlands which had been proposed at that time.

Senator McClellan and Congressman Alexander were joined by all other members of our congressional delegation and, aided by some conservation interests and the Governor, succeeded in obtaining the authorization for the perpetual preservation of 70,000 acres of woodlands in the Cache River Basin. The most significant part of this authorization was the requirement that no less than 20 percent of each future appropriation for the project must go for mitigation until all authorized mitigation is completed.

It is no wonder that the project has become a contested issue. Nor is it any wonder that the project is still so widely misunderstood even though valid objections for opposing it no longer exist.

When the tempo of the opposition was being developed, there were only 30,000 acres of woodlands being offered as mitigation, and there was no assurance that even that amount could be obtained. The ditch had been authorized, but the mitigation had not.

To make things worse, past performance of the Corps of Engineers in actually providing mitigation lands that had been previously authorized was disappointing, to say the least. (The Corps, however, had purchased and made available to conservation interests land in connection with Corps projects and lands in lieu of projects and had provided costly mitigation in supplying trout fishing to compensate for losses in warm water fishing.)

Considerable misunderstanding emerged over the number of acres remaining in the Basin. Even the Corps had failed to realize the rapidity with which woodlands were being destroyed and how little remained.

One state agency, in all sincerity but lacking up to date information, estimated that "about 294,000 acres of woodlands will be subjected to clearing by landowners as a result of the project." With estimates like this coming from responsible public agencies, one can hardly blame some of the emotionally oriented recent devotees to environmental protection for adding a few wild and inflamatory exaggerations to an already muddled situation.

The fact is that the number quoted by the agency (294,000) is almost twice the acres of woodlands remaining. Those remaining

> are systematically being cleared for conversion of the land to row crop production.
>
> Regardless of what has transpired, all should turn out satisfactorily. About as firm assurance as the Congress of the United States can provide has been received that 70,000 acres of woodlands will be preserved.
>
> Both the proponents and opponents to the project can claim a part in getting more mitigation than originally proposed. It would seem that both sides could now join in a concentrated effort to preserve, by all available means, virtually every wooded tract that does remain—and precious little remains.
>
> In addition to patches of woodlands near the river, a considerable portion of what does remain lies in isolated tracts of various sizes located a considerable distance from either Cache River or Bayou DeView.
>
> Even the small isolated wooded patches, which dot the landscape, are worth saving. In fact, they are probably more valuable for the preservation of environmental quality on an acre per acre basis than larger tracts.
>
> Yet the important issue is not whether a tract of woodlands bordering the river is more valuable than one away from the river or whether a small tract is more desirable on an acre per acre basis than a large tract. The important thing is to work to preserve all wooded remnants within the Basin—regardless of size or location.
>
> Although it may be ironic, the only real hope of preserving a substantial part of the remaining woodlands is in connection with the Corps project.
>
> The Commission, therefore, approved sending to the Governor an endorsement of the Cache River Project, as presently authorized, contingent upon approval of six requests for additional mitigation and safeguards for the quality of the environment. (See March Monitor.)

Mr. McCLELLAN. This article appears in a publication of the Arkansas Department of Pollution Control and Ecology and was written by the staff of that department, the Arkansas agency directly responsible for preserving the Arkansas enviromnent.

Mr. President, too often in our complex society, misinformation becomes the basis for decisions affecting large numbers of people. This article reinforces the opinion that I have held for several years that—

> Although it may be ironic, the only real hope of preserving a substantial part of the remaining woodlands (in the Cache River Valley) is in connection with the Corps project.

If the corps project is not executed and implemented with the mitigation features, these woodlands will soon be irrevocably lost.

HEARTBREAK OF THE HARD-OF-HEARING: FLORIDA HAS ITS PROBLEMS TOO

Mr. PERCY. Mr. President, I feel compelled to respond to the remarks last week of my friend and colleague, the distinguished senior Senator from Florida—my native State—concerning problems of the hearing-impaired in this Nation. In his remarks on the floor, June 11, my colleague asserted that questions I have raised about certain practices by some hearing aid dealers throughout the country impugned the reputations of all hearing aid dealers. He said that I have been "damaging" the very persons I want to protect.

Let me say first that nothing could be further from the truth. The majority of hearing aid dealers in this country are honest, faithful servants to the hearing-impaired as I have stated frequently. It is the relative minority, about whom not only have I seen numerous complaints, but Senator GURNEY himself tells of complaints. These grievances concern me and should concern the Federal Government. I might add, that the senior Senator from Florida said that he has seen only a very few complaints from persons with hearing aid problems. Since his own constituents have been writing me in recent days I will append to my remarks today some of their letters.

I have not attacked the hearing aid industry. In my letters to the Food and Drug Administration and to the Federal Trade Commission, asking them to study the many problems brought to their attention, as well as mine, by badly served hearing aid users, my central concern expressed involved hearing aid dealers—not manufacturers. And then only that minority of dealers who ill-serve the hearing-impaired.

I need only call attention to studies made by various organizations which were appended to my remarks on the Senate floor on June 11. These studies clearly indicate what I suggest in my statement: that there are hearing aid dealers in this Nation who are poorly serving those who are hard of hearing, and by so doing are rendering a disservice to the hearing aid dealers of good standing throughout this country.

I invite the attention of the senior Senator from Florida to a letter to the Federal Trade Commission from one of his own constituents in Ocala, Fla., complaining very specifically about a hearing aid dealer in that area of his State. Let me read briefly from this letter. The Senator's constituent writes:

> My own latest experience is as follows: There appeared in a local paper an ad, featuring a new "miracle" hearing aid. I responded to it as all nerve-deaf people are desperate for help in the hope that finally something new had actually developed.
>
> On my visit to their office no mention was made of the "miracle" thing, but upon a hearing test I was told that a certain brand hearing aid would be the one for me, and that the cost would be $595. A demonstration was given me and to my greatest surprise I found untold results. I could hear and understand clearly, from the front, the sides and even from the rear without the slightest help of lip reading. Naturally I was enthusiastic over those results and placed an order for a unit, custom-made according to my hearing chart, and felt sure that now I had the answer I had searched for for years. It would seem logical that a custom-made set should be even better than the mere demonstration set.
>
> But to my further, but sad and deep surprise, when this custom-made set was delivered to me it bore no relationship to the "demonstration" set, in that it brought no results whatever. When the man fitted it to my ear, asked how it was, I could not understand him, I told him that his voice was all over the place and I could not understand a word he was saying. In other words, this set was no better than any. The thing to wonder is why a mere demonstration set could give such amazing results and the custom-made set no results at all. After much action they finally offered me a refund of the purchase price, less $100. I refused that and insisted on a full refund because the value of the thing was zero. One is amazed how a business is allowed to flourish as this one does, without any control or restriction, and without standard business ethics or responsibility. It seems fairly impossible in a country like this, and I felt the impulse to report it and the facts as they are.

In his statement, my colleague suggests my remarks are based on broad generalizations. In fact, there is nothing at all general and everything specific about the complaints that I have reviewed and the criticism that I have made. Let me read, Mr. President, from a letter to me sent by a senior citizen from Fort Myers, Fla. The problem this gentleman points up are as tangible and concrete as problems can be:

> At the age of 81, I found that I was having trouble when attending a luncheon or dinner at a public affair, hearing the conversation from ladies seated on the opposite side of a table. This was partly due to the noise from the conversation in the hall at other tables, from waiters, music, etc.
>
> A test of my hearing during an annual physical examination had shown that my left ear was the cause of the trouble . . . the right ear was much better.
>
> So I went to an office that sells hearing aids, told the manager of my problem. He gave me a test on a machine and told me that I should have a hearing aid for *both* ears. This I didn't think necessary.
>
> He recommended a model that I didn't like, as I wanted one that went into the ear and was scarcely noticeable. So a mold was made for a $30 charge and finally I was fitted to the tune of over $300.
>
> Much to my dismay, I found that all it did was to pick up other noises, when I attended group dinner meetings, and did not serve the purpose for which my purchase had been made.
>
> When I complained, he told me that he now had a "directional model," which shut out other noises. It would cost me $100 more to buy it. As my present aid was fitted for me, it would not be a good trade for him to take it back. He told me that if I wore my present aid for 30 days, I would get accustomed to it. I wore it out of his office and the noise from the high winds and auto traffic nearly drove me crazy.
>
> I have read in a Consumer's report since I made this purchase, that the material in a hearing aid cost less than $20. So someone is making an "Import Profit" as the newspaper report shows. I do not think it is the manufacturer, as the brand I bought was made by a reputable firm in the field of electronics.

These complaints, and many others like them, make it clear that problems with certain hearing aid dealers are occurring far too frequently for me to remain silent any longer.

Nor would it be fair to say that I am the only one interested in the problems of the hearing impaired. In fact, the Federal Trade Commission has filed complaints for misleading advertisements against several hearing aid manufacturers. The Federal Trade Commission has also filed antitrust complaints against some manufacturers for alleged violations of antitrust law.

In addition, and more recently, the Department of Health, Education, and Welfare has focused its attention on the problems of the hearing impaired. An intra-agency task force has been put to work by Assistant HEW Secretary Charles Edwards to come up with a report and recommendations by August 16 concerning these problems for the hearing impaired. The high cost of hearing aids, misdiagnosis of hearing impairment, misrepresentation of what a hearing aid can do, and whether or not medical prescriptions should be required before anyone is sold a hearing aid.

I welcome the substantial Federal attention now being paid to the hearing impaired of this country who may number more than 20 million. I cannot help but believe that the responsible hearing aid dealers and manufacturers in this Nation also welcome any Federal effort to raise the ethics of their industry, thereby improving their reputation.

I know my colleagues will agree with me that a confident, satisfied consumer is the best friend an honest businessman can have.

Mr. President, I ask unanimous consent to print at the end of my statement a number of letters from hearing-impaired Americans from Florida who have written to me in recent days concerning problems they have had with hearing aid dealers and salesmen in the State of Florida. I do not know if the senior Senator from Florida has received any letters direct and I hereby make them available to him so that he may be made aware that in fact there are problems in his State, as in others, including those with licensing laws. I recommend that all Senators who receive such letters forward copies to the FTC and the FDA for their consideration.

I also ask unanimous consent to include at the end of my remarks important excerpts from a letter to me from James Johnson, president of the Zenith Hearing Instrument Corp. in Chicago, confirming many of the problems that I raise and suggesting some very enlightened solutions of his own.

I also ask unanimous consent to print in the RECORD at this time a portion of a study done in 1962 and 1963 by the Department of Health, Education, and Welfare's Public Health Service concerning user satisfaction with hearing aids. I do this principally because the industry has made much of a figure in the report saying that 93 percent of those surveyed were satisfied with their devices. In fact, this is more than a little misleading. The 93 percent who are referred to in the hearing aid industry's proud boast were limited in fact to those interviewed who use an aid constantly. In fact, more than 36 percent of those who used or ever tried to use an aid were dissatisfied and were not then using an aid. That figure—the 36 percent—is also from the Public Health Service data. The report also shows that approximately 58 percent of former hearing aid users stopped wearing their devices because they caused discomfort. I think these facts should be included in the RECORD to correct the mistaken impression that has been left by the industry's literature on this subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ZENITH HEARING
INSTRUMENT CORP.,
Chicago, Ill., June 3, 1974.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: To make your file complete at this time I would like to confirm the critical points and present Zenith's posture relative to these:

COMPETENCY OF THOSE IN THE HEARING AID DELIVERY SYSTEM

The question and concern of the competency of those involved in the practice of fitting and selling hearing aids has long been the subject of specific programs within the industry and a subject of public debate by observers of the industry. Throughout all of these discussions, though, the essential question—what are the educational and training requirements for the proper fitting and selling of hearing aids?—has never been resolved. The roles the hearing aid dealer and the audiologist must perform in the delivery of hearing has been defined by licensing in those states where such legislation has passed (39 states have dealers licensed, 16 have audiologists). The act of licensing of hearing aid dealers has established one basis for competency, the practical level of knowledge to perform the practice of fitting and selling hearing aids based upon the training and experience falling within the framework of the licensing. The hearing aid manufacturers' and dealers' associations have taken the initiative now and have as a joint project the development of a formalized accredited educational program.

Zenith has long recognized the need to provide a structured educational experience to prepare those involved in the practice of fitting and selling hearing aids. In the early 60's we developed with medical concurrence a twenty lesson Programmed Learning Course dealing with the basic requirements. This course is used in at least twelve university programs in audiology. Several lessons were included in the Audiometric Assistants Training Program developed under HEW sponsorship for their Division of Manpower Development (brief description attached). Zenith has expanded its educational program to include a formalized 80 classroom hour course of study. This program was developed through our own initiative to accommodate the minimal needs, as we see them at this time, for entry into the field. We are most encouraged with the response to this program, and particularly the average age of the students, in mid-twenties. In one pilot group of six the average age was just under 22 years.

Of primary concern regarding the question of competency required to perform the practice of fitting and selling hearing aids is that it be recognized that this is still to a great extent an art not a science. It is my personal view that a PH.D. or Master's level education overtrains for the practice of fitting and selling hearing aids.

In conclusion, when the question—"what are the educational and training requirements for proper performance of the practice of fitting and selling hearing aids as defined in the state licensing laws?"—is answered to the satisfaction of medicine, audiology, the industry and appropriate agencies, substantial progress can be made to clear the question of competency.

HEARING AID COSTS

It is, of course, recognized that the manufacturer cannot under the law specify the price which independent hearing aid dealers charge for their product and services. In discussing the pricing practices of the hearing aid field the point should be made that as a consumer product, hearing aids are unique in our commerce in that a significant amount of personal service is attached to the delivery of the product. The services and the product combined constitute what the consumer really pays for, and in this case it is *hearing*. The hearing aid, the tangible product, in the consumer's eyes carries the full burden of the servicing costs.

It is indeed unfortunate that at an early stage in the development of this commerce the pricing was not unbundled, identifying the services performed and their costs, keeping the product cost separately identified. In this way the hearing aid would bear a portion of the total cost of *hearing*. I am attaching a copy of a speech—"Tell It Like It Is"—which I made before the Hearing Aid Association of California in which I state my views of the unbundling pricing philosophy, as well as a critique of other industry conditions. I am convinced that the separation of services and product prices will be accepted and used in the future.

As to the question of the cost of hearing aids, little has been done to establish the value association with regaining one's hearing and ability to communicate. Perhaps the focus on the cost of the hearing aid rather than the delivery of better hearing and its related services has completely distorted the picture.

TRIAL PERIOD FOR HEARING AID

As you are probably aware, Zenith has offered since the mid-'40's a 10-day money-back guarantee as part of its consumer oriented marketing program. At an early stage we recognized that certainly there would be some who could not accommodate amplification. This guarantee satisfied a need for consumer protection, the principle of which only recently was affirmed with FTC regulations requiring mandatory cooling off period for off premise selling.

MEDICAL CLEARANCE

Some of the foregoing comments also relate to the issue of a requirement of medical clearance for the fitting and sale of a hearing aid. Medical attention to any physical problem is highly desirable, but in the practical world with which we must contend medical attention becomes in addition to accessibility a question of priorities, starting with those conditions which are of a life or death nature. At this level the full attention of the most highly trained people is needed, but moving down the scale, resources of the hearing health team must be utilized in the most efficient way. Recognizing this, paramedical personnel are trained to be alert to conditions which must be brought to the attention of the medical experts. The hearing health field has for a number of years effectively utilized all levels of expertise in the field.

Dealing with the practical considerations of availability of hearing health services the American Council of Otolaryngology has provided six conditions under which medical attention should be obtained before any further testing of hearing proceeds. These conditions are included in the hearing aid dealer licensing law in California and are being included in amending action in other licensed states and included in proposals in unlicensed states (a list of these is attached).

At the present time a good portion of those with hearing losses are in an age group who tend to reject medical attention until it's absolutely necessary. To require a visit to a doctor can only delay further important attention to a hearing problem. As you know, the industry has long had the experience of people delaying up to five years the final purchase of a hearing aid after it was recommended by a physician. Positive motivation of the hearing impaired to act on their hearing problem would do much to relieve this area of concern.

RESEARCH IN HEARING

I provided to Stuart Statler the names of researchers presently working in the area of implants which may provide new corrective procedures for those with sensorineural losses at some time in the future. Zenith is supporting some of this important research. As you can appreciate an industry as small as the hearing aid does not of itself have sufficient resources to support basic research in the hearing field. Audiology has enjoyed the benefit of Federal funding for a number of years, particularly for graduate work in advanced degrees. Some of this graduate research has been meaningful—by and large a great portion has been of minimal value. As discussed earlier the proper fitting of hearing aids now depends on subjective testing and trial and error procedures. Research to develop more objective procedures for evaluating *hearing* as it relates to hearing aid fittings would be of great value. This obviously entails developing complete understanding of the function of the entire hearing mechanism and the development of appropriate instrumentation to measure the function.

I do appreciate the opportunity to discuss these important questions with your staff and to review them with you. Please let me know if I can provide additional information.

With warm regards,
Sincerely,
JAMES H. JOHNSON.

[From the National Center for Health Statistics, series 10, No. 35]

CHARACTERISTICS OF PERSONS WITH IMPAIRED HEARINGS—UNITED STATES, JULY 1962 TO JUNE 1963

DEGREE OF SATISFACTION WITH THE AID

The degree of satisfaction with the aid as reported by persons who are presently using a hearing aid is shown in table 13. Former users of a hearing aid were not asked to report the degree of satisfaction with their aid nor were they asked why they had stopped using it. However, it seems reasonable to assume that most of these persons stopped using their aid because it did not give them enough satisfaction. (Inability or failure to provide proper maintenance for the aid could result, ultimately, in dissatisfaction with the aid.) This assumption is supported by data which show that approximately 58 percent of former hearing aid users stopped wearing the aid because it caused discomfort.

Estimates shown in table G clearly indicate that the proportion of hearing aid users who expressed satisfaction with their aids increased as their hearing loss increased and, conversely, dissatisfaction with the aid increased as the ability to hear increased. This relationship of hearing aid satisfaction to hearing ability was the same for both men and women. However, females in general appeared more satisfied with their aids than did males. This is especially true for the two groups with the better hearing ability. The greater satisfaction of females with their hearing aids might reflect their use in less demanding situations, i.e., the external noise at home usually is less than that encountered at a place of business.

TABLE G.—PERCENT DISTRIBUTION OF PERSONS WITH A BINAURAL HEARING LOSS WHO HAVE EVER USED A HEARING AID, BY DEGREE OF SATISFACTION WITH THE AID ACCORDING TO SPEECH COMPREHENSION GROUP AND SEX: UNITED STATES, JULY 1962–JUNE 1963

Sex and degree of satisfaction with aid	Persons who have ever used an aid			
	Total	Cannot hear and understand spoken words	Can hear and understand a few spoken words	Can hear and understand most spoken words
	Percent distribution			
All persons	100.0	100.0	100.0	100.0
Satisfied	61.4	68.2	60.9	55.6
Not satisfied and not using aid	36.6	30.1	38.1	42.1
Unknown	(2.1)	(1.7)	(1.4)	(2.3)
Male	100.0	100.0	100.0	100.0
Satisfied	57.9	67.6	56.0	52.6
Not satisfied and not using aid	40.3	31.0	42.5	46.7
Unknown	(1.8)	(1.4)	(2.2)	(1.1)
Female	100.0	100.0	100.0	100.0
Satisfied	65.1	68.2	65.0	63.6
Not satisfied and not using aid	32.5	29.5	34.4	34.7
Unknown	(2.4)	(2.3)	(.6)	(4.1)

AMOUNT OF USE OF HEARING AID

Respondents who reported that they were currently using their aids were asked to indicate the extent the aids were used at various places or times; i.e., at work, home, school, church, the movies, and while listening to radio and television. The responses to these questions were pooled and classified according to the terms used in table 14—constant, moderate, and negligible.

It may be seen from table 14 that about 57 percent of persons currently using a hearing aid indicated constant use of their device and approximately another 27 percent indicated moderate use, while only about 6 percent indicated a negligible amount of usage. About 11 percent of the hearing aid users did not reply to the question. In the earlier Health Interview Survey data on hearing aids, July 1958–June 1959, 65 percent of the current users of aids used the aid all or most of the time, while 35 percent reported occasional use.

The proportion reporting negligible use of the hearing aid did not differ a great deal by speech comprehension group.

The amount of satisfaction with the hearing aid and the amount of use of the hearing aid are cross-classified in table H. As might be expected, those who reported constant use of the aid also expressed satisfaction with the aid more often than did the less frequent users of an aid. Among those who reported constant use 93 percent reported satisfaction with the aid, compared with 77 percent of the moderate users and 63 percent of the "negligible" users.

TABLE H.—PERCENT DISTRIBUTION OF PERSONS WITH BINAURAL HEARING LOSS CURRENTLY USING A HEARING AID, BY DEGREE OF SATISFACTION ACCORDING TO AMOUNT OF USE: UNITED STATES, JULY 1962–JUNE 1963

Amount of use	Degree of satisfaction			
	Total	Satisfied	Not satisfied	Unknown
	Percent distribution			
All persons	100.0	84.6	12.6	(2.8)
Constant use	100.0	93.0	(6.0)	(1.0)
Moderate use	100.0	76.9	(18.4)	(4.3)
Negligible use	100.0	(62.7)	(35.3)	(2.0)
Unknown	100.0	70.5	(21.1)	(8.4)

GREENWOOD, S.C.,
June 21, 1974.

DEAR SENATOR PERCY: I read your article on controls needed to regulate the hearing aid industry. I also read what Mr. David Smtih, vice president had to say aout your comments, I just felt like writing you and letting you know about my experience with Beltone. One of their salesmen convinced me that they would be able to help me and praised up the quality and especially the service. My home is in Tampa, Florida at present and I am just visiting my son at this address. I bought an aid from them a couple years ago for $477. They gave me a service book and told me that they would check the aid each month for a certain length of time and sign a sheet in the book for every month it was to be checked. Well that book has never been signed to this day.

I finally went out to their office and they told me that the salesman that had sold me the aid wasn't with them any more and they could not stand behind all the promises he made to me. They tested my ear and said my hearing had depreciated 30% since buying the aid. They advised me to have another mould made for the other ear and they would switch it over to the other ear. They charged me another $15.00 for the new mould and never did give me the original mould back. The new salesman said there was a defect in the aid and they sent it back to the factory. When it was returned to the dealer I went out to their office to get it and found out that the dealer that held the franchise had sold the franchise to another dealer.

I tried to use the aid for a while but it finally ended up in a drawer as it was not helping me a bit. They came out with a new set which they said was much better, I went out to investigate and found it to be much higher. I ask him how much they would allow me in trade for the old set which hadn't been used but very little. He said $25.00 was the best they could do, then he told me that I would need a set for each ear. I told him that having been hooked for nearly $500 I certainly would go for another.

Shortly afterwards I read an article in the Readers Digest on hearing aids. They recommended being examined by a doctor that did not sell aids, this I did and he gave me a real good examination and charged me $37.00.

I was planning on going on a vacation and got the aid out thinking that I might possibly run into some one that could help me get some use out of it. To my surprise I saw a piece of the metal inside where the battery goes that was loose. I took it back out to the dealer and he said it would have to go to the factory to be repaired. I got it back in a couple weeks and they charged me $32.40 for repairing it. It was returned to me on April 25th and I came on to my present address. For a couple weeks it seemed to be working better, at least it increased the volume, then it started cutting out on me. I called on the local dealer and he said I would have to return it to the dealer in Tampa and he would send it to the factory, said I shouldn't send it to the factory as that dealer had the file etc. on that particular set.

I used to be a railroad conductor but got injured in a derailment and I have been on total disability since 1947. We moved to Florida where my daughter lives after my wife had her first stroke.

I wrote this to you after I read that Mr. Smith stated that your statements were biased and in many cases inaccurate.

I do not have any of my records with me but I am pretty sure that the figures are all correct, I expect to be at this address until some time in August.

Yours very truly,
Floyd T. Curwiss.

Crystal Beach, Fla.

Hon. Charles H. Percy,
U.S. Senator,
Washington, D.C.

Dear Mr. Percy: I am writing this letter for my dad who is throughly frustrated with the preformance of his hearing aids.

My family recently read about your intentions to investigate hearing aid cost because of yourself being a hearing aid user.

My father has needed a hearing aid for the past 5 years. He purchased a Zenith Economy for $380 which he got fair results for 4 years. During this past year he has purchased two hearing aids, a Lloyd's for $200 and the best Zenith, Royal D, for $400.

This so called expensive Zenith model has been sent back to the company six times within the past 9 months for repair. What is so frustrating is only after a few hours use, the aid stops working and must be returned to the factory. We have the repair notices to back up this statement. Luckily the Zenith is on a year guarantee. After the year is up what will happen? Because of his problems with the Zenith my father was forced to purchase the Lloyd's model.

Being from a middle class family the continuous cost and performance of these hearing aids has placed a tremendous monetary and mental burden on my family.

Thank you for your interest in investigating the hearing aid industry. I hope this letter helps with your work.

Sincerely,
Theodore S. Nykiel.

Florock South, Inc.,
Orlando, Fla., June 10, 1974.

My Dear Senator: I'm not exactly a Percy fan but I think you are on the right track in climbing on to the Hearing Aid people. I won't fault you even if Bell tone is right in claiming you are doing this for political purposes because I think as you do that this cleanup is long overdue.

I have a Bell Tone gimmick that fits in my glasses which cost nearly $400.00 and I'd have had more satisfaction if I'd given the $400.00 to almost any supplicant or even a mendicant. I not only do not hear better but it has been so unsatisfactory that I've stopped buying batteries and ear molds. I was approached by their representative who told me that in order to get maximum effciency I should spend another four hundred dollars which with the experience I've already had would compound my problems and would be money down the drain.

I see that Mr. Pigg (well named) claims that there is no gouging and that Hearing Aid People do not diagnose. Perhaps his definition is different from mine—but when someone poses as an expert in a certain field and gives examinations and recommends treatments I think it is diagnosis.

More power to you and I hope you will get support from the present inept Senate.

Best wishes,
John W. Hastings,
Gainesville, Fla.

The Orange Hearing Aid Center,
Orlando, Fla., June 19, 1974.

Sen. Charles H. Percy,
Washington, D.C.

Dear Senator Percy: You won't remember the writer, but I was Town Auditor of Niles Township, Illinois when John Nimrod was Supervisor. I now reside in Maitland, Florida and own a retail hearing aid office in Orlando, Florida.

I am enclosing for your information copies of a mailing received today from the Florida Hearing Aid Society. I am *not* a member of F.H.A.S. I disagree with their statements and also the release from the National Hearing Aid Society. I have been in the hearing aid industry for over 22 years and I agree completely with your ideas of what is wrong with the industry and the steps that should be taken to correct the problems. I also resent the attacks made against you personally, and against your motives for the action you have taken on behalf of the hearing impaired.

If I can be of any help, please call upon me.

Sincerely,
Emanuel Gitles,
President.

Fort Myers, Fla.,
June 10, 1974.

Senator Charles Percy,
Senate Chambers,
Washington, D.C.

Dear Senator Percy: In today's Fort Myers News Press appears an article to the effect that you plan to crack down on the hearing aid industry, and I wish to state that you are to be congratulated for taking such a step.

At the age of 81, I found that I was having trouble when attending a luncheon or dinner at a public affair, hearing the conversation from ladies seating on the opposite side of a table. This was partly due to the noise from the conversation in the hall at other tables, from waiters, music, etc.

A test of my hearing during an annual physical examination had shown that my left ear was the cause of the trouble . . . the right ear was much better.

So I went to an office that sells hearing aids, told the manager of my problem. He gave me a test on a machine and told me that I should have a hearing aid for both ears. This I didn't think necessary.

He recommended a model that I didn't like, as I wanted one that went into the ear and was scarcely noticed. So a mold was made for a $30 charge and finally was fitted to the tune of over $300.

Much to my dismay, I found that all it did was to pickup other noises, when I attended group dinner meetings, and did not serve the purpose for which my purchase had been made.

When I complained, he told me that he now had a "directional model", which shut out other noises. It would cost me $100 more to buy it. As my present aid was fittted for me, it would not be a good trade for him to take it back. He told me that if I wore my present aid for 30 days, I would get accustomed to it. I wore it out of his office and the noise from the high winds and auto traffic nearly drove me crazy.

I have read in a Consumer's report since I made this purchase, that the material in a hearing aid cost less than $20. So some one is making an "Immoral Profit" as the newspaper report shows. I do not think it is the manufacturer, as the brand I bought was made by a reputable firm in the field of electronics.

The best solution to my problem has been a "hard of hearing" telephone receiver when making phone calls. I did not learn about this until after buying the hearing aid. Of course this use is not the one for which I made the original purchase.

I have met another purchaser who told me that the same dealer tried to sell an aid for each ear, and the buyer like me refused and bought one only. I was in the advertising business for 50 years, and its time we had some "Truth in Advertising" in the Hearing Aid selling.

Sincerely,
Arthur W. Wilson.

New Port Richey, Fla.,
June 10, 1974.

Dear Senator Percy: I think your idea of limiting the sales of hearing aids to prescriptions only is a very good idea.

I have worn a hearing aid ever since they were made, I do believe. The first one I had was a Graybar and I had to carry it. They only have a lifetime of from three to five years and as you know are expensive.

There are many older people who have a hearing loss and would wear one and have a happier life but can't afford one. They are also sold aids that are not strong enough for them and don't find it out until they use them and then they are stuck with a $400 hearing aid that is almost useless.

I also have found an awfully big difference in the price of batteries.

I have often wondered why someone has not investigated the hearing aid industry. I am sure they are overpriced and many people really are taken.

I do hope you get some where with this. It would be nice to have something done for the good of the American people for a change.

Good luck,
Sincerely,
Helen (Mrs. Raymond) M. Thompson.

St. Petersburg, Fla.,
June 18, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: The newspaper clipping which I am enclosing was very interesting to me. I am very pleased that you are coming to the aid of people like myself who are the sad victims of the inefficient, untrained folk who sell us our hearing aids, also, for the outrageous price charged for the instruments. I am nearing my 89th birthday and have worn an aid for the past forty years.

I appreciate your effort in our behalf.

Very sincerely,
May G. Norwood,
May G. (Mrs. William A.) Norwood.

Hotel Gaylord,
Miami Beach, Fla., June 11, 1974.

Senator Charles H. Percy,
Washington, D.C.

I have read with interest a report that appeared in the Miami Herald, June 10, 1974, entitled "Percy Asks Controls on the Hearing Aid Industry."

I agree with you that there is a great gap in the cost of production of hearing aids and the final selling price to the consumer. I believe that the initial production cost is very low (perhaps $100 or even less). It is sold between approximately $275 to $375. I paid $275 for one that I purchased. The volume control ceased to function on it, and it cost me $60 to repair it.

You are to be congratulated on what you are doing. It would be a good idea, if perhaps you could get exact costs—and compare with the selling price. As has been indicated in the news report, it is true that it is very hard on the poorer elderly people. You can buy a large size good television set for the price you must pay for a miniature receiver-amplifier.

Respectfully yours,

Samuel H. Brooks.

Melbourne, Fla.,
June 17, 1974.

Senator Charles Percy,

Dear Sir: I read your article on hearing aids and want to congratulate you for finally bringing it to the peoples attention. I have been wearing a hearing aid for about 15 years, two Bell Tones which held up fairly well. The first one was purchased in Washington for $325.00 and the other purchased here in Melbourne for $359.00. It is about 4 years old and does need some repair work done.

After hearing about the Orange Hearing Aid Center in Orlando I thought I would try their service as they were highly recommended. At the time they looked at the one I was wearing and said there was nothing wrong with it but they could sell me one that would help me hear better with. I, of course, was wearing a Bell Tone. My husband was with me and he said if a new one could improve my hearing to buy it. Well the cost was much to high $659.00 and at the time we could ill afford to pay that much. This is for one ear as they sometimes try to sell you one for both ears and then the cost is higher. It is a Fidelity and after going back and forth for about six months trying to get it in working order I told them I would pay them for their service but I wanted some of my money back. This they refused to do. I have had it for about 27 months and it does need some attention.

I hope something can be done to stop these illegal practices. I have been told there is a tremendous profit.

I might add we were residents of Illinois for over 30 years living on the South side near the Indiana line on Avenue C.

Thank you for your interest in this field.

Yours truly,

Mrs. J. F. Burns.

Miami, Beach, Fla.

Hon. Charles H. Percy.

Dear Sir: I was very much glad to read in the Miami, Herald, about you recommending a good look at the hearing aid industry.

David Smith the Vice President of the Beltone Corp. the nations largest manufactory of hearing aid said that was to stop free enterprise.

Let me tell you about the company. They have two offices in Miami Beach and you cannot get one aid for less than 360 dollars, no matter how I tried I could not buy one for less.

I am an old man in my ninetieth year. I have trouble at hearing and cannot afford to spend that much money.

To my experience the whole industry is closed business. I hope you succeed to open the trade.

Respectfully yours,

Max D. Thorner.

Orlando, Fla.,
June 10, 1974.

Senator Chas. Percy,
Washington, D.C.

Dear Senator: I have just read of your complaint against the hearing aid industry.

I have been wearing a hearing aid for about fifteen years and I agree with you but my idea for correcting the practice is different. I think the hearing aids manufactured abroad should be allowed to enter the market here just like the radios that are made in Japan, etc.

After being mislead for years by the agents, I decided to do a little experiment on my own.

After my experiments proved to me that the hearing aids are not as complicated to manufacture as the little pocket radios that are sold by every drug store along side of radios made by American firms.

I have finally purchased a hearing aid that was made in Japan from a mail order house in this country and I like it better than the four aids that were sold to me by agents of American firms, that cost much higher prices. I can give you a lot more information if you are interested in my ideas.

Yours sincerely,

Harold E. Austin.

Ruskin, Fla.

Senator Chas. Percy.

Your Honor: Three cheers for your stand on the Hearing Aid business. It has cost us over $1,300 in the past five years. We would rather give that to help feed the hungry than be cheated this way. At Montgomery Ward the last aid cost more than the most expensive color T.V. set.

Another case to be taken care of soon is the Postmaster General. He is fattening himself and his American Can cronies while we are paying more all the time for stamps.

If this continues I won't be able to buy stamps to write to you.

Yours truly,

Mrs. Lyndon McNall.

Miami Beach, Fla.,
June 10, 1974.

Hon. Charles Percy,
Washington, D.C.

Honorable Sir: It is about time somebody took up the issue of controls over the Hearing Aid Industry. . . . I am 68 years of age . . . have worn a hearing aid most of my life. . . . I need another . . . but cannot afford the prices asked . . . and you cannot go shopping . . . because it seems that the industry has gotten together . . . and prices are the same all over. As an example of prices . . . today I bought batteries (No. 675) for my aid paying $2.15. I was asked as much as $3.35 for the same batteries. My Social Security does not allow me to splurge, tho' I need an aid. All I do is fix and fix what I have. . . . All aids are alike . . . the public is being fooled.

Yours respectfully,

Herman Baida.

June 10, 1974.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator: I read a news item in The Miami Herald today in re the hearing aid practices to which you referred to as being immoral and disgraceful. I too wear a hearing aid as a result of damage to my nerves while a patient in the University Hospital in Birmingham, Ala., in 1968. The damage was caused by medicine given me and I probably should have filed suit, but did not do so. My hearing is damaged about 65%. I went to Dr. Sherman, Ear Specialist, in Miami in 1969 and he told me my hearing would not improve; and referred me to an Audiologist who has a Ph. D and after an examination which took about an hour, he prescribed a Vicon aid, which I am still wearing.

I moved from Hallandale to Lakeland in 1970 and I went to Marion E. Bassett, Montgomery Ward's Audiologist and asked him to service my aid. He checked it and said something was wrong with it and that he would be glad to send it to Birmingham, Alabama to be repaired. He then proceeded to make an examination of my hearing and suggested that I buy another aid, as a person should have a spare. He sold me an Audiotone aid for about $400; and about two weeks later I went to his office and picked up my Vicon aid. I am constrained to believe that he did not send it anywhere to be repaired.

Mr. Bassett is a smooth operator and I had not had enough experience to cope with his method of operation. Later he admitted that the Vicon is a stronger aid than the Audiotone. I am enclosing one of his adds in today's issue of The Ledger published in Lakeland, which typifies the adds he frequently has published in The Ledger.

I am fully in accord with the reforms you have suggested and they cannot be carried into effect too soon. If I can be of further assistance, you only have to let me know. I shall adopt a policy of watchful waiting and will appreciate your keeping me advised as to how the matter is progressing.

Sincerely,

H. F. Rickerson.

Bradenton, Fla.,
June 11, 1974.

Senator Charles Percy,
Washington, D.C.

Dear Senator: A local paper has an article stating that you are calling for a crackdown on the hearing aid industry. This is long overdue. As a retiree and hearing aid user for many years, I wish to commend you on your stand. I feel that we have been victimized by the industry.

In this age of electronics with cheap transistors, we should not have to pay these excessive charges. I paid 380 dollars for one aid in hearing aid glasses recently.

As this article in the Sarasota Herald-Tribune states, you urged a complete FTC review of the price structure. I wholeheartedly agree.

Sincerely yours,

Elgeretta Lawitzke.

Daytona Beach, Fla., *June 10, 1974.*

Hon. Senator Charles Percy,
Washington, D.C.

Dear Charles: I notice your article this morning in the Daytona Beach Morning Journal. I want to give you high credit for bringing a crackdown on hearing aid firms which I am a victim of since 1971. I bought a Dahlberg hearing aid from an agent in Daytona Beach by the name of Warren Walters who sell them without a prescription for Dahlberg Electronicalic, P.O. Box 549, Minneapolis, Minn. 55440. My problem is I am 83 years old. I hear pretty good but can't understand voices. After I bought the hearing aid from Mr. Walters I went back in two months, he sent it to the factory in Minn. for repairs. It came back and I was still dissatisfied he sent it back the second time. It came back. I still was dissatisfied. He said for $135.00 more he could give me a much better one. I paid $289.00 for the first one. I agreed to give him $100. He agreed. I went for some time with this one and I could not understand voices. Sent this one back to the factory for repairs, I found out I still had the same serial number I first bought. Now he wants to sell me another one called the Mirical hearing aid for $500.00 more and my old one. What can be done with a man like this. He has the name of being a gyp from Detroit. His address is 133 Magnolia Ave., P.O. Box 2295, Daytona Beach, Fla. 32015. Please answer with regards and success.

Yours truly,

Clarence Adams.

Daytona Beach, Fla., *June 15, 1974.*

Senator Charles Percy,
Washington, D.C.

My Dear Senator Percy: Our Daytona Beach News Journal published an article on your interest in "Hearing Aids." I am deeply interested in this subject, since I feel that I was "taken."

I am 82 years old, a widow in fairly good health. My husband had a stroke in 1969 and it was during the time that I was taking care of him, that I noticed that my hearing was failing. I sort of took it that I spent most of my time with him and his speech was slurred. He died in April of 1972. I was busy after his death, but in December of 1972 I did go to an Ear Specialist. He gave me a thorough hearing test but said that he couldn't help me. He suggested that I try taking Niacin 50 MG—one tablet each morning for three months. If this didn't help, I would need a Hearing Aid.

I didn't help so in April of 1973 I contacted two different firms and I bought a Dahlberg from the Daytona Hearing Aid Service. I was to have an aid on each ear and the price was $790. It was nerve loss and I was to even feel better physically. Well, I don't. I do hear better, especially loud noises. I can't hear over the telephone with it, so now I am having the telephone company put an amplifier on the telephone. Mr. Walters did send the hearing aid back and had a gadget put in the left ear piece, but it doesn't work.

He has been fairly good about listening to my complaints, but it is never the fault of the aid, but me. He even told me that I was stupid and I sent the Dahlberg people a letter. Their reply was that Mr. Wynn Walters was the franchise owner for Dahlberg in this area.

I do not drive so each time I go to him for service, I have about $4.00 taxi fare. Then, too, the upkeep of the batteries is an item.

I think that the original price is out of line and I am sure that before long, I will need to replace the entire aid. Now, it is going to pinch to pay for it.

Can't something be done, so citizens can go to a clinic and have this testing done. Also, be able to try the different makes before you make a decision. In both cases as soon as the salesman did the testing, he had the material out to make the ear molds.

I am sorry that Mr. Gurney is challenging you. We have so many old people in Florida on retirement who cannot afford what I ran into.

Thank you for being interested. Maybe Mr. Gurney should turn his attention to who gets these hearing aid licenses.

Sincerely yours.

BARBARA A. MCDOWELL.

JUNE 12, 1974.

SENATOR PERCY: We agree with your statements in the cost of hearing aid instruments. We hope you continue with your investigations. As a user of one for 37 years have always thought the prices out of line for so small an instrument.

Most sincerely,

MARIE C. WILLIAMS.

SARASOTA, FLA., June 16, 1974.

DEAR SIR: I understand you'd like actual information on the shameful overcharge of hearing aids. Of scotch origin, still working at age 76. & happy to be able to.

Several years ago Dr. Snyder had me try out possibly five different aids, in the meantime, I paid $65.00. When mention was made that, it was a problem to adjust the hearing aid from shop to street; to Lowe, or Company. & that at that time I'd forget it. He kept my money. & I got nothing out of it. I was willing perhaps to pay 30.00 but 65.00 was too much. Last year while in the Buffalo area, I took an aid given me. for repairs to the Lassman Hearing Aid at Brisleave Blvd. The repairs 30.00 & well worth it. They had the misfortune to lose the mechanical part a month ago. The same Dr. Snyder will furnish a second hand one for $150.00.

Mr. M. Lassman will furnish one for $50.00. We now have about two thousand members of the memorial burial service. All due to a letter to the editor by me about a misleading practice of the undertaker. My letter was to make the public aware of this, it did.

It was not my purpose to expose the culprit. I'm sure he has suffered in other ways as a result.

Most sincerely,

MARGARET T. WEST.

N. MIAMI BEACH, FLA., *June 10, 1974.*

Hon. C. H. PERCY

DEAR SENATOR: Re your article on HEARING AIDS, ETC.

I also must wear a hearing aid.

The one I wear is made by MAICO—incidentally it bears a notation—"made in Germany."

These manufacturers use the auto mfgr's talk—"This year or any year they tell us wearers that this model is the newest and best etc."

Incidentally the new MAICO new(?) price is $375—plus a trade in allowance on any aid of about $25.00 The net price is higher than my 1975 model color TV—and I'm sure there's more in the TV that needs special attention etc. etc. I called the maker's attention of aids that I was in the hard industry—that included ball bearings that has a plus or minus of .0025 or even less—I reminded my distributors of aid's what Henry Ford did some years ago. He gave the workers a daily wage of $5.00 per day and even cut the sales price of his Model T. Both at that time was ??? My distributor's answer to this that their volume sales are not enough etc. etc. to cut the price.

I suggested to him you can reach many potential customers if the price was within their reach. Would you suggest that I also write F.D.A. and the FTC???

As to fitting hearing aids to the patient, that's tops in carelessness and fitting.

Thanks for your article—maybe it will blow up a real storm!!

Sincerely

ARTHUR HAMERSCHLAG,
A Retired Senior Citizen.

DOVER, FLA., *June 10, 1974.*

SENATOR PERCY: May I add to "call" for control over ads and sales of hearing aids. I too wear one (Maico). I need a change in my aid, as I get a drainage when I wear it too long, but cannot afford one, or, is it worth it? I am 77). However there are many who do not have any help with aids or glasses, I have an ad here, I am sending address of a sales room in L.A., Cal. I want to keep original clipping which I got a year ago, I have written but no reply, but? It isn't any wonder that we shop out of our own country.

Here is the ad and address, Japanese Hearing Aid.

Tashiba your transistor hearing aid, truly an engineering triumph and a value miracle, is now available at only $39.95 with a full year's written guarantee.

Geo. F. Waterman, Roosevelt Bldg., 727 W. 7th Street, (cor. Flower) Los Angeles, Calif. 90017.

Senator Percy, Thank you.

MRS. B. V. HYDEN, Sr.

MIAMI BEACH, FLA., JUNE 11, 1974.

Senator PERCY,
Senate Office Building,
Washington, D.C.

HONORED SIR: Our local paper carried a story in which you recommended that the F.T.C. take some means to regulate the matter of Hearing Aides. I have been one of the elderly who has been victimized by this industry.

David Smith of Beltone claims you are promoting your objections for political gain. However, I do not agree as his firm is one of those which made me a victim. After much trial and may I say error I found out that there was no gain by using an aide as my nerve is dead.

I have in times gone by listened to the idle chatter of their experts but I found out to no avail.

I hope you press for better consumer protection.

Yours very truly,

J. BERT MARX.

MIAMI BEACH, FLA., JUNE 10, 1974.

DEAR SENATOR PERCY: . . . Scarlet Fever at age 12 caused deterioration of eyesight and decreased hearing in my right ear—now no hearing there. Gradually nerve destruction in the left ear has left me deaf to ordinary conversation. Twelve years ago my ear specialist in NYC advised me to get a hearing aid for the left ear (battery behind the ear) I paid over $400 for an Acousticon—a total waste of money! I hear shrieking sounds from the rear and sides and only when there is no other noise do I hear the person directly in front of me, conversing with me. The Ray-O-Vac (6) batteries, 1.5 volts—cost me nearly $3 and altho tested on purchase—are exhausted in 6 hrs. of use.

These probably could retail for $1 or less and they could still make a profit. I honestly believe that testimony (or purchase) in a closed soundproof room is erroneous. There, with no sound interruption one can hear the salesman speak—but outside in our every-day world, we are lost souls. I believe testings, fittings, etc., should be done under everyday surroundings—where the noises we encounter are so real. The set itself costs nowhere near $400 which, I believe, you know. They have us by the throat and we are helpless. Medicare does not cover cost or upkeep, batteries, etc.—so we are again the losers. I hope you will show this letter to Sens. Lawton Chiles & Gurney—and I demand that they support your bill. I commend you for your interest in our behalf. Those who live in a usually silent world.

I desperately need dental care but the 3 estimates I got were $1,800, $1,900, and $2,900. No way I can do it—so I guess they will rot out & I am toothless—10 can be saved I was told. There is no one to turn to. I am alone—all family dead. There are no provisions to help us help ourselves—I have $1,000 (life time) saved up & could apply this to total costs—but they want $100 mo. on balance while completing the job & I don't have $100 a month from my Soc. Sec. & small C.S. pension check from N.Y.C.

ST. PETERSBURG, FLA.

DEAR SENATOR PERCY: I've read the enclosed of Senator Gurney. I find he is at fault. I can prove he is wrong if you check Better Hearing Institute in Wash., D.C., you'll find many complaints. I filed mine after so much money spent on left Temple only at a high price $379. I am a widow on fixed income. This was purchased in 1972, a year guarantee. Well it went back to the factory 8 times & came back nothing wrong. I was annoyed no end so wrote Ralph Nader, got some help thru Better Hearing. After they investigated they told me be patient & in March 1974 I got a new left temple but I now have to pay more for batteries as price gone up 6–$2.40 was 6 for $2.07. Only those who have hearing loss know.

Our Senator Gurney surely would raise hell if they gave poor service, the high prices. He knows nothing of the Hearing Aid tricks for a fast sale. Federal Trade Commission was told my story. They will investigate my story is only one of many. We have plenty people in Florida who disagree with Senator Gurney. Wonder how much the Hearing Aid places donated to his re-election campaign. I'd not give a cent He is not truthful. Well he will not be re-elected as I have many friends who are not satisfied with his past record.

Do not give up as right is on our side. I'm sure you'll win.

With best wishes. God Bless

Sincerely,

MARGARET EICHELE.

My old friend, 82, bought a hearing aid Beltone from a slick salesman behind the ear $386 and she had an acute mastoid too far gone for surgery. An example of crooked deals. Better Hearing has her sotry. Its a crime, shame on Gurney.

Warrington, Fla.,
June 18, 1974.

Senator Charles Percy,
Washington, D.C.

Dear Senator Percy: I am very pleased to read that you want to do something about the high cost of Hearing Aids.

I wore one for over 20 years, or until I had Ear Surgery 12 years ago. I had during the years I wore one spent at least $2,000 for the possibly 4 or 5 I purchased during that time.

I had written during the time I wore one to Sen. and Congressman about the high cost of wearing one, but only got run around answers.

Their excuses as those of the Mfg. Companies who make Hearing Aids was that so much money had to be spent on research and etc.

I could never understand how one could purchase a Radio for under $10.00 and hear voices from far away places, but have to pay several hundred dollars to hear a voice in the same room with you.

Now I don't think one can buy a Hearing Aid under $600.00 but on the same cheap Radio we could hear the Astronauts talking from the moon.

I think it is quite a racket that they have going, and just try and get one repaired, they send a replacement for $50.00 to $100.00 depending or whether you want a 3 mo. guarantee or 6 mos.

Outside of doing away with the clumsiness of a Hearing Aid which at one time required heavy batteries, there just haven't been that much improvement. They have lightened the instrument and use transistors and etc. which they possibly copied from the Radio.

I hope you will continue your crusade and eventually put a curb on these highway robberies.

Most sincerely,
Mrs. Walter E. Johnson.

John Ringling Towers,
Sarasota, Florida, June 11, 1974.

Senator Charles Percy,
Washington, D.C.

Honorable Sir: I was pleased to read in our daily paper (Herald Tribune) that you are calling for a government crackdown on the hearing industry that would limit sales to prescriptions only, and bring an end to this fake industry as it now operates. Last year I found my left ear was not so good. I went to two ear specialists for treatment. All had the same remedy (blow out.) I asked for recommendation for hearing aid. The reply was any of them are good. Will you not make a record for my deficiency? "No" was the answer. They will test your hearing with a machine—detect the ear needing an aid. After paying the specialists altogether $100—I went to a hearing aid set up. Before doing anything I had to deposit $150—half the cost. I did so. Then purchased batteries. The time came to put the aid in the ear and I paid another $175 which included the impression of the ear. Batteries were $2.50—some worked and others were no good. Altogether in one year my hearing aid cost $400. I am a retired high school teacher and my retirement pay must cover my living expenses.

Immediately I condemned the hearing aid dispensaries, ear specialists—all concerned for money not for producing workable aids. My conclusion is the same as yours—doctors who have their degrees in Otolarynology should have thorough testing prescribe the type of hearing aid to write prescription for adequate aid. I am now looking for a good hearing aid some place but everywhere I go they have the same sales talk—why the *high cost?*

Please start investigation of this racket.

Sincerely,
(Miss) Jane Cowell.

Lighthouse Point, Fla., *June 11, 1974.*

Senator Charles H. Percy,
Senate Office Building,
Washington, D.C.

Dear Senator Percy: . . . Having read your article in the Miami Herald under date of June 10, and learning that you, like myself, are a hearing aid patient, I thought you might want to know my position (somewhat similar to your thoughts) on the need for an investigation by the F.T.C.

My main gripe is not the aid industry's claims of "cures" but rather the unconscionable overcharge on the instruments. I was told by a member of the industry that the cost of the parts for my hearing aid was about $27. Assuming another $25 for assembly and perhaps so much as $25 per instrument for research, how can anyone ask $400? I now own six aids and while I get some relief for my slight hearing loss, the industry has a ways to go to make a good aid. My complaint is not the financial burden for me. I can buy one each month and still eat. I do however have friends not so fortunate who find the $400 charge a real burden—in some cases it means a loan, with high interest rates must be paid off.

I took this subject up with Nader and his crowd and they replied it was one they could not handle. I bet you have been swamped with letters on this subject. Hang in there and keep up your efforts to bring this matter to the Government's attention.

Sincerely yours,
Willard T. Kniffin.

June 10, 1974.

Dear Senator Charles Percy: I have enclosed this article from the Herald because I too wear a hearing aid. I am a young attractive woman, in good health & I should like to fight for what you are describing as a "National Scandal" because that is just what it is! These aids are sold to unfortunate people like me & we have to believe what the sellers say because we are handicapped & take their word because we want to hear. I have also a complaint about the batteries which they cheat us with which are "stale" & give us fewer hours than they are supposed to therefore making us purchase new ones before they are supposed to give us better service. As far as David Smith (no relative) (thank God) makes a statement that you have been influenced by consumer protection let him check with me on his Belton service & rising prices. I have a story to tell the Trade Comm. that could blow off the top of their false sales & prices. These instruments help very few people & the unfortunate ones like me are charged enormous prices for an instrument that should be ⅓ of the amount & in that way they take advantage of handicapped people like me. If I had the money I should like to fly to Washington or wherever I could talk to you & help you by telling the Administration & Food & Drug to check these companys also Telex (I have two) to make it easier to help these people. Some-one like you & me can do it.

A test by an ear specialist should be given & not incompetent layman before a handicapped person purchases an aid. This is a serious matter & should be fought by you. I'll help you if you care to hear my story.

I have a sore forefinger therefore my writing is not good. May I hear from you & help you & by helping you in your work we may help hundreds of handicapped unfortunate people.

Many thanks,
Ann Smith.

Miami, Fla.

Senator Charles H. Percy,
U.S. Senate,
Washington, D.C.:

You, Sir, are to be commended for your efforts toward the ending of the nation-wide hearing-aid scandal.

Someone had tackled this plague earlier, but did anything ever come of it? In untold cases it commences with a small ad inserted in a paper or magazine. In rarely heard of cases it ends when some unsuspecting person is swindled out of a tidy sum of money. I am not one of those persons—thanks to New York's Attorney General, Louis J. Lefkowitz opening a branch in Poukeepsie. I lost only the down payment of $39.00. I am afflicted with a nerve deafness, but after this experience (with this experience) I had many afflictions.

Please go after them Mr. Percy. I learned of their being a bad lot.

Arthur L. Ingraham.

Ocala, Fla., *December 2, 1972*

Federal Trade Commission,
Washington, D.C.

Gentlemen: It has been said that a million hearing aids are sold in a year, that 90% of them to nerve-deaf people, and that 90% of those are resting in bureau drawers and such, because they are worthless so far as any benefit in hearing is concerned, serve only to amplify unintelligle sound, instead of clarifying such sound.

Yet, hearing aids can cost up to $600, if not more, which is as much as a good color television set. Still, the price would be considered relatively secondary if promised results were obtained, but when no benefit at all is achieved, then any price would be too high. Furthermore, if a television set does not perform, the deal can be cancelled. Not so with a hearing aid.

In this business the client has no recourse. If the device is not satisfactory the client is told: "You bought it, You keep it, it's Yours." And I have again been told, with defiance, to "see an attorney."

It seems that the hearing aid business is strictly a sellers' market, and the superficial reason, at least, is understandable, because unlike with the born deaf, the nerve-deaf person has known perfect hearing in his past, but has lost it, therefore he is willing to, and eager to pay good money to regain it, without which life is very incomplete. He begs for help and is willing to pay for it. The hearing aid people hold out that hope for him, and quite naturally the person is a very easy prospect.

After delivery, according to my extensive experience, rejects any further responsibility, except very superficially. Moreover, for his "protection" the full purchase price must be paid before delivery. From there on the buyer is left deserted, according to my experience, and, that of other people I know. It seems that the hearing aid business is the only one, next to the undertakers' business, where the customer is considered surely dead after having been processed.

My own latest experience is as follows: There appeared in a local paper an ad, featuring a new "miracle" hearing aid. I responded to it, as all nerve deaf people are desperate for help, in the hope that finally something new had actually been developed.

On my visit to their office no mention was made of the "miracle" thing, but upon a hearing test I was told that a certain brand hearing aid would be the one for me, and that the cost would be $595. A demonstration was given me, and to my greatest surprise I found untold results. I could hear and understand clearly, from the front, the sides and even from the rear without the slightest help of lip reading.

Naturally I was enthusiastic over those results and placed an order for a unit, custom-made according to my hearing chart, and felt sure that now I had the answer I had searched for for years. It would seem logical that a custom-made set should be even better than the mere demonstration set.

But to my further, but sad and deep surprise, when this custom-made set was delivered to me it bore no relationship to the "demonstration" set, in that it brought no results whatever. When the man fitted it to my ear and asked how it was, I could not understand him, I told him that his voice was all over the place and that I could not understand a word he was saying. In other words, this set was no better than any. The thing to wonder is why a mere demonstration set could give such amazing results and the custom-made set no results at all.

After much action they finally offered me a refund of the purchase price, less $100. I refused that and insisted on full refund, because the value of the thing was zero.

One is amazed how a business is allowed to flourish as this one does, without any control or restrictions and without standard business ethics or responsibility. It seems fairly impossible in a country like this, and I felt the impulse to report it and the facts as they are.

Very respectfully yours,

——— ———.

THE ROLE OF THE FEDERAL COURTS

Mr. McCLELLAN. Mr. President, on a number of occasions heretofore, I have commented on and expressed deep apprehension about the imbalance that has developed in our system of government, and particularly with respect to the encroachments of the Federal courts upon the constitutional and legislative functions of the Congress.

I have frequently expressed deep concern about the Supreme Court's repeated strained interpretations of the Constitution so as to accommodate alleged protective rights of the criminal to the detriment and impaired security of society.

I have observed with growing anxiety too many Court decisions setting aside State laws, both civil and criminal—decisions thwarting the will of duly elected State legislators and of the people they represent by substituting and imposing the Court's legislative ideas in lieu thereof.

To partially illustrate:

We have seen the Federal courts redistrict our States;

We have seen the will of the majority of the people count for naught, as forced busing of schoolchildren was mandated by the Court; and

We have watched fearfully—with alarm—as convicted criminals in large numbers have been released by the courts—released not because of their innocence but because of some alleged technicality, often minor or contrived, in connection with their arrest, their trial and conviction, and in the sentencing process.

In the last dozen or so years, the Supreme Court has radically changed the rules of criminal evidence in our country. Some of the key cases beneficial to the criminal and detrimental to society were the Mallory decision of 1964, confessions; the Escobedo decision of 1964, confessions; the Massiah decision of 1964, incriminating statements; the Miranda decision of 1966, confessions; the Wade decision in 1967, police lineup identifications; the Witherspoon decision in 1968, capital punishment; and the Furman decision of 1972, capital punishment.

The late Justce Hugo L. Black in his lectures on "The Role of the Courts in our Constitutional System" in 1968 made some pertinent observations, saying—

> . . . there is a tendency now among some to look to the judiciary to make all the major policy decisions of our society under the guise of determining constitutionality. The belief is that the Supreme Court will reach a faster and more desirable resolution of our problems than the Legislative or Executive branches of the government. . . . I would much prefer to put my faith in the people and their elected representatives to choose the proper policies for our government to follow, leaving to the courts questions of constitutional interpretation and enforcement. . . .
>
> Most of the framers (of the Constitution) believed in popular government by the people themselves. Like Jefferson they were not willing to trust lifetime judges with omnipotent powers over governmental policies. They were familiar with the lessons of history and they knew that the people's liberty was safest with the people themselves or their elected representatives. . . . [Hugo L. Black, Carpentier Lectures, Columbia University Law School, Mar. 20, 21, and 23, 1968]

Mr. President, I have read with interest an article in the May 1974 Texas Bar Journal entitled "The Dictatorship of Federal Courts" written by the Honorable Ed Gossett, formerly a Member of Congress and presently a judge of Criminal District Court No. 5, Dallas County, Tex. Judge Gossett concludes that—

> In the last twenty-five years, our Supreme Court has become a super legislature responsible to no one. It has become a continuing Constitutional Convention without an elected delegate. It has become a dictatorship, unlimited. It has made a shambles of the Constitution.

In discussing the Supreme Court's decision in cases involving the sentence of death, Judge Gossett states—

> In outlawing the death penalty, the Supreme Court has removed the shotgun from over the door of civilization. To abolish the death penalty is an insult to the decency and dignity of man.

Mr. President, I commend Judge Gossett's article to my colleagues and to all who are concerned with restoring and maintaining the proper balance in our three-branch system of government. I ask unanimous consent that this most illuminating and provocative article be printed in the RECORD in its entirety following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Texas Bar Journal, May 1974]

THE DICTATORSHIP OF FEDERAL COURTS

(By Ed Gossett)

The absolute monarchs of the Supreme Court are killing the "glorious American experiment in democracy."

Thomas Jefferson anticipated this catastrophe when saying: "It is a very dangerous doctrine to consider the Judges as the ultimate arbiters of all of our Constitutional questions; it is one which would place us under the despotism of an oligarchy."

We do not question the integrity of any judge. We simply condemn a system and a philosophy that invite the unrestrained dictatorship of the federal courts.

In the last twenty-five years, our Supreme Court has become a super legislature responsible to no one. It has become a continuing Constitutional Convention without an elected delegate. It has become a dictatorship, unlimited. It has made a shambles of the Constitution.

The U.S. Conference of Chief Justices meeting in Pasadena, California, on August 23, 1958, considered the unanimous report of its committee on Federal-State Relationships as affected by judicial decisions (meaning federal court decisions, primarily those of the Supreme Court).

They filed a lengthy and scholarly report affirmatively approved by 36 Chief Justices. They viewed with alarm the usurpation by Federal Courts of powers belonging exclusively to the states. They predicted that if such a trend continued it would destroy the Federal Republic. At its ensuing convention the American Bar Association simply looked the other way. Such trend has continued.

Now we briefly document aforesaid allegations. Let's look first at the civil side of the docket.

Under the authority of Baker v. Carr, Reynolds v. Sims, Gray v. Sanders and other cases, state constitutions, state laws, state courts, and all state political institutions have been at the complete sufferance of federal courts. Federal courts have nullified numerous provisions of state constitutions, held hundreds of laws, both state and federal, to be unconstitutional, and have dictated to all state courts and to all state political organizations.

In 1965 a federal court redistricted Oklahoma and changed the size and composition of both houses of the State Legislature. Just now a federal court is redrawing the congressional districts of the State of Texas, nullifying an act of the State Legislature. All are familiar with the havoc caused by forced school busing imposed by federal courts. The federal courts in fact have usurped much of the authority of every class of elected state official.

We have been in war most of this century to make the world safe for democracy. We have fought some of those wars, i.e., Korea (33,629 killed, 103,284 wounded) and Vietnam (46,000 killed, 304,000 wounded) for the specific purpose of giving those people the right of self-determination and self-government. We have helped to create at least a dozen independent states in Africa on the theory that people have a right to self-determination. Ironically, at frightful expense, we have tried to spread democracy all over the world while destroying it at home. Incongruously, our foreign policy has been anti-colonial while our domestic policy has been colonial.

Incentive, imagination, initiative, individualism, and diversity in all facets of our lives made this country great. Now, thanks in large part to the Supreme Court, we are replacing these things with the stagnation of regimentation.

The most liberal member of the Constitutional Convention must be turning over in his grave at what our Supreme Court, in the last twenty-five years, has done to his Great Charter of Liberty, a charter for the separation and limitations upon governmental powers; his system of checks and balances, so painfully contrived, has been destroyed.

The Federal Judiciary has nullified the Tenth Amendment to the Constitution, which specifically states "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Now to the criminal side of the docket, with which this article is primarily concerned. The Court has stripped society of many of its old, proven, and legitimate defenses against crime. During the first 150 years of our nation's history, state courts were responsible for law enforcement in 90% of intrastate crime; and they did a good job. Now the federal courts have placed state courts in a procedural strait jacket; they have stymied good law enforcement.

Instead of helping to stop the crime floods our federal courts have been shooting holes in the dikes. We enumerate several examples which can be multiplied manyfold. In Mapp v. Ohio (1961) the Court held that evidence obtained by so-called illegal search and seizure cannot be used as evidence in state courts. An example of how this works is the case of Daniel William Grundstrom tried by our court, Criminal District Court No. 5, Dallas County, Texas, Grundstrom, who had numerous prior arrests, two prior convictions for burglary, and one for theft, committed an armed robbery in the City of Dallas. He was seen fleeing from the scene and an alarm was broadcast for his apprehension. He ran a red light and was stopped by a traffic policeman. The policeman had not heard the alarm and did not know of the robbery. When he arrested Grundstrom he found the guns, the money and other loot taken in the robbery occurring a few minutes earlier. Grundstrom was tried and convicted and given 25 years in the Texas Department of Corrections. Later he sued out a writ of habeas corpus in a federal court. The federal court held that since the traffic officer did not know of the robbery he had no right to search the car (had he known of the robbery the search would have been "legal"); therefore, the fruits of the robbery could not be used as evidence. Grundstrom was freed because arrested by the wrong cop. Within a few months he committed another robbery in the City of Midland, was tried and convicted and is now back in the Texas Department of Corrections.

Another example of the federal courts' imposing a flimsy technicality on a state court and freeing an habitual criminal, is the case of Alvin Darrell Slaton, tried in our court. This man, with a long criminal record, was tried in 1966 for the possession of narcotics and given a 40-year sentence. In 1971, he filed a writ of habeas corpus in the federal court alleging that he had been tried in his jail uniform against his will. The federal court ordered our court to release such prisoner because he was deemed to have been prejudiced by having on a jail uniform during his trial. Within a few months after his release, he shot a man five times in the head and was again caught with a large amount of narcotics.

In *Gideon* v. *Wainwright* (1963) the Supreme Court held that the state must provide free counsel for felony defendants at all stages of prosecution. As a result of this and other cases, thousands of convicts have been turned out of penitentiaries all over the United States, not because they were innocent, but on the ground that they had not been represented by counsel when they entered their pleas of guilty to various crimes, or that they had been inadequately represented by counsel, or other procedural technicalities.

In *North Carolina* v. *Pierce* (1969), a federal court held that a defendant, once convicted in a state court and given "X" number of years, cannot thereafter be given any greater penalty if his case is reversed on appeal. These and other rulings have led to thousands of frivolous appeals by defendants, since they have nothing to lose by appealing; also, many can now serve their sentence in county jails rather than in the state penitentiaries. This further overloads jails and court dockets. Largely because of technicalities imposed on state courts by federal courts, it takes four to five times as long to dispose of a criminal case in America as it does in England.

Another Dallas County, Texas, case in point is that of Edward MacKenna (1957). MacKenna, who had seven prior felony convictions, was found guilty of felony theft and sentenced to eight years in the penitentiary. His case was unanimously affirmed by the Appellate Court. After serving four years MacKenna was freed by a federal court (the Fifth Circuit). The Court said the State had denied said defendant "due process" because the trial judge had refused defendant a continuance (not shown to be harmful) and had wrongfully appointed an attorney to assist him, whereas defendant wanted to represent himself without assistance.

This case is notable primarily because of two dissenting opinions by two able and distinguished judges, i.e., the late Justice Hutcheson and the late Justice Cameron. Justice Hutcheson condemned "the flood of activist federal decisions" and said of the MacKenna case: "It is another of the growing number of cases in which federal appellate courts, asserting a kind of moral and legal superiority in respect to provisions made by state legislatures regarding criminal trials and the proceedings in state courts in respect of such trials, which they do not have, seek to exercise a suzerainty and hegemony over them which, under the Constitution, they do not now have, and, if we are to continue to hold to our federal system, they cannot in law and fact exercise." The judge, with irrefutable logic, states emphatically that "if such decisions continue to be the rule, the states and their courts will be indeed reduced to a parlous state, and the federal union will be no more." (To same effect see former Attorney General Elliot L. Richardson's article "Let's Keep It Local," June 1973 issue Reader's Digest.)

Agreeing with Justice Hutcheson, Justice Cameron said: "The majority here looses the long insensate arm of the federal government and impowers it to filch from the hands of the officials of a sovereign state the key to the jail house and to set free one who was duly and legally convicted of violating the laws, not of the nation, but of the State of Texas."

In *Jackson V. State* (1964) in the Federal District Court, Northern District of Texas, Judge Leo Brewster in denying an assault by a federal court upon a state court, said of his activist brethren: "A layman from another country reading these motions would likely get the idea that the real menace to society in the case was not the criminal who was convicted even of a heinous crime, but the trial judge, the prosecuting attorney, the investigating officer, or even the counsel for the defendant, who had labored conscientiously and well for his client, sometimes without pay."

In *Miranda v. Arizona* (1966) the Supreme Court made it extremely difficult to obtain a confession to a crime. All of the warnings you see on the TV crime shows are required by the Miranda decision. In effect, an officer must try to talk a defendant out of a confession before he can accept one. In *Davis v. Mississippi* (1969) the Federal Courts freed a State prisoner because an officer fingerprinted him prior to arrest without his consent; thus, evidence linking him to the rape of an 85-year-old woman could not be used. In *Massiah v. The United States* (1964) the State was forced to release a guilty defendant because incriminating statements were elicited from him in the absence of his counsel. In *U.S. v. Wade* (1967) the Supreme Court held a robber convicted even upon the positive identification of the victim, must go free if such positive identification was in any way bolstered by seeing the defendant in a police line-up to which he had not agreed.

If you have read Truman Capote's excellent book in Cold Blood, you were doubtless horrified when a whole family was exterminated by two ex-convicts. Hardly a day goes by without such atrocious episodes being repeated in some part of the country.

Since 1967 the federal courts have enjoined all executions. In 1968 the Supreme Court in *Witherspoon* v. *Illinois* made it practically impossible to select a jury with enough courage to assess a death penalty. In 1972 came the real coup de grace to effective law enforcement when the Supreme Court in effect abolished the death penalty. Its decision saved from death many confirmed sadistic criminals who were multiple killers for money of innocent victims. Now itinerant human parasites roam the country robbing and killing with little fear of the consequences. It is more than a happenstance that since 1967, major crime in this country has doubled. Rapes, robberies, kidnappings, murders, skyjackings and assassinations have become commonplace daily occurrences. In the last 25 years, due in part to Federal Court mandates, the safety of "our lives, our property and our sacred honor" has been subjected to constant erosion. The effective abolition of the death penalty has further eroded these values immeasurably, and has made our situation intolerable. While most states have rewritten their death penalty laws in an effort to comply with the Supreme Court decisions. it will be many years before any criminal can be executed, if at all and if ever.

Almost daily, the defiled and mutilated body of somebody's wife or daughter is pulled from the bottom of an old well, recovered from some dilapidated shack, or found floating in a muddy stream. The Federal Courts prevent any real punishment of the savage perverts committing these horrendous crimes.

Have we lost our sense of value? Has society lost the right and power to defend itself? Are we no longer capable of righteous indignation? Do we accept all of this horrible debauchery as a way of life?

In outlawing the death penalty, the Supreme Court has removed the shotgun from over the door of civilization. To abolish the death penalty is an insult to the decency and dignity of man. Every intelligent student of history knows that when the Founding Fathers outlawed "cruel and unusual punishment" they were simply outlawing medieval torture methods such as burning, starving, mutilating, or flogging to death.

A sad, indisputable fact of life is that human mad dogs exist, it is not only stupid but is "cruel and unusual punishment" not to execute them. The doctor's knife must be cruel in order to be kind. If the ruptured appendix is not removed, the patient dies.

The death penalty is prescribed in certain cases by all major religions. The Bible, the Talmud, and the Koran all approve of death as a necessary punishment for many crimes. All of history, both sacred and secular, upholds the validity of the death penalty.

Our indictments conclude with the phrase "against the peace and dignity of the State." We have compelled hundreds of thousands of our finest young men to die in combat for the peace and dignity of the State. Is it too much to compel a self-admitted and declared enemy of society to die for the same reason? Why kill the lambs and let the wolves go free?

In their several opinions nullifying the death penalty statutes of the States, the Supreme Court intimates that in some cases the death penalty might be constitutional. In effect, they say, "You plebeians at the State level are incapable of making this decision." They apparently feel that most state officials are either stupid or dishonest.

Before a State can carry out the death penalty, the following State officials, all sworn to uphold the Constitution and to see that justice is done, must approve:

1. The State Legislature that passes the law.
2. The Grand Jury that indicts the defendant.
3. The District Attorney's Office (not sworn to get death penalties but to see that justice is done).
4. Twelve Petit Jurors.
5. The State Trial Judge.

6. The Judges of the Appellate Tribunal.

7. The Board of Pardons and Paroles, or Clemency Authority.

8. The Governor of the State.

Is it reasonable that one appointed Justice of the Supreme Court (as in 5-to-4 decisions) should repudiate the unanimous judgment and authority of thousands of elected State Officials? To plagiarize Shakespeare, upon what meat hath these our Caesars fed, that they have grown so great?

The greatest reason for punishment is deterrence. Normally, people will not do what they are afraid to do; and the one thing of which all men are afraid is death. Death remains the greatest deterrent to aggravated crime.

The public has been harassed by the recent rash of skyjacking. Now we are preparing to spend billions of dollars on so-called sky safety. The death penalty would not stop skyjacking, but it would greatly reduce it. Also, we have the unusual and humiliating experience of spending untold millions for guarding hundreds of candidates for public office from assassinations. The death penalty would not stop this degrading menace but it would greatly reduce it. Economics, morals, even survival, all cry out for the death penalty as we have heretofore known it.

We submit that a failure to execute any of the following (if guilty and sane) is a reflection upon every decent value known to civilization and reduces man to a bestial level.

1. Kidnappers who injure or destroy their victims.

2. Persons like John Gilbert Graham, who in 1955, planted a bomb on a United airplane which killed his mother and 43 other people. (He died in Colorado's gas chamber prior to the gratuitous interference of the Federal Judiciary).

3. Richard Speck, who brutally murdered eight nurses in an orgy of destruction. (Because of the Supreme Court's ruling, his sentences were commuted to Life).

4. Bobby A. Davis, given the death penalty in Los Angeles for killing four Highway Patrolmen. (Voided by the Supreme Court).

5. Charles Manson and his sadistic crew who killed numerous people simply for the fun of it.

6. Lee Harvey Oswald, who assassinated President John Kennedy.

7. Sirhan-Sirhan, who assassinated Robert Kennedy.

8. James Earl Ray, who assassinated Martin Luther King.

9. All assassins, including those who shoot down policemen because they hate cops.

10. Juan Corona, convicted of butchering 25 people.

11. Those who kill or endanger life by planting bombs in public buildings.

Recently tried in our Court was a defendant who shot three women in three separate one-clerk grocery store robberies within a period of ten days. They were literally mutilated while begging for their lives. This defendant told the jailer that these women were killed to remove witnesses. Without the death penalty robbers have every incentive to kill their victims. This robber's death penalty has been commuted to life because of the Supreme Court decisions.

Recently, Walter Cherry, a known addict with a long criminal record who was doing a life term, escaped. Two Dallas Deputy Sheriffs went to arrest him at a motel. He killed one and wounded the other. His death sentence has been commuted because of the Supreme Court decisions.

Recently in Fort Worth an ex-convict with a long criminal record kidnapped two young men and a young woman on a city street. He drove them to a lonely spot in the country, killed both of the young men, raped the young woman and then choked her to death with a broomstick. His death penalty has been commuted to life because of the Supreme Court decisions.

In 1971, Adolfo Gutzman and Leonardo Ramos Lopez, two ex-convicts being investigated for burglary in Dallas County, captured four deputy sheriffs, carried them to the Trinity River bottom, all handcuffed, and killed three of them as they begged for their lives. Because of the Supreme Court decisions their death penalty convictions were reversed. They will live to kill again.

In 1946, Walter Crowder Young was sentenced to death for a brutal rape. In 1947 his sentence was commuted to life. In 1957 he was paroled. A few years later he kidnapped an eight-year-old boy and his eleven-year-old sister. He took them to an abandoned shack, crushed the boy's head with a hatchet, and left him a permanent and hopeless cripple. He then forced the little sister to commit sodomy on him. How many families must a man destroy before he should be executed?

Our cities have become barbarous jungles. We bow our heads in shame when we contemplate that the city of Washington, our Nation's Capital, is perhaps the most crime-ridden big city in the world. In Washington, all of the courts are federal. (It is significant to note that no one has been executed in the City of Washington since 1957.) In 1972 there were 79 bank robberies in the Washington area alone. In Washington, citizens are afraid to walk the streets alone even in the daytime. Many a young woman has gone to Washington to earn her living only to lose her life or be psychologically destroyed at the hands of a rapist-murderer. The rapist-murderer is probably not caught; if caught, probably not convicted; if convicted, probably given a light sentence instead of the death penalty which the crime demands.

Throughout this nation, thousands upon thousands of small businesses have been forced to close their doors because of repeated robberies and the proprietor's fear of death. Thousands of communities have formed vigilante committees in an effort to defend themselves since they cannot rely on their government for protection. Furthermore, in the last 25 years, the employment of security guards by private business has increased a thousandfold.

In the March 1970 issue of Reader's Digest appears an excellent article by Senator John L. McClellan (a great crime investigator and foremost authority in Congress on the subject), entitled "Weak Link in Our War on the Mafia." He cites numerous cases demonstrating how the federal courts have failed in law enforcement. In 1973 there was far more federal anti-crime money spent in Dallas county than ever before; yet, horror-crime increased almost 25%. Federal money flows and horror-crime grows.

While the Federal Courts insist on procedural regularity from others, they are the greatest violators of the same. The Federal Courts should remove the beam from their own eyes before trying to cast the mote from the eyes of the state courts.

We suggest that all the Don Quixotes who are riding their white horses off in all directions in their puny declared wars on crime might well tilt their spears in the direction of the Federal Judiciary.

In 1954 in the case of *Terminello* v. *State*, the Supreme Court nullified an Illinois statute under which Terminello had been convicted for inciting a riot. They held that the law was an invasion of the defendant's right of free speech (another 5-to-4 decision). In a dissenting opinion the late Justice Jackson with prophetic ken stated, "Unless the Court is dissuaded in its doctrinaire logic we are in danger of compounding the Bill of Rights into a suicide pact."

The great English critic Macaulay and the great French critic de Tocqueville both predicted America's self-destruction. (We omit the late Mr. Khrushchev's well known pronouncement on the subject.) De Tocqueville based his prediction primarily on the political power of American judges. For a judge to become a legislator is repugnant to the fundamentals of Anglo-Saxon jurisprudence; yet much of the revolutionary legislation of the last 25 years has come from the Supreme Court.

The Justices of the Court are not little gods. Yet, the monarchs who claimed divine sanction were not so powerful as they. The power controversy now going on between the President and the Congress is a tempest in a teapot when compared to the cyclonic power possessed by the Supreme Court.

Whether good or bad, wise or foolish, right or wrong, no federal judge should have absolute power. It's not a question of whose ox is gored; it's a question of goring the ox to death whose ever ox he is. Such power is repugnant to every principle of democracy and freedom.

Whether it's the Hughes Court blocking Mr. Roosevelt's reforms or the Warren Court destroying the States, the Supreme Court's power must be limited.

ED GOSSETT

Ed Gossett is chairman of the State Bar of Texas Federal Court Study Committee but this article is a statement of personal views and should not be regarded as a report of that committee.

He is judge of Criminal District Court No. 5, Dallas County. As such judge, he has tried over 125 jury, and over 1,000 non-jury felony cases per year, believed to be a national record.

Judge Gossett served two terms as district attorney of the 46th Judicial District. He served 13 years in Congress, representing the Wichita Falls district, and served on the Judiciary Committee. He resigned from Congress Aug. 1, 1951 to become general attorney in Texas for Southwestern Bell Telephone Company, a position he held for 16 years. He went on the bench in February 1968.

PRIVATE PROFITMAKING VOCATIONAL EDUCATION INDUSTRY

Mr. BROOKE. Mr. President, on April 4, In inserted in the CONGRESSIONAL RECORD a series of articles from the Boston Globe on the current status and practices of the private profitmaking vocational education industry.

At that time, I said that the questions raised by the Globe series demanded a response from the Congress and the administration for it is largely through the operation of various Federal funding techniques that this industry is supported.

Inadvertently, four of the articles in the series were omitted on April 4. I ask unanimous consent that these articles be printed in the RECORD for the sake of completeness.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Mar. 30, 1974]

INSIDER SAYS BELL & HOWELL USES ITS NAME TO "HUNT" STUDENTS

(Anyone can sell with our leads and our deal. It's the best around and those here for a free ride will soon have an awakening.—Bell & Howell bulletin to a salesman.)

A rare inside view of one of the largest big-name correspondence schools in the country reveals it to be a fast-buck operation with little regard for its students.

A former regional manager of the nation's second largest seller of home-study education—Bell & Howell—claims the school bullies its sales force and gives its students short shrift, with the "annual revenue figure the only thing that counts."

For several months in 1973, Wallace C. Ralston was responsible for overseeing a network of 15 salesmen in New York and New

Jersey and was intimately familiar with the New England district, which brings in "a minimum of $4.3 million a year"—making it one of the top sales areas in the firm.

Ralston rose to the managerial level with Bell & Howell despite a tainted background that the company apparently knew about when it put him at the helm of one of its sales regions.

About three years before he was hired, Ralston was arrested in Saigon carrying the seafaring papers of a dead man. Federal agents were waiting in San Francisco to interrogate him about a stolen stock scheme that involved some underworld figures.

Once a well-to-do insurance executive, Ralston returned home a penniless soldier of fortune.

Ralston eventually turned state's evidence and received suspended sentences for charges of receiving stolen goods. He had been "duped" by the pros, according to himself and the prosecution.

He tried to get back into the job market in 1971. It was not easy. "I tried everything to get work. The only industry open was home study. I hated selling, but I had no choice."

He started as a salesman for the Famous Artist Schools, but within two years held executive positions with the International Correspondence Schools of Bell & Howell.

Ralston was appointed regional manager for Bell & Howell in 1973—about one week after pleading guilty in Suffolk County for his part in the stock case. A company executive confirmed Bell & Howell "cleared" Ralston for employment after his background was checked.

Ralston said Bell & Howell is one the "big three" in the industry with course sales of at least $63 million a year.

Ralston's experiences offer an incisive view of how a big name in the correspondence industry operates.

"The major schools all use a fairly standards sales approach that boils down to this: the prospect is put in a position where he has to convince the school he's qualified and then perhaps he'll be recommended for acceptance. It's a farce. Just about everyone who's willing to buy can qualify," he said.

"Bell & Howell has the added dimension of having a well known name which it uses to the hilt. It tries to disassociate itself from being just another school and make you think it's like dealing with General Motors or something."

Bell & Howell's admitted "bestseller" is a $1595 course known as home entertainment electronics; Ralston calls it the "free TV gimmick" where salesmen seek out former servicemen who are willing to use their GI bill benefits to "buy" a 25-inch color television set that costs Bell & Howell less than $500. It retails for about $650.

Ralston claims the sales force is directed to look for prospects who are on what the trade terms the "mooch list—those veterans who will buy anything as long as the government is paying."

While the Veteran's Administration, by law, allows payment only for vocational courses that can lead to employment or job advancement, the requirement is flouted throughout the industry. One Bell & Howell executive admitted that a substantial number of veterans take the courses as a hobby or "up-dater."

The school's manual exhorts salesmen to develop their own lucrative veteran leads by checking draft boards for recently discharged men and purchase names "at a reasonable price" from local American Legion and Veteran of Foreign War posts.

Ralston's contention that the "free TV" sells the home entertainment electronics course was borne out in an interview with Bell & Howell salesman Joseph Sigwarth of Marshfield.

A Globe reporter, posing as a prospective student, described himself as a veteran who was definitely "not interested in becoming a repairman. I'd just like to get the color TV."

Sigwarth, who is also licensed to sell for one of Bell & Howell's competitors, responded: "I understand."

Q. I don't want to use it for anything. I just want the TV.

A. All right.

Q. You don't think I'll have any trouble with the VA on this? I mean I'm not training for anything.

A. That's no problem. There's lots of people that take training just for personal benefit.

The Bell & Howell name, the prospect's natural desire to appear assertive and the fear of rejection combine into a potent selling tool that earns some salesmen more than $50,000 a year.

The irony is that anyone willing to buy is nearly always accepted. Ralston said immigrants speaking broken English were enrolled in fairly sophisticated electronic courses. One of them, a Filipino living in Somerville, said: "I paid $200 and wanted my money back. I wrote a letter but instead school says I owe more . . . They took advantage of me because I am not from this country. I was in a hurry to learn so I try this."

The Bell & Howell manual states: "Almost invariably, the prospective students who contact us requesting information . . . can qualify for at least one of the programs." Indeed, the TV course, which accounted for eight out of every 10 sales in 1973, requires but an eighth-grade education.

In a signed statement, Ralston disputes the school's claim of excellence. Based on documents or discussions with sales executives, he claims:

Only 12 percent of those who enrolled in Bell & Howell courses actually graduated.

The school division is knowingly lax in licensing salesmen and frequently lets them sell courses during a trial period before paying fees to register them in states, like Massachusetts, that require licensing.

Salesmen are discouraged from having detailed knowledge of course content, but rather are briefed mainly in answering questions that resist a sale.

Some high-powered salesmen use a so-called "bird-dog" network in which persons in technical industries provide names of prospects and receive about $25 per enrollment. This appears to circumvent the licensing requirement in Massachusetts.

Ralston said pressure from the Chicago-based operation for increased productivity and blind acquiescence to company policy was unremitting.

At a meeting of regional managers last year, Ralston said, blank registration forms were distributed to be signed at any point the manager disagreed with announced policy.

Another memorandum, from Stuart Cohen, vice president in charge of sales, ordered salesmen to work through last Labor Day weekend or be cashiered.

The salesmen were directed to sell 20 courses a month—with at least one third from self-developed leads. Failure, it was strongly implied, could result in dismissal.

Such tactics result in a staggering personnel turnover. Cohen admits that at least half of Bell & Howell's sales force change jobs each year, but contended "the rest of the industry has a 100 percent turnover every year."

Cohen, the man in charge of sales output, professed to have no knowledge of specific facts that vitally affect his volume. "That's for student services . . . That's a field question . . . Our accountant would know . . ." He denied all of Ralston's allegations and even claimed that Bell & Howell did not use the negative sell "because there is nothing negative about our product."

Cohen erroneously claimed the Federal Trade Commission (FTC) cleared the operation last year after Bell & Howell made some "minor adjustments." The FTC, according to Consumer Education Division Director Herbert Ressing, is still investigating the company.

While Cohen maintains Bell & Howell takes a highly sophisticated approach with its sales force, he frequently uses banal selling contests as production incentives.

Last May, he offered what amounted to normal traveling expenses for most salesmen as prizes.

"There are three treasure chests buried in your region," he wrote, referring to varying amounts of free gasoline, tires and auto insurance.

"Here's a modern day's buccanneer's bounty that you certainly should dig. . . . Swing your treasure-hunt to E (for enrollments) . . . Good hunting." It was signed Stu "Captain Kidd" Cohen.

George P. Doherty, president of Bell & Howell schools and corporate vice president, was asked for the specific date Cohen declined to provide. Doherty claimed a 45 percent completion rate and a 70 percent job placement rate. (He later said only half the graduates get jobs.)

Asked to document his assertions, Doherty said "I don't know how to document that. I've never been asked to before. . . .

"But let me tell you a couple of things about home study. Most are already employed and they're not high school graduates. . . . The need for placement is not high. Most take the course for an update in the field. . . ."

Ralston has a radically different perspective on the industry. "It's a real whore business. The salesmen and executives more from one similar firm to another like nomads. The salesmen don't know or care about what they are selling and executives only talk about quotas. That's education?"

Ralston has now "burned his bridges" in a business he claims "sells education like vacuum cleaners to people who can't use it and can't afford it."

At 48, he's taking courses at a state college and hopes to become a social worker. "There's got to be something better than I've known," he said.

TAKE YOUR TIME BEFORE YOU SIGN

Prospective vocational students can protect themselves from bitter experiences by taking a few precautions in selecting a school. Here are some guidelines to follow:

Consider public vocational schools in your field. You can get names from the state Education Department.

Shop around for a school. Don't sign up with the first school salesman who comes to your door.

Be wary of salesmen who are paid by commission. Some will say anything to get you to enroll.

Beware of these sales tricks: binding contracts disguised as "enrollment applications," rosy pictures of employment opportunities and pressure to convince the school "you are good enough for us to accept."

Demand written and signed evidence of completion and placement figures from any school you are seriously interested in. Keep a signed copy—it could help you prove misrepresentation, if need be.

Visit the school, sit in class, talk to your future teacher, and some current students.

Demand names and phone numbers of some recent graduates in your field and some dropouts, and call a few of them for their opinions of the school.

Look in the Yellow Pages for names of employers in your field and call a few for their opinions of the school.

Don't be persuaded by the fact that a school has a "placement service." You may find later that means nothing.

Don't be persuaded by the fact a school is "accredited" or "licensed." This often means little.

File any serious complaint about a school with the attorney general's Consumer Protection Division; licensing officials at the State Education Department or (for driving schools) the Registry of Motor Vehicles; the regional office of the Federal Trade Commission; the Better Business Bureau; and any professional group in the field of your school. Prod them to act.

The Things They Will Say to Make a Buck . . .

The Globe Spotlight Team interviewed more than 100 school salesmen or executives during its four-month probe of vocational education.

Their sales chatter is replete with the non-sequiturs and inanities of anxious men determined to sell you something or defend themselves, even if it means resorting to double-talk.

In the interivews that follow, the executives were questioned by The Globe and the salesmen were talking to reporters posing as prospective students.

Douglas Springmann, former director of Career Academy in Boston:

Asked about misrepresentation by his sales force, Springman said, "I'm not the person to talk to on this."

Globe. Who is?

A. William Taylor.

Q. Well, when can we talk to him?

A. You can't. He's no longer with us.

Thomas Fortier, salesman for New England School of Investigation:

"Here's quite a story. Take this name down. Heriberto M. of Dorchester. Now he doesn't have the best background by any stretch of the imagination. He barely speaks English. He had everything wrong going for him, but we got him a job with a detective agency."

(Heriberto, however, turned the job down.)

Robert Burns, Salesman at Career Academy:

Burns. How did you do at school?

A. OK.

Q. Could you have done better?

A. Yes.

Q. Why didn't you? Were you immature? Are you sorry now?

A. Yes.

Q. Are you really sorry? Are you sorry you stopped your education when you did?

A. I think that's established.

Edward Calamese, salesman for ITT Tech's medical assistance course:

"You work as a nurse in the wards. You do all the things a nurse would do at a hospital.

Reporter. I could give shots?

A. Right, sure, yep. This is true. We have rubber arms for that, but you can take blood from each other.

(Medical assistants are prohibited by law from performing such duties at Massachusetts hospital.)

Vito Augusta, former salesman, Andover Transportation Training Center:

Reporter. Can I put down less than $200.

A. No. You got to put the $200 down.

Q. I can't. I don't have enough.

A. First of all, can you give me $100 tonight?

Q. Can I give you $50?

A. Sure.

Arlan Greenberg, New England Tractor-Trailer owner, who claimed his salesmen are on salary and commission.

Globe. How much is the commission?

A. $100 a student.

Q. How much is the salary?

A. $40 a student . . .

Globe. You've been caught speeding a number of times. Can you tell me about that?

A. Oh, that's for sure, and I'll get caught a lot more too . . . My man, I travel better than 60,000 miles a year and I musta got caught a million times. In fact, if there's a radar trap I just pull into it. Ha. Ha . . . I haven't got caught this year yet, knock on wood.

George Zack, salesman for ITT Tech. Boston:

"Now the president of the National Assn. of Trade and Technical Schools (NATTS) is a man named Charles Feistkorn. He also happens to be director of our school, so you can bet your bippy that everything is right down the line (at ITT) . . . I'm an honorable man. I'm a man of integrity. You couldn't have more integrity than have your school director be president of NATTS, which is in Washington, D.C."

(Feistkorn has never been president of NATTS. He is one of 13 directors of the association.)

Attorney General's Office Uses Band-Aid Approach To Abuses

The attorney general's Consumer Protection Division has taken a Band-aid approach to abuses by private vocational schools in Massachusetts when they appear to need radical surgery.

The division is content to get back some money for some fleeced students rather than attack the systemic problems of sales deception and misrepresentation of course quality.

It has taken court action against schools just three times in five years, with two suits filed only after learning of the Globe Spotlight Team investigation of proprietary schools in the state.

In short, the Consumer Protection Division has taken the easy way out while students are routinely being victimized by rapacious salesmen and poor training.

Arnold Epstein, a former state representative and political appointee to the consumer division, is the one man in state government most able to take remedial action. Yet he is passive and apparently unaware of rampant abuses in the field.

In fact, he even tried to dissuade a Globe reporter from doing a story on career training schools, claiming that "basically, we've pretty much cleaned up the industry."

His assertion must be taken on blind faith because Atty. Gen. Robert H. Quinn has personally intervened to close the division's complaint files to The Globe. One of the reasons cited was the schools' right of privacy.

Quinn's action—which flies in the face of a public record law that will go into effect in July and which Quinn emphatically supported—overruled the Consumer Protection Division director, who initially promised full access to the files. Closing of the complaint files means there is no way to monitor the agency's activities and to pinpoint the most troublesome schools.

Earlier, Consumer Division Director Herbert Goodwin told The Globe: "You can see as much as you want. We don't want to hide anything from you. In fact, I think what you're doing is one good way of finding out which schools are screwing their students and which are not."

Goodwin's openness was shortlived.

First Asst. Atty. Gen. Paul Good, miffed at the very thought of outside monitoring of the division's performance, was asked how it could be determined whether the public was being properly protected.

"We'll tell you," he said. "That's how. You don't need the names (of schools and complaining students) to get that. We'll tell you."

Under a law that goes into effect this July, it appears clear that the current view of the Legislature—and one that had the effusive support of Quinn himself—would make most of the records at issue open for public inspection.

In 1973, Quinn, in opposing restrictive amendments to a broadening of public disclosure laws, said, "The Department of the Attorney General is fully in accord with the . . . liberalization of access to records maintained by the commonwealth . . ."

Quinn was "hopeful" the new law "would overcome the reluctance of the Supreme Judicial Court (SJC), as expressed in the past opinions, to fully effectuate the purpose of public record statutes."

Ironically, Quinn's first assistant relied on past SJC interpretations of the existing public record laws as one of the reasons for banning review of the files.

Quinn's penchant for caution and secrecy in some consumer areas rankles the president of the Eastern Massachusetts Better Business Bureau.

Leonard L. Sanders has personally requested Quinn to notify the bureau of any cease-and-desist order filed by his office against schools and other firms "so we can inform the public about deceptive practices of named companies."

Quinn has never complied with the request.

"The consumer protection law is the one way the public has to find out what firms are using unfair and deceptive practices, but unless it gets the information it will remain in the dark," Sanders said.

"For some reason—poor performance of the law or just fear of exposing the firms—Quinn doesn't want us informing the public."

While the Consumer Division admittedly may have "bigger fish to fry" than unscrupulous vocational schools, it has given scant attention and manpower to a festering problem.

Epstein is the only investigator who deals with the schools regularly, and he estimates the schools account for less than 10 percent of his time—not even an hour a day.

Epstein, who was appointed to the job because of his unflagging loyalty to Quinn when Quinn was Speaker of the House, was originally hired through an "0–3" temporary employee contract that circumvents Civil Service requirements. He got the job five months after being defeated for re-election from his Brighton district in 1968.

He is now a permanent state employee making $12,740 a year.

Epstein, a registered pharmacist, also owns two drug stores in the Brighton area, which he visits frequently during working hours. He claims he just stops for "five to 10 minutes in the mornings. . . . As a general rule, I don't work at my stores during normal business hours."

One weekday, in midafternoon, The Globe paid him a surprise visit at his Melvin Pharmacy on Commonwealth avenue.

Epstein, who frequently cites lack of manpower in the Consumer Division as a major enforcement problem, was immediately asked if he was taking a day off.

"No, no," he said after a short pause. "One of my fellows is out sick and I'm here on a vacation day."

According to a former member of Quinn's staff, Epstein was absent frequently from a job that almost never required him to leave the office. "Arnie's a good guy and means well," the source said, "but if he was there the equivalent of two full days a week, it was definitely an exceptional week. He came in late, left early—when he came in."

During the interview with The Globe at his drug store, Epstein suddenly spotted a photographer taking his picture and ducked down beside his cash register, hiding from view. Still crouching, he said, "You check. I'm down (at the attorney general's office) for a vacation day. You check."

A copy of his work sheet has no notation listed on the date in question—Dec. 10. It does show, however, that Epstein took five weeks of vacation a little more than a year after he went on the permanent payroll.

It was also revealed that two weekdays Epstein admits he spent working in his store were not reported as days off to the Consumer Protection Division. He said they were compensation time for having worked on two unspecified "skeleton force" days at the State House.

Epstein argues that he is doing a "good job" as an investigator and is comfortable with working out settlements with schools on students refunds and doing little more—even though he admits there are other more serious abuses.

He said schools prefer to deal with the consumer protection division rather than to go to court in a dispute with a student because "they'd rather pay back some money than get the bad publicity of going into open court."

Epstein has an especially good working relationship with a tractor-trailer school that requires a nonrefundable $200 deposit from students.

"Now I don't want you to go slamming that school," he told The Globe. "It might disrupt the relation I have with it. It might mean I won't be able to get kids back their money."

He was unaware that the nonrefundable contract, signed in the student's home, apparently violates state law and that the school may be committing a crime by using it.

Mr. BROOKE. On April 4 I wrote to the Commissioner of Education and the Administrator of the Veterans' Administration bringing the Globe series to their attention and posing certain questions. I ask unanimous consent that those letters be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BROOKE. Mr. President, on April 23 Administrator Donald Johnson of the Veterans' Administration responded in detail to my inquiry. I felt, however, that Mr. Johnson's response did not directly cover the issues raised in my original letter. I, therefore, wrote to him again and received a second reply on May 17. On May 8 I received a reply from Peter P. Muirhead, Acting U.S. Commissioner of Education. I ask unanimous consent that this correspondence, too, be entered in the Record.

In the original Globe series, the recruiting and training practices of the educational subsidiaries of three major corporations were singled out for particular analysis. These companies were MacMillan, Inc., Bell & Howell, and the International Telephone and Telegraph Company, ITT. On April 16 I wrote to the chief executive officers of these companies asking their reactions to the Globe series, a copy of which I included with each letter. On May 1 I received a response from Raymond C. Hagel, chairman of MacMillan, Inc., and on April 19 and 29 and May 3 letters from Donald N. Frey, chairman of the board of Bell & Howell were received. Regrettably, I have yet to hear from ITT. I now ask unanimous consent that this correspondence be inserted in the Record.

In addition to this correspondence, my staff and I have held a series of meetings with individuals from the private and public sector concerned with the tremendous Federal investment in vocational education and the questionable results obtained by that investment.

It seems clear that we are now beginning to understand the dimensions of the problem. It is not simply a veteran's problem, although, it is surely that. It is essentially an educational problem. It is not a problem centered in Massachusetts although the problem certainly exists in Massachusetts. It is a national problem. And it is also a national scandal.

I think it particularly instructive to note that both the Acting Commissioner of Education and the chairman of the board of Bell & Howell suggest that greater participation and oversight by the Federal Government in the activities of the proprietary educational industry would be appropriate and helpful. The entire approach of the Federal Government in monitoring the expenditures of billions of dollars in educational benefits must be reassessed.

It is my belief, Mr. President, that the initial step in this reappraisal should be taken at extensive and exhaustive congressional hearings. Senator Claiborne Pell, chairman of the Subcommittee on Education, Committee on Labor and Public Welfare, has already indicated to me that his committee plans hearings this year, as the Vocational Education Act of 1968 is up for renewal next June.

I know that Senator Pell has already carefully studied the original Boston Globe articles and is aware of the magnitude of the difficulties surrounding the proprietary vocational education industry. I am supplying Senator Pell with original copies of the correspondence I have referred to in my remarks this morning as well as other material I have obtained.

I trust this information will be helpful in formulating productive hearings from which improved vocational and home study educational opportunities will be available to veterans and nonveterans alike so that they may make increased contributions to society.

Exhibit 1

April 4, 1974.

Hon. Donald E. Johnson,
Administrator, Veterans' Administration,
Washington, D.C.

Dear Mr. Administrator: I am bringing to your attention a series of articles that have just been concluded in the Boston Globe, and which I have inserted in the Congressional Record. The situation described demands immediate action and remedy.

Veterans are too often being denied the quality education they are promised by many private profit-making career education schools. In fact, they are being systematically denied that education by organizations that bear what appears to be the seal of approval of the Veterans Administration. This is tragic not only for thousands of hopeful young veterans, but a questionable use, if not waste, of huge expenditures by the Veterans Administration.

I am most anxious to receive your evaluation of the Globe's series, and particularly the role played by the Veterans Administration as described in the seventh installment. Specifically, what monitoring devices do you use, or contemplate using, to ascertain on a continuing basis the quality and capabilities of the schools approved by the Veterans Administration? Do you have sufficient staff to keep an adequate and current evaluation of such schools? What criteria is used, or do you contemplate using, in approving vocational education schools or mail order firms? What statistics can you provide, or do you contemplate providing, concerning the actual number of students enrolled in the types of courses described; what has been the actual completion rate of specific schools and the various categories of schools; what has been the total expenditures by the Veterans Administration in providing vocational education guarantees for veterans and how many veterans are now holding the jobs they were promised as the result of the training received at profit-making vocational education schools or mail order courses?

What positive steps and specific actions have been taken by the Veterans Administration in response to the General Accounting Office report as described in the seventh article in the Globe series?

I hope that you will share with me your specific recommendations about the steps that may be taken to remedy the abuses described in the articles.

I look forward to hearing from you at the earliest possible moment.

Sincerely,

Edward W. Brooke.

April 4, 1974.

Hon. John R. Ottina,
Commissioner, Department of Health, Education, and Welfare, Office of Education,
Washington, D.C.

Dear Mr. Commissioner: I am bringing to your attention a series of articles that have just been concluded in the Boston Globe, and which I have inserted into the Congressional Record. The situation described demands immediate action and remedy.

Young people are being denied the quality education they are promised by the questionable sales techniques of many of the private profit-making career education schools. The situation is further confused and aggravated by the fact that these schools are eligible for federal education student entitlement funds, and this gives the appearance that these schools operate with the sanction of the federal government. While this appearance may be misleading in fact, there can be no doubt that the appearance is being taken as another example of the indifference of government to the plight of citizens.

I am most anxious to receive your evaluation of the Globe's series, and particularly the role of the Office of Education in remedying the situation. Specifically, what monitoring devices can be used on a continuing basis to assure the quality and capability of schools receiving federal funds? Are there adequate statistics available as to the true completion rate and job placement of the schools? Has an analysis been made of the advisability of federal registration of all schools in light of the apparent ineffectiveness of state regulation? What action has been taken to follow through on the report of the General Accounting Office described in the seventh article in the Globe series?

I hope that you will share with me your specific recommendations about the steps that may be taken to remedy the abuses described in the articles.

I look forward to hearing from you at the earliest possible moment.

Sincerely,

Edward W. Brooke.

Veterans' Administration,
Washington, D.C., April 23, 1974.

Hon. Edward W. Brooke,
U.S. Senate,
Washington, D.C.

Dear Senator Brooke: This is in reply to your recent inquiry in connection with the series of articles on vocational schools which recently appeared in the Boston *Globe*.

Under section 1772, title 38, U.S. Code, educational assistance may be authorized to eligible persons only when they are enrolled in a course which has been approved for enrollments under the Veterans' Readjustment Benefits Act of 1966 by the State approving agency for the State in which the educational institution is located. The State approving agencies are responsible for inspecting and supervising schools within the borders of their respective States and for determining those courses which may be approved. They are also responsible for ascertaining whether a school complies at all times with the criteria set forth in the law.

Although the responsibility for approval of courses is vested in the appropriate State approving agencies, it is the responsibility of the Veterans Administration to determine that all of the requirements of the law are met before veterans may receive educational assistance. One of these requirements is that a veteran be enrolled in a bona fide program of education. The term program of education is defined in section 1652(b), title 38, U.S. Code, as any curriculum or any combination of unit courses or subjects pursued at an educational institution which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional or vocational objective. An educational objective is a high school diploma or a college degree. A professional objective is an occupation requiring colege level preparation and licensure. A vocational objective is a job. Therefore, before consideration may be given as to whether or not a course meets the approval criteria of the law, the course must first qualify as a program of education.

In the past, we have depended upon the various State approving agencies to examine the courses for which approval was requested to ensure that the program was a bona fide program of education and met the approval requirements for accredited or non-accredited courses as outlined in sections 1775 and 1776, title 38, U.S. Code, in addition to any requirements of the State approving agency itself. It has become apparent, however, that some vocational courses, both resident and correspondence, whether accredited or not, have not provided training to adequately prepare the student for the purported job objective. Abuses such as those outlined in the Globe articles have concerned us and we have devoted much time and attention to this problem. As a result, we are in the process of issuing detailed directives to our Regional Offices and the State approving agencies to ensure that all vocational courses currently approved and those for which approval may be requested in the future are reviewed to ensure that they are generally accepted as necessary to fulfill requirements for the attainment of a vocational objective. The course must be complete and must provide all of the training needed so that a graduate will be qualified to perform the job for which he has been trained. If a job requires little or no training, a course leading to that job objective is not generally accepted as necessary. In any case, in addition to relying on its own educational expertise, the State approving agency should require that a school demonstrate that its training in fact fulfills the requirements of the vocational objective by furnishing evidence to this effect.

In addition to the continual supervision provided by the State approving agencies, Veterans Administration personnel make periodic compliance survey visits to all schools in which eligible veterans are enrolled. Ordinarily, these surveys are confined to matters which have a bearing on the payment of educational or training assistance allowances to eligible veterans and other persons, such as the accuracy of attendance and training time reporting. Discrepancies noted during these visits are brought to the attention of the appropriate school officials for corrective action and are also reported to the State approving agency where appropriate for any investigative action necessary. We have recently reorganized the compliance survey function and expanded our requirements in connection with these surveys to ensure a more thorough review of the school's activities and job placement results at more frequent intervals. Currently, we have one liaison representative in each Regional Office who is responsible for maintaining liaison with the schools in the State or his area of jurisdiction, reviewing the approvals submitted by the State approving agency, and monitoring and reviewing the compliance surveys conducted by VA personnel.

In Fiscal Year 1973, 314.8 million in educational assistance benefits was expended to eligible persons enrolled in resident vocational schools under the Veterans' Readjustment Benefits Act of 1966. Of this number, students enrolled in proprietary schools received approximately 161.2 million. In fiscal year 1973, 119.7 million in benefits was expended to eligible persons enrolled in correspondence courses under the Act. Of this amount, 119.4 million was paid to persons enrolled in proprietary schools. Although the Veterans Administration does not maintain statistics on the completion rate for persons enrolled in residential vocational courses or the number who subsequently obtain employment in the field for which they were trained, we do have statistics on the completion rate for veterans enrolled in correspondence courses. These figures are included in the Information Bulletin enclosed for your perusal.

The GAO report of March 22, 1972, included the recommendation that the Veterans Administration periodically compile and distribute to its personnel responsible for assisting veterans data on the number of veterans who enrolled in each correspondence course and data on the completion rate. Further, the GAO suggested that the Veterans Administration inform veterans of the advisability of seeking advice and assistance from the Veterans Administration before selecting educational and training programs. These recommendations were subsequently implemented by the publication of the enclosed Information Bulletin which was distributed to all Regional Offices and State approving agencies. In addition, copies were sent to the Department of Defense for distribution to Service Education Officers who consult with servicemen regarding their programs of education.

Public Law 92–540 amended the reimbursement provisions for those eligible persons pursuing a course by correspondence. Effective January 1, 1973, reimbursement is now made for 90 percent of the cost of the course instead of 100 percent. Further, the school is now required to furnish each applicant who intends to pursue a course by correspondence under either Chapter 34 or Chapter 35, title 38, U.S. Code, a full completed copy of the enrollment agreement at the time it is signed. The agreement must include a full disclosure of the obligations of both the institution and the applicant, a clear explanation of the provisions of affirmance, termination, and refund, and the conditions under which payments of allowance are made by the Veterans Administration. The enrollment agreement is not effective unless the eligible person, after the expiration of 10 days following the signing of the agreement, submits a written statement of affirmation to the Veterans Administration with a signed copy to the institution.

The Veterans Administration maintains a qualified professional staff to provide educational and vocational counseling to veterans, servicemen, and dependents. Counseling is mandatory for disabled veterans under the Vocational Rehabilitation program, for certain trainees under the Dependents' Educational Assistance program, and for veterans and servicemen under the G.I. bill who wish to continue training after a previous termination because of academic dismissal or because of a second change of program. We do not currently have the staff to provide educational and vocational counseling to all of those veterans who apply for training at vocational schools; however, we do encourage them to avail themselves of such counseling when necessary.

I appreciate your interest in this matter and wish to assure you that the approval criteria for vocational schools, both resident and correspondence, is being carefully reviewed to ensure that veterans and other eligible persons receive adequate training for their job objective. You will be interested to know that the State Attorney General of Massachusetts has scheduled a meeting with officials of the Veterans Administration, the Federal Trade Commission, the State Department of Education, and the various accrediting agencies in connection with the *Globe* articles, and we are hopeful that this meeting will produce improved procedures on the part of all agencies involved.

Sincerely,

DONALD E. JOHNSON,
Administrator.

APRIL 24, 1974.

Hon. DONALD E. JOHNSON,
Administrator, Veterans' Administration,
Washington, D.C.

DEAR MR. JOHNSON: Thank you for your letter responding to my inquiry concerning the series of articles on vocational schools which appeared recently in the Boston Globe.

While I appreciate your description of the status of veterans benefits for educational assistance, I am primarily interested in learning what positive action the Veterans Administration proposes to remedy the abuses described in the Globe articles. For example, if state licensing and monitoring of vocational schools has not proven adequate, and such appears to be the case, do you advocate amendment of the Veterans Readjustment Benefits Act of 1966 to provide for federal licensing? If not, what steps would you propose to insure adequate supervision for vocational education schools?

It seems implicit in your letter that the Veterans Administration has relied on state supervision and on Information Bulletins as devices to oversee an industry that received over $280 million in veterans benefit payments in Fiscal Year 1973 alone. When one reviews the facts in the Globe series, and adds to them the appallingly low completion percentage rates for many of the approved Home Study Courses listed in your Information Bulletin dated August 10, 1973, it becomes apparent that educational benefits are not being delivered and the expenditure of taxpayers money is not being supervised wisely.

In addition, you state that the "approval criteria for vocational schools, both resident and correspondence, is being carefully reviewed. . . ." Will you please indicate the nature of this review, the anticipated date of its completion, and whether a complete report of the review will be provided Members of Congress.

I again look forward to your early response.

Sincerely,

EDWARD W. BROOKE.

VETERANS' ADMINISTRATION,
Washington, D.C., May 17, 1974.

Hon. EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: We have received your letter of April 24, 1974, regarding proposals to remedy the abuses outlined in the recent Boston *Globe* series, and we appreciate your interest in this matter.

We have been concerned with complaints from veterans regarding vocational courses and have issued directives to our Regional Offices and the State approving agencies in this regard. We have not, however, provided the State approving agencies with specific guidelines concerning course content, quality and, more specifically, employment results of course graduates; instead, we have generally relied on the agencies' educational expertise in this matter.

Sections 1770 through 1774, title 38, U.S. Code, outline the basic functions of the State approving agencies and their relationship to the Veterans Administration, while sections 1775 and 1776 set forth the requirements which must be met before approval of accredited and nonaccredited courses may be granted. We have carefully reviewed the approval criteria and do not feel that an amendment to the Veterans' Readjustment Benefits Act of 1966 providing for Federal licensing is needed if the existing provisions of the law are carefully and responsibly followed.

To this point, we arrange for a meeting of representatives of all of the State approving agencies in Chicago, Illinois, on May 13 and 14. Training sessions, conducted in part by VA staff members, were held in connection with school approvals in general and this matter in particular.

The State approving agencies were informed that before approval is granted, the vocational course must be shown to be necessary for the attainment of a job objective. It must be recognized by government and industry as providing the quality and quantity of training to furnish skills needed to perform the job, and the course must be the usual way to attain such skills. If training for the job is customarily furnished by the employer and little or no weight is given school training for such a job by employers in the industry, such a course does not meet the requirements of section 1652(b), title 38, U.S. Code. If the job requires a license, the course must satisfy all educational requirements for licensure before approval may be granted. The school must demonstrate that a substantial number of the course's graduates over the preceding two years have obtained employment in the specific job for which they were trained. Additionally, the State approving agency must determine that the course is generally accepted as necessary for attainment of the job by prospective employers by asking employers in the field what weight, if any, they would give the course in considering an application for employment. This information must be a part of the approval data submitted to the VA for review before final approval may be granted.

These guidelines will also apply to existing approvals of all vocational courses, both resident and correspondence, and will ensure that only those courses which qualify the student for the job objective will be approved for the enrollment of eligible veterans. We will be pleased to furnish you with a copy of these directives when they are published.

We are transferring our compliance survey function in the Regional Offices from the Adjudication Division to the Veterans Assistance Division and distinguishing it as a separate unit requiring specialized training. We have designed six positions in Central Office for staff members who will travel to Regional Offices on a recurring basis to conduct training sessions with our school survey personnel. We had scheduled approximately 11,000 school compliance surveys nationwide for Fiscal Years 1974 and 1975. This quota has been increased to approximately 13,000 for each of the two fiscal years.

We appreciate your comments regarding the veterans' education program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

OFFICE OF EDUCATION,
Washington, D.C., May 8, 1974.

Hon. EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: This is in further response to your letter of April 4 concerning the *Boston Globe's* series of articles on proprietary schools. In my judgment, the *Boston Globe* has performed a real public service in uncovering unacceptable patterns of recruitment and educational training at certain proprietary residential and correspondence vocational schools in the Boston area.

The functions of the Office of Education with respect to institutions of higher education (including proprietary vocational education schools) must relate to the basic role of the Office in providing assistance, either in the form of categorical institutional assistance or student financial aid. The eligibility of an institution of higher education to participate in such Federal programs is determined on the basis of criteria contained in the statutory definition of such institutions. See 20 U.S.C. 1085, 1088, 1141. With respect to the quality of training offered in an institution or its pattern of recruitment, the Federal statutes appear to contemplate that such controls as are exercised will be exercised by private accrediting agencies or otherwise through the process of accreditation. That is, if an institution is accredited, it is generally eligible for participation in Federal programs, and the accrediting process is normally carried out by private accrediting agencies. The role of the Commissioner of Education is essentially to approve the accrediting agencies rather than to accredit the individual institutions directly. In this connection he is authorized to publish a list of nationally recognized accrediting agencies which he determines to be reliable authorities as to the quality of education or training offered by the institutions to be accredited. Higher Education Act, sections 435, 491, 1201, 20 U.S.C. 1085, 1088, 1141.

A determination of whether an accrediting agency may be included in the list is made on the basis of published criteria against which the activities of the accrediting agencies are judged. The Office of Education has recently developed revised criteria for Nationally Recognized Accrediting Agencies and Associations, which should increase Office flexibility in ascertaining the reliability and responsibility of the nationally recognized accrediting agencies and associations, including those which operate in the private proprietary sector. Enclosed is a copy of the proposed revised Criteria.

As appears from the foregoing discussion, under the prevailing statutory scheme, monitoring with respect to recruitment and educational training policies of proprietary vocational schools is not directly carried out by the Office of Education. Such monitoring is properly a function of nationally recognized accrediting agencies, identified through the listing procedures described above. While the Commissioner possesses some authority with respect to eligibility status, it should be noted that statutory language in the General Education Provisions Act precludes the use of certain education laws, including the Higher Education Act, as a basis for exercising Federal control over curriculum, program of instruction, or administration of educational institutions. 20 U.S.C. 1232a.

Within the parameters of the above-described statutory scheme, it may be possible to enhance the degree to which individual accrediting agencies will exercise an increasing level of monitoring responsibility. This is a matter to which we are giving careful consideration.

In the interest of further strengthening the Federal Government's hand in the matter of education consumer protection, the Office of Education is serving as lead agency in the Federal Interagency Committee on Education's Subcommittee on Educational Consumer Protection. Recently the Federal Interagency Committee has stated its support of the Education Commission of the State's Model State Legislation for approval of Postsecondary Institutions and Authorizations to Grant Degrees. Along with ECS, the Office and other members of the FICE Subcommittee sponsored a National Invitation Conference on Consumer Protection in Postsecondary Education which was held in Denver, Colorado, on March 18–19, 1974. Through the Subcommittee, the Office also worked with the Federal Trade Commission in developing the FTC's recently published consumer education materials relevant to private, proprietary education.

The Office also has entered into a contract with the Brookings Institution and the National Academy of Public Administration Foundation to prepare a report on the function of institutional and eligibility process and on the consequences of this use of accreditation for Federal policy and funding for postsecondary education. The report will review the Federal Government's role in protecting the interests of students against the abuses of unscrupulous schools. We expect publication in June.

As the *Globe's* articles on the vocational education industry effectively highlight, five kinds of educational malpractice have arisen. These are: misleading advertising, indiscriminate recruiting, poor course completion, false job-placement promises, and insufficient tuition refunds. The Office relies upon the resources of Federal and State regulatory bodies, and recognized accrediting agencies to review complaints pertaining to consumer abuses in the proprietary field of education. The actual and potential scope and magnitude of these abuses, however, clearly indicate that additional Federal statutory action is required if educational consumers are to be protected properly. Following are remedial steps which the Congress might consider in revising current eligibility requirements for proprietary schools to participate in Federal financial aid programs:

Requiring a Federal tuition refund policy as a condition of receiving institutional eligibility to participate in specific Federal funding programs, such as the Guaranteed/Insured Student Loan Program, through amendment of existing statutes. Currently, the Office recommends that tuition refunds for all students receiving Federal benefits approximate a general pro-rata model.

Requiring, as a mandatory condition of institutional eligibility, that all salesman be compensated on a salaried (non-commission) basis.

Broadening the scope of section 438(b) of the Higher Education Act of 1965 to enable the Commissioner to recognize State agencies for purposes of monitoring private vocational education. Currently, the scope of the Commissioner's recognition of State agencies is restricted solely to public postsecondary vocational education.

Requiring participating proprietary schools to provide the Office of Education, on a regular basis, with validated information regarding student dropout, course completion, and job placement rates.

Broadening the existing authority of the Commissioner to limit, suspend, and terminate the eligibility of a participating school in the Guaranteed Student Loan Program to encompass other Federal aid programs.

Defining appropriate revisions to current eligibility requirements—revisions relating to protecting students enrolled in proprietary institutions—is a complex matter, involving deeper ramifications than might superficially appear. Throughout our review of this question, these primary issues emerge: (1) broad societal implications, (2) national administrative flexibility, (3) concerns of program administration and practicality and, (4) protecting the interests of the educational consumer. The complex intricacies of these issues are highlighted by the *Globe's* series on private vocational schools.

In further response to the specific queries posed by your letter of April 4, we believe that clear and evident deficiences exist in present monitoring devices used to assure the quality and capability of schools whose students now receive Federal funds. The present statutory system that requires using private nongovernmental agencies for purposes of educational evaluation and setting minimum standards of educational quality, by definition, lacks direct government controls or regulatory authority.

The advisability of establishing a Federal system of controls or of individual school approvals or registrations, is now under review in the Brookings Institution-NAPAF study referred to above. However, we should not lose sight of the fact that careful consideration is required in defining the appropriate Federal role and the extent of direct government intervention that is permissible and compatible with our traditionally independent, diverse, pluralistic and autonomous educational system.

Parenthetically, the reference to the GAO report cited in part seven of the *Globe's* series refers to a study undertaken of the Veterans Administration, and its programs which lies outside the immediate province of this agency.

While the *Globe's articles concentrate on* proprietary schools, there is growing evidence that similar problems exist at nonprofit vocational and collegiate institutions. As the competition for students becomes more acute, it is possible that many of these institutions may adopt similar techniques.

An intensive review is now underway within the Office of Education regarding the abuses cited in the *Globe's* series, and as soon as our staff research is completed, be assured that I will transmit our further findings to you.

Sincerely,

PETER P. MUIRHEAD,
Acting U.S. Commissioner of Education.

MACMILLAN,
May 1, 1974.

Hon. EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: Norman Pomerance, president of Macmillan Publishing Co., Inc., forwarded your April 4, 1974 letter to me. Macmillan Publishing Co., Inc. and La Salle Extension University are subsidiaries of Macmillan, Inc. of which I am chairman and president.

In response to your question regarding government supervision of educational institutions, clearly Macmillan, Inc. can speak only for La Salle and not for the entire vocational education industry. Macmillan, Inc. considers that any educational institution, whether a public school or a private proprietary school, ought to be under the jurisdiction of the same governmental authority. Macmillan, Inc. believes that any educational institution should be subject to appropriate criteria, but those criteria, like all state requirements, should not show any bias for or against private proprietary schools. In our view the profit incentive can work in favor of greater achievement and higher standards of achievement.

I believe it will be helpful to make available to you the following enclosures: (1) a copy of the questions propounded to Warren Smith, president of La Salle Extension University, by the reporter for the BOSTON EVENING GLOBE; (2) a copy of the responses made by Mr. Smith to those questions; (3) a copy of a letter dated January 18, 1974 from William W. Rayner, Esq., general counsel of Macmillan, Inc. to the managing editor of the BOSTON EVENING GLOBE.

On the basis of these enclosures I ask you to judge for yourself whether the Globe articles are an objective and accurate reporting of an impartial investigation of La Salle Extension University.

If you deem it appropriate, Macmillan. Inc. would be pleased if this letter, together with its enclosures were read into the Congressional Record.

Very truly yours,

RAYMOND C. HAGEL,
Chairman.

BELL & HOWELL,
Chicago, Ill., April 19, 1974.

Senator EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: Replying to your letter of April 16, 1974, I believe the Boston Globe series touches on some very serious problems indeed in the vocational education industry. I believe that additional federal participation is definitely called for, and I will shortly forward to you our considered views on this issue.

Nevertheless, I must also tell you that I am concerned about the extent of the inaccuracies and irresponsibility evidenced by the Globe in its article about Bell & Howell Schools. Incidentally, the Congressional Record does not contain the "entire series"—much of the inaccurate statements printed by the Globe about Bell & Howell are omitted. This is all right with me, but it suggests that you may not know just how far afield the Globe went as to at least one school.

Unfortunately, the Globe has limited Bell & Howell to 250 words to correct the many untruths in the long article about us. We have had to devote this small amount of space, as shown in the attached letter, to a brief statement about our Schools without going into a number of the specifics alleged by the Globe. To avoid any misunderstanding about this, I will shortly forward to you a somewhat more detailed statement on these specifics also.

Senator, I believe strongly that there is an important role to be played by responsible proprietary education in this country. There is plenty of evidence that schools like ours are filling an important training need that is not being met by traditional methods and institutions.

I sincerely hope that there will not be an over-reaction to the Globe series that will destroy this important educational resource.

I will write to you again in a few days. Thank you for this opportunity.

Sincerely,

DONALD N. FREY.

BELL & HOWELL,
Chicago, Ill., April 29, 1974.

Hon. EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: This follows your letter to me of April 16, 1974 and my initial response of April 19, 1974.

The Boston Globe stated that Bell & Howell Schools is "a fast buck operation with little regard for its students" and "gives its students short shrift." So far as we can tell, the Globe bases this very serious charge almost entirely on a statement by a former Bell & Howell Schools representative who, according to the Globe, was employed and promoted "despite a tainted background that the Company apparently knew about."

Without wanting to involve you in too much of the detail, let me just tell you the following important facts about this matter:

1. Bell & Howell Schools had no knowledge of this man's criminal record. His falsified job application was checked by calling on two prior employers, one of whom gave a favorable reference and the other of which had gone out of business. His criminal record was not known to the Company until after he was discharged.

2. This representative has for some months been threatening to "get" Bell & Howell if he were not paid off on a Workmen's Compensation claim against Bell & Howell's outside insurance carrier. This may explain some of the inaccurate statements which he made to the Globe reporters.

3. Since this man was hired last summer we have tightened up our recruitment check-out procedures so as more effectively to prevent employment of people with questionable records.

Let me now respond to the general questions raised in your letter of April 16. As we see it, the issues which must impress an objective reader of the Globe series concerning the vocational school industry are the following:

1. QUALITY OF EDUCATION OFFERED

Clearly, the industry is hurt by some very low quality courses being offered and sold to the public. We think this calls for more stringent accreditation requirements with respect to courses and closer supervision by state and federal authorities.

In that connection, we welcome any kind of investigation of the resident and home study courses offered by Bell & Howell Schools. To give you some feeling as to the quality of what we do, let me give you some of the principal facts:

A. In eight resident schools we offer college level courses in electronics engineering technology to a student body of close to 10,000 students. While there is no set pattern, the majority of these students are young high school graduates, single and not yet employed. Approximately 25 per cent of them are from minority groups.

B. The resident courses are at three levels: (1) a twelve quarter program leading to a bachelor's degree; (2) a nine quarter program leading to an associate degree; and (3) a six quarter program leading to a diploma for electronic technicians. As soon as they become eligible in each location (based on length of time offered, number of graduates, etc.) each of our degree programs is accredited by the prestigious Engineers Council for Professional Development.

C. Many of our incoming resident students have serious deficiencies in mathematics and other skills. We offer remedial training, with particular emphasis on mathematics, to bring them up to the required level for attaining the objectives of the courses.

D. The resident schools maintain a placement staff of more than ten people. Approximately 87 per cent of our graduating students request placement assistance, with the balance going into the military service or finding jobs on their own; of those requesting help, over 90 per cent are placed in good paying jobs.

E. These things are very hard to measure and I do not want to be guilty of overstatement; nevertheless, I think it is fair to say that we offer the finest skills training in engineering electronics technology available today and we are supplying an important part of all the trained technicians and technologists entering the electronics industries.

F. Our home study courses in electronics are the correspondence equivalent of the six quarter resident school courses which I described above. They have been developed over the years to a very high quality of training material and constantly revised and updated to reflect fast moving technological advances, this being done by a staff of more than 25 people.

G. In our effort to overcome the serious motivational and related problems inherent in the home study method, we have pioneered in the development of several ways of achieving higher completion rates. One of these is the offering of free telephone service to our students, who are allowed to call in at any time with questions concerning the instructional material or with questions of any other kind related to the taking of the course. These calls average about 2,000 per day and have unquestionably taken many lonely students over some hump which might otherwise seem insuperable without this kind of help. Also, we have pioneered in the whole concept of the "Help Session"—a series of weekend special instruction meetings held in locations all over the country at close enough intervals to allow home study students to attend special lectures and receive face-to-face help from instructors.

H. Our home study students are completing their lessons in these courses at a very encouraging rate even though they are currently straining our ability to fulfill our obligation to correct and return lessons and deliver new material and equipment.

All in all, Senator, I must say that only someone who is totally unfamiliar with our courses could accuse Bell & Howell Schools of having "little regard for its students" and giving them "short shrift." This sounds very much like the kind of accusation which has frequently come from those who oppose any form of education other than the conventional college. The fact of the matter is that millions of Americans do not have the economic and social opportunity to attend traditional educational institutions or to obtain the career skills training which will make the difference between their having or not having a good job. For many of these, the best answer is career skills training—either resident or home study—provided by specialized public or private, institutions. Many proprietary schools are furnishing such training in a concentrated, no frills, cost-effective method of delivery which is currently effecting something of a revolution in our educational community. The fact that Bell & Howell's resident school enrollments are increasing sharply at a time when many colleges are worrying about vacant classrooms must say something about the quality of our programs.

2. USE OF "HARD SELL" TACTICS

The Globe points out that many schools in the vocational industry live off student enrollments obtained as a result of unfair selling tactics and deceptive advertising. Control of a field force of sales representatives continues to be a serious problem for Bell & Howell Schools and for the whole industry.

Bell & Howell Schools believes that this problem will be solved by a two-pronged approach:

A. First, there must be more stringent requirements for recruiting, training, and control of field sales representatives. We would welcome programs aimed at achieving these ends.

B. In addition, we have put great emphasis on surrounding the enrollment process for students with procedures—some required by law and some initiated by us—which protect both the student and the school against a representative who may be tempted to stray from the straight and narrow path. To show you just what I mean, I am enclosing a separate memorandum which will take you through step-by-step the protective procedures which Bell & Howell Schools uses to insure that no student is enrolled without a full understanding of the commitment he has made and the kind of course he will receive—and that if any are so enrolled, they have a full opportunity for a substantial period of time to change their minds and cancel their commitment without substantial forfeiture. I hope you will take the time to review this material because I think it indicates the manner in which Bell & Howell Schools think that many of the sales problems of the industry will have to be solved.

Senator, your last request was that we comment as to whether "a larger role ought to be assumed by the Federal Government through careful licensing and monitoring of vocational education firms." I must tell you that we clearly are in favor of a larger federal role as you describe. I want to be more specific than that in my response, however, and if you will give me a few more days, I will follow on with a letter spelling out some of our thoughts in detail.

Thank you again for the opportunity to discuss these matters with you. If you feel that it would be at all productive to have a face-to-face discussion, you need only call me and I will be happy to review these matters in your office on some mutually convenient date.

Sincerely,

DONALD N. FREY,
Chairman of the Board.

BELL & HOWELL,
Chicago, Ill., May 3, 1974.

DEAR SENATOR BROOKE, in my letter of April 29, 1974, I stated that we would write to you in further detail concerning your inquiry as to a possible larger role to be assumed by the Federal Government in connection with vocational education firms.

On thinking this through and checking with others, we have found that there is a great deal of investigatory work now going on at the various accrediting agencies as well as the Federal Government agencies which have responsibilities in the areas referred to in the Boston Globe series. Under the circumstances, I think it would be premature for me to state any specific recommendations concerning the role of the Federal Government until these investigations are further along and there is some agreement as to the facts. I hope you would agree that this is an appropriate position under the existing circumstances.

We are staying in close contact with the matter and will look forward to the opportunity of stating our views.

While I am leaving tomorow on a business trip to the Far East that will take approximately three weeks, I again want to mention that I would be pleased to confer with you on these problems at any time if you think this would be helpful.

Sincerely,

DONALD N. FREY.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, what is the pending business at this time?

The PRESIDING OFFICER. Morning business is closed.

SALINE WATER PROGRAM AUTHORIZATIONS, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Calendar No. 927, H.R. 13221, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 13221) to authorize appropriations for the saline water program for fiscal year 1975.

The Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation on the pending proposal of not to exceed 13 minutes, with 10 minutes to the distinguished Senator from Wisconsin (Mr. PROXMIRE) and 3 minutes to the Senator from Nevada (Mr. BIBLE).

Mr. BIBLE. Why not make it 20 minutes, divided 13 minutes and 7 minutes.

Mr. MANSFIELD. Very well. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point excerpts from the report covering the purpose of the legislation, background, the proposed legislation, the House amendment, and the need for the program. Under the "need for the program" the Senate will see that this is closely tied with the agreement reached between the United States and Mexico relative to the salinity problem on the Lower Colorado River.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

The purpose of this measure, which was recommended by the Department of the Interior, is to authorize appropriations for fiscal year 1975 for the Federal saline water conversion program conducted by the Secretary of the Interior.

BACKGROUND

The Congress in 1952 authorized the Secretary of the Interior to initiate a research and development program with the objective of developing low-cost methods for desalting sea and brackish waters for beneficial consumptive purposes. Through fiscal year 1967, the program operated under two basic authorizations: (1) authority to conduct general research and development (Saline Water Act of 1952, 66 Stat. 328, as amended); (2) authority to construct, operate, and maintain demonstration desalting plants (72 Stat. 1706).

In 1967, legislation was enacted (81 Stat. 78) to consolidate the earlier measures under the title "Saline Water Conversion Act." It has since been the policy to authorize appropriations for the program on an annual basis.

The Saline Water Conversion Act of 1971 (85 Stat. 159), is the current enabling act for the program. It authorizes a program, subject to annual authorizations of appropriations, through fiscal year 1977 with a subsequent 3-year phaseout program.

Within the Department of the Interior, responsibility for the program has been shifted through a number of organizational arrangements. Until recently, it was administered by the Office of Saline Water which is under the jurisdiction of the Assistant Secretary for Land and Water Resources. That Office has now been abolished and the program will presumably be administered by the Secretary's office.

PROPOSED LEGISLATION

As proposed by the administration, H.R. 13221 and the companion bill, S. 3149, supported the amount requested in the President's budget for fiscal year 1975 for the saline water conversion program. New appropriations in the amount of $3,029,000 were included which together with prior year funds carried over would result in a program of $4,869,000.

The letter of transmittal conveying the proposed bill to the Congress did not comment upon the policy aspects of the proposal. This amount, however, is much less than the level of appropriations which were envisioned when the present enabling act for the program was approved. The Saline Water Conversion Act of 1971 (85 Stat. 159) outlined a 9-year program of research, subject to annual authorizations of appropriations. That act authorized a fiscal year 1972 program of more than $27 million.

The current proposal would be so far below that level as to constitute a complete change in the nature of the program, if not a virtual termination of it. Because of the magnitude of the reduction represented by the proposed program, no useful analysis of the change from prior years can be made. The program would consist primarily of completion of ongoing projects and overhead expenses.

HOUSE AMENDMENT

The House of Representatives amended the bill to increase the authorized appropriation from $2,527,000 to $13,910,000. This amount together with prior year funds carried forward would result in a fiscal year 1975 program of $15,750,020. A breakdown of the program and a comparison with the fiscal year 1974 program is set forth in the following tabulation:

Category of activity	Fiscal year— 1974 authorization program	Fiscal year— 1975[1] program as amended by the House
Research expense	$4,400,000	$3,900,000
Development expense	3,600,000	6,150,020
Test facility expense	3,350,000	2,800,000
Module expense	2,552,094	900,000
Administration and coordination	1,900,000	2,000,000
Total	15,802,094	15,750,020

[1] Includes carryover from prior years in the amount of $1,840,020.

The program included in the amended bill, therefore, would provide for approximately the same level of activity as the fiscal year 1974 program which was approved by the Congress. As amended, the legislation will provide authorization for a continuing program of basic and applied research. Basic research will be conducted on the properties of water, the transport of ions in solution, the mechanisms of flux and rejection and on bench scale laboratory work on new processes. Basic water chemistry will be undertaken on waste water that has been contaminated by the works of man, together with continuation of seawater membrane research and freezing research. Brackish water membrane research, which would be discontinued by the administration's program, will be reactivated and materials testing will be continued at the Freeport, Tex., Materials Test Center.

Authorization is provided for substantial pilot plant development and testing on waste water for reuse and water quality maintenance; on an accelerated development program for seawater membrane systems; brackish water membrane systems; freezing; and distillation of geothermal brines.

Funds are provided under the test facility category for appropriate levels of testing activity at Fountain Valley and Holtville in California; Yuma, Ariz.; Roswell, N. Mex.; and Wrightsville Beach, N.C. Funds are included to enable a full year of operation of the vertical tube evaporator-multi stage flash module now operating in Orange County, Calif.

NEED FOR THE PROGRAM

The committee believes that, despite the lack of support of the Department of the Interior for this program in recent fiscal years, the need for an aggressive program of research and development in advanced desalting technologies is as important as it was when the Congress enacted the 1971 enabling act with full administration endorsement.

The Congress within the past few weeks passed legislation requested by the President to authorize the construction of a massive desalting complex on the Lower Colorado River. That measure, which will resolve a long-standing controversy between the United States and Mexico, will depend for its success upon the viability of a reverse osmosis desalter with a capability of 100 million gallons per day. Because the largest reverse osmosis type desalting plant presently existing technology, yet the administration proposes to terminate the very research efforts which will be necessary to support the development of such technology.

Increasing requirements for water supplies and for sophisticated water quality management technologies appear to dictate an expanded rather than a reduced Federal interest in desalination technologies. The current energy crisis, for example, has emphasized the completion for scarce water resources of the arid West and the increasing pressures upon water quality which would result from energy production utilizing the vast domestic coal and oil shale resources of the Western States.

The PRESIDING OFFICER. Who yields time?

Mr. BIBLE. Does the Senator from Wisconsin have an amendment?

Mr. PROXMIRE. I do not have an amendment. I am going to oppose the bill.

Mr. BIBLE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BIBLE. Mr. President, the legislation before the Senate has engendered some criticism and some controversy over the last several years. I handled most of the hearings on the U.S. Government participation in the Mexican Water Treatment settlement. I think it became very clear there that there must be more extensive research into the entire problem of desalinization, in order to help solve this problem with our good neighbor to the South.

If my memory serves me correctly, I think the original Federal desalting research program was offered by former Senator Clinton Anderson of New Mexico, and the late Senator Francis Case of South Dakota.

I do not have the precise figure we have spent on the desalinization program to date, but it has been rather substantial. I think we have made some breakthrough both on the treatment of inland brackish water and salt water from the Atlantic Ocean, the Pacific Ocean, and the gulf, Wrightsville Beach, N.C., had some success, but not as much as we had hoped for, in studying some of the methods used in desalinization. The same might be said for the installation at Roswell, N. Mex., and again it was not with as much success as we would have hoped for.

I believe considerable work remains to be done, and I recognize that the administration has supported this entire program rather with tongue in cheek. They have cut it down to the point that it seemed they might be prepared to phase it out completely and require private industry to pick up the cause and crusade and carry it forward. I think that is wrong, because private industry needs the help of the Federal Government and the Federal expertise that has been developed over the years through support of research.

On the Mexican treaty problem the administration obviously was very much in favor of a solution. It was very interested in resolving this longstanding controversy, and I note this for the RECORD. It was just a few days ago that the President of the United States signed the bill which will rely on desalination technologies to resolve a very important international problem.

It did two things. It provided for $155 million for work including the building of a $100 million desalinization plant in the Yuma, Ariz., area.

Additionally, it provided about $125 million for a number of desalinization measures including desalting plants, along the Colorado River, one actually in my State of Nevada, two in Colorado, another one in Utah.

All in all, I think the desalting research program, rather than being phased down and out, should be increased, just as the House has increased it.

I would urge that the committee, which did have rather lengthy hearings on the desalinization program as it related to the Mexican treaty, should be supported.

I yield the floor and reserve the remainder of my time, if I have any time left.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, as I understand it, we are considering a bill that busts the budget by a whopping 300 percent. This bill, on the basis of administration request, is for authorization of $3,029,000. As a matter of fact, the committee report indicates the House reported a request from the administration for $2.5 million. At any rate, they have increased it to $13,910,000.

What sort of a record do we have to justify such a blatant disregard of the budget priorities laid down by the administration? I am not saying that these priorities should be slavishly followed, but we should have substantial justification before riding over them roughshod. In this case we have a five-page Senate report.

We have no specific hearings on this particular bill, although they tell me that there were hearings in connection with this program, in connection with another proposal.

The only substantial reason given for this boost in spending is that it would help in supporting the technology that will be used in a plant that will desalt the lower Colorado River. Yet we are proceeding with plans to build a mammoth desalting facility on that river in this session of the Congress. If the technology is not there, why should we proceed?

I would like to ask two questions about this program, which has been in existence since 1952. How much has it cost and what has it produced? In other words, what are we getting for our money? To the best of my knowledge, the benefit-cost figures are mighty poor.

Mr. President, this bill is an illustration of how the Congress contributes to wasteful Federal spending and hence to inflation. Without my decision to discuss the bill—brief as that debate will be—it would have gone through both Houses without any printed hearings available for this specific proposal to justify a 300-percent boost in funding above the President's budget and with no discussion in the Senate. This is not the proper way to make sure that the taxpayer gets value for his dollar. The amount is relatively small, to be sure. But before we continue funding a program at a high level, we should be sure that the program is a worthy one, especially when we approve such funding in the face of an adverse recommendation by the executive branch.

These are the reasons I am asking for a rollcall vote on this legislation. These are the reasons why in all conscience I must vote against this hasty decision to spend over $13 million of our tax dollars on the continuation at a high level of an inadequately justified Federal program.

Mr. President, I reserve the remainder of my time.

Mr. BIBLE. Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. BIBLE. I thank the Presiding Officer.

I would respond very briefly to my very distinguished friend from Wisconsin.

As a matter of fact, we did go into this during the hearings on the Mexican treaty, and in addition to that, I would assure my good friend from Wisconsin, we went into this rather extensively during the appropriation hearings. Unless he has moved into other fields, I believe the Senator from Wisconsin is still a member of the Appropriations Committee. So this item will be coming forward in a short time when we mark up the interior appropriations bill. There is a printed record of that and it is rather full of information on the desalting program.

I was critical of the administration for reducing the program so low that it almost reduced it out of existence. I do not think it should be reduced out of existence. I think much remains to be done in this desalinization program.

I serve notice on my good friend from Wisconsin that, if this enabling legislation passes, with the present figure, it certainly is my intention to try to hold somewhere close to that figure on the final markup of the interior appropriations bill when we get the dollars to make the program effective.

Mr. PROXMIRE. Will the Senator from Nevada inform the Senate how much this program has cost since it began in 1952?

Mr. BIBLE. Since the inception of the program in 1952, through fiscal year 1974, $267 million has been expended. I came from a hearing on the Wild Horse Act when the Senator rescued me from wild horses and burros and brought me over here, so I do not have a breakdown of the total figure of the $267 million. I will supply it for the RECORD if the Senator so desires.

Mr. PROXMIRE. Will the Senator inform the Senate as to what this substantial amount of money has accomplished?

Mr. BIBLE. I think we have made some breakthroughs, particularly in the brackish water area. They have, year after year, attempted to reduce the cost of producing potable water, usable water, out of ocean water, and to date they have not made a great significant breakthrough. I think it must be a matter of research and development and refinement of our technology.

They have made progress on a small scale. Some work was done in this area that went into the desalinization plant now at the Guantanamo Naval Station in Cuba, that was originally built in San Diego. It was transferred, because of the need of Guantanamo, as a result of the Cuban revolution, to produce fresh water for use of Americans in Guantanamo. There are other practical examples of where our research has produced practical results.

Mr. PROXMIRE. Mr. President, has a rollcall been ordered as yet on this bill?

The PRESIDING OFFICER. Yes, it has.

Mr. PROXMIRE. Mr. President, there was a rollcall in the House, as I understand it, after abbreviated debate. I do not know if anybody opposed it.

I am very distressed at the fact that this amount is so high. There have been very few Senators on the floor to hear the debate. I do not see much point in having a rollcall under these circumstances. I hoped that we could develop greater interest in something that is this far above the budget, but I would concede it would be a waste of 15 minutes if we had a rollcall vote when it seems to have such heavy support in favor of passing the bill. So unless there is objection, I would ask unanimous consent that the order for the rollcall be voided.

Mr. BIBLE. I think that is a very generous effort on the part of the Senator from Wisconsin. I think he has sounded the alarm time after time after time on these problems. I have no objection to withdrawing the order for the yeas and nays, so I can get back to the wild horses and burros over at the Interior Committee.

The PRESIDING OFFICER. Is there objection?

Mr. BIBLE. May I finish?

In addition to that, the Senator will have the opportunity of examining this in detail when it comes before the Appropriation Committee.

So I think he will have another shot at it and we can have a yea-and-nay vote at that time.

I am very grateful to the Senator, because my other committee is calling me.

I thank the Senator.

I yield back my time.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. Without objection, the order for the yeas and nays is vacated.

Mr. MONTOYA. Mr. President, I want to thank the distinguished Senator from Washington for the work which the Interior Committee has done on H.R. 13221 and for its good judgment in increasing the authorization of this vital saline water program.

The bill as passed by the House and reported by the Senate committee provides for a fiscal year 1975 program of $15,750,020 as opposed to the $4,869,000 program recommended by the administration.

As it is, this bill authorizes a program only approximately half as large as the program envisioned by the Congress in 1971 when it passed the Saline Water Conversion Act. That bill established a 9-year program of research subject to annual authorizations, and authorized $27 million for fiscal year 1972, the first year of the program. The presumption of the Congress was that subsequent authorizations would be of similar size.

Although the need for a program of research into ways of purifying otherwise unpotable water may not be immediately apparent here in the East where it rains several times a week and where meaningful distinctions are drawn between rivers and creeks, it is immediately apparent in other parts of the country, including my own Southwest. I believe that the Senator from Washington knows of the drought which is once again reaching epidemic proportions in Arizona, New Mexico, and the other Southwestern States. Recently, one city in New Mexico had to establish a program of water rationing and now sends out patrols to give citations to persons who make nonnecessary use of water.

I have been trying for sometime to keep before the Congress the nature of the water supply situation in the Southwest. I think it is going to be much worse than the energy crisis. I think it is worth remembering that although we may be able to develop alternative sources of energy, we have not yet found any substitute for water. It seems to me elementary, therefore, that we do all we can to make the best possible use of our limited water supplies, and one of the ways of doing this is to purify brackish and saline waters.

I am glad to note that the committee's report on this bill mentions the important work being done at the Roswell, N. Mex., saline water test facility. Senators may recall that the administration tried to close down this facility a year ago. We had a fight to keep it open. This year the administration is willing to keep it open, but at such a minimal level of funding—$600,000—that very little can be accomplished.

Why is the administration so unwilling to spend money on research as vital to a major geographic sector of the United States as research on saline and brackish water purification is?

The administration request of $4,869,000 is puny. It cannot do the job.

I find it remarkable that the administration is willing to give away nuclear reactors which cost three-quarters of a billion dollars apiece to nations in the oil-rich Middle East, but is unwilling to spend more than $4.9 million to assure adequate supplies of water in the United States.

I find it remarkable that the President can casually give a $2 million helicopter to the President of Egypt, but will not give more than 2½ times that amount in water research to the people of arid parts of the United States.

Be that as it may, I think this is a vital bill and I am delighted that it is going to be passed today and sent to the White House tomorrow. I salute the Senator from Washington and all the other Members of Congress who have joined in this effort to continue our program of water research.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, and read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass (putting in the question)?

The bill (H.R. 13221) was passed.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTROL OF TIME ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1-hour debate on the motion to invoke cloture be under the control of Mr. HUMPHREY and Mr. MANSFIELD or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12 O'CLOCK NOON

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 12 o'clock noon today.

The motion was agreed to; and at 11:49 a.m. the Senate took a recess until 12 o'clock noon; whereupon, the Senate reassembled when called to order by the the Presiding Officer (Mr. METZENBAUM).

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on June 22, 1974, the President had approved and signed the following bill and joint resolution:

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes; and

S.J. Res. 206. A joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER (Mr. METZENBAUM). At this time, the Chair lays before the Senate the unfinished business, H.R. 14832, which the clerk will state.

The assistant legislative clerk read as follows:

H.R. 14832, to provide for a temporary increase in the public debt limit.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished majority leader, I yield the time under his control to the distinguished Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I yield myself 30 seconds. Apparently there is no one here supporting the motion to invoke cloture. Not wishing to speak in the absence of supporters of the cloture motion, I ask unanimous consent that I may suggest the absence of a quorum with the time to be equally charged to both sides.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered and the clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, first, I ask unanimous consent that all amendments at the desk at the time of the completion of the vote on cloture shall be considered as having been presented and as having been read in accordance with the Senate rule governing the consideration of amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered.

Mr. ALLEN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. ALLEN. Mr. President, I am delighted that the distinguished Senator from Minnesota (Mr. HUMPHREY) has now come into the Chamber to attend the debate on the motion to invoke cloture.

Ordinarily, when extended debate takes place in the Senate when a cloture motion is filed, it is because there is a minority in the Senate which is seeking to prevent the legislation from coming to a vote. But, Mr. President, this is a unique extended discussion because the key issues, the Kennedy-Humphrey-Mondale package has been before the Senate and has been voted on up and down on the direct issue by the Senate. How did the Senate respond? It responded 64 votes against the package to 33 votes in favor of the package.

But, Mr. President, those who seek to "bust" the budget, those who seek to increase the Federal deficit—and I have reference to the distinguished Senator from Massachusetts (Mr. KENNEDY) and the two distinguished Senators from Minnesota (Mr. HUMPHREY and Mr. MONDALE)—have had the issue presented in the Senate. They ought to be willing to allow us to have a vote up and down on the simple matter of extending the temporary debt ceiling and providing for the necessary increase as recommended by the Treasury Department.

The amendment before the Senate is a streamlined version, I assume, of the original package, which has been repudiated by the Senate. So this is not a minority trying to prevent a vote on an issue. The minority, so-called, apparently is, and actually is, a majority, as evidenced by the almost 2-to-1 vote against the Kennedy package.

Mr. President, they said that the Kennedy package would have lost only about $2 billion in revenue because it provided for closing some loopholes here and there. There was no recommendation from the Ways and Means Committee; there was no recommendation from the Finance Committee. They put this package in willy-nilly, and say it is a balanced package, that it will just cost the Government some $2 billion in revenue. Now they have dropped two of the so-called loopholes. They have dropped the accelerated depreciation phase of the package, and they have dropped the DISC provision withdrawing the so-called tax preferences for the Domestic International Sales Corp. So the package was already lopsided by losing $2 billion for the Treasury, according to their own statement.

Mr. President, now it is more lopsided than ever. As the Senate turned down the original package, in the judgment of the Senator from Alabama, it is going to turn down this revised package.

Mr. President, it is ironic that the big spenders in the Senate—the big spenders, Mr. President—the architects of increased Federal deficits, the budget busters, are sponsoring this so-called package.

The PRESIDNG OFFICER. The Senator's time has expired.

Mr. ALLEN. Mr. President, I yield myself an additional 2 minutes.

Here, Mr. President, we have a group of big spending Senators who say, "Let us cut taxes," when it is their policy to appropriate every dollar in sight and many dollars that are not in sight. They know this measure is not going to pass, yet they set their expertise on tax matters above the expertise of the Ways and Means Committee in the House and above the Finance Committee in the Senate, and they say this is the panacea for our ills.

Actually, Mr. President, it would be a spur to the inflation rate; and any small benefit that would come to the taxpayers, if in fact any did, would be eaten up by the fuel added to the fires of inflation.

As I read the signs, this is the last gasp effort by the big spenders in the Senate to play just a little more politics and say, "We are trying to cut taxes for the average citizen," when it is the average citizen who would be hurt by increased inflation.

They say the House would not accept this amendment, and I do not believe it would. They say the President would not sign the bill with these amendments on it, and I do not believe he would. But it is our duty here in the Senate, Mr. President, to fight an effort of this sort.

Mr. President, when cloture fails of being invoked on the vote that takes place at 1:15, I am hopeful that the distinguished sponsors of this revised package will say, "Well, we made a great fight. We tried to take care of the taxpayer, but those fellows there in the Senate would not let the thing come to a vote."

The **PRESIDING OFFICER**. The Senator's 2 minutes have expired.

Mr. **ALLEN**. Mr. President, I yield myself 1 additional minute.

It went to a vote, Mr. President, and it was turned down by a 64-to-33 vote. I am hopeful that the big spending Senators who are sponsoring this amendment that they are trying to add to a piece of must legislation, legislation that must pass before the 1st of July, will say, "Well, we made a good fight. We did our best. We tried to take care of the individual taxpayer, but those fellows in the Senate would not let us."

We had a vote, Mr. President, and the Senate has spoken on the issue. I am hopeful this is going to be the last time.

Mr. President, we are going to pass a clean debt ceiling bill before the week is out, in my judgment. I hope this is going to be the last time that the Members of the Senate take this debt ceiling bill and seek to add unsound measures to it, and require legislation at the point of a pistol.

I hope that the vote will be "no" against the motion to vote cloture.

Mr. President, I reserve the remainder of my time.

Mr. **HUMPHREY**. Mr. President, how much time do we have on our side?

The **PRESIDING OFFICER**. The Senator has 27 minutes.

Mr. **HUMPHREY**. I yield myself 10 minutes.

Mr. President, in less than an hour the Senate is due to vote on a motion to close off debate on my amendment for a modest tax reform-tax relief package. I regret that we must seek cloture in order to get a vote on the amendment itself. This is necessary only because the opponents of the measure, who apparently have decided that the majority of the Senate might favor our proposal, already have wasted an enormous amount of the Senate's time and are continuing to thwart this body by refusing voluntarily to allow a vote.

I listened with keen interest to the remarks of my distinguished friend and collegue, the Senator from Alabama. He always does a good job, even when he has a bad case. Today he did an extraordinarily good job, considering the case he had to work on. I think he is entitled to our commendation.

Mr. President, what is the issue here? The issue is not the debt ceiling. That is the base upon which we hope to give some relief to the American people. The American people are not very happy about knowing that Congress is raising the debt ceiling. I am sure that the voters who are present here today are not happy to know that as the debt ceiling goes up, the interest rates go up, so that one of the largest expenditures today of the public's taxes is for interest on the public debt.

Mr. President, I can remember when we used to finance the public debt for 2, 3, and 4-percent interest. Government notes, 1-year notes, are selling right now in the market at 9 percent. Some day, perhaps, Congress is going to take a look at why the interest rates keep going up and at who raises them.

After all, I thought the U.S. Government was responsible for coining money and establishing the value thereof. But we are beginning to find out that some bank in Boston, or some bank in Chicago, or some bank in Houston, or some bank in New York, announces that the prime interest rate is 11.8 percent, and everybody gets in line.

Mr. President, they did not get elected to anything. All they did was raise the interest rate to raise their profits.

It has been said that this is good for us, Mr. President, just goody, goody for us, as the American people are taken to the cleaners by tight credit and high interest rates. The only people that helps are the rich; it makes them richer because they have the collateral. The independent businessman, the homeowner, or some would-be homeowner, the farmer, every one of them is paying through the nose because of this outrageous interest rate.

Mr. President, what are we trying to do here? We are trying to give the people who are the victims of inflation a little relief, just a little relief, because they are not going to get it anywhere else. Prices continue to go up, despite all the pronouncements from this administration. This administration could never qualify as expert in prophecy. As a matter of fact, as dead as this administration is, it will never even qualify by the rediscovery of a Dead Sea Scroll. They are just dead. Their economists make the most ridiculous calculations we have ever known. They are off about 100 percent, most of the time.

We are trying to give people who visit these galleries and who come to Congress, the ordinary working families of this country, just a little tax relief, because a person with an income of $6,000 a year has to pay out approximately 40 percent of that income for food. He is the victim of inflation; he is the victim of every kind of inflation. The person on a fixed income is a particularly hard hit victim of inflation.

Go home, Senators, and talk to the social security recipients in your States. Go home, and find out that during the last 10 days of every month many of them actually go hungry. Here we have a chance to give the ordinary, hardworking, decent people just a little tax relief, and we are told we must not do that, that it is going to upset things around here.

Well, Mr. President, this whole town needs to be upset; it needs to be turned upside down and shaken out. The people want some response from this Government; they want somebody who cares about them.

Two things need to be done. First, we must provide tax relief for low- and middle-income people. That is No. 1. That would help them a little bit. Second, the public has a right to expect that we will close at least a portion of the outrageous tax loopholes which exist.

No one can deny that this particular oil depletion loophole costs the American public over $2 billion every year in lost revenues. That lost revenue has to be picked up by the poor fellow out there or some little working family out here.

Listen, Mr. President, the Internal Revenue Service of this country collects from withholding taxes $6 billion to $8 billion more than they should. It is only refunded some time later during the year. Yes, Uncle Sam gets cheap money and he gets cheap money right from the pocket of the working families of this country, the people in the factories. He gets some $6 billion to $8 billion extra in withholdings from the Nation's working people.

Then, we come to the oil companies that are wallowing in their wealth and sloshing around in their profits. We come up to them and we say, "Won't you have another $2 billion? Won't you please take another $2 billion?" We sit around here and say that that is jolly, that that is justice, and that that is the way it should be.

They can explain it all day long around here but the folks in the country know what is going on. That factory worker knows he is having more money withheld from his paycheck every week than the law requires. That worker knows that he is paying 55 cents a gallon for gasoline that he could get for 35 cents a year ago. He knows what is going on. He knows that the oil companies are getting fat and rich.

Mr. President, I am not going to listen to all this bonanza talk about the poor little fellow out there going around with a cork screw drilling a little well. That is not the man, that is not who we are talking about. We are talking about some of these giants that do not know what to do with their money. We are talking about the people who go out and buy up Montgomery Ward or Barnum and Bailey Circus, as was said here yesterday.

I am very proud to be associated with this tax effort. We have not deluded ourselves. We know that it is an uphill fight. But if we lose we will be back again. I am not worried about the fact that we might lose a vote. I was in the Senate at a time when we lost every vote on civil rights, but it was 10 years ago in this very month of June that we were able to break the filibuster and pass the comprehensive Civil Rights Act. I waited 15 years for that. I was the first man to introduce a program for medicare on May 17, 1949. We waited 15 years and we finally got it. So I can wait. Mr. President, I will be here, the Lord and the voters willing. I have to include both in that clause.

[Applause.]

The **PRESIDING OFFICER**. The galleries will please refrain from demonstrations.

Mr. **HUMPHREY**. I do want to say to the President of this body that we are going to fight, and fight, and fight until we get tax justice. It is time the American people understand that we mean business. The worst corruption in Government is to fail to be responsive to human needs. Watergate takes second place. When we are not responsive to the needs of our people, then we can neither explain nor condone. That is gross immorality.

I say to the Senate: What about these poor people out there who are not able to get by on these miserly low pensions as inflation goes up and up? What about the folks out there who have to drive a car to work? The price of gasoline goes up and up, the profits of the oil companies go up and up, and we say, "Don't touch that anointed calf called the oil depletion allowance."

Other companies do not get a depletion allowance. Companies such as General Motors and others pay corporate taxes. The oil companies have had special tax concessions built up for them over the years, and they want to keep them.

We used to give subsidies to our farmers; we used to give subsidies to the wheat farmers and the cotton farmers. When prices went up, when the price of wheat went up, the price of cotton went up, and the price of corn went up, we took off the subsidies. But when the price of oil goes up they say, "Yummy, give me more." They want the prices to go up and they also want to retain the subsidy. It is not right. I have never felt stronger about anything. It is not right.

I am not deluding myself about our possibilities today. But I am used to carrying on fights that we do not win right away. So I am prepared to stick with it.

Mr. President, I conclude by saying that when I hear the President will not sign this bill that does not bother me one bit. He did not sign the bill to give aid to the physically handicapped and the mentally retarded and he was wrong. But he can give a helicopter to the President of Egypt at the taxpayers' expense. I tell you, Mr. President, it does not budge me one bit to hear that, if we do something here, the President will not sign the bill.

As a matter of fact, one of the arguments in support of what I am doing is that he will not sign the bill, because he has been wrong, and wrong, and wrong. He did not sign education bills, he did not sign health and welfare bills, he did not sign the physically handicapped and mentally retarded bill. He vetoed the minimum wage bill.

But what do we hear from the administration on oil? We hear, "Raise the price." They raised the price $1 a barrel last year on domestic crude oil. What do we hear from the administration? Not one word; we hear not one word.

Mr. President, more revenue and more money is being lost to the bankers, as a result of these high interest rates, than would be lost to the Treasury from my amendment. This administration is very mute on banks and oil companies, on meat packers and food processors. They do not say anything about that.

Go to the butcher shop to buy beef or pork and the prices are way up; but they turn to the farmer, "You should do better." They will not stop imports, but they do not get on the back of the packer who is making profit, profit, profit.

They say, "Conserve oil." They say, "Don't drive so far; don't take the kids on a vacation." But they also say, "Mr. Oil Company, if you need an increase in price per barrel, we will deliver it to you, not on Christmas but on the Fourth of July." Give them 2 days a year to get an increase. When the bankers get an increase they say, "That is the way to attack inflation."

Well, not for this Senator. We are going to make a tragic mistake if we do not do something about the tax laws in this body. That is why we are in this fight and we will continue to fight an outrageous tax structure that has given special benefits to a few. We are going to do something to give a little benefit to the many, to the thousands, yea, the millions of taxpapers today, from a government which overholds from them and does not give them any relief from inflation. I believe we do have a good, strong program.

OPPONENTS' CONTRADICTIONS: IS OUR PACKAGE INFLATIONARY OR DEFLATIONARY?

The opponents of our package have wrapped themselves in contradictory arguments in making their case against the repeal of the oil depletion allowance and the accompanying tax cut proposal. First they say that the tax cut would be inflationary; in the next breath they say that our tax reforms would be deflationary by discouraging business investment. Well, is it inflationary or deflationary on balance? They cannot use both arguments at once.

The truth is that our two measures tend to balance each other. In any case, the size of both the tax cut and the offsetting revenue gain is minr in the context of the overall economy. The proposed tax cut of $4.6 billion is only one-third of 1 percent of the GNP. When its impact is analyzed using the most advanced computer models of the U.S. economy, the effect is hardly visible.

Our package is offered mainly on grounds of equity. It proposes to close a large loophole on the oil industry, which no longer needs special tax favors, and to restore the money to the rest of the taxpayers who have been footing the bill all these years. It is as simple as that.

WOULD DEPLETION REPEAL CUT PROFITS OR INCREASE PRICES?

A second contradiction in our opponents' case is the argument that depletion repeal will rob oil industry of its profitability, followed in the next breath by the argument that it also would mean higher consumer prices. Well, do they expect the reduction in this subsidy to come out of the consumer's hide or out of oil profits? Again, let us not play both sides of the street.

The truth is that prices under today's conditions are set by a combination of arbitrary decisions by OPEC and the Federal Energy Administration. Prices are far above costs and profits in most cases are excessive. There is no way in which a depletion repeal would increase consumer prices, unless FEA decides to compensate the companies for the loss of their subsidy by boosting the price ceiling on "old" oil.

Of course the action we propose should come out of profits. The American public feels outraged and victimized at having to pay cartel prices imposed by OPEC while oil producers are lining their pockets with millions of dollars in excess profits and paying far less than their share in taxes. There is absolutely no justification for any price increase to reimburse the industry for their taxes.

FOREIGN VERSUS DOMESTIC OIL PROFITS

The distinguished chairman of the Finance Committee yesterday raised an argument to which I should like to respond. He asked why we propose to eliminate a subsidy going mainly to domestic oil producers when 1973 data show that most of the increase in oil profits was on foreign production which this amendment would hardly affect.

Of course, the Senator from Louisiana is correct that tax policy toward foreign oil profits is much too lax and should be reformed. I welcome his indication that he favors action soon, and I know that he will give us the benefit of his expertise by formulating some sound proposals for doing so.

While it may be true, however, that most of the profit growth in 1973 was abroad, this is definitely not true in 1974. During most of 1973, if you recall, domestic oil prices were fairly effectively controlled by the Cost of Living Council, while scarcity prices for gasoline and other products reigned in Europe and other countries, and crude oil prices were rising rapidly.

The really big rise in domestic prices did not occur until the last month of 1973. First, the Cost of Living Council gave the crude oil producers a $1 per barrel increase on old oil. This yielded a windfall of about $2.6 billion dollars in pure profit. It came on top of a more modest increase in August. In the very last week of 1973, moreover, came the huge jump in OPEC prices which carried the prices of uncontrolled domestic oil up with them to a level above $10 per barrel. This meant an additional annual windfall of at least $6 billion.

So domestic oil production, although down in volume about 5 percent from last year, stands to yield revenues of about $10 billion more than last year. If price controls are not renewed before next February, or if increases in ceiling prices are granted in the meantime by FEA, this windfall could as much as double. That would make $20 billion in added revenues on domestic oil alone.

So 1974 is the year of the domestic profit boom. In the meantime, it appears that OPEC already has gone a long way toward constraining the profitability of production abroad through higher royalties and taxes. Producer countries are taking over an ever-increasing share of the production. Statements by officials of the producing countries indicate their intention to increase the taxation of oil companies further as a percentage of actual market prices. Therefore, the profit on foreign oil to which the Senator from Louisiana referred is being rapidly eroded.

I think it is unwarranted, therefore, to conclude, as the Senator would lead us to believe, that domestic oil production remains less attractive than production abroad.

EFFECTS ON INDEPENDENT PRODUCERS

It is also erroneous to suggest that withdrawal of percentage depletion and imposition of normal taxes on the oil industry would drive domestic producers out of business. As the Senator notes, the number of independent competitors drilling and exploring for oil has declined in the last two decades, but this decline already has reversed itself because everyone who can obtain the necessary equipment and manpower is now seeking oil in response to today's high prices. The withdrawal of depletion under today's conditions amounts to skimming a little frosting off a cake that already is frosted 10 feet high. Today's oil prices yield a far higher return on investment than percentage depletion ever yielded, and continuation of depletion will make little difference in this return. Independent producers are enjoying higher average prices for domestic production than major oil companies, because they have a substantially higher proportion of uncontrolled oil.

Of course the costs of oil exploration also are increasing and will continue to do so. But let me make one thing clear that is being glossed over here. This is not a case in which prices are being forced up by costs. On the contrary, it is a case in which costs are being bid up because of the profitability of oil at present prices. Costs are following prices. Oilmen will pay nearly anything today for drilling rigs and other equipment and for skilled labor because of the tremendous payoff to producing oil. And what they will pay is determined by the estimated profitability. If percentage depletion is continued, profits will be higher, and people will pay more for scarce inputs than if depletion is repealed. So the effect of continuing percentage depletion will ultimately be to ratchet the costs of production up one more notch, making it that harder and more painful ever to get prices down again.

PLEA FOR CLOTURE

Before we vote on whether to permit a division of the Senate on the merits of my amendment, I would like to call the attention of my colleagues to the fact that the American people are undergoing one of the most discouraging eras of our history. They crave some indication that our Government can achieve reform and correct the inequities that exist in our tax laws and in other aspects of national life.

Following the vote last week on the omnibus tax reform-tax cut amendment, which was defeated, stories appeared in the Washington Post and many other newspapers across the land entitled: "Senate Crushes Tax Reform." My fellow Senators, I do not believe that this is the kind of news that restores faith of citizens in the ability of our Government to work.

The people are demanding an equitable tax system. This amendment represents the first step in that direction. The opponents of this measure wasted an entire week of the Senate's valuable time last week with an obstructionist amendment which was repudiated even by its author after it had served its obstructionist purpose. These opponents continue to try to block a vote on this streamlined package. The Senate must not permit itself to bog down in futility on this vital issue of tax reform. Let us answer this obstruction today with a resounding vote in favor of bringing this issue to a vote on its merits.

Mr. President, I yield to the Senator from Massachusetts whatever time he needs.

The **PRESIDING OFFICER**. The Senator from Massachusetts is recognized.

Mr. **KENNEDY**. Will the Senator yield for 5 minutes?

Mr. **HUMPHREY**. Yes, indeed.

Mr. **KENNEDY**. Mr. President, the basic question before the Senate today is whether we, in Congress, are serious about taking even the first step toward tax reform.

We have had a number of votes in recent days, and each time, a substantial portion of the Senate, sometimes a strong majority, has gone on record against tax reform. Indeed, by the end of this cloture vote, some Members of this body will have voted eight successive times against tax reform in this 2-week period.

My guess is that many Senators will be explaining their votes against tax reform all the way to the polls between now and election day.

We know the powerful array of special interests allied against us. Together with the administration, they have so far been successful in stonewalling tax reform and defending their tax loopholes.

But even if we lose on the Senate floor, the issue is not lost before the country. Eighty million ordinary taxpayers will not be denied. They understood the meaning of these votes. They understand that our tax laws are monumentally unfair, that their taxes are too high because others pay too little. They understand that our tax priorities are out of joint, because of the billions of dollars in tax welfare that are handed out every year to the Nation's richest individuals and corporations. The only thing the people do not understand is why Congress fails to act.

In the amendments we have proposed to the Debt Ceiling Act, we are asking only that the Senate take a first step toward comprehensive tax reform. We are not asking changes in any provisions of the tax laws that have not been exhaustively debated again and again on the Senate floor and in Senate and House committees in recent years.

What we are asking is a downpayment on tax reform, through action now to close a handful of the most notorious loopholes in the tax laws, and to use the revenues we gain from these reforms to provide some significant tax relief to millions of ordinary taxpayers.

Today, the issue is our effort to repeal the oil depletion allowance—a loophole that has stood astride the Internal Revenue Code for nearly half a century, a colossus of special privilege for the Nation's oil producers.

Whatever the merits in years gone by, there is no substantial argument today for retention of the oil depletion allowance. The bloated profits of oil, triggered by the Arab oil embargo and the soaring price of oil, have brought a golden age of profits to the industry. While the average citizen endures the hardships of the energy crisis, the oil tycoons are basking in the highest profits in their history.

In the lush situation in which the oil industry finds itself today, excessive tax incentives like the depletion allowance are a complete anachronism, a dinosaur in the Revenue Code. They distort the economy and unfairly burden the ordinary citizen, whose tax dollars must be used to make up the windfall tax incentives still conferred on oil.

In this debate, we have heard a lot about preserving the free enterprise system by retaining the depletion allowance and the other tax advantages for oil. But my view is that the major cause of our energy crisis can be traced directly to the door of the Nation's largest oil companies.

The depletion allowance and all the other vast tax subsidies for oil have made the industry fat and flabby. They have bred waste and inefficiency and inhibited exploration and development, while management has rested secure in the invocation of "national security" and the idle generosity of Congress and the American taxpayer to bail them out and keep their profits flowing.

But now is the time to end all that. And, we can begin by ending the welfare plan for oil that the depletion allowance now clearly represents, welfare that is completely undeserved, because it goes to some of the richest and most profitable corporations in America today.

It is time for Congress to take a stand for tax reform, to let the average taxpayer know that Congress is on his side, too, and that help is on the way.

Mr. **HUMPHREY**. Will the Senator yield at that point?

Mr. **KENNEDY**. I yield.

Mr. **HUMPHREY**. On our time.

Mr. President, does the Senator from Massachusetts see the correctness of the analogy that I gave here between the subsidies that agriculture had sometime ago and the kind of tax subsidies that the oil industry has, in this sense: When agriculture was depressed and we had serious problems we had payment programs, we set aside acres and payments on those acres, and we had export subsidies for our commodities, even though in some sections of agriculture, like the cattle raisers have all they can do to get a guaranteed loan. They receive no subsidy when the cattle prices are down, the most agriculture gets now is just the chance to get a fair price.

Here comes the oil industry that goes

from 3.60 a barrel to $5.25 a barrel on old oil and up to $10.50 a barrel on new oil, with profits in the year 1974 in the domestic industry running at about $10 billion and an estimate for the next year up to $20 billion. Yet they want to keep these tax concessions in the oil industry It just does not make any sense.

I say, as a Senator representing an agricultural State that if we are going to keep these oil tax concessions on oil companies which are getting fat and rich and do not know what to do with their money, what about these farmers out here that take a risk with the weather and take a risk with everything they have? Maybe we ought to put back the subsidies for them, if that would be fair, but no farmer is asking for it, Senator. The only thing that the cattle farmer and the cattle raiser asked of this Congress was, "Would you make available some loan money that we could borrow and pay back?"

If the oil companies want to borrow some money from the Government to explore and develop, we ought to consider that, if they will pay it back. But, to get a handout, to become a daily Santa Claus for this pampered industry, to me is just ridiculous. I think the oil industry gets to be pretty much like a long-term welfare client. They do not ever want to get off. They just want to stay with it.

Mr. KENNEDY. I think the Senator has made the point effectively. Any review of the facts would indicate that 3 or 4 years ago, if the oil companies had thought they had even the remotest chance of getting $10 a barrel for oil, they would have been quick to give up the depletion allowance.

But now they want it both ways. The price of oil far exceeds their greatest expectations, but they insist that they must also be allowed to retain the depletion allowance.

The Senator's point is correct as it relates to agriculture. I think it is completely applicable to the issue before us now on the oil depletion allowance. How can Congress justify any tax subsidy for oil, when the price of oil is so high?

The Senator did not mention, although I have heard him talk about it in his other presentations, the other tax advantages that the oil industry still receive, even if our amendment is accepted. The point that has also been made here very well by many Senators, that the major oil companies are using their extraordinary profits, not to go out and explore for new oil, but to invest in other kinds of investments—Mobil is trying to buy Montgomery Ward, and Gulf tried to buy Ringling Brothers Circus. How can we justify tax subsidies for companies that use their profits in areas like that? They argue for these tax benefits as being necessary for the continued search to meet the Nation's energy needs, and then they use their profits to go off into unrelated ventures. Why should the American taxpayers have to pay for Mobil to buy a department store or for Gulf to buy a circus?

The PRESIDING OFICER. The Senator's time has expired.

Mr. KENNEDY. May I have 1 more minute?

Mr. HUMPHREY. I yield 1 minute to the Senator.

Mr. KENNEDY. Finally, I wonder if the Senator from Minnesota feels that the opposition to this amendment is in any way related to the fact that the major oil companies gave more than $4 million in political contributions in the 1972 election campaign? Obviously, there is a relation. And it helps to demonstrate the need for campaign finance reform as a key to tax reform.

For years in New England, we have seen the power of the major oil companies and their success in persuading the administration to continue the oil import program, and we see it here today in the administration's support of the continued depletion allowance.

Finally, let me make clear that this amendment, with the resources we are able, by repealing the depletion allowance, we can also provide some degree of tax equity and tax relief for the working people, the middle income, the low income, and the working poor.

We hear that this relief is going to be inflationary. However, by some peculiar logic, no one who opposes this reform complains that accelerated depreciation and percentage depletion and all the other tax subsidies for special interest groups are inflationary. But let us try to give some tax relief to the average citizen and the cry inflation immediately goes up. That isn't fair, and Congress should recognize that inconsistency for what it is.

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 16 minutes, and the Senator from Minnesota has 3 minutes.

Mr. ALLEN. I yield 4 minutes to the distinguished Senator from Arizona (Mr. FANNIN).

Mr. FANNIN. Mr. President, I express my appreciation to the distinguished Senator from Alabama. I certainly commend him for the efforts he is putting forth to protect the American taxpayer, and that is exactly what is involved.

We hear a lot of rhetoric, and tears being shed, regarding what is desired as far as legislation is concerned. But, after all, the American taxpayer wants to have some oil, gasoline, and certainly, wants to have the products that are so badly needed in this country.

I am not here to defend the oil companies. Certainly we have industries in this country of which we are very proud. We are proud of the jobs they have done, both domestically and internationally, and we could start quoting about the profits, the excess profits, and everything else. But we have legislation being considered in the Committee on Finance, it is being considered in the Committee on Ways and Means, that would take care of some of these profits that are being talked about, that the Senators are talking about. But, after all, what we are discussing now is not related to that particular problem. It is what are we going to do, I think, in Congress to assist this Nation of ours to work toward self-sufficiency and energy.

That is a very important matter to every American. I feel that we should do this in an orderly fashion. We should take into consideration what is involved in this process of writing legislation that would be most beneficial to all the people of this country.

Mr. President, the Finance Committee recently had the privilege of having Richard J. Gonzalez testify on certain fiscal aspects of the energy problem. Mr. Gonzalez is an economist with broad experience in industry, the academic world and government.

I would like to summarize six major points relating to percentage depletion:

PETROLEUM IS ESSENTIAL TO NATIONAL WELFARE

Petroleum, first of all, is essential to national welfare, and we must understand that and, I think, we all do.

Increasing supplies of oil and gas are essential for economic progress and national security. These fuels have greatly improved our living standards and have been of incalculable value during wars and other emergencies. Each gallon of oil provides the energy base for a dollar of national income. Therefore, petroleum will continue to be of vital importance to our expanding economy.

THE RISKS OF EXPLORATION MAKE PETROLEUM PRODUCTION A UNIQUE BUSINESS

High risks and large losses on unsuccessful ventures are inevitable in petroleum exploration. Only about 3 percent of the thousands of exploratory wells that must be drilled annually discover significant commercial deposits. Furthermore, the results of exploratory drilling are highly erratic and quite unpredictable. Finally, production results in depletion of a wasting asset that can be replaced only by new exploration and drilling, usually at increasing costs. These peculiarities seriously handicap attraction of funds into this business. Nevertheless, petroleum producers must risk about $5 billion annually to develop enough new supplies of oil and gas to meet the needs of our economy. The necessary amounts of money could not be attracted into the search for petroleum without reasonable tax differentials relative to nonmining investments that are less risky.

DIFFERENTIAL TAX TREATMENT IS NECESSARY FOR MINERAL PRODUCTION

The unique nature of petroleum producing makes it different from other businesses except mining. Most of the receipts from mineral production that appear to be income really represent capital and capital gains. These capital values cannot be taken out of the business or taxed as ordinary income without impairing the reserves of oil and gas required for continuous operation and for economic progress Therefore, differential tax treatment is necessary for petroleum production and for mining operations generally. Differential tax treatment should not be assumed to constitute preferential treatment because appropriate differentials are necessary for the unusual conditions in mining in order to avoid an inefficient allocation of capital when income taxes are imposed.

EXISTING PERCENTAGE DEPLETION RATES ARE APPROPRIATE DIFFERENTIALS

The rate of percentage depletion for petroleum set by Congress in 1926 after careful study was a conservative measure of the capital actually depleted by production. It continues to be a conservative measure at present. A reduction of percentage depletion would encourage operators to realize on their successful ventures through the capital gains route rather than by operation. Sales of reserves in the ground would adversely affect the funds available for development of new resources, the number of operators engaged in the business, and the estimated tax revenues to be realized from such reduction. The decision of the Federal Government to impose mandatory restrictions on imports would endanger the level of domestic exploration and drilling considered desirable for national security also serves to make clear the fact that any action taken now to reduce the incentive for expenditures on new ventures would be ill advised. Profits actually invested in successful petroleum operations are in line with those of other industries. Therefore, any additional taxes on petroleum production would inevitably have to be passed on to consumers because they could not be absorbed without seriously reducing the development of necessary new resources. In deciding whether petroleum producers and consumers pay a fair share of the tax burden, consideration must also be given to the special taxes imposed on petroleum, particularly severance and gasoline taxes. The various facts pertinent to this point lead to the conclusion that the long-established rate of percentage depletion is no more than an appropriate tax differential for current conditions.

A CUT IN DEPLETION WOULD HURT THE ECONOMY

If percentage depletion were reduced, the entire economy would suffer because economic progress would be retarded and tax revenues would decline. Drilling would be reduced sharply, with adverse effects on the use of steel and equipment for new wells, on employment of labor, and on development of new reserves of oil and gas. The minimum reduction in drilling to be expected if percentage depletion were cut to 15 percent of gross income would probably cause a loss in total tax revenues of a billion dollars annually. Less drilling would soon cause shortages of domestic supplies, thereby bringing about higher prices for our principal fuels and contributing to inflation. Even a small increase in gasoline prices caused by a reduction of percentage depletion could accelerate the trend toward economy cars and have far-reaching consequences on tax collections from gasoline and from the automobile, steel, and rubber industries.

PERCENTAGE DEPLETION AT EXISTING RATES PROMOTES THE NATIONAL WELFARE

Percentage depletion has become an integral part of the economic structure of the mineral industries as well as a key factor in economic progress. Existing rates cannot be reduced without serious consequences for all consumers, for millions of stockholders, for thousands of workers in many industries, and for national security. Therefore, percentage depletion should be continued at existing rates because such action best serves the public interest.

The paramount economic test of a system of taxation is that it should interfere as little as possible with the industrial progress that enables the entire population to enjoy the benefits of rising standards of living. Congress must be particularly concerned, therefore, about the effect of taxation on the key factors for industrial progress; namely, First, capital to provide the machines that multiply our productive capacity; and second, minerals as a source of materials and energy for an industrial society. Increasing quantities of capital and of minerals are the indispensable requisites for economic progress.

Taxation of mineral production is an extremely complex matter. Much of the popular discussion in favor of a reduction in percentage depletion overlooks many important points and is quite superficial. This paper has sought to call attention to points that should not be ignored in an objective evaluation of percentage depletion. The basic conclusion of this analysis is that differential taxation of petroleum production, such as that provided by percentage depletion, is required because of special circumstances of vital significance.

The issue of the proper rate for percentage depletion has been reviewed in both theoretical and practical terms. The evidence supports existing rates for oil and gas as an appropriate differential required to attract the amount of capital that needs to be risked in the search for new supplies in the interest of economic progress and national security. The encouragement to development of petroleum resources supplied by percentage depletion has been of incalculable benefit to the Nation and to every citizen in war and peace.

Vast sums of equity capital and borrowed money have been ventured in exploration and drilling for oil and gas on the basis that the existing rates of percentage depletion will be maintained, regardless of the changes up or down in basic tax rates. These rules have become a part of the economic structure of the industry, and have been a major factor in the availability of adequate supplies of petroleum at resonable prices. Any change in the system will necessarily create adverse consequences for millions of investors, for all consumers of oil and gas, and for the Nation as a whole.

Impartial analysis of this problem by congressional committees in the past and by special governmental agencies, such as the President's Materials Policy Commission and the Special Cabinet Committee on Energy Resources and Supplies, has led to the conclusion that percentage depletion should be continued at existing rates because such action best serves the general public interest. The present analysis leads to the same conclusion. In fact, the conclusion can be carried further to say that a reduction in percentage depletion would not only hurt the entire economy but also adversely affect tax revenues. Therefore, the long-established system of percentage depletion should be continued in effect without change.

Mr. ALLEN. Mr. President, I yield 6 minutes to the distinguished senior Senator from Louisiana (Mr. LONG), chairman of the Committee on Finance. I am sure the Senate will be pleased to receive his recommendations on this legislation.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 6 minutes.

Mr. LONG. Mr. President, this amendment proceeds on the assumption that the oil companies ought to pay more taxes.

Frankly, Mr. President, in that regard I think the sponsors in general terms are correct. Unfortunately, they are badly off base in terms of what segments of the oil industry ought to pay more taxes.

Behind us there is a chart which helps to indicate why we are paying so much for oil and gas today. The Senators will notice that the capacity of the domestic industry to produce oil has declined very drastically since 1956.

It will be noted from that chart that oil well discoveries, for example, in 1956 totaled about 2,400 in a single year.

Today, the Senators will note that the rate of new discoveries in this country, according to the latest information, was running about 600.

It was thought by some that it was a good idea to import foreign oil because foreign production costs were cheaper. But, Mr. President, our Arab friends have taught us a hard lesson in economics—that is, just because they can produce it cheaper does not mean they will sell it cheaper. They have informed us that they are going to make us pay for oil what it costs us to produce it here, not what it costs them to produce it there.

Just because they can produce it for 15 cents a barrel, and just because their wells will produce an average of 6,000 barrels a day—while ours produce an average of 14 barrels a day—does not mean they are going to sell it cheaper. They are going to demand a higher price.

It is unfortunate that those who relied upon foreign oil are paying a price of $10 for it. Awhile back they were paying $20 a barrel for oil. The high prices have hurt the whole world because the United States has permitted its oil industry to decline to the point where it cannot even provide the U.S. requirements, much less help all of our allies.

Now, what is the answer to the problem of high prices? The answer is that we must increase our production. Seventy to seventy-five percent of all our energy is produced from oil and gas. Everybody who studies the problem says that, if we are going to be self-sufficient within the next 10 or 15 years, most of that self-sufficiency will have to come from increased production of oil. We should make oil exploration sufficiently attractive economically so that those 10,000 independent producers who have been put out of the oil business will go back into the oil business and the American industry, instead of drilling its wells overseas and spending its money for supertankers to bring in Venezuelan and Saudi Arabian oil, will be putting that same steel into drilling equipment to provide wells here in this country and bring up our capacity. Because from this point forward as long as any of us serve in the Senate, I say, without any peradventure of successful contradiction, it will be the domestic producers who will pull down the foreign price, and not the foreign producers who pull down the domestic price, as it was prior to the Arab boycott.

Now, look at that next chart. There is where the profits are. The Senators will note that the second chart shows that, while there was a time when the domestic oil profits exceeded foreign oil profits, thanks to the international cartel of the oil exporting countries imposing this big price increase on the world, there are now multinational American oil companies which are making almost $8 billion in profits on foreign oil, while the profits on domestic oil are only a little above what they were before.

As a matter of fact, I put in the RECORD yesterday a table showing that for the seven major companies, that is, international oil companies, their profits on domestic operations in 1973, which were supposed to be so high, were only 6 percent above what they were in 1972.

We have more inflation than that. If we put it in terms of constant prices, their profits in 1973 were even less than their profits in 1972 on domestic oil production, which is what we ought to try to encourage greater production of.

In foreign oil operations those same seven companies had an increase in profit of 137 percent. They made about $6.5 billion profit in foreign oil.

Mr. President, that leads to the conclusion that if we want to tax the oil companies more, we should not be taxing the independents any more, unless we want to drive them out of business. This Nation by unwise policies has already put 10,000 of the 20,000 American independent producers out of business. We should be trying to put them back in business, not take them out of business. If we want to levy more taxes, we ought to levy them on the foreign production where the profits are, and if we want to do that, we are not going to succeed by repealing the depletion allowance.

A repeal of the depletion allowance will only increase the tax on that $6.5 billion of foreign oil profits by American oil companies by $40 million.

Mr. President, that is not even a gnat's bite on the jaw—$40 million tax on somebody making $6.5 billion. If we want to tax the foreign oil profits, which is where the big profits are being made and where the high prices are being charged, we ought to do something about the foreign tax credit; and this amendment does not do anything about that.

And so, Mr. President, if we are going to do something in the area of taxing foreign oil, I will vote for a well considered bill out of the Finance Committee to do exactly that, and we will reduce the depletion allowance or eliminate it completely on the foreign oil and do something about the tax credit; but if we want to do that, Mr. President, it should be carefully considered, because it involves a series of factors, more than just the depletion allowance.

The PRESIDING OFFICER. The Senator's time expired. Who yields time?

Mr. ALLEN. Mr. President, I yield myself 3 minutes.

Mr. President, I favor tax reduction and I favor tax reform, but I would like to see it handled in the manner provided by the Constitution, and the manner provided by the regular legislative process, that is, for a House bill to go through the Ways and Means Committee of the House of Representatives and receive the recommendations of that committee for a tax reduction offset with proper tax loophole closing and additional tax levies that would not damage the economy. Let that bill come over to the Senate for the considered judgment of the Finance Committee and have the recommendations of the Finance Committee, and then we would have no discussion here on the Senate floor and no extended discussion from the Senator from Alabama, because I would feel that that would be a sound piece of legislation, and all of these amendments that are being submitted could be properly offered to that.

But the Senators do not want to go the regular route. They want to substitute their expertise for the expertise of the regularly constituted committee. They are presenting here in the Senate now a pound and a half of amendments, Mr. President. Accepting the Humphrey package—the lopsided Humphrey package now, because it has been shaved down some, but the Senators have offered us this pound and a half of amendments. We have a clean bill, Mr. President; by that I mean it is the 12-line bill that came over from the House of Representatives. If we fail to invoke cloture, I believe the distinguished Senator from Minnesota will close down and let us go ahead on this debt ceiling bill.

These amendments have no connection with that bill. They have no reference whatsoever to the debt ceiling. They are just attached on this bill trying to hold it hostage, Mr. President, and force the Senate to accept a pound and a half of amendments.

I do not believe the Senate will let them get by with that.

Mr. President, I want to talk for a moment on the merits of this great tax reform measure they are talking so much about.

Let us see if it is a great tax reform measure. It would add $50, Mr. President, to the $750 exemption that is presently allowed by law.

If we take a professional person of large income, who is in the 70 percent tax bracket——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I yield myself an additional minute.

If we do that, it will give that wealthy person a tax saving of $560 per exemption. To a man in the 25 percent tax bracket, it would give a saving of only $200. So it provides $560 for the wealthy man, $200 per exemption for the man in the 25 percent bracket.

Approaching it another way, this extra $50 per exemption for a 25 percent taxpayer would amount to only $12.50 a year per exemption—$12.50 a year, 25 cents a week. Mr. President, the grocery bill of a taxpayer will go up more than 25 cents per week per exemption if this bill is passed, and if the deficit is increased and the fires of inflation are fueled.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. ALLEN. Mr. President, I hope the Senate will vote against the cloture motion. Let us wrap this matter up. Let us send this bill to Moscow to be signed by the President. I would be glad to see the distinguished Senator from Minnesota and the distinguished Senator from Massachusetts——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN (continuing). And the other distinguished Senator from Minnesota appointed as emissaries to go over to Moscow with this bill to have signed, because it has to go to Moscow to be signed by the President.

Let us send them on over to Russia.

Mr. HUMPHREY. Mr. President, I gladly accept the journey the Senator from Alabama has prescribed. He is very considerate. Let me just say that the Senator from Alabama again speaks well, but has a poor argument. Here is a Senator who has added more amendments to debt ceiling bills than almost any other Senator. I have no questions about that at all. He does not mind putting a busing amendment on any old bill that comes along. I respect that; the Senator is ingenious on those things. So we will move that argument out of the way.

Mr. ALLEN. Mr. President, will the Senator yield just 15 seconds?

Mr. HUMPHREY. I cannot do that right now.

Mr. ALLEN. I have never offered an amendment to a debt ceiling bill.

Mr. HUMPHREY. If I am in error, I will retract it.

Let me say that the Senator from Alabama says there really is not much tax reduction here, but I will tell the Senator it is more than they are presently getting. We do not say this is Utopia; we say it is of help. We wish to do better. We are not perfect.

Let me say, in reference to the chart, that I am very much interested in that chart. I am going to walk over and take a look at it, if I can before my time runs out.

Mr. President, this chart is dated 1973, and in 1974 the Arab countries started taxing these oil supplies of American companies. In the last month of 1973 the Cost of Living Council gave the old oil producers an extra dollar a barrel, which was a windfall of $2.5 billion profit. So the 1973 figures are out of date.

I will tell you when the country got racked on oil. It was in 1974. It was last winter that we had the shortage. It was last winter that the price went up. It was last winter that the oil companies literally had to call a truck to bring in their profits. That is domestic as well as foreign. As a matter of fact, domestic profits are going up twice as fast as foreign profits.

That is why this amendment does have sense. The domestic oil producer is not a candidate for the Office of Economic Opportunity. He is not a candidate for the welfare program. The oil producers domestically are doing mighty well.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. If you take all parts of the economy here.

Mr. ALLEN. I yield the distinguished Senator from Minnesota time for the completion of his statement.

The PRESIDING OFFICER. The Senator from Minnesota has 1 minute remaining, and that is all the time that remains.

Mr. HUMPHREY. I yield that 1 minute to my distinguished associate in this debate, the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senator from Minnesota has pointed out the most obvious fallacy in the chart, and that is that it does not show the estimated profits for 1974 and 1975. The chart itself shows a 20-percent increase in profits from 1972 to 1973, but it goes no further than 1973. Twenty percent isn't bad for 1973, but it pales by comparison with what 1974 will show. We already know about the fantastic profits reported for the first quarter of 1974. If we were to extend these charts into 1974 and 1975, the bars might have to go right up to the ceiling of this Senate Chamber, because the profits are so large.

Mr. President, I hope that the cloture motion will be successful.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. HARTKE). Under the previous order and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The second assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending amendment to the bill, H.R. 14832, to provide a temporary increase in the public debt limit through March 31, 1975.

Mike Mansfield, Edward M. Kennedy, Thomas F. Eagleton, Alan Cranston, Frank Moss, Daniel K. Inouye, Henry M. Jackson, Jennings Randolph, William Proxmire, Walter F. Mondale, Gaylord Nelson, William D. Hathaway, Hubert H. Humphrey, Philip A. Hart, Harold E. Hughes, George McGovern, Lee Metcalf, James Abourezk, Abraham Ribicoff.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 278 Leg.]

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

UNANIMOUS-CONSENT AGREEMENT—SUPPLEMENTAL APPROPRIATIONS, 1974

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request, before the roll is called. This meets with the approval of the distinguished chairman of the Appropriations Committee, the Senator from Arkansas (Mr. MCCLELLAN); the distinguished ranking Republican member of the Appropriations Committee, the Senator from North Dakota (Mr. YOUNG); with the joint leadership, and, hopefully, with the other Members of the Senate.

Mr. President, I ask unanimous consent that immediately after the conclusion of the vote about to take place, the Senate proceed to the consideration of Calendar No. 931, House Joint Resolution 1061; that there be a limitation of 6 minutes, 2 minutes to the Senator from Arkansas, 2 minutes to the Senator from North Dakota, and 2 minutes to the Senator from Wisconsin (Mr. PROXMIRE), after which the vote will take place.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and it is so ordered.

Mr. McCLELLAN. Mr. President, reserving the right to object, that is the shortest time I have ever heard of. I have no objection.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The PRESIDING OFFICER (Mr. HARTKE). The question is, Is it the sense of the Senate that debate on the pending amendment, No. 1522, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit until March 31, 1975, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll.

Mr. MANSFIELD. Mr. President, may we have order? Will the Chair request Senators to take their seats?

The PRESIDING OFFICER. Will Senators who are in the Chamber please go to their respective seats? The aides will please go to the rear of the Chamber.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), is necessarily absent.

The yeas and nays resulted—yeas 48, nays 50, as follows:

[No. 279 Leg.]

YEAS—48

Abourezk
Aiken
Bayh
Biden
Brooke
Burdick
Case
Chiles
Clark
Cranston
Eagleton
Hart
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stafford
Stevenson
Symington
Taft
Tunney
Williams

NAYS—50

Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hartke
Helms
Hruska
Inouye
Johnston
Long
McClellan
McClure
McGee
Nunn
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—2

Church
Cook

The PRESIDING OFFICER. On this vote the yeas are 48, and the nays are 50. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is not agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 14715. An act to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes; and

H.R. 15544. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1975, and for other purposes.

HOUSE BILLS REFERRED

The following House bills were each read twice by their title and referred as indicated:

H.R. 14715. An act to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 15544.. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1975, and for other purposes; to the Committee on Appropriations.

SUPPLEMENTAL APPROPRIATIONS, 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of House Joint Resolution 1061, which the clerk will state by title.

The second assistant legislative clerk read the joint resolution by title, as follows:

A joint resolution (H. J. Res. 1061) making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans Administration, and for other purposes.

The Senate proceeded to consider the joint resolution.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, this urgent supplemental appropriation bill was handled by the subcommittee——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate, so the Senator may be heard?

Mr. PROXMIRE. The pending measure contains——

Mr. ROBERT C. BYRD. Mr. President, may be have order called in the Senate, without the time being charged to the Senator?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the pending measure contains appropriations aggregating $179,000,000.

For compensation and pensions, $100,000,000 is provided in order to implement Public Law 93–295, which was approved May 31, 1974, and which became effective May 1, 1974. This legislation increased the rates of disability compensation for disabled veterans and also increased the rates of dependency and indemnity compensation for their survivors.

For readjustment benefits, there is recommended an appropriation of $77,000,000, which is provided to implement Public Law 93–293, which was apapproved May 31, 1974, and which granted a 30-day emergency extension of the eligibility period for veterans discharged prior to June 1, 1966. There will be a total of 285,000 trainees, who will benefit from the provisions of Public Law 93–293, including 141,000 who will be taking training at the college level, 46,000 at the below college level and 98,000 enrolled in correspondence courses.

Also provided in the pending measure is $2,000,000 for the general operating expenses of the Veterans' Administration, which is $500,000 below the estimate but the same as the House allowance.

Of this sum, $1,500,000 will be used to put into effect the so-called man-on-campus program which is primarily designed to insure better service to veterans, and in particular, to expedite the monthly allowance paid to veterans enrolled in various educational institutions. The remaining $500,000 is provided to pay for the overtime necessitated because the delimiting period to utilize educational benefits has been extended and will require the manual research of records in order to identify those veterans whose benefits had previously expired and are now eligible.

Mr. President, that concludes my statement, and I urge that House Joint Resoultion 1061, as reported to the Senate without amendment, and as passed by the House unanimously, be adopted.

Mr. YOUNG. Mr. President, I am sure there is no opposition to this resolution.

The joint resolution would appropriate a total of $179,000,000 for the Veterans' Administration. The amounts recommended for Compensation and Pensions, and Readjustment Benefits payments are due entirely to the enactment of Public Law 93–295, and Public Law 93–293, both approved on May 31, 1974. The funds are required for benefits payments in the current fiscal year. Also provided in the General Operating Expenses appropriation is $1,500,000 for veterans benefits counselors and $500,000 for overtime pay which is required because the extension of the delimiting period to utilize education benefits making necessary the manual research of records to identify those veterans whose benefits have expired and are now eligible. These budget requests are contained in House Document No. 93–318, and were submitted too late for consideration in the Second Supplemental Appropriation bill, 1974, which became law on June 8, 1974.

Mr. President, I urge the approval of the joint resolution.

The PRESIDING OFFICER. The Senator from Arkansas (Mr. McClellan) has 2 minutes.

Who seeks recognition?

Mr. McCLELLAN. Mr. President, I am ready to yield back the remainder of my time.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendments to be proposed, the question is on the third reading.

The joint resolution was ordered for a third reading, and was read the third time.

Mr. McCLELLAN. Mr. President, I yield back the remainder of my time.

Mr. YOUNG. I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The joint resolution, having been read the third time, the question is: Shall the joint resolution pass? The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook) is necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook) would vote "yea."

The result was announced—yeas 98, nays 0, as follows:

[No. 280 Leg.]

YEAS—98

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—2

Church
Cook

So the joint resolution (H.J. Res 1061) was passed.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER (Mr. Hartke). The Chair now lays before the Senate the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The PRESIDING OFFICER. The pending question is on agreeing——

Mr. LONG. Mr. President——

The PRESIDING OFFICER. To the amendment of the Senator——

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Bart-

LETT). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Arkansas (Mr. FULBRIGHT) be recognized for not to exceed 20 minutes at this time, to speak out of order on a matter not germane to the pending measure, with the understanding that the Senator from Louisiana (Mr. LONG), who now has the floor, will be recognized immediately thereafter.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORMALIZING RELATIONS WITH THE SOVIET UNION—AVENUES AND OBSTACLES

Mr. FULBRIGHT. Mr. President, as President Nixon travels to Moscow for his third annual meeting with the Soviet leaders, it seems worth recalling that we have traveled a considerable distance since the worst days of the cold war. In 1947, Dean Acheson won support for the Truman doctrine by characterizing communism as a contagious disease, and Senator Arthur Vandenberg heralded "the worldwide ideological clash between Eastern communism and Western democracy." In 1955, as the McCarthy hysteria abated, an Iowa farmer, Roswell Garst, later to be host to Nikita Khrushchev, was given grudging permission by the State Department to accept an invitation to the Soviet Union, although, by Mr. Garst's own account:

> I was told that they thought I had wasted their time and that they believed no one could teach the Communists anything nor sell them anything....

Even in 1961, President Kennedy, in his first state of the Union message, warned us never to be lulled into believing that either Russia or China "had yielded its ambitions for world domination. * * *"

In his fine speech at Annapolis on June 5, 1974, President Nixon spoke with justified pride of the many agreements reached with the Soviet Union during his period in office, and he said that—

> Upon these bridges we are erecting a series of tangible economic and cultural exchanges that will bind us more closely together.

Said the President:

> An enduring structure of peace must be cemented by the shared goals of coexistence and the shared practice of accommodation.

As the President journeys to Moscow, we may hope that tangible progress may be made along the two main avenues of détente: arms control and trade. A general accord on trade, outlining principles and guidelines, seems probable, and there is also a good chance for an agreement limiting underground nuclear tests to a certain "threshold" of explosive power. We may hope too—though not very confidently—that more important agreements will also be reached or at least approached—to limit the deployment on both sides of multiple warhead missiles known as "MIRV's," and to extend the 5-year interim agreement on offensive missiles beyond 1977. We may also hope that the emotionally charged issue of emigration from the Soviet Union will be resolved or at least allayed, so as no longer to pose an obstacle to trade and investment between the United States and the Soviet Union.

There are indications that General Secretary Brezhnev and his colleagues are prepared to go far to reach agreements, that they are indeed interested in normalizing relations with the United States.

Mr. Brezhnev assured Members of Congress when he visited here last year:

> We came here to consolidate good things, not to quarrel.

In a speech on June 14 of this year Mr. Brezhnev noted that—

> Advocates of the arms race use the argument that to limit arms and even more to reduce them involves taking a risk.

He went on to warn that—

> In practice, it is an immeasurably greater risk to continue the unbridled accumulation of arms.

As to emigration, there are unsubstantiated reports that the Soviet Union may be willing to guarantee in writing a Jewish emigration level of 45,000 a year—an increase of almost 15,000 over the previous maximum for 1 year—and also to guarantee against the harassment of prospective emigrants.

Why indeed would the Russians want to normalize relations with the United States? What are their motives? One probable motive is the fear of China, and of a conceivable Sino-American alliance. Another is the wish to consolidate the Soviet position in Eastern Europe. Still another—recurrent in Soviet statements since Khrushchev's time—is the acute, embarrassed awareness of comparative economic backwardness, and the resulting desire to reduce the arms burden and attract Western technology and investment for Soviet economic development. In Secretary Brezhnev's recent statements one hears an echo of Chairman Khrushchev's words to the Foreign Relations Committee back in 1959:

> We have always had great respect for the American people. We have also been somewhat envious of your achievements in the economic field, and for that reason, we are doing our best to try to catch up with you in that field, to compete with you, and when we do catch up, to move further ahead.[1]

There seems no doubt, too, that President Nixon—despite his anti-Communist past—and Secretary Kissinger surely, are solidly committed to the normalization of Soviet-American relations. The Secretary, being a historian, comes naturally by his appreciation of the advantages of accommodation. As to Mr. Nixon, the vicissitudes of Watergate seem to have had a good effect on him: they have given him added incentive for a productive, responsible foreign policy. I most emphatically do not agree that Watergate has undermined the administration's effectiveness in foreign policy; the administration's successes ought to refute that charge. Most foreigners seem either bored by Watergate or puzzled by all the fuss. They may even find us easier to deal with now that we—or at least some of our leaders—have been knocked off their moral high horse. The Russians may even be inclined to help the President out with timely, politically useful concessions. As one Soviet journalist told an American counterpart:

> He's been a good partner for us. And you don't let a good partner down when he is in trouble. You help him out.[2]

If indeed anyone is exploiting Watergate to the detriment of our foreign policy, it is not the Russians but some of our own military leaders and certain Members of the Senate who resist any reduction in appropriations for the Pentagon. In their view President Nixon's conception of "shared goals of coexistence" is a delusion, because, as they see it, the Russians are unalterably committed to world domination and are using détente as a trick or a tactic toward that goal. Emboldened by the President's domestic difficulties, the cold warriors in the Pentagon and in Congress have mounted a concerted offensive, both against arms control and trade with the Soviet Union.

The Secretary of Defense evidently feels free to undercut the administration's détente policy by pressing for a wholly unnecessary "equivalence" with the Soviet Union in "throw weight" and numbers of missile launcher, despite an American advantage of more than 3 to 1 in warheads. Mr. Schlesinger also propounds a "targeting doctrine" which would confront the Russians with the destabilizing prospect of an apparent American bid for first-strike capacity. At the same time the Senator from Washington and his allies continue their dangerous meddling in the internal affairs of the Soviet Union, even though, as James Reston commented a year ago:

> Mr. Brezhnev has tolerated American interference with his internal laws more than any American President would have tolerated similar interference from the Soviet Union.[3]

Prospects for a strategic arms limitation agreement were materially reduced by the defeat in the Senate on June 10, by a vote of 49 to 37, of Senator MCINTYRE's sensible, moderate proposal to delay the funding of counterforce research and development until the President certifies failure in the effort to limit MIRV's through the SALT talks. Mr. Schlesinger has thus been given the green light to proceed with his new "targeting doctrine" with all its destabilizing possibilities. Superficially appealing as a means of providing "selectivity and flexibility," allowing of limited nuclear strikes as well as all-out attacks on cities, the new targeting doctrine will surely be perceived by the Russians as a bid on our side for the development of a preemptive, first-strike capability against missile sites and command centers.

It threatens, thereby, to undermine the single most important achievement in arms control thus far, the ABM treaty. Under that agreement—which confines both powers to no more than two antiballistic missile sites—the Soviet Union and the United States in effect committed themselves to permanent coexistence. Insofar as each side admits it has no defense against nuclear ICBM's, it also commits itself to peace and to the survival of the other's power and ideology. Secretary Schlesinger's "new flexibility," and the apparent bid for a first-strike capacity, cannot fail to undercut the mutual confidence and sense of security to which the ABM treaty was beginning to give rise.

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[1] Quoted in J. W. Fulbright, "The Crippled Giant," p. 26.

[2] Hedrick Smith, "Mr. Brezhnev Is Looking Beyond the President," the New York Times, June 23, 1974, p. E1.

[3] The New York Times, June 22, 1973.

With a flawless sense of timing, the enemies of détente have chosen the moment of the President's departure for Moscow to fire a few broadsides at his policy. The Senator from Washington weighed in with a charge, promptly and convincingly refuted by the Secretary of State, that the administration had agreed secretly at the 1972 summit to allow the Russians to exceed their allotted 950 modern submarine-launched missiles, and had also promised to hold the American submarine force below its allotted and planned level. With apparently similar intent, Mr. Paul Nitze, a recently resigned SALT delegate, chose the day before the President's departure to grant a highly publicized interview complaining of a lack of "trust" in subordinates on the part of the President and the Secretary of State, and also insinuating that they were on their way to Moscow to make a bad bargain, adding:

> I felt the difficulties in Washington stemming from the Watergate affair were not without significance.[4]

If Watergate is hampering the administration's foreign policy, it is not the doing of the Russians but of the cold warriors at home. It is interesting, by contrast, to recall General Secretary Brezhnev's comments on Watergate a year ago. Before leaving Moscow for Washington, he told a group of American reporters that—

> It would be quite indecent and quite unsuitable for me to intervene in that affair in any way * * *.

His attitude toward President Nixon, he added, was one of "very great respect," based, he said, on the President's "realistic, constructive approach to the problem of improving relations between our two countries * * *."[5]

The other current major obstacle to détente is the extraordinary pressure being applied to the Russians on their emigration policy, which threatens to undercut promising possibilities of trade and investment. According to press reports, the Senator from Washington (Mr. JACKSON), the Senator from New York (Mr. JAVITS), and the Senator from Connecticut (Mr. RIBICOFF) were dissatisfied with Secretary Kissinger's indication that the Russians would be willing to guarantee in writing that they would permit the emigration of 45,000 Soviet Jews a year, and further would give a pledge against the harrassment of prospective emigrants. According to press reports, the Secretary was told he would have to "come back with something more."

With all respect to my colleagues' humanitarian concern, I am bound to suggest that they are playing a dangerous game. The Soviet Union is a great and proud nation and, however reprehensible some of its internal practices may be, it is not likely to yield indefinitely to foreign pressures for their reform. They have indeed cut back emigration this year to a rate 25 percent below last year's level, as an evident sign of their displeasure with American pressure.

There are, too, larger issues at stake, issues more directly related to the national interests of the United States. Over and above the potential economic benefits, the broader purpose of investment and nondiscriminatory trade is political: the cultivation of an international atmosphere of security and cordiality in which the dangers of nuclear war could steadily abate. The issue is not one of favored treatment for the Soviet Union, but only one of nondiscrimination, which is all that most-favored-nation trade treatment confers. The threat to withhold this, as well as ordinary commercial credits, as a lever on Soviet emigration policy, is not only likely to prove ineffective in terms of its own objective, but also represents a distortion of our national interest. Stabilizing the peace is our own overriding interest in relations with the Soviet Union, and it is too important to be compromised by meddling—even humanitarian meddling—in internal Soviet affairs. As President Nixon very sensibly put it in his Annapolis speech:

> We cannot gear our foreign policy to transformation of other societies. In the nuclear age our first responsibility must be the prevention of a war that could destroy all society. We must never lose sight of this fundamental truth of modern international life.

Mr. President, I have recently been in communication with Mr. Roswell Garst, the Iowa farmer whose advanced farming methods so impressed Nikita Khrushchev. In his letter to me Mr. Garst points to the potential benefits of Soviet-American trade. The Russians being short of food, and we being short of natural gas for the production of nitrogen fertilizer, we could develop a natural trade relationship exchanging Soviet natural gas for American soybeans, wheat and corn.

Mr. Garst also sent me a copy of a letter he received from Chairman Khrushchev, dated December 31, 1959, in which Mr. Khrushchev pointed to the insanity of spending immense sums on arms, and then went on to say:

> The bulk of the money saved as a result of the disarmament could be also used for the purpose which is so dear to your heart, and I shall not conceal it from you—to mine too—that is for the production of food stuffs for the people.

We did not put much trust in Mr. Khrushchev's overtures of 15 years ago, and in large part because we did not, he lost the confidence of his colleagues in the Kremlin and ultimately lost power. Mr. Brezhnev, now at a peak of power and prestige, also has a great deal at stake in his opening to the West. If he fails in his détente policy because of excessive American demands relating to strategic arms and internal Soviet affairs, it is possible that Brezhnev, like Khrushchev, will be discredited at home and displaced by hard-nosed successors who will have little interest in trade, arms control or détente with the United States—or for that matter in freedom of thought or emigration for Soviet citizens. In that unhappy event our own cold warriors will no doubt trumpet the vindication of their prophecy. The irony that will escape them—as it does today—is that their prophecy, in large part, has been self-fulfilling.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point Mr. Roswell Garst's letter to me of May 30, 1974, along with Chairman Khrushchev's letter to Mr. Garst of December 31, 1959, and three letters addressed by Mr. Garst to the Soviet Embassy in Washington, one dated April 30, 1974, two dated May 30, 1974. The substance and the circumstances of this correspondence conveys a more credible message of the true interests of our two countries than volumes of diplomatic exchanges or emotional speeches.

I commend this correspondence to the attention of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GARST & THOMAS
HYBRID CORN CO.,
Coon Rapids, Iowa, May 30, 1974.

Hon. J. W. FULBRIGHT,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Because I feel sure you will be interested, I am enclosing a copy of a letter I received from Nikita Khrushchev dated the last of December, 1959. (We had sent him a book with many pictures taken when he had visited here in late September—and some movies of the crowds).

I always enjoyed him. He knew how to laugh. And yet he could be serious and sensible. In 1959—in January, Mikoyan—who was Minister of Foreign Trade at the time—had visited Cuba—and then had come to the U.S.A. I had met him at Khrushchev's vacation place in the fall of 1955 when I had met both Mr. & Mrs. Khrushchev, so I flew to Washington and had lunch with him.

He told me that Khrushchev had told him that he, Khrushchev, wanted both Mrs. Garst and me to come to the Soviet Union for a visit as soon as convenient. Mrs. Garst and I had planned a Mediterranean trip for the late winter so I accepted the invitation. We interrupted our trip at Beirut, Lebanon—flew to Moscow via Rome. Matskevich, Minister of Agriculture, flew us down to Sochi on the Black Sea where Khrushchev was vacationing.

Mrs. Garst had never met him. She went with reluctance because we had been caught in Budapest in the 1956 uprising. She had never met him—feared he would be difficult as he had been at the United Nations.

Matskevich and I went over to Khrushchev's home in the morning and spent from 9:30 till 12:30 talking about agriculture. Mrs. Garst came over at 12:30 for lunch and we talked all afternoon about the fact that the armaments burden was too great for both the U.S.S.R. and the U.S.A.

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[4] Marilyn Berger, "Nitze Notes Lack of Trust by Top Aides," Washington Post, June 25, 1974, pp. A1, A5.

[5] Hedrick Smith, "Brezhnev Praises Nixon for 'Realistic' Approach," The New York Times, June 15, 1973.

I told him that for a person who was born a Russian peasant, it seemed to me he was a poor "horse trader". I pointed out we were spending about 10% of our gross national production for what we called "Defense", and that we had about twice as much industrial capacity as the Soviet Union. He had to spend 20% of his industrial capacity to stay even.

Furthermore, that we took our armaments out of luxuries! We had so many automobiles we did not know where to park them—so many electrical gadgets we were confused about how to keep them in repair—while his armaments came out of people's hides—out of things we considered absolute necessities. He should want a reduction of armaments even more than we.

He said we had the Soviet Union surrounded with air bases—in Turkey, in North Africa, in Formosa, in Korea—surrounded on all sides. And he asked what I thought of that.

He had asked the same question when I met him first in 1955. In 1955, I could not think of an answer but by 1959 I had thought of one I was willing to try out. It was as follows:

"It seems to me you should laugh at us—not worry!" He asked me to explain which I did about as follows:

"I know that the Soviet Union will not start a war. You have been in two wars in my lifetime. You have been devastated, terribly devastated, twice in my lifetime. You lost more lives in both World War I and World War II than all other participants."

You are now making very rapid progress. You are still far behind the U.S.A. You need roads—you need housing—you need many, many things. So, you are not about to start a war.

Nor is the U.S.A. going to start a war. The Soviet Union and the U.S.A. neither want a war. So, the American air bases are actually a useless expenditure of American funds. You should be amused at the ridiculous waste of American funds.

Mrs. Garst, who had gone with great reluctance, was very well-pleased with the whole conversation. He agreed that the armaments burden was far too great. He said he would like to greatly reduce it—and would like to use half of the savings for the less fortunate countries.

Both Mrs. Garst and I thought we had made a great contribution to world peace. When we were leaving, Mrs. Garst said about as follows: "You have been so cordial and courteous that I leave with one regret, which is that I regret that I cannot reciprocate by having you as a guest in our home as you have had us in your home!"

He bowed and said about as follows: "Mrs. Garst if I ever again visit the U.S.A., I will visit you in your home!"

We were there in March—by June President Eisenhower had invited him. He came—saw the whole U.S.A.—and in my opinion was ready to reduce armaments until the U-2 was shot down over Russia

I only saw him once after that. My nephew, John Crystal, and I visited the Soviet Union in 1963 and visited with Mr. and Mrs. Khrushchev and family at his "Datcha" outside of Moscow in late May of 1963.

I think you knew most of this history—but thought it worth repeating.

It seems to me that Secretary of State Kissinger is doing an excellent job in the Mid East—such a fine job that he will continue as Secretary of State under Ford if Nixon resigns, is impeached or whatever happens. He faced a very bad situation—handled it by hard work, good sense and patience.

As you will remember that last winter I pointed out the energy crisis ends up being a food crisis, primarily because there are three principal plant foods—nitrogen, phosphorus and potash.

We get phosphate and potash out of mines. Neither is inexhaustible but there are enough deposits for the time being. However, nitrogen is made from gas (either natural gas or gas made from oil or coal or lignite).

Natural gas in the U.S.A. is in short supply. In the Mid East it is flared—wasted—just burned to get rid of it.

We are short of nitrogen fertilizer in the U.S.A. by a minimum of three million tons. Everywhere in the world farmers could use more nitrogen fertilizer.

It seems to me there are three options.

First, the oil companies that import oil from the Mid East—and from other areas could make nitrogen fertilizers and pay a moderate price for the gas now being flared.

Second, we could sell soybeans, wheat and/or corn to the Soviet Union and buy nitrogen from the Soviet Union.

Or Third, we can make it from coal or lignite. Probably we should do all three things.

I pointed this out because Secretary of State Kissinger becomes a key figure in helping solve the food problem of the world. He simply has to be familiar with the fact that "energy" and "food" are almost synonymous—they go together like the words bread and butter.

From a practical point of view I have retired from business. My sons, Stephen and David, and their associates run the seed corn business and the farming business.

Because I was an early enthusiast about fertilizer and because I have long been a student of the race between world population growth and world food supplies, I think I might be helpful to Secretary Kissinger. I do not want to work for anyone—but I do want to be helpful.

When you get back to Washington—and Secretary Kissinger gets back—and both of you have had time to rest up from your campaigns—if you wish to do so—and only if you care to do so—I would be happy to come to Washington and visit with Secretary Kissinger.

I do enclose herewith a copy of a letter I wrote Ambassador Dobrynin in late April—and another I have written today which I believe are pertinent.

Our warm regards to you both,

Sincerely,

ROSWELL GARST.
ELIZABETH GARST.

UNOFFICIAL TRANSLATION

December 31, 1959.

Mr. ROSWELL GARST,
Coon Rapids, Iowa.

DEAR MR. GARST: Allow me first of all to thank you, Mrs. Garst and all your family for the warm New Year greetings and good wishes.

Thank you also for the album of photos and the movie depicting our meetings in Coon Rapids. It was a great pleasure for all of us to see this album and the movie. They will remind us of those pleasant hours which we spent together with you at your farm.

I was glad to hear again from you that my trip to the United States of America was successful and that it lessened the suspicions which has existed between our countries. I wish to express once again my profound conviction that a further development of contacts between our countries will bring about the growth of mutual understanding between them and then also relations of friendship and cooperation. In this respect we in Moscow just, as you, Mr. Garst, expect much from the forthcoming visit to the Soviet Union by President Eisenhower. He will be the welcome guest here.

I am glad to see your deep interest in the solution of the disarmament problem. Indeed it is insane to spend immense sums on instruments of warfare while, should relations among states be normal, these sums could be used for increasing standard of living of people and for rendering assistance to less developed countries in the furtherance of their economies and culture.

On our part we are doing our best at present and we shall make all efforts in the future to achieve the solution of this most important problem of contemporary times—to conclude an agreement on general and complete disarmament of all states under appropriate international inspection.

The bulk of the money saved as a result of the disarmament could be also used for the purpose which is so dear to your heart, and I shall not conceal it from you—to mine too—this is for the production of food stuffs for the people. And in this field, dear Mr. Garst our future cooperation with you could be as good as today and perhaps even better.

I am pleased by the fact that you attentively follow the program of agriculture in the Soviet Union and I express you my gratitude your wishes of our further successes. I think you already know that we are working hard in this direction; and in particular we have recently thoroughly discussed measures toward further development of agricultural production and have adopted a corresponding decision in Moscow.

I thank you once again, Mr. Garst, for your warm congratulations and wishes. Nina Petrovna, other members of my family and myself send you, your wife and all your family our best wishes of success in your lives, happiness and health in the coming 1960.

With sincere respect,

N. KHRUSHCHEV.

GARST & THOMAS
HYBRID CORN CO.,
Coon Rapids, Iowa, April 30, 1974.

His Excellency Mr. ANATOLIY F. DOBRYNIN,
Ambassador of Union of Soviet Socialist Republics, Washington, D.C.

DEAR MR. AMBASSADOR: In the summer of 1955 the first exchange of agricultural delegations between the Soviet Union and the United States took place. While the Soviet delegation was spending a week in Iowa, both Mr. Tulupnikov and Mr. Matskevich visited with Mrs. Garst and me—and our two sons here at Coon Rapids.

We were doing a number of things on the Garst farm that they had not seen before. For instance, the Soviet delegation had discovered that every Iowa farmer used hybrid seed corn, but they had not seen how hybrid seed corn was produced until they came to Coon Rapids. We had in 1955, as we do have now, the largest plant for the drying, shelling, sizing and sacking of hybrid seed corn.

Moreover, by 1955 we were using generous applications of balanced fertilizers—and we were using insecticides and herbicides.

Another thing we were doing was feeding cattle ground corn cobs for the bulk of their carbohydrate feed intake and we were supplying the protein for our cattle in the form of urea which we dissolved in molasses. (We have for 20 years dissolved 10% urea in 90% molasses and used the mixture as the protein supplement.)

Then, of course, we were using the most modern American farm machinery.

Mr. Matskevich immediately invited me to visit the Soviet Union and see Soviet agriculture. He said late September or early October would be a fine time.

There had been about 10 years of almost no communications between the end of World War II and 1955. Winston Churchill of Great Britain had accused Stalin of pulling down an "Iron Curtain!" Senator Joe McCarthy of Wisconsin had made speech after speech of a derogatory nature about all communist countries.

Passports from the U.S.A. had to be especially validated before Americans could enter any communist country.

So, I told Mr. Matskevich that I would let him know before he had finished his trip whether I would come.

I immediately went to Washington and to the U.S. Department of State. They already knew I had been invited. I told them that I knew modern agriculture well. I told the State Department that I did not want to go unless I could feel free to teach the Soviet Union everything I knew about how to produce "more and better food" with less labor!

Furthermore, I told the State Department that if I explained the virtues of hybrid seed corn, I wanted to be assured I could get an export license so they could buy some to compare with their own.

And that if I told them about the virtues of insecticides or herbicides or fertilizer or farm machinery, that I could get export licenses.

And finally, I told them that I wanted to visit Romania, Hungary and Czechoslovakia and show them how to produce more and better food with less labor on the same terms.

Secretary of State Dulles was, as usual, on the other side of the world, so they said I should wait till his return—that it would be taken up at the "highest level" and then I should come back. In a week or two Dulles did get back—I was invited to come back—and I was told that they thought I had wasted their time and that they believed no one could teach the communists anything nor sell them anything—but they thought that it was worthwhile to keep communications between our two countries going.

Never could anyone have had a finer trip than I had. Mr. Emelyanov was then agricultural attache in Washington. He accompanied me for the whole trip. We spent almost a week at the Soviet Department of Agriculture in Moscow, then to Kiev, Kharkov, Dniepropetrovsk, Krasnodar and Odessa. At Odessa I was informed that Chairman Khrushchev was vacationing near Yalta and would like to see and visit with me.

I was, of course, delighted Mrs. Khrushchev and one of their daughters were there. And Mr. Mikoyan, Minister of Foreign Trade, Mr. Matskevich, the Minister of Agriculture of Ukraine.

They wanted a full report on the hybridization of corn, on the fertilization, on mechanization. I recommended "broilers" (young chickens) as the most efficient way to turn course grains into meat, and told them every new method.

I offered 5,000 tons of early maturing hybrid seed corn which they ordered while I was there. They wanted to know about a seed corn plant. I invited them to send a delegation over to study our plant which was the most modern. I gave them the blueprint of our plant—and helped them order the machinery.

Roughly the same thing happened in Romania and Hungary but on a smaller scale. Each country bought some Pioneer brand hybrid seed corn and some seed production facilities—and some chicken equipment—and things of that type. The Northrup King Seed Co. of Minneapolis furnished part of the seed because only about the earliest 10% or 15% of the corn raised in the U.S.A. is early enough to mature in the Soviet Union or Northern Romania or Hungary or Czechoslovakia.

I gave many, many talks to your citizens. I always told them that I greatly admired the progress—because I knew their history. It was not until 1917 that the revolution took place. That was 38 years before 1955.

Under the Czars only about 10% of the population knew how to read and write. I estimated that it must have taken at least ten years to educate the school teachers and to build the school houses where all of the population could be educated. So they had not had 38 years of opportunity—not more than 28 years.

Then I would point out that it must have taken ten years to fight a war of survival and to repair the devastation that the war had brought. So, in fact, their nation had only 18 years of opportunity!

I compared Soviet agriculture with American agriculture. We were far, far ahead—not because we were more brilliant people but because of our greater opportunities. We had not had a war on our soil since the "Civil War" (from 1861 through 1865). We had enjoyed an excellent school system for a hundred years!

Our country had been largely settled with Europeans, Russians, Germans, Romanians, Hungarians, English, Swedes, Danes, Norwegians. After that kind of a preface, I could tell anyone that we were far ahead—not because we were more brilliant—but because we had a much better opportunity.

You may have known most of this background—but I wanted to be sure of that. And I wanted to be sure that you know that my association with the communist countries of Eastern Europe has been one of the rewarding experiences of my life. I have been able to be helpful to the people of Eastern Europe—and they have appreciated that help.

And now I find that the Soviet Union may be able to help me—and my country—and sell us something that you may want to sell us—*that is fertilizer!*

Geographically our nation is an area which has a longer growing season because we are further south. And we have a vast area we call "the cornbelt" which is perfectly beautiful for corn production—and soybean production, and we have a great area for wheat.

Your country is not so favorably situated as the U.S.A. for grain production.

However, the Soviet Union is endowed with very large mineral resources! You have very large reserves of both crude oil and natural gas.

Nitrogen fertilizers are the thing we need most in the U.S.A. It only takes three elements to make nitrogen fertilizers. Those three things are natural gas, air and water. We, in the U.S.A., have by far the world's largest reserves of coal, something like half of the world's coal reserves are in the U.S.A. We can make "natural gas" from coal—and in that way make nitrogen fertilizer. But, that will take some time.

We have in the U.S.A. ample phosphate—and potash is available in both the U.S.A. and Canada.

It seems to me that a fair trade can be worked out of the production of grain—largely wheat, corn and soybeans for shipment to the Soviet Union—and that in return—in the same boats—you might market an equivalent value of dry nitrogen fertilizers. The nitrogen fertilizer could be ammonium nitrate or urea. (Ammonium nitrate is 33% nitrogen—and the urea is 45% nitrogen. Either would be excellent.)

I send this letter to you, Ambassador Dobrynin, because I do not know which Department of the U.S.S.R. government should receive. It may be the Agricultural Department, or it may be the Foreign Trade Department, or it may be the "Food" Department.

You have not only my permission, but my encouragement as well to have this letter interpreted into your own language—and send it to the several departments who are most likely to be interested.

How much nitrogen fertilizer could the U.S.A. use? A great deal, I feel sure. The Garst family could use several thousand tons of either ammonium nitrate or urea.

Find out what prices would be required with delivery either at New Orleans or at one of the Great Lake ports such as Chicago or Milwaukee if you can.

And, I will appreciate your own reaction to this suggestion.

With warm personal regards, I am

Yours very sincerely,

ROSWELL GARST.

GARST & THOMAS
HYBRID CORN CO.,
Coon Rapids, Iowa, May 30, 1974.

His Excellency Mr. ANATOLIY F. DOBRYNIN,
Ambassador of Union of Soviet Socialist Republics, Washington, D.C.

DEAR MR. AMBASSADOR: This letter will cover several subjects.

First, due to previous commitments, I find it impossible to be in Washington June 3rd to say good-bye to Alexander A. Kosygin and to meet the new Agricultural Counselor Dr. I. A. Gavva.

I am writing them a separate letter and enclosing three copies with this letter—one copy for you and one copy for each of them. I do wish to call your attention to the fact that I believe Dr. Gavva should come out to Iowa in the rather near future.

Second, I want you to know that our Des Moines Register, Iowa's leading newspaper carried the story about the Export-Import Bank loan to the Soviet Union, I was, of course, delighted.

Third, it seems to me that the letter I wrote you April 30th is more meaningful since the announcement of the Export-Import Loan.

The Soviet Union will, of course, increase the number of acres under irrigation steadily—and will, in the foreseeable future, build up reserves of grain. And, I feel sure that the United States will gradually increase the amount of nitrogen fertilizer by using our vast reserves of coal and lignite.

It seems probable to me that it will take the Soviet Union five or six years as a minimum to get enough irrigation and as long for us to get enough nitrogen fertilizer.

During that period, it seems to me that it is important to have imports and exports between our two countries. For instance, I am willing to estimate that we will have more soybeans than we need in 1974–75 and that we can use nitrogen fertilizer more effectively than the Soviet Union because of our higher precipitation and greater irrigation.

As I wrote you April 30th, the Garst family can use several thousand tons of nitrogen fertilizer.

I urge you to take the matter up with your Department of Foreign Affairs. The Soviet Union—and the United States—want peace and commerce.

Both the Soviet Union and the United States need to reduce armaments! And, we both need to increase food production.

The world, at this moment, is over armed—and under fed!

It would give me great pride to sell to the Soviet Union corn or soybeans and buy from the Soviet Union some nitrogen fertilizer. Even though the amounts of the transactions are not very great at the start, it might well establish a pattern that could be expanded.

You have not answered my April 30th letter. I hope you have forwarded the idea on to Moscow. If not—I hope you forward these thoughts.

With warm personal regards, I am

Very sincerely yours,

ROSWELL GARST.

GARST & THOMAS,
HYBRID CORN CO.,
Coon Rapids, Iowa, May 30, 1974.

ALEKSANDR A. KONYGIN and Dr. I. A. GAVVA,
Embassy of the Union of Soviet Socialist Republics, Washington, D.C.

GENTLEMEN: I have just written Ambassador Dobrynin that Mrs. Garst and I will not be able to attend the reception to say good-bye to you, Konygin—nor to welcome you, Gavva.

Our association with the Soviet Union dates back to 1955 when the exchange of the Soviet Agricultural Delegation and the United States Agricultural Delegation took place.

Mr. V. V. Matskevich visited the Garst farm—saw that we were producing hybrid seed corn, fertilizing not only our grain crops but our pastures as well—feeding ground corn cobs to our cattle, using urea as the protein for our cattle—and he (Mr. Matskevich) invited me to come to the Soviet Union, which I did in late September and October.

So our association has now been for almost 19 years and always most pleasant! I want you both to realize that it has been one of the most interesting experiences of my life.

I was born June 13, 1898. I started farming in 1917 when my older brother went off to World War I. So I saw and practiced agriculture when horses furnished the power. Two horses, a "team" of horses were used on all wagons and most farm implements.

It took 30 minutes of man time to raise and harvest a bushel of corn. It took a third of the population on farms to raise the food. And even in that time, American farmers were using the most advanced machinery and methods.

So I have lived in the period of the most rapid improvements in agriculture in the history of the world. Where it took 30 minutes of man time to raise and harvest a bushel of corn in the period of 1920 to 1930. It now takes 3 minutes or less.

In the 1920 to 1930 period, a hen layed about 60 eggs per year. We did not know how to balance her diet—we had poor genetics—now hens lay 220 to 240 eggs per year.

In short, in my lifetime agriculture has—like industry—progressed at a rate that has been almost unbelievably rapid. And, that has been necessary. Because when I was born World population was only about 1.5 billion people. World population will reach 4 billion in 1975.

Almost all of the improvements in agriculture have taken place in the United States and in the world since 1930.

The first major improvement was in genetics—the hybridization of corn. It was in 1930 that I produced in association with what is now known as "Pioneer Hi-Bred International, Inc." 300 bushels of hybrid seed corn here at Coon Rapids. Less than half of 1% of the corn planted in the U.S.A. in 1930 was planted with hybrid seed. By 1945 90% of the corn planted in the U.S.A. was planted with hybrid seed. By 1950, it was all planted with hybrid seed.

In 1940 almost no fertilizer was used except manure. By 1955 some fertilizer was being used. Now almost every acre is generously fertilized. It was not until 1950 that insecticides and herbicides were used.

In the 44 years since I started in the production of hybrid seed corn, I have made every effort to not only take full advantage of every new improvement in agriculture—but I have tried to be as helpful as possible to help every other farmer to take advantage of the same improvements.

And that has been true not only of American farmers—but all farmers everywhere.

To you, Konygin, I say not "good-bye"! I would rather say "best wishes—till we meet again"!

And to you, Dr. Gavva, I say, "Welcome to the U.S.A." and I add, "I hope you plan to come out to Coon Rapids for a visit this summer or fall. Probably August or September is the most useful time. I will meet you in Des Moines and show you every new method of agriculture that I have learned."

Please, Konygin, when you return to Moscow or any other location, send me your address so I can keep in touch with you.

Very sincerely yours,

ROSWELL GARST.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The **PRESIDING OFFICER.** The Senator from Louisiana is recognized.

Mr. **LONG.** Mr. President, I am about to suggest the absence of a quorum, unless a Senator desires to make a statement at this point.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **LONG.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **BENTSEN.** Mr. President, I urge the Senate to defeat the pending amendment. This amendment would repeal the percentage depletion allowance on all oil and gas production retroactive to the first of this year.

Mr. President, I support the removal of the percentage depletion allowance on oil and gas production outside of North America and have introduced legislation to accomplish this. But I believe that the retention of this allowance on production in North America is essential, if we are to meet more of our energy needs from domestic sources and if we are to prevent a further deterioration in competition within the oil and gas industry.

I know that when a Texas Senator takes the floor to argue in behalf of the percentage depletion allowance on oil and gas, his arguments are often dismissed as representing home State interests. But I believe in this instance the economic interest of my State and the economic interests of this Nation coincide.

There are those who argue that at today's higher oil prices the depletion allowance is no longer necessary. But I see no mention of the fact that those price increases came after oil prices remained relatively constant for well over a decade, while production costs rose more than 450 percent in some areas.

Nor is any mention made of the 40-percent rise in production costs over the last 6 months alone—increased costs which have already eaten away a great deal of the benefit the producer initially received from higher oil prices. A 5,000 foot west Texas well which cost $120,000 to drill in November cost $165,000 as of May. And considering what has happened to pipe prices since May, I am sure the cost is considerably above that figure now.

Even these dramatic cost increases do not reflect the whole picture. The new domestic reserves will not be found at the same depths and readily accessible areas where they have been found in the past. When you double the depth of a well—as must be done in many areas—costs do not just double. They frequently increase exponentially. We have found the easy reserves. From now on the wells must go deeper, be drilled in harder to reach places, and in most instances the reservoirs found will be smaller. It is ironic that the depletion allowance was established at a time when oil was far easier to find and when we had more than we needed. Whatever the justification for the depletion allowance in the 1920's, it is far greater today.

A statement by one major oil company that it can live without the depletion allowance has received a great deal of attention, as have the increased profits of the major companies on their foreign operations. When the representatives of the major companies testified before the Finance Committee, there was a bank of TV cameras and standing room only. But when the domestic independents, who are presently drilling about 90 percent of the new wells in this country, testified, there were two reporters at the press table and a tourist with an instamatic. Despite the very legitimate concerns for the independent gasoline marketers and refiners evidenced by this body over the last year, the essential third leg of the independent segment of the industry—the independent producer—seems to remain an invisible man. But, Mr. President, while the independent producers are not making the headlines, they are drilling the new domestic wells.

Mr. President, I ask unanimous consent that a chart be included in the RECORD at the conclusion of my remarks showing the percentage of the new wells in various producing areas which were drilled by independent producers during the first quarter of this year.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(See exhibit 1.)

Mr. **BENTSEN.** I would ask that my colleagues note that independents, who had no interest in refinery or marketing operations, were drilling 2,075 wells for new oil and gas reserves in this country compared to 303 wells by all of the major integrated companies. I believe these figures eloquently describe the importance of the independent domestic producer. While some of the major companies may be able to survive without depletion, many of these independents cannot.

Independents are drilling for and finding the new reserves. But to continue to do so they must be able to raise the capital necessary to sustain an exploratory drilling program where four out of five of the wells they drill are dry holes. How do they do it? Two ways—internal funds and outside investors. And the depletion allowance is important to both.

Their internal funds come from the operation of producing wells. Many of these wells are marginal wells and of little interest to major companies. The economics of these wells depend very heavily upon the price of oil and the depletion allowance. If depletion is eliminated many of these wells will no longer be economically feasible to produce and will have to be abandoned. This will be a tragic waste not only for independent producers, but for the Nation as a whole. Marginal domestic oil wells represent approximately one-sixth of our petroleum reserves in the lower 48 States. Prior to the recent price increases these wells were being abandoned by the thousands. Between 1967 and 1971 an average of 17,000 wells a year were abandoned because they were no longer economically feasible to operate. Higher prices have greatly improved the viability of these wells and many are being saved. But do away with domestic depletion and we will reverse that trend as well as reducing the funds available to independents to carry out the exploration programs necessary to find new reserves.

Removing the depletion allowance will not only reduce the availability of internal funds; it will dry up a great deal of outside financing as well. Many independents raise 80 percent of their exploration funds from outside investors. With a dry-hole rate of 4 to 1, the outside investments are simply not going to be made at anything like the present rate, unless favorable tax treatment is available when a well does come in.

If there is anyone in this body who doubts the importance of the percentage depletion allowance, he should examine what happened to oil and gas exploration after the 1969 tax revisions reduced the allowance from 27½ percent to the present 22 percent. The number of oil and gas discoveries in the United States between 1969 and 1971 was almost cut in half. I would not even venture a guess as to the impact of the complete elimination of the allowance. But I am confident in saying it would clearly be counterproductive in our drive toward greater energy self-sufficiency. Oil and natural gas presently supply 75 percent of our energy needs. Despite the push for alternate fuels, this percentage is not expected to change appreciably over the next decade.

According to the National Academy of Engineering, for oil and gas to play its role in the achieving sufficiency by 1985, capital investments of between $160 and $200 billion must be made. The repeal of the depletion allowance is not the way to bring forth that investment. It is also not the way to maintain competition in the petroleum industry.

The viability of the independent marketing and refining industry depends upon the crude oil of independent producers. Yet if percentage depletion is eliminated there will be a great economic incentive for independent producers to sell their best leases to major companies. Most of these leases were acquired by independents when they were wildcat country. The independent took the risks, drilled the wells and increased the value of these leases. Their cost basis on these particular leases, which later proved productive, are often low relative to their present value. If the percentage depletion allowance is removed, we would be providing a powerful incentive for them to sell these leases to major companies at the appreciated value. The major company could take cost depletion on the higher base. These are real economic facts which must be considered.

When all of these factors are considered, I am afraid that the end of percentage depletion means the end of most independent producers. Some of my colleagues express concern about concentration in the petroleum industry. If this amendment passes they have not even begun to see concentration.

Clearly, on the basis of both national needs and public interest, the pending amendment should be defeated.

While the proponents of this amendment argue fairness and tax equity, no mention is made of the 43 other minerals which receive a 22-percent depletion or of the approximately 60 other minerals which receive some lesser level. There have been substantial increases in the price of coal and tremendous increases in the price of silver and gold. Where are the advocates of abolishing their allowances The tax concept of percentage depletion is simply a recognition that any mining operation is using up an irreplaceable resource which is not replenished. It is a sound tax concept as applied to petroleum just as it is a sound concept for the 100-odd other minerals which receive it.

Mr. President, on the basis of either public policy or tax equity the depletion allowance on oil and gas in North America should be retained. While repeal may be politically popular in the present climate, when the long-run effects of greater foreign dependence and energy shortages are experienced, I doubt if it will even prove to have been a politically wise position.

Mr. President, I urge the defeat of the pending amendment.

EXHIBIT 1

DATA COMPILED FROM PETROLEUM INFORMATION REPORTS—WILDCAT WELLS AS OF APR. 1, 1974

Area	Independents						Majors					
	First reports		Completions		Drilling wells		First reports		Completions		Drilling wells	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
North Texas	7	100	4	100	72	100	0		0		0	
East Texas	3	60	1	100	108	87	2	40	0		16	13
West Central and border counties	29	100	21	100	200	100	0		0		0	
South Texas No. 1 and 2	11	100	11	100	302	96	0		0		13	4
Texas Gulf Coast No. 3	2	67	2	67	280	86	1	33	1	33	15	14
South Texas No. 4	5	100	2	100	195	88	0		0		27	12
Texas Panhandle	2	100	1	100	68	94	0		0		4	6
West Texas	14	70	3	75	109	75	6	30	1	25	36	25
New Mexico	8	89	4	100	90	83	1	11	0		18	17
South Louisiana	5	63	1	14	154	64	3	37	6	86	85	36
Oklahoma	7	100	10	100	169	93	0		0		12	7
Colorado	2	100	4	100	91	83	0		0		18	17
North Dakota	2	100	0		10	91	0		0		1	9
Nebraska	2	100	1	100	18	100	0		0		0	
Montana	3	100	14	100	51	91	0		0		5	9
Wyoming	8	73	11	100	130	90	3	27	0		14	10
Arizona and Idaho	0		0		2	67	0		0		1	33
Utah	0		0		26	76	0		0		8	24
Total, Texas	73	89	45	96	1,334	90	9	11	2	4	141	10
Total, all	110	87	90	92	2,075	87	16	13	8	8	303	13

RECESS UNTIL 3 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 3 p.m., with the proviso that the distinguished Senator from Louisiana (Mr. LONG) at that time will regain the floor.

There being no objection, at 2:19 p.m., the Senate took a recess until 3 p.m.; whereupon, the Senate reassembled when called to order by the pending officer (Mr. BARTLETT).

The PRESIDING OFFICER (Mr. BARTLETT). The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, during the recess, it has been my opportunity to confer with a number of Senators, including the majority leader, and Senators KENNEDY, MONDALE, HUMPHREY, HASKELL, and a number of others. I believe that the Senate has, by its vote, pretty well indicated what the Senate would like to do with regard to the bill. In other words, it is my judgment that the Senate is not disposed to add nongermane amendments to the debt ceiling bill. That does not mean that the Senate cannot do so. I would be one of the first to insist that Senators should have the right to offer nongermane amendments to any bill, including the debt limit bill. But it is fairly clear that at this time the majority of the Senate is not willing to vote to add tax reduction amendments or tax reform amendments to the bill.

The fact that an amendment that had many meritorious features, some of which in their own right would command a majority vote, was denied cloture by a margin of 48 to 50 when it needed a two-thirds margin in favor of cloture, is a clear indication that, at this point, the Senate is not willing to amend the debt ceiling bill with tax reduction or tax increase amendments.

That does not mean we should not have a tax reduction bill. It means that it should be a measure that should sail under its own flag rather than one which is a rider to a debt limit bill.

There is a lot of merit to the suggestion which has been made. I wish I could have been a cosponsor of certain parts of the amendment on which the Senate voted to deny cloture because I would like to have voted for the tax cut proposal offered by the Senators from Minnesota and Massachusetts.

Unfortunately, the Senator from Louisiana could not support a large tax increase on domestic oil producers, particularly that part which affected the independent producers.

But we will have a chance, in due course, to vote on all these amendments and to formulate what I would hope to be carefully considered tax reform suggestions—the various proposals that would appeal to the Senate Finance Committee as well as to the Senate itself—and also tax reduction proposals that Senators might make on a bill that could be described as a tax reform bill.

That bill, of course, would have to find its way to the White House, hoping that we could obtain agreement with the House, which I believe we could, if it passes the Senate, and then we hope that the President would sign it. There is no assurance on that. It is entirely possible he might veto the measure.

But I am convinced from where we stand now that the Senate will be spinning its wheels and nothing will be accomplished by prolonging this debate, because the Senate is not willing to add tax cut or tax reform amendments to the bill.

Therefore, Mr. President, I will move in a moment that we recommit the pending bill and that it be reported back by the Senate Committee on Finance forthwith without amendments.

When I make the motion, the effect of it, if the Senate agrees, will mean that the Senate wants to pass the bill without amendments. This does not preclude Senators from offering amendments. They have that privilege, but if they offer such amendments, they do so in the full knowledge that the Senate has already told them it does not want to add amendments but wants to pass the bill exactly the way the bill is reported by the committee. The motion to recommit and report back forthwith has that meaning.

It does not bind any Senator. But the history and the tradition of that motion has been that when it is agreed to by the Senate, the Senate wishes to have the bill reported back consistent with its instructions.

So, Mr. President, I move that the bill be recommitted to the Senate Finance Committee with instructions to report back forthwith without amendments.

Mr. HUMPHREY. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. HUMPHREY. First, I want to express my thanks to the distinguished Senator from Louisiana for a concise and accurate interpretation of the description of our discussion and of the position that he takes with reference to the opportunity that will be afforded us to work our will on what we call tax reform.

As we know, we all have different points of view as to what we mean by tax reform. As I understand it, the Senator from Louisiana, as the chairman of the Finance Committee, recognizing that although he is the chairman and one member of the committee, will do all that he can within his power and persuasion to report a tax reform bill that may come from the House of Representatives, after the Senate Finance Committee has had the opportunity to work its will on that bill.

We also understand that at that time we will be able to offer once again any amendment that we feel is relevant to the tax structure. Some of those amendments that are here, for example, and on our desks, could very well be included in the committee report on the bill. Obviously, some of them may not be. But, as I understand it, the Senator is saying to us that he will do his best to see to it that Congress has the opportunity, if the House of Representatives gives us a bill on the tax schedule, to see that a bill is reported from the Finance Committee and that, on that occasion, those of us involved in this debate on tax matters will again have the opportunity to offer their amendments and to debate them.

It is my hope that we will not be faced with what we call extended debate or a filibuster because the subject matter will be pertinent and germane. I know that certain Senators have been opposed to us on our tax amendments to the debt ceiling bill because they did not believe that the debt ceiling bill should be loaded down with tax reform or tax amendments. I appreciate that point of view. I did not agree with it. But there are those who feel that very sincerely and, therefore, I am fully prepared to cooperate with the motion made by the Senator from Louisiana.

I have to tell him, as I have told the Senate before, that I deeply regret we were not able to muster the necessary votes in this particular endeavor of the past week or so. I fully realize that we might have to face a Presidential veto. I do not think that is certain, but we might have to.

I know that we have to have a debt ceiling bill before the end of the fiscal year. Therefore, with the assurances that the Senator has given me, and in the knowledge that those of us who have been involved as cosponsors of these amendments—by the way, the Senator mentioned most of us, but also Senator Nelson was present, as was Senator Hart.

Mr. LONG. And Senator Robert C. Byrd.

Mr. HUMPHREY. The Senator mentioned Senator Haskell and, of course, the Senator from West Virginia (Mr. Robert C. Byrd), the majority whip, with the majority leader.

Mr. President, it seems to me that we ought to proceed along the course which the Senator from Louisiana has given us. I am not happy about it, but during my years of service in the Senate, I have become accustomed, on occasion, to not having my way. In fact, that has occurred many, many times. As I said earlier today, we shall return to fight another day.

I am not discouraged by the results of this debate. It has been my judgment and my feeling that it was necessary for us to have a discussion and debate upon the subject matter of tax changes and tax reform.

As the Senator from Louisiana has indicated, he felt that there ought to be modest tax reduction. He also supported—and indicated that support here today—some reform of the tax structure on overseas oil. So we have in the Senator from Louisiana, in many areas, a strong ally.

Mr. President, we have honest disagreements over what we call the depletion allowance on domestic oil. So I believe that the debate was worthwhile.

But I am a realist. The first thing that a Senator needs to know is how to count. That helps. I have always been able to count up to 100. I also know that the majority of 100 requires at least 51, and if there are a few less than 100 around here, you still have to get 1 plus half.

Obviously, we do not have those votes. This is not the first time this has happened to me.

My good friend, the Senator from Louisiana, has known me a long time, and I am sure he realizes that this may be a necessary tactical maneuver at the moment. But we shall be back on the field of battle at a later date. At that time, I will be comforted to know that in the chairman of the Finance Committee on most issues we will have a strong ally, because I feel the exhilaration of victory already, just by the thought of it.

Mr. President, I am going to thank the Senator now, and let him know that we will proceed to work with him on the proposition that he has laid it before the Senate.

Mr. LONG. Mr. President, I thank the Senator from Minnesota. I appreciate his statement. I hope very much that we will be able to agree on most of what is in the so-called tax reform bill when it is reported to the Senate, even if we are not in agreement on every detail. I hope it will be a bill we will both vote for on final passage.

Mr. President, I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to share the sentiments expressed by the distinguished Senator from Minnesota about the sense of disappointment because the Senate was refused the opportunity to consider the merits of the various provisions of our tax reform and tax relief proposal.

As I have said during the last few days, we were hopeful that our amendment would serve as a basis for a considered debate and judgment by the Senate on these important issues of tax reform. We hoped that the Senate would be able to exercise its will on a variety of reforms which we felt had already been considered and discussed and debated at various times in the Finance Committee and extensively on the floor of the Senate.

But we were unable to do so because of the use of various parliamentary devices after the start of the debate, which prevented us from having the direct confrontation on the issues that we in good faith wanted and which the American people wanted.

I am hopeful that the procedure which has been outlined by the chairman of the Committee on Finance will give us an early opportunity to do so. Last April, the chairman of the Finance Committee indicated that he would report from the Finance Committee a vehicle on which debate and discussion of tax relief could take place. He met that commitment by reporting the Vessel Repair Tariff Act. But then, when consideration of that measure was then delayed, he was requested to expedite the Debt Ceiling Act, in order to permit the discussion of tax reform and tax relief to take place on that measure. And he proceeded to do so, even though many of us recall other years when debt ceiling legislation came to the floor only a few hours prior to the expiration date. He maintained his good faith with the Senate and exercised his effective leadership in the Finance Committee, to assure us that we would have ample opportunity for discussion on this measure.

So I believe his assurance that we will have an early vehicle for further action He gives some hope to us in the Senate who have every intention of continuing this debate and dialog until we succeed in getting tax reform. As the Senator mentioned in his statement, there may well be such an opportunity on a trade bill or on a health insurance bill, although those bills are obviously not the most acceptable vehicles for tax reform.

I am aware that two House bills are in the wings. The Oil and Gas Energy Tax Act has already been reported from the Ways and Means Committee, and is now awaiting debate in the House of Representatives. I also understand that there is a real opportunity for a comprehensive tax reform bill to be reported by the Ways and Means Committee.

As one who has supported tax reform for a considerable period of time and who has used various vehicles to permit the Senate to vote on various tax measures, I hope that we shall have an opportunity, as the chairman of the Finance Committee has assured us, to consider our own tax reform proposals on either of these two vehicles. I trust, therefore, that any important tax measures that come from the House will be reported to the Senate by the Finance Committee at the earliest possible time. He has given us his assurance that he will make every effort to do so.

The Senator from Louisiana is quite aware that we could intercept these measures from the House at the desk, and begin an early debate on them.

But the assurances he has given us and with his judgment as to the prospects for active consideration of tax reform, I think the orderly way to proceed is to follow the procedures he has outlined here today.

Also, of course, there is still the vessel repair tariff bill on the calendar, and I gather that other possible vehicles are available in the committee. So I am confident that one way or another, tax reform will be back before the Senate before Congress adjourns this fall.

Finally, Mr. President, I want to point out that this has been an important discussion and debate during the period of the last few days. I think there are a number of lessons we have learned.

I feel—and I hope I am right—that the American people are building up a head of steam on tax reform. I hope that by the time we have our next discussion and debate in the not too distant future, they will have communicated their sense of outrage to us about the Internal Revenue Code and that they will demand that their representatives in Congress give stronger support to meaningful tax reform.

I believe that this debate has awakened the American people again to this issue. I do not believe they ever really went to sleep on it, but perhaps some Members of the Senate did. I am hopeful that they too will be awakened as to the importance of it and that they will be awakened by the American people.

Second, I think the debate has awakened Members of the Senate as to how majority rule can be disrupted by parliamentary tactics and devices.

At the beginning of Congress in the past, some of us in the Senate have attempted to change rule XXII. In recent days, we have seen a vivid demonstration of how a small group of Members of the Senate can effectively violate the basic concept of constitutional democracy and represenative government, the concept of majority rule. Instead of majority rule, we have had rule by filibuster, legislation by two-thirds vote.

And so I am hopeful that we will address ourselves to our Senate rules at the beginning of the next Congress. I certainly intend to support a movement and to work with other Senators in easing rule XXII.

For too long, we have allowed the use of parliamentary devices which are within the rules of the Senate and which were expertly utilized over the past few days to prohibit the Senate from considering the issue of tax reform on the basis of its merits. I think we have learned this particular lesson.

I think we have also learned the lesson of the importance of campaign financing reform again. We have seen the power of various special interest groups, how they are able to force their will upon the Senate.

This was an important tax reform proposal, and it would have affected many of the most powerful special interest groups in this country. They understood that. They marshaled their forces, and they were able to turn back meaningful reform. The action reinforces my own view about the need for campaign financing reform, and I hope it gives new momentum to the effort.

Finally, I wish to express my appreciation to the Senate leadership for its role during the course of this debate. Difficult parliamentary maneuvers were necessary. In its concern to see a fair debate for those who have supported tax reform, the leadership provided a major helping hand. In every instance where they could, they were responsive to our requests, permitting us to get to some consideration for our amendments. I think the Senate leadership has been outstanding in this debate. Both the majority leader and the assistant majority leader were willing to assist us in these matters, to go the extra mile. For that, all of us are grateful.

I also commend the extraordinary efforts of all Senators who participated in this tax reform effort, particularly Senators HUMPHREY, MONDALE, BAYH, CLARK, MUSKIE, NELSON, MAGNUSON, HUDDLESTON, RIBICOFF, and HASKELL, all of whom have played a leading role in working for tax reform. They have been leaders in this battle during the past 10 days, and I look forward to the next battle in the future.

Mr. LONG. Mr. President, in these legislative fights that happen from day to day any victory achieved by a Senator or a group of Senators is transitory. Every new bill and every new issue is a completely new proposal, and, in effect, from an intellectual point of view, Senators choose sides all over again every time another bill or issue comes before the Senate.

We will have the opportunity to vote on the tax reforms suggested here. In due course we will find that the debates will bring Senators together. Senators will find that in some respects they are in error, and in some respects Senators on the other side will find that they are in error as they discuss these matters and confront one another with facts. Senators do arrive at agreements on the facts, and they tend to move closer together on the issues.

So, in the long run, I have no doubt the Senate will agree on what it believes to be a proper change in the tax system. We are not in a position to do it at this moment, but I have no doubt we will make progress in this area.

However, I do not think the day will ever come when we solve all of these problems. If we ever arrive at that day, the people will not need us any longer, and then, at least, we could save the Government the expense of debating these issues in Congress. But we know that will never happen. This democracy is like a raft; while we may get our feet wet, it will never sink. But it will always have need for improvement.

Mr. President, I yield to the Senator from Colorado.

Mr. HASKELL. Mr. President, I thank the distinguished Senator from Louisiana, the chairman of the Committee on Finance. I would like to join with the junior Senator from Minnesota (Mr. HUMPHREY) and the senior Senator from Massachusetts (Mr. KENNEDY) in thanking the chairman of the Committee on Finance for his assurance that a tax bill which might be a vehicle for tax reform and much-needed tax relief will soon be reported.

As the distinguished Senator from Louisiana is well aware, there are many items in our Internal Revenue Code which, in effect, subsidize one or another industry. Indeed, the concept of economic subsidization, of providing various business incentives is proliferated throughout the code.

In the last several weeks we have had discussions on the floor of the Senate on one of these subsidies, the percentage depletion allowance. I have indicated my support of those who urge a revision in our tax treatment of the oil industry. However, in my amendment, the substitute for the amendment of the Senator from Minnesota (Mr. HUMPHREY), I included a sharp limitation on the use of the investment credit. I did so in an effort to offer the Senate an opportunity to vote on a zero-revenue-loss tax reform-tax relief proposal by deferring until a later date the debate on the percentage depletion repeal. It is my view, and I would hope it might be shared by other Members of the Senate, that as a general rule the most inefficient and unfair way of inducing economic behavior is through the Internal Revenue Code. I recognize that there are exceptions to this rule, but it should be clear that, whenever we reward activity that would have taken place without the tax incentive, we waste the taxpayers' money and we cause everyone else to pick up the burden of those who go untaxed.

First and foremost, the Internal Revenue System should be a revenue raising system. It should treat everyone alike. Those industries that need Government subsidies should come to the Congress, make their case, and, if they successfully do so, I am sure the Congress would give them the assistance they need.

By minimizing the instances in which the tax system is used as an incentive device we would, I think, restore the faith of the people in that system, eliminate unnecessary and inefficient subsidies, and restore to the tax systems the fundamental concept of equity. We would require the Congress to take affirmative steps to spend the taxpayers' money, unlike at present when we must fight to turn the tax subsidy tap off.

Most importantly, if we subsidize business through the tax laws, if we in that way give some folks a break other folks have to pay some extra money in taxes. It is this improper allocation of the tax burden that I believe, is as much responsible for the erosion of popular confidence in our Government as is what we call Watergate.

I hope the distinguished chairman of the Committee on Finance, the members of his committee, and the Senate as a whole will give serious thought as to whether the tax laws are really the wisest way to induce economic activity, or whether this practice really results in special interests getting special breaks while the people pay more than they should in taxes.

Again, I wish to thank the distinguished chairman of the Committee on Finance, the leadership, and the other Senators that I mentioned because I think the understanding we have reached is a good solution to a very difficult situation.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on the pending motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, I support the motion of the distinguished chairman of the Committee on Finance. I am pleased he has offered the motion, and it should have the support of an overwhelming majority of the Senate.

I realize there are Senators on this side of the aisle who have amendments. Some of them are very determined to offer their amendments. I shall do what I can to persuade Senators on this side not to offer their amendments if the motion carries.

I am sorry that the distinguished Senator from Massachusetts has left the Chamber. However, I cannot allow to go unchallenged his suggestion that those who have opposed his position with respect to tax amendments have done so because they subject to control by special interest groups. I suggest that it is altogether possible that at least some of us who opposed him did so because we thought it was responsible and the right thing to do in the national interest.

There are many economic experts who would share the views that a tax cut now would add to inflationary pressures at a time when inflation is the most serious domestic problem facing the United States—inflation, which has reached an alarming two-digit rate.

Even the package which had the greatest amount of so-called reform in it, the so-called Kennedy amendment, offered for him by the distinguished majority leader, did not recoup enough revenue to offset the tax loss that would have been involved. As I understand it, there would have been a $2 billion revenue loss under the Kennedy package that included the greatest amount of reform.

It is altogether possible, although I do not point an accusing finger at anyone in particular, that this whole exercise had some political motives attached to it. To the extent that political objectives were the purpose, I suppose that they have been achieved.

A few minutes ago I talked with my wife, who is up in Michigan, and she said that last night's paper carried a UPI story which was headlined "Griffin Against Tax Reform."

So, if political objectives were involved, perhaps they have been achieved so we can now go on to get the debt ceiling legislation passed.

I know—we all know—that it is often difficult to explain responsible votes to our constituents. It will be difficult to explain to those who know taxes are too high why I would vote against a tax. They may not realize or understand that a tax cut amendment added to a debt ceiling bill would never clear the House of Representatives. If the amendment were to be accepted by the House of Representatives, it would be conceding that revenue measures can originate in the Senate rather than the House as the Constitution requires. Not only would such a tax measure not clear the House of Representatives; but if it were to become law it would be subject to a constitutional challenge in the courts.

But, in any event, it would not become law because the President has made it clear that he would veto such a measure at this time. There is no real question but that the President's veto would be sustained.

Accordingly, we have known here in the Senate, from the very beginning that debate of this tax measure was just an exercise. I am glad that, apparently, the exercise is about over so we can proceed to the real business before us: the bill to extend the debt ceiling—an action which must be taken before June 30 if the Government is to conduct its business and not collapse financially.

I regret that it became necessary to make this statement but I believe some perspective and balance should be reflected in the record.

Mr. HASKELL. Mr. President, will the Senator yield for a comment?

Mr. LONG. I yield.

Mr. HASKELL. Mr. President, I would like to point out to the distinguished minority whip, just for the factual record, that the amendment which is now before us—the amendment introduced by the Senator from Florida (Mr. CHILES), the Senator from Ohio (Mr. METZENBAUM) and myself—not only balanced the revenue losses with revenue-raising tax reform proposals but it took in more. Our amendment would result in a net Treasury gain of about $88 million. I suppose from the standpoint of the Federal budget that is not an enormous sum, but the amendment would take in more revenue than it would lose by providing desperately needed financial relief to 90 percent of the American taxpaying public.

We sought to impose higher, fairer taxes on many special interests and to rebate to the broad spectrum of the American people some of the too-high taxes they have been paying recently.

Finally, I think the record should be straight that this "exercise," as the distinguished Senator from Michigan (Mr. GRIFFIN) calls it, was much more than just an exercise not only for the distinguished Senator from Florida and myself but also for the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Massachusetts (Mr. KENNEDY), both of whom I think are deeply committed to tax equity and completely serious about the need for comprehensive tax reform.

I thank the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I believe that the Senate has had a very useful debate.

We have had the opportunity to explore a number of tax reform suggestions and a number of worthy tax cut proposals. The debate has provoked hearings which have helped enlighten the entire Nation on this subject.

I do not think the time spent in this debate will be wasted, but I do think it is very important that we pass this bill now—at least within the next 48 hours. Mr. President, if this Nation were prevented, in effect, by the laws of Congress from paying its just debts to its own citizens and to some nations abroad, this Nation would be put in an indefensible position before the entire world.

How would it look for this, the richest Nation on the face of the earth, to refuse to pay its honest debts because an act of Congress says it can pay no more? Here we are, the richest nation on the face of the earth, and we would, in effect, declare ourselves bankrupt and unable to pay our bills and our debts.

Everybody knows our credit is good; it is just that we insist on coming up to the point of saying we are broke and cannot pay our bills and will not honor our debt obligations.

How would it look to our own Government employees, the man that gets out and carries the mail in the hot sun, or any Government worker, a private in the Army or a white collar worker daily reporting on time to do his duty in any Government office, when he cannot be paid because the Congress, in effect, has passed an act to say that we are officially bankrupt and we refuse to pay our honest obligations? That would be ridiculous and it would make us look foolish and silly before the world.

We have had some very fine men participating in the debate on the bill, one of whom I had the privilege of voting for to be the President of the United States and some of whom I will probably have the opportunity to vote for to be President of the United States in the future.

None of those men, whether they be candidates for the highest office in the land or candidates for the Senate, would want this Nation to appear to be ridiculous and irresponsible before the whole world, friends and enemies alike.

I think, Mr. President, that the responsible thing for us to do now is to agree to this motion.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I commend the distinguished Senator from Louisiana, the chairman of the Finance Committee, for the motion that he has made, that the pending bill (H.R. 14832) be recommitted to the Finance Committee with instructions forthwith to return the bill to the Senate shorn of the pending amendment. That then would bring back a clean, unamended bill, just exactly as it came to us from the House of Representatives.

Mr. President, that is what the Senator from Alabama has been seeking for the last 8 or 10 days, and this conclusion would have been available to the Senate and to the proponents of this package at any time.

The Senator from Alabama is a strong supporter of tax reduction and tax reform, at the proper time and using the proper vehicle.

He does not believe that the time to reduce taxes is at a time when the inflation rate in this country is running somewhere around 13 percent, and he feels that a reduction at this time would only add to the fires of inflation and that it would not be in the public interest. The very people that the tax package of the Senator from Minnesota and the Senator from Massachusetts presented to the Senate would, in the judgment of the Senator from Alabama, actually cost the people that it sought to help more than it saved them.

So the tax package would not have been in the interest of the taxpayers. Further, the so-called tax reform and tax reduction offered mighty little tax reduction to the average citizen. The bill before us at the present time provides for increasing the personal exemption from $750 to $800.

One of the first pieces of legislation the Senator from Alabama ever introduced in the Senate was in the year he came to the Senate when the Tax Reform Act of 1969 was under discussion in the Senate. He introduced an amendment setting the personal exemption at $1,200. At that time it was $600. The $1,200 amendment did not pass, but the Gore amendment did pass, which raised the exemption from the $600 by degrees up to the $750.

There is just a little arithmetic on really the wisdom of this tax package, this so-called tax reduction. With the $800 personal exemption, a person in the 70-percent tax bracket would have a saving of 70 percent of that amount for each of his exemptions, which would be $560; whereas the person in the 25-percent tax bracket would have received a tax reduction per exemption of only $200. It would favor or continue to favor the person of large means and large income. So it does not seem actually that this is a great measure for the taxpayer.

The Senator from Alabama has felt all along that this 12-line bill having to do with the debt ceiling and extending the authorization for a temporary debt from the last day of this month or the 1st of July on through March 31 and raising it by $95 billion, that should not be amended here on the Senate floor with these pending amendments, about a pound and a half of amendments, and that is what would have happened if the floodgates had been opened to the consideration of all of these amendments.

It is in the public interest that the debt ceiling bill pass as it came to us from the House. The House passed this bill by only a one-vote margin, and if we had to send it back to the House there is no doubt about what they would do with it.

So, Mr. President, the Senator from Alabama would certainly want to give careful and sympathetic attention to any tax reform measure when it had the benefit of the recommendations of the Committee on Ways and Means in the House, the recommendations of the Committee on Finance in the Senate, and to present a package that was well-balanced both as to tax reduction and as to replacement of those taxes.

But the distinguished Senators who sponsored this tax package—by the way, the distinguished Senator from Massachusetts (Mr. KENNEDY) spoke about a minority of the Senate, in effect, thwarting the will of the majority.

Well, the Senator from Alabama recalls the vote up and down on the Kennedy package was 33 votes for it and 64 against it. So it does not look like any majority was being thwarted there.

On the cloture motion earlier today those advocating cloture, with the immediate vote or certain vote on the amended tax package, could garner only 48 votes against 50 for it

Mr. President, I believe that this bill should pass without amendments, and that is the effect of the motion of the distinguished Senator from Louisiana, and I certainly support that motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana to recommit H.R. 14832.

The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr COOK) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The result was announced—yeas 90, nays 7, as follows:

[No. 281 Leg.]

YEAS—90

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—7

Biden
Case
Ervin
Magnuson
Packwood
Ribicoff
Schweiker

NOT VOTING—3

Church
Cook
Mathias

So the motion to recommit the bill (H.R. 14832) was agreed to.

Mr. LONG. Mr. President, I now report back, without amendment, H.R. 14832 as instructed by the Senate.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendments to be proposed, the question is on third reading of the bill.

The bill (H.R. 14832) was read the third time.

Mr. ALLEN. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on final passage of the bill, H.R. 14832.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), and the Senator from Iowa (Mr. CLARK) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "nay."

The result was announced—yeas 58, nays 38, as follows:

[No. 282 Leg.]

YEAS—58

Abourezk
Aiken
Baker
Beall
Bennett
Bentsen
Bible
Brooke
Buckley
Burdick
Cannon
Case
Cranston
Curtis
Domenici
Eagleton
Eastland
Fong
Fulbright
Gravel
Griffin
Hart
Haskell
Hathaway
Hruska
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Long
Magnuson
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Percy
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Tower
Tunney
Weicker
Williams
Young

NAYS—38

Allen
Bartlett
Bayh
Bellmon
Biden
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cotton
Dole
Dominick
Ervin
Fannin
Goldwater
Gurney
Hansen
Hartke
Hatfield
Helms
Hollings
Hughes
Jackson
Mansfield
McClure
Metzenbaum
Montoya
Nunn
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Symington
Talmadge
Thurmond

NOT VOTING—4

Church
Clark
Cook
Mathias

So the bill (H.R. 14832) was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 3007) to authorize appropriations for the Indian Claims Commission disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MEEDS, Mr. TAYLOR of North Carolina, Mr. STEPHENS, Mr. LUJAN, and Mr. REGULA were appointed to be the managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes.

The message further announced that the House had agreed to the following concurrent resolutions:

S. Con. Res. 86. Concurrent resolution authorizing the printing of additional copies of the hearings and final report of the Senate Select Committee on Presidential Campaign Activities; and

S. Con. Res. 94. Concurrent resolution to issue official duplicates of conference papers.

PROGRAM

Mr. GRIFFIN. Mr. President, the Senate has just cleared a rather formidable hurdle on the path toward a scheduled recess. I think Senators on both sides of the aisle would be grateful for any information the majority leader might be able to give us about what other hurdles lie ahead in terms of adjournment.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, first, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day, this order was modified to provide for the Senate to convene at 9:30 a.m. tomorrow.)

ORDER FOR RECOGNITION OF SENATOR KENNEDY TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Massachusetts (Mr. KENNEDY) be recognized for 15 minutes tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour tomorrow for the conduct of morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS ON MONDAY, JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. ROBERT C. BYRD. Mr. President, I believe the Senator intended to provide for the following order of business on Monday: Senator FONG, Senator KENNEDY, and Senator ALLEN for 15 minutes each, to be followed by the transaction of routine morning business for 15 minutes, with statements limited to 3 minutes.

Mr. MANSFIELD. Yes. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. Mr. President, at the conclusion of morning business tomorrow it is my understanding that the conference report on H.R. 7724, biomedical research, will be taken up. There well may be rollcall votes on that proposal.

As far as the remainder of the day is concerned it does not look as if there will be much in the way of further business except conference reports and items which have been cleared on both sides.

I understand the distinguished Senator from Virginia (Mr. HARRY F. BYRD, Jr.) has a conference report having to do with a house for the Vice President, a matter which I think is long overdue.

But hopefully tomorrow, and I would not wish to be held to this completely, it might be possible to take up Calendar No. 824, S. 3511, a bill to increase the availability of urgently needed mortgage credit for the financing of housing and for other purposes, and Calendar No. 904, H.R. 11537, an act to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations and to authorize the implementation of such programs on certain lands. It is my understanding that the Senator from Georgia (Mr. TALMADGE) and the Senator from Michigan (Mr. HART), who had slight differences in regard to this legislation, have been able to reconcile them, but I understand the Senator from Nevada (Mr. BIBLE) may be interested and the Senator from New York (Mr. JAVITS) may also be interested.

Continuing, it might be possible also to take up Calendar No. 917, H.R. 8660, an act to amend title 5 of the United States Code relating to Government organization and employees to assist Federal employees in meeting their tax obligations under city ordinances. That measure might be disposed of tonight and if not tonight, tomorrow. Then, Calendar No. 929, S. 2619, a bill to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits programs, could be taken up.

There may be other matters which come up. It is hoped the Senate will be able to complete its business tomorrow and go out tomorrow instead of Friday. That depends on what happens to the continuing resolution and that, in turn, I find out after speaking with the Speaker of the House, depends on the passage of the appropriation legislation for HEW. There is some time element involved there that I do not fully understand.

That is about it. Conference reports will be given priority at all times. Any matters on which the two sides agree will be taken up. This is about the best that I can think of at the moment.

Mr. GRIFFIN. I thank the Senator.

CONFERENCE REPORT ON VETERANS EDUCATION BILL

Mr. HARTKE. Mr. President, I would like to report to the Senate that the conference on the GI education bill is currently underway. It was decided that we would pass a bill, S. 3705, which provides a 2-year extension of the delimiting date for veterans educational benefits. This has been unanimously approved by the Committee on Veterans' Affairs. It will be sent to the House where the House Veterans' Committee is willing to accept it. The measure has been cleared on both sides of the aisle. I wish to call that to the attention of the Senate.

Mr. MANSFIELD. I appreciate that.

TAX INEQUITIES AFFECTING THE PUBLISHING INDUSTRY

Mr. STEVENSON. Mr. President, the Senator from New York (Mr. JAVITS) and I had introduced an amendment to the debt limit bill—amendment No. 1478—which we did not bring up, because it was apparent that the Senate was not prepared to accept amendments. We have introduced this legislation in the form of a bill, S. 3676, which we intend to press. The bill has been referred to the Committee on Finance.

The bill provides that taxpayers engaged in the publishing business have the same option as other business taxpayers currently to deduct research or experimental expenditures incurred in developing or improving their products.

This bill is necessary because in September 1973, the Internal Revenue Service published a ruling—Revenue Ruling 73-395—which interprets the Internal Revenue Code in a manner that would retroactively deny publishers the option to deduct prepublication expenditures incurred for the writing and editing of textbooks and other literary products. This ruling held, for the first time, that such costs do not constitute research or experimental expenditures under section 174 of the Code.

This ruling is not only discriminatory, it is also very costly to the publishing industry. It is estimated it would cost that industry approximately $200 million in the first year. The hardest hit segment of the industry would be the publishers of trade, elementary, secondary, and college books. Its effect will be felt not only by the publishing industry, but also by schools, colleges, and students.

I hope that the distinguished chairman of the Committee on Finance might agree that this matter deserves serious reconsideration by the Internal Revenue Service and that failing prompt action by the Internal Revenue Service to end this costly discrimination against the publishing business, the Committee on Finance might review the matter.

I wonder if the chairman of the Committee on Finance could give me some assurance in that respect.

Mr. LONG. Mr. President, the Senator from Illinois directed this matter to my attention. I really was not aware of it until he presented it to me. I can see that it presents a real problem.

I hope the Internal Revenue Service will reconsider its position in this matter and review the problem involved. If the Senator feels that this matter has not been resolved in the way he has described, I would advise him to lay the problem before the Committee on Finance, and we would be glad to consider the views of the Internal Revenue Service.

After having heard both sides, should we conclude the Senator from Illinois is correct about this, as he well may be, we would hope to support his position and we could do that on a number of measures to be reported to the Senate.

So I think the Senator has rendered a service by bringing this to our attention and I hope he will pursue it, because what we really want to do is to see that congressional intent is respected; but if it is unfair and discriminatory, we would want to change it.

Mr. STEVENSON. I thank the Senator. It is my strong feeling that congressional intent is not being carried out by the Internal Revenue Service and it is my hope that the Internal Revenue Service will take the correct action administratively without the necessity for any legislation.

But if I understand the Senator correctly, if the Internal Revenue Service does not review the matter soon and provide some relief for this industry eliminating its discriminatory treatment, the Finance Committee would be willing to consider the matter. For that helpful statement, I am very grateful to the Senator from Louisiana.

Mr. LONG. I will put it this way. If the Senator from Illinois wants us to look into it, we will go into the matter and try to render our best advice as to what should be done about the matter. Obviously there is a serious problem here, and we certainly want to see justice done. We want equity to all taxpayers and certainly do not want to treat the public unfairly.

Mr. STEVENSON. Well, this particular industry is being treated unlike other industries. All other industries are permitted to deduct for research and development expenses. There is no exception in the Internal Revenue Code which justifies different treatment for the publishing industry.

Mr. LONG. May I say, Senator, I have not had a chance to study the argument and the justification that the Internal Revenue Service would submit to sustain its position.

Offhand, it is beyond my comprehension why the publishing industry ought not be entitled to claim deductions for development and research, the same as anybody else.

In any endeavor, becoming more efficient and providing ways that manpower can be used more effectively, as the Senator so well knows, in the long run increases the wages that earners can earn. It improves working conditions. It raises the standard of living. We have sought to implement a policy of encouraging research by permitting persons to deduct what they spend in that area, and I do not understand why this ruling denies it.

I am sure that the Internal Revenue Service would have a better explanation of it than I can imagine at this point. I am confident that with the progress we have made here, the Senator will be successful in his first objective, and that is to get them to reconsider their position. If having done so he is still convinced that they are in error in the position that they take, I for one would like to hear both sides before the committee and consider making whatever recommendation would appear appropriate under the circumstances, and I think that would be true for the Finance Committee generally.

I do not know of any reason why any Senator on that committee would feel that this industry should not be permitted the same considerations on research and development that are available to everybody else.

Mr. STEVENSON. It is possible that the Internal Revenue Service will come out with some explanation for its discriminatory treatment of the publishing business. So far, it has not done so. Its position is incomprehensible to me, as it is to the distinguished Senator from Louisiana. It is not only incomprehensible to the publishing industry; it is also incomprehensible to the accounting profession.

As I indicated, it is retroactive and causes a serious hardship for not only the publishing industry but also its customers, which of course include the schools, colleges, and students in the country.

So I am very grateful to the distinguished chairman for his sympathetic response.

OFFICIAL RESIDENCE FOR THE VICE PRESIDENT

Mr. HARRY F. BYRD, JR. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 202.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 202) designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations which was to strike out all after the resolving clause, and insert:

That, effective upon termination of service by the incumbent in the office of Chief of Naval Operations, Department of the Navy, the Government-owned house together with furnishings, associated grounds and related facilities which are and have been used as the residence of the Chief of Naval Operations, shall thenceforth be available for, and shall be designated as, the official temporary residence of the Vice President of the United States.

SEC. 2. As in the case of the White House, the official temporary residence of the Vice President shall be adequately staffed and provided with such appropriate equipment, furnishings, dining facilities, services, and other provisions as may be required, under the supervision and direction of the Vice President, to enable him to perform and discharge appropriately the duties, functions, and obligations associated with his high office.

SEC. 3. The Administrator of General Services is authorized to provide for the care, maintenance, repair, improvement, alteration, and furnishing of the official temporary residence and grounds, including heating, lighting, and air conditioning, which services shall be provided at the expense of the United States.

SEC. 4. There is hereby authorized to be appropriated such sums as may be necessary from time to time to carry out the foregoing purposes. During any interim period until and before such funds are so appropriated, the Department of the Navy shall make provisions for staffing and other appropriate services in connection with the official temporary residence of the Vice President, subject to reimbursement therefor out of any contingency funds available to the Executive.

SEC. 5. It is the sense of Congress that living accommodations, generally equivalent to those available to the highest ranking officer on active duty in each of the other military services, should be provided for the Chief of Naval Operations.

Mr. HARRY F. BYRD, JR. Mr. President, this legislation has been passed by the Senate. It went to the House. The House made three changes in the Senate proposal. Two of the three are satisfactory to the Senate.

One designates the home on the Naval Observatory property now occupied by the Chief of Naval Operations as the temporary home of the Vice President. The House inserted the word "temporary" which the Senate did not have in this legislation. I see no objection to that.

A second amendment which the House adopted would leave on the statute books the 1966 legislation, which does authorize the construction of a home for the Vice President. I see no objection to leaving that in the bill, if the House desires to do so.

There is no intention on anyone's part, so far as I know, to build a home for the Vice President. The purpose in taking the property at the Naval Observatory, now being used by the Chief of Naval Operations, is that it is a home owned by the Government. It is a question of whether it shall be occupied by the Vice President of the United States or whether it shall be occupied by the Chief of Naval Operations. If this legislation is passed, it will be occupied by the Vice President of the United States.

The committee which handled this matter reported it favorably to the Senate and the Senate approved it with the understanding that there would be limited funds spent on the property.

I have discussed this matter with the distinguished Vice President of the United States, and it is his desire and intention that nothing elaborate shall be done to the property. Only necessary refurbishings and necessary maintenance and repairs will be done on the property.

The third amendment which I shall ask the Senate to reject in the House proposal would have the property maintained by the General Services Administration. The reason I feel that it would be best to have it maintained by the Navy is that the home which would be occupied by the Vice President is a part of the Naval Observatory property. The total property is 72 acres. The acreage that will be taken along with the home for the use of the Vice President is 12 acres.

If that property through the years has been maintained by the Navy, the 60 acres not involved in this transaction will be maintained by the Navy. So it seems logical and more economical to let the same procedures prevail in the future as have prevailed in the past; namely, have it handled and maintained by the Navy which, as I mentioned before, will be maintaining the rest of the Naval Observatory property.

Another section of the bill provides that a suitable residence shall be provided for the Chief of Naval Operations, and that is certainly proper. I want to emphasize for the record that the Senate does not have in mind that a new home shall be built for the Chief of Naval Operations. I have obtained figures to put into the RECORD as to the number of homes the Government now owns in the Washington, D.C., area which are assigned to the senior military officers of our Government. The Government has 125 different homes which it owns and which are being used to house senior military officers. There are 10 additional homes already under construction. That is a total of 135 homes in this area which the Government already has, 125 they already have and 10 additional ones being built.

The breakdown is as follows: 53 are assigned to the Army, 32 to the Navy, 36 to the Air Force, and 4 to the Marine Corps.

So there are plenty of homes owned by the Government in this area, any one of which can be, almost any one of which can become assigned to a Chief of Naval Operations.

Mr. President, I move that the Senate concur in the House amendment, with an amendment as follows:

On page two of the amendment strike out section 3 and insert the following:

SEC. 3. The Secretary of the Navy shall, subject to the supervision and control of the Vice President, provide for the staffing, care, maintenance, repair, improvement, alteration, and furnishing of the official residence and grounds of the Vice President.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Mr. President, is an additional motion necessary?

The PRESIDING OFFICER. That completes action on the Senator's motion.

At this stage the House will be notified of the Senate action.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 8660—TO ASSIST FEDERAL EMPLOYEES IN MEETING THEIR TAX OBLIGATIONS UNDER CITY ORDINANCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 917.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 8660) to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. HASKELL. Mr. President, the city of Denver does not impose an income tax, since it cannot under the Colorado constitution. It does impose an employee occupational privilege tax on all employees earning more than $250 per month. I would like to ask the chairman of the committee if it is the intention of the Committee on Post Office and Civil Service that taxes such as the Denver employment tax be covered by this withholding act.

Mr. MCGEE. We did not deal directly with the matter of the Denver tax. But the bill clearly applies to withholding of city income or employment taxes. Further, the committee, if anything, leaned toward a broad interpretation of the bill. We have asked the Treasury Department to report on the ramifications of extending it to smaller cities and other local jurisdictions. It certainly was not our intention to exclude Denver.

Mr. HASKELL. It is your interpretation, then, that the intention of the committee was and is to include city employment taxes, such as imposed by Denver?

Mr. MCGEE. If they meet the test included in the first section of the bill; if they are imposed by ordinance and impose the duty of withholding of the tax from the pay of employees generally, then, I would have to agree that a proper application for the withholding of the tax from Government employees who are subject to it should be honored. That would be consistent with our intent in committee.

Mr. HASKELL. I thank the Senator.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time and passed.

ORDER FOR CONSIDERATION OF THE CONFERENCE REPORT ON BIOMEDICAL RESEARCH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the transaction of routine morning business the Senate proceed to the consideration of the conference report on biomedical research (H.R. 7724).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 3705—EDUCATIONAL PROGRAMS FOR VETERANS' WIVES AND WIDOWS

Mr. HARTKE. Mr. President, at this time, by direction of the Committee on Veterans' Affairs, I report favorably an original bill and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senate will proceed to the immediate consideration of the bill.

Mr. ROBERT C. BYRD. Reserving the right to object—and the Senator knows I shall not object—I believe this is a bill which the distinguished Senator from Indiana (Mr. HARTKE) alerted the Senate to earlier today, and which he indicated at that time would be presented to the Senate before adjournment today. The joint leadership were present at the time the Senator put the Senate on notice; am I correct?

Mr. HARTKE. The assistant majority leader is exactly correct.

Let me point out also for the RECORD that this bill has been passed twice before by the Senate. In discussions, not alone with the Members of the Senate but with the members of the Veterans' Affairs Committee of the House of Representatives, in the conference on the total GI education bill, there was no disagreement upon the extension of the delimiting date for veterans to use their educational benefits for 10 years following their discharge rather than the present 8 years.

The reason that we are taking this action at this time is that under the action taken by the Congress in S. 3398 to extend the delimiting date would have expired as of June 30, and for that reason we are now reporting this bill so that the House of Representatives can act upon it, which they will do immediately.

This means that the veterans will have 10 years in which to use their GI benefits rather than the current 8-year limitation.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I do not intend to object, but for the record it is a fact, as I understand it, that this measure has been approved unanimously by the Committee on Veterans' Affairs of the Senate.

Mr. HARTKE. The matter has been unanimously approved by the Committee on Veterans' Affairs. It was reported out in the presence of all the conferees on the House Veterans' Affairs Committee, and this is one of those circumstances where we are in complete agreement on this action.

Our conference will continue on the total bill, S. 2784, and in order to prevent some veterans from losing their benefits while we were in recess, this action has been taken.

Mr. GRIFFIN. Mr. President, I can state for the record that the distinguished ranking minority member of the committee, the Senator from Wyoming (Mr. HANSEN), has joined with the chairman, the Senator from Indiana (Mr. HARTKE) in asking that this measure, to which there is no objection so far as the committee is concerned, and none is known of so far as the Senate is concerned, be handled expeditiously in this way, and it is a rather unusual way to handle legislation, but there is no objection to the procedure in this situation.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration. First, the clerk will report the bill.

The assistant legislative clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1662 of title 38, United States Code, is amended—

(1) by deleting "eight" in subsection (a) and inserting in lieu thereof "10";

(2) by deleting "8-year" in subsection (b) and inserting in lieu thereof "10-year";

(3) by deleting "8-year" and "eight-year" in subsection (c) and inserting in lieu thereof "10-year", respectively; and

(4) by adding at the end thereof the following new subsection:

"(d) In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing his 10-year period of eligibility for educational assistance, any period during which he was so detained and any period immediately following his release from such detention during which he was hospitalized at a military, civilian, or Veterans' Administration medical facility.".

SEC. 2. Section 1712 of title 38, United States Code, is amended—

(1) by deleting "eight" in subsection (b) and inserting in lieu thereof "10"; and

(2) by deleting "eight" in subsection (f) and inserting in lieu thereof "10".

SEC. 3. Section 604(a) and (b) of Public Law 92-540 (82 Stat. 1333, October 24, 1972) is amended by deleting "eight" and inserting in lieu thereof "10".

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 3705) was passed.

Mr. HARTKE. I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I thank the distinguished assistant majority leader for keeping the Senate here long enough so that we could complete action on this bill.

Mr. ROBERT C. BYRD. Mr. President, I would like to say for the record that the distinguished Senator from Indiana (Mr. HARTKE) is doing an admirable job as chairman of the Senate Committee on Veterans' Affairs. He is the first chairman of that committee, and the only chairman the committee has had.

The veterans of his State and of this country, I am sure, appreciate the work that Senator HARTKE has done on their behalf and on behalf of their families since he became chairman of that committee.

I do not know of anyone who has done more for the veterans, during my 22 years in the House of Representatives and the Senate, than has Senator HARTKE. It seems to me that every other day or every few days, he comes to the floor of the Senate with a bill on behalf of veterans. Thus far, he has successfully piloted all of those measures through the Senate, and he does not stop at the Senate door; he proceeds with his efforts toward assistance in getting the measures through the other body. I salute him, and, on the part of the leadership on this side of the aisle, I appreciate the work he is doing as chairman of that committee.

Mr. HARTKE. I thank my distinguished friend from West Virginia, the assistant majority leader, for those kind words. I think it appropriate to recognize that the members of the committee, both of the majority and the minority, are conscientious, and have been willing to devote themselves to days and weeks of concern about providing for the Nation a group of stable citizens in these returning veterans.

I might point out also that we are blessed, in that committee, with probably one of the finest groups of staff members that I have had the pleasure of working with. They do not hesitate to work long hours at night and over weekends in order to provide us with the material which is necessary to do the work which we have been doing. We find that they feel a deep obligation to those people who have dedicated their lives and themselves to the service of this country. I think it is appropriate to remember the words of Franklin D. Roosevelt 30 years ago, when he signed the first GI bill, that—

> This law gives emphatic notice to the men and women of our Armed Forces that the American people do not intend to let them down.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. ROBERT C. BYRD. The Senator from Indiana has also often spoken to me privately of the work of the Senator from Wyoming (Mr. HANSEN), who is the ranking Republican member of the Veterans' Affairs Committee. As a part of the leadership, may I say that Mr. HANSEN is always most agreeable and cooperative with the leadership in scheduling measures affecting veterans, as well as other measures in which the Senator from Wyoming (Mr. HANSEN) has an interest. He is not only a very able Senator, a very active Senator, and a very effective Senator, but he is also a very congenial, understanding, and cooperative Senator, and I thought the record ought to show this statement on my part, because the Senator from Indiana has taken the occasion in numerous instances to mention the fact that he gets such excellent cooperation and able assistance from Mr. HANSEN, the ranking minority member of the committee. Again I compliment the Senator from Indiana for his effective, dedicated leadership on behalf of legislation dealing with problems affecting our Nation's veterans.

Mr. HARTKE. I thank the Senator. I wholeheartedly agree with the remarks concerning the ranking minority member (Mr. HANSEN).

Let me say again, I want to put the Senate on notice now——

Mr. ROBERT C. BYRD. That we will have more.

Mr. HARTKE. That we will have more legislation in the future. But I also want to warn Senators about something frequently overlooked: There are about 14 million World War II veterans in this Nation. They are now approaching an average age of roughly 55 years. They are going to be looking to their Nation for some of the same benefits that some of their predecessors who have served their country have had.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the previous orders for recognition of three Senators have been consummated, I be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TUNNEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, the Senator from California (Mr. TUNNEY) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 9:30 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the Senator from California (Mr. TUNNEY) will be recognized for not to exceed 15 minutes; after which the Senator from Hawaii (Mr. FONG) will be recognized for not to exceed 15 minutes; after which the Senator from Massachusetts (Mr. KENNEDY) will be recognized for not to exceed 15 minutes; after which the Senator from Alabama (Mr. ALLEN) will be recognized for not to exceed 15 minutes; after which the Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes each.

At the conclusion of routine morning business, the Senate will proceed to the conference report on biomedical research, H.R. 7724. Whether a rollcall vote will be requested, I am not prepared to state.

Other conference reports may be called up during the day. The conference report on the continuing appropriations bill is expected also to be ready during the day.

Other measures which have been cleared for action may be called up by the leadership. So Senators are alerted to the possibility of rollcall votes.

ADJOURNMENT TO 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:04 p.m. the Senate adjourned until tomorrow, Thursday, June 27, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 26, 1974:

NATIONAL SCIENCE FOUNDATION

The following-named persons to be members of the National Science Board, National Science Foundation, for terms expiring May 10, 1980:

Jewel P Cobb, of Connecticut, vice Frederick E. Smith, term expired.

Norman Hackerman, of Texas. (Reappointment)

William Neill Hubbard, Jr., of Michigan, vice Philip Handler, term expired.

Saunders Mac Lane, of Illinois, vice R. H. Bing, term expired.

Grover E. Murray, of Texas (Reappointment)

Donald B. Rice, Jr., of California, vice Harvey Brooks, term expired.

L. Donald Shields, of California, vice William A. Fowler, term expired.

James H. Zumberge, of Arizona, vice James G. March, term expired.

HOUSE OF REPRESENTATIVES—*Wednesday, June 26, 1974*

The House met at 12 o'clock noon.

The Reverend Dr. Ewald H. Mueller, pastor, Bethlehem Lutheran Church, Ridgewood, N.J., offered the following prayer:

Heavenly Father, with whom there is no change nor variableness, neither shadow of turning, we thank Thee for Thy divine constancy in the midst of our human frailty; for Thy strength in the midst of our weakness; and for all blessings bestowed. We confess our faults, both corporate and individual, public and private, and plead forgiveness and forbearance. We ask Thy benediction upon the Congress and upon all who bear the responsibility of governance, that they may be endowed with reverence for life; with wisdom; with faith; with integrity of purpose; and with joyous optimism; that all their ministrations may conform to Thy will and insure the establishment of righteousness, justice, prosperity, and peace for people everywhere. We ask it in the Saviour's name.—Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 1056. Joint resolution to extend by 30 days the expiration date of the Defense Production Act of 1950; and

H.J. Res. 1057. Joint resolution to extend by 30 days the expiration date of the Export Administration Act of 1969.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 9456. An act to extend the Drug Abuse Education Act of 1970 for 3 years; and

H.R. 14833. An act to extend the Renegotiation Act of 1951 for 18 months.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14833) entitled "An act to extend the Renegotiation Act of 1951 for 18 months," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. RIBICOFF, Mr. BENNETT, Mr. CURTIS, and Mr. FANNIN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3066) entitled "An act to consolidate, simplify, and improve laws relative to housing and housing assistance, to provide Federal assistance in support of community development activities, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS, Mr. CRANSTON, Mr. TOWER, Mr. BROOKE, and Mr. BROCK to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, a joint and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities;

S. 3490. An act providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended;

S.J. Res. 218. Joint resolution to extend by 30 days the expiration date of the Export-Import Bank Act of 1945; and

S. Con. Res. 94. Concurrent resolution to issue official duplicates of conference papers.

HOW LONG, MR. SPEAKER?

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, today I have learned with great dismay that the House Committee on Public Works once again has postponed action on the administration's highway-transit proposals which were referred to that committee back in February.

As many members, particularly those who represent urbanized areas with hard-pressed transit systems know, both the House and the Senate passed legislation last year to provide operating assistance for mass transit systems. However, after the administration reversed itself on this question, the House Rules Committee, on March 6, refused to permit the Emergency Urban Mass Transportation Act to reach the floor of the House for final consideration.

On the day the Rules Committee tabled this legislation, members of the House Public Works Committee stated that their committee would have an alternative transit package to the floor in 5 weeks' time.

Mr. Speaker, it is now 16 weeks since the Rules Committee tabled S. 386, the Emergency Urban Mass Transit Act, with the assurance that the administration's bill, or a variation thereof, would reach the House floor in short order. It is clear that the Public Works bill has been the subject of interminable delay and foot dragging and it is now time for the Rules Committee to free this vitally important legislation to aid mass transit in the United States.

How long, Mr. Speaker, will the Rules Committee prevent the House from working its will?

MURDER OF TWO POLICEMEN POINTS UP NEED FOR BENEFITS FOR WIDOWS AND SURVIVORS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, on Monday, I had the sad duty to attend still another funeral of a policeman brutally murdered in the line of duty.

Thursday morning, on a quiet, residential street in Queens, N.Y., Lt. Henry O. Schiemann, a highly decorated 21-year veteran of the New York City Police Department was preparing to go to work. Suddenly, a man leaped out, pulled a gun, and attempted to rob Lieutenant Schiemann. Lieutenant Schiemann immediately responded by pulling his revolver and was able to wound his assailant, but was not able to survive the two bullets fired point-blank at his head. He was pronounced dead shortly thereafter—a mere 10 blocks from his home.

As a 23-year veteran of the New York City Police Department, I feel a sense of personal as well as comradely loss over Lieutenant Schiemann's death. As I reflect on the circumstances surrounding the senseless murder, and saw the anguish and suffering which his widow and family are enduring, I felt a sense of anger and frustration. Anger over the fact that 21 years of hard, dedicated work and service to the citizens of New York City could be snuffed out so quickly by a bullet fired by such a depraved and worthless member of society.

My frustration is generated as a result of the seeming insensitivity of this Congress to the plight of the policeman in America. For several years, we have had the legislative means to alleviate some of the anguish and suffering which widows such as Mrs. Schiemann are forced to endure. Several months ago, both the House and the Senate passed important legislation to provide widows and survivors of policemen slain in the line of duty with a $50,000 death benefit payment. Yet, as we bury still another slain policeman, this legislation continues to languish in a conference committee with no immediate prospect of passage.

How much longer, and how many more policemen must be murdered before this Congress responds? How much longer can we expect it to be enough to express shock and outrage and be content at that? I urge all of you today to think about this tragic murder, to think of the consequences for his family and loved ones, and then ask yourselves, can we afford to wait any longer to pass the Public Safety Officers Death Benefits Act? I trust and pray that your answer will be a resounding no and that you will work to see that this legislation is enacted immediately.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS ECONOMIC INEQUITIES CONTINUE TO SPREAD

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, the distortions and inequities of President Nixon's economic policies continue to spread throughout the Nation.

Today banks are raising prime interest rates to 11¾ percent, which means the common man must pay 13 or 14 percent for credit, if he can get it at all.

Yesterday, the Agriculture Department announced that food prices are still going up, but that the return to the farmer is steadily down, so that both the consumer and the food producer suffer from the administration's farm policy.

Two days ago, the President's chief economic adviser gave notice that a proposed $5 billion budget cut would come out of domestic programs, further distorting priorities away from the people and toward the military.

All these administration policies have one thing in common: more crunch on the little guy. The people who have been socked hardest by inflation are now expected to bear most of the burden of the administration's ad lib economic recovery measures.

Of course, we can't question the President's chief economic adviser on these policies since he speaks only to the press and not to the Congress, in arrogant disregard of the processes of constitutional government and of the well-being of millions of Americans.

It is the duty of the Congress to stand up for the people, to demand a fair sharing of the economic recovery burden, and to make sure that in seeking to combat inflation, we do not choke off recovery.

RESTORE OATH OF ALLEGIANCE TO U.S. PASSPORT APPLICATION

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, last Friday I introduced H.R. 15562 designed to restore the oath of allegiance to the U.S. passport application, and I urge its early passage by the House.

In a news release of January 24, 1974, the Department of Justice announced that it would not seek Supreme Court review of the decision of the U.S. Court of Appeals in the case of Woodward against Rogers. In that case, the court held that the Department of State has no statutory authority to make the taking of an oath of allegiance to the United States a prerequisite to obtaining an American passport. The news release concluded that stating that the Department of Justice and the Department of State would cooperate in drafting legislation that would empower the Secretary of State to make an oath of allegiance a prerequisite to obtaining a passport.

I believe there is a definite connection between the oath of allegiance and the U.S. passport. Legislation on this point is both logical and reasonable. Allegiance is defined as the obligation of fidelity and obedience which the individual owes the Government under which he lives in return for the protection he receives. The American passport is the primary evidence recognized internationally which brings into play the responsibiilty of this Government to protect the bearer. The correlated responsibility—that of the passport bearer's allegiance to this country—is obvious. The Report of the Special Committee To Study Passport Procedures appointed by the president of the Association of the Bar of the City of New York made the following observation with regard to the oath:

> This is unobjectionable because of its close relationship to citizenship.

It is unfortunate that the true definition of allegiance is rapidly being blurred by the vociferous elements in our society who emphasize constitutional rights and privileges to the total exclusion of constitutional responsibilities.

OIL DEPLETION ALLOWANCE: OIL DEPLETION MUST STAY

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO of Wyoming. Mr. Speaker, there seems to be little doubt we will be called upon soon to vote one way or the other upon terminating or continuing the oil depletion allowance. Representatives of the Wyoming oil producers will soon be coming to Washington in order to explain to each and every one of us the distinction as to the oil depletion allowance as it affects independent oil producers and the large multinational oil companies.

I ask the Members and particularly those of my party, to keep an open mind on this subject matter and to avoid doing irreparable damage to the production of oil in the United States of America, by unwise action now in terminating this particular production incentive.

WASTEFUL GOVERNMENT SPENDING

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, on May 15, 1974, I addressed this House concerning a HEW study of why children fall off their tricycles. It cost the Federal Government $23,000 to learn what every American mother knows, and that is, children fall of their tricycles because they lose their balance or they run into objects.

Since that speech, I have received letters and reports from organizations, as well as private citizens, citing additional examples of wasteful Government spending.

The National Taxpayers Union reports that the Government spent $70,000 to study the odor of perspiration given off by the Australian aborigines. No doubt some of this money could have been saved on the aborigine project if only the State Department had prevailed upon Turkey to lend the Australians the odor-measuring machine we purchased for them for $28,361.

For reasons unknown, we have spent hundreds of thousands of the American taxpayers' dollars to study abroad the most incredulous foreign things, such as: $6,000 to study the sex life of Polish bisexual frogs; $20,000 to study biological rhythm of catfish in India; $20,000 to study the blood groups of Polish Zlotnika pigs; $5,000 to collect rare moss in Burma; $8,000 to track down certain Burmese ants; $3,000 to search for Indian lizards; $33,101 to the Israeli Institute of Applied Science to conduct a "test of the husband-wife relationship."

While we are wasting our taxpayer dollars abroad we are facing the most severe case of domestic inflation in our history. Most sound economists agree that excessive Government spending is one of the major causes of this terrible inflation. We should not allow foolish programs such as these to waste the taxpayers' dollars and further feed the fires of inflation.

I have asked the General Accounting Office to investigate each of these programs and report back to me. I am presently waiting for their report.

REPLY TO MAJORITY LEADER

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I was much interested in the speech of the distinguished majority leader. To listen to my distinguished friend, we would think that the Republicans are in the majority in the Congress, rather than in the minority.

It has been wisely said that the executive proposes and the legislative disposes; but as far as this Congress is concerned it apparently does not dispose at all. All it does is do nothing.

This Congress has not acted in the field of energy, as the administration has requested. It has not acted in any field that I know of that would have any beneficial effect whatsoever on the economy. All that the majority of this Congress seems to be able to do is criticize the executive. The only constructive idea I have heard anybody put forth yet is that there ought to be a tax cut and that we should spend more which is, of course, the traditional way the majority party looks at crises; but most people who study economics feel this is exactly the wrong thing to do. It would pour more gasoline on the fires of inflation.

So, Mr. Speaker, until the majority is able to come up with some sort of a cogent legislative program, or economic program for the country, I think it ill behooves criticism of those who have such a program.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Certainly, I yield to the distinguished majority leader.

Mr. O'NEILL. I certainly say we have been very charitable to the administration. This administration has been in power for 5½ years, but it really has ruined the economy. Consider, for example, that there is 40 percent more beef in the packinghouses than in the freezers of America than there was a year ago at this time. The poor farmer is getting 33 percent less for his cattle than he received a year ago, yet the price of beef is four-tenths of 1 percent lower than it was last year. This is administration policy. It is certainly not the legislative policy.

If the gentleman will yield further, I can remember that last December 22, at a quarter to 12 the administration was begging for an energy bill, later in the day when they got word from the oil industry, they cut us off at the knees and killed the bill.

I can remember 2 weeks ago at 11 one morning they were begging for a land-use bill and later when it came up the Republicans gave us only 43 votes.

Mr. RHODES. Mr. Speaker, I do not yield further.

The gentleman from Massachusetts knows perfectly well as far as the energy bill was concerned, all they did was give us something the President would veto. They would not give us something that could be adopted.

A VETO-PROOF CONGRESS

(Mr. MOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOSS. Mr. Speaker, I think it ill-becomes the distinguished minority leader to charge that this House has not acted on energy legislation. If the gentleman had spent the many hours this gentleman spent in working out a reasonable and a rational piece of legislation, only to have it vetoed, let me say to the gentleman that he said that this Democratic Party controls the Congress.

That is correct. But, it does not have the veto, and I hear the lament across this country of the danger to the Nation of a veto-proof Congress. I can only say in this instance that wisdom would have been better served had the Congress been veto-proof and the original energy legislation enacted into law.

APPOINTMENT OF CONFEREES ON S. 3007, AUTHORIZING APPROPRIATIONS FOR INDIAN CLAIMS COMMISSION

Mr. HALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3007) to authorize appropriations for the Indian Claims Commission for fiscal year 1975, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to

the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. MEEDS, TAYLOR of North Carolina, STEPHENS, LUJAN, and REGULA.

SENATE CONCURRENT RESOLUTION 94, ISSUING OFFICIAL DUPLICATES OF CONFERENCE PAPERS

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate concurrent resolution (S. Con. Res. 94) to issue official duplicates of conference papers.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 94

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to prepare and sign official duplicates of the conference papers of the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research, fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. GROSS. Mr. Speaker, reserving the right to object, what is this all about?

Mr. STAGGERS. Mr. Speaker, I should be happy to explain the concurrent resolution. Sometime last month conference papers on the bill H.R. 7724, to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, were lost in the Senate.

Mr. GROSS. Wait a minute. They were lost in the Senate?

Mr. STAGGERS. That is the information that has been given to me, sir.

Mr. GROSS. Does the gentleman mean the papers were lost?

Mr. STAGGERS. The papers were lost.

Mr. GROSS. Conference papers were lost?

Mr. STAGGERS. Conference papers were lost. That is right.

Mr. GROSS. Who lost them?

Mr. STAGGERS. We do not know who did, but yesterday the Senate adopted this concurrent resolution which directs the Clerks of the House and the Senate to prepare new papers. Since the conference report on this bill has been filed and since the Senate would like to act on it today, we are now asking for adoption of the concurrent resolution so that they can proceed.

Mr. GROSS. This does not have anything to do with Watergate, does it?

Mr. STAGGERS. This has to do with health, sir, entirely. We are now asking for the adoption of the concurrent resolution so that they can proceed today to pass the bill in the Senate.

Mr. GROSS. So, this is in the nature of bailing out the other body for having lost some important papers?

Mr. STAGGERS. That is true, and we might also sometime.

Mr. GROSS. Mr. Speaker, under the circumstances I guess the House must bow to the inevitable. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

The was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 1062, CONTINUING APPROPRIATIONS, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93–1158)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) "making continuing appropriations for the fiscal year 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 9, 11 and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 10, 12, 13, 14, 15, 17, 18 and 20, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,000,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "notwithstanding the fourth clause of subsection (b) of this section, activities of the Department of Health, Education, and Welfare for assistance to refugees in the United States (Cuban program) shall be funded at not to exceed the annual rate for obligations of $100,000,000."; and the Senate agree to the same.

GEORGE MAHON,
JAMIE L. WHITTEN,
OTTO E. PASSMAN,
DANIEL J. FLOOD,
JULIA BUTLER HANSEN,
BOB CASEY,
ELFORD A. CEDERBERG,
WILLIAM E. MINSHALL,
ROBERT H. MICHEL,
GARNER E. SHRIVER,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
JOHN O. PASTORE,
ALAN BIBLE,
JOSEPH M. MONTOYA,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
BIRCH BAYH,
LAWTON CHILES,
MILTON R. YOUNG,
NORRIS COTTON,
CLIFFORD P. CASE,
EDWARD W. BROOKE,
MARK O. HATFIELD,
CHARLES MCC. MATHIAS, JR.,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: Deletes language proposed by the Senate which would have changed the basis of operation under the continuing resolution for programs funded under the Labor and Health, Education and Welfare Appropriation Act for fiscal year 1975.

Amendments Nos. 2, 3, 4, and 5: Restore matter proposed by the House and stricken by the Senate which clarifies the effective date of the resolution.

Amendment No. 6: Adopts technical change proposed by the Senate.

Amendment No. 7: Inserts language in subsection 101(a), as proposed by the Senate which provides that the current rate for all appropriations including any activity, program, or project under the Labor and Health, Education and Welfare Appropriation Act for fiscal year 1975 shall be that permitted by the specific provisions set forth in the enacting clause of Public Law 93–192.

Amendment No. 8: Provides an annual rate of $1,000,000,000 for the continuation of support for South Vietnamese military forces under the terms of the Continuing Resolution instead of the current rate ($1,018,000,000) as proposed by the House and an annual rate of $900,000,000 as proposed by the Senate.

Amendment No. 9: Deletes language proposed by the Senate which would have placed a quarterly rate limitation on the funding of foreign aid activities in the continuing resolution.

In deleting the quarterly limitation, the conferees in no way wish to imply the agencies involved in the administration of the foreign aid activities can obligate funds or fund projects at an accelerated rate. The managers agree that the activities should be funded at not to exceed one quarter of the annual rate except in cases of extreme importance or in cases of dire emergencies. Even in these cases, the Committees on Appropriations of the House of Representatives and the Senate expect to be notified in advance before funds are obligated.

Due to the importance of the United States export business, the Export-Import Bank of the United States is specifically excluded from the policy set forth above.

Amendment No. 10: Adopts technical change as proposed by the Senate.

Amendment No. 11: Deletes matter proposed by the Senate related to terminating the economic stabilization program. Such activities are provided for in the Continuing Resolution at the rate of the budget estimate ($2,560,000).

Amendments No. 12, 13, and 14: Make technical changes and include language as proposed by the Senate to provide that activities necessary for studies relating to the environmental aspects preliminary to oil and gas leasing on the Outer Continental Shelf and activities relating to environmental studies required to respond to energy-related right-of-way requests across public lands may proceed at the budget rate.

The managers on the part of the House and Senate are in agreement that the Department of the Interior shall obligate funds provided in this subsection carefully and cautiously and shall give careful attention to the future actions of the House and Senate Appropriations Committees so that funds for these activities are not over-obligated in fiscal year 1975.

Amendment No. 15: The Conferees have agreed that the distribution of Title I, Elementary and Secondary Education Act funds should be based upon provisions contained in H.R. 69, as passed by the Senate. The Conferees direct that funds for Part B of Title I shall not be distributed during the period covered by this Continuing Resolution since this legislation is in conference. It is further agreed that the action of the Conferees is without prejudice to the disposition of Part B of Title I of the authorizing legislation.

Amendment No. 16: The conferees have agreed to delete without prejudice Senate language earmarking Indian projects carried out under section 232 of the Economic Opportunity Act. The conferees agreed that language immediately preceding the Senate amendment is sufficient to allow continuation of all ongoing OEO projects, including those for Native Americans included in the Continuing Resolution.

Amendments No. 17, 18, and 19: Make technical changes as proposed by the Senate and provide a continuing rate of operations of not to exceed $100,000,000 for the Cuban refugee program instead of the current rate ($129,000,000) as proposed by the Senate. Under the House version of the Continuing Resolution such activities would have been continued at the rate of the budget estimate ($60,000,000).

Amendment No. 20: Provides for continuing activities of the Subcommittee on Fiscal Policy of the Joint Economic Committee as proposed by the Senate.

George Mahon,
Jamie L. Whitten,
Otto E. Passman,
Daniel J. Flood,
Julia Butler Hansen,
Bob Casey,
Elford A. Cederberg,
William E. Minshall,
Robert H. Michel,
Garner E. Shriver,
Managers on the Part of the House.

John L. McClellan,
Warren G. Magnuson,
John O. Pastore,
Alan Bible,
Joseph M. Montoya,
Daniel K. Inouye,
Ernest F. Hollings,
Birch Bayh,
Lawton Chiles,
Milton R. Young,
Norris Cotton,
Clifford P. Case,
Edward W. Brooke,
Mark O. Hatfield,
Charles McC. Mathias, Jr.,
Henry Bellmon,
Managers on the Part of the Senate.

SUSPENSION OF DUTY ON CATALYSTS OF PLATINUM AND CARBON

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 13370) to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, I take this time to ask the gentleman from Arkansas if he will explain the legislation.

I yield to the gentleman from Arkansas for that purpose.

Mr. MILLS. Mr. Speaker, I thank my friend, the gentleman from Pennsylvania, for yielding. Mr. Speaker, the purpose of H.R. 13370, as reported, is to suspend until June 30, 1976, the duty on imports of catalysts of platinum and carbon when imported for use in producing caprolactam.

Caprolactam is a chemical used in producing nylon-6 which, in turn, is used mainly in the manufacture of fabrics, tires, and plastics. Caprolactam is produced by three firms domestically and presently is in short supply in world markets. One of the domestic producers has initiated a new process for producing caprolactam which utilizes specially designed and compounded catalysts of platinum and carbon. These catalysts are not available from domestic catalyst producers because of the commitment of certain required raw materials to the production of catalytic converters for the automobile industry. Thus, the catalysts used by the caprolactam producer in Georgia must be imported.

The platinum and carbon catalysts are dutiable under item 656.05 of the Tariff Schedules of the United States as articles of platinum at a duty rate of 20 percent ad valorem from countries enjoying most-favored-nation status, and a duty rate of 65 percent ad valorem on imports from Communist countries except Poland and Yugoslavia.

In developing and putting into operation the new process for producing caprolactam, the firm utilizing the new process has been importing the catalysts of platinum and carbon from West Germany, and the committee is informed that the producer imports about a $300,000 shipment of the catalysts every 3 months.

Generally, the usefulness of precious metal catalysts such as these can be extended from time to time by restoring the carbon base. Such an operation is normally performed by the user in his plant. In this case, however, neither the caprolactam producer nor domestic catalyst manufacturers can restore the carbon base. Thus, it has been necessary for the caprolactam producer to return the spent catalysts containing the platinum to the German manufacturer in order that the platinum may be recycled into new catalysts.

Under existing provisions of the Tariff Schedules, each entry of the platinum and carbon catalysts is dutiable despite the fact that such catalysts contain platinum on which U.S. duty has been paid previously. The necessity to repeatedly pay duty on imports of a product containing precious metals on which the duty has already been paid is a questionable cost burden in the domestic production of a chemical already in short supply.

H.R. 13370 provides for the duty suspension on imports of platinum and carbon catalysts when imported for use in producing caprolactam on or after the date of enactment. In addition, the bill provides that upon appropriate request, entries after October 1, 1973, and before the date of enactment may also be accorded duty-free treatment.

Mr. Speaker, the committee has received favorable reports from the Departments of State, Treasury, Labor, and Commerce, as well as an informative report from the U.S. Tariff Commission. The committee is also informed that there is no objection to the provisions of the bill by domestic producers of caprolactam or domestic catalyst manufacturers.

In view of the worldwide shortage of caprolactam and the circumstances under which the platinum and carbon catalysts are being imported for use in producing caprolactam, your committee was unanimous in favorably reporting H.R. 13370 and urges its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I thank the gentleman from Arkansas for his explanation.

Mr. Speaker, I support H.R. 13370, a bill to suspend for 2 years the duty on catalysts of platinum and carbon used in producing caprolactam.

The catalysts are dutiable under item 656.05 of the Tariff Schedules as platinum articles at a rate of 20 percent ad valorem from countries enjoying most-favored-nation status and at a 65-percent ad valorem rate from other countries.

Our committee was informed that there are three domestic producers of caprolactam, a chemical used in the manufacture of fabrics, tires and plastics. One of these producers has begun using a new production process utilizing the platinum and carbon catalysts, which are not available domestically for this purpose. Therefore, they must be imported, and our committee understands that a firm in West Germany is the principal supplier.

Generally, precious metal catalysts such as these can be restored after use by a process which rebuilds the carbon base. In this case, it has been necessary for the domestic caprolactam producer to return its used catalysts to the West German manufacturer for restoration. And under existing provisions of our Tariff Schedules, each reentry of the catalysts is dutiable, even though the duty may have been paid previously on the platinum content. This understandably has placed a questionable cost burden on the domestic producer of a chemical already in short supply.

Favorable reports on this legislation were received by our committee from the interested executive departments and agencies, and an informative report was received from the Tariff Commission. No objection to the bill was voiced, and the committee was unanimous in ordering it reported. For these reasons, Mr. Speaker, I urge the adoption of H.R. 13370.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 911.16 the following new item:

"911.40	Catalysts of platinum and carbon (provided for in item 656.05, part 3G, schedule 6) when imported for use in producing caprolactam	Free	Free	On or before June 30, 1976."

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the one hunded and twentieth day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after October 1, 1973, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HUNT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 330]

Ashley
Barrett
Blatnik
Boggs
Brasco
Carey, N.Y.
Chisholm
Clark
Conlan
Conyers
Daniels, Dominick V.
Derwinski
Diggs
Dorn
Drinan
Esch
Gettys
Gray
Griffiths
Gude
Hansen, Wash.
Harrington
Holt
Kuykendall
Macdonald
Madigan
Michel
Mollohan
Murphy, N.Y.
Parris
Randall
Reid
Rooney, N.Y.
Rousselot
Shuster
Sikes
Stark
Stephens
Teague
Thompson, N.J.

The SPEAKER. On this rollcall 394 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 12799, AMENDING THE ARMS CONTROL AND DISARMAMENT ACT

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 20, 1974.)

Mr. MORGAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with, and I will attempt to explain the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, on this bill, the only issue in conference was whether the authorization for the Arms Control and Disarmament Agency should be for 1 year or for 2 years.

The House voted a 1-year authorization of $10.1 million for fiscal year 1975.

The Senate voted $10.1 million for fiscal year 1975 and $10.9 million for fiscal year 1976—for a total of $21 million.

The Senate receded to the House position.

The Senate made a number of minor technical, clarifying and conforming amendments to the bill. With respect to those amendments, the House conferees receded.

In effect, the conference version of H.R. 12799 is the same as the bill which the House passed by voice vote on April 24, 1974.

Mr. FRELINGHUYSEN. Mr. Speaker, I fully support the conferenc report on H.R. 12799, the Arms Control and Disarmament Act.

The principal difference in the House and Senate bills was that the House provided a 1-year authorization, while the Senate authorized appropriations for 2 years. Both bills authorized $10.1 million for fiscal year 1975.

Members may recall that the House Foreign Affairs Committee had approved a 1-year authorization, instead of the 2 years requested by the executive branch, in order to conduct an indepth study of the Agency's activities and role in formulating arms control policy. The conferees agreed with the House position, authorizing funds for 1 year.

I urge approval of the conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

First of all, I want to compliment the committee for limiting the funding of this Agency to 1 year. After this week I wonder if the Agency will be necessary at all; if we will have to continue forever and a day appropriating $10 million for alleged disarmament. I would hope that next year the committee would give serious consideration to cutting this outfit down to size progressively, and start with about $5 million. I think it can exist on much less money than it has been getting.

I do appreciate the fact that it is limited to 1 year, but then we are told that the future of the Agency will be studied for a year or two.

Mr. MORGAN. The Subcommittee on National Security Policy will conduct an indepth study of next year's authorization.

Mr. GROSS. I am glad to hear it will be an indepth study. I would not want any other kind of study.

Mr. MORGAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 12412, FOREIGN DISASTER ASSISTANCE ACT, 1974

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 20, 1974.)

Mr. MORGAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, the conference report on H.R. 12412—the Foreign Disaster Assistance Act of 1974—authorizes $150 million for disaster relief and emergency needs of the drought-stricken nations of Africa, Nicaragua, and Pakistan.

The appropriations for this bill have

already been passed by Congress, subject to authorizing legislation.

The $150 million includes $85 million for the drought-stricken African nations: $15 million for Nicaragua, for recovery from her earthquake; and $50 million for Pakistan for flood relief.

On the main differences between the House and the Senate versions of H.R. 12412, the Senate conferees yielded on all except one.

The Senate added $35 million for assistance to the drought-stricken nations of Africa, of which not less than $10 million was for Ethiopia.

This amount was added by the Senate following new information about the extent of the famine in Africa which was not available at the time of House action on the bill.

After a long discussion, the House conferees yielded on this amendment, after placing a $10 million ceiling on the aid for Ethiopia.

As I said earlier, the full amount involved in this conference report has already been appropriated in Public Law 93-240 and Public Law 93-305.

The Senate gave in on House language which applies the restrictions of present law to all assistance under the bill except to the drought-stricken nations of Africa.

The House conferees retained a provision which many members feel is the most important feature of this bill. When enacted, this provision will be the first legal requirement for the executive branch to consult with Congress before it enters into an agreement rescheduling or forgiving debts owed to the United States.

The conference report established a new requirement concerning advance notification to the Congress on each proposed international agreement with a foreign government liberalizing the repayment terms of one or more loans to such government extended under the Foreign Assistance Act of 1961, as amended. The managers agree that the section in the report requires the executive branch to notify the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations of proposed negotiations relating to such agreements and to provide such further information on the status of negotiations as the committees may seek. The conference report also requires that the Secretary of State transmit to such committees, in appropriate fashion, the text of each such international agreement with such debtor foreign government at least 30 days before it enters into force.

The conferees recognize that information supplied hereunder may be such that its disclosure may prejudice U.S. bargaining positions and that it will be handled under appropriate conditions of confidentiality.

Mr. Speaker, the House conferees did their best to uphold the position of the House. The Senate conferees pressed hard for their version of this bill.

I believe we ended up with a compromise which is fair to both houses.

The Senate adopted the conference report last Friday.

I urge the House to adopt the conference report.

Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Speaker, I strongly support this conference report on the Foreign Disaster Assistance Act of 1974.

In my opinion this report represents a good compromise between the House and the Senate bills. We agreed upon $65 million for Pakistan and Nicaragua, the same as the House bill. We also agreed to provide $85 million in assistance to the drought-stricken nations of Africa, of which not more than $10 million is for Ethiopia. The House bill had provided $50 million for assistance to the Sahelian nations of Africa, with no provision for Ethiopia.

Mr. Speaker, you will recall that in December 1973, the Congress passed an appropriation of $150 million for disaster relief to these areas, contingent upon enactment into law of authorizing legislation. This aid is urgently needed to help meet the grave situation in Africa where drought and famine continue to plague millions of people. It is also needed to continue our assistance to the earthquake victims in Nicaragua and the flood victims of Pakistan.

I urge approval of this conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, this then is now up to $150 million?

Mr. MORGAN. That is correct.

Mr. GROSS. By the addition of $10 million for Ethiopia?

Mr. MORGAN. That is in the $150 million, that is in the African part of the amount.

Mr. GROSS. So we now have $150 million addition to foreign aid?

Mr. MORGAN. This bill passed the House with a cut of $35 million.

Mr. GROSS. I thank the gentleman.

Mr. MORGAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

OLDER AMERICANS ACT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11105) to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 9, insert:

Sec. 2. (a) Section 201(a) of the Older Americans Act (42 U.S.C. 3011) is amended by striking out everything in such section that follows the word "Commissioner" the second time it appears in the fourth sentence of such section and inserting in lieu thereof a period.

(b) Any delegation of the functions of the Commissioner on Aging in effect on the date of enactment of this Act, issued pursuant to section 201(a) of such Act, shall be modified by the Commissioner to comply with the provisions of the amendment made by this section.

Sec. 3. Title III of the Older Americans Act of 1965 (42 U.S.C. 3021ff.) is amended by adding the following new section:

"TRANSPORTATION PROJECTS

"Sec. 309. (a) There are authorized to be appropriated $35,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this section. From sums appropriated under this section, the Commissioner is authorized to make grants to each State having a State plan approved under section 305 for the purpose of paying up to 75 per centum of the costs of meeting the transportation needs of older persons, with special emphasis on providing supportive transportation in connection with nutrition projects operated pursuant to title VII of this Act. Sums appropriated under this section shall be allotted to the States in accordance with the allotment formula contained in section 303.

"(b) The allotment to a State under this section shall remain available until December 31, 1975, for grants and contracts to area agencies on aging, organized under section 305(b), or to other public or nonprofit private agencies that the State agency determines have the capacity to meet the transportation needs of older persons and to provide supportive transportation services in connection with nutrition projects operated under title VII. In making grants and contracts under this section, State agencies shall give priority to applicants proposing to serve areas in which there is no public transportation or in which existing public transportation is inadequate to meet the special needs of older persons.

"(c) Within ninety days following the enactment of legislation appropriating funds as authorized by this section, the Commissioner shall issue final regulations for implementation of the program herein authorized.

"(d) The Commissioner is authorized and directed to request the technical assistance and cooperation of the Secretary of Transportation and such other departments and agencies of the Federal Government as may be appropriate for the proper and effective administration of this section.".

Sec. 4. Section 201(a) of Public Law 93-113 (87 Stat. 401, October 1, 1973) is amended by inserting at the end thereof the following new sentence after clause (4): "In no event shall the required proportion of the local contribution (including in-kind contributions) for any new grant or contract be more than 10 per centum, nor shall the proportion of such contribution for any renewal of any existing grant or contract be increased by more than 50 per centum over the proportion of such contribution required in the preceding such grant or contract, nor shall any such required contribution in any case be more than 40 per centum of the total cost of any such grant or contract.".

Sec. 5. Section 707 of the Older Americans Act of 1965 is amended by adding at the end thereof the following new subsections:

"(d) In donating commodities pursuant to this section, the Secretary of Agriculture shall maintain an annually programed level of assistance of not less than 10 cents per meal: *Provided*, That this amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from the home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates. The Secretary of Agriculture in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities pursuant to this section, and, within ninety days after the date of enactment of this subsection (d), the Secretary of Agriculture shall issue regulations governing the donation of such commodities.

"(e) The Secretary of Agriculture in consultation with the Commissioner shall, within ninety days after the date of enactment of this subsection, issue regulations clarifying the use of food stamps under this title.".

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. QUIE. Mr. Speaker, reserving the right to object, I shall not object because I support what the gentleman from Indiana is proposing to do, but I believe it would be wise if the gentleman would explain a little bit about what this amendment will do. I yield to the gentleman from Indiana for that purpose.

Mr. BRADEMAS. Mr. Speaker, I rise in support of H.R. 11105, as amended by the other body, a bill to extend for 3 years title VII of the Older Americans Act which provides nutrition programs for Americans aged 60 and over.

Mr. Speaker, I believe that few Members of the House will have any quarrel with this legislation, because on March 19 of this year, the House approved H.R. 11105 by a vote of 380 to 6, and on June 19, the other body approved the measure, with amendments, by a vote of 90 to 0.

But I do want to remind my colleagues of what this measure means to hundreds of thousands of our elderly fellow citizens, and I want to say something, too, of the amendments approved by the other body.

PURPOSE OF THE LEGISLATION

Mr. Speaker, the nutrition program for the elderly, enacted into law in 1972 by Public Law 92-248, initially began as a demonstration program under the Older Americans Act.

The program is designed to provide Americans aged 60 and over, and, in particular, the needy elderly, with one, hot, nutritious meal a day, 5 days a week, in a community setting.

I should stress, Mr. Speaker, that although the nutritional aspects of this program are important in that better diet improves the health of the elderly, the nutrition program also makes it possible for older people to share the daily companionship of others who share their interests.

Finally, Mr. Speaker, I should note that the nutrition programs funded under title VII of the Older Americans Act provide an excellent incentive for senior citizens to leave the seclusion of their homes and participate in the social, recreational, and health services available in comprehensive senior citizens centers.

Mr. Speaker, although the programs funded under this measure are only now getting under way due to repeated Presidential vetoes of the appropriations bills designed to fund it, we are already able to cite significant progress in the implementation of the program.

As of June 14, 664 nutrition projects were serving 192,859 meals daily at 4,714 sites. When the program becomes fully operational, it is estimated that 212,000 means daily will be served.

Mr. Speaker, that is an impressive record for a program which began less than a year ago. But it is a record, I think, that is evidence of the overwhelming bipartisan support for this legislation as well as of the extraordinary enthusiasm with which the program has been received by State and local officials, as well as the elderly themselves.

AMENDMENTS TO THE HOUSE BILL

Mr. Speaker, let me now turn to the amendments which the other body made to the House-passed bill.

There are four.

The first relates to the transportation requirements for the nutrition program for the elderly.

The second relates to the use of surplus commodities in the nutrition program for the elderly.

The third amendment would prohibit the Commissioner on Aging from delegating any of his functions to other officials of the Department of Health, Education, and Welfare or its regional offices.

The fourth and final amendment, Mr. Speaker, amends the provisions of the retired senior volunteer program authorized by the Domestic Volunteer Service Act of 1973, Public Law 93-113.

Mr. Speaker, let me say a word about each of these amendments.

TRANSPORTATION REQUIREMENTS

Mr. Speaker, the existing legislation authorizing nutrition programs for the elderly contains a 20-percent limitation on the funds which programs may expend upon transportation in order to bring the elderly to meal centers.

We wrote this provision into law in the hope of encouraging nutrition programs to expend as much of their funds as possible on meals.

But we have found this limitation, Mr. Speaker, to be counterproductive.

For soaring gasoline costs, occasioned by the energy shortage, have driven up transportation costs across the land.

And the lack of adequate public transportation facilities, especially in rural areas, means that many senior citizens are unable to come to meal centers.

The amendment adopted by the other body, Mr. Speaker, authorizes $35 million for fiscal year 1975 to begin a new transportation program under title III of the act, but operated in conjunction with the title VII nutrition programs. The moneys are to be allocated to the States on the same formula used in title III of the Older Americans Act.

Mr. Speaker, this is a good amendment, which I fully endorse, and I hope that most of my colleagues will be happy to join with me to support it.

SURPLUS COMMODITIES

The second amendment, Mr. Speaker, relates to the use of surplus commodities in the nutrition program.

Mr. Speaker, the 1973 amendments to the Older Americans Act made nutrition programs for the elderly eligible for participation in the Department of Agriculture's commodities program.

But, I regret to tell my colleagues, there appears to have been very little cooperation between the Department of Agriculture and the Department of Health, Education, and Welfare with respect to providing commodities to nutrition programs for the elderly.

In the State of Maryland, for example, which is operating a $1.5 million nutrition program, less than $200 worth of donated commodities were made available during the first 6 months of operation of the programs.

The amendment added by the other body is aimed at two basic objectives.

First, it directs the Secretary of Agriculture to maintain an annual level of assistance for title VII programs of 10 cents per meal served. This amount will be adjusted to reflect changes in the Consumer Price Index of food.

Let me just point out to my colleagues, Mr. Speaker, that this language parallels that of the existing school lunch program.

The second objective, Mr. Speaker, is designed to clarify the responsibility for issuing regulations to implement provisions relating to donating commodities to nutrition programs for the elderly. The amendment, therefore, requires the Secretary of Agriculture, in cooperation with the Commissioner on Aging, to issue regulations, within 90 days of enactment of H.R. 11105, relative to the donation of commodities and the use of food stamps in nutrition programs.

Mr. Speaker, these provisions should go a long way to improving the operation of nutrition programs for our senior citizens.

DELEGATION OF AUTHORITY

Now, Mr. Speaker, let me touch on the third amendment, which would forbid the Commissioner on Aging from delegating any of his responsibilities.

Mr. Speaker, my colleagues are aware that since 1965, when we first established the Administration on Aging, under the direction of a Presidentially appointed Commissioner on Aging, Congress has intended that the Administration on Aging serve as a highly visible focal point for the aging in the Federal Government.

And I think my colleagues know, too, that under both Democratic and Republican administrations, the executive branch has tried to submerge the Administration on Aging within layers of bureaucracy.

In 1967, for example, the Presidentially appointed Commissioner on Aging was placed under the authority of the Administrator of the Social and Rehabilitation Service—an officer appointed by the Secretary of the Department of Health, Education, and Welfare.

In 1973, Mr. Speaker, Congress insisted that the Administration on Aging be lifted out of the bowels of the bureaucracy, and the 1973 amendments to the Older Americans Act placed AOA in the Office of the Secretary, and stipulated that the Commissioner could not delegate any of his responsibilities to any officer not directly responsible to him without the approval of Congress.

Since last November, Mr. Speaker, the administration has been seeking to implement a plan for delegating certain responsibilities of the Commissioner on

Aging to the HEW regional directors in the 10 Federal regions.

On November 5, 1973, the Secretary submitted such a delegation to Congress but subsequently withdrew it because Congress adjourned prior to the expiration of the statutorily required 60-day notice period.

On March 26, another plan for delegating some of the Commissioner's responsibilities to the HEW regional directors was submitted to Congress.

The proposed delegation to HEW Regional Directors runs directly contrary to these goals of the 1973 legislation. It would again fragment responsibility. Rather than one national policy, we would surely find 10 regional policies. And instead of one official clearly answerable to Congress for administration of programs under the Act, there will be a host of officials making decisions who are ultimately not directly responsible to the Commissioner, regardless of all the guidelines and policies he may attempt to impose on them.

This is not to say that the program can only be operated out of Washington. The committee amendment does not affect the Commissioner's authority to delegate the performance of some of his functions to officers in the regions who are, in fact, directly responsible to him, with their actions subject to his review. We stress that the official to whom the Commissioner chooses to delegate a portion of his duties must actually be directly responsible to him; any effort to designate some official other than one who is a part of the Administration on Aging, or who is the Commissioner's counterpart on the regional level, would clearly be a subterfuge, not to be countenanced under the committee amendment.

The amendment offered by the other body, Mr. Speaker, removes the Secretary's authority to make such delegations to officials not directly responsible to the Commissioner on Aging.

Mr. Speaker, this is a sound amendment which will reiterate once again congressional intent that the Administration on Aging be a strong, viable, central voice for the elderly of our Nation.

RETIRED SENIOR VOLUNTEER PROGRAM

Mr. Speaker, with regard to the amendment to the RSVP program, I will offer a substitute for section 4 of the Senate amendment to H.R. 11105. My amendment has the agreement of the ranking minority member of the Education and Labor Committee, Mr. QUIE, and of the sponsors from the other body of the original amendment, as well as the general concurrence of the ACTION Agency, which is responsible for administering the RSVP program.

The Senate amendment would have amended section 201(a) of Public Law 93-113, the Domestic Volunteer Service Act of 1973, by establishing percentages for local contributions by project sponsors which could be required by the ACTION Agency in connection with RSVP grants and contracts. Under the Senate provision, no first year grant could have required a local contribution in excess of 10 per centum of the total amount of the grant, and no subsequent grant or contract could have required a local contribution in excess of 40 percent of such total. Further, under the Senate provision, the local share percentage after the first year could not have been increased by more than 50 percent over the percentage of the preceding year.

Although I am generally supportive of the principles underlying the Senate RSVP amendment—and I have certainly received much communication from RSVP projects around the country supporting the Senate provision—at the same time I am of the opinion that the Senate provision is somewhat too restrictive and would lead to inequitable results and maladministration.

As a result we undertook to work out a compromise which closely parallels the revised RSVP local-share policy set forth in the June 18, 1974, letter from the ACTION Agency to the House committee. An identical letter was sent to the Senate committee and was included in the RECORD (S10983-S10984) during the consideration of the Senate amendment in the other body.

Mr. Speaker, we undertook to work this matter out in consultation with the principals in the other body and with the ACTION Agency. I am indebted, as always, to the distinguished gentleman from Minnesota (Mr. QUIE) who has been so helpful and cooperative in this matter, and also to the distinguished senior Senator from California in the other body, Mr. CRANSTON, who has worked so closely with us to reach a satisfactory accommodation of all viewpoints.

Mr. Speaker, in fact I believe that the substitute amendment we have agreed to has all the strong features of the original Senate amendment and is not subject to some of its weaknesses.

Under the substitute provision, the first year RSVP local-contribution proportion could not be set by the Agency at any more than 10 percent, the second year at any more than 20 percent, the third year at any more than 30 percent, the fourth year at any more than 40 percent, and the local share contributions in subsequent years under subsequent grants or contracts could not exceed 50 percent. In addition, the substitute provides specifically for exceptions to be made by the Agency Director based on demonstrated need, as determined by particular local financial capability in accordance with Agency regulations, so that amounts lower than the local share standards which Agency regulations would require could be permitted by the Agency based on individual project needs.

Mr. Speaker, we are in full accord with the purposes of the other body to provide for a flexible policy that does not seek to impose arbitrary, rigid guidelines for local contributions.

Mr. Speaker, it should also be clearly understood, as pointed out during debate on the Senate amendment in the other body, that the local share amounts in the new statutory provision only limit what the Agency may require—and I stress require—from local projects and in no way limits what additional sums project sponsors may voluntarily offer to contribute to the Agency, which, of course, the Agency may accept as a gift pursuant to section 402(5) of Public Law 93-113.

In addition, Mr. Speaker, we agree fully with the language in the Senate committee report (No. 93-932) on page 15, which I ask to be set forth in the RECORD at this point, regarding the need for a liberal in-kind contribution policy as well as the need that no arbitrary limit should be imposed on the total dollar amount of Federal funding for a particular project nor on the increase in total Federal funds from 1 year to the next. The language to which I refer follows:

> The Committee further expects the ACTION Agency to apply a liberal in-kind contribution policy in determining what is an acceptable local-share contribution. Traditionally, the Committee has believed that as part of health, education, and social services program policy, local sponsors should have substantial latitude in meeting their share from either cash or legitimate in-kind contributions.
>
> Furthermore, no arbitrary limit should be imposed on the total *amount* of Federal funding for a project, nor on the increase in funds from one year to the next. Provision needs to be made in any funding guidelines for the expansion and growth of R.S.V.P. projects that show good results in meeting basic program objectives, and to support such growth both through increasing local contributions and, where indicated, through increasing Federal funds.

Finally, Mr. Speaker, we are in agreement with the other body that it will be necessary for our respective committees to monitor closely the implementation of the new statutory provision by the ACTION Agency.

To assist us in that monitoring activity, we will expect that the Agency will communicate with us specifically in the following respects. First, we expect the Agency to consult with us in advance prior to publishing for public comment in the Federal Register its regulations regarding the RSVP local contribution.

Second, Mr. Speaker, we expect the Agency to notify us immediately upon making an RSVP grant or contract in which there is a local contribution in excess of 40 percent of the total cost.

Finally, Mr. Speaker, we expect the ACTION Agency to submit to us every 4 months a list of RSVP project grants and contracts, the dollar amounts involved, and the local share, amount and percentage, being provided—both required or voluntarily contributed—by each project, including a specification of the amount which is an in-kind contribution and the amount which is in cash.

Mr. Speaker, I hope that the House will support fully this amendment. I have every assurance that the other body will rapidly concur in this amendment and send the bill to the President prior to the July recess.

CONCLUSION

Mr. Speaker, H.R. 11105, as amended, is a fine bill, worthy of the strong support of every Member of Congress.

It received the overwhelming bipartisan support of both the House and the Senate during its initial consideration, and I am confident it will enjoy such support again today.

Mr. QUIE. Mr. Speaker, I concur with the remarks of the gentleman from Indiana (Mr. BRADEMAS) with respect to the proposed amendment to the Committee amendment. The intention is to permit the Director of ACTION to increase the required local share of funding for RSVP programs each year in 10 percentage point increments until it reaches 50 percent in the fifth year of a program. However, the Director is given discretion to reduce the required local share, based upon an assessment of the local fiscal capacity to provide funds. Obviously, this will vary from situation to situation and from time to time.

The Director can establish lower local shares for all programs if he sees fit to do so. At the same time, it is useful to stress that the upper limitation on the local share applies only to the share which the Director may require. If a community voluntarily comes forth with a proposal to fund 75 or 80 percent of an RSVP program, then that should not be rejected because it means that the Federal funds go farther, reaching more communities and more persons 60 years of age or older who wish to take part in this extremely worthwhile program.

I think the proposed amendment is superior to the Senate language because it is easier to understand and provides greater flexibility in determining the local share. As I have said, the Retired Senior Volunteer program is an excellent one, involving over 85,000 senior volunteers in over 600 programs. It is one which deserves continued Federal support, which this amendment should facilitate.

Mr. Speaker, the Senate amendment to H.R. 11105, which we are accepting with a single change, did make other changes in the House-approved measure. While these are in my judgment acceptable, and even commendable, they require at least a brief discussion.

The two major changes involved the addition of a $35 million authorization for fiscal 1975 for grants to the States under the Older Americans Act for transportation projects. Since transportation is very often a critical problem in all of the programs for the elderly, including nutrition, this 1 year authorization to speed progress on overcoming this problem seems entirely reasonable.

The other major change was made in title VII—the nutrition program—which would mandate support of the program in the form of commodity purchases at a level of not less than 10 cents per meal served, with an escalator clause based upon the Consumer Price Index for food away from home. Currently, with 52,000,000 meals being served the cost of this provision would be $5,200,000. It was offered as an amendment on the floor by the distinguished junior Senator from Maryland (Senator BEALL), who deserves considerable credit for the time and effort he has devoted to this endeavor. One of the results in all likelihood will be to accelerate moves to tie the nutrition for the elderly program more closely to the school lunch program, where that is possible, with obvious advantages in the utilization of the schools as a resource for the total community.

The only remaining change was an amendment to section 201(a) of the Older Americans Act which would prevent the Secretary of HEW from approving a delegation of the functions of the Commissioner on Aging to an officer not directly responsible to the Commissioner. I understand that this amendment is aimed at eliminating a proposed delegation of such functions to Regional Directors of HEW who are not responsible to the Commissioner, and I cannot help but conclude that this would strengthen the Administration on Aging.

With respect to the extension of the basic authority for the nutrition for the elderly program (title VII) for 3 years—until June 30, 1977—the House and Senate bills are identical.

Accordingly, Mr. Speaker, I am in agreement with the Senate amendment, with the amendment to it we have proposed, and urge that the motion be agreed to.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I appreciate the gentleman from Minnesota yielding under his reservation. I concur with the decision made by both the gentleman from Indiana and the gentleman from Minnesota on the amendment which is now before us to deal with the RSVP program.

I think, Mr. Speaker, that the Members of the House ought to be aware that the ACTION Agency undertook on its own accord in January 1974 to significantly modify the requirements insofar as matching funds are concerned for local communities for RSVP. The amendment in the other body was too restrictive. The House amendment being offered today deals effectively with the problem that has been created by a policy decision made by ACTION without foundation.

I urge the House to support the amendment.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MOTION OFFERED BY MR. BRADEMAS

Mr. BRADEMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BRADEMAS moves that the House concur in the Senate amendment with an amendment, as follows: In lieu of the matter proposed to be inserted for section 4 of the Senate amendment, insert the following:

SEC. 4. Section 201 of Public Law 93–113 (87 Stat. 401, October 1, 1973) is amended by inserting the following new subsection (b) after subsection (a) and redesignating the present subsection (b) as subsection (c):

"(b) In no event shall the required proportion of the local contribution (including in-kind contributions) for a grant or contract made under this section be more than 10 per centum in the first year of assistance under this section, 20 per centum in the second such year, 30 per centum in the third such year, 40 per centum in the fourth such year, and 50 per centum in any subsequent such years: *Provided, however*, That the Director may make exceptions in cases of demonstrated need, determined (in accordance with regulations which the Director shall prescribe) on the basis of the financial capability of a particular recipient of assistance under this section, to permit a lesser local contribution proportion than any required contribution proportion established by the Director in generally applicable regulations."

The motion was agreed to.

The Senate amendment as amended was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the legislation just passed.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PRINTING OF REPORT OF SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 86) authorizing the printing of additional copies of the hearings and final report of the Senate Select Committee on Presidential Campaign Activities, and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 86

Resolved by the Senate (the House of Representatives concurring), That the authorization (pursuant to S. Con. Res. 29, Ninety-third Congress, agreed to June 28, 1973) for the Senate Select Committee on Presidential Campaign Activities to have printed for its use five thousand additional copies of its hearings on illegal, improper, or unethical activities during the Presidential election of 1972 be extended through the duration of its existence as a select committee.

SEC. 2. There shall be printed for the use of the Senate Select Committee on Presidential Campaign Activities six thousand additional copies of its final report to the Senate.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES APPROPRIATION BILL, 1975

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from California (Mr. TALCOTT) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15572, with Mr. O'HARA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Massachusetts (Mr. BOLAND) will be recognized for 1 hour, and the gentleman from California (Mr. TALCOTT) will be recognized for 1 hour.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring before the Committee today the HUD, Space, Science and Veterans appropriation bill for 1975. The bill provides funding for 10 independent agencies and for the vital and important missions of the Department of Housing and Urban Development. This may not be a perfect bill, but I believe most members of the subcommittee will agree on balance that it is a good bill.

The recommendations contained in this bill were not reached without long and serious deliberations. These recommendations reflect the many delicate issues faced by the subcommittee, particularly in the areas of housing and community development. I believe that the decisions reached in this bill are fair and reasonable.

Mr. Chairman, I want to pay special tribute to the other 10 members of our subcommittee and to the very remarkable and knowledgeable and industrious staff headed by Homer Skarin, Richard Malow, and Paul Thomson. All have contributed significantly to the final product which is before the Committee today.

In summary, Mr. Chairman, the committee recommends a total of $20,846,332,000 in new obligational authority for the agencies covered by the bill for the fiscal year 1975. This is $41,519,000 below the budget estimates considered, and is $212,296,000 above the comparable amounts appropriated for 1974.

The Committee has deferred action on an additional $2,105,000,000 requested for a community development grant program. The committee will consider funding this request when final congressional action on the Housing and Urban Development Act of 1974 has been completed and signed.

Finally, the committee recommends a total of $244,291,000 for the administrative and nonadministrative expenses of the Federal Housing Administration and Federal Home Loan Bank Board.

Mr. Chairman, last year the committee warned that a continued suspension of the subsidized housing programs could really damage the building industry. Although a small number of reservations have been issued since last September, for all practical purposes, the housing moratorium has now been in effect for 18 months. This fact, combined with accelerated interest rates and unchecked inflation, has resulted in a serious housing recession.

Housing starts are estimated to reach only 1.6 million in 1974, down from 2.4 million in 1972.

While the committee never endorsed total suspension of the subsidized programs, it did strongly urge that a comprehensive housing evaluation should be undertaken. The need for such a study was clear. By the end of this fiscal year, HUD will have foreclosed on 141,000 subsidized housing units. That figure could reach 200,000 by the end of 1975.

Those kinds of statistics left little doubt that the existing subsidized programs needed to be looked at. HUD completed a review last September. It concluded that the existing subsidized programs were too costly, that they were not equitable because they reached only 6 percent of the eligible population, and that they were wasteful because they concentrated on new construction rather than making use of good existing housing.

The validity of those conclusions is subject to long arguments and different interpretations. The committee has not taken a position on the housing study conclusions. Rather, it is troubled by the Department's proposed substitute for the existing programs.

What concerns the committee is the fact that the new program fails to meet any of the three tests applied to the existing programs in recommending their replacement.

First, 70 percent of the revised section 23 program is allocated for new construction, not existing housing as the study recommended.

Second, the new program will reach few, if any, additional low-income families above the level covered under the existing programs.

Finally, the revised section 23 program, the committee believes, is clearly not any less costly than the existing program. In fact, the committee believes it could be more costly, even if all direct and indirect costs are considered.

Many potential participants were also troubled by these inconsistencies, and before our committee they expressed serious doubts that the new leasing program is the right formula. But the first responsibility of this committee is to protect the public purse.

Our concern is with the cost of the new program; and for that reason, the committee has urged HUD to continue the section 236 rental housing program in combination with the new section 23 revised leasing program. In that way, we can make a valid cost comparison between the existing program and the new program. The committee is not interested in killing the new program. On the contrary, if it works and if it does not cost the Sun and the Moon, we will support it, but we would not be meeting our responsibilities if we did not ask the question, "What will it cost?"

In this bill, Mr. Chairman, for urban renewal programs, the committee has recommended $200 million, the full balance of available authority under that program.

As to the Model Cities program, for that program $125 million is recommended for the 6-month transitional period. For comprehensive planning grants, the committee is providing $100 million to continue orderly planning support in 1975 and 1976. This is $10 million below the budget request.

Finally, the committee has approved $70 million for the rehabilitation loan fund, the section 312 program. Taken together with loan repayments, it is estimated that nearly $90 million will be available to maintain this very successful program in fiscal year 1975. The rehabilitation loan program is a good program.

The committee urges in its report that it be continued, at least until the new community development program is well underway.

Mr. Chairman, I recognize that some have asked why the committee has deferred funding the balance of the new Community Development grant request, and the answer is very simple. Although the House has passed a bill approving the new program, the bottom line has yet to be written. No one knows what the conference agreement will produce. My own judgment and my own hope is that a conference between the House and the Senate on the housing bill for 1974 will produce something which is closer to the House's figures.

However, the committee feels strongly that a new program of this magnitude should not be funded until the full dimensions of the pending legislation are known. When the Congress has approved the final version of the bill, the committee will act expeditiously to consider the balance of the request.

As I said at the outset, none of these decisions affecting HUD were reached without very serious deliberation. Given the time frame and given the various uncertainties surrounding these programs, I think it is fair to say that the recommendations contained in this bill are reasonable and equitable.

VETERANS' ADMINISTRATION

Turning to the Veterans' Administration, the committee recommends a total of $13,414,680,000 in new budget authority for the veterans' programs. This represents an increase of $39,944,000 over the budget estimate and an increase of $54,760,000 above current appropriations.

Mr. Chairman, the VA has come in for a good deal of criticism, some of which is justified, in the past months. As I have said, some of it is warranted; some of it is not. When we consider the magnitude of the VA's mission, I think the Members of Congress can agree that it truly does a fantastic job.

The funds recommended in this bill will provide benefits and services—I wish the Members would listen to this—to 29,100,000 veterans, to 65,800,000 members of their families, and to 3,800,000 survivors of deceased veterans.

The VA employs over 185,000 people. Approximately 165,000 of these are necessary to operate the medical program. This includes the operation of 170 hospitals, 18 domiciliaries, 87 nursing homes, and through its outpatient facilities it handles nearly 15 million annual visits.

Any organization the size of the VA and serving a veterans population as large as the VA does is bound to have some problems. However, again, as I have indicated, I think if we will look at the total picture, we will agree that they do a commendable job.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the distinguished gentleman from Texas.

Mr. TEAGUE. Mr. Chairman, I would like to express my personal appreciation for the great job which the gentleman from Massachusetts (Mr. Boland) and his committee have done on behalf of the veterans. Every veteran group I have talked with has expresed to me its great appreciation for the fine job the gentleman's committee has done. I would just like to express my thanks to the gentleman and to the entire committee.

Mr. BOLAND. Mr. Chairman, I apprecate the remarks made by the gentleman.

I think in a sense we are following through on the dictates of the Committee on Veterans' Affairs which the gentleman from Texas (Mr. Teague) chaired for so long and so honorably and with such great knowledge and expertise. I am grateful to the gentleman from Texas for his remarks.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Chairman, I thank the distinguished chairman of the subcommittee for yielding.

I, too, would like to commend the gentleman for the diligent work which he has done and for the bill which he has brought out here, especially in support of the veterans program.

The gentleman has mentioned the numbers of veterans served, the numbers of hospitals, nursing homes, and other facilities provided by the Veterans' Administration, and the personnel for those facilities. The gentleman also mentioned the figure of $13 billion-plus which is provided in this bill for veterans programs of all types, including hospitalization, education, housing, and various other veterans programs.

The gentleman did not, I believe, mention the supplemental appropriations which were passed the other day which provided for representatives on campus to assist veterans in colleges and universities. I wish the gentleman would address himself to the total provided in this bill for veterans, and also to the total provided in the supplemental appropriations for veterans. We see by the press at times that the veterans are planning a march on Washington around July 4. The reason for that march, they say, is because Congress has not done anything for the veterans. The Congress has done and is doing a great deal, and this fact should be made known.

Mr. Chairman, there is about $13.5 billion in this bill for the veterans programs. An emergency appropriation of $179 million was passed the other day to cover increased benefits due to recent legislation that was enacted into law early in June. Another large supplemental will be expected soon when the final details on legislation are worked out.

I am impressed by the extent and the magnitude of the programs and the great benefits which are provided through the Veterans' Administration. We have the greatest veterans program of any nation in the world, and yet we are sometimes told that the Congress is not doing anything for the veterans.

Mr. Chairman, I hope that the chairman of the subcommittee will address himself to an explanation of the total amount in dollars.

Mr. BOLAND. Mr. Chairman, I appreciate the remarks of the gentleman from Tennessee.

Let me say a few words with reference to the moneys that are being appropriated for the veterans' programs.

This bill carries $13,414,680,000 for all of the veterans programs. In addition to that, in the urgent supplemental which was passed here the other day there was included $100 million for compensation and pensions for veterans; $77 million for readjustment benefits, and $2 million for representatives on campus that the gentleman from Tennessee referred to.

However, beyond that we will be getting a supplemental because of increases occasioned by changes in the law increasing the compensation and pensions and the readjustment benefits, which will bring the total amount for veterans alone up to close to $15 billion in 1975.

No one quarrels with the increases in the compensation and pensions programs or the value of the readjustment benefits that are made available. These are items which, when the Congress passes upon them and they become law, become obligations that we have to meet, and we do meet them.

Mr. EVINS of Tennessee. If the gentleman will yield further, of course, as the gentleman pointed out, this is the highest level of appropriations we have ever had in the history of veterans programs. I remember when it was about $9 billion, and now it is approaching $15 billion. Of course, Congress has passed many liberalizing provisions for veterans and many more laws. Still it is interesting to point out that we have reached the highest level of benefits for veterans in the history of this Nation.

Mr. BOLAND. The gentleman is correct. Let me indicate again that in this bill $6,716,200,000 is for compensation and pensions and $2,676,000,000 is for readjustment benefits. There is about $3.2 billion in here for the medical programs. I think all of us will agree that those three items are practically uncontrollable. We have funded the first two up to the level requested by the VA and we have funded the medical program beyond the budget request.

For 1975, the committee is recommending two significant changes from the budget estimate. First, under medical care, we are recommending an additional $16 million to provide 1,000 nursing or direct patient care positions above the 1975 request. This action continues the effort begun last year as part of a direct response to the conclusions of the committee's own investigation that some VA hospitals were suffering from a serious shortage of qualified nurses. Although some improvement has been noted, we feel that the positions added are the minimum required to maintain quality care at our veterans hospitals.

The other increase provides $30 million above the budget for additional assistance for health manpower training institutions. The committee has been advised that the first round of grant applications have been received and total $71,500,000. The amount recommended in this bill plus the $45 million already appropriated, brings total funding for this grant assistance program to $75 million.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Now, with respect to some of the other agencies in the bill, for the National Aeronautics and Space Administration we are recommending a total of $3,203,050,000 in this legislation to carry on the space program. This is about $40 million below the budget estimate and $168 million above the amounts appropriated in the current fiscal year. Most of the increase above 1974 can be attributed to inflation and, of course, to the increased costs of the space shuttle. Congress made its decision on the space shuttle a few years ago when the administration decided after the Apollo program what NASA would be engaged in. The determination was made at that time as a matter of national policy that we would build the space shuttle, and so we are getting into this program now.

The report accompanying the bill explains in detail the committee actions, but I would like to take a moment to comment on the space program.

NASA has marked the end of an era in the last year. The hubbub and glamour which began with Project Mercury and ended with the highly successful flight of Sky Lab is history. Except for the Apollo-Soyuz flight next year, American men will not return to space until the first shuttle flight in 1979. The advent of the shuttle will open a new era in space flight not unlike the very early days of commercial aviation when the Wright brothers ushered in the dawn of man's flight. This was not unlike the period when our first astronuats took to space. The shuttle is the next logical step in this program. It will make space flight routine. It will make space flight available to hundreds and hundreds more people and do it at a progresssively cheaper cost.

Mr. FUQUA. Will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the distinguished gentleman from Florida who serves on the Science and Astronautics Committee and whose leadership in the space program is acknowledged by all concerned in this body.

Mr. FUQUA. I appreciate the gentleman yielding to me, and wish to say that one of the things I was somewhat disturbed with in reading the committee report was that in the authorization bill we authorized some $3.9 million for hangar facilities at Edwards Air Force

Base to be used for the shuttle, and also other aircraft development. I notice in reading the report those funds have been deleted, saying that there was ample space for the shuttle due to its priorities at other existing facilities.

While I have not visited Edwards, other Members have, as well as our staff people, and they tell us that the facilities the Air Force has there that are used for other R. & D. work at Edwards are fully committed for the next 5 years, and if there are not existing facilities available then the same question comes to mind, if the committee saw fit to delete these funds with such a good program, and I wonder what thoughts the subcommittee held and what further rationale it used for the deletion of these funds.

Mr. BOLAND. The gentleman from Florida is essentially correct. The funds for the Orbiter Horizontal Flight Test Facility at Edwards were deleted on the ground that NASA has other facilities which ought to be looked at—particularly at Ames.

There are facilities at Ames which were large enough to house dirigibles and other lighter-than-air aircraft. Those facilities are large and I do not believe they are being fully used. Ames is located below San Francisco, and we believe that NASA ought to take a look at other facilities that are available. The Air Force and contractors also have facilities at the Flight Research Center at Edwards Air Force Base that could be made available.

Mr. FUQUA. I might point out that Ames, logistically, is a long ways away, and they need it near the runway when they do the flight testing, or refurbish the plane.

Mr. BOLAND. It is a distance away, but not too far away, as the gentleman I am sure well knows. Ames has laboratory facilities that perhaps could be utilized for other types of instrumentation and testing. This could perhaps free up some space at Edwards. In any case, we think there ought to be a closer look at Edwards and at the most efficient use of all of NASA's facilities, in which there is a tremendous and continuing investment. As we have indicated, the Air Force facilities at Edwards are used for its own purposes. I have never been there, I might add, but staff members and some of the members of the committee have looked at the facilities. The operations of the Air Force are at one end of the base, as I understand it, and NASA has a huge complex where there is a laboratory and a large hangar.

One of the problems, as I understand it, is that the hangar may not take the high tail of the orbiter. We have indicated to NASA that they can reprogram funds to take care of any necessary alterations at the present hangar.

I will be glad to yield to the distinguished gentleman from Illinois (Mr. SHIPLEY).

Mr. SHIPLEY. Mr. Chairman, I thank the gentleman for yielding. I might say that just a few years ago I was among the members of the subcommittee that did visit Edwards. They do have a large hangar. It is a large hangar, and it is a fine facility. At that time the budget was probably at $4 billion, and this facility was not being heavily utilized. All we are attempting to do here is to look at this, and to see if they really need it, and if in the ranks of priorities it should be provided.

Mr. FUQUA. The questions the gentleman raises are the very questions that were raised in the subcommittee. We had staff people go down there, and one of the members who went down is here—the gentleman from California (Mr. KETCHUM)—he has visited there in just the last week or so.

It was thought in the beginning they could utilize the facilities. However, on reflection and more investigation, we find that those facilities are committed for the next 5 years. And we do run into a leadtime problem if the facilities for the orbiter are to be tested at Edwards. It was our hope we could get an additional $2 million to make more facilities available for this research as well as the Air Force.

Mr. SHIPLEY. I think you will find that this committee has been very generous in this area.

Mr. FUQUA. It certainly has.

Mr. SHIPLEY. We would like a little time in order to look at this a little more closely. We feel that the facilities at Edwards are adequate, and we want to look into it. I think that is the whole purpose of the committee's action. It is an area that we may have to go into, but, as I said a few years ago when we were operating on a budget almost twice the size it is now, those facilities were being only partially utilized. I think we have an opportunity here to look into it. I am sure the past record of the subcommittee will assure the gentleman that if the facilities are needed, we will consider making them available.

Mr. FUQUA. I certainly appreciate the remarks of the gentleman.

Mr. BOLAND. If this presents a tremendous problem to NASA, I am sure it can be worked out very readily. The problem—and I think all of us agree with this, whether we serve on the Committee on Appropriations or whether we serve on the legislative committees—is that the Government has a great number of facilities throughout the United States. Many are not being used efficiently. The country has laboratories running out of its ears.

As the distinguished gentleman from Mississippi (Mr. WHITTEN) has indicated time and again, we ought to have an inventory of what laboratories the Government owns, and the kinds of installations and facilities that the gentleman from Florida and the gentleman from California are interested in.

The information we have, as has been reported by the gentleman from Illinois (Mr. SHIPLEY) is that at Edwards NASA now has an aircraft construction and modification hangar on one side of a laboratory building and on the other side another large hangar. So it is an excellent integrated facility. The main hangar at Edwards is an outstanding facility with more than enough floor area for the orbiter facility and other research.

If that is so, I think it would be wise to hold in abeyance the $1,940,000 that was requested by NASA for this particular facility. That is all we are doing. If, after getting another look at it, the problem cannot be solved, or if whatever work is going on at Edwards prevents that hangar from being used for other purposes, then perhaps we would have a different recommendation.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

As the chairman of my subcommittee, the gentleman from Florida (Mr. FUQUA) has indicated, not only have I just recently visited Edwards Air Force Base because it does lie within the periphery of my district, but I have visited it many times. The fact is that those hangars that were referred to earlier as not being fully utilized are in total utilization at this point. The fact is that the NASA Flight Research Center at Edwards is presently using an Air Force facility for testing the YF-12, better known as the Air Force 71 in the Air Force, and the Air Force is going to take that hangar facility away from them within the next year at least, perhaps sooner.

In addition to that, we now have at Edwards at the Air Force installation—we have the YF-15—we have the YF-16 and the YF-17. Both of those aircraft are going to be moved to the Flight Research Center in the very near future for testing there. Edwards Air Force Base has readily been used to test new airframes in new aircraft of all sorts. It is exactly what Mr. FUQUA indicated a few moments ago.

We have a facility at Edwards that is unparalleled, I believe, anywhere in the United States. Perhaps I am speaking parochially of the dry lake with over 10,000 feet of runout area. It is a remarkable facility for testing of aircraft, and more so when testing the orbiter.

When the subcommittee looked at this whole situation when NASA requested $1.9 million, the subcommittee in its wisdom increased that authorization to $3.9 million because we knew we were going to have to build a larger facility, and we thought it would be far wiser to build it now than to let inflation take its course and take it up to $6, or $7, or $8, or $9 million.

I can tell the gentleman that there is absolutely no question that there are no facilities at the present time or in the foreseeable future which can be used to house the orbiter. I really believe that the committee has made an error—perhaps an honest one—in its attempt to economize. I believe they have made an honest and sincere error in not funding this facility.

Mr. BOLAND. I appreciate the remarks of the gentleman. If there is a problem out there and the information we have differs from that which the gentleman from California has, who I know recently visited there, I am sure we can make an adjustment.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from California.

Mr. GOLDWATER. I thank the gentleman for yielding.

I also would like to substantiate pretty much what the gentleman from California (Mr. KETCHUM) has indicated based on my firsthand knowledge and experience with respect to this facility.

I agree with the chairman we need to use the existing facilities we have but obviously the shuttle program is unique and requires a unique type of facilities that only Edwards Research Base and the Flight Research Center can provide. Obviously, as the gentleman from California (Mr. KETCHUM) mentioned there are numerous new military Air Force programs coming into being now. Facilities are scheduled and they are full and on into the next year they are full.

I personally feel this is a mistake the committee is making in not providing these funds for that horizontal flight test facility. I am hopeful if in fact it is pressed that in their wisdom these funds will be provided at a later date by the committee.

Mr. BOLAND. I appreciate the remarks of the gentleman from California.

I can say we are concerned by the fact that Ames, as the gentleman from Florida also indicated, is some hundreds of miles away from Edwards Air Force Base, but it does have the huge hangar which was built for dirigibles—and this facility is available and should be used.

NATIONAL SCIENCE FOUNDATION

Mr. Chairman, to continue the summary of the bill, the National Science Foundation requested a total of $788,200,000 for 1975. Of that amount $101,800,000 was provided in the special energy research and development appropriation bill. This bill provides $671,800,000, which is a reduction of $14,600,000 below the budget request. Within the total recommended, $5 million has been provided for the special foreign currency program.

Here again, the report goes into the details of the committee's recommendations, but basically, the committee is providing for a balanced approach to scientific research. The actions taken in this bill and report are designed to make the best use of limited resources—to insure that applied research is not pursued at the expense of basic research—and to insure that both applied and basic research are not pursued at the expense of the educational responsibilities of the Foundation.

OTHER AGENCIES

The Federal Communications Commission requested $46,847,000 for 1975. The committee recommends a small increase that will provide for an additional 25 positions to reduce substantial backlogs in nearly every activity the Commission oversees.

For the Securities and Exchange Commission, the committee recommends a total of $43,077,000 in 1975. This is an increase of $946,000 above the budget request and provides for an additional 225 positions next year. This increase continues an accelerated effort to staff the Commission to help maintain investor confidence in the capital securities markets.

During the past year, the number of stock frauds and securities scandals that have surfaced in the press has increased. These unsavory actions on the part of a few weaken the individual investor's confidence in the market—and without participation of the individual investor, the little man, it is not possible to maintain an orderly market system. The committee hopes that these additional funds and positions will help restore some stability and confidence to a weakened sector of our economy.

For the Selective Service System, the committee is recommending $46,463,000. When the required payment for space rental costs to the GSA is considered, this represents a $13,597,000 reduction from the 1974 appropriation. The committee's action continues the orderly conversion of the System to a standby mode. Personnel strength is being reduced from 6,241 on June 30, 1973 to 2,869 on June 30, 1975.

I know that some of you will argue very persuasively today that continued funding of the Selective Service System is no longer necessary. However, in many ways, the coming year will provide the most crucial test for the Volunteer Army. Until the all-volunteer concept has cleared that test, I think it would be unwise to do away with the only backup system now in place. Next year may be a different story. You can be assured that the committee will take a very close look at the need for continuing this activity indefinitely.

For the Renegotiation Board, the committee recommends $5,163,000 in 1975. Some have been very critical of the Board's activities, but the committee is pleased to note that for fiscal year 1974, the renegotiation process reported savings of over $70 million. This is the Board's largest return to the Treasury in the last 15 years.

For the American Battle Monuments Commission, the committee is recommending $4,512,000. This is a decrease of $953,000 below the budget estimate. The committee has recommended deferral of funds requested to initiate construction of a proposed Pershing Memorial in the District of Columbia. The committee feels that these funds should be applied to other higher priority purposes for veterans care.

Finally, we have provided $265,000 for the U.S. Army Memorial Affairs Agency. When this is combined with $3.5 million in carryover balances from 1974, the total will be used to maintain Arlington National Cemetery and the cemetery at the Soldiers and Airmen's Home.

Mr. Chairman, this concludes the summary I plan to make. If there are any specific questions, I will do my best to answer them.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I am pleased to yield to my distinguished and lovable friend, the gentleman from Iowa.

Mr. GROSS. I thank the gentleman.

If I read the report correctly we are about to bestow some $2,327,380,000 on the National Aeronautics and Space Administration. I believe that is what is recommended in the bill.

Mr. BOLAND. Yes, that is the total for research and development. The total recommended for NASA is $3,203,050,000.

Mr. GROSS. And that would be an increase of $48 million for the same general purposes as was appropriated last year.

Mr. BOLAND. In the research and development for NASA there is an increase of $138,073,000 over last year. There is an increase of $34,570,000 in construction of facilities—and for research and program management there is a decrease of $4.6 million below 1974. So the total increase for NASA comes to $168,043,000. The greater part of this of course is in the space shuttle program.

Mr. GROSS. The figures show on page 16 of the report as between the 1974 appropriation, the actual appropriation and the amount recommended in the bill do not show that much difference. I get $48 million and I thought that was enough to continue all these boondoggles—or moondoggles.

Mr. BOLAND. The item on page 16 does refer to research and development and we have decreased that by $14,200,000 below the estimate. Their estimate was $2,341,580,000 and we recommend in this bill $2,327,380,000, which is a reduction of $14,200,000.

Mr. GROSS. How much did the gentleman say this is above last year's appropriation?

Mr. BOLAND. Above last year's appropriation for research and development?

Mr. GROSS. The total bill, I mean.

Mr. BOLAND. For NASA or for the total bill?

Mr. GROSS. The total bill for NASA.

Mr. BOLAND. The total increase for NASA is $168,043,000.

Mr. GROSS. In view of the financial situation of this country, does not the gentlemen think we ought to stay at least with last year's figure? How in the world will we ever stop inflation if we keep pushing up these costs to the taxpayers?

Mr. BOLAND. What the gentleman says could be true except that as we advance in the space shuttle program the costs escalate each year. We are getting closer to the funding peak for the space shuttle program with the result that the cost of the space shuttle this year is more than it was last year.

The Space Shuttle, including construction, will cost about $875 million this year.

Mr. GROSS. I know, but I will ask my good friend, the gentleman from Massachusetts, when are we going to somewhere along the line demonstrate some sort of fiscal sanity in this country?

I am at a loss to understand how we are going to demonstrate any kind of fiscal responsibility to the people who we presumably represent by increasing all these appropriation bills. Practically every appropriation is that way. The gentleman's bill is no different than those that have preceded it and, I suspect, those still to come. I have not found one yet that did not exceed the spending levels for last year, not a one.

Mr. BOLAND. Let me say to the gentleman that if we had included the programs that were approved by the Housing and Urban Development Act passed last week, when those programs are concluded, this bill will have to carry about $2 billion additional for the community development programs that are included in the Housing Act of 1974.

Mr. GROSS. I am sorry the gentleman told me that.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. As the gentleman said, the Space Committee has authorized the space program. It has been authorized by Congress and this committee is funding it on a limited basis.

There are more than a dozen major installations in the NASA complex employing 26,000 personnel.

We would not want to close down those installations and cause 26,000 people to be unemployed.

It is quite a formidable program. The committee has talked about phasing out some of the facilities, but they always come back with the problem that we cannot close down 17 facilities and put 26,000 people out of work.

Mr. GROSS. If I may respond to my good friend, the gentleman from Tennessee. Will the gentleman yield further?

Mr. BOLAND. I yield to the gentleman from Iowa.

Mr. GROSS. Some one of these days, and I do not smile at the thought, but one of these days there will be wholesale closings of facilities and hundreds of thousands will be out of work. If we drive this country into insolvency and we are on the way, it will be accomplished in part, by the failure to reduce these appropriations.

I am not trying to preach a sermon to this particular committee, but someday, somewhere, there will have to be some Members in Congress who will do something about inflation and the huge debt.

Mr. BOLAND. Mr. Speaker, I know the gentleman will be pleased to know that, as the gentleman from Tennessee indicated, the personnel within NASA now is around 26,000. Just a few years ago it was 35,000.

The expenditure for NASA in 1965 was better than $5 billion. It is now down to the level of $3.2 billion.

It is the will of the Congress that we go ahead with these programs, and within the limitations which the Appropriations Committee has recommended we provide the funds for the programs the Congress approves—although, let me say, the gentleman from Iowa may not agree.

Mr. GROSS. I thank the gentleman for being so generous with his time.

Mr. TALCOTT. Mr. Chairman, our subcommittee and committee have worked long and hard on this bill. This is a tough bill which has many tough issues and a variety of departments and agencies which are very important to almost all Americans. The committee represents a number of diverse views. We have expressed them within the committee, and we think we have forged some responsible, reasonable compromises. We are unanimous all except for one subject. I think this is a good record for a committee which has worked long and hard.

I concur with the chairman of the subcommittee, the distinguished gentleman from Massachusetts who has again made an able and comprehensive presentation, and the rest of the subcommittee. I also would recommend that every Member read the report, which is comprehensive and contains a good explanation of what we are trying to recommend to the House.

There are many items, of course, that I would like to touch upon, but I will only touch upon a few. For the benefit of the gentleman from Iowa (Mr. GROSS), whose contributions to this Congress I greatly appreciate, I believe that two-thirds of this whole bill is for the Veterans' Administration. There are many people in the country who are trying to talk this committee into spending a good deal more than we have spent. Yet, we feel we have been generous. There are many agencies of the Government which perform a very valuable service, and we have tried to provide adequate funds so that they can do the kind of job the gentleman from Iowa really wants this Government to perform.

Mr. Chairman, the major portion of this bill is the $13,414,680,000 for the Veterans' Administration—the largest in history. Many of our colleagues have asked, what are we doing for the Nation's veterans? Let me give you a short abbreviated explanation.

Our effort to aid and assist the veteran starts while he is still in service. The Department of Defense is spending more than $3 billion annually on training. Much of that effort is in learning and building skills that can be readily transferred to civilian occupations. The Defense Department also maintains an ongoing volunteer education program for servicemen of all ranks. This program covers educational courses through the college graduate studies level and vocational education. While participating servicemen and women are attending these courses in off-duty hours, they are eligible for tuition assistance through the Defense Department covering 75 percent of the tuition, or for the 10-percent assistance through the in-service GI bill. In addition to the available educational assistance, each serviceman and woman receives preseparation counseling to help them in the transition to civilian life.

Once the veteran returns to civilian life he is eligible for a number of benefits. One of the first and most important is assistance in finding employment. The U.S. Department of Labor and the State Employment Departments all cooperate in a Nationwide Veterans Employment Service. Even in times of great difficulty in finding jobs, our veterans receive extra assistance as a matter of law. The Congress has also given the veteran special preference in employment with the civil service. All qualifying veterans receive a 5-point preference in seeking Federal employment, and those who are disabled receive a 10-point preference. The recently discharged veteran is also allowed to apply under certain closed announcements, and is given reemployment rights if his military service called him away from a Federal job.

The Veterans' Administration has the duty to see that the commitment made by the Congress more than 100 years ago "to care for him that has borne the battle, and for his widow and children" is carried out. The VA administers laws covering a wide range of benefits for former members and dependents and beneficiaries of decreased former members of the Armed Forces. The VA also administers the laws which provide certain benefits to current members of the Armed Forces and to dependent children of seriously disabled veterans.

With the veteran population of the United States now over 29 million, of which nearly 6 million are Vietnam-era veterans, the activity of the VA deals chiefly with the problems of employment, education and hospital care. Continuing the Outreach program the VA seeks out returning veterans by mail, phone and personal visits, and conducts a series of job marts in major cities where prospective employers and job-hunting veterans could meet. In an effort to help rural veterans the VA, together with five other Federal agencies, has operated national assistance for veterans mobile vans, manned with experts to give on-the-spot, one-stop aid and assistance to veterans seeking jobs, medical aid, and other benefits.

Legislation passed by the Congress in 1966 provides a permanent program of educational assistance and other benefits for those who served in the Armed Forces after January 1, 1955.

VA research in medicine and surgery has nearly 6,000 projects in most of its 169 hospitals. This VA research has resulted in advances and new techniques highly acclaimed by the medical profession. In 1972 the first nuclear-powered pacemaker to be implanted in a patient in the United States was done in the Veterans' Administration hospital in Buffalo, N.Y., by the same team of surgeons who implanted the first pacemaker in a human more than 12 years ago. That first battery-powered device worked so well that the same patient was the recipient of the Nation's first nuclear pacemaker. Other advances include the development of new treatments for hypertension, cancer, pulmonary ailments, and organ transplants.

Veterans of World War I, World War II, the Korean war and the Vietnam conflict hold nearly 8½ million GI insurance policies with a total face value of $91,500,000,000.

The educational assistance program has helped millions of veterans through school. This is one of the few Federal assistance programs which has returned more to the Treasury than it has paid out. Increased educational level has led to higher salaries for those veterans participating in the program, and the higher salaries have led to higher personal income taxes. Over the years, the increased tax returns have more than repaid the initial outlays. This, indeed, has been a wise investment in America's future.

Today millions of veterans, and widows, wives, and children of deceased or totally disabled veterans whose death or disability was service connected, are all participating in the educational program.

The VA is also instrumental in helping veterans and servicemen meet their housing needs. They may obtain GI loans through private lenders, and guaranteed by the VA, for the purchase of private homes, mobile homes, or farms. In certain rural areas where ordinary lending facilities are not available, direct loans may be made by the VA for the purchase of homes and farmhouses. The overall number of loans guaranteed by the VA since the program was instituted by the Congress in 1944 is now over 9 million. Of these, more than 1.5 million are for veterans of service after the close of the Korean conflict on January 31, 1955.

The VA is currently expending more than $6.7 billion annually in compensation and pension payments to 5 million disabled veterans and eligible dependents.

The Congress of the United States has committed this Nation to providing for our veterans. We have done that job well. No nation in history has provided either the quality or the quantity of service and benefits that we provide our veterans. There is a special debt that a nation owes to those who interrupted their normal routines to take up arms in defense of their country and their fellow citizens. We in the Congress recognize this fact and will continue to meet our special obligation to our veterans

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The committee has recommended an appropriation for the coming fiscal year of $3,210,422,000. It should be noted that this does not represent the full budget for the Department of Housing and Urban Development. As you know, only last week the House passed, and sent to what will undoubtedly be a stormy conference, the Housing and Urban Development Act of 1974. Once the authorizing legislation is enacted, we will have to consider a supplemental appropriation of approximately $2.1 billion for the community development block grants included in that bill. The total cost of the special revenue-sharing approach will be $2.5 billion. Included in the bill before the House today is $395 million for transitional funding in urban renewal, model cities, and rehabilitation loans which will all be offsets against that $2.5 billion.

As the committee report points out, it is our intention to consider funding the balance of the $2.5 billion once the community bloc grant legislation is enacted into law. At the time we considered the HUD appropriation in subcommittee, neither the Committee on Banking and Currency, nor the full House, had acted on the Housing and Urban Development Act of 1974. Therefore, we did not consider it appropriate for us to recommend appropriations for title I of the authorizing legislation. We did, however, indicate our intentions in this regard by approving the budget amendment for $200 million for urban renewal and $125 million for Model Cities, which the Administration had requested as transitional funding, and an additional sum of $70 million for the rehabilitation loan program, all of which are to be offset against the entitlement which cities would receive when the new law is implemented on January 1 of next year.

Now, of course, the House has acted on the authorizing legislation; and the decisive margin by which it was passed gives encouragement that final enactment may occur in the coming weeks. Assuming that does occur, I believe our committee would entertain an urgent supplemental appropriation to fund the balance of the budget request. I also think that most Members would agree that to exceed the budget request of $2.5 billion would be highly inflationary. Our subcommittee wants to make clear our intentions to stay within the figures which were agreed upon between the House authorizing committee and the administration during markup of the Better Communities Act.

Many members of the committee and the House as a whole feel that the Department has not been responsive to the needs of our older Americans. Last week we amended the Housing bill to authorize a renewal of the section 202 Elderly Housing program. The Appropriations Committee included in its report on this bill strong language to urge the Secretary to press forward with housing for the elderly. This program has been free of scandal and also free of the costly defaults which have plagued other assisted housing programs. Most importantly, section 202 has provided essential housing for our elderly needy at the lowest cost to the Government.

Members of our committee were also deeply concerned that the Department has ignored its responsibility as the lead Federal agency in the area of nursing home facilities. As many of us know, there is a need for adequate nursing home facilities all across this country. Today there are not sufficient beds to meet the demand, and many of the facilities in existence do not meet minimum standards for safety or design. The committee intends to closely monitor departmental compliance of our direction to the Secretary to demonstrate leadership and aggressively address the needs of 40 percent of our aged disadvantaged who are in need of nursing home facilities.

FEDERAL COMMUNICATIONS COMMISSION

The committee has added funds to the FCC budget request for additional positions which are intended to clear up their backlog. The committee intends to closely monitor the progress the FCC makes in this area, together with the compliance of our fifth request that the Commission develop some solution to the problems of violence and obscenity on television, with particular attention to the effect that they have on our children. We consider both of these problems to be very serious, and both have been the subjects of previous expressions of congressional concern. If no progress is made in these area within the coming months the committee may be forced to explore possible remedial action.

SELECTIVE SERVICE SYSTEM

The committee has taken a long and careful look at the request by the Selective Service System for this year's budget. We are convinced that it represents a truly "bare-bones" budget for the coming year. Any further reductions would greatly endanger our standby capability. The Congress has established National policy to be an all volunteer military, but we are still in the process of proving that it is workable. Until it is proven beyond a doubt that the all volunteer force will work we must maintain the ability to reactivate the draft system in a National emergency.

Recent efforts to reduce tension in the Middle East have made marked changes in that area, but peace has not yet been assured. On almost any day one can pick up a newspaper and read of new terrorist raids in the Mideast, and retaliatory raids. There are reports of changes in the delicate balance of arms in many areas of the world. As new nations join the nuclear family they change the balance of power throughout the world. Conditions are unstable in Indochina at best. The North Vietnamese continue to violate the peace agreement on which we rely.

Now, as Americans have for nearly two hundred years, we must be prepared for war in order to keep the peace. In the absence of proof that the all volunteer system will work, the Selective Service System is necessary to our national defense. The Brookings Institution, in its "Studies in Defense Policy," has estimated that if the Selective Service System is dismantled, except for a skeleton staff, it will require 6 months for the system to deliver its first draftee. But with the standby system that this budget provides, the first draftee will be on his way to a training camp within a single month. This is a capability which we cannot and must not surrender.

One of the least understood of our Federal research projects is Skylab of our space program.

The preliminary results of Skylab experiments conducted during the long missions has generated excitement among the scientific and industrial communities. They have given great hope of solving some formidable and frustrating problems which concern our technology and, in turn, affect the well-being of our society. The people who labored in the Skylab program were dedicated to the thought that space was there to be used, as well as explored, and the crews demonstrated that we could do practical things in space. One such thing was the experiment to explore the effect of zero gravity on the manufacture of metal alloys, composites, and crystals.

Many of today's achievements in transportation, in communications, in computer systems, in medicine, in housing were for some time concepts, based on sound engineering principles, which could not be made practical until suitable materials were developed. Many more concepts of great potential remain just sound concepts awaiting the appropriate materials development. For instance, most of the peoples of this earth use alternating current. It is costly and as much as 25 percent of the electrical energy is lost in transmission. However, direct current systems, using underground cabling, are far better economically and ecologically.

Direct current systems have tested out well but a critical component need exists—large crystals which are used to rectify and regulate the current. The crystals need to be 6 to 12 inches in diameter. Earth-based crystal processing limits their size to 2 to 4 inches in diameter because of gravity and so the potential efficiency of these direct current distribution systems is constrained.

It is understandable then that the crystals grown in space during the last Skylab mission caused such excitement. Studies showed their size and homogeneity greatly surpassed those grown on earth. In zero gravity, it is possible to reform crystals that are more nearly perfect. It is estimated that 350 new generating plants over the next 20 years raises the possibility of $100,000,000 a year in demand for these crystals for power transmission only.

With large, space manufactured crystals, the potential exists for major increases in the capability of integrated circuits. As an example, a thin slice about the size of a quarter of a near perfect crystal can serve as the lens of a TV camera requiring no lights to function—it just needs the heat radiated from people or objects. Such a perfect crystal can only be produced in zero gravity.

In the opinion of scientists it is no longer a matter of speculation that materials processing in space presents one of the greatest opportunities ever afforded to benefit mankind. Outer space would add a new dimension to materials science and engineering. Experiments conducted during the Skylab program certainly marked a sound starting point in this direction. The Space Shuttle with its capability to carry a large laboratory into orbit will permit further investigations of this promising research.

One new development in space research can repay for total cost of the Shuttle program. We cannot miss such opportunities with the unlimited potential for human good down here on Earth.

Mr. Chairman, this is a good, responsible bill. It represents wise and careful allocation of the taxpayer's dollars. I urge its passage.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. Certainly, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I commend the gentleman for his remarks with respect to the Community Development Block Grant program. There was very strong bipartisan agreement in the subcommittee and in the full committee, the Housing Subcommittee and the Banking and Currency Committee, that we should stick by the $2.5 billion figure.

It is the intention, of our authorizing committee and I hope the Appropriations Committee, in conference, to maintain that figure, so I commend the gentleman for what he is saying. I am sure this is the understanding and consensus of those who handled the authorizing legislation.

Mr. TALCOTT. Mr. Chairman, I thank the gentleman.

Our subcommittee watched long and patiently while the authorizing committee was forging the housing bill for this year. I commend the authorizing committee for its bipartisan effort particularly the gentleman from Michigan (Mr. BROWN), and the gentleman from Ohio (Mr. ASHLEY), and their committee for yeoman work in producing a good housing bill which our Nation badly needs.

Mr. Chairman, I now yield 20 minutes to the gentleman from Pennsylvania (Mr. McDADE).

Mr. McDADE. Mr. Chairman, I rise in support of this bill. I believe it is an excellent product, one which has been developed by the hard work of this committee.

I wish to offer my commendations to the gentleman from Massachusetts (Mr. BOLAND), who is the chairman of the subcommittee, for the manner in which he conducted the hearings. He did so with patience, with precision, and in a very nonpartisan fashion, giving all members of the subcommittee, whether Republican or Democrat or whatever their viewpoint, complete time in which to present their questions in committee.

Mr. Chairman, the same holds true of the gentleman from California (Mr. TALCOTT) whose imprint on this bill is indeed a very great one. The gentleman was always willing to exercise in intense questioning of a witness without regard to whether or not he was supporting the position of the administration or anyone else. All were examined most thoroughly. The gentleman conducted himself in a manner which I think speaks highly of the Committee on Appropriations.

Mr. Chairman, I rise in support of the bill H.R. 15572 as reported.

Mr. Chairman, this is a most important bill to any community, large or small, which is engaged in attempting to provide decent housing and a more livable environment. This has been the prime purpose of our Nation's housing and urban development programs. While the results have been a mixed bag of many successes and many failures, the needs of our Nation in both the urban renewal and housing areas remain quite critical. This bill and the committee report reflect somewhat the uncertainty that still surrounds our Nation's housing policies. It reflects the desire of the committee to continue at a viable rate the Nation's housing and urban renewal commitments until the new Housing and Urban Development Act of 1974 is finally approved by the Congress.

One particular area that has concerned the committee over the past several years is the need to implement the existing section 202 Housing for the Elderly program. Section 202 is a low-cost low-interest loan program with an excellent record of minimal default. For the past several years your committee has urged HUD to obligate the more than $100 million currently available for the 202 program. These appeals have fallen on deaf ears. Fortunately for the Nation's elderly, the Congress has recognized the merits of this program and last week adopted an amendment to the new housing bill to restore the 202 program. I trust HUD will realize now that not only the committee but the Congress as well wants the 202 program implemented.

Another related activity in which HUD should involve itself to a greater degree is the nursing home situation. It is very similar to the great problems we are encountering in providing sufficient elderly housing. During our hearings, a HUD official admitted that they are the lead agency along with HEW responsible for the construction of nursing care facilities. At the present time, nursing home construction represents a very small part of the FHA's section 232 mortgage guarantee loan program. Like the 202 program, the ratio of defaults to starts is extremely low, only 10 out of 974 last year. Officials of HUD also indicated that they received 8,000 applications for assistance last year yet only about under 1,000 are insured.

I know that HUD officials share the committee's concern that the Nation's nursing home ills be remedied. The blight of our nursing homes is a national tragedy. However, I hope they do not take the committee's expression of concern in this matter too lightly. Both section 202 and section 232 provide HUD with a tremendous opportunity to make a contribution to better housing and better nursing home care for the elderly. HUD needs to assume a more active, aggressive posture in both programs if this country's elderly population is to have the shelter and care it needs.

One item of particular importance to my constituents in northeastern Pennsylvania is the committee's action increasing funds for the acceleration of the Federal flood insurance program. The committee has granted the Federal Insurance Administration an increase of $30 million over last year's appropriation to continue the efforts of the FIA to complete their flood plain mappings and investigations which enable communities to convert from emergency to regular Federal flood insurance. Both the incentives and the sanctions contained in the 1969 Flood Insurance Protection Act are quite substantial and have had a positive effect in encouraging local communities to apply for eligibility. Since the initiative to participate in Federal flood insurance rests solely with the local communities, an extensive educational program is underway in cooperation with the States. Hopefully, by April 1, 1975, all of our communities will be under the FIA umbrella. One of the costliest lessons of Hurricane Agnes which struck my congressional district with such intensity was the great need for flood insurance protection, protection which I might add was practically nonexistent prior to the flood. I am pleased that we are moving forward in this area.

Mr. Chairman, one additional provision in the committee report that concerns me greatly has been our efforts to have the Federal Communications Commission take a greater role in examining the effects of TV violence and obscenity on small children. At my request the committee inserted language for the past 5 consecutive years directing the Commission to determine exactly what its responsibilities and its authority may be in this area. Unfortunately the Commission has done little or nothing in this regard. The committee has directed the FCC to undertake a study and report back to the Congress by the end of this calendar year outlining specific actions which it can and will take to address itself to this problem. I for one will be most anxious to receive this report.

In summary, this bill represents a thoughtful product of many months deliberation on some of the most difficult questions facing our Nation today. The welfare of our veterans, the liveability of our cities, the future of our scientific achievement, the monitoring of our vast communications network are all funded here. H.R. 15572 is a good bill and it deserves the support of every Member of this House.

Mr. BOLAND. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I wish to commend the gentleman from Pennsylvania (Mr. McDade) for his work on this committee. I wish to point to two areas in the report for which we owe him a debt of gratitude for highlighting these problems: First, on the Department of Housing and Urban Development; and second, with respect to some of the activities of the Federal Communications Commission.

The report contains a reference to the building of nursing homes, which is an area in which the gentleman from Pennsylvania has expressed considerable interest, and also considerable concern.

In the report we stated:

> Another field where HUD has not fully met its obligations is in the area of nursing home facilities. HUD is the lead government agency for encouraging the building of nursing homes in the United States. The Committee directs the Secretary to demonstrate this leadership and to aggressively address the reality that forty percent of America's disadvantaged are in need of nursing home facilities. Plans should be developed for a much more active program designed to encourage the building of nursing homes for the elderly before next year.

Mr. Chairman, with respect to the item on the Federal Communications Commission, for a number of years the gentleman from Pennsylvania (Mr. McDade) has expressed his concern and his disappointment with the Federal Communications Commission with reference to program violence and obscenity and the effect of commercials on children. This year the committee strongly urged the Commission to proceed as vigorously as possible, within constitutional limitations, to determine what its powers are in the area of program violence and obscenity, particularly as they affect children.

It is the hope of this subcommittee, and I know it is the desire of the gentleman from Pennsylvania, that the Commission address itself to this problem, and we expect that we will get a report from the Federal Communications Commission by the end of December of this year on precisely what its activity has been in this field and what it intends to do about it.

Mr. TALCOTT. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. Ketchum).

Mr. KETCHUM. Mr. Chairman, I do not wish to pursue this situation concerning the Edwards Air Force Base any further than I must. However, I do believe that we should get this entire situation into perspective.

I think we must understand that the orbiter for the Space Shuttle is going to have to make horizontal flight tests. In order to do that, it is going to have to be launched from some type of aircraft. The decision has been made that the 747 aircraft will be used as the so-called launching pad for the horizontal flight test, which means that the Space Shuttle craft will be sitting on top of the 747.

Comment has been made here that perhaps Ames would be a good place to carry on this research, this testing, and I think we should get it in perspective that Ames sits in the center of a highly urbanized metropolitan area. We are talking about the city of San Jose, we are talking about the flight pattern to the San Francisco airport, which is one of the most heavily used airports in the State of California.

I sincerely doubt that any of the residents of that entire peninsula area would stand still for a moment having a 747 taking off at Ames with an orbiter sitting on top of it, and then attempting to land.

It simply does not make sense. I am reasonably certain that anyone who knows me on this floor knows I am not given to spending huge amouts of money. I sincerely believe that the inclusion of this facility is warranted, as authorized by the Science and Astronautics Committee, of which I have the honor to be a member. And looking at this from an economics standpoint and knowing full well that this facility has to be built at some point in the future it is economic good sense. I simply wish to reiterate the necessity for including it in the appropriation for this year.

We have a 6-month time period down the road for the Orbiter program, and I most respectfully request of the Committee on Appropriations—and I know they have done the very best job they can—that when this matter goes to conference they should take another very hard look at the situation.

It is my understanding that a member of the staff of the subcommittee is presently on his way to Edwards Air Force Base. I may be incorrect, but that is what I have been told. He is on his way there to look the situation over. I believe when he comes back the committee will find he will recommend that this appropriation be included and that the hangar at Edwards Air Force Base should be constructed.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. Shipley), a member of the subcommittee.

Mr. SHIPLEY. Mr. Chairman, I want to add my support to the 1975 HUD-Space-Science-Veterans appropriation bill that is before us today. I would like to commend the chairman of the subcommittee, the gentleman from Massachusetts, who has done his usual outstanding job in handling a very difficult appropriations bill.

This is a large bill. It covers some of the most important agencies in the Government with a wide range of varied interests.

Each agency has its own pet projects and each gradually builds its own constituency. But it is the special responsibility of this committee to weigh all of the requests for funds and select specific budget priorities.

After almost 3 months of hearings, including 6,000 pages of testimony from 262 witnesses, the committee has produced a commendable bill.

I am not going to recite the committee's recommendations for each agency—but briefly, we have recommended additional funds for the SEC and the FCC so that they can better meet their responsibilities. We have provided an additional 1,000 direct patient care positions to improve the nursing coverage in VA hospitals—and we have added $30 million for support of new and existing medical schools associated with the Veterans' Administration.

We were not able to provide everything that everyone wanted—but I believe in most cases the amount recommended is fair and reasonable.

On the other hand, we have also made a conscientious effort to select budget priorities. Let me cite NASA as an example. The subcommittee believes in the Space Shuttle. It has funded it fully over the past 3 years. It is a good program and someday it may return more than our investment. Material and biological processing in a space shuttle lab alone could reap many dividends.

For example, in the space environment, with its absence of gravity, scientists can work with mixtures of blood cells without being limited by the tendency of these substances to settle to the bottom or rise to the top of the solution. It is anticipated that not only will new antibiotics be discovered in space, but known antibiotics may be produced with less impurities—and fewer impurities mean smaller and more effective dosages and fewer side effects.

So we believe the Shuttle will provide not only a useful transportation system, but a significant research laboratory.

On the other side of the coin, NASA also requested funds for a large space telescope. The committee felt that it did not stand the test of budget priorities. This program would cost from $300 to $500 million. In the simplest terms, it would place a telescope in orbit above the Earth's atmosphere—above Earth light—and above all air pollution. That makes sense—but the committee must select projects on the basis of budget priorities. We have just finished funding two large new optical Earth-bound telescopes. In this bill, we are funding a very large array radio telescope under the National Science Foundation. That will cost $80,000,000. Just for NASA in this bill, we are funding a $6,000,000 special infrared telescope facility; a $4,000,000 X-ray telescope; and a $200,000,000 high energy astronomical observatory.

With the actions taken in this bill, the Congress is now funding all four of the top priority telescope projects selected by the National Academy of Sciences. The committee has no quarrel with the concept of a large space telescope. The project has merit—but in the larger context of budget priorities, the committee believes NASA should have to design something less costly and less ambitious.

The fact is that we cannot have

budget reform without making some reductions. The Appropriations Committee has a tough job. It is always difficult to cut programs. Somewhere, someone may be hurt. But that is the basic responsibility of the committee, and I say again that I believe this is a good, sound appropriation bill.

Thank you Mr. Chairman.

Mr. TALCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. Brown).

Mr. BROWN of Michigan. Mr. Chairman, as a member of the authorizing committee involved in the HUD appropriations, there are a couple of things in the report that cause me some concern.

On page 6 of the report it is stated under the heading "Community Development in America":

> The Committee has doubts that a new community development grant program can be in place and operating by January 1, 1975. Many others share this view. As a clearer picture of the status of the block grant proposal develops over the coming months, additional transition funding may be considered for the period of time before a new program can become effective.

Then, in dealing with appropriations for administrative expenses on page 10, the following appears:

> The Committee recommends $39,000,000 for administrative expenses of community planning and development programs, which is a reduction of $3,200,000 below the budget request. The Department asked funding for 299 additional positions to administer the proposed new community development grant program and other activities. There should be substantial unused capability in current staffing that could be used more productively and the Committee feels all these positions are not justified at this time.

Now, where it appears on page 6 of the committee report that—

> The committee has doubts that a new community development grant program can be in place and operating by January 1, 1975.

I cannot help but wonder if this might not be a self-fulfilling prophecy in view of the committee's action in cutting out to the tune of $3.2 million the staff necessary to meet the tight time constraints of a Januray 1 implementation date.

I think we have every reason to believe that we will have a January 1, 1975, implementation date.

Did the committee take into consideration the amount of effort it will take by trained, capable, and readily available staff to meet the January 1 implementation date for a totally new program?

And is it not inconsistent for the committee on the one hand to express doubts that a new community development grant program can be in place and operating by January 1, 1975, and, on the other hand, refuse to appropriate in the very area in which the HUD Secretary will have to place his greatest reliance if he is to meet this timetable of such great import to our cities?

I would like to point out that during this period of time before the new community development grant program is in effect on January 1, 1975, the Department is going to be required in effect to conduct two programs, or maybe 12 programs is more like it, because it will still need to administer all the categorical programs during this period of time, while it engages in the implementation of all the rules, regulations, planning, and so forth, which must go into the preparation for the new program on January 1, 1975.

I would like to suggest that if the other body should see fit to restore these administrative expenses for the community planning and development progam, and in view of the action of the House last week in approving a new block grant program for community development, I would hope the conferees on the part of the House would take a fresh look at this particular item.

In that regard my confidence is somewhat restored when I go back to page 6 of the report and trust that this language is appropriate to this discussion wherein the committee has said in its report:

> As a clearer picture of the status of the block grant proposal develops over the coming months, additional transition funding may be considered for the period of time before a new program can become effective.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

First of all, I want to compliment the gentleman from Michigan on his leadership in the passage by the House of the new Housing Act of 1974, and particularly the great work that he put into that particular work with reference to the community development program. But I believe in it, and I have favored it for some time.

I know that his association with the Department of Housing and Urban Development is one that gave to him the expertise and knowledge that he carried into that committee, and, together with the other members of the Committee on Banking and Currency, brought a good bill to the floor led by the gentleman from Michigan and the distinguished gentleman from Ohio (Mr. Ashley).

With respect to the salaries and expenses of the community planning and development program, the increase is about $6 million over what the Department had last year. We do provide not the 299 additional positions which were requested, but about 119.

I would agree with the gentleman totally that with the implementation of the community development program and the change from categorical to block grants, there very well might be that there is a necessity for additional employees. At the time when the transitional period is completed, when the community development program is put into place altogether, there will be a necessity for a huge supplemental to implement that program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I yield 3 additional minutes to the gentleman from Michigan.

If the gentleman from Michigan will yield further, at that time I think it would be fair to say that this committee would look seriously at the matter of this cut that we have made in the community planning and development, and we could make adjustments at that time.

Mr. BROWN of Michigan. I thank the gentleman for his remarks. I think we can expect, once the new community development progam and the block grant program are in effect, that we should be able to do something in the way of reducing administrative expenses. The really critical period, I am sure the gentleman understands, is in this period of time while we are trying to develop and put into operation the new community development program while, on the other hand, we are obligated to continue all of the administrative activities of the existing categorical programs; that is a critical period.

Mr. BOLAND. Mr. Chairman, I think one of the differences is that I am not too sure that we need all the personnel on the administrative operations for the current categorical grant program. As the gentleman knows, that grant program was suspended or terminated. Actually those seven programs with which HUD concerns itself were terminated, and I do not know how much administrative expense we really need for a terminated program. So that is one of the reasons why we reduced the personnel request by the amount we do. We think it sufficient. If it is not, we will make a correction at the right time.

Mr. BROWN of Michigan. I appreciate the gentleman's comments. I am sure he will be fair and objective in his deliberations on this matter. I thank the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Indiana (Mr. Roush) a very valuable member of the subcommittee.

Mr. ROUSH. I thank the Chairman.

Mr. Chairman, the bill before us represents many long hours of work and effort on the part of the subcommittee. The chairman could not have been more fair nor could he have been more diligent in his conduct of the business of the committee. This business is indeed complex. The work of the subcommittee involves appropriations for the Department of Housing and Urban Development and 10 independent agencies.

It is important to note that because of the very careful scrutiny given the budget requests by the subcommittee, the administration's budget request was reduced by $41,519,000. This was done without doing violence to programs which are serving the people of this country.

Mr. Chairman, while I am interested in every program funded by this bill, I, of course, have certain areas which are of special interest to me. For example, I am especially interested in the science research programs which I believe will continue to make significant contributions to the improvement of the quality of life of our people. Also, as an advocate of the space program, I have and do recommend a continued funding of the program. I do not attach the same importance to the trips to the Moon as some do, but I do think it is important to recognize that what we did to get there—the research and the development of literally thousands of ideas into useful "tools" which serve mankind—cannot be overlooked.

Then, too, this subcommittee has worked diligently to see to it that the needs of the veterans are not overlooked. I have visited VA hospitals all over the country. I have listened to the veterans themselves as they have brought to me their problems. The subcommittee has received the testimony of many groups representing the veteran. The result is seen in this bill. We concluded that the Administration was not as sensitive as it should have been in providing services for the veteran; therefore, the subcommittee increased the request by $39,944,000. The funds recommended will provide benefits and services to 29,100,000 veterans, the 65,800,000 members of their families and the 3,800,000 survivors of deceased veterans.

The budget of each agency was gone over carefully. While most were reduced, the subcommittee has been responsive to the needs, particularly of the regulatory agencies, as it made its decisions on the level of spending for each agency.

Mr. Chairman, I urge the passage of this appropriations bill.

Mr. TALCOTT. Mr. Chairman, we have no further requests for time. I reserve the balance of my time.

Mr. BOLAND. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island (Mr. TIERNAN) a very valuable member of our subcommittee.

Mr. TIERNAN. I thank the Chairman for yielding.

Mr. Chairman, at this time I should like to congratulate the chairman and the members of the committee who have worked on this bill. It has not been an easy bill to work with, and it may not be exactly what some of the members of the committee desire, but we were able to come out with a fair and feasible appropriation in this area. I will offer an amendment to one section of the bill later.

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Iowa such time as he may consume. I wonder how much time the gentleman would like to have. I would like to give the gentleman as much time as he wants because this is the last time he will be addressing the Members of this subcommittee on this particular bill except when we bring it back from the conference. I do not think the Members listen to anyone with more delight than we listen to the gentleman from Iowa. He has more humor and perhaps more commonsense than anyone in this Chamber, so I would like to yield the gentleman whatever time he may require.

Mr. GROSS. I appreciate all those due bills. Five minutes I hope will be enough.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I am particularly interested in the National Science Foundation. As I understand it this bill provides $671.8 million or an increase over last year of $124,140,000. This information I find on page 2 of the report.

Mr. BOLAND. The gentleman is absolutely correct.

Mr. GROSS. All right. Does that include the $101.8 million authorized for the National Science Foundation in the Energy bill?

Mr. BOLAND. No; it does not. If the gentleman adds that he will find that we have another $772 million.

Mr. GROSS. I was afraid the gentleman would give me that answer, because we have $774 million.

Here are a few samples of how these funds have been spent in the past:

Two years ago $176,700 was spent to study the no-fault divorce law in California. Does this qualify, I wonder, under the heading of National Science Foundation?

Then there is a 3-year study now in progress, costing $1.2 million, to tell the city of New York why its municipal bureaucracy is not working. The project description reads, and I quote from the language of my friend, the gentleman from Massachusetts (Mr. BOLAND) in the hearing record:

> To study the local integration of certain municipal services in selected districts to test the hypothesis that service delivery can be improved without additional funds by granting local agency personnel greater autonomy in service for delivery to operating decisions.

Those are not the words of the gentleman from Massachusetts for I am sure he is reading from the justification material—but one cannot match those words anywhere in this Government for bureaucratic lingo. Of course I think we all know what is wrong in New York City. Among other things they are $6 or $7 billion in debt and they are feeling the effects of this in the municipal bureaucracy.

Then there is that good old home fire project still going on at Harvard University. It started out in 1972 with $296,800. In 1973, Harvard got $184,500, and in 1974 they are spending $315,900 for a total of $797,200. According to the project summary, the Harvard brain trust will explain what water does in the process of fire extinguishment through both cooling and smothering actions. Why must the taxpayers spend that kind of money, nearly $1 million over a 3-year period, to tell us what happens when water is applied to fire.

The University of Pennsylvania has a grant of $50,000 to study "computer-aided refinement of decisionmaking of high-ranking executives in the Soviet Union."

Central College at Oskaloosa, Iowa, has a grant of $22,470 which deals with "enhancement of cognitive abilities and self-image of freshmen women."

The University of Washington has a $49,800 grant for "social policy analysis and research and social policymaking," whatever that means.

Purdue University is here again this time with a $47,140 grant dealing with "factors influencing the science career plans of women and members of ethnic minority groups."

The University of Pittsburgh is handed a grant of $57,500 to study "community and national integration in the Peoples Republic of China."

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I am delighted to yield the gentleman from Iowa 3 additional minutes.

Mr. GROSS. Harvard University again with a $49,900 grant for a "study of research and development needs for the making of social policy toward young children."

Carnegie Mellon University gets a grant of $64,200 for "tax policies for R. & D. and technological innovation."

The Institute for Advanced Study has been handed a grant from the National Science Foundation in the amount of $20,700 for "basic research on how children learn mathematics."

Here is a $25,900 grant to the Maryland Academy of Sciences, and the grant is for "bicentennial science exhibits program."

Another grant of $200,000 goes to Michigan State University for the "design and management of rural ecosystems." I am sure Iowa could supply the answer to that one with a savings of $200,000 for the taxpayers.

Mr. TEAGUE. Mr. Chairman, I am very pleased with the work of the House Appropriations Committee in its continuing efforts to provide for the needs of our veterans and their dependents. Chairman BOLAND and all members of the committee have again demonstrated their concern for veterans and I join my colleagues in congratulating them for their diligent work.

On April 7 of this year, in behalf of the Congress, I responded to the President's radio address to the Nation on veterans' affairs. At that time I attempted to point out certain problems that concerned many of us including the administration's failure to request adequate funds for the hospital and medical program; its recommendation that we increase education benefits only 8 percent; and its failure to recommend any cost-of-living increases for service connected disabled veterans and their survivors.

Fortunately, Chairman BOLAND and his subcommittee and members of the full committee have insisted that certain things be done and in those areas where Congress can do something about it, many of the problems have been corrected either through new authorization or increased appropriations.

This bill provides a total of $13.4 billion for programs of the Veterans' Administration—a net increase of $54,760,000 over the amount provided in the current year to date. The total amount for veterans programs in fiscal year 1975 will again be the largest amount in history.

The bill provides $6,716,200,000 for compensation and pension payments. This does not take into consideration recently passed legislation—Public Law 93-295—increasing various allowances and compensation payments that will increase funding requirements. Additional funds will be needed at a later date when the revised costs are determined.

Approximately $2.7 billion is included for readjustment benefits payments in 1975. It has been necessary in the current fiscal year to provide a supplemental of $750 million for increased average costs per trainee, and for expanded enrollments due to successes in encouraging veterans to utilize the educational opportunities to which they are entitled. Also, on Monday when we passed the supplemental appropriations for the Veterans' Administration, $77 million was provided to implement Public Law 93-293 that became effective May 31, 1974. This was a 30-day emergency extension of the time during which veterans must complete their training under the GI bill.

As pointed out in the committee report, the House and Senate Veterans' Affairs Committees are attempting to finalize a comprehensive education bill that will further increase educational benefits, and extend the delimiting date of eligibility for Vietnam veterans. It is, therefore, anticipated that additional funding will be required in fiscal year 1975.

Mr. Chairman, I commend the committee on its recommendation that $3,190,044,000 be appropriated for medical care. This is $330,871,000 above the current fiscal year and $15,044,000 above the budget request. The budget proposes an increase of 8,184 in average employment in 1975, most of which are designated for direct patient care. The increase is to provide for an additional 1,000 nursing or direct patient care positions, and reflects a 10-percent reduction in the GSA space rental charge. The Appropriations Committee last year expressed reservation and concern over the adequacy of the budget request for medical funding, policies relating to hospital admissions, staffing for direct patient care, emergency care capability, adequate space and staffing to deal with increasing outpatient workloads, and other areas of the medical program.

I agree with the results of the Appropriations Committee's own examination that the additional personnel recommended at this time are a minimal requirement for continuing to maintain quality care and for meeting acceptable veteran population. I hope the administration has taken note that the Congress stands ready to favorably entertain consideration of future justified proposals to supplement medical care funding provided in the fiscal year 1975 bill as such needs develop.

Mr. Chairman, I am pleased to note that this bill contains $30 million for assistance for health manpower training institutions. As many of you know, the administration's budget contained no funds for this purpose. The Veterans' Administration has already received grant application requests for about $71.5 million. The $30 million in this bill and the $45 million already appropriated brings total funding for this program to $75 million.

I am especially pleased that the bill contains $230,850,000 for major construction projects. For years the Congress has been urging the Veterans' Administration to escalate its construction program—particularly replacement and modernization of hospitals, and installation of air conditioning systems in many of the facilities. Fourteen replacement and modernization projects are scheduled during the next fiscal year and 11 hospitals are scheduled to be air-conditioned.

Through numerous questionnaires to the field, it has become apparent to the House Committee on Veterans' Affairs that the Veterans' Administration's construction program is not keeping pace in providing facilities for the delivery of quality medical care to its patients. This appropriation will do much to correct that situation.

Finally, Mr. Chairman, I want to make reference to the committee report pertaining to a matter that has been of great concern to me for some time. In fiscal year 1973, the Veterans' Administration requested $255,000 for design costs of a badly needed research and education building at the Houston VA hospital. I felt the building was essential for two reasons:

First, to relieve present overcrowded conditions at the Houston hospital; and second, to maintain the proper level of research and education in its close affiliation with the Baylor College of Medicine and other institutions.

Although plans for the new building are now complete, the Veterans' Administration did not request construction funds in its fiscal year 1975 budget even though the agency is in a position to have the plans ready to advertise for construction bids by July 1, 1974. I am pleased the Appropriations Committee has directed the Veterans' Administration to reprogram $5,173,900 of its construction funds for this new facility so that the project can go out for bids without delay.

Again I want to congratulate the members of the Appropriations Committee, and especially my good friend Chairman **Boland** and his subcommittee for bringing us a bill the veterans of this country can enthusiastically support.

Mr. DORN. Mr. Chairman, I want to join my colleagues in paying tribute to the distinguished chairman of the subcommittee, Mr. **Boland**, to the ranking member of the subcommittee, Mr. **Talcott**, to the distinguished chairman of the full committee, Mr. **Mahon**, and other members who serve on this great committee for their work in getting this bill before us today. It is one I can enthusiastically support.

The appropriation for veterans' programs and benefits is the largest in history—more than $13.4 billion in new budget authority. It is a net increase of more than $54 million over the amount appropriated for the current fiscal year. Many of you will be interested in knowing where the money will be used. The funds will provide benefits and services to 29,100,000 veterans, the 65,800,000 members of their families, and the 3,800,000 survivors of deceased veterans.

These benefits will include compensation payments for 2,600,000 veterans and survivors of deceased veterans for service-connected disabilities and death; pension payments for 2,300,000 non-service-connected disabled veterans, widows and children in need of financial assistance; educational and training assistance to 2,000,000 veterans and 76,000 sons, daughters, wives, and widows of deceased or seriously disabled veterans; housing credit assistance in the form of 350,000 guaranteed and 2,600 direct loans; supervision of a life insurance program covering 8,500,000 veterans and active duty servicemen; inpatient care and treatment of some 1,189,000 beneficiaries in the 170 hospitals, domiciliaries, 87 nursing homes and other facilities; outpatient medical treatment involving nearly 15,000,000 visits; and the operating costs for the National Cemetery System transferred to the Veterans' Administration on September 1, 1973.

The bill provides the full budget estimate of $6,643,800,000 for compensation and pension payments; this does not include funds for Public Law 93-295 that became effective on May 1.

There is $2,676,000,000 in the bill for readjustment benefits payments in 1975. These funds will be used to finance the education, training, and rehabilitation of veterans and servicemen, and educational assistance allowances for eligible dependents of veterans who died from service-connected causes or have a total and permanent rated service-connected disability, and servicemen who were captured or missing in action. Two supplementals for readjustment benefits were passed during the current year totaling $827,000,000. Seventy-seven million dollars was appropriated to take care of the 30-day extension of time we provided for veterans to complete their training under the GI bill.

This bill contains no appropriation for insurance programs, although a transfer of $6 million from the veterans special insurance fund was proposed in the original budget estimates. The enactment of Public Law 93-289, effective May 24, 1974, makes policies under the veterans special life insurance fund participating insurance and eligible for dividends.

Mr. Chairman, I am pleased that the Appropriations Committee has included $3,190,044,000 for medical care in this bill. This is $330,871,000 above the current fiscal year and $15,044,000 above the budget request of the administration. Most of the $15 million will go to provide for an additional 1,000 nursing or direct patient care positions. The medical program is one that receives total support from the Congress. The Committee on Appropriations has on several occasions during its hearings informed the Administrator of Veterans' Affairs that it stands ready to favorably consider additional funding for the medical program if needed.

Although the administration did not request any funds for assistance for Health Manpower Training Institutions, the Appropriations Committee has provided $30 million for this purpose. Public Law 92-541 authorized the Administrator of Veterans' Affairs to implement a pilot program under which he may provide assistance in the establishment of new State medical schools at colleges or universities which are primarily supported by the States in which they are located if such schools are located in proximity to, and operated in conjunction with, Veterans' Administration medical facilities. The Veterans' Administration has approved such a project for South Carolina provided approval is granted by the South Carolina General Assembly.

Part II of Public Law 92–541 authorizes the Administrator to carry out a program of grants to existing medical schools which have maintained affiliations with the Veterans' Administration in order to assist such schools to expand and improve their training capacities. Grant application requests for the first 12 months totaled $71,500,000. The $30 million in this bill, and the $45 million already appropriated, brings total funding for this grant assistance program to $75 million.

Mr. Chairman, I am especially pleased that the bill we have before us provides for the first time in many years a realistic VA construction program. This bill has $230,850,000 for major construction projects. It is the largest VA construction appropriation since shortly after World War II. In addition, construction projects already initiated or proposed for fiscal year 1975 will require an estimated $233 million in the future to complete.

The bill includes $21,573,000 for construction of the new construction and modernization program at the Veterans' Administration Hospital in Columbia, S.C.; $3,093,000 had already been available through 1974, and it is anticipated that an additional $4,972,000 will be required in the future. We are pleased that this major construction program for Columbia can finally begin. This has been a project we have worked long and hard to get and I am delighted the Veterans' Administration can now proceed with construction as soon as the Senate acts and the bill is signed by the President. When completed it is going to be one of the finest VA hospital facilities anywhere in the country.

Again I want to thank the members of the Appropriations Committee, and especially my great friend and colleague, Chairman Boland, for giving us an appropriation that will allow the Veterans' Administration to provide a high quality of services and care for our veterans and their dependents.

Mr. FREY. Mr. Chairman, I would like to compliment the chairman for his leadership in preparing this excellently balanced bill, particularly as it relates to the NASA space program. I would like to point out by way of background that a year ago NASA's fiscal year 1974 budget was sharply reduced below the $3.4 billion level previously planned by the administration as a long-term level which should be sustained. At the time of last year's administration request, it was recognized that increases would be required in the NASA budget in fiscal year 1975, and in subsequent years, in order to achieve the funding level required to maintain a balanced space and aeronautics program.

The administration did provide an increase in the fiscal year 1975 budget over the budget of last year, but because of the financial constraints within which the overall national budget was prepared, the proposed $100 million increase is much less than is required to maintain NASA's effort at the previously agreed-to-level.

As a result, a number of high priority programs are being delayed or otherwise reduced in scope. Most notably, the Space Shuttle, as the basic space transportation system for the coming decades, is being delayed approximately 6 months in its development cycle. The difficulty with such program cutbacks, of course, is the fact that these reductions often result later in increased total program costs, because of the complexity and scale of the programs.

I strongly regret that the Space Shuttle, as one of the most outstanding space programs this Nation has ever undertaken, must bear the brunt of the budget cutback. The implications of this reduction are far ranging with the actual impact being felt throughout the entire NASA program. Since the Space Shuttle will now be pushed back in its timetable for use to the second quarter of 1979, major thrusts in such fields as communications, earth resources, and meteorology will be correspondingly delayed because of their dependence upon the Space Shuttle.

The space program in fact suffers a critical problem with respect to the entire manned space flight effort. The major reason for the emerging Shuttle program, the next major manned space effort by the United States, is to reduce the costs of space activities by utilizing, reusable rocket engines and spacecraft. In this fashion, the cost of launching a single Shuttle orbiter—the actual vehicle which will carry the multiple-mission payloads—will be approximately $10 million. In comparison, many tens of millions of dollars are now involved in each single-use rocket launching.

Thus the Shuttle program is the key in developing the full potential of space for scientific studies, for commercial processes, and for various other uses, including the visionary possibility of establishing huge solar collection systems to provide electrical energy to the Earth. These are the types of activities being held back or curtailed by delaying development of the Shuttle; activities which are destined to provide a more immediate and highly beneficial payoff on the many hard earned tax dollars which the public has invested.

Many benefits have already accrued to us through our exploitation of space. Great advances have been made in communications, weather forecasting, medicine, education, and transportation. In the future the space program will play a major role in addressing such pressing difficulties as urban redevelopment, mass transit systems, development of energy resources, prevention of natural disasters, and others. But our progress will be significantly slowed if this Nation does not continue with the development of an economical and cost-effective means of delivering our satellites to space and maintaining them once they are in operation. Plainly and simply, this means the Space Shuttle.

The space program affects every one of our lives every single day in more ways than we could ever appreciate. The direct benefits, as well as the spinoff benefits, of the space program are endless. The space program is a people-oriented program directed at solving our most pressing societal needs. I therefore see this modest but responsible NASA budget which the committee has reported to the floor as an essential program for the continued well-being of our Nation.

Mr. Chairman, the NASA program, and the Space Shuttle program as the single major element within the budget, are efforts to which we should lend our full support and encouragement. I urge a favorable consideration of this bill by my colleagues in the House.

Mr. HANRAHAN. Mr. Chairman, despite my continued and vehement opposition to federally subsidized housing, I voted for H.R. 15572, the 1975 Department of Housing and Urban Development, space, science, veterans' appropriation bill on June 26, 1974. Because this bill has many excellent provisions pertaining to veterans and science programs, I felt it extremely important, and therefore voted in favor of the entire bill.

However, I will persist in my opposition to the principle of federally subsidized housing. Authorization for such tremendous Federal expenditure in this area is particularly appalling in the light of the inflation of recent years.

Mr. WHALEN. Mr. Chairman, I commend the members of the Appropriations Committee and its subcommittee which drafted the legislation before us this afternoon, H.R. 15572, for their careful attention to the needs of our veterans.

The appropriations recommended in this bill are the largest amount in the history of veterans' programs. However, a far more important fact is that moneys are earmarked to meet urgent needs in the areas of medical care and physical structures. The committee has also emphasized in its report that it stands ready to act on proposals to supplement further medical care funding as it is justified.

The one flaw I find in this measure is not the fault of the Appropriations Committee. I had hoped that agreement on legislation to increase educational and training benefits and to extend the eligibility period for Vietnam veterans would have been reached prior to the consideration of H.R. 15572. Had it been possible to do so, these veterans would not have to anticipate additional delays in the processing and receipt of their benefits. Thus, I urge that final action on the authorization legislation be taken as soon as possible. Perhaps then the necessary funds can be incorporated in this measure before it is approved in its final form.

Mr. BADILLO. Mr. Chairman, it is with extreme apprehension that I survey the direction taken by the housing legislation before Congress this year. While I shall certainly vote for the HUD appropriation bill—making $200 million in urban renewal, $125 million in Model Cities' moneys, and $70 million in rehabilitation funds available to our hard-pressed cities and other localities for the purpose of continuing these programs until January 1, 1975—I am gravely concerned about the fate of the housing programs designed to serve low- and moderate-income people.

In New York City approximately 640,000 families are presently eligible for some form of subsidized housing. Of this number, 144,000 are on the waiting list for low-rent public housing. More than

75 percent of all multifamily housing starts in the city last year involved assisted housing. Yet despite this tremendous, demonstrated need for the continuation of low- and moderate-income programs, the administration proposes to attempt to meet the diverse needs of all qualifying segments of our population under its new, untried section 23 program. Informed sources inform me that in its present form this proposal will mean the end of economic integration in New York City, the death of all moderate-income housing, and a serious curtailment of low-rent housing construction. From the point of view of my district and New York City, this approach just does not make sense and is counterproductive.

Moreover, the administration is yet to present convincing statistics demonstrating that section 23 will work, or even that it will be desirable to contractors. It is my understanding that considerable reservations were expressed with regard to this program before the Senate Banking and Currency Committee. As a result, the Senate panel incorporated in its version of the housing bill sections 501 and 502—revised versions of the former section 235 and 236 programs—as well as setting aside funds for continued low-income housing construction. Nor can this program be represented as less costly than the housing programs of the past. Its estimated $3,075 construction cost per unit will outpace low-rent public housing's unit cost of $1,870, exceed cost requirements of section 236 which requires an outlay of $1,296, and more than double the $1,143 needed for section 235.

Nor are the production estimates encouraging. The administration proposes a 300,000 unit goal for fiscal 1975. This is, of course, an increase over last year's figures which were unnaturally depressed by the moratorium designed to permit the completion only of projects already in the pipelines by January 1973, and appears to fall approximately 25 percent short of the number of units completed during fiscal 1972. But the problem is not limited to construction figures. All the units constructed during those years were for the use of low- and moderate-income families, while under this new approach, with the exceptions to be made on behalf of units to be occupied by senior citizens and smaller projects, only 20 to 30 percent of total available units will be earmarked for the low-income groups.

Mr. Chairman, I cannot understand how, at a time of constantly rising interest rates, exhorbitant construction costs and rampant inflation which erodes the value of earnings and savings alike, the administration can propose and this Congress can enact a program which will reduce, by a very substantial percentage, the housing assistance available to the poor people in our country. I believe that, unless substantial changes are made in this program, unless moneys are earmarked for public housing construction, some continuity for present programs is assured, realistic construction goals are established that coincide with the actual housing needs, and some agreement is reached that would mandate the assumption of proven programs should the section 23 program founder, we will come to rue the day we were lulled into accepting the administration's proposal.

It would appear from the record of the hearings as well as the contents of the committee report which accompanies H.R. 15572, that the Appropriations Committee shared my strong reservations about the section 23 program. It is to be hoped that its directive with regard to the administration funds earmarked for section 23, prohibiting the use of the moneys for that purpose "without the companion administration and implementation of the full unused balance of section 236 contract authority" will serve to curb the administration's determination to withhold available, appropriated moneys from proven housing programs. At present $150,000,000 is still available for the highly successful section 202, which has served the needs of our senior citizens without controversy and almost entirely without default for a good number of years. This money could profitably be spent during the upcoming transition period. Also unspent are $237,055,000 and $167,286,000 for sections 235 and 236 respectively. Commitment of these funds now would go a long way toward meeting the desperate housing needs of our country.

Mr. ALEXANDER. Mr. Chairman, today we consider H.R. 15572, one of the most important appropriations bills which we will deal with from a standpoint of community development. The billions of dollars which the Department of Housing and Urban Development alone has for housing and community development programs are major stimuli in this area.

In addition this bill contains appropriations for disaster relief, Federal Communications Commission, Federal Home Loan Bank Board, National Aeronautics and Space Administration, National Science Foundation, Renegotiation Board, Securities and Exchange Commission, the Veterans' Administration and Selective Service System, all of which have to varying degrees a potential for influencing the economic health of a city, a suburb, or the countryside.

The committee recommends to the House that we approve $20.6 billion in appropriations with our votes on this bill. It is very disturbing to me that studying this report actually tells us so little about which specific programs in, for instance, the housing category, are getting how much money. I would hope that in the future as the Congress moves more to exercising its rightful and constitutional responsibility for budget control this situation will change.

As I have done before, I have attempted to analyze at least a selected few programs, where the data is available, to determine based in the outlays in fiscal year 1973 what we might expect of these moneys to be spent in nonmetropolitan counties. I would point out here that in the case of both the urban renewal program and model cities program categories shown in the chart, the funds are for only the first 6 months of the fiscal year. This is in anticipation of passage of a new Housing and Urban Development Act which contains provisions for a community block grant program.

And while $1.079 billion in new obligational authority will be available under "permanent" law, not needing annual appropriations, for the Federal Housing Administration fund it is presently not possible with the information available to me to estimate what might be expected to be the investment in nonmetropolitan counties from this direction.

The chart which I make a part of the RECORD at this time contains the data which we have been able to develop relating to the metropolitan-nonmetropolitan division of the moneys in a small group of categories:

[Dollar amounts in millions]

Program	1975 committee recommendation	1975 amount for nonmetropolitan counties	1974 appropriations	Percentage of fiscal year 1973 outlays going to nonmetropolitan areas
Housing and urban development:				
Community planning and development programs:				
Urban renewal programs	$200.0	$38.8	$600.0	19.4
Model Cities	250.0	5.7	150.0	4.6
Comprehensive planning grants	100.0	12.6	75.0	12.6
Housing:				
Low-rent public housing grants	430.0	1.7	280.0	.4
HUD subtotal	765.0	58.8	1,105.0	
National Aeronautics and Space Administration:				
Research and development	$2,327.4	$32.6	$2,189.3	1.4
Construction of facilities	135.7	4.6	101.1	3.4
Research and program management	740.0	14.0	744.6	1.9
NASA subtotal	3,203.1	51.2	3,035.0	
Veterans Administration:				
Compensation and pensions	6,716.2	1,666.4	6,643.8	26.3
Construction	230,850.0	730,042.0	68,343.0	21.6
VA subtotals	241,534.3	74,918.4	79,126.8	

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of H.R. 15572. As a member of the Committee on Veterans' Affairs, I am gratified that the Appropriations Committee has arrived at what appears to represent a reasonable overall funding level for the Veterans' Administration for the 1975 fiscal year.

My principal interest lies in insuring that this vast Agency, which administers the program of benefits and services for more than 29 million living veterans and their families and almost 4 million survivors of deceased veterans, has sufficient funds to provide the benefits and services that a grateful nation has authorized.

A look at this appropriation bears out the contention that we have the most extensive veterans' program of any nation on earth. Slightly over 70 percent of this appropriation, more than $9 billion, will be spent for direct veterans benefits, while more than $3 billion will be expended to operate the hospital and medical program.

These funds will produce an increase of 9,996 in the Veterans' Administration's average employment, bringing the total work force to 194,570, the highest employment level since 1947. Most of the new employees will go to the hospital and medical program, thus raising the staffing ratio to an all-time high.

New record levels will also be set with hospital treatment for 1,188,920 patients and 14,974,000 outpatient medical visits.

The hospital construction appropriation of $276 million is the highest in VA history and is $33 million more than the request for the post World War II building boom of 1946.

The largest single item in this appropriation is the payment of $6.7 billion in monthly compensation and pension to 4.9 million veterans and survivors.

Mr. Chairman, the committee is to be commended for its compassionate understanding of the needs of the Nation's veterans and their dependents. I am particularly gratified at the pledge contained in the committee report that—

> The Committee continues to stand ready to favorably entertain consideration of future justified proposals submitted by the Administration to supplement medical care funding provided in this bill as such needs develop.

Mr. Chairman, I support this bill and urge that it be passed.

Mr. WOLFF. Mr. Chairman, as the House debates H.R. 15572, making fiscal year 1975 appropriations for HUD, space, science, and veterans programs, I would like to draw the attention of my colleagues to certain of the very important veterans' programs that will be funded through this legislation.

The committee has recommended approximately $3 billion to handle the health care needs of our veterans' population. This is about $15 million over the budget request. Just a few months ago, the President proclaimed:

> We must spend whatever money is necessary so that the quality of care in (veterans) hospitals will be second to none.

Unfortunately, the President's budget request did not adequately reflect this sentiment. For the past several years, I, along with many members and the Appropriations Committee, have expressed concern over the inadequacy of funding for upgrading and expanding medical care for vets. Veterans in my district who seek adequate medical care are plagued with a shortage of beds, a shortage of personnel and a shortage of facilities in general. Prior to our having the St. Albans Naval Hospital in Queens transferred to the VA, many vets in Nassau and Queens had to travel as much as 40 miles to get to a VA facility.

I have also found that there is a general lack of information as to what VA medical services are provided, and I know that the situation is pretty much the same throughout the country. The additional personnel and services that will be made possible by the committee's budget recommendation are the minimum requirement for continuing adequate medical care and for meeting acceptable bed levels to meet the health care needs of our vets. The committee must be commended for taking the lead in insuring necessary funding; it is now incumbent upon the administration to work with us in examining the quality of veterans' medical care and taking the steps necessary to insure that it will be "second to none."

In line with the need for upgrading veterans' health care, the committee has also recommended $30 million above the budget for additional assistance for health manpower training institutions, bringing total funding for this grant assistance program to $75 million. I feel this program is important not only because it will help to ease the shortage of medical personnel in our VA facilities, but also because it may help the many young men and women who wish to enter the medical profession but whose desires are frustrated because of the overcrowding in our medical schools and the shortage of health manpower training programs. There is without question a critical shortage of doctors and trained personnel in the allied health services in this country; many experts feel that on a short-term basis only, we are lacking about 50,000 doctors.

Yet, ironically, there are countless numbers of young people in this country who want to enter the medical profession but are unable to secure the necessary training. The assistance for health manpower training institutions provided in this bill addresses itself not only to a basic need of our veterans population, but also responds to what has become a national problem and priority.

Mr. Chairman, I would also like to commend the committee for the funding they have seen fit to recommend for modernization of St. Albans Hospital in Queens, N.Y. Just a few months ago, I and my distinguished colleague and member of the Appropriations Committee, Mr. ADDABBO, saw the realization of an effort we had begun over a year ago—that of having the Veterans' Administration assume responsibility for St. Albans.

Veterans in the New York area were in dire need of a new VA facility. My district office alone in just a year's time handled over a hundred cases of veterans who had been turned away from VA facilities because of the shortage of beds; and these were vets, mainly the older vet from World Wars I and II, who were desperately in need of medical care. This was the kind of situation that confronted us when the Navy announced that they were planning to dispose of St. Albans Hospital. Their announcement presented an opportunity of providing a needed new VA facility for New York veterans making use of existing structures. The committee's recommendation of $4,600,000 for St. Albans will help to make possible quality health care for thousands of veterans whose earlier prospects for care were dim.

Finally, I would like to briefly comment on the educational needs of today's young veteran, the Vietnam era veteran. This bill contains close to $3 billion for readjustments in benefits payments in 1975, which includes education, training, rehabilitation for veterans, and educational assistance allowances for the dependents of vets. We have also provided a supplemental appropriation for increased costs due to expanded enrollment under the GI bill. This is a healthy sign; the education of today's veteran is one of the wisest investments we can make.

While we are making progress, as evidenced by this bill, in meeting the needs of the Vietnam veteran, we have not yet fullfilled the responsibility we have to those who served, particularly in the area of education. Congress has not yet enacted needed improvements under the present GI bill. We have yet to provide an increase in education benefits to counteract the nearly 20-percent rise in the cost-of-living since the last increase in 1972. We have yet to provide a tuition supplement to offset the soaring costs of education and help the veteran who is unable to afford to enroll in school.

And, we have yet to provide a 2-year extension of the delimiting period so that vets now in school can complete their education under the GI bill. Some of these provisions have been passed by the House; all of them have been adopted by the Senate. The House has a responsibility to work with the Senate to see that they are all enacted. The Vietnam veteran has the right to be afforded the same benefits and opportunities that were provided to the veteran of World War II. The provisions I have listed will serve to insure that this right is honored.

In conclusion, Mr. Chairman, I would urge my colleagues not only to consider the importance of the funding contained in this bill, but also to recognize the responsibilities which lie ahead of us to those who made considerable sacrifices on behalf of this Nation.

Mr. NIX. Mr. Chairman, I rise in support of H.R. 15572, the appropriations bill for the Department of Housing and Urban Development and for space, science, veterans, and other programs.

I am pleased that the committee has acted firmly to try to avoid a total collapse of the housing market in this country. The committee's report notes, correctly I believe, that the administration's moratorium on housing programs, together with skyrocketing interest rates, has led to a serious housing recession. We must turn this situation around. A major slump in housing not only makes it harder for people to find a decent place to live at prices they can afford, it also has a disastrous effect on the whole economy.

I believe the committee acted very responsibly in providing full funding for housing production and mortgage credit programs and also in providing transitional funding for the urban renewal, model cities, and rehabilitation loan fund programs.

I am also pleased that the committee continues to exert pressure on the administration to improve the quality of services to our Nation's veterans. It is shocking to see what a low level of priority this administration has given to our veterans' programs.

This bill provides important new funding for the construction and improvement of hospitals and other facilities for veterans. The committee also wisely added funds to the administration's requests for medical care for veterans and for assistance for health manpower training institutions.

Mr. Chairman, I congratulate the gentleman from Massachusetts (Mr. BOLAND) and the members of the Appropriations Committee for their fine work, and I support the bill.

Mr. BOLAND. Mr. Chairman, I have no further requests for time.

Mr. TALCOTT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; tracking and data relay satellite services as authorized by section 7 of the National Aeronautics and Space Administration Authorization Act, 1975; and purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration, $2,327,380,000, to remain available until expended.

Mr. CASEY of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as we consider these appropriations today, I would especially like to commend before the House the report concerning funding for NASA, which is the result of most thorough and diligent study and deliberation by the Appropriations Committee on Housing and Urban Development, Space, Science, and Veterans appropriations.

The distinguished and able chairman, Mr. BOLAND of Massachusetts, and his colleagues and staff, have done an outstanding job in making a proper analysis of the achievements and capabilities of our NASA scientists and in directing funding toward the areas where this agency can best serve our Nation.

Because the Lyndon B. Johnson Space Center is in my district, I am intimately familiar with the work that NASA is doing. But I can understand how there are many Members of the Congress and the public who may wonder about the need for continuing appropriations to NASA in the aftermath of an era of glamorous space flight that reached its peak with the landing of men on the Moon.

Mr. Speaker, an era of glamour for NASA may be ended, but its work has not. The NASA team, the greatest assemblage of scientific talent the world has ever known, is continuing its program of not only advancing our knowledge of outer space, but in putting that knowledge and the technology that has resulted to work to solve our problems and to better our way of life here on Earth.

We will note in today's budget recommendation that our space program itself is by no means at an end.

Funds are provided to carry forward in the joint Apollo-Soyuz mission by Russian and American astronauts next summer.

We provide for a continuation of the Space Shuttle mission, starting in 1979.

There is funding for the Viking program, which will allow this Nation to send an unmanned space craft to a soft landing on Mars in 1976.

And a good portion of the space budget is directed toward further development of a strong aeronautics research program and expanding our use of various weather and scientific satellites.

The work of NASA scientists will provide increasing benefits in our drive to find new sources of energy, to combat pollution, to make the most efficient uses of our natural resources, to give our citizens better health and medical services and to put space-age technology to work for us in many other ways.

We can be assured that with our understanding of what NASA is doing and with our continued support, this Nation will continue to be second to none in scientific advancement.

The successful Skylab program was indeed the end of one era for our space program.

But now we are beginning a new era, one that may be less glamorous, but one that will bring new heights of technological achievement.

I know that today's action by the House in approving this appropriation recommendation reflects a reaffirmation that support by the Congress, and by the public, remains strong for our Nation's space team, whose past accomplishments have made our Nation the undisputed world leader in science and technology.

I also know, Mr. Chairman, that our faith in NASA will continue to be well placed.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to make inquiry of the distinguished chairman of the subcommittee, the gentleman from Massachusetts (Mr. BOLAND), because I am concerned about the proposed expenditures under the space program. I am particularly concerned with the schedule that has been laid out for the Space Shuttle.

Is the information that I have received correct, Mr. Chairman, that it is proposed by the Space Administration to spend in excess of $40 billion over the next 15 years on the Space Shuttle?

Mr. BOLAND. Mr. Chairman, will the gentleman yield to me?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, the gentleman is correct. The entire cost of the national and international program for 725 missions carrying 986 payloads breaks down as follows: The Space Shuttle cost, including design, development, testing, and engineering of seven Shuttle Orbiters, Space Tugs, and Space Labs comes to $9 billion. The NASA payload cost is $22 billion. The foreign payload cost, for which they reimburse NASA of course, is $2 billion. The Department of Defense payload cost, for which the Department of Defense pays, is $11.7 billion. The commercial payload cost is $4.5 billion; for a total of $49.2 billion.

Of the $49.2 billion, the total NASA cost is approximately $31 billion covering the entire research and development costs of the NASA program from 1973 to 1991.

To launch the same 986 payloads with expendable boosters would cost $14 billion more, so I think this does illustrate the dramatic cost savings that the Shuttle can achieve.

Mr. YATES. Can the chairman tell us what the possible benefits to the Nation are through the expenditure of this enormous sum of money?

Mr. BOLAND. The members of the Science and Astronautics Committee could do this better, but I might mention, just as an example, that most of the people of this earth use alternating current. It is costly and as much as 25 percent of the electrical energy is lost in transmission. However, direct current systems, using underground cabling, are far better economically and ecologically. Direct current systems have tested out well but a critical component need exists—large crystals which are used to rectify and regulate the current. The crystals need to be 6 to 12 inches in diameter. Earth based crystal processing limits their size to 2 to 4 inches in diameter because of gravity and so the potential efficiency of these direct current distribution systems is constrained.

It is understandable then that the crystals grown in space during the last Skylab mission caused such excitement. Studies showed their size and homogeneity greatly surpassed those grown on Earth. In zero gravity, it is possible to reform crystals that are more nearly perfect. It is estimated that 350 new generating plants over the next 20 years raises the possibility of $100,000,000 a year in demand for these crystals.

With large, space manufactured crystals, the potential exists for major increases in the capability of integrated circuits. As an example, a thin slice about the size of a quarter of a near perfect crystal can serve as the lens of a TV camera requiring no lights to function—it just needs the heat radiated from people or objects. Such a perfect crystal can only be produced in zero gravity.

In the opinion of scientists it is no longer a matter of speculation that materials processing in space presents one of the greatest opportunities ever afforded to benefit mankind.

NASA indicates to us that this may

save, in the long run, the long pull, billions of dollars. How much I do not know, but at least we know that the savings which will be found in this area will be considerable.

Also, there is great potential in the development of vaccines and other antibiotics. These are developed with higher quality where there is no gravity. The space environment, with its absence of gravity, enables scientists to work with mixtures of blood cells, bacterial colonies, or other biological materials in liquid solution, without being limited by the tendency of these substances to settle to the bottom or rise to the top of the solution. So these are just a few of the very dramatic possibilities of materials and biological processing in space. Hopefully, this research may pay the entire cost of the space program.

Mr. YATES. Did the committee look into the possibility of spacing out further the space program to save money?

Mr. BOLAND. No, the committee did not. As the gentleman well knows, a pushing out of the space program or spacing out the space program or extending it, of course, always adds to the cost of the program. I presume that if inflation continues at the rate we have now, if we extended the program, the cost would be greater.

Mr. ROUSH. Mr. Chairman, will the gentleman yield?

Mr. YATES. Yes, I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Chairman, I thank the gentleman for yielding.

The gentleman in his opening statement stressed the fact that the development of the Space Shuttle was the result of a decision to make this national policy.

I have shared the gentleman from Illinois' concern for a long time concerning the Space Shuttle, but I came to the conclusion that if we are going to have a space program, the shuttle is absolutely necessary. It does not simply involve just glamorous things. Some very practical things are involved in the use of the space shuttle, and more particularly, as the Tug is developed for the Space Shuttle, we can service satellites which are in synchronous orbit.

What are the satellites I am speaking of? I am talking about the weather satellite that is able to give us weather predictions and weather conditions for the pilots, say, who fly across the ocean. I am talking about the earth resources satellite, the satellite which measures growth on the earth, which will be able to detect crop disease for the farmer. I am talking about the communications satellite. Finally, with the development of the Tug, we will be able to carry satellites into orbit. We will be able to retrieve them from orbit, bring them back to Earth, and service them. We will be able to service them while they are in orbit.

These are programs which affect every life in this country and which have some bearing on the quality of life in this country.

I came to the conclusion that we had to have the space shuttle if we were going to advance technologically and if we are going to truly serve the welfare of the American people.

Mr. YATES. I would suggest that the gentleman or some member of the Science and Astronautics Committee place in the Record at this point a list of the achievements that are hoped to be attained with the expenditure of this vast sum of money.

I respect the gentleman's contribution. In view of the expenditures that are contemplated, that the American people would like to know just what the benefits are likely to be. We will try to include in the Record at this point some of the initial benefits that have only started to develop:

BIOMEDICAL

CARDIOLOGY

Rechargeable Cardiac Pacemaker. A rechargeable cardiac pacemaker smaller than a cigarette pack and powered by nickel-cadmium batteries originally developed for NASA spacecraft power systems is now being worn by heart patients in the United States. The unit, developed by the Johns Hopkins Applied Physics Laboratory in Maryland eliminates the previous requirement for periodic removal of implanted pacemakers because of battery depletion. Such surgical removals and re-implantations of the old-style and bulkier units posed unavoidable risks and discomfort and costs to patients who depend on electronic pacemakers to control erratic or weak heart rates. Whereas conventional mercury cell powered pacemakers must be replaced at least once every two years, the rechargeable unit should last a minimum of 10 and possibly 20 years. This reduction in costs to the patient and surgical risk is particularly important.

The new pacemaker allows the heart patient—young, middle-aged, or elderly—to recharge his pacemaker conveniently and comfortably once a week at home. Should the patient forget or neglect his weekly recharge, he will, in fact, face no danger as the system contains enough energy for at least 8 weeks' operation. For infants requiring pacemakers, the parent can operate the recharging unit. The new pacemakers being less than half the volume of conventional pacers facilitates its use in children. All the patient needs to do is don a special vest to which the pacemaker is then magnetically coupled for recharging. The recharging takes about 90 minutes.

Emergency Ambulance Cardiac Care System. In cooperation with NASA, SCI Systems, Inc. of Houston, has adapted SKYLAB technology in the development of an ambulance-carried compact medical unit that contains essential equipment designed to meet heart patients' diagnostic and therapeutic needs at the scene of an emergency. The unit based in part on technology derived from the NASA manned spaceflight program includes two-way voice and EKG telemetry systems, weighs only 40 pounds, and is now commercially available.

The unit, called Telecare, brings together all the basic components required to meet medical emergencies. They are combined for the first time in a single portable package about the size of a suitcase. These components, to be used by ambulance personnel and physicians, include: a respiratory resuscitation system; a 15-minute chlorate candle oxygen supply contained in a lightweight canister whose design is derived from space technology; an electrocardiogram display and telemetry system that can relay cardiac data to the receiving hospital and the physicians who will provide later treatment to the patient; a defibrillator for external heart stimulation; a semiautomatic indirect blood pressure measurement system using a special microphone positioned under a hand-inflated cuff similar to the blood pressure device developed for the NASA Skylab program; and a basic pharmaceutical pack. Optional equipment available includes an electroencephalograph that can provide remote observation of brain-wave action. Its technology is derived from the Skylab sleep analyzer—plus a strip-chart data recorder and tape recorder.

The Telecare system has already been tested successfully by the city of Houston. Houston is now equipping 28 of its municipal medical rescue vehicles with Telecare units and is training technicians to use the units. A number of other cities are currently evaluating the new unit.

Cardiac Diagnostic Assist Computer. Apollo technology in the fields of small computers, man-machine interactions, and real-time signal processing methods, is being used at The Draper Laboratory in Massachusetts to develop a bedside biomedical computer to aid the diagnosis and treatment of cardiovascular disease. The purpose of the project is to create a free-standing system combining computer analysis and biomedical instrumentation that can be deployed at the bedside of the patient or in the outpatient area of the hospital. Such a system would use non-invasive measurements of the patient's physiology and could provide the doctor or his assistants with rapid analysis of a patient's condition, give assistance in differential diagnosis and help predict the response to therapy.

Physicians and cardiologists at the MIT Clinical Research Center and the Massachusetts General Hospital are collaborating with The Draper Laboratory on this project. The phototype system is expected to be ready for clinical field trials and evaluation by late 1974.

The long-term goal of the project is to develop a "dedicated" minicomputer system that could aid the attending general physician's diagnosis of cardiovascular disease. The final system will be small enough and portable enough to be wheeled from bedside to bedside and would be low enough in price to be deployed in large numbers in small community hospitals and in rural and urban clinics.

The system will aid the physician in a number of ways. It will acquire and process the electrical and acoustical output of the patient's cardiovascular system and compare these data with information in the patient's history. It will allow rapid assessment of diagnostic information. It will provide a unified record of data from the patient. And, it will give the attending physician statistical data relating the pattern of findings with possible diagnoses.

Artificial Heart Valve Mapping. NASA is collaborating in work at the University of Illinois in Urbana, and at Washington University in St. Louis aimed at gathering data needed for the development of artificial aortic valves for the heart. Stereophotogrammetry—a precision stereophotographic 'mapping' technique similar to that used to map the surface of the moon—is being used to measure, through precise geometric analysis, the distribution of flexion (bending) and stress in heart valves under varying conditions of pressure and flow.

The stress distribution analysis performed on aortic valve molds is fundamental to the design of an artificial heart valve. The principal stumbling block in that development has been the geometric definition of the complex asymmetric shape of the valve. The NASA mapping techniques have been a significant contribution to the solution of this problem in work now in progress at the University of Illinois (Urbana). The work is being coordinated with a large effort to develop a trileaflet aortic valve prosthesis under way at Washington University in St. Louis. Polymer and composite-materials advances, combined with progress in blood surface interface research sponsored by the National Institutes of Health Artificial Heart program, have laid the basic ground work for the development of a trileaflet artificial heart valve.

Portable, Battery Operated Ultrasonic Echocardioscope. A portable, battery operated ultrasonic device originally designed by the NASA Ames Research Center to be carried aboard spacecraft to assess the performance of the heart in the weightlessness of space is being evaluated at the Stanford University School of Medicine for use in the care of heart disease patients. Ultrasound already has been quite useful clinically in the diagnosis of aortic, mitral and tricuspid valve disease, foreign bodies in the heart, the presence of pericardial effusion and specific congenital heart defects.

The active program of ultrasonic diagnosis at Stanford University Hospital has shown that most commercially available equipment is both bulky and potentially hazardous from an electrical standpoint. This is particularly true when the commercial equipment is used in a medical environment involving electrically-sensitive patients such as those found in the cardiac catheterization laboratory or in the newborn nursery. To overcome such problems it is conceivable and anticipated that ultrasonic imaging may eventually replace the use of X-rays for studying and evaluating the condition of a patient's heart.

BACTERIOLOGY

Automated Bacteria Detection System. Hospitals, physicians, clinics, the food processing industry, the brewing industry, and others requiring sterile manufacturing conditions may soon benefit from an automated rapid bacteria detection system based on instrumentation originally designed for life-detection mission of NASA's Mars-Voyager spacecraft.

The system offers a quick indication of the presence and quantity of bacteria by registering the amount of light emitted by the reaction between the ATP and luciferase, an enzyme derived from fireflies.

Johns Hopkins University, Tufts University-Medical Center, and Delaware State University are working with NASA to develop this technology. It is being investigated for the analysis of the effectiveness of antibiotic drugs against infectious agents and for its potential in monitoring kidney transplants, and for the detection of viruses. The major advantage of the new system is its ability to determine the amount of bacteria in a fluid in about 15 minutes, as compared with the 48 to 72 hours it normally takes to achieve similar results with conventional culturing medical laboratory techniques. By enabling physicians to determine rapidly the most appropriate antibiotics for treating infections, it is possible that the time required to effect a treatment may be greatly decreased—reducing the costs of hospitalization for the patient and freeing hospital facilities for other patients. Similarly, the determination of the most effective drug for fighting an infection can be accomplished now in less than 5 hours compared to the conventional 48 to 72 hours.

LEUKEMIA

White Blood Cell Preservation. A new technique for preserving white blood cells for use in the treatment of leukemia, the malignant blood disease that kills about 15,000 Americans each year, is being developed by NASA in collaboration with the National Cancer Institute (NCI).

Leukemia therapy involves the destruction, through the use of drugs or radiation, of cancerous white blood cells in the marrow where they are formed. These therapies create a problem because, with the loss of bone marrow, the body loses the ability to produce the normal white cells the patient requires to fight potential infections.

When this loss of bone marrow occurs, white cells must be resupplied to the patient. For this purpose, a bank or storage facility of white cells is required. This is impossible at present because adequate storage procedures are unavailable. Although red cells can be preserved by freezing, white cells are destroyed by the existing freezing and thawing techniques. One important parameter in freezing white blood cells is believed to be the rate of freezing. Rate of freezing cannot yet be controlled because of the plateau in the cooling rate when the latent heat is released at the freezing point.

The present method for freezing utilizes a liquid nitrogen system, which cools a secondary liquid, which in turn cools the cells contained in a flat Teflon bag. To prevent contamination of the cells, it is desirable that any new technique utilize a Teflon container. The basic requirement is a method of detecting the onset of freezing and increasing the heat transfer rate during the release of latent heat, so that a nearly constant rate of cooling can be maintained from room temperature to —50° C.

This problem was forwarded to the NASA Jet Propulsion Laboratory (JPL) where a new configuration was suggested. The cells are held in a Teflon bladder surrounded by an electrical heating element and liquid nitrogen tubes. During the cooling cycle from room temperature to the freezing point, the heating coils control the cooling rate. At the freezing point, the electrically produced heat is reduced and the latent heat of the cells is rapidly removed. Then the heat is turned on again to control the rate until —50° is reached.

Although the proposed solution originated at JPL, implementation of this idea is being pursued by the NASA Goddard Space Flight Center (GSFC) because of the geographic proximity of NCI. GSFC personnel used computer-aided design to optimize the basic configuration before hardware construction. A computer simulation model was developed that allowed design modifications to be quickly evaluated. The computer analysis utilized the same techniques that NASA uses in space applications such as achieving thermal balance in spacecraft. Coordination between NCI and GSFC research staff members was closely maintained to ensure that the final device met all medical and engineering requirements. A prototype model of the design has been built and successfully tested. A laboratory model has been delivered to NCI for further research and evaluation.

BIOLOGICAL ISOLATION GARMENT

A special garment originally designed to provide a portable sterile environment for returning Apollo astronauts has been adapted by the National Cancer Institute to protect leukemia patients from infection while undergoing chemotherapy.

NCI has pioneered the use of laminar air flow rooms to provide a sterile environment for this therapy. But they have also wanted a portable sterile environment to permit patients to move from the sterile chambers to other places of treatment. The need was especially important for children who psychologically are less able to tolerate confinement in one room. The isolation garment permits them to leave the sterile laminar flow room for treatment and for recreation or visits with parents.

Queried by NCI, a NASA Biomedical Application Team suggested modifying the Apollo garment as a possible solution. The NASA Biological Isolation Garment has been designed for the Apollo astronauts to wear from the time of exit from the splashed-down capsule to the time of arrival in the portable quarantine facility aboard the recovery ship.

The original garment, and particularly its associated headgear, posed certain heat, weight, and claustrophobia problems for medical patients, especially children. The NCI specialists decided to add a positive-pressure portable air supply system to overcome the heat problem and provide ventilation. As many of the contaminants in the medical situation come from the surface of the patient's own body, a directed flow of air from the top of the head downward is provided to reduce the danger of self-contamination. An NCI contractor modified the face mask to suit the needs of patients and fabricated the child-size suit.

This technology transfer took place rapidly, thanks to experience with the earlier NASA garment and rapid, effective modifications for the special medical purpose. From the time the problem was posed, it took less than a month to deliver the modified version adapted to the needs of the Cancer Institute.

Used in conjunction with the sterile laminar flow rooms and chemotherapy, the new garment provides mobility, comfort and access to recreation for patients with very special needs.

INSTRUMENTATION

Computer Analysis of Infrared Photos of Skin Burns. The study and treatment of serious burn injuries is being assisted by computer-image enhancement techniques previously used to produce dramatic photos of distant planetary surfaces from data relayed by the NASA space probes.

The NASA Jet Propulsion Laboratory and the University of Southern California Medical Center are performing a detailed study of the use of computer-enhanced infrared photography for the early diagnosis of cutaneous thermal burn wounds. The immediate consequence of this study is to provide a simple clinical tool to accelerate the accurate diagnosis of the burn wound.

Developments in the treatment of burns over the past few years have indicated that early removal of the irreversibly destroyed tissue has many advantages. It reduces the risk of infection, the onset of thick scar tissue, and the loss of function to the damaged limb. It also appears to provide the best surgical results in the shortest time. However, in many cases it is impossible to differentiate between irreversibly damaged areas and those which would spontaneously heal with time. Treatment of the questionable areas thus depends quite heavily on the intuition and experience of the physician. Even though the physician is aided by many tools covering sensory, mechanical, and thermal phenomena, the only positive method available to him is to wait from three to four weeks until the natural healing pattern is established and the areas of the irreversibly damaged and putrefied tissue are indicated. If the physician decides to excise tissue before a precise diagnosis is available, the patient may suffer by not having sufficient tissue removed. Residual dead tissue would then remain as a source of infection and would ultimately require additional surgery and pain. If excessive tissue is initially removed, the patient would suffer by having viable tissue removed which could have assisted in the vital healing process. These complications would also reduce the supply of viable tissue which may be required for grafting. In any case, the delay or inaccuracy in the diagnosis of the irreversibly damaged tissue increases the danger of infection. Infection is the most common cause of death of the burned patient.

This technique is particularly attractive because, although a computer capability is required for the analysis of the image, the image of the burns can be photographed by an ordinary 35-mm camera using readily available commercial film and infrared filters. Since a wait of several days is normally required for surgeons to begin removing dead tissue, it would be quite feasible to send the infrared photo images to a centralized computer facility for rapid analysis.

In a series of early studies, it was possible to predict those areas which two days to two weeks later developed into areas which would require grafting. Based on an admittedly small data sample, it seems that computer-enhanced infrared photographs can reveal clotting deep within the skin or deep layers of dead tissue—an indication of a full thickness burn. Thus, it appears that infrared photography, enhanced in some cases by image processing, could be a powerful tool in a burn clinic. It should be possible to predict the viability or nonviability of burnt tissue and thereby accelerate the diagnosis process by weeks. This would allow the early surgical removal of nonviable tissue; and, would result in a major reduction of trauma and expense for the patient.

Selected volunteer patients from the Los Angeles County-University of Southern California Medical Center Burn Ward are being studied throughout the course of their care, beginning with admission and continuing to the time of accurate diagnosis. Data from processed photographs will be correlated with tissue biopsies and visible landmarks over this period. Image-processing techniques will be studied to determine optimum processing algorithms, and protocols will be established to yield maximal benefits of early clinical diagnosis for minimal cost.

Infant Respiratory Assist Device. The treatment of hyaline membrane disease (respiratory distress syndrome) by medical researchers at the University of Miami is being aided by technology used onboard the NASA SKYLAB. The respiratory assist device is patterned after the lower-body negative-pressure system developed for the SKYLAB program to control the body's blood distribution in zero gravity.

Respiratory distress syndrome is the major cause of death in the newborn. It is estimated that more than 20,000 babies succumb to this disease in the United States each year. Respiratory distress syndrome is a condition of the newborn in which the lungs are collapsed. It is believed to be caused by the absence, because of immaturity, of an alveolar substance that decreases the surface tension and permits the lungs to reexpand after each expiration.

Recently, researchers at several medical centers in the United States and Canada have reported encouraging results with the use of continuous positive airway pressure (CPAP) and continuous negative pressure (CNP) therapeutic techniques. The CPAP method uses an endotracheal tube which continuously forces oxygen-rich air into the lungs, while the CNP method keeps the infant's lungs expanded by subjecting the chest to continuous negative pressure. The negative pressure around the chest helps the infant to expand his lungs and to maintain the proper residual volume of air. If life can be sustained for 4 days by either method of treatment, the missing alveolar substance will be present in a sufficient quantity for normal unassisted breathing to occur.

The CNP method has been employed by specialists at the University of Miami School of Medicine, who were among the first to utilize the technique. First, a commercially available respirator was modified to produce a constant negative pressure. It has saved the lives of several infants. To improve this initially improvised system, the University of Miami medical team wished to fabricate a CNP chamber that would cover only the infant's thorax, arms, and upper abdomen. Such a system offers advantages over the use of continuous positive pressure in the airways:

(1) It avoids tracheal intubation and leaves the face free for nursing care. This point is of great importance since, in addition to feeding the infant, it is normally necessary to suck mucus from the infant's trachea at frequent intervals. The CPAP must be discontinued during such nursing care.

(2) Its interference with venous return to the right heart will be minimal.

(3) It avoids the increase of air in the gastrointestinal tract.

The technology employed in the body seals of the Lower Body Negative Pressure System on the NASA 1973 Skylab mission has been applied directly in providing therapeutic treatment for respiratory syndrome. A NASA Marshall Space Flight Center (MSFC) engineer visited the University of Miami medical team to assist in the design of the air seal required at the waist in the CNP system. The waist seal designed for NASA's Lower Body Negative Pressure System appears to provide an excellent solution to the problem of sealing the CNP unit at the infant's waist. Additionally, the NASA seal is adjustable, which will allow the CNP chamber to accommodate infants of various sizes.

A preliminary design for the CNP system has been finished. The Department of Biomedical Engineering at the University of Miami plans to complete the fabrication of the CNP unit by the Spring of 1974.

Video Requirements for Remote Medical Diagnosis. With the increasing commitment to provide quality medical care to all citizens—be they in remote rural or inner-city areas—it has become clear that widespread use of television will become an important tool for the support of facilities remote from major medical institutions.

In light of this future need, a National Academy of Engineering subcommittee suggested that the NASA video-communications capability demonstrated in the Apollo missions could make a significant contribution to the system design and evaluation of the necessary video links for medical purposes.

While the concept of using video to assist the delivery of remote medical service is gaining widespread support, it is also clear that the standard commercial video image is not ideally suited to many medical applications. Also, given the scarcity of available frequency spectrum space, bank-width, and the economics of transmission systems, it is important to determine what is truly required of the video system. For instance, the viewing of an X-ray negative or a microscope slide obviously does not require the high frame rates normally necessary for motion conditions although improved resolution would be desirable. High frame rates may only be necessary for certain specialized applications such as neurologic examination and physical or speech therapy.

In July 1972, NASA's Telemetry and Communications Division, at the Lyndon B. Johnson Space Center, began a study of video requirements for remote medical diagnosis. The NASA program includes medical, bioengineering and communications specialists. By determining minimum qualities of the video image necessary for a physician to gain enough information to make a valid diagnostic decision, the analysts have statistically determined the video requirements in a diversity of clinical situations. At the completion of the program, scheduled for early 1974, NASA plans to define the extent of medical services which can be provided for varying investments in video equipment. The study will be incorporated into STARPAHC (Space Technology Applied to Rural Papago Area Health Care), a joint Indian Health Service/NASA project on the Papago Reservation in Arizona.

REHABILITATION

Remote Manipulator Technology. As a prelude to further interactions with the Veterans Administration and the Social and Rehabilitation Services of the Department of Health, Education and Welfare in the area of aids for the handicapped, a study to define the systems requirements for the application of space teleoperator technology to the problems of the handicapped has been completed by NASA. An HEW study indicates that 2.75 percent of the general population is limited in the capability to perform normal activities due to paralysis loss of limbs and non-paralytic orthopedic impairments.

The first portion of the NASA systems study was to develop a set of integrated system user requirements upon which to base the design concepts. Relying on requirements reduces not only the time required for conceptual design but also the number of, and cost of, concepts which, when fabricated, are found to be ineffective. The careful identification of system requirements also facilitates the identification of problems for the handicapped.

The primary need of the handicapped person is independence in daily living. To the degree that a person is hindered in performing a task, he is dependent on someone else for assistance. It can be argued that causing a handicapped person to rely or depend on a mechanical device to perform his required functions is really not making him independent. But even normal man depends more and more on mechanical aids in his everdyay life. He depends on transportation systems to take him where his legs cannot. He depends on the telephone to carry his voice to great distances. He depends on typewriters, ovens, elevators, oil well machinery, etc., without thinking twice about being dependent on the machines. Rather, dependency is an interpersonal relationship which connotes reliance on other poeple. Case histories of disabled individuals are replete with the psychological problems that accompany dependency on another person for even the most basic of human functions.

The needs of the handicapped form the basis for the systems requirements. The major needs can be described as:

Ensure a high degree of independence for the handicapped person.

Permit the performance of required and desired activities in a manner which is effective, safe, and comfortable.

Emphasize the performance of activities in a manner which approximates the "normal".

Enhance the accessibility and handling of objects used in everyday activities.

Precisely what activities should the system facilitate? Obviously, the ultimate goal is to enable the handicapped person to perform any activity he would be capable of performing if he was not handicapped. With the present state of technology, this goal remains beyond reach. Therefore, a more practical approach is to ensure that the handicapped can at least perform those activities identified as important in normal daily activities.

The activities to be facilitated by the system constitute the functional requirements of the system, that is what the system must do. As such, they provide the framework for establishing the capabilities which the system must possess. The level of capability to be incorporated into the system is derived from performance requirements. These define the accuracy, time, and energy requirements associated with each system function.

In the future, NASA will be working with the VA and HEW to apply its teleoperator research and development experience to the above functional requirements. NASA's experience in teleoperator development has covered sensors, manipulators, actuators, control systems, and mobility—each concerned with the man/machine interface. Sensors under development include video systems, touch sensors, force sensors and environment sensors. Manipulators include mechanical arm-like devices, grapplers, surface samplers and end effectors or tools for performing required mission operations. Actuators include hand and finger-like devices to perform tasks. Control system technology includes use of computer-aided devices for manual control of manipulators, free fliers, sensors and support systems. Control technology for planetary teleoperators also includes artificial intelligence, which involves development of techniques of machine learning and adaptive control for providing some level of semi-autonomous behavior for systems too distant to be controlled directly. These approaches provide the teleoperator with a limited amount of on-board intelligent behavior. Mobility system technology comprises integration of subsystems and development of navigation, guidance, and propulsion or locomotion systems. The man/machine interface area includes all aspects of the effort to integrate the human operator with the system hardware and software. On the machine site this involves worksite technology, manipulator/effector technology, and controllers and displays. On the human end, the technology area includes sensory feedback, determination and maintenance of skills and skill levels, and measurement of operator workloads.

The NASA study matching functional requirements with teleoperator technology has been completed in the areas of manipulator devices, mobility units, remote-control systems and sensor systems.

Among the applications are: aids for auto driving, advanced control systems (including voice controlled systems), manipulators to increase patient reach, remote-controlled devices to serve as "mechanical servants", tactile and proximity sensors, manipulator attachments for prosthetics, and the development of standard criteria and evaluation tests. These have been ranked in terms of potential numbers of handicapped people to be served, the value of the potential benefits, and technical feasibility. NASA and the Veterans Administration Prosthetic Center are now working together in planning and coordinating the development evaluation and implementation of devices in several of the above named categories.

Prosthetic-Control Systems for Paralyzed Patients. NASA developed systems originally devised for the control of remotely-operated mechanical hands and manipulator devices in hazardous environments are being successfully adapted to assist paralyzed and amputee patients. The technology of NASA's space-oriented program has been combined to produce an upgraded proportional-control system which vastly increases the dexterity and the ease with which a totally paralyzed or amputee patient can use a prosthetic arm or hand.

Since most patients equipped with currently available artificial-hand devices have trouble handling power tools, rehabilitation researchers have been seeking improvements in manipulating capabilities in order to expand self-reliance among the handicapped.

Adapting a powered terminal device known as MATH, used in conjunction with proportional-control techniques, a prosthetic device has been developed which allows an amputee to use his prosethetic to operate power tools such as electric drills, soldering guns, etc. Control of the device is positive and delicate enough to permit handling and drinking a hot cup of coffee.

The proportional-control system is also being used to control complex manipulative devices that may restore a large degree of independence to patients by allowing them to voluntarily control their paralyzed arms.

Until recently, externally-powered orthotic arm braces with as many as seven joints—thus seven reversible motors—were controlled by simple on-off switches. Prior to the introduction of the NASA proportional-control devices, it was difficult to achieve smooth, accurate motion control with so many working joints.

Incorporated into the seven-degree-of-freedom externally-powered orthotic arm brace, the proportional-control system provides both velocity and force proportional control of the seven small direct-current motors. Now commercially available and in daily use at Rancho Los Amigos Hospital in California, the proportional-control system enables a totally paralyzed patient to perform tasks requiring considerable accuracy and dexterity. The control is "fine" enough to permit many routine tasks, self-feeding, drinking from a cup, turning pages, dialing a telephone and even writing legibly. Using a typewriter with a specially modified keyboard, one paralyzed patient is now able to type 22 words per minute.

Beyond enhancing the patient's ability to physically interact with their environments, the system also improves the psychological outlook for patients through the creation of greater self-sufficiency and the reduction of dependence on others.

An Automated Paper Money Identifier for Blind People. The NASA Biomedical Application Team at the Southwest Research Institute, in Texas has developed an automated money identifier for use by blind people. The system is based on technology originally developed by NASA to inspect microfilm records.

Using the device, a blind person can identify various paper money denominations by their sound "signatures". The system works this way: The bill to be inspected is passed under a light source. A phototransistor measures changes in the bill's light patterns. These changes are converted into sound signals by an oscillator. The sounds are like the beeping tones heard on long distance telephone calls. The key to the varying signals identifying different denominations in the variation in design of the different denominations. Thus, each denomination gives off its own easily identified sound.

The money identifier has been successfully tested at the Arkansas Enterprises for the Blind in Little Rock. About three hours of practice are required for a blind person to learn to use the new system. The paper money identifier is being manufactured by the Marchak Engineering Company and being marketed by the Applied Rehabilitation Systems. Both organizations are in Austin, Tex.

ENVIRONMENT

Atmospheric Pollution Programs Using LIDAR and Balloons. NASA Baloon and LIDAR (laser-radar) technology is being used to aid environmental analysis of atmospheric aerosols, in order to better understand the effects of man-made chemical pollution.

One project uses LIDAR techniques already applied successfully by NASA to study the clear air turbulence problem that is of major interest to aviation.

The LIDAR environmental study—sponsored by the California Air Resources Board—is aimed at obtaining information on the vertical distribution of aerosols near the ground. The overall objective of the project is to show the LIDAR's ability to gather information for air pollution research. Measurements by the LIDAR system will show spatial and temporal distribution of pollutant particles in the earth's mixing air layers, their effects on visibility, and the longitudinal variations of the aerosol formations. This project developed from discussions between NASA Langley Research Center specialists and the Rockwell International Science Center, contractor for the California Air Resources Board. The NASA Langley Research Center is also working with the Virginia State Air Pollution Control Board to study air quality, using the LIDAR at a site in Norfolk, Virginia. A compact LIDAR system is being developed to serve these projects and for use in further studies in Virginia, Texas and New York.

In a related program, with NASA support, the University of Wyoming is studying aerosols by using instrumented tethered balloons of the NASA Langley Research Center. This project also uses Langley Research Center laboratory equipment such as the electron probe and a particle measurement computer. The instrumented balloon packages can measure different sizes of aerosols, temperature, pressure, ozone concentration, wind speed and direction, then telemeter all the information to a ground station simultaneously.

The overall purpose of this project is to measure the aerosols at various levels of the lower atmosphere and analyze the "residence" times of the aerosols at particular sites. This will provide information—crucial to pollution research—about movement and redistribution of these particles over the long term. Random sampling over urban and remote areas could provide data on how man-made pollution competes with natural aerosols. Local and regional studies will be conducted by the University of Wyoming during 1974 and a data-acquisition system tailored for the air pollution analysis mission will be delivered in 1974.

Sewage Flowmeter. Proper distribution of sewage flow is necessary to avoid back-up in the sewer system, with its associated health hazards, and to prevent overload of sewage treatment plants. Accurate information about actual sewage quantities is also mandatory in projecting sewage system needs in terms of urban development and growth.

The city of Dallas, Texas, has served as the site of tests on a newly developed sewage flowmeter based on a modification of a device originally designed at the NASA Electronics Research Center primarily for use as an air speed indicator for vertical and short-takeoff-and-landing aircraft. The Bowles Fluidics Corporation of Maryland developed the original hardware for the Electronics Research Center. The operation of the flowmeter is based on the measurement of a differential pressure output from two sensors in the pipe. This pressure difference increases and decreases with corresponding changes in sewage flow.

A prototype device was delivered to Dallas and promising tests have been performed. The Dallas authorities are now preparing to build a testbed to permit comparison of the aerospace-derived system with other systems. These tests are expected to be complete by the end of 1973.

The device under test offers a number of advantages. It has no moving parts. It is self-cleaning and rugged. It provides no obstruction to sewage flow and, in general, can operate unaffected by foreign bodies and corrosive conditions.

In anticipation of a successful outcome of the test program in Dallas, NASA has initiated a limited survey of potential users and manufacturers of the device. Market analysis suggests the device has potential for use in a wide variety of waste-management operations, with potential sales of some 4,000 units with a $1000 sales price.

Air Pollution Detection. Technology developed for the detection of gaseous and other contaminants in space cabin atmospheres and NASA's miniaturization requirements are being applied to earthbound air pollution detection programs in cooperation with the Environmental Protection Agency and the Bureau of Mines.

For example, NASA and EPA are testing the utility of aerospace microwave spectrometry techniques to measure formaldehyde in auto exhausts and ambient air. Formaldehyde, a chemical that not only irritates eyes but also contributes to smog formation reactions, appears to increase in catalytic-converter-controlled auto emissions. Thus, while hydrocarbons and nitric oxides are reduced, a new emission problem is apparently created. Present manual or wet-chemical methods of measuring formaldehyde are cumbersome and time consuming. Working with NASA Langley Research Center and EPA, the Atomic Energy Commission's

Lawrence Radiation Laboratory in California has developed a microwave spectrometer that can detect formaldehyde in quantities as low as one part per million parts of air. Final delivery of the prototype instrument is planned for early 1974.

Also, NASA Ames Research Center, EPA, and Martin-Marietta have developed a prototype infrared detector, based on technology developed for atmospheric analysis, to determine the levels of nitric oxide in industrial and urban areas, as well as other pollutants such as carbon monoxide. The ultimate objective is to develop monitoring arrays for simultaneous or periodic checks of atmospheric pollution. A final report on the experimental system was submitted in October 1973.

Another air pollution project involves the design, fabrication, and evaluation of a field-ionization-mass spectrometer to detect specific pollutants across the broad pollution spectrum. The University of Missouri is developing prototype instrumentation which will be compared against standard contaminant detection equipment. Work on this project is proceeding under the monitorship of the Ames Research Center.

Also, using indium-oxide thin-film techniques originally developed to detect hydrogen leaks in spacecraft, the films show changes in electrical resistance on exposure to various gases. NASA Marshall Space Flight Center is developing adapted versions of these sensors to determine their sensitivity to methane and other hydrocarbon pollutants. Both EPA and the Bureau of Mines are interested in this effort to adapt General Electric-developed sensors for possible use in mines and in air pollution detection programs. Prototype units have been sent to the Bureau of Mines for testing as methane detectors in mines. Further work will lead to additional field-testing by the Bureau and by EPA.

Recycling Valuable Nonferrous Metals From Discarded Autos. The recycling of solid wastes is a formidable problem largely because of the low intrinsic value of the discarded material. Junk automobiles, however, represent high-value solid waste because of their high metals content. The 8 million cars discarded annually contain about 650,000 tons of nonferrous metals which are not being fully recovered and recycled for lack of an efficient process. The potential worth of the discarded nonferrous metals ranges from $6 to $11 per car, depending on the current market price of the metals. A cost effective system of reclaiming nonferrous materials would greatly stimulate the removal of junk cars from the national scene. It will also be an aid in the recovery of valuable national resources.

Using newly developed techniques based on the properties of magnetically responsive fluids (known as ferrofluids), NASA supported the development of a prototype device for separating previously wasted nonferrous metals from scrap materials in a commercially feasible reclamation and recycling operation.

The newly-developed method involves a technique called sink-float separation which is based on the phenomenon that nonferrous materials less dense than the ferrofluid will float while materials more dense will sink. Therefore, to separate any two materials of different density, it is only necessary to adjust the ferrofluid to a density between the two metals so that one will float and the other will sink as it passes through the ferrofluid pool on a conveyor belt.

Ferrofluids are very stable suspensions of single-domain magnetic particles. A pool of ferrofluid in the gap of a regulated electromagnet becomes a liquid whose apparent density can be continuously varied over the total range of known densities by controlling the magnetic field. Thus, in a given ferrofluid, solid objects of densities that differ by 10% can be made to selectively float or sink by varying a magnetic field.

The only moving parts of the system are the conveyors which carry the mixed metals into the pool and the separated metals out of the pool. Mixtures of three or more nonferrous metals can be separated, one at a time, by multiple passes through the ferrofluid pool with the magnet adjusted each time so that only one metal floats (or sinks) per pass.

Under contract to NASA Langley Research Center, AVCO Corporation of Massachusetts has designed, built and tested the prototype sink-float ferrofluid nonferrous metal separator. Based upon the separation test data obtained during the experimental phase of the program, as well as the successful recycling of ferrofluid recovered from scrap, the recovery of nonferrous metals from automobile scrap promises to be a cost effective way to reclaim such material. It is possible to recover a high yield of aluminum, copper and zinc alloys from mixed, reshredded automobile scrap.

AVCO is currently pursuing opportunities for demonstrating the economic viability of the process, including the use of ferrofluids as a replacement for heavy media now used in many waste recycling systems.

Housing and Urban Construction

Lead Paint Detector. There is rising concern over the health hazards, particularly to children, or residual lead paints that were heavily used for interior decoration of urban housing and other buildings in the decades before World War II. In many older buildings, layers of lead-bearing paints underlie surface coatings applied at a later date. Under such conditions, there is a real danger to children who might eat flakes of paint containing lead, and while adults are not so directly threatened, the lead can also enter their systems.

Faced with this lead menace, the Department of Housing and Urban Development has identified a critical need for a reliable, low-cost, portable lead detector to measure lead content of painted surfaces. Most currently-used devices—X-ray based fluorescence analyzers—are not only relatively expensive, they also are not sensitive enough to detect lead-based paint on surfaces that have been overlaid with later coatings of non-lead-based paint.

An alphat-particle detection system that was used on the lunar Surveyor mission to analyze the chemical composition of the moon's surface is being adapted to meet the lead-detection problem.

The instrumentation, which was developed for NASA by the University of Chicago, is based on the principle of back-scattering, from the surface, of alpha particles emitted by a radioactive source. The instrument will be portable. It will be designed to detect lead on painted surfaces to a level of 0.5 percent; and it will be low-cost.

This effort to adapt space technology to an important urban-health-and-safety requirement is funded by the Department of Housing and Urban Development. Development prototypes are scheduled to be available for testing by mid-1974.

Flat Conductor Cable for Home Wiring. The installation of electrical systems in new and renovated buildings is becoming increasingly more expensive. By reducing these costs, flat conductor cable technology adapted from aerospace uses is being considered as a practical solution. Flat conductor cable, has been extensively used in aircraft and spacecraft electrical systems, but requires new components for terminating, interconnecting and otherwise adapting flat conductor cable for use in mass-housing construction.

NASA's Marshall Space Flight Center (MSFC) in cooperation with the New York State Urban Development Corporation—is applying this experience in a project aimed at bringing about a revision of electrical standards permitting the building industry to use the flat conductor cable concept.

The conceptual design as well as some prototype hardware development are being undertaken at MSFC. Also, there are industrial efforts to develop surface-mounted wiring systems—including terminating and interconnecting hardware for installation in full-scale models of New York State Urban Development Corporation modular units under the direction of MSFC engineers.

The installation of a flat conductor cable system in several Urban Development Corporation mass-housing dwellings is now scheduled for mid-1974 on a test basis.

Safety

Improved Short-Range Radio Communication for Firefighters. An aerospace integrated-circuit design that replaces inductances in radio frequency circuits with various combinations of transistors, resistors and capacitors is being investigated for its potential utility in the design of low-cost improved short-range communications equipment for firefighters. The ultimate aim of this project, underway at Public Technology, Inc. is to develop an inexpensive portable radio uniquely suited for firefighters.

The project had its beginnings in the Public Technology, Inc. consultations with firefighters who indicated an urgent need for improved short-range communication equipment for use at the scene of fires. Communication is both vital and difficult at a fire scene because of the heat, noise, and poor visibility which together hinder crucial voice communication.

Although there is commercial radio equipment currently available, it is both expensive and unwieldy. While there are some small portable items available, they tend to be unequal to the severe conditions at fire scenes.

Under NASA sponsorship, Public Technology, Inc. and firefighters in 1973 developed a set of specifications for the kind of equipment that would meet the difficult requirements of firefighters.

Under development is a piece of equipment that would have the following characteristics: unit price less than $300 and, if possible, less than $200; ability to transmit and receive voice through masonry, brick, reinforced concrete, and particularly urban structures; transmission range of 1500 feet; lightweight and small enough to be carried in firemen's protective gear; optional accessories permitting the equipment to be used while wearing gloves, breathing masks and other special equipment: rugged construction that would permit use in extremely hostile conditions (noise, smoke, water spray, humidity, high temperature, shock and vibration); low failure rate, easy maintenance and repair; usability with chargeable or non-chargeable batteries.

A search of NASA technical literature by PTI, and contact with various NASA centers, turned up an applicable technology—unconventional circuit design patented at the Goddard Space Flight Center.

This approach has several advantages; reduction of circuit size, the improvement of electrical performance, lower cost of circuitry, smaller package design that increases durability and makes the equipment unit more compatible with firefighter's clothing, and better maintainability.

Currently, under NASA direction, Public Technology, Inc. is soliciting proposals from contractors to design and develop engineering prototypes of the improved firefighters' portable radio unit.

Aerospace Fire Retardant Materials Tests. NASA and the Battelle Columbus Laboratories in Ohio have conducted a series of instrumented fire tests designed to compare aerospace-derived fire retardant materials with conventional materials used in dwellings and institutions. The project involved the cooperation of the National Fire Protection Association, the Department of Housing and Urban Development, the National Bureau of Standards, the American Society for Testing Materials and the Canadian National Research Council. The Columbus, Ohio, Fire Department supplied sites, fire extinguishing services, and other assistance.

Preliminary results of the test fires indicate that space-developed materials used in furnishings are significantly more fire retardant than conventional materials.

The purpose of the tests was to analyze the fire-resistant and fire-retardant properties of space-developed materials under both burning and smoldering conditions, and to evaluate the potential fire safety advantages of the materials for use in furnishings for public buildings and homes.

The fire tests took place in late 1972 in four prefabricated rooms assembled in the fire training building of the Columbus Fire Department. Materials studied in the program included those used in mattress covers, padding, and cores; box spring covers, padding, and frames; bedstead frames, bedspreads, sheets, pillows, pillows cases, and blankets; tables, lamps, and shades; upholstered chairs; chests of drawers; bookcases; carpeting and floor pads; wall and ceiling coverings; drapes; and doors.

One of the test rooms contained materials and furnishings in common use. Another contained selected fire-retardant materials and furnishings that are among the best available commercially. A third was furnished with space-developed materials and items constructed from such materials. The fourth room contained a bed constructed of NASA-developed materials, along with commercially available furnishings.

Each room was instrumented to monitor smoke density, ventilation rates, heat movement, and important chemical aspects of fire-room atmosphere.

Investigators were concerned with evaluating human survivability, based on three primary factors: (1) the rate of fire development, (2) the rate of accumulation of smoke as a factor in obscuring escape-route visibility, and (3) the extent and rate of buildup of toxic gases.

The four rooms and their furnishings were burned one week apart. In each instance, investigators touched off the blaze by igniting a pound of newspapers in a wastebasket. Another three pounds of newspapers were spread casually on the bed and a chair in one corner. Once the room was engulfed in flames, Columbus firefighters extinguished the blaze.

The preliminary results showed:

Room 1 (typical materials and furnishings in common use)—The room itself was totally involved in flames in four minutes. The fire was put out in eight minutes. Visibility due to smoke was poor after one minute.

Room 2 (selected materials and furnishings among the best available commercially)—The rate of fire development was slower, with total room involvement occurring in 16 minutes. The fire was put out after 29 minutes. There was a considerable amount of smoke and visibility was poor after three minutes.

Room 3 (space-developed materials)—The starter fire burned itself out without spreading to nearby furnishings. Visibility was good. This room subsequently burned, however, when a much larger starter fire was ignited. Used in the second starter fire were newspapers and 2x4's piled on the floor. This time, the flames were confined for several minutes to the area of the starter fire before gradually spreading to the "chair corner." After 27 minutes, a larger fire flared up in the corner and the flames spread throughout the room. The fire was extinguished after 33 minutes.

Room 4 (bed constructed of space-developed materials, along with commercially available furnishings of the same type as used in Room 1)—The rate of fire buildup was slow and the fire was confined to one corner which was totally consumed. The fire did not spread, however, and the bed and bookcase which were nearby were only slightly damaged by heat. Again, there was no total room involvement, primarily because of the fire-resistant qualities of the space-developed materials bed. The fire developed to a high intensity in 24 minutes and consumed the chair and night-stand in the corner, but the rest of the furnishings were not badly damaged. After approximately one hour, the fire was put out. Visibility was poor after about two-and-a-half minutes.

Improved Firefighter's Breathing Apparatus. NASA's attention to the problem of dedeveloping a new type of Firefighter's Breathing Apparatus originated in the strongly expressed need of municipal fire departments for improvements in such devices. Because conventional devices tend to restrict the firefighter's mobility and vision, many firefighters neglected to use a breathing apparatus. This has led to a discouraging rate of smoke-inhalation injuries.

In cooperation with the National Bureau of Standards Fire Technology Division and Public Technology, Incorporated, NASA initiated an effort in the spring of 1971 to develop improved equipment. PTI polled cities on their needs, and then organized a User Requirements Committee. The User Requirements Committee includes fire chiefs, city managers and a representative of the NBS Fire Services Program. In addition, fire service organizations such as the National Fire Protection Association, the International Association of Firefighters, and the International Association of Fire Chiefs have periodically reviewed the program.

At the first committee meeting, held at Johnson Spacecraft Center in June 1971, principal problems of currently used systems were further identified. The main deficiencies were: insufficient duration of air supply, excess weight and size, protrusions and lack of an adequate air-depletion alarm. In response, NASA funded a program to apply its background and expertise in life-support systems to the task of developing a more efficient breathing appartus, while remaining within the cost constraints.

Following an extensive engineering analysis to determine an optimum system concept, JSC engineers suggested an open-circuit demand system utilizing a lightweight (4000 psig) pressure vessel would bring about a 30 per cent reduction in system weight.

Other suggestions included making the system more compact and changing the shoulder mounting of the device to a more comfortable hip position, as well as the design of an air-depletion warning system. Other suggested changes included an improved donning and doffing capability, an improved helmet, and improved system and component performance. The User Requirement Committee agreed that such a development program was desirable. They also agreed that the use of higher pressure air would not be a serious constraint on fire service use.

A second User Requirements Committee meeting was held in October 1971 to review NASA developments on the pressure vessel and the balance of the system. After evaluation of alternative materials, NASA specialists selected filament-wound fiberglass as the most promising material. Because of differing municipal requirements, NASA decided to procure two lightweight pressure vessels—one for a longer duration than is now commonly used and one for a slightly shorter duration. Contracts were awarded to two manufacturers in early 1972, with delivery planned for mid-1973.

A contract for the balance of the breathing apparatus system (facemask, harness, and support frame depletion warning device, valves and regulators) was awarded to Scott Aviation of New York in October 1972. The last of twenty prototype units were delivered to NASA in December 1973. After extensive testing by NASA, the equipment will be released for field tests by fire departments in three cities in the Spring of 1974.

The User Requirements Committee has met periodically at the Johnson Spacecraft Center to review program progress. The most recent meeting was in November 1973 to assist in planning the field test program.

An important part of the NASA effort has involved working with the appropriate regulatory agencies during development of the new systems. Both NIOSH (National Institute of Occupational Safety and Health) and DOT have reviewed the development program and required tests are being performed. Prior to the field test program, appropriate approvals will be received from the two agencies.

An air compressor station with a higher supply pressure than is now commonly used will be required to charge the new breathing apparatus. NASA has purchased such a high-pressure system for use in testing the breathing apparatus. A similar specification could be used by city fire departments in purchasing higher-pressure compressor stations.

Early-Warning Fire Detection Device. The key to fire safety in terms of lifesaving and prevention of property loss is early detection. This is especially true for residential properties and mass housing. To prevent the enormous losses resulting from residential fires, the Department of Housing and Urban Development plans to propose minimum property standards in the near future. These standards will require the smoke detectors be installed in all houses and apartment buildings within a year after the issuance of the Department's standards.

At present the only early-warning devices on the market are relatively expensive and in many cases tend to set off an excessive number of false alarms.

A space-derived technology originally developed by McDonnell Douglas to detect the presence of particulates aboard the Mars-Voyager Spacecraft is being studied for adaptation to earth-bound fire detection. The technology involves the use of a polymeric material known as polyphenylacetylene which has electrical properties that change as the material absorbs gases or particulates.

The polymer technology is the core of a project to develop a small, low-cost, reliable early-warning device for use primarily in residential units. At the outset, the project will involve the synthesis and characterization of polymer materials similar to the material used on the Mars-Voyager particulate detection device. The material will be coated on solid-base field-effect-transistors. These, in turn, will be used to detect changes in electrical properties of the polymeric film as the film absorbs selected gases. The prototype device will be designed to include an alarm that will be actuated when threshold changes in the electrical properties of the polymeric film are reached.

The project is jointly funded by NASA and the Department of Housing and Urban Development; and work is under way at McDonnell Douglas and the Massachusetts Institute of Technology under the technical direction of NASA's Lewis Research Center.

Several prototype smoke detectors based on this aerospace technology are expected to be available for testing by early Fall of 1974.

Mr. TEAGUE. Mr. Chairman, I move to strike the requisite number of words.

I would like to say to the gentleman from Illinois that our committee has made a very complete study of this. The documents which are available describe many, many things that will be done, and I will see that the gentleman gets them.

Mr. YATES. I thank the gentleman. I would very much appreciate that.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL SCIENCE FOUNDATION SALARIES AND EXPENSES

For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876–1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881), including award of graduate fellowships; services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; hire of passenger motor vehicles; not to exceed $5,000 for official reception and representation expenses; not to exceed $35,900,000 for program development and management; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; $666,-800,000: *Provided,* That of the foregoing total amount, not less than $13,200,000 shall be used only for Graduate Student Support; not less than $68,900,000 shall be used only for Science Education Improvement; not less than $8,00,000 shall be used only for Institutional Improvement for Science; and not more than $40,000,000 shall be available for Research Applied to National Needs: *Provided further,* That receipts for scientific support services and materials furnished by the National Research Centers may be credited to this appropriation: *Provided further,* That if an institution of higher education receiving funds hereunder determines after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has, after the date of enactment of this Act, willfully refused to obey a lawful regulation or order of such institution and that such refusal was of a serious nature and contributed to the disruption of the administration of such institution, then the institution shall deny any further payment to, or for the benefit of, such individual.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I make a point of order to the language appearing on page 14 of the bill, and to be found on lines 11 and 12, which reads, "not to exceed $5,000 for official reception and representation expenses," which expenses are not authorized by law.

Mr. BOLAND. Mr. Chairman, we concede the point of order.

The CHAIRMAN (Mr. O'HARA). The gentleman from Massachusetts (Mr. BOLAND) concedes the point of order, and the Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101–4118) for civilian employees; and expenses of the National Selective Service Appeal Board; and not to exceed $1,000 for official reception and representation expenses; $46,463,000: *Provided,* That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense: *Provided further,* That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

AMENDMENT OFFERED BY MR. TIERNAN

Mr. TIERNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TIERNAN: Title II, page 16, line 20. Strike out "$46,463,000" and insert in lieu thereof "$28,000,000"

Mr. TIERNAN. Mr. Chairman, this is a very simple amendment, one which I offered last year to reduce the funding of the Selective Service System to $28 million.

With the advent of the All-Volunteer Armed Forces there is no logical reason to maintain a $46.4 million standby draft system to simply register and classify young Americans. Historical precedence and fiscal responsibility both argue against the continued funding of the system at this high level. It should be made clear from the first that the Selective Service System intends to maintain itself at this proposed funding level in the future.

According to Mr. Byron V. Pepitone, Director of the Selective Service System, the system is "bottoming out in fiscal year 1975" with regard to the number of employees. In testimony before the Appropriations Committee Mr. Pepitone stated that—

> To reduce these numbers, and to attempt to retain the same type of system beyond fiscal 1975 is not a feasible course of action for us.

Since $37 million of the proposed $46 million will be used for personnel expenses, we can expect that the Selective Service System will be making future budgetary requests in the range of $40 to $50 million. Do we need a $40 to $50 million system when all available evidence points away from the need to maintain a standby draft system?

If we examine past national emergency situations it is explicitly clear that the time required to implement a draft is essentially the same with or without a standby draft system in operation. At the beginning of the Korean War, in 1950, we did have a standby draft system which was registering, classifying, and examining young men. After enactment of the draft authority, it took 67 days for inductions to begin. In 1940, when there was no standby draft, only 63 days after enactment of draft legislation elapsed before inductions began.

So, what is the justification for maintaining this multimillion dollar system? It cannot be national security, because historical precedence shows that the continuation of the standby draft system does not speed up the induction of men into the Armed Forces in time of national emergency. It certainly is not the necessity of maintaining a manpower pool to supplement the 2.1 million active duty military personnel, because the United States has an additional force of 2 million ready Reservists, 532,000 standby Reservists, and 20,000 retired Reservists. These forces would be more than adequate to meet any national emergency, with the possible exception of a long, protracted ground war. However, according to military experts there is little likelihood that the United States will become involved in such a conflict. Maj. Gen. Leroy Anderson, a former member of the House Armed Services Committee, has stated that—

> The only condition under which this country is likely to need draftees again would be if it became involved in a lengthy, large scale, conventional ground war. Every indicator suggests the probability of this happening to be extremely remote.

In addition, the All-Volunteer Armed Forces has successfully been operating for an entire year. According to Secretary of Defense, James R. Schlesinger, the Army, Navy, and Air Force will have nearly met their fully authorized manpower levels for fiscal year 1974, the first full fiscal year operation of the all-volunteer system, by the end of this month. I cite the following Washington Post article, June 24, 1974, entitled "Volunteer Army Seems To Be Working," which outlines the success of the All-Volunteer Force.

In view of these facts, I think it appropriate that we reduce the base-line operating level to $28 million, a figure $1 million more than the minimum amount needed to operate the Selective Service System according to Director Pepitone. We should not continue to overfund a system which was meant to operate at the minimum level possible.

The article follows:

[From the Washington Post, June 24, 1974]

VOLUNTEER ARMY SEEMS TO BE WORKING

(By Michael Getler)

After a year without a military draft, and despite the continuing skepticism of many observers, the Pentagon's efforts to fill the ranks of the armed forces with volunteers seem to be working.

By the end of this month, according to Defense Secretary James R. Schlesinger, the Army, Navy and Air Force will have just about reached their fully authorized strength for this first full fiscal year since the draft formally expired July 1, 1973.

The Army's success, in particular, this first year has come as a pleasant surprise to Pentagon and Army officials. It has also had a cascading effect, reducing the pessimism among at least some senior officers while increasing the enthusiasm of those pushing hardest for its success, especially Army Secretary Howard (Bo) Callaway.

But aside from the question of being able to fill the ranks, the more philosophical questions about what kind of an Army the United States will have without the draft remain to be answered.

How well will an Army of well-paid enlistees recruited in "peacetime" perform in combat? Will it be too much an Army of disadvantaged youth with too many poor, too many blacks and other minorities, too rural and too heavily from the South? Will it have the proper skills for a modern military machine?

Even when it comes only to numbers, congressional skeptics are now turning their attention for the first time to two other factors.

Beginning around 1980, the effects of a declining birth rate in the 1960s will reduce the manpower pool of available 17 to 22-year-olds. By 1987, that group will be 12 per cent below present levels.

At the same time, if the upward trend of young people going to college continues, that too will further diminish the pool of available youth from which the military already must attract roughly one out of three to meet its needs.

The Senate Armed Services Committee has already asked Schlesinger for an analysis of these trends by December.

Reflecting concern that the Army could become grossly unrepresentative of U.S. society as a whole, the committee also wants data from Schlesinger on the geographic, economic and racial distribution of recruits.

In the House, the chairman of the Armed Services Committee, Rep. F. Edward Hébert (D-La.), says he has nothing but praise for Callaway's efforts with the Army and for his crackdown on "permissiveness." Nevertheless, Hébert, in an interview, predicted that "the draft will be back within four years."

But for the time being at least, and barring a major military crisis, the draft is nowhere in sight. There is in fact a growing acknowledgement among some but not all of the critics that the military can attract enough new recruits and keep enough veterans to maintain a 2.1 million force of men and women at least in the near future.

The turnabout in the Army's all-volunteer fortunes has come suddenly.

Predictions earlier this year of a 20,000- to 30,000-man shortage in the Army have all but evaporated. In part, the service was helped by a congressionally ordered cut of 43,000 men from all services, of which the Army was assigned 10,000.

But the remaining shortages have been all but wiped out, according to Assistant Secretary of Defense William Brehm, by a 're-markable" increase in reenlistment rates, by a May drive for new recruits that hit 104 per cent of its goal and by heavy June recruiting which is expected to push the Army to its full 782,000-man authorized strength.

In April, re-enlistment rates of first-term soldiers hit 48 per cent, double the January figure. Re-enlistment by second termers and careerists, always high, is going higher and will exceed 70 per cent this year, Brehm estimates.

The Army clearly was in trouble earlier, having hit its recruitment goal in only one of the first 10 months, though it generally came close.

The number of Army recruiters around the country had been allowed to drop 20 per cent below the authorized level last summer and fall both critical times for getting new volunteers. The situation has prompted some to suspect that the Army itself was trying to sabotage the all-volunteer plan. Brehm—the Pentagon's top manpower expert—rejects that theory but says he can't explain why the service let that happen.

The Air Force is in the best shape, fully meeting its 645,000-man strength, getting more recruits than it needs, and maintaining a high level of technical skills (92 per cent high school graduates) among the new enlistees.

The Navy is also meeting its new recruitment goals but may wind up as much as 4,000 men short of its 551,000-man strength because of what has been described as an "accounting" error that failed to show about 8,800 sailors who left the service early in the year.

The Marine Corps is the only service still clearly below strength, with an estimated 6,000 fewer Marines than the planned 196,000.

Here, too, the Congress has helped by erasing former restrictions requiring that at least 55 per cent of the new recruits be high school graduates. The Marines, in particular, were having trouble with that requirement.

It has actually been 18 months—since late in December, 1972—that the last man was drafted into the Army. But it was not until six months later, on July 1, 1973, that Congress actually allowed the President's draft authority to expire. This more formally removed the threat of the draft and ushered in the first year of real test for the all-volunteer force.

While getting through the first year in good shape represents a victory for the Pentagon, defense officials point out that the next 12 months will be an even tougher test.

Because there are still some 400,000 to 500,000 draftees serving out their time in the Army, next fiscal year the services will have to recruit about that many more people above the 422,000 that they barely made this year.

Brehm is optimistic that the goal can be met, though there is still some doubt about the Marines.

Aside from a more well-oiled recruiting program for the Army—which has always been the only really draft-dependent service and thus the major test of the all-volunteer concept—Brehm believes the end of the war, higher pay scales, and the generally rising post-Vietnam stock of the military in the public's eyes will help keep the levels up.

Skeptics add to the list the roughly 15 per cent unemployment rate among the nation's youth. Brehm concedes this is probably a factor but notes that the job market is no worse now than it was a year ago and that the Army got 43 per cent more enlistments between January and June this year (70,730 recruits) than it did in the same five months last year.

Beyond Fiscal 1975, he believes the job will get easier and the benefits of volunteerism will set in; the most significant factor being the longer terms service men are now putting in. This will reduce turnover, mean fewer new men are needed each year and shrink the number needed to run the training bases.

In comparison to 1971, Brehm says the average length of initial service for the Army man is up by 21 per cent because of the longer three- and four-year enlistments of the volunteer arrangement. The increase in the Army's combat arms—armor, infantry and artillery—is up 45 per cent though the service is still falling short by about 18 per cent in getting men to sign up for these branches, even with up to $2,500 in bonuses.

To fill the numbers gap in the combat arms, men who signed up with no specific preference are assigned to combat units.

Both Brehm and Schlesinger strongly dispute the occasional reference to the all-volunteer army as a "mercenary" force—filled with new people who came in for the money—which might not fight well.

"Maybe some guys come in for the wrong reasons," says Brehm, "but I just don't think people are that different. The proposition that an all-volunteer force is less motivated to engage in combat than a drafted Army or draft-induced Marine Corps filled with people who didn't want to be there in the first place, that proposition is just very difficult to defend."

Schlesinger, too, says the mercenary image is unfair and that people who use it contrast the new volunteers with an "idealized society" that doesn't exist now in the United States where all or many young men are eager to serve.

Hébert, however, is not convinced of this. He and other critics contend that so many things about the all-volunteer Army happen so slowly, in terms of its makeup and motivation, that no one will really know how it will perform until it has to.

Hébert calls the trend to a mercenary outfit "the little acorn that we don't know won't grow into a big oak." He worries about the stability of future armies if governments here are weak, and he is also worried about the cost.

He also says he is concerned about plans that he estimates could cost $165 million for transportation of dependents of new recruits as another measure to make service life more attractive.

For a while, the Army system of paying bonuses for combat arms was causing an AWOL rate of about 5 per cent among these "bonus babies," which was 1.6 times higher than the non-bonus recruits. Typically, a man would complete training, get his bonus, buy a car and take off. Now, this has been cut to less than 1 percent of the bonus-takers, the Army says, by limiting the big $2,500 bonus to high school graduates—who normally are less of a discipline problem—and the three top mental categories of recruits as measured by service tests.

AWOL and desertion rates for the Army are down 19 and 25 per cent respectively since last year, Brehm says.

Though the Army doesn't like to say it, the service since last September has basically adopted a system of letting new recruits try the Army and get out if they can't make it.

During the 180-day training program, which the Army has toughened up—roughly 17 per cent of the new recruits either leave or are dropped. The drop outs are taken into consideration when setting recruitment goals and Brehm believes the result is a better group of soldiers who stick with it.

But the age of the average new recruit is dropping rapidly, another new phenomenon of the all-volunteer force that Brehm concedes requires a lot of skill to handle. In contrast to just a few years ago, the average recruit is now just over 18 in comparison to over 20 when the draft was in force.

The younger recruits are less mature, and more likely to become discipline problems. "You've got to do some hand-holding, to help them get through" basic training, Brehm says.

The measurement of the "quality" of an Army is a matter of considerable dispute. Since the draft ended, there are no more college graduates coming into the enlisted ranks.

To the critics, Brehm points out that 90 per cent of all new recruits now are in the top three of the four mental categories acceptable, in comparison to 85 per cent in 1964.

CORRECTION

Because of a typographical error, a story in yesterday's Washington Post incorrectly reported that 400,000 to 500,000 draftees remain in the U.S. Army.

The correct number is 40,000 to 50,000.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

I reluctantly do so, Mr. Chairman, because this amendment is offered by a close friend and a very valuable and distinguished member of the subcommittee.

In effect, what this amendment would do would be to establish the Selective Service System just as a recordkeeping system. As the gentleman from Rhode Island indicated, it would provide just a skeleton crew to accomplish that purpose.

In 1973 the budget for the Selective Service System was $83.5 million; the 1974 appropriations total $53.7 million; and recommended in this bill is $46.4 million. Some $6 million of that is the request for the GSA space rental cost. If you exclude those GSA space rental costs from this, then the budget is $40 million.

I know that the gentleman made some very persuasive and potent arguments with respect to the All-Volunteer Army. All of us hope that it will succeed. I am sure most Members of Congress and most of those who are sitting here today voted for the all-volunteer concept. It is still a bit unproven, although we are getting there. From February 1, 1973, to January 1, 1974, the Army had a goal of 148,000 men and it fell 18 percent short. Only 122,347 signed up. Since that time the 20,000- or 30,000-man gap in the Army has been closed. It is important to note that it was partially helped by a congressionally ordered cut of 10,000 in the recruiting goal.

As was said here and as was said last year when the amendment was offered to reduce the Selective Service System to a skeleton force—the argument was made that the entire draft process historically has been or can be accomplished just as quickly without a standby system. I submit that there is really no way to prove this argument. Perhaps it may not be worth taking a chance to find out. Past emergencies requiring a national draft are not necessarily analogous to the potential emergency which may occur in 1980 or 1985 or even next year. Each emergency is influenced by a set of circumstances which is unique to that period of time. No experience with conscription is automatically interchangeable with another.

However, I think most importantly, Mr. Chairman, I would point to section 10(h) of the Military Selective Service Act passed in 1973 and for which I presume most of the committee members sitting on the floor here voted. That act calls for a complete registration and classification structure capable of immediate operation in the event of a national emergency. The indication was that there would be an active standby organization.

The effect of the amendment offered by the gentleman from Rhode Island would be to destroy an effective standby organization. As he admits and as I agree, it would produce a skeleton organization.

I think really if we are going to get away from an active standby Selective Service System I think it ought to be done through the legislative process rather than by reducing funds which ultimately phase the organization out.

On that basis, Mr. Chairman, I suggest that the members of the committee ought to vote the amendment down.

Mr. TIERNAN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. Mr. Chairman, as the gentleman knows, there is no authorization in the legislation today, it merely says there shall be a standby Selective Service in case of an emergency. And the Director of the Service himself, in part 1 of the hearings on the bottom of page 5, and going on to page 6, indicates that there was under supervision a total of 850 National Guard and Reserve officers not on active duty who play an essential role both in the standby structure and as an immediate augmentation force for future emergencies.

They also provide a correspondence course training program for Reserve and National Guard officers, and are continuing this program.

I suggest to the chairman, the gentleman from Massachusetts (Mr. BOLAND) and to the other Members of the House that it seems to me we ought to start throwing funds out of the budget when we clearly have indicated that we do not need those agencies.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. TIERNAN, and by unanimous consent, Mr. BOLAND was allowed to proceed for 2 additional minutes.)

Mr. TIERNAN. So I think it is our responsibility to indicate clearly to those, and to this agency in particular, that they have to make a better effort to cut back on the expenses they are using in their operation.

I want to point out to the gentleman from Massachusetts that last year Mr. Pepitone, the Director of the Selective Service System, set as his target 950 sites, to be reached by June of this year, 1974. In the testimony before our committee as of February, he said that they had already reached that, they had cut back to 900 sites.

So that I think our exchange on the House floor and our questioning of Mr. Pepitone certainly did have some results far beyond what they were targeting at the time they appeared before our committee.

As the gentleman knows, the reduction in personnel has brought the number down to 3,800, and they were talking about a target of 4,200 at the end of this fiscal year.

So I think again, Mr. Chairman, that I should suggest and point out that they have many personnel within their military reserve units available to them, and in the Pentagon they have a setup, as they have had in the past when we did not have any standby authority, and as soon as the law was passed, those people came forward and make up the bulk of the selective service system.

Mr. BOLAND. I might say to the gentleman from Rhode Island that the number of sites has been reduced to 650, I believe it is, in the bill this year.

Mr. TIERNAN. That is for 1975.

Mr. BOLAND. That is correct.

Mr. TIERNAN. But I am saying last year, when we had Mr. Pepitone before us, he said their target was 950 sites at the end of this month, but we know they have already gone beyond that, they are down to 900 sites. So, as I say, our exchange last year had a very good effect. So I think we can accept this amendment and believe that we can continue to meet our requirements in the law. The amendment merely requires that there be a standby system, and we can have a standby system with $28 million.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment which has been offered by our friend, the gentleman from Rhode Island (Mr. TIERNAN).

I do not think that this is the time to accept the amendment which has been offered. I strongly support the position taken by the chairman of the subcommittee, the gentleman from Massachusetts (Mr. BOLAND).

I hope the House will vote down the amendment.

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Rhode Island (Mr. TIERNAN) to reduce the funding for the Selective Service to $28 million.

An appropriation of $46,463,000 is requested for the Selective Service in the bill we are considering this afternoon. This represents a miniscule $7 million reduction from the 1974 appropriation, with this entire reduction based on a lower GSA rental charge for the Selective Service.

We are all aware that by law, young men reaching the age of 18 are required to register with the Selective Service and the Service in turn is required to maintain all records. According to figures issued during the hearings on the Selective Service budget, the total work force for the Service has been cut by more than half, from a figure of 6,241 as of June 1973, to an estimated 3,177 for 1974, and a further reduction to 2,869 as of June 1975.

The question then becomes, in light of the reduced personnel and the subsequent closing of certain offices to compensate for this reduction, how can we justify expending virtually the same amount of money as last year? Certainly, with the drastic reduction in personnel should come a reduction in overall costs, but this is nowhere to be found in the budget request.

In addition, by all accounts, including a long, detailed report in Monday's Washington Post, the volunteer Army, which assumed many of the former duties of the Selective Service, is meeting everyone's expectations and is likely to reach full strength by July.

It appears to me that it is this Congress responsibility to trim some of the obvious fat from this appropriation request. The figure of $28 million contained in this amendment is more than adequate to cover the greatly reduced needs of the selective service.

I feel this amendment is in the interest of sound economy and fiscal responsibility, and I urge its passage this afternoon.

Mr. Chairman, the incongruous position we find ourselves in with this proposal in the appropriations bill this afternoon is that we are requesting authority and funds for a standby mechanism. We have that standby mechanism. We can have an effective one within $28 million with the passage of this amendment. Why do we have it when we in fact cannot draft a single person unless the Congress authorizes the President to take action? If that emergency or contingency arises, it would seem to me that if the Congress in its judgment determines that the Selective Service should become effective once again, and that the draft should be imposed, then at that instance the Congress acting in a responsible fashion will respond and provide additional and appropriate moneys for the additional purposes.

But at this point the appropriation is only going to serve as the perpetuation of an organization that has no real function, except, perhaps, to maintain and to register the individuals.

The amendment introduced by the gentleman from Rhode Island is a responsible amendment. It is logical, and it does not do great injury. It does not do any injury to the proposal of the standby mechanism which the country may well need.

Mr. TALCOTT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I just want to concur with the chairman of our Committee on Appropriations and the chairman of the subcommittee in opposing this amendment. The reduction to $28 million does not reduce it; it really kills the Selective Service System, which should not be killed by the Committee on Appropriations. If it is going to be killed or phased-out in this manner, it should be done by the Committee on Armed Services. This committee has determined it is essential. It is essential because the Volunteer Army has not been fully proved out yet. The jury is still out on the all-volunteer service. We are required by law to register young men who are 18. This agency, I think, has complied more with the wishes of the Congress than has any other. They have taken enormous cuts in the last few years. They probably have more volunteers working for this agency than any other agency.

It is essential to our national security. I think that we should not cut it at all, and certainly $28 million would simply kill the Selective Service System. This is the wrong time and place to do it.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

I wonder if my good friend, the gentleman from California, could tell me how many 18-year-olds were we registering?

Mr. TALCOTT. We register all 18-year-olds.

Mr. KETCHUM. I am trying to put that into perspective as to how many there will be a year and how much it would cost for each individual, because we have $46 million.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, as far as the number registered, there were 1,994,500 in 1974, and in 1975 there will be 2,024,800.

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Chairman, I rise in opposition to this amendment also. I do this as one who, if an emergency arose, would be subject to a draft.

Mr. Chairman, can we afford the time to start anew the Selective Service System if there is a need to mobilize in the future? I believe not.

Historically it has been proved that if there is no continuation of Selective Service processing, reaction time may preclude meeting the needs of the Armed Forces when the need for manpower comes.

Twice since World War II the Selective Service System has been placed in a standby posture during which time no young men were inducted. The experience in both of these periods is significant as we weigh the authorization of a budget for the continuation of a reasonably active structure in a standby status for the Selective Service System.

During the period from March 1947 to July 1948, the Selective Service System was a small residual element called the Office of Selective Service Records, which was utilized mainly for the maintenance of records. No men were being registered, classified, or examined. There was no organizational structure capable of performing these actions. The reinstitution of the Selective Service System came from an appeal to the ranks of the former World War II organization. Even with the benefit of these personnel, only 20,000 men were inducted in a 6-month period against a call for 25,000. This was the result of the inability of the System to induct more than that number in the time period due to startup problems.

Compare this to the other period in which the Selective Service System maintained a standby structure. This was immediately prior to July 1, 1950. No men had been inducted after January 1949. The full machinery—national headquarters, State headquarters, local boards and appeal boards—were operational except for inductions. Within a period of 6 months following the start of inductions, 200,000 men were inducted. This was the result of the System's being fully operable and having the ability to quickly react to the needs of the Armed Forces.

The contrast in the two types of operation, in terms of numbers and how long it took to effect these inductions, is striking. This vast improvement can be laid only to the fact that the Selective Service System could quickly react inasmuch as a complete structure for its operation was in effect. This is the organization we have today. This is what some people would throw away.

Never in the history of the System has there been developed such an effective organization. The most careful planning has been exercised as Selective Service has moved toward standby. The final level provided in this budget has built into it the full capability to expand and be completely operational in a matter of days if a national emergency occurs. There can be no substitute for the continuation of the System at the projected strength level.

The conclusion is inescapable. If we intend to have an effective standby structure, we must provide the $46.4 million the committee has recommended. Without an adequate Selective Service System to supplement the All Volunteer Force effort, our entire national defense posture may suffer.

We must have the capability to maintain our Armed Forces, and without the backup support of the System we cannot be assured that this capability is met. The possible urgent need for the Nation to react quickly requires that a standby draft be maintained. It is only through the continued existence of an organization assembled and trained to function that a rapid beginning of the induction process will be accomplished.

For this purpose, sufficient moneys must be approved to keep in being the standby structure of the Selective Service System.

There as to be a point at which there is nothing to be gained by cutting appropriations for Selective Service operations. Too little money to operate effectively simply harms the young men in our home districts.

Selective Service does not buy things with their money. When their appropriation is cut, they do not quit buying airplanes, or trucks or ships; they do not quit building roads or bridges; they do not cancel loan programs, or quit funding school programs. They simply fire some of their employees.

Three years ago the Selective Service System had 7,200 paid employees and about 30,000 volunteers. This proposed budget will give us 2,500 paid employees and about 48,000 volunteers. If we do not have these paid employees to support the work of the volunteers, we must throw away the volunteer organization. That is a throwaway which makes no sense.

What do these employees do? They are the technically trained people who help the 40,000 volunteers in handling our young men in case the country is using the draft. There comes a time when simple belt-tightening will not gain any more efficiency.

Each year there are about 2 million young men who must register at age 18. As they go through their 19th and 20th years there are other procedures which must be accomplished in giving them their lottery numbers and classifying them in accord with the procedures for a standby draft.

The work product of Selective Service is our young men and their accurate and equitable handling in the event an emergency causes the country to resume use of the draft. When we do not have enough people to do this well in each county, of each State, it is our young men who suffer from the effect.

When we are paying $62 million for one—mind you, just one—airplane, spending $46 million to insure that if we have to, we can draft to meet an emergency, and do it accurately, fairly, and equitably is a mighty small price for an immensely valuable ability.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I would like to suggest that the gentleman from California makes the argument for the amendment primarily on the grounds on which we take opposition to it. When we look at the proposed reduction in forces and proposed reduction in sites which extend into 1975, in my judgment that is sufficient testimony to the efficacy of the All-Volunteer Army.

In addition to that we have the statement of the Secretaries of the Army and the Air Force and the Navy which said they have adequately met the maximum recruitment. Therefore, the statement as far as the All-Volunteer Army is concerned, is in my judgment without sound substance.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the figures that have been furnished by the distinguished chairman of the committee, the gentleman from Massachusetts (Mr. Boland), as to the annual number of registrants when compared to the total amount that is sought for this appropriation seems to me to make the process quite expensive. I am concerned by the statement made by my friend, the gentleman from California (Mr. Talcott), that the amendment of the gentleman from Rhode Island would kill the Selective Service program. I rise to ask the gentleman from Rhode Island whether the assertion by the gentleman from California is correct and I yield to the gentleman.

Mr. TIERNAN. Mr. Chairman, I would have to say the statement by my distinguished colleague, the gentleman from California, is one that is made in the course of debate on this amendment, but he knows that the Director of the Selective Service Agency was before the committee last year and indicated to the committee that the bench mark that the Office of Management and Budget gave to them was $27 million a year ago, and that is the reason why last year I offered the amendment to bring it down to $28 million, and I think that is a figure that would allow the agency to reduce its top level management personnel. They have not made one top level reduction. They let two people go over GS-9 and all others were lower level clerks in GS-4's and GS-5's.

If we check the record we will find they had over 2,000 draft board sites and this year what they want is to operate less than 700 sites so it will be down to 650 sites. I say this amendment I offer of $28 million will be more than adequate for this agency to operate efficiently and well within its budget and I think this is the way we can express to this agency that we want them to do it.

We gave them $10 million last year in the budget request. We made no request at all different from what they requested this year other than we cut 10 percent of the money they requested for payment of rent to GSA. So I suggest we should reduce this to $28 million.

Mr. YATES. I find myself in accord with the argument presented by the gentleman from Rhode Island. It seems to me in response to the statement of my good friend, the gentleman from South Carolina (Mr. Davis), that in view of the fact that there is no legislation on the statute books which would permit the draft, that at such time as the draft might be required, the time needed for preparing and for passing appropriate legislation would permit the filing of a supplemental appropriation which would permit the correction of any deficiencies that might accrue as a result of the amendment offered by the gentleman from Rhode Island.

Therefore, Mr. Chairman, I propose to support the amendment.

The CHAIRMAN pro tempore (Mr. Murphy of Illinois). The question is on the amendment offered by the gentleman from Rhode Island (Mr. Tiernan).

The question was taken; and on a division (demanded by Mr. Tiernan) there were—ayes 10, noes 24.

So the amendment was rejected.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed $2,500 for official reception and representation expenses; cemeterial expenses as authorized by law, purchase of one passenger motor vehicle (medium sedan for replacement only) and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services; $388,130,000.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN (Mr. O'Hara). Are there any points of order to be made?

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SYMMS. I have a point of order to page 19, starting at line 25, going through page 20, the language through line 2.

The language to be found reads: "Not to exceed $2,500 for official reception and representation expenses,".

The point of order is raised because it is not authorized by law.

Mr. BOLAND. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from Massachusetts concedes the point of order.

The point of order is sustained.

Are there further points of order?

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SYMMS. Mr. Chariman, I have a point of order to page 27, the language to be found on lines 11 through 13:

> That not to exceed $1,000 shall be available for official reception and representation expenses.

I make the point of order because it is not authorized by law.

Mr. BOLAND. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from Massachusetts concedes the point of order, and the point of order is sustained.

Are there any further points of order? Are there any amendments?

Mr. SYMINGTON. Mr. Chairman, while I do not oppose the appropriations bill before the House today, I should like to express my regret that the bill does not provide the funds requested by NASA to support definition studies for the large space telescope during the forthcoming year.

I want to emphasize that under the NASA schedule it will be a full year before NASA undertakes the detailed design and development of the large space telescope. That is to say, it was NASA's intention to include the LST as a "new start" next year, when the space program for fiscal year 1976 is presented to Congress. In the meantime, fiscal year 1975 funds were to be used to support work designed to establish confidence and assurance in all aspects of the technology before the hardware phase begins.

Mr. Chairman, the large scale telescope has been under study by distinguished members of the scientific community for a decade. Its feasibility has been established. It is considered the single most important project for the future of optical astronomy, and is expected to make the most remarkable contributions to the study of the universe.

Three hundred fifty years ago Galileo's first telescope opened the door to astronomical research. Since then, successive generations of scientists, using more and more powerful ground-based instruments, have made great strides in the sciences of astronomy and astrophysics. Many of the most significant advances have been made during the past decade, clearly demonstrating the importance of placing astronomical instruments above the Earth's obscuring atmosphere.

The LST will permit scientists to gaze deeply into space—to distances 10 times farther than is possible with the best ground-based telescopes—and it will see objects 100 times fainter than those that can be seen with existing instruments. Because the light that reaches us from such distant regions of the universe has traveled for billions of years, the LST will permit us to travel in a kind of backward time machine and to view the history and evolution of the universe, possible to its very origins.

Astronomical objects in various stages of development will be seen by the LST with great resolution. The study of such things as the highly condensed matter in neutron stars, or the enormous energy production in quasars, may lead to dramatic modifications of the laws of physics. In many ways, the LST is expected to give new illumination to the entire range of astronomy and astrophysics, and man's understanding of the cosmos will take a giant step forward using this powerful new instrument.

The best authorities have told us that the LST is the next logical step in optical astronomy. In this connection, I have been in communication with Dr. Jesse L. Greenstein of the California Institute of Technology who strongly supports the LST project. Dr. Greenstein was the chairman of an astronomy survey committee of the National Academy of Sciences whose report in 1969 evidently formed part of the basis for the Appropriations Committee's rejection of the proposed LST funding. Dr. Greenstein's more recently expressed attitude gives insight into the scientific community's current position on the LST. I have asked Dr. Greenstein to write to me on this matter, and I intend to share his views with all my colleagues by inserting his letter in the RECORD.

In conclusion, Mr. Chairman, let me say that the Subcommittee on Space Science and Applications, which I have the honor to chair, reviewed the entire NASA science program thoroughly during the recent NASA authorization hearings, and our members unanimously endorsed the definition studies of the LST proposed to be carried out during the next fiscal year. We were satisfied that the requested funding was fully justified, and it is my hope the large space telescope will achieve the approval of my colleagues.

The Chair recognizes the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. TALCOTT. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 407, nays 7, not voting 20, as follows:

[Roll No. 331]

YEAS—407

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Madden
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—7

Conlan
Conyers
Crane
Gross
Landgrebe
Mathis, Ga.
Symms

NOT VOTING—20

Brasco
Carey, N.Y.
Daniels, Dominick V.
Dorn
Esch
Gray
Hawkins
Henderson
Holt
Horton
McKinney
Macdonald
Madigan
Mollohan
Nix
Pepper
Price, Tex.
Reid
Rooney, N.Y.
Rousselot

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Esch.
Mr. Dominick V. Daniels with Mr. Dorn.
Mr. Brasco with Mr. Henderson.
Mr. Macdonald with Mrs. Holt.
Mr. Carey of New York with Mr. Madigan.
Mr. Hawkins with Mr. Horton.
Mr. Gray with Mr. McKinney.
Mr. Mollohan with Mr. Pepper.
Mr. Nix with Mr. Price of Texas.
Mr. Reid with Mr. Rousselot.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed and to include tables, charts, and other extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 14883, AMENDING PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1194 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1194

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. It shall be in order consider the amendment in the nature of a substitute recommended by the Commitee on Public Works now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Indiana (Mr. MADDEN) is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1194 provides for an open rule with 1 hour of general debate on H.R. 14883, a bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period.

House Resolution 1194 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

H.R. 14883 authorizes the appropriation of $510 million for each of the next 2 fiscal years. The funds are authorized to increase the capability of States and sub-State districts to undertake economic adjustment and development planning and to encourage the formation of economic development districts to promote greater coordination of activities between Regional Commissions, States, and sub-State districts.

H.R. 14883 also adds a new title IX to the act which authorizes an experimental economic development and adjustment demonstration program to permit the Secretary flexibility in funding economic development and adjustment plans that are not otherwise authorized by the act.

Mr. Speaker, this legislation will join with the various States and localities in providing Federal assistance to enable areas and regions suffering from unemployment and economic distress.

The bill will help these areas develop the planning and financial capabilities for long-lasting economic improvement and restore permanent jobs and prosperity.

The legislation emphasizes long-range plans for economic growth and technological assistance, business loans and guarantees, and other assistance as tools to implement various projects and programs.

The Public Works Committee held extensive hearings on this legislation and testimony was received from the Secretary of Commerce, the Office of Management and Budget, Members of Congress, Governors, mayors, and other State and local officials, and representatives of Indian tribes. Many letters and communications were placed on file supporting the extension of the existing public works program.

More extensive hearings will be needed before a new major economic development program can replace the existing legislation. The extension of these programs met with almost unanimous approval in order to prevent any gap or delay before a new program is developed.

Mr. Speaker, I ask for the adoption of the rule and enactment of this legislation so the Federal Government can cooperate with the various States and localities in providing Federal assistance to enable areas and regions suffering from unemployment and economic distress.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously explained, House Resolution 1194 provides for the consideration of H.R. 14883, the extension of the Public Works and Economic Development Act of 1965, under an open rule with 1 hour of general debate. In addition, the rule makes it in order to consider the committee substitute as an original bill for the purpose of amendment.

The purpose of this bill is to extend the authorization of funds for the Public Works and Economic Development Act of 1965 for an additional 2 years.

The total cost of this bill would be $1,020,000,000 over a 2-year period—$510 million for each year broken down as follows:

[In millions]

Public works grants and supplementary grants	$200
Public works and business development loans and guarantees	60
Planning, technical assistance and research	60
Growth centers and bonuses for redevelopment areas within economic development districts	45
Regional action planning commission programs	95
Special economic development and adjustment assistance demonstration program	50

By way of comparison, the fiscal year 1974 authorization under this act was $430,000,000, and the fiscal year 1974 appropriation was $281,500,000.

Mr. Speaker, I recommend adoption of the resolution.

Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 15276, JUVENILE DELINQUENCY PREVENTION ACT OF 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1197 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1197

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15276) to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 15276, the Committee on Education and Labor shall be discharged from the further consideration of the bill S. 645, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 15276 as passed by the House.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1197 provides for an open rule with 1 hour of general debate on H.R. 15276, a bill to provide a comprehensive approach to the problems of juvenile delinquency.

House Resolution 1197 provides it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

House Resolution 1197 also provides that after the passage of H.R. 15276, the Committee on Education and Labor shall be discharged from the further consideration of the bill S. 645 and it shall then be in order in the House to move to strike out all after the enacting clause of S. 645 and insert in lieu thereof the provisions contained in H.R. 15276 as passed by the House.

H.R. 15276 establishes a Juvenile Delinquency Prevention Administration within the Department of Health, Education, and Welfare through which the provisions of the bill will be administered.

The bill allocates funds to States on the basis of relative population under the age of 18 years, with a minimum allocation of $150,000 per State. In order for States to receive funds, they must submit a State plan which provides for the development of advanced techniques in the treatment and prevention of juvenile delinquency under the supervision of a State Supervisory Board.

H.R. 15276 also authorizes the Secretary of Health, Education, and Welfare to make grants to localities and nonprofit agencies for the development of facilities to serve runaway youth and their families outside of the law enforcement and juvenile justice system.

The bill also authorizes an annual appropriation of $75 million for each of fiscal years 1975 and 1976; $125 million for fiscal year 1977 and $175 million for fiscal year 1978.

Mr. Speaker, I urge the adoption of House Resolution 1197 in order that we may consider, debate and pass H.R. 15276.

Mr. Speaker, I take particular pleasure in bringing forth this rule to the House because I think this bill makes one of the most significant contributions which the Congress has made or proposes to make in dealing not only with the problem of juvenile delinquency but also with the problem of crime in the country. One-half of all crime committed in the country is by people under 18 years of age and this bill deals primarily with that segment of our population.

The emphasis in this legislation is upon prevention, on trying to prevent young boys and girls from dropping out of schools and falling into the paths of crime and from becoming charges upon their localities or States or their country and becoming people who will inflict crime upon their fellow citizens. This bill offers great hope that when it is fully implemented it will not only save many deserving bright young lives in this country but will also very materially reduce crime in the Nation.

So, Mr. Chairman, I want to commend in the warmest way the distinguished chairman of the subcommittee, the gentleman from California (Mr. HAWKINS), and his colleagues on the Committee on Education and Labor for bringing this bill to the floor of the House.

I yield now to the able gentleman from California (Mr. DEL CLAWSON).

Mr. DEL CLAWSON. Mr. Speaker, as previously explained, this rule, House Resolution 1197, provides for the consideration of H.R. 15276, the Juvenile Delinquency Prevention Act of 1974. It is an open rule with 1 hour of general debate. In addition, the resolution makes the committee substitute in order as an original bill for the purpose of amendment, and makes it in order to insert the House-passed language in the Senate bill.

The purpose of this bill is to focus on the need for coordination of juvenile delinquency efforts on the Federal, State, and local levels and seek to involve the nonprofit sector in these efforts.

Major provisions of the bill are:

Establishment of a Juvenile Delinquency Prevention Administration within the Department of Health, Education, and Welfare. The Secretary is to submit an annual report to Congress with recommendations for improving the effectiveness of all Federal juvenile delinquency programs. The bill allocates funds to States and territories, on the basis of relative population under the age of 18, with a minimum allocation of $150,000 per State.

An Institute for the Continuing Studies of the Prevention of Juvenile Delinquency is established which would provide independent research, evaluation, training, technical assistance and informational services. A Federal assistance program is established to deal with the problems of runaway youth and their families. And, an independent Coordinating Council on Juvenile Delinquency Prevention is created with public membership, which would advise the Secretary with respect to the coordination of all Federal juvenile delinquency programs.

Mr. Speaker, I urge the adoption of this rule in order that the House may begin debate on H.R. 15276.

Mr. Speaker, I have no further request for time and yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no further request for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 14883, with Mr. ADAMS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Minnesota (Mr. BLATNIK) will be recognized for 30 minutes and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we will make our remarks on the floor brief in the interest of saving as much time as possible. We will attempt to respond to specific questions which require us to give specific precise information on any particular points of concern or any which require further information or clarity.

Mr. Chairman, before going any further, I just noticed a very important colleague of ours is back after a prolonged siege in the hospital. Will the gentleman from New Jersey (Mr. HOWARD) please pay attention. We welcome him back to the floor. The gentleman from New Jersey (Mr. HOWARD) has been a very important Member on several pieces of legislation before this Committee.

Mr. Chairman, today we bring before you H.R. 14883, a bill to extend and amend the Public Works and Economic Development Act of 1965.

As you know, this legislation is designed to assist areas and regions suffering from high unemployment and underemployment by encouraging the location of new permanent jobs for these areas. Federal assistance is made through grants for public facilities, technical assistance, and business development loans.

The authorizing provisions of this act expire the 30th of this month. The bill is basically a 2-year extension of present programs with some changes to strengthen existing programs as well as providing the groundwork for new economic development programs.

Mr. Chairman, it is imperative that the Public Works and Economic Development Act be extended for another 2 years. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 2½ years, and in which severely distressed areas experience 20 percent and even 30 percent unemployment.

It is even more distressing to read all the conflicting forecasts of unemployment for later this year—the administration states that the official rate is 5.2 percent today and it is going to rise—but no one agrees on how much. It is significant, though, that the administration has changed its position from last year—they are no longer pushing to terminate the EDA programs. To their credit, they did evaluate present efforts in response to last year's legislation and are now recommending a long-range economic adjustment program. The bill before us lays some significant groundwork for new legislation that will be considered next year.

At the same time, the notion has been advanced that we should not extend this act because of a concern for the level of Government spending is still being advanced by some. This would be false economy indeed.

With unemployment and welfare payments running over $25 billion per year, it is obvious that what this Nation needs is greater economic development efforts, not less. And this, creating jobs, is what the economic development administration and regional commission programs do.

In fact, evidence presented before the Public Works Committee during hearings last year indicates that EDA and the regional commissions have created more than half a million jobs since they began work 9 years ago. The agencies have created these jobs in areas of high unemployment—the very toughest areas to work in—and they have done it with a relatively small amount of funds.

There can be no question but that EDA and the regional commissions have done an effective job of bringing economic growth and opportunity to people who have long been denied adequate jobs and income.

Although we agree on the need for new, broader economic development programs, it would be folly to permit existing programs and agencies to be discontinued when it is very clear that these programs are greatly needed and that no satisfactory replacements have been proposed.

There may well be better ways of stimulating job development than those contained in the existing legislation, and the Public Works Committee is currently conducting field investigations in search of better ways to bring economic opportunity to the distressed areas of our Nation. Title IX of this bill does authorize a new demonstration program to try new ideas.

Our tentative conclusion is that what we really need is a carefully constructed set of policies at the Federal, State, and local levels which can influence the direction and extent of our Nation's growth.

But such legislation cannot be developed overnight and, until it is completed, the valuable work of EDA and the regional commissions must continue. It is the responsibility of this Congress to see that it does. We can best assure that the much needed economic development effort continues without interruption by passing H.R. 14883 immediately.

The major changes to the existing legislation are:

First, assistance available for areas designated under the substantial unemployment criteria set forth in title I is broadened to include business development.

Second, the business development loan program, authorized by title II, is broadened to permit the Secretary to guarantee loans and rental payments of leases made to private borrowers within redevelopment areas by private institutions. The Secretary is also authorized to make working capital loans and guarantee working capital loans made by private banking institutions.

Third, a new section in title III is authorized to provide grants for economic development planning. This broadens the current authority of the Secretary to permit direct grants for planning to regional commissions, States, substate planning organizations, cities, and other political subdivisions.

Fourth, the requirements for establishing economic development districts authorized by title IV of the act are made easier by requiring only one redevelopment area instead of two as a prerequisite for district formation. The Secretary is also authorized to approve projects outside of redevelopment areas within an economic development district when such projects will be a substantial direct benefit to the redevelopment area.

Fifth, a new title IX special economic development and adjustment assistance demonstration program is authorized to assist in meeting special needs arising from pending economic dislocation and severe unemployment. The new demonstration program is intended to test and evaluate new methods of combating economic dislocation problems before or as they occur rather than by assisting in area after it has become economically depressed.

TOTAL FUNDING AUTHORIZED BY THIS BILL IS $1,020,000,000

The annual funding authorized by the bill is as follows:

Title I: Public works grants and supplementary grants, $200 million.

Title II: Public works and business development loans and guarantees, $60 million.

Title III: Planning, technical assistance and research, $60 million.

Title IV: Growth centers and bonuses for redevelopment areas within economic development districts, $45 million.

Title V: Regional action planning commission programs, $95 million.

Title IX: Special economic development and adjustment assistance demonstration program, $50 million.

Total annual authorization, $510 million.

Two-year authorization total, $1,020,000,000.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of H.R. 14883, as reported, a bill to extend for 2 years the Public Works Economic Development Act of 1965, as amended, and to initiate a demonstration program for special economic development and adjustment assistance. The Economic Development Administration is and has been successfully administering those programs delegated to it. Legislation to continue and improve these programs is commendable. EDA has allowed great flexibility in current decisionmaking which allows local input on decisions affecting local priorities. This is an effective Federal/local partnership in action. This valuable planning and technical assistance vehicle has proven itself as a responsive tool for delivering the Federal dollar to meet the local need. It is totally coordinated with the needs of the local community.

Economic development is a long-term effort requiring smooth implementation of all phases of the brick and mortar process and the more comprehensive development of human skills beyond the bricks. Several changes to the current law were added to improve current legislation to meet these ends. Very significantly, the so-called title I areas until now only eligible for title I pubic works grants assistance will be eligible for all assistance under the act. Because of the nature of title I criteria, many urban areas of the country have been declared so-called title I areas, but these areas are in need of loan assistance more so than grants for public facilities. The committee recognized this and made the appropriate change.

Additionally, the loans under title II have been expanded to include working capital loans and guarantees for businesses within redevelopment areas without regard to previous EDA assistance. This expansion in the loan program and in particular, working capital loans and guarantees, will aid industries trying to "turn the corner."

A new section 302 was added to provide for planning grants for States, cities, political subdivisions, substate planning organizations, as well as existing economic development districts. In view of the desire to continue the traditional "from below" planning process, the committee added a provision to require State planning to be prepared cooperatively by the State, its political subdivision and economic development districts, and such State plans be consistent with local and economic development district plans.

Title IX, a demonstration program for special economic development and adjustment assistance, provides for the Secretary to make grants to any eligible recipients who has experienced or may experience a special need to meet an expected rise in unemployment or other economic adjustment problems. These problems may include action or decisions of the Federal Government including job losses caused by compliance with environmental requirements, closing of Federal installations and explicit energy allocations. The committee will watch the performance of this new program and expects that a variety of plans to be accepted so that a cross-section analysis will guide the committee in authorizations of any future economic development programs. It is expected that this program not be directed to any single eligible recipient, such as a State or States, but rather all eligible recipients should be considered. This is not to say that all eligible recipients should receive a grant, that decision has been left to the discretion of the Secretary; however, it is certainly hoped that the administration does not remold this program into their original proposal of exclusive State grants.

The committee is not committed to accept this new concept of economic development aid as the correct and most responsive approach to meet our Nation's economic problems. The current EDA program offers an effective approach for aid to economic distressed areas. The demonstration program offers economic aid in anticipation of economic decline. Aid in anticipation is not the same as aid to distressed areas. In evaluating this new program this difference will be kept in mind. Effectiveness of a program cannot be measured by comparing the results with those results of a program of different approach and concept, namely EDA. Nevertheless, the committee will try this new approach, and give it a proper evaluation for future program authorizations when the committee takes up the question of economic development later this year.

Finally, I would be remiss by not mentioning the vital work being done by the economic development districts, authorized by title IV of the act. In addition to the traditional economic development services these multijurisdictional organizations have provided to the areas within their jurisdiction, EDD's act as a clearinghouse for many other Federal programs. Recently, districts have been given another responsibility, to act as the economic recovery planning agency in the case of a Presidentially declared national disaster. Public Law 93-288, the Disaster Relief Act Amendments of 1974 added a new title VIII to EDA, economic recovery for disaster areas. Economic development districts shall act as the planning agency when all or part of the area has been declared a major disaster, shall review existing plans for the affected areas, and may make recommendations for revisions in plans as well as prepare new plans. This new title provides not only recovery planning efforts, but also provides grants and loans for public facilities, business loan guarantees and technical assistance. Congress showed sound judgment in recognizing both the need for economic recovery from major disasters and the agency best equipped to handle this recovery effort, EDA. I am hopeful that this title will be implemented swiftly in light of the rising needs for the services it can offer.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Chairman and Members of the House, I thank the gentleman for yielding and compliment him for his fine comments on this bill.

Mr. Chairman, I rise in support of H.R. 14883, a measure to extend the Public Works and Economic Development Act of 1965, which adds several innovations to a program which has already proven its worth in my District.

This legislation contains several refinements, including the expansion of categories of assistance available to older urban areas as much in need of preserving existing jobs as in creating new ones. The further establishment of economic development districts, which make available a high degree of development expertise to local government, will be encouraged by an amendment permitting their creation on the basis of one—instead of two—redevelopment areas. And needed flexibility is added by the provision permitting assistance in portions of an economic development district, but lying outside the redevelopment area, when such assistance will demonstrably benefit the redevelopment area.

Moreover, I wish to emphasize two important additions in the way of more flexible authority under the business development assistance section of the bill. It creates, for the first time, a new category of working capital direct loans for businesses whose needs cannot be met by other available forms of assistance.

LOANS—SPECIAL NEEDS

Eligible applicants for these below-market-rate loans are to include the same categories of businesses whose problems are also addressed in title IX, the demonstration grant program. This represents a genuine improvement accomplished during the drafting process. And it embodies the principle of the business loan provision which I sponsored in the 1972 act—which was vetoed—intended to assist business in meeting the costly requirements of compliance with antipollution regulations. Other Federal actions, including closing of Government installations and adverse employment impact of Federal energy decisions, also are covered among abnormal circumstances which these provisions permit us to address for the first time.

It should be emphasized, however, that the abnormal circumstances addressed in the loan section are not limited to results of Federal actions. As the committee report makes clear, eligible recipients will include the problem-plagued winter recreation industry in areas where abnormally prolonged lack of snowfall jeopardizes jobs and investments in businesses which have been a stable source of considerable local employment in the past, and can be reasonably expected to do so in the future if temporarily assisted in meeting working capital needs.

In connection with these environmental orders, I would like to call to my colleagues' attention that just yesterday, the Investigations Subcommittee of the Committee on Public Works received disturbing figures from the Environmental Protection Agency on the costs of compliance with industrial discharge regulations now being developed.

What is more, today we heard from representatives of just one industry, steam electric generation, that EPA's figures severely understate the case as they apply to just that one industry. The difference is in multiples of two or three, or as subcommittee Chairman JIM WRIGHT summed up this morning, "billions of dollars apart."

This suggests, Mr. Speaker, that the type of assistance we provide here, with business loans and the demonstration program in title IX, may be a drop in the bucket in terms of eventual needs unless the guidelines are made less restrictive.

WORKING CAPITAL LOANS

To return to the provisions of this bill, it also allows, again for the first time, "free-standing" working capital loan guarantees. I use this term because in the past, such guarantees have been limited to EDA projects also financed by facilities loans.

These loan and guarantee programs should serve to stretch the impact of limited funds available, in contrast to outright grants. The guarantees, while offering no great break on interest rates, could mean the difference between an applicant's receiving a loan or being turned down.

Those who scan the committee report also will note that the intent of this section is that the Secretary of Commerce expedite processing of applications for direct and guaranteed working capital loans.

Title IX represents an adaptation of the administration's proposal to inject more of a bloc grant or revenue-sharing concept into the EDA program. It is somewhat anticipatory, as well as a remedial, in its approach in that it is intended to permit localities to head off economic problems before they become severe and hence more costly to alleviate. Unlike the working capital loan and guarantee programs, the grants would not be limited to redevelopment areas.

Mr. Speaker, recently EDA demonstrated its continuing responsiveness to problems of economic distress in my district by approving a $1.4 million grant to help finance a critically needed improvement in the water system in Berlin, N.H., an industrial city above the State average in unemployment and below in income. Serving a city-owned industrial park, it should serve to trigger economic rebirth of a city whose expansion potential has been limited by a shortage of suitable sites for industry and a lack of reliable, high-quality supply of water.

In sum, I have considered the EDA program a sound one over the years. With the innovations added in this bill, I consider it even more worthy of continued support.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise to compliment the committee and the gentleman in the well for the fine presentation, and I rise to support the legislation before us.

Mr. Chairman, I rise in support of H.R. 14883, as reported, a bill to extend for 2 years the Public Works and Economic Development Act of 1965, as amended, and to initiate a demonstration for special economic development and adjustment assistance. EDA has served the Nation's economically lagging areas well, providing essential public facilities grants and loans, business loans, technical assistance, and the vital organizational structure economic development districts, to cope with economic decline and decay.

While I can only relate the results associated with a given area that I am very familiar with, I can state without fear of contradiction that every application submitted and ultimately approved has resulted in higher-than-average job-producing capacity. The many projects in which EDA has been involved in my own area along the north coast of California, which includes fish processing plants in Del Norte and Humboldt Counties, harbor mooring facilities in Mendocino County, water purification facilities in Lake County, and highway and sewage improvements in Sonoma County, all serve as graphic illustrations of EDA's successful program performance.

The 2-year extension of EDA, along with the demonstration program special economic development and adjustment assistance, will add to the tools to meet the economic needs of the Nation. While the adjustment assistance will be in experimental stages for the next 2 years, it could provide a viable means for economic development.

The Committee on Public Works completed on April 23, a record of witnesses in total support of the extension of the Public Works and Economic Development Act. Some 25 witnesses appeared over the 4 days of hearings; the overwhelming majority of witnesses representing States, substate organizations, both public and private, called for a multiyear extension of the current program; every witness supported the committee's investigation of development legislation to determine better ways to promote domestic development.

I have consistently supported EDA legislation; I support this 2-year extension but I do so with the understanding that changes in our economic development efforts should be considered to accommodate new policy objectives. This extension could be a link to new policies for economic development. Accordingly, the committee recommends a demonstration program for special economic development and adjustment assistance, title IX. This title approaches economic problems in an anticipatory manner. there is no criteria for area qualifications, nor is there any waiting period for economic distress signals to become loud enough to send economic assistance to meet the need. There is adequate flexibility to make this program meet a variety of economic needs. The committee will review closely the results of this program for future economic development legislation.

At the same time EDA will continue to serve the "green" areas of the country; areas suffering high unemployment and underemployment, low income, out-migration and the like. We are not about to relinquish this vital program for the sake of unproven theories about alternative approaches to these problems.

In addition to the tools for development provided "green" areas, EDA offers assistance to Indian tribes for planning, public facilities, technical assistance, and business loans for economic development. Earlier, the administration opposed the continuation of Indian programs under EDA and proposed instead that these activities be transferred to the Bureau of Indian Affairs through legislation for Indian development. I opposed this move, as did many other colleagues, both on the Public Works Committee and Interior Committee. EDA programs for Indian tribes have been very effective. EDA has shown imagination in attempting to stimulate economic growth on Indian reservations and the results will show for years to come. EDA's approach to Indian development is predicated on the participation of Indian people in solving their own problems. Since this initial proposal, I am happy to note that the administration has relented on this original transfer proposal and an additional $31 million has been requested for fiscal year 1975 EDA budget for Indian programs.

In looking ahead to future development legislation the committee will be faced with critical choices; among them the question of growth policy, or public works investment policy encompassing all aspects of Public Works Committee activities. These vital public investment programs can shape the future development of the country. I am confident that we will act wisely, and with all due deliberation on any future legislation.

In this regard, I want to thank the administration for its cooperation, and particularly to OMB Director Roy Ash, who gave us the opportunity to share first-hand the successful experiences we have had in working with this program.

Finally, I want to take this opportunity to commend Secretary Blunt, and EDA's regional directors and area economic development representatives who have successfully carried the program forward, despite the indecision and doubt over program extension. The Economic Development Administration has come a long way, since the days of its predecessor, the Area Redevelopment Authority, which in "pirating" industries from one location to another, placed greater emphasis on relocation than revitalization, and Secretary Blunt and his staff deserve a great deal of credit for this solid record of performance.

Mr. MIZELL. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from North Carolina.

Mr. MIZELL. I thank the gentleman.

Mr. Chairman, I rise in support of H.R. 14883 which further extends the Public Works and Economic Development Act of 1965.

I am supporting this measure because I believe that the assistance offered therein to areas which qualify is essential to the continued economic development of these areas.

But, I must emphasize that this is an extension of a program that needs serious reexamination and reform in light of the quickly changing needs and priorities of the Nation, and particularly of rural America. It was my understanding that when we voted to extend this legislation in the 92d Congress we were doing so in order that there would be adequate time to study alternatives. I am hopeful that with this extension we can begin work on a new concept for economic development in America.

On August 16, 1972, when the House last considered this issue, I said:

> Even with these improvements, we are still treating the problems of development in a piecemeal fashion which, while benefiting some areas to a remarkable degree, leaves others still facing the problems of economic and social decay, with little or no hope for improvement.
>
> And it leaves the nation as a whole with no plan to correct the current pattern of imbalanced growth, which finds our central cities suffering from overpopulation and all its ills, while rural areas and small-town America decline into poverty, isolation and despair.

Mr. Chairman, these remarks are just as pertinent today as in 1972, if not more so.

To correct the situation to which I refer, I have introduced legislation—the Regional Development Act, **H.R. 7234**—which would expand and improve the successful formula of planned development followed by EDA, the title V commissions and the Appalachian Regional Commission.

I believe this approach will work as well as on a nationwide basis as it has in the multi-State regions in which it has already been tested.

This is an idea whose time has come. The legislation I have proposed can have a dramatic effect on our efforts to balance economic and population growth in the Nation by providing essential public services and employment opportunities in areas of the country where those services and opportunities are lacking.

My bill would establish a National Development Agency to coordinate the work of a new system of multi-State regional commissions which would carry out locally initiated development programs.

By concentrating in areas of transportation, industrial growth, manpower training, education, health, environmental protection, and planning, this legislation would create new opportunities in these vital areas. It is the lack of such opportunities that has precipitated the massive outmigration of people to the cities which has drastically hurt rural America.

The census tells us our cities are greatly overcrowded. The newspapers, radio and television tell us that this overcrowding has disastrous results. My legislation would help relieve the problems of the cities by encouraging economic and social development in less densely populated areas.

One of the key provisions of my legislation is the heavy emphasis it would give to the development of projects at the local level where people are best suited to know both the needs of the area and how best to meet those needs. This is in keeping with the desires of the people of this Nation, who have let us know that they are tired of inefficient centralized bureaucratic control of their lives from Washington.

Mr. Chairman, I repeat that it is my hope that with this extension of the Public Works and Economic Development Act of 1965 we can begin in earnest to look at the necessary changes in our approach to economic development which my legislation contains.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I rise in support of H.R. 14883 which extends the life of the Economic Development Act for another 2 years.

The economic development of our Nation, and particularly those regions experiencing high unemployment, is crucial to the well-being of our citizens.

Economic development means jobs; jobs for people, and jobs means more than a decent standard of living. Jobs mean dignity. Jobs mean happier families. Jobs mean healthier children. Jobs mean better education. Jobs mean more productivity, and that means reduced inflation.

I have known families where the central continuous question has been: "Is Dad going to have a job?" When Dad works, the family runs smoothly and when he cannot, this family suffers both economically and emotionally.

Mr. Chairman, EDA has helped create thousands of jobs in partnership with private enterprise.

It is unfortunate that the EDA program is not larger. This is where we should properly spend our tax dollars. Economic development is one of the real answers to our welfare mess. People with jobs do not need welfare and most Americans, certainly the people of my congressional district do not want welfare—they want work.

I hope the Public Works Committee and the 94th Congress will use the experience of this program to build a more substantial economic development program for our Nation in the future. I pledge my support of such an effort should I be here in 1975.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Jersey (Mr. ROE).

Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I want to commend the gentleman from New Jersey, the gentleman from Arkansas, and others who have worked so earnestly and resolutely on the proposition that we have under discussion today. I think their understanding and their comprehension of the problems involved and that have been involved in the last decade are written into this bill, and it is their trouble, effort, and gumption that has led us to this piece of legislation.

Mr. ROE asked and was given permission to revise and extend his remarks.)

Mr. ROE. Mr. Chairman, I would like to comment for the record and bring to the attention of our colleagues here gathered that our distinguished colleague, the gentleman from Michigan, is a strong supporter of this legislation. I regret to say, however, that it was an error in publication here and regrettably his name was left off the publication of the bill. We should correct that.

Mr. Chairman, I rise in support of H.R. 14883, a bill to extend and amend the Public Works and Economic Development Act of 1965 for 2 more years.

As you know, this legislation was first enacted in 1965 to assist areas and regions suffering from high unemployment and underemployment by encouraging the location of new permanent jobs for those areas. Federal assistance is provided by grants for public facilities, technical assistance, as well as business development loans.

The authorizing provisions of this act expire the 30th of this month. The bill is basically a 2-year extension of present programs with some changes to strengthen existing programs as well as providing the groundwork for possible new economic development and adjustment programs.

The major changes to the existing legislation are:

First. Areas designated under the substantial unemployment criteria become eligible for the business development assistance as do the other areas designated under the act.

Second. The business development loan program, authorized by title II, is broadened to permit the Secretary to guarantee loans and rental payments of leases made to private borrowers within redevelopment areas by private institutions. The Secretary is also authorized to make working capital loans and guarantee working capital loans made by private banking institutions in redevelopment areas. These changes will be particularly helpful to urban areas who have not had the business development assistance available to increase business opportunities in center city areas where vacant buildings are available for new business ventures.

Third. A new section in title III is authorized to provide grants for economic development planning. This broadens the current authority of the Secretary to permit direct grants for planning to any State, city or substate planning organizations.

Fourth. The requirements for establishing Economic Development Districts are made easier by requiring only one redevelopment area instead of two as a prerequisite for district formation. The Secretary is also authorized to approve projects outside of redevelopment areas within an economic development district when such projects will be a substantial direct benefit to the redevelopment area.

Fifth. A new title IX "Special Economic Development and Adjustment Assistance Demonstration Program" is authorized to assist in meeting special needs arising from pending economic dislocation and severe unemployment. The new demonstration program is intended to test and evaluate new methods of combating economic dislocation problems before or as they occur rather than by assisting an area after it has become economically depressed.

TOTAL FUNDING AUTHORIZED BY THIS BILL IS $1,020,000,000

The annual funding authorized by the bill is as follows:

Title I: Public works grants and supplementary grants—$200 million.

Title II: Public works and business development loans and guarantees—$60 million.

Title III: Planning, technical assistance and research—$60 million.

Title IV: Growth centers and bonuses for redevelopment areas within economic development districts—$45 million.

Title V: Regional action planning commission programs—$95 million.

Title IX: Special economic development and adjustment assistance demonstration program—50 million.

Total annual authorization—$510 million.

Mr. Chairman, I would like to call your attention to two sections of this bill that I believe make significant changes in the act that could have a major impact in assisting urban areas resolve their economic problems of rising unemployment.

Section 2 of the bill transfers the criteria for the designation of areas based on substantial unemployment statistics currently authorized by title I of the act to title IV. This will consolidate the criteria for eligibility for assistance in title IV of the act and makes uniform to all areas the assistance that is available.

Under the current law, areas which the Secretary of Labor finds were areas of substantial unemployment during the preceding calendar year become eligible to receive grants for public facilities authorized by title I.

The majority of areas designated under this criteria are labor areas or parts of labor areas located in urban or large metropolitan areas. These areas are among the oldest and most developed in the country. They have already in place substantial inventories of public facilities. What is needed for these urban centers, however, are business development incentives for business and industry to remain and provide new jobs and to help retain and expand existing job opportunities.

The purpose of this amendment is to make available to title I areas the other financial assistance authorized by the act.

Of the more than 1,500 areas currently designated under the act, approximately 189 areas will initially be affected by the amendment to the extent that they will now become eligible for the business development assistance authorized by title II of the act.

Section 3 of the bill amends the business development provisions in title II of the act to authorize additional tools to broaden the business loan authority of the Secretary.

The current law authorizes the Secretary to make direct business loans up to 65 percent of cost for the purchase and development of land and facilities including machinery and equipment to businesses located with development areas. Working capital loan guarantees are also authorized up to 90 percent of the outstanding unpaid balance of working capital loans made by private lending institutions. The working capital guarantee program, however, is limited to those applicants who have received a direct loan under this program.

With the expected increased demand for business development assistance, the committee has broadened the Secretary's authority without substantially increasing Federal funding requirements.

In order to give the Secretary more flexibility in administering this program and to encourage the use of more private money, the Secretary is authorized to guarantee loans and leases made by private lending institutions to borrowers in redevelopment areas or economic development centers up to 90 percent of the remaining unpaid balance of such loan or rental payment under such lease. Direct loans and loan guarantees for working capital are also permitted.

The new tools, however, generally are subject to the same conditions and safeguards contained in the existing law for the loan program.

These additional tools should give the Secretary leverage to stretch the funds available for the business development program. With the use of the guarantee mechanism, only a 10 percent of actual guarantee is set aside as reserve for future defaults. Ten times as many loans can be made under the guarantee program.

For this reason, authorizations for this title are only increased annually by $5 million to bring the total annual authorization for the business development program to $60 million.

Mr. Chairman, in changing the criteria for designation of redevelopment areas and in expanding EDA business development loan authority to assist many of our depressed urban and rural areas, the committee also recognized that one of the most difficult problems is obtaining precise and reliable unemployment statistics for many communities and specific neighboring areas which may be suffering from extremely high levels of unemployment.

A graphic example of this kind of problem occurs in my State of New Jersey. Paterson, the third largest city in the State, together with the city of Passaic, have extraordinarily high levels of unemployment, yet until recently neither were able to participate in the EDA program because under the SMSA formula the counties of Passaic and Bergen are statistically bulked together. The average rate of unemployment for 1973 for the SMSA district of Passaic and Bergen Counties is officially recorded at 6.5 percent. For the same period, the rate of unemployment for the city of Paterson and the city of Passaic was well over 9 percent.

During the past several months it has come to my attention that local and State government officials have severely challenged the adequacy of unemployment statistics currently available for the administration of the Public Works and Economic Development Act. This is an issue that cannot be ignored particularly when we consider the critical role unemployment statistics assume in the allocation of our economic development resources.

In particular, the recent changes adopted by the U.S. Bureau of Labor Statistics—BLS—in its statistical procedures for estimating State and local unemployment have raised many questions about the Federal Government's capacity to produce local labor market statistics sufficiently accurate and reliable to ensure that EDA redevelopment assistance will be allocated equitably. These new BLS procedures, which in some States and areas currently depend heavily on data obtained by surveying small numbers of households, have been widely protested and are currently being challenged by the State of New Jersey in Federal courts.

Mr. Chairman, these protests across the Nation cannot be overlooked, particularly when they are heard from persons knowledgeable about economic conditions in their local area. Many State government officials feel that the new BLS procedures have been instituted abruptly, and without sufficient testing and evaluation.

The new methods are designed to provide more accurate local data that are comparable from State to State and are consistent with the national unemployment estimate. In short, the new methods are designed to insure that unemployment means the same thing and is measured the same way in Miami and Newark, and in Washington and Los Angeles. These new BLS procedures have two major impacts on EDA's program for small labor areas. First, the rate of unemployment is defined as the number of unemployed persons as a percentage of the resident labor force, even though they may have been employed in another jurisdiction. Second, the Labor Department is utilizing current population survey statistics to adjust State unemployment estimates to insure that consistent methodologies for estimating unemployment rates are followed among all State employment security agencies.

In recognition of the current debate over unemployment estimating methodologies among the States and the BLS, the committee recommended in its report accompanying H.R. 14883, that a careful review and evaluation of the new BLS procedures be conducted by representatives of Federal, State and local government statistical agencies to insure that a reliable system for producing accurate unemployment statistics for local labor market areas is achieved.

Mr. Chairman, it is this committee's intent that no labor market area be denied redevelopment assistance because of the arbitrary substitution of the new current population survey methods for traditional employment security agency procedures in developing estimates on the level of unemployment. The committee does feel, however, that the estimates of the size of the labor force used in computing unemployment rates should be adjusted to count employed workers only once and according to where they live rather than where they work. The committee, therefore, endorses the use of the BLS concept of resident labor force in the computation of unemployment rates for the purposes of H.R. 14883. In addition, H.R. 14883 extends the moratorium on the dedesignation of redevelopment areas so that no area presently designated to receive EDA assistance will be dedesignated due to changes in unemployment statistics.

Mr. HAMMERSCHMIDT. Mr. Chairman, I wish to yield time to one of our colleagues, a gentleman who is not a member of our committee but a Member who has a deep interest in the activities of the Economic Development Administration as it applies to the new title which was put in recently by Congress in the disaster legislation. The gentleman has, of course, an interest in this, inasmuch as it relates to disaster relief to be provided for his district in the State of Ohio.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I want to add my support for the basic intent of H.R. 14883, the Extension of the Public Works and Economic Development Act of 1965, to provide the authorization for EDA programs for another 2 years.

This legislation is of particular interest to me inasmuch as it has the provision for immediate assistance for two areas within my District: tornado-devastated Xenia, Ohio, and Champaign County. Both areas qualify for funding under the public works title I category, with Champaign County having already made use of the public works improvement plan by the construction of a town hall in Mechanicsburg. Moreover, Xenia, as a result of the April 3 tornado, has been declared by the Department of Commerce as a redevelopment area and is, therefore, eligible for a full range of EDA benefits under several titles of the bill.

While I am pleased with the assistance to my home county, Champaign County, as a result of high and persistent unemployment, my major concern at this point relates to Xenia and the vital assistance to be rendered that city in its reconstruction efforts through the implementation of current EDA programs. The primary function of EDA is the long-range economic development of areas with severe unemployment and low family income problems. It aids in the development of public facilities and private enterprise to help create new, permanent jobs. The EDA program includes public works grants and loans; business loans for industrial and commercial facilities; guarantees for private working capital loans; and technical, planning and research assistance for areas designated as redevelopment areas by the Department of Commerce. And nowhere in this country today is the need for EDA assistance greater than in Xenia, Ohio, a suburban city of almost 30,000.

The need for EDA assistance in Xenia, is based on the many problems that Xenia faces. Of the total businesses in the community, over half were destroyed or seriously damaged—118 were demolished, with an additional 41 damaged to a point requiring relocation and temporary assistance. The total number of persons filing for emergency unemployment as a result of job loss caused by the tornado was 1,335 out of a total work force of 4,100 in Xenia—almost one-third of the normal employment lost. Surveys also reveal that another 2,150 jobs were lost, at least temporarily. Finally, a total of 12 industries will require major rehabilitation or complete relocation due to tornado damage.

All too often it must seem to the taxpayer that the Federal programs his tax dollars support have little direct, positive effect. In the case of Xenia and its citizens, the economic development programs which we are considering extending would have a direct effect on the city and its recovery, and could provide substantial assistance to this end.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Chairman, I rise in support of this legislation. I wish to commend the committee for the outstanding job which they have done in bringing this legislation to us.

Mr. Chairman, I want to advise my distinguished colleagues of my strong support of H.R. 14883, the Public Works and Economic Development Act extension. This bill, which would extend the EDA programs for 2 years until June 30, 1977, includes an authorization of $150 million in each fiscal year 1975 and fiscal year 1976.

It seems to me that, with the ever-increasing economic setbacks in certain regions of the country, including the New England region, the extraordinary accomplishments of the Economic Development Administration merit an increase in funding. Such an increase in funding would aid us in beginning to attack the enormous problems of revitalizing our economy.

I say this bearing in mind the present economic conditions in New England and my own 11th District in Massachusetts. In recent decades New England and the 11th District have experienced the exodus and/or decline of two major industries: textiles and shoes. The closing of several Government installations, along with the decline of these industries, has put thousands of people out of work. The benefits of the Economic Development Administration are sorely needed to rectify this situation, particularly in my own district.

During the past months, Boston, Quincy, and Brockton, Mass., have received substantial funds from EDA to assist these areas in revitalizing their economies. Such funds will support projects such as the development of neighborhood work centers, encourage new businesses in those areas, help to develop tourism, and support the development of industrial parks. I am certain that these measures, supported by the Economic Development Administration, will be of great assistance in easing the economic conditions of Boston, Quincy and Brockton.

I believe that through sufficient and long-range funding of the Economic Development Administration, we will best begin the task of bringing our economy to the high level that it is in the best interest of the United States to maintain.

I ask my colleagues to join me in support of this legislation. We must work together to provide for the continuation of the vital work of the Economic Development Administration. We simply cannot afford to do less.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, it is probably safe to say that Members of Congress for years have viewed economic development as a rural program, and indeed it has been a very significant program for rural America. But, as Mr. HAMMERSCHMIDT has pointed out, it has also been of significant benefit in alleviating the serious unemployment problems in many inner city areas. I think that those of us who represent urban areas are very grateful for the excellent work of this committee, of Mr. HAMMERSCHMIDT and Mr. HARSHA and others, as well as those on the Democratic side for the bill the committee has reported. We are gratified, too, that the committee and the Economic Development Administration have recognized this program as one which can serve both rural and urban areas in their somewhat differing approaches to a common and very important problem—unemployment.

The fact of the matter is that since this program has been in effect, it has been of significant help to the economy of New York City. For example, the Federal investment of $10 million in public works funds, buttressed by a combination of loans and loan guarantees, following the closing of the Brooklyn Navy Yard, has already created 5,000 meaningful and stable jobs where they are needed most: in the Bedford Stuyvesant, Williamsburg, and Fort Greene areas which surround the yard.

Federal economic development funds are now being used to transform a 250,000 square foot multistory factory structure, located in one of New York City's poverty impacted communities, into a vertical industrial park housing five or more companies which will provide good jobs for an estimated 500 men and women.

In the South Bronx, one-fourth of the work force is presently unemployed or underemployed. U.S. economic development technical assistance funds have served as seed crystal to create what is today a vigorous and effective Overall Economic Development Corporation. Each of the communities which make up New York City's 8 million total population has its own local business districts, and its own opportunities for development of manpower, industry and commerce.

A third example of the kind of creative redevelopment spurred by the U.S. Economic Development program: the lower East Side, a historic transfer point for minorities into the mainstream of America's economic system, was designated as an Economic Development area. With assistance of Public Works funding, a new health center will be created. Here, 135 local residents will be trained for paramedical careers. They will help provide much-needed health care for a neighborhood whose lack of facilities and professionals contribute significantly to its economic problems. These examples have implications reaching far beyond the boundaries of New York City.

The local Economic Development Corporation develops training programs, makes the community appearance more inviting to business, encourages the initiative of local businesses, keeps existing firms in the area and attracts new firms. Financial institutions, which heretofore had been less than enthusiastic about the South Bronx, have now become actively involved in its economic growth. Neighborhood banks and merchant groups are raising matching funds for Federal grants in aid. This program is new and it is beginning to show impressive results. This is how confidence and jobs begin to remedy poverty.

In order to provide more flexibility in administering this program and to encourage the use of more private money, the Secretary is provided, in this bill, with greater flexibility in the type of financial assistance that can be offered. In addition to the existing authority to guarantee working capital loans in selected cases, the new section 202(a) (2) provides for guaranteeing working capital loans and for granting working capital loans for industrial and commercial usage in "redevelopment areas" or "economic development centers." It also provides authority for guaranteeing rental payments of leases up to 90 percent of the remaining rental payments. This type of assistance should prove invaluable in increasing the availability of EDA programs to urban areas these areas must rely, more than the rural ones, on business and commercial type projects.

Among the present EDA programs, several have been more readily utilized by newer less-urbanized communities.

This assistance—business development loans and guarantees, planning and technical assistance—will be made available to the so-called title I redevelopment areas when this bill is enacted into law. This is a very worthwhile—and clearly justified—amendment.

The lease guarantee assistance should be particularly helpful in the older urban centers where there are sound, vacant buildings. In contrast with rural areas, land is not as readily available for purchase or it may be prohibitively expensive. The lease guarantees will be a practical tool to assist new industry in these areas—particularly where local development corporations are able to acquire buildings in feasible locations for new businesses that can provide jobs in the neighborhoods that need them the most. In addition to broadening the scope of economic development programs, the lease guarantees should prove invaluable in revitalizing economically distressed sections of our inner cities. It is hoped that full advantage will be taken of the new provision for lease guarantees and that this benefit will be made available, as well, to multitenant industrial facilities. It would be a great boon to our urban ghettos if we could stimulate new types of facilities for our inner city neighborhoods, such as shopping centers or urban industrial parks, similar to those spreading like weeds in our suburban countryside.

This will be a significant help to many places throughout the country. The loan and lease guarantee provisions will give the Secretary leverage to be able to stretch the funds available for the business development programs.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire (Mr. Cleveland), a member of the committee.

Mr. CLEVELAND. Mr. Chairman, I thank the gentleman from Arkansas for yielding me this additional time. There is one bit of legislative history that I would like to establish now. I will address the gentleman from New Jersey (Mr. Roe), who, I believe, is knowledgeable about this section of the bill.

Under section 8 of the bill there is established a title IX. In the committee report on page 6, there is described some of the examples of the structural economic changes which cause the type of major adjustment problems that we hope to attack through the provisions of this new section, for example, the closing of a Federal installation, and so forth.

Without in any way diminishing that list, and it is not meant to be an exclusive list, I would like to refresh the memory of the gentleman from New Jersey.

During the committee discussion of this particular section of the bill, we did have some discussion about the type of hardship that is caused in some ski resort areas of the country. Situations where you had not only one bad winter, but where they have had long and prolonged periods of bad winters, 2 and 3 years of poor snowfall, for example. We also had statistics before the committee as to the large amount of employment that was involved.

In my own State, for example, this would be approximately 2,500.

So I wanted to establish as a matter of legislative intent and history that under title IX it will be possible for the grant to be made to a State, and the State in turn could take that money and use it as a revolving fund to make emergency loans to the areas such as ours in the district of the gentleman from New Jersey and my own district; areas that have been visited with long and protracted periods of adverse weather conditions.

Would the gentleman from New Jersey respond to that

Mr. ROE. If the gentleman will yield, I will be glad to respond.

The gentleman from New Hampshire is talking about title IX, and it is my understanding that the Secretary will have broad powers where there has been such an economic dislocation so as to cause heavy unemployment, or to cause the economy to be in a downward direction, that the Secretary has the prerogative under title IX.

The recollection of the gentleman from New Hampshire is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAMMERSCHMIDT. I yield 1 additional minute to the gentleman from New Hampshire.

Mr. CLEVELAND. I thank the gentleman for yielding me the additional time.

Mr. Chairman, I just wanted to be sure that we are referring to the pilot programs under Title IX.

Mr. ROE. Yes.

Mr. CLEVELAND. And under the pilot program a grant could be made to a State, and if the other requirements were met this could be used as a revolving fund to make loans to ski areas in trouble and of course not just such areas. This is particularly important, because some of the loans made in a State could then be outside of redevelopment areas, it could thus be anywhere in the State.

Mr. ROE. That is my understanding. I believe the gentleman is correct.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware (Mr. du Pont).

Mr. du PONT. Mr. Chairman, I hope the gentleman from New Hampshire (Mr. Cleveland) and the gentleman from New Jersey (Mr. Roe) will listen to what I have to say, because I believe the point that was just under discussion is an important one.

I, too, have read the paragraph at the top of page 5 of the committee report. Let me just ask the members of the committee. Is it really their intention to use the taxpayers' money to subsidize an industry because it has not snowed enough to keep that industry going? Am I right on that?

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. I thank the gentleman for yielding.

That is our intention. I would like to say this is our intention under the working capital loan provision. I might say to the gentleman, and I can only speak with authority for my own district, that in my own district this particular type of industry supports more than 2,500 people and is the economic backbone of certain areas, and these are the areas that this legislation is specifically designed to help. This is the type of area that is sometimes in the southern part of the Appalachian Mountains referred to as Appalachia. It is a way to get jobs and an economic base into that type of an area and on a year-round basis. That is specifically our intent.

Mr. du PONT. Mr. Chairman, I am sorry that we have come to the point of subsidizing people because it is not snowing.

Mr. CLEVELAND. Will the gentleman yield further?

Mr. du PONT. No, I will not yield further.

Mr. CLEVELAND. It is not a subsidy; it is a loan.

Mr. du PONT. I understand that, but it is still money being paid by the taxpayer.

Mr. Chairman, I should like to call to the attention of the Committee the problem of the district I represent. As many of my colleagues probably know who go to Rehoboth Beach in the summertime, we have a beautiful area. But we have had 8 straight weeks of rain. The business in Rehoboth Beach is terrible. Snowcone sales are off substantially. Suntan lotion sales are down because there is no sun. The druggists are suffering. There has not been a bikini bathing suit sold in Rehoboth Beach yet this season. The clothing merchants are having trouble making ends meet.

To some extent that is offset by those stores who sell raincoats, because more raincoats are being purchased. Nevertheless, if raincoat sales are up, and bikini sales are down, there is a dislocation in the economy of the area, and there is a shifting pattern of income from one segment of the economy to another.

I would say to the gentleman from New Hampshire that if it is appropriate for New Hampshire to get relief because it is not snowing enough, it is appropriate for Delaware to get relief because it is not sunny enough.

I would ask that it be made part of the legislative history that it is the Committee's intent to make Delaware benefit from the same provisions as New Hampshire does.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

I think to the extent that the community in Delaware would qualify under the meaning of the law as a depressed area, to the extent that the climate contributes to the downfall of an industry, I might say if the gentleman represents an area where there are no bikinis being worn and everybody is going around in raincoats, that has got to be a depressing area, whether it is depressed or not.

Mr. du PONT. The most depressing area of all is this bill, which pays people with taxpayers dollars because it is not snowing enough. I appreciate the gentleman's confirming that merchants in Rehoboth Beach are going to be eligible for the same kind of loans as ski tow operators in New Hampshire.

Mr. Chairman, I yield back the remainder of my time.

Mr. WRIGHT. Mr. Chairman, at this point I should like to yield 5 minutes to the gentlewoman from California (Mrs. Burke).

Mrs. BURKE of California. Mr. Chairman, I wish to voice my strong support for the economic development bill we have before us today. This bill extends the current public works and economic development programs for 2 years and authorizes $510 million for each of the next 2 fiscal years.

These programs have, since their establishment in 1965, contributed greatly to the balanced economic development of areas with high structural unemployment and demonstrated need. The Public Works Subcommittee on Economic Development, of which I am a member, has heard testimony this spring from a wide range of witnesses—including Governors, mayors, Federal, State and local officials, and representatives from Indian tribes—almost uniformly in praise of the purposes of these programs and in support of their extension.

I believe the broad support of this bill lies in the fact that approved projects are designed to attack the roots of unemployment through positive industrial development and job creation, rather than through lateral income transfer programs. The importance of these EDA programs can be demonstrated by the success of the Economic Resources Corporation in the development of the Watts Industrial Park in Los Angeles.

Established with an initial land acquisition grant from OEO in 1969, ERC has sought to create jobs and promote business opportunities for the citizens of central and southcentral Los Angeles through a cooperative partnership of public and private resources. Today ERC has acquired and is developing 55 acres of industrial and service-oriented facilities for major job-producing industries and for small minority-owned businesses.

Financed with a $3.8 million program amount of OEO funds, the Watts Industrial Park is today 70 percent complete with facilities occupied by 22 businesses employing more than 1,200 persons. Among the firms currently operating include the following:

First, Lockheed Aircraft, employs 275 persons;

Second, Image Corp., an electronic circuit board manufacturing company employing 150 persons;

Third, Watts Manufacturing, Inc., produces truck seats for General Motors and missile containers for the Department of Defense, employs 375 persons; and

Fourth, Dyna Manufacturing, a division of Familian Corp. producing kitchen range hoods, gas and electric fireplaces, and indoor-outdoor waterfalls. Currently employs 350 persons and seasonally employs up to 600 persons.

ERC has also been successful in encouraging the development of small black-owned businesses. This both positively affects the level of black ownership in the central city and increases the stakes that all blacks have in their community.

But the important fact is this: Where once on the 55 acre site of the Watts Industrial Park there were only 15–20 jobs, there are now over 1,200. Where once there were few alternatives to welfare for the structurally unemployed, there is now a center for useful and productive employment. Where once there were few opportunities for enterprising black businessmen, there are now modern industrial facilities and there are soon to be the necessary support services for the area's increasing number of black entrepreneurs.

Together with a planned community services center and a proposed child care center, the Watts Industrial Park represents a significant involvement of private enterprise and the Federal Government in the economic redevelopment of southcentral Los Angeles. In addition to providing desperately needed jobs and promoting locally owned businesses, this project has had far-reaching effects beyond the development of the industrial park itself. The financial investment represented by this project has and is leading to broad improvements throughout the surrounding community, including improvements in housing, child-care centers, streets and street lighting, public parks and landscaping. This project is a good example of the impact that job creation has on a community as a whole.

But for all the success and all the economic gains made by the ERC, the sad truth remains that the problems of southcentral Los Angeles are beyond the scope and solution of any one single project or program. The unemployment rate for the area has always been more than double that of the national average. But aggravated by the energy crisis, the closing of nearby military facilities, and the general downward turn in the area's defense industries, the unemployment rate has skyrocketed to almost 20 percent in the last year.

This fact underscores the need for the continuance of programs such as those that led to the development of the Watts Industrial Park; simply, we need more projects like this. It also underscores the need for new approaches to the problem of unemployment created or exacerbated by severe economic dislocation.

Title IX of this bill is a particularly innovative feature which authorizes the Secretary of Commerce to establish demonstration programs to meet unemployment resulting from such economic dislocations. It is intended that title IX assistance will focus on reducing hardships to the individuals involved, including efforts to locate alternative employment in the same community, to provide education and retraining, and to secure unemployment compensation. These funds can be used anywhere in the country, including parts of cities such as special impact areas where additional Federal assistance might prevent or lessen economic hardships before they actually occur. It is not intended that this assistance duplicate any of the assistance now authorized nor affect assistance that may now be received under the act.

Supplementary to this, it is essential that areas marked by high unemployment have adequate resources to train unskilled workers and to retrain others whose skills have become obsolete or require substantial upgrading. The proximity of a pool of trained manpower is a consideration clearly as important as adequate physical facilities and nearby services when an industry or company decides to locate in any given area.

I am pleased to note that the Economic Development Administration has a strong record in providing assistance for the construction of vocational-technical schools for precisely the above purpose. The Compton Unified School District has applied for an EDA grant to construct that area's only vocational-technical school; this project is vital to provide the necessary trained manpower to conplement and to continue the economic regeneration now undergoing the central and southcentral sectors of Los Angeles. I am hopeful that this project will soon be approved in order to maintain the progress that has already been made.

SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE DEMONSTRATION PROGRAM

Mr. Chairman, section 8 of H.R. 14883 adds a new title IX to this bill which provides authority to the Secretary of Commerce to establish a demonstration program to evaluate and test new approaches to economic development and to assist in meeting special needs arising from actual or threatened severe unemployment from existing or expected economic dislocation. This title has been added to give the Secretary of Commerce an opportunity to demonstrate the effectiveness of proposals advanced by the administration in their February 1, 1974, report to Congress proposing an economic adjustment program.

In the past, the Public Works and Economic Development Act programs have been directed only at eligible areas already suffering economic distress. Title IX funds can be used anywhere in the country, including parts of cities such as special impact areas, where Federal assistance can help prevent economic hardships before they occur rather than having to concentrate on lessening hardships after the areas have become depressed.

The new title IX is our first attempt to prevent economic hardship rather than trying to correct the problems after they have already become critical.

To the extent that structural changes can be predicted or identified, it may be possible to take early action to assist the areas or regions to adjust to alternative economic activities. Early action could have three principal advantages: First, reduce the hardship for the individuals involved; second, improve the chances for successful adjustment, if it can begin before the best human and physical resources are dispersed; and third, reduce the burden on the economy of people who are unable to obtain productive employment.

It should be recognized that it will not be feasible to predict or identify all major adjustment problems in time to prevent major dislocations. But many can be identified in time to limit the dislocations if early adjustment actions are taken.

The new title IX would serve to complement, not substitute for, the existing EDA programs. It is not intended to duplicate any of the assistance now authorized in the current act nor affect assistance that may now be received under the act.

Testimony before the committee clearly showed that there is a great deal of uncertainty about the ability of State and local government to identify future economic changes, predict unemployment, make plans and then take necessary steps needed to assist an area adjust to alternative economic activities.

This is the reason why this is clearly a demonstration program—with clear requirements for community-based planning and careful evaluation. We want to encourage innovation and provide the community with a wide range of tools to meet the peculiar needs of a particular adjustment problem. It will permit them to provide direct incentives or assistance to private firms or workers, as well as indirect assistance in the form of public facilities. It will permit them to make a 100-percent grant for a particular project when that is necessary, or to leverage private resources through participation in or guarantees of private loans.

There are many adjustment problems which cannot be dealt with through the indirect assistance provided by public facilities. For example, there may be areas undergoing major structural changes which have completely adequate public facilities, but which need to provide incentives or assistance to the private sector to stimulate alternative or expanded employment opportunities. States and substate organizations also should have the flexibility to change the form of assistance as the economic adjustment efforts progress. Relatively more funds may be needed for planning and public facilities in the earlier stages, and relatively more incentives to business may be needed in later stages.

This kind of approach should encourage new, bold steps to find ways to realize the benefits that result from early identification of problem areas, sound economic adjustment planning and early action to reduce hardship for the individuals involved. This approach should substantially improve the chances for successful adjustment before resources are dispersed and the area becomes severely economically depressed.

Examples of structural economic changes which cause the type of major adjustment problems that can be attacked by this economic adjustment demonstration program are plant closings and job losses caused by compliance with environmental requirements such as the potential closing of Reserve Mining Co. in Minnesota, cited in the committee report and closing of Federal installations—particularly defense bases.

It is intended that the title IX assistance will focus on reducing hardships to the individuals involved. As the administration pointed out in their February 1, 1974, report to Congress:

> The Federal Government has accepted responsibilities to try and minimize the hardships for individuals resulting from changes in economic conditions beyond the control of the individuals. This includes efforts to locate alternative employment quickly in the same community, retraining or education, and unemployment compensation.

Testimony before the committee pointed out the difficulty of developing specific national requirements for a demonstration program such as this that must be flexible enough to meet widely varying local conditions in rural areas and the biggest cities. In any case, plans for demonstration projects should, of course, basically reflect the views of local officials and the individuals who will be most directly affected.

Mr. Chairman, with the conflicting economic forecasts that we are faced with today, I urge the broadest possible support for this program.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee (Mr. BAKER), a member of the committee.

Mr. BAKER. Mr. Chairman, I thank the gentleman from Arkansas for yielding and I rise in support of this legislation, H.R. 14883.

Mr. Chairman, I heartily support the Economic Development Act concept of producing ongoing jobs rather than performing a function of welfare, so to speak. There are emergency provisions which have served the public interest with substantial results.

However, I like to think about the Government joining hands with private industry, with private business and making jobs which will be continuing week to week and month to month. In one of my counties, in the small town of Spring City, Tenn., a plant has been the beneficiary of an Economic Development Administration loan and a grant for water treatment which has enabled that plant to employ over 500 persons in a rather small town.

In another city of my district the Burlington Mills has decided to close down a plant which has been employing 1,000 to 1,200 individuals. There is a possibility of a buyer which with the assistance of the Economic Development Administration might purchase this plant and make a profitable enterprise which will retain ongoing jobs for 1,000 or more individuals in that small county.

Where expertise and manpower and need exist with the absence of financial strength, I feel EDA offers an excellent opportunity for enterprises to be established providing employment in many areas of need. I support this legislation wholeheartedly.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, I know well the value of the Economic Development Administration, and the regional commissions aided by grants and technical assistance through title IV of the Economic Development Act. I especially know how the Upper Great Lake Regional Commission, serving Michigan, Minnesota, and Wisconsin, has benefited northern Michigan and its economy.

EDA and UGLRC have proved invaluable in establishing programs and providing incentives for individual businesses and large industries to locate in northern Michigan which thereby has helped to alleviate some of the high unemployment in the area. The transportation, tourist, and forestry industries are just three that have been given tremendous assistance and which, in turn, have been able to provide many needed jobs.

To demonstrate the value of the UGLRC to the tri-state area, the Washington office has invested over $23 million in the region since its inception in 1967. It is estimated that this investment has stimulated projects worth in excess of $144 million—over a 500-percent rate of return. To some of my colleagues representing affluent urban and suburban districts, this amount of money may not sound too terribly impressive, but to me, representing a district which in places has over a 12-percent rate of unemployment, it can be looked at as a gift from the Gods.

I think it is also important that we follow the committee's recommendations and extend EDA for the 2-year period. Should we eventually decide that the problems of unemployment and underdevelopment can be dealt with more effectively by an alternative approach, as some have suggested, such proposals demand extensive investigation by the Congress to determine their relative worthiness. One year would hardly be sufficient for an indepth study, and in my opinion, 2 years would be necessary at a minimum.

We must also realize that many of the programs initiated by EDA and the regional commissions are of a long-range nature. They need more than 1 year to be fully developed and fully implemented, and it would be irresponsible action on our part to retain agencies and commissions but refuse to give them the ability to function effectively.

The citizens and economies of areas such as northern Michigan have benefited greatly by programs initiated and sustained through EDA. It is right that the Congress recognize these benefits by extending the administration for the necessary 2-year period. The $1.02 billion herein authorized should bring billions of dollars more into the industrially underdeveloped areas served. I urge the Congress to support these programs and allow them to continue their good work.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to a member of the committee, the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO of Wyoming. Mr. Chairman, I rise today in support of the legislation before this body to amend and extend the Public Works and Economic Development Act of 1965. Enactment of this legislation will insure the continuation of the many worthwhile programs authorized by the act and developed and administered by the Economic Development Administration.

I would like to speak particularly in support of title V Regional Economic Development Commissions and the EDA Indian assistance program.

As the economies of the 50 States become more closely knit and intertwined, interstate problems are growing in both scope and magnitude. Officials at the State and local level are increasingly finding new problems, interests, and areas of activities that cross State boundaries.

States once resorted to interstate compacts to resolve these problems. However, the frequency of jurisdictional problems now dictates the necessity for a ready-made approach to such problems.

The title V Regional Commissions provide such a ready-made approach.

Mr. Chairman, for the last 2 years, Wyoming has participated in the Old West Regional Commission. I would like to cite some of the areas in which we have found interstate action through the Commission to offer more effective recourse than individual State action. Tourism is one of the key areas; international trade another. Freight rates have also proved to be a regional problem as have education and health care.

An area of principal concern is the rapidly developing coal situation in the States of Wyoming, Montana, and North Dakota. Already, State and local officials find themselves besieged by proposals, decisions, and requirements for which they are not accustomed or prepared. The necessary expertise is often lacking.

Yet, the Commission approach has already shown great promise in circumventing these problems and avoiding what otherwise would be a very difficult situation. I am happy to say that the Congress has recognized this function, Mr. Chairman, in its fiscal year 1974 budget wherein it appropriated $2 million for Commission activities specifically directed at helping the States comprising the Old West Regional Commission absorb the socioeconomic impacts which coal development is bringing down upon them.

I have mentioned three States and the actions they are taking in confronting the problems of coal mining and processing, but to better illustrate the regional nature of the problem, one needs only to consider the important side effects that development will have upon two sister States—Nebraska and South Dakota—though they will not be directly involved in actual production.

The development of coal in the region will have a significant impact on these two nonproducing States. Because of their proximity to the actual coal-producing region, the States will experience industrial and economic changes in the years ahead.

So you can see, Mr. Chairman, the States comprising the Old West Region have many legitimate regional problems that are best solved by a Commission approach. So strongly do the Governors of these States feel about the Commission approach, that recently they recommended during hearings on this bill that the Regional Economic Commissions be continued as they now operate.

The Old West Regional Commission is new, next to the newest of all the commissions. But already its program is rapidly taking shape and we are now beginning to see encouraging results. For the many problems I have mentioned, a permanent interstate authority is necessary to administer funds and direct programs and planning. The title V Regional Commissions are excellent mechanisms to fulfill these functions.

In regard to the EDA Indian assistance program, I recently became aware of a situation which gave me cause for concern.

The administration has proposed the discontinuation of the Economic Development Administration's Indian assistance program and its transfer, through legislation, to the Bureau of Indian Affairs as a block grant program. The proposal is embodied in H.R. 9011, the so-called Indian Tribal Government Grant Act.

This bill is currently pending before the Committee on Interior and Insular Affairs, and while I will not discuss the merits of the bill, I must comment on what I consider to be a premature decision on the part of the administration to terminate the EDA Indian assistance program by omitting provisions for Indian assistance within EDA from its original fiscal year 1975 budget request. This is especially so now that early passage of the Indian Tribal Government Grant Act appears improbable.

Mr. Chairman, the Economic Development Administration has been very effective in developing and administering economic development programs for the many Indian tribes. In numerous ways, in the development of industrial parks on reservations, in the development of tourism and public recreation projects on reservations, in badly needed training and demonstration projects, and in the provision of funds for planning by the tribes, has the EDA shown imagination in its attempt to stimulate economic growth on reservations. Without a doubt, the results of these efforts will show for years to come.

More importantly is the approach taken by the Economic Development Administration to Indian economic development. Their approach is predicated on the participation of Indian people in solving their own problems, the result being the significant development of technical expertise within the Indian community itself.

This is not to say that the EDA is without fault. However, for the most part, EDA has proven its effectiveness in dealing with economic development on Indian reservations. Its popularity within the Indian community has repeatedly been brought out in testimony and correspondence from the tribes. Not one letter has crossed my desk supporting the discontinuation of this program.

Mr. Chairman, any proposal to alter or replace this highly successful program would, necessarily, require only the most careful consideration by the Congress.

A transfer as proposed in the Tribal Government Grant Act is, at best, premature. It is doubtful whether the Bureau of Indian Affairs is capable of providing the necessary information and expertise to the Indians to assure their successful economic development. Indeed, the loss of technical expertise that has been developed through the years in the Economic Development Administration would be immeasurable.

The Indian assistance program of EDA must be continued until adequate time and consideration is given to any alternative proposals. Likewise, I strongly support the title V Regional Commissions, and the bill before us now, H.R. 14883. I have no doubt that passage of this bill will continue these proven worthwhile programs and I support and encourage passage.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I am pleased to rise in support of H.R. 14883, the Public Works and Economic Development Act Amendments of 1974.

I have always been a supporter of economic development programs and my interest in them has intensified as the economic problems of my district grew, spurred by soaring prices, rising unemployment, uncertain economic outlook, and a lessening of Federal commitment to aid our centers of poverty. When the administration first proposed the original Economic Adjustment Act of 1974, I was dismayed as the major thrust of that measure was to nullify the role of local participation in economic development planning and to remove economic development programs from the oversight of Congress. To make matters worse, the legislation contained no mandate for continued support of ongoing local programs and I feared its consequences for my district and the city of New York. Fortunately the committee had the foresight to reject this ill-conceived attempt to restructure the program and the bill before us, by extending intact the established programs of EDA, assures the participation of local groups and community representatives. It also continues congressional oversight for the programs.

Throughout the years my district has substantially benefited from title I special impact programs, as well as the Public Works impact program designed to have immediate effect on high unemployment. Since the South Bronx was designated as a special impact area in 1971, the local Overall Economic Development Corp. has conceived and executed several innovative programs which have increased employment opportunities, spurred local initiative, and contributed to general growth. To single out just one example, I would like to mention a recently completed project.

Funded by a $500,000 Federal grant, a program to install high intensity lights distributed such fixtures along a 13-mile long route throughout my district. Forty workers, a large percentage of whom were of minority background, benefited by direct employment on the site. Since all material utilized was locally procured and produced, there were substantial indirect benefits to other businesses. Moreover, the added lights have brought increased security to residents and it is hoped that they will substantially aid in reducing the incidence of crime.

Generally speaking, EDA programs, throughout their operation, have been outstanding examples of effective Federal-local cooperation. The changes to be effected by this bill in the existing law should serve to further enhance their impact. Striking section 102, the redevelopment area criteria for title I designation, and transferring it to title IV as a new paragraph, makes uniform the assistance that is available to all areas designated under the act. Thus, areas selected under the redevelopment criteria, which formerly could avail themselves of such title II programs as direct loans and guarantees of direct and working capital loans and lease payments only by submitting a separate application for participation under that title, will instead enjoy eligibility upon designation. The new section 302, authorizing Federal grants for economic development planning and making it possible for the Secretary to extend technical assistance to local governments and development districts should also prove to be a valuable tool.

The Committee on Public Works, in my estimation, has done an excellent job. This is a good bill, well-deserving of support. I hope that the House will see fit to approve it overwhelmingly.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to a member of the committee, the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Chairman, I rise in full support of H.R. 14883, the Economic Development Act of 1974. This act was brought in in 1965 and has been continued ever since. The time is upon us now, the act will expire on June 30 unless the bill is passed and signed into law.

I just want to mention a special group that is taken care of in this bill and have done very well for the past 2 years. The American Indian has used the Economic Development Act very well.

Mr. Chairman, since 1966 American Indians have benefited directly and substantially as a result of programs authorized by the Public Works and Economic Development Act of 1965, and developed and administered by the Economic Development Administration.

These programs have been directly responsible for economic development on Indian reservations by providing planning and technical assistance funds as well as construction funds for a variety of public works programs. The Economic Development Administration has, over the years, shown effective support and imagination in stimulating job creation and economic growth on the Indian reservations.

In short, Mr. Chairman, the Economic Development Administration has been highly successful in its Indian assistance programs and is certainly popular with the Indian community, a fact strongly corroborated in testimony by the Indian community during the hearings on this bill. Any proposal to alter or replace this successful program, then, deserves the most careful consideration by the Congress.

A year ago, legislation was introduced in the House which would establish a new program in the Bureau of Indian Affairs for providing block grants to Indian tribes for economic development assistance. This bill, H.R. 9011, the so-called Indian Tribal Government Grant Act, would transfer the EDA Indian reservation grant funding authority to the Bureau of Indian Affairs.

This was acknowledged by the administration in its fiscal year 1974 budget request, in which it requested authority to transfer during the fiscal year unobligated EDA public works funds for Indian reservations to the Department of the Interior, upon congressional enactment of the proposed Indian Tribal Government Grant Act.

Mr. Chairman, I assure you that I have given this matter the closest examination and feel strongly that, at best, such a transfer would be premature.

Testimony received from the tribes made it clear that they feel the Bureau of Indian Affairs is not capable at this time of providing the necessary information and expertise to the Indians to assure the successful continuation of their economic development programs. For example, Mr. Chairman, the Intertribal Council of California, a statewide organization, recently received a grant from the Economic Development Administration to assist in planning the overall economic development plans for some 70 reservations within California. The difficulty of such an undertaking is not evident until one realizes that California comprises only some 78 reservations, most of which are quite small. Were a transfer of funds to take place now, it would totally disrupt the continuity of such a worthy plan.

Mr. Chairman, the Economic Development Administration's Indian assistance program must be continued until adequate time has been given for the careful review of any alternative proposal. The bill now before us, H.R. 14883, provides that time, in addition to continuing what has repeatedly proven to be a highly successful program in assisting the numerous Indian tribes to develop by themselves

Mr. Chairman, unemployment and underemployment are critical problems in the rural areas of our country. Federal financial assistance through grants for public works and development facilities to communities and industries within these distressed areas is greatly needed to revitalize their economies, and I strongly urge support for the legislation we are considering today.

As a member of the Committee on Public Works, I have long been involved with those economic development programs authorized by the Public Works and Economic Development Act of 1965 and developed and administered by the Economic Development Administration, and feel strongly that we should move immediately to pass legislation to extend these worthy programs.

A 2-year extension of EDA programs is essential if we are to continue to bolster the economies of the many economically depressed areas of our Nation, areas that continue to lag behind the rest of the Nation. In addition, Mr. Chairman, it is necessary that the committee have adequate time to study alternative, and perhaps more efficient, ways of relieving economic hardship and unemployment in these areas.

Mr. Chairman, existing economic development legislation has had a most beneficial impact on those areas with a large concentration of low-income persons, substantial and continued unemployment, or actual or threatened unemployment as a result of the closing or curtailment of a major source of employment. The measure is not a new and untried idea. It has repeatedly proven its effectiveness in assisting many areas of the country, pulling them out of their economic depression.

In an age when change is certain, the Economic Development Administration can and has prevented, and restored, the damage caused by economic relocation and adjustment.

This legislation has proven its value as an aid to local areas, and I urge my colleagues to join me in extending the authority of this legislation for 2 additional years. By doing so, the Members of Congress will maintain their stand in favor of the less privileged and the depressed areas of this country.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to a member of the committee, the gentleman from Ohio (Mr. JAMES V. STANTON).

Mr. JAMES V. STANTON. Mr. Chairman, I rise in strong support of the economic development programs outlined in the bill, especially section 202 in the loan and guarantee section involving the development of businesses and the financing and redeveloping of areas of land and facilities in industrial areas.

I would hope, though, that section 202 would be fully considered and that there would be consideration given to trade associations and labor organizations for consultation, to insure that businesses were not raided and that they were not taken from one area to another strictly for the development of one section of the country against another.

I know we have discussed this in the committee. I understand that section 202 does outline in subparagraph (1) under the section of (b) (1) that such financial assistance shall not be extended to assist establishments relocated from one area to another; but I would hope that it is the intention of the committee that labor organizations and trade associations be consulted by the Department before the business loans and grants are made, to insure there are not raids from one State to another.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. JAMES V. STANTON. Mr. Chairman, I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Chairman, the gentleman would not be suggesting another AFL–CIO checkoff on all grants to EDA to get their approval before they got approved by the agency, would he?

Mr. JAMES V. STANTON. I would say this: I do not think we could write that into law, although I would not be particularly opposed to it myself, and I know the gentleman would probably join me in that endeavor. However, I would indicate that nobody is seeking a checkoff by labor or a checkoff by business.

Basically, what we are seeking is an understanding in the law that one community will not be pitted against another in terms of Federal dollars; taking one business from one part of the country to another.

Mr. BAKER. Mr. Chairman, I thank the gentleman.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. JAMES V. STANTON. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, the gentleman does correctly interpret the act and the intent of the act. Obviously, it was not our purpose to raid one section of the country and proselyte industry away from that section of the country to another. The purpose of the act is to create new enterprises in those areas where economic conditions are badly depressed.

Mr. JAMES V. STANTON. I thank the gentleman.

Mr. HAMMERSCHMIDT. Mr. Chairman, we have no further requests for time.

Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the distinguished Democratic whip, the gentleman from California (Mr. McFALL).

Mr. McFALL. Mr. Chairman, this 2-year extension and expansion of the Public Works and Economic Development Act deserves the support of the House.

This extension represents a continuation of the program which Congress created in 1965 to deal with problems of substantial and persistent unemployment, low income and outmigration of workers. EDA is aimed at fostering economic development with the creation of permanent jobs and long-lasting community benefits. Many areas of the country today badly need the opportunity offered by EDA, and the House should extend the act.

The Public Works Committee, building on the successes of the program, has revised it and added important new tools designed to deal with specific kinds of dislocations. For example, under the new authority in this bill, EDA can offer relief to communities stricken with the sudden loss of a major source of employment—a plant closing, for example, or the phasing out of a Federal installation or the consequences of a Federal fuel allocation order or an environmental protection compliance order.

The bill provides new authority for 90-percent guarantees for business development loans and for rental agreements. The latter provision, particularly, is aimed at depressed neighborhoods in major cities where commercial and office buildings stand vacant. The bill authorizes direct loans in areas where they cannot reasonably be obtained elsewhere.

A number of other improvements would be made in the EDA program generally. All eligibility criteria under the act would be concentrated under a single title; the effect of this would be to make all areas eligible for all available assistance.

The number of redevelopment areas required in any economic district would be reduced from 2 to 1. The effect of this would be to strengthen the role of economic districts. The bill would also grant greater latitude on the use of an area's redevelopment money, permitting it to be spent outside the area if the primary benefit will be returned to the area.

Finally, the bill includes $50 million in new authority for an experimental project aimed at devising other approaches to economic development. This experimental project, under a new title IX, will give the administration the opportunity to test out its proposals for a block grant program.

The success of EDA to date has been outstanding. Most States, including my own State of California, have taken advantage of EDA opportunities. Overall, more than 500,000 permanent new jobs have been created. New buildings, access roads, sewer and water improvements, and other facilities have been constructed in redevelopment areas across the Nation. The economic development districts have become effective partnerships of Federal, State, and local authorities cooperating toward permanent and self-sustaining economic growth.

These are the kinds of results that merit a further vote of confidence by the House.

Since 1971, the public works improvement program has added an important new dimension to EDA. PWIP has provided special relief to areas of exceptionally high unemployment and, in so doing, has accelerated the economic development effort.

More than 35 percent of PWIP projects are of three types: preparing facilities for industrial sites and industrial parks, constructing water systems and building multipurpose community buildings. All of these are projects aimed at providing long lasting community benefits, including permanent economic development.

Other major PWIP projects have included street and road improvements, building renovations, sewer system improvements and conservation work. Other PWIP jobs have been associated with recreational facilities, jails and police stations, fire stations, educational facilities, and even harbors and airports.

The range and flexibility of this program are remarkable. All States, except one, have taken advantage of it. PWIP has the solid backing of the National Governors' Conference, the National League of Cities and Conference of Mayors, National Association of Counties, and the International City Managers Association. The AFL-CIO supports PWIP, as do the Association of General Contractors and the American Subcontractors Association.

The people who are really faced with these problems of high unemployment and economic distress support PWIP. They have seen what this program can do to alleviate these problems and to lay the groundwork for sound, long-lasting economic growth.

The House should maintain its record of support for the PWIP and the entire EDA program by passing this bill today.

Mr. WRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, I am glad to be associated with those who are seeking the extension of the Public Works and Economic Development Act. I would like for it to be permanent instead of for a period of 2 years. We have had to fight this battle year after year to keep the program alive, and I find it difficult to understand this situation. It has been a very good program.

It is a program which encourages community participation and community enterprise. My district has benefited in a very definite and positive way. I know it is a good program, and I know that the same is true in many other parts of the Nation. So, I think the Congress would make a very serious mistake if it failed to insist upon the continuation of this very fine program.

Mr. Chairman, I want to express my appreciation and my commendation to the distinguished members of the Committee on Public Works who reported the bill. I think they have done a very creditable job. Also, Mr. Chairman, I think particular credit is due to my good friend, the distinguished majority whip, JACK McFALL, a long-time advocate of this program.

Mr. WRIGHT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I take this time simply to say that the public works improvement program continuation, which this bill mandates, has been an extremely effective program not only in creating useful, immediate jobs in areas of high unemployment, but also in providing the basic infrastructure necessary to attract long-range employment in private industry.

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 14883 which will extend the present programs authorized under the Economic Development Act of 1965 for another 2 years.

The people of our Nation today enjoy one of the highest standards of living in the world. Per capita income is at an all-time high and our country's economy has the most advanced industrial technological base in the world.

However, in the midst of all this plenty, there are still some sections of this Nation suffering from substantial unemployment, underemployment, and economic underdevelopment. In these areas which have lagged behind the national growth patterns, economic development has often been impeded and frustrated by the inability to provide needed public facilities and services. It was to assist such depressed and impacted areas that the Economic Development Act of 1965 was designed.

In testimony before the Subcommittee on Economic Development in the past, I have cited many of the specific instances in which the programs operated under the Ozarks Regional Commission and the planning and development districts in Arkansas have raised the standards of living in the economically depressed regions of the State. Since the inception of this program, in one 12-county planning and development district alone, more than 2,014 jobs have been created and another 4,056 are projected, resulting in a total generation of 6,070 jobs.

In another 10-county area, 4,560 jobs have been supplied and another 2,030 are expected to be generated by successful projects. Each new job has cost less than $1,000 in EDA funding to create. That is not a bad investment. The holders of these jobs are taxpaying citizens who have paid in more taxes than it cost to create these jobs.

I congratulate the committee on their decision not to tamper with obvious success. The addition of the demonstration programs provided for in title IX as a complement to existing EDA programs rather than a substitute for them will give us a chance to evaluate new approaches to economic development without interrupting the ongoing programs which have proven so beneficial in stemming outmigration from nonmetropolitan areas and making the countryside once again an attractive and economically feasible place to live and raise a family.

Mr. GRAY. Mr. Chairman, it is essential that the House pass H.R. 14883 today to amend and extend the Public Works and Economic Development Act of 1965 for 2 additional years.

This bill, Mr. Chairman, will continue through fiscal 1976 programs that have repeatedly proven their worth in countless cities and towns throughout the Nation. Specifically, the bill authorizes annually some $510 million to carry out such successful programs as public works grant and supplementary grant funding, the public works impact program, the public works and business development loan and guarantee program, technical assistance and research, the growth center and economic development district programs, the regional action planning commissions, and the new economic development and adjustment assistance program.

Mr. Chairman, as a cosponsor I have followed this legislation since 1965 to provide Federal assistance to those regions of the country which lagged behind in economic growth or suffered from high unemployment or underemployment. Its effectiveness has been well documented, both in testimony before the Committee on Public Works and in practice. At this time, Mr. Chairman, no comparable program is in existence to assist economically distressed areas. Thousands of new jobs have been created in Southern Illinois from EDA.

Municipal leaders and local officials across the Nation know the problems and the needs of their areas, and value the assistance EDA has been able to provide. EDA has repeatedly shown that it can work effectively with local communities in order to help create conditions to aid business growth and create jobs on the local level. Indeed, community participation and cooperation, in the context of close coordination between local, State, and Federal officials, have enabled EDA to develop innovative and constructive projects which will benefit these towns and their citizens for years to come. I could recite scores of southern Illinois projects.

Congress has long recognized the important role played by EDA, and has time and time again shown its support for the program.

Because of EDA's superb record of achievement, I urge my colleagues today to support H.R. 14883. To allow the discontinuation of such a productive program as EDA would be to penalize, perhaps permanently, those areas of the country which need the very assistance EDA provides. The Economic Development Administration has managed to successfully bridge the gap between Federal assistance and local need. It has earned a well-deserved reputation as a program which accomplishes its aims readily and effectively. We in southern Illinois will always be grateful for this important program that has allowed us to turn relief checks into pay checks. Thank you.

Mr. MATHIAS of California. Mr. Chairman, as a proponent and cosponsor of legislation in 1973 to retain the EDA, I strongly support legislation this year which would continue the programs which have been so beneficial to States and counties throughout the Nation.

In correspondence which I have received from my congressional district, which is largely rural in nature, the EDA has been widely praised. It was the unanimous opinion of the South San Joaquin City Managers' Association that of all the agencies the cities had to work with, the Economic Development Administration has been the most efficient and the most effective from the submission of proposals, to the length of time for approval, to auditing.

I have watched the EDA bring new industry and new jobs to my district. For example, in 1969 the development of an industrial park was begun in Visalia, Calif., following an EDA grant. Subsequently, there are 16 industrial plants situated in this area, and they provide for an average employment of 1,455 people.

This represents but one of many instances when the EDA had aided projects within my district. In other years, EDA grants have provided funds for water and sewage treatment facilities; for the development of industrial parks; for the modernization of police and jail facilities; and for the construction of community centers on Indian reservations. In other words, the EDA has proven to be a beneficial source of Federal moneys.

Admittedly, EDA has its drawbacks. These, too, have been cited to me by my constituents. However, I believe that the EDA should be continued for the pluses far outweight the minuses.

Mrs. GRASSO. Mr. Chairman, the problems of unemployment and economic distress continue to plague us and, if certain economists are to be believed, the situation may get worse before it improves.

I therefore support H.R. 14883, a bill to extend for 2 years the Public Works and Economic Development Act. The bill authorizes $510 million for each of the next 2 fiscal years for programs to ease unemployment and provide needed public works projects throughout the Nation. Specifically, it authorizes $200 million for public works grants, $60 million for public works and business development loans, $60 million for planning and assistance, $45 million for growth centers, $95 million for regional planning commissions, and $50 million for special assistance programs.

Last year, the Congress passed a comparable bill which extended EDA through fiscal 1974. During that debate, I elaborated upon the contribution which EDA has made to economic development in my district. Sewers, a town hall, a public garage, and several industrial parks have all been created in Connecticut's Sixth District with the assistance of EDA. In addition, other towns have important projects awaiting future EDA funds.

No suitable program exists to fill the void which would be created if the authorization for EDA were allowed to expire. I do not believe that we can allow this important economic program to die while so much more must be done with EDA's help to aid our cities and ease the rising level of unemployment.

I support H.R. 14883 and urge its passage by the House.

Mr. STEELE. Mr. Chairman, I rise in support of H.R. 14883, which provides for a 2-year extension of the Public Works and Economic Development Act of 1965, expands some of its existing programs, and includes a new title IX, which creates the "economic adjustment" demonstration program.

Connecticut has lost a substantial number of manufacturing jobs since 1954 and is presently suffering from above-average unemployment, with pockets of acute unemployment. It is my conviction that the Economic Development Act has an important role in helping Connecticut and its communities to reduce their unemployment rate, create more manufacturing and other job opportunities, and increase their capabilities in planning economic development.

The past operation of the Public Works and Economic Development Act has certainly justified its continued existence.

Last year, during the debate on extending the authority of the act for 1 year, I provided several examples of the act's effectiveness—that EDA's public works and business loan programs had encouraged people to stay in the small urban areas in my district rather than seek supposed opportunities in the larger cities; that EDA assistance had directly helped Norwich, Conn., create new employment and a more diversified economy; and that the Eastern Connecticut Development Council, founded with an EDA grant, had effectively assisted the economic development of the region.

During the 1-year extension of the Public Works and Economic Development Act of 1965, my district has continued to share in the programs with other districts throughout Connecticut and the Nation. The programs have helped to combat unemployment and outmigration and to diversify the economy in southeastern Connecticut, where defense employment has been more than 10 times the national average.

EDA has provided several grants under the important public works impact program. A grant of $104,800 for a 74-acre expansion of the Norwich Industrial Park immediately created 11 construction jobs, but more importantly, it made it possible for the Power Tool Division of AEG Telefunken, a West German company, to open its first American plant. Not only will the plant create 500 jobs, but the company will no longer have to export tools to this country from abroad beginning next year. Both our labor situation and our balance of payments will therefore be improved.

Another grant of $217,000 under the public works impact program, matched with a loan of $400,000 from the Farmers

Home Administration to the Sprague Water Authority, prevented two textile plants from moving out, thus saving 300 jobs. Twenty-six jobs for building the project also were created.

Finally, a $300,000 grant to the town of Vernon to refurbish the Memorial Building, an 1885 architectural landmark, prevented the razing of the building and the further deterioration of downtown Rockville.

In addition, EDA has conducted two technical assistance projects in my district. One was a $90,000 grant to the Eastern Connecticut Development Council. The council subsequently has conducted a study of the economic impact of the Regional Rail Reorganization Act on eastern Connecticut; has persuaded the Department of Transportation not to terminate rail freight service in eastern Connecticut; and has provided technical assistance to 150 private companies.

The other technical assistance grant was for $87,000 to the Middlesex County Development Council to coordinate development activity in 15 towns in the Middletown labor market area. The council has dealt with the issues of tourism, rail freight service, housing, and manpower training.

Finally, EDA has provided $750,000 for the development of the Norwich marina for dredging, pier construction, and onsite sewage facilities. The project will lead to $8 million of commercial development which will yield at least $48,000 a year in local tax revenues.

I would also like to point out what I believe to be ameliorative changes in the act.

Section 4 of the bill as reported authorizes the Secretary to make grants to any State, city, or other political subdivision of a State or substate planning and development organizations for economic development planning. Hopefully, this will encourage the States to increase their capability for economic development and adjustment planning.

Furthermore, I am pleased that this legislation not just continues the Regional Action Planning Commissions, but expands their authority to permit the payment of administrative expenses to substate planning and development organizations. The Eastern Connecticut Development Council and the Middlesex County Development Council are certainly among the organizations which deserve this kind of support. I also believe that the regional commissions have a major role to play in fostering our economic development.

I believe that H.R. 14883 is good legislation—it permits local people and institutions to define their needs and backs up local initiative wtih the financial resources of the Federal Government. I urge its passage.

Mr. PERKINS. Mr. Chairman, I want to urge the House to support this bill to extend the Public Works and Economic Development Act for 2 years, because it is a bill that translates its provisions into benefits that have a direct and real meaning to the people. It is the kind of legislation that gets down into the counties and the communities, and shows citizens that the Congress can analyze a problem—a problem such as the need for economic development to build a base for employment—and do something about it.

Back in 1965, when this act was first passed, we enacted a lot of good legislation, and this one ranks right up with the best for what it has done—and what it is capable of doing—for people. I am very glad that I was able to be associated with it then, and I am glad to be among those who are supporting its extension today.

I want to ask the House to notice some of the innovations this bill carries, to develop jobs and stronger economic bases in areas of the country which need this kind of help. When we get this bill signed into law, the Economic Development Administration will have new authority to help communities if their economic base is hurt by something like a factory being closed down suddenly. It also has new authority for 90-percent guarantees for business development loans.

The administration has sought to initiate a bloc grant concept for economic development, and the bill carries a new title 9 with $50 million to look into the effectiveness of this approach.

I also want to mention the very important public works impact program—the section that was made part of the act in 1971, to provide at least some of the help very high unemployment areas used to get from accelerated public works.

The public works impact program is being used, when money is available, for industrial park development, water systems, and community buildings, with the objective of laying the groundwork for job creating economic development.

We want to make sure that the requirement holding 25 to 35 percent of title I grants for this program remains in the bill.

When we talk about benefits from this legislation, we are really talking about something that is hard to measure, because the indirect benefits are almost impossible to tally. We know they are there, and there in abundance, though, when we are in one of the communities which has built or improved its economic base through economic development assistance.

The bill before us today ought to receive overwhelming support.

Mr. VANDER VEEN. Mr. Chairman, I rise in support of H.R. 14883, extension of the Public Works and Economic Development Act of 1965. As a member of the Economic Development Subcommittee of the House Public Works Committee, I am particularly pleased that programs authorized by this legislation will be continued. It has been a long, hard fight but the determination of our distinguished chairman, Congressman BLATNIK, has paid off. I salute Chairman BLATNIK, Subcommittee Chairman JONES, the other members of the subcommittee and full committee, and the staff. We have a bill we can be proud of and upon which we can build in the years ahead.

My cosponsorship of this bill indicates both support for the goals of this legislation and my continuing efforts to help Michigan's Fifth Congressional District participate fully in programs and projects which will encourage long-term and sustainable economic progress.

In the next 10 years, the Grand River Valley region will need at least 20,000 new jobs. Regional unemployment has stayed above national levels. Economic stimulation and job creation which accompany and justify economic development projects are needed now and will continue to be needed in the foreseeable future.

Shortly after my election to Congress in February of this year, I joined with a number of community leaders to form an economic development task force. The focus of this effort is to encourage our own economic planning and development, and provide community input to and cooperation with regional, State, and Federal programs.

The bill provides a total of $1.02 billion for fiscal years 1975 and 1976. The $510 million annual expenditure of funds will be used to encourage economically disadvantaged areas to carry out development planning, to finance construction of basic public facilities that would make the area attractive to private investment, and provide special financing to private firms to encourage them to build plants and facilities in economic development areas.

Of the $510 million, $200 million will be used to provide grants for construction of public facilities in areas of substantial unemployment. Of this amount 25 to 35 percent must be used to provide public works jobs in areas of high unemployment. This blending of projects to create jobs in the private sector along with public service employment is a particularly effective device in restoring balanced economic growth to an area.

Sixty million dollars per year will be devoted to assisting directly in commercial development. These programs will include guaranteeing business loans up to 90 percent, guaranteeing up to 90 percent of rental payment for leases, and making direct working capital loans. This assistance will help areas losing employment because of the closing of Federal installations, or because of environmental orders resulting in plant closings and disruptions. These funds can also be used to ease the economic ill-effects of energy conservation and allocation programs.

Ninety-five million dollars per year will be used by the various regional economic development commissions to assist in economic development planning. These planning funds will help State and local government complete the planning and project applications required for Federal assistance.

Mr. Speaker, I urge the passage of this most important legislation. In the months I have been privileged to serve on the Public Works Committee I have come to appreciate more fully the importance of the type of economic planning and development envisioned in this bill. I have been impressed with the bipartisan cooperation in the committee in fashioning this important legislation. I look forward to working with the Economic Development Administration, the regional commissions and my own area's economic development task force to see the promise of this legislation become the reality of heightened economic activity and jobs for citizens of the Fifth District.

Mr. PICKLE. Mr. Chairman, I rise in strong support of the bill to extend the Economic Development Administration for 2 more years.

I feel that EDA is one of the most successful programs to come out of the 1960's.

The program often brings the hope of economic development where there is no hope of any other governmental help. The program is also designed to put the money where it will do the most good—in those communities that need jobs. EDA has also been fair in its help. From the Indian reservations of the West to the rural communities of New England, this agency of the Commerce Department has been a positive aid. I have seen the positive good effects in my own district: water and sewage projects, paving, hospitals, scenic parks and industrial parks.

Oftentimes, when I look for help for the small communities of my district to overcome economic burdens, I find that formulas are designed for the big cities when it comes to dispersing money.

But the quality of life is just as important in our rural areas as in our big cities, and thankfully, there is an EDA to be understanding of the economic needs of all our problem economic areas.

The Southwest area office for the Economic Development Administration is located in my district's largest city, Austin, Tex.

This office is an asset to our community, and so are the many able leaders who work with the Southwest area office. So, in a way, a part of EDA is my constituency, as well as a Government agency with which I work. In both roles, I find the agency to be a good, positive factor.

I ask that the House give a strong vote of confidence to this development program.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 14883, a bill to amend the Public Works and Economic Development Act of 1965, and to extend for 2 years the Economic Development Administration, and the Regional Action Planning Commission under the Department of Commerce.

As reported, this important piece of legislation will help facilitate better Federal assistance to areas and regions suffering from high unemployment and underemployment by authorizing $1.02 billion for fiscal year 1975 and fiscal year 1976 to enable these areas to develop the planning and financial capabilities for long-range economic improvements.

I am especially pleased with the new features to improving this important act which should greatly assist those pockets of poverty within a city which are often forgotten when assistance is given in large metropolitan areas, such as Los Angeles.

Of particular importance to the people in my district is the consolidating of all eligibility criteria under just one title—title IV—thereby making assistance uniformly available to all parts of an area. Specifically, this would provide for an area which once had only been eligible for public works grants to be also eligible for business development assistance.

This bill authorizes $60 million per year for business development assistance in distressed areas, including several new methods of assistance, including 90 percent guaranteed loans for business development and rental payment, and making direct working capital loans.

These working capital loans should be of particular importance to parts of southern California where businessmen would be eligible when affected by, but not limited to, such factors as the closing of Federal installations, the enforcement of Federal environmental orders, and Federal energy allocations.

Also, I am pleased that the committee has stipulated that 25 to 35 percent of the funds authorized in title I be earmarked for public works impact programs—PWIP. By earmarking a specified amount in this bill for PWIP projects, we will be assured that funds should be more available for the smaller projects as municipal buildings, health facilities, cultural facilities, recreational facilities, and so forth, as well as the basic community public works projects. For these projects not only provide needed employment, as well as needed community facilities; they also enable EDA to focus its assistance on the smaller pockets of distress within the larger metropolitan areas.

Finally, this act adds a new title IX to the act which authorizes $50 million for a demonstration program to evaluate and test new approaches to economic development and to assist in meeting specified needs arising from actual or threatened severe unemployment from existing or expected economic dislocations. These funds can be used in parts of cities such as special impact areas where it is possible that Federal assistance would prevent economic hardship before they occur rather than having to concentrate on lessening hardships after the areas have become depressed. This would include assistance to meet the special needs arising from actual or threatened severe unemployment arising from economic dislocation, including unemployment arising from actions of the Federal Government, and from compliance with environmental requirements that remove economic activities from a locality.

These new features should be an aid to the people in the Los Angeles harbor area who are facing the possible economic hardships resulting from the proposed closing down of Fort MacArthur; the phasing down of the Long Beach Naval complex; and the difficulties of some fish processing plants attempting to comply with stricter environmental requirements.

With the use of Federal assistance under this new title, efforts would be included to locate alternative employment quickly in the same community, by providing retraining or education, and unemployment compensation.

As a member of the Public Works Committee, I want to commend my colleagues for the fine bipartistan approach taken to produce this important piece of legislation.

I ask that you would join me in supporting this much needed legislation in order that our communities may continue to plan and work for a better economic future.

Mr. DE LA GARZA. Mr. Chairman, I support this legislation. I have supported it since its inception. I, like many of my colleagues, supported the institution of the Economic Development Administration because we knew that the need for this type of legislation was proven beyond any shadow of a doubt throughout the United States. I certainly knew from personal experience of the need in our area of Texas. We did not know if this concept would work, you never really know when you first enact legislation, but I am here today, Mr. Chairman, attesting to the fact that it did work.

We can see the projects in my congressional district, we can see the increased employment, we can see the people working on jobs that did not exist before. This is the kind of a program we like to invest our tax dollars in, it has a high return on our investment. I commend the committee, I commend those who work and have worked for EDA for I have never found them to be anything but helpful and yet have to the utmost protected the investment of our tax dollars. South Texas is a better place economically because of EDA and we are proud of the local participation in all levels of this program. I repeat, Mr. Chairman, it is a very good program.

Mr. FRENZEL. Mr. Chairman, I shall vote against this bill, H.R. 14883, for several reasons.

In the first place, appropriations have averaged about one-fourth of authorizations for EDA since the program was begun in 1965. It seems silly to authorize over $500 million, twice the budget, and 20 percent more than last year, especially if we do not intend to fund more than a quarter of it.

It is dangerous to authorize vast sums, to build expectations, and then rely on the Appropriations Committee to reduce the spending. We ought to begin to hold the line on authorizations as diligently as we say we do on appropriations.

It is also a little discouraging to hear that this bill pays ski resort operators when it does not snow.

I do not have any quarrel with the bill's purposes. I like job building programs. But I do not like overspending and I do not like overpromising. I shall oppose the bill.

Mr. JAMES V. STANTON. Mr. Chairman, the supplemental views in the report on H.R. 14883 questioned the inclusion of unemployment assistance payments in the plan for the economic development and adjustment demonstration program.

The purpose of this title is to create a demonstration program to help areas adjust to structural changes in the economy before problems become so severe that there are high rates of unemployment or outmigration, or both.

This program is proposed because of the widespread recognition that most Federal assistance for economic development has been directed at areas which are already suffering from high rates of unemployment. In these cases, it is difficult to reverse the forces of decline and we hope this demonstration program will permit us to find new ways to avoid creation of distressed areas by forecasting where structural changes are taking place and where unemployment is going to occur with a goal of reducing the hardships for individuals impacted by these structural economic changes.

Examples of structural changes which can cause major adjustment problems for an area or region include:

A reduction in the availability of a critical resource, such as energy products, which requires modifications in the nature of economic activities;

Technological changes which reduce demand for labor or make a product line obsolete.

Resource depletion, which may reduce or terminate the major economic activity in an area;

Reduction of the international competitive position of an industry, resulting in reduced production; and

Shifts in Government programs, such as defense or space efforts, which may reduce or remove activities from a region.

The current energy crisis provides many examples of the substantial problems which can be created for communities in adjusting to changed availability of a critical resource. The impact of such a change will vary from region to region, and the need for assistance also will vary.

In an advanced innovative nation, which makes substantial investments in research and development, technological change will be a continuing process. Much of this technological change will be translated into the marketplace in a gradual fashion, and may be absorbed by affected regions without serious adjustment problems. Other kinds of technological change may be so significant and revolutionary as to be a truly traumatic shock to the economy of an area or region.

We are concerned in this demonstration program with identifying a few areas where we can predict that these traumatic shocks are likely to occur and then encouraging effective community action to offset their impact.

Perhaps the most critical factor is to maintain intact the skilled labor force in these areas in order to make the area attractive to new industry. This cycle has been demonstrated all too tragically in many areas—the younger, most skilled, most productive workers are the first to leave an area that threatens to become depressed. They will be the most likely to move—all too often from the small rural towns into already overcrowded big cities. Not usually because they want to but too often because there seems to be no hope of "holding on" until new jobs are available.

This is the basic reason for the requirement that the local economic adjustment plan contain assurances for workers who lose their jobs because of the economic adjustment problem that they will be able to receive unemployment assistance payments, if necessary, for a period up to a year.

Our experience in other similar problems—such as in the National Disaster Act passed by Congress a few weeks ago—shows clearly that this longer period of potential unemployment assistance is necessary. Hopefully, no payments would be needed and we do not believe that it would be either extremely expensive—this is only a limited demonstration program—nor would it be "difficult" to administer. The committee report makes it clear that these payments would be supplementary to existing compensation systems and will be administered wherever possible by State employment security agencies so it will be closely coordinated with other effort.

These agencies, established in every State with local offices located to meet the needs of jobless workers in each State, are uniquely qualified to administer the unemployment assistance features of any approved plan. Every State employment security agency under existing law administers regular State unemployment compensation programs. Every State agency administers the current payment of extended Federal-State unemployment compensation benefits which provide for extended benefit payments in excess of 26 weeks in periods of high unemployment. In addition, the State employment security agencies administer the assistance payments provided for jobless workers in the Trade Expansion Act of 1962, and they also administer the assistance payments provided to jobless workers in the Disaster Relief Act of 1970. The expertise of these State agencies will assure efficient administration of this unemployment assistance and also make available to jobless workers the assistance of State employment security agencies in obtaining new jobs.

I urge that this provision for supplementary extended unemployment assistance be supported.

Mr. JONES of Alabama. Mr. Chairman, the bill we are considering today, H.R. 14883, would amend and extend the Public Works and Economic Development Act of 1965 for 2 additional years.

This act and the economic development programs it authorizes are well known to Members of the House. Its achievements in stimulating construction of public works for the dual purposes of increasing employment in areas of greatest need and of helping communities provide the basic public facilities that are essential for community growth have been documented in the past.

It is imperative, Mr. Chairman, that this legislation be extended for 2 years. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 3 years, and every indication is that this will increase in the very near future. Indeed, Mr. Chairman, some severely depressed areas of our Nation in both rural and urban areas suffer 20 and even 30 percent unemployment levels.

With unemployment and welfare payments as high as they are, it is evident that the Nation needs greater economic development efforts, not less. Without a doubt, the Economic Development Administration, through its many successful and varied economic development programs, provides the backbone for this great effort by making the permanent investments that are essential for national growth.

In fact, Mr. Chairman, evidence presented to the Committee on Public Works during hearings earlier this year indicates just how successful the Economic Development Administration has been in creating job opportunities and community development. The significance of this has created these jobs—over half of this is all the more evident when one takes into account that the Agency has created these jobs—over a half million since its creation—in areas of high unemployment with relatively small amounts of funds.

Mr. Chairman, there can be no question but that the Economic Development Administration, as authorized by the Public Works and Economic Development Act of 1965, and its many programs, has done an effective job in bringing economic growth and opportunity to people and communities that have long been denied adequate jobs and income.

This is not to say that there may not be other—perhaps more effective—ways of stimulating job development than those contained in the existing legislation. Indeed, the Public Works Committee has already began to conduct hearings in search of better ways to bring economic opportunity to the distressed areas of our Nation. Title IX of this bill is a first step in this direction. It would authorize a new demonstration program to try new approaches of keeping an area from becoming depressed.

But such legislation cannot be created and implemented overnight. Until it is completed, the valuable work of the Economic Development Administration must continue. Mr. Chairman, it is the responsibility of this Congress to see that it does. I urge my colleagues to support H.R. 14883.

Mr. HARRINGTON. Mr. Chairman, I rise in support of H.R. 14883, the bill to extend the Public Works and Economic Development Act of 1965.

This act, as passed in 1965, was premised on the need to meet and alleviate severe problems of unemployment resulting from regional or local economic dislocations. It was and is designed to meet this need in two related ways. The first of these is the promotion of economic development and employment through the injection of Federal funds into depressed areas. The second is the provision of adequate Federal funding to nurture the long-run economic planning that is essential in providing for contingencies which may arise and prove economically disastrous for the businesses and the workers of a given region.

Unfortunately, past congressional authorizations for the economic development program have not been fulfilled by the administration. For example, the Congress authorized $430 million for the Public Works and Economic Development Act in fiscal year 1974, while the resulting appropriation amounted to only $281.5 million. Particularly susceptible to the administration's hatchet was the authorization for personnel: Only 575 people were retained to administer a program of approximately $220 million. These personnel reductions effectively emasculate the intent expressed by Congress in passing the annual authorizing legislation and certainly do not contribute to the effectiveness of the development program in alleviating the economic hardships facing many areas of the country.

Certainly, the economic situation has done anything but improve since the enactment of the EDA. It should be obvious that the inflation, unemployment, and growth problems have ballooned to a point of crisis, particularly in New England. This is not the time to eliminate programs which can help restore a degree of vitality to businesses faltering in an economic situation they had no part in creating. This is not the time to eliminate programs which aid workers laid off because of an emergency economic situation beyond their control. This is not the time to eliminate programs which will foster the coordinated planning necessary to dampen the severity of future economic dislocations. If anything, it is the time to strengthen and expand these programs.

H.R. 14883 would accomplish a number of things if passed and followed up with a real commitment by the administration, the Congress, the regional commissions, the States and local communities, business and industry, and the people themselves. Specifically, H.R. 14883 would extend the authorization period for the Economic Development Administration from 1 year, as has been customary in the past, to 2 years.

This change, although not providing sufficient time for the long-range planning that I believe necessary to meet problems of this scope, does increase the capability of the regional, State, and other local units involved to undertake more adequate economic adjustment and development planning by encouraging the formulation of economic development districts and by promoting greater coordination which is essential to alleviate the severity of the economic impact resulting from hitherto unforeseen economic dislocations, such as the energy resource problem or a Federal realinement.

In addition, the proposed legislation would authorize experimental economic development and adjustment demonstration projects through a new provision, title IX. Under these programs, a novel approach to mitigating potential economic dislocations will be created—an approach that could conceivably prove useful in dealing with other social problems. The demonstration projects authorized under title IX would promote the concept of "preventative planning," which, in very simple terms, involves the perception of potential problems before they arise and the formulation of alternative courses of action designed to meet these problems as they arise. Preventative planning can, I feel, minimize the impact of dislocations on the economic welfare of affected regions and communities, thus creating a more stable economic atmosphere for balanced growth and development.

The committee has recommended an authorization of $510 million per year for the extended 2-year period in order to carry out the provisions of this act.

I feel the programs to be enacted and expanded under the act will be of particular significance to the economy of New England and Massachusetts. For years New England has been plagued by an especially unfavorable economic climate, characterized by high transportation costs, aged, and obsolete capital, and insufficient and extremely expensive supplies of energy. But, in the last few years, as the economic situation has deteriorated throughout the country and the world, the situation in New England has become more serious, as persistent unemployment, significantly higher than the national average, and now the energy shortage have hit the area. Massachusetts, for example, now has an unemployment rate of approximately 7.5 percent, and it will take, at the very least, the development programs and coordinated planning efforts authorized by this legislation to even begin to address a problem of this magnitude.

Since the establishment of the Economic Development Administration in 1965, about $30 million has been allocated to Massachusetts, and $3.2 million to the Sixth Congressional District for economic development projects. Without this shot in the arm, the economy would be in an even weaker position than it is.

Needless to say, it is extremely difficult to conduct the necessary economic planning with inadequate funding. Because the regional commissions, for example, have been underfunded and understaffed, it is not surprising that the job of planning has suffered as a result. Certain elements in the administration and the Congress tend to generalize from this inadequate performance and call for the abandonment of the commission structure. Such a policy, I believe, would amount to an "I told you so" follow-up to slow, but inexorable, sabotage.

Mr. Chairman, I believe the time has come to make a serious commitment to the concept of long-range regional planning. We can help accomplish this by strengthening the regional commission structure. Moreover, we must be ever vigilant to ensure that this structure assumes and retains an active posture, avoiding the attics and junkheaps of passive government programs. The need is there; the possibility is there. We need the commitment.

My colleagues should remember that planning is not a single act, but an ongoing process. Studies must be continually updated to include the ever-changing elements in economic reality.

Already the New England Regional Commission, created under title V of this act, along with its six counterparts in the rest of the United States, has begun to assume this posture, addressing primarily three serious problems facing the area: Energy, transportation, and trade-related economic development. But, as long as the commission is forced to hustle bucks on an annual basis, the planning for the future cannot succeed.

I advocate strengthening the regional commissions by providing at least a 2-year authorization to let us begin to deal with the problems and challenges which we face. If we choose to do otherwise, it would likely mean that we will meet here again next year or in a subsequent year to rehash the old problems facing the New England region and the Nation as a whole, and the same tired, passive "solutions." I urge all of my colleagues not only to support the retention and expansion of the Economic Development Administration by the passage of the proposed legislation, but also to work together with regional and subregional agencies to insure that the program is effective in carrying out its mandate.

Mr. **DRINAN**. Mr. Chairman, I rise in support of H.R. 14883, a bill to extend for 2 years the Public Works and Economic Development Act of 1965. When this matter was before us last year, I joined with over 100 of my colleagues on both sides of the aisle in sponsoring legislation to continue EDA in the face of vigorous administration opposition. Today, I reaffirm my confidence in the EDA program as an effective method of helping communities to help themselves solve their unemployment problems through federally subsidized economic development.

The broad, bipartisan support which this bill enjoys is indicative of the undeniable need for this legislation. The unemployment statistics in Massachusetts, like those throughout the Nation, speak for themselves. This legislation will go far to fulfill the oft-stated rhetorical promise to provide help for the jobless. The act will appropriate $510 million in each of the fiscal years 1975 and 1976. It will provide direct grants, business development loans and guarantees, planning and technical assistance, and special economic development and adjustment assistance demonstration programs to aid economically depressed areas in their fight against unemployment and economic stagnation.

Last year I noted that two towns in my district, Gardner and Fitchburg, which have been particularly hard hit by unemployment, were relying on the EDA for help. I am happy to report that thanks to a grant from the EDA, work has just begun on an industrial park in Gardner. The $1.2 million Federal grant, which led to lask week's ground-breaking is likely to result in about 2,000 new jobs for the people of this area.

Fitchburg's application for help with a sewer extension project has not been granted because the Economic Development Administration has no more funds available. It is my fervent hope that this extension of the Public Works and Economic Development Act will provide funds needed for the completion of the Fitchburg project and for similar projects in other eligible communities in Massachusetts and across the Nation which have been denied grants solely because of inadequate funding.

In addition to continuing present programs, the bill grants new authority to increase the effectiveness of this self-help program by extending it to many needy communities presently ineligible for assistance. Under the provisions of section V, one, rather than two, redevelopment areas will be required in a district to satisfy eligibility requirements. Eligibility criteria will be consolidated to provide more equitable assistance to all applicants. Business development assistance will be expanded by permitting guarantees up to 90 percent on direct loans, working capital loans, and rental payments. All of these represent important improvements upon the provisions of the 1965 Public Works and Economic Development Act still in effect.

In addition, the bill adds a new title IX which authorizes the development of adjustment assistance demonstration programs designed to alleviate high unemployment resulting from existing or expected job dislocations. The new title appropriates funds to minimize the destructive economic impact of unforeseen developments such as the closing of Federal installations, enforcement of environmental restrictions, and changes in Federal energy allocations.

Massachusetts has been particularly hard hit by the closing of military bases, and the entire Nation suffers economically as a result of the energy shortage. The $50 million appropriated for title IX will be of great assistance in identifying problem areas and formulating long-range plans to mitigate the effects of economic dislocation and reduce the incidence of unemployment and underemployment. The provision to include potential as well as existing problem areas in the demonstration project is a rare example of sound planning which is vital to the success of any economic assistance program. I commend the committee for its wisdom in adopting this sophisticated provision.

One vital aspect of new title IX authority is the stipulation that expanded benefits be incorporated into any demonstration project. This requirement is intended to provide assistance to jobless workers whose unemployment results from an economic adjustment need of the eligible recipient. It will aid those workers who are ineligible under the regular unemployment program, and extend an eligible worker's benefits to a maximum of 1 year.

Mr. Chairman, in my judgment, the best way to combat economic recession is to provide grants and loans for local projects and programs which create new jobs in economically depressed areas. This is precisely the philosophy of self-help which underlies the EDA. The sluggish condition of our Nation's economy makes a continuation of federally funded development programs even more vital now than it was 1 year ago. Defeat of H.R. 14883 would be disastrous both to my Fourth Congressional District in Massachusetts and to the United States as a whole.

I urge my distinguished colleagues to join me in support of this critical legislation to preserve and strengthen one of our most effective weapons against unemployment and the other ill effects of economic recession.

Mr. MOAKLEY. Mr. Chairman, I rise in support of H.R. 14883, the Public Works and Economic Development Act Extension—EDAE.

In these times of rampant inflation and economic decline, it is imperative that the Congress move most expeditiously to encourage economic development, and this act will allow for that kind of encouragement.

The purpose of this bill is to assist areas of the country in economic distress. It provides Federal assistance, in the forms of grants, loans, and subsidies, to those sections of the country which have fallen behind the mainstream of economic growth nationwide.

And, of especial significance in this bill is the inclusion of the new title IX to the Economic Development Act. This new section will set up demonstration projects, designed to stimulate economic growth, and to assist the various States and localities in meeting the special needs arising from severe unemployment. EDAE's passage will show that we understand the correlation between economic development and the problems of unemployment, and most importantly, the needs of those unfortunate workers.

What is particularly important about this kind of proposal for tackling the problem of unemployment, is that it is intended to meet the specific problem of structural unemployment that faces the Nation now. By structural unemployment we mean joblessness in specific sections of the country, as a result of various economic factors. An area of the country, for example might be suffering from high unemployment rates because an industry operating in that area is experiencing hard times. Structural unemployment then, might be the result of geographical location, specific industry problems, shortages of raw materials, a lack of skilled employees, or other economic factors affecting one aspect of the economy.

Of particular concern to me in facing this problem of structural unemployment is the relationship that has developed between layoffs and the energy crisis. According to statistics published by the Department of Labor in March of this year, energy related layoffs accounted for 16 percent of the Nation's unemployment. In 1 week of that month, of 313,000 new claims for benefits by jobless workers, 49,600 attributed their layoff directly to the energy crisis.

These are exact figures as to energy related unemployment. Many distinguished economists are predicting even higher rates. Wassily Leontief, the Nobel Prize winning economist from Harvard, predicts a 10 percent reduction in business activity this year, due to the energy crisis. Think what that would mean for the jobless. We have already seen that gross national output is falling steadily. Recession and the resultant unemployment are conditions that must be faced.

And what does all this mean?

This means that the American worker is bound to suffer. The American worker is bound to be the helpless victim of the energy crisis.

Workers in the airline industry, the chemical industry, the plastics industry, the automotive industry—all are bound to pay.

We are facing a new crisis—a crisis of unemployment as a result of the energy shortage.

Finally, through the efforts of the member of the Public Works Committee, under the leadership of their distinguished chairman, Mr. BLATNIK, we have a substantive proposal to deal with this new crisis. Section 9 of this bill would meet the problem of energy related unemployment.

And, while this is significant and workable, I believe that more can be done.

In February of this year, I introduced a major plan to combat energy related layoffs. It is a comprehensive package, entitled the Energy Emergency Employment Act of 1974. A total of 52 of my colleagues cosponsored this legislation—a fact that outlines the need and concern for the American worker during this time of crisis.

I would like to speak a bit about this bill, to further outline the need for its expeditious consideration by the Education and Labor Committee and the full House, and to reiterate the need for a start on this problem which we have before us today in the Public Works and Economic Development Act extension bill.

The Energy Emergency Employment Act is designed to meet the needs of all of the energy related unemployed, in a fair and equitable manner, and at the lowest possible cost to the American taxpayer. It has three main parts.

First, this energy unemployment package establishes an Energy Emergency Employment Board. This board is to be composed of the Secretary of Labor, the Director of the Federal Energy Administration, and five public members. The board will have five distinct functions.

First. Oversee the entire program as set up in this bill.

Second. Develop an early warning system to anticipate energy related layoffs, and to effectively counter them as they occur.

Third. Establish all guidelines and criteria under which the act is to be administered.

Fourth. Recommend to Congress and the President measures to combat energy-related unemployment.

Fifth. Report to Congress and the President every 6 months on their success in dealing with energy layoffs, and their predictions as to energy unemployment and underemployment.

Second, this bill would establish a public service employment program. It would provide jobs by providing financial assistance to public service employers who give jobs to the energy-related unemployed. Funds for this part of the program would be distributed equitably, with 80 percent going to States and localities according to their proportionate share of energy-related unemployment. The remaining 20 percent would be shifted to States that are particularly hard hit by the crisis, in the determination of the board.

This section of the bill would also provide incentives for private employers to hire the energy related unemployed. This could be done with a 15-percent tax credit on the first 12 months of wages paid to a worker formerly unemployed as a result of the energy crisis. Further it would reimburse firms for the costs incurred for training and recruitment. Also, this section of the bill allows for a certification process, to be conducted by the board, to certify jobless as energy related. This is to ensure against abuses by workers or employers.

The third and last title of this bill allows for economic assistance to workers affected by the energy crisis. The economic adjustment allowance outlined in this section includes the following provisions.

Readjustment assistance allowance;
Training and counseling help;
Relocation expenses; and
Health insurance benefits.

Gentlemen, I cannot stress enough the importance of this kind of legislation. This type of comprehensive plan is the best way to tackle the enormous problem of unemployment caused by the energy emergency. As I stated earlier, a total of 52 legislators have agreed to attach their names to this vital piece of legislation, and as I said, this is an indication of the immediate need for help to our Nations' unemployed.

I urge immediate action on the basic proposal contained in the Public Works and Economic Development Act extension, and expeditious consideration of the Energy Emergency Employment Act, which would tackle the energy aspect of structural unemployment and serve as a compliment to the new title IX.

Mr. WRIGHT. Mr. Chairman, I have no further requests for time on this side.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "for the fiscal year ending June 30, 1974." and inserting in lieu thereof "for each of the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976.". The final sentence of section 105 of such Act, as amended, is amended by striking out "and June 30, 1974," and inserting in lieu thereof ", June 30, 1974, June 30, 1975, and June 30, 1976.".

Sec. 2. (a) Title I of such Act, as amended is amended by striking out section 102.

(b) Title IV of such Act is amended—

(1) by adding the following new paragraph at the end of section 401(a):

"(8) those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year."; and

(2) by striking out the period at the end of section 401(a)(7) and inserting in lieu thereof a semicolon.

(c) Any area of substantial unemployment so designated under authority of section 102 of title I of the Public Works and Economic Development Act of 1965 which has not had such designation terminated before the date of enactment of this section shall be deemed for the purposes of such Act to be such an area designated under section 401(a)(8) of such Act.

Sec. 3. (a) Section 201(c) of such Act, as amended, is amended by striking out the period at the end and inserting in lieu thereof ", and shall not exceed $60,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976.".

(b) Section 202 of such Act, as amended, is amended—

(1) by striking all of subsection (a) and inserting in lieu thereof the following new subsection:

"Sec. 202. (a)(1) The Secretary is authorized to aid in financing, within a redevelopment area, the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings by (A) purchasing evidences of indebtedness, (B) making loans, (which for purposes of this section shall include participation in loans), (C) guaranteeing loans made to private borrowers by private lending institutions, for any of the purposes referred to in this paragraph upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

"(2) The Secretary is authorized to aid in financing any industrial or commercial activity within a redevelopment area by (A) making working capital loans, (B) guaranteeing working capital loans made to private borrowers by private lending institutions upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan, (C) guaranteeing rental payments of leases, except that no such guarantee shall exceed 90 per centum of the remaining rental payments required by the lease.";

(2) by striking out in subsection (b)(7) the comma after the words "no loan" and inserting immediately thereafter the words "or guarantee,";

(3) by striking out in subsection (b)(9) "Loan assistance and inserting in lieu thereof "Loan assistance (other than for a working capital loan)".

Sec. 4. (a) section 302 of such Act, as amended, is amended by redesignating such section as section 303.

(b) Such Act, as amended, is amended by inserting immediately after section 301 the following new section 302:

"Sec. 302. (a) The Secretary is authorized, upon application of any State, or city, or other political subdivision of a State, or sub-State planning and development organization (including an economic development district), to make direct grants to such State, city, other political subdivision, or organization to pay up to 100 per centum of the cost for economic development planning. Any overall State economic development plan prepared with assistance under this section shall be prepared cooperatively by the State, its political subdivisions, and economic development districts located in whole or in part within such State, and such State plan shall, to extent possible, be consistent with local and economic development district plans.

"(b) In addition, the Secretary is authorized to assist economic development districts in—

"(1) providing technical assistance (other than by grant) to local governments within the district; and

"(2) carrying out any review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968, if such district has been designated as the agency to conduct such review.".

"(c) Section 303 of such Act, as redesignated by this Act, is amended by inserting "(a)" immediately after "Sec. 303.", by striking out the period at the end of such subsection and inserting in lieu thereof the following: "and $60,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976.", and by adding at the end of such section the following new subsection:

"(b) Not less than 60 per centum of all funds expended under this title under the authorizations for the fiscal years ending June 30, 1975, and June 30, 1976, shall be expended to carry out section 301 of this title. Not to exceed 20 per centum of funds actually made available under section 302 during any fiscal year shall be expended for direct grants or other assistance to the States in carrying out section 302."

Sec. 5. (a) Section 403(a)(1)(B) of such Act, as amended, is amended by striking out the words "two or more redevelopment areas" and inserting in lieu thereof "at least one redevelopment area".

(b) Section 403 of such Act, as amended, is amended by inserting at the end of such section the following two new subsections:

"(i) Each economic development district designated by the Secretary under this section shall as soon as practicable after its designation provide that a copy of the district overall economic development program be furnished to the appropriate regional commission established under title V of this Act, if any part of such proposed district is within such a region, or to the Appalachian Regional Commission established under the Appalachian Regional Development Act of 1965, if any part of such proposed district is within the Appalachian region.

"(j) The Secretary is authorized to provide the financial assistance which is available under this Act to a redevelopment area to those parts of an economic development district which are not within a redevelopment area, when such assistance will be of substantial direct benefit to a redevelopment area within such district. Such financial assistance shall be provided in the same manner and to the same extent as is provided in this Act for a redevelopment area, except that nothing in this subsection shall be construed to permit such parts to receive the increase in the amount of grant assistance authorized in paragraph (4) of subsection (a) of this section."

(c) Section 403(g) of such Act, as amended, is amended by striking out "for the fiscal year ending June 30, 1974," and inserting in lieu thereof "per fiscal year for the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976,".

Sec. 6. (a) Section 503 of such Act, as amended, is amended by inserting "district," in paragraph (7) of subsection (a), immediately after "other Federal, State,".

(b) The first sentence of section 505(a)(2) of such Act, as amended, is amended by striking out "and training programs" and inserting "training programs, and the payment of administrative expenses to substate planning and development organizations (including economic development districts)," in lieu thereof.

(c) Section 509(d) of such Act, as amended, is amended by striking out "for the fiscal year ending June 30, 1974," and inserting in lieu thereof "for each of the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976,".

(d) Section 511 of such Act, as amended, is amended to read as follows:

"COORDINATION

"SEC. 511. (a) The Secretary shall coordinate his activities in making grants and loans and providing technical assistance under this Act with those of each of the regional commissions (acting through the Federal and State cochairmen) established under this Act in making grants and providing technical assistance under this title and each of such regional commissions shall coordinate its activities in making grants and providing technical assistance under this title with those activities of the Secretary under this Act.

"(b) Each regional commission established under this Act shall coordinate its activities under paragraphs (2) and (7) of section 503(a) of this Act with the activities of the economic development districts in such region."

SEC. 7. Section 2 of the Act entitled "An Act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for titles I through IV through fiscal year 1971", approved July 6, 1970 (Public Law 91-304), is amended by striking out "1974" and inserting in lieu thereof "1976".

SEC. 8. The Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new title at the end of the Act:

"TITLE IX—SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE DEMONSTRATION PROGRAM

"PURPOSE

"SEC. 901. It is the purpose of this title—

"(1) to establish a demonstration program to evaluate and test innovative economic development and assistance programs to help multistate, State, and local areas meet special needs arising from actual or threatened severe unemployment arising from economic dislocation, including unemployment arising from actions of the Federal Government and from compliance with environmental requirements that remove economic activities from a locality; and

"(2) to encourage and demonstrate new approaches to cooperative intergovernmental action to prevent problems and solve problems as they occur, return resources to productive use as soon as possible, avoid or reduce unnecessary hardship for the American people, and avoid the creation of new economically distressed areas.

"DEFINITION

"SEC. 902. As used in this title, the term 'eligible recipient' means a regional commission established under title V of this Act, the Appalachian Regional Commission, a State, a redevelopment area or economic development district established under title IV of this Act, an Indian tribe, a city or other political subdivision of a State, or a consortium of such political subdivisions.

"GRANTS BY SECRETARY

"SEC. 903. (a) The Secretary is authorized to make grants to any eligible recipient which has experienced, or may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment, or other economic adjustment problems (including those caused by any action or decision of the Federal Government) to carry out a plan which meets the requirements of subsection (b) of this section and which is approved by the Secretary, to use such grants for any of the following: public facilities, public services, business development, planning, research, technical assistance, training, relocation of individuals, and other appropriate economic adjustment assistance. Such grants may be used in direct expenditures by the eligible recipient or through redistribution by it to public and private entities in grants, loans, loan guarantees, or other appropriate assistance, but no grant shall be made by an eligible recipient to a private profitmaking entity.

"(b) No plan shall be approved by the Secretary under this section unless such plan shall—

"(1) identify each economic development and adjustment need of the eligible recipient for which assistance is sought under this title;

"(2) describe each activity planned to meet each such need;

"(3) explain the details of the method of carrying out each such planned activity;

"(4) set forth the methods by which the success or failure of each activity to be assisted under this title, in terms of the identified need such activity is to meet and the general purposes of this Act, may be evaluated;

"(5) include the payment from the grant of extended unemployment assistance for a period not to exceed one year after the commencement of his unemployment to each individual who is unemployed as a result of an economic adjustment need of the eligible recipient;

"(6) contain assurances satisfactory of the Secretary that the proceeds from the repayment of loans made by the eligible recipient with funds granted under this title will be used for economic adjustment; and

"(7) be in such form and contain such additional information as the Secretary shall prescribe.

"REPORTS AND EVALUATION

"SEC. 904. (a) Each eligible recipient which receives assistance under this title shall annually during the period such assistance continues make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe, and such report shall contain an evaluation of the effectiveness of the economic assistance provided under this title in meeting the need it was designed to alleviate and the purposes of this title.

"(b) The Secretary shall provide an annual consolidated report to the Congress, with his recommendations, if any, on the assistance authorized under this title, in a form which he deems appropriate. The first such report to Congress under this subsection shall be made not later than January 30, 1976.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 905. There is authorized to be appropriated to carry out this title not to exceed $50,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976.".

Mr. WRIGHT (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 13, strike out lines 8 through 11, and insert in lieu thereof the following: "1976.". The final sentence of section 105 of such Act, as amended, is amended to read as follows: "Not less than 25 per centum nor more than 35 per centum of all appropriations made for the fiscal year ending June 30, 1974, and not less than 10 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1975, and June 30, 1976, under authority of the preceding sentences shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act.".

Mr. HARSHA. Mr. Chairman, what this amendment does is change the Public Works Impact program from a mandatory 25 percent down to 10 percent for the 2 fiscal years which this committee amendment deals with, the committee amendment to the Economic Development Act for the 2 fiscal years, fiscal year 1975 and fiscal year 1976; and it changes existing law as it relates to that mandatory requirement for the administration to spend 25 percent of the Public Works grants and supplemental grants program on what we call the PWIP program.

The reason for this is that the administration has raised the point that in some cases the PWIP program had not met the expectations that we on the committee had held out for it initially. For example, the employment that was generated was not employment from the area that was suffering the economic distress. It was employment which was brought in from outside the distressed area and therefore did not relieve the unemployment situation in the area where the distress had occurred and where the committee had hoped the unemployment would be relieved.

In some cases the man-hours that were provided under the PWIP program were less than we expected. The total employment was not as long as we anticipated.

For example, this bill authorizes $200 million for title I Public Works grant program. To mandate that the administration must spend one-fourth of the funds appropriated on this particular type of program would require expenditures of $50 million, if full funding were achieved, but irrespective of need. In the cases that will not meet the expectations that we had hoped for can certainly defeat the total, long-range purpose of the program.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. Yes, I yield to the gentleman from Texas.

Mr. WRIGHT. Do I understand that the only change which will be made by the amendment offered by the gentleman from Ohio would be to reduce the mandatory minimum required to be expended upon public works improvement projects from 25 percent of the total public works projects authorized down to 10 percent of the total public works projects authorized?

Mr. HARSHA. That is absolutely correct.

Mr. WRIGHT. That is the only change that will be made?

Mr. HARSHA. That is the only change.

Mr. WRIGHT. And the 10 percent is stated as a minimum, not a maximum?

Mr. HARSHA. Yes, sir. You are absolutely right. The minimum is established at 10 percent. Under existing law up to 35 percent can now be spent, if the need arises.

Mr. WRIGHT. The present law requires that somewhere between 25 and 35 percent of all expenditures obligated under public works projects shall be obligated under the Public Works improvement projects program, and the change the gentleman would make would simply provide sufficient flexibility for the administration to expend down to 10 percent of the total, if, in its judgment, there were sufficient projects in the program?

Mr. HARSHA. The gentleman is correct.

Mr. HARSHA. Mr. Chariman, the gentleman is correct.

Mr. MIZELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio. Section 903(b)(5) of the bill, H.R. 14883, as reported, is objectionable for many reasons. Significantly, the potential cost of this mandatory extended unemployment assistance is so great that most, if not all of the title IX money could be spent for this unemployment provision rather than for the entire purposes of the title. This provision could, therefore, swallow up the funds that Congress seeks to make available for economic development under title IX. We, therefore, are authorizing an unemployment compensation program, exclusive of other aid.

The projected cost of employment compensation at four different levels of unemployment for 13 and 26 weeks is as follows:

Unemployed	13 weeks	26 weeks	Annual
100,000	$84,500,000	$169,000,000	$238,000,000
250,000	211,250,000	422,500,000	845,000,000
500,000	522,500,000	845,000,000	1,690,000,000
1,000,000	845,000,000	1,690,000,000	3,380,000,000

This projection was based on an average $65-a-week unemployment benefit for fiscal year 1975. This cost, however, is based on an average, so the true benefits could be higher. Economic adjustment most affects heavy industry, and these industries are high paying. Furthermore, approximately 11 million workers are currently not covered by Federal-State unemployment compensation insurance system and under this title could receive up to 1 year benefits regardless of length of service. Additionally, about 20 percent of workers covered by unemployment insurance exhaust their benefits; in other words, cannot find comparable employment in the time allowed under current unemployment insurance laws.

Realistically, the facts and figures stack up against a requirement for extended unemployment benefits under this limited demonstration program. If this program is to receive the proper evaluation, then all aspects of it should be given adequate funding. As the bill is currently written, this will not happen. The proposed amendment will give the needed flexibility and the chances of success of this program will be greatly enhanced. I urge adoption of this amendment.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time simply to make some legislative history with respect to the public works improvement program, and in order to clear the air so that we might develop a consensus on both sides.

There has been a disposition in the administration to downgrade and derogate the results of the public works improvement program, and yet many Members of this Congress and many local spokesmen for many local communities have appeared before our committee singing the praises of this program and saying that it has breathed the breath of hope into communities where there had been only despair.

We have received ample testimony as to effective projects undertaken under this public works improvement program which not only have provided useful, immediate, and gainful employment in areas of extremely high unemployment, but which have provided the basic infrastructure of public facilities necessary to give the impetus for long-range economic development on the part of private industry. That, after all, is what we seek in the long run.

Mr. Chairman, I should not want to be so inflexible as to demand that the administration provide a fixed percentage of its money for certain types of projects, but I would want to have the assurance that the administration is absolutely sincere in its desire to approve each of these projects which can be demonstrated to have a reasonable expectation of making some contribution to long-range economic improvement in these severely hard-pressed areas.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I thank the gentleman for yielding.

I wish to say to the gentleman that there were some who wanted to knock the percentages out entirely. However, I feel as the gentleman from Texas feels, that in some cases the public works impact program has met the expectations we on the committee held out for it. It has done the job that the gentleman has alluded to.

Furthermore, if the gentleman will recall, we extracted the promise from the Assistant Secretary of Commerce, who is directing the economic development program under the Department of Commerce, that he would fund a number of these projects. Obviously, they would not agree with the committee in testimony before the committee to fund them if they did not think there was merit in some of the projects.

Now, having had that commitment from the director of the program and having at least this mandatory 10 percent as proposed, I think we can assure the House that it is certainly the intention of the committee that this program continue, at least at this minimum level, because it has done the job in certain areas.

Mr. Chairman, that is certainly the position I take, and I would urge the administration to act along the same lines.

Mr. WRIGHT. Mr. Chairman, I thank the gentleman for that comment.

I studied the report of the administration, and that report attempts to downplay the effectiveness of this program. I find that report quite deficient in several respects.

First of all, it excluded from its survey—which is a very limited survey in numbers—all of those projects which had been commenced prior to 1972; it excluded some of those that were commenced in 1972. Obviously, it is only the longer term projects—those that were commenced several years ago—which can be evaluated for a demonstration of long-range benefits. Yet these were all excluded from the study.

Second, the administration admitted that among those categories underrepresented in its sample were those which had authorized construction of such things as streets and roads, and industrial parks. Those, after all, are the very things which do provide the infrastructure for industrial development and without which a depressed community has no opportunity to grow.

In the third place, I found that report from the administration quite deficient in that it listed only two such projects by name and reference. One is in Rosebud, Tex., and one is in Buffalo, N.Y.

With respect to the Rosebud, Tex., project, I discovered it involved an expenditure of some $71,000 to build a water pipeline to provide that city with an adequate water supply. It seems to me that is truly a valid project without which there could be no growth for Rosebud, Tex.

The Buffalo project, I think, is even more a success story, although it was pointed up as a failure by the administration report.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. The Buffalo project, cited by name in the administration report, is a tremendous success according to the local officials, the Erie County Commissioners Court. They say it has generated an investment of some $10 million in the depressed area of Buffalo with private capital in private long-term job-producing enterprises.

So I should simply like to say that we will not object to the amendment offered by the gentleman from Ohio, in that we are advised it will remove the objections on the part of the administration to the passage of this bill and, since the administration has made a number of other concessions and commitments to the committee. In the interests of harmonious legislation, we will not offer an objection to the amendment offered by the gentleman from Ohio.

But I do want it understood that we do fully expect and intend that a reasonable amount of funding shall continue to be made available for valid public works improvement projects.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr Chairman, I regret that the administration has proposed a percentage reduction in the mandatory funding requirement for the public works impact program. To amend the present requirement which requires 25 to 35 percent of all title I public works grants to be used in the special impact program, and place a floor of 10 percent will only depress rather than encourage the development of more effective PWIP projects. And, in view of the history of this administration's opposition to the public works impact program, there is no guarantee that these programs will be funded above the 10-percent minimum.

The Members here today are well

aware of the benefits PWIP has provided in many of their communities. It is clear from testimony received before our committee from both Members and local government officials that PWIP has been extremely successful in accomplishing its objective in providing immediate and useful short-term employment for unemployed and underemployed persons in distressed areas of our country.

Mr. Chairman, in the additional views submitted by the minority in the report accompanying H.R. 14883, it is asserted that the use of public works projects in generating jobs in EDA-designated areas is "both costly and inefficient." This conclusion is based on one evaluation report—the "Fiscal Year 1972 Evaluation of PWIP," prepared by the Department of Commerce.

Mr. Chairman, I cannot accept this position and it is frankly difficult to accept the results of a report that itself admits that all findings "must be considered tentative."

In addition, the evaluation report repeatedly admits that the sample used for the study of direct benefits was biased and faulty: Only 108 projects were examined out of a total of 203 PWIP projects in 1972; those projects that were selected for the evaluation tended to be smaller in terms of project costs than the total number of projects; and the distribution of the sample projects by region was not an accurate representation of the total number of PWIP projects.

It has been my experience that the public works impact program has proven its success, time and time again in many of our distressed communities across this country. Although it may be difficult to measure success in "cost-benefit" evaluations—by the sheer number of jobs created and dollars spent—it is clear that for many communities and citizens, PWIP has provided a ray of hope and a new sense of pride where only despair and cynicism prevailed in the past.

We know that in many cases public works impact projects have provided the "seed" money and the initial stimulus for industry to locate in areas that previously lacked the tax base, and public facilities conducive to sound economic growth. In addition, PWIP projects have fostered cooperation among local community residents to improve the economic conditions of their areas. These secondary or the indirect benefits of the PWIP projects cannot and must not be overlooked. We know that these indirect and often "hidden" impacts of PWIP construction activity can induce further expenditures for labor, goods, and services.

However, we find in the 1972 evaluation of PWIP projects, that the indirect impacts were dismissed due to the paucity of data. The point is that the indirect impact of PWIP projects are significant in the final analysis of the overall success of this program in promoting long-term economic growth. In the Commerce evaluation, only 51 sample projects, out of a total of 203 fiscal year 1972 PWIP projects, were selected as possible candidates to measure indirect impacts. It is obvious that any attempt to evaluate indirect impacts based on such a small sample would be inherently bias and that any conclusions or generalizations based on data from such dissimilar projects would be questionable at best.

I hope that if this bill goes on after passage here and goes to the other body, some reevaluation can be made and another method developed for giving the administration the flexibility it needs to insure that the projects approved are more effective. I do not believe that merely placing a floor of 10 percent on such expenditures will accomplish that end.

I regret that the committee has accepted this amendment. But as a member of the committee who feels very deeply about economic development and about this particular act and the need to continue this program with the cooperation and consensus of all of us, as we have tried to do in the years past and as we will try to do in the years ahead, I am going to have to accept the judgment of the leadership of the committee.

I would appreciate it, however, if the Members on the other side of the aisle in this committee would discuss further this issue with the administration in an effort to find some other, better means of improving the operation of this generally extremely worthwhile program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Harsha).

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last word.

Mr. Chairman, I have heard more talk about unemployment, depression, and poverty here this afternoon than I have heard elsewhere in a long, long time. It is pretty hard to believe this talk about hard times and depressions because I cannot recall a single appropriation bill that has been brought before the House this year—not a single appropriation bill being passed in the House this session that did not call for additional millions or billions to be expended in the next fiscal year as compared with the last fiscal year.

Where is the evidence that you realize by your past votes that you are even approaching a depression in this country? Where is the evidence, aside from this bill, which has all the appearance of the 1930 depression, the good old WPA, and the leaf-raking days.

So you are getting ready for a depression. Yet you vote with the greatest of ease for every appropriation bill that comes here and every one of them above what we spent in the last year.

If you mean business, why do you not vote against a few of these appropriation bills, no matter what they are, or who they affect, if you really mean business about stopping inflation and a depression. Where is it proposed to get the billion dollars for this bill? You will borrow it, of course, and you will pay 8 or 9 percent interest on it.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I would ask the gentleman from Iowa, is the gentleman aware of the fact that for every $2,800 spent, approximately, under the Economic Development Administration, that one job is created?

Mr. GROSS. For every $2,800?

Mr. SHUSTER. Yes. Would the gentleman not agree that has a very good impact, because a job sends back to the Federal Treasury perhaps a thousand dollars or more in income taxes, as well as in many other ways. It also takes that person off of the welfare rolls. I believe the gentleman from Iowa is in opposition to these bid welfare programs we have in the Nation.

Mr GROSS. I want to go about it the other way. I want to see people employed in industry and on the farms of this country. There is no end to the dole if you adopt this bill, there will be no end to this Pandora's box.

Mr. SHUSTER. I respectfully disagree with the gentleman from Iowa.

Mr. GROSS. For instance, how about the livestock producers who are in trouble and who want $3 billion in guaranteed loans? Are we going to provide relief for everybody in this country?

This is the beginning, in my opinion, of more leaf-raking and more doles. when, I ask again, are we going to stop deficit spending? When are we going to stop the inflation that is tearing this country apart, devouring the sinew of the Nation morally, financially, and every other way.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. MYERS. I thank the gentleman for yielding.

I think earlier today we heard a statement by the majority leader criticizing this administration for the economic condition of the country. One of the things he included was about the interest rate going so high, clear up to 13 percent. But this $1,200,000,000, as the gentleman says, is going to have to be borrowed. Where is it going to be borrowed from? Right out of the communities we represent, taking that money out of the community, and driving that interest rate higher and higher. But yet the President is being blamed for it.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I was interested in the comment of the gentleman from Pennsylvania when he talked about creating a $2,800 job that was going to pay $1,000 back in income taxes. That is hard to reconcile.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

I believe I said a $2,800 investment, $2,800 of the taxpayers' money spent will create a new job. The job itself is probably a $6,000- or $7,000- or $8,000-a-year job.

Mr. GROSS. Does the gentleman think that is sound business, sound financing?

Mr. SHUSTER. Absolutely. This is where we spend our money. In fact, there is not enough money being spent on this program, because increasing economic development means increasing the productivity, and increasing the productivity drives down inflation. That is one of the answers to inflation.

Mr. GROSS. For the Federal Government to borrow money to employ people?

Mr. SHUSTER. If we can get a $1,000 return on that $2,800 investment, yes.

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 22, line 20, strike out "include" and insert in lieu thereof "if deemed appropriate by the Secretary, include".

Mr. HARSHA. Mr. Chairman, the purpose and intent of this amendment is to make discretionary that mandatory language in the bill that deals with the establishment of extended unemployment assistance for up to a year following commencement of unemployment. It deals wtih title IX, which is the title that the administration asked for. It describes the program that the administration asked to have put in this program to give them the flexibility to deal with areas in anticipation of high unemployment and economic distress, to ward off that problem and head it off before it actually occurs so that we will not have to return to make adjustments after the distress has already occurred.

The language on page 22 requires that the administration cannot even entertain a project or an application for a project unless that plan or application contains a program which includes the payment from the grant of extended unemployment assistance for a period not to exceed 1 year, irrespective of the causes of the distress or unemployment irrespective of any other benefits that the unemployed may have, and irrespective of the length in time of service that he may have passed on the job, or the time that he had on the job prior to unemployment.

This would needlessly create an expensive program. It would be exceptionally difficult to administer and would result in an inequitable and fragmentary program of unemployment assistance.

The projected expense of such a provision is so great compared to the amount that is provided for authorization in this title IX that most of it conceivably could be used for unemployment compensation rather than for long-term and overall economic development, thereby rendering the entire title useless and ineffective in dealing with the announced purpose of the title IX program.

Additionally the administration has sent up from the Secretary of Commerce a letter setting forth all of his objections to it, and while I shall not read those objections now I will include the letter in my remarks on this amendment.

Mr. Chairman, the letter is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., June 25, 1974.

Hon. JOHN A. BLATNIK,
Chairman, Committee on Public Works, Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN BLATNIK: The purpose of this letter is to advise you of the strong objections of the Department of Commerce to a provision presently included in Title IX of H.R. 14883.

The stated purpose of Title IX is to establish a "demonstration program" to evaluate and test innovative economic development and assistance programs. A subparagraph of Title IX requires plans to include provision for the payment of unemployment compensation. This assistance may be for a period of up to one year after a worker becomes unemployed because of an economic adjustment problem.

The subparagraph of Title IX concerning payment of unemployment compensation is strongly opposed. The principal objections to this subparagraph are:

(a) Unemployment compensation has little relevance to economic development and would dilute the purpose of the Public Works and Economic Development Act.

(b) There are already several provisions of law in existence which provide relief to the unemployed, making the unemployment compensation program, proposed in Title IX, unnecessary.

(c) The program would be an extremely expensive one, would result in a fragmented and inequitable compensation system, and would be difficult to administer. The projected expense of unemployment benefits is so great compared to the amount of money authorized for Title IX, that much if not all of the money authorized for Title IX would be spent for unemployment compensation programs. The Department of Labor has consistently maintained that any deficiencies in the existing federal-state unemployment insurance system should be remedied by corrective legislation applicable to all workers and not by creation of new and separate programs for a limited number of workers. Additionally, it is uncertain who would administer the program. If the federal government administered it, this would superimpose the federal system on top of the existing federal-state system, which could be cumbersome and result in duplication of effort.

(d) The program would have a very narrow impact. Based on the total proposed authorization for Title IX ($50 million), not many unemployed workers would receive benefits, and only a few areas would benefit from the program.

I recognize the need for assistance, such as unemployment compensation to those areas experiencing special needs to meet an expected rise in unemployment or other economic adjustment problems. However, the inclusion of provisions for unemployment assistance as an appendix to economic development efforts under the Public Works and Economic Development Act is considered to represent a less than viable solution to a most commendable objective. As you know, the Economic Development Administration attacks unemployment and stimulates economic growth through the use of job stimulating tools such as grants, loans, and technical and planning assistance. The Department of Labor is in a much better position to deal effectively with the intricacies of unemployment insurance. In order to insure that a more effective approach is taken in assisting those areas with economic adjustment problems by providing unemployment compensation, it is strongly urged that this be done through the existing federal-state unemployment insurance assistance in coordination with the Department of Labor.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this report to the Congress from the standpoint of the Administration's program.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

Suffice it to say, Mr. Chairman, that unless we can make this provision discretionary, if the plan must contain a provision to pay out of this grant extended unemployment benefits for up to 52 weeks irrespective of the cause of the economic distress, it seems to me to be harsh to make it mandatory that each plan must have this provision before the Administrator can even entertain the application of the plan.

I am trying to make this discretionary. There may be cases in which the Federal Government is involved, such as we have seen in Minnesota and by other acts of the Environmental Protection Agency, where conceivably there could be a number of people thrown out of work. That was by governmental action.

Possibly in those cases there is justification for an extended unemployment program such as this provision tries to provide. But to make it mandatory in each and every case, all inclusive, seems to me to be arbitrary.

It is the administration's position that unless this provision is stricken, they will veto the bill, as the administration vetoed a bill 2 years ago which had a similar provision in it. I would say if we really want this bill, and if we need it as the Members suggest we do, as I agree we do I submit the very least we can do would be to make this discretionary so that the Secretary can administer it in a proper manner. I add that the administration is not opposed to unemployment assistance. That subject could better be addressed in other legislation. I submit a letter from the Secretary of Labor expressing this view:

U.S. DEPARTMENT OF LABOR,
Washington, June 25, 1974.

Hon. JOHN A. BLATNIK,
Chairman, Committee on Public Works, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to express the strong objections of the Department of Labor to the new section 903(b)(5) which H.R. 14883, as reported by your Committee, would add to the Public Works and Economic Development Act. This provision would require that no demonstration grant under the Title IX may be approved by the Secretary of Commerce unless it includes the payment from the grant of extended unemployment assistance for workers unemployed as a result of an "economic adjustment need." Assistance would be limited to 1 year after the commencement of the unemployment.

In our judgment, this provision would be seriously disruptive of the existing Federal-State unemployment insurance system. It would establish a parallel system without providing any standards governing its operation. For example, individuals with no previous work experience would apparently be eligible for a full year of benefits under the program. The provision contains no standards regarding benefit levels, or individual qualification requirements. It leaves unclear its relationship with existing unemployment compensation programs. The program would be discriminatory in its application. It would apply in areas selected for demonstration programs without regard to the level of unemployment existing in those areas and the resulting difficulties in obtaining suitable employment. By vesting responsibility for administration of the provision in the Department of Commerce, the bill would fragment administration of the Nation's unemployment insurance laws which are administered primarily by the Department of Labor and State employment security agencies. The provision contains serious drafting flaws.

On the basis of our experience in the administration of the Nation's unemployment insurance laws, we do not believe that the proposed provision would be useful as a demonstration program or would justify the substantial expenditure of funds which it is likely to entail.

The Administration has proposed and sent to the Congress a bill entitled the "Job Security Assistance Act of 1974." This bill is before the House Ways and Means Committee, which has held hearings on the proposal. Title II of that bill would provide a temporary program of supplementary unemployment compensation for workers ineligible for unemployment compensation and those who have exhausted their benefits under existing programs. The program is applicable to workers in areas of high unemployment.

The Administration proposal is a carefully developed measure which would specify the particular conditions under which benefits would be payable, establish eligibility criteria, indicate the benefit levels which would be payable, provide a realistic duration period for benefits, and indicate the relationship between the special benefits program which it would establish and other unemployment compensation programs available to workers.

We strongly urge that the proposed provision be deleted from H.R. 14883 and the Administration's proposed "Job Security Assistance Act of 1974" be enacted.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of the Administration's proposed "Job Security Assistance Act of 1974" would be in accord with the program of the President.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment. We have had a great deal of discussion and earnest debate on this somewhat controversial change, which to me and to others is a very important matter. The Administration wanted to delete any provision for extended unemployment assistance and I think that position is totally shortsighted and uncalled for.

It is another example of the administrations attitude toward the economic development program. You will remember how the administration tried to kill the entire EPA program and to strangle it to death and not provide any funding just last year.

Title IX of H.R. 14883—By way of background—would establish a new demonstration program to test new ways of preventing an area from becoming depressed from severe economic dislocation.

These new approaches to economic adjustment will be tested in a few areas where we can predict that severe unemployment will result from Federal actions such as national environmental standards or defense base closings. This demonstration program will be directed at helping individuals that face unemployment from economic adjustment and providing an opportunity to evaluate the administration's proposed substitutes for the present economic development programs.

The committee report on this bill contains the supplemental views of some minority members who believe it is undesirable to include mandatory extended unemployment assistance in plans for an economic development and adjustment demonstration project authorized under title IX.

We believe these supplement views are based on erroneous assumptions:

First, we believe such a provision is an essential element for any community-based plan. There is no way to demonstrate economic adjustment in a community with any assurance of success unless there is a way to provide assistance to unemployed workers until other jobs are available. The workers that are being displaced need this assurance in order to keep the communities' labor force from being dispersed.

Congress in other comparable cases, has already recognized that this kind of standby assurance that the workers can count on is badly needed because of the likelihood that it will take longer than the regular period of unemployment compensation, usually 26 weeks, to create new jobs. For instance, the Disaster Relief Act that was passed just a few weeks ago provides up to a year of unemployment compensation. The Trade Expansion and Adjustment Act provides up to 2 years of benefit payments.

Second, this would not be an extremely expensive program as claimed in the supplemental views. Title IX of H.R. 14883 is clearly a demonstration program that will be limited to a small number of projects during the first 2 years—probably not more than half a dozen. The cost estimates projected in the supplemental views for 100,000 to 1,000,000 unemployed are clearly beyond any possible scope of a demonstration program. For instance, the example cited in the committee report, the possible closing of the Reserve Mining Co. in Minnesota, the maximum cost of providing supplemental unemployment benefit payments for even 5,000 workers from the grant for up to a year would be less than $5,009,000.

Hopefully, of course, none of the grant funds would be needed to pay extended unemployment compensation. If the economic adjustment demonstration is successful, new jobs would be available by the time they are needed and unemployment will be avoided.

In any case, the purpose of this limited demonstration program is to find out just how effective and expensive the new programs suggested by the administration will be before Congress considers new, broader legislation to replace the present economic development program.

Third, this demonstration program will not be difficult to administer. The report makes it clear that any unemployment assistance will be clearly supplementary to any other unemployment compensation, and will be paid from the demonstration grant—not from other unemployment compensation funds. The report also makes it clear that, wherever possible, the State employment security agencies will administer this program to prevent any overlap or duplication and insure that it will be closely coordinated with other programs such as help for retraining of unemployed workers. The supplementary benefits will be administered wherever possible without imposing any requirement to amend existing State legislation.

Because of the clearly limited experimental nature of the demonstration program authorized in title IX of this bill, we do not consider this as undermining the present system or establishing any precedent for future changes in the basic unemployment compensation legislation that may be considered by the House.

At the same time, however, I would like to say that the gentleman from Ohio has been more than fair and considerate. Perhaps this amendment to permit some discretion in extending unemployment assistance does have merit. I concede the gentleman has a point in view of the fact that these will be demonstration projects and will be limited in number. To be more precise, we expect there will be only 6 or 8 or 10 at the most, and it may be a little too arbitrary to require a very detailed and precise inclusion of unemployment compensation in all of these exploratory demonstration projects. I can see where some may not require it and concede the gentleman's position may have merit in some cases.

But likewise I also want to make it very clear that it is the people who are unemployed through no fault of their own who need these assurances. We can plan all the way from now until next year and the year after that, but think of the young man around the age of 30 or 35, or even worse around 38 or 42, who sees that his job is going to disappear. That man is not going to stand around waiting in the hopeful expectation that some kind of economic program is going to somehow work out that will give him another job.

He has house payments to make, dental payments to make, medical bills, insurance to pay, car payments and what not; the possible loss of a job is a tremendous threat so 9 times out of 10 he will go to another area to find a job. Not that he wants but he will be forced to do it. That is what they have been doing. And we have found in too many cases he will not be able to sell his house and so he still has house payments to make at home. So we feel that by giving him some assurance, like "Look, if you do lose your job you will have at least 1 year of unemployment compensation and whatever other training and relocation benefits that are available." At the least he will know he has something to fall back on and an underpinning to rely on. There will certainly be an incentive to implement unemployment assistance with parttime work or going into a vocational school that is not too far away and getting some job retraining.

So I am opposed to any attempt to knock out this unemployment assistance.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Ohio.

Mr. HARSHA. Does the distinguished chairman know that the section contains that provision?

Mr. BLATNIK. Yes, the amendment makes it discretionary.

Mr. HARSHA. I agree there may be many that at times actually need this additional assistance, or I would offer an amendment to strike all of it. I have only gone a half step to make it discretionary so that there will be the provision in here for extended unemployment compensation in those areas needing such assistance, particularly where the Federal Government is at fault.

I think my amendment does that. It retains the provision making it discretionary, so that it can be provided if the circumstances warrant it; but to require it in a demonstration program in every situation seems to be far afield from the intended purpose of the title.

Mr. BLATNIK. I will say, the gentleman has gone more than half way across the road to try to solve this unemployment compensation problem. Those of us who recognize the justifiable concerns of those threatened with unemployment when something like a defense base is going to be closed want to do all we can for these people, and I hope our position will be sustained in order to allay their fears and justifiable concerns. Yet we must concede that there may be demonstration projects in which it would be arbitrary, and perhaps unnecessary, to mandate a requirement for extended unemployment assistance.

Mr. BAKER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio. I speak in favor of this amendment for many reasons. The subparagraph as currently written requires unemployment assistance to be paid for up to a year to individuals unemployed as a result of an economic adjustment need of the eligible recipient for a title IX grant. The unemployment compensation system in title IX would result in a fragmented and inequitable unemployment benefit program. I share the view of the Department of Labor, which is opposed to the creation of special unemployment compensation programs for limited groups of workers. The Federal/State unemployment insurance system is the basic source of protection for all covered workers when they become unemployed, regardless of the cause of unemployment.

It is uncertain who would administer this program. If the Federal Government administers it, this would superimpose the Federal system on top of the existing Federal/State system, resulting in a duplication of efforts. Since EDA does not have the staff nor the experience to administer this type of program, the Department of Labor would possibly then administer it. Accordingly, any unemployment program should be implemented by amending existing Department of Labor unemployment compensation legislation rather than EDA legislation. Furthermore, this program cannot be justified on a demonstration basis since unemployment insurance has been in existence since 1935 and does not require demonstration of its effectiveness.

A major inequity in the title IX unemployment compensation system is that it appears that anyone can qualify for title IX unemployment benefits. A man who had worked only 1 day before becoming unemployed could receive the same benefits as a man with 20 years of steady employment before becoming unemployed. Again, the legislation does not address itself to this vital matter.

In 1972 Congress passed amendments to the Public Works and Economic Development Act of 1965, as amended and contained therein was a provision for extended unemployment for workers affected by environmental orders. The proposed benefits of the 1972 amendments were unwise, premature, and lacking in sufficient safeguards against abuse. Ultimately, the President vetoed this legislation because of the unemployment provisions in that bill. As the sponsor has said the administration is opposed to H.R. 14883, as reported, because of the mandatory unemployment feature contained in title IX. I would not want to see the substantial progress in economic development made through this legislation exposed to an uncertain future because of this single provision.

I urge adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HARSHA).

The amendment was agreed to.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. ABZUG: Page 16, line 6 strike out "(including an economic development district)" and insert "(including a redevelopment area and an economic development district)".

Ms. ABZUG. Mr. Chairman, this amendment is offered to overcome any ambiguity which may exist in the present list of possible applicants for economic development planning grants. There was some confusion as to the meaning of "sub-State planning and development organization," yet no definition of this term has been included in the bill. By listing only "an economic development district" the implication may be that "a redevelopment area" is not included in the definition of "sub-State planning and development organization."

Mr. HARSHA. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I understand the gentlewoman's amendment is a clarifying amendment?

Ms. ABZUG. Exactly.

Mr. HARSHA. As a matter of fact, the practice is done now, but this clarifies the law and deletes any ambiguity that may exist?

Ms. ABZUG. That is corect.

Mr. BLATNIK. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Chairman, I agree with the gentleman from Ohio. As the gentlewoman states in her explanation, there has been some confusion. Some Members feel that while it is adequately taken care of in existing language, this clarifies the situation, and we accept the gentlewoman's amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I concur with the earlier statements made by the distinguished ranking minority member, as well as the distinguished chairman of the Committee. The minority accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. ABZUG).

The amendment was agreed to.

Mr. HARSHA. Mr. Chairman, I move to strike the requisite number of words.

I take this time to say to my colleagues, particularly on this side of the aisle, that we have a good program here, and we have worked with the administration for a number of months on it.

The administration came up with a new proposal dealing more or less with the block-grant approach to this program. It is patterned after the revenue-sharing mechanism that the administration has been advancing.

Those of us on the committee who, over the years, have worked with this program and seen the successful administration of this program by the present administration, felt that we were not quite ready yet to accept the block-grant approach or the revenue-sharing approach that was endeavored to be attained by the administration. There were too many questions left unsatisfactorily answered. Therefore, what we have done is to extend our present program for a period of 2 years, and we have provided, in addition to that part of the administration's approach to this whole problem of dealing with economically depressed areas through a special program, a special title, so-called title IX, which gives the administration all of the flexibility they need, which gives them the ability to use the block-grant approach, and which, by the extension of the program for 2 years, in my judgment, gives the administration time to gear up to use title IX. It probably will take up to 6 months to gear up for this program. With a simple 1-year extension, it would be impossible to evaluate the success of this new approach to economic development.

Therefore, when they wanted only a 1-year extension, we felt that they could not properly evaluate their approach to this problem, and certainly the committee could not have the benefit of evaluating it and, therefore, could not inform the Members of Congress of the effectiveness of this approach.

We extended the program for 2 years, therefore, and I think that this is a reasonable extension. There were many who appeared before the committee who wanted 4 years and 5 years. As a matter of fact, we had 5 years in the bill, and then it was reduced to 4. The Members heard here today at least one Member who wanted to make the program permanent. Thus, I feel that the committee has gone a long way to resolve its differences, at least on the length of time of the program, with the administration. We have compromised a great deal.

We have also compromised by giving them an opportunity to demonstrate to the Congress and to the Committee on Public Works whether or not their approach will be effective and will do the job that we all want done and that can be accomplished through title IX of the program.

We have also met their objections, to a reasonable degree, on the public works improvement program question. They admitted to us that they would fund some projects, and we have reduced that mandatory requirement from 25 percent to 10 percent.

We have met most of the administration's objections with the unemployment provision. We have, by amendment, now made that discretionary, and the Secretary has control of that through the language of this bill. In my judgment, therefore, the House today and the Committee on Public Works have gone the extra mile to compromise with the administration, and I think that we now, ultimately, have a piece of legislation that most Republicans—I know all of us will not do it—but most of the thoughtful Republicans can support and still feel they are supporting the administration. We can't always have every provision in a bill we would like. There are many other provisions I would like in this bill, there are still others the administration would like but the art of legislating is the ability to compromise and compromise in such a fashion that you don't have to compromise your principles. This bill is now in my judgment an artful compromise for all concerned.

Mr. Chairman, I urge my colleagues to give as much support to this measure as we possibly can. I think it is a good bill. I think the committee has gone the extra mile with the administration and I think the administration should accept it?

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ADAMS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, pursuant to House Resolution 1194, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. BLATNIK. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 402, nays 11, not voting 21, as follows:

[Roll No. 332]

YEAS—402

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Devine
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—11

Ashbrook
Collins, Tex.
Conlan
Crane
Dennis
Frenzel
Gross
Landgrebe
Martin, Nebr.
Snyder
Wydler

NOT VOTING—21

Brasco
Breaux
Breckinridge
Carey, N.Y.
Daniels, Dominick V.
Dickinson
Dorn
Esch
Griffiths
Hansen, Wash.
Hébert
Holifield
Horton
Karth
Macdonald
Madigan
Minshall, Ohio
Reid
Rooney, N.Y.
Rousselot
Symms

So the bill was passed.

The Clerk announced the following pairs:

Mr. Dominick V. Daniels with Mr. Breaux.
Mr. Rooney of New York with Mr. Esch.
Mr. Macdonald with Mr. Breckinridge.
Mr. Brasco with Mr. Dickinson.
Mr. Hébert with Mrs. Griffiths.
Mr. Carey of New York with Mrs. Hansen of Washington.
Mr. Reid with Mr. Rousselot.
Mr. Dorn with Mr. Symms.
Mr. Holifield with Mr. Minshall of Ohio.
Mr. Karth with Mr. Horton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 14883.

The SPEAKER. Is there objection to

the request of the gentleman from Minnesota?

There was no objection.

ANNOUNCEMENT OF CHANGE IN LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I rise to make an anouncement.

H.R. 15276 is being postponed until Monday next because the chairman of the committee is in conference with the Senate at the present time.

Tomorrow we will have the Labor-HEW appropriations bill for fiscal year 1975. In view of the fact that the chairman of the committee anticipates that it will be an exceptionally long day of about 9 hours, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, does this mean a Friday session?

Mr. O'NEILL. Yes; it does mean a Friday session. We have scheduled a District of Columbia appropriation bill for Friday, as the gentleman knows. For 6 conscutive weeks we have notified the Members that we would have a Friday session last week and this Friday. It was the intent of the leadership on both sides of the aisle, and it was the agreement, that we would have a session on Friday. In view of the fact that HEW is a long bill with a tremendous amount of amendments that will be offered, it is anticipated at this time that the bill and amendments will take about 9 hours. It would be in the best interests of the House to meet at 10 o'clock. For that reason, I ask unanimous consent to do so.

Mr. GROSS. I had hoped there might be a quid pro quo. The gentleman is driving us pretty hard on these early and late sessions but I guess I can live through it.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Chairman, may I say further that there are two unanimous-consent requests, one by the chairman of the Ways and Means Committee, and other than that, that will be the business for today.

APPOINTMENT OF CONFEREES ON H.R. 12628, INCREASING RATES OF VOCATIONAL REHABILITATION AND SPECIAL TRAINING ALLOWANCES FOR VETERANS

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. Dorn, Teague, Haley, Dulski, Helstoski, and Hammerschmidt, Mrs. Heckler of Massachusetts, and Messrs. Zwach and Wylie.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORT ON H.R. 13565, NONNUCLEAR ENERGY POLICY ACT

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs have until midnight tonight to file a report on the bill H.R. 13565, Nonnuclear Energy Policy Act.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 14833, EXTENDING RENEGOTIATION ACT OF 1951

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? The Chair hears none and appoints the following conferees: Messrs. Mills, Ullman, and Burke of Massachusetts, Mrs. Griffiths, and Messrs. Schneebeli, Collier, and Broyhill of Virginia.

PROVIDING FUNDS APPORTIONED FOR FOREST HIGHWAYS REMAIN AVAILABLE UNTIL EXPENDED

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3490) providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, what is the gentleman's proposal? Will the gentleman explain it briefly?

Mr. JOHNSON of California. Mr. Speaker, if the gentleman will yield I will explain it.

Mr. GROSS. Of course I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Speaker, this has to do with unused funds in the category of forest highways. There is approximately $13 million in the forest highway funds that are unexpended at this time and they will lapse on June 30 unless we pass this particular bill for the President's signature. The bill was passed yesterday in the Senate.

There is a slight error in the bill and that will have to be corrected with a minor amendment and then be sent back to the Senate.

Mr. Speaker, this affects 41 States. The States of California, Oregon, Alaska, Idaho, Montana, and Washington are the principal States affected but there are 41 States that are affected. Annually there is $33 million set aside for forest highways out of the trust fund and this is to be used on forest highway programs throughout the 41 States.

Mr. GROSS. Mr. Speaker, are the Senate amendments germane to this bill?

Mr. JOHNSON of California. Yes, they certainly are.

Mr. GROSS. There is nothing ungermane?

Mr. JOHNSON of California. No, there is nothing ungermane.

Mr. GROSS. Mr. Speaker, I thank the gentleman for explaining the bill and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill as follows:

S. 3490

An act providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding the provisions of section 118(b), title 23, United States Code, sums authorized for fiscal year 1972 and apportioned to States for forest highways under section 202 (a), title 23, United States Code, shall remain available until expended.

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Johnson of California: On the first page, line 3, strike out "118(b)" and insert in lieu thereof the following: "203".

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. HOLT. Mr. Speaker, on rollcall No. 331, which was a vote on final passage of the bill (H.R. 15572) I was unavoidably detained. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. BREAUX. Mr. Speaker, on final passage of the bill (H.R. 14883) I was unavoidably detained. Had I been present, I would have voted "aye."

CONFERENCE REPORT ON S. 3458, DOMESTIC FOOD ASSISTANCE PROGRAM

Mr. VIGORITO (on behalf of Mr. POAGE) filed the following conference report and statement on the bill (S. 3458) to amend the Agricultural and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes:

CONFERENCE REPORT

(H. Rept. No. 93-1154)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That section 4(a) of the Agriculture and Consumer Protection Act of 1973, as amended (87 Stat. 221 as amended, 7 U.S.C. 612c note), is amended to read as follows:

"Sec. 4. (a) (1) Notwithstanding any other provision of law, the Secretary of Agriculture shall until July 1, 1975, (i) use funds available under provisions of section 32 of Public Law 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), and not otherwise expended or necessary for such purposes to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 (which may include seafood commodities and their products) to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to needy families pending the transition to the food stamp program, institutions, supplemental feeding programs wherever located, disaster relief, summer camps for children, and the family commodity distribution program on Indian reservations not requesting a food stamp program, and (ii) if stocks of the Commodity Credit Corporation are not available, use the funds of the Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements.

"(2) Notwithstanding any other provision of law, the Secretary of Agriculture shall, during each of the two fiscal years beginning July 1, 1975, and ending June 30, 1977, purchase agricultural commodities and otherwise carry out the provisions of this subsection with funds appropriated from the general fund of the Treasury. There are hereby authorized to be appropriated such funds as may be necessary to carry out the provisions of this paragraph. Authority provided in this paragraph shall be carried out only with such funds as are appropriated from the general fund of the Treasury for that specific purpose, and in no event shall it be carried out with funds derived from permanent appropriations.

"(3) Nothing in this subsection shall supersede the requirements of section 10(e) of the Food Stamp Act of 1964, as amended, except as to Indian reservations."

SEC. 2. Section 15 of the Food Stamp Act of 1964, as amended, is amended by changing subsections (a) and (b) to read as follows:

"(a) Except as otherwise provided in this section, each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act.

"(b) The Secretary is authorized to pay to each State agency an amount equal to 50 per centum of all administrative costs, including, but not limited to, the cost of (1) the certification of households; (2) the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; (3) the issuance of such coupons to eligible households; (4) the outreach and fair hearing requirements of section 10 of this Act; and (5) the control and accounting of coupons: *Provided,* That each State shall, from time to time at the request of the Secretary, report to the Secretary on the effectiveness of its administration of the program and no such payment shall be made to any State unless the Secretary is satisfied pursuant to regulations which he shall issue that an adequate number of qualified personnel are employed by the State in the program to administer the program efficiently and effectively.".

SEC. 3. Section 3 of the Child Nutrition Act of 1966, as amended (80 Stat. 885, as amended, 42 U.S.C. 1771-1786), is amended as follows:

(a) The first sentence is amended by striking ", not to exceed $120,000,000," and inserting in lieu thereof "such sums as may be necessary".

(b) Section 3 is further amended by adding at the end thereof the following: "For the fiscal year ending June 30, 1975, and for subsequent fiscal years, the minimum rate of reimbursement for a half-pint of milk served in schools and other eligible institutions shall not be less than 5 cents per half-pint served to eligible children, and such minimum rate of reimbursement shall be adjusted on an annual basis each fiscal year thereafter, beginning with the fiscal year ending June 30, 1976, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent.".

Amend the title of the bill to read as follows: "To continue domestic food assistance programs, and for other purposes.".

And the House agree to the same.

W. R. POAGE,
FRANK A. STUBBLEFIELD,
THOMAS S. FOLEY,
WILLIAM C. WAMPLER,
GEORGE A. GOODLING,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE S. MCGOVERN,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
MILTON R. YOUNG,
ROBERT DOLE,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, submit the following joint statement to the Senate and the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The House amendment strikes all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the Senate bill and the House amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying and technical changes.

(1) The House amendment provides that the title is an Act "to continue domestic food assistance programs, and for other purposes". The Senate bill provides that the title is an Act "to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes".

The Conference substitute adopts the House provision.

(2) The Secretary's authority in Section 4(a) of Public Law 93-86 to purchase commodities that are not in surplus would be mandatory, as proposed by the Senate, but it would be limited in duration for three years rather than permanently as proposed by the Senate or for one year as proposed in the House amendment.

The Conference substitute requires the Secretary to use the authority and funds of Section 32 of Public Law 320, Seventy-fourth Congress, as amended, and Commodity Credit Corporation funds during fiscal year 1975 to carry out the programs provided in Section 4(a) of Public Law 93-86, as amended, but for the following two fiscal years the Secretary's mandate would be tempered by the amounts Congress may provide in annual appropriation bills.

Under the Conference substitute, this program would be carried out after fiscal year 1975 only with funds specifically appropriated for the purposes set forth in Section 4(a) of Public Law 93-86, as amended. The Conference substitute also prohibits the use of permanent appropriations such as "Section 32" for carrying out this program in fiscal years 1976 and 1977.

The Conferees felt that because of the growth of domestic food programs that "Section 32" should be preserved to the maximum extent possible for the surplus removal and other purposes set forth in that statute.

The Conference substitute includes the provision of the House amendment authorizing the Secretary to purchase seafood commodities and their products.

The Conference substitute does not apply to programs carried out under the National School Lunch Act, the Child Nutrition Act of 1966, and Title VII of the Older Americans Act of 1965.

(3) The Conferees wish to clarify the interpretation of the language contained in subsection (b) of Section 4 of P.L. 93-86 relating to "the number of adults participating in the activities" of summer camps receiving commodities under Section 4.

Accordingly, in determining "adult participation" in this food donation program the Secretary should distinguish and exclude those adults who perform basic support functions—such as, for example, persons performing custodial and gardening duties—as compared to those adults who act in direct administrative support of the summer camp programs.

(4) The Senate Conferees agreed to recede with respect to the provisions in Sections 2, 3, and 4 of the Senate bill to treat the administration of the Food Stamp Program on Indian reservations differently from the administration of the program in the States. In lieu of these special amendments to the Food Stamp Act, which expires on June 30,

1977, the Conference substitute would give Indian reservations the option, through June 30, 1977, of remaining in the family commodity distribution program rather than transferring to the Food Stamp Program.

(5) Section 4 of the Senate bill amends section 15 of the Food Stamp Act of 1964 to authorize the Secretary of Agriculture to pay each State agency 62.5 percent of all of the State agency's costs in administering the Food Stamp Program. At present, the Food Stamp Act authorizes the Secretary to pay each State 62.5 percent of only certain designated administrative costs. The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment reducing the percentage of administrative costs to be paid by the Secretary from 62.5 percent to 50 percent.

(6) Section 4 of the Senate bill requires that each State report at least annually on the effectiveness of the administration of the Food Stamp Program. No payment of administrative costs shall be made unless the Secretary of Agriculture is satisfied that the State is employing enough qualified personnel to administer the program efficiently and effectively. The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the reports shall be made from time to time at the request of the Secretary of Agriculture.

(7) Section 5 of the Senate bill amends section 3 of the Child Nutrition Act of 1966 to establish a five-cent minimum rate of reimbursement for each half-pint of milk served in the special milk program. The minimum rate of reimbursement is to be adjusted annually, beginning with the 1976 fiscal year, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Adjustments are to be computed to the nearest one-fourth cent. Also, in lieu of a stated amount, appropriations of such sums as may be necessary to carry out the program are authorized. The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

W. R. POAGE,
FRANK A. STUBBLEFIELD,
THOMAS S. FOLEY,
WILLIAM C. WAMPLER,
GEORGE A. GOODLING,
Managers on the Part of the House.
HERMAN E. TALMADGE,
GEORGE MCGOVERN,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
MILTON R. YOUNG,
ROBERT DOLE,
HENRY BELLMON,
Managers on the Part of the Senate.

THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT OF 1976

(Mr. HAWKINS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HAWKINS. Mr. Speaker, assuring continuing full employment is the single most important step in the national interest at this time. Upon its achievement rests economic stability, social morality, and renewed confidence in our national purposes and leadership.

A full employment policy invokes coordinated and responsible planning, promotes essential economic growth, and reallocation of our resources in a just and equitable manner.

The Employment Act of 1946 represented the first attempt to achieve such policy. It set up the first beginnings of Democratic machinery for national policymaking and planning, annual economic reporting, and a congressional review of Presidential economic policies.

Important though these steps were, the act lacked specificity, was ambiguous in language, and devoid of its original intent: full employment based on a personal right, not merely "high levels of employment" subordinate to other economic interests that encouraged "tolerable levels" of unemployment.

Consequently, although the act has resulted in special guarantees to corporate welfare, it has been of no significant value to the millions of Americans who live in poverty and deprivation, or fear of insecurity and job competition, or who are suffering from race, age, and sex discrimination.

And under this administration, with the approval of the Council of Economic Advisors, the act has been used to create unemployment as a deliberate policy of fighting inflation.

Now to reverse this calamitous outcome and return to the original intent of the Murray-Wagner full employment bill as introduced in 1945, Congressman HENRY REUSS and I have introduced the Equal Opportunity and Full Employment Act of 1976.

Unlike the emasculated 1946 act, our proposal would, first, define full employment; second, provide machinery through our constitutional system to effectuate full employment as our national purpose; third, establish accountability for economic performance; and fourth, insure reasonable redress for the victims of ill-conceived and unjust policies.

An authentic full employment policy rejects the narrow, statistical idea of full employment measured in terms of some tolerable level of unemployment—the percentage game—and adopts the more human and socially meaningful concept of personal rights to an opportunity for useful employment at fair rates of compensation.

This right to employment we believe to be basic and "essential to personal liberties, individual development, the prevention of inflationary shortages and bottlenecks, and the well-being of families, organizations, the national economy, and society as a whole."

Under H.R. 15476, this right is implemented by machinery for the delivery of an actual job opportunity through local planning councils under existing governmental bodies and by a Job Guarantee Office in a totally differently oriented U.S. Employment Service renamed "The United States Full Employment Service." Failure to place a job applicant through this regular system and inability of jobseekers to find employment elsewhere activates temporary and transitional employment in public service on a standby basis.

Under current law no one appears directly responsible for economic performance—neither the President nor the Congress. President Nixon thusly announces policies freely as if congressional approval were not required then blames Congress for failure. On the other hand, there is no mandate on Congress to initiate alternative economic policy.

The anomaly of this situation is clearly evident in the President's announcements that he will both cut spending to prevent inflation and increase spending to avoid a recession. Equally irresponsible have been recent trends in some congressional areas to impose spending limits on top priority human needs.

Accountability is built into H.R. 15476 through a periodic reporting system. The executive branch is primarily responsible to maintain economic performance, to report on accomplishments, trends, and projections subject to review by the Congress. The Congress in turn through its Joint Economic Committee after review of the President's proposals, may initiate alternative recommendations and institute the initial stages of action by legislation which the President must approve or disapprove.

One of the most unjust things about current economic "policies" is the immoral act of imposing undue sacrifice on hopeless victims. Thus, price stability is sought at the expense of the unemployed. Other groups are required to accept the dead end, "bedpan" jobs. Still other job applicants are left too vague and often nonexisting job openings, to underpaid, and sometimes to illicit activities. Failure of economic policymakers should automatically activate programs of guaranteed employment to alleviate victims. Besides being fair, such an arrangement would discourage ill-conceived policies.

Unfortunately, both executive and congressional policymaking and programing have been based on deceptive statistics that grossly understated the magnitude of the unemployment problem. Statistical magic has reduced the over 20 million unemployed to an arbitrary number under 5 million. The consequences are inadequate programing, public apathy, and political sterility.

Obviously then, to mention just two current programs, the recently passed Comprehensive Employment and Training Act must be seen as grossly inadequate in relation to the true problem. Also Project Independence—to achieve energy self-sufficiency by the 1980's—may also be faulted for curtailing demand—largely through price increases, and thereby creating substantial unemployment.

Through H.R. 15476 with its accountability reporting provisions, such shortcomings are more likely to be exposed, and, even more important, under a policy of full employment effectuated by built-in machinery, such programs—and many others—can be turned into viable tools to serve the national purposes of security, stability, and social justice.

In the final analysis, advocates of full employment must meet two challenges.

The first real challenge is to convince middle America—which sees inflation as the primary danger—that full employment is in the interest of all Americans—not merely a minority concern.

Evidence can be mounted, but must be more effectively displayed, to show the divisive and destructive effects of unemployment on the employed, on welfare, crime, and poverty rates—revenue losses that must be offset by rising taxes—our losses in goods and services—and tremendous unmet needs in the environment, energy, health, and human services.

The other challenge is really political but often stated as one of ideology: to meet that economic mentality which rejects any Federal obligation to deal with the problem of widespread unemployment.

This thinking widely prevalent prior to the New Deal held to the belief that if left alone such problems would be solved in a "self-regulating" economy without institutionalized mechanism.

The 1929 crash exploded this idea and subsequent revelations have tended to place the Federal obligation for dealing with human problems at least on a par with the obsessive concern for the welfare of corporate-financial entities.

Saving human beings from economic disaster through commonsense planning demands no less attention than protecting the banks, saving the railroads, and helping industrial giants to survive.

It would appear we are now at that point when full employment as we conceive it—in the words of the United Nations Task Force, 1949—"marks a historic phase in the evolution of the modern conception of the functions and responsibilities of the democratic State."

I include the following explanation and summary of the Equal Opportunity and Full Employment Act of 1976, as well as a section-by-section analysis:

EXPLANATION AND SUMMARY OF THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT OF 1976

The Equal Opportunity and Full Employment Act of 1976 sets out in twelve sections a statutory structure for insuring equal employment opportunities to all groups in the United States society through guaranteeing full employment to all persons able and willing to work.

The Act first sets forth its policy in some detail by stating that "all adult Americans able and willing to work have the right to equal opportunities for useful paid employment at fair rates of compensation." The Act continues to expand upon the initial statement, especially in terms of minorities and other disadvantaged groups in the society. (Section 2).

The Act then establishes the methods for implementing the policy statement.

The first method is to require the President to submit every six months an economic report to the Congress. (Section 3(a)). In this report is mandated detailed findings and recommendations to the Congress that will assure full employment in the nation. A subsequent section of the Act (Section 7) then builds upon the expanded economic report of the President by giving the report the statuts of executive initiation of legislation which is referred first to the Congressional Joint Economic Commitee for a limited period (30 days), and then to the respective Appropriations Committees for their input and/or modifications, also for a like limited period (30 days). After this process is completed, the subject report (the "employment deficit recommendation") becomes a highly privileged matter that may be brought up for consideration in both chambers by any member of the respective bodies, thus assuring periodic (every six months) consideration by both Houses of the legislation necessary to provide national full employment.

The second method is the creation of an actual structure to provide jobs for all, coupled with the reorganization of the implementing U.S. Employment Service into a service that actually sees to it that every individual willing and able to work is indeed provided with employment of a suitable nature. The Service's name is changed to "United States Full Employment Service" and its functions are greatly expanded, principally with the creation of "Job Guarantee Offices" within the Service's present system. (Section 5).

The Job Guarantee Office system is the key to the effective implementation of the Act's guarantee of equal opportunities and full employment. That system is composed of a number of elements, beginning with the existing prime sponsor planning councils under section 104 of the Comprehensive Employment and Training Act of 1973 (CETA) (called "Local Planning Councils" in the Act).

Other elements of the system, in addition to the Job Guarantee Office and the Local Planning Councils, are (1) Community (Job) Boards, (2) the Reservoir of Public Service and Private Employment Projects, (3) the Standby Jobs Corps, and (4) Community Public Service Work Reservoirs. (Sections 4, 5, and 6.)

Their operation is as follows:

An individual desiring a job would go to the Job Guarantee Office of the local office of the U.S. Full Employment Service. He would be promptly interviewed and a three-step process carried out (Subsection 5(f)). The first step of that process is to refer the individual to available openings offering a high probability of success in the private sector or in that part of the public sector which is not directly dependent upon this Act for funding. If such openings are not immediately available, then the individual is referred to a contracting agency or organization or other entity funded under this Act (Subsection 5(e)) for placement in a job on a project from the Reservoir of Public Service and Private Employment Projects.

The Reservoir is created from public service projects and from private sector projects with public impact planned and proposed by the Local Planning Councils (the CETA Prime Sponsor Planning Councils) and approved by the Job Guarantee Office under regulations adopted by the Secretary of Labor, who is the overall administrator of the Act. These projects include ones that provide "expanded or new goods and services that reflect the needs and desires of the local community, such as social services, community health services, day care facilities, legal aid, public transit, housing, recreation, cultural activities, sanitation and environmental amendment" (Section 4(b)(1)) and other projects such as "infrastructure construction, repair and maintenance," compensation, repair, and maintenance of public buildings, and projects for "charitable and educational purposes." (Section 4(c)(2)). Under CETA overall control of the Local Planning Councils, of course, lies in the unit of general local government. This same principle is followed throughout the Act by placing ultimate authority in the Local Planning Councils in respect to all activities in their geographical area, such as the Community Job Boards, Community Public Service Reservoirs, and the Standby Job Corps.

If, after the above two steps have been taken and the individual is still without a job or an imminent prospect of one, then the third step is immediately in order: Registration in the Standby Job Corps.

Registration in the Standby Job Corps is required immediately upon presentation at the Job Guarantee Office unless referral under the first two steps offers at the time of presentation "a high probability of success within 5 days." (Subsection 5(f)).

Registration has two immediate consequences:

The individual immediately begins to receive a payment in the nature of compensation, which payment (a) "bears a positive relation to (his or her) qualifications, experience and training," (b) "is such that will effectively encourage (him or her) (from an economic standpoint) to advance from the Corps to other employment," and (c) is not "less than the minimum wage in effect in the area." (Section 6(a)(2)(B).)

Second, the individual is immediately put to work on a job that is a part of a project drawn from the Community Public Service Work Reservoir that has been established by the Community Board.

The Community Boards are established by the Local Planning Council in the particular community or neighborhood area and reflect the population of the area. The Community Boards create Reservoirs of Community Public Service Work Reservoirs. All of the Community Boards' actions are subject to the supervision of the Local Planning Council. The Community Boards may themselves establish and administer particular projects, designate non-profit organizations, local governmental agencies, or other groups of a public service nature to receive Standby Job Corps assistance, or otherwise provide work opportunities for the Corps members. (Subsection 4(c).)

The Reservoir of Community Public Service Work Reservoirs may include all types of activities useful to the community. (Section 4(c)(2).) These listed in the Act by way of example are (1) infrastructure construction, repair and maintenance, (2) assistance to any member or group of individuals mentioned in a list of disadvantaged categories of persons, (3) construction, repair or maintenance of public buildings, (4) combating drug abuse, (5) charitable and educational purposes, (6) public recreation, (7) juvenile delinquency prevention, (8) assistance to the elderly and disabled, and (9) environmental control.

It is contemplated that a maximum limitation—such as one or two months—will be placed upon the time that an individual may be kept in the Standby Job Corps prior to placement in a "suitable and comparable job," under either of the previous two steps mentioned earlier.

The mandate of the Act is, of course, to require the Secretary of Labor to administer the system so as to place the shortest reasonable period of time upon the individual's stay in the Standby Job Corps.

The final method established by the Act to implement the policy statement is ultimately to give the individual a judicially enforceable right to sue if his right to employment established, guaranteed and implemented by the Act is not enforced in his or her case. (Subsection 5(g)).

Strong prohibitions against discrimination on the grounds of sex, age, race, color, religion, or national origin are placed throughout the bill.

Realizing that the legislation requires a somewhat extended period for implementation, staged periods over five years are provided for in section 8. This timing for implementation is established by the President.

To provide the necessary back-up research and technical expertise and data, a National Institute for Full Employment is created which is required to address itself to the supplying of the data and the studies needed to achieve an ongoing implementation of the Act with maximum benefit to the American people and to the economy. (Section 9).

SECTION-BY-SECTION ANALYSIS

Section 1. The Act is to be cited as "The Equal Opportunity and Full Employment Act of 1976."

Section 2. Section 2 contains the declaration of policy. (a) The right of all adult Americans able and willing to work to equal opportunities for useful paid employment at fair rates of compensation is declared by the Congress. (b) The Congress further declares that the free exercise of that right by all, irrespective of sex, age, race, color, religion, or national origin is essential to personal liberties, individual development, the prevention of inflationary shortages and bottlenecks, and the well-being of families, organizations, the national economy and society as a whole. (c) The principle is stated that only under conditions of genuine full employment and confidence in its continuation is it possible to eliminate the bias, prejudice, discrimination, and fear that have resulted in unequal employment under unequal conditions of women, older people, younger people, and members of racial, ethnic, national, or religious minorities. (d) The Act then points out that, to the extent that Americans may not be able to exercise the right to equal opportunities for useful paid employment at fair rates of compensation: (1) the Country is deprived of the larger supply of goods and services made available under conditions of genuine full employment, of the trained labor power prepared to produce needed goods and services, and of the larger tax revenues received at all levels of government, without any changes in tax rates, under conditions of genuine full employment, (2) inflationary shortages and bottlenecks are created, (3) the job security, wages, salaries, working conditions and productivity of employed people are impaired, (4) families are disrupted, (5) individuals are deprived of self-respect and status in society, and (6) physical and mental breakdown, drug addiction, and crime are promoted.

(e) The Act declares the responsibility of the Federal Government to enforce this right, to redress such past and present deprivations and impairments of this right to the maximum extent feasible, and to prevent such deprivations and impairments in the future by developing and administering such policies and programs as may be needed to attain and maintain genuine full employment.

The final subsection (f) mandates that such other national economic goals as price stability and a favorable balance of payments be pursued without qualifying, limiting, compromising, or undermining the rights and guarantees established in the Act.

Sec. 3. Subsection 3(a) sets forth the Full Employment and Production Program that is required to be presented to the Congress by the President. The subsection mandates the President to transmit with his or her economic report to the Congress required by the Employment Act of 1946, and to regularly revise and update every six months, a Full Employment and Production Program, both long-range and short-range, which, in addition to the requirements of the Employment Act of 1946, must set forth in summary and detail:

(1) the estimated volume of goods and services, both private and public, required to meet human and national needs, including but not limited to food, fibers, raw materials, energy resources, production facilities, housing, consumer goods, utilities, transportation, distribution, communication, day care facilities, education, health, welfare, artistic and cultural activities, scientific and technological research, and general government services;

(2) the estimated levels and types of paid employment, both part-time and full-time, required to provide the volume of goods and services set forth in paragraph (1);

(3) the estimated levels of expenditures for investment, consumption, and other purposes, both private and public, needed to provide the levels and types of paid employment set forth in paragraph (2);

(4) whatever shifts in output, employment, and expenditure patterns, or appropriate expansions in desirable alternative activities or facilities, which may be required to facilitate necessary reductions and conversions in military and other industrial activities or facilities;

(5) a full and detailed review of actions attempted or accomplished under the Act and whatever changes in administrative policies and legislation may be needed to achieve the objectives set forth in paragraphs (1), (2), (3), and (4), and

(6) a review of such related considerations as price levels, international trade, capital export and import, exchange rates, the concentration of economic power, the extent of monopolistic or oligopolistic control over various markets, and the level and distribution of income and wealth, and of wages, salaries, and property income.

Subsection 3(b) renames the annual manpower reports of the President the "Labor Reports of the President" and requires additional detailed treatment on a continuing and progressively analytical basis to:

(1) the changing volume and composition of the American labor supply, by major areas of the country, with special emphasis on the total number of people able and willing to work under varying conditions of remuneration and suitability, the extent of various forms of involuntary unemployment and underemployment, (including those not working or seeking to work but able and willing to work if suitable opportunities were presented, and those between jobs), estimates of recent, present and prospective shortfalls in private and public employment opportunities, the impact of mobility and immigration, and the volume of national product lost by such waste or insufficient use of available labor power;

(2) The loss of productive labor power, together with associated lost production, as a result of discrimination on the basis of sex, age, race, color, religion, or national origin;

(3) the need for greater opportunities for part-time paid employment with related fringe benefits and job security protection;

(4) the implications of continuing full employment for possible increases in voluntary leisure, for reductions in the daily, weekly, monthly or annual hours of paid work, for flexible work schedules, for paid vacations and sabbaticals, and for more extensive combinations of education and employment;

(5) the associated problems of the nature and environment of work, the quality of work, career opportunities, productivity and related problems of work content, job satisfaction, labor-management relations, and worker participation in employment decisions, and

(6) the national implications of the Reservoirs of Public Service and Private Employment Projects developed by the local Planning Councils under Section 5 of the Act.

Sec. 4. Section 4 establishes the Local Planning Councils (by adopting the Prime Sponsor Planning Councils set up by section 104 of the Comprehensive Employment and Training Act of 1973 and giving them executive functions in addition to their advisory functions under CETA) and sets out their functions, powers and responsibilities. Subsection (a) is a recognition by the Congress that (1) the specific identification of local needs for additional goods, services, and employment opportunities can best be handled by local governments, communities, groups and individuals, and (2) to carry out their functions under the Act, the President, the Secretary of Labor and other officials and agencies of the Federal government need the continuing input of ideas, proposals, advice and criticism from local governments, communities, groups and individuals.

Subsection (b) amends section 104 of CETA by adding a new paragraph requiring the Local Planning Councils to assume the additional functions of (1) identifying local needs for additional employment opportunities, and, under guidelines to be established by the Secretary of Labor, selecting and planning projects to provide a Reservoir of Public Service and Private Employment Projects to supplement available employment. Such projects must include expanded or new goods and services that reflect the needs and desires of the local community, such as social services, community health services, day care facilities, legal aid, public transit, housing, recreation, cultural activities, sanitation and environmental improvement (including projects listed in clause 4(c)(2) below); and

(2) taking part in monitoring and evaluating programs under the Equal Opportunity and Full Employment Act of 1976 in accordance with standards and criteria published by the National Institute for Full Employment and pursuant to guidelines established by the Secretary of Labor.

Subsection (c) directs each Local Planning Council, pursuant to regulations adopted by the Secretary of Labor, to provide for:

(1) The establishment of Community Job Boards in community or neighborhood areas which form a feasible and cohesive unit for supplying public service job opportunities. Such Community Job Boards (A) must to the maximum extent feasible be elected by the residents of the community or neighborhood area and shall fairly represent all segments thereof; and (B) are subject to the supervision and review of the local planning councils where they exist; and

(2) The establishment of Community Public Service Work Reservoirs through action of the Community Job Boards. Such Reservoirs are to include, but are not limited to, projects for (A) infrastructure construction, repair and maintenance, (B) assistance to any member or group of individuals mentioned in subsection 5(d), (C) construction, repair or maintenance of public buildings, (D) combating drug abuse, (E) charitable and educational purposes, (F) public recreation, (G) juvenile delinquency prevention, (H) assistance to the elderly and disabled, (I) environmental control and (J) such other purposes as the Secretary may designate;

Sec. 5. Subsection (a) renames the United States Employment Service the "United States Full Employment Service." Subsection (b) gives the new U.S. Full Employment Service under the general direction of the Secretary of Labor the responsibility to assist in the establishment of, in each labor market area in the country in conjunction with the Local Planning Councils acting under section 5(b), the Reservoir of Public Service and Private Employment Projects.

Subsection (c) creates a Job Guarantee Office in the U.S. Full Employment Service headed by a Job Guarantee Officer whose responsibility is to provide useful and rewarding employment for any American, able and willing to work but not yet working, unable otherwise to obtain work and applying to the office for assistance. The Job Guarantee Office is required to carry out its responsibilities under the Act in connection with the implementation of subsection (e) (relating to agreements to implement the Reservoir of Public Service and Private Employment Projects) upon the recommendation and approval of the Local Planning Councils. Nothing in the Act precludes the Job Guarantee Office from contracting directly with the Local Planning Councils for (1) the administration of individual Public Service and Private Employment Projects or (2) the overall administration of all or any part of such projects within the jurisdiction of the Local Planning Councils.

Subsection (d) provides that each Job Guarantee Office in carrying out its responsibilities shall ensure that among projects planned that adequate consideration be given to such individuals and groups as may face special obstacles in finding and holding useful and rewarding employment and shall provide or have provided through the coordination of existing programs special assistance including but not limited to counseling, training and, where necessray, transportation and migration assistance. Such individuals and groups shall include (1) those suffering from past or present discrimination or bias on the basis of sex, age, race, color, religion or national origin, (2) older workers and retirees, (3) the physically or mentally handicapped, (4) youths to age twenty-one, (5) potentially employable recipients of public assistance, (6) the inhabitants of depressed areas, urban and rural, (7) veterans of the Armed Forces, (8) people unemployed because of the relocation, closing or reduced operations in industrial or military facilities, and (9) such other groups as the President or the Congress may designate from time to time.

Subsection (e) provides that, for the purpose of drawing on the Reservoir of Public Service and Private Employment Projects and providing employment opportunities to applicants, each Job Guarantee Office may (subject to the limitations specified in subsection (c)) enter into agreements with public agencies and private organizations operating on a profit, non-profit, or limited-profit basis. Such agreements are to contain assurances that the agency or organization will:

(1) provide an annual independent audit to the Job Guarantee Office. The agency or organization must at all times make its records and books available to reasonable review by agents of the Job Guarantee Office;

(2) not discriminate on the grounds of sex, age, race, color, religion, or national origin in the administration of any program encompassed within the agreement;

(3) observe the prohibitions contained in Chapter 15 of Title 5 of the United States Code (relating to political activities in federally-funded projects); and

(4) submit an annual report to the Job Guarantee Office detailing its activities under the agreement.

Subsection (f) sets forth the direct responsibility of the Job Guarantee Office to ensure that any person willing and able to work (a "job seeker") is provided the opportunity to be employed at a suitable and comparable job (as defined elsewhere in the Act). For the purpose of fulfilling this responsibility the Job Guarantee Office is required to, as appropriate:

(1) Refer job seekers to the private sector and general public sector employment placement facilities of the Full Employment Service (other than as supplemented by the Act);

(2) Directly refer job seekers for placement in positions on projects drawn from the Reservoir of Public Service and Private Employment Projects; and

(3) Register job seekers in the Standby Job Corps (as established elsewhere in the Act).

The Secretary of Labor is directed to provide by regulation for procedures to assure that registration in the Standby Job Corps shall occur upon presentation of the job seeker to the Job Guarantee Office unless a placement process is begun for private or other public service employment (including employment in the Reservoir of Public Service and Private Employment Projects) which presents a high probability of success within 5 days.

Subsection (g) sets forth that, for the purposes of the Act, any job seeker who presents himself or herself in person at the Full Employment Office shall be considered prima facie "willing and able" to work. This specifically includes persons with impairments of sight, hearing, movement, coordination, mental retardation, or other handicaps. The subsection is implemented by the Job Guarantee Officer, pursuant to regulations issued by the Secretary. Such regulations must provide for:

(1) an initial determination by the Job Guarantee Officer as to the job seeker's ability to work;

(2) compliance with Section 703 of the Civil Rights Act of 1964;

(3) such administrative appeal procedures as may be appropriate to review such determination where adverse to the job seeker;

(4) termination of such appeal procedures within 30 days; and

(5) placement of such job seeker on the payroll of the Standby Job Corps pending such appeal or any judicial review thereof.

Subsection (h) provides that the district courts of the United States shall have jurisdiction of any action brought seeking relief pursuant to the Act, including injunctive, declaratory, and other forms of relief as well as damages. Any person deprived of rights secured by the Act is entitled in an action brought against the United States to recover damages, together with costs and attorneys' fees.

SEC. 6. Section 6 establishes the Standby Job Corps (SJC). Subsection (a) creates the SJC and states that the SJC shall consist of job seekers registered under the Act. The Corps is available for public service work upon projects and activities that are approved as a part of Community Public Service Work Reservoirs established by the Community Job Boards.

Subsection (b) requires the Secretary of Labor, by regulation, to provide for:

(1) assurance that job seekers registered in the Standby Job Corps (hereafter called "Corps members") maintain a status of good standing, which status must include attendance and performance standards;

(2) a system of compensation for Corps members which must:

(A) provide that Corps members receive a monthly-rated sum based upon their employment at a suitable and comparable job (as defined in paragraph (B) below);

(B) contain a definition of a "suitable and comparable job" which takes into account, among other factors, the following:

(i) No Corps member is to be paid less than the minimum wage in effect in the area; and

(ii) Corps members are to receive compensation ((a)) that bears a positive relationship to their qualifications, experience and training; and ((b)) that is such that will effectively encourage them (from an economic standpoint) to advance from the Corps to other employment;

(3) the fullest possible planning and operational control of the local Standby Job Corps program at the community and neighborhood level (consistent with overall supervision by the Local Planning Councils);

(4) full and effective prohibition of (A) discrimination on grounds of sex, age, race, color, religion, or national origin and (B) improper political activity;

(5) reasonable oversight and reporting in respect to projects utilizing corps members; and

(6) assurance that no activities undertaken pursuant to this subsection will adversely affect prevailing wage rates in the area.

SEC. 7. Section 7 gives major additional responsibilities for implementation of the Act to the Congressional Joint Economic Committee. Subsection (a) provides that, in addition to its responsibilities under the Employment Act of 1946, as amended, (15 U.S.C. 1022) the Joint Economic Committee must:

(1) annually review the activities of the executive branch under all sections of this Act;

(2) regularly conduct on its own behalf, or in cooperation with or through the facilities of the appropriate legislative committees or subcommittees of the Senate and the House, public hearings in as many labor market areas as feasible, with special emphasis on opportunities for hearing petitions and complaints by individuals and groups who feel that they have been denied their rights to employment opportunities or have been injured directly or indirectly by policies and programs designed to guarantee the exercise of rights; and

(3) annually report upon, with its own conclusions and recommendations, the development and administration of the policies and programs mandated by the Act.

Subsection (b) provides the procedures for effective Congressional implementation of the full employment and production program initiated by the President under subsection 3(a). The subsection requires that:

(1) In addition to its responsibilities under subsection (a), the Joint Economic Committee must, within 30 days of the submission of the bi-yearly full employment and production program as required pursuant to subsection 3(a):

(A) review that program and suggest whatever modifications the committee deems advisable;

(B) submit the modified program to the respective Houses of the Congress, together with the committee's comments on all parts thereof, including a justification for all modifications made in the program as submitted by the executive;

(C) submit a recommendation to both Houses of the Congress as to the sums needed to be appropriated to finance such program as submitted pursuant to clause (B) above (called the "employment deficit recommendation");

(2) The Full Employment and Production Program, as modified and as submitted, and the employment deficit recommendation must be forthwith referred to the Appropriations committees of the respective Houses for a period of 30 days. Those committees are required to (1) recommend appropriations consistent with the employment deficit recommendation and (2) make such other recommendations as they deem advisable.

(3) At any time after the expiration of the 30 days specified in paragraph (2) above it is a highly privileged motion in both Houses of the Congress that may be made by a member of either body for the immediate consideration of the employment deficit recommendation of the Joint Economic Committee as a joint resolution of the respective body appropriating the sums specified in the employment deficit recommendation.

(4) After the making of that motion it is then immediately in order to consider the recommendations made by the Appropriations Committee.

(5) Three legislative days after the making of the motion specified, there is, upon motion made, no further debate, amendments, or other proceedings in regard to the employment deficit recommendation and a vote on all pending amendments and final passage is ordered forthwith.

SEC. 8. Section 8 provides for implementation of the Act by stages. Subsection (a) states that the Congress recognizes that (1) the full objectives of the Act cannot be attained immediately upon its enactment, (2) considerable time will be needed to develop the Full Employment and Production Program, the research work under the National Institute for Full Employment, the Local Planning Councils, the Community Job Boards, the Community Public Service Work Reservoirs, the Standby Jobs Corps, the Reservoirs of Public Service and Private Employment Projects, the U.S. Full Employment Service, the Job Guarantee Offices, and the additional responsibilities of the Congressional Joint Economic Committe, and (3) the implementation of the Act therefore must be accomplished in a series of stages.

Subsection (b) provides that the President is authorized and directed to provide, by regulation, guidelines and otherwise, for the full implementation of the Act by the end of the fifth calendar year after its enactment, at which time the provisions of subsections (g) and (h) (relating to judicial enforcement) shall enter into effect. This subsection is not to be construed to prevent the President from effecting full implementation of the Act by an earlier date, including the provision of the entering into effect of subsections 5(g) and (h) by such earlier date.

Subsection (c) declares that it is the policy of the Federal government that the full objectives of the Act be attained no later than the end of the fifth calendar year after its enactment, and toward this end the Full Employment and Production Programs submitted to the Congress by the President must include his or her specific quantitative and qualitative targets spelling out these objectives, and the Local Job Councils must spell out similar quantitative and qualitative targets for their respective geographical areas.

Section 9. Section 9 establishes the National Institute for Full Employment. Subsection (a) affirms that the Congress recognizes that (1) in the absence of genuine full employment, as defined in this Act, many Federal policies and programs have been based on the presumption of the continuing lack of suitable employment opportunities for large numbers of people able and willing to work, and (2) to carry out their functions under the Act, the President, the Secretary of Labor, the local Planning Councils, the Community Job Boards, the Job Gurantee Offices, the Full Employment Service and the Congressional Joint Economic Committee need the support of long-range, continuing, serious and objective studies of the many changes required in such Federal policies and programs to gear them more closely to the Full Employment and Production Program, its continuing adjustment and improvement, and its implementation.

Subsection (b) provides that, to develop and administer a long-range program of such studies, there is established a National Institute for Full Employment within the Department of Labor, under a director to be appointed by the Secretary of Labor, and to operate in continuing consultation with a National Commission for Full Employment Policy Studies.

Subsection (c) requires that the Director of the Institute:

(1) serve for a term of three years but be removable, with or without cause, by the Secretary;

(2) be compensated at the rate provided for Grade 18 of the General Schedule set forth in Section 5332 of Title 5, United States Code. The Director's position is in addition to the number of positions placed in Grade 18 of the General Schedule under Section 5108 of Title 5, United States Code;

(3) appoint a Deputy Director of the Institute and such other employees as required to perform the functions of the Institute; and

(4) appoint, for terms not to exceed three years, without regard to the provisions of Title 5 of the United States Code governing appointment in the competitive service, and compensate, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical or professional employees of the Institute as the Director deems necessary to accomplish the Institute's functions and also appoint and compensate without regard to such provisions not to exceed one-fifth of the number of fulltime, regular technical or professional employees of the Institute.

Subsection (d) provides that the National Commission for Full Employment Policy Studies is to:

(1) be composed of 15 members, which must be broadly representative of labor, business, education, the social and natural sciences, the humanities, Local Planning Councils, Community Job Boards, the professions and the general public and which include the Chairman of the Council of Economic Advisors as an ex officio member. The members are to be appointed by the Secretary for terms of four years and to serve at the pleasure of the Secretary;

(2) be provided an executive secretary and other needed staff by the Secretary. The Secretary also is to pay the members of the Commission per diem, travel, and other necessary expenses, together with compensation at a rate not exceeding $100 per day while performing the business of the Commission;

(3) meet at least once every three months and at such other times as requested by the Director or the Secretary;

(4) choose a Chairman and such other offices as required to perform its business;

(5) advise and consult with the Director in respect to all programs and activities conducted as authorized;

(6) regularly consult with the Council of Economic Advisors; and

(7) perform such other functions as are assigned by the Secretary or by the Director.

Subsection (e) provides that the Institute is authorized and directed to make, or have made through grants to or contracts with individual researchers and private or public research organizations, universities and other government agencies, studies that will include, but need not be limited to, such subjects as:

(1) the policies and programs needed to reduce whatever inflationary pressures may result from full employment, to manage any such inflationary pressures through appropriate fiscal policies and indirect and direct controls, and to protect the weaker groups in society from whatever inflationary trends cannot be avoided or controlled;

(2) the identification of human potentialities that are hidden, undeveloped or underdeveloped because of the lack of suitable job opportunities, encouragement, education or training and of various ways of releasing such potentialities;

(3) the forms of education and training needed to help provide people with the skills, knowledge and values required by existing employment opportunities and technologies and needed to assist in developing such new types of goods, services, technologies and employment opportunities as may better meet human needs;

(4) the policies and programs needed to substantially eliminate substandard employment, wages and working conditions and the techniques for establishing standards for employment, wages and working conditions in accordance with changing levels of national output and resources, and regional variations in output, resources and other relevant factors;

(5) the improvement of the quality of employment, in both the private and the public sectors, in terms of (a) satisfactions for employees, (b) the efficiency and productivity of work done, and (c) the satisfactions of clients for and consumers of the goods or services provided;

(6) such policies and programs as may be needed to enable small and independent business enterprises to benefit from the provisions of the Act and protect them against any unfavorable consequences that may result from actions taken to implement it;

(7) alternative organizational forms and operating methods for the Local Planning Councils mandated under Section 4, as well as additional methods of encouraging participatory and decentralized planning of employment policies and programs.

(8) the standards and criteria to be used by the Local Planning Councils (pursuant to subsection 4(b)) to monitor and evaluate programs under the Act;

(9) the problems of the special priority individuals and groups referred to in subsection 5(d);

(10) the integration of existing programs of welfare assistance, income maintenance and unemployment compensation with the payments made to people under Section 6 of the Act;

(11) improved methodologies for conducting studies in all such areas, with special attention to the methodological problems involved in utilizing skills and techniques that may transcend established disciplinary boundaries; and

(12) a comprehensive program for such economic and social indicators, both quantitative and qualitative, as may be needed for the continuous and objective monitoring of basic economic and social trends in the performance, structure, and environment of the American economy and society.

Subsection (f) requires that the Institute, in developing its program, encourage divergent approaches to each area of policy study, shall keep the Local Planning Councils informed on the nature of research in process and disseminate widely the results of all completed research.

Section 10. Section 10, entitled "General Provisions," contains two subsections. Subsection (a), entitled "Nondiscrimination," mandates that no person in the United States on the ground of sex, age, race, color, religion or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under the Act.

Subsection (b), entitled "Labor Standards," requires that:

(1) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair including painting and decorating or projects, building, and works which are federally assisted under the Act be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary of Labor will have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)); and

(2) The Job Guarantee Office cannot enter into any agreement under Section 5 of the Act nor develop any project for the Reservoir of Public Service and Private Employment Projects until it has determined that such agreement or project will provide—

(A) that appropriate standards for the health, safety, and other conditions applicable to the performance of work and training or any project are established and will be maintained;

(B) appropriate workmen's compensation protection; and

(C) assurances that the project will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed.

Section 11. Section 11 contains the definitions in the Act, which are as follows:

(1) "Adult Americans" refers to all citizens and permanent residents of the United States who are 16 years of age or older, plus such younger age groups as may be expressly included by local, State, or Federal law and

implemented by administrative regulations under this Act.

(2) "Full employment" is a situation under which there are useful and rewarding employment opportunities for all adult Americans able and willing to work.

(3) "Able and willing to work" means possessing the capacity and motivation to perform for pay productive tasks creative of a useful social product.

(4) "Opportunity" refers to an available and feasible choice.

(5) "Fair rates of compensation" refers to remuneration at wages reflecting regional levels of compensation, statutory minimum wages, or those wages established by prevailing collective bargaining agreements, whichever is highest, and under working conditions consistent with trade union or prevailing standards, whichever is higher.

(6) "Secretary" refers to the Secretary of Labor.

Section 12. Section 12 authorizes appropriations for the fiscal year ending on June 30, 1977, and for each succeeding fiscal year such sums as may be needed to carry out the various sections of the Act.

AMERICAN DAIRY INDUSTRY SUFFERS FROM INFLATION

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, on June 14, the Department of Agriculture issued two press releases of considerable import for the American dairy industry. Reading remarkedly like one of those good news—bad news jokes, which have been so popular of late, the Secretary finally announced a drastic curtailment in nonfat dry milk imports, which is good news; yet, at the same time he refused to conduct a public hearing on class I milk prices, which is decidedly bad news. In view of the importance of these decisions, I would like to take a few moments to discuss some of the history and issues behind these developments.

As we know, for years the United States has operated under a limited system of dairy import quotas to protect the American dairy farmer and ultimately the consumer from the disasters of a glutted dairy market. While this has not halted the gradual decline in the number of dairy farmers, the import program along with the Federal price support program traditionally gave the dairy farmer the assurance that there will be a market for his products.

Stability in supply and price has been vital to the dairy industry because of the heavy investment of funds involved.

However, under the free wheeling theories of Secretary of Agriculture Earl Butz, U.S. dairy policy has undergone a dramatic change. Suddenly, during 1973 the USDA opened up the domestic dairy market to a flood of subsidized dairy imports. Butter imports jumped 1,000 percent over 1972 levels. Imported nonfat dry milk, which had claimed only 0.2 percent of the market in 1972, occupied 23.2 percent of the market in 1973. Cheese imports climbed by 80 billion pounds, and milkfat imports more than doubled. Almost overnight the American dairy industry found itself competing with imports which do not have to meet the rigid sanitary standards of American products, and in many cases these imports were directly and heavily subsidized by foreign governments.

It was argued that such a move would be beneficial to the consumer. By allowing imports into the marketplace the consumer would benefit by the increased supplies which would bring about lower prices for dairy products. However, for a variety of reasons this was not to be the case. Initially, producers eagerly bought large stocks of the cheaper imports but did not bother to pass along the lower price to the consumer. At the same time, demand for dairy products was on the rise, and the year 1974 was expected to see an increased demand in dairy products of some 3 billion pounds. It was hoped that production would increase in response to increased demand.

An important factor in a dairy farmer's production costs is feed grains. Soybeans, corn, and oats are mixed with farm-grown hay to give the dairy cow the high protein diet which has made the American dairy cow the highest producer of any nation. Another source of high protein, the anchovy, mysteriously disappeared from its normal spawning grounds in the winter of 1972. European countries and Japan, which usually rely on the anchovy as a feed supplement, eagerly turned to the American feed grain market, and without any interference from the Department of Agriculture proceeded to buy out the American soybean crop. At the same time, it was discovered that the USDA had arranged to sell almost one-third of our total wheat crop to the Russians. Also included in the deal were large amounts of barley, oats and, of course, the now famous soybean. Within 3 months soybean prices had risen from $4 a bushel to $13, and were still rising. Even if a farmer could afford such a steep jump in prices, in many instances the rail freight cars needed to transport stocks were busily hauling grain to the hungry holds of Russian freighters. For 6 long months, while farmers sold off their herds and went out of business, Secretary Butz steadfastly refused to clamp a lid on the exports of grain, until suddenly one day, some 3 months too late, the Secretary acted to limit these exports.

Thus, in mid-1973, the American dairy farmer, usually in good shape at that time of the year, found himself squeezed between unlimited dairy imports on one hand and unlimited exports of feed grains on the other. Fortunately, from that point onward things gradually began to improve somewhat, with the USDA forecasting a record grain crop and increased demand for dairy products keeping prices high. However, the USDA overinflated crop estimates, and while feed grain prices dropped somewhat, they still remained very high and, of course, the dairy imports continued to eat into the domestic market.

More trouble was in store, though, because the USDA again announced new imports of dairy products to meet with an expected increase in demand, and at the same time the Secretary refused to adjust the parity level for dairy products to an acceptable level needed to encourage American dairy farmers to make the needed expansion to compensate for this jump in demand. And then the consumer started balking at high dairy prices, and demand plummeted, until now, in June 1974, the market is almost glutted, and Secretary Butz finds himself paying out Federal tax dollars in subsidy payments to American dairy farmers.

This brings us up to the two press releases I mentioned earlier. One halts the importation of nonfat dry milk until further notice, a badly needed step that should be highly commended. At long last it seems the Secretary recognizes that unlimited imports are not the key to a healthy dairy industry, a very expensive lesson in farming the American people could have been spared. However, in his press release Secretary Butz makes no reference to the low-parity supports or to the previous flood of imports he authorized which brought about this situation. Indeed, Mr. Butz reserves the option to open up the floodgates to another round of imports at an unspecified time in the future. It seems to me that all too often the people of this country are treated to the spectacle of their own leaders refusing to admit their mistakes and to take effective action to correct them.

It is for this reason that I publicly call on the Secretary of Agriculture to declare openly what this country's dairy policy really is. We have been treated too long to confusing and contradictory agriculture policies under the present administration to continue to allow decisions to be made without ample public participation in the decisionmaking process. It is for that reason that I would like to see a public declaration of not only dairy goals but of the USDA program for agriculture in general. I think if we examine the second press release I mentioned, we will see ample evidence of the continued contradiction in USDA policy.

This second press release announced denial of a request from almost every dairy organization and cooperative in the country for an emergency hearing to stabilize class I milk prices. A substantial segment of the American dairy industry uses the Minnesota-Wisconsin manufacturing grade price to determine what price will be paid to the farmer for his milk. During March of this year the Minnesota-Wisconsin price reached $8.15 per hundredweight. By the end of April it had rapidly plummeted to $7.73 per hundredweight, a decline of 42 cents. To put this in perspective, the Minnesota-Wisconsin manufacturing grade price has never dropped over 20 cents in a similar period. At the same time, the rampant inflation that seems to be an administration trademark continued, which for the dairy farmer means higher production costs during a time of declining prices. This had prompted the first unanimous request ever by all dairy cooperatives for a hearing to consider flooring class I milk prices at a high enough level to maintain milk production through the summer months.

Finally, after a 6-week delay on the request for an emergency hearing, the USDA responded by flatly denying the request. In denying the request, the USDA stated that the drop in milk prices was merely a seasonal imbalance of supply and demand which should improve during the fall season. Department officials said "crop conditions continue favorable and dairy farmers reasonably can anticipate better milk feed ratios than have existed since 1972." I find it hard to believe that the USDA can predict what feed will cost this fall, when its own first crop forecast will not even be published until July 10, over 3 weeks after the plea for a hearing was rejected.

In any event, whether we agree or disagree with USDA's reason for expecting an improvement in the milk picture, I think we can all agree that the public and the parties directly involved in this situation have a right to state their case before that case is rejected. By refusing to even consider a hearing to discuss the flooring of the milk price, the Secretary of Agriculture is in effect barring the public from what is supposed to be a public decisionmaking process.

I can understand the Department's reluctance to have the failure of its dairy policy aired in a large, public forum. However, I must remind the Department that its batting average is poor. Many of us warned that the dairy industry, in the Northeast particularly, was not recovering from the disaster associated with Hurricane Agnes in 1972. Many of us warned that a policy of unlimited imports of dairy products would make a bad situation worse. And many of us warned that the failure to respond to pleas for an increase in the support price was courting disaster.

Dairy farmers suffer from inflation just as other consumers do. Rapidly declining prices at the farm level for milk will provide only a very temporary benefit to dairy product consumers. When prices hit bottom, or if they are allowed to hit bottom, there will be substantially less cows available to respond to the much higher prices for milk which will surely follow a period of serious shortage.

MILTON HIGH SCHOOL BASEBALL TEAM DAY

(Mr. BURKE of Masachusetts asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I have asked for this time to speak in tribute of the Milton High School baseball team, the newly crowned champion of eastern Massachusetts baseball. There is more to this story, however, than the mere recital of the exciting exploits of some fine young scholar-athletes. and for this reason I particularly desire to call this to the attention of my colleagues. Nothing, of course, can detract from the honors brought to the team and the town from the hard work and determination of the Milton men. As a resident of Milton, I take great pride in the accomplishments of our champions, and as a lifelong baseball fan, I am thrilled to watch Milton develop into a hotbed of baseball talent and activity.

There is a story behind this success saga, however, and in many ways it goes to show that the winners of the 1974 baseball season are not merely the team members and their dedicated coach, but the Milton community as a whole as well. The entire community of Milton has been swept up by this baseball fever and takes great pride in the way their sons represented the old town. The community spirit engendered by the eastern Massachusetts champions is a precious asset any town would be desirous of, and the town is not unappreciative. June 27 has been designated Milton High School Baseball Team Day by proclamation of the selectmen. The team will be honored at a banquet that evening.

The accompanying article from the June 20 Milton Record-Transcript describes the civic pride Milton residents take in their diamond heroes. It is no mystery to me that baseball is our national pastime. the town of Milton certainly shows why.

The text of the article and the proclamation follow:

TOWN TO HONOR BASEBALL CHAMPIONS ON JUNE 27

The Town of Milton will have the opportunity next Thursday night June 27 at Lantana's in Randolph to celebrate and toast the Eastern Mass. High School Baseball Champions of 1974, Milton High School. A large delegation of Town officials, baseball celebrities, friends and relatives will be on hand to join in on this gala affair.

Those who were fortunate enough to follow and attend this year's State Tournament can attest that the boys on the championship Milton baseball team certainly did credit not only to themselves, their coaches and their school, but also certainly gave proof that the Town of Milton must be classified as one of the best baseball centers within the State of Massachusetts.

To single out any individual boy would be an injustice to all, as each kid on this club played fantastic baseball and really showed that when teamwork by everyone is put together, along with hard work, goals that might appear to be impossible can be attained. That is exactly what this bunch of kids did. They beat the best and through their aggressiveness and determination brought home to the Town of Milton the 1974 Eastern Mass. Championship .

For this effort many parents and friends are now determined that they are going to make sure that these deeds do not go by unrecognized.

A large committee is now active in making arrangements for the "Victory Dinner" next Thursday night. Through the generosity of many of the merchants of the town along with donations from friends, it is planned to present each boy with some token of appreciation for their fine efforts in making the championship possible. Tickets for the affair may be purchased from any of the parents of the boys who played on the team, or by contacting any of the following: Milton High School Office, Sher Drug Store in East Milton Square, O'Neil Insurance, Central Ave., or by calling 696–7292.

A roast beef dinner will be served and enjoyed by all. Tickets are priced at $7.50 each.

Now that the kids of Milton High School have brought honor to the Town, it is now incumbent upon the Town to bring honor to the team, and this can certainly be shown by each one reserving Thursday evening, June 27, for Baseball Night at Lantana's in Randolph. Donations may be forwarded to Mrs. Estelle Poelaert, or Mrs. Ann Curley.

See you there!

A PROCLAMATION

Whereas, the 1974 Milton High School Baseball Team displayed excellence in athletics and good sportsmanship; and

Whereas, the enthusiasm of Milton High School students gained momentum and support throughout the entire community; and

Whereas, the 1974 Milton High School Baseball Team went on to become Eastern Massachusetts Division 1 Champions; and

Whereas, the Milton High School Baseball Team has set a fine example for all other teams to follow;

We, therefore, the Board of Selectmen of the Town of Milton do hereby proclaim Thursday, the 27th day of June as Milton High School Baseball Team Day.

MORE POOR BUT LESS FOOD

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, I would hope that Tom Wicker's article, "More Poor But Less Food," from the New York Times, June 23, 1974, would help influence my urban colleagues that we must unshackle the American rice farmer and let him produce more food for a hungry world. I commend the article for their consideration, in hopes that they will support H.R. 15263:

MORE POOR BUT LESS FOOD

(By Tom Wicker)

Imagine a highway of grian, 55 feet wide and six feet deep, girdling the earth at the equator. Now imagine adding to it every year a 625-mile link (longer than Florida's Atlantic coast) in a second lane of the same width and depth. The highway is the amount of grain needed to feed the world now; the new links will be required to feed the 76 million mouths added annually to the world's population.

That's the graphic illustration of Dr. Norman E. Borlaug, the agronomist and Nobel Laureate, who is not optimistic that the world will take necessary steps either to increase food production and availability or to hold down what he called "monstrous" population growth. And as he observed in an interview at the United Nations last week, it's not a matter of doing one or the other; food production can never be sufficient if population continues to grow at 2 percent a year.

In fact, the situation may be more bleak than Dr. Borlaug pictured it. If nothing or too little is done to increase the production and unavailability of food, and if nothing or too little is done to hold down population growth, world famine, poverty and ghastly human overcrowding seem inevitable. But if enough is done to prevent such catastrophes, it may be just as inevitable that the measures required will put an effective end to political, economic and social freedom.

What, after all, is being asked? That the rich peoples of the world voluntarily redistribute their abundance to the poor; and that the poor, primarily, restrain voluntarily the size of their families. The first demand runs against the invincible grain of human acquisitiveness. The second collides with an equally invincible human perversity, abetted by staggering ignorance.

On the first point, for instance, Kathleen Teltsch of The New York Times reported in a survey this week that it would take "radical cuts" in the per capita grain consumption of affluent nations to attain even "bare minimum" supplies for the thirty to forty poorest countries. Are Americans likely to accept such "radical cuts" without being forced to do so either by actual scarcity or by Government order? Will they even, as Senator Hubert Humphrey has suggested, contribute to foreign food production the three million tons of fertilizer they now spread annually on their lawns and golf courses?

On the second point, Dr. Datta N. Pai, the director of family planning for Bombay, reported last week to a population convocation in New York that after years of intense effort in India, fifteen million couples had been sterilized and eight million were using some form of contraception—out of one hundred million couples in need of family planning. That's less than one-fourth—about the same proportion that Dr. Jae Mo Young said was using contraceptives in South Korea. Dr. Pai thought India had "not done too badly" at that rate, but his report shows what an immense problem remains.

Whether one professes a hard or soft approach, there seems to be no acceptable or likely way to proceed. One biologist told a population convocation that foreign aid should be withheld from poor countries that had no effective population control program. Dr. Barry Commoner, the ecologist, called that "inhumane" and proposed, instead, that the United States divert some of its abundant fertilizer as "reparations" to developing countries, at whose expense he said the United States had developed itself. That may be the more humane course, but let Mr. Commoner tell that to the American farm industry, which made $5 billion more in profit in 1973 than in 1972.

Emma Rothschild pointed out in a recent article in the New York Review of Books that this country actually paid for its higher-priced oil imports in 1973 with increased agricultural exports, and extracted $7 billion from developing countries through food sales to them. That does not suggest wholesale American charity to hungry nations, now or in the future—unless government imposes authoritarian economic and political policies for the unlikely purpose of being generous to the world's poor.

Even in this rich country, inflation has caused food costs to rise faster than increases in food stamps and other assistance programs, with the net effect, as a Senate hearing on nutrition was told last week, that the American poor are hungrier and poorer than they were in 1970. Even if inflation were halted, these Americans would still need either vastly increased assistance or a broad program of income support, neither of which is the kind of program that has recently been electing politicians to office.

DÉTENTE, MOSCOW SUMMIT, AND TRADE GIVEAWAY

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 60 minutes.

Mr. BLACKBURN. Mr. Speaker, euphoric over his administration's Mideast achievement, President Nixon will arrive in Moscow on Friday. It is no secret that he hopes to score a fresh "disarmament breakthrough."

In an interview telecast Monday night on CBS, Alexander Solzhenitsyn, Russia's recently exiled Nobel Prize-winning author, told newsman Walter Cronkite:

> This kind of optimism is completely incomprehensible to me . . . never before has an American President been in so weak a position.

He warned that Americans should not be misled by Soviet demonstrations of enthusiasm.

There is valid cause for concern that the present trend of euphoria may mislead us into further lowering our guard against the Communist world. We must remember that a margin of military advantage through possession of a number of sophisticated technologies is critical to our security. For example:

A great many modern weapons systems depend on computers. In the technology of computer production and application in combination with systems integration we are about 15 years ahead of the Soviets. That is a conservative estimate. The Soviets lack the ability to build large numbers of highly reliable sophisticated machines. They lack the ability to provide related equipment and follow-on support. They lack "naked" technology; for example, technology per se, and in that embodied in a machine.

In October 1973, Control Data Corp. announced its signing of a 10-year agreement with the U.S.S.R. Council of Ministers for Science and Technology for technical "cooperation" in developing and manufacturing the most advanced computer equipment. American sources in Moscow put the agreement's ultimate worth at about $500 million.

Admittedly, the United States must redress its foreign trade imbalances of recent years. It is my contention, however, that ventures such as this permit the relentless development of a Soviet military machine planned for our destruction. On October 23, 1973, the Soviet news agency Tass stated:

> The Control Data Corporation is the first American firm to have signed with the Soviet State Committee an agreement for scientific-technical cooperation for a period of 10 years. The agreement envisages joint work in designing most up-to-date computers, computer peripheral equipment (magnetic tapes), systems of information processes, and communication and also software (language and instructions to the computer on what to do) for such systems.

The Tass announcement went on to reveal:

> Talks are underway on the sale of high speed "Cyber" electronic computers.

This raised eyebrows in some of Washington's more sensitive sanctums. U.S. officials, and some Control Data officials, were surprised that Tass announced any dialog on the Cyber system; for Cyber is an extremely sensitive topic. It is a very high speed, large volume, scientific computer which processes 94 million bits of information per second, or even more. Only 8 to 10 such installations exist in the world. Typical installations belong to the Atomic Energy Commission, U.S. Air Force, NASA, and the National Security Agency.

According to a report in the Defense Space Business Daily of May 23, 1974, and according to an article, "Moscow Plan for U.S. Computers," in the May 25, 1974, edition of the Financial Times of London, the Sperry-Rand Corp. has signed an agreement with the Soviet Union's State Committee for Science and Technology to share technology with the Soviets, and the Soviet Union has asked Sperry-Rand to submit detailed plans for construction of a large computer-manufacturing complex in Moscow.

The U.S.S.R. plant would be at least the size of the largest owned by UNIVAC, Sperry's computer subsidiary. It would have the capacity for making peripheral equipment and components, and include a foundry. The project would require substantial capital investment by Sperry.

In Moscow, Sperry recently put on display a model UNIVAC 1106 computer understood to have three times the capacity of anything previously allowed by the United States to be shown or sold in the Soviet Union. When this exhibition is over, this machine will be delivered to Poland—a transaction for which an export license has already been granted.

Without computers, modern weapons systems could not be built, integrated, tested, deployed, kept combat ready, nor operated. In fact, weapons such as missiles, aircraft, tanks, and submarines incorporate computers as part of armament. Avionics are intrinsically computer-linked. So is missile accuracy. MIRVing missile heads is impossible without computers. Helicopters used against tanks are provided with computers and computer links to obtain the real-time information needed for effective battlefield inaction.

With advancement of détente, we have witnessed a steady dismantling of our export controls.

This "trade" now constitutes a threat to American labor and industry. Worse, the security of the United States is being endangered by transfer of U.S. technology and capital equipment to Communist bloc countries.

The U.S.S.R. has a long list of precedents in the area of economic warfare. They include: expropriations, dumping, embargo, and encouraging the Arabs to impose an oil embargo upon the United States and Western Europe.

Meanwhile, a new Soviet economic strategy has begun to show itself: cheaply priced Soviet products sold in Western countries which have been made possible by utilization of Western technology within the U.S.S.R. which has contributed to Soviet productive capacity and industrial know-how. For example, Soviet tractors have been introduced into the American market—selling for 20 percent—50 percent—less than the price of comparable U.S.-made tractors.

Lada, the Soviet automobile built by a factory planned and constructed for the U.S.S.R. by Fiat of Italy, with input of American technology and capital equipment, compares, favorably, with the Fiat 124. It sells in Europe for a price well below the Fiat 124. It can easily sell in the United States for a price well below any American or Western-produced compact automobile.

Clearly, one cannot expect American industry and well-paid, organized American workers to compete with Soviet state-owned enterprises married to non-free Soviet labor.

A current example of outflow of American advanced technology and automated machinery is the Kama River truck plant, now under construction in accordance with specifications provided by leading American engineering concerns.

Donald E. Stingel, president, Swindell-Dresser Co., has told the Subcommittee on International Trade of his firm's role as the plant's principal engineering and construction company. His testimoy has included the revelation that the firm is providing the U.S.S.R. with a technological capacity yet to be realized even in the United States.

Specifically: This Kama River truck plant will have an annual production capacity for 100,000 10-ton trucks. That Soviet production of heavy military equipment will benefit from this plant is obvious from Mr. Stingel's testimony regarding the nature and capacity of the plant's foundry.

A recent intelligence report revealed the presence of a high number of 2½-ton trucks in ammunition and storage depots in Warsaw pact nations.

These trucks are maintained with a full load of ammunition—ready to move on immediate notice. It takes no stretch of the imagination to realize the advantage the Soviet military machine will enjoy by replacing 2½-ton trucks with 10-ton multiple-axis modern trucks built at the Kama River truck plant with U.S. technology and capital equipment.

Meanwhile, American technology, precision instrumentation, and computers have been used to perfect Soviet ICBM's, to speed up the development of Soviet MIRV's by 2 to 4 years and advance laser beam weapons.

Intelligence agencies and other elements of our Government reportedly view this problem so seriously that a special high level National Security Council study has been commissioned. The objective: To attempt to determine what can be done to stem the flow of technology having military application.

Preliminary conclusions of this study indicate a greater outflow of military-related technology, precision instruments, and computers to the U.S.S.R. and Warsaw pact countries than suspected. These conclusions leave no doubt that our Government's détente euphoria has created serious export loopholes.

In his June 23 New York Times column, James Reston, discussing détente's political and philosophical concept, and it is—

> Risky, because the Soviet Union is not really acting in the spirit of detente, compromise and world order, but is merely using detente as a tactic or trick to achieve hegemony or domination by talking sweet and acting tough.

Adm. Elmo Zumwalt, Chief of Naval Operations, has noted that, from the energy crisis, Soviet leaders have learned that the free world can be disrupted by the price of fuel; that the more it has to pay for the gas and oil that drive its industrial machines the less it has left to finance its military machines.

In a recent interview, the admiral has warned:

> At this moment, I consider that the Soviets have a possible first strike capability, whereas we do not.

Admiral Zumwalt has also warned:

> Russia's Communist ideology is expansionist.

In the same interview, he has reminded us that, addressing the Communist leaders of the Warsaw pact countries, and addressing the members of his own Politburo, Soviet Communist Party Secretary Leonid Brezhnev has stated:

> We Communists have got to string along with the capitalists for awhile. We need their agriculture and their technology. But we are going to continue massive military programs and by the middle 80's we will be in a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West.

Secretary of Defense James Schlesinger has expressed concern that, should the U.S.S.R. marry technologies emerging from its research and development program and technology infused from the West to the throw-weight and numbers of Soviet ICBM's allowed under SALT I:

> They would develop a capability that was preponderant relative to that of the United States.

Pentagon Director of Defense Research and Engineering, Dr. Malcolm R. Currie, has put it this way:

> The Soviets have become critically aware that their great deficiency is not in scientific knowledge but rather in production technology. They apparently feel that they can neither close pivotal gaps in their military capability nor gaps in their general economical growth, both domestically and worldwide, until they acquire a manufacturing technology comparable to ours. This applies particularly to high technology areas having both military and civilian application, such as integrated circuits, software, aircraft, engines, avionics and specialized instruments to name a few.

Prof. Antony C. Sutton, who spent 11 years at the Hoover Institution, Stanford University, studying and researching the origins of Soviet technology, has told the Subcommittee on International Trade:

> The Soviet military industrial complex is . . . dependent on technology transferred from the West, mainly from the United States. No distinction can be made between civilian and military technology and all transferred technology has some military impact.
>
> The term "peaceful trade" in regard to Soviet trade is grossly misleading and should be abandoned. The crux of the problem at issue is technical transfers through the medium of the Soviet trade and the use of such technical transfers for military purposes.

Avraham Shifrin, former Soviet Red Army major and former Chief Legal Adviser, Contract Division, Soviet Ministry of War Equipment, has recently told the Subcommittee on International Trade how the U.S.S.R. plans and uses trade with the West to produce military weapons and ease the inevitable bottlenecks, breakdowns, and shortages which stem from the Soviet centrally planned economy.

The first SALT agreement, characterized by American strategic arms concessions enabling the Soviet Union to tilt the balance of strategic arms in its favor, was veiled in secrecy from the very beginning. Even now, the Joint Chiefs of Staff fear that we are confronted with an arrangement that we really had no time to analyze. What is troubling about the forthcoming Moscow summit meeting is its lack of time for adequate preparation.

This, inevitably, leads to growing fears that the President may grant further concessions on the order granted in SALT I.

Last Wednesday, I discussed my concern that the President's forthcoming Moscow visit would result in heightening the Soviet nuclear arms advantage.

Today, I am expressing my concern that, in search of an "agreement in principle" to limit the number of MIRV's that each side's missile force can hurl, the President may offer new credits and additional reduction of export controls.

History has made clear that there can be change in Moscow's tactics, manners, and theatrics, but that Moscow's goal of world domination never changes.

Mr. Speaker, it is time that we stopped playing this deadly game of Russian roulette; this game of providing them with what they need in return for nothing. Let us get down to the serious business of demanding a quid pro quo—a something for something.

It would be well, too, to recall these words of Patrick Henry:

> I have but one lamp by which my feet are guided, and that is the lamp of experience. I know no way of judging of the future but by the past.

The history of the Communist government of the U.S.S.R. serves to illuminate a tragic future for those who would accept her blandishments of good will and ignore her steady determination to conquer.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, I would like to commend the gentleman from Georgia, first of all, for his remarks in his special order on this very important subject, and also for providing a great deal of leadership in this body with respect to all of our trade negotiations with the Soviet Union, and the unfortunate consequences of strengthening them economically and militarily. I wholeheartedly endorse the views he has expressed.

Mr. Speaker, the trip which President Nixon is about to take to Moscow is one upon which all of us in this body, I am sure, wish him well.

The American people desire nothing more than the "generation of peace" which has been discussed so much in recent years. Men of all races and nations would profit from a world environment in which their best energies and efforts could be devoted to such pursuits as producing a better and more abundant life for all than merely continuing to prepare for future wars and conflicts.

The goal of a world at peace is one which all share. The only area in which differences of opinion arise is with regard to which path will best achieve that kind of peace. President Nixon has always expressed the view that peace could best be achieved through strength, by showing any potential adversary that we were prepared to defend ourselves and our allies and that we had the willingness to do so.

It is of serious concern, therefore, to observe a situation in which the President of the United States is about to enter into serious negotiations with the Soviet leadership at a time when our own country appears to be dramatically slipping in military strength and preparedness. It is, in addition, an inopportune time for such serious negotiations since our domestic political situation is in a state of continuing turmoil, a circumstance well understood by the men in Moscow who traditionally have used such moments to their own advantage.

While the meetings can no longer be postponed, we can at the very least understand the disadvantageous circumstances which surround them. First, it is important to consider our military position.

When the first round of SALT talks began in late 1969, the United States had 1,054 land-based ICBMs and 41 Polaris-type submarines. The Soviets than had approximately 550 land-based ICBMs and no Polaris-type submarines.

When the interim agreement expires on July 1, 1977, we will still have our 1,054 ICBMs and our 41 Polaris submarines. But the Soviet Union, depending upon how it exercises its options, will have 1,400 to 1,618 ICBMs and 62 Polaris-type submarines.

The SALT I agreement confers upon the Soviet Union a 3-to-2 advantage in number of land and sea-based launchers and a 4-to-1 advantage in throw weight.

Any review of the available evidence makes it clear that the United States is rapidly falling behind the Soviet Union and may soon find itself in the position of being unable to provide a realistic self-defense. Gen. Lewis Walt, former assistant commandant of the Marine Corps, recently declared that—

> The U.S.S.R. is decisively surpassing the U.S. in virtually all aspects of military strength. Four years ago Russia had 550 ICBMs—today they have over 1,600 . . . Our Nation or our armed forces are not prepared . . . to defend our freedom.

The Congress expressed its concern over the terms of the SALT I accords when, in the fall of 1972, it approved the Jackson amendment to the resolution authorizing the interim agreement. The admendment demands equality in SALT II, an equality based on numbers and payload capacity of intercontinental strategic forces. Passing the Senate 56 to 35, the House 307 to 4, and signed into law by the President, the amendment means that both Congress and the President agree that the SALT I agreement is not acceptable as a permanent arrangement.

Unfortunately, there is every indication that during the SALT I negotiations the United States lacked a coherent strategic doctrine. American negotiators, it is now generally agreed, were taken advantage of by their Soviet counterparts. Discussing this unfortunate situation. Dr. William Van Cleave. a member of the faculty of the University of Southern California and an adviser to the U.S. SALT delegation, makes the following point.

> It is clear that there are very significant differences in the approaches of the U.S. and the U.S.S.R. to negotiation and to arms control. Compared to the U.S.S.R., the U.S. has a politically naive approach to both . . . Our driving assumption has been that arms control negotiations are a uniquely cooperative process, wherein compromise is a mutual objective . . . The Soviet Union, however, seems clearly to have regarded SALT as another competitive endeavor, where the object is unilateral advantage and where one can gain at the expense of the other.

Dr. Van Cleave points out that—

> The Soviet approach clearly recognized that arms control is a form of competition, an arena of political contest, just as the Soviets—in contrast to the U.S.—have seen the strategic force balance as an expression of political power. While we have dealt heavily—almost exclusively—in the analytical problems and technical details of specific arms limitation, the Soviets de-emphasized those aspects and emphasized a broader, more general approach that was insistent, repetitious over a long period of time, and heavy with political overtones.

The second round of the SALT talks is ominous, and few Americans recognize the fact that their country is on the threshold of permanent military inferiority. Dr. Van Cleave notes that at the present time:

> We have less leverage than we did before, and there should be less incentive for the Soviets to agree to something than they had before.

It is essential that the President and Secretary of State Kissinger enter into any negotiations with their Soviet counterparts with a full realization of our exposed negotiating position. Consider a few more facts which lead to this conclusion.

In a recent statement Adm. Elmo R. Zumwalt, Jr., Chief of Naval Operations, declared that he is convinced that the United States has lost to the Soviet Union its ability to control the world's sealanes.

The admiral offered that assessment in an interview as he prepared to step down as naval chief. He stated that—

> The Soviet Union's capability to deny us the sea lines, which is their job, is greater than our capability to keep the sea lines open, which is our job.

More and more our European allies are coming to realize that, as a result of the defense policies of the past decade, the United States not only is in no position to live up to its own commitments to NATO but may not, in fact, be in a position to even defend itself.

Writing in the West German newspaper, Kolner Stadt-Anzeiger, Kurt Becker notes that—

> Since 1972 the Americans have been looking on with increasing concern as the Russians improved first the number of their arms and then their quality. And there is no end in sight to this process. There are two irritating features about this, Firstly, the Russians are rigorously exploiting the opportunities allowed to them in the first agreement on the restriction of strategic nuclear weapons signed two years ago. Secondly, the two powers' declared intention of ending or at least limiting the arms race has led to a treaty that is full of loop-holes.

Mr. Becker points out that—

> The American aim of achieving symmetry or "essential equality" in nuclear arms remains unchanged. But it is more difficult to achieve than ever before. If the situation does not change, by the end of the seventies the Americans could run the risk of being robbed of their nuclear potential by a surprise attack by the Russians with their superior numerical strength and identical technology. Another likelihood is that, as nobody believes in the possibility of nuclear war, the Russians could exploit their destructive potential for purposes of political or diplomatic pressure.

In Western Europe, Soviet superiority has become overwhelming. In an important volume, "Arms and Strategy: The World Power Structure Today," Prof. Laurence Martin of King's College, London, and a research associate of the Washington Centre of Foreign Policy Research at Johns Hopkins University, notes that—

> The overall picture is of superiority for the Warsaw Pact and the Soviet Union. . . . At present strengths, on the day when mobilization began, NATO would have eight armored and sixteen infantry divisions, as compared to twenty-eight armored and thirty-seven infantry Warsaw Pact divisions. Nineteen of the armored and twenty-two of the infantry divisions would be Russian. . . . To NATO's 6,000 main battle tanks, the Pact can muster 16,000, of which 10,000 are Russian. In tactical aircraft, NATO has rather less than 200 to the Pact's 3900.

Not only is NATO's position bad, but it is becoming worse at a rapid pace. Dr. Martin writes that—

> Two factors suggest that the present balance will change, and quite probably to NATO's disadvantage. One is the pressure within the members of NATO to reduce military demands on money and manpower. The other is the call to negotiate agreed reductions with the Warsaw Pact as part of the policy of 'detente' . . . The pressure to reduce forces in general is rendered most serious by American desires to withdraw part of their expeditionary force.

The United States, it now seems clear, has seriously underestimated Soviet strength. Recently, the Pentagon declassified a great deal of information about U.S. strategic forces and intelligence estimates and Albert Wohlstetter, a longtime defense analyst now at the University of Chicago, has just published an article in Foreign Affairs magazine dealing with these data.

The data show, Professor Wolstetter reports, that American spending on strategic forces has declined almost exponentially from the 1956–61 level. It shows, in addition, that the destructive power of the American arsenal has declined over the same period, with the retirement of older and larger weapons.

Indicative of much that seems to be wrong with current U.S. policy, Dr. Wohlstetter shows that Government officials have consistently underestimated the pace of Soviet strategic weapons deployment. The newly declassified material includes 51 long-range predictions of 4 different classes of Soviet strategic weapons. The predictions, made between 1962 and 1971, can be compared with actual Soviet deployments when the projected dates were actually reached and take the form of a range, with high and low estimates.

In 42 of the 51 cases, Soviet deployments exceeded the high estimate predicted by our own defense planners. The midrange of the U.S. estimates were exceeded in all but two of the cases.

Why was this the case? Professor Wohlstetter stated that one reason for this consistent pattern of underestimation was overreaction to the missile gap charges in the 1960 Presidential campaign. A second reason, he argues, is trying to judge Soviet intentions on the basis of abstract theorizing about defense. Some American defense analysts concluded that the Soviets did not need a large force for deterrence and, as a result, did not expect them to build one. This analysis did not consider the possibility that the Soviet Union was interested not in deterrence but in superiority. Superiority is what they sought, and superiority, it seems, is what they have achieved.

We have seriously underestimated Soviet military strength and Soviet military intentions. The result is that the Soviet Union has moved ahead of us in many vital areas of weapons development. It is essential that no agreement be made in Moscow which codifies our own inferiority or which permits continued Soviet advances.

If President Nixon is to be successful in his Moscow trip it is also essential that he have a realistic understanding of what the Soviet leadership means by "détente." The available evidence indicates that for the Communists "détente" is something far different than what it seems to mean to Western leaders. To us it seems to mean an era of "negotiation," rather than one of confrontation, and a real willingness to live together in peace. To then, on the other hand, it appears to be a continuing tactic in their seemingly unchanged goal of world conquest.

We seem, in many respects, to have forgotten the nature of the men with whom we are dealing.

Discussing the men who now rule the Kremlin, Robert Conquest, author of "The Great Terror," notes that—

> Almost all the present leaders held posts under Stalin. Many of the current Politburo and secretariat were members of Stalin's own central committee. The top figures—Brezhnev, Kosygin, Suslov—rose from the ranks to high position during the worst of the terror in the late thirties.

Conquest declares:

> Perhaps the most important lesson is how difficult it is for us in the Western political culture really to make the effort of imagination, as well as that of intellect, to conceive what the other lot are really like, what their background really is. . . I remember once asking that profound student of Russia, the late Tibor Szamuely, himself a former inmate of the camps, a question about the military purges. I could see, I said, why Stalin had shot Marshal Tukhachevsky, but I did not see why he shot Marshal Yegorov. Tibor's answer was simple: "Why not?"

While there is much discussion about an alleged lessening of tensions between East and West, the facts do not show this to be the case. An authoritative study released in May by the International Institute for Strategic Studies in London reports that tensions between the Soviet Union and the United States were increasing at a time when the Atlantic Alliance seemed to be weakening.

The Institute states that strains between the superpowers had increased despite all the emphasis in the United States on détente during the past year and President Nixon's desire for diplomatic successes to offset "the damage of Watergate." The Institute said that the "euphoria and expectations" surrounding American-Soviet relations at the outset of 1973 had disappeared by the year's end.

The report takes an essentially gloomy view, stating that political differences between the United States and Europe had increased, that NATO had been weakened, that the balance of power was shifting in favor of the Soviet Union. The survey said that the Middle East war had heightened strains between Washington and Moscow and it noted that the Soviet Union had failed to consult the United States when it became "aware of an imminent Arab attack." It later airlifted heavy arms shipments to Egypt and Syria, appealed to other Arab States to join the conflict, exhorted the Arabs to use oil as a weapon and finally gave a veiled threat of military intervention when the first cease-fire broke down.

Although the war ended as the result of the efforts of the great powers, the survey continued, the "limits of détente" were nevertheless exposed. The survey noted that—

> American diplomacy seemed to assume that detente meant the damping down of all major conflicts—since by definition these are the conflicts that may lead to superpower confrontation.

Thus, at the time of the Middle East war we were told that it was, because of détente that the conflict did not escalate further. Yet, if détente was a reality, there should have been no war at all.

We have, it seems, placed a great deal of trust in the good intentions of the Soviet leadership. This trust, it is now becoming clear, has been a serious error in judgment.

Discussing this point in his recent appearance before the Joint Congressional Atomic Energy Committee, Dr. Richard Pipes, a Harvard history professor, senior consultant for the Stanford Research Institute, and one of our leading authorities on modern Russian history, made clear what we are dealing with when we attempt détente and cooperation with Communist leaders.

He stated that—

> The present leadership of the USSR, political as well as military, consists of Stalin's men. These people have gone through the most brutalizing political experience ever known and they are the product of a system of natural selection totally unfamiliar to politicians in any other part of the world. They know that politics is the art of survival, and that survival can be bought only if one is ruthlessly to dispose of the liberties, wealth and lives of others.

Thus, Professor Pipes noted, when American leaders assume that the Russian Communist leaders have feelings and attitudes and hopes about détente similar to their own, it is something like attributing to wild beasts the behavior of tame, domesticated animals.

Dr. Pipes told the committee that it is "a perfectly reasonable premise" that the United States and Soviet Union "must at all costs avoid situations that may lead to nuclear war." Yet, to those who believe that the way to avoid such situations is to reduce our defenses in the hope that the Soviet Union will do the same, he declared that there is every reason to expect that the Soviet arms buildup "on all fronts and in all the branches of the service will continue unabated—it is most improbable that a single Soviet leader thinks relations with the United States could or should influence the rate or manner in which the U.S.S.R. meets what it considers its defense needs. The idea of parity seems entirely alien to them—the Soviet Union is striving not for parity, but for superiority."

And superiority is what they are achieving, with U.S. aid and assistance.

The Soviet Union is in desperate need of U.S. trade, technological knowledge, and assistance. We are eager to provide it with all of these things. In doing so, we are acting against our own self-interest, a fact which even a brief look at the situation makes almost immediately clear.

In a conversation with western newsmen in August 1973, Andrei Sakharov, the man responsible for the creation of the Soviet Unions' first hydrogen bomb in 1960 and one of the most persistent voices of dissent in the Soviet Union today, discussed the prospects for expanded East-West trade.

He declared that large amounts of western technological aid to the Soviet Union would assist the Communist government in solving economic problems it could not solve on its own and would enable it to concentrate on accumulating strength. He said:

> As a result, the world would become helpless before this uncontrollable bureaucratic machine.

Unqualified western willingness to improve relations with the Soviet Union would also "mean cultivating a country where anything that happens may be shielded from outside eyes—a masked country that hides its real face. No one should ever be expected to live next to such a neighbor, especially one who is armed to the teeth."

The Soviet Union's desire for expanded economic relations with the Western World is, as Sakharov explained, based on its inability under a socialist economic system, to meet the needs of its people. In the face of chronic economic problems, compounded by a disastrous harvest and by the inefficiency of collectivized agriculture, the leadership has changed its policy from autarky, or economic self-reliance.

Discussing this shift in policy in the Wall Street Journal of June 20, 1973, Robert Keatley notes that—

> Soviet problems are complex. Mr. Brezhnev acknowledges there is more to life than steel and cement, and thus is placing more emphasis upon consumer goods, especially on meat and dairy products. But this stress on quantity, better quality and extra variety compounds Moscow's already difficult planning process. The Soviet economy is highly centralized, and its growing complexity, as new priorities are introduced, has caused many fresh problems for officials who try to balance flows of goods and raw materials among farms and factories.

Labor productivity is a continuing problem. Although the U.S.S.R. has a labor force 50 percent larger than that of the United States, it produces approximately half as much Thus, observes James Noren, a senior economist at the Central Intelligence Agency:

> The Soviet leaders believe that the shortcut to technological progress and accelerated growth of productivity lies in importing Western machinery and technology while promoting other technical exchanges.

Because the Soviet economy cannot—or will not—finance the purchases it needs, Moscow has called for subsidization by the United States, including American credits and tariff concessions.

For reasons that remain difficult to understand, our own Government has been eager to assist the Soviet Union in overcoming its economic difficulties, at great expense to our own taxpayers and at the larger price of strengthening an adversary and potential enemy.

One example of such largesse is the wheat deal. Elmer B. Staats, U.S. Comptroller General, published official figures showing that the grain sale increased the domestic price of wheat in the United States from $1.63 per bushel in July of 1972 to $2.49 per bushel in September of the same year. That was an 86 cents a bushel increase in just 60 days.

The wheat deal involved a direct subsidy to the Soviet Union of over $300 million and an additional subsidy for transportation amounting to more than $400 million. If this is what the Soviet Union means by "détente"—and there is every indication that it is—we must ask once again how our own Government defines that elusive term.

Consider, in addition, the $49 million credit granted to the Soviet Union for exploration of the Eastern Siberian gas fields. This loan is to be at the interest rate of 6 percent, which is, in effect, subsidization by American taxpayers. Americans find it difficult to borrow money at interest rates of 9 and 10 percent. Why is the Soviet Union in such a favored position? Equally important, what has it done in return for such open-handedness from Washington?

Why the U.S. Government wishes to finance Soviet gas exploration is difficult to understand. Every nation's defense capacity is related almost directly to its energy resources. We spend billions of dollars each year to maintain our own Defense Establishment—primarily to defend ourselves and our allies from possible attack from the Soviet Union. Now, we are subsidizing efforts of the Soviet Union to increase its own defense capacity. This policy defies reasonable explanation.

It cannot be emphasized too strongly that we must avoid any similar giveaway agreements at the forthcoming Moscow meetings. Any such agreement would be intolerable to the American people and to the Congress.

With the advent of the wheat deal and further business arrangements with the West, Moscow has been eager to discuss a period of "détente" and an "end" to the cold war. Yet, its policy of re-Stalinization and repression has been intensified, with the expectation that observers in the West will overlook such a contradiction. Unfortunately, many of our leaders have told us to do just that, turn our backs upon those who suffer in the Soviet Union for their religious beliefs and their political principles.

Writing in the Christian Science Monitor, Paul Wohl notes that—

> Cultural repression has reached a new high in the U.S.S.R.

Theodore Shabad of the New York Times writes that—

> The developments suggest that an effort is being made to eliminate the last vestiges of domestic opposition and clear the decks for dealing with the West on the grand plan for closer economic collaboration.

I and, I am confident, the majority of my colleagues will not turn our backs upon the men and women within the Soviet Union who yearn for freedom. If America refuses to recognize oppression and combat it—as so many did during the Nazi period—we will have lost our very meaning as a nation. The American people are tired of the shabbiness of our domestic politics. They do not want a shabbiness of even larger proportions to dominate our foreign policy. What will we have gained if, as a nation, we gain some minor business advantages and lose our very soul?

In his recently published book, "The Gulag Archipelago," Alexander Solzhenitsyn contends that up to 12 million people at any one time have occupied forced labor camps in the Soviet Union, enduring incredible cruelty and hardships and dying in large numbers. It was not the aberration of Stalin which produced this system of terror, he believes, but the very nature of communism itself. It is his belief that those in the West who enjoy liberty do not recognize that the Soviet system is the chief menace facing it at the present time.

Discussing the "détente" policy of Western leaders, Vladimir Maximov, one of the most promising and widely read writers of the postwar generation, declared that—

> Only the Almighty can know what price in blood we are going to pay for the diabolical games of the blockheads of modern diplomacy.

Our trade and aid simply strengthens the hand of the oppressors of the Soviet people. Our refusal to link trade with more humane treatment for the Russian people is a shocking reversal of our traditional role in the world. Such mistreatment is by no means an "internal" Soviet matter. The Soviet Union has signed the Atlantic Charter, the United Nations Charter, and the Declaration of Human Rights. All of these provide for religious freedom and for the freedom of movement. All of these are international treaties. All are being violated with impunity by the Soviet leaders. How we can trust any future treaty signed by these leaders when we refuse to see to it that they observe their former commitments, is impossible to understand.

Unfortunately, when the term "peaceful coexistence" is used by the Communist leadership it represents a concept far different from the one conjured in Western minds.

The kind of "peaceful coexistence" which is the capstone of Soviet foreign policy presupposes peace between the superstructures only while the systematic conflict at the base level continues. The Vietnam war, which is a "war of national liberation," is considered by the Communists to be an entirely legitimate element of peaceful coexistence. It is an attempt by the "peace loving"—within the socialist system there is no class exploitation and thus a condition of "peace" prevails—forces of Vietnam to replace the capitalist, "reactionary," superstructure of the Thieu government with a socialist-controlled superstructure.

While Soviet rhetoric has changed in recent years, the unfortunate fact remains that the Communist goal of world domination remains much the same. It seems to the Communist leadership that such domination can more easily be achieved through "détente" than through violent upheaval and, in this sense, the softer rhetoric may be more dangerous than the menacing rhetoric of the past.

The current Soviet leadership are men of a different style and manner than Stalin or Khrushchev, but their ultimate objectives are no different and the power at their disposal is vastly superior to anything possessed by their predecessors. Nothing has changed their messianic belief in the future triumph of world communism.

Americans, when they consider any agreement to be negotiated in Moscow, have an obligation to consider carefully the Soviet Union's record with regard to observing the previous agreements it has entered into.

In seven previous summit meetings between a U.S. President and a Soviet leader—excluding last year's Washington meeting—25 agreements have been reached. The Soviets have violated 24 of those 25 agreements according to a staff study for the U.S. Senate Judiciary Committee.

Consider some examples:

At Potsdam, where President Harry Truman represented the United States in summit meeting after Germany's surrender, the Soviet Union made 14 major agreements. All were broken.

In 1955 at Geneva in a Big Four meeting, including France, Russia agreed that Germany's reunification problem should be settled by free elections. Moscow later refused to permit such elections.

In World War II, the Soviets promised Western allies they were seeking no territorial aggrandizement. But Russia, by 1948, controlled 11 countries—plus East Germany—and 750 million people.

Some have argued that times have changed, that the Soviet Union in 1974 is more trustworthy than it has been in the past, that we are now entitled, if not obligated, to place faith in its word.

Yet, recent examples of Soviet violations are as numerous as those dating to the period of World War II.

In 1969, for example, the Soviet Union promised to end the nuclear arms race and work toward disarmament. Instead, it accelerated its missile construction and overtook our own country. Now it is challenging us in almost every category of nuclear weapon.

Even more recently, in 1970, the Soviet Union approved of a U.S. cease-fire plan in the Middle East, then helped Egypt violate it by moving SA–2 and SA–3 antiaircraft missiles up to the Suez Canal. At this very moment, the Soviet Union is encouraging the North Vietnamese and the Vietcong to violate their cease-fire agreement and to continue their policy of violence, terrorism, and aggression.

Can the good faith of a country with such a record be taken seriously? It will take more than words, and the burden of proof is clearly theirs. This is clearly no time for further concessions, trade subsidization, or arms agreements which place us at a disadvantage. Hopefully, no such agreements will be made. If they are, those who make them can be certain that the Congress will view them with extreme skepticism, as will the American people.

A lasting peace can only be built upon mutual good faith. Such good faith must be the result of mutual concessions, not one-sided ones. Such good faith, similarly, must reflect itself in the Soviet Union's willingness to abide by its international commitments and provide essential human freedoms for its citizens. No state which is tyrannical at home can be peace loving in the world.

I hope that the President, the Secretary of State, and their party have a successful meeting in Moscow. Any result of that meeting which embodies the kinds of concessions which have been entered into in the past and discussed for the future cannot, however, be considered successful. Our future honor, integrity, and safety rest upon the decisions which are made with regard to these important matters. Such decisions must be fully consistent with the national interest and the national morality, and I pray that they will.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman making his observations.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, I, too, wish to commend the gentleman in the well for scheduling this special order. As the gentleman knows, I am greatly concerned about the large number of loans which have been granted to the Soviet Union at subsidized interest rates.

In fact, I did circulate a petition in this House which was designed to stop the loans being made to Russia. It strikes me as lacking commonsense for this Nation to lend money, which it does not have, at subsidized interest rates when the Soviet Union is undertaking to build up the largest military machine in the peacetime history of the world.

I must question some of these agreements that have been entered into. I think they have more illusion than they do substance, and they have very little promise.

I must agree with the gentleman in the well. I am very much concerned as to what agreement will be signed by the President and Mr. Kissinger at this particular time. I had even thought, I would say to the gentleman, of introducing a measure that would require any such agreement entered into by the President to be approved or affirmed by both bodies of Congress. If it is not too late, perhaps we should consider introducing such legislation for future agreements that may be entered into, because I just cannot see these agreements being made with the Soviet Union when it continues to persecute its minorities and when it continues to build up its large military machine.

If this is a true era of détente, I would like to see some quid for the quo. Why do we not have some real reduction in balance of powers before we start giving away the taxpayers' dollars to the Soviet Union?

Mr. BLACKBURN. Mr. Speaker, I thank the gentleman for making the observations he did.

I would like to make this observation as well. It apears to me that the Export Administration Act, which is the device that is intended to control the flow of strategic items, including technology and capital equipment, into the Soviet orbit, is not functioning. It is not totally defunct, but it is certainly inadequate to deal with the existing situation. At present we see an increase in outflow of American technology, precision instruments, and sophisticated computers to the Soviet bloc countries. The computers are being installed and maintained by our technicians. We see the Kama River truck plant now under construction with the help of American technology and capital equipment, which will be able to manufacture thousands of trucks annually. This is a plant which will ultimately manufacture 100,000 10-ton trucks a year. It will be the biggest truck factory in the world. Those trucks can haul troops to the front as easily as they can haul in corn crops from the field.

I think at the present time that the administration of the strategic exports, in conjunction with the bargain loans of the Ex-Im Bank, to which the gentleman from Missouri made reference, is allowing two things: One, it permits the Soviets to continue development of their military power. By assisting them in building up their civilian economy we allow the U.S.S.R. to continue the massive diversion of resources into the military sector.

The other aspect of our trade with the Soviets, which I think needs more attention by the Congress and the administration, is that the combination of American technology and capital goods with nonfree Soviet labor can have a disastrous effect on our economy. There is no such thing as free labor in the Soviet Union. A man is either a slave laborer, who has been imprisoned for political reasons, or he is a nonfree laborer in the sense that he works where he is told, under conditions he is told, and at wages he is told. So when one combines the nonfree labor with advanced American technology and capital goods, the strong possibility exists for disruption of American markets through unfair competition. There is a long tradition of dumping by the Soviet Union, which employed this strategy whenever it suited its political objectives. I think that through present trade we are creating a dangerous economic as well as military weapon in the hands of the Soviet Union.

Mr. ICHORD. Mr. Speaker, will the gentleman yield further?

Mr. BLACKBURN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, the gentleman knows that the loans which were made by the Export-Import Bank in the past few months now approximate almost a half billion dollars. I would point out that the Senator from New Jersey (Mr. CASE) questioned as to whether or not these loans were being made pursuant to a secret, illegal agreement that was made some time after we got out of South Vietnam. I think we could perhaps even expect further agreements along this line.

In view of the fact that the Export-Import Bank, despite the overwhelming opposition of the majority of the Members of this House went ahead and acquiesced in the making of those loans, I am beginning to wonder whether the Senator from New Jersey may not be correct.

Mr. Speaker, I must add my voice of concern to those of my colleagues in this House who are skeptical about what type of agreements and concessions we might face as a result of the President's visit to the Soviet Union. It appears evident that Secretary Kissinger has set the stage and prepared the audience for some significant developments. The stories have been confirmed by "reliable sources" that the Soviets are prepared to announce that some 40,000 to 45,000 Jews will be allowed to emigrate each year. Mr. Kissinger has announced himself that there is a very good possibility that major progress will be made in the SALT agreements.

There is no doubt in my mind that every Member of Congress as well as every good American desires a peaceful world. We all want better understanding between nations and we are all ready to walk the extra mile to accomplish these goals. We are all horrified at the prospects of any type of hostilities in which this Nation might be involved and we are ready to cooperate with and help any nation that will adopt a "live and let live" attitude toward their own people and other nations.

Quite frankly, Mr. Speaker, I am fearful that we might once again wind up with the short end of the stick and if this stick gets much shorter we might have no handle left at all. Rhetoric and promises are one thing, deeds and concrete results are another. My Missouri background compels me to ask several basic questions: First, what assurance will we have that the Soviets will be acting in good faith in any agreements reached between the two parties? Second, what evidence will we have that any agreements will be in our own interest? Third, how much will such agreements cost in terms of the taxpayers' money and in relationship to the security of this Nation?

How many more millions or billions of dollars are we prepared to pay for some promised Soviet cooperation which has always broken down in times of crisis such as the recent Middle East conflict? If the Soviets express a willingness to allow a few more Jews to emigrate this year than last year what will happen to the numbers of other minority groups seeking to emigrate? The solution we must strive for is not a slight increase in numbers but a policy that will allow human beings to be free to live in the country of their own choosing without the fear of persecution if they apply and are not allowed to emigrate.

What new concessions are we prepared to make in future SALT agreements? Most experts expressed fear that the SALT I agreements may have frozen us into second place in terms of strategic military strength. In addition there appears to be reasonable grounds for concern that secret agreements were made in connection with SALT I that put us at an even greater disadvantage than we were told.

Mr. Speaker, whether we like it or not and regardless of the eventual outcome of any impeachment resolution, the President of the United States is in the weakest position any President has been in during my lifetime. To deal with skilled and dedicated Communist negotiators from a position of weakness is not only unwise it is extremely dangerous and could well jeopardize not only the freedoms we enjoy in this country but the very existence of freedom in the world.

Let us look at some of the potential dangers involved in any agreements made by our President at this time by men who are in a position to know the craftiness and the goals of the Soviets. On Monday night, the eve of President Nixon's departure for Europe and the forthcoming "summit" conference with the leaders of the Soviet Union, CBS television presented viewers with a Walter Cronkite interview with Russian novelist and historian, Alexander Solzhenitsyn. I hope the President and his Secretary of State saw and heard that interview.

Solzhenitsyn, who has single-handedly provided the world with detailed accounts of the horrible persecutions, tortures, and executions by the Communist regime in the Soviet Union since the Bolshevik Revolution of 1917, expressed himself quite forcefully with respect to the summitry in which the United States and the Soviet Union are engaged. He put it this way:

> This kind of optimism is completely incomprehensive to me. Never before has an American President been in so weak a position.

As to the possible image-building glamor of a warm reception for the President in Moscow, Solzhenitsyn said such displays were meaningless since Soviet demonstrations of enthusiasm are decided in advance regarding "how many flags will be put out, how many people will be there, and who should stand where." According to Solzhenitsyn there is more repression right now in the Soviet Union than at any time in history.

As the President departed for Europe, still another prominent Russian intellectual spoke out with an appeal that ought to be heard by everyone who believes in the human being's right to freedom. Physicist Andrei Sakharov urged that the leaders of the United States and the Soviet Union "pay attention during your meeting to the problems of humanity and the basic rights of man." He advised the leaders of the world's two greatest powers that their efforts would be "condemned to failure" if they ignore "the tasks of humaneness." He asked that the U.S. President work for the immediate release of political prisoners in the U.S.S.R., "promote the exchange of information between the citizens of our countries, the open publication of that information, and freedom of religion and thought in the spirit of the U.N. Declaration of Human Rights."

Sakharov combined his appeal with the release of 83 names of Soviet dissidents who are presently being held in mental hospitals and prisons or concentration camps and whose cases have not previously been brought to public attention. He said each of the cases involved "a difficult and heroic fate." He declared:

> These people did not concern themselves with political activities, did not undermine the foundations of the state. With complete justification, one can call them prisoners of conscience, victims of injustice and tragic circumstances.

Mr. Speaker, it was very agonizing for this Member of the House to see that in the week prior to the President's departure, the Soviet KGB secret police rounded up a number of Jews seeking to emigrate and incarcerated them simply because of Kremlin fears they might demonstrate publicly during the "summit" meeting.

Today, columnist Joseph Alsop reminds us that summitry with the Soviet leaders is not especially palatable to free men when we recognize that conservative estimates place the number of people who died under the "harsh hand of the Soviet state, mostly in prison camps" before, during and since Stalin's reign at no less than 20 million.

And, says Alsop:

> From the President's friend General Secretary Leonid Brezhnev on downward, every single existing leader of the Soviet government actively, enthusiastically, collaborated in Stalin's terror and its fearful post-war aftermath. If any one of them had not done so, he would not be at the top today. And all these men have joined to perpetuate the grim police machinery that Stalin used; and they are using it themselves today, albeit on a somewhat lesser scale.

Is not this enough to lead us all to take a skeptical view of the President's trip to Moscow? Can we as the elected representatives of the people stand idly by and fail to ask the questions that are so vitally related to the future security of the free world? It is my opinion that the President of the United States should submit any agreements made with the Russians for the consultation and concurrence or rejection of both the U.S. Senate and the U.S. House of Representatives. We cannot afford to make any agreements with the Soviet Union at this crucial time in history that are not in either the long term or short-term interests of the United States. We have already walked much further than the extra mile and it is time for us to demand good faith and good deeds by the other side.

Mr. BLACKBURN. Mr. Speaker, I think the gentleman has raised many valid points.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Speaker, I wish to commend the gentleman in the well, the gentleman from Georgia (Mr. BLACKBURN) for taking this time, especially in view of the fact that our President will be in the Soviet Union and will be negotiating with the Soviets.

Although the proximity to Yalta is not that great, I have great concern that we might see a repeat of some of the Yalta Agreements that were made. I think we are really in effect playing Russian roulette today in the making of some of these agreements.

I would like to concur in the statements made by the Senator from New Jersey about the fact that we in the Congress should have the opportunity of determining whether or not these agreements shall be fulfilled. After all, we have to provide the funding for these agreements, and certainly we should have the opportunity of determining whether they should go forward.

Mr. Speaker, I would also like to comment on the fact that the gentleman from Missouri (Mr. ICHORD) did mention the Ex-Im Bank. This is sort of a backdoor method of assisting the Soviet Union. I think that door should be closed, and it should have been closed a long time ago.

Unfortunately, we now seem to be talking about the question of most-favored-nation status for the Soviet Union. I do not know when the Soviet Union has included us as its most favored nation. I think until such time as they make us their most favored nation we should not make them our most favored nation.

I again congratulate the gentleman from Georgia for the effort he has made here today, and I would hope that whatever the agreements are that are entered into, the President will find it expedient or he will find it in the best interests of this Nation to see to it that we do have a say in these agreements.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman's remarks.

In particular, I wish to comment on the gentleman's observations about the proposal to grant most-favored-nation treatment to the Soviet Union. I recall in the testimony before the Senate Finance Committee the Secretary of State stated that it was his intention that we grant most-favored-nation treatment to the Soviet Union under the same terms and conditions that we accord to every other country.

Mr. Speaker, I am convinced that the Secretary was something less than completely candid when he made that observation before the Senate. For one thing, it is absolutely impossible, under the economic system of the Soviet Union, to speak in terms of most-favored-nation treatment in the same sense that we talk about it when we deal with the free world.

Most-favored-nation treatment is the status given to any country which is prepared to guarantee the same treatment to the products of our economy. The reason a country imposes a tariff on imports from another country is due to one of two things: Either to raise the Government's income through taxes, or to decrease the consumption of imported items by increasing the price to make it less attractive to its citizens in order to improve the balance of payments.

As the gentleman from New York, I am sure, is aware, no American exports to the Soviet Union are imported to be sold to the Soviet citizens. In other words, there can be no tariff imposed by the Soviet Union on imports from the United States because the Soviet Government itself is the purchaser, so any tariff would be a tariff by the Soviet Government on the Soviet Government, which would be absolutely meaningless.

So, with regard to the whole discussion of the most-favored-nation status, it is more window dressing in order to boost the ego of the Soviet Government than anything realistic. They can concede nothing to us in the form of a most-favored nation, because their populace is not open to American products. If they were to open it up, then we would have something to talk about.

Mr. WOLFF. If the gentleman will yield further, let me say his point is very well taken. We are taking a free enterprise system and trying to compete with a closed system. I must say I am in favor of détente if it really means what I have been told it is supposed to mean, namely, a two-way street. Unfortunately, thus far it has been only one way, and they do not have to give much more most-favored-nation status to the Russians than we gave them with regard to the wheat deal.

Mr. BLACKBURN. We have demonstrated the most-favored-nation status with regard to them already.

Mr. WOLFF. We have taken the wheat from the American table and put it on the Soviet table. It is about time we took care of our own people here.

Now, if the gentleman will yield further for just one moment, let me say that when we talk about most-favored-nation treatment there is within the question of the most-favored-nation policy the question of the emigration policy of the Soviet Union. Well, the Soviets have said that we are interfering in their domestic problems by doing this. However, the Soviets are signatories to the Human Rights Convention. They are a part of the United Nations.

If they want to live in a community of nations, I think they should abide by the principles of that community of nations and see to it that they do permit all of their citizens—not only Jewish but all of them—the right of emigration. Unfortunately, that is what Churchill meant when he talked about an iron curtain being drawn over Europe. He meant that there was an iron curtain being lowered to lock those people in instead of permitting them free access to the world so that they could understand what exists in the outside world.

Mr. BLACKBURN. I certainly commend the gentleman for his observations. The International Labor Organization within the past week voted on a resolution to censure the Soviet Union because of its use of slave labor for production purposes, not only with regard to civilian goods but military goods as well. Unfortunately, the vote of censure was defeated. It is most noteworthy that the Soviet Union can continue to use the same brutal acts, the same totalitarian and inhuman ways that it used with its citizens since the October revolution of 1917, while the world is suddenly silent. We must condemn the the U.S.S.R. for the treatment of its citizens. In fact, with regard to détente I share the gentleman's genuine desire that we should have a real détente with give on both sides. However, when we look at détente in real terms we can only see American concessions to the Soviet Union and massive outflow of American technology, American capital equipment, and American capital. At a time when interest rates in our own country are running extremely high we are exporting capital to the Soviet Union at bargain rates. What have we gotten in return? Absolutely nothing. In fact, when we were trying to get the oil embargo removed in the Middle East, because it was causing such havoc to our economy, the Soviet Union was broadcasting in the Arabian language to the Middle East urging that the embargo against the United States and the West should be continued. That is the kind of treatment we are getting from them.

I certainly share with the gentleman from New York the question of what we are getting in return from détente. Frankly, I see nothing to date of any value.

Mr. WOLFF. Mr. Speaker, I would like to commend my distinguished colleague from Georgia (Mr. BLACKBURN) for calling this special order today. The executive agreements that will be made by the President with the Soviet Union during the course of his visit in Moscow should be a matter of concern to every Member of both the House and Senate.

I think that the majority of my colleagues recognize the importance of achieving mutual understanding and cooperation with all nations of the world. Peaceful coexistence is essential for the future of this country and indeed all mankind. However, not every action which is made in the name of détente is necessarily in the best interests of the United States and our ultimate security, and it is incumbent upon the Congress to determine whether agreements made by the Executive with nations like the Soviet Union are in the best interests of its constituency, the American people.

It is the responsibility of the Congress to insure that détente is not pursued on a one-way street that leads to a weakening of this Nation. We cannot afford to repeat the experience of Yalta. In the past, the Soviet Union has not been dependable. Indeed, even as the administration has pursued détente, the Soviet Union has acted to aggravate hostilities in various areas of the world, like Korea, Indochina, and the Middle East. The Congress must awaken itself to the fact that any agreements which the President makes in Moscow will without question involve the economic viability and ultimate security of the United States. We cannot afford to become engaged in an economic war with any nation, but particularly with a nation whom we are "courting" in the interests of world peace.

Aside from the potential ramifications of agreements made in Moscow, it is my belief that all executive agreements, not only those to be made in Moscow, should be subject to a disapproving power by the Congress. Executive agreements are simply too far reaching to lack congressional scrutiny and concurrence. If Congress is not assured of a voice in determining the wisdom of executive agreements made with other nations, then I feel we must put the President on notice that funds will not be appropriated for any agreement which casts doubt over the future economic viability and security of this country.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, I thank the gentleman from Georgia for yielding to me.

I would simply like to applaud the observations made by the gentleman from New York (Mr. WOLFF). I think the gentleman has touched upon a very important fact here when the gentleman makes observations that the Soviet Union with all of its commitments to grant international declarations and charters on the concept of human rights, has obviously engaged in its classical Soviet Union language because it has never once attempted to implement in any kind of brief way the grand words that it put its pen to.

There should be first of all a lesson to all of us here that they have different meanings for words than we have here in the United States. If they have totally and diametrically opposed meanings to such words as human rights from those we employ then I think we ought to be careful when we are talking about détente, as to the meaning of détente to them.

With regard to the charge that is sometimes raised that if the United States does extend the most-favored-nation status to the Soviet Union, and maybe an extension of credit and consumer products, that this would bring recognition by the Soviet Union of the right of expatriation, the right to freely emigrate, I would merely argue that we are not tampering with their internal affairs, they are coming to use seeking a special concession and favor from the American people. Therefore we have every right in the world to use that nonviolent concession that we are in the position to give, as a means of imposing some leverage upon the Soviet Union to honor indeed the commitments it made, in words, at least, in these grand international charters that they have signed.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I will be glad to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, I too share the concern of the gentleman from Illinois as to what détente really means to the Soviet Union. I think we perhaps have some different meaning of détente on the part of two parties.

Détente to me means a lessening of tension. Certainly in view of what has happened in the recent Mideast conflict, I cannot see much détente in the dictionary meaning of the word. But I do hope that representatives of the Secretary of Defense and also the Director of the CIA are present in Moscow when discussions are undertaken because when Secretary Schlesinger appeared before the House Committee on Armed Services, of which I am a member, the first few words that he stated were that détente does not mean that the Soviet Union has had a change of heart.

Then at a subsequent meeting Director Colby of the CIA virtually said the same thing. He said that détente does not mean that the Soviet Union has changed their objectives.

And then at a further subcommittee meeting of the Subcommittee on Research and Development, of which I am also a member, Dr. Currie, the head of the Research and Development, amplified what détente meant. He said that he did not believe that the Soviet Union had changed their objectives; that they were using détente as a means of getting our technology.

The gentleman in the well, Mr. BLACKBURN, from Georgia, has pointed that out; that under détente and under the loan programs that we have carried out, they are receiving a great part of our technology.

Dr. Currie went on to point out that on an individual research program the Soviet Union is the equal of the United States, but what superiority we have lies in the technology spread throughout our whole industrial and defense basis; that is, the ability to conceive a new weapons system, to fashion the weapons system and produce it in quantities.

We still have that technology, and that is my concern that Russia, the Soviet Union, may be aiming to obtain that same type of superiority we have.

Mr. BLACKBURN. Let me make this observation to the gentleman from Missouri. I think it is something that should be repeated for the whole American public. The statements by the Secretary of Defense, and the head of the CIA, Dr. Colby, that the Soviet Union does not view détente as a basic change in its objectives, is not merely a supposition of American political leaders. This is a policy position which has been articulated by none other than Leonid Brezhnev, the Soviet Communist Party boss.

Shortly after the trem "détente" blossomed into public view Leonid Brezhnev in a meeting with the Communist leaders of the Warsaw Pact was asked by them: Does this détente mean that the Soviet Union has given up its long-term objective of ultimate domination of the world. The substance of Leonid Brezhnev's answer was:

> Détente does not mean any change in Soviet long-term objectives. It is merely a tactical shift for policy purposes. We intend to pursue it for between 12 to 15 years. During that time we will build up the strength of the Soviet Union, using Western technology, to such a point that at the end of that period we will deal with the West from a position of superiority.

That is what Mr. Brezhnev has said. Neither the Department of State nor any other governmental source ever denied that he made this statement. I do not see how we can ignore a statement of that strength coming from our main adversary.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I think what Mr. Brezhnev is saying is that we are going to buy a little time here for the 12 to 15 years to pluck the eagle so we can fatten up the bear. It is just about that simple.

To me this whole idea of giving the Russians technology so that they can build bigger and better weapons, for which we have to soak the American taxpayer so that they can build bigger and better weapons, is absolutely pathologically irrational. For the life of me I cannot understand what our logic is when on the one hand we beat the taxpayers over the head to support a national defense system, and on the other hand we are feeding the bear with corn, technology, and everything else that comes along. It does not make sense.

If the taxpayers ever wake up to these things, they will probably come down here with their pitchforks and straighten up the Congress.

Mr. BLACKBURN. I certainly appreciate the gentleman's remarks.

Mr. SYMMS. Mr. Speaker, will the gentleman yield further?

Mr. BLACKBURN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I should like to commend the gentleman from Georgia for taking this time to bring this to the attention of Congress.

Mr. Speaker, as new rounds of negotiations begin tomorrow in the Soviet Union, it is absolutely essential that we carefully reassess the results of our previous agreements with the leaders in the Kremlin and thereby avoid some serious and possibly dangerous mistakes.

While we all desire a relaxation of tensions between the United States and the Soviet Union, we must nonetheless realize that fundamental differences will continue to exist between our two systems of government and philosophical outlooks. In nearly all of the statements and accompanying actions emanating from the Soviet Union during the years of détente they have reaffirmed their commitment of unalterable opposition to the entire Free World. The Soviet Union has continued to support so-called wars of national liberation throughout the world. Although well over a year has passed since American forces were withdrawn from the Republic of Vietnam, the Soviet Union continues to sustain forces of North Vietnam in not only South Vietnam but in Cambodia and Laos as well. Similarly the Soviet Union helped precipitate the war in the Middle East last October and then did her best to prevent a rapid settlement of the conflict. In the recently completed agreements by Secretary of State Henry Kissinger in the Middle East, the best that could be said about the Soviet role is that they did not interfere.

Lastly in regards to defense and weapons development the Soviets have moved rapidly forward to fulfill the generous quotas allotted to them under the SALT I arrangements. They have developed a MIRV capability that was quite unexpected and in general have apportioned an increasing amount of their resources to research and development in defense. The general movement of the Soviet Union toward a goal of military superiority to the United States is reflected in the fact that they allocate about 40 to 50 percent of their gross national product to defense expenditures compared to only 6 percent in the United States.

Mr. Speaker, thus in all of our future negotiations we must remain especially cognizant whether our actions may in fact be assisting the Soviet Union in their proclaimed goal of world domination or if a genuinely quid pro quo arrangement is concluded. This must especially be the case in the future because many of our past agreements with the Soviets, especially dealing with trade, have undoubtedly contributed substantially to the potential threat that the Soviet Union poses to ourselves and the entire free world.

American trade with the Soviet Union has increased substantially in recent years and on the surface this appears as if it has been an enormously profitable arrangement for the United States. For some American firms, the short-range benefits of such trade may be great but other consequences, both current and in the long range, suggest that serious reevaluations of the trade policy are in order.

In 1973, the Soviet Union imported $1.2 billion in goods from the United States while exporting only $235 million in return. While the paper figures conspiculously reveal an enormous trade surplus for the United States both the composition of that dollar surplus and particular ingredients of the trade deserve careful study.

Rather than paying for the goods with hard currency that will directly benefit the American trade balance, we have provided extensive lending arrangements both through governmental and private channels. Thus nearly 90 percent of their purchases have been based on credit. Only several weeks ago the Export-Import Bank granted a loan of $180 million to the Soviet Union at only 6 percent interest rate for the development of a natural gas and fertilizer complex. This is the largest loan they have ever extended to the U.S.S.R., and it is being matched by another $180 million from a consortium of American banks. Thus the Soviet Union is not only importing goods from the United States, but at the same time it is importing the money with which to pay for the goods.

This might even be acceptable if the American money markets were glutted with surpluses, and we would receive a substantial amount of guaranteed interest on the loans. But as all American consumers and businessmen know, we are currently suffering from great shortages of available funds, with interest rates for mortgages and other purposes at around 10 percent. On Monday, June 24, the Wall Street Journal reported that First National City Bank has posted a prime rate of 11½ percent while First National of Chicago boosted its rate to a record 11.8 percent. With so little money available for Americans to purchase consumer goods or industries to use for plant modernization or expansion that increases employment and productivity, the extension of any credit to the Soviet Union seems especially unwise and unwarranted at this time.

One additional consideration makes the extension of these massive credits to the Soviet Union a highly dubious proposition. Even while the Russians have been requesting all of these loans, they possess a stockpile of gold bullion. We do not know precisely how much gold they have in reserve, but we do know that they have been mining extensive amounts of gold in recent years and allowing little of it to flow out of the country. Thus they could apparently easily compensate for their balance-of-payments deficit with their own gold production rather than through the generous credit we have extended to them. If we send hard goods to the Soviet Union, we should be receiving hard currency in return.

Besides the problems I have dealt with concerning the Soviet Union's absorption of money from the United States at low interest rates, numerous other reasons compel one to have reservations about the present trading arrangements. Doubts about the nature of the trade itself should be at least as great as those about the financial arrangements surrounding it.

At one time trade with the Soviet Union was promoted as simply the exchange of goods between two countries, with the major beneficiaries of such trade being the consumers in both countries. Some even projected that massive shipments of American consumer goods into the Soviet Union would "capitalize" the people who would be driven by American automobiles into the Pepsi generation. The torturous experiences of so many Soviet citizens, spelled out most graphically by the testimony of Alexander Solzhenitsyn, has largely dispelled many of the careless assumptions about increasing trade meaning any increasing liberalization of the authoritarian rule of Communist hierarchy.

Instead, the evidence now indicates that precisely the opposite has happened. If the trade has had any impact upon the Soviet Union, it has undoubtedly strengthened the repressive control of the rulers in the Kremlin and made them much more formidable adversaries throughout the world. Rather than having any interest in importing consumer goods that would directly benefit the average Russian, the Soviet rulers have concentrated their attention upon goods that have a direct beneficial impact upon their military capabilities.

We have already sent to the Soviet Union tremendously sophisticated machinery which, under their own system of ideologically suppressing individual ingenuity, they were years if not decades from developing on their own. At one time, we had a relatively effective Office of Export Control which closely supervised the transfer of strategic materials to the Soviet Union. But in the last 18 months, all but 70 out of the 550 items on their embargo list have had their export restrictions removed. Thus the flow of advanced technology from the United States to the Soviet Union has rapidly turned into a frightening torrent.

Mr. Speaker, few analysts doubt now that the only way in which the Soviet Union was able to make the swift advances they have in MIRV technology has been through the extensive use of American and British computer technology. More broadly, the nearly unrestricted export of computers to the Soviet Union may well be cited as the most dangerous commodity we have ever sent to them. The computers they have imported are obviously not being used to figure out the charges on the average Moscovites credit card. Yet most Americans' familiarity with the work of computers probably has created just such a false impression. Instead, computers are being used in almost every aspect of modern weapons development. All of the complicated calculations implicit in sophisticated guidance systems are resolved only as expeditiously as the computers can perform. The knowledge revolution involved in information retrieval systems undoubtedly has surpassed in importance the strategic value of conventional assets such as available manpower or petroleum supplies. Yet, under the auspices of simply increasing trade with the Soviet Union, we have in effect been rendering them invaluable military assistance. We then find that we must compensate for the Soviet progress in areas such as MIRV by allocating billions of additional American dollars to our own defense program.

Numerous other illustrations can be cited which similarly reflect a nearly suicidal urge in many of our dealings with the Soviet Union. We have assisted them with the construction of the massive Kama River truck plant and its tremendous amount of precision tooling machinery. We have exported ball-bearing production processes that form an integral element of the guidance system of missiles. And most recently numerous suggestions have been advanced that we export to them the entire production processes involved in the construction of American jumbo jets. Both the manufacturers of the jets and the processes themselves are obviously related with the construction of giant military aircraft of great strategic value. The Soviets have also been attempting to entice American capital and ingenuity into Siberia in order to develop their gas and oil deposits.

If the deals consummated so far and contemplated in the future reveal anything, it is that our highest priority must be a moratorium on any further actions until the Congress has had an opportunity to evaluate all that has transpired thus far.

In trade negotiations, the Soviet Union quite simply outmaneuvered our side very badly. They revealed that they are much shrewder financial operators than the alleged capitalists they so regularly inveigh against. They have also amply demonstrated an ability to garner a windfall profit in both the now notorious wheat deal and more recently in the oil embargo. Christopher S. Wren wrote in the New York Times on June 5, 1974, that—

> The jump in world oil prices enabled the Soviet Union last year to reap nearly a billion dollars more in oil revenue than a year earlier, with only a modest increase in exports.

He pointed out that while the Soviets strongly supported the Arab embargo against the Netherlands they increased their own exports to that country by one-third and "charged them nearly three and a half times what they paid in 1972." Oil is thus now the Soviet Union's principal source of hard currency.

The Soviet leaders have often stated quite candidly that their present desire for trade with the Western world is primarily a tactical consideration necessary for the advancement of their economy and that they remain as committed as ever to their ideological assumptions. Neither the peace nor the stability of the world is dependent upon the kind of concessionary trading arrangement we have thus far concluded with the Soviet Union. Just this past Monday night in his first television interview, Russia's most eloquent and perceptive commentator, Alexander Solzhenitsyn very tersely summed up the situation in these words:

> This is the way it is. International detente does nothing to help the situation inside the Soviet Union. Tell me please, let's be realists, what kind of guarantees are there that the treaties will be fulfilled today or tomorrow. And when your businessmen, frequently in alliance with our leaders, say that trade guarantees peace, that it's obvious to a child that it's not true; it doesn't guarantee anything. On the contrary, trade goes on so long as there is peace and when there isn't peace, there won't be any trade.

If the cold war could be transformed into genuine competition between our two economic systems, I along with most

Americans would welcome such a challenge. Khrushchev boasted to then Vice President Nixon on another trip to Moscow that under such competition the Soviet Union would surpass the United States by now. On their own the Soviets have not been able to even approach American economic achievements.

In recent years, however, there has not been competition between the two rival systems. Instead we have been susbidizing the failures of the Soviet system to such a massive extent that even if they do not surpass us economically in the foreseeable future, they may well do so militarily. We have quite simply been transferring to the Soviet Union on credit the great technological advances wrought by the creativity unleashed in a free society. The awesome tragedy of the situation is that these ventures have not only proven costly to the American consumer in numerous direct and indirect ways, but also have helped sustain a repressive tyranny over millions of people and maintained an increasingly powerful military threat to the security of the entire free world.

Mr. ROUSSELOT. Mr. Speaker, Russia's Izvestiya newspaper on June 4, 1974, contained an article concerning the $360 million in credits which have been extended to the U.S.S.R. by the Export-Import Bank and U.S. commercial banks. Dr. Armand Hammer's Occidental Petroleum company has the major interest in the Soviet-United States trade which will be brought about by this deal. The following excerpt of this article appeared in the June 11 edition of the Daily Report on the Soviet Union, published by the Foreign Broadcast Information Service, page B8:

IZVESTIYA ON CREDITS

Moscow, June 4.—Tass—Izvestiya newspaper emphasizes today that an agreement signed in Washington on granting a credit of 360 million dollars to the Soviet Union "makes it possible to practically start implementing the biggest of the now available projects of Soviet-U.S. economic cooperation." The credit will be used for the purchase in USA of machines, equipment, materials which are necessary for the construction of a large complex for the production, storage and transportation of chemical fertilizers in the USSR, in the area of the town of Togliatti. Izvestiya's correspondent Stanislay Kondrashov points out that this mutually advantageous deal was offered on behalf of the U.S. "Occidental Petroleum" corporation by its director, Dr. Armand Hammer, veteran of Soviet-U.S. trade, who had concluded the first deals with the young Soviet Russia as far back as early twenties. The newspaper emphasises that this biggest deal in the entire history of Soviet-U.S. trade ties is paving the way for the signing of a final agreement on the construction of the chemical complex and on reciprocal deliveries of fertilizers. In a period of twenty years beginning from 1978, reciprocal deliveries will amount in terms of money to 20,000 million dollars proceeding from the current world prices. Vladimir Alkhimov, the leader of the Soviet delegation, deputy minister of foreign trade of the USSR, in an interview with the Izvestiya correspondent, expressed much gratification at this mutually advantageous agreement, at the terms of the credit, in particular, and at the fact that the credit is to be paid off by the proceeds from the marketing in the USA of part of fertilizers which are to be produced by the new chemical complex.

Since this "biggest deal in the entire history of Soviet-United States trade ties" is supposed to be "paving the way" for bigger deals to come, it might be wise to take a closer look to determine if it really is "mutually advantageous," as the Soviets contend.

The $360 million in credits are financed from $180 million in direct credits by the Export-Import Bank of the United States, and $180 million in credits provided by a consortium of American banks. Repayment on commercial bank credits is to be made over a 12-year period beginning May 20, 1979, but repayment on Eximbank's direct credit of $180 million will not begin until 1985. Dollars are bound to become cheaper as inflation progresses. In addition, the Soviets will repay these credits, if at all, from the proceeds of the sale of fertilizer in the United States at the U.S. market price at that time, provided that we still need it, which even Dr. Hammer admits we may not.

As I understand the agreement, the ammonia, urea, and potash that we will get in return for our investment may be marketed elsewhere if it is no longer in short supply in this country. In this case, we will be put in a position of having given up our vital commodities in return for something we do not need. If in 1978, when this trade is scheduled to commence, we find that we do need the Russian products, we will find ourselves in a position of dependence on the Soviet Union. Whatever happened to Project Independence?

In short, we provide to our detriment the "seed money" and technology to set the Soviet Union up in the fertilizer business and receive in return the right to trade for fertilizer, just like any other country will presumably be able to do at that time.

I can see no advantage to this country in such an arrangement and it troubles me to consider how many more such one-sided agreements may be concluded during, or in the wake of, the current Moscow summit talks.

At the present time the administration seeks to obtain through H.R. 13838 an additional $10 billion in borrowing authority for the Eximbank—much of which would undoubtedly be used to finance the export of more American capital, technology, and capital goods in return for the mere opportunity to buy the finished product.

Congressman JOHN DENT and I have introduced legislation, H.R. 14302, which would give Congress an active role in approving Eximbank's transactions. Congress was given the responsibility in article I, section 8 of the Constitution "to regulate commerce with foreign nations," and we must exercise our proper constitutional mandate. Next week we will be asking for cosponsors of our legislation, and I urge all of you who have participated today to join us in this effort. The full text of H.R. 14302 follows:

H.R. 14302

A bill to amend the export-Import Bank Act of 1945 to strengthen the oversight role of Congress with respect to extension of credit by the Bank, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(b) (2) of the Export-Import Bank Act of 1945 is amended by striking out "President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same." and inserting in lieu thereof the following: "Congress determines would be in the national interest. Such determination shall be made with respect to each such transaction through the adoption of a concurrent resolution during the first period of continuous session of Congress after the date on which the Bank requests, in writing, that Congress consider adoption of such a resolution. For the purpose of this paragraph, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period."

(b) The second sentence of section 2(b) (3) of the Export-Import Bank Act of 1945 is amended by striking out "if the President determines that any such transaction would be contrary to the national interest." and inserting in lieu thereof the following: "unless Congress determines that such transactions would be in the national interest. Such determination shall be made with respect to each such transaction through the adoption of a concurrent resolution during the first period of thirty calendar days of continuous session of Congress after the date on which the Bank requests, in writing, that Congress consider adoption of such a resolution. For purposes of this paragraph, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.".

(c) Section 2(b) of the Export-Import Bank Act of 1945 is amended by redesignating paragraph (5) as paragraph (6) and inserting immediately after paragraph (4) the following new paragraph:

"(5) The Bank shall not guarantee, insure, or extend credit, or participate in any extension of credit with respect to any non-market economy country which—

"(A) denies its citizens the right or opportunity to emigrate;

"(B) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

"(C) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; until such time as the country is no longer in violation of this paragraph."

SEC. 2. Section 11 of the Export-Import Bank Act of 1945 is repealed, and section 12 of such Act is redesignated as section 11.

GENERAL LEAVE

Mr. BLACKBURN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore (Mr. ANDERSON of California). Is there objection to the request of the gentleman from Georgia?

There was no objection.

OSHA: THE NEED FOR ON-SITE CONSULTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Steiger) is recognized for 20 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, tomorrow the House will consider the Labor-HEW appropriations bill. I intend at that time to offer an amendment to meet the particular needs of small business in dealing with OSHA by providing on-site consultation through grants to States. I also rise in strong support of the increased funding for the National Institute of Occupational Safety and Health for health research, and for increased compliance personnel for the Occupational Safety and Health Administration.

The 3 years experience of the 1970 act clearly indicates the need for targeted, additional funding to enable these agencies to do a first-rate job as they seek to deal with the often quite complex and controversial issues of occupational safety and health in the coming fiscal year.

Three years after the effective date is also a good time to take a reflective look at the accomplishments and shortcomings of an act with the size, scope and complexity of the Occupational Safety and Health Act of 1970.

The act represents a basic departure from previous State programs which relied on abatement periods after inspection as the primary means of enforcement. Given the limited number of compliance personnel for State programs, the effectiveness was, on a nationwide basis, marginal. The "first instance sanctions" concept of OSHA requires that employers and employees be in compliance before they are inspected, not after. This concept makes sense, but only if information is readily available before inspection on the specific application of the standards in the workplaces. For large employers, particularly those with Federal contracts subject to the Walsh-Healy Act, the safety and health requirements of the insurance companies, and other laws had pretty well prepared them for OSHA.

The record is generally one of progress. A sizable, force of generally well-qualified, well-trained compliance personnel has been assembled. Rather comprehensive safety standards have been promulgated, and few can dispute that more has been done about safety and health in the last 3 years than perhaps in the last hundred. A glaring exception to the general progress has been the need for assistance to meet the particular needs of small business.

For the small businessman without attorneys on retainer, or safety and health professionals on their staff, the standards as published in the Federal Register might as well be written in a foreign language.

Off-site consultation is available from OSHA and on-site consultation is available in some 18 of the 26 States with federally approved State plans. A wide array of consultation services from insurance companies and private firms in the private sector is available as well. The employer in a State without consultation, however, who requests OSHA to come to his worksite to advise him on the specific application of the standards is correctly told that the law prohibits authorized representatives of the Secretary of Labor from coming onsite without issuing citations and penalties for violations that they may find during the consultation visit.

The legislative history of sections 8 and 9 of the act is clear on this point. This limitation has had a rather chilling effect on voluntary compliance and, in large part, is responsible for the climate of frustration and fear among many small businesses which has generated the large volumes of often outright hostile mail to virtually all Members of Congress. Moreover, it has helped to produce a climate in which rumors, misinformation and outright distortion are often more prevalent than the hard information and sound advice employers and employees need in order to deal with the real hazards in their workplace.

The first congressional hearings to explore this area of deep controversy where those chaired by the able gentleman from Missouri (Mr. Hungate) of the Select Small Business Subcommittee on Environmental Problems Affecting Small Business some 2 years ago. Fairly extensive hearings at that time followed by further hearings that fall of the Select Labor Subcommittee of the Education and Labor Committee stressed again and again the key need for onsite consultation for small employers. As a result of that testimony, I introduced legislation to provide on-site consultation within the Department of Labor which had the wide bipartisan support of nearly 60 cosponsors and the endorsements of the administration, the AFL–CIO, the National Safety Council, and perhaps most importantly the National Small Business Association and the National Federation of Independent Business.

Though it did pass the Senate as an amendment to another bill in October 1972, this effort unfortunately was blocked by the end-of-session legislative log-jam of the 92d Congress.

Hearings before Mr. Hungate's subcommittee again this past February and the hearings presently underway in the Select Labor Subcommittee have again demonstrated beyond question the need for congressional action in this area. During testimony by Jack Sheehan, legislative director of the United Steelworkers, the concept was discussed that while Federal inspectors were under limitations of the worksite, State personnel under contract might be able to perform this service without the threat of citations and fines.

In a careful review of the law I find ample authority to carry out such a program. Specifically, section 7(c) (1) of the act states that:

> In carrying out his responsibilities under this Act, the Secretary is authorized to . . . with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement.

Further section 21(c) of the act states and I quote:

> The Secretary, in consultation with the Secretary of Health, Education, and Welfare shall (1) provide for the establishment and supervision of programs for the education and training of employers and employees in the recognition, avoidance, and prevention of unsafe and unhealthful working conditions in employments covered by this Act, and (2) consult with and advise employers and employees, and organization representing employers and employees as to effective means of preventing occupational injuries and illnesses.

The Solicitor of the Department of Labor has provided me with a ruling which affirms the legality of such a program of grants to States. The ruling follows:

U.S. Department of Labor,
Washington, D.C., June 26, 1974.

Hon. William A. Steiger,
House of Representatives,
Washington, D.C.

Dear Congressman Steiger: This is to advise you of our position with regard to the question of whether the Department of Labor may, under the provisions of the Williams-Steiger Occupational Safety and Health Act, enter into contracts with State agencies under which State personnel would conduct onsite consultation without issuing citations and proposing penalties.

After full and careful consideration of the legal issues involved, I have concluded that the Department may enter into such contracts.

Section 7(c) (1) of the Act authorizes the Secretary to accept and use the services of the States, or political subdivisions, with reimbursement "in carrying out his responsibilities under the Act." One of the Secretary's responsibilities, contained in section 21(c) (2) of the Act, is to "consult with and advise employers and employees . . . as to the effective means of preventing occupational injuries and illnesses." It is therefore clear that the Secretary may, with reimbursement, accept and use the services of States and political subdivisions under section 7(c) (1) in order to fulfill his responsibility to consult and advise employers and employees regarding the prevention of occupational illnesses and injuries.

Under section 21(c) (2), the Secretary may provide consultation and advice to employers either at the worksite or away from the worksite. However, where the consultation is provided at the worksite by representatives of the Secretary of Labor, it is our view, as a matter of legal and policy consideration, that if the representative of the Secretary observes any violation, appropriate citations and penalties must be issued. Section 9 of the Act provides that, upon inspection, a compliance officer who believes that an employer has violated a requirement of the Act must report such an alleged violation. If the Area Director concurs, an appropriate citation, and in many cases a proposed penalty, will be issued to the employer. Since section 8 of the Act makes it clear that any entering upon the employer's premises is regarded as an inspection provided for in section 9, appropriate enforcement action would have to be taken following a consultation visit by the OSHA personnel conducted on the employer's premises.

In our view, the above analysis would not be applicable where the consultation and advice is provided by State personnel under section 7(c) (1) agreements. The requirements of section 9 regarding the issuances of citations and penalties applies only to the Secretary "or his authorized representative." State personnel under section 7(c) (1) agreements would therefore not be covered by the mandate of section 9. This would be made completely clear if the section 7 (c) (1) agreement were to include a provision that the State personnel would be authorized only to provide consultation and not to issue citations and penalties. Clearly, then, State personnel, in providing on-site consultation under the 7(c) (1) agreement, would not be required, as are Federal personnel, to issue citations and penalties, if violations should be disclosed; indeed, State personnel would not be authorized under the agreement to issue citations.

For your convenience, I have enclosed the pertinent statutory provisions involved in these issues. I hope this satisfactorily answers any questions you may have in this matter.

Sincerely,

WILLIAM J. KILBERG,
Solicitor of Labor.

PERTINENT STATUTORY LANGUAGE

SEC. 21(c). The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall . . . (2) consult with and advise employers and employees, and organizations representing employers and employees as to effective means of preventing occupational injuries and illnesses.

SEC. 7(c) (1). In carrying out his responsibilities under the Act, the Secretary is authorized to—(1) . . . with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement . . .

SEC. 9. If, upon inspection or investigation, the Secretary or his authorized representative believes that an employer has violated a requirement . . . of any standard . . . he shall with reasonable promptness issue a citation to the employer.

Mr. STEIGER of Wisconsin. This approach also has received the support of the administration, the National Safety Council, the National Association of Manufacturers, and again most importantly the National Small Business Association, the National Federation of Independent Business and the American Retail Federation.

Because of controversy surrounding OSHA and the importance of assistance to small business, I feel it is appropriate to spell out in some detail the legislative intent regarding the operation of such a program.

It is intended that proposed regulations to implement this program should be reviewed in detail by the National Advisory Committee on Occupational Safety and Health, and that the regulations should be proposed for comment and hearing in the Federal Register in order to insure a maximum opportunity for comment from all affected parties. The proposed regulations should also be submitted to the appropriate committees of the Congress.

The amendment would provide $5 million for programs of grants to State agencies designated by the Governors and would be distributed among the States on the basis of objective criteria. Because of the critical need for reliability and uniformity of advice, the qualifications of the State Compliance Consultants would be reviewed by OSHA. Selection, however, would be made by the State.

The Compliance Consultant should be fully experienced and trained as the Compliance Safety and Health Officers—CSHO's—and should complete the full safety and health training program provided by the OSHA Training Institute in Chicago. This is to insure the advice employers obtain from the Compliance Consultant is based on the same training as that obtained from the CSHO's.

Consultation personnel would be maintained separate from any enforcement authority, but should be fully included in the OSHA information process for any program directives, standards up-dates, Review Commission decisions, and all appropriate policy and administrative materials.

On-site consultation would be provided only upon request of the employer according to the following priorities: First priority would be given to small businesses; the smaller the business, the less specific the request would have to be. Second priority would be given to on-site consultation for other businesses; the larger the business, the more specific the request would have to be. Third priority, should there be resources left over, would be given to the off-site consultation and other education and training, compliance programing, or voluntary compliance activity.

The consultant would walk through the plant observing the working conditions and then hold a closing conference pointing out the hazards he discovered and discussing suggested means of abatement. He would also inform the employer that this would be followed by a written report. No citations and penalties would be issued on the basis of the consultant's visit and the file would not be transferred to the Federal or State enforcement staff. However, in the event of an imminent danger situation, the consultant must request immediate abatement or if abatement is not possible, removal of the workers from the dangerous area. If the employer refuses to abate, the consultant must advise OSHA of the situation.

Federal enforcement would continue without regard to State consultation activity. An employer seeking consultation would not be immunized from regular inspection activity but the consultation would in no way trigger an enforcement inspection.

In the possible event of a future compliance inspection, the inspector would issue appropriate citations and penalties and may request a copy of the consultant's report and would consider the report in determining good faith or the lack thereof. The compliance personnel will not be legally bound by the advice given by the consultant or the failure of the consultant to point out a specific hazard, but the employer's request for consultation in an attempt to achieve compliance would be a good faith factor for the purpose of proposing penalties.

OSHA would carefully monitor the program to insure the reliability and competence of the consultation services. In addition, special attention would be given to determine whether hazards, particularly serious hazards, discovered during a consultation visit remained unabated despite the consultant's advice.

In conclusion, I would again stress that this concept is the product of four sets of hearings by committees of the House over a period of 2 years. The amendment has the support of the administration, the National Safety Council, the National Association of Manufacturers, the National Small Business Association, the National Federation of Independent Business and the American Retail Federation.

It is my hope that the oversight and legislative hearings now underway in the Select Labor Subcommittee of the House Education and Labor Committee would monitor the progress of the implementation of the proposal, as well as review the recommendations of the National Advisory Committee on Occupational Safety and Health, the States and affected parties.

I urge the adoption of my amendment, and attach the endorsements of the NSBA and NFIB:

NATIONAL SMALL BUSINESS
ASSOCIATION,
Washington, D.C., June 24, 1974.
Hon. WILLIAM STEIGER,
Longworth House Office Building,
Washington, D.C.

DEAR MR. STEIGER: We have been apprised of your intention to offer an amendment to the Labor-HEW appropriation bill designed to provide on-site consultation services for business. It is our understanding that the amendment will call for a five million dollar appropriation to be administered by the Department of Labor, which in turn will make grants to the states for the purposes of establishing on-site consultative services.

This approach would certainly seem to answer the needs of the millions of small businesses who are in desperate need of help in their compliance efforts. NSB feels that this will alleviate any need for directly amending the Act to accomplish the same purpose. Furthermore, we understand that by allowing the states to do this, the consultation will not be limited to firms employing 25 or less. There are a great many medium-sized businesses who are in need of this service.

We are informed that amendments may also be introduced to exempt smaller firms from compliance. While on the surface this action would seem to take care of the problem for small business, we found, in effect, that the exemption, as voted during the preceding Congress was so limited and so narrow that only the smallest of the smalls would have benefited. At the same time, any outright exemption would tend to counter the stated purpose of the Act itself, mainly to provide the safest possible work-place. NSB certainly has no desire to take such a position. Our problem, and that of our membership, with the Act has always been in the administration thereof.

Once again to the extent that your proposed amendment will supply the needed consultation services and will further assist small business in coming into ccmpliance, the National Small Business Association wholeheartedly supports your effort.

Sincerely,

MILTON D. STEWART,
Vice President.

[Telegram]

WASHINGTON, D.C.,
June 25, 1974.
Representative WILLIAM STEIGER,
House of Representatives,
Capitol Hill, D.C.:

The National Federation of Independent Business strongly supports your amendment to provide on-site consultation. Such counseling is critical to achieving greater voluntary compliance with the Occupational Safety and Health Act.

FREDERICK L. WILLIFORD,
Director of Government Affairs.

THE PRESIDENT'S TRIP TO THE AZORES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, a leading newspaper in my 10th Congressional District, the Fall River Herald News, recently commented on the President's stopover in the Azores on his return from the Middle East. The meeting between President Nixon and President Spinola reaffirmed a longstanding friendship often taken for granted by the American people. The Portuguese, world-renowned for their navigational explorations, have made outstanding contributions to the industrial and cultural life of Fall River, Mass. I am privileged to represent this hub of the Portugese community in the United States and was therefore pleased at the important role that Portugal played in the recent Middle East trip.

Mr. Speaker, I commend the following informative editorial for consideration by my colleagues:

PORTUGUESE ALLIANCE REAFFIRMED

The meeting in the Azores between President Nixon and Portugal's new president, Antonio Spinola, was Mr. Nixon's only stopover on his way back from his successful visit to the Middle East. The meeting in the Azores, relatively brief though it was, gave President Nixon and President Spinola a chance to meet and reaffirm the traditional excellent relations between the countries they head.

The pact permitting U.S. use of Azorean air facilities is now up for renegotiation. This country has an air base on the Azores, and wishes to extend its tenancy. There is no question but that the base is of strategic importance to the United States. It is also a guarantee of security to the Portuguese government, and this was appreciated by the government since it has never charged the United States for the use of the land.

In all probability there was no direct negotiation over renewal of the air base pact between the presidents. In a brief meeting of this kind, the most that could be accomplished was an exchange of pleasant generalities. But those are not without value. In a rapidly changing world the traditional friendship between Portugal and the United States is of inestimable importance to both. Mr. Nixon's stopover reaffirms that friendship and leaves the way open for future treaties based on the good will between the two nations.

From the standpoint of the rest of the world the visit to the Azores at the end of the President's Middle East journey was of less news value than what had gone before. But in the long run the alliance between the United States and Portugal is likely to prove far firmer and more important than the highly conjectural benefits to be derived from the various Arab states.

FINANCIAL THREAT TO UNIVERSITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 10 minutes.

Mr. COHEN. Mr. Speaker, all across the country, small private colleges and universities are threatened with financial disasters that may force them to close their doors. I view these closings with alarm. This country has always prided itself on providing equal opportunity to all Americans. In former times, the very presence of an open frontier provided an arena where literally any able-bodied man or woman could prosper by virtue of sheer doggedness and hard work. Today, however, young men and women must compete in the job market, and opportunity in the job market depends on educational background. In short, we will not have equal job opportunity unless we have equal opportunity for every American to get the education necessary to prosper in the modern world. That is why our small colleges are so important. More than any other factor, it is the proliferation of small colleges that has made higher education available to most of the young people desiring it.

The closing of small colleges is, therefore, an alarming development. But despite the unfavorable economic developments of recent years, I am not convinced that our small colleges must inevitably collapse under financial strain. As an example of the alternatives, I would call the attention of my colleagues to the case of Ricker College in Houlton, Maine. It recently appeared that financial difficulties would cause the college to close its doors. But the people of Houlton, as well as the Ricker student body, rallied as one to the college's cause. In the space of a few short months, the college advanced from the brink of financial collapse to its present solvent status.

Because I think my colleagues will be interested in the case of Ricker College, and in the efforts of the people of the greater Houlton area in saving it, I insert in the RECORD at this point an article recounting the saga of Ricker College:

RICKER COLLEGE

What does a town do when its college is on the brink of financial disaster, threatened with having to close its doors? Perhaps it does nothing, just sighs sadly how too bad the college has to go.

But not always. Not Houlton, Maine. Not when faced with the very real prospect of losing Ricker College. The people got out and worked. They went door-to-door, community-to-community, business-to-business, organization-to-organization. They raised money. And they did all this in an incredibly short time. By putting all their energies and resources into it, they have made it possible for Ricker to continue.

This might not be surprising in a city, or even a small town near a city. But Houlton is neither. Its 8,200 people live in northeastern Maine, only two miles from the Canadian border, in an area largely known for its potato-growing land. Its county is Aroostook, 6,805 square miles populated by only slightly over 100,000 people. Hardly metropolitan.

Nor is Ricker a large college—in fact, it's tiny. But the people here think it's well worth having. They like the educational opportunities it affords their young people. They like the cultural advantages it offers them—a chance to see art exhibits, to hear a symphony orchestra or an outstanding speaker, to use its surprisingly fine library. Naturally, they like its impact on their economy.

They haven't always had a conscious sense of pride in the fact of having a college in their midst. But when that college was in trouble, when the hard fact of its probable closing was brought home to them, they came through. And because of their efforts, there's a new, heightened morale—in the town and on the campus.

Since 1969, Ricker has faced the rising costs and falling enrollments that have plagued many small, private colleges. And this spring it sought the protection of the courts, going under Chapter XI of the U.S. Bankruptcy Act so that its debts were frozen and it could function on a pay-as-you-go basis. But this was the slack-income time of year, and the college needed $162,000 to cover its operating costs until the start of the next academic year in September, money it simply did not have and, frankly, saw little hope of getting.

The feeling of the community in this crisis was best reflected by the man who said, "Sure, colleges are closing all across the country, but that's going to be pretty cold comfort if we lose Ricker."

So they worked. The students, who were on top of the situation all the way, worked. So did the trustees and the administration. So did the people in the small outlying villages such as Littleton, Monticello, Lodgdon, Linneus and New Limerick. There were small contributions, large contributions, some coming from "way outside" as the local expression has it. And in less than two months the board met to make the unanimous decision that Ricker could continue.

The story may be insignificant compared to the fund-raising efforts of large universities or small, prestigious colleges. But this is not a wealthy area, nor does the college have alumni with great wealth. Every dollar comes hard. What has been done for Ricker—by people in Houlton and its wider community—is significant. It is comparable to a grant of ten million to Harvard.

It would seem that it might not be terribly important to Ricker students whether this particular college remains open. After all, they come from wide-flung areas throughout the eastern part of the nation, and there are hundreds of colleges only too eager to accept them. But they like Ricker; for a variety of reasons, they chose it. They have accepted the possibility of having to transfer—indeed, some of them would have anyway. But most of them have made it clear that "if Ricker is open, I'll be back."

They too have supported the college in this crisis. They helped with the fund drive. They conducted a walk-a-thon that netted a neat sum of about $1,500 on a Saturday just before final exams. The theater group took their delightful melodrama on a brief tour in Maine to solicit interest and support for Ricker—so successfully that the Bangor and Aroostook Railroad, long a supporter of the college, presented them with a plaque in appreciation for their "extraordinary production . . . and for a valuable lesson in loyalty and courage."

And don't forget the faculty. They have helped too, some at a very real, personal sacrifice. They like the college, and they like the town. They want to stay.

This, then, is the story of Houlton and Ricker, a story of mutual concern and involvement, of cooperation that perhaps those large universities and prestigious colleges will never have to experience—but an experience they may never have the rewarding privilege of enduring.

What a nice place to live and learn!

AMENDMENT TO H.R. 11580

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 2 minutes.

Mr. FINDLEY. Mr. Speaker, this is an amendment I propose to offer to H.R. 15580 on Thursday, June 27:

> None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who inspect firms employing twenty-five or fewer persons for compliance with the Occupational Safety and Health Act of 1970.

HOW HIGH A PRICE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, President Nixon has left for his third summit meeting in as many years, with the leaders of the Soviet Union. Presumably, he and the heads of the Soviet state will be discussing ways of bringing the world a little closer to peace.

I have often spoken about my reservations about détente. Although I am deeply concerned about insuring peace for future generations, I have never hidden my reluctance to attain this goal if it means making moral concessions.

The timing of this current summit meeting makes me more fearful than ever that President Nixon may compromise American interests and our role as the protector of human rights the world over. It is not simply the prospect of making secret deals with the Soviets, although this prospect alarms me greatly. It is that he may make any deal at all, no matter how improvident, simply to strengthen his support at home during the greatest crisis of his life.

The President's entire attitude about improving relations with the Soviet Union has, in my mind, been one of easy accommodation and bending over backwards. I cannot have respect for such a position. It demeans us as a nation. It casts us in the role of a people willing to compromise on basic moral principles simply to improve our balance of trade.

I thought I was no longer capable of being shocked by anything the President might do or say. But I found out how profoundly shocked I could still be when the President stated in his commencement address at the Naval Academy, that it was not the business of the United States how the Russians treated Jews seeking to emigrate. Because of this attitude of callous indifference, the Russians felt no compunctions whatsoever about conducting mass arrests of Jewish activists in the days before the President's trip, or cutting off their phone lines, or simply harrassing them as they walk down the streets. The President has as much as said to the Russians that they can do whatever they want to the Jews and we will say nothing and do nothing.

How desperate is this man, Mr. Speaker? How much of a price is he willing to pay for the sake of a moment's personal glory? I cannot accept such an attitude on the part of the highest elected official in this country. I am appalled that the President of the United States should deal with the leaders of the second most powerful nation in the world after demonstrating a total lack of concern for basic human rights and dignities.

Just before the President went to Russia, the Soviet authorities arrested 50 men and women. These were all people who had been leaders in the fight to increase Jewish emigration from the Soviet Union. Shortly before these mass arrests were made, the Soviets released a story that they were willing to increase Jewish emigration to 45,000 persons a year. I say that actions speak far louder than words. We should judge the Soviet Union by what they have done and are doing, and not by what they say they will do.

What they are doing is stepping up their program of harrassment and intimidation. The President's visit has given them a perfect excuse. It is easy for them to say that they will permit 45,000 Jews to emigrate this year, because at the same time they are engaging in terrorist acts designed to dissuade Jews from seeking permission to leave. Nowhere in any of the releases on this matter, did the Russians say that they would cease harrassing Jews trying to emigrate. Not one word was said about ending the practice of cutting phone lines. Not one promise was made about ending midnight arrests or phony trials on trumped-up charges.

On the basis of this action, I recognize the Russian statement for just what it is—a ploy to ingratiate the Russian Government with the Congress, in the hopes that they can get their trade bill without the Jackson-Vanik amendment. Well, I say to the President, and I say to the leaders of the Soviet Union, that this ploy will not work. We recognize what they are doing, and we know that we have no reason to trust them or their promises.

The President apparently has his mind made up that he will get détente with the Russians, no matter what the cost to the American people, or to those brave souls in the Soviet Union struggling to protect their basic human rights. It is up to the Congress to assure them that there will not be a sellout of their interests.

The Russians have said that they would be willing to let 45,000 Jews emigrate this year. So far in 1974, the rate of emigration has been far lower than during the first 6 months of 1973. We need much more than simply hints that if the Congress does not make trouble, Jewish emigration will be increased.

We need written guarantees that 50,000 Jewish men, women, and children will be allowed to emigrate this year, and every year, until every Jew who wishes to do so can leave the Soviet Union. We need written guarantees that the emigration process will take place without any harrassment of those seeking permission to leave. The fact that the Soviet Government has even hinted that it would be willing to increase emigration, in spite of current acts of official harassment, is evidence that our efforts to put pressure on the Russians have been successful. They realize that we are serious about the problems of Soviet Jewry.

It is imperative that we not be taken in by these blandishments. The President of the United States and the leaders of the Soviet Union are not interested in the problems of Russian Jews. Their only interest is in dollars and rubles. It is up to us in the Congress to express concern for Soviet Jewry, and to keep up the pressure until we have the answer we want from the Russians.

DÉTENTE DIPLOMACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, as the President prepares for his visit to the Soviet Union later this month, it should not be forgotten that the leaders of that nation with whom he will confer persist in maintaining repressive policies on the political and cultural freedoms of the people of Lithuania. And as the President returns from the Middle East, let us not forget that the rights of national self-determination that we have learned are of primary importance to the peoples of the Palestine area, and for which we now work so diligently, are rights that are equally important and deserving for the people of Lithuania and the other Baltic States.

It was in this same month 34 years ago that Lithuania was forcefully annexed to the Soviet Union in a rigged election conducted by the Red Army. To this day, however, this country has not recognized that annexation, and if we take our cherished love of freedom and individual liberty seriously, then we must stand firmly opposed to the Soviet policy of political, cultural, and religious persecution toward the captive Baltic States.

As the global champion of the democratic process and the foremost example of a free and open society, it is the duty of this great country to seize the initiative and employ the détente diplomacy now established with the U.S.S.R. to gain official recognition of the basic human rights for the people of Lithuania and other captive nations. Those rights, which are secured for us by our Constitution, should be utmost in the considerations of our negotiators. Arms discussions and economic strategies should not overshadow so fundamental an issue. It is not overstating the case to say that the concession of such elementary human dignities by the U.S.S.R. to the small Republic of Lithuania would be a great accomplishment by any standard for the United States.

THE VOLUNTARY PUBLIC OPINION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, I recently introduced the Voluntary Public Opinion Act designed to professionalize the polling of constituents. The bill, H.R. 15178, would establish an Office of Congressional Polling to provide technical assistance to Members' offices about the wording of questions as well as the most efficient methods of tabulating and analyzing the responses.

An Office of Congressional Polling was first suggested in 1954 following a Washington, D.C., chapter meeting of the American Association for Public Opinion Research—AAPOR. This meeting dispelled the notion that any person regardless of background is capable of asking unbiased questions and correctly analyzing survey results.

One congressional aide addressing the AAPOR meeting mentioned the painstaking job of tabulating the responses but cautioned that carefully tabulated responses are no substitute for concise and unbiased quesions. He suggested spending less time propagandizing constituents by means of biased questions and more time formulating the questions.

The fall 1964 edition of Public Opinion Quarterly included a report on a survey of 1961-62 congressional polls. Ninety-five offices responded to the survey about the numbers of constitutents polled, the methods of tabulating responses and the likelihood of objectivity on the part of Congressmen making introductory remarks and formulating questions.

The authors of this more recent treatment of congressional polling techniques suggested that professional facilities should be made available to Congressmen for the conducting of such surveys. It was further noted that the cost to Congressmen to subsidize the mailings with personal funds was prohibitive.

My office recently conducted a telephone survey of all congressional offices about current polling techniques. Of 411 offices responding to my poll, 291 offices admitted sending questionnaires to their Districts on a regular basis. If an office mailed questionnaires more than once a year, annually, or once each session of Congress, I considered the office a regular mailer of questionnaires. Two hundred and thirteen of these offices said the services offered by my proposed Office of Congressional Polling would be useful to them.

Of 31 staffers indicating their Member rarely sent questionnaires, 20 expressed an interest in a professional polling service, 7 were not interested and 4 offices were undecided.

Similar figures are available for offices which never poll their districts. Of 89 offices reporting a reluctance to mail questionnaires, 30 offices thought their staffs would use professional polling services on the Hill if available. Forty of these offices were disinterested and 19 hesitated to commit themselves.

Of those offices surveyed which mail questionnaires, an overwhelming number—288—send the questionnaires postal patron. An equally impressive number—238—rely on office staffs to tabulate and analyze questionnaire responses. Interestingly enough, the job often goes to the summer interns. Several offices admitted mailing questionnaires a month or two before the beginning of summer so that the return of completed questionnaires to the office will coincide with the summer interns' work schedules. These same offices expressed regret that interns were burdened with the task the entire summer but were quick to add: "Better them than us."

A relatively small number of offices—28—reported using volunteer help. Fifty-two offices reported that they employed the services of computer firms or professional analysts in the preparation of questions or tabulation of responses. Most of these offices bemoaned the expense but felt the results more than made up for it.

It is therefore clear that millions of questionnaires come off congressional presses each year. I am interested in promoting a more professional operation on the Hill whereby the responses can be treated as accurate reflections of public opinion and not simply raw data.

DÉTENTE AND SOVIET REPRESSION

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, although I want détente as much as any other American citizen, I have questioned whether we really have détente and also whether we truly are receiving a quid pro quo in our efforts to reach an accommodation with the Soviets through numerous concessions and the granting of low interest loans. Rowland Evans and Robert Novak in a recent article on Soviet repression set forth a good case for demanding more quo before we give so much quid:

[From the Washington Post, June 10, 1974]

DÉTENTE AND SOVIET REPRESSION

(By Rowland Evans and Robert Novak)

Contradicting Nixon administration claims that détente is relaxing repression in the Soviet Union, the American ambassador in Moscow has privately cabled Washington that the KGB secret police has intensified harassment of Soviet citizens trying to contact the U.S. embassy.

In a May 22 "confidential" telegram to the State Department, Ambassador Walter Stoessel revealed the new "pattern of intensifying monitoring and harassment of Soviet citizens" attempting to enter the embassy. "Judging from several recent incidents, Soviet security has recently become less tolerant of such contacts," Stoessel said.

Although recent embassy protests to the Soviet Foreign Affairs Ministry have proven fruitless, the State Department is avoiding for now high-level pre-summit protests that might endanger détente. This attitude further angers critics of the Nixon-Kissinger foreign policy who hold that, while détente is desirable, it should not be purchased at the price of moral principles.

Without pressure from the West, the growing Soviet civil rights movement would not have been possible and well-known dissidents such as Andrei Sakharov would be silenced. Nevertheless, the clamp-down on contacts with the U.S. embassy is the worst ever.

Stoessel's telegram points to "intensified Soviet security monitoring of American citizen-Soviet citizen contacts", to "overt KGB harassment of Soviets seeking (U.S.) consular advice or assistance"; and to American travelers being "the target of closer surveillance." His conclusion: "In all cases, there seem to be complications in recent months which were not in evidence as recently as three months ago."

Until then, U.S. embassy protests kept Soviet militiamen from blocking access to the embassy of Soviet citizens with written invitations from consular officials to discuss problems such as reunification with families in the United States. "Beginning in early March, however, the militia began once again to deny entry even to persons with such invitations in hand," Stoessel reported.

These citizens are now routinely taken to a large militia shack constructed on the street corner near the embassy several months ago (with militiamen often employing "considerable force" to prevent them from entering the embassy, according to Stoessel). His April 1 protest to the Soviet government accomplished nothing.

On the morning of May 29, seven days after Stoessel's telegram to Washington, a 30-year-old medical laboratory technician named Mikhail Ilyitch Parkansky approached the embassy with an invitation from consular officials. In March, a request for him and his family to emigrate to Dallas, Texas (home of his brother), had been denied and he lost his job. Now he was intercepted outside the embassy by militiamen and taken to their booth.

Protests by U.S. consular officials to the militia commander and the foreign ministry were to no avail. On May 30, the embassy suggested that the State Department notify the Soviet embassy in Washington, but there is no sign this was done.

The Parkansky case is duplicated daily. On May 29, militiamen not only barred Vladimir Barynin from the embassy but confiscated his written invitation. On May 30, a West German diplomat, seeking to enter the embassy to obtain a U.S. visa, was barred and interrogated by militiamen before he could identify himself.

Although Nixon administration officials stress recently rising emigration from Russia, Stoessel reports "an apparent step-up" in refusing exit visas. According to Stoessel, secret police have interrogated Soviet citizens seeking to rejoin close family members in the United States and "warned against discussing their cases with U.S. consular officers."

Moreover, Stoessel reports local authorities "have gone to extra lengths to frustrate or delay" marriages between Soviet and American citizens. "For the first time in recent memory," officials refused to register one such marriage that actually had taken place. Stoessel's conclusion: that the KGB has been given "a relatively free hand" to prevent such marriages.

This tightened fist applies to American visitors, particularly Jews, contacting Soviet citizens. On May 7, 10 American Jews embarked on a bus with several politically activist Soviet Jews for a picnic along the Kaluzhskoye Shosse 17 miles from Moscow. When the bus arrived, it was surrounded by over a hundred Soviet security men. The Jews, both American and Soviet, were jostled, manhandled and refused access to the picnic area.

Such treatment, increasingly common for Americans seeking to contact Russians, will not be encountered by President Nixon at the Moscow summit. But it shows that the genuine quest for detente, no matter how laudable, is having little moderating impact on Soviet repression.

AUSTRIA OPPOSES SOVIET BID

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, as those of us in the Congress, who opposes the harsh policies of repression waged by the Soviet Union against its ethnic and religious minorities, continue to champion the right and responsibility of the United States to make Soviet policies an issue before we grant trade and other concessions to the Kremlin, it is heartening to know we are not alone.

A Baltimore Sunpapers report from Moscow on May 30, 1974, says that Austrian Chancellor Bruno Kreisky told Moscow's leaders, to their faces, that he would oppose any quick windup of the European security conference until and unless the U.S.S.R. agreed to much freer contacts on the human and cultural levels between East and West.

This has been a sore point with the Russians who alleged that insistence on more liberalized access to Soviet citizens by Westerners and the implied greater freedom for Russians to make contact with the West was an interference in the internal affairs of the Soviet Union and its Eastern European Communist satellites.

The Kremlin told Kreisky they wanted the subject dropped and they urged him to approve a quick end to the security conference. Kreisky, however, said the Soviet proposal would make a mockery of the conference and would amount to an insult to the Western powers who believes strongly that Moscow must end its repressive ways.

I include highlights of the Baltimore Sun account at this point in the RECORD:

Austria Opposes Soviet Bid

(By Michael Parks)

Austria's chancellor told Soviet leaders yesterday that his country will oppose Moscow's efforts to push the European security conference to a quick conclusion unless the Kremlin agrees to freer East-West cultural and human contacts.

Chancellor Bruno Kreisky also said that Austria opposes holding the conference's final session at the summit level because of recent changes in several West European governments and 'another uncertainty in international affairs,' referring to the possible impeachment of President Nixon.

Mr. Kreisky's meeting yesterday with Soviet Premier Alexei N. Kosygin and President Nikolai V. Podgorny were described by informed diplomatic sources as 'very acrimonious' at times, and Soviet leaders were reported to be surprised by the Austrian chancellor's strong stand.

Premier Kosygin pushed Mr. Kreisky hard to sign a joint declaration calling for a speedy end to the conference and rejecting demands for freer contacts as interference in the internal affairs of European states, according to the diplomats.

Mr. Kreisky refused, arguing that such an approach would make a complete mockery of the security conference and that it was an insult to all the Western nations supporting improved human and cultural contacts as a key element in detente.

Austria's refusal to join the bandwagon Moscow had hoped to assemble to speed the conclusion of the conference, now 10 months into its second stage in Geneva, was viewed by diplomats here as a serious setback to the Kremlin's efforts to end the debate over relaxation of barriers to increased cultural and human contacts—probably the most controversial issue of the conference.

CRIME AND CHEMICAL ABNORMALITY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, as chairman of the House Crime Committee I was especially interested in the data presented to us indicating that some aspects of criminal behavior may be the result of physical abnormalities which dispose a person, often at a very young age, to crime.

Recently Sheriff Arnold B. Ladd of Morris County, N.J., brought to my attention the results of some blood tests conducted among the inmates under his jurisdiction. I would like to share the brief summary of these results which are described in the following news release from Sheriff Ladd's office:

The results of inmate blood tests done last year showed that inmates have abnormally low levels of the polyamine spermidine. This was an unexpected, unpredicted finding and the possibility remained that the results could have been due to chance. Inmates also had histamine (another polyamine) blood level ranges approaching those of schizophrenics. In addition, tests showed impaired liver function, probably due to drug and alcohol abuse accompanied by poor diet.

After great difficulties we obtained special permission from Washington to repeat these blood studies. Again the spermidine levels came out abnormally low, with less than one chance in a thousand that this finding is due to chance.

Spermine (another polyamine) levels were low, as predicted, with less than five chances in a hundred that this finding is accidental. Histamine levels averaged higher than last reading but continued to have the broad spread reported in schizophrenics. Liver function tests still showed impairment.

There is no doubt that our inmates have odd levels of polyamines as compared to the normal readings given us by the Brain Bio Center in Princeton. There is also good evidence that polyamines may be important to brain function and to behavior. On this testing spermidine did not appear related to the personality trait extraversion, as it appeared in the previous testing.

According to the Brain Bio Center, a low level of spermine is an indication of low blood sugar (relative hypoglycemia). We have other indications that many of our inmates suffer from some degree of low blood sugar and have been educated about this. Low blood sugar can precipitate anti-social or criminal behavior.

Because polyamines may influence brain function and behavior, it is very important that some medical schools and/or pharmaceutical companies take up this research.

THE ROLE AND MINISTRY OF THE CHURCH TODAY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on May 26 in Miami Hon. Richard A. Pettigrew, State senator from Dade County and formerly speaker of the Florida House of Representatives, at the 25th anniversary of the Episcopal Church of the Incarnation of Miami, delivered a very significant and understanding address of the role of the church and ministry in present day society.

At a time when the moral tone of the country appears to be so much lowered and respect for spiritual values seems to be so much diminished it is well to have an important political leader speak out on a spiritual subject. I, therefore, commend to my colleagues and to all who read this RECORD Senator Pettigrew's able address and ask, Mr. Speaker, that it appear in the RECORD immediately following these remarks:

The Role of the Church and Ministry in Present Day Society

You have asked me to speak about "The Role of the Church and Ministry in Present Day Society." This is a rather big subject to deal with in a short time, but I agree with you it is absolutely necessary that we see clearly what we and the church must be about.

I

First let me point out that we must *recover the meaning of great words* and of *basic Christian ideals*. The Church must proclaim and live and demonstrate what the real values of life are.

(a) Today science is giving us a marvelous world of synthetics which are fine in the material aspects of life, but there can be no synthetics and no substitutes in the spiritual life. God is God—He is the Real Thing and the church is here to put men and women and young people in contact with reality.

(b) Think of how we water down and misuse great spiritual words for advertising and commercial purposes. As someone has said: "God help us! We live in a world in which hero is a sandwich, in which Life is a magazine, in which Gusto is a drink, in which Power is a candy bar, in which Joy is a detergent, in which My Sin is a perfume, in which a Star is an actress three times divorced, in which the Real Thing is a Coke."

(c) Many people are deceived and manipulated by the tinsel and the baubles, by the neon advertising of cheap things, by fads and fashions and by high-powered technicolor publicity.

Therefore, we must get back to basic spiritual foundations. "God is a Spirit and they that worship Him must worship Him in Spirit and in Truth." "It is in Him we live and move and have our being." "Man can not live by bread or bombs or headlines or machines or technology alone."

II

The Church must be concerned with the whole person in the total framework in which he lives, the way he earns his living, the way he spends his money and his leisure time, the way he tries to satisfy his physical and spiritual hungers, how he can be saved from his sins, his mistakes, his follies, how he acts as a citizen—and that means how he acts politically.

"Politic" simply means "citizen." Political things deal with citizens, with people—and that means you and me. Jesus Christ lived and dealt with real people and with their fundamental needs. Think of His basic statement of His ministry when He stood up in the synagogue in Nazareth and read these words (Luke 4: 18–19) "The Spirit of the Lord is upon me, because he has annointed me to preach good news to the poor. He has sent me to proclaim release to the captives and recovering of sight to the blind, to set at liberty those who are oppressed, to proclaim the acceptable year of the Lord."

Surely we as His followers today must deal with the needs of God's children everywhere. We must be concerned with the needs of blacks in ghettos or blacks in South Africa, with the browns in Miami or New York or

London, with the yellow in Vietnam, or the whites in Appalachia.

The church in its ministry must work to enhance the rights, the dignity, and the worth of persons as persons, because they are God's children. This means:

To work for equal rights for all people;

To minister to human needs regardless of race, color or creed;

To work for racial and economic justice;

To take a stand for women's rights;

To battle overpopulation by working for family planning and "responsible parenthood" as our Catholic friends call it; and

To right wrongs and to fight every evil that degrades and destroys human beings.

III

To do this we must work constantly and persistently as St. Paul says "In season and out of season"—not by fits and starts or just when it suits our time or our convenience.

During the worst time of the gasoline shortage this winter, this sign appeared on a church bulletin board in a large city: "This Service Station open every Sunday."

That is true, but it doesn't go far enough, does it? The church is God's Service Station, and it must be open every day in its witness, in its ministry, in its service, in its fight against the evils that weaken and destroy human life. I don't mean just the church building being open, I mean we as Christians being on the job wherever we are every day in our Christian service.

IV

I am sure you will agree with me that what our nation needs most right now is a rebirth of integrity. We need to create a new moral atmosphere in which we realize that the social cement that can hold our individual lives and our social structures together are the Ten Commandments of the Old Testament and the Sermon on the Mount of the New Testament, particularly the Golden Rule taught by Jesus Christ.

To these great guides from the past we can add two simple but very practical tests. The test of Publicity—would I be willing to see the story of what I plan to do on the front page of the Miami Herald or the Miami News; and the test of Universality—would I be willing to have everyone else do what I intend to do?

V

The church must be the Body of Christ. Nobody else will be His body if we fail or falter.

We must be His healing hands.

We must be His prophetic voice.

We must be His loving and compassionate heart.

We must express His righteous indignation and fight His battles against those who would betray and demean human beings for greed and profit.

CONCLUSION

This is a great time for the Christian church and for us as Christians. This is not time for weakness or cowardice or defeatism. In a time of turmoil and change and uncertainty the church can and must speak out loud and clear.

1. Things need to be changed. Wrongs must be righted, evils must be overcome, justice must replace injustice.

2. We as Christians are called to change them. We can change people for God and for good. We can change our political and our economic systems for God and for good. We can change social customs and social structures for God and for good.

3. We can not do it alone but we can do it together by God's grace and with His help. Let us never forget St. Paul's great words of faith and courage: "I can do all things through Christ who strengthens me."

"I'd like to think, when life is done
That I had filled a needed post,
That here and there I'd paid my fare
With more than idle talk and boast;
That I had taken gifts divine,
The breath of life and manhood fine,
And tried to use them now and then
In the service of my fellow men.

"I'd hate to think, when life is through,
That I had lived my round of years
A useless kind that leaves behind
No record in this vale of tears;
That I had wasted all my days
By living only selfish ways,
And that this world would be the same
If it had never known my name.

"I'd like to think, when life is done,
That here and there shall remain
A happier spot that might have not
Existed had I toiled for gain;
That someone's cheery voice and smile
Would prove that I had been worth while,
That I had paid with something fine,
My debt to God for life divine."

ECONOMIC PROBLEMS AND POLICIES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, one of the outstanding economists of this country for a long time has been Hon. Robert R. Nathan who has held many positions of great importance in government and in the private, industrial, and business sphere. It is particularly valuable to the Members of Congress, therefore, I believe, to have an opportunity to acquaint themselves with a recent address delivered by Mr. Nathan on the subject of "Economic Problems and Policies." At a time when the Nation is so much afflicted by inflation, high interest rates, shortages of critical materials and other disruptions of our economy we need the wisest counsel we can get to know what can be done to correct the very serious situation we face in our economy today. One of our wisest counselors in the field of economics is Mr. Nathan. I, include Mr. Nathan's able address in the RECORD following my remarks:

ECONOMIC PROBLEMS AND POLICIES

The economic policies of the Nixon Administration have been the worst this country has experienced in the past half century. At least the Hoover performance can in part be excused because they lacked facts and didn't know better. Now, we observe a failure compounded of callous irresponsibility and duplicity.

Not only have the Nixon economic failures brought costly immediate wastes and hardships, but more serious has been the undermining of confidence in our economic goals and in the tools needed to improve economic performance. The crisis in the integrity of our political process flowing from Watergate is now paralleled by the crisis in our economic policies and programs.

We are in the midst of the second Nixon recession without having come anywhere near full recovery from the 1970 recession. In fact, five of the six post-World War II recessions occurred while Nixon was President or Vice President. Rare combinations of unemployment, rampant inflation and shortages have somehow been imposed upon the nation. If as the President's chief economic adviser stated "the people deserve" this situation, then the deserving arises out of allowing such bankrupt and dismal performance to persist.

We are suffering from the worst peacetime inflation in American history and the probabilities are high that even worse inflation lies ahead. Instead of seeking answers and offering constructive policies, the irresponsible economic leaders of the Nixon Administration behave as though they never had anything to do with the mess the country is in.

We have the highest interest rates in a century and the end is not yet in sight. The worsening inflation will bring further increases in bond and mortgage charges. We follow a tight money policy which has practically no chance of alleviating the inflation unless it turns the recession into a serious depression and that is a price this nation will not and should not endure.

We have had two devaluations of the dollar and several revaluations of other currencies, largely because the mishandling of the economy by the Administration has weakened the dollar so that it is no longer a currency in which governments have confidence.

Payroll taxes and state and local sales and property taxes have skyrocketed while Federal income taxes have been reduced so that the tax bite on the well-to-do has been eased and the incidence of taxation has fallen increasingly heavily on lower income groups. Simultaneously, there has been total failure to adopt new income maintenance schemes and programs or to adjust existing measures to alleviate the burdens of inflation and recessions on those least able to bear these burdens.

Suffering from these failures is bad enough. Insult has been added to injury because the public has simultaneously been fed dosages of economic falsehoods, fraudulent interpretations and trumped-up promises of future improvements. These activities closely parallel the political behaviors associated with the word "Watergate." In effect we have been experiencing "Watergate Economics" in which miserable performances are covered up by glossing over every failure, by exaggerating every slight improvement, by constant misrepresentations of every policy decision and action (or inaction), by shifting blame from those in authority, and endlessly being told that things will be much better next month, next quarter or next year.

Clearly, the Watergate mentality has not been confined to political opportunists. We have never had less economic frankness and truth from persons in responsible positions who really know better but who have been contaminated by and, in turn, have contributed to the Watergate atmosphere.

Of all the situations now encountered by the country rampant inflation is least likely to be solved by this Administration. Not only is the inflation itself imposing terrible hardships on many groups in our population, but it is making it exceedingly difficult to formulate and to adopt constructive economic policies designed to get this country back onto a healthy growth pattern with high levels of employment, with rational and efficient allocation and use of our resources, with moderate interest rates, with appropriate incentives for risk takers to modernize and expand our productive facilities, with proper protection of our environment and our wasting resources, with international trade and monetary arrangements that facilitate economic development in all countries, and with income maintenance measures that assure every American citizen an opportunity to share in reasonable degree in this nation's abundance.

The Nixon Administration denies that it is seeking to fight inflation through traditional recession policies. Yet that is the only path that is being pursued and it isn't going to break the inflation spiral. The only way inflation could be brought under control through this costly process is to have unemployment of 10 or 12 percent persist at least a couple of years. That is what in essence the George Shultz's and Herbert Stein's "let nature take its course" schools of thought really believe in. They have not quite used Herbert Hoover's expression that "prosperity is just around the corner" but that is their approach, namely, to wait it out and somehow we will have recovery and price stability. The excuses for failure will be that we have not been willing to accept a deep enough and long enough depression to be cured.

Now there has come forth a brave and warmed-over proposal of learning how to live with inflation by putting escalator clauses on every cost and income so that presumably the inability of each person and each corporation to cope with inflation is somehow alleviated. The new term for this irresponsibility is "indexing." What in effect we are having is again the admission of total bankruptcy of ideas among classical economists who before World War II resigned themselves to the inevitability of deep and recurring depressions. Now they are admitting failure to stop inflation and instead offer a complicated set of adjustments which will not work except possibly under some kind of economic totalitarianism. It is a sad day when it is suggested seriously that we use Brazil's anti-inflation experience as a model for the United States.

The chances are that inflation is going to get worse and worse until direct controls are authorized and exercised with integrity, with conviction, and with some flexibility to unwind the economic spiral that is trangling the American economy and bringing untold hardship on tens of millions of Americans who cannot cope with this inflation disease.

We need direct controls and we need them administered fairly and firmly and we probably will need them for at least a couple of years to break this spiral.

Not only did the Nixon Administration administer controls unfairly so that the burden fell most heavily on labor, but it also fulfilled its designed purpose of proving, by bad administration, that controls are not desirable. Under some circumstances controls are not only desirable but necessary for limited periods of time. It is a great tragedy that the Nixon Administration undermined this whole mechanism and weakened it to a point where many who understood the need for controls now have been sold the idea that controls won't work. True, they won't work under the subversive tactics of the Nixon Administration.

Labor is against the extension of controls because wages were held down while most primes rose. Labor's restraints were admirable but labor paid a price for its cooperation. The workers suffered drops in real income when the controls on prices were weakened. Many of the conservative economists really believed that the old measures needed to restore price stability were those designed to hold down wages. Their sales pitch was that prices would behave if wages were restrained. It hasn't worked that way. It is therefore understandable that labor has opposed the extension of authority on price and wage controls. But it is regrettable for the country.

The time has come for some new approaches to restore price stability or the war against inflation will be totally lost. One suggestion is the establishment of a Select Committee of the Congress, made up of Senators and Representatives, to review constantly developments in the field of inflation and to publicize good and bad policies and practices and focus the spotlight on changes in prices and costs which are excessive and which contribute to inflation. This kind of focus on price and cost practices might be helpful until more potent steps can be taken.

Congress should write a new law authorizing controls and setting forth very specific goals and objectives as well as definitive principles and guidelines which will not permit the Administration to sabotage the will of the Congress and the needs of the American people and which would assure fair and equitable treatment among different economic groups and sectors.

We need to restore full employment. In fact, we never had full recovery from the first Nixon recession. When the second recession began late in 1973 unemployment had not fallen below 4.6 percent from the 1970 recession level of more than 6 percent. This recession has brought the expected lower efficiency and lower productivity which in turn contributes to higher unit costs. What we urgently need is higher employment and higher production and greater productivity along with price stabilization policies. Higher employment and production can be a positive factor in the war against inflation as well as contribute to the nation's well-being.

The economy needs to be stimulated. There is much talk about tax reductions. Certainly a lowering of taxes will stimulate economic activity because it will leave more money in the hands of consumers and business which, in turn, will create more demand and encourage more production. Another alternative is to increase essential expenditures. We have desperate unmet needs in our society. To the extent that these needs can be more fully met with reasonable speed they should be given priority as a stimulant to renewed growth, both from the social and the economic points of view. We need to bolster our mass transit so as to help fight the energy shortage and reduce our reliance on imported oil. This will contribute also to improving our environment. The government could spend lots of money buying more buses for mass transit and this would also contribute to increased jobs in the motor vehicle industry.

Coal must be used in fuller measure to contribute toward energy independence for the United States. To achieve that, far more rail transportation capacity will be needed. Here, too, government expenditures can contribute greatly both to the national energy goals and to rising economic activity. We need far more urban redevelopment, especially when energy problems will tend to inhibit living far away from jobs and commuting long distances. Here also there are vast public programs that could be and should be initiated promptly where both economic expansion and social needs would be served.

To the extent that increased essential expenditures cannot be undertaken in adequate measure to increase employment and production quickly and effectively, temporary tax cuts should be adopted that would especially relieve sales and property and payroll tax burdens of inflation-scarred lower income groups. These tax cuts should be confined to reducing the payroll tax and to supporting the proposal of Senator Mondale to allow the choice of either tax credits or deductions in determining Federal income tax payments.

In the energy field it is time to quit playing politics with alternate warnings of continued shortages and political announcements that the crisis is over. Efforts to spread the gospel that the Nixon Administration has solved our energy problems are a great disservice to this nation. Shortages in traditional sources of energy are going to get worse in the years to come. We have already wasted too many precious years in relying increasingly on imports and failing to take the hard measures that will be needed to achieve energy independence for America. New policies and measures should provide reasonable incentives for experimentation and technological developments and for the efficient exploration and exploitation of new energy resources. At the same time we must not permit huge windfalls to accrue to oil companies and others benefitting unduly from the energy crisis.

There are endless other high priority policies which under the paralysis of the Nixon Administration have been neglected for too long. The well-being of the farmers is of national concern but the combination of threatened famine in many parts of the world coupled with skyrocketing prices of American agricultural products indicates a lack of planning and compassion in dealing with our agricultural problems. We need planning to get the utmost production from our vast and rich farmlands but we also need to have trade and price and food reserve policies which will not bounce around like yoyos and bringing recurring gluts and famine.

We need not sacrifice the environment in order to produce more fully to meet the wants and needs of our people. Environmental standards should not be abandoned. Also, we can and must pursue conservation measures that will protect the interests of our posterity as well as fulfill our immediate needs.

Our health services are inadequate and too costly to be available for all our citizens.

In essence, what this country needs is intelligent planning. We need planning that is not designed to regiment or subject our economy to rigid controls. Rather we need planning to establish goals and objectives along with appropriate implementing policies and procedures that will allow us to enjoy high levels of employment and production, price stability, rising living standards, a safe environment, and a quality of life which is within our resource capabilities. We can grow soundly if we concern ourselves with what we produce, how we produce it and how we distribute what we produce. Just as we need not resign ourselves to inflation and all of its enervating effects, we need not forego growth and high levels of employment and a more abundant as well as a higher quality of life.

LEAKY JUDICIARY COMMITTEE NEEDS PLUMBERS

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, a Chicago Tribune columnist, Bob Wiedrich, wrote a telling article which was published June 9 and it deserves the attention of all of us who will ultimately be called upon to make a judgment.

Mr. Wiedrich suggests all of us in the Congress should—

> Play this one straight, like it was for real and you were all statesmen. If Nixon's done wrong, impeach him. But give the man a fair shake. Someday the shoe might be on the other foot.

[From the Chicago Tribune, June 9, 1974]

(By Bob Wiedrich)

Someday the Shoe May Be On Other Foot

On two successive days last week, House Judiciary Committee members admitted they could find nothing to tie President Nixon personally to two alleged major administration scandals.

These involved repeated charges his order to drop an anti-trust action against the International Telephone & Telegraph Co. was tied to a $400,000 pledge for the 1972 Republican National Convention and that milk price supports had been hiked in exchange for a promise of $2 million from the dairy industry.

In each case, committee members—for the most part anonymously—conceded they had heard nothing on White House tapes to implicate Nixon in wrongdoing. These conclusions were dutifully reported to the American public, just as have been the multitude of other leaks from the supposedly secret sessions of the committee that will decide whether or not to recommend Nixon's impeachment by the House.

In essence, this was the first material favorable to Nixon's cause to trickle from the sieve the committee had become since the start of its inquiry. Until then, Nixon was getting murdered almost daily, mostly by nameless and faceless accusers who didn't want to be fingered as tattletales violating the committee's rule of secrecy.

Yet, it was almost incumbent upon them to do so since these allegations—now admittedly false—had been pounded into the American conscience for nearly two years, adding to the crescendo for impeachment or resignation by the President.

The I.T.T. and milk price cases had become issues in Sen. George McGovern's 1972 campaign. And some of Nixon's adversaries had really gone for Nixon's throat on these issues because they considered them evidence of plain and simple bribery at the highest level of government. However, after listening to the tapes, even some of Nixon's harshest critics had to admit Nixon had spoken truthfully when he declared that the order to drop the I.T.T. antitrust action was based on policy reasons rather than convention fund pledges.

Regardless, the damage was done. Nixon's clean bill of health in these instances could not get the blaring display the charges had received for days on end in the early stages of Watergate. For within hours, it was lost in a welter of other leaks from the Judiciary Committee and other sources back at their favorite game of hit and run and hide.

Even the allegedly inviolate secrecy of the Watergate federal grand jury was breached, as it had been a number of times before. Wham! Came the headlines that Nixon had been considered for a berth as an unindicted coconspirator in Watergate coverup deliberations earlier this year! Disregard the fact Nixon's name was never included in the indictment when it was returned March 1.

The enterprising reporters who pried that one loose claimed their sources were "close to the defense." They said the action had been disclosed at a "closed door" meeting of Federal Judge John J. Sirica, defense lawyers, and Special Prosecutor Leon Jaworski. Obviously, the blabbermouth must have been among those present in Sirica's chambers. Or perhaps it was a grand jury who figured enough time had passed to avoid an accusing finger.

For as any lawyer will tell you, the deliberations of a grand jury are not recorded. Under the rule of secrecy, the court reporter is required to leave the grand jury room.

Thus, Nixon was again kicked in the back under circumstances that ordinarily would have caused a federal judge to turn livid and order an investigation with contempt of court in mind. But forget the rules against prejudicial conduct. This was open season. The blood was on the moon. And the hounds were baying in pursuit.

Whammo! Out came the tale from the Judiciary Committee that Nixon and Secretary of State Henry Kissinger were deeply and personally involved in wiretapping and "spying" on White House workers and reporters. In this case, even the secret documents furnished the committee were leaked. And again, it was done in a fashion obviously designed to discredit Nixon by turning supposedly sober congressional deliberation into a sleezy public relations war.

To hell with the fact some wiretaps were ordered because the New York Times printed the United States' secret negotiating position in the crucial Strategic Arms Limitation Talks in 1971. Nixon's drawers were dragging. So bite 'em, bit 'em, bite 'em!

For God's sake, congressmen. Play this one straight, like it was for real and you were all statesmen. If Nixon's done wrong, impeach him. But give the man a fair shake. Someday the shoe might be on the other foot.

DR. WINFIELD W. RIEFLER: THE ECONOMIST—THE MAN

(Mr. BROWN of Michigan asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROWN of Michigan. Mr. Speaker memorial services were held for the late Dr. Winfield W. Riefler at the Cosmos Club here in Washington on May 7, 1974. The holding of the services is attributable to the thoughtfulness of Mr. Ralph A. Young, a former close friend and associate of Dr. Riefler, and was in recognition of the important service rendered to the Federal Government as a financial economist and adviser by Dr. Riefler.

In view of the relationship between Dr. Riefler and those who participated, it could be suggested that the opinions expressed during these memorial services were biased; however, I believe any fair examination of the Riefler record will establish the validity of the proposition that his contributions to the Federal Government and all Americans placed him a notch above most who functioned and performed in a similar capacity.

In order that my colleagues may have the advantage of the remarks expressed by the participants in these memorial services, I am including a transcript of them at the end of these prefatory remarks. However, as a sort of synopsis, I would like to mention that during the 1930's Win was secretary of, and adviser to, President Roosevelt's National Executive Committee on measures for economic recovery; first chairman of the Government's then newly established Central Statistical Board; and, finally, adviser to the Department of the Treasury on its fund to stabilize the dollor internationally. Some have characterized Win as the first more or less specifically designated economic adviser to a President; while others have noted that he was one of the original brain trusters in the economic area to President Roosevelt; and, still others remember him as the "father of FHA."

During World War II, he was the U.S. Economic Minister to the British Government in London where he functioned in the capacity of director of the allied governments' efforts in economic warfare. From 1948 to 1959 he served as assistant to the Chairman of the Federal Reserve Board under Chairman McCabe and Chairman Martin, and during the period 1952 to 1959 he was Secretary of the Federal Open Market Committee.

Although obviously Win and I were of different partisan persuasions, my many conversations with him during the time I resided in his home while attending law school at the George Washington University caused me to conclude that we had similar goals and objectives even though we might not have been in agreement with respect to the means and mechanisms which could be best utilized to accomplish such goals and objectives. In all such conversations, I never had any occasion to question Win Riefler's dedication and commitment to decision-making in the public interest.

The remarks of those participating in the memorial services follow:

MEMORIAL SERVICE: WINFIELD W. RIEFLER, FEBRUARY 9, 1897–APRIL 5, 1974

REMARKS BY RALPH A. YOUNG

As long time friends of Winfield Riefler we gather today with his wife and two sons, David and Donald, to pay homage to a life richly lived. That life we all know was consistently zestful, varied in its intellectual and artistic interests, and unselfish toward his family, professional associates, and the community at large.

As an economist, Riefler was a man of high competence, restless energy, and determination. He entered the profession in a transitional period that demanded intimate familiarity with the doctrines handed down from predecessors. Much of this received wisdom Win Riefler found acceptable but only on a level of generality that made him dissatisfied and restive as it did others of his contemporaries.

The challenge to the younger members of the profession, therefore, was to acquire comprehensive and detailed empirical knowledge of economic institutions and markets. Such knowledge would serve as a foundation for modernizing the body of economic doctrine. It was up to the new generation to see that the needed knowledge was rapidly accumulated and to devise new methods for accumulating. Specialization was called for. In Win's case the area of special interest was money, banking, and financial institutions. He applied himself diligently to this area and during the 1920's had two major achievements to his credit. The first was a pioneering study, Money Rates and Money Markets, published in 1930; the second, an important new quantitative series that reduced monetary factors determining the demand for credit at Reserve Banks to precise quantitative terms.

Not satisfied with this professional record, Riefler's imagination reached out into the central problem of the modern economy: How can a technological society achieve a more stable, orderly, and equitable performance than heretofore? The economic catastrophe of the 1930's raised compelling questions that had to find answers despite the absence of adequate knowledge. About this time a call to coordinate the Federal statistical service opened up an opportunity to reshape and extend the Federal Government's statistical program to better meet modern informational needs. But before this task could be accomplished, Win's energies were completely absorbed in devising remedies for faults in the financial system which the economic collapse had disclosed.

Win's experience up to this time prepared him for a broader role in advancing economic research for which he had a rare talent, in centralizing a broad design for desirable research, and in breaking it down into manageable parts for analysis. Exciting the interests of some younger economists by persuasive presentation of the possibility, often soliciting or arranging the necessary funding, and making full use of his own wide experience.

My first contact with Riefler came in 1929 when I was spending a year at the Department of Commerce. The elder statesman, David Friday, told me that Riefler was the ablest and most imaginative economist in Washington, and urged me to meet him and seek his views on my developing research interests. I acted promptly and found myself engaged in a very exciting conversation. I was fascinated. The imprint he left on my mind was deep and permanent. Eight years later he visited me at the University of Pennsylvania to engage my interests in an exploratory survey of research and finance under the auspices of the National Bureau of Economic Research. I jumped at the opportunity and there began a personal and collaborative relationship that was broken only by the war years and lasted until his retirement in 1959.

There are others who want to memorialize Win Riefler this morning, each from his particular relationship. First of these is Donald Riefler who will offer his views of Win as a man and a father. The other participants need no introduction and will follow one another in accordance with the listing of the program.

REMARKS BY DONALD B. RIEFLER

Win was a great guy and it was lucky for me to be his son, but it's difficult today to express easily what I felt about him, so I thought I'd mention a few incidents that took place between us during our lives because they are meaningful to me and I think they might be indicative of the kind of father that he was. I'll start early.

In about the third grade, reports came home from school that I was having an extremely difficult time learning how to read, and Win decided this was something he would take in hand personally. He always loved games and decided to devise a game that would solve this problem. So we got the book out and in the back were series of words listed in groups of ten and he told me that I could study the book as long as I wanted to and for each ten that I could get right without an error he would give me a dime. For each one I got wrong I had to pay him a penny and of course didn't get the dime for getting the ten right. Well, he knew me well too, I guess, and it didn't take long before I learned how to read and was making a lot of money from him.

A little later on, one characteristic that both David and I had as children that Win was not necessarily particularly pleased about was the fact that we had a reputation of being somewhat mischievous, but he had different ways of handling this too. I recall one day that in the winter we were living in Princeton and David and I were outside on the other side of the road with some snowballs and we were throwing snowballs at cars that were driving by, and we both let fly and suddenly realized simultaneously that the car that just drove by was a policeman's. As the snowballs crashed into the car, David took off like a shot. The policeman jammed on the brakes and I was petrified and couldn't move. He came storming out of the car and I wasn't sure what he was going to do to me. About this time, Win apparently had been watching out of the window, and he saw this activity going on. He came striding out of the door with a grim look on his face, and marched across the street and grabbed me by the arm and he said "Officer, I'll take care of this." At that stage of the game he led me back into the house, and I was still wondering what was going to happen to me next. After he got me in the house he walked back to the library and I could just see the side of his face and see just a little grin coming across his face. He knew I had learned that lesson very well. Nothing more need be said.

Toward the end when we were down in Florida, Win got very reminiscent, and he would recall his life, and we were conversing one day about the early days of the New Deal. Win, of course, had been with the Federal Reserve at that time and was asked to join the New Deal as economic adviser. When he did it, a lot of his friends at the Federal Reserve and a lot of his friends on Wall Street thought that this was a great mistake—that the New Deal was doing many things that were not considered reasonable and why should Win associate himself with this kind of a crowd. Win said he never understood that attitude at all, that he felt this was a marvelous opportunity. All sorts of new ideas were being proposed in the New Deal, some good and some bad. And it was an opportunity to get in there and work like hell for the good ideas and reject the bad ones.

And that was Win's message, he always believed in being involved and working like hell for the good ideas.

REMARKS BY MILES L. COLEAN

I feel rather inadequate to this assignment because there are others in this audience, and some who could not be here, who could recite this experience more aptly and more comfortable than I can. So by default I will tell my experience with Win in the early days of the New Deal.

I had read about Win and his proposal for a mortgage insurance plan back in Chicago before I came to Washington for five days in the spring of 1934, and by a set of curious chances, found myself among the group that was working on the legislation and establishment of an organization of what became the Federal Housing Administration. The origin of that idea came in the National Security Council to which Win was an adviser; and I think it is safe to say that Win was the first official economic adviser that the Federal Government had ever had. Marriner Eccles was closely associated with the enterprise, which was to find some stimulating force that would not require Government expenditure. That may sound anomalous coming from President Roosevelt, but it was his intent that something of this sort should be found. Marriner Eccles was enthusiastic about and promoted it and Win developed the idea. The concept was built upon failure—the failure of the old mortgage guaranty companies of the 30's and 20's—but Win, with his keen mind, as Ralph has described, analyzed what the faults had been and prescribed remedies that created a unique social experiment, and a unique institution, that in spite of all the difficulties and erosion that was encountered over the last 40 years still persists and still is capable of doing the job that Win had in mind.

The idea was an organization based on the pooled risk principle but with the risks shared among the insuring agency, the borrower, and the lender, the whole self-supporting. It was a unique idea and it was a great success. Within less than 20 years it had built up reserves capable of withstanding a depression such as the mortgage industry had suffered in the 30's, and it paid back the Government all that it had advanced to get the organization started, plus interest—a masterful achievement in every way.

But Win's achievements went way beyond his ability to invent social institutions. He was a man of warm friendship. I appreciated his advice at every stage in the years that I was with FHA, and profited by his comments on many occasions. I sought him out at Princeton and at Hillside in New York and I worked with him on the financial research project that Ralph helped so nobly to organize.

I would like to just mention one personal anecdote that my wife put me in mind of as we came in. Win was loved by children as well as older people and our small daughter was a particular favorite. I came home one night from work to find her walking back and forth in front of our house with a placard hung on her neck. I asked her what it was about and she said she was a picket and that pickets didn't talk. I read the placard which said "This place unfair making me go to bed at eight o'clock. If no change will go to live with Win Riefler."

REMARKS BY ERIC H. BIDDLE

My thoughts of Win Riefler that I'll share with you this morning, take me back. The place was the old State War and Navy Building at 17th and Pennsylvania Avenue, now known as the EOP. The time was late summer in 1942. By pure chance I ran into Win Riefler in the halls and having just arrived from London, congratulated him on his appointment which had just been announced as Minister for Economic Warfare at the Embassy in London. He reported that he was leaving for London the following morning to take up his new post. On the spur of the moment, without any prior thought, I invited him to share my flat at 40 Berkeley Square in London, where he had actually visited me only a few weeks before when he was on a reconnaissance trip prior to taking up his appointment. He accepted promptly.

Our shared living arrangement began then and continued for the whole of the two years that Win was in his London appointment. London in those days was the base of all U.S. Allied and Economic operations in Europe including Eisenhower's headquarters prior to his North African landings, and later SHAEF up until well after D-Day. Economic warfare was a very special case. As many of you know, economic warfare in World War II was concerned with denial to the enemy, worldwide, of critical materials, such matters, that is, as pre-emptive buying of critical materials, of operation and maintenance of the blockade. Selection of bombing targets and others were within the purview of economic warfare as then understood.

Win brought to this assignment his abundant economic wisdom, his rare analytical capacity, his profound politico-economic insight, and with it all his special capacity for developing and maintaining trusted and trusting close relationships with his U.S. and Allied opposite numbers.

There are others here today—we've heard two or three of them—who will talk about Win's superior intellect, his great capacities and accomplishments. Because of experiencing as we did such a close personal relationship in sharing the altogether indefinable aura of wartime London, I prefer to focus for a moment on some of the human qualities of this very exceptional man as revealed to me during that time of stress.

In this two-year period of constant daily contact one could not help but be aware of and be influenced by Win's warmth, his equable disposition, and his penetrating mind. But I was constantly aware for the entire period of two sources of deep distress. One was the natural distress resulting from separation from Dorothy and the family. As to the second, one sensed a muted, almost entirely misspoken, awareness to Win's deep concern with what he knew to be the inescapably sad consequences of the practical application of economic warfare measures, such as the deprivation resulting from the denial of food and medical supplies for beleaguered people.

In my assessment Win's truly remarkable accomplishments during that period are enhanced by recognition of this heavy, hidden toll that I knew he was paying then. And I think perhaps that an appreciation of that toll today may bring into even clearer perspective the quality of this wise and sensitive man, Win Riefler.

REMARKS BY THOMAS M'CABE

I know Win would have loved to be here today among his old friends, just as I have enjoyed it because I've seen people I haven't seen for 23 or 24 years.

My friendship with Win Riefler began in 1941, when he was appointed a Class C Director of the Federal Reserve Bank in Philadelphia, and I was Chairman. Subsequently, I met Win during World War II in Washington, where we both were serving, and in London, where he was special economic minister.

When I was appointed Chairman of the Board of Governors of the Federal Reserve System in 1948, I thought immediately of Win as Assistant to the Chairman. I knew of no one else in the country with his competence as an economist, especially in the areas of money and banking. He was then at the School for Advanced Study at Princeton, but after much persuasion he agreed to come to the Federal Reserve. Allan Sproul, former President of the New York Federal Reserve Bank and one of the ablest men in banking, wrote me only recently that Win was one of his oldest friends and one of the most remarkable men who found a career in the System.

The Federal Reserve has experienced many stormy periods in its history, but the years 1949–51 were undoubtedly among the stormiest. The major issue was the Federal Reserve's struggle to regain its statutory independence, especially in its government bond open market operations, against the strong opposition of the Secretary of the Treasury, who was supported by the President. After a long period of travail, we appointed Win in early 1951 and urged the Treasury to appoint Bill Martin to negotiate the basic differences between us and to continue their efforts until they had reached a mutually satisfactory agreement.

At the time I used the expression of putting them in a room together, locking the doors, and keeping the key until they were ready to come out. I might say the Treasury accepted this suggestion with some reluctance because they wanted to start at a lower staff level. These two wonderful men did finally agree, and they came out after a few days—and only a few days—with an agreement which we now refer to as "The Accord", which I think is one of the most outstanding documents and achievements in Federal Reserve history.

Bill Martin and especially Win Reifler, as architects of the Accord, have never been given full credit for their magnificent achievement. If they had not accomplished what they did, the Federal Reserve would be in a very feeble position to combat inflation—the inflation which we had then as well as the inflation in which we are now.

It was fortunate for the country that President Truman appointed Bill Martin to succeed me as Chairman. He and Win, working harmoniously together, established a new high record of excellence in Federal Reserve performance.

I never worked with any one who had a keener and more imaginative mind than Win or knew more about the disciplines in which he had been trained. It was a delight to work with him because he was a genuinely friendly person with complete integrity, a wonderful sense of humor, keen zest for life, and a natural humility that endeared him to his colleagues.

My wife and I were happy to visit Win and Dorothy at their Florida home shortly before Win's death. They were a devoted and inseparable couple, and I will always cherish that visit with those dear and long-time friends as a wonderful time of reminiscence about Washington and good talk about current events.

The words of Shelly in memory of his friend John Keats seem appropriate:

"He has outsoared the shadow of our night
He is secure, and now can never mourn
A heart grown cold,
A head grown gray in vain.

"He is made one with nature; there is heard
His voice in all her music
He is a presence to be felt and known
In darkness and in light.
"He is a portion of that loveliness
Which once he made more lovely
And his works do live after him."

REMARKS BY C. RICHARD YOUNGDAHL

My comments about Win will be made from a slightly different perspective than the previous speaker. I was a junior official, I wouldn't even say officer, in the Federal Reserve at the time that I first came to know him. I knew Win Riefler as a friend, humanitarian, and nature lover, economist, central banker, massive intellect and analytical genius. One could go on and on. I knew him best at the Board in the early 50's, and I saw all of these qualities and many more displayed in abundance.

When Win returned to the System shortly before the Korean War, inflation was the number one economic problem. A huge Federal debt was paralyzing Federal Reserve efforts to curb bank credit and monetary expansion, and the Board had spent a number of fruitless years trying to sell to the country a secondary reserve plan that would have tied up a part of the Federal debt held by the banking system. Win showed a little or no interest in the many variations of these bank reserve plans. He perceived that the problem was far broader; that the Federal debt, when supported in price by the Federal Reserve System, constituted instant liquidity no matter who held it. Since the economy was over-liquid the need was to remove the supports on the Government security market. As we've heard, Win played a key role in this effort and in its ultimate negotiation with the Treasury.

I would like to recall an incident that happened slightly in advance of the time when Win and Chairman Martin got together. It was in the summer of 1950 shortly after the outbreak of the Korean War and just at the time that the Federal Reserve had the temerity to raise the discount rate—I believe it was from 1½ to 1¾ per cent, I forget the exact amount.

Immediately the Treasury rushed out and announced refunding terms that were absolutely completely out of accord with the new level of the discount rate, and Win conceived the strategy at the time that made it possible for the Fed to proceed with its policies. And that strategy was to buy up all the maturing securities, and I believe there were some $4 billion dollars or more involved, accept the refunding offering which the Treasury was offering, take it all into the Federal Reserve portfolio, and proceed to sell out of the Federal Reserve portfolio at higher interest rates an equivalent amount of other things.

Now the Treasury accomplished its refunding, but it was also put on notice by that action that the Fed was no longer a permanent captive of Treasury requirements. Win had developed the open market equivalent of the pass or run option.

The ultimate development of the Treasury-Federal Reserve accord in early 1951, with Win as a key negotiator, had its seed in this small element of flexibility from Treasury refunding domination that Win was able to devise.

But Win's efforts to remove from the economy the excess liquidity of the Federal debt did not end with the accord. Freedom to stop supporting Treasury security prices did not automatically bring a free market in Government securities. The dealer market itself, long dependent on the Fed for guidance, had to be strengthened and broadened, and this strengthening was slow in developing. A Board study of the market functioning in which Win, again, played a dominant role, revealed a vestigial concern by dealers as to Fed Open Market intentions that kept the market in a crippled and dependent condition.

Win's thesis was that open market activity should be confined to the shortest term sector of the market, that part of the market which is the broadest and the nearest to money itself, and in particular the Treasury bills.

The market would then be free to find its own relationships without fear of Fed intervention to impose a yield structure of the Fed's own choosing. The "bills usually" doctrine was adopted and followed for years. Even though now repealed in form it is still followed largely in substance.

It is hard to imagine what the Government security market and indeed the entire economy would be like today if Win's insights of the early 50's had not so changed the nature of the Fed's Open Market role.

But for me Win was much much more than the brilliant central banker. Win was a kind and considerate person who brought these qualities into every contact with his associates. In open meetings, small groups, and private discussions, he cared about people as individuals. His towering intellect was never used to overpower but rather to lead and to help a person find the answer himself. I remember with pleasure the many hours I was privileged to spend with him in a small morning group where we looked at the problems of the times. The analytical capacity of the Riefler mind was a marvel to observe.

My wife and I treasure the social times we had with Deezie and Win. We remember the home that they fashioned out of two small houses, imaginatively tying them together with a large high-beamed living room that kept the charm of the old and gave utility to the totality. We remember Win the gardener, Win the grass expert, Win the builder, but most dearly we treasure the memory of Win the friend.

REMARKS BY WM. M'CHESNEY MARTIN, JR.

Both Cynthia and I appreciate this opportunity to be here and pay tribute to Win Riefler. I know he would have enjoyed being here and seeing so many of his good friends and associates. You have heard several comments on how fortunate we all have been to know him and what an inspiration he has been to us all in many ways.

Now obviously there is very little I can add to what the previous speakers have said except on a personal basis. It was my good fortune to work with Win Riefler during the time that Tom McCabe has said was the most difficult time in the Federal Reserve's history—and I won't challenge that, although I'm sure it's had many difficult times and will have many more difficult times. But I give Win Riefler full credit for whatever came out of the Treasury-Federal Reserve accord. He was the keystone, and it was his analytical mind and his tolerance and at the same time his willingness to compromise the important principle which made that accord possible. I had known him very slightly before that time, and as Assistant Secretary of the Treasury was given the authority to enter into those negotiations, and Win was more than responsive but just like rock when it came to the fundamentals.

I think that this is a trait that we all recognize and we admire when it has along with it an ability to be tolerant of other people and tolerant of lesser minds. And I say in no sense of false modesty that Win Riefler's intellect was infinitely superior to mine, that he had a bigger grasp and a greater grasp of finance and financial activities than I had, and therefore it made it possible for me to enter into my later duties as Chairman of the Federal Reserve, secure in the knowledge that his view of independence of the Federal Reserve was based on independence within the Government but not independence of the Government, that he fully appreciated the importance of money, and sound money, but at the same time he didn't want money to be our master, he wanted it to be our servant.

And in the sense that he was pursuing sound monetary policies, he was pursuing them with an understanding that unless we had sound money we would be servants and not masters of that money. This is something that all of us, I think, must recognize.

The Federal Reserve System has been blessed with a great many competent people but none more competent or more dedicated than Win Riefler, and he rendered a service which is recognized by this group here today and by many more who could not be here today. And I, as Chairman for a short period of time and working with him, am very glad to testify to the contribution which he made to the work of the Federal Reserve System and to finance in this country.

Cynthia and I had the privilege of traveling with Win on several occasions and everything that's been said here about him is true. He enjoyed a zest for life. I remember on one of our trips from Basle to Le Havre, that we had great pleasure in finding places where we would point out and say "that would be a good place for you to retire, Win," and then we would discuss whether Dorothy would like it or not, and we gradually moved on toward the sea coast.

Obviously, his qualities as a man and his inspirational and intellectual knowledge were very rare and something that meant a great deal to all of us.

But above all I think he was a man of faith, a man who believed we could work out our problems and no matter how difficult the situation was he came with a constructive point of view. And I simply close these brief comments of mine, and in behalf of some of my associates on the Federal Reserve Board who worked with him, by saying that within the words of the Apostle Paul he fought the good fight always, and he ran the course and when he came to me and said he wanted to retire, he was doing it with the knowledge that he had run his course to the end as he saw it. And above all he kept the faith. That's a heritage that all of us can be proud of and I think all of us who are here today are better because of the fact that we knew and worked with and had the affection and respect of Win Riefler.

REVENUE SHARING

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, over the last weekend I noticed a number of remarks being made at the Mayors' Conference to the effect that our cities are being shortchanged by the present administration.

I do not accept such arguments for the desirability of removing Mr. Nixon from office. While I am a country boy myself, I feel a quick glance at the record will reveal the President has made solid contributions to America's cities.

Revenue sharing, although disagreeable to some, has funneled billions into cities, and Mr. Nixon's anticrime and drug abuse funds have helped cut down the permissiveness which flourished under people like Ramsey Clark.

Assistance to mass transit and moves to help cities in many other areas are hardly the earmarks of a deafness to the needs of our metropolitan centers.

The mayors who made the most unsupported statements are, as usual, the ones who drew the headlines. I would like to set the record straight during these times of "kick the President," and point out some of the ills of the cities might be laid more rationally at the feet of others.

A MOVEMENT IS MANIFEST

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, I commend the attention of my colleagues to a recent article in the Baton Rouge State Times. In view of the ever-increasing demands of this consumer group and that ecology interest, it is wise to make sure that all the restraints called for are in the best interests of the only real producer in our society, business. Without it, we will not have to be concerned with the quality of goods and services. There may not be any.

The article follows:

[From the State Times, June 12, 1974]

A Movement Is Manifest

A movement to discredit American business as an institution is increasingly manifest.

Some extremists in what is called consumerism tend to take the most trivial complaints and magnify them into the great plot of some massive corporation to mulct the innocent buyers of their goods.

Americans ought to have their heads examined if they don't dissect this movement and lay it out on a porcelain table for analysis and subsequent disposal.

The rising tide of governmental regulation, meaning governmental intervention in business enterprise, is attributal to the extremist advocates of consumerism, of ecologism and of "no growth" America. More regulations, more reports, more staff time to negotiate with regulators and more lawyers to defend against more accusations leave American business with less people, less time and fewer resources to devote to the production of goods and services.

It increasingly appears that the spokesmen for some proposed legislation are more determined to destroy business than to encourage quality goods and services.

New regimentation camouflaged as consumer protection, ecology or a vaguely identified "public interest" ought to be resisted.

A good start would be a repeal or sensible amendment of the federal Occupational Safety and Health Act, which has engulfed business in a maze and labyrinth of regulations and makes most easy the arbitrary, bureaucratic harassment of responsible, productive and tax-paying business by hordes of federal regulators or disgruntled employes or union shop stewards.

Government is by its very nature parasitic. It's a necessary parasite; but it never has produced an ounce of wealth of food or shelter or apparel in any form. All that government has to spend, it first must take from the people who are the producers; in concert or individual, labor and management alike.

Shoddy products and inept or impudent service carry their own penalties. People simply stop doing business with the purveyors of these questionable items.

The customer's intentions are the best control of all.

When he quits, the business collapses.

Somehow, so many of the simple things elude people in their considerations.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. Hansen of Washington, for June 27 and 28, and until July 8, on account of official district business.

To Mr. Madigan, for Wednesday and the balance of the week, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Young of Florida) to revise and extend their remarks and include extraneous matter:)

Mr. Steiger of Wisconsin, for 20 minutes, today.

Mr. Don H. Clausen, for 15 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mr. Cohen, for 10 minutes, today.

Mr. Findley, for 2 minutes, today.

(The following Members (at the request of Mr. Vander Veen) to revise and extend their remarks and include extraneous matter:)

Mr. Podell, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Murphy of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. Ichord) and to revise and extend their remarks and include extraneous matter:)

Mr. Bingham, for 15 minutes, today.

Mr. Dent, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Hawkins, to address the House for 1 minute, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $940.50.

Mr. Symington prior to passage of H.R. 15572.

Mr. Brown of Michigan notwithstanding the fact it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $574.75.

Mr. Mizell, to revise and extend his remarks of Mr. Harsha in the Committee of the Whole today on the Harsha amendment on H.R. 14883.

(The following Members (at the request of Mr. Young of Florida) and to include extraneous material:)

Mr. Steiger of Wisconsin.
Mr. Dickinson.
Mr. Heinz.
Mr. Hunt.
Mr. Hosmer in three instances.
Mr. Brotzman.
Mr. Camp.
Mr. Wyman in two instances.
Mr. Walsh.
Mr. Esch.
Mr. Symms in two instances.
Mr. Brown of Michigan in two instances.
Mr. Roncallo of New York.
Mr. Martin of North Carolina.
Mr. Burgener.
Mr. Findley.
Mr. Hanrahan.
Mr. Cohen in 10 instances.
Mr. Shuster.
Mr. Pritchard.
Mr. Anderson of Illinois.
Mr. Bray in three instances.
Mr. Young of Illinois in two instances.
Mr. Froehlich.
Mr. Rhodes.
Mr. Huber in two instances.

(The following Members (at the request of Mr. Vander Veen) and to include extraneous material:)

Mr. Fascell in five instances.
Mr. Hamilton in 10 instances.
Mr. Gonzalez in three instances.
Mr. Rarick in three instances.

Mrs. SCHROEDER in 10 instances.
Mr. TIERNAN.
Mr. MAHON.
Mr. PATTEN.
Mr. ROYBAL.
Mr. HANNA in six instances.
Mr. DELLUMS in five instances.

SENATE BILL REFERRED

A bill of the Senate of the following *title* was taken from the Speaker's table and, under the rule, referred as follows:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. ICHORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 27, 1974, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2492. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to Indian tribes and the Trust Territory of the Pacific Islands; to the Committee on Education and Labor.

2493. A letter from the Acting Assistant Secretary of State for Economic and Business Affairs, transmitting the 26th report on operations under the Mutual Defense Assistance Control Act of 1951 (Battle Act), pursuant to section 302(b) of the act (22 U.S.C. 1613a(b); to the Committee on Foreign Affairs.

2494. A letter from the Deputy Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 1114 of title 18 of the United States Code to include officers and employees of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

2495. A letter from the Comptroller General of the United States, transmitting a report on how ship transfers to other countries are financed by the Departments of State and Defense; to the Committee on Government Operations.

2496. A letter from the Comptroller General of the United States, transmitting a report on continuing logistics issues and constraints in the Navy's logistic support of the 7th Fleet in Southeast Asia; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. POAGE: Committee of conference. Conference report on S. 3458 (Rept. No. 93-1154). Ordered to be printed.

Mr. PRICE of Illinois: Joint Committee on Atomic Energy. H.R. 15416. A bill to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes; with amendment (Rept. No. 93-1155). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. House Report 93-1156. Adverse effects of coal mining on various Federal reservoir projects (Rept. No. 93-1156). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 13565. A bill to establish a national program for research and development in nonnuclear energy sources; with amendment (Rept. No. 93-1157). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of conference. Conference report on House Joint Resolution 1062 (Rept. No. 93-1158). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 15623. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. BYRON:

H.R. 15624. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the national wilderness preservation system, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BYRON (for himself, Mr. CARTER, Mr. GUNTER, Mr. HALEY, Mr. MALLARY, Mr. QUIE, Mr. ROBINSON of Virginia, and Mr. SEIBERLING):

H.R. 15625. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. DELLENBACK (for himself and Mr. DON H. CLAUSEN):

H.R. 15626. A bill to amend the Fishermen's Protective Act of 1967 in order to strengthen the import restrictions which may be imposed to deter foreign countries from conducting fishing operations which adversely affect international fishery conservation programs; to the Committee on Merchant Marine and Fisheries.

By Mr. DUNCAN:

H.R. 15627. A bill to amend section 235 of the National Housing Act to provide that increases in a mortgagor's income shall be taken into account (for purposes of determining the amount of his required mortgage payment under the program of homeownership for lower income families) only to the extent that they exceed increases in the cost of living; to the Committee on Banking and Currency.

By Mr. FORSYTHE:

H.R. 15628. A bill to amend the Rail Passenger Service Act of 1970 to provide that, prior to a change of railroad rates, fares, charges, or service or discontinuance of service by the National Railroad Passenger Corporation, a public hearing be held in the State in which such change is to occur if requested by a majority of the total number of U.S. Senators and Representatives or the Governor of such State; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. ADDABBO, Mrs. SULLIVAN, Mr. JONES of North Carolina, Mr. MOAKLEY, Mr. MINISH, Mr. HECHLER of West Virginia, Mr. BOLAND, Mr. HELSTOSKI, Mr. ROE, Mr. NEDZI, Mr. SYMINGTON, Mr. BEVILL, Mrs. MINK, Mr. CHARLES WILSON of Texas, Mr. MURTHA, Mr. DUNCAN, Mr. DIGGS, Mr. LUKEN, Mr. SISK, Mr. DAVIS of South Carolina, Mr. CONYERS, Mr. YATRON, Mr. FORD, and Mr. RODINO):

H.R. 15629. A bill to provide that the increase in supplemental security income benefits under title XVI of the Social Security Act which was enacted (effective July 1, 1974) by section 4 of Public Law 93-233 shall not be taken into account in determining the minimum level of required State supplementation of such benefits, in any State, until the legislature of the State has had an opportunity to consider such supplementation; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. THOMPSON of New Jersey, Mr. ASPIN, Mr. STUDDS, Mr. EILBERG, Mrs. COLLINS of Illinois, Mr. MYERS, and Mr. MURPHY of Illinois):

H.R. 15630. A bill to provide that the increase in supplemental security income benefits under title XVI of the Social Security Act which was enacted (effective July 1, 1974) by section 4 of Public Law 93-233 shall not be taken into account in determining the minimum level of required State supplementation of such benefits, in any State, until the legislature of the State has had an opportunity to consider such supplementation; to the Committee on Ways and Means.

By Mr. HANSEN of Idaho (for himself, Mr. LUJAN, and Mr. RONCALIO of Wyoming):

H.R. 15631. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology; to the Joint Committee on Atomic Energy.

By Mr. HELSTOSKI:

H.R. 15632. A bill to amend the Federal Aviation Act of 1958 to require the installation of airborne, cooperative collision avoidance systems on certain civil and military aircraft, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HENDERSON:

H.R. 15633. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from the minimum wage and overtime requirements for that act for certain full-time babysitters; to the Committee on Education and Labor.

By Mr. ICHORD:

H.R. 15634. A bill to prohibit the importation into the United States of any fresh, chilled, or frozen cattle meat during a 180-day period; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. BELL, Mr. DOWNING, Mr. WINN, Mr. CAMP, Mr. MARTIN of North Carolina, Mr. KETCHUM, Mr. THORNTON, and Mr. PARRIS):

H.R. 15635. A bill to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to amend the National Science Foundation Act of 1950 and the National Aeronautics and Space Act of 1958, to provide for scientific and technical training in solar enery, to establish a Solar Energy Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes; to the Committee on Science and Astronautics.

By Mr. SEBELIUS:

H.R. 15636. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. SIKES (for himself, Mr. Stephens, Mr. Won Pat, and Mr. Fisher):

H.R. 15637. A bill to amend the Agricultural Act of 1970 to increase the amount authorized to be appropriated for the forestry incentive program administered under title X of such act and to increase the size of a tract which may be affected by such program; to the Committee on Agriculture.

By Mr. VIGORITO:

H.R. 15638. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. WYMAN:

H.R. 15639. A bill to amend title 18 of the United States Code to exempt State-conducted lotteries from certain prohibitions of Federal law; to the Committee on the Judiciary.

H.R. 15640. A bill to amend title 39 of the United States Code, to exempt State-conducted lotteries from certain prohibitions of Federal law; to the Committee on Post Office and Civil Service.

By Mr. YATRON (for himself, Mr. Cotter, Mr. Meeds, Mr. Andrews of North Dakota, Mr. Lagomarsino, and Mr. Conte):

H.R. 15641. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the congressional advisory legislative line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Ms. ABZUG (for herself and Mr. Edwards of California):

H.R. 15642. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. DIGGS (by request):

H.R. 15643. A bill to reorganize public higher education in the District of Columbia, establish a board of trustees, authorize and direct the board of trustees to consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the board of trustees to administer the University of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. JONES of Tennessee:

H.R. 15644. A bill to amend the Internal Revenue Code of 1954 to increase from $750 to $1,500 the personal income tax exemptions of a taxpayer; to the Committee on Ways and Means.

By Mr. PRITCHARD:

H.R. 15645. A bill to amend the Food Stamp Act of 1964 to provide that social security benefit increases (beginning with those becoming effective in 1974) are to be disregarded in determining a household's eligibility to participate in the food stamp program and the amount of its benefits under such program; to the Committee on Agriculture.

H.R. 15646. A bill to provide that social security benefit increases (beginning with those becoming effective in 1974) are to be disregarded in determining eligibility for assistance under the medicaid program; to the Committee on Ways and Means.

By Mr. ROONEY of Pennsylvania:

H.R. 15647. A bill to establish university coal research laboratories and to establish energy resource fellowships, and for other purposes; to the Committee on Science and Astronautics.

By Mr. SPENCE:

H.R. 15648. A bill to amend the Federal Election Campaign Act of 1971 to provide for more effective regulation of elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. WYATT:

H.R. 15649. A bill to provide for addition to the Fort Clatsop National Memorial of the site of the salt cairn utilized by the Lewis and Clark Expedition, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GUDE:

H.R. 15650. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.J. Res. 1079. Joint Resolution proposing an amendment to the Constitution of the United States with respect to the rights of unborn persons; to the Committee on the Judiciary.

By Mr. BYRON:

H. Res. 1198. Resolution relating to the participation of the United States in an international effort to reduce the risk of famine and lessen human suffering; to the Committee on Foreign Affairs.

By Mr. HANLEY:

H. Res. 1199. Resolution expressing the sense of the House of Representatives concerning the rights and civil liberties of the Irish minority in Northern Ireland; to the Committee on Foreign Affairs.

By Mr. TIERNAN:

H. Res. 1200. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

By Mr. WOLFF:

H. Res. 1201. Resolution expressing the sense of the House of Representatives concerning the rights and civil liberties of the Irish minority in Northern Ireland; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

506. The SPEAKER presented a memorial of the Legislature of the State of South Carolina, relative to restrictions on beef imports, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H.R. 15651. A bill for the relief of Edward G. Kelso; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 15652. A bill for the relief of Carla K. Finch; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 15653. A bill for the relief of Lt. Col. Robert L. King (retired); to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

A TRIBUTE TO SUPERIOR COURT JUDGE JAMES R. GIULIANO

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RODINO. Mr. Speaker, I want to take a moment today to bring to my colleagues attention the retirement of one of Essex County and the State of New Jersey's finest public servants—and my dear friend, Superior Court Judge James R. Giuliano. Judge Giuliano, on June 18 of this year ended a career which spanned 50 years of jurisprudential history in the State of New Jersey.

Judge Giuliano began his public career at the age of 21, when in 1926 he was elected a Republican committeeman in the city of Newark's old eighth ward. The following year he was graduated from the New Jersey Law School and was admitted to the New Jersey Bar.

Judge Giuliano demonstrated the passion for honest government which was to consume his career when in 1934 he joined the then newly formed Essex County Clean Government movement.

Giuliano has served his State and Nation in both appointed and elected positions. In 1935 and 1936 he served as a member of the New Jersey State Assembly, the lower house of the New Jersey State Legislature. In 1944, Judge Giuliano was appointed a deputy attorney general by then Attorney General Walter D. Van Riper. In this capacity, young James Giuliano was assigned to criminal prosecutions in Hudson County where he won convictions in an amazing 53 out of 54 cases—a record which made him one of America's most successful trial lawyers.

As New Jersey's own Star Ledger newspaper noted:

> Even threats on his life in connection with the prosecution of the Joseph Grillo and Silio DeVita murder case failed to bring any slackening in his pace as a prosecutor, which by 1957 had seen him working on over 250 murder cases.

Asked by the Star Ledger to comment on the single element responsible for his outstanding record as a prosecutor, Judge Giuliano remarked:

> I think I was known as a man who prepared. The secret of a good prosecutor lies in preparation, belief in your case, impressing the jury with your sincerity, and something I never failed to emphasize to a jury; that you are working for a very important client, the State of New Jersey.

After working in the Essex County prosecutor's office as both second assistant prosecutor and later first assistant prosecutor, Giuliano was appointed as an Essex County court judge. From there in 1960, he was nominated to the superior court of New Jersey by then Gov. Robert B. Meyner. Former Gov. Richard J. Hughes reappointed Giuliano to this position in 1966. Within a month after his reappointment, Judge Giuliano was named as acting assignment judge by Chief Justice Joseph Weintraub. Giuliano served briefly in this capacity as Middlesex County assignment judge before being appointed Essex County assignment judge. It was in this position that Judge Giuliano completed his distinguished career.

During the time he served as assignment judge, Giuliano worked on modification of a program to ease bail restrictions and developed a plan to provide a legal defense for all financially indigent defendants charged with criminal offenses. Judge Giuliano also helped create a more independant grand jury system in Essex County.

Upon his retirement the Star Ledger of Newark saw fit to print the following editorial tribute to this distinguished citizen:

> A MAN OF LAW
>
> Public life has been a way of life for Superior Court Judge James R. Giuliano, the assignment jurist in Essex County. After 50 years of government service, he is winding up an eventful and colorful career that began at the callow age of 21.
>
> Judge Guiliano retains much of the zest and drive that marked a successful entry into politics, when he was elected Republican county committeeman in 1926, a year before he was admitted to the bar.
>
> Law and politics were prime, dominant forces for this blunt, outspoken jurist. He had a reputation as a tough but fair prosecutor, traits that were readily distinguishable in his lengthy tenure on the bench. In 1944, as deputy attorney general he was assigned to criminal prosecutions in Hudson County, where he won convictions in 53 of 54 cases.
>
> Although he maintained an abiding, lively (albeit non-active) interest in politics, the law in all its myriad phases has been preeminent for Judge Giuliano. Before his elevation to the bench, he had been a prosecutor with an enormous capacity for trial work, representing the state in 250 murder cases.
>
> He displayed a toughness in character when he assumed the prosecution of a homicide case that aroused community passions and even brought threats on his life. He was placed under 24-hour guard during the trial, in which the defendants were given death sentences, later commuted to life terms.
>
> And now, on his 70th birthday, still vigorous and alert, Judge Giuliano is stepping down from the bench for the last time. As his judicial colleagues would fondly attest, his voice remains a powerful advocacy (in decibels as well as commitment) for law and justice.

In spite of the countless hours spent in tireless devotion to the law, Judge Giuliano found ample time to be a loving husband and attentive father. He and his wife, the former Teresa Mary Cicenia will celebrate their 43rd year of happy marriage.

The immortal Oliver Wendell Holmes, Jr. once remarked:

> I think that as life is action and passion, it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived.

Even by the strict standards of Mr. Justice Holmes, Judge Giuliano has lived a life full of the action and passion of his times.

The New Jersey judiciary system is better for his contribution. I join the people of New Jersey in saluting his long and distinguished career and wish him well in his retirement.

HARRY KIM: REBEL WITH A CAUSE

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MATSUNAGA. Mr. Speaker, it is, indeed, a pleasure to insert into the RECORD an inspiring account of the great efforts and achievements of a young man—a social worker from Hilo, Hawaii, aptly called a rebel with a cause. His name is Harry Kim, and he is the county director of the Law Enforcement Assistance Administration—LEAA. Mr. Kim is an outstanding example of the young people of our Nation who, instead of just complaining, are actively engaged in restoring honor, dignity, and integrity to our public institutions.

Harry Kim's success may have been assured by the support of the Honorable Shunichi Kimura, former Big Island mayor, whose initial foresight and confidence in Mr. Kim instilled confidence in the young man, and the Honorable Bruce McCall, present mayor of the county of Hawaii, who followed Mayor Kimura's policy. Said former Mayor Kimura:

> Harry is one of the most effective guys in government.

And Mayor McCall says Harry Kim is "running all the social services for the county of Hawaii."

Kim, 34, has demonstrated a rare personal concern for troubled youngsters and high school dropouts. He estimates that almost 75 percent of his time is spent in seeking homes and jobs for such teenagers. An ex-dropout himself and a self-styled "rebel," Kim says he used to complain a lot about problems in the social services programs.

He says:

> This job gives me a chance to do something about it, and that's what I care about.

The article as it appeared in the Honolulu Star-Bulletin, one of Hawaii's major newspapers, follows:

> [From the Honolulu Star-Bulletin, June 12, 1974]
>
> HARRY KIM: REBEL WITH A CAUSE
>
> (By John Knox)
>
> HILO.—He was an angry young man with firm ideas, a sharp tongue and a chip on his shoulder. Suddenly he was shoved to the top of the bureaucratic heap he had despised.
>
> It's the kind of story that has been told before. Usually it ends with the former rebel grown smug and complacent, corrupted by power and even more incompetent than his predecessors.
>
> But Harry Kim of Hilo has lost neither his drive nor his anger at social systems which shortchange the Big Island's youth.
>
> As for his competence, former Big Island Mayor Shunichi Kimura calls him "one of the most effective guys in government."
>
> And Mayor Bruce McCall expresses wonder as well as admiration for Kim's achievements: "When he started out, he was supposed to be just a planner. Now he's damn near running all the social services for the County of Hawaii!"
>
> Kim, 34, is the County's director for the Law Enforcement Assistance Administration (LEAA). He has the delicate task of coordinating sometimes jealous County, State and Federal agencies concerned with social programs for the unemployed, the disadvantaged and the real or potential lawbreakers.
>
> But Kim's unique contribution to local government has been his personal concern for troubled youngsters, particularly school dropouts who have no jobs and little hope.
>
> He estimates that 75 per cent of his time goes to direct personal efforts to place such teenagers in work training programs or foster homes. Hundreds of youths have come to his office by referral from social agencies, schools, Family Court or through parents or friends.
>
> Why has an administrator taken such a direct and energetic hand in helping individual dropouts?
>
> "I guess it's being an ex-dropout myself. I never was considered a good student," answered Kim with a wry smile of one who has often battled the system and lost.
>
> Kim admits he was a self-styled rebel who made few friends in the bureaucracy until he came to his present job in 1971. Before that, he was a teacher at Honokaa High School and a teacher-counselor at Hilo High School.
>
> There was little love between Kim and his bosses in the school system. Kim was bothered by the philosophy and rigidity of the system, and Kim's superiors were irked by his compulsion to point out every single fault in loud and strident tones.
>
> Kimura, now a circuit court judge, recalls that school officials did not give Kim enthusiastic recommendations when he first came up for the LEAA post in 1971.
>
> "But Harry did have a reputation as a doer, so I told my corporation counsel to go ahead and hire him," Kimura said.
>
> "When he first came, Harry still had this tremendous ability to step on toes and irritate all the people he came in contact with.
>
> "But within months, there was this amazing transition. Without losing his impatience or anger with the bureaucracy, he developed an ability to communicate with people."
>
> Kim's first decision was to identify "gap areas" where government had no services to offer people in trouble.
>
> He established an "interim work program" which partly subsidizes the salaries of youths who are placed with public or private employers.
>
> If the employer approves of the performance after two weeks, he hires the youth permanently.
>
> Kim also hired a Filipino immigration specialist to work with new immigrants, set up a training program for dropouts at Hawaii Community College and—in one of his major accomplishments—rescued the floundering local Job Corps and converted it into a program mainly for Big Island youths.
>
> His office has taken on the County's manpower training program and drug abuse project, and also supervises the Board of Ethics, the Committee on Children and Youth and the Status of Women Committee.
>
> The County Council expanded Kim's office to include five other workers. Councilmen have also granted Kim a $25,000 "instant ac-

tion" fund into which he can dip at any time to help youths when they need help—which usually means "right NOW."

In his three years on the job, Kim has gone through some personal changes. He doesn't point his finger at other people so much these days.

"This job has a lot to do with my growing up," he said. "I began to see the whole picture. This job forces me to look at the whole complex setup and have a little more patience in expecting change."

One of the biggest changes in Kim's attitudes was a newfound respect for the "bureaucrats" he had once thought stodgy and uncaring.

"This is where I was dead wrong. I found out very fast that all of those individuals I worked with have a sincere desire to try to help the community," Kim said.

In fact, he said, the personal friendships and the trust among officials on the Big Island account for much of the agencies' recent success in social programs.

How much has Harry Kim really changed?

"He's still an angry young guy, and I hope he never loses that quality," answers Judge Kimura.

"I don't think he's made that many concessions in his personality," says Sadao Nishida, director of the Big Island's family court.

"We needed his agressive style. I think he made other people realize that we've got to get moving if we want to accomplish anything for these kids."

Kim is still an intense and driven man. But his recognition of others' efforts and goodwill seems real.

"Three years ago I was just staff. As staff, it's very easy to complain. This job gives me a chance to do something about it," he said. "And that's what I really care about."

SENATOR BROOKE ADDRESSES HAVERHILL TECHNICAL SCHOOL ON CAREER EDUCATION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HARRINGTON. Mr. Speaker, on June 2 the distinguished Senator from my State of Massachusetts, Senator EDWARD W. BROOKE, delivered an address on the occasion of the dedication of the Whittier Regional Technical School, located in my congressional district in Haverhill, Mass.

Senator BROOKE's thoughtful remarks marked the fulfillment of an educational project undertaken jointly by 11 Massachusetts communities in northeastern Massachusetts. The new program at the Whittier Regional Technical School provide quality vocational and technical education for north shore students.

Senator BROOKE's remarks contain a number of valuable insights. It seems to me that we can all agree with Senator BROOKE that our Nation must make better use of its human resources, and that our educational system holds the key to our success in utilizing human potential.

At present, our educational system, as Senator BROOKE points out, is not responding to the changing conditions of our society. Our educational system has become so college-oriented that it ignores the needs of the majority of students for whom a college education may not be particularly applicable. The Federal Government should expand its support for education directly related to the occupational and vocational needs of contemporary students.

Because of the relevance of Senator BROOKE's remarks, and because of the commendations deserved by the 11 participating communities in the Whittier Regional Technical School, I ask that the entire text of Senator BROOKE's address be reprinted in the RECORD:

REMARKS OF SENATOR EDWARD W. BROOKE

Today is a great day in the educational history of Haverhill and her surrounding communities. For today in dedicating the Whittier Regional High School we celebrate the achievement of eleven Massachusetts communities working together to provide quality vocational and technical education for their young.

We are aware of the benefits that will be derived from this school for students and for the local and state economy. Moreover, we should be aware of how this school and its purposes and its graduates will relate to national needs in this last quarter of the Twentieth Century.

The America we see today appears vastly different from the country of seemingly limitless economic promise and opportunities we saw only a few years ago. Its place in the world appears less assured, its international economic preeminence seriously threatened.

We have suddenly become aware of the value and scarcity of our resources and of the necessity to stop being "the throw away" society. We see the imperative for a more productive national economy with a more efficient use of and a greater yield from all of our resources—including our most valuable resource, our manpower. In addition, with the federal government being asked to perform a larger and larger number of services, we must also assure a more careful and efficient use of federal tax dollars in social as well as in defense expenditures.

All these factors have forced us to re-examine our system of education and our expenditures for education. And we have found that we have been wasteful in terms not only of dollars but, more importantly, in terms of human lives.

One conclusion is that our education system must be measured in terms of how well it is preparing students for the total task of living, including preparing them for meaningful and remunerative work:

Each year 850,000 students drop out of elementary or secondary school.

Each year 750,000 graduate from the high school general curriculum, largely unprepared either to choose or to qualify for a career.

Each year 850,000 leave college without a degree or without completion of an occupational program.

This represents a total of 2.5 million young people who leave our educational system with little or no training, with few if any marketable skills. And this in the main accounts for the fact that unemployment among young people is far higher than among the population as a whole.

In terms of tax dollars, the education of 850,000 dropouts represents a national investment of almost $7 billion; the 750,000 who graduate from the high school general curriculum, an investment of $9 billion; and those who leave college unprepared for a career, an investment of $12 billion. Those investments total almost $28 billion, or one-third of the total amount we spend on education every year.

These are the costs of the failures of our present education system in national terms. And we know all too well the costs of these failures in human terms. It is demoralizing for any person to be unable to find a job, to be unwanted in the labor market, to be able to find only marginal, part-time, or temporary jobs. For a young person starting adult life, this is particularly true—he is made to doubt his own worth, he is robbed of his untried self-confidence, he is made to feel even more isolated and alienated in this increasingly complex and impersonal world.

When we question how these failures in our education system occur, we find that in many ways our system of education grew increasingly unrelated to the needs of our nation and its total economy.

Our education system better answered the need for occupational training in the past than it does now. The demands upon it were simpler. In a rural, agricultural economy, there were but a limited number of occupations. Only half a century ago, it was said that "a boy might observe the full range of his occupational expectations by walking beside his father at the time of plowing, by watching the farmers, blacksmiths, and tradesmen who did business in his hometown." A girl could view the occupational choices open to her with even less effort. Training for an occupation could occur on the family farm or through an apprenticeship. Advanced schooling and college was largely reserved as a preparation for a limited number of traditional occupations—primarily teaching and the ministry.

Young people seldom realize that advanced schooling was not prevalent until well into this century. In 1890, less than four percent of those of high school age were enrolled in high school. High school did not become a mass institution, enrolling half or more of the population, until after 1930—which may be the equivalent of the dark ages for the students in the audience, but is well within the lifetime of most of us parents.

Once mass high school was achieved, we became college oriented. A college degree became the required, often unnecessary, credential for numerous jobs. Indeed, spurred in great part by the scientific and technical competition with the Russians we became not only college oriented but increasingly oriented to graduate school beyond college. As a result of pouring millions of dollars into higher education in the 1960's, we now have mass higher education. This was made possible in great part by massive infusion of federal funds into our colleges and universities during the 1960's. The result of all this effort is that one-third of all young people in the 18–21 year old bracket now go to college—and almost one-half of this age group will attend college for at least a short period.

It has been said that belief in education is the American religion. Hence it was assumed that advanced schooling would automatically hasten achievement of our social, political and economic goals in this country. But in the last few years we have come to realize that education and more specifically a college degree are neither a national nor even a personal panacea. We have come to see that schooling for the sake of schooling is less important than the content of that schooling. We have come to realize that a high school should be judged by many criteria, not just by the number of students it sends on to college.

The present failure of American education in its pre-occupation with a college degree bears many witnesses. The first is the nature of the job market. On a national economic level, we now find that in the present decade—the 1970's—only two jobs out of every ten will require a college education as we now know it. However, the existing bias of our education system towards college leaves the majority of students unserved. As many as 80% of our secondary school students should be receiving career training, whereas only 25% receive such training.

Students themselves perhaps best recognize these failures of American education. Their sense of frustration and malaise and their complaints that the school work which they are being asked to do is largely irrelevant to the task of living are commonplace. And this is not only true among high school students and dropouts, but among college students as well.

In earlier times a person aged 16, 17 or 18 was a wage earner, and possibly the responsible head of a family with his or her schooling well over and adult life well underway. Today education prolongs adolescence. Today most young people of this same age group find themselves in a strange, halfway world, neither fish nor fowl, neither child nor adult. Too many have spent the required 12 years in a school system which has too often presented them with college preparatory courses in which they have little interest and which too often they correctly perceive as being of little, if any, use to them in life.

We know now that our goal should have been a comprehensive education serving the whole man, his occupational as well as his intellectual needs. This is what Alfred North Whitehead meant decades ago when he said, "The antithesis between a technical and a liberal education is fallacious. There can be no adequate technical education which is not liberal, and no liberal education which is not technical; that is, no education which does not impart both technical and intellectual vision . . . education should turn out the pupil with something he knows well and something he can do well."

More recently, James Bryant Conant, former President of Harvard, warned us that "in a heavily urbanized and industrialized free society the educational experiences of youth should fit his subsequent employment. There should be a smooth transition from full time schooling to a full time job, whether that transition be after grade ten or after graduation from school, college, or university."

You in greater Haverhill have recognized the wisdom of these words, but unfortunately the nation as a whole has not.

Our education system continues to squander our manpower resources, a waste we can no longer afford. We see this waste in our unemployment rolls; we see it in our welfare rolls. We see the waste in the millions of our young—and not so young—who find a job on a hit or miss basis and who are subject to clinging to one part-time, marginal job after another. We also see this waste in expensive manpower training programs which provide the job training which should have been taught in school.

A primary function of education must be to make the student fully aware of the full range of occupational possibilities open to him and to train him for the one which most interests him and suits his talents. College is only one choice in the large range of possibilities open to students today.

According to the Department of Labor Statistics, there are now 23,000 different occupations in this country. Many of these were unknown when the parents of Whittier students and I faced the task of choosing an occupation. Over 3,000 new job classifications have been created since 1961 alone. Only competent and active aggressive counseling in our schools can make the individual student aware of the choices open to him.

Students must be particularly made aware of those fields with the greatest growth. Farming and manufacturing, once the largest occupational fields in the nation, have declined greatly in relation to the economy as a whole. Farming now requires less than four percent of the labor force. The production of goods in total—raising food crops, building, mining and manufacturing of goods—has required less than half of the country's work force since the late 1940's.

As our economy becomes more complex and the jobs more specialized, the number and kinds of positions within each occupational category will proliferate. A good example of the dramatic expansion of job opportunities is in the field of health. In 1900, there was one health assistant for every doctor; today that ratio is 13 to 1. By the end of the 1970's, it may climb to 25 to 1. Our young people should be made aware of these developments and opportunities.

Career education must be made available not only to students but to adults as well. With a fast changing economy, choice of and training for a career may cease to be a once in a lifetime occurrence. An individual may have to change occupations several times during the course of his life. Our schools must be ready to provide the necessary training such as you are doing here at Whittier.

Our schools offering career education must also be more sensitive to the fact that women already compose forty percent of the work force and in a few years, will represent fifty percent of those employed. Vocational programs must cease to reflect a subconscious male bias that women are destined by some inviolable law of nature to work in a limited number of occupations, too often at the lower levels, and almost always for the lowest pay.

The federal government must fulfill its responsibility in this redirection of American education in assuring that each individual is provided a total education. At present, it does not. It is estimated that the federal government has spent $14 on higher education for each $1 it has spent on career education. Obviously much more federal funds for career education is required if our schools are to be made more relevant.

We must also remember that the federal government will help determine not only what kinds of jobs are available, but whether or not jobs are available. We have seen that our economy does not provide an adequate number of decent jobs with decent pay even during periods of economic growth. This is now a proven fact, and the federal government must begin giving serious attention to a full employment policy.

It is also time that the government and the citizens whose taxes pay for national programs realize more fully the relationship between our government programs and the job opportunities which these programs create. Too often, for example, we think of government housing programs for low income families as benefiting solely those on or near the poverty level. But if we choose to rebuild our decaying cities in the 1970's, full-fledging housing programs could create jobs for as many as 10 million persons. Or if we decide to place a high priority on goals in health care in the 1970's, one consequence would be the creation of an estimated 2.3 million jobs performing direct health services.

I have spoken of the needs of our nation. But I would ask you to remember what this school will really mean for the thousands of those who will have the good fortune to study here. For the ability to do useful work—and do it well—instills a sense of worth and pride in a person's life. This afternoon we dedicate a school which will instill in the lives of thousands of men and women that sense of worth and dignity.

The eleven towns who worked together to build Whittier Regional Vocational High School have recognized both the needs of their students, their communities, and their nation. The building of this school has taken vision and imagination. I congratulate you upon a task well done.

HOW TO USE THE FREEDOM OF INFORMATION ACT

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, after over 2 years of investigative and legislative hearings, the House and Senate have passed much needed amendments to the Freedom of Information Act. Early enactment of these amendments into law is expected. The amended Freedom of Information Act will make it far easier for the public to enforce their rights under this law.

In light of these pending amendments, it is most appropriate that the Freedom of Information Clearinghouse, a nonprofit organization established to assist the public in breaking the Government secrecy barrier, has recently published a pamphlet entitled "The Freedom of Information Act: What It Is and How To Use It." This invaluable booklet explains in clear language how the average citizen may make use of the act to enforce his right to know.

I recommend this booklet to my colleagues who will find it of considerable use when advising their constituents or assisting them in obtaining requested information from the Federal agencies.

I include the text of the booklet herewith:

FREEDOM OF INFORMATION CLEARING HOUSE—THE FREEDOM OF INFORMATION ACT: WHAT IT IS AND HOW TO USE IT

The federal government is a vast storehouse of untapped information. This information is useful to citizens for two purposes. First are facts that can be personally helpful to individual citizens. The regulatory agencies, for instance, have a large amount of data (inspection reports, consumer complaints, product tests, etc.) on a broad spectrum of goods and services: interstate moving companies and bus lines, the efficacy of drugs, the nutritional content of processed foods, corporate marketing and merchandising practices, the on-time performance and safety records of airlines, and so forth.

So, too, do many of the executive departments. The Department of Health, Education and Welfare makes inspections of federally supported nursing homes. Agriculture has data on pesticides and the purity and quality of meat and poultry. HUD makes FHA mortgage appraisals and monitors the practices of many large housing developers. The National Highway Traffic Safety Administration has safety and efficiency information on all makes of cars. The General Services Administration tests a wide variety of consumer products that are used by government agencies.

The second purpose is that open access to government information provides the electorate with information necessary to determine if the government is protecting the public interest. Such access to information is the lifeblood of a democracy, and if it does not flow to the citizenry, democracy withers. In this area, the list of facts that are being withheld by government agencies is too long and too obvious to need specification: it runs from defense and foreign policy to the safety of nuclear generators and the management of our national forests and grazing lands. As Justice Brandeis once said, "Sunshine is the best disinfectant." An open government will probably be a better government.

In order to provide the public with a tool to pry both types of information out of the Government, the Federal Freedom of Information Act was passed in 1966. The Act provides that any person has the right to access to and can receive copies of any document, file, or other record in the possession of the Federal Government, subject to nine specific exemptions. The Act applies to all Federal administrative agencies and departments. While it does not apply to state governments, many states have their own freedom of information acts for information held on the state and local level.

What follows is a general description of the Act and some specific guidelines as to how it can be used most effectively.

HOW TO MAKE A REQUEST

The first step is to determine what it is that you want access to, since the law says you must specify "identifiable documents." This may not be an easy matter, because the very reason for your request may be that the specific identity of the documents has not been made public. But you do not need to specify a document name or title. What you must do is provide a reasonable enough description to make it impossible for the government to claim that the request is too vague. For example, if you want information on nursing homes in your area, it is enough to state that the government requires annual surveys to be conducted of nursing homes, and that you want to see the surveys. Or if you are interested in the broader scope and purposes of a particular government program, you can request access to all documents that relate to the particular program.

Your request need only state that it is being made pursuant to the Freedom of Information Act (5 U.S.C. Sec. 552). With one exception (as noted later), you do not have to explain the reasons for your demand, nor do government employees have any right to ask. By statute, the only ground an agency has for refusing your demand is proof that the documents are specifically exempt under one of the exemptions. The requester does not have to prove that he tried to obtain the documents and found them unavailable. The request should state merely that if no substantive response is received within 20 days, the request will be deemed to have been denied. The importance of including such a statement is that (a) it puts the official on notice that you know your rights under the Act, and (b) it establishes a record for possible later use in court.

An appeal within an agency or department is usually necessary after an initial denial is received. An appeal letter should be addressed to the head of the agency or department and should detail the request and the denial and state that an appeal is being made of the agency's initial denial. This may be only a two- to three-sentence letter. (We have included a sample request letter and appeal letter).

If the appeal is denied, the Act provides that the U.S. District Court has jurisdiction to review the denial and order the production of documents if such documents were wrongfully withheld. The court action, while fairly time-consuming (nine months to a year), is usually fairly simple, especially if your previous correspondence has established the fact that you made a proper request and appeal.

NINE EXEMPTIONS

The nine exemptions and the type of information exempt under each are as follows: the Freedom of Information Act does not apply to matters that are:

(1) specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy.

The documents exempt under this section are those, like the Pentagon Papers, that are officially stamped Secret, Top Secret, etc. Courts are most reluctant to order the release of information if this exemption is at all relevant. However, the mere fact that the information you seek may be in the possession of the Department of State or the Department of Defense does not necessarily eliminate its availability. For instance, material such as results of drug-testing done on GI's returning from overseas is not exempt under this provision.

(2) related solely to the internal personnel rules and practices of an agency.

This exception covers things such as employee parking and cafeteria regulations, as well as certain manuals that relate to the internal management and organization of particular agencies. But staff manuals instructing inspectors or agents how to perform their jobs are not exempt.

(3) specifically exempted from disclosure by statute.

This exempts documents and information that are exempt from disclosure by other laws. The main ones are income tax returns and applications submitted respectively to the Internal Revenue Service and the Social Security Administration. In those cases information that relates to individual taxpayers and recipients or applicants under Social Security is exempt.

(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential.

The agencies under this section may withhold information only if it is either a trade secret or commercial or financial information. Confidential information that is not one of these is disclosable. This exemption applies only to information submitted to the government; government-prepared documents can never be exempt under this section.

(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with an agency.

This exemption is the one most widely used by the government which will resort to it in almost every situation. In general, the dividing line between what may and may not be revealed under this exemption is the line between opinion and fact. Opinions and policy recommendations are the traditional types of information that can be legitimately withheld; for instance, a memo from a staff person to a supervisor recommending that a policy be formulated would be exempt. But factual reports or analyses of facts are not exempt. Thus a judge might or might not consider reports of inspectors or field personnel exempt; the material might contain opinions, but if it can be determined that it is more factual analysis than policy recommendation, it should be made available.

(6) personnel and medical files and similar files, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

This exemption is self-explanatory. It should be pointed out, however, that this is the only exemption that encourages a balancing of interests between disclosure and non-disclosure—the one case, in other words in which the reason behind your request may be material. If your request involves this exemption, a brief explanation of wny you want the information should be made so that it can be determined whether the disclosure of information would be an unwarranted invasion of personal privacy.

(7) investigatory files compiled for law enforcement purposes except to the extent available by law to a party other than an agency.

This is another over-used exemption, since a regulatory agency can claim that almost any information in its possession is an "investigatory file." However, the courts have stated that only where a law enforcement proceeding is presently active or contemplated can the exemption be used. While documents like annual surveys or inspections may be investigatory, they are not compiled for law enforcement purposes and, therefore, are not exempt under this section.

(8) and (9) These are special-interest exemptions that relate to banks and oil well information and are not relevant to most applications of the Act.

GUIDELINES

There are, of course, many ways in which agencies avoid disclosing information even when the information is not specifically exempt under one of the nine enumerated exemptions. Delay is generally used. While some delay may be due to normal red tape, the technique is frequently used for the specific purpose of avoiding disclosure. Remember that the less precise you make your request, the more room you provide an agency to delay while it seeks "clarification."

Identify as specifically as possible what it is you want. Describe what is requested in both specific and general terms. If the title of a report is known, request it by title. However, the same letter should also ask for "any other documents relating to the subject," or words to that effect. This is extremely important, since it helps to counter in advance the frequently used bureaucratic practice of providing only what you specifically ask for, even though other valuable information on the same subject may be in the agency's possession.

An important way to cut down on delay is to put a time limitation in your request—for example, "If a substantive reply is not received within 20 days of the date of this request letter, I will deem my request denied." At the end of the 20 days, file an appeal. The courts will uphold this procedure as long as the agencies are given a reasonable time to respond.

Another important tactic is to follow up written requests with phone calls. If the agencies are aware that you know your rights under the Freedom of Information Act, they will sometimes move more quickly. In fact, an approach that shows both knowledge and determination on your part may spare you the necessity of going to court.

Another barrier to access is cost. The law permits agencies to charge for copying and for some search time. However, charges must be cost-related and may not be used as a barrier to access. To save money, request access to documents instead of copies; and if you do ask for copies insist that any charges be related to the cost of providing them. Fifty cents per page for copying, or $4.00 for fifteen minutes of search time, is not cost-related.

If your only way to get the information is to take the government to court, here are a few facts to keep in mind:

The legal issues involved in a Freedom of Information Act suit are simple and do not require specialized counsel. Any lawyer can handle your case, and it will probably take relatively little of his time. (Many cities have public-interest law firms that might be willing to take such a case for a nominal fee.) If presently pending amendments to the law are passed, the government will pay your lawyer if you win the case

All that your lawyer must prove is that the government refused to give you the requested information within a reasonable time. The government has the harder case, since it must prove that the information legitimately falls under one of the nine exemptions.

You will not have to go to Washington, D.C., to argue your case, even if you are suing a Cabinet secretary. The federal court in your area will handle the case.

In recent months there has been a distinct trend among federal judges to narrow the interpretation of the nine exemptions, thus making it increasingly difficult for the government to use the exemptions frivolously. Also, one of the amendments now before Congress will, if passed, further narrow the national-security exemption.

AMENDMENTS TO THE FEDERAL FREEDOM OF INFORMATION ACT

The House has passed and the Senate is considering amendments to the 1967 Federal Freedom of Information Act. If adopted, these amendments will provide that the government must respond within 15 days to all requests for information. They also allow greater access to classified information and will allow successful citizen requesters to recover legal costs including attorney fees incurred in bringing a Freedom of Information Act case to court.

STATE LAWS

As stated earlier, the Freedom of Information Act applies only to Federal administrative agencies and not to state agencies. However, many states (33) do have fairly effective laws. To find out about state laws, look them up in the state code or write the Attorney General of your state. Many of the more recent laws, like those of Texas, Oregon, New Mexico and Washington, are modeled after the Federal law; the guidelines presented in this pamphlet are also generally applicable to those states. The state laws have been used even less than the Federal law. Only through citizen use of these laws will they become effective tools for access to information on the state and local level. If your state does not have an effective state law, we can provide you with copies of model state information statutes. Just send us a post card and ask for the model statute.

THE FREEDOM OF INFORMATION CLEARINGHOUSE

The Clearinghouse is a project of Ralph Nader's Center for Study of Responsive Law and is wholly supported by contributions. If you would like to see the work of the Clearinghouse continue please send your tax deductible contributions to the Clearinghouse at P.O. Box 19367, Washington, D.C. 20036. Checks should be made out to Center for Study of Responsive Law in any amount you would like.

SAMPLE REQUEST LETTER

(Name and address of agency.
(Washington, D.C. usually will do for address)

DEAR SIR OR MADAM: Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, I hereby request access to (or a copy of; identify document or describe the information that you want).

If this request is denied either in whole or in part please inform me as to your agency's appeal procedure. If any expenses in excess of $5.00 are incurred in connection with this request, please inform me of all such charges prior to their being incurred for my approval. If I do not receive a substantive reply within 20 days of the date of this letter, I will deem my request denied.

Thank you for your attention to this matter.

Very truly yours,

——— ———.

SAMPLE APPEAL LETTER

(Name or head of agency or department and address)

DEAR SECRETARY: By letter dated (month) (day), (year) I requested access to (use same description in request letter). By letter dated (month) (day), (year), Mr./Ms ——— of the Office of Public Information of your agency denied my request. Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, I hereby appeal that denial. I have enclosed a copy of my request letter and the denial that I have received.

If I do not receive a substantive response to this within 20 days I will deem my request denied.

Very truly yours,

——— ———.

TYPE OF DOCUMENTS AVAILABLE

The following is a partial list of documents to which access was obtained by citizens claiming their rights under the Freedom of Information Act:

Nursing Home Reports.

Meat Inspection Reports.

Reports on the Fat Content of Hot Dogs.

Statements as to whether the Antitrust Division of the Department of Justice will stop a proposed merger.

Atomic Energy Commission reports on the safety of nuclear generators.

Civil Rights compliance documents.

Internal Revenue Service Agents' Manuals.

The 1972 Annual Report of the Office of Economic Opportunity.

OF HUMAN WASTE AND HUMAN FOLLY

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. VANDER JAGT. Mr. Speaker, on several occasions in the past I have inserted statements in the RECORD discussing various aspects of resource recycling. In this period of substantially increased costs and growing scarcity of resources this Nation must focus its attention on and devote its efforts toward the goal of optimum resource reuse or we are faced with an absolute decline in living standards as we enjoy them today.

The following, excerpted from an article by Jeff Stansbury in the Living Wilderness, spring 1974, is an exciting story describing at least a significant part of the answer to our resource dilemma. I urge Members to give it their careful attention:

OF HUMAN WASTE AND HUMAN FOLLY—DID GOD MAKE STREAMS AND LAKES FOR SEWAGE DISCHARGE?

(By Jeff Stansbury)

Shoots of corn are just now poking through the stingy soil and a gentle rain of sewage in Musegon County, Michigan. Despite the soil and because of the partially treated sewage, this corn crop is destined to rank among the nation's lushest next fall. The sewage, having given up its nutrients to roots, earth and air, is flowing into underdrains and emerging as the cleanest municipal effluent in the United States. The costs for all this fall considerably below those of any tertiary (chemical) treatment system.

Barry Commoner once handed American farmers a classic piece of advice: "Lend the nitrogen to the city folks—but get it back." Muskegon County has taken this advice to heart, converting the organic residues of food into the nutrients for a new season of crops. But big, sophisticated and precisely engineered as it is, the county's waste treatment system is merely the latest heir to a tradition of sewage farming which extends back beyond the Roman Empire. The Chinese night soil scavenger, the early Arabian poudrette manufacturers, Columella and other Roman agricultural writers all paid homage to this tradition and, in their turn, did the spadework for the great harvest of sewage farming in 19th century Europe. Between 1850 and 1900, London, Manchester, Nottingham, Paris, Edinburgh, Leipzig, Berlin and scores of other cities operated sewage farms. Some of these farms failed because untreated wastes were soaked into the soil with no regard for loading limits, plant requirements or high water tables. But the startling thing, given the fledgling status of agricultural chemistry, is that so many early sewage farms succeeded.

Paris, for example, has irrigated crops with sewage since 1883 on a sandy outwash plain near Herblay. The sewage is raw, a condition no land treatment expert today would recommend. It fertilizes vegetables such as celery and carrots which are eaten raw—again, not a recommended practice. Yet no health problems have ever been traced to the Paris farms. In Melbourne, raw sewage flowing across pasturelands has produced a clear effluent and the fattest, healthiest cattle in Australia.

Significantly, sewage farming declined in Europe not because it had any intrinsic flaws—it produced excellent crops and purer water than any other treatment system—but because it fell victim to a series of extrinsic trends. Three of these were decisive. First, by exploiting cheap labor in Peru and Chile during the last half of the 19th century, Europe's mercantilist trading companies were able to import immense tonnages of underpriced guano and sodium nitrate. These foreign resources wiped out the economic basis for sewage farming and sparked the boom in commercial fertilizers which is still going strong today, ruining our farm soils, gobbling up fossil fuel energy and reducing the quality of our foodstuffs. Secondly, late in the Victorian age English sanitarians decided that rivers had been created by God to assimilate sewage; crystal-clear water from sewage farms was therefore held to be a needless luxury. Thirdly, land speculation and subsidized residential growth on the fringes of European cities ate up farms that should have been set aside to reclaim sewage.

Surprisingly enough, the land treatment tradition reached North America in the 1860s, survived the indifference and hostility of most sanitary engineers and spawned thousands of sewage farms. Nearly 1,000 American communities fertilize crops with sewage today. Most of these treatment systems are in the arid Southwest where the incentive to recycle water has always been strong, and most of them were launched with no help from the water pollution bureaucracy in Washington. Bakersfield, California, and Abilene, Texas, are two of the larger cities which turn all their sewage onto cultivated fields after primary or secondary treatment. And in Lubbock, Texas, J. Frank Gray grows cotton, grain sorghums, wheat, alfalfa and bermuda grass on a 2,500-acre farm that absorbs 60 percent of the city's sewage.

Most sanitary engineers have ignored the accomplishments of American sewage farms for decades. Recently, however, the crust of indifference has begun to crack a bit. The American Public Works Association dispatched a task force to 100 land treatment sites in 1972–73, surveyed hundreds of others by mail and emphatically endorsed sewage irrigation in a report to the U.S. Environmental Protection Agency declaring:

"The Association is aware that in the minds of many persons land application of wastewaters has been discredited and poorly considered. However, on the basis of the exhaustive study which was undertaken, it must be concluded that the land application of wastewaters offers a viable alternative to advanced (i.e., chemical) treatment processes and deserves serious consideration . . . Land needs, when taken in perspective with total land uses, are not unreasonable and may, in fact, play a desirable social role by providing green belts and open areas, and preserving rich farm lands and cloistered areas. The conclusions of this report point to the almost unqualified success of this method of application, both in this country and abroad, when the facility has been properly operated and efforts have been made to apply sound engineering, geological and farming expertise. . . .'"

Roughly 150 million Americans use public sewerage today. Most of their wastes are processed only through the primary stage of treatment, which takes out suspended solids through screening and settling. An increasing amount of primary sewage however, now flows through secondary treatment tanks or filters, where bacteria remove most of the remaining solids and greatly reduce the biochemical oxygen demand (BOD). At the end of this second stage a mountainous organic sludge has been precipitated, most odors have been neutralized and 70 to 90 percent of the five-day BOD has been satisfied, although the effluent will still use up oxygen in any receiving stream.

Full tertiary treatment with lime, alum, sodium hypochlorite, chlorine, carbon or other materials has historical roots going back a century, but it is still completely experimental and has not yet worked reliably at a single municipal site. It uses heavy doses of chemicals, fuel oil and electricity in an attempt to remove most of the nitrogen and phosphorus in sewage; it also tries to remove complex organics (including pesticides) and filter out all remaining solids. Theoretically, tertiary treatment is designed to take out at least 98 percent of most pollutants and 80 percent of the nitrogen, but at the highly touted South Lake Tahoe tertiary plant this degree of purification has not been achieved. The nitrogen removal process at Tahoe doesn't work satisfactorily during the winter. A high purification rate for other pollutants has been achieved only by running much of the sewage twice through some of the processes; this has reduced the plant's effective capacity and boosted its already high capital cost per gallon.

The trait which all three of the above treatment stages share—and the flaw which dams them ecologically—is that they *dispose* of sewage in a linear fashion instead of recycling its rich humus and abundant nutrients. Secondary effluent contains enough nitrogen, phosphorus and potash to match a ton of commercial 7–14–12 fertilizer when applied to an acre of land at a cumulative rate of 60 inches over the course of, say, 30 weeks. Dried secondary sludge has a low fertilizer value—only about 6–4–0—but it builds up the very humus which commercial fertilizers are helping to erode.

With minor variations, fortunately, the effluent and sludge from conventional primary-secondary treatment can be channeled into the world's oldest and most effective tertiary stage: treatment on the land. History offers us dozens of ways to do this, but three basic modes show the most promise. These modes are rapid infiltration, crop irrigation by overland flow and crop irrigation by slow infiltration.

Of the three modes, slow infiltration produces the cleanest effluent. Nitrogen removal is only modest in rapid infiltration, and phosphorus removal is less than optimal in overland flow. But both of these nutrients are put to extremely beneficial use by the Muskegon-type system. The crop may be timber, pasture grasses, feed corn, cotton, orchard fruits, vegetables or sod; the climate may be hot or cold, wet or dry; the purified effluent may recharge aquifers or flow into agricultural underdrains. Yet under any of these conditions the removal of viruses, pathogenic bacteria, BOD, phosphorus and lesser pollutants should reach 99 percent, while nitrogen removal should range from a minimum of 80 percent to above 90 percent. Melbourne takes out 91 percent of the nitrogen in raw sewage. Now municipal chemical treatment systems can match these purification rates, which are documented for several land treatment sites.

In 1962 scientists at Pennsylvania State University began a series of year-round sewage irrigation trials which should prove to be a watershed in the history of sanitary engineering. They sprayed secondary effluent on old fields, forests and row crops, and they let the purified wastewater seep into the underlying aquifer. Ten years after the experiments began, Drs. Louis T. Kardos and William E. Sopper declared that with proper nitrogen and hydraulic loadings "it should be possible to recharge water of drinking quality into the aquifer below a wastewater disposal site." This conclusion led directly to the 43-million-gallon-a-day land treatment project which had its shakedown run in Muskegon County last year and is now in its first full season.

The moving force behind the Muskegon plan was Dr. John R. Sheaffer, then a water resources specialist at the University of Chicago's Center for Urban Studies. Sheaffer had one great advantage in coping with sewage he was not a sanitary engineer. It was his grasp of hydrological and nutrient cycles and his familiarity with the Penn State experiments, rather than any sanitary engineering credentials, that led him to propose a massive sewage irrigation scheme in 1969.

More persuasive than his adversaries, the 40-year-old Sheaffer pushed his Muskegon plan through the political gauntlet in record time for a sewage project of its size. He was an intuitive politician. "People have had it with piecemeal change," he said of the conventional sewerage technology that had not cleaned up a single river from 1900 to 1970. "They want a new vision."

The Muskegon system which EPA reluctantly agreed to fund (and which it now treats as a pariah) has shut off every sewage, tannery, pulp mill and chemical factory outfall on lakes Mona and Muskegon. It has begun to purify sewage to raw drinking water quality, enrich the poor soils of the eastern county and generate income from the sale of crops. Sheaffer's vision inspired Michigan's 9th District Congressman Guy Vander Jagt, who helped county officials obtain state permits and more than $2 million in federal funds. Today the vision has a very literal aspect—people in Muskegon can *see* the bottom of their once foul lake for the first time in memory.

Virginia's tough-talking water pollution chief, Noman Cole, favors chemical treatment and calls Sheaffer a "snake oil salesman." While it is certainly true that Sheaffer has political finesse, he would have accomplished nothing if his ecological principles had not been sound. These principles can be boiled down to three statements: (1) the environment is an interrelated system; (2) for planning purposes this system is closed—i.e., nothing can be "disposed of"; and (3) pollutants are resources out of place. The Muskegon sewage farm embodies all these principles, while conventional sewerage flouts them.

Since ecology and economy are often one and the same, it is no great surprise to find that the Muskegon approach enjoys a financial edge over its rivals. Chicago's new Salt Creek chemical tertiary treatment plant, for example, cost about $1.50 per gallon to build; Muskegon cost only $1 per gallon. The contrast in operating and maintenance costs is even more striking. Chemical treatment (primary-secondary-tertiary) costs between 40 and 80 cents per 1,000 gallons; Muskegon treats this volume of sewage for about 12 cents. Many studies and common sense favor the economics of land treatment. In brief, nature works cheap.

Why do so many saintary engineers dislike Muskegon in particular and land treatment in general? Harold J. Laski may have had the answer. One of his *Fabian Tracts*, written in 1931, contains this observation:

"Expertise sacrifices the insight of common sense to intensity of experience. It breeds an inability to accept new views from the very depth of its preoccupation with its own conclusions. Too often, also, it lacks humility; and this breeds in its possessors a failure to see the obvious which is before their very noses."

By training, outlook and experience most consulting engineers in this field view sewerage as fundamentally a plumbing rather than a resource problem. Nitrogen, carbon, phosphorus and potash describe elegant trajectors through the air, water and soil, but the typical sanitary engineer concerns himself only with that brief leg of their journey between the flush toilet and the sewage outfall. He does not care, professionally, whether North American soils are being mined to death, whether the manufacture of commercial fertilizers drains off huge quantities of natural gas and electric power, or whether his own treatment processes (especially in the tertiary stage) themselves consume inordinate amounts of power and fuel. The sanitary engineer ignores all these things because his single forte is turning alchemy on its head, i.e., transforming human fertilizer into pollution.

One unorthodox sanitary engineer, however, is Kenneth R. Wright of Denver. Wright shakes his head every time he recalls what a colleague once told him: "God made streams and lakes for sewage discharge." As a maverick, Wright has pondered why most of his fellow engineers ignore, down-play or attack land treatment.

His explanation is a plausible variant of Laski's. "Land treatment," Wright has written, "encompasses the broad technical domains of the sanitary engineer, the hydraulic and hydrological engineers, the agronomist and social scientist, the irrigation engineer, the virologist, metallurgist and geologist. . . . Perhaps for this reason alone, the professionals have been somewhat recalcitrant, knowing that the overall design control of a [sewage irrigation] project might necessarily fall into the hands of a generalist, or a water resources planner, rather than the traditional technical specialist." This is precisely what happened in Muskegon County.

Finally there is a powerful economic reason for the hostility most of our sanitarians display toward sewage irrigation. When a consulting firm designs a waste treatment plant its fee is calculated at between seven and 10 percent of the final construction cost. This practice invites the firm (especially where there is no competitive bidding) to design the most expensive sewage factory it can conjure up and sell to EPA and local authorities. Because chemical treatment costs much more than crop irrigation one can understand why sanitary engineers avidly promote the former and shun the latter.

Today most of the local, state and federal water quality agencies with the power to discipline this backward profession do not do so, and for a very clear reason: they are dominated by sanitary engineers. The major roadblock to a true test of sewerage technologies in the United States is EPA, which, with its predecessor agencies since 1960, has funded sewage disposal plants at a ratio of more than 1,000 to 1 over systems that recover the nutrients and water in sewage. Sanitary engineers help run most of EPA's sewerage research programs (the field office at Ada, Oklahoma, is a gratifying exception, allocate its construction grants, control its regulatory policies and select its outside consultants. All too often, the EPA staff man who helps make policy one year can be found working for a private consulting firm two or three years later and vice versa.

The opportunities for regulatory highjinx in this climate are too tempting to resist. When EPA approves an overpriced construction contract (and pays 75 percent of the cost), or when it casually tolerates pollution overloads from conventional treatment plants, it is merely rewarding its own. Such professional incest creates a powerful bias against land treatment, robs the public of tax dollars, fouls rivers and protects an incompetent profession. Scarcely a treatment plant in the nation consistently removes the high fractions of BOD, solids and pathogens which its design consultants promised it would when federal construction funds were being passed out.

Clearly, sanitarians have won the indulgence of a unique government psychology. Because conventional sewage treatment plants have never worked well, no one at EPA truly expects them to work. And because no one expects them to work, no one demands cost and performance guarantees from sanitary engineers. The feedback mechanism here is perfect, but it is also perfectly absurd.

While it has been making things easy for consulting engineers, EPA has also made things difficult for those who favor land treatment. The agency seems to be embarrassed by the funds it laid out for the Muskegon plan several years ago. Though it still trickles a few small grants into sewage irrigation studies that pose no immediate threat to its disposal policies, it has tried to cut off political acceptance of land treatment at virtually every turn. During the past two years, for instance, EPA has threatened North Miami, Florida, with a lawsuit because that city wanted to explore the land treatment of sewage as an alternative to the ocean outfall which EPA favored; issued a newsletter (through its Youth Advisory Board) which condemned the Muskegon project as "three steps backward"; demanded that the Army Corps of Engineers stop its studies of wastewater alternatives (including land treatment) for metropolitan regions, even though EPA itself had no plans to conduct similar studies; ordered Licking, Missouri, to build a conventional treatment plant when that town submitted plans for a sewage irrigation system; and fought Missouri's decision to impose a zero-discharge requirement on towns along the Big Piney River, a requirement which would have inspired several land treatment projects.

Three years ago, thanks in no small measure to Dr. Sheaffer's conversations with the Public Works Committee, the U.S. Senate moved to end decades of creeping mediocrity in our water pollution programs. It voted out a bill to impose the first direct effluent controls on industry and the first minimum treatment levels on municipalities. It also set a zero discharge goal for 1985. When he submitted this bill to the full Senate in November, 1971, Senator Edmund S. Muskie said: "These policies . . . simply mean that streams and rivers are no longer to be considered part of the waste treatment process."

The House of Representatives later weakened some of the key provisions, but it also made the land treatment preference much more explicit by accepting what is now known as the Vander Jagt amendment. This amendment, written into Section 201 of the 1972 Water Pollution Control Act Amendments, contains the most important language on sewerage in any American law. It states in part:

> (d) The Administrator [of EPA] shall encourage waste treatment management which results in the construction of revenue-producing facilities providing for—
>
> (1) the recycling of potential sewage pollutants through the production of agriculture, silviculture or aquaculture products, or any combination thereof;
>
> (2) the confined and contained disposal of pollutants not recycled;
>
> (3) the reclamation of wastewater; and
>
> (4) the ultimate disposal of sludge in a manner that will not result in environmental hazards.

Today in Representative Vander Jagt's own district the Muskegon County wastewater system embodies most of these ideas. When it reaches peak capacity sometime around 1990 it will collect 43MGD of raw sewage and industrial wastes from the Lake Michigan end of the county, pump them 15 miles eastward, treat them bacterially in aerated lagoons, store them in a much larger lagoon where the solids will settle out, spray-irrigate the secondary effluent on 6,000 acres of cropland, recapture the clear percolate in wells and underdrains and discharge it into watercourses leading back to Lake Michigan. Biological sludges from the lagoons will be plowed into the soil, improving its tilth.

The Muskegon system is expected to generate agricultural profits of $240,000 to $360,000 a year (at 1970 prices) from the sale of grass and grain crops. Non-irrigated buffer strips will accommodate the county's solid wastes until a method for recycling them is found; at $2 per ton, solid waste revenues should reach $300,000 a year.

Potentially, the Vander Jagt amendment gives environmentalists enough leverage to pry EPA out of its sewage-disposal rut. A sewage irrigation revolution is now possible. There is a very strong likelihood, however, that this revolution will be delayed for years, perhaps even decades. The sanitary engineering lobby, with its fists deep in the public works pork barrel, is fighting a stout rearguard battle. It enjoys the support of most state water quality agencies. And EPA has hunkered down for a long duel with Representative Vander Jagt and the small but growing band of land treatment advocates. The agency is genially ignoring the Vander Jagt amendment while it pumps billions of dollars into the relic sewage mills of the sanitary engineers. If the land treatment alternative is ever to get a fair trial in our metropolitan areas, conservationists will have to rouse themselves from the deep technological torpor they have shared with the sanitarians for the past century.

ANNOUNCEMENT OF HEARINGS ON FEDERAL EMPLOYMENT PROBLEMS OF THE SPANISH SPEAKING

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. EDWARDS of California. Mr. Speaker, the Civil Rights and Constitutional Rights Subcommittee of the House Committee on the Judiciary will continue its hearings on the Federal employment problems of the Spanish speaking on Monday, July 1, 1974, with testimony from the Department of the Interior.

Hearings will commence at 10 a.m. in room 2226 Rayburn House Office Building, Washington, D.C. Persons wishing to submit statements for the record may write to the Judiciary Committee, 2137 Rayburn House Office Building, Washington, D.C. 20515.

HYPOCRISY AND CHROME

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ASHBROOK. Mr. Speaker, today the House Foreign Affairs Committee began markup of a bill which would repeal the Byrd amendment. This amendment allows American consumers to import strategic material from Rhodesia.

Opponents of the Byrd amendment contend that it places the United States in violation of a United Nations embargo resolution. Such violation, they argue, is unique as other countries have scrupulously abided by the sanctions resolution.

While some opponents of the Byrd amendment still cling to the myth of compliance by other countries, their faith must have been shaken recently when it was conclusively demonstrated that Japan has been importing over 25 percent of its chrome requirements from Rhodesia over the past 5 years.

Japanese chrome buyers used forged South African certificates to evade the embargo—a policy apparently winked at by the Japanese Government, which has had an official commercial representative in Salisbury ever since the embargo was imposed.

If there is anything unique about the American approach to the Rhodesian question, it is honesty. For 5 years, the United States scrupulously, if unwisely, abided by the sanctions resolution while other countries flagrantly violated it.

Then, in 1971, we openly acknowledged the economic and strategic necessity of importing a narrow range of critical raw materials from Rhodesia. Our competitors in the world steel market spoke disapprovingly of our "violation" of the sanctions, while they continued forging documents, falsifying import figures, and smuggling chrome through Mozambique.

The Byrd amendment placed the United States apart from the hypocrisy of other major steel-producing countries while preserving our access to a vital raw material. This action was certainly the prerogative of the Congress. The U.S. Congress—not the United Nations—sets American policy. The U.S. Congress has the right to enact legislation to protect our national security and our economy.

I invite the thoughtful attention of my colleagues to an article recently appearing in the Journal of Commerce concerning this issue:

[From the Journal of Commerce, May 22, 1974]

JAPAN SEEKING TO CLOSE LOOPHOLES ALLOWING RHODESIAN CHROME IMPORTS

(By A. E. Cullison)

TOKYO.—Officials of Japan's Foreign Ministry are engaged in a series of discussions with the nation's powerful Ministry of Trade in an attempt to close serious loopholes which apparently are allowing local importers to secretly purchase many thousands of tons of Rhodesian chrome ore each year.

Despite the stated intention of the Tanaka government to abide strictly by the resolution of the United Nations banning such dealings with the white-ruled African state, such illegal dealings seem to be continuing.

Speaking of talks which were held again on Monday, a spokesman for the Ministry of International Trade and Industry (MITI) said today it is Japan's policy "to ban all trade with Rhodesia and we have done our best in the past to follow this policy."

Unfortunately for this determination of Trade Ministy authorities, it is believed in Tokyo that some 193,000 tons of Rhodesian chrome ore illegally entered Japan in 1972 by way of South Africa. It is not yet known how much these unauthorized shipments amounted to throughout last year.

But in order to avoid continuous suspicions concerning similar shipments, the Foreign Ministry is applying pressure on the trade officials to adopt several new measures to be applied to present imports of Rhodesian chrome ore through South Africa or any other nearby nation.

"If there are new measures which we can take," the MITI spokesman told The Journal of Commerce, "we are intending to take them. But so far we haven't come up with any new steps that we can take. We have been honoring the ban and we still are continuing to study new measures."

REQUIRE CERTIFICATE

During Monday's conference between officials of the Japanese Foreign Office and the Trade Ministry, it was suggested by the foreign affairs experts that MITI require a certificate on all chrome ore shipments from the government of South Africa showing the exact railway transport routes followed and another from private South African trading firms handling the ore stating the particular mines involved.

Yet the Trade Ministry spokesman sidestepped questions concerning these measures today by commenting:

"It seems it is very difficult technically speaking, to do something more than what we are already doing, although if there are some measures we would go ahead and take them."

However, the Foreign Office appeared more optimistic. Tadayuki Nomiyama, deputy director of the Political Division, United Nations Bureau of the Foreign Ministry, expressed his hopes that the Trade Ministry will agree to new procedures which will tighten import regulations regarding future shipments from South Africa.

Mr. Nomiyama added that the Foreign Office intends to have further meetings with the trade officials until something is worked out. He did not say how long he thought this might be.

"We have not yet decided what we are going to do," he explained, "and there are a number of proposals which exist and they (MITI) cited some of the measures they say they are thinking of—the railroad consignment note and so on—but it is still under discussion."

He confirmed that the various new official steps proposed to the Trade Ministry were suggested by the U.N. Sanctions Committee originally and merely passed along by his division. It was this committee which took issue with the fact that Japanese statistics listed 1972 imports of chrome ore from South Africa totaling 445,000 tons, while the South African Government put that nation's chrome exports to Japan at only 252,000 tons.

It has long been something of an open secret among Japanese business interests that at least three Tokyo trading houses have been heavily involved in importing Rhodesian chrome ore disguised as originating in South Africa. The certificates of origin were reported to have been issued by the South African Chamber of Commerce.

BAN APPROVED

The Japanese Government approved a complete ban on all trade with Rhodesia (with some minor exceptions) at a cabinet meeting in 1969 when the U.S. sanctions were first announced. Strict administrative measures were then imposed by the Trade Ministry authorities.

Latest efforts by the Japanese Foreign Ministry to track down and close likely loopholes followed notification by the U.N. sanctions committee on Rhodesia in August of last year that the discrepancies in Japan's official trade figures had aroused considerable doubts about false records.

A number of Japanese trading firms already have been questioned by the Tanaka administration on this point of possible forgeries in an effort to detect international violations of the sanctions, not only where Rhodesian chrome ore imports are concerned but also involving similar discrepancies and the likelihood of disguised shipments of Rhodesian asbestos and tobacco.

This subject is extremely sensitive to the Japanese, mainly since such possible violations of the U.N. sanctions could greatly embarrass Tokyo in its trading operations with black African countries so strongly opposed to white-ruled Rhodesia.

Japan's foreign ministry hopes to completely clean up the problem one way or another well before this fall's U.N. General Assembly meeting and thus perhaps forestall a possible attack on the issue by representatives of the black African nations.

However, in discussing the issue with private Japanese business leaders in Tokyo yesterday, The Journal of Commerce was informed with considerable bitterness that the rest of the world's large industrial countries are similarly engaged in importing Rhodesian chrome. The question was frequently asked why Japan should be troubled by the problem.

THE NATION'S FIRST BALE OF COTTON

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. DE LA GARZA. Mr. Speaker, early in June, the Nation's first bale of cotton for this year was ginned in Hidalgo County in the 15th Congressional District of Texas.

Crispin Gamez produced the cotton on his farm near the town of Pharr. And this is the third time in the last 4 years that Mr. Gamez had the first bale. Winning the honor has become a habit with him.

This year's bale is no skimpy affair. It weighed in at 518 pounds—a healthy bale, as any cotton man knows.

I am proud of this opportunity to let my colleagues know how we do things in south Texas. And I convey my congratulations to Mr. Gamez who in addition to the honor of being first, collected $1,445 in cash prizes for the first bale.

PROFITMAKING SCHOOLS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BELL. Mr. Speaker, in December 1973, I introduced with my distinguished California colleague (Mr. PETTIS) H.R. 11927, the Postsecondary Education Consumer Protection Act of 1973. The tremendous need we have for establishing regulations that will protect our students from being victimized by fraudulent postsecondary education programs is further evidenced in an article from the series by Eric Wentworth presently being run in the Washington Post. I sincerely hope that examples of the sort described in this article will help to encourage hearings on our bill later this summer. The text of the article, which I respectfully call to the attention of my colleagues, follows:

[From the Washington Post, June 23, 1974]

PROFITMAKING SCHOOLS

DECEPTION AND EXPLOITATION CHARGED

(By Eric Wentworth)

Businessmen who run schools to make money have, in many cases, been exploiting federal student aid programs at the expense of the young Americans those programs are supposed to benefit.

Salesmen motivated—like the schools' owners—more by earnings than educational ideals have gone hunting for customers in the ghetto of Atlanta, Boston and Los Angeles, in Greenville, S.C., and Shreveport, La., in the public housing of Ardmore, Okla., in the food stamp lines of San Antonio, Tex., in the barracks of Army bases in West Germany and even in a halfway house for mental patients in the Pacific Northwest.

Dangling dreams of quick training for well-paid jobs as computer programmers, color-television technicians, executive secretaries, motel managers or airline hostesses, they have lured young consumers into contracts that often lead to debts and disillusionment.

One victim, an Atlanta welfare mother, complained a finance company was dunning her to repay nearly $500 on a federally insured student loan for three weeks she spent at a local business college. She dropped out because conditions were poor and the school wanted more money.

Another, a veteran in Duluth, Minn., wrote has congressman in desperation because a Chicago bank was demanding a $405 repayment on his student loan which he didn't think he owed. He had been lured into a correspondence course in color-television technology, dropped out because the course proved too difficult, and said the school was refusing to help straighten out his problems with the bank.

In another case, a group of young people recruited by an airline personnel school in Hartford, Conn., through what they allege were numerous false claims are suing the school for damages. The majority had been signed up to federally insured loans to help pay their tuitions.

Salesmen eager for commissions have often failed to spell out the financial fine print when they sign up unsophisticated customers to enrollment contracts and loan applications. They have sometimes misled them to think, for example, that they will only have to repay their loans after landing that job for which they'll be trained.

Many young customers come from low-income families, hold unrewarding jobs—if they're employed at all—and have missed out on less costly educational opportunities such as public community colleges.

PROTECTION LACKING

Yet the government, while offering subsidies for their schooling—subsidies which salesmen use as bait—has failed time and again to protect these young Americans from fraud and needless financial losses.

At the same time, the government has failed to protect the taxpayer. It has doled out tens of millions of dollars on insurance claims for defaulted student loans and tens of millions more on GI Bill benefits for wasteful correspondence courses.

These conclusions result from months of reporting by The Washington Post on education's profit-seeking sector and the public and private agencies which are supposed to keep it honest.

The multibillion-dollar industry has thousands of members, from mom-and-pop secretarial schools in small Southern towns to nationwide chains and correspondence course factories owned by International Telephone and Telegraph, Control Data, Bell & Howell, Montgomery Ward and other large corporations.

While enrollment figures vary widely, the Federal Trade Commission has estimated that industrywide total at more than 3 million students—which would be at least one-third of the total for all public and private nonprofit colleges and universites. Bell & Howell alone recently reported 150,000 students in its correspondence courses and another 10,000 in classrooms, which would make it as large as the entire University of California system.

What sets the industry's members apart from UCLA, Yale or your local community college is that they're all commercial ventures, selling education for profit.

A number of businessmen-educators undoubtedly run respectable operations. Advance Schools of Chicago, one of the big correspondence schools relying heavily on federally insured loans and the GI Bill, is eyed askance by some who find its reputation somehow too good to be true. But Sherman T. Christensen, founder and now chairman of Advance Schools, makes a strong case that practices ethical and fair, its courses properly educational and its 72,000 students relatively satisfied.

On the other hand, scores of interviews with a variety of sources and scrutiny of numerous public and confidential files have turned up many examples involving other schools of deceptive advertising, predatory recruiting, wrongful withholding of refunds and other unscrupulous or irresponsible practices.

Industry spokesmen, sensitive to occasional exposes, contend profit-seeking schools shouldn't be singled out for criticism. After all, they argue, nonprofit colleges, hard-pressed to fill classrooms and balance budgets these days, have begun resorting to commercial recruiting tactics, too.

But the fact remains, based on available evidence, that it is in the profit-seeking sector where abuses have been more frequent and extreme, and where the human as well as the public costs have so far been the greatest.

Dropout rates have exceeded 50 per cent and run 75 per cent or more in many correspondence schools. True, rates are also high among nonprofit private and public colleges—where one 1971 study showed fewer than half the freshmen would finish two-year programs and only one-third would finish four years.

But the profit-seekers, selling shorter courses aimed at specific careers, could be expected to have lower rates than most. Their dropouts, who in most cases have signed contracts to take and pay for an entire course, often quit at any early stage. Students at nonprofit colleges usually pay by the semester, and dropouts tend to leave at semester's end.

Neither profit-seeking nor nonprofit schools boast perfect scores in graduate job placements—witness recent reports of Ivy League graduates driving taxicabs. But for the profit-seekers, training for jobs—stripped of broader educational objectives—is the name of the game.

Certainly profit-seeking schools have been setting the pace when it comes to marketing. They advertise widely in all sorts of magazines—from Penthouse to Popular Mechanics—as well as newspapers and the Yellow Pages. They promote their services on matchbook covers and postcards, as well as television. Some use mass mailings. Others canvass by telephone. And those that find salesmen productive.

According to a detailed 1970 report on the industry by Edubusiness, Inc., of New York City, profit-seeking schools generally spent only about 20 per cent of their budgets on instruction but up to 60 per cent on marketing.

"Good sales representatives," Edubusiness reported, "command annual salaries considerably higher than those according the teaching staff."

One recent example was the magazine ad to recruit salesmen run last fall by Atlantic Schools, a subsidiary of National Systems, Inc., selling courses in the airline-travel field. "Generous commissions!" the ad promised. "Just five sales per month can earn you over $10,000 annually. Many of our salesmen earn more than $20,000 per year—and up to $60,000."

Weaver Airline Personnel School, advertising for salesmen in The Washington Post help-wanted columns last Nov. 18, offered salesmen "high commissions plus monthly annual bonuses and our TOP reps have won extra bonuses, from a car to a European vacation."

While some profit-seeking schools for one reason or another have shunned heavy involvement in federal programs, others have increasingly used them to fullest advantage to enroll large majorities of their students.

In the federally insured student loan program, for example, profit-seeking schools generally have been accounting for about one-third of the total multibillion-dollar volume. But in the 1973 fiscal year, according to government figures, three school owners alone—Advance Schools, Bell & Howell and Montgomery Ward—enrolled more than 200,000 insured-loan borrowers. In the January–March, 1973, quarter, those same three accounted for more than $45 million in new-loan volume, or nearly 20 per cent of the total for all institutions in the program.

And according to Veterans Administration data published last fall, a dozen profit-seeking schools each enrolled more students under the GI Bill during 1972 than even the largest state university campuses.

Profit-seeking schools gained access to the federal student subsidies in the mid-1960s. Congress followed the precedent of prior veteran-aid programs in including them when it revived the GI Bill in 1966. The lawmakers made them eligible for the insured-loan program, and since then for other Office of Education student aid, on grounds that vocational education under all legitimate auspices merited more recognition and support.

Eligibility for these programs greatly broadened the potential student market for profit-seeking schools by giving millions of young people the financial means to enroll. It was doubtless a factor, in the late 1960s, in attracting Bell & Howell, McGraw-Hill, Montgomery Ward, Control Data, ITT, Lear Siegler, LTV and other corporations into what seemed a lucrative new field. Their involvement, through acquisitions and new ventures, brought fresh resources and apparent respectability to an industry still dominated numerically by far smaller enterprises.

Education profits have in fact proved elusive for many companies, large and small. A variety of management problems, the rising rivalry of low-tuition public community colleges, and a roller-coaster national economy have spelled slim earnings for quite a number and heavy losses for some; LTV and Lear Siegler have cashed in their chips.

Most companies, however, are staying in the game. And the industry as a whole has clearly emerged from the educational backwaters it inhabited for decades into the mainstream. Looking ahead, school owners can expect a new boon for recruiting if the government's recent "basic opportunity grants" for low-income students are funded at more than $1 billion as the Nixon administration has proposed.

DEVELOPING SHIFT

Moreover, they stand to gain at least in the short run from the developing shift in student goals away from traditional liberal arts degrees and into programs geared toward work-world careers. Meat-and-potatoes career training, after all, is the industry's long-claimed specialty.

North American Acceptance, in turn, was acquired and owned until recently by Omega-Alpha Corp., the conglomerate that financier Jim Ling put together after his ouster from control of LTV.

Under new ownership, Blayton built enrollment by aggressive recruiting. By one account, a team of salesmen would telephone local high school graduates. The salesmen would offer them a ride to the school in a company-owned station wagon to inspect its facilities—including the plushly furnished president's office and reception rooms—and to view a recruiting film.

Those persuaded to enroll would be signed up, in practically every case to a federally insured loan from North American Acceptance. All told, according to Office of Education estimates, the finance company's insured-loan volume soared by last summer to $1.3 million.

By last August, however, the federal agency's Atanta office became concerned by Blyton's high dropout rate and a growing number of loan defaults and complaints from onetime students.

One handwritten complaint came from Linda Sloan, an Atlanta welfare mother. "I have received a number of letters and telephone calls from North American Acceptance," she wrote. "They are asking for money that I do not think they deserve. They are telling me that I borrowed almost $500 from them. I have never been there before in my life. This money is for a couple of weeks that I went to Blayton Bus. College.

"I signed a contract but was not permitted to read it because they said that it changed so often that 'by the time you start classes it will be different.' I was also told that during the first week of school, I would be offered a job." (None of this was true.)

"I went for about three weeks," she continued, "and after I found out that I was expected to pay over $1,000 I went to the office and told them I had quit. All they said was o.k. They didn't even make a note of it.

"I have been telling these people that I do not have a job, but they keep making all kinds of threats. They say I went to school for 35 days. I did not. I didn't even have a perfect attendance record the short time I was enrolled. The conditions there were poor, and I think it is unfair for them to force me to pay this much money for nothing. . . ."

STUDENT WALKOUT

Last Aug. 20, an estimated 150 students—three fourths of Blayton's largely black total enrollment at the time—staged a walkout to dramatize their complaints about the school. Their long list of grievances included a misleading catalogue (in which white employees of North American acceptance allegedly posed in photographs as students so it appeared the school was integrated), low admissions standards, unqualified teachers, insufficient equipment, unavailable courses, deceptive sales pitches and exorbitant tuition.

The students were also upset by the resignation of Mrs. Terry Davis, the school's black placement director.

Mrs. Davis said she had become disenchanted herself by the school's inferior quality, which made it hard for her to find jobs for its graduates, and was frustrated by undue restrictions on her work. The last straw came, she said, when the school's administrators—who claimed later that she had been unproductive—sought to hire a second placement director without telling her.

The Blayton students who walked out evidently hoped their demonstration would force the school to make some improvements. Student protests had been common enough on college campuses. Occasionally they had led to violence—far more often, to reforms.

The last thing the Blayton protesters expected was that the school's administrators would summarily expel them. But that, in fact, was what happened.

And with publicity about the protest causing enrollment cancellations among fresh recruits scheduled to start classes in October, Blayton officials decided they would simply close down the school when the summer term ended.

While the expelled students reportedly had partial refunds credited to their North American Acceptance loan accounts, depending on how long they had been enrolled, they were still faced with repaying the rest of their loans—for an unrewarding, unfinished, dead-end education.

Edward L. Baety, a lawyer retained by Mrs. Davis to represent her and the students, decided to file suit against North American Acceptance to free the students if possible from their repayment obligations.

He was "on the way to the courthouse," Baety said, when he picked up a newspaper, read that North American was filing for bankruptcy, and gave up his mission.

HUGE LEGAL TANGLE

Baety said recently he saw little hope for the students in adding another, relatively minor lawsuit to what has become a monstrous legal tangle. The collapse of North American Acceptance (sold by Omega-Alpha last August to GCI International, Inc., a California holding company) has touched off a flurry of investigations plus class-action suits on behalf of some 12,000 Georgia investors who were left holding an estimated $40 million in short-term North American Acceptance notes.

And the Blayton students weren't out of the woods. Robert E. Hicks, North American's court-appointed trustee, said he was legally obligated to "maximize" the finance company's assets in the interests of its creditors. That meant, he added, that an "effort will be made"—however unpopular—to collect from the student borrowers.

Should the students refuse to repay their loans, North American Acceptance through its trustee would presumably file claims for federal insurance on the defaults. And if the government paid those claims, it would then set about collecting from the students itself.

As things stand, the insured loan program allows forgiveness of debts only for death, disability or personal bankruptcy.

Time and again, where a profit-seeking school misled or short-changes its students, overlooked Office of Education collection officials have been later assigned to extract money from the victims.

Said one official, "I can't find it in my own conscience to go out and collect from these people."

CORRECTION

The first article in this series published Sunday, described events last year at Blayton Business College in Atlanta as an example of what can befall students in the absence of effective regulation of such schools.

Blayton was accredited by the Association of Independent Colleges and Schools, approved by the Georgia Department of Education and eligible to enroll students under the federally insured loan program.

Blayton, originally a local family venture, had been acquired in 1971 by American Schools, Inc., which was owned in turn by North American Acceptance Corp., the finance company that made federally insured loans to most students enrolling at the school.

Paragraphs containing these facts about Blayton, which shut down after student protests last August, were inadvertently omitted from the Sunday article.

FREEDOM FOR THE PANOVS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. BIAGGI. Mr. Speaker, freedom-loving people everywhere, as well as admirers of the creative arts, will rejoice that the Soviet Union has released Valery and Galina Panov so that they may emigrate to Israel.

Panov, formerly one of the leading stars in the Kirov Ballet, and his wife, Galina, had sought for 2 years to obtain visas to emigrate to Israel. Upon applying for such visas both performers were dismissed from their jobs. Despite official Soviet harassment the Panovs persisted in their goal to emigrate. Not despairing, both Valery and Galina continued to practice their ballet exercises in their Leningrad apartment.

In December 1973, the Communists in order to further oppress this courageous couple gave Valery a visa but refused to provide Galina with one. Eventually, as a result of the outcry in the free world, particularly among members of the artistic professions abroad, the Soviet authorities relented and provided both Panovs with visas.

Having visited the U.S.S.R. last year and met with Jewish dissidents, I fully appreciate the ordeal they undergo in order to secure the right to leave for Israel. Accordingly, earlier this year I joined colleagues of this body in urging the Soviet authorities to allow both Panovs to emigrate.

What especially upsets me in this connection is that President Nixon in his commencement address at Annapolis maintained that the issue of Soviet Jewish emigration was an internal problem, and that the United States should not tell another country how to manage their governments. Actually, when Members of this House and other humanitarian-minded Americans protest Soviet anti-Semitism they are not motivated by the need to dictate internal policies to the U.S.S.R. What we are doing in these protests is remaining loyal to our tradition as a defender of human rights. People in this Nation, to their credit, have always opposed injustice abroad. Their motivation stemmed from a desire to support freedom.

As President Nixon prepares for his historic visit to the Soviet Union, it is my hope that in the interests of so-called détente, he does not neglect the plight of the Soviet Jews in negotiations with the Kremlin. Thousands of Jews are being harassed on a daily basis in the U.S.S.R., and they and the free world pray that President Nixon will use his influence to secure the exit visas that these Jews merit.

SPANISH-SPEAKING AMERICANS NEED BETTER LEGISLATION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ROYBAL. Mr. Speaker, my good friend and fellow Californian representing the State's 8th District, on May 28, 1974, testified before the Census and Statistics Subcommittee on Post Office and Civil Service in support of my bill House Joint Resolution 1030 to improve the collection and publication of Federal statistics relating to Spanish-speaking Americans.

Without an accurate census, it is impossible to provide education, welfare, housing, and other necessities to this large group of Americans with any degree of efficiency. This legislation is vital if we are to attain a fair distribution of governmental funds in accord with human needs and to respond to the grievances of the Spanish-speaking people.

Congressman FORTNEY STARK's remarks on House Joint Resolution 1030, which he cosponsored, merits the attention of all Members of the House, and I include them at this point in the RECORD:

TESTIMONY OF HON. FORTNEY H. (PETE) STARK

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to come before you and express my full support for H.J. Res. 1030; an issue whose time has most certainly come and an issue that we should address ourselves to quickly and decisively.

On the surface, the resolution appears rather cold and simple: it instructs the appropriate Federal agencies to compile figures on the demographic, economic, and social conditions of Spanish speaking Americans. The Resolution does not introduce new, costly programs for the Spanish speaking people. It makes no promises for better jobs, improved education, or decent housing. It merely insists that accurate and complete information be collected on this all too often "invisible" and "forgotten" group.

And yet, this resolution could mean as much to these people as any previous legislation passed by Congress for the sad and embarrassing truth is that we do not have competent statistics that have been selected and organized to describe the social and economic conditions, trends and concerns of the Spanish speaking in this country. We do not know how many Spanish speaking Americans there are. We do not know where they live. We do not know the social and economic conditions under which they live. We need detailed information on the health, education, employment, income, housing, leisure, and population status of these Americans. As long as we remain uncertain, uninformed and unaware of their plight and hardships, the Spanish speaking in this country will continue to be invisible and forgotten.

To those unfamiliar with the subtleties of injustices to minorities, asking for numbers, estimates, projections—computerized printouts based on scientific methodology—might appear a simple task. In fact, many people may erroneously believe that the Bureau of the Census already performs this function with cold, objective honesty.

To the contrary, it is because the government's data collecting systems are so highly mechanized that it is so easy for insensitivity to persons of Spanish speaking background to permeate the work and result in discriminatory treatment. A recent study done by the U.S. Commission on Civil Rights declared that the Bureau of the Census has failed drastically to correctly identify and record the living conditions of the Spanish speaking in this country. A conservative estimate is that over 10% of the Spanish speaking population was not counted during the 1970 Census operation.

The report found the Bureau insensitive and unfamiliar with the unique problems of the Spanish speaking that must be understood and overcome if useful and complete information is to be received. The Bureau employed very few Spanish speaking personnel and they were not used to effectively develop methods to reach the Spanish speaking in this country.

The Bureau, and other Federal agencies responsible for collecting population data, fail to seek the advice or participation of Spanish speaking organizations and individuals in developing their programs for data collection; nor do they offer bilingual questionnaires to all Spanish communities.

These Federal agencies explain their failure to properly identify Spanish speaking Americans in terms of increased cost, difficulty in asking proper questions, need to generalize, and unimportance of data. The disastrous results of following this limited approach and using the incomplete data thus obtained is, however, far more serious than any initial problems that its collection might raise.

Until we know exactly where, and under what type of social and economic environments the Spanish speaking of this country live, our efforts to improve their lives and offer real hope for success are little more than shots in the dark. We cannot know if we are reaching those in need with the type of assistance they can and will use without complete information.

Current demographic, social and economic statistics on persons of Spanish speaking background are needed by Federal agencies, State and local governments, private organizations and individuals for a variety of purposes including protection of voting rights, the administration of assistance programs, and the assurance of equal employment opportunities.

An undercount of the Spanish speaking population may seriously limit and infringe upon their franchise by denying them the full representation in State and Federal legislatures they deserve. Voting age data is necessary to determine whether, because of a language barrier, persons have been denied their voting rights. If, as many of us believe, this is the case, then bilingual voter assistance programs must be enacted immediately.

Federal aid to State and local governments is often allocated on the basis of demonstrated need. The size of the population to be served and its social and economic characteristics, as recorded by the Census or other population count, are the primary factors taken into account in determining that need. Therefore, an undercount, or incomplete information on environmental conditions, would mean insufficient funds for the education, manpower training, housing and social assistance programs in the community. It would also severely limit the Spanish speaking community's opportunity to receive special programs for which they may very well qualify, had they only been fully counted.

Effective implementation of Federal Equal Employment Opportunity programs is also dependent on the statistics of the ethnic minorities in the area. Once again, incomplete accountings of the Spanish speaking population will result in incomplete employment opportunities—perhaps not even out of malice or prejudice on the part of employers, but simply by their acceptance of the Federal government's ignorant and unaccurate population figures. This, I believe, is even worse than bigotry.

The need to implement this resolution is very clear. I share the fear of many that tens of thousands, perhaps millions, of Spanish speaking citizens are being denied their rights and opportunities simply because this government has failed to count—failed at a basic arithmetic, yet humane, task of identification. Our success in future efforts for the Spanish speaking in this country will depend on our ability to receive the accurate data this resolution would insure.

We need to make this first, crucial step forward. We need to make a sincere commitment, both ideological and financial, at both the Congressional and Executive levels, to employ whatever innovative and comprehensive methods we need to count the "forgotten". We must call on bilingual and sensitive persons from the Spanish speaking communities and ask their advice on how best to insure the complete picture materializes from our counts.

We must make bilingual questionnaires easily available and provide assistance to those unfamiliar with filling out these type of forms. The identification of Spanish speaking persons must be simplified by including a comprehensive "Spanish origin" section on every form. We must be creative, and we must be thorough, but most of all we must begin now. The Spanish speaking Americans have been forgotten long enough.

OUTRAGE IN THE SUDAN

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mrs. GRASSO. Mr. Speaker, Monday's release by the Sudan of the eight Palestinian guerrillas who killed a Belgian and two American diplomats in March 1973 is an outrage, a travesty of justice, and an insult to the memory of those valiant murdered men. By turning the convicted terrorists over to the Palestinian Liberation Organization, President Nimeiry has broken his word and virtually guaranteed freedom to the perpetrators of this ruthless act.

The toll of innocent victims of Arab terrorism has been rising. Yet, appalling as it is, with the exception of Jordan, no Arab nation has made any serious attempt to bring these criminals to justice. Yesterday's action by the Sudanese Government can only serve as an invitation to Arab terrorist groups to continue their campaign of violence and brutal disregard for innocent lives.

MIXED-INCOME SUBSIDIZED HOUSING, MASSACHUSETTS TRIES MIXING INCOME GROUPS IN SUBSIDIZED HOUSING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HARRINGTON. Mr. Speaker, an article by Liz Gallese on mixed-income groups in Government-subsidized housing appeared in today's Wall Street Journal.

Through various means, including favorable interest rates and tax concessions, developers in Massachusetts are encouraged to construct high-quality housing in which families of all income levels can live together. Studies of existing projects provide strong evidence that members of all income groups are happy in such mixed arrangements and many of the traditional problems of public housing are overcome.

For lower-income groups these projects provide better neighborhoods than would be accessible otherwise. For middle-income groups they provide an alternative to the soaring costs of private homes and condominiums. Upper-income groups are attracted by the high-quality design, construction, and management. I can testify from the experience in Massachusetts as I have seen that the Massachusetts Housing Finance Agency should provide a model in developing Federal policy and, therefore, I would like to insert this article in the RECORD at this time for the information of my colleagues:

LIVING TOGETHER—MASSACHUSETTS TRIES MIXING INCOME GROUPS IN SUBSIDIZED HOUSING

(By Liz Roman Gallese)

BOSTON.—For nine years, Mary Griffin, a 43-year-old disabled welfare mother, endured the spirit-sapping indignities of poor housing. She paid $75 a month for a small apartment in the West Broadway Development in South Boston, one of the most dilapidated public-housing projects in the city. The hallways were filthy, and roaches infested her apartment. Worst of all were the constant fears for her own and her children's safety. Once a gang of juveniles jumped her 20-year-old son—he partially lost his sight as a result—and threatened her 11-year-old daughter. "After that I walked Muffie to and from school and wouldn't let her out," Mrs. Griffin says.

After searching for three years for a decent place that she could afford on her $266 monthly income, Mrs. Griffin moved her family two years ago into Queen Anne's Gate Apartments, a landscaped, modern housing project where poor, middle-class and affluent tenants live side by side. The low income tenants pay no more than 25% of their income for housing and middle-income tenants 25% to 40% of their income, while those who can afford it pay full market rent.

Set amid trees and rolling hills in the suburb of Weymouth, Queen Anne's has a clubhouse, swimming pool, tennis courts and children's playground. Mrs. Griffin pays $57 a month for a two-bedroom unit with a modern kitchen, bath with vanity, wall-to-wall carpeting and exposed brick walls. "It's wonderful," she says. "We're meeting people from different backgrounds, yet I've still got my pride."

STEMMING SEGREGATION

Neighbors Fred and Winnie Carleton, a semiretired couple earning $22,500, pay $319 a month for a unit similar to Mrs. Griffin's. "We love it," Mrs. Carleton says, "Oh, sometimes we think we're paying top dollar for what welfare people are getting for free, but we don't mind."

Since the 1930s, government-subsidized housing has segregated the poor in huge projects that invariably have turned into ghettos. By introducing the concept of mixed income housing, the Massachusetts Housing Finance Agency, an independent agency created in 1968 by the state legislature, hopes to better integrate the poor into the community and at the same time provide much needed housing for the middle class. Though it has been criticized for admitting too few minority tenants and has had some difficulty attracting high-income tenants, the experiment has so far been encouraging enough to make it a likely model for future national housing policy.

Like housing financing agencies in 31 other states, which together have put up about 400 projects containing 120,000 units, the Massachusetts agency finances subsidized housing by granting low-cost loans to developers with money raised by issuing tax exempt notes and bonds. But unlike other state agencies, it insists that developers admit both tenants who pay the full market rent and at least 25% low income tenants, as required by Massachusetts law.

HIGH RISES AND STUDIOS

The agency's 157 projects house an average mix of 34% low-income, 50% moderate-income and 16% full marked tenants, with appropriate income levels of under $6,000, between $6,000 and $12,000 and up to $30,000 respectively. (Some early projects are either all low income or a mix of low and moderate income housing rather than the 3-level mix.) An income limit of six times annual rent is set by law.

The complexes are built in a variety of settings: Residents of Boston's Church Park walk to shops, parks, and theaters; at Cromwell Court at Hyannis. Units are minutes away from Cape Cod beaches; artists in Piano Craft Guild, a rehabilitated Boston piano factory, have studio as well as living space.

Much of the impetus for mixing income and racial groups has come from William J. White, the Massachusetts agency's 47-year-old executive director. "Personally, I never believed people should be segregated, either in low-income projects or in middle-class suburbs," he says. A native of a working class neighborhood in Cambridge, Mr. White started a real-estate development and brokerage concern and during the 1960s pushed hard for the state's Fair Housing Law, the first in the country to open suburbs up to previously excluded racial and religious groups. "Mixed-income housing is really no big deal," he says. "The whole history of our country has been of different classes living together, farmers sharing lands with merchants, craftsmen and statesmen."

MORE PALATABLE TO SUBURBS?

Most housing experts acknowledge that government-subsidized housing has failed precisely because it has had the opposite effect: It has isolated different income groups from one another. Many experts believe that mixed housing will rectify some of these problems by, for example, making subsidized housing more palatable to suburban communities wary of exclusively low-income projects. Moreover, they applaud the plan's provision for middle-income families, currently being squeezed out of the private market. Because of soaring prices and interest rates, "the middle-class dream of its own turf with that white house has become a nightmare," Mr. White says. "Within the next few years, the outcry (for subsidized housing) will come from this group."

The Massachusetts prototype is beginning to be imitated elsewhere in the nation. State finance agencies in Illinois, Michigan, Minnesota, and West Virginia have already financed some mixed income projects, and other agencies indicate a preference for them. The Massachusetts agency's counterpart in New York, Urban Development Corp., plans mixed communities in New York City, Buffalo and Syracuse, each with at least 5,000 residents. "We're trying to create a microcosm of society and have tenants build the fabric of it," Edward Logue, the president, says.

Federal policy, too, is aimed in the direction of mixed housing. Two years ago, the Department of Housing and Urban Development began giving the poor direct subsidies to find private housing. In May, it began subsidizing private developers who set aside no more than 20% of a complex for low-income tenants. The program will cost $940 million for 358,000 units over two years.

To counter traditional arguments that mixing races and income groups in a housing complex leads invariably to conflict, the Massachusetts agency brandishes a recently released independent study showing that mixed-housing tenants are happier with their living arrangements than are those living in segregated housing, be it poor, middle class or luxury. In interviews with 197 tenants from 16 Massachusetts projects and 125 tenants from conventional segregated housing complexes, a team of four housing experts found that 89% of the Massachusetts agency's tenants were satisfied, compared with 78% of the comparison group. While such reactions are hardly surprising coming from poor tenants, the study found full-market tenants in the Massachusetts agency's projects and residents of luxury buildings to be almost equally satisfied. The results didn't differ markedly in subcategories, such as satisfaction with one's apartment, neighbors, management and the development as a whole.

Specifically, the researchers found that tenant satisfaction hinges largely on the quality of a project's design, construction and management, rather than on who lives in it. Fully 75% of all tenants surveyed said income and racial mixing was either desirable or didn't matter. Sometimes the most frequent source of tenant dissatisfaction—a project's second-class construction—is erroneously blamed on tenant mix, says Prof. William Ryan, chairman of the department of psychology at Boston College and one of the authors of the study.

The Massachusetts projects succeed, the study concludes, because they are of high-quality design and construction capable of attracting full-market tenants. The researchers say developers of projects designed to house all-subsidized tenants seldom make an effort to construct buildings comparable in quality to the Massachusetts agency's projects.

To assure that its buildings are up to standard, the Massachusetts agency retains the authority to approve or disapprove developers' plans. Sites near noisy highways, airports and railroad tracks or those remote from the rest of the neighborhood are rejected. (But dilapidated inner-city neighborhoods that show promise of improving are often chosen.) Even developers accustomed to building luxury apartments sometimes find the Massachusetts agency's standards more exacting than they had expected. Corcoran, Mullins, Jennison Inc., the Boston-based developer of Queen Anne's Gate, for example, originally submitted plans comparable in design to its standard luxury complexes. The Massachusetts agency made the firm reduce the number of units, enlarge the bedrooms and design a "more distinctive" facade.

Moreover, though, the Massachusetts agency allows developers to screen prospective tenants to eliminate those with histories of rental arrears, crime or drug problems, its nine-member management department has the final say on selection. Evictions can take place only after professional help fails to correct the situation.

"THE POWER OF MONEY"

A 21-year-old mother of two preschoolers, for example, was evicted from one garden complex after 15 friends staying in her apartment broke the door, air-conditioner and stove and fired a shotgun into the parking lot. On the other hand, a state social worker taught a mother in a western Massachusetts project to better discipline her four children, after 11 neighbors complained about their behavior. Both the family and their neighbors are still living in the project.

Developers learn to live with the agency's stringent controls because the agency is a major source of low-interest capital. "We have tremendous power—the power of money," Mr. White says. Since it was established, the agency has lent a total of $536 million to 82 developers, $160 million of that in fiscal 1973. Its interest rates on construction loans have ranged from 3.15% to 7.69% and on permanent 40-year financing from 6.18% to 6.44%, far below conventional rates of three or four points above the prime rate. It requires developers to put down 10% of the construction loans and limits a developer's profit to 6% of the money he puts down.

While that profit is very small, there are some advantages to taking a loan with the agency: Interest rates are far lower than conventional financing, the amount of time to pay back the loan is 40 years rather than half that time and, of course, the money market is currently tight. In addition, developers actually make most of their money by selling for a sum limited partnerships to individuals who need a tax break.

F. William Smith, a vice president of Boston's Niles Co., says soaring construction and money costs have driven the concern away from conventional financing and the all-luxury complexes it had been building. "Any developer would rather deal with conventional financing," he says. "There's no red tape, a chance for a better profit (10% to 12% annually after four or five years) and no obligation to experiment with social programs that could fail. But in today's market we either use state agencies or build condominiums."

Also, the Massachusetts agency makes loans for projects that conventional financing sources won't touch. Boston's John Cruz Construction Co. got a go-ahead recently for a project in the city's primarily black Roxbury district after being turned down by private lending institutions.

Some developers resist building in poor neighborhoods, and when they do build there, some go to lengths to minimize difficulties with tenants. Niles, for example, built its first Massachusetts agency project—a Boston high-rise—on a site where many elderly had been displaced by renovation and designed it with only one- and two-bedroom units. "We felt comfortable with it," Mr. Smith says, "because the neighborhood isn't good for children and most subsidized units would go to elderly tenants who aren't management problems."

AIMING FOR A BETTER MIX

To prevent the guiding principles of mixed housing from being compromised, the Massachusetts agency is taking steps to assure a better income mix in future developments. It is more actively recruiting minorities, for example, as a result of the study's criticism that two-thirds of the black tenants were concentrated in the six least desirable projects surveyed and that there were too few minority tenants living in suburban projects (typically they are present only in proportion to their percentage in the community).

To avoid isolating low-income tenants, the agency is also requiring that 25% of the units be three- and four-bedroom units, distributed evenly through all buildings and rented to all income levels. At one of its first projects, in Lowell, Mass., several-bedroom units were added in a separate wing and were rented only to low-income tenants. This practice resulted in other tenants identifying it as the "low-income wing."

Most of all, the Massachusetts agency is trying to boost the proportion of full-market tenants in its projects, aiming for a mix of 30% low-income, 45% moderate-income and 25% market. "In some developments, we've had trouble getting market tenants, particularly in poorer areas," Mr. White says. (Of 38 units in the Roxbury project, for example, only one is occupied by a market tenant.)

Nevertheless, some affluent families are drawn to the Massachusetts agency's projects precisely because of the mix. A 45-year-old couple with three children recently sold its eight-room home in the prosperous suburb of Wayland and moved into two apartments in Piano Craft Guild, the restored factory in Boston's South End. The husband says: "Wayland isn't a part of the real world of other races and other incomes." His wife agrees: "This was my idea for the best environment for bringing up my children. I'm against the isolation of the way our housing is set up—one house on each 1½ acres. "I'm hoping a community will develop here."

THE PAGE POSITION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. LAGOMARSINO. Mr. Speaker, at this time I would like to call to the attention of the House, a group of young men and women who perform endless duties for the Members and our staffs. Their many jobs include bringing documents to our offices, running messages, bringing bills to the hopper, retrieving such things as speeches, and who knows what else.

As a freshmen, I feel fortunate to have a young man appointed from my district. His name is Robert Moore and he is from Ventura, Calif. Today is his birthday, and I would not only like to congratulate him on achieving the grand old age of 17, but also on being appointed to the page position.

Mr. Speaker, I would further like to commend the other minority pages for their work. It seems only fitting that recognition be granted to these fine young people. They are a credit not only to their States, but to themselves:

List of Names

Drew Bell, Michigan.
John Berdes, Maryland.
Frank Brody, Maryland.
Meredith Brinegar, Virginia.
Carter Chinnis, Virginia.
Doug Diehl, Montana.
Chip French, Virginia.
Fred Garcia, New York.
Bart Greene, Maryland.
Tim Harroun, New York.
Tim McCormick, New Mexico.
Bob Moore, California.
Bill Price, West Virginia.
Grant Price, Texas.
Brian Rawers, Illinois.
Elizabeth Taylor, Pennsylvania.
Craig Turner, Tennessee.
Mark Von Destinon, Michigan.
Jerry Watterworth, Michigan.
Mark Wells, Texas.
Woody Woodruff, West Virginia.
Mark Wyn, Michigan.

ADDRESS OF THE HONORABLE WILLIAM B. WIDNALL AT COMMENCEMENT EXERCISES OF SADDLE RIVER COUNTRY DAY SCHOOL, JUNE 22, 1974

Hon. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. FRELINGHUYSEN. Mr. Speaker, on June 22, last Saturday, my good friend and colleague, Representative William B. Widnall, had the opportunity to address the graduating class of the Saddle River Country Day School, in Saddle River, N.J.

This is a coeducational prep school, which had about 60 graduating seniors in its class of 1974. The ceremonies were attended by 600 to 700 proud parents, friends, and relatives.

I found Bill's remarks to be of great interest, particularly in light of youth reaction to recent events in Washington, and I commend this address to my colleagues' attention at this point in the Record:

Commencement Speech, Saddle River Country Day School, June 22, 1974

(By William B. Widnall)

Honored guests, Headmaster Ogilvie, ladies and gentlemen and members of the 1974 graduating class of Saddle River Country Day School. It is a pleasure for me as a friend and neighbor to be here this afternoon to address you on this very significant day in your lives.

When I was putting together material for these comments, a recent cartoon from the Wall Street Journal, immediately came to mind. The drawing shows a commencement scene, such as we have here today. The main speaker, almost ready to present his address, is turning aside to comment to the man next to him. The caption reads "I'm going to tell them that the world is theirs. That ought to scare the hell out of them."

But, before I get into that, I would like to take note of and congratulate you on your achievement—the successful completion of your years of secondary schooling. When you put it that way, it seems like a long time, doesn't it? Nevertheless, it is worth it. You are the products of an educational system which is the most advanced in the world. There are educational opportunities available for all in our society who wish to take advantage of them—this is the one of the good things about America, and, for you, the best is yet to come.

The opportunities ahead are unlimited. New fields and new technologies are opening up throughout the country. There will be even more when you graduate from college. But, to take full advantage of these possibilities, you must be willing to make difficult decisions, and to work hard. You cannot have your education spoon fed to you. You must not be afraid to try a different approach to a problem, one that challenges your intellect. Do not fear failure, since we can always learn from our past mistakes.

This reminds me of a story about Thomas Alva Edison, that great inventor of the electric lightbulb, among other things. Edison tried thousands and thousands of possibilities in his search for the proper material to use as a filament in the bulb. Someone asked him once whether he didn't get depressed, failing so often. Edison replied that he didn't look upon it as failure, but rather that he had succeeded in eliminating another material in his search for the right one.

For the next few years, during your college days, you will have many decisions to make. You will probably enjoy more freedom to make these decisions than you have ever had in your lives, and you will discover the responsibilities which go along with this freedom. As you sit here this afternoon, probably the thought foremost in your minds is: "Free at last!" It certainly was in my mind when I graduated from high school. You will soon discover, however, that with this freedom you must have self-discipline or you won't make it through your freshman year at college.

Each generation of students seems to be different from the last. They have different goals, different dreams, different ideals. The pendulum regularly swings from right to left. Our country is one wherein this process is relatively peaceful.

To apply this to the college campuses, it seems to me that there has been a marked change there over the past ten years—from militancy to what seems to be apathy. In the 1960's violence, revolution, demonstrations were the norm. Now in the 1970's, when there is no war to mobilize against, the draft has ended, the campuses seem almost somnolent. I suppose this just shows that it is easier to demonstrate against something like war than in favor of something like peace. Streaking doesn't count.

Instead, students today seem to be turning inward. Some have been dropping out—either on hard drugs, marijuana, pills, or they are turning to that most popular addictive drug—alcohol. Others seems concerned with the "self." Thus the advent of the "Jesus" movement and the various popular gurus. Sometimes the closest ties with home during college years seem to be the low weekend telephone rates.

Your generation will be different, as all generations are different, and what you do in the years ahead, will determine in large part, what the rest of your life will be like. This is part of the freedom versus responsibility and self-discipline which I mentioned earlier. How you resolve these opposites will be the determining factor. Vice President Ford described self-discipline on Monday as "doing what is right simply because you know it to be right; or conversely, refraining from wrongdoing simply because you know it is wrong. No motivation justifies the doing of evil."

We in Washington have not fared too well in this regard lately. With all the convictions and sentences being meted out these days, one wonders where to turn for leadership. It brings to mind a prison newspaper motto: "All of us are good for something, we can at least serve as a bad example."

My own experiences in politics have been considerably different from those making headlines today. I have been in Congress since 1950. Prior to that I served in the New Jersey Assembly, and I have never seen anything like what is now being uncovered in Washington today. These men who, incidentally were not politicians, seem to have been hooked on power, and in fact, almost appeared to have lost touch with reality.

The moral, I think, to be drawn from the Watergate affair, can be a warning. All of the men involved were highly educated, having attended some very good schools. It makes one wonder sometimes, about our educational institutions—they seem to be more interested in making people smart than in making them good. These men were smart, but not good. They handled their freedom poorly, with no self-discipline, as defined by Vice President Ford, You should keep in mind that learning is an ongoing process. The intellect is like a muscle, if you don't exercise it, it atrophies.

Right now, you are in your prime learning years, and I hope you will take full advantage of this opportunity. You are the smartest, best educated group America has yet turned out, and your opportunities are limitless. I hope some of you will choose a career in politics, a very satisfying field where you must keep learning if you are to survive.

To quote Albert Schweitzer: "I do not know what your destiny will be, but one thing I do know, the ones among you who will be really happy are those who have sought and found how to serve."

This is what a career in politics will do for you. It teaches you a great deal, if you're willing to continue the learning process. What I have learned is the absolute necessity for being a good listener. Sometimes this simply involves keeping your mouth shut. Also, I have realized the need for absorbing other people's ideas, in viewing all sides of a controversy before taking a stand, and in being considerate of other people. These are the important aspects of leadership—the human side of politics.

This is where you come in. I believe the advice given to the youth of today by Gordon Strachan during the Watergate hearings—stay away from politics—is totally wrong. Our political system is in constant need of new ideas and new people. I say just the opposite—get involved.

So, you ask, what can I do to get involved? There are all kinds of opportunities in today's world. First of all, be sure to register to vote when you turn 18. This is a very powerful weapon which the youth of today can use effectively. As one young student told me recently: "I think that my generation of voters will make a difference when they realize they can make a difference." Whether your generation leans to left or to the right, you, as voters, can be a very significant factor in American politics.

Contact the party of your choice at its headquarters in Washington, and ask what plans they have for involving young people in volunteer work. Both parties have such plans and they are eager for volunteers. Do volunteer work for someone you support who is running for elective office. This is an election year, and such volunteer help is needed and welcomed by candidates.

Take part in the many internship programs available at the local, state and Federal levels. I am normally able to place three interns, usually college juniors, to work on the Hill for the summer. I believe this is a good way to get youth interested and participating in the political process.

There are many youth groups on college campuses, including the Young Republicans and Young Democrats, as well as others. These clubs, as well as being social groups, are active in election campaigns and are often called upon for assistance by candidates.

Even if your inclinations to do volunteer work are not in the political field, your local community has many areas worthy of your involvement. You can do volunteer work at hospitals, rescue squads, volunteer fire departments, for the Red Cross and charitable organizations, and in your local church. The best thing, of course, is to combine your endeavors so your community is best served.

If after you have examined the political field, you find it interests you, I urge you to plan a career in this area. For I believe that what the Watergate affair has shown is that our country's system works; it proves another of the things which is right with America—the political and judicial systems. Even though our traditions, and the very fabric of our Nation are undergoing a great deal of stress, we will survive, prosper and progress. The American people rally in times of crisis—the best qualities of all concerned come to the surface. Great leaders have materialized when they were required. Some of our future great leaders could be here this afternoon, being graduated in the class of 1974. It all depends on you.

Of course, your generation is expected to be idealistic and seek change, but are you willing to WORK at improving things in the country? Or will you be content to tear down and criticize, while offering no viable alternatives. That is very easy to do.

Your participation in the political system cannot help but have a beneficial effect—your purpose, as I mentioned, should be change for the better. Institutions can be changed, and from the inside. Taking part in our system is the best way to do this. You are full of idealism, idealism which we in elective office need the benefit of. You can learn from our experiences, we can turn your idealism to practical purposes, we can temper your impatience. And, we can benefit from your fresh look on life and its problems from your youth and from your spirit.

You will have a world of change to face. The scientific achievements of the past sixty years have outstripped those of the preceding 500. All progress is change, but not all change is progress. Some believe that the human race has not been able to keep pace with the rapidity of our civilization. This was well expressed recently in FUTURE SHOCK by Alvin Toffler, and could be a part of the explanation for the "drop-out culture," which seems to be afflicting us a lot.

You who are being graduated today will have to face these unprecedented changes, and deal with them on a day-to-day basis. Sometimes you will make good decisions and sometimes poor ones, but you should be willing to make them on the basis of your education, your conscience, and your own self-discipline. Don't go to college merely to get smart. You will be the ones in control of the country, in the government and business, when the twenty-first century dawns, only twenty-six years from now. I hope you will be able to look back and express satisfaction at the changes you will have accomplished.

You are probably tired of hearing that you are the hope of America, but it's true. Our future depends on the decisions you will make and the advantages you will take of the opportunities awaiting you. There was once a very wise and popular teacher in ancient Greece. His students could not ask him a question he could not answer, nor stump him with any riddle. But one day, a smart young man thought he had the ultimate question. He held a live bird in his hands. He would then ask the teacher: "Is this bird in my hands alive or dead?" If the reply was: "The bird is dead," the boy would open his hands and let the bird fly free. If, on the other hand, the teacher responded that the bird was alive, the boy would crush the bird, thus killing it.

So, the time came for the boy to ask his question, which he did: "Is this bird in my hand alive or dead?" The wise old teacher responded: "The answer to that question my son, is in your hands." And so your future is in your own hands.

I can say, however, that throughout my own life, I have found that when young people and adults start working together, it is amazing how fast that so-called Generation Gap is filled and disappears, and even more amazing how things are changed for the better. This I can assure you, is the best part of America.

PERSONAL ANNOUNCEMENT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. FRENZEL. Mr. Speaker, on Friday, June 21, I was obliged to leave Washington at 5 p.m., before the vote on final passage of H.R. 15472, the Agriculture Appropriation. Had I been present I would have voted "no" on that bill. A 25-percent increase over last year's appropriation is not consistent with even the loosest measure of fiscal responsibility, especially at a time of raging inflation.

I realize that expense reduction is the most difficult kind of work, and I appreciate the committee's efforts in keeping the total appropriation under the President's budget recommendation. Nevertheless, unless we want to kid our constituents, or unless we do not really want to try to hold down inflation, I believe we have to vote against increases of this magnitude.

THE WIRETAP FLAP—SECRECY RULES RAISE QUESTIONS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the current national controversy over the wiretapping of governmental officials by the White House for suspected "leaks" to the press has been placed in sharp focus in a recent article by Mr. John Troan, editor of the Pittsburgh Press.

In discussing the classic problem of representative government—legitimate needs for some secrecy by government versus the right of a free press and the public to know what government is hiding—Mr. Troan points out:

> Unfortunately, every government in the world tries to keep too many things secret. So one job of a free press in a free country is to try to find out what our own government is hiding which it shouldn't be hiding from its own people.
>
> This raises a serious question: Who should be the judge of what should be kept secret?
>
> If you allow those in charge of the government to be the sole judges, you can be sure they'll hide more than they should. Especially their mistakes. And, as we are learning again now, their own shenanigans.

Mr. Speaker, the article then states:

> That's why I feel we need a better system for classifying government information. One that would make it possible for us, the people, to know everything our government is doing—short of those things that would hurt our own nation's security if they weren't kept secret.

Mr. Troan has put his finger on the exact problem with which our Foreign Operations and Government Information Subcommittee of the House Government Operations Committee has been struggling during the past 3 years. Our hearings, investigations, and studies of the security classification system—updating those of the subcommittee under the chairmanship of the gentleman from California (Mr. Moss) during the 1950's—resulted in the unanimous adoption by the Government Operations Committee of our report on the classification system—House Report 93-221—in May 1973. It recommended the establishment of a security classification program to replace the various executive order classification systems that have proven to be so inadequate during the past 24 years of their operation.

Our legislation—H.R. 12004—cosponsored by 24 Members of the House—would carry out the major recommendations of our unanimous 1973 committee report by creating a statutory system to govern the Nation's classification and declassification policies. It would be an amendment to the Freedom of Information Act. The bill would create an independent Classification Review Commission to exercise broad regulatory authority over the operation of the classification system within the executive branch. It seeks to accomplish the long-needed objectives of balancing legitimate governmental need for secrecy with the corresponding needs of the American people for more information about what the Government is doing in their name.

Mr. Speaker, our subcommittee hearings on H.R. 12004 will begin on Thursday, July 11, at 10 a.m. in room 2154, Rayburn House Office Building. The hearings will continue on July 25 and August 1. Executive branch witnesses will include the Departments of Defense, State, Justice, the National Archives and Interagency Classification Review Committee, the Atomic Energy Commission, the Central Intelligence Agency, and the Defense Supply Agency. Testimony will also be presented by the General Accounting Office and outside experts.

Mr. Speaker, the full text of Mr. Troan's excellent article follows:

The Wiretap Flap—Secrecy Rules Raise Questions

(By John Troan)

Frankly, I don't know what role Dr. Kissinger played in wiretapping 13 U.S. government officials suspected of transmitting secret information to reporters.

But the questions this case raises go far beyond whether he lied or fudged or hedged when he was quizzed under oath about this whole messy operation.

To start with, let's go back to early 1969. That's when it became clear to President Nixon, Dr. Kissinger and others in the White House that someone with access to confidential government information was slipping it to unauthorized people.

Now, basically, I am opposed to secrecy. But no government, not even in a democracy, can operate effectively without any secrets at all. (Try playing a poker game by showing all your cards.)

Unfortunately, every government in the world tries to keep too many things secret. So one job of a free press in a free country is to try to find out what our own government is hiding which it shouldn't be hiding from its own people.

WHO IS JUDGE?

This raises a serious question: Who should be the judge of what should be kept secret?

If you allow those in charge of the government to be the sole judges, you can be sure they'll hide more than they should. Especially their mistakes. And, as we are learning again now, their own shenanigans.

That's why I feel we need a better system for classifying government information. One that would make it possible for us, the people, to know everything our government is doing—short of those things that would hurt our own nation's security if they weren't kept secret.

This brings up another question: What secrets are vital to our national security?

Was the U.S. bombing of Cambodia in 1969 such a secret? Obviously it was no secret to the enemy. Yet it was kept secret from the American people—until someone blabbed when he wasn't supposed to. To a reporter who printed the story.

This was one of the incidents that triggered the wiretapping which now has Dr. Kissinger in a stew.

SERIOUS INCIDENTS

There were other, more serious incidents, including disclosure of our negotiating strategy in disarmament talks with Russia, which could have worked against our own security.

So our government leaders had reason to be disturbed. And to try to find out who was spilling all these beans.

But—were wiretaps necessary for this purpose? And, if so, shouldn't even the President be required to get court approval for such wiretapping to be sure this power isn't abused?

And finally: Does the First Amendment really give us the right to print the kind of secrets a foreign country would pay a spy to get?

I seriously doubt this. And I believe those of us in the news media must find a better way to draw a clearer line on what we should not print lest we undermine the very government on which our own freedoms depend.

INADEQUACIES OF THE U.S. POSTAL SERVICE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks I am including the fifth in a series of investigative articles which began in the Washington Post on June 9. This article brings to our attention the vast inadequacies of the new U.S. Postal Service.

In the jet-age of 1974 the Postal Corporation is running a "horse and buggy" operation. When attempts to innovate have been made they have been unsuccessful. A case in point is the new computerized letter sorting system which was to save $1 billion annually. The General Accounting Office states that the new system will be more costly than the present system.

Again taking issue with the Postal Service, the General Accounting Office reports that these higher costs will lead to slower handling of the mail than we have today. Is that what the Research and Development Department of the Postal Service calls progress?

In its investigation of the new first-class sorting system the General Accounting Office reported that one-third of the letters sorted by the new system could not be sorted later at various points because they had been miscoded, missorted or jammed in machinery. The problems presented by the new operation led Postmaster General Elmer T. Klassen to inform postal managers that a decision to implement the new system would be delayed until successful operation of a similar bulk mail system could be established. So while the people wait for the service they deserve, their letters continue to be sorted by hand.

While the system continues to prove its inadequacies, the public is asked to pay more and more. Postal officials are now exploring the outrageous possibility of another 3-cent increase in first-class rates.

The Congress cannot allow the inept operation of the Postal Service to continue.

The article follows:

Mechanical Bugs Foil Mail Delivery

(By Ronald Kessler)

A maintenance man recently stood on top of a letter-sorting machine in a Cincinnati post office and poked it with a broom handle in an effort to make it work. A half hour later, the man was still poking the machine, while a second worker fed it letters one by one.

The machine was not a leftover from the old, politics-ridden Post Office Department. It was part of a new, computerized letter sorting system that the new U.S. Postal Service claimed last year would save $1 billion annually.

Despite the claim, the difficulty observed on a recent visit to the new letter-sorting system in use in Cincinnati was not unusual.

Government audits have detailed a series of horror stories about the new equipment, from a high rate of missent letters to frequent jamming of letters in the machinery.

Last year, the General Accounting Office, the audit branch of Congress, reported that rather than saving money, the new system would be more costly than the present, largely manual system.

A confidential report by the Postal Service's internal auditors concluded that the system correctly sorted 1,100 letters per man hour. In contrast, the agency says about 1,700 letters per man-hour were sorted by the D.C. post office last year using the method employed in 1775 by Benjamin Franklin, the first postmaster general: manually placing letters, one by one, in pigeon holes.

Ever since Franklin's time, postal officials have dreamed of replacing the pigeon holes with modern machinery.

While the telephone company replaced operators with dial equipment and manufacturers built automated plants, the Postal Service found itself largely bypassed by the industrial revolution.

Today, a majority of the mail continues to be sorted by hand. The Kappel Commission, which proposed postal reform, identified this reliance on hand labor as a chief cause of poor service and rising rates. The commission said the new Postal Service must be established as an independent government agency so it can raise money for mechanization.

In 1969, Winton M. Blount, President Nixon's appointee as postmaster general, promised he would give the public "sharply improved service" by building two mechanized systems—one for bulk mail, the other for letter mail.

Five years later, the bulk mail system, which will largely benefit special commercial interests, is being built, while the letter mail system, which would benefit individual citzens and all businesses, is not.

Without referring to the crtical audit reports, Postmaster General Elmer T. Klassen told postal managers that a decision on implementing the letter mail system would be delayed until the Postal Service establishes it can successfully operate the bulk mail system.

While he calls the letter mail system that had been planned by the Postal Service "ill-conceived," Murray Comarow, who was senior assistant postmaster general for policy until earlier this year, said the lack of any mechanized system means "a continuation of the rising costs and erratic service that the new Postal Service was supposed to stop." Comarow was executive director of the Kappel Commission, which recommended postal reform in 1968.

Many postal officials are talking privately about the possibility of a 15-cent first class stamp, and congressional committees are talking about an increase in government appropriations to close the widening gap between revenues and costs.

The story of how the Postal Service arrived at this impasse illustrates what many postal officials say are some of the agency's most basic problems. It also sheds light on what mail service might be like in the future, since the Cincinnati equipment may one day be installed in post offices throughout the country.

At the heart of the Cincinnati project—the prototype of the proposed mechanized letter mail system—are two machines that sort letters into bins according to zip code.

One relies on human operators to read the code on each envelope and punch the information into keyboards. The second replaces the operators with computerized, optical scanners that read the codes.

Both machines imprint bar codes on letters to enable machines at subsequent points in the mail system to sort them more easily. The codes, which may be seen on some return envelopes oil and credit card companies provide for paying bills, contain address and zip code information.

Both machines currently are used in other post offices outside Cincinnati, and both have their shortcomings.

The machine that relies on human operators has an error rate as high as 17 per cent, the GAO has found. Each time a letter is missorted, it might be delayed as many as five days in addition to normal delivery time, the GAO said.

The optical scanner does not read handwritten or typewritten mail. It will not read mail addressed by machine if the addresses are in the wrong type face or ink, if the envelopes are the wrong color or carry printing, or if anything besides the address shows up in a transparent address window.

A more sophisticated version of this machine being tested in New York reads typewritten mail but costs $3 million per copy and still requires 16 operators.

In contrast, the conventional letter-sorter reads all mail, costs about $600,000, and requires about 40 operators to handle about the same volume of mail the the computerized machine in New York.

The two machines used in Cincinnati were developed in the 1950s after then Postmaster General Arthur E. Summerfield began a policy of attempting to mechanize the mails.

Jacob Radinow, chief of invention and innovation for the National Bureau of Standards, said no effort was made to develop a better machine when the Cincinnati project was started in 1969. "They decided they wanted something quick off the shelf because they wanted results to show the public," he said.

"An awful lot of planning (for the letter mail system) was done in a vacuum in the sense that they looked at isolated engineering possibilities rather than looking at the whole system," said Dr. James C. Armstrong, a postal official at the time who is now manager of corporate planning for American Telephone Telegraph Co.

"The research and development effort at the Postal Service was largely a collection of hobby shops where people worked on pet projects that interested them," Armstrong added. "The idea of putting all the machinery under one roof hadn't occurred to them."

Indeed, the Cincinnati project is, in effect, half a post office. It does not sort letters until they have been initially sorted and canceled by a conventional post office on a different floor.

The Postal Service poured $49 million into developing the Cincinnati project, and according to the outside consultants hired to evaluate the system, the expenditure was well worth it.

A study by Computer Sciences Corp. showed the system, if installed in 180 new postal buildings, would bring the Postal Service a net savings of $12 billion over 10 years with a $4 billion investment.

The system would even save money if installed in the 588 existing mail sorting post offices, the report, a one-inch-thick document bound with the Postal Service seal, said.

This report, however, was based on a computer analysis, and a computer analysis is only as good as the figures put into it. The GAO found they left much to be desired.

The figures did not include half the cost of erecting the new buildings, GAO said. They did not include additional transportation costs caused by carrying the mail further to reach consolidated sorting centers. And, GAO said, they were based on the system's theoretical, rather than actual, performance.

The gap between theory and practice was wide. An internal Postal Service audit report said last year that the system rejected 20 per cent of the mail fed into it, even though the mail generally was selected so it would be handled easily by machines.

Rejected mail is delayed and adds to costs because it must be handled a second time by conventional sorters.

Because of frequent breakdowns, about 75 per cent of the cost of operating the Cincinnati project was spent on maintenance, the audit report said.

Often postal management did not know why machines were broken. It also did not know the total costs of operating the project, the report, stamped "limited official use" said.

As recently as July, Ralph W. Nicholson, senior assistant postmaster general for finance, asked in an internal memo if the Postal Service knew exactly what the system consists of and what is expected of it.

The GAO found that about one-third of the letters sorted by the system could not be sorted according to plan at subsequent points in the mail network because they had been missorted, miscoded, or jammed in machinery.

Rather than speeding mail service, the GAO found the system might slow it in many areas because mail would be concentrated at large sorting centers.

This would mean longer trips before mail reached sorting centers, GAO said. In addition, Postal Service internal figures show the productivity of larger post offices such as Chicago and New York is often half that of smaller post offices.

Despite the audit findings, Alden J. Schneider, assistant postmaster general for research and engineering, said recently that the Cincinnati project is not dead. He said further improvements are being made, some of the equipment is being replaced, and fewer maintenance men are now needed.

Schneider recently resigned, and no successor has been named.

Internal memos also show the agency has considered constructing new mail-sorting buildings even if it is not sure what will go in them. This plan was questioned in a 1972 memo by J. T. Ellington Jr., assistant postmaster general for planning. He pointed out that the computer analysis predicting savings from new buildings was based on the assumption they would contain the equipment used in Cincinnati.

"If so," Ellington wrote to other high-ranking postal officials, "we would appear to be deploying facilities to house equipment we may not use . . ."

By April, 1973, Ellington's doubts had been resolved. "I am satisfied," he wrote in another memo, "that the location of the facilities as currently developed is not materially affected by the type of mechanization," assuming it is not far different from equipment in Cincinnati.

Ellington said recently some of the new buildings planned would be necessary, anyway, to replace outmoded facilities. Asked what would happen if new machines that might be developed could not be used in the new buildings, Ellington said they would not be installed.

An official of Computer Sciences, which predicted savings from a network of new buildings, called the Postal Service reasoning "poor thinking." The official, who asked not to be named, said, "First you choose the system, then you build the buildings."

VIDEO SCREEN USE STUDIED: ELECTRONICS EYED IN MAIL DELIVERY

Will mail some day be obsolete? The U.S. Postal Service does not think so, but it is studying a way of supplementing it with electronic mail.

In its broadest form, electronic mail would deliver communications to homes and businesses on a video screen, similar in appearance to a television set.

When a message is ready to be viewed, a light would flash on the console. The individual communication—or a whole day's messages—could be viewed at leisure, just as a day's batch of mail is examined.

A flick of a switch would produce a written, "hard" copy of messages to be saved.

Besides correspondence, electronic mail would carry bills, advertisements, and possibly newspapers and magazines. It might also be used for ordering goods from stores, writing checks, or obtaining information from universities and libraries.

Electronic mail could be transmitted over wires or, in what experts say is a more economical approach, bounced off satellites.

The technical feasibility of such a system is not open to question, according to experts. Satellite communications are used every day by government and industry.

What is open to question, the experts said, is whether the public wants electronic mail, and at what cost.

Many experts agree with postal officials who maintain there always will be a need for physical mail. The handwriting of a friend, the smart appearance of a corporate letterhead, the familiar feel and format of a magazine, always will be desired, they say.

Even if the public would part with perfumed love notes, experts say that electronic mail at present would be too costly to be practical. This could change in the future.

The Postal Service is studying a less ambitious version of electronic mail that would connect post offices—rather than homes and businesses—by a satellite transmission network.

Under this system, a businessman who wanted to get a document to another city quickly would take it to his local post office, which would beam it by satellite to another post office. The receiving post office would reduce it to hard copy and deliver it by special carrier to its destination.

The Postal Service acknowledges that businesses already privately transmit documents over telephone wires and satellite hookups in this way. The agency says it should compete with these services if it is to maintain its share of the communications market.

Once formally approved, a Postal Service study of such a system would cost $12 million in its first year, estimated Alden J. Schneider, assistant postmaster general for research and engineering. He declined to say how long such a study might take.

Why would a business that can transmit hard copy over telephone wires from its offices want to go to a post office that would still generally deliver the message by letter carrier?

Schneider replied, "Some people can't afford it (the telephone transmission devices)." Schneider added that "a very major portion of our objectives" would be to determine if electronic mail could help postmasters deliver ordinary mail. He said satellities could inform postmasters of late deliveries of mail.

Since an unchanging number of employees are assigned to each post office shift, what could a postmaster do if he learned delivery of mail would be late?

They would have the "ability to understand what is coming down the pike so work schedules can be adjusted," Schneider said.

Why couldn't postmasters pick up the telephone?

Telephone messages can be misinterpreted or garbled when repeated, he said. "Having seen the problem of communicating by telephone," said Schneider, a former chemical company executive, "I'm reasonably certain there is an opportunity here."

Couldn't postmasters use teletype machines installed in most post offices that sort mail?

Schneider said not all postoffices have teletypes, and those that do, do not necessarily have typists available to use them.

Could postmasters use presently available devices that transmit hard copy by telephone?

Schneider said some post offices have such equipment, but it is not always "as effective as it needs to be . . ."

Should the Postal Service study whether postmasters or the public need such a service before working on the techical details?

Schneider said he believes such a study is being conducted by the customer services department. He said he was not sure of the details, and he referred questions to the head of the department, William D. Dunlap, an assistant postmaster general.

Dunlap did not return a reporter's telephone calls. A public relations spokesman said the study is "still in the planning stages," and "there's no information publicly available at this time" on it.

Schneider resigned recently and no successor has been named.

THE STATE OF THE STATES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report entitled "The State of the States":

THE STATE OF THE STATES

In 1965, a U.S. Senator, commenting on the fading force of states in the federal system, said that in the near future "the only people interested in state boundaries will be Rand McNally."

This past week the National Governors' Conference, in a noteworthy report entitled "The State of the States in 1974," presented a convincing case that state government, despite the Senator's observations, is entering a period of renewal. From Washington the tendency is to overlook the role of the states, and to forget that states, as the middle tier in the federal system composed of the national, state, and local governments, are the key units for the planning and implementation of domestic policy. Local governments are often too small and without the powers to grapple with the problems that confront them, and the national government is often too big and too remote to deal effectively with them.

A Harris poll, conducted for a U.S. Senate subcommittee, concludes that Americans generally concur that the federal establishment should be reduced and that state and local government should be increased. This report on the state of the states suggests that, in response to the attitudes expressed in the poll, states are setting their own houses in order.

FUNDING

In recent years states have strengthened their fiscal foundations and made them more progressive. In 1960 only 19 states had both general sales and broad-based personal income taxes, but by 1974, 36 states were using both taxes. States have increased receipts from personal income taxes from $1.5 billion to $15.5 billion in the last 15 years, and in 1972, states spent $90 billion for domestic services, an awesome six-fold increase over 1954 levels. Considering that the political risks in seeking expanded revenues are acute, the progress toward better balanced and more dependable state revenue systems is striking. Unlike the federal government, states have not been able to expand their expenditures by going into debt, and they have had to rely chiefly on tax revenues to fund their programs. All but two states finished 1973 with their budgets in the black.

ORGANIZATION

During the 1960s the states took a variety of steps to streamline the structure of state governments. The role of the governor has been strengthened, the executive departments have been overhauled to eliminate duplication, and the legislatures and the judiciary have been modernized. In 1950, nearly half of the governors served only two-year terms. Today only 7 states still have two-year gubernatorial terms with only 8 prohibiting immediate succession. Since 1965, 18 states have undertaken comprehensive executive reorganization. State legislatures have also been improved. In 1943, only 4 legislatures met annually; today, 33 states provide for annual sessions. Increasingly, state legislatures have legislators who work almost full time, are adequately paid, and supported by professional staff. Three-fourths of all states have integrated judicial systems, and half the states have removed judicial selection from the political arena.

SERVICES

States are assuming greater responsibility for the delivery of governmental services to the people. About 40% of state spending goes to education, 26% for health and welfare, and 16% to highways. Many states have revised their criminal codes, and about one-half of them have made major reforms of their corrective systems in recent years. The number and kind of public services performed by states have increased rapidly, and states now spend over $60 billion from their own sources and over $96 billion, including federal grants, to perform services themselves and to aid local governments. In recent years the states have begun to respond vigorously to urgent problems like campaign finance, energy conservation, consumer affairs, land-use planning, and no-fault automobile insurance.

All of these steps are breathing new life, not only into the states, but into the entire federal system. As the states work to put their own houses in order, they are bringing vitality and purpose to government, and that has to be good news for the country.

NEW BLOCK GRANT PROGRAM

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WIDNALL. Mr. Speaker, last Thursday, a chart was inserted in the CONGRESSIONAL RECORD which cited the alleged impact of title I of H.R. 15361, the Housing and Urban Development Act of 1974, on metropolitan cities over 50,000 population. This chart showed those metropolitan cities whose automatic entitlement is reduced over the 6-year period for community development block grants. Aside from the fact that the 6th year's funding, as envisioned in title I, puts every metropolitan city on an equal basis insofar as need can be measured by an objective formula, there was no mention of the fact that discretionary monies are also available for communities. The total funding picture for the communities listed in the chart should have included the fact that they are also eligible for funds in the SMSA balance. Also, the total funding picture for any community can include funds from the $100 million national transition fund as well as from the HUD Secretary's national discretionary fund.

At this point, I include in the RECORD a list of almost 300 communities whose automatic entitlement is increased over the 6 years of the new block grant program assuming the appropriation level remains at the figure projected for the third year of the program:

METROPOLITAN CITIES (OVER 50,000 POPULATION) WHOSE AUTOMATIC ENTITLEMENT IS INCREASED OVER THE 6-YEAR PERIOD FOR COMMUNITY DEVELOPMENT BLOCK GRANTS UNDER THE PROVISIONS OF H.R. 15361 WHICH PHASE OUT HOLD-HARMLESS PROTECTION.

[In thousands of dollars]

State	Year 1	Year 6
Alabama (5):		
Anniston	241	888
Birmingham	4, 816	7, 335
Gasden	311	1, 142
Mobile	1, 974	4, 691
Montgomery	2, 484	3, 229
Alaska (1): Anchorage	528	673
Arizona (4):		
Mesa	269	989
Phoenix	2, 633	9, 683
Tempe	853	860
Arkansas (1): Fort Smith	736	1, 166

State	Year 1	Year 6
California (56):		
Anaheim	524	1, 927
Buena Park	207	763
Costa Mesa	232	855
Fullerton	257	946
Garden Grove	377	1, 385
Huntington Beach	460	1, 171
Orange	229	841
Santa Ana	706	2, 596
Westminster	200	734
Bakersfield	339	1, 246
Alhambra	202	745
Beliflower	187	687
Burbank	280	1, 031
Carson	299	1, 100
Downey	263	966
El Monte	375	1, 376
Glendale	437	1, 606
Hawthorne	180	664
Lakewood	239	880
Long Beach	1, 513	5, 265
Los Angeles	38, 957	50, 527
Norwalk	386	1, 421
Pico Rivera	261	959
Pomona	401	1, 476
Santa Monica	371	1, 364
South Gate	223	820
Torrance	783	1, 305
West Covina	192	707
Whittier	210	773
Modesto	241	886
Simi Valley	249	596
Ontario	303	1, 115
Riverside	1, 657	2, 034
Sacramento	3, 586	4, 450
Monterey	85	311
Salinas	272	1, 001
Chula Vista	264	972
El Cajon	197	724
San Diego	9, 151	10, 461
Alameda	267	983
Concord	229	841
Daly City	211	788
Fremont	296	1, 090
Hayward	345	1, 269
Redwood City	585	623
San Leandro	198	729
San Mateo	227	836
Mountain View	169	623
Palo Alto	158	581
Santa Clara	371	1, 026
Sunnyvale	262	962
Lompoc	102	376
Santa Barbara	558	1, 153
Santa Cruz	179	563
Stockton	1, 778	2, 172
Fairfield	175	645
Colorado (5):		
Colorado Springs	1, 797	1, 963
Aurora	211	776
Boulder	251	922
Lakewood	232	852
Pueblo	931	1, 788
Connecticut (3):		
Milford	515	541
Meriden	408	689
Norwalk	812	979
Florida (20):		
Daytona Beach	674	1, 061
Fort Lauderdale	626	2, 303
Hollywood	418	1, 536
Fort Myers	518	559
Gainesville	355	1, 307
Jacksonville	5, 194	10, 274
Lakeland	221	811
Winter Haven	98	360
Cocoa	113	324
Melbourne	580	627
Hialeah	523	1, 922
Miami	2, 687	9, 879
Miami Beach	577	2, 121
Orlando	936	2, 091
Pensacola	375	1, 380
Tallahassee	757	1, 406
Clearwater	216	795
St. Petersburg	1, 028	3, 780
Tampa	4, 594	5, 706
West Palm Beach	314	1, 156
Georgia (4):		
Albany	552	1, 961
Augusta	1, 042	1, 852
Columbus	3, 468	3, 659
Macon	1, 001	3, 028
Illinois (20):		
Normal	82	302
Champaign	367	840
Rantoul	125	343
Urbana	136	499
Aurora	249	915
Berwyn	135	498
Chicago	43, 787	64, 074
Des Plaines	139	512
Elgin	160	590
Arlington Heights	125	459
Cicero	205	754
Oak Lawn	167	616
Oak Park	161	591
Skokie	134	491
Evanston	228	838
Joliet	304	1, 116
Waukegan	268	944
Moline	155	568
Decatur	494	1, 324
East St. Louis	1, 862	2, 398
Indiana (7):		
Anderson	761	1, 025
Fort Wayne	1, 748	2, 411
Hammond	1, 428	1, 480
Lafayette	154	565
West Lafayette	73	266
Muncie	318	1, 168
Terre Haute	315	1, 160
Iowa (5):		
Cedar Rapids	1, 285	1, 372
Davenport	929	1, 414
Dubuque	247	909
Council Bluffs	273	1, 006
Cedar Falls	95	350
Kansas (2):		
Overland Park	154	566
Topeka	1, 157	1, 729
Kentucky (4):		
Hopkinsville	140	514
Ashland	133	488
Lexington-Fayette	1, 101	2, 906
Owensboro	244	898
Louisiana (7):		
Alexandria	322	1, 220
Baton Rouge	1, 993	3, 534
Lafayette	465	1, 710
Lake Charles	1, 478	1, 854
Monroe	1, 480	1, 677
New Orleans	14, 171	17, 076
Shreveport	1, 176	4, 325
Massachusetts (9):		
Medford	185	680
Newton	655	806
Quincy	1, 014	1, 038
Somerville	346	1, 272
Waltham	199	731
Brockton	1, 031	1, 196
Fitchburg	566	615
Leominster	166	426
Chicopee	359	867
Michigan (17):		
Battle Creek	181	667
Dearborn	303	1, 113
Dearborn Heights	238	875
Lincoln Park	431	663
Livonia	273	1, 004
Roseville	218	803
Royal Oak	226	833
Southfield	149	548
St. Clair Shores	267	984
Sterling Heights	149	546
Taylor	245	902
Warren	1, 585	1, 917
Westland	276	1, 014
Wyoming	187	689
Kalamazoo	348	1, 281
Portage	86	317
East Lansing	168	618
Minnesota:		
Moorehead	201	434
Bloomington	212	780
Rochester	178	654
St. Cloud	204	596
Mississippi (1): Jackson	2, 208	3, 954
Missouri (3):		
Columbia	240	885
Independence	996	1, 231
Florissant	193	709
Montana (2):		
Billings	252	929
Great Falls	248	914
Nebraska (2):		
Lincoln	499	1, 833
Omaha	1, 401	5, 152
Nevada (2):		
Las Vegas	505	1, 856
Reno	264	973
New Hampshire (1): Nashua	324	674
New Jersey (12):		
Bayonne	500	1, 024
Union City	309	1, 135
Asbury Park	296	406
Long Branch	149	547
Sayreville	185	290
Bloomfield	138	508
Elizabeth	525	1, 932
Irvington	297	757
Clifton	202	743
Passaic	292	1, 074
Bridgeton	282	357
Millville	80	293
New York (2):		
New Rochelle	440	964
New York	101, 083	156, 537
North Carolina (3):		
Greensboro	2, 186	2, 232
Raleigh	531	1, 953
Wilmington	961	1, 146
Ohio (11):		
Canton	1, 108	1, 701
Cleveland Heights	144	529
Euclid	182	672
Lakewood	181	666
Parma	249	916
Kettering	159	585
Hamilton	595	1, 094
Lima	234	860
Mansfield	339	821
Marietta	72	264
Springfield	666	1, 301
Oklahoma (1): Norman	211	778
Oregon (2):		
Eugene	422	1, 133
Springfield	107	392
Pennsylvania (1): Hazleton	109	401
Rhode Island (2):		
Cranston City	461	752
Warwick City	384	926
South Carolina (2):		
Charleston	813	1, 803
Columbia	1, 922	2, 186
Tennessee (2):		
Clarksville	286	719
Memphis	5, 503	14, 658
Texas (34):		
Abilene	424	1, 560
Amarillo	548	2, 016
Beaumont	643	2, 364
Orange	139	512
Brownsville	658	2, 419
Harlingen	365	1, 343
San Benito	205	756
Bryan	214	786
College Station	71	261
Corpus Christi	1, 637	4, 825
Arlington	257	944
Dallas	4, 086	15, 025
Fort Worth	1, 939	7, 131
Garland	235	865
Irving	301	1, 105
Mesquite	169	623
El Paso	2, 249	8, 271
Galveston	628	1, 425
Texas City	253	636
Houston	12, 992	22, 925
Pasadena	299	1, 101
Killeen	197	726
Temple	182	670
Laredo	2, 663	3, 135
McAllen	417	1, 535
Pharr	222	818
Midland	265	974
Odessa	385	1, 415
San Angelo	372	1, 369
San Antonio	9, 019	16, 915
Denison	179	458
Sherman	112	411
Tyler	258	948
Wichita Falls	429	1, 576
Utah (3):		
Orem	117	431
Provo	375	1, 086
Ogden	670	1, 170
Virginia (6):		
Hampton	1, 379	1, 713
Newport News	2, 053	2, 317
Chesapeake	422	1, 551
Virginia Beach	613	2, 252
Colonial Heights	41	149
Petersburg	733	911
Washington (7):		
Kennewick	92	214
Richland	74	273
Bellevue	144	458
Everett	223	773
Spokane	721	2, 652
Tacoma	2, 298	2, 319
Yakima	256	817
West Virginia (2):		
Parkersburg	243	716
Weirton	91	334
Wisconsin (9):		
Appleton	300	659
Oshkosh	184	675
Superior	134	493
Kenosha	297	1, 091
La Crosse	409	755
Madison	750	2, 543
Wauwatosa	136	501
West Allis	201	739
Racine	362	1, 332
Puerto Rico (7):		
Caguas	715	2, 630
Mayaguez	1, 024	3, 490
Ponce	5, 131	6, 673
Bayamon	1, 581	5, 815
Carolina	879	3, 231
Guaynabo	548	2, 016
San Juan	11, 912	19, 406

PRESENT MARKET SITUATION IN THE LIVESTOCK INDUSTRY

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ABDNOR. Mr. Speaker, the disastrously low prices for livestock and the causes of these price levels have been the subject of a considerable amount of speculation recently. Many people from all sectors of our economy have commented on this situation. There are few people, however, who have a better perspective from which to observe this situation than those people who operate the competitive livestock marketing industry throughout rural America. I recently received a letter from one of these individuals who has carefully set forth his views on the crisis now being experienced by livestock producers.

The gentleman who wrote me is Mr. Delmer Volmer, owner and operator of the Presho Livestock Auction Co. in Presho, S. Dak., my friend and a fellow whose advice I place special value on, as I have often listened to him as I sold my livestock in his sale barn.

I commend to my colleagues the observations made by Mr. Volmer regarding the present market situation in the livestock industry:

PRESHO, S. DAK.,
June 17, 1974.

JAMES ABDNOR,
Longworth House Office Building,
Washington, D.C.

FRIEND JIM: I thought I would drop you a line while I have time. You probably know what I am going to write to you about when you find the letter is from me. Our cattle market has fallen apart this past week, and I thought I had better take a little time and write you a letter letting you know just how bad this market is.

The market on our feeder cattle in the past month has dropped $11. per cwt. Now on a 700 lb. steer, this is $77. per head. I sold John Urban's steers on May 25th and they weighed 680 lb. and brought $43. per cwt. If I sold the same steers tomorrow, they would be lucky to bring $33. per cwt. I am glad that John got rid of them, but they still are in the hands of another farmer who has lost money on everything he has done the past seven months, and I am talking about our cattle feeder who makes his living selling his feed through our feeder cattle which he buys from us ranchers. I don't think anyone minds giving his feed away once in a while, but when you give your feed plus a $100 to $150 cash, this could cause a disaster. With the expenses these farmers have today, there is no way for them to stay in business. These cattle prices I know got too high last summer which got a lot of people into trouble. Why they got so high was because we had a price freeze put on our product and the first thing the publicity was out that we were short of cattle and we were going to have a meat shortage, people made pigs out of themselves and bought up all the meat they could. The cattle feeder held on to his cattle thinking they were going sky high. All they did was build up more tonnage of beef every day longer that they kept their cattle. That meant more pounds of meat to be consumed and this is one reason why we are in so much trouble today.

I would like to give you my theory on this matter if we are going to survive this thing without a depression and, believe me, it's just around the corner. No. 1: You have to stop all foreign meat from other countries from coming in here at once—not six months from now—but as soon as possible.

No. 2: Band all stilbestral in the United States. Make all companies or factories destroy it at once so it cannot be used. We lost Canada on our market by using stilbestral, and they were the ones who held our fat cattle market up as high as it was. The minute Canada went off the market, our cattle market began to crumble.

No. 3: We had a price freeze and roll back on meat prices in the summer of 1973 and now we need it on the other end. Who can keep buying machinery, cars or anything if it stays up where it is now. A steel post costs $2.50! A year ago they were from $1.20 to $1.40 per post. Binder twine has doubled in price and all repairs and machinery are up 20 to 40%. Everything people need is so high you can't buy it with $30. to $35. cattle. I say the people in agriculture can live with it if you roll all other segments of this country backwards. If this price on gas and all of these items continue to push upward, the next thing that is going to happen is that people won't be able to buy them. You will inside of a year find machinery dealers, car dealers or any business with a lot of merchandise on hand that they can't sell. The next thing that will happen is that people will have to be laid off at work in factories and one thing will lead to another. I'm afraid this economy is in bad enough shape that our government will not be able to hold it unless they act at once. Believe me, I still think agriculture is the backbone of our country.

No. 4: If there is no way to stop imported beef or no way to roll the prices back, then you are going to have to subsidize these cattle feeders so you can keep them in business and our people in the ranching business in operation. If corn is going to stay over $2. per bushed and fat cattle at $34. to $36., there is no way to feed cattle unless you will pay every farmer 50¢ a bushel for every bushel of corn he runs through livestock. This way he might feed cattle, but with $2. corn, he can't feed cattle and survive.

I know you know the problems on the farm and in our agriculture industry, but there are so many people in Washington, D.C. who don't realize how much it costs to produce a 1100 lb. steer ready to be eaten. I know over the past few years, we have done away with a lot of small farmers so we don't have any voting power. We may suffer now, but it will come to the cities in the end and believe me, the way these people are today, they'll kill one another for money and something to eat.

No. 5: Meat is too high across the counter for the consumer to buy according to what live cattle are bringing. This should be checked into. My wife bought a beef roast which cost $1.55 per lb. with $35. to $36. fat cattle. An average fat steer will dress out 62 to 63% of his body weight; you will receive 620 lb. of salable meat out of a 1000 lb. steer. I think there is something wrong. Someone must be making an extra large profit somewhere along the line.

No. 6: Commodity futures need to be done away with. Cattle feeders use this as a guide and get themselves in more trouble. This is nothing but a moneyman's game and does more harm to the livestock industry than it helps. I think this is very important that this is done away with as soon as possible.

I am not writing this letter to give you hell because I know you will back us people as much as you can. I wanted to give you my feelings and thoughts on the whole situation. I need a buyer and I need a seller to stay in business, and if something doesn't change, we will have neither one of them.

I hope you take time to read this letter, and I hope I haven't offended you in any way. I may see you in Washington, D.C. before the summer is over. Thank you.

Yours truly,

DELMER VOLMER.

CONFIDENCE IN CONGRESS

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. FREY. Mr. Speaker, the American public's lack of confidence in Congress is alarming.

Indeed, it has reached the crisis stage and we, as Members of the House of Representatives, have to take strong positive action if we are to restore that confidence.

I am sure each of us has personally noted this lack of confidence, this unrest among the people, and this general dissatisfaction with Congress in our travels across the Nation.

A recent national poll revealed less than one-third of the Nation approves of the job of this Congress.

Yet, I do not see many changes being made to restore that confidence.

I am reminded of an incident my daughter had in school a few years ago.

A teacher asked if her father was "the politician?"

"No," she replied, "my father is the Congressman."

Things have changed to the point, however, that I am not at all sure that my children would be as proud to say their father is a Congressman.

Another national poll several months ago showed 78 percent of the American people believe government leaders are just out for their own personal and financial gain; 76 percent say most government leaders are more interested in playing smart politics than in sharing the same genuine idealism that the people have and the same percentage believes most government leaders are afraid to treat the public as adults, afraid to tell them the hard truth about such issues as inflation.

As Members of Congress we may not agree with these findings but, again, from our own experiences, I am sure, each of us has heard much the same thing.

In recent years Congress has abrogated to the executive branch its constitutional responsibility to maintain power over the purse.

We have enacted spending bill after spending bill without apparent regard to the impact on the total budget.

And yet while we have established debt ceilings we have been the first to scream when authorized funds have been withheld from our pet projects to comply with our own imposed debt ceiling laws.

We have established Federal programs and then forgotten them, seldom reviewing their administration or reevaluating their necessity.

This year, however, Congress did take some positive steps in the area of budget reform.

On the President's desk is legislation which restructure the appropriations process and force us in Congress to examine the impact of each separate spending bill on the total Federal budget.

The legislation will require Congress to establish target figures for total appropriations. It will provide procedures for limiting back-door spending and for forcing the President to spend impounded funds.

With this structure, Congress should have the tools to better discipline its spending decisions.

But this piece of legislation is not enough, this revamping of the spending programs will not allow the people to believe Congress is, indeed, working hard to solve the Nation's many problems.

It is not enough when we look at such statistics printed recently in the CONGRESSIONAL RECORD.

Our scorecard shows that in a 4-month period ending May 31 we had a total of 3,663 measures introduced for consideration in the House of Representatives.

Less than one-tenth—302—of those measures were passed, however.

We have spent many days and countless hours watching and participating in debate on countless bills which have come to the floor in such poor form that they had to be rewritten or returned to the committee.

And hastily considered amendments, Mr. Speaker, are not the best amendments.

Reform of the congressional committee system could, of course, stop many of these measures from having to be rewritten on the floor.

We have pending in the House a recommendation which would go a long way toward making Congress more responsive having the end result of restoring some of that eroding confidence of the public in its Congress.

I am speaking, of course, of the Bolling committee report, a report authorized by Congress and one to which we had all looked to as a way of solving some of the bills of the House of Representatives.

But the majority party, in a secret caucus and reportedly by secret vote, decided last month it would not allow the House to reform itself.

The majority party has apparently ruled that the House was correctly structured 28 years ago and that it needs no modernization.

But what of the issue—what of restoring confidence in Congress?

It apparently does not concern the majority party that the people of this Nation believe Congress is dragging its feet; and most importantly, the majority party is participating in this isolation of the elected official from the people.

The passage of reform legislation is overdue.

The facts will speak louder than any promises of reform. It is time for a change in our system and we hope the American people will follow this issue closely and voice their protest in November.

PRELUDE TO THE PRESIDENT'S VISIT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. DRINAN. Mr. Speaker, I am deeply grieved today as a result of Soviet preparations for President Nixon's visit to the Soviet Union. These preparations, coupled with a severe regression in Soviet emigration policies over the past few months, can only be construed as a return to the repugnant and oppressive practices that many people had hoped were passing.

Two weeks ago, on Monday, June 10, 1974, I noted in an address I gave in New York that "both the Kremlin and the Nixon administration are demonstrating that they prefer free trade between the United States and the U.S.S.R. to the free emigration of Jews from the Soviet Union." I made that assertion in the face of continued administration hostility to congressional efforts to link most-favored-nation treatment for the Soviet Union with the issue of Soviet emigration policies.

Since 1973, Soviet Jewish emigration has steadily declined. From a peak of about 3,000 each month emigrating to Israel last year, the number declined to 1,720 in March of this year, 1,600 in April, and 1,226 in May. Despite this sharp cutback, the administration remains firm in its opposition to the Jackson-Vanik amendment, encouraging the Soviets to use declining emigration as a lever against this amendment.

It now appears that, from reports of Mr. Kissinger's own statements to some Senators last week, the administration may be willing to settle solely on a guarantee that the Soviets would allow 45,000 Jews to emigrate annually. This does not represent a satisfactory solution to the emigration problem. A 45,000 person annual quota would be inadequate because there is already a backlog of some 135,000 persons now waiting to leave the country for Israel. Firm pledges to end harassment of those who wish to leave the promises of relief for those serving prison terms on false and trumped up charges must be obtained. Any straight quota system would also leave the option open for continued repression of selected groups and individuals who most desperately want or need to leave.

In other words, to discuss numbers is irrelevant and misses the point. What is at issue is the harassment and persecution of Soviet Jews. Indeed, it is this repressive treatment that has partially spurred the rush to emigrate.

Now, in the past week, we read reports from Russia of seizures of Jews whose only crime has been to apply for exit visas. These indiscriminate searches, seizures, and interrogations are allegedly part of the preparations being made for Mr. Nixon's visit.

Reliable reports have it that Jews are fleeing to the countryside in an effort to avoid arrest. Many of those who have not fled have been seized in their apartments, several after the KGB smashed down their doors. Some of those who fled the cities have been searched out in the country by the secret police and arrested. At least 50 have been arrested so far.

Mr. Speaker, I am horrified at this reemergence of what may only be described as Gestapo tactics. One Jewish witness, 27-year-old biochemist Alexander Goldfarb, reports that—

> In Moscow there's a real hunt on for Jews. We are on the run. We are under siege. It is not a very pleasant feeling to hide away like a rat.

There are two particularly distressing aspects to this unhappy course of events. First is the report that some Jewish activists maintain that Mr. Nixon's recent statement at the Naval Academy graduation, that emigration was an internal Soviet affairs, has given authorities a free hand to launch such a crackdown. Second is the fact that the catalyst for these events seems to be the approaching visit of the President of the United States. These two elements unhappily link the United States, or at least Mr. Nixon, to the causes of this renewed repression. What has added to my dismay is the fact that we have not heard a word and have not seen any effort from the White House to try to put a stop to these repugnant preparations. I hope that we will see a little more sensitivity from the administration in the immediate future. We cannot remain silent associates to this horrendous repression.

COMPREHENSIVE HEALTH CARE FOR CHILDREN

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. KOCH. Mr. Speaker, I have read the enclosed testimony which the American Academy of Pediatrics delivered before the House Ways and Means Committee on national health insurance legislation on June 14.

The testimony compares the three major health bills being considered by the committee as the American Academy of Pediatrics sees them affecting the health and welfare of the children of this country. I think the information would be very helpful to our colleagues and I, therefore, set the testimony forth:

NATIONAL HEALTH INSURANCE

INTRODUCTION

Mr. Chairman and members of the committee: I am Dr. Donald Schiff, a pediatrician in private practice in Denver, Colorado. As chairman of the Committee on Third Party Payment Plans of the American Academy of Pediatrics, I have been designated to present this testimony to you. Representing the Academy of Pediatrics, we have with us today Mr. George Degnon, Director of our Washington Office, and Mr. Al Stolper, Administrative Assistant to the Executive Director of the Academy.

The American Academy of Pediatrics is the national organization of certified specialists, which since 1930 has been responsible for the establishment of standards of quality of pediatric practice, education, and research. America's most valuable resource is its children. The country's future is dependent upon their health and welfare which is, in turn, dependent upon their receiving good comprehensive medical care. The goal of the American Academy of Pediatrics is the attainment of all American children of their full potential for physical, emotional, and social health.

National Health Insurance provides the opportunity for removing the financial barrier to achieving comprehensive health care for children.

COMPREHENSIVE CHILD HEALTH CARE

Comprehensive child health care consists of all services given to infants, children, and adolescents necessary to establish and maintain optimal health. These services should be rendered when indicated on a 24-hour basis by a personal physician or his aide acting under the physician's supervision either in the office, hospital outpatient department, or other facility.

We have provided you with an appendix to this testimony which outlines in greater detail important components of comprehensive child health care.

It appears appropriate at this point to emphasize some of the vital differences which set children aside from the rest of our population. First, there is the irretrievable opportunity to detect diseases such as PKU and to prevent others such as whooping cough, polio and possibly coronary artery disease. These measures have produced savings of not only tens of millions of dollars, but have prevented the individual misery of families and the shared suffering of an entire nation which must deal with the residual of such diseases.

As our medical knowledge and capabilities increase, it becomes mandatory that this capability is put to efficient use for the good of children.

Secondly, the absolute dependence of children upon their parents to secure medical care for them places a special responsibility on all of us to remove every barrier to comprehensive health care of high quality.

We have observed the strides that this country has made in the 60's with help for the elderly in the Medicare program. It is time to dedicate ourselves in the 70's to children. This is an opportunity to respond in the highest sense to our moral responsibility to our future.

The next portion of our presentation will deal with an analysis of the three major health bills.

ANALYSIS OF H.R. 1, H.R. 13870 AND H.R. 12684

H.R. 13870

We commend the following major components:

A. Mandatory catastrophic benefits.

B. The utilization of the health card principle.

C. An excellent definition of well-child care.

D. The removal of deductibles for preventative health services to pregnant women and all children through age 6 and for certain others services to children through age 13.

E. The inclusion of funds for manpower, facilities and equipment, research and planning through the Health Resources Board.

On the basis of our studies of H.R. 13870, we propose the following changes:

A. Remove co-insurance and all deductibles for preventive services to children and pregnant women.

B. Change the age for coverage of preventative services to children from 6 to 21 years of age.

C. Name as specific benefits in Section 2011(a)(1) instead of as exceptions to exclusions in Section 2011(a)(2).

1. Preventative services (well child care).
2. Multi-discipline diagnostic evaluation of the handicapped child.

D. Make funds available for programs to provide health education to the public.

E. Name pediatricians as a specific group of physicians which is authorized to use physician extender services as defined in Section 2051(w).

F. Create an entirely new formulary list. Specifically add important groups of drugs such as biologicals, antibiotics, psychotropics, decongestants, sedatives, dietary supplements such as iron and fluoride, and individual drugs such as phenobarbital. Place a pediatrician on the Formulary Committee to insure the on-going recognization of the fact that children are different and may have different drug requirements.

G. Mental health services should be broadened to provide 100 days of inpatient treatment per year compared with the present provision for 30 days of inpatient treatment as contained in Section 2011(b)(3). We must remove the financial advantage of receiving care from a comprehensive community care center as compared to other mental health facilities.

H. In determining the level at which catastrophe benefits would apply, a higher income level sliding scale should be used to prevent the hardship which would be placed upon many families in the $8,000–$12,000 income range.

H.R. 1

We commend the following major components:

A. Mandatory coverage of medical catastrophe.

B. Special emphasis placed on health and health care in the federal organizational structure by establishing a separate Department of Health.

C. No co-payment or limitations on immunizations.

D. No co-payments or deductibles applicable to preventative services. ("well-baby care") for children under age 5.

E. Coverage for dental and vision care for children through age 12.

Suggested changes in H.R. 1:

A. No deductibles or coinsurance should apply to preventative services to children and young adults up to age 21, instead of age 5.

B. Adopt the health card mechanism to reduce overhead costs to the physician and possibly to reduce general administrative costs.

C. To reduce cost, utilize the family-ductible principle rather than co-payment varying with services provided.

D. Eliminate specific numbers of visits from the bill. Utilize peer review to provide monitoring of proper utilization.

H.R. 12684

We commend the following major components:

A. Catastrophic benefits with maximum cost-sharing for the poor based on income on a sliding scale basis.

B. Coverage for preventative care to pregnant women and children up to age 6.

C. Guarantee that people will have a maximum liability for health care costs in a given year.

D. The "credit card" principle would result in reduced overhead costs to the physician and could result in reduced administrative cost.

Suggested changes in H.R. 12684.

A. Require mandatory catastrophe coverage.

B. Remove coinsurance and deductibles for preventative health services to children and pregnant women.

C. Change the age for coverage of preventative services to children from 6 to 21 years of age.

D. Name as specific benefits in Section 1841(a)(1) instead of as exceptions to exclusion in Section 1841(a)(2).

1. preventative services (well child care).
2. multi-discipline diagnostic evaluation of the handicapped child.

E. Name pediatricians as a specific group of physicians which is authorized to use physician extender services as defined in Section 1881(w).

BASIC PRINCIPLES OF NATIONAL HEALTH INSURANCE AS VIEWED BY THE AMERICAN ACADEMY OF PEDIATRICS

1. Coverage of medical catastrophe is of paramount importance. Special attention is required to set an appropriate sliding scale wtih care to avoid undue hardship to those families in the $8000–$12,000 income bracket.

2. Comprehensive child health care should be covered as defined by the American Academy of Pediatrics.

3. Preventative health services should encompass the entire pediatric age scale of birth to 21 years old.

4. Deductible and co-insurance can help reduce the total program cost of National Health Insurance, but should not be used for preventative health care for children or pregnant women.

5. The "credit card" principle would reduce physician overhead cost and could reduce administrative costs.

6. The creation of a cabinet post of Secretary of Health may be a useful way to give adequate recognition to health needs.

7. Increased funding of psychological services has a very high priority.

8. Adequate funding of health education of the public is essential. Health education can be an effective method of making the public more aware of their health needs while encouraging appropriate utilization of health services and improving the general health habits of the public. Attached in Appendix 2 is a description of some of the ways the Academy is seeking to provide health education to the public.

CONCLUSION AND COMMENT

The need for a major change in the financing and delivery of health care in the United States has been demonstrated. The American Academy of Pediatrics has been in the forefront of those medical organizations who have supported this principle of change.

Our interest is derived from the recurring experience of caring for children who need help for simple or complex diseases but who, for either financial reasons or because of a lack of medical manpower, received care late or not at all.

The breadth of the needs of children clearly extends beyond the simplistic ideas of providing a few more dollars for a hospital bed or a dose of polio vaccine, important as they are.

The significance of the National Health Insurance bills we are considering at this time is that the authors have demonstrated their understanding of the contribution they are making to the future well being of this country.

We must build upon the strengths of our present medical care system, taking special pains to retain the currently productive programs such as Crippled Children's, Maternal and Child Health, and Children and Youth. The above named sources of medical care have long filled the gaps which have existed in our current health systems for children. They provide services beyond the scope of benefits which might be reimbursible under National Health Insurance, such as the services of nutritionists, social workers, speech and hearing therapists, etc, so very important to health care for low income families. These vital services must not be deleted by any new national health insurance programs. The special needs of children who receive help under these Title V programs, if unmet, can lead to a lifetime of medical expense.

The influence of good health extends beyond the prevention of the former dread killers—diphtheria, tetanus and polio. Today we can state that we understand the basic facts about many diseases that cause mental retardation and how to either prevent or ameliorate them. We have brought most infectious diseases under control and anticipate continued success in our search for answers to the remainder. Our concepts of comprehensive health encompass proper nutrition and its effect on brain development in the very small child. Comprehensive health care requires us to take the measures to prevent lead poisoning which can lead to brain damage and death. Psychological disturbances in adults have their origins in childhood. We would be foolish if we claimed that we can with any single measure prevent a specific emotional breakdown; however, it would be totally inaccurate to fail to point out that observations of children and an understanding of common disorders enable us to pinpoint those children in whom psychological treatment would be of great benefit and perhaps prevent severe delinquent or criminal behavior.

Impressive as the current health proposals are, we wish to refer you again to the recommended changes and the basic principles as stated earlier in this testimony. These changes will make the vital difference and will help create a landmark change in our way of life.

The American Academy of Pediatrics would be pleased to continue to work with you to help accomplish our stated goal of bringing good health to all Americans, but particularly our children. The opportunity to mark the 70's as the decade for children is within our reach. Let us work together to make it happen.

APPENDIX I—COMPREHENSIVE CHILD HEALTH CARE AS RECOMMENDED BY THE AMERICAN ACADEMY OF PEDIATRICS

Pre and postnatal care of all infants, including care rendered in the delivery room for "high risk births."

Diagnosis and treatment of disorders of growth and development.

Preventive care through periodic examinations and immunizations.

Anticipatory guidance and counselling.

Diagnosis and treatment of illness and injury.

Diagnosis, treatment and rehabilitation of patients with abnormalities both physical and mental, congenital, and acquired.

Diagnostic x-ray and laboratory services either in the office, hospital outpatient department, or other facility.

Consultations.

Concurrent care (simultaneous services by more than one physician or surgeon).

Consecutive care (continuation of services when the care of the patient is transferred from one physician to another).

Screening tests for vision, hearing, and intellectual development.

Psychiatric and psychological services, both diagnostic and therapeutic.

Utilization of community medical resources.

Other services such as the preparation of special reports, services requiring extended time commitments, services rendered at unusual hours or after extended travel.

Future services which may be made possible through research.

Dental care, as provided by a dentist or his aide.

APPENDIX 2—SUMMARY OF THE AMERICAN ACADEMY OF PEDIATRICS' PUBLIC HEALTH EDUCATION EFFORTS, 1973–74

The American Academy of Pediatrics has long sought to improve child health care through public health education. In the past year the Academy has initiated a number of major programs communicating child health care information to the public through television, radio, motion pictures, newspapers and other printed material.

A major effort this year was the development of a 13-program television series on child care entitled "An Ounce of Prevention." It will be shown on more than 100 top television stations in the country. The originator and producer of the series is Frederick J. Margolis, M.D. an Academy Fellow who is a consultant to the AAP's Committee on Public Information. Each show is 15 minutes long. It features Dr. Margolis explaining typical child health problems accompanied by live animation and parent interviews.

Stations participating in the program may, if they choose, show only the prepared tape featuring Dr. Margolis. However, the Academy has agreed to help individual stations secure local pediatricians to do a 15-minute follow-up segment after the presentation of the Margolis tape. Telephone questions from the audience might be answered. Thus, the entire "Ounce of Prevention" show would cover 30 minutes of air time. The show will first be aired in June on stations in Arizona and Pennsylvania, followed by screenings elsewhere in the fall.

In another important area, the Academy is playing a major role in a multidisciplinary national effort to raise the immunization levels of millions of preschool children. The nationwide communication program is called Immunization Action Month October 1974 and is directed at both the physician and the public. The Academy will be responsible for coordinating the activities of the five medical organizations participating in IAM 1974. They are: the Academy, the American Medical Association, the National Medical Association, the American Academy of Family Physicians and the American Osteopathic Association. The entire IAM program will be coordinated by the U.S. Center for Disease Control which will supervise the activities of the medical associations as well as the following groups: Conference of City and County Health Officers, Association of State and Territorial Epidemiologists, American Nurses' Association, National League for Nursing, American School Health Association, National Center for Voluntary Action, Health Insurance Association of America and five pharmaceutical firms who manufacture biologics.

The objective of IAM October 1974 is to immunize a minimum of 90 per cent of the estimated five million susceptible children between the ages of one and four against polio, measles, rubella, diphtheria, tetanus and whooping cough by the time they enter the first grade. These five million incompletely protected children constitute the largest percentage of "mini-epidemic" fatalities.

A third major program has been the showing of the TV documentary "Prescription: Food." This film on malnutrition in American children has been shown on public television in Minneapolis, Cleveland, Washington, D.C. and Boston. It was previewed in each area by groups of several hundred prominent leaders in medicine, education and government. Subsequent to the showing of the film, groups in Cleveland, Minneapolis and the District of Columbia applied for and received funding to initiate special supplementary food programs in their area. The film has been reviewed by the Academy's Committee on Nutrition and all showings are arranged in cooperation with the Academy. Academy representatives have attended every preview. The film was produced in Memphis, Tenn. and at St. Jude's Children's Research Hospital there.

In addition to these three major public health education efforts the Academy has also, in the past year, completed or initiated a number of comprehensive programs designed to provide the public with information in a number of areas of child health care. These included: cooperation with Action for Children's Television to publish "A Family Guide to Children's Television"; distribution of 1,000 polio immunization kits to television news directors and general managers, radio stations and major newspapers to assist them in alerting the public to the immunization problem; production of two motion pictures on accident prevention, "My Children Are Safe" and "Protecting Young Lives," starring Lynda Johnson Robb and her two children, in cooperation with the National Safety Council and the U.S. Consumer Product Safety Commission; distribution of a number of television spot announcements of car restraints for infants and children, nutrition, accident prevention and tuberculin testing. The Academy has also assisted a number of writers and editors for magazines of national circulation to develop articles on child care. These include, *Redbook, Good Housekeeping, Baby Talk, Family Circle, Today's Health,* and *Readers Digest* to name a few. The Academy also maintains a close relationship with the nation's press, through a regular program of news releases and press rooms at national meetings, in order to publicize recent advances in pediatrics and techniques of child health care.

THE GREAT MAIL BUNGLE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks I am including the last in a series of investigative articles which began in the Washington Post on June 9. This account blames top postal officials for the system's inability to operate a successful service to the people.

As we have been recently reminded, the current conditions in the Postal Service leave very much to be desired. While postal officials should be on an all-out offensive to cure the ills existing in their system, too often the management is on the defensive trying to cover up the problems. It is time for the Congress to realize that postal officials have "swept the dust under the rug" for too long.

Upon examination of the management of the Postal Corporation we find top ranking officials who are apparently out of touch with the operation of their agency. This explains why the leadership is so often unresponsive to problems of the system.

Board members are paid $10,000 a year, plus expenses, to sit in titular part-time positions. While $10,000 admittedly is not a magnificent salary, what do we get for it? The answer sems to lie in cost overruns, faulty mechanical systems, and rate increases.

Originally, the intent in the creation of the new Postal Service was to provide an efficient, low-cost service to the American public. After taking a long look at the situation, I find that this is anything but what we have today.

The article follows:

[From the Washington Post, June 15, 1974]

POSTAL WOES AT TOP

(By Ronald Kessler)

"The will of the Congress, and the will of the people, is clear," President Nixon declared in 1969, when he proposed reform of the Post Office Department. "They want fast, dependable, and low-cost mail service. They want an end to the continuing cycle of higher deficits and increasing costs."

Five years later, the record of the new Postal Service shows mail service has become slower rather than faster, deliveries more erratic rather than more dependable, and costs and government subsidies larger rather than smaller.

The new U.S. Postal Service has not been without achievements. It has appointed postmasters on merit rather than political considerations. It has decentralized operations to allow field managers to make more decisions based on local needs. And it has encouraged managers to think for themselves instead of relying on rule books.

But the agency has failed to fulfill its mandate of improving service and reducing costs, and much of the debate over this failure has centered on a philosophical argument: Is the Postal Service a government agency created to serve the people or a business created to make a profit?

The debate stems from the agency's twin congressional mandate—it must operate as a "service to the people" and strive to become financially self-sufficient by 1984.

The argument largely misses the point. A private company that gives poor service will eventually lose its customers, and with them, its profits. In business, as in government, service comes first and cost-cutting second.

The Postal Service has often forgotten this, but a majority of the present and former postal officials, congressmen and their aides, technical experts, and mail users interviewed for this series of articles said they believe the agency's problems go deeper than a reversal of priorities.

The problem, in their view, is not the basic legislation creating the Postal Service. Although the legislation could be improved, they said, a return to the old Post Office Department would be a step backward.

Instead, the problem, in the view of most of those interviewed, is a lack of direction by the postal agency's management and the lack of a remedy in the congressional act for dealing with poor management.

The postal management does not see it this way. It contends that service has improved and costs have been cut, but there is less to these claims than meets the eye.

The agency said the postal deficit has been reduced, but a look at the annual report shows this has been accomplished because government appropriations have been increased.

It said productivity has gone up, but internal agency memos show the improvements have often been at the expense of service—for example, reducing collections from mail boxes. The 14 per cent increase in productivity—pieces of mail handled per man-year—has been offset by a 48 per cent increase in average compensation paid per man-year.

The agency said it has avoided crippling strikes, but union and postal officials said this has been achieved by giving the unions almost everything they demanded.

It said it has cut its work force by 5 per cent, but the reductions have been of temporary workers in response to union demands, while the number of costly, full-time workers has gone up. While the work force has been cut, payment of overtime has risen 13 per cent under the new management of the agency.

The Postal Service said it now treats mail users as "customers," but when it decided to strive no longer for overnight delivery of all mail, the agency made a deliberate decision not to tell the public or Congress.

The agency said improvements in service should now begin to show up, but it has been making similar claims almost since it was created.

Rep. Thaddeus J. Dulski (D-N.Y.), chairman of the House Post Office and Civil Service Committee, wrote to Postmaster General Elmer T. Klassen last December:

"I have been given repeated assurances that solutions to the collapsing postal system were at hand. But the promises keep falling by the wayside; instead of improvements, new complications arise, and things grow steadily worse."

Some of the reasons are relatively easy to pinpoint.

Service reached its lowest point since the agency began to measure it on a consistent basis in 1968 after Klassen ordered a hiring freeze in 1972.

The freeze applied equally to post offices with rising and declining mail volume. Since the agency is almost totally dependent on human labor to move the mails the resulting decline in service was not a surprise.

The lesson was not new. Although the old post office publicly blamed the historic pile-up of mail in the Chicago Post Office in 1966 on factors largely beyond its control, former high-ranking postal officials said it was caused by a refusal by then Postmaster General Lawrence F. O'Brien to soften a freeze on overtime. O'Brien said recently he could not recall his decisions on the matter.

Klassen now concedes his freeze was "wrong," but he blames aides for not warning him. One former aide said he told Klassen, but the advice was ignored.

Although the reasons for imposing a hiring freeze are readily understandable, many of the postal management's decisions outlined in this service are more difficult to explain.

How does one explain a decision to deliberately slow down first-class mail delivery? Or to spend $1 billion for parcel sorting facilities that promise slower service than one's competitor? Or to spend five years and $49 million on new mechanized letter sorting equipment without knowing what the equipment is supposed to do or what its full costs are? Or to charge first-class mail users for buildings not used by first-class mail?

Perhaps the most perplexing decision is a non-decision not to seriously explore requiring the public to use envelopes preprinted with boxes for zip codes. Most experts interviewed said these envelopes would solve most of the Postal Service's problems because they could be sorted easily by relatively inexpensive machines. Those who did not wish to use the envelopes could pay extra postage, the experts said.

The Postal Service said it does not believe the public would accept such a system, but it acknowledges that it has not asked.

Many present and former postal officials explained these shortcomings by citing the effects of a bureaucracy, of the Postal Service's lack of either public accountability or a profit motive, of its inability to attract the top government job applicants, and of its lack of direction from the top.

"The basic inclination is to destroy intelligence and initiative," said a consultant who has worked closely with what he calls the "postal bureaucracy."

"There are more Ph.D.s, analysts, economists, and mathematicians on my floor at AT&T than in the whole Postal Service," said Dr. James C. Armstrong, a former postal executive who is manager of corporate planning for American Telephone & Telegraph Co. in New York.

"Nobody at the Postal Service looks at the whole picture," said Merrill A. Hayden, a former Sperry Rand Corp. executive vice president who was deputy postmaster general in 1971. He said each department within the agency goes its own way, and no one coordinates them.

Most of those interviewed said that rather than solving these problems, Klassen, the 65-year-old head of the Postal Service, has exacerbated them.

Klassen had risen from office boy to president of American Can Co. when he was named deputy postmaster general by President Nixon in 1969. He was subsequently appointed by Mr. Nixon to the newly created Postal Service board of governors, and in 1971, the board named him to succeed Winton M. Blount as postmaster general.

Critics, who refused to be identified, said Klassen does not take time to learn the workings of the Postal Service, inhibits aides from giving candid advice, gives short-shrift to long-range planning, and blames others for problems he often creates himself.

Former aides, who also insisted on anonymity, said Klassen takes frequent vacations and spends long weekends at his summer home.

Klassen's apparent lack of knowledge of postal operations has not gone unnoticed in Congress, where he is quizzed periodically on why the mails are so slow.

Referring to aides, Klassen brought to help answer questions at a hearing last year, Rep. Charles H. Wilson (D-Calif.), said, "You have 40 or 50 people here, and yet you seem to have difficulty answering some of the questions."

Present and former aides of Klassen said his lack of attention to detail is aggravated by eyesight that becomes strained when reading normal size print. Because of this, they say, reports given to him are often in large-size type, or he is given oral reports illustrated with slides.

Klassen denies he has a reading problem, and he has said he has been given bad advice by his subordinates. "There are too many people who want to tell the boss what they think he would like to hear," he said at a Senate postal hearing.

"Klassen says he's lied to. He's right. The reason is they're frightened of him. He says you do something, and I'm going to fire your ass," a former aide said.

Klassen denied he intimidates aides, and he cited meetings he initiated in February, 1973, to elicit criticism from postal managers. However, when the criticism turned to him, recalled a former aide, "He chewed them out."

While Klassen often talks of cost-cutting and modern management techniques, he has been criticized for lavishly furnishing his office ($1,500 for a receptionist's desk, $11,000 for carpeting), and his performance at American Can has come in for attack on Wall Street.

* * * for Merrill Lynch, Pierce, Fenner & Smith, the stock brokerage firm, American Can was "poorly managed" and "lacked a sense of direction."

An analyst for Smith, Barney & Co., a New York investment banking firm, said American Can was "one of the worst-managed companies in existence" under Klassen. "They just did everything wrong," he said.

In recent interviews, Klassen, a gruff, plain-spoken man who towers above most of his visitors, said, "I agree that American Can is poorly managed now. I brought the company from $2.70 per share to $4.18 per share."

(Earnings rose from $3.57 a share when Klassen became president in 1965 to $4.24 a share when he left in 1963.)

American Can's chairman did not respond to telephone calls.

Alternately hostile and conciliatory, Klassen said, "All you're really trying to do is smear the Postal Service, including Klassen." Softening, he offered, apparently only half in jest, to hire this reporter as a consultant.

Klassen denied subordinates are afraid to tell him the truth. "People speak their goddamn piece," he said.

"Sure I'm impatient," he said. "I want to turn this thing around."

Under the structure established by Congress, Klassen reports to a board of governors, whose members are appointed to nine-year terms by the President. The board alone has the power to hire or fire a postmaster general. If service is slow, only the board can take action to correct it.

Those who have worked with the board said it has little understanding of how the Postal Service operates and is dependent on Klassen and his staff for information.

The board cannot take action if it does not think service is slow, and whether it is aware that service has declined under the policies of the new Postal Service is an open question.

Board members are paid $10,000 a year plus expenses and $300 per meeting. They make decisions affecting billions of dollars in public funds. But half the board members did not return telephone calls made to determine if they were aware service had declined.

Of those who did return calls, one said he would answer only questions in writing, and the remaining members talked only in generalities or praised the Postal Service.

"I think the management is doing a good job," said Crocker Nevin, a former chairman of Marine Midland Grace Trust Co. in New York. He declined to discuss service.

Dr. John Y. Ing, a Honolulu oral surgeon, said he thought service had improved "considerably" since Klassen became postmaster general. (Postal Service sampling figures show it has remained unchanged—far worse than in fiscal 1969, the last year of the old Post Office management.)

Asked about Postal Service plans to spend $1 billion on bulk mail sorting facilities and $4 billion on letter sorting centers, Dr. Ing confessed he was "not too familiar" with the letter system and had not received "detailed" information on the bulk mail system.

The vice chairman of the board, Myron A. Wright, chairman of Exxon Company, U.S.A., the oil company, was among those who did not return calls.

The board chairman, Frederick R. Kappel, the former AT&T chairman whose report led to postal reform, said he would grant a personal interview only if it would "help" the Postal Service.

Kappel, 72, continues to maintain an infrequently used office at AT&T headquarters and owns AT&T stock and pension rights. In a brief telephone conversation from his Bronxville, N.Y., home, Kappel referred to "they" in the Postal Service and "we" in the telephone company.

Asked if he is aware postal service has declined, Kappel said he was not familiar with the figures but believes Klassen has provided proper leadership and "turned around" the agency.

He said, "If the Postal Service had spent less time sitting before congressional committees, they'd have better service."

STEEL PRICE HIKES

HON. JOHN N. HAPPY CAMP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. CAMP. Mr. Speaker, yesterday morning Bethlehem Steel Co., the country's second largest steel mill, posted base price increases of from 5 to 15 percent on almost its entire product line.

When the events of the recent past are examined closely, it becomes apparent that what we are really talking about is a 40-percent increase in most steel costs since March 7. Let us take a look at what has happened in 4 short months.

In early March of this year, the Cost of Living Council finally okayed an 8-percent increase in steel prices, after denying this request in December 1973 and February 1974 as inflationary and unwarranted. I understand, by the way, that 8 percent is a normal annual increase in steel prices. However, the expiration of the Economic Stabilization Program on April 30 found the steel mills ready with another sizable price increase of about 10 percent, coupled with word that the extra fees charged for certain sizes of steel would be raised later in the month. On May 20, the extra charges were hiked, causing construction steel costs to rise some 10 percent. Yesterday's announcement by Bethlehem, which brings its prices up to those of the other major companies, brings the total percentage increase since March 8 to approximately 40 percent.

To get an idea of what this will mean to the steel mills' customers, let us look at price comparisons between March 7 and June 24 on some of the basic steel used in the construction business. All figures given are for steel plate sized ⅜ inch by 84 inches by 53 feet:

A36 grade—March 7, 1974: $9.30 cwt; June 24, 1974: $12.95 cwt; Increase: 39.2 percent or $73 per ton.

A588 grade—March 7, 1974: $12 cwt; June 24, 1974: $16.25 cwt; Increase: 35.4 percent or $85 per ton.

A441 grade—March 7, 1974: $10.15 cwt; June 24, 1974: $14.85 cwt; Increase: 46.3 percent or $94 per ton.

A572 grade 50—March 7, 1974: $9.85 cwt; June 24, 1974: $14.35 cwt; Increase: 45.6 percent or $90 per ton.

The prices quoted above are Bethlehem's and, as I said, their action yesterday brings their prices in line with the other majors.

Let me point out, too, that the smaller steel companies have kept pace with the majors' prices and, in fact, the so-called mini-mills have maintained a $1.17 margin per hundredweight above the majors' prices, an increase in their prices of about 55 percent in a 13-month period.

In the steel business, Mr. Speaker, the metal fabricator agrees to buy steel from the mill at whatever the going price is on the day the steel is shipped. Since all the mills have this policy, there is no way to be sure that steel costs will not rise before delivery is made.

On the other hand, the metal fabricator in dealing with his buyers customarily contracts to deliver goods at a certain, fixed price. Thus we have a situation where unexpected increases in costs brought on by a hike in basic steel prices cannot be recovered by passing these increases along.

It is easy to see then where a company's backlog of orders could bankrupt it, given staggering steel price increases like the one announced yesterday. In fact, according to informed sources, one company is facing an increase on one job of some $450,000 on just the steel product purchase cost alone. Another job will cost this same company an additional $650,000 in unanticipated costs as a result of yesterday's action. That is over a million-dollar increase in costs on just two jobs, Mr. Speaker, and I would venture to say that this kind of a situation will not be unusual if these increases are allowed to stand.

Mr. Speaker, the fact is that if steel prices continue to rise at the rate they have over the past 4 months, not only are many of our metal fabricators going to be in real trouble, but, ultimately, every consumer in the United States is going to be forced to pay for increased costs with the purchase of any product containing steel.

WHALE OIL, BABY CHICKS, AND ENERGY

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. MINSHALL of Ohio. Mr. Speaker, I am indebted to my good friend, John W. Burke, Jr., of the Business Council here in Washington, for calling to my attention an outstanding article in the June 7 issue of National Review. Walter B. Wriston, chairman of the First National City Corp., states an excellent case for the free market.

Under leave to revise and extend my remarks, I insert Mr. Wriston's "Whale Oil, Baby Chicks, and Energy" in the RECORD:

WHALE OIL, BABY CHICKS, AND ENERGY

(By Walter B. Wriston)

Anyone in our society whose eyesight and hearing are not totally impaired is likely to believe that we are on a collision course with Doomsday. Certainly the energy shortage has produced no scarcity in the rhetoric of crisis Considering the amount of time and space devoted to predictions of impending disaster, it would appear that the media have sought to validate a variation on Gresham's law: bad news drives out good.

The complusion of the media to turn every scrap of bad news into a full-blown crisis distorts our perspective. The media neglect to remind us that troubles may be news, but they are by no means new. This negative emphasis ignores the decisive role of human ingenuity in a free society. One of our distinguished historians, Barbara Tuchman, recently put it this way: "The doomsayers work by extrapolation; they take a trend and extend it, forgetting that the doom factor, sooner or later, generates a coping mechanism. . . . You cannot extrapolate any series in which the human element intrudes; history, that is the human narrative, never follows, and will always fool, the scientific curve." How right is her insight; alarmists' curves frequently are based upon downward trends. As early as the sixth chapter of Genesis some believed the world was headed downhill. The doomsayers were already looking back upon better times: "There were giants in the earth in those days."

Prophets of doom have a second weakness. They fail to appreciate man's inherent ability to adjust and innovate. The British economist Thomas Malthus predicted in 1798 that the imbalance between population growth and food production would cause the world to starve to death. The doomsayers called it Malthus' iron law. As time has proved, it was neither iron nor law. Like many of our current crop of transient experts, Malthus fell into the oldest trap of all in the prognostication game. He underestimated everyone's intelligence but his own; he was incapable of imagining that out of the Industrial Revolution would come reapers, threshers, combines, and tractors. He did not foresee the era of cheap energy. Nor did he envision chemicals and fertilizers creating such abundance that foolish governments would pay farmers *not* to cultivate the soil.

A third fault accounts for the inability of the doomsayers accurately to predict what will happen. They cling to the belief that there are accepted absolutes in a world of rapidly changing value systems. As the French poet Paul Valéry put it, we often tend to be marching backward into the future.

Examples abound. A presidential commission appointed by Herbert Hoover in 1929 later reported to Franklin D. Roosevelt on how to plot our course through 1952. The report was in 13 volumes prepared by 500 "researchers." The summary required 1,600 pages. Yet there was not a word about atomic energy, jet propulsion, antibiotics, transistors, or many other significant developments. Herman Kahn's opus on the year 2000 never mentioned pollution, nor was there any real emphasis on the energy shortage. The people who have come closest to predicting the future are some of the science fiction writers, unencumbered by elaborate research or prestigious committees, but with the courage to dream. Jules Verne's wild imagination proved to be more prophetic than the calculations of Malthus.

Our latter-day Malthusians, whose forecasts are often dignified with computer printouts, which substitute for ox entrails in modern-day occult prediction, appear oblivious to the fact that man, given the proper incentive and freedom to act, has repeatedly found substitutes for dwindling materials. The United States was denied 90 per cent of its sources of natural rubber during World War II, but technological ingenuity created synthetic rubber which is now more widely and flexibly used than the natural product. One of the most common substances in the world is bauxite, but it was not regarded as much of an asset until the way to make aluminum was perfected. Coal was not even considered a resource before the Steam Age, nor was uranium highly valued before the Atomic Age. Since the Industrial Revolution, resources have grown exponentially, step by step, with man's ability to apply fresh technology to his needs. These experiences of yesterday are relevant today. I do not assert that history repeats itself, but offer a reminder that the human story did not begin with today's crisis.

Energy is no exception. Few Americans even remember that from the time of the American Revolution until the Civil War, a major source of artificial lighting was the whale oil lamp. No one should have needed a congressional commission to predict that the supply of whale oil could not forever keep pace with the demand of a growing nation.

The tragedy of our Civil War disrupted whale oil production and its price shot up to $2.5 a gallon, almost double what it had been in 1859. Naturally there were cries of profiteering and demands for Congress to "do something about it." The government, however, made no move to ration whale oil, or to freeze its price, or to put a new tax on the "excess profits" of the whalers who were benefiting from the increase in prices. Instead, prices were permitted to rise. The result, then as now, was predictable. Consumers began to use less whale oil and the whalers invested more money in new ways to increase their productivity. Meanwhile men with vision and capital began to develop kerosene and other petroleum products. The first practical generator for outdoor electric lights was built in 1875. By 1896 the price of whale oil had dropped to 40 cents a gallon. Whale oil lamps were no longer in vogue; they sit now in museums to remind us of the impermanence of crisis. This cycle, repeated in thousands of other instances, is one which the rulers and the Arabian-Persian Gulf area might well bear in mind.

My capsule review of the whale oil "energy crisis" is one of an infinite series demonstrating the ability of the free market to solve problems of scarcity. Shortages, then and now, can often be eliminated when prices are allowed to exercise their age-old functions—motivate the consumer to consume less and the producer to produce more and spur on someone to develop a new product that is better and cheaper. Shortages become a crisis when government intervenes to frustrate the ability of the free market to function. A free market is not chaos, but a continuous economic referendum: essentially it represents the decisions of an infinite number of individuals expressing in action their opinions of values.

Government intervention destroys the path to a democratic decision. The result is noneconomic. No one who saw it on television last year will soon forget the wholesale drowning of baby chicks. It was done because the government froze the price of grown chickens at a level which made it uneconomic for farmers to raise and sell them. Government seems loath to learn from experience in tampering with a free market. Drowning the chicks was a rerun of the plowing under of "surplus" cotton and grain and the slaughter of piglets a generation ago. Yet the liberals were the exponents of the destruction of such animals. This slaughter was predicated upon the proposition that governments are smarter than markets—which all history refutes. Anyone observing the consequences in our country of price and wage controls can have few illusions left about the efficiency of government-controlled market. Yet many businessmen and labor leaders applauded this strangling of enterprise at the time controls were initiated.

To a large extent, what we call the energy crisis was made in Washington, just as was the beef shortage and the chicken shortage. A scarcity of energy in the United States was assured as early as 1954, when Congress empowered the Federal Power Commission to set an artificially low wellhead price on natural gas to be used in interstate commerce. This low price ceiling overstimulated consumer demand and discouraged producer initiative—an infallible guarantee of an eventual shortage. It was the chicken syndrome on a grand scale. Likewise, a ceiling on mortgage, rates has great political appeal, but when the government creates inflation, rates rise and the frozen rate becomes the rate at which you cannot borrow money to build your house.

Federal stop-go policies on mining coal, drilling for oil, and the construction and licensing of nuclear energy plants not only have curbed incentive, but also have created a climate of doubt and dilemma. Substituting bureaucratic regulation for the marketplace has always created uncertainty and served first to produce and then to intensify shortages. Whenever our system appears to falter by not providing our accustomed relative abundance at a low price, the people who distrust freedom always stand ready with the simplistic solution: the government should intervene.

There is a paradox in the fact that those who look to government to remedy every economic grievance in our society also want government to get out of their personal lives and stop telling them how to run their affairs. They cannot have it both ways. They cannot ask more and more government intervention in what ought to be a free market and still insist on more and more freedom for themselves as individuals. No people have ever preserved political liberty for very long in an environment of economic dictatorship. We often learn too late that freedom is indivisible.

In America we have what is described as a free enterprise economy, at least in comparative terms. Nevertheless our government today regulates more business practices than most other democracies. This may seem incredible, but it becomes clear when you call the roll. The American bureaucracy regulates the utilities which produce heat, light, and power; the railroads (or rather what's left of them); trucking companies, airlines, broadcasters, drug firms, dry cleaners, automobile manufacturers, meat packers, film makers, farmers, brokers, banks, and a host of other enterprises. Most of these industries are highly competitive, but government has decreed that they serve a variety of objectives other than selling their products at the lowest possible price. It is not a bad rule of thumb for our Citibank lending officers to remember that the longer an industry has been government-regulated, the worse credit risk it tends to become.

Overregulation is partly our own fault. Our history sometimes reveals a cycle. We let something run wide open until the law of compensating forces operates. Businessmen sometimes fail to anticipate or even respond to the demands of the consumer. If this continues too long, the public becomes angry. Typically, then, the industry or the labor union that is perceived to be out of control forms a "self-regulating" group to set standards and police its own activity. The self-regulatory groups usually fail to respond quickly and strongly enough, so that pressure continues to mount and the government steps in. Currently, people of the accounting profession, who could not even agree among themselves on how to book a tax credit, have set up a sort of supreme court of accounting practice to bring order out of chaos. Maybe they can salvage their influence, but unless they are quick and firm, the SEC will take over and thenceforth do it for them. Lawyers who let some of their brethren disrupt the decorum of the courtroom without effective censure are moving into the same zone of trouble. So also are those bar associations that see nothing wrong with publicly recommending people as judges before whom they themselves will soon practice. Failure to reform themselves and to perceive how rapidly our value systems change will create volumes of regulations we will all regret.

The legal precedent upon which much of our regulation is still based was established in 1670, when Lord Chief Justice Hale declared that "property does become clothed with a public interest, when used in a manner to make it a public consequence and effect the community at large" Defining the pubilc interest in precise terms has occupied the time and attention of generations of judges and lawyers, economists and accountants, businessmen, labor leaders, and politicians at a cost of billions of dollars to government and industry. With the passage of time, the determine of public interest has become buried beneath an avalanche of charges and briefs, statistics and analyses.

The regulator is always adjured to serve the public interest. Sooner or later he usually develops into both judge and jury, and often into prosecutor as well. The Executive should enforce the law. The courts should interpret the conflict. Instead of this, Congress does its best to bypass the executive and judicial branches and create separate institutions that combine legislative, executive, and judicial functions, thus defying the basic rule of the Constitution—the separation of powers. The new regulatory body then makes rules with the force of law, and an administrative judge, who is often an officer of the regulatory body, then becomes prosecutor, judge, and executive all at the same. The regulatory body substitutes its opinion for the judgment of the free market. As times goes on, the bureaucracy changes the active verb to" complete" into the passive "to be regulated." This process tends to create a rigid, backward-looking system—which is neither business-oriented nor consumer-oriented. Instead it is bureaucracy-oriented.

Time and again when there is opportunity to introduce a new technology or a new service to meet public need, the regulator's first question is not whether the consumer or the public will be better served, but rather whether or not what is new fits into the regulatory pattern. Can it be regulated? Will it require a new statute? Does it call for a shift in policy? The result has often been that what the regulator cannot regulate, he will not approve.

The Eurodollar market is a pefect example. Its birth and continued health is a monument to overregulation. Congress, in its economic wisdom, decreed that American banks could not pay interest on demand deposits. Italian banks, owned by their government, had a cartel which put a floor of 7 per cent under interest rates charged to borrowers. There is a lot of daylight between zero return and 7 per cent—and so the dollars moved away from zero toward a better rate of return. Extreme regulation on two sides of the Atlantic unintentionally created a new market. The bureaucrats of the world, who by definition dislike free markets, have been worrying about this flow of funds ever since. They no longer really want it to go away, since it helped finance the European postwar boom; on the other hand they would like to regulate it. Its very existence undermines their argument that nothing can work for the good of the world without government control.

Many industries continue to be regulated as though they were monopolies, whereas in fact new competitors have long since taken away a good share of their business. Free competition which grows up outside the reach of the regulator creates a whole new situation with the odds heavily stacked against the regulated. The railroads were put at a disadvantage when the truckers began to siphon off revenues; so were the scheduled airlines when the charter flights began to invade the market of the regular carriers. Instead of welcoming the competitive challenge posed by new industries, or applauding the new benefits to the public, the regulatory reflex was to reach out and regulate the new lot also—permitting no industry either to win or to lose on its merits, but causing the public to pay the check for poorer service and higher costs.

Creativity, particularly the invention and application of new technology, requires brains, capital, and hard work. Reward runs with risk but the regulatory system is not receptive to change. Thereupon talented people move on to areas where talent is rewarded. With some notable exceptions, the history of railroad regulations is a classic example of this. It also demonstrates opposition to change through improved technology.

Before the Interstate Commerce Commission clapped the railroads into a regulatory straitjacket, railroads were pioneers in technology—creating the standard track gauge, new freight cars, and safety devices. One of the first acts of the ICC was to tell the railroads that rails should be made of domestic iron—not imported steel which at the time was far more durable. Time after time, efforts of the railroads to improve efficiency through the introduction of new and applied technology were hampered by infuriating and costly delays in regulatory decisions. The regulators expended their efforts in setting tariffs which distinguished between horses for slaughter and horses for draught, between rates for sand used for cement and sand used in glass making. This bureaucratic concern with trivia, instead of key issues, at a time of trouble can only be compared to the steward's obsession with rearranging the deck chairs on the *Titanic*. Predictably, many railroads chugged slowly down the road to ruin.

Now more than ever, we need efficient healthy railroads; so the King Canutes of the ICC issue 20 pages of regulations! If the situation were not so serious, it would be funny. Louis Menk suggested delicately to the ICC what the problem was. "It has become hellishly unworkable, a dismal failure that has made a shambles of our national railroad system. . . . I take issue with the erosive system of regulation that has wasted a substantial portion of this nation's rail system and threatens the rest of it." With the return on capital of our national railways under 3 per cent, investors are not standing in line to buy railway securities. Things could be worse—the government could own and operate the railroads. Japan does and we hear how fast and clean they are. What you do not so often hear is that Japan employs 450,000 people for about 13,000 miles of track; the Union Pacific with roughly 9,500 miles of track employs 28,000 people. Government productivity is not so good, even in Japan.

Our current energy crisis furnishes another fork in the road. If you look beyond the panic and concentrate on the problem there are a number of ways we can go. We can create a new ICC for oil and gas with the absolutely predictable result that the current market dislocations will become institutionalized, and temporary scarcity will be regulated into permanent shortages. The 1973 chicken syndrome should still be fresh in our minds, and we may yet have time to prevent our government from repeating the same mistakes with energy that we made with price and wage controls.

The other way to go is to permit the enormous innovative talents of the American people to function. Just as Malthus' iron law was relegated to the library stacks by the fantastic increase in agricultural productivity, and the invention of kerosene, and practical electric generators took the whale oil lamps out of the homes of America and put them in the museum, our current energy problem will also be solved in a myraid of ways that no one here can now foresee—if we let the free market operate. Whether it is whale oil, baby chicks, or energy, control by a bureaucracy is no match for the free market in the allocation of human and material resources for the good of all.

THE NEED FOR A BALANCED BUDGET

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. ARCHER. Mr. Speaker, on January 3, 1973, I introduced a proposed constitutional amendment which would require the submission of a balanced Federal funds budget by the President as well as action by Congress which would provide for the necessary funds in order to avoid a deficit.

The serious problems we have experienced with runaway inflation in the last year and a half since the introduction of my bill emphasizes to me more than ever that we need to halt inflation by eliminating a chief cause of inflation—deficit spending by the Federal Government. I am pleased to reintroduce this bill with 18 cosponsors. The Members who have joined me in advocating a constitutional amendment for a balanced budget include Representative JAMES ABDNOR, Representative L. A. BAFALIS, Representative CLAIR W. BURGENER, Representative DONALD D. CLANCY, Representative EDWARD J. DERWINSKI, Representative SAMUEL L. DEVINE, Representative JOHN L. DUNCAN, Representative JAMES F. HASTINGS, Representative HENRY HELSTOSKI, Representative CRAIG HOSMER, Representative MARJORIE S. HOLT, Representative JOHN MURTHA, Representative WALTER E. POWELL, Representative ROBERT A. ROE, Representative HAROLD RUNNELS, Representative JOHN WARE, Representative CHARLES WILSON, Delegate ANTONIO BORJA WON PAT.

Federal spending has been increasing at a phenomenal rate in recent years. Mr. Jerry Preston James in a report entitled "Federal Spending and Budget Control: An Analysis and Review" published by the Heritage Foundation, Inc., perceptively summed up the problem:

> What, then, have been the effects of rising Federal spending? Ever-increasing taxes, a rising tide of inflation, the surrender by Congress of its constitutional powers of the purse, waste of resources, and a pandering to the mistaken theory that dollars solve problems, with a resulting apathy and non-involvement by the people and a diminished sense of legislative responsibility on the part of individual Members of Congress. Clearly, the price that we pay for runaway Federal spending is far greater than its price tag in mere dollars.

It is essential that we distinguish between the "Federal funds" or "administrative" budget and the so-called unified budget. The Federal funds budget includes the reserve the Federal Government takes in and pays out each fiscal year. The unified budget, a concept instituted in 1969, includes the receipts and expenditures of the trust funds such as the highway fund and the social security fund. Since these trust funds have resulted in substantial surpluses in recent years, these overall totals have resulted in minimizing the total budget deficit. Yet trust fund surpluses are borrowed by the Treasury. They are used to finance a part of the deficit accumulated in the regular operations of the Government. These borrowings add to the public debt as do the borrowings from the public.

Although on paper we appear to have smaller deficits under the unified budget concept, these smaller deficits are illusory. The "unified budget" or "full employment" budget concept serves as a clever gimmick to make it appear that we are on a balanced budget while we are really attempting to hide the deficit.

We need to concentrate our attention on the Federal funds or administrative budget which truly reflects the amount the Federal Government had to borrow from the public and from the Government trust funds in order to finance operations of the Federal Government. It is only the Federal funds budget which counts when the executive branch requests an increase in the Federal debt ceiling. This proposed constitutional amendment would seek to prevent a deficit in the general revenue operations or the Federal funds budget.

The essential need to control Federal spending and avoid deficits is becoming more obvious for all those individuals concerned about the economic health of our Nation. Mr. Arthur F. Burns, Chairman of the Federal Reserve Board, noted in a recent speech that if inflation continued at its present rate, it would place the future of our country in jeopardy and added that "the Federal budget has to be handled more responsibly than in the past." Treasury Secretary William Simon, in advocating a balanced budget for 1976, observed that inflation could be contained in the long run only where there is control over Government spending. The Treasury Secretary noted that in the first 3 months of 1974, the inflation rate was 11.5 percent and that it was unlikely to be brought lower than 7.5 percent by the end of the year. This runaway inflation robs every man, woman, and child, including the poor, the middle class, and the rich by making their hard-earned dollars worth less and less. Recent polls reveal that inflation is one of the major concerns of the voters of our country.

The Federal budget has been in deficit for 14 out of the last 15 years. The budget for 1975 projects a deficit of $9.4 billion and may go as high as $20 billion if we have a downturn in our economy. In the past 6 years, the Federal funds budget deficit totaled $133 billion which constitutes 25 percent of our total national debt in this relatively short period of time. The House recently acted to increase the debt ceiling once again and we are rapidly approaching a national debt of $500 billion. We need to call a halt to a reckless fiscal policy in which we continue to spend more than we receive in revenues.

The Congressional Budget and Impoundment Control Act of 1974 is a step in the right direction. By linking the authorization and appropriation process it will allow the Congress to get a total picture of the budget. We need to go one step further—we should put in the Constitution a mechanism to bring about a balanced Federal budget. This constitutional amendment would accomplish this purpose.

If adopted, this constitutional amendment would require that the President within 15 days of the beginning of each regular session of Congress submit a budget which would set forth separately: First, an estimate of Government receipts and Government expenditures—other than trust funds—and second, an estimate of receipts and expenditures from trust funds for the coming year. These estimates could be revised during the year as new information became available. Either on or before the last day of the fiscal year, the President must report to Congress the actual amount of Government receipts and expenditures—other than trust funds. If it appears that there will be a Federal deficit within the period of 2 consecutive fiscal years, then neither the House of Representatives nor the Senate could act to pass any bill taking money out of the general fund of the Treasury until such legislation is passed to provide additional revenue to offset the expected deficit within a period of not more than 12 months thereafter. In the case of a war or national emergency, these provisions could be suspended by the President with a two-thirds vote of Congress. This proposal has certain advantages over other proposed solutions: it is based on 2 consecutive fiscal years rather than 1; it provides the President and Congress with enough time to propose additional revenue to avoid a deficit; it allows flexibility since various means of raising revenue can be explored—for example, income tax, corporation tax, or imposition of a new tax—rather than tying any revenue increase only to the income tax; it would allow the economy a reasonable time to adjust to the tax increase. This bill would accomplish the most important objective: establishing effective machinery for a balanced Federal funds budget.

The time has come for a long-range solution by writing the balanced budget concept into our constitutional law.

FOUR STATES CRUSADE

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BYRON. Mr. Speaker, the Four States Crusade recently visited Hagerstown, Md., under the auspices of Dr. Jerry Falwell, founder of the Lynchburg Baptist College. Mr. Chester F. Delphey, a long-time civic leader in western Maryland, was kind enough to send me a news clipping of this event which I thought my colleagues might find of interest:

FOUR-STATES CRUSADE OPENS BEFORE 3,500 CROWD HERE

(By Paul Marks)

The Four States Crusade for Christ, featuring radio and television minister Dr. Jerry Falwell and gospel singer Doug Oldham, opened a five-night engagement at the Hagerstown Fairgrounds Monday night.

Despite the threat of rain, an enthusiastic crowd of more than 3,500 gathered in the grandstand to hear Dr. Falwell's preaching and the singing of Oldham and the Lynchburg Baptist College Chorale. "We're extremely happy with the crowd," said Dave Davidson, Dr. Falwell's rally coordinator and personal pilot.

"The people in Hagerstown have been just super-cooperative," he said. He said that James Resh of the Union Rescue Mission, with the cooperation of local pastors, was responsible for bringing the Crusade to Hagerstown.

Davidson said that this is the first time the Crusade has come to Hagerstown. He said that he expects an attendance of at least 10,000 on closing night, explaining that the Crusades "tend to build as they go along."

On Monday morning, Dr. Falwell, Resh and about 75 others gathered at "Skylog," the South Mountain retreat of Chester F. Delphey, for an informal brunch.

Delphey, a retired Hagerstown businessman and former chairman of the Washington County Democratic central committee, is now an active supporter of the Four States Crusade.

Dr. Falwell told Delphey and the others he expects great things in Hagerstown as a result of the Crusade. He stressed the need for prayer as the "key to revival."

Dr. Falwell started his "Old Time Gospel Hour" radio and television program 17 years ago, and in 1970 the show went nation-wide on television, appearing every Sunday night on stations across the United States.

Through the U.S. armed forces networks, he said it has become an "international ministry" being aired in England, Australia, Germany, Japan, Canada and other foreign nations.

Three years ago Dr. Falwell founded the Lynchburg Baptist College in Virginia, a Baptist-centered school with a core curriculum format as well as a seminary, having an enrollment last year of 2,200.

Davidson told the Fairgrounds crowd the movement's success is due to "just this one man's heart, that is truly God's heart, and dedicated entirely to helping people."

Beaming up at his audience from a stage at the foot of the grandstand, Dr. Falwell said, "I can honestly say—without having ever known the vast majority of you—that I love each one of you."

A fundamentalist minister, adhering, he said, strictly to the teachings of the Bible, he said, "I'm not asking if you're a Baptist or a Mennonite or a Catholic—I'm asking you if you've been saved."

Speaking of the Bible as the word of God, he said, "This book has the significant distinction of being one book that you cannot read and understand without knowing the Author."

AFRICAN AND ASIAN STUDIES PUT INTO PUBLIC SCHOOL CURRICULUMS

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, the State of North Carolina has embarked upon an innovative program for the introduction of African and Asian studies into the public school curriculums. It is a method educators in other States may wish to evaluate.

Seventh and tenth graders throughout North Carolina will be influenced in the next few years by the results of an institute in African-Asian studies underway at Davidson College June 3–28.

Twenty-five North Carolina college and university professors are being taught how to run inservice training programs for the State's 4,000 7th and 10th grade public schoolteachers. Last summer 15 professors received similar training at Davidson.

These 40 professors will go out from their home campuses in the next few years to lead inservice training programs in African-Asian studies, now required of all 7th and 10th graders in the State.

North Carolina is the first State in the country to try this "multiplier" approach to introducing African-Asian studies statewide. A total of $126,000 is being provided for the project by the Mary Reynolds Babcock Foundation of Winston-Salem, the National Endowment for the Humanities, the North Carolina Department of Public Instruction, and Davidson College.

Frederick H. Gaige, director of South Asian Studies at Davidson, is director of the summer institute. Other staff members include Betty Bullard, a non-Western studies curriculum specialist with the North Carolina Department of Public Instruction, and Gerald Hartwig, chairman of the Duke University Committee on African Studies.

PEACE OR POLITICS?

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SHUSTER. Mr. Speaker, the Altoona Mirror newspaper which is located in my congressional district carried a front-page editorial on June 22 which clearly presented a thesis deserving of your most careful attention. I commend this very thoughtful editorial to my colleagues:

PEACE OR POLITICS?

"It is harder to wage peace than it is to wage war." This observation by our President deserves the thoughtful consideration of all who wish to see a permanent and just peace established among all the nations of the earth. The warlords all seem to have an established place in this history books of the world. Those who sought peace have always seemed to get only minor attention from the historians.

Even Biblical history is filled with the names of warrior heroes. King David played soothing music for King Saul, but the history of his great battles gets the most space. Down through the ages martial music has stirred men onward to battle and all too often to death. We must admit to its stirring effect, even upon those of us who are designated senior citizens.

"Onward Christian Soldiers" is usually sung with more gusto than the wonderful hymns that remind us that as Christians we should love our enemies. Even the small fry seem to keep step with the military bands. Death and destruction is a common theme of movies and television shows. Our youngsters watching these dramatic incidents get an early start in seeing and reacting to violence.

"The way of the transgressor is hard," but the path of those who really seek peace is more difficult. This seems to be especially true of those who seek to feed the starving, to send bread instead of weapons of war to those who are hungry and oppressed.

Herbert Hoover tried to feed the starving people of a world left destitute by the ravages of a great war. His enemies blamed a worldwide depression on him and he left the presidency a sad, disappointed man. Only in the latter years of his long life did he receive the honors that should have been his as he left public office.

We cannot wage war at home against those who are seeking to bring about a world at peace and expect them to be successful in that undertaking. As voters we have a right to demand that all those who level accusations at our President make public their own income tax returns and make public the source of their own campaign funds. No man can expect a fair trial if the jury is packed with hypocrites.

We have a right to demand that the three branches of our government return their attention to the perplexing problems of today. A state of war between the three branches of government can only weaken the nation. This nation needs to stand strong in the eyes of the world, if it is to accomplish its mission toward peace.

Those who "leak" information and those who seek these leaks so ardently need to be exposed to the public eye so that we, the voters, may be able to ascertain if they are telling the truth. Those who have given important defense secrets to other nations seeking our downfall are traitors and should be made accountable for their acts.

As a nation reunited in our stand before the world, we are without question the strongest nation on earth. Disunited we could become easy prey for those who would destroy our greatest possession—our freedom.

UKRANIAN POLITICAL PRISONERS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WALSH. Mr. Speaker, in this the era of détente with the Soviet Union, it behooves us to remember the oppression still being carried out by that country on the peoples of the "Captive Nations," the nations forcibly incorporated into the Soviet Union during and after World War II.

Earlier this month, the Captive Nations Committee of Syracuse and Onondaga County, N.Y., wrote President Nixon to remind him of this oppression. In its letter the committee expressed particular concern over the plight of two Ukranian intellectuals.

I would like to share that letter with my colleagues:

President RICHARD NIXON,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are free American citizens and representatives of the Captive Nations in Onondaga County, appeal to you on behalf of two young Ukranian intellectuals who, as political prisoners, are being tortured to death by the Soviet government: They are *Valentyn Moroz*, 38-year-old Ukranian historian, who is being systematically beaten and tortured by common criminals in the infamous Vladimir Prison in the Russian Republic, and *Leonid Plyushch*, 34-year-old Ukranian mathematician and cybernetics specialist, who is near death in a "psychiatric ward" in the City of Dnipropetrovsk in Ukraine .

We appeal to you, Sir, in the name of humanity and justice, to intercede immediately with the Soviet government to release forthwith these two Ukranian intellectuals and allow them to travel abroad, so they may receive proper medical attention which is denied them in their own country. Moroz and Plyushch are not criminals; on the contrary, they are young idealists who sincerely believe in the principles of justice and freedom.

By letting them die deliberately, the Soviet government will not escape international responsibility, but this will only confirm the grave charges of Alexander Solzhenitsyn, the great contemporary Russian writer, to the effect that the USSR is ruled by people devoid of all humanity, and as such is unworthy of being a member of the United Nations, or to receive any concessions or recognitions by the United States of America.

Therefore, once more, we earnestly urge you, Mr. President, to use the power and influence of your high office to save the lives of two young Ukranian intellectuals, while speaking with the high officials of the Soviet Union in Moscow.

The letter is signed by Ukranian, Estonian, Hungarian, Polish, Latvian, and Lithuanian representatives of the Captive Nations Committee of Syracuse and Onondaga County.

1975 BUDGET SCOREKEEPING REPORT NO. 3

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. MAHON. Mr. Speaker, I am inserting for the information of Members, their staffs, and others, excerpts from the "Budget Scorekeeping Report No. 3, as of June 21, 1974," as prepared by the staff of the Joint Committee on Reduction of Federal Expenditures. The report itself has been sent to all Members.

The report follows:

This Budget Scorekeeping Report No. 3 is published in abbreviated form. It shows the impact of congressional action on the President's revised 1975 budget recommendations through June 21, 1974.

This report includes analysis of the scorekeeping highlights together with the main scorekeeping tables. It also includes summarized background information with respect to the revised budget requests and certain other significant budgetary factors. Reference to the preceding report in this series is suggested for full detail and historical comparisons. (See 1975 Budget Scorekeeping Report No. 2 as of June 7, 1974.)

It should be understood, of course, that action on much significant legislation is still pending and may be expected to materially affect calculation of the impact of congressional action on the President's fiscal 1975 budget authority and outlay requests.

SCOREKEEPING HIGHLIGHTS

Fiscal year 1975—Outlays

The impact of congressional action through June 21 on the President's fiscal year 1975 budget outlay requests, as shown in this report, may be summarized as follows:

	House	Senate	Enacted
1975 budget outlay estimate as revised and amended to date	$305, 439	$305, 439	$305, 439
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action	−269	+198	−195
Pending action	−447	−13	
Legislative bills:			
Completed action	+140	+384	+922
Pending action	+1, 190	+3, 108	
Total changes:			
Completed action	−129	+582	+727
Pending action	+743	+3, 095	
Total	+614	+3, 677	+727
Deduct: Portion of congressional action included in May 30 revisions	+135	+135	+135
1975 budget outlays as adjusted by congressional action to date	306, 188	309, 251	306, 301

Completed actions

A summary of major individual actions composing the $727 million total outlay impact of completed congressional action to date on budgeted 1975 outlays follows:

COMPLETED ACTION OF BUDGETED OUTLAYS (EXPENDITURES)

	Congressional changes in 1975 budgeted outlays [*In thousands*]
Appropriation bills:	
Special Energy Research and Development	+$20, 000
Second supplemental, 1974 (1975 outlay impact)	−215, 000

Legislative bills:	
Urban mass transit operating subsidy	+$400,000
Child nutrition and school lunch	+225,000
Civil Service minimum retirement	+172,000
Veterans disability benefits increase	+134,800
Postponement of postal rate increases	+45,200
Civil Service survivor benefits	+4,600
Congressional Record, reduced postage fees	−8,486
Military flight pay incentive	−16,700
Rejection of Salary increases for federal executives	−34,000
Total, 1975 outlay impact of completed congressional action	+727,414

Pending actions

The major pending legislative actions affecting 1975 budget outlays which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below. It should be noted that incomplete action is shown for seven of the fourteen regular 1975 appropriation bills and some major legislation has not yet reached the reported stage.

MAJOR PENDING ACTIONS ON BUDGETED OUTLAYS (EXPENDITURES)

Bills (including committee action)	Congressional changes in budgeted 1975 outlays (in thousands) House	Senate
Appropriation bills:		
Agriculture, Environmental and Consumer Protection	+$65,000	
Public Works and Atomic Energy	+32,000	
Legislative Branch	−5,400	−$13,000
HUD, Space, Science, Veterans	−30,000	
State, Justice, Commerce, the Judiciary	−79,000	
Treasury-Postal Service	−75,000	
Transportation and related agencies	−355,000	
Legislative bills (backdoor and mandatory):		
Veterans educational benefits	+898,400	+1,708,500
Housing and Community Development Act	(1)	+553,000
Emergency energy unemployment	Rejected	+500,000
Military retired pay—recomputation		+288,000
Civil Service survivor annuity modification	+202,000	(2)
Public safety officers death gratuity	+43,700	(2)
Food stamp and special milk programs		+40,000
Hopi and Navajo Tribes relocation	+28,800	

[1] Undetermined at this time.

[2] Action taken last session.

Fiscal year 1975—Budget authority

The impact of congressional action through June 21 on the President's fiscal year 1975 requests for new budget authority, as shown in this report, may be summarized as follows:

[In millions]

	House	Senate	Enacted
1975 budget authority requests as revised and amended to date	$324,502	$324,502	$324,502
Congressional changes to date (committee action included):			
Appropriation bills:			
Completed action	+66	+16	+32
Pending action	−527	−4	
Legislative bills:			
Completed action	+140	+384	+922
Pending action	+2,950	+6,343	
Total changes:			
Completed action	+206	+400	+955
Pending action	+2,423	+6,339	
Total	+2,629	+6,739	+955
Deduct: Portion of congressional action included in May 30 revisions	$+135	$+135	+$135
1975 budget authority as adjusted by congressional action to date	327,266	331,376	325,592

Completed actions

A summary of major individual actions composing the $955 million total impact of completed congressional action to date on 1975 budget authority requests follows:

COMPLETED ACTION ON BUDGET AUTHORITY REQUESTS

Congressional changes in 1975 budget authority requests

[In thousands]

Appropriation bills: Special Energy Research and Development	+$32,361
Legislative bills:	
Urban mass transit operating subsidy	+400,000
Child nutrition and school lunch	+225,000
Civil Service minimum retirement	+172,000
Veterans disability benefits increase	+134,800
Postponement of postal rate increases	+45,200
Civil Service survivor benefits	+4,600
Congressional Record—reduce postage fees	−8,486
Military flight pay incentive	−16,700
Rejection of salary increases for federal executives	−34,000
Total 1975 budget authority impact of congressional action	+954,775

Pending actions

The major pending legislative actions affecting 1975 budget authority which have passed or are pending in one or both Houses of Congress are shown in detail on Table 1, and are summarized below. It should be noted that incomplete action is shown for seven of the fourteen regular 1975 appropriation bills and that some major legislation has not yet reached the reported stage.

MAJOR PENDING ACTIONS ON BUDGET AUTHORITY REQUESTS

Bills (including committee action)	Congressional changes in 1975 budget authority requests (in thousands) House	Senate
Appropriation bills:		
Public Works	+$63,159	
Legislative Branch	−5,878	−$4,033
Agriculture, Environmental and Consumer Protection	−27,168	
HUD, Space, Science, Veterans	−45,954	
Treasury, Postal Service and General Government	−69,349	
State, Justice, Commerce, the Judiciary	−100,355	
Transportation and related agencies	−341,400	
Legislative bills (backdoor and mandatory):		
Federal Home Loan Bank System—temporary increase in standby borrowing authority		+2,000,000
Veterans educational benefits	+898,400	+1,708,500
Housing and Community Development Act	+1,500,000	+1,650,000
Emergency energy unemployment	Rejected	+500,000
Civil Service survivor annuity modification	+362,000	(1)
Military retired pay—recomputation		+288,000
Private pension protection	+100,000	+100,000
Public safety officers death gratuity	+43,700	(1)
Civil Service early retirement, hazardous occupations	(1)	+41,100
Food stamp and special milk programs		$+40,000
Hopi and Navajo Tribes relocation	$+28,800	

[1] Action taken last session.

FUTURE OF GOLD AND INTERNATIONAL MONETARY SYSTEM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SYMMS. Mr. Speaker, in this age of American Alice in Wonderland, phony money economics, U.S. Congress style, I offer the following speech given by John Exter at a recent meeting of the Institute of Directors on International Monetary Reconstruction, held in Johannesburg, South Africa on October 2, 1973.

Mr. Exter is a senior fellow at the American Institute for Economic Research.

The speech follows:

FUTURE OF GOLD AND THE INTERNATIONAL MONETARY SYSTEM*

(By John Exter)

Mr. Chairman, Ladies and Gentleman: You have just heard the gospel according to St. Milton.[1] You will now hear it according to St. John. It is going to be a little different, but after all the writer is different.

I am even going to use a text, something written by Firdausi, the Persian national poet, who said about a thousand years ago: "There is a great deal of wisdom in the world, but it is all divided up among men." It has certainly been divided up among the men you have heard here during the last two days. In fact, about the only wisdom on which we all agree is that we are in a serious international monetary crisis. We disagree on the magnitude of the crisis, the measures to resolve it, and the prospects of their success.

Why do we disagree? Occasionally, but only occasionally, it is because we reason differently. More often it is because we start from different basic premises, assumptions, or principles. We have different models in our minds of how the economic system works and what can be done about it. We differ most on the role of government. For instance, what I might think a realistic role for government some of the other speakers might think unrealistic. Similarly, they may think me unrealistic.

I thought it might help you to sort out the speakers in your minds if I told you how I sort them out in mine. Great economists of the past have had very different attitudes toward the role of government in the economy. As far back as 1776 Adam Smith wrote his famous *Wealth of Nations*. He was a great believer in free markets. He wanted to minimize the role of government. He is at one end of the spectrum.

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*This is the major portion of a speech given by John Exter at a meeting of the Institute of Directors on International Monetary Reconstruction, held in Johannesburg, South Africa, on October 2, 1973. Mr. Exter is a Senior Fellow at American Institute for Economic Research.

[1] Dr. Milton Gilbert, Economic Adviser to the Bank for International Settlements, Basel, Switzerland.

At the other end I would put Lord Keynes, who wrote his famous *General Theory* in 1936, just as I was being educated as an economist. Keynes and his followers assumed a closed economy, an economy without any transactions with the outside world. A recent manifestation of that assumption is benign neglect of the balance of payments. Keynesians also taught that gold was a barbaric metal. They alleged that it made no sense to dig it out of the ground in South Africa and put it back into the ground at Fort Knox. They also taught that debt did not matter, that in total it never had to be repaid, because we owed it to ourselves. It could go on and on growing. But most important from the point of view of our spectrum, Keynesians advocated strong government interventionism. They thought they could improve on market solutions by intervening in them, particularly through fiscal and monetary policies. No more depressions. In the '60s they even talked of "fine-tuning."

All of us speakers fit into that spectrum at one point or another. I shall start with myself. I am at the Adam Smith end.

But remember that governments the world over have been influenced far more by Keynes than by Adam Smith. In fact, economic life has become a battle between governments trying to control market forces and private people in the markets trying to get around those controls. Many of you each day make decisions based on what you think the government or the central bank will do. Will the central bank tighten or ease money? Will the rand appreciate further? Will the budget be in surplus or in deficit this quarter?

"But governments do not control economic activity as much as you might think. Neither governments nor economists determine what money is, what money people are going to use and hold. That is determined by people themselves in the marketplaces of the world. On this point I differ with Milton Friedman, who should be placed in the spectrum, for his ideas are very influential these days. He has not yet been mentioned at these meetings.

He seems to have a dual personality. The major part of his personality, which I like very much, is way over at the Adam Smith free market end of the spectrum, but the money part of his personality, with which I disagree, is toward the Keynes end of the spectrum, for he is a strong government interventionist in money. But only in domestic money. Internationally he believes all exchange rates should float. His lack of concern for a fixed exchange rate system makes him like Keynes, a closed economy thinker. He has no desire to try to restore fixed exchange rates. . . . He does not even call gold money.

Governments are specially strong motivated to intervene in money. They want to decide themselves what money people within their jurisdictions may use and hold. Governments the world over have tried to monopolize the issuance of money within their jurisdictions by proclaiming national currencies and prohibiting anyone but their Treasuries or central banks from issuing them. But they have grossly overissued. Perhaps we should turn the clock back and let private people issue currencies. This is not so far-fetched. Your own [South African] Reserve Bank is still privately owned, but of course there is a great deal of government influence on it, which sometimes dismays me.

To entrench their monopolies governments customarily pass laws making only their own currencies legal tender for all debts, public and private. They often seek through exchange control to restrict the conversion of their currencies into other currencies. In Kenya, from which some of us have just come, the government, to my surprise, was warning that it was prohibited to destroy Kenyan currency. This makes no sense to me. If each of you held one of my IOUs I should be delighted to have you tear it up. . . .

My own [U.S.] government has long had a contradictory policy. For many years it was proud that the dollar was convertible into gold at a fixed price, but it would not make it convertible by Americans, only by foreigners. A Greek shipowner could hold gold, but not I. And I still cannot, which I have long resented.

In the good old days of the gold standard, governments began with grand intentions. They recognized as a fact of life that private people, if left to themselves, would prize certain scarce commodities like gold and silver more highly as money than anything else, certainly more highly than paper. They therefore gave themselves monopoly power to issue the coin of the realm, like sovereigns, or napoleons, or eagles, which they knew the public would accept.

But no government in the world has been content to restrict itself to the issuance of coins, although my own government has tried. Our American Constitution gives Congress the power only to coin money and regulate the value thereof, and of foreign coin. At our Constitutional Convention it was proposed that Congress be given power to emit bills of credit, the paper money of that day, but, with the disastrous experience of the continental dollar fresh in mind, the proposal was defeated. We still say, "Not worth a continental."

In issuing paper, governments have had an important fact of life on their side. Paper is more convenient than coin. This convenience has become more important as economic life has become more complicated, and the use of demand deposits stored in computers of modern banks more common. So all governments today issue paper. In gold standard days they accepted the restraint on their own issuance of paper that the undertaking to convert it freely into gold at a fixed price imposed. Convertibility was the ideal and in 1944 was written into the charter of the International Monetary Fund.

In practice, of course, governments have been unable to prevent other things from being used as money, particularly demand deposits in banks, even though they are not legal tender. Central banks have the authority to restrain the creation of demand deposits, but nowhere in the world has any central bank been successful in doing so. Such deposits have grown enormously and their turnover, with the aid of the computer and rapid communications, has grown even more enormously. Nor have central banks been able to prevent the enormous growth of so-called "near money," like Treasury bills and commercial paper.

And they have been particularly helpless in restraining the growth of Eurocurrency deposits, which are deposits in particular national currencies created under foreign jurisdictions.

The explosive growth of paper money and near money has brought us the present monetary mess. You should not forget, however, that it is the gold standard under which most of us have lived most of our lives.

Clearly a world of paper and bookkeeping entry money is an IOU world, a world of promises to pay. Until March 1968, when the two-tier gold system was established, central banks issuing all major currencies were promising all holders "I owe you gold at $35 an ounce." Under the two-tier system the IOU-gold promise was abrogated for private people, and except for the South African and Russian central banks all central banks refused to sell any gold at any price to private people. The IOU-gold-at-$35-an-ounce promise was honored only among central banks and governments and even among them it became gradually more tenuous, until on August 15, 1971, when President Nixon closed the gold window, the IOU-gold promise was abrogated even among central banks.

Since then all currencies are saying, "I do not owe anybody anything at a fixed price." Each says in effect, "I owe you nothing in the way of any commodity that, because of its scarcity, is good store-of-value money." All currencies today are IOU-nothings.

So August 15, 1971, when the last pretense to convertibility was abandoned, was a watershed date. Since then it has become impossible to have a fixed-exchange-rate system. We have entered a floating exchange rate world.

Our problem today is that IOU-nothing money is being created at explosive rates. Other speakers have not mentioned this point. We have been talking too much about the international monetary system alone and not enough about the explosive creation of IOU-nothing money through central bank acquisition of domestic as well as foreign, or international, assets. This extraordinary money expansion means that IOU-nothing money is losing its value in world marketplaces in terms of the goods and services it will buy. For the first time in centuries, perhaps in history, inflation is world-wide. People every where are wondering what money they can trust as a store of value, the most important function of money. They are fleeing IOU-nothing money and purchasing goods and services, and commodity-money like gold, or sometimes other precious metals like silver and platinum, driving their prices up and up.

Meanwhile IOU-nothing money serves less and less satisfactorily as means-of-payment money, so people, and even monetary authorities, are everywhere groping for an IOU-nothing money that they can confidently accept, use, and hold. Oil producers are an example.

We are witnessing in our generation a world-wide attempt by governments and central banks to substitute paper for specie as John Law attempted in France 250 years ago. His was only a national attempt, and there have been many such since then. This attempt is international, in all currencies, and through the instrumentality of international bodies like the International Monetary Fund and the Group of Twenty, and through a new international paper money called the SDR.

But, as Dr. Ossola[2] has pointed out, the SDR is not even an IOU. It has no obligor. It is a "who-owes-you?" Moreover, nothing is owed, certainly not gold, so it is a "who-owes-you-nothing?" And it has no maturity date, so is a "who-owes-you-nothing-when?" Surely it is the most preposterous credit instrument ever invented by the mind of man, if indeed we can call it a credit instrument. No wonder it is hard to fix its rate of interest and determine who will pay that interest.

Dr. Ossola asked for a new name for it. I suggest calling it a "who-owes-you-nothing?" A few central bankers may accept and hold who-owes-you-nothings instead of gold, but people in the marketplace won't. Yet Dr. Ossola spoke hopefully of banks accepting demand deposits in them as they do in Eurocurrencies. The next step would be to make them legal tender.

You can imagine the inflationary possibilities of a system of national currencies backed by who-owes-you-nothings. You heard yesterday of the mindless manner in which it was decided to create the first 9½ billion of them. At the appointed time they were created in an instant on an IMF computer.

There must be a gold miner or two in the room. How long would it take you to dig 9½ billion dollars worth of gold from holes in the ground? I thought Milton Gilbert saw through this SDR nonsense a few years ago when he said he would believe in them when his wife asked for a bracelet of them. But now that he has accepted SDRs as a supplement to gold I begin to think he may have bought her one.

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[2] Dr. Rinaldo Ossola, Deputy Governor of the Bank of Italy.

I want to add to what Milton [Gilbert] said about convertibility. I shall try to define it. Convertibility must mean the obligation and readiness of a monetary authority to convert on demand at a fixed price its own IOU, whether written on a worthless piece of paper or only a bookkeeping entry, into a commodity that has inherent worth because it is both desirable and scarce, a commodity that in and of itself is good store-of-value money. Scarcity and desirability are the keystones of store-of-value money.

So SDRs and national currencies cannot be put on all fours with gold as reserve assets. Every central banker I know would prefer to pay out his dollars and SDRs before he paid out his gold, certainly at the $42.22 price. Even Dr. Ossola's Bank of Italy dropped out of the "snake" on that issue.

To exchange an I-owe-you-nothing into a who-owes-you-nothing is just exchanging one piece of paper for another, and most likely a less desirable one at that. To call that convertibility is to make a mockery of the word. Convertibility into gold imposes discipline because gold is scarce. Exchange of paper for paper is no discipline at all. I do not have confidence that any international monetary authority would keep SDRs scarce. Much as I like them personally, if Rinaldo Ossola and Robert Triffin were made monetary dictators, I would not trust them to keep SDRs scarce.

The SDR has been called paper gold because of its gold maintenance-of-value clause. It is that clause, as Dr. Ossola explained yesterday, that has caused it, like gold, to be driven out of circulation by Gresham's Law. If its value is to be completely divorced from gold and based on some arbitrarily selected basket of paper currencies, it will no longer be even paper gold but will become paper paper, and even less desirable than paper gold.

The questions yesterday indicated that many of you were troubled by the SDR. You can forget your troubles. The SDR in my view is a horse that will not run. It may have left the starting gate, but it will soon drop out.

This does not mean that we do not have other troubles. We are in an international monetary morass. The confusion and lack of progress at Nairobi[3] were evidence that Keynesian and Friedmanite economics are at an impasse. Market forces have taken over and governments and central banks are at a loss to think of further Keynesian or Friedmanite interventions to break it.

"Where do we go from here? It is not a pretty picture. The big problem today is not exchange rates, or the gold price, or SDRs, or controls of capital movements, or trade policy, or convertibility, or even inflation, bad as that is. It is the excessive burden of debt in the system, both within currencies and between them. We have created far too many IOUs.

This means many debtors around the world have gone into debt far beyond their capacity to service and repay out of rising production and rising productivity. Worse still, many have borrowed short and lent or invested long, both within and, what is especially disturbing in a floating exchange world, across currencies.

People ask why governments and central banks do not stop inflation. They do not see that inflation comes to have a life of its own. Debtors cannot increase productivity fast enough to service their debts themselves so they must do so by selling at ever higher prices, or in many cases contract new debts to pay off the old, a massive borrowing from Peter to pay Paul. In the process the central banks are the ultimate Peters, the lenders of last resort. If ever they do not create enough of their own IOUs to keep the debt expansion going the whole process would grind to a halt, for many debtors in each national currency would find themselves unable to pay their debts and would either have to contract their operations by cutting production and reducing work forces or close down. Such a prospect is regarded as politically and socially intolerable. So central banks the world over have now become locked into an expansionism they dare not stop. They are prisoners of their own expansionism. They must keep inflation going. They and their governments may take measures to restrain it or slow it, but never to stop it. Even trying to slow it is an impossible exercise in economic brinkmanship. They get too close to the edge of economic recession.

In such a world it is idle to think that I-owe-you-nothing money can again be made convertible into gold. I-owe-you-nothings are being created at such a rapid rate in all currencies that it would be impossible for central banks to convert them again into gold at any conceivable fixed price. They would run out of gold. For convertibility to be possible, central banks will have to stop creating their own IOUs by acquiring other IOUs, and this they will not do.

But fixed exchange rates are not possible without the discipline of convertibility, and I mean gold convertibility, for SDR convertibility is meaningless. It imposes no discipline at all. Since convertibility is impossible in world-wide inflation we must reconcile ourselves to floating exchange rates for a long time to come. A floating-exchange-rate depreciation, which means competitive monetary expansionism, which in turn means more world-wide inflation.

Even in such a world people must pay their debts, but as debt grows ever more rapidly the total debt burden becomes ever more onerous, even though it is denominated in IOU-nothings. The hard fact of economic life today is that some sizeable segment of that debt burden cannot be paid, and must ultimately be liquidated before international monetary reconstruction begins. This liquidation must come in one of two ways.

In one, people in the marketplace take over early from the authorities. So far we have had only a Penn Central here and a Rolls Royce there. At some point new failures could snowball and in particular the snowball could hit financial institutions that have become over-extended by borrowing short and lending and investing long; and the authorities could find it impossible to stop the snowball. We could have a massive liquidity squeeze that would break economic activity and put central banks into a position of pushing on a string instead of tightening or loosening the reins. This is the deflationary way, the 1929–'33 way.

In the other way, the authorities might somehow manage to keep the volume of debt growing by continuously expanding their IOU-nothings at a rate sufficient to prevent the snowballing failures. In that case, however, the central banks' IOU-nothings ultimately would become worth nothing, as they say, they are—"not worth a continental"—so all debts denominated in them become worth nothing too. And the authorities must drop zeroes on the old currency or think up a new one and start over again.

Either way will take years to run its course. So, much as I would like to see a return to the gold standard, I think it will be years before we get it back again. We cannot, therefore, expect a new, higher, stable, official fixed price for gold. What we can expect is a breakdown of the two-tier system and central bank entry into the free market.

No matter which kind of debt liquidation we get, the price of gold in the free market still has a long way to rise. If central banks are able to keep this world inflation going, it would become runaway in some currencies, and then the price of gold could ultimately go to infinity. If we get the deflationary kind of debt liquidation in some currencies, as I expect in the dollar, at least for a time, we could have a new and considerably higher official price for gold in dollars, but only after the deflation had run its course.

So "In gold we trust," certainly more than in IOU-nothings, and much more than in who-owes-you-nothings. If you must hold IOU-nothings, choose those of the best debtors, for some may pay you nothing. But you can always go for gold. And you in South Africa are lucky. You have so much more than other people, whether in Kruger rand or two miles down a hole.

CITY OF NEW BRUNSWICK AND THE BICENTENNIAL

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. PATTEN. Mr. Speaker, the city of New Brunswick, N.J., located in the 15th Congressional District, is one of many communities in the district which will celebrate the coming bicentennial of the United States. While New Brunswick is planning many activities for the year 1976, it is getting a good start on the Bicentennial observances this year on July 21, in commemoration of the first provincial convention held 200 years previous.

Mayor Aldrage B. Cooper, informs me that in celebration of this historic New Jersey event, there is to be held a reenactment of the convention at the Christ Church, a building as old as that historic day, itself. I submit for the RECORD the following description of the coming event as prepared by Mr. Henry Warner Bowden, chairman of the July 21 ceremony:

CELEBRATION OF HISTORIC NEW JERSEY EVENT

The date of 21 July 1774 marks one of the more important events in New Jersey's gradual commitment to intercolonial solidarity against the British government. Delegates from eleven counties met for three days at New Brunswick to discuss economic matters and the question of taxation, to issue a proclamation regarding constitutional rights and the "Intolerable Acts," and to elect New Jersey's representatives for the First Continental Congress. That Provincial Congress was a significant expression of the colony's grass-roots political sympathies. It indicated, more than any action taken by the royal governor, that the people were willing to organize and exert themselves to secure their liberties.

The City of New Brunswick will commemorate this signal event with a ceremony at Christ Episcopal Church, a building then standing and adjacent to the original meeting place. Delegates from all twenty-one counties will be invited to attend a session that will convene on the afternoon of Sunday, 21 July 1974. Descendants of the original delegates will also be invited, if they can be traced and located. After a procession from City Hall to the church, a speaker will deliver a commemorative address to depict the

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[3] Nairobi, Kenya was the host city for the 1973 annual meeting of the International Monetary Fund.

Provincial Congress accurately within its context and assess its significance. Copies of the proclamation that issued from that original extra-legal structure will again be distributed, together with a brochure to disseminate information about its revolutionary import.

SEATBELTS HANDICAP POLICE

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. HUNT. Mr. Speaker, as a strong proponent of efficient law enforcement, and a strong opponent of mandatory seatbelts, I knew the day had to come when the two would clash. It is a most unfortunate, and dangerous situation that our enforcement officers are faced with, and the following article from the Star-News explains quite well:

FEEL THE PINCH OF THE NEW SEATBELTS

(By Toni House)

As police departments place the 1974 crop of new patrol cars on the road, officers across the country are suffering a similar nightmare. One told it this way:

He is returning to his shiny new car from checking on a bank when down the block a car pulls up and a shot is fired at a passerby. The car speeds away with a screech of rubber. As the victim slumps to the sidewalk, the officer jumps into his scout car to give chase. He turns the ignition key.

Nothing happens.

Remembering the car won't start until he buckles up, he reaches down and tugs at his seatbelt. It jams. He tugs. It won't budge.

The scenario is no Keystone-cop stunt. It already has happened, with variations, from Newark to Santa Barbara.

The unfortunate officers are victims of the federally mandated seatbelt-ignition interlock system required on all 1974 autos. And they are not happy.

Federal regulations require that all autos be manufactured with the interlock system. It is up to state law to declare whether or not it is legal to disconnect or bypass such safety devices.

The National Highway Traffic Safety Administration, the agency responsible for administering auto safety regulations, held a hearing in December to consider exempting police vehicles from the interlock system at the manufacturing level.

Administration Chief Counsel Larry Snyder said yesterday the yea or nay decision is "very close."

In the meantime, Norman Durwick, director of highway safety for the International Association of Chiefs of Police said police departments are buying "a $3.95 gadget" that bypasses the infernal interlock or modifying the system in other ways.

The problem with the system, as Durwick sees it, is that not only does the jiggling with a seatbelt sometimes cause necessary delay—but with less than "100 percent infallible equipment," the reel containing the belt is apt to jam.

Since the system is "pressure-activated"—it engages when the driver sits down—the driver must either lift himself off the seat or get out and reach in to start the car. Either way he drives away with the seatbelt buzzer screaming.

The IACP, Durwick said, maintains that police departments already have enough safety regulations without the interlock. Departments in the metropolitan area require officers to use seatbelts.

Among local departments, Montgomery County police officials already have investigated how they can win an exemption from a state law that forbids disconnecting the system, although they have made no formal request to the State Motor Vehicles Administration.

Montgomery police also object to the configuration of the all-in-one lap and shoulder harness, which, they said, gets tangled up in their service revolvers, further slowing down their entrances and exists from their cars.

Montgomery was the first jurisdiction in the area to put its new cars on the road. Some departments have not received the 1974 cars they ordered.

In contrast, Capt. Russell Mohler, Arlington police operations chief, said he has heard no complaints from officers using the 21 new midsized scout cars the department placed in service recently.

Other jurisdictions are adopting wait-and-see attitude before they decide to join battle with state and federal bureaucracies.

Lt. Col. John Rhoads, Prince Georges police operations chief, said his department had bought new midsized cars only for administrators and investigators this year—jobs that involve less haste than patrol.

"I can see the problem," he said, "if an officer can't get his car started, he could be in a world of trouble. It (the interlock system) is just one more thing to go wrong—especially in the pursuit area. I'm glad we didn't buy any new patrol cars this year. By next year it will all be solved."

GILMAN SEEKS ACTION ON VETERANS EDUCATION BENEFITS BILL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. GILMAN. Mr. Speaker, on June 19, 1974, the Senate passed S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, a comprehensive measure increasing and extending education benefits for veterans. Prior thereto, the House passed a similar measure, H.R. 12628.

The provisions of the Senate bill (S. 2784) and the House bill (H.R. 12628) are similar in that both measures provide substantial increases in veterans education benefits, as well as a 2-year extension of these benefits. However, considerable differences remain unresolved.

Notably, the Senate bill includes a tuition supplement program to partially defray veteran's education expenses by providing an assistance allowance of up to $720 annually for eligible veterans attending institutions of higher learning. Additionally, the Senate bill calls for the maximum entitlement of educational benefits for veterans to be extended from 36 to 45 months. The house-passed bill does not have any similar provisions.

Despite these marked differences in the two measures, there is an overriding need for prompt consideration and compromise between the two bills. With the 30-day emergency extension of education benefits due to expire on June 30, 1974, we must make assurances that the education benefits for our veterans continue uninterrupted. While this assurance could come in the form of another 30-day extension, any prolonged consideration of this overdue measure seriously hampers the ability of our veterans to make substantive decisions regarding their future plans.

Accordingly, I invite my colleagues to join with me in urging the Members of the House and Senate Veterans' Affairs Committees to make exhaustive and expeditious efforts at reaching a viable agreement so that we might provide our veterans with the tuition assistance they so sorely need and deserve.

INDUSTRIALIST OF THE YEAR

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BURGENER. Mr. Speaker, Jerome W. Hull, the president of Pacific Telephone, & Telegraph Co., was recently named "Industrialist of the Year" in ceremonies sponsored by the California Museum of Science and Industry. On that occasion, a night that must have been filled with satisfaction and pride for the entire Hull family, Mr. Hull used the opportunity to address the question of the public's perception of American business.

Mr. Speaker, the remarks he made that night were more than the "thank you's" each of the Members of the House have heard at so many banquets. His comments that night are worthy of the attention of each of us who are concerned with the American people's view of the place of business and enterprise in our society.

I urge the Members to read and consider the message in Jerome Hull's remarks.

INDUSTRIALIST OF THE YEAR

I accept your award tonight as an American and a businessman who is proud of his country, of his profession and of his company.

One could say that the record of America and of American business and industry should speak for itself. But, obviously it does not.

All of us here tonight who read the current results of what people think in America know that events such as this which honor industry and science are in danger of extinction.

For it is rapidly becoming clear that businessmen, at least, are without honor in their own country.

In a recent Gallup poll, big business was at the very bottom of the list.

There are those in our society today—apparently a great and growing number—who would not consider receiving the title of "Industrialist of the Year" either desirable or noteworthy.

They look upon leaders in business as greedy profiteers. An industrialist to them represents the ruling class that they think is responsible for the ills of our time and is the cause of their frustrations with modern American society.

All of us who love our land and who admire its vast achievements and those of its industry ask ourselves, "Why the criticism of our way of life and of our system of free American business?"

Look what it has accomplished! We know

of the advances brought about by our system, but we who are the greatest salesmen in the world for our products don't seem to be able to sell ourselves or our way of life to the present generation.

I accept your award tonight humbly and with deepest gratitude for I know the greatness of my country and I know of the accomplishments of its citizen businessmen and women.

I know that one-third of all the students in the world who are pursuing a higher education are American.

I know that more Black people attend colleges and universities in the United States than in all the rest of the world.

I know that American industry produces twice the goods and services of all European industries combined—including both Britain and the common market—and two-and-a-half times more than the Soviet Union.

I know that the American political system provides more protection for individual liberty—including the right of peaceful protest and dissent—than any other system now or ever before.

I know of the courage and dedication and integrity and loyalty and patriotism of American businessmen and women.

And I pledge to you that in receiving this cherished honor tonight I dedicate myself and my company to tell the vital and compelling story of American business to all who will listen, and even to those who won't, for I am proud to be an American and a businessman. And like you, I hope to preserve our system and our way of life.

It isn't enough, however, just to tell the magnificent story of the progress of America and of American business and industry. We must at the same time by our performance demonstrate clearly and unequivocally our commitment to excellence and to integrity in all we do.

What we do must speak more clearly and emphatically than what we say—but we must say it earnestly and sincerely at the same time.

We live in deeds, not years;
In thoughts, not breaths;
In feelings not in figures on a dial.
We should count time by heart throbs.
He most lives who thinks most,
Feels the noblest,
Acts the best.

To all of you for this significant and splendid honor, my admiration, my salutations and my eternal gratitude.

ARAB TERRORISTS

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. YOUNG of Illinois. Mr. Speaker, just 1 month ago I rose on the House floor to condemn the massacre of innocent Israelis by Arab terrorists at Maalot. Today, I must again rise to abhor another outrageous, senseless terrorist act against the Israel people.

Yesterday, in the city of Nahariyya, Arab guerillas murdered an Israel woman, an 8-year-old girl, a 7-year-old boy, and an Israel soldier. The civilized world is sickened by this violence directed against innocent people. I urge world-wide condenmation of the Arab terrorist attack.

During the last 3 months 53 Israelis have died as a result of terrorist attacks and 99 have been wounded. The people of Israel no longer can feel secure in their homes. The Israel Government feels compelled to retaliate with military attacks in order to protect its citizens. Unfortunately, these reprisal raids only kill and injure more people and intensify the hatred that exists.

The cycle of violence in the Middle East should not escalate to a point that would jeopardize the considerable progress that has been made toward peace in that area. We hope that the Palestinian leaders will recognize that they injure their cause by such merciless terrorist attacks, and we hope that Israel will not respond in kind to the inhumane attacks on their citizens.

CATCHING THE INFLATION RABBIT

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BROWN of Michigan. Mr. Speaker, I recently included in the CONGRESSIONAL RECORD the text of a commencement address on the subject of inflation delivered at Illinois College by Dr. Arthur F. Burns, Chairman of the Federal Reserve Board. In his address Dr. Burns warned the Nation that:

> No country that I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic character. If long continued, inflation at anything like the present rate would threaten the very foundations of our society.

Dr. Burns went on to discuss the steps he believed should be taken to regain general price stability and thus strengthen confidence in our Nation's future.

Mr. Speaker, shortly after Dr. Burns' address was delivered, a perceptive commentary on inflation by Dr. Paul W. McCracken appeared in the Wall Street Journal. Dr. McCracken's views were independently supportive of the inflation concerns, causes, and correctives cited by Dr. Burns. Dr. McCracken is Edmund Ezra Day University Professor of Business Administration at the University of Michigan. Both Dr. Burns and Dr. McCracken have served with distinction as Chairman of the Council of Economic Advisers.

In Dr. McCracken's commentary on inflation the point is made that only with price stability does sustainable economic growth become attainable. A program to achieve disinflation—price stability as distinguished from inflation and deflation—requires the implementation of proper governmental policies. Such policies must recognize that no stabilization of the price level can occur without fiscal and monetary restraint. But the price-stability strategy requires more than that. The stabilization program requires a rounded character that reflects the many dimensions of the problem.

One essential element of the strategy is the prescription of a coordinated and coherent program dealing with the problem with both the problem and the program properly identified for public understanding. Such governmental leadership and public understanding would be good beginnings for the program Dr. McCracken outlines for the attainment of price stability in the United States. Mr. Speaker, at this point in my remarks, I will include Dr. McCracken's knowledgeable commentary on the urgent need for 12–14 percent rates of inflation. By doing so, it is my hope that there will be an increased awareness among my colleagues in Congress of the urgent need for well delineated and effective governmental policies to deal with inflation; and that there will result a public consciousness of what those policies are and why they are necessary.

The information follows:

CATCHING THE INFLATION RABBIT

(By Paul W. McCracken)

"But how do you catch the rabbit?" The question came at the conference on world-wide inflation sponsored jointly by the American Enterprise Institue for Public Policy Research and the Hoover Institution. It was asked by Professor John H. Young of the University of British Columbia and formerly chairman of the Prices and Incomes therapy that does not exist.

With his usual characteristic for getting at the heat of the policy problem, Professor Young asked the key question. The tools of economic analysis are adequate to prescribe a way for cooling the inflation. Tough fiscal and monetary policies pursued long enough would make the price level quiet down.

Would such action, however, produce tensions and strains beyond the boundaries of what the political process could tolerate? Would these strains produce such high rates of interest that some of our intermediating financial institutions, such as savings and loan associations, might experience lethally large outflows of funds? What is a strategy, in short, for working down the rate of inflation that takes into account the realities of the political process. These policies must be implemented through government. Advice to governments that they could not possibly take may be useful for long-run public education, but it is not apt to launch the progress which we need now down from the stratosphere of 12%–14% rate of inflation.

Even the fundamental measures themselves are apt to be more acceptable if the public believes that here is a coherent strategy or program for dealing with this many-sided problem. Otherwise policy either looks ad hoc or wedded to such things as high interest rates and hard budgets, and the inability of the citizenry to see a coordinated program can itself be a source of unease.

What would be some elements of such a program? The first point to make is that while the strategy requires more than fiscal and monetary restraint, such fiscal and monetary restraint is essential. And it does work. It was used in 1956–57 and by mid-1958 a price-level stability emerged on which the expansion of the early 1960s could be built. It was used in 1968–69, and by early 1970 the accelerating inflation crested at about a 7% rate, receding then to the 3½%–4% zone by the first half of 1971.

The orthodoxy of a bygone era, in fact, prescribed a sufficiently severe credit crunch to break the inflation and the inflation-mindedness, with the credit authorities then reversing their policies in order to minimize damage to bona fide business activity. It was the strategy in 1929 (if mention of that ill-fated year is not regarded as such a financial expletive as to require deletion), and it worked. The unfortunate 1931 tightening of monetary policy not only gave us a leading candidate for the most inept episode of central banking history, with two further and unnecessary years of financial and economic collapse, but it also forever obscured a good job of puncturing the 1929 speculative boom with a subsequent quick reversal to an easier policy.

NECESSARY RESTRAINTS

Any disinflationary program, in fact, must recognize that no stabilization of the price level has ever occurred without fiscal and monetary restraint. Much as we intellectuals recoil at the thought of subscribing to a straight-forward idea, the need for this restraint is an inescapable lesson from history. (We are more comfortable arguing that down is really up, or that the way to halt inflation is really to pursue yet more inflationary policies.)

With the federal budget on a national accounts basis already in the black, our fiscal position is not far off target if we resist the temptation of a tax reduction that would force more Treasury borrowing in credit markets that are already floundering from heavy demands. A more difficult question is whether the Federal Reserve can bring the rate of monetary expansion down to the 5%-6% zone required for progress against inflation without pushing interest rates so high as to risk financial disorder.

A credible stabilization program must also recognize candidly that no inflation can be cooled without some rise in unemployment. Only a knave or a fool would hold otherwise. To counter this inflation the rate of unemployment might well rise one or two percentage points for a period. That is in itself unfortunate, but so is the trauma and social divisiveness of continued inflation. And accepting for a time a labor force 94% or so employed, rather than 95%, puts this trade-off in better perspective. In any case government and economists both had better be blunt and candid about this trade-off rather than to hold out the hope of some painless therapy that does not exist.

If the employment rate must be expected to edge downward by a percentage point or two for a time, an integral part of any rounded program for disinflation must be attention to the maintenance of incomes. It is, of course, a pity that this country cannot jettison its polyglot array of welfare programs, programs that have caused cumulative pauperization of cosmic proportions, in favor of a systematic and generalized income maintenance program. Here again, however, the groups with their vested interest in the management of present programs clearly have enough political clout to prevent such sensible action.

What we do need, therefore, is a further strengthening of the unemployment compensation program in terms of benefits, duration of payments and coverage. Approximately 60% of the unemployed are now covered by unemployment compensation, and a high proportion of those unemployed in any month will be back at work the next month. It is a rapidly changing group. Even so, a strengthening of existing income maintenance programs must be a part of any well-rounded approach to economic stabilization.

A coordinated stabilization program must also recognize that some prices need to be raised. With the explosion of the general price level since the end of 1972, some prices have lagged so seriously as to put in serious jeopardy the financial integrity of these institutions. There is raw material in the electric utility industry, for example, for a series of Penn Centrals during the year or two ahead if their rates are not realigned with the higher prices these companies must pay for the coal and oil that they convert into electricity. While these decisions must be made by state regulatory authorities, it is the federal government that manages the monetary, economic and environmental policies that have put the state regulatory authorities in a political box and many of these companies on the ropes. It is significant that the government of Japan, in its own stabilization program, grasped this nettle.

Finally, a rounded strategy for disinflation must include actions that would minimize the duration and magnitude of slack in the economy required to get the rate of inflation down to more acceptable levels. While generalized indexation is neither feasible nor desirable, it has a role to play. At this transitional junction it would be better for unions and managements to bargain out the real wage increase, with a cost of living escalator to keep the increase real, than to freeze an assumed high future rate of inflation into wage contracts.

INFLATION ALERTS

While little could realistically be expected from it, a government procedure for periodic reports on wage and price developments, including citation of specific cases that would seem to indicate failure of market competition to discipline price or wage increases, might be useful. This would be along the lines of the inflation alerts of 1970–71, and judging by responses from those cited (e.g., the 40% 1970 taxi fare increase in New York) these alerts in a few selected cases might induce some slight diffidence in pricing decisions. Unlike the old alerts, however, this effort should be at arms length from the President's Executive Office, rather than as four years ago in the Council of Economic Advisers, or the President would quickly be drawn more deeply into direct wage-price action than would be desirable. The great danger is that because scolding businesses is politically popular, the attention given to such an activity would overly emphasize it relative to its inevitably quite limited significance, and "the President's program" would be judged a failure.

More could be done by a concerted effort to deal with monopoly-like situations that make for high prices, and the real opportunities here are arrangements that the government itself fosters. It is government that has arranged matters so that in many cases taxis must operate at 50% efficiency on airport runs (being forced to return empty to the airport or to the city). It is the federal government that promotes wage inflation through such programs as the Davis Bacon Act or excessively rapid escalation of the minimum wage. It is government that applauds the virtues of competition for others but doggedly insists on monopoly in many of its enterprise-like activities.

There can be little doubt, for example, that removal of the Postal Service monopoly on first class mail would result in better postal service for customers and better jobs for those in the business. Unfortunately the great effort at postal reform took the direction of slightly privatizing an organization that retained its monopoly. The disappointing results were inevitable. Whether the Postmaster General remains in the Cabinet or not could be expected to make little difference in service, but giving the customer the right to use alternatives would have made a great deal of difference.

It is, of course, true that logically monopolies explain high prices but not rising prices. Once the monopoly position is exploited, it presumably no longer exerts continuing upward pressure on prices. The process of unwinding some of these monopoly situations, however, could exert some downward pressures when we are trying to restabilize the price level.

Fiscal and monetary restraint, in short, is essential to achieving a new price-level stability. It could even do the job itself. There is a better chance to keep the transition pains within politically acceptable tolerances, however, if the stabilization program has a more rounded character that reflects the many dimensions of this problem.

PSYCHOSURGERY AND THE LAW

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. TIERNAN. Mr. Speaker, psychosurgery is a subject most of us are familiar with to a limited degree. It involves tampering with elements of the brain in order to suppress violent or antisocial behavior. An estimated 500 to 700 people a year undergo this operation. However, while we are cognizant of its frequency and potentially dangerous ethical and legal connotations, it is an all too unknown fact that only one State—Oregon—regulates psychosurgery by law.

Upon reading the following article I was amazed and incensed that such medical behavior was allowed in any form, let alone given a free reign. And it is for the purpose of enlightening the Members of Congress to the present legal situation regarding this most egregious offense to human dignity, that I respectfully submit the following excerpt from the May 1974 issue of Psychology Today:

PSYCHOSURGERY AND THE LAW—THE MOVEMENT TO PULL OUT THE ELECTRODES

(By Carole Wade Offir)

In Ken Kesey's One Flew Over the Cuckoo's Nest, a lobotomy puts a permanent halt to Randle Patrick McMurphy's heroic struggle against Big Nurse. In Michael Crichton's Terminal Man, Harry Benson learns to stop worrying and love the electrical charge he gets from 40 electrodes implanted in his brain. The characters are fictional, but psychosurgery is not. An estimated 500 to 700 people a year undergo brain surgery aimed at controlling their behavior.

Brain surgery of any kind is a serious matter, not only because of the inherent risks involved, but because damage to the brain is irreversible; brain cells, unlike other cells of the body, do not regenerate. So one might expect experimental psychosurgery to come under strict regulation. Not so. At this writing, only one state (Oregon) regulates psychosurgery by law. In most instances a physician intending to practice psychosurgery, whether for research or clinical purposes, encounters no special legal barriers or requirements. The result has been poor control, flimsy follow-up, and a dearth of public information.

The mildest proposal for regulation centers on stepped-up review by peer groups—the physician's peers, not the patient's. This amounts to self-regulation, and up to now the record of the medical profession in that area has been disappointing. Willard Gaylin, President of the prestigious Hastings Institute of Society, Ethics and the Life Sciences, told a Senate subcommittee on health that professional organizations have functioned essentially as protective guilds: "These groups are servants of the professional, and servants do not dictate to their masters."

A somewhat stronger proposal is for mandatory review by boards comprised of both physicians and laymen. Although this is a reasonable enough suggestion (many hospitals already have such boards), its effectiveness ultimately rests on the conscientiousness of board members, and their willingness to accept some of the responsibility now vested in individual doctors. That became dramatically clear last year in the first court case to limit the practice of psychosurgery.

The case involved a criminal sexual psychopath, L.S., who had been charged 18 years earlier with first-degree murder and rape, and had been confined ever since in a Michigan mental hospital. L.S. was to be the first psychosurgery patient in a state-funded experimental program at the Lafayette Clinic, a research facility of the Michigan Department of Mental Health. He was already scheduled for electrode implantation, when a legal-services lawyer, Gabe Kaimowitz, learned about the plan and related his concern to the *Detroit Free Press*. There was a rush of publicity, and Kaimowitz decided to bring suit on his own behalf as a taxpayer and on behalf of other taxpayers.

In the midst of all this pressure, the state withdrew its funds and the two physicians who had proposed the project, Ernst Rodin and Jacques Gottlieb, dropped their plans. But since there was nothing to prevent the Lafayette Clinic from reviving its program later on, and because important questions remained to be resolved, the court decided to hear the case anyway.

According to an American Orthopsychiatric Association (AOA) friend-of-the-court brief, testimony at the trial revealed that although the clinic had a committee that met weekly to discuss research activities it never heard the psychosurgery proposal. A standing committee on human and animal experimentation did review it, along with another proposal, but in less than an hour and a half, Elliot Luby, Chairman of that committee, testified that he did not know exactly which parts of the brain were being considered for surgery, and said that in approving the project, the committee relied heavily on information from Rodin.

Two ad hoc committees also passed judgment. One, a selection committee, simply reviewed the patient's records to make sure they met certain broad criteria, without judging the appropriateness of psychosurgery in his particular case. A consent committee, composed of a law professor, a clergyman, and a certified public accountant, verified, on the basis of information from the authors of the proposal, that L.S. had freely given consent; they did not make an independent investigation. In fact, in his letter of approval, the accountant pleaded lack of competence to review the matter. The AOA brief quotes him as saying: "As a layman I am unqualified to comment on any of the many technical aspects which are involved in the project. Therefore we must all trust the good intentions and technical competence of the Hospital Medical Committee, psychologists, psychiatrists, neurologists, etc, who have reviewed and evaluated [L.S.] case."

L.S. gave written consent to the procedures that were to be used on him, but his testimony at the trial indicated that he was influenced by his hopes for release after the operation. (E.G. Yudashkin, Director of the State Department of Mental Health, testified that in any event, L.S. would have been considered for release within six months to a year.) Furthermore, L.S. claimed that at the time he thought he was approving only electrode implantation, not destructive surgery. His parents, who did not talk to any of the doctors before signing the form, were under the same impression.

The plaintiffs argued that an incarcerated person, even more than most patients, is eager to please his doctors. Since L.S. had led a restricted and regimented life for many years, he was understandably flattered by the sudden attention he was receiving. He described his experience for the court:

"We [L.S. and Dr. Yudashkin] discussed this matter. And he let me have my opinions and my discussions about it. And, well, hey, this is neat, because you usually are told—you know—what you are going to do and how you are going to do it and why. And there was very little room for your own real opinions or decisions . . . And I felt very pleased with the fact that I was—you know—that it was left up to me to make the decision about this."

A three-man panel of judges agreed with the plaintiff's argument. Citing the Nuremberg Code, a general guide to medical ethics that grew out of the famous war-crime trials of World War II, they ruled that involuntarily confined patients are unable to give legally adequate consent to an experimental, high-risk operation like psychosurgery. They also referred to the First Amendment, which guarantees the right to free expression, and by implication, free generation, of ideas. An operation that might blunt emotion, deaden memory, and limit intellect would violate that right, the court noted.

Although this ruling does not extend to voluntarily confined patients, Mental Health Law Project lawyer Charles Halpern, who represented the AOA at the trial, believes the case will serve as a caution to other physicians contemplating similar operations. "If I were a neurosurgeon today," he observes, "I would not do psychosurgery."

The clamor over psychosurgery will not end with the case of L.S. Last December, the mother of a much-publicized psychosurgery patient, "Thomas R." filed a two-million-dollar lawsuit against Vernon Mark, the physician who performed an amygdalotomy on Thomas to treat his alleged violent rage. [See "The Pacification of the Brain," page 59.] The suit also names Frank Ervin, the psychiatrist who worked with Mark on the case. The mother claims that adequately informed consent was not obtained, and the results of the operation severely disabled her son. More suits seem likely.

There is also increasing interest in Washington. Last year, Senator J. Glenn Beall of Maryland introduced legislation that would have imposed a two-year moratorium on Federally funded psychosurgery, and required a thorough HEW study of the whole problem. However, opposition arose on the floor of the Senate. Senator Norris Cotton of New Hampshire told his colleagues that a member of his own family had benefited greatly from a lobotomy. Cotton was concerned that desperate patients would lose the chance to undergo similar operations. The supporters of the bill compromised by dropping the provision for a moratorium. The reduced version, calling for a comprehensive study, passed the Senate as an amendment to a Kennedy bill dealing with the general protection of human subjects. At this writing, that bill is in a joint House-Senate conference committee.

Another pending bill, sponsored in the House by Representative Louis Stokes of Ohio, would go much further, prohibiting psychosurgery altogether in Federally connected health-care facilities. The bill is in a House committee, where it may very well die.

Although the prospects for an immediate Federal ban or moratorium on psychosurgery seem dim, Government agencies have grown wary of supporting psychosurgical research. Last year, NIH turned down a large grant requested by Vernon Mark. HEW does not currently fund any psychosurgical experimentation, and the Law Enforcement Assistance Administration cut off all funding of programs that seek to alter behavior through brain surgery. Such actions reflect a growing public concern about the ethical, social and legal implications of behavioral technology.

STATES LOSE ON DEFENSE-RELATED SPENDING

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASPIN. Mr. Speaker, 28 States pay more for defense than they receive back in defense-related spending according to a new detailed study which I released this Monday.

The study, was prepared by Michigan State political scientist, James Anderson, an associate professor in the Department of Humanities. The study compares the so-called tax burden that individual States pay for defense to the amount of Federal funds returned to the State as defense-related spending.

This study is a startling evidence that the defense burden is shared very unequally by the American people. It should be quite a jolt for the taxpayers of these 28 States to learn that the Pentagon is such a terrible drain on their State's economy.

Of course, national defense spending benefits everybody by providing for national security. The problem is that some regions benefit more than others and the overall level of defense spending is much too high.

The biggest loser is Michigan. That State loses 74.1 cents of every dollar it pays to the Department of Defense in defense taxes.

The biggest winner is the District of Columbia which receives $5.17 in defense spending for every dollar paid in taxes.

Other big gainers from heavy weapons and defense spending are: Alaska—$3.41 for every tax dollar; Hawaii—$2.45 for every tax dollar; New Mexico—$2.68; and Virginia—$1.97.

The taxpayers who take the biggest beating as the result of excessive defense spending live in Midwestern States. Illinois loses 73 cents of every dollar, Wisconsin 72 cents, Iowa 66 cents, and Minnesota 60 cents.

It is also surprising to learn that the defense is a significant drain on the economy of most major industrial States. New York, Illinois, Ohio, Pennsylvania, and New Jersey all have net losses. California is the only major industrial State that gains from high Pentagon spending.

Taxpayers in the loser States should know that high Pentagon spending does not create more jobs for their States but destroys jobs by removing more money than is returned.

The study calculates the tax burden of each State based on information compiled by the Tax Foundation and determines a "tax burden" for each State. This is compared to the spending of the Pentagon in that State to determine if that State is a net gainer or loser.

On a per capita basis the biggest loser is Illinois which suffers a net loss of $335.77 per capita on defense spending. Illinois actually pays $3.7 billion more in taxes than it receives back in defense-related spending.

Taxpayers should know that when the Congress and the Pentagon boost the defense budget they are damaging the economy of most States and particularly the large industrial States in the Midwest.

The charts outlined in the study follow:

STATES THAT GAIN FROM PENTAGON SPENDING

State	Net gain (millions)	Per capita gain	Percent gain
1. District of Columbia	$1,604.8	$2,145.46	417.0
2. Alaska	324.4	998.15	241.0
3. New Mexico	475.7	446,67	168.0
4. Hawaii	477.8	590.61	145.0
5. Virginia	1,565.6	328.63	97.3
6. Utah	259.1	230.11	84.6
7. Mississippi	342.7	151.43	74.0
8. Wyoming	68.4	198.37	58.1
9. South Carolina	366.7	137.59	54.9
10. Washington	617.8	179.44	44.5
11. Arizona	261.7	134.55	42.7
12. Colorado	342.3	145.23	42.3
13. North Dakota	69.2	109.49	41.9
14. California	2,460.0	120.20	27.8
15. Oklahoma	158.6	60.21	19.8
16. Missouri	318.9	67.09	18.7
17. New Hampshire	46.1	59.80	17.0
18. Alabama	134.3	38.26	15.1
19. Texas	565.5	111.22	14.6
20. Maryland	252.0	62.13	14.3
21. Georgia	204.0	43.22	14.2
22. Nevada	26.1	49.53	10.4
23. Kansas	14.5	6.42	1.8

STATES THAT LOSE FROM PENTAGON SPENDING

State	Net loss (millions)	Per capita loss	Percent loss
1. Kentucky	$40.9	$12.40	4.5
2. North Carolina	70.7	13.56	4.8
3. Rhode Island	33.5	34.61	9.1
4. Florida	256.9	35.39	10.2
5. Massachusetts	291.7	50.41	11.5
6. Tennessee	142.9	35.45	12.5
7. Idaho	45.5	60.18	21.5
8. Louisiana	271.3	72.93	26.4
9. Connecticut	539.4	175.02	32.1
10. Arkansas	150.5	76.09	32.9
11. Montana	79.2	110.15	34.7
12. Delaware	95.9	169.74	35.9
13. Pennsylvania	1,755.8	147.22	37.2
14. Nebraska	203.5	133.44	39.3
15. South Dakota	72.9	107.36	40.3
16. New Jersey	1,545.8	209.76	42.5
17. Indiana	834.1	157.64	44.4
18. New York	4,100.8	223.28	47.0
19. Maine	156.7	152.29	51.2
20. Ohio	2,142.9	198.73	54.6
21. Vermont	87.7	189.82	58.8
22. Minnesota	830.0	213.03	60.8
23. Iowa	629.7	218.42	66.3
24. West Virginia	334.2	187.64	66.5
25. Oregon	540.1	247.53	71.7
26. Wisconsin	1,135.1	251.13	72.3
27. Illinois	3,777.7	335.76	73.1
28. Michigan	2,685.8	295.74	74.1

HEARINGS SCHEDULED ON BILL TO ESTABLISH A UNIVERSITY OF THE DISTRICT OF COLUMBIA

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DELLUMS. Mr. Speaker, the Subcommittee on Education of the Committee on the District of Columbia will conduct hearings to consider H.R. 15643. This is a bill to reorganize public higher education in the District of Columbia, authorize the consolidation of the existing institutions of public higher education into a single land-grant University of the District of Columbia, establish a Board of Trustees with specific authority and direction to administer the University of the District of Columbia, and for other purposes.

The hearings will begin at 1:30 p.m. on Monday, July 1, and Wednesday, July 3, 1974, in room 1310 of the Longworth House Office Building.

Any persons or groups wishing to testify, should contact Joseph Clair, subcommittee counsel, by the close of business on Friday, June 28, 1974, at 225-2661.

THE CASE AGAINST OSHA EXEMPTION

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, an amendment may be offered tomorrow that would exempt small employers from the Occupational Safety and Health Act of 1970. Let there be no mistake, a vote for exemption is not a vote to assist small business; rather, it is a vote to gut the act.

Perhaps the best testimony yet received in the hearings now underway in the Select Labor Subcommittee was that of our distinguished colleague from Missouri (Mr. HUNGATE). I would like to share parts of his perceptive statement at this point:

STATEMENT OF HON. WILLIAM L. HUNGATE

Mr. Chairman and members of the Select Subcommittee on Labor, I wish to begin by expressing my appreciation to you for affording me the opportunity to appear before you today. As you know, OSHA applies to all employers in the private sector of our economy, and 95% of all those employers are small businessmen, employing 50% of the workers in this Nation. This act has had a significant impact on this segment of our society.

My testimony today is based on some recent hearings on OSHA that were held by my subcommittee on environmental problems affecting small business of the house permanent select committee on small business. These hearings, held in Kansas City, Missouri, and Omaha, Nebraska, on February 8 and 9, 1974, revealed a significant change in attitude on the part of many small businessmen and women toward OSHA. When my subcommittee conducted its original hearings in 1972, the majority of witnesses were openly antagonistic toward OSHA and even toward the concept of OSHA. However, during our recent hearings, the complaints were more specific and some witnesses praised the cooperative attitude of OSHA officials.

Mr. Howard Shulte, the Deputy Assistant Secretary for Occupational Safety and Health, Department of Labor, made a very frank and forthright presentation on behalf of OSHA, and we were particularly impressed by the fact that he was willing to come out to the field and to stay and listen to the testimony on both days. It is this kind of interest and dedication on the part of the administrators which is responsible for the changing attitude in the small business community toward OSHA and which should go far towards correcting administrative errors.

While attitudes are changing, it is clear from the testimony we received that much still needs to be done.

By far, the most universal plea was for consultative inspections. Small businesses simply do not have the financial resources to have a full time safety expert or hire expensive consultants, especially in view of the fact that there is no guarantee that the recommended improvements will satisfy OSHA's criteria. I am convinced that small businesses sincerely want to comply with health and safety standards, but small businesses, almost by definition, have limited resources and can ill afford even a slight miscalculation or a misguided good intention.

We have received complaints that the citations lacked specificity, in that employers were told that the existing wiring was improper or that there was not adequate ventilation, but the employers were not told what would be adequate wiring or proper ventilation. Modifications of this magnitude are expensive and employers striving to conform should be given assistance in their efforts and assurance from OSHA officials that what they intend to do complies with the requirements of the law.

I realize that there are differing opinions as to who should provide consultative services. Mr. Stender has stated that he believes that the Small Business Administration already has the authority to provide it, and, under section 8(b) of the Small Business Act (PL 85-536), it probably does. But it does not have the expertise or the funding to acquire such expertise, and it does not appear that it will receive it. Additionally, what is the sense of duplicating the expertise already existing in another Federal agency.

I am also aware that the AFL-CIO believes that if OSHA is to provide consultative services, it should be done under a separate branch of OSHA, on the grounds that consultative services would strain the already undermanned inspection staff. Understaffing is a serious problem and, therefore, this is a legitimate concern. Nonetheless, the aim of this act is to provide every American with a safe and healthy workplace, and I believe this end can be achieved more readily through cooperation than compulsion. Because of the existing requirement that inspectors must cite every observed violation, many employers do not want OSHA inspectors in their plants. This deterrent to communication retards cooperation which delays the ultimate accomplishment of the congressional intent of this act. This is not to say that the power to fine should be taken away, for there are still those few employers who are irresponsible and uncooperative and have done nothing and, therefore, need the coercive power of a fine as an incentive. But if a businessman voluntarily requests an inspector to come to his place of business so that he may learn what needs to be done because he wants to cooperate, this assistance should be available to him in a non-punitive manner. But unless and until it is available to him in a non-threatening situation, that businessman is going to avoid contact with OSHA officials, and whatever violations which may exist are going to continue unabated until he has a serious accident or is selected to be inspected by OSHA officials.

However, if non-punitive inspectors were available, he would then be far more likely to request them and thereby bring his establishment into compliance faster than what is being achieved under the present method. As swift compliance is the objective of the occupational safety and health act, and as mandatory citations are retarding the attainment of this objective, I strongly urge a modification of this policy by the establishment of a system of consultative inspections so that the ultimate intent of the act can be more readily achieved.

The National Small Business Association has also taken a leadership role in trying to deal constructively with the problems small businessmen face under OSHA. I would like to share their letter to me on this matter:

NATIONAL SMALL BUSINESS ASSOCIATION,
Washington, D.C., June 24, 1974.
Hon. WILLIAM STEIGER,
Longworth House Office Building,
Washington, D.C.

DEAR MR. STEIGER: We have been apprised of your intention to offer an amendment to the Labor-HEW appropriation bill designed to provide on-site consultation services for business. It is our understanding that the amendment will call for a five million dollar appropriation to be administered by the Department of Labor, which in turn will make grants to the states for the purpose of establishing on-site consultative services.

This approach would certainly seem to answer the needs of the millions of small businesses who are in desperate need of help in their compliance efforts. NSB feels that this will alleviate any need for directly amending the Act to accomplish the same purpose. Furthermore, we understand that by allowing the states to do this, the consultation will not be limited to firms employing 25 or less. There are a great many medium-sized businesses who are in need of this service.

We are informed that amendments may also be introduced to exempt smaller firms from compliance. While on the surface this action would seem to take care of the problem for small business, we found, in effect, that the exemption, as voted during the preceding Congress was so limited and so narrow that only the smallest of the smalls would have benefited. At the same time, any outright exemption would tend to counter the stated purpose of the Act itself, mainly to provide the safest possible work-place. NSB certainly has no desire to take such a position. Our problem, and that of our membership, with the Act has always been in the administration thereof.

Once again to the extent that your proposed amendment will supply the needed consultation services and will further assist small business in coming into compliance, the National Small Business Association wholeheartedly supports your effort.

Sincerely,

MILTON D. STEWART,
Vice President.

I would further like to share an excerpt from the testimony of the Associated General Contractors of America presented to the Select Labor Subcommittee on June 25, 1974. In it they state:

> We have reviewed all of the bills pending before the House. Those which would discriminate in the application of the Act based on size of firm regardless if it be 15, 25, or 250 or less, are objectionable to the AGC. We have continuously maintained that the law should apply to all.

The National Safety Council and the administration have also strongly opposed exemption.

The above statements should clarify beyond any doubt that what small business wants and needs is not exemption but rather assistance.

I therefore strongly urge my colleagues to support on-site consultation and oppose gutting exemption during the House's consideration of the Labor-HEW appropriations bill.

PRESIDENT NIXON AND THE WORLD

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RHODES. Mr. Speaker, the Cincinnati Enquirer, on June 16, published an editorial outlining President Nixon's foreign policy initiatives and the role of the Secretary of State in our very successful foreign negotiations. This well-documented editorial answers the insinuations of some of the President's critics. It also reveals plainly that we have had a well-planned, sustained, and vigorously pursued plan to deal with world problems, dating back to the President's candidacy in 1968. I recommend to my colleagues that they take time to read this detailed analysis of our overall foreign policy, which puts in perspective the role of the President and his quest for a generation of peace.

The text of the editorial is as follows:

PRESIDENT NIXON AND THE WORLD

President Nixon this week completes what, from all indications, will have been an eminently successful visit to the Middle East and plunges into preparations for yet another exercise in summitry—his second visit, as Chief Executive, to the Soviet Union.

Perhaps it is an inescapable by-product of the Watergate scandal that Mr. Nixon's overseas travels are being widely portrayed as intrusions upon the preserve of Secretary Kissinger. The implication is that Secretary Kissinger has somehow been operating his own foreign policy with scant instruction from Mr. Nixon. The further implication is that Mr. Nixon, sorely beset by a battery of hostile investigations, is now intent upon recouping what he can by staking out a claim to what Secretary Kissinger has managed to achieve—first in re-establishing formal diplomatic contact with China, next in improving relations with the Soviet Union, then in negotiating an end to U.S. involvement in the long and painful Vietnam War and finally in achieving a disengagement agreement between Israel and Egypt and between Israel and Syria, thereby reviving the hope of fruitful negotiations to resolve the Middle Eastern dilemma.

No one can diminish the scope of Secretary Kissinger's achievements. Indeed, the American public's propensity for seeking out a hero has elevated the secretary to the status of a miracle man.

Yet any realistic appraisal of his very notable accomplishments, first as President Nixon's national-security adviser and more recently as secretary of state, makes it abundantly clear that Mr. Kissinger did not negotiate in a vacuum. He would scarcely have accomplished what he has accomplished had he been secretary of state of, say, Argentina, or Nigeria. His achievements have stemmed not only from his skill and persistence, but also—and perhaps more particularly—from the fact that he was able to negotiate from a position of strength. He has been aided, in short, by the widespread recognition among all those who have sat across the negotiating table that he speaks in behalf of a President with extraordinary insights into the basic issues at stake in today's world, a President with both the capacity and the will to utilize American moral, economic and military power to accomplish the United States' legitimate international aspirations.

The fact of the matter is that no American President ever embarked upon his term of office with more firsthand experience in world affairs than Mr. Nixon. He had visited no fewer than 80 countries as vice president in the Eisenhower administration or as a private citizen. He had talked with political leaders in nations large and small. Most important, he entered the White House with a grand strategy to which his prepresidential utterances afforded unmistakable clues.

The U.S. initiatives with respect to the People's Republic of China came as no more than a mild surprise to those Americans who had studied Mr. Nixon's celebrated article in the October, 1967, issue of Foreign Affairs.

"If our long-range aim is to pull China back into the family of nations," Mr. Nixon, then a private citizen, wrote, "we must avoid the impression that the great powers or the European powers are "ganging up"; the response should clearly be one of active defense rather than potential offense, and must be untainted with any suspicion of racism."

He spoke of the urgency of persuading the Chinese—as the United States earlier had persuaded the Russians—that lawless conduct would be not only unrewarded, but opposed. "The primary restraint on China's Asian ambitions," he wrote, "should be exercised by the Asian nations in the path of those ambitions, backed by the ultimate power of the United States. This is sound strategically, sound psychologically and sound in terms of the dynamics of Asian development. Only as the nations of non-Communist Asia become so strong—economically, politically and militarily—that they no longer furnish tempting targets for Chinese aggression, will the leaders in Peking be persuaded to turn their energies inward rather than outward. And that will be the time when the dialogue with mainland China can begin."

There is a further clue to what was to become the Nixon administration's basic foreign-policy strategy in a radio address Mr. Nixon delivered on October 19, 1968, less than a month before his election to his first term.

"As we look to the future," he said, "it is clear that the years just ahead must be a time of intensive and sustained negotiations with the Soviet Union. The primary purpose of this is not to secure Soviet friendship, though friendship we seek; the primary purpose is, more modestly and more realistically, to seek out those areas of mutual interest on which accommodation can be reached, while making it abundantly clear that the profit has gone out of aggression."

When the full history of the Vietnam peace negotiations is assembled, we are confident that it will show that the turning point came when Mr. Nixon persuaded both the Russians and the Chinese that they had a positive, demonstrable interest in seeing the bloodletting cease.

There is a clear clue that just such an understanding had come into being when Mr. Nixon, in the spring of 1972, ordered the mining of Haiphong harbor as a means of interdicting the flow of arms to the North Vietnamese—a step Mr. Nixon ordered two weeks before his scheduled visit to Moscow.

Mr. Nixon's critics in the television medium lost no time in predicting the Moscow summit's collapse. "How can they receive him now?" asked the National Broadcasting Co.'s (NBC) Richard Valeriani. "I don't see how he can go," declared the American Broadcasting Co.'s (ABC) Ted Koppel. "Certainly the Moscow summit, from which so much had been expected, is now in jeopardy," intoned the Columbia Broadcasting System's (CBS) Charles Collingwood.

As matters turned out, of course, the Soviet Union made no more than a pro forma protest. The Moscow summit went ahead as scheduled.

Just as Mr. Nixon struggled to convince the Russians that they had a stake in seeing the Vietnam War at an end, so did he set as a goal persuading them that they had nothing to gain from an uncontrollable confrontation in the Middle East.

That strategy became clear in a speech Mr. Nixon delivered to a B'nai B'rith convention on September 8, 1968, when he declared: "Without belligerance but with complete firmness, we have to make it crystal clear that the stake of the free world in the Middle East is great. We must impress upon the Soviets the full extent of our determination. Then, and only then, will we cause them to re-examine their own policy to avoid a collision course."

And again in the same speech: "We should thwart the temptation for aggression by helping Israel maintain a defense, we should engage in some direct hard negotiations, hard and fair, with the Soviet Union, to remove one underlying cause of the tension."

It is worth noting that the outlines of President Nixon's foreign-policy strategy were drawn at a time when Mr. Kissinger was actively engaged as foreign-policy adviser to New York's Gov. Nelson A. Rockefeller—at a time, in short, when Mr. Kissinger was furthering the presidential aspirations of the New York governor in opposition to Mr. Nixon.

This is not to suggest, we reiterate, that Secretary Kissinger's achievements have been anything less than monumental. But it is to suggest that anyone who recites the history of U.S. foreign policy during the last 5½ years without acknowledging the existence of a carefully formulated master plan that existed before Mr. Nixon's inauguration and Mr. Kissinger's installation as a presidential adviser is guilty of some disingenuous misrepresentation.

The world—friend and potential foe alike—sees the realities of U.S. foreign policy, perhaps, more clearly than many Americans. The world's view, after all, is less obscured by the wave of allegations that has been emanating from the several Watergate investigations for more than a year. Every available index suggests that the world is convinced of the importance of President Nixon's remaining at the helm to see his initiatives through to their ultimate fruition.

What Mr. Nixon has called "a generation of peace" represents for him considerably more than an appealing campaign slogan. It has been a private passion as well. Indeed, the Watergate transcripts reveal that in a conversation with one of his lieutenants on April 14, 1973, Mr. Nixon declared: "It is a little melodramatic, but it is totally true that what happens in this office in these next four years will probably determine whether there is a chance, and it's never been done, that you could have some sort of uneasy peace for the next 25 years."

Mr. Nixon, from all indications, is undiminishing in his unstinting dedication to that overiding goal—a goal, the record will continue to show, that outweighs any other in impelling him to the presidency and the leadership of the free world.

CIVIL RIGHTS PROTECTION FOR NEW YORK STATE'S DISABLED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RANGEL. Mr. Speaker, there has been a need in New York State for legislation that would protect the civil rights of the more than 2 million disabled persons. On June 12, 1974 Mayor Abraham Beame of New York City urged the Governor, Mr. Malcolm Wilson, to sign a bill that would accomplish this end.

Once signed, this bill will be the fourth ingredient to a four-pronged attack on discrimination; the other three being against discrimination because of race, religion, or sex.

I invite the attention of my colleagues to Mayor Beame's statement.

STATEMENT OF MAYOR BEAME

Mayor Abraham D. Beame today urged Governor Malcolm Wilson to sign a bill granting civil rights protections to the State's more than two million disabled citizens.

The Bill, known as S. 4524–B, would amend the State Human Rights Law to prohibit discrimination against handicapped persons in employment, housing, and public accommodations.

The proposed legislation would grant jurisdiction in cases of discrimination to the State Division of Human Rights. The bill passed both houses of the State Legislature with nearly unanimous support earlier this year.

Mayor Beame said, "This bill will provide the same guarantees to handicapped persons that are presently provided under the laws barring discrimination of the basis of race, religion, and sex.

"I have previously written to the Governor urging adoption of this measure as a major step forward in providing full opportunities for employment, access to housing and public accommodations to those who might otherwise be deprived," the Mayor concluded.

"When signed, this bill will grant New York's disabled community the same protections afforded other minorities," according to Eunice Fiorito, Director of the Mayor's Office of the Handicapped. Ms. Fiorito, who is herself handicapped by blindness, noted, "The entire community is united in support of this vitally needed legislation."

THE JUDAS SYNDROME

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BRAY. Mr. Speaker, the following editorial from the June 24, 1974 Indianapolis Star deals with a problem that is getting more and more attention. There seems to be a double standard here. The Star editorial pinpoints it exactly:

THE JUDAS SYNDROME

Traitors have a right to spy on the President and his staff but the President and his staff have no right to use counterspies to find out who the traitors are.

That sums up the moral logic of liberals and leftists who are trying to convert the Watergate controversy into a political bomb that will blow President Richard M. Nixon out of the White House.

The same inverted logic is being used as a weapon in the attack on Secretary of State Henry A. Kissinger for refusing to accept the left-liberal axiom that crucial affairs of state should be discussed and decisions made in the presence of spies.

For spies are what stealthy filchers of top-secret government documents are. Spies are what leakers of confidential diplomatic policy-making discussions are.

In other ages in other countries individuals caught at such betrayals have been summarily found guilty of high treason by the heads of state and executed immediately. Historically, the fate of traitors has been decisive and quick.

It is only in the atmosphere of modern American liberalism, with its well-known affinity for leftist causes and its powerful aversion to non-leftist leaders and citizens, that men who eagerly play the role of Judas have been held in high esteem.

The double standard of morality which the liberal-left applies to President Nixon and to present and former members of his staff, on one hand, and to the assortment of spies and traitors servile to his bitterest enemies on the other, is well known. A fitting name for it would be "the Judas syndrome."

It should not be forgotten that had it not been for the many stealthy acts of betrayal committed by these adherents to leftist causes—which were overwhelmingly renounced by the majority of American voters in the 1972 presidential election—there would have been no "Plumbers" trying to ferret them out, there would have been no surveillance or wiretaps and there would have been no Watergate.

NO-FAULT AUTO INSURANCE

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. FROEHLICH. Mr. Speaker, the Senate recently passed and sent to the House of Representatives S. 354, the National No-Fault Motor Vehicle Act. This is a national standards bill that would set requirements which State policy must meet in the field of auto insurance.

However, this proposal goes far beyond merely setting standards. If a State legislature does not enact a no-fault plan in its first legislative session, the State insurance commissioner is required, under title III of the bill, to implement a no-fault system which meets the Federal standards set forth in title II.

This piece of legislation raises serious constitutional questions about State autonomy and the role of the National Government in our Federal system. This bill is an intrusion into State control of policy programs and also an invasion by the Congress into State administrative structures.

In a recent editorial in the American Bar Association Journal, the constitutionality of S. 354 and its ramifications upon the modernization of the reparation system are discussed by a number of eminent legal scholars. I would like to share this article with my colleagues, for I believe the arguments expressed therein will be of value in our consideration of H.R. 10 which is a similar bill to S. 354 and which is now pending before the Interstate and Foreign Commerce Committee.

The editorial follows:

NO FAULT AND FEDERALISM

The Senate passed S. 354, the National No-Fault Motor Vehicle Insurance Act, on May 1 by a vote of 53 to 42 and sent it on to the House of Representatives. As the Senate commenced debate and consideration of S. 354, the issues of the effect of that act on our concept of federalism and its possible constitutional infirmities came to the fore.

These questions are apart from the wisdom, workability, or desirability of no-fault automobile insurance. The necessity of making revisions in the traditional tort system of reparations for automobile accident losses seems to have been accepted, if one judges from the activity in the states, but the method of the imposition of no fault on the states by S. 354 had not been focused on clearly before.

S. 354 is a so-called national standards bill, the standards being set forth in Title II of the act. If a state, however, does not establish some sort of no-fault plan during its first legislative session following enactment of S. 354, Title III of the bill, which is an alternative state no-fault plan, "becomes applicable and goes into effect" in the state without any legislative action on the part of the state itself unless within four years the state meets these standards by its own legislation. Title III sets up a no-fault system in which the state insurance commissioner, again without the benefit of state action, is required to perform certain functions.

The first full-blown analysis of the constitutional aspects of his sort of "federalism" appears to have been prepared in 1973 by Mitchell Wendell, who served for several years as counsel to the Council of State Governments and wrote the statement as counsel for the American Mutual Insurance Alliance. Mr. Wendell pointed out that S. 354 undertakes to pre-empt any provision of any state law that would prevent the establishment or administration in a state of a no-fault plan in accordance with Titles II or III. Thus, he continued, S. 354 would pre-empt state laws but leave a void because the bill proceeds on the erroneous assumption that Congress can enact legislation for states. "The only purpose that can be served by pre-emption," he declared, "is to prevent the states from interfering with federal activities prosecuted pursuant to acts of Congress. . . . Neither the basic premises of our federal system nor any provision of the United States Constitution gives Congress the ability to act as a source of legislative or administrative power for state governments. . . . The supremacy clause is a restriction on state power, not an expansion of it."

In late January former solicitor general and Harvard Law School dean Erwin N. Griswold, representing State Farm Mutual Automobile Insurance Company, came forward to discount the possibility of there being any serious constitutional questions. Even making a statement about them, he observed, "may make it seem that the constitutional problems are more serious than I think they really are." He added that he expected states to "move ahead" under S. 354 so that the constitutional issues "will simply disappear." Given the constitutional power to act in this field, Dean Griswold maintained, Congress can exercise that power through the medium of a national standards system, which states would be bound to enforce under the supremacy clause even in the absence of state legislative or administrative action.

He pointed to the Clean Air Act of 1970 as a "striking example" of the congressional conferral of powers and duties on state agencies and officials. In any event, he concluded, Congress has the power to "require action by state legislators and state officers, and this may be enforced by appropriate proceedings in the courts."

In a rejoinder to the Griswold statement, Mr. Wendell pointed out that the example of the Clean Air Act was not apposite, as it provides that if a state fails to comply with national standards, the Environmental Protection Agency administers the system of program directly, whereas under the scheme of S. 354, the state that has not met the national no-fault standards is expected to administer the federally prescribed no-fault system. Mr. Wendell also disclaimed arguing that a national system of no-fault insurance could not be established directly by congressional legislation. In fact, one no-fault proposal in the House of Representatives is a direct bill.

Another expert in the fray is Norman Dorsen, professor of law at New York University School of Law, who testified before the Senate Judiciary Committee at the request of the Association of Trial Lawyers of America. In his statement he said that there is a "substantial question, rooted in the nature of the American federal system as manifested in the Tenth Amendment, about the constitutionality" of S. 354. "The question is difficult," he added, "but I believe there are strong grounds for questioning the bill's constitutionality." Professor Dorsen went on to state that there are other avenues if Congress determines that a national approach to no fault is desirable. "There is the alternative of the truly national law," he observed. "There is the alternative of a law that *authorizes* [his emphasis] state laws and recommends standards for all to follow if they wish; and there is the interstate compact, authorized in Article I, Section 10, of the Constitution to achieve uniformity through the agreement of consenting states." But, he concluded, the "state-by-state approach has the collateral benefit of stimulating debate and education, and therefore an informed choice by the citizenry, in a way that discussion at the federal level often cannot."

Philip B. Kurland, a professor of law at the University of Chicago, has characterized the system employed by S. 354 as "a clear invasion of the local legislative power which has no precedent of which I am aware. . . . If there is anything at all left of the constitutional concepts of federalism, this bill surely violates them."

At the request of the Senate Judiciary Committee, the Office of Legal Counsel of the Justice Department examined S. 354 and concluded that it "raises constitutional issues that strike at the traditional balance of our federal system." Robert G. Dixon, Jr., the assistant attorney general in charge of O.L.C., pointed out that Congress can enact a no-fault system that would encourage states to adopt conforming legislation through either grants-in-aid conditioned on satisfactory state action or through the alternative threat of direct federal intervention and regulation in the absence of satisfactory state action.

But none of these approaches is embodied in S. 354, he said, and he added: "So far as we have been able to determine, the use of federal power in the manner envisaged by S. 354 and the concomitant intrusion into state control and its administrative structure and personnel is unprecedented."

By a narrow vote the Senate Judiciary Committee dismissed the constitutional arguments and reported the bill favorably, stating that "the limited extent to which S. 354 compels states to take affirmative action in the administration of the national no-fault standards is well within constitutional boundaries." The majority report noted its agreement with Dean Griswold's opinion and even repeated his example of the Clean Air Act.

The state-by-state approach to reform of the automobile accident reparations system is supported by the American Bar Association. Before the Senate Judiciary Committee in February, Chesterfield Smith, president of the Association, declared that it is "committed to a comprehensive program for modernization" of the reparations system—a program grounded on what he called two "fundamental beliefs":

"(1) That we should lightly abandon or seriously impair basic legal rights grounded in the great common law doctrine which holds us responsible for harm we may do to our fellow man.

"(2) That the problems in the present system vary widely from state to state and can be corrected most effectively and fairly by action of the states."

As the Senate debate began, Mr. Smith called attention to the fact that twenty states have enacted some sort of automobile reparations reform legislation, and he mentioned his reservations about constitutionality—"I am concerned with the ability of Congress to mandate the administration by states of a federally imposed statute." A twenty-first state—Kentucky—now has passed a reparations reform law.

The wisdom of eschewing a nationally imposed approach in favor of state action has become more apparent as the state reform movement has gained force and variety. The data these state programs will yield will be broad and useful; some states have employed an "add-on" system of extended first-party coverages, with provisions against duplicate recoveries, while others have enacted a variety of plans, some with severe restrictions on the operation of the tort system. Through this diversity the states are experimenting to determine the preferable solution for each state as determined by its own legislature. From this experimentation there is likely to come ultimately a sounder system than the one that would be imposed by S. 354.

THE RANGER PROGRAM

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BROTZMAN. Mr. Speaker, I rise to call attention to a serious problem brought into being by the recently enacted minimum wage legislation.

For a number of years, the city of Boulder, Colo., has been operating a program for teenagers known as the Ranger program. Youngsters over 14 have been selected to help keep the city's mountain park-greenbelts system clean and attractive by removing trash, planting trees, moving endless rocks, and, in general, caring for the city's lovely mountain parks while receiving instruction in conservation and ecology. In return, the city has paid the Rangers 75 cents per hour and provided them with cookouts, camping weekends, and teen dances. The program has been highly successful, with the city able to maintain its parks well while providing a positive first-job experience and an outlet for youthful energies for a number of Boulder young people, usually between 100 and 150 youngsters, in fact.

With the passage of the new minimum wage provisions, the city of Boulders finds that it cannot maintain the program at its former levels, and may have to curtail the program sharply or end it altogether. I believe that would be most unfortunate for the city and its young people.

On June 10, 1974, I wrote to the Secretary of Labor and asked if it would be possible for the Ranger program to qualify under one of the exemptions contained in the minimum wage law. Although I have yet to receive a full written response, I have been orally advised that no such exemption will be forthcoming. I had thought it might be possible for the program to be exempted as training. However, I have been told that these exemptions only cover apprenticeships, on-the-job training programs, and programs to further train those who are already working and who can expect to be returned to full-time positions once their training is completed. None of the other exemptions apply either since the youngsters are not full-time students employed by their schools; since they are not engaged in agricultural work; and since they are not engaged in seasonal work of a recreational nature.

It would be a travesty for the Ranger program to be discontinued. What better training ground for youngsters could be imagined? Here we have young people earning needed money for their schooling, learning the value of a dollar, learning the discipline of hard work, being outdoors and learning the wonders of nature, and being a part of a program which gives their summers meaning and direction.

Since there is apparently no administrative relief available for the young people of the city of Boulder, Mr. Speaker, I call on the Education and Labor Committee to do what it can to report changes in the law which will allow such programs to become operational this summer. We are already into the summer vacation period. For many in Boulder, and I suspect throughout the Nation, it will not be the summer it could have been. Let us act now, with a sense of urgency, to correct the deficiencies in the new law and salvage what we can in the way of summer opportunities for our young people.

SOMETHING WRONG WITH THE SYSTEM?

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. WYMAN. Mr. Speaker, today's Washington Post reports the voluntary destruction of tens of thousands of fertilized turkey eggs, 10,000 day old birds, poults, and thousands of breeding hens by growers to lower the supply of turkey in months ahead. Why? In order to raise the price of turkey per pound to the consumer.

The growers' argument is that the cost of raising a turkey from egg to full grown bird because of the cost of feed, is more than the present price per pound will return on the carcass. With millions of pounds of turkey in cold storage across the country, growers do not believe the prospective price will bring a profit.

Most Members of Congress endorse the profit motive in the free enterprise system. But where, as here, there is involved a massive destruction of substantial meat supplies in order to gain a price, there must be some way short of subsidy to avoid such an enormous food loss. Especially is this so when many people are hungry both within and without America.

There is something clearly wrong with a system that sanctions destruction of needed food supplies in this manner. There must be a way to avoid this type of gross waste of future meat supplies.

I believe it is an obligation of all who champion free enterprise to come up with some constructive answers directed toward ending this kind of thing.

SAWHILL: EXPANDED MASS TRANSIT TO SAVE OUR CITIES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BINGHAM. Mr. Speaker, among this country's greatest assets and greatest needs are our mass transit systems. Unfortunately Federal policy has emphasized the building of highways by infusing millions of dollars into highway construction rather than developing our mass transit services.

Since 1965, I have proposed that we reorder our transportation priorities. My efforts have focused upon the opening up of the highway trust fund for mass transit use at local option. The Federal-Aid Highway Act of 1973 now provides for regional planning boards which evaluate the need for new highway construction, and establishes a procedure which allows for the diversion of highway funds for mass transit use when warranted. In New York this recently resulted in the transfer of some $33 million previously designated for highway construction for mass transit improvements. Reevaluation of highway needs as seen in New York can lead to the expansion of mass transit systems across the Nation, a giant step in controlling our wasteful energy consuming habits.

In a June 14 speech before the Greater Philadelphia Chamber of Commerce, John Sawhill, Federal Energy Administrator, voiced his support for expanded public transit in order to save energy and revive our cities. He considered the opening up of the highway trust fund for public transit use as a healthy first step toward a single transportation fund which would give cities the opportunity to spend moneys earmarked for transportation for highways or mass transit at their own discretion. I commend this speech to my colleagues as a thoughtful and accurate assessment of where our transportation priorities ought to lie:

ENERGY AND THE FUTURE OF CITIES

(Remarks by the Honorable John C. Sawhill)

Thanks for the invitation to come here and speak with you today. It's a pleasure to break from the daily routine of Washington to discuss subjects that concern us all, but often don't make the headlines.

Today, I'd like to talk about a concern I've had for a long time, but haven't really articulated up to this point.

That involves the future of American cities in light of today's energy problems.

The plain fact is that the energy problem will have a profound effect on American cities, and we're just now beginning to realize that. The current reshaping of our energy base will compel a great number of changes in urban living—affecting the character of our transportation, where we work and live, and the function of the city in our society, to name a few.

During the Arab oil embargo, we saw the trains on urban life caused by energy shortages—the long gas station lines, uncertainty about heating oil, and stiff price increases have been the most obvious. I suppose that many people viewed it as simply one more burden of city life—and one more reason to move away at the first opportunity.

Indeed, energy shortages have caused many urban problems that need to be solved—but in the solutions are some of the greatest opportunities for improving our cities that we may ever have.

As you know, we've embarked on an ambitious program to achieve energy self-sufficiency by the 1980's. But it's a serious mistake to assume that we can simply speed up development of domestic energy resources and keep consuming energy in the same old way.

Yes, we intend to accelerate surface mining in Montana, drilling for oil on the Atlantic OCS, and other resource development projects, but many of these involve high economic costs and environmental risks that we must minimize.

And that means disciplining growth and tightening our belts—taking every opportunity to use energy more intelligently. We must match production increases with a nationwide energy conservation program—and it's here that the cities can benefit.

With energy conservation as an imperative for public policy, urban leaders have a new incentive to make needed changes. The growing satellite suburbs and shopping areas around our core cities seem even less viable. The ribbons of concrete expressways—that once generated civic pride—now seem more like liabilities. Glass-walled office towers now seem less aesthetic than energy-wasting.

And many imaginative urban designs and ideas that once seemed visionary, now have a compelling logic—where they save energy and make economic sense. In the planning and strategies involved in our national goal to reduce energy demand, lies a great potential to revitalize our core cities.

Probably the greatest potential for urban change will come in transportation. Our national energy program—Project Independence—has targeted this sector for major improvements in efficiency. Transportation accounts for one quarter of all energy consumed in the United States. And because it relies almost exclusively on oil, transportation accounts for over half our total oil consumption. If we're to reduce oil imports significantly, we obviously will have to make major improvements—and they center on the automobile.

We need not only to make automobiles more efficient, but also to reduce our reliance on them by improving transportation alternatives—especially in our large cities.

Transportation systems have historically been the prime determinants of the design of cities. Before the Industrial Revolution, and the advent of motorized transportation, cities were compact. But as succeeding generations of rail and wheeled transportation came into use, cities spread out until today, when they are truly regional bodies that transcend local and even state political boundaries.

Now we have the opportunity to reverse that development, to pull the city back together with public transit systems that are true alternatives to the private automobile—not just for those too poor to afford anything else. We can use this opportunity to build transportation systems that move people and goods, and not just wheeled vehicles, within our cities.

One study I've seen shows that over one-fourth of all heads of household drive their cars on a 15-mile or greater round trip to work every day. When you consider that the trip is made—alone—in a 3,500-pound vehicle getting 13 miles per gallon, that form of mobility just doesn't make much sense. As this becomes more obvious, I think that people may react by moving back into core cities. There are several cities, including Washington, where this seems to have begun, especially by young workers.

Building or upgrading subways in our largest cities, reviving tracked trolley systems, making bus routes speedier and more flexible, and curbing unneeded expressway construction are a few of the transportation options that not only save energy, but can help revitalize core cities.

Of course, we have to sell these services to the public. We'll need price incentives and intelligent advertising and promotion. And we'll have to ensure that the transit systems are efficient, on time, mecahnically reliable, comfortable, and convenient. Existing systems that are in disrepair and uncomfortable are actually hurting the cause of public transit.

To make this all possible, however, we must change our implicit accounting system that is biased in favor of the automobile. We need to begin a full-cost accounting of automobile transportation. In our public accounts, only the costs of streets and highways appear, while the cost of vehicles and fuel is rationalized as consumer items, and not transportation. The high environmental and energy costs are not even considered.

Compared to a billion-dollar public transit system, for example, a billion-dollar expressway seems like an even proposition, except that its hidden costs are much higher and, considering its effect on core cities, much more damaging.

In strict energy terms, urban public transit is much more desirable. Buses and rail cars consume only a fraction of the energy that a private automobile does. And these systems can be electrified, which further reduces the demand on oil supplies.

I think that Congress had these full costs in mind when last year, for the first time it opened up the highway trust fund for urban public transit capital outlays. I consider that a major step toward reducing the near-monopoly that highway construction held on transportation funding.

The Administration intends to carry this a step further with legislation that creates a single urban transportation fund, for operating expenses as well as capital outlays. Combined with existing programs, this is a major opportunity for cities to loosen the dominance of automobile transportation.

I'm looking for state and local governments to take advantage of these increased funds to upgrade present public transit systems and build new ones. I'm also looking for local governments to shoulder much of the burden themselves.

One of the most constructive ideas I've seen is local government subsidies for lower transit fares as a way to increase ridership. The response in the past to declining ridership was to raise fares, and cause further declines. Finally, we seem to have realized that transit systems don't have to show a dollar profit to be worthwhile.

Seattle has been most successful with this. By sharply lowering bus fares—and charging no fare in the central business district—it has increased ridership by 70 percent over last year. Other cities, such as Atlanta and Madison, Wisconsin, have followed suit.

Another boost for bus ridership has been the relatively easy step of designating bus-only lanes on expressways or building new lanes on existing rights-of-way. Five years after exclusive busways were built into Washington from northern Virginia, bus ridership on that route increased almost ten-fold. A similar busway through New York's Lincoln Tunnel saves 15 to 20 minutes of commuting time for some 40,000 riders.

The Arab oil embargo provided just the right boost for these improvements in urban transportation. Significantly, ridership in public transit increased in 1973—for the first time since World War II.

But transportation is not the only part of urban living that will be changed by our energy problem. And if I've spent too much time discussing this, it's only because transportation is so central to urban development and so crucial a sector of energy consumption.

Land-use planning by state and local governments is another change that will become much more important as energy efficiency becomes a goal of urban leaders.

In the past, urban development was haphazard and based on the assumption that we had all the cheap energy we desired. We designed cities by default, and you can see the results all around you.

Urban and land-use planning gives us the chance to reduce wasted time in traffic, to make open spaces accessible, to provide housing and commercial complexes that complement the center city, not drain it, and to preserve neighborhoods. And in doing this, we will not only save energy, we can bring a rich social mix back to our cities and strengthen their role as cultural centers.

Improved planning can also help us begin to cluster utilities services that use total energy and integrated utility systems for housing and commercial complexes.

One such total energy project is underway by the U.S. Department of Housing and Urban Development. It has funded a Jersey City housing complex that generates its own electricity, but uses the machinery heat to provide residential hot water and space heating and cooling. This approximately doubles the efficiency of conventional generators.

Probably the best large-scale example of a total energy system is in Vasteras, Sweden, which connects 98 percent of its population of 120,000 to a central heating network. A central plant that generates the city's electricity uses the waste heat to supply the heating nework. On its return to the plant, the heated water passes under downtown streets, keeping them free from ice and snow in the winter.

HUD is also experimenting with integrated utility systems that package into one plant electrical generation, space heating and air-conditioning, waste treatment, and water purification.

Naturally, systems like this can't be established overnight, but effective planning *begun today* can develop urban designs that have this potential for future generations. Planning can also be used to establish new satellite communities that help, and not aggravate, the problems of the core cities.

Our great concern about home heating and air-conditioning can have another healthy effect on cities by encouraging and financing the improved insulation of substandard homes. During the winter shortages, emergency programs were established—notably by the FEO and the Office of Economic Opportunity—to improve home insulation and cut down fuel bills.

HUD this year required builders to meet stiffer insulation standards for new construction, and has encouraged lending institutions to grant home improvements loans that improve insulation. The Michigan Consolidated Gas Company has come up with an outstanding private counterpart. It finances improved insulation for its customers, and provides for repayment in installments through its monthly bills. I've called upon other utilities to try out this program.

Another very important effect of the energy problem will be in spurring research and development of a broad range of technologies to solve troublesome problems.

For example, we might be able to solve solid waste disposal problems with facilities that burn waste to generate electricity. Small-scale plants have already been in operation in some cities, but the increased price of fuel promises to accelerate research and development of this proposal on a wider scale.

Perhaps the most exciting potential is in two possible by-products of urban strategies that conserve energy.

The first could be less pollution in and around our cities. As we drive automobiles less in cities, burn less fuel in factories, and use less electricity in homes and offices, we're not only conserving energy, we're causing less pollution. I think we can all afford to be excited about the prospect for clean air and water that energy conservation holds. We may even find that the Arab oil embargo has done as much for urban environmental quality as all the environmental legislation of recent years.

The second by-product could be in the increased investment in capital available for urban improvements. An all-out energy development program would aggravate tight-money problems for cities as energy companies take an increasing share of available capital.

Costs for such a program would be in the hundreds of billions of dollars—perhaps as much as $800 or $900 billion by 1985. This staggering amount would put energy companies in fierce competition with cities for money—and the cities would likely lose. We can avoid a capital crunch for cities, however, if we can reduce energy demand enough, and, consequently, the demand for energy development capital. Cities that curb energy demand would, in effect, increase their chances of redevelopment funds.

Cities can take direct action to reduce demand, of course. They can curb excessive store and office lighting, regulate outdoor advertising lighting, and improve building codes. Cities that own their own electrical systems could build conservation incentives into their rate structures by flattening them. Within their own operations, city governments can adopt energy management programs.

So far, I've been talking about cities in general. I'd like to add to that some impressions I have of Philadelphia and the Delaware Valley and the potential role of this organization.

First, the regional approach of this Chamber of Commerce has served you well. I know of few cities in this country that combine this regional approach with the private business community so closely. Much of the recent progress in redeveloping the center of Philadelphia came from your leadership.

Most of all, I'd like to call on you to continue that leadership in making Philadelphia a better place to live.

Especially in the area of urban public transit, your organization could be a major force for improvements. Philadelphia has always been a very transit-oriented city. It has one of the few subway systems in the country, and the Lindenwald High-Speed Line is a model rapid transit project. I might add that our Office of Energy Conservation launched a study of the Lindenwald line's fuel conservation impact.

But, at the same time, there are many improvements that remain before the city can coax motorists away from cars and reduce traffic. Air-conditioning equipment needs to be installed in the rail systems, where many of the cars are pre-World War II vintage, and major improvement programs have been slow in coming.

I'd like to call on you to take an active role in local government efforts to improve this region's transportation. It's going to take a lot of strong leadership and local initiative to solve this nation's energy problems, and your organization could set an example for others to follow.

Our energy tasks are many and difficult. They won't be accomplished overnight, and it will be an accomplishment just to begin the momentum for change.

For the cities, the stake is much bigger than whether or not people drive or ride to work. It's much more basic. It's whether or not the cities can reverse decades of neglect and deterioration to re-establish their rich role of meeting human needs.

Granted that the energy problem has complicated progress toward redeveloped cities, better housing, full employment, and a clean environment. But at the same time, it has presented us with the opportunity for regeneration. We *can* reconcile the problem of energy scarcity with the need for social justice and economic progress.

And this administration has set out to prove this. We'll need your help, however. We learned long ago that it takes more than laws and rhetoric from Washington to solve this nation's problems.

It takes the best efforts of the business community and the public to move this nation toward progress. And as we face the tasks ahead, I feel confident that we can count on people and organizations such as yourselves to help develop an energy base for this nation that provides for future generations.

Thank you.

HIGH SCHOOL RADIO STATION

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SYMINGTON. Mr. Speaker, I am proud to have within my district the first high school radio station in the State of Missouri and 1 of less than 70 in the Nation. KHRU–FM at Clayton High School began broadcasting on May 28, 1968. The station was started by several students under the direction of the late Mr. Lou Deall, nationally known physics teacher. In its 6 years of broadcasting, KHRU–FM has become known as the Clayton Community Radio. This recognition is particularly rewarding because the station is run 100 percent by students at Clayton High School. Students serve in every broadcasting capacity, from station manager to FCC licensed engineer. Hundreds of hours of work have been performed by these students in a successful effort to keep the Clayton community informed and up-to-date on events and issues affecting them. I have been privileged to appear on KHRU–FM on two occasions, and various other community and State officials have been among the guests on the station's call-in talk shows. School events, ranging from elementary school plays to the high school plays to the high school mock political convention, have been broadcast.

Because it performs such a vital function in informing the Clayton Community, I believe that KHRU–FM is one of the most worthwhile high school activities in the Nation. It is my hope that the coming years will bring even greater success to the station and the students who devote so much time and effort to broadcasting.

COLD TURKEY

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. PRITCHARD. Mr. Speaker, Dennis Dunn, the Republican county chairman for King County, Wash., recently gave an address that detailed many of the current causes of inflation. When double-digit inflation is threatening the financial security of millions of Americans, this address is especially timely.

I commend this address to the attention of my fellow Members:

COLD TURKEY

(By Dennis Dunn)

"The greatest problems our country will face in the decade of the seventies will be those of inflation and depression. It is conceivable that depression can be avoided for another 5 or 10 years, but it will only be avoided by pursuing governmental policies which will necessarily produce raging inflation. And should raging inflation ever become runaway inflation, depression far different . . . and far worse than the great depression of the thirties . . . will paralyze America."

To make that statement in mid-1974 is perhaps about as profound as saying the Huskies had a bad year in 1973. But that statement was made more than 3 years ago in a series of essays I wrote and sent out to the Republican Precinct Committeemen of King County on the subject of inflation and the U.S. economy.

In April of 1971, my predictions on the course of our economy appeared to be somewhat pessimistic . . . perhaps too ominous and too threatening. How I wish I had been wrong! As I re-read those essays today, I see that events are already bearing out those predictions. We are no longer at the threshhold of raging inflation . . . we are completely inside the door. You don't need an economist or anyone else to remind you that your savings are evaporating and your dollar is buying less and less each day. All you need is a grocery receipt. I am not here to tell you what you surely already know.

Nor am I here to wrap a shroud around the American economy and extend an invitation for you to join in the wake.

We are not dead yet. But, we are living in difficult times, with even more difficulties lying ahead.

I am here to offer my suggestions as to how we can overcome those difficulties, and I submit that the obvious first step to solving any problem is to understand the problem. With understanding, the medicine for the cure won't go down any easier, but at least one becomes more willing to swallow it.

"Inflation," you may have heard it said, "wouldn't be so bad if prices just didn't keep rising." One wonders if the statement is made in jest or in seriousness. For rising prices are clearly a RESULT of inflation, *not* a cause.

The fact remains, however, that if you wish to teach your children the value of a dollar, you'd beter be quick about it: if it's not already too late. For what has happened is that, between 1940 and 1974, in my lifetime, the dollar has lost three-quarters of its purchasing power. Nearly half of that loss has occurred during the past ten years. In the past three years, the annual rate of inflation rose from 5% in 1971, to 9% in 1973, to 14% for the first quarter of 1974. And, despite the hopeful predictions out of Washington, D.C., I think it is safe to say the situation is going to get worse . . . not better. Even if you assume that inflation will level off at a steady rate of 14% (a risky assumption, believe me, for the longer view), do you realize the present dollar, at the present inflation rate, will lose half its purchasing power *in just four years and seven months?*

"So what?" Some people have asked me. "Why does inflation really matter if wages go up as fast as prices?" I must admit, you hear that question less frequently today than in early 1971 when I was starting to write my first essays on the subject. Nevertheless, even if wages were rising as fast as prices, there would still be several very good answers to that question. First, inflation must be thought of as a hidden tax . . . a tax which strikes hardest at those who can least afford to pay it: the poor, the elderly, or the wage-earner who barely makes ends meet and doesn't have the capital with which to hedge against the ravages of inflation.

Inflation is especially cruel to those who are past their active earning years, and who must live entirely on savings, pensions, or fixed incomes. Ask yourself—why is it retired people today find their social security pensions totally inadequate to live on? Those pensions certainly would be adequate if the dollars they are receiving could buy nowadays what they could have bought in the years when they were initially earned.

The second major reason inflation really matters, in spite of climbing wages, is that it destroys the incentive to save. What good does it do to put your surplus dollar earnings into a savings bank at 6% interest when inflation destroys the value of those dollars by 9% or by 14%?

Inflation discourages thrift and encourages debt. It encourages living for the here and now, rather than planning for the future and tomorrow. After all, why not incur debt today and pay it off with cheaper and cheaper dollars? Alas, for millions of Americans (not just the Federal Government) debt, or living beyond one's means, has become a way of life.

And yet, there are very few perils in life as dangerous as debt. I'm afraid most contemporary Americans would simply laugh at Ben Franklin's admonishment, "rather go to bed supperless than rise in debt." Thomas Fuller called debt the worst poverty . . . Ralph Waldo Emerson said that a man in debt is so far a slave. And Wendell Phillips described debt as "the fatal disease of Republics . . . the first thing and the mightiest to undermine governments and corrupt people."

Of course, not all the philosophers and past national leaders have condemned debt. Franklin D. Roosevelt said . . . and I quote . . . "Our national debt, after all, is an internal debt, owed not only *by* the nation, but *to* the nation. If our children have to pay the interest, they will pay that interest to themselves."

What unmitigated gall! Or is demagoguery not a better word? *We* are the children he spoke of. And our children and their children will forever be paying that *in*ternal and *et*ernal debt which he dismissed so lightly.

Thomas Jefferson warned us nearly 200 years ago that public debt is the greatest of dangers. In his words . . . "We must make our choice between economy and liberty, or profusion and debt. "If," said Jefferson, "we can prevent the government from wasting the labors of the people under the pretense of caring for them, they will be happy."

As much as anything else, it has been the virtue of thrift, the propensity of Americans to save, to spend a little less each year than they earn, which over the last two centuries has produced such a prosperous economy and such a remarkable standard of living. I say this because, without money in savings, few American businesses would have ever gotten off the ground. In order to provide more jobs, businesses must be able to build and expand; in order to build and expand, they must be able to borrow funds that someone else has been willing to part with on a temporary basis. Destroy the incentive to save, and you destroy the wellspring of American productivity. Unfortunately, U.S. inflation has already all but destroyed our incentive to save.

The third basic reason inflation really does matter . . . even if wages manage to keep pace with soaring prices . . . is that once inflation passes the nominal stage, meaningful economic planning becomes all but impossible. Not only can a person no longer feel secure in the knowledge of a properly planned retirement, but even short-term planning becomes difficult. The value of the dollar should be a yardstick for measuring the value of everything else. Can you imagine the havoc that would be brought to the world of science and technology if engineers and scientists had to cope with constantly shrinking units of measurement such as the inch or the centimeter? Similarly, a steadily shrinking monetary unit of measurement brings chaos to an economy, distorts financial judgments, and frequently leads people to take on commitments they really cannot afford, despite their recent pay raises. How many people are there in the U.S. today who, in a moment of exultation following some healthy boost in pay, have gone out and contracted for 36 monthly payments on a camper, a boat, or a swimmig pool, and (long before those contracts were paid off) have ended up, of necessity, staying home and eating canned beans for dinner alongside their swimming pools?

To understand inflation, we must understand money. And money is a most basic form of property. It is minted human energy, and, as such, is an extension of yourself and your very life. Every dollar you earn represents a portion of your life—so many heartbeats out of the total number you are destined to enjoy. Once earned, there are only two things you can do with a dollar . . . spend it or save it. These two choices reflect the dual function that money has always served.

First, it is a medium of exchange which allows you to convert your labor into the means of sustaining yourself. Secondly, money is a store of value which you may choose to reserve for consumption at a later date, hoping of course, that it will still buy as much when you need it as it could have bought when you originally earned it.

Inflation is what destroys your store of value when a government dilutes the medium of exchange through excessive creation of money and credit. When government officials flood the economy with unearned, irredeemable paper money, they are actually destroying your property rights and mine. Remember that money is a most basic form of property, and that the right to property is the right to own and dispose of the fruits of your labor.

The extent to which this destruction of property rights has taken place here in America during the past several decades is hard to believe even for those who have lived through it all. Since 1939, due to the subtle process of inflation, the loss to savers has been nearly 700 billion dollars worth of purchasing power. That staggering figure represents a transfer of wealth from the private sector to the public sector . . . or, in other words, from the productive elements of society to the non-productive elements.

I have already mentioned the devastating impact of inflation upon the elderly. But what of the young? Consider the American who starts his first steady job at the age of 18. If the dollar inflates at an annual rate of ONLY 6%, he will see prices double before he reaches the age of 30. They will double for the third time in his life before he reaches 54. By the time he reaches retirement age of 65, he will have to pay 16 times as much for any item he wishes to purchase as he would have paid when he began his working life at 18. If he lives to the age of 78, prices will be 32 times higher. During his lifetime, the dollar will have shrunk to a mere 3 cents. And that's at only 6% annual inflation. Unfortunately, our annual inflation rate is now much higher than 6% and climbing.

Remember Joe Louis? He ended his ring career in poverty despite the millions of low tax dollars he earned. Louis was a great fighter but a lousy golfer. Unhappily for him, too many of his golfing partners were not only more proficient on the fairways, but unscrupulous as well. A one-dollar-a-hole bet, doubled each time a hole was lost, didn't seem like much money to Joe, but at the end of 18 holes, Louis would owe his golfing companion 131 thousand dollars!

Inflation works much the same way. Germany's Mark depreciated 100% between 1914 and 1918. It took two Marks to buy what one would buy four years earlier. Five years later, runaway inflation had made the Mark totally worthless. In late 1923, the Germans paid off their war debts with 320 billion marks . . . which by that time had been reduced to a value of 8 cents in U.S. dollars. 320 billion Marks could pay off the German war reparations in 1923, but 320 billion Marks would not buy a single loaf of German bread.

Here in our own country in the year 1974, a 35-year-old man earning 20 thousand dollars a year will need two-and one-half million dollars a year by the time he retires . . . IF things don't get worse. This assumes an annual inflation rate of no greater than 14%. Viewed in that light, Social Security becomes a cruel hoax, does it not?

Such are the consequences of inflation. Yet before a problem can be solved, we need to know more than the consequences. In order to complete our understanding, we must also fully appreciate the cause of the problem.

When seeking out the causes of inflation, it's important to differentiate between primary causes and secondary causes. There is really only one primary cause of inflation, and that is government expansion of a nation's supply of money and credit. All other causes are merely corollary, made possible only by the willingness of government officials . . . usually for political reasons . . . to allow a country to live beyond its means.

How often have you heard a conservative blame inflation on Big Labor's demands for higher wages? Or how often have you heard a liberal blame inflation on the high prices charged by Big Business?

Both of those accusations are manifestly false. It is not possible for wages and prices to CAUSE inflation, for the simple reason that business cannot pay higher wages or charge higher prices unless the money supply is increased. When there is more money available to the marketplace, there is obviously more demand for goods and services—which is what causes prices to rise. Rising prices then put more pressure behind the drive for higher wages, which in turn usually get passed on to the consumer in the form of still higher prices—but only if those higher prices can be sustained, and production sold, as a result of the constantly expanding money supply. The circle is a vicious one. Without an increase in the money supply, successful union wage hikes would necessarily result in unemployment and lower production. Otherwise the companies involved would simply be priced out of business by their increased costs, without being able to increase their prices and still sell their products.

Once the whirlpool of inflation is begun, the politicians cannot stop their artificial stimulation of the economy without being accused of causing unemployment and depression. So, what does the typical political leader do? He is not going to blame himself. He cannot blame Labor. So he blames Big Business.

Perhaps you saw the Senate hearings on TV during the oil crisis. The oil company executives were interrogated, lambasted, accused and threatened by a Senate Committee headed by Scoop Jackson.

Jackson knows very well that most Americans don't understand profits, nor the causes of inflation. Ranting and raving, he took on Big Business and postured himself as the champion of the people.

The junior senator from Washington was indulging, and continues to indulge, in the grossest display of political demagoguery. He delights in roasting alive the oil company executives because they had the temerity to allow their corporate profit margins to rise from 4% in 1972 to 8% in 1973; yet he never bothers to mention the fact that the dollar's inflation rate rose to an even higher 9% during the same year, and then he blithely calls for a general price roll-back for the oil industry!

Between the News Media, our educational system, and politicians such as Jackson, profit is rapidly becoming a four-letter word, alien to contemporary American principles. The fact is, however, that profit has nothing to do with the cause of inflation, and, without it, our free enterprise system would have folded long ago. It is precisely the opportunity for profit, when combined with the principle of free competition, which has been responsible for the unprecedented prosperity of America. Yet to hear the news media interpretation of profits, they are made to sound like a gigantic public rip-off.

Actually, when you take a good look at our education system, it's not the least bit surprising that newsmen, as well as most Americans, are generally unacquainted with the role of profit, and with the free enterprise system. We constantly hear about shortcomings in our schools in the areas of reading and mathematics. But how often do we hear about the nearly complete ignorance our students have of American history? The public school system has miserably failed us, not only in the 3 R's, I submit—but also in imparting to our students any real understanding of their precious national heritage: of the thinking of Adams, Jefferson, Hamilton, and Madison—to name only a few. Our children haven't even received a nodding acquaintance with the genius of Adam Smith and the free market system. Is it any wonder we have rampant inflation today when the general population of the country is blind to what makes the economics of a free nation work? Perhaps if we and our children had been given the education we've so richly paid for, we wouldn't be facing the prospect of economic chaos ahead.

History tells us that governments have never been able to devise more than three basic ways of financing their operations and expenditures. The first is taxation . . . direct and indirect. The second is borrowing, usually resorted to only after the level of taxation becomes objectionable. The third is increasing the quantity of money and credit . . . which is a polite way of saying inflation.

Our national "public" debt today stands at 475 billion dollars. That means that during the last fifty years . . . and mostly the last thirty . . . the Federal Government has spent roughly 400 billion dollars more than it was able to collect in taxes. Now, how in the world does the government spend money that doesn't exist? Let me tell you . . . easily! It simply creates it out of thin air by issuing notes to the banking system. The face value of the notes is credited to the government's account, and the notes are then added to the so-called "public" debt.

The single most important thing to understand here is that this newly created money is unearned: it represents no investment of human time or energy, and therefore can assume true value or purchasing power only by "borrowing" purchasing power from money already in circulation. The "kicker," of course, is that the "borrowed" purchasing power can never be paid back. The only true-value, non-inflationary money that any government has to spend is money received in taxes, or legitimately borrowed out of the people's earnings. When government decides to spend more than it has thus received, that extra, unearned money takes on value only by reducing the value of all money, savings, pensions, annuities, and insurance. That's what inflation is all about.

We hear about inflation in other countries . . . particularly South America. Inflation seems to be a way of life for those nations . . . and yet, so is abject poverty for the vast majority of their citizens. Thus far, our own people have been spared most of the hardship which other peoples, over the centuries, have simply taken for granted.

But where are we now in America, as we approach the 200th anniversary of the birth of the Republic? The figures and percentages change from day to day, and from one economist to the next, but this much is certain: for the first time since 1947, the United States is experiencing a double-digit inflation rate. As for length and severity, the current U.S. inflation has already become the worst since World War I.

Well . . . as I said at the beginning of my speech, you don't need an economist, a politician, or anyone else to tell you that your dollar is buying less and less, faster and faster.

Now that we have covered at some length both the consequences and the causes of inflation, that leaves just one thing to consider . . . the cure. Solving the problem There is no easy answer. If there were, it wouldn't be such a devastating problem.

But there are solutions . . . and there are alternatives. The one which our present leaders in Congress will most likely take is to do nothing to curb inflation, but instead continue to feed it by increasing the deficit spending, and therefore, as well, the dosage of fiat paper money needed to pay for that deficit spending. This can only postpone the inevitable, resulting ultimately in our self-destruction.

The other alternative, which, on the surface, would appear to be the hard route, is to go "cold turkey."

The incredible economic dilemma our nation finds itself in is precisely analogous to a person who has become hooked on drugs. First, he plays around a little with grass, works his way in deeper, and finally gets hooked on the hard stuff. Withdrawal is then extremely painful . . . but the only choice is either to go "cold turkey," or to continue to increase the dosage all the way to premature and certain death.

As a nation, we are already hooked on the "drugs" of printing-press money, deficit spending, and virtually limitless credit expansion. Make no mistake about it, withdrawal from our inflationary economy will be very painful. However, we have no other choice except ultimate chaos and disaster.

As historian Arnold Toynbee has pointed out, of 21 notable civilizations, 19 perished not from external conquest, but rather from internal disintegration.

In a metaphorical sense, we are all suffering from a severe case of the measles, with the red blotches prominently visible on all our faces. It was never my intention to point this out, tell you that it's caused by a virus, and then sit down, suggesting we're all going to suffer and die together. There is a vaccine. Painful though the shot may be, we really have no other choice for economic survival but to withdraw from the causes of inflation. To go "cold turkey." What is this medicine I speak of? Certainly it is not Wage and Price Controls! Our recent experience with "Phases" I through IV should have taught us that lesson once and for all. Economic controls cannot possibly cure inflation in the long run because they are aimed at the private sector of the economy, whereas it's the public sector . . . government . . . which is causing the problem in the first place through excessive money creation. Obviously, economic stability cannot be sustained without economic discipline. Primarily self-discipline. By government itself.

You can be sure that most of our political leaders understand this. And if they don't, they are not only incompetent, but stupid. What they are not sure about is that we understand it.

And because they are not sure, they are unwilling to take the vaccine of economic discipline, which means simply returning, step-by-step, to a sound dollar and a healthy economy. These steps would require first of all, restoring to Americans their right to own gold. Secondly, it means renewing the ties between our paper dollar . . . now rapidly becoming worthless . . . and gold. Thirdly, it would necessitate putting an end to any further deficit spending at the federal level; and fourthly, it would require an Act of Congress, or a Constitutional Amendment, stabilizing our nation's supply of money and credit.

There are other ways of backing a paper currency besides gold, but gold is probably the best standard to use for supporting a monetary system because it has the unique distinction of being the ONLY exchange commodity universally accepted in all civilized nations since the beginnings of recorded history. And it has never once been refused by any country in payment for debt.

The enemies of gold are fond of claiming that it is an archaic institution which has outlived its usefulness as a monetary standard. If that be so, then why do we have laws in this country preventing individuals from owning, buying, or selling the barbaric metal? And why does our Federal Treasury refuse to sell gold today to ANYBODY at ANY price?

The enemies of gold often claim that there simply isn't enough gold to go around to support the needs of expanded world trade. The fallacy in this line of thinking becomes clear when we ask ourselves the question, "Would there be enough Cadillacs to go around today if they were still selling at 1934 prices?" Once a truly free market in gold is established, supply and demand will regulate the price, and any quantity of gold will, in the process, become sufficient to undergird all of the free world's currencies. This is the only way to have real economic discipline. Paper has never provided that discipline because it is simply too easy to produce—and reproduce.

Let me emphasize that this opinion is by no means confined to a politically conservative philosophy. One of the strongest modern advocates of liberalism . . . national columnist Nicholas Von Hoffman . . . did a number of articles earlier this year on inflation. In the March 19th Seattle Post-Intelligencer, Von Hoffman described the sad plight of the American dollar and concluded with these words: "The search for inflation-proof places to put money has led to gold and silver. It is also going to lead to (unprecedented) interest rates. The government will, of course, move to stop that . . . not by restoring people's faith in the worth of the dollar, but by printing more of them, which will in turn aggravate the situation by forcing lenders to charge yet higher rates of interest to protect themselves."

Or, going back even further in the annals of respectable liberalism, listen to what the great British playwright. George Bernard Shaw, had to say on the subject. Shaw, hardly an oracle of the political right in 19th Century England, put it this way:

"The most important thing about money is to maintain its stability, so that one pound will buy as much a year hence or 10 years hence or 50 years hence as today, and no more. With paper money this stability has to be maintained by the government. With a gold currency it tends to maintain itself . . . you have to choose (as a voter) between trusting to the natural stability of gold and natural stability of the honesty and intelligence of the members of the government. And, with all due respect to these gentlemen, I advise you, as long as the capitalist system lasts, to vote for gold."

I am convinced that the survival of our free nation with its free institutions will depend largely on the continued productivity of our economy. And the continued productivity of our economy depends chiefly on the integrity of the Dollar. I might add that the integrity of the Dollar depends on the integrity of our political leaders. It's easy to see how much integrity there has been in that arena for the past 40 years.

Fortunately, there are some recent encouraging signs. The most significant one comes from our new Secretary of the Treasury, William Simon, who has been publicly advocating the right of Americans to own gold. Another encouraging signal is a message being sent to Washington by an ever-increasing segment of the American people. They're saying, in effect, we know good money from bad. And they're sending the message by converting Federal Reserve notes . . . paper dollars . . . into silver and gold coins. Ask any coin dealer where the volume of his business has been the last several years. Certainly not in rare coins! But rather, very simply, in real money: in gold and silver coins—the kind of money our paper dollars used to be convertible into. Forty years ago, a U.S. 20 dollar gold piece circulated and traded for 20 dollars' worth of merchandise. Today you must pay 300 paper dollars for any common-date $20 gold piece. If you want to buy a 1964 silver Kennedy half-dollar, mintage 433 million coins, it will cost you nearly two bucks today, just ten years later. Truly, I think that tells the sad story as eloquently as anything can, and it also points the way toward a return to monetary sanity. The crux of the matter can be stated very simply. When citizens have a choice between hard money and depreciated paper, their government—unless it wishes to risk seeing its "legal tender" notes repudiated—has no choice but to act to preserve the integrity of the medium of exchange.

The job of restoring sanity to our economic and monetary policies will be completed when a majority of Americans understand that ALL of our freedoms depend on economic freedom, and when they start insisting that their elected representatives guard that freedom.

Americans are only human, and we have made many mistakes in the past. However, fortunately, our mistakes as a nation have been more than offset by our right decisions. I am indeed hopeful, now that the economic blunders of the past 40 years are becoming more clearly defined and more widely understood, that the right decisions will be made in the trying months which lie ahead.

THE BUDGET AND IMPOUNDMENT CONTROL ACT: AN IMPORTANT STEP IN RESTORING CONGRESSIONAL POWER OF THE PURSE

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. HEINZ. Mr. Speaker, in one of the most significant and far-reaching actions in this Congress, the House and the Senate recently passed H.R. 7130, the Budget and Impoundment Control Act. This bill, now awaiting the President's signature, would create a coherent and viable procedure for handling the Federal budget, and would restore the proper authority of Congress in the budgetary process.

I wish to commend to my colleagues part III of a National Journal article concerning this legislation, which I feel provides an excellent overview of the significance and implications of this bill. Part III of these articles follow:

[From National Journal, May 18, 1974]

Impoundment: Key Budget Issue

When Senate and House conferees on the budget reform bill first met on April 9, they virtually ignored the technicalities of the budget making process and turned instead to the one issue that is most likely to delay the bill—impoundment.

The impoundment provision in the House bill gives either chamber of Congress 60 days to reverse a Presidential impoundment. The Senate's provision prohibits impoundments "for fiscal policy purposes or to achieve less than the full objectives and scope of programs enacted and funded by Congress," but it provides no procedure for reversing a President who persists with impoundments.

Several members of the conference committee on the budget reform bill believe the two impoundment provisions might be combined to tighten the definition of impoundments and to provide a procedure for reversing them.

Sen. Edmund S. Muskie, D-Maine, said in an interview that he could accept the procedures of the House version as long as impoundments for policy purposes were forbidden. Rep. Richard Bolling, D-Mo., said he will be satisfied if there is a procedure to stop impoundments.

"There's enough of a push for this bill so that I can't conceive of giving up over the impoundment issue." Bolling added. "We've fought, struggled and bled for this bill, and we can fight a little more."

House: The House Rules Committee attached the impoundment provision to the House version of the budget reform bill.

Presidential impoundment messages would be referred to the Appropriations Committees in both chambers. If either committee did not report within 30 days a resolution to overturn the impoundment, one-fifth of the Members of that chamber could move the issue to the floor with a discharge petition.

"The great strength of this approach is its practically," the Rules Committee said Bolling said that under the Senate approach, the only way to stop a President who continues to impound money is to go to court, and that takes a lot longer than 60 days.

Rep. Dave Martin, R-Neb., tried on the House floor to take the impoundment section out of the budget reform bill. He lost 108–295.

The House impoundment provision is almost identical to a bill (HR 8480) passed by the House in 1973. The chief difference is that HR 8480 was effective for just one year; the impoundment provision of the budget reform bill is unlimited.

Senate: The Senate also passed an impoundment bill (S. 373) in 1973. The Senate and House bills did not go to conference committee because their sponsors could not reconcile their differences.

S. 373 would have required Senate and House approval before any impoundment could become effective. The Senate Rules and Administration Committee which attached an impoundment provision to the Senate's budget reform bill, changed S. 373 in an effort to make reconciliation with the House possible.

The Senate's impoundment provision is aimed at tightening the 1950 Anti-deficiency Act (64 Stat 765), which allows the President to make impoundments to save money "whenever savings are made possible by or through changes in requirements, greater efficiency of operations or other developments subsequent to the date on which such appropriation was made available."

The Rules Committee said the purpose of its impoundment provision "is to assure that the practice of reserving funds does not become a vehicle for furthering Administration policies and priorities at the expense of those decided by Congress."

The objection of many Senators to the House provision is that it allows the President to do for 60 days what many federal courts have ruled he may not do at all. One Senate staff made said: "It's like telling a guy not to commit burglary, but if you do commit burglary we'll have 60 days to tell you again not to."

The Budget Reform Bill of 1974: A History

A month before the 1972 Presidential election, President Nixon challenged Congress to pass a law putting a $250 billion ceiling on the fiscal 1973 budget. Congress didn't.

The Senate refused to give the President the power to cut money from programs of his choice, and it had no procedures of its own for computing what programs to cut. Instead, Congress passed a law (86 Stat 1324) increasing the federal debt ceiling.

In that same law, Congress took the first step toward remedying the problem that made it so difficult to cut the budget. It established a Joint Study Committee on Budget Control, which was to recommend procedures to give Congress an over-all look at the federal budget, enable it to set budget priorities and let it coordinate spending with revenue.

The joint study committee unanimously recommended new congressional procedures for dealing with the budget. New budget committees in each chamber would consider issues now ignored by Congress: the relative priorities of different spending programs, the proper level of federal spending, the proper size of the budget surplus or deficit.

The joint study committee recommended that Congress make its most important budget decisions early in the budget cycle. As its recommendations circulated through one House committee, two Senate committees and one Senate subcommittee, the new procedures were made much more flexible. But the establishment of budget committees to look at the over-all budget picture remained the central part of all budget reform bills.

Despite the significant changes in the details of budget reform as the joint study committee recommendations circulated through Congress, committee votes were unanimous at every step. The House approved its budget reform bill by 386–23, and in the Senate the vote was 80–0. The overwhelming support shows that the Members' common belief in the need for budget reform is greater than their disagreement over the details of how to achieve it.

Joint committee: The 32-member joint study committee recommended an elaborate series of budgeting procedures emphasizing tight spending control.

Each spring the budget committees would report a joint resolution establishing a budget ceiling for the coming fiscal year, dividing the budget total among congressional committees and appropriations subcommittees, providing a level of revenue and setting the appropriate budget surplus or deficit. After Congress approved a budget resolution by May 1, it would be difficult for Congress to exceed its budget ceilings. When the budget cycle was completed in the fall, a tax surcharge might be required to keep the budget deficit from growing.

Rep. Al Ullman, D-Ore., a co-chairman of the joint study committee, said the committee felt mandated by law to recommend procedures emphasizing tight spending. "We knew full well that we would have to put some flexibility into the procedures later," Ullman said in an interview.

A joint study committee staff member said, "We were just trying to be too perfect."

House: In the House, the joint study committee's recommendations were referred to the Rules Committee, where Rep. Richard Bolling of Missouri, the third-ranking Democrat, became budget reform manager.

Bolling and Rep. Jamie L. Whitten, D-Miss., co-chairman with Ullman of the joint study committee, introduced budget reform bills of their own, adding flexibility to the tight controls of the joint study committee recommendations.

The bill approved Nov. 13 by the Rules Committee, and subsequently by the House, is an amalgam of the Bolling and Whitten bills. It requires that Congress set spending targets—not ceilings—in the spring. If later spending decisions exceeded the targets, Congress could cut some appropriations, approve higher taxes or increase the budget deficit.

In its report on the budget reform bill, the Rules Committee said early spending limits "deprive Congress of a flexible response to changing circumstances."

"By the time the appropriations process was reached," the committee added, "the main decisions already would have been locked in by the early budget resolution."

Senate: By a much more circuitous route, the Senate produced a budget reform bill similar to the House bill in all its essentials.

GOVERNMENT OPERATIONS

The bill was referred first to the Government Operations Committee. On July 25 its Subcommittee on Budgeting, Management and Expenditures reported a bill retaining many of the tight controls recommended by the joint study committee. Its chief sponsors were Sens. Charles H. Percy, R-Ill., and Sam J. Ervin, Jr., D-N.C.

Percy and Ervin won unanimous subcommittee approval only after a version backed by Sens. Edmund S. Muskie, D-Maine, and Bill Brock, R-Tenn., replacing the tight spending ceilings with flexible targets, was rejected, 4–5.

When deadlock threatened the full committee, Muskie and Percy reached a compromise. The bill approved unanimously by the Government Operations Committee on Nov. 8, 1973, would have set a fairly rigid level of total federal spending each spring, but it would have given Congress flexibility to juggle spending for individual programs as long as it stayed within the over-all ceiling.

RULES

When widespread opposition to the Government Operations bill was expressed by chairmen of authorizing committees, the bill was referred to the Rules and Administration Committee for further revisions.

By loosening the tight budget ceiling but keeping many of the other basic provisions of the Government Operations Committee bill, the Rules Committee produced a bill similar in approach to the House bill.

"The process of going through the Rules Committee strengthened the bill politically while retaining the basic thrust of the Government Operations Committee bill," Muskie said in an interview.

Staff Cooperation Helped Produce Legislation

Seldom does a staff member of the Senate Labor and Public Welfare Committee work for the Rules and Administration Committee to rewrite a bill that has been reported by the Government Operations Committee.

But that is what happened with the Senate's budget reform bill. Herbert N. Jasper, research director of the Labor and Public Welfare Committee, was chairman of a group of 45 Senate staff members who put together the budget reform bill passed by the Senate March 22.

"This joint staff member effort, and the magnitude, tenacity and detail that it represented, I think is without precedent in this body," said Sen. Lee Metcalf, D-Mont., whose Government Operations Subcommittee on Budgeting, Management and Expenditure was the first to mark up a budget reform bill.

Jasper's performance as chairman of the staff group was described as an "ego trip" by some other Senate staffers, who rarely get credit for their work. But Sen. Charles H. Percy, R-Ill., said on the Senate floor that Jasper did a "masterful job" of chairing the group.

Critique: One of Jasper's duties at the Labor and Public Welfare Committee was to analyze the budget history of the Nixon years to determine whether the President rather than Congress was responsible for most of each budget deficit. He had a natural interest in the budget reform bill approved unanimously by the Government Operations Committee on Nov. 8.

"The bill that came out of that committee might have been a disaster," said Jasper, who soon will become general counsel of the Labor and Public Welfare Committee.

He said he felt the Government Operations bill would have permitted a one-third minority of the Senate to insist on inflexible procedures for dealing with the budget. He said the bill would have hampered the effectiveness of legislative committees such as his own to authorize funds, because it would have required Congress to set a budget ceiling by March 31, three months before each fiscal year, and to complete action on authorizing legislation by May 31.

Jasper said he felt the bill required rewriting because amendments on the Senate floor would not produce a coherent bill. He told his boss, Sen. Harrison A. Williams, D-N.J., chairman of the Labor and Public Welfare Committee, that Williams' best chance to improve the bill would be in the Rules and Administration Committee, of which he was a member.

The bill was referred to the Rules Committee on Nov. 30. The Rules Committee staff had no experts on budget reform, and so Williams offered Jasper's services.

Jasper circulated a critique of the Government Operations bill among the authorizing committees. He said his strategy was to "create a climate that would convince the bill's gung-ho supporters that the bill would have to be changed."

In December Jasper drafted a letter from Sen. Howard W. Cannon, D-Nev., chairman of the Rules Committee, asking chairmen of the authorizing committees for their views on budget reform. In January Jasper drafted Williams' reply. In effect, Jasper answered his own letter.

Nine other committee chairmen also responded to Cannon's letter, and only one, Sen. J. W. Fulbright, D-Ark., chairman of the Foreign Relations Committee, failed to express opposition to parts of the bill.

Staff group: Sen. Robert C. Byrd, D-W.Va., chairman of the Subcommittee on the Standing Rules of the Senate, took charge of the bill in the Rules Committee.

"I wanted to be sure that the bill would be workable and that it would not too greatly disturb the existing methods of doing business in the Senate," Byrd told the Senate on March 19.

A day of hearings on Jan. 15, during the Christmas recess, convinced Byrd that opposition to the Government Operations bill was so widespread that a rewrite was necessary. The sponsors of the Government Operations Committee bill, including Sen. Sam J. Ervin Jr., D-N.C., and Charles H. Percy, R-Ill., the committee's chairman and ranking Republican, recommended to Byrd that a staff committee rework the bill.

Byrd decided the best way to write a workable budget reform bill was to give the entire Senate a chance to help write the bill. So he set up a group of 45 staff members from 11 Senate committees, four individual Senators, four joint committees, three congressional assistance offices and even the House Appropriations Committee.

Byrd placed William M. Cochrane, staff director of the Rules Committee, in charge of the project. Cochrane turned over the meetings to Jasper.

"I thought we could develop a consensus bill," said Jasper. They did, despite the cumbersome size of the staff group. It produced a revised bill after 90 hours of meetings during 16 days. The Rules Committee unanimously approved the bill on Feb. 22.

"Most of the suggestions made to the Rules Committee in testimony and in letters have been accommodated in the revised bill," Byrd said. "But these changes were incorporated without departing from the basic structure and purposes of the bill proposed by the Government Operations Committee."

The efforts to put together a consensus bill paid off. On March 22 the Senate passed the budget reform bill by a vote of 80–0.

STRIP MINING BILL RECEIVES WALL STREET JOURNAL AND BUSINESS WEEK SUPPORT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BINGHAM. Mr. Speaker, I was pleasantly surprised to observe in the June 25 Wall Street Journal—a newspaper not known for its support of the environment as against the interests of big business—an editorial in support of the House strip mining control bill.

The Journal supports the bill as "a reasonable attempt to reconcile conflicting viewpoints," echoing Business Week's May 25 evaluation of it as "a sensible compromise between two conflicting national interests—the need to produce fuel at a reasonable price and the need to preserve the environment." Approval from these conservative, industry oriented publications is in marked contrast to the virulent campaign which was waged against the House land use planning bill. That their support has been given to the strip-mining bill is significant and further discredits the scare tactics being employed by the administration and the coal and utility industries in an effort to prevent its passage.

I commend these editorials to my colleagues and other interested readers of the RECORD who may still doubt the need for and efficacy of H.R. 11500:

[From the Wall Street Journal, June 25, 1974]

ENERGY AND THE ENVIRONMENT

You wouldn't know it from all the ruckus, but the administration and the House Interior Committee are not all that far apart over the strip mining control and reclamation act soon scheduled for debate in the House.

There is a lot of public clamor, to be sure, with the administration claiming and the committee majority denying that provisions in the bill could reduce total coal production by as much as one third. But essentially, both sides agree that federal minimum standards are necessary to balance important national environmental and energy needs. Now it remains for them to work out the details so that a genuine balance is preserved.

Perhaps the major drawback of the House Interior bill is that it tries to be all things to all people. To cite just one example, the decision to earmark the millions of dollars for research and training in mining and mineral extraction, to be carried out by private firms and at one public college or university in each state, appears to have been dictated as much by political as engineering considerations.

Nevertheless, overall the bill strikes us as a reasonable attempt to reconcile conflicting viewpoints, particularly since some of its principal sponsors recognize imperfections in it and appear willing to compromise. Some members say privately they have no real objection to extending the interim compliance section, which as written requires mining companies to meet environmental standards almost immediately during the 36-month transition period.

Other members are inclined to agree with the administration that the proposed 30 cent-per-ton reclamation fee may be too high, although they insist that some sort of fund is necessary to reclaim abandoned coal mines and rehabilitate the land and streams damaged by earlier coal mining.

But the House proposal is saddled with misunderstanding and even misinterpretation. For example, industry critics say the requirement that mined land be restored to its approximate original contour would require digging "another hole nearby, two or three times as large, without removing the coal—and thus disturbing two or three times as much land in the name of protecting the environment." Industry and the administration also insist that the "approximate original contour" provision precludes more desirable post-mining land uses. But the bill specifically exempts such foolishness.

Moreover, it specifically permits planned and controlled subsidence (or "longwall" mining). This means that fears about millions of tons of coal being taken out of production, in the belief the bill would be interpreted to prohibit orderly subsidence, have no real basis in fact. In any event, the administration and Interior Committee basically agree on this issue, so all that remains is to rewrite the provision in mutually acceptable language.

Like the Senate strip mining bill, the House Interior version will impose changes on the coal industry. Some will be merely pro forma, others will be annoying. Still others, like the approximate original contour provision and provisions regulating highwalls and spoil on downslopes, will require major changes in coal mining procedures. Ultimately they will raise costs for consumers.

The alternative to federal legislation is to leave standards to the states, which largely lack the means to enforce them and which generally don't require adequate planning and financing of rehabilitation. But a federal law would provide a legal framework within which companies could mine coal with a clear understanding of just what is and what isn't allowed. That would spare the industry the agony of doubt and indecision, and at the same time it would express the national concern about protecting the environment while we search for solutions to the energy shortage.

[From Business Week, May 25, 1974]

TRADE-OFF ON STRIP MINING

Environmentalists oppose the strip mining bill reported last week by the House Interior Committee because they think it is too permissive. The coal companies oppose it because they think it is too tough. Actually, it is a sensible compromise between two conflicting national interests—the need to produce fuel at a reasonable price and the need to preserve the environment. The House should adopt it, and a conference committee should reconcile it with a bill already passed by the Senate to give the nation its first effective regulation of a practice that is chewing up 1,200 acres of land a week.

The bill would require strip miners to restore the land to its "approximate original contour." This goal is technologically and economically feasible in most regions, as some operators already have shown.

Restoring the land will increase the cost of coal, but in most cases the additional cost is acceptable. In the flat plains of Wyoming and Montana, stripped land can be restored for pennies per ton, according to a recent study by the National Academy of Sciences. Elsewhere, the cost would be higher, exceeding $1 a ton in some areas. Even so, strip-mined coal will still be cheaper than deep-mined coal.

In areas where restoration is not possible, stripping would have to stop. But the House bill would give the industry three years to shift to seams where reclamation is feasible. The unworked areas could remain as a national reserve, awaiting future technology that would make restoration practical.

The bill would also protect land owners who do not own mineral rights to the coal beneath them. The coal companies would have to get the written consent of the surface owners.

All in all, the bill provides the best trade-off the nation can make. Both the industry and the environmentalists should stop carping and accept it.

GRANGE CELEBRATES 100TH ANNIVERSARY

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ESCH. Mr. Speaker, next month the Plymouth, Mich., Grange will mark the 100th anniversary of its service to the community. Formed to improve farming conditions and to obtain better roads for getting produce to market, it remains a nonsectarian and nonpolitical organization for anyone interested in farming.

Modern farming techniques and equipment have, of course, made very dramatic changes in the methods used on farms in America today. However, the spirit of rugged individualism and dedication to community and family remains a very integral part of farming in Plymouth. That spirit will be renewed when the residents of Plymouth gather next month to mark the beginning of a new century in the history of the Plymouth Grange.

The Plymouth Observer and Eccentric recently recounted the history of the Grange and its role in the community. I include it at this point in the RECORD.

GRANGE TO MARK 100TH ANNIVERSARY

(By Sherry Kahan)

PLYMOUTH.—The official big day is not until July but members of the Plymouth Grange are already making plans for a celebration to honor the 100th anniversary of their farm-oriented organization.

Chartered in 1874 when Plymouth was a quiet island of a few shops and homes entirely surrounded by farms, the Grange was formed to improve farming conditions and to obtain better roads for getting produce to market.

It was and still is a non-sectarian non-political organization for anyone interested in farming. Unusual for its time, it gave women the same organization rights as men.

Recently a number of Plymouth Grange members gathered in the second story of the building at 273 Union that since 1913 has been the permanent headquarters of the organization.

They were meeting in a former hay loft for the building was once a stable for the carriage horses of Phil Markham, inventor of the air rifle. Markham once lived in the large house on the corner of Penniman and Union now owned by Jack Wilcox. Purchase price of the stable was $2,500.

In those days one of the attractions of Grange affiliation was the chance to take part in purchase contracts under which members bought supplies at reduced prices.

When the word went out that the coal, binders twine, feed or fence posts ordered were due in town, horses were hitched up all over the area.

Down to the railroad siding rumbled dozens of wagons to pick up whatever was brought in that day.

When Mrs. Louise Spicer Tritton joined the organization 52 years ago she lived six miles from town on the Spicer farm at Warren and Napier (now Pilgrim Hills subdivision).

The original land grant deed signed by President John Quincy Adams for this farm is still in the possession of her sister, Mrs. Elizabeth Norman, who continues to own 10 acres at the site.

"I was 14 when I joined," said Mrs. Tritton. "My parents ate, slept and drank the Grange so it was perfectly natural for me to join too. People did things as a family then."

Mrs. Mary Fillmore who joined in 1914 recalled that the Grange had dinners as well as day meetings in those days, and one of the things talked about was having better roads.

"They've worked hard to get the Canton Center Road paved from Michigan Avenue to Plymouth," she said "and this was done in 1915."

The original box stalls and hay chute were still in the stable when the Grange took up its new residence. The wood was all brightly varnished possibly because the horses stabled there were considered the pride of the village.

In 1932, a fire broke out in the Grange, reported Mrs. Hilda Lunn. It burned a hole up through the second floor, destroyed records and did enough damage so that the members had to meet in each others' homes until repair work could be completed.

The building now has a meeting hall on both floors, a modern kitchen and the depot toilet is long gone.

"The Grange organization has worked hard to bring about such improvements in American life as rural free delivery, parcel post, the extension service of land grant colleges, rural electrification, pure food laws and social security," explained Mrs. Lunn who lives at 15854 Marilyn.

According to Grange records, the organization used to hold a harvest picnic every year. In 1891 it was held on Belle Isle.

To help the farm families pass the time in the winter the Grange had literary contests for two winters. In 1912–13, it offered prizes at rural school fairs for farm-oriented work done by the pupils.

Reminiscing about Plymouth Mrs. Fillmore recollected that the town once had red brick pavements and street car tracks. "It was a shame they covered up those bricks," she said.

Jesse Tritton, a Grange member for 40 years and present Master of the organization, could well be honored as a pioneer commuter. In the 30s he drove daily to a Chevrolet plant in Hamtramck, usually taking Schoolcraft to Davison and then to John R. The trip took about an hour and a half.

"Schoolcraft had two paved lanes and very little traffic," he said.

His wife remembers that the park in the center of Plymouth once presented a rural picture that would delight Andrew Wyeth or even Norman Rockwell. Along Ann Arbor Trail were hitching posts to which Mrs. Tritton often hitched her horse and buggy.

A tank full of water for horses stood to one side. For a while a bandstand, frequently filled with local musicians, was a part of the park scene. A severe ice storm in March 1922 damaged many of the trees in this park.

Saturday night movies were shown on the streets in the center of town from 1915 to about 1920. A large curtain was draped over the area where the S.S. Kresge store is now located. Across the street a projector was set up, with the viewers in between.

Mrs. Tritton spent eight years in the one-room Hanford School at Hanford and Ridge. This was not because she failed to be promoted. It was a school taught by one teacher for about 25 to 30 children scattered through eight grades.

Transportation was a problem for her when she had to come into town to attend high school, then at Main and Church. The building, now Central School, was a 12-grade institution for town children. Rural students attended only during their high school years.

Not being 14, Mrs. Tritton was unable to obtain a driver's license. "But just to school and back," she said. "I could only run errands if I had written permission from my parents."

Most of these Grange oldtimers regret the passing of the rural era they remember. "When I came in to high school it was extremely unusual for me to run into someone I didn't know," observed Mrs. Tritton.

Mr. Fillmore finds himself getting a little angry now and again at the thought of good farming land now being swallowed up by housing developments. "Some of those money hogs have rocks in their heads," he said. "There are plenty of places around with sandy soil that could serve their purpose just as well."

Trying to adapt and build for the future, the Grange two years ago started a Junior Grange for young people between the ages of five and 14. It emphasizes such things as woodworking, a growing project, cookie making, and occasionally some needlecraft.

At the present time a member no longer has to be an active farmer, it is open to anyone with an interest in farming.

"Anyone who eats ought to be interested in farming," concluded Mrs. Tritton.

ALCOHOL SAFETY ACTION PROGRAMS MUST BE FULLY FUNDED

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. SEIBERLING. Mr. Speaker, last week the House passed the 1975 Transportation Department appropriation, and in so doing approved a $4 million cut in the budget for the alcohol safety action programs—commonly called ASAPs.

ASAPs are perhaps one of the least known—and most effective—Government programs around. Briefly, they have two purposes:

First, to get the drinking driver off the road before he kills himself or someone else; and

Second, to help assure that those who are arrested, and others who have not yet been arrested, will not drink to excess and drive.

The programs were started in 1971 in response to the alarming fact that 28,000 traffic fatalities a year—over one-half the total—involve alcohol. In the 3 years of operation, they have been extremely successful.

The Department of Transportation requested $9 million this year to continue for the next 2 years as many of the 27 remaining ASAP programs as possible. The cut voted by the House will mean that probably not more than eight programs can be funded.

Alcohol abuse and alcoholism are on the increase in this society. It is hardly the appropriate time to be cutting back on Government programs which have been successful in combatting the impact of this disease.

I have submitted testimony today to the Senate Appropriations Subcommittee on Transportation urging them to restore the House cut. My testimony is printed below. I hope my colleagues will familiarize themselves with these valuable programs and support their continued funding.

The testimony follows:

Testimony of Rep. John Seiberling

Mr. Chairman, I appreciate the opportunity to address this Subcommittee about the Alcohol Safety Action Programs.

Your Subcommittee will shortly be making a decision on the funding level for the Alcohol Safety Action Programs—commonly called ASAPs. As you know, the Administration requested $9 million in the '75 budget to continue for two years as many of the 27 remaining ASAP programs as possible.

The Transportation Appropriation bill (HR 15405) reported by the House Appropriations Committee and passed by the full House on June 19th, contained only $5 million for the ASAP programs—a $4 million cut.

I want to urge your Subcommittee to restore this $4 million and fund the ASAPs at the full—but very modest—level requested by the Department of Transportation.

ASAPs are perhaps one of the least known—and most effective—government programs around. I know of few programs from which the taxpayers get so much for so little.

Briefly, the ASAP program has two purposes:

To get the drinking driver off the road before he kills himself or someone else; and

To help assure that those who are arrested, and others who have not yet been arrested, will not drink to excess and drive.

The programs were started in 1971 in response to the alarming fact that 28,000 traffic fatalities a year—over one-half the total—involve alcohol. They were designed as demonstration projects to test the effectiveness of various ways of attacking the problem of the drinking driver. A total of 35 programs have been funded in 35 states. Without additional funding this year, the programs will be phased out entirely unless picked by state and local jurisdictions.

Although a final decision has not yet been made on which programs will be continued, program officials plan to fund the most promising and successful programs. The number of programs funded will depend on the size of this appropriation and the availability of partial state and local funding. However, it is probably not realistic to expect that more than 16 programs could be funded if the full $9 million were available.

Officials from the National Highway Traffic Safety Administration estimate that the $4 million cut voted by the House will mean dropping at least 8 ASAP programs.

I fully agree with the House Appropriations Committee's thinking, as expressed in the House report, that the states should begin sharing the cost of the ASAP programs. That is, in fact, precisely what is happening. But the states cannot "share" in funding programs if no Federal funds are available.

In Virginia, for example, home of one of the best ASAPs in the country in Fairfax County, the state has established 9 satellite programs modeled after the successful experience in Fairfax.

By funding these new programs, the state and local governments have made very clear their willingness to commit their own resources to help fight the problem of the drinking driver.

But the success of these new programs is dependent in large part on their ability to continue to draw on the expertise and knowledge of the Fairfax operation. It is critical, therefore, that the Fairfax ASAP, and others like it, be continued so that they may assist the newer programs and hopefully continue to stimulate the establishment of others. This modest appropriation is seed money in its truest sense.

Although the statistical evidence on ASAPs is not all in, the programs seem to have made a significant impact:

In those areas that have had programs operational for 2 years, the number of alcohol-involved fatalities has been reduced somewhere between 10 and 19 per cent.

In those same programs, there has been an even greater reduction—about 22%—in the number of people driving with high concentrations of alcohol in their blood.

Thousands of problem drinkers and potential problem drinkers heading down the road toward alcoholism have been identified and received counseling and rehabilitation which they might otherwise never have been exposed to.

Thousands of social drinkers have been exposed to badly needed information about alcohol and its effects on the body which will make them more responsible citizens.

As I mentioned earlier, one of the most successful ASAP programs in the country is located in neighboring Fairfax County. I'd like to briefly describe this program as an example of what is going on around the country in ASAP programs.

With the assistance of two mobile vans equipped to administer blood and breath tests on the spot, and 11 new police cruisers, regular duty policemen assigned to the Fairfax ASAP detail are on duty from 8 p.m. to 3 a.m., on the lookout for persons driving under the influence of alcohol. In 1971, prior to the establishment to the Fairfax ASAP program, there were 171 driving while intoxicated (DWI) arrests in Fairfax County and only 68 convictions. In each year of the program's operation, there have more than 3,000 DWI's. Today, 2½ years into the program, 7,500 people have been arrested by ASAP patrolmen. The percentage of alcohol-related fatal highway crashes in the County has been cut by at least 30%. The number of drivers on the road with a blood alcohol level (BAC) over the legal limit has decreased by 35%.

Although these figures are not perfection, they are encouraging. But there are a great many benefits from the ASAP program which cannot be easily measured by statistics.

One of the most valuable elements of the ASAP program is its identification system of the drinking population. Of the 7,500 people arrested in Fairfax County during the program's operation, 80% have been identified as either self-admitted problem drinkers or so-called social drinkers who are heading toward a serious problem and who, if they continue in their drinking pattern without help will probably be alcoholics 5 or 10 years down the line. The ASAP program screens the social drinkers from the problem drinkers—and refers those with a problem or a potential problem to a variety of community agencies equipped to counsel and rehabilitate them. Since the rehabilitation programs are fee-paid, they are self-supporting.

Although persons picked up on a DWI in Fairfax County are given a choice between going directly to court or participating in the ASAP program, it is interesting to note, I think, that between 95 and 98% choose to go through the program.

For those with a drinking problem or a potential drinking problem, ASAP can literally be a lifesaver. As we all know, the stigma attached to alcoholism in this country is very great. And perhaps the greatest single problem we face in battling the disease is to convince the alcoholic to seek help. ASAP programs present a unique environment in which the alcoholic or the problem drinker, surrounded by peers with the same problem, can feel comfortable in discussing his problem and asking for help.

The Fairfax ASAP program—through its public information program—has also contributed enormously to raising the awareness of County residents about the problems of drinking and driving. Through alcohol information programs instituted in the schools, ASAP is getting badly needed information on alcohol to young people. The sophistication of the law enforcement officials, from the police officer to the judge, about the nature of alcoholism, has grown substantially as a result of the ASAP program.

The First Special Report to the U.S. Congress on Alcohol and Health from the Secretary of HEW issued in December, 1971, depicts in vivid detail the enormous impact which the disease of alcoholism has on this society:

Alcoholism drains the economy of an estimated $15 billion every year.

Approximately 5% of the work force are alcoholics and another 5% are serious alcohol abusers. The Federal government—the largest employer of them all—has 240,000 alcoholics on its payroll.

Alcohol abusers caused 28,000 highway fatalities in one recent year. Among youth aged 16 to 24, the ratio of alcohol related traffic fatalities is a startling 6 out of 10 highway deaths.

Public intoxication accounts for one-third of all arrests reported annually.

Only 3–5% of all alcoholics fit the stereotype of "skid row" inhabitants. In truth, alcoholism is a disease which strikes all segments of our society—without regard to age, race, sex, or economic status.

These awesome statistics will be updated later this month when the Secretary releases his Second Report on alcoholism. Secretary Weinberger has already warned that the new report will offer even more disturbing evidence which, in his words, "may focus the attention of the American people as never before to the true scope and national implications of the evils generated by alcoholism."

We can anticipate some of this new evidence.

For example, it is generally recognized that the estimate that there are 9 million alcoholics in America is very low. A recent Gallup poll showed that 18% of those 18 and older—some 25 million Americans—sometimes drink to excess and more than they think they should.

There is new evidence indicating a considerable increase in the use of alcohol by young people—some of them in their early and mid-teens. And recent studies have shown that there has been a significant increase in involvement in fatal crashes of drivers under 21 in areas that have changed the legal drinking age from 21 to 18.

Finally, experts acknowledge that alcohol abuse by women is on the rise.

In summary, all the indicators point to an increasing problem with alcohol in our society.

It seems to me, then, that this is a time when the Federal Government should be moving forward—exerting new and strong leadership in the battle against alcoholism. We have not yet reached the comfortable position where we can step back and leave this fight entirely to the states.

The ASAP programs have made a modest—but very important—contribution to efforts to decrease the number of alcohol-involved traffic fatalities. They have helped thousands of people confront their alcoholism and seek help. They have run interference for thousands of others who were headed toward alcoholism, but who were exposed to information and assistance in time. And they have made a significant contribution to an enlightened public attitude toward alcoholism and its impact on our society. They deserve to be refunded at the very modest level proposed by the Department of Transportation.

Thank you.

BETTER HEALTH FOR OUR YOUTH

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WOLFF. Mr. Speaker, earlier this month I had the honor of attending a banquet of the weight-lifting and physical fitness workshop of Port Washington, N.Y. This community action project in association with a continuing program known as Port Alert, is led by Mrs. Naomi Beckley, who has given so much of herself to make this project the huge success that it is. People from all walks of life, from all areas of the community, have joined together to establish a program to provide better health for their youth. It has been community efforts such as these that have always stood in the forefront of the American drive for betterment.

The banquet, which was sponsored by the Port Washington Lodge of the Elks and hosted by St. Stephen's Church, was a most enjoyable affair. A standout feature of the evening was a color film of the workshop in action, filmed and shown by Mrs. Lillian Schiff of Schreiber High School on equipment made available by the Port Washington Library video project. Other events of the evening included three guest speakers, and a presentation of awards by Mr. Edward Calapa of the Elks and Mrs. Beckley to those who have provided distinguished service and to the top participants in the workshop.

I would like to take this time to enter into the RECORD the names of the organizers and participants of this project and those that contributed to the fine evening, so that they may receive the recognition due them. The names follow:

Mrs. Naomi Beckley, Program Chairman.

Mr. Thomas Romeo, Director of Athletics, Schreiber High School.

Rev. Frederick W. Rapp, St. Stephen's Church.

Mr. Edward Calapa, Exalted Ruler, Elks.

Mrs. Lillian Schiff, Schreiber High School.

Mr. William Travers, Guest Speaker.

Mr. Barry Hennis, Guest Speaker.

Mr. Philip Grippaldi, Guest Speaker.

Dennis Allen, Peter Moore, Gary Binkiewiez, Bill Cronin.

The participants in the program included:

Russell Beckley, Richard Biren, Robert Coyle, Eugene Eng Tow, Joe Fatizzi, Peter Fatizzi, Ira Goldsmith, Darryl Graham, Mark Javello, George Khushf, Tim Mallon, Michael McDermott, Michael Meeham, Joe Mele, Ted Milhaven.

Ralph Montoya, Scott Montoya, Chris Madura, Michael Madura, Henry O'Donnell, Phillip Raimondo, Jim Salerno, Frank Smith, Eric Swick, James Wright, David Annunziata, Eric Bingham, John Bloomfield, William Brewer, Andy Cohen, Bill Dawson, Bernard Fitzgerald.

Tom Fitzgerald, Gary Gerber, Larry Gottlieb, John Hansen, Steve Hiller, Ryland Huyghue, Frank Kettles, Peter Kohlmann, Joel Lazarus, Ned Lerner, Steve Martin, James Morris, Jeff Moss, Jules Picardi, Chris Schmitz, Peter Schmitz, Steve Suchman, Ralph Sotansky, Seth Szold, John Turner.

KIDNEY TRANSPLANTS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. PEYSER. Mr. Speaker, of the 12,000 Americans who need kidney transplants this year, about 2,000 will get them—if they are lucky. The rest will have to wait months or even years for an acceptable donor while they spend 10 hours a week plugged into a machine that filters out the poisons created by body waste.

One of the biggest problems has been the shortage of kidneys—and donors.

In a successful effort to bring this problem, to light, a successful transplant of a kidney was seen live on WNBC-TV's NewsCenter 4 last May 8. It was a rarity in electronic journalism.

NewsCenter 4 devoted 23 minutes in six segments of the 2-hour broadcast to show the progress of the operation as a kidney was removed from Mrs. Lois Hale and implanted in her 12-year-old daughter, Marilyn, at the Downstate Medical Center in Brooklyn.

Kidney malfunction is the fourth worst killer in the Nation, and this unusual telecast was presented to emphasize the desperate need for kidney donors. By midmorning of the day following the telecast, the regional transplant program of New York and New Jersey, and its affiliated organizations had received 350 calls from prospective donors. Calls received at WNBC-TV indicated an overwhelming approval of the telecast. By the end of May more than 3,000 expressions of interest had been received from potential kidney donors.

Dr. Frank Field, science reporter, and meteorologist, for NewsCenter 4, moving between the adjoining operation rooms occupied by mother and daughter, gave Channel 4 viewers a running account of the operative procedure as he spoke with Dr. Khalid Butt and Dr. Samuel Kountz, surgeons, while the transplant was in progress.

NewsCenter 4 technicians and Dr. Frank Field had spent two 12-hour days in preparation for the telecast, and the equipment as well as the members of the WNBC-TV News staff went through the customary presurgery scrubbing. Four staff members were inside the operating rooms—Dr. Field, Executive Producer Vernon Hixson, Cameraman Cory Lieble, and Robert Matthews, who handled the lighting and cables. A single camera, the portable PCP-90, was employed to avoid cluttering the operating rooms.

Several other regular departments of NewsCenter 4 focused on the kidney transplant story. Closeup by Scott Osborne profiled the medical center's chief of surgery, Dr. Kountz, and explained the operation; Children, by Marjorie Margolies, did a preoperation interview with the mother and daughter; and NewsBriefing by Charles Scarborough detailed a history of kidney transplants.

On June 17 Mrs. Hale and her daughter Marilyn were guests in the NewsCenter 4 studio. Marilyn's kidney problem had been solved, thanks to modern medicine.

HURRICANE TRIUMPH

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mrs. GRASSO. Mr. Speaker, coach Ken Kezer and his New Britain, Conn., High School Hurricane baseball team are champions once again. By defeating a valiant West Haven Club at Old Yale Field, 6-2, the Canes won their second Class AA State title in 3 years and capped a marvelous 21-2 season which will, in the words of the New Britain Herald, "Go into the record books as one of the finest ever compiled by a Hurricane baseball team."

The final game was closer than the score indicates, and New Britain had to prove its mettle time and time again in crucial situations. Senior pitcher Don Fusari worked out of numerous predicaments. At one point, with two men on base, he struck out three West Haven batters on nine pitches.

This was after Coach Kezer came to the mound and, pointing to his heart, said:

> You got it here. . . Show 'em you got it.

Fusari showed them.

The turning point of the game came in the sixth inning. The Hurricanes were again in the field, trying desperately to hold a one run lead. With two outs and the bases loaded, a West Haven hitter laced a Fusari pitch toward the gap between right and center field. New Britain hearts stopped as right fielder Kevin Moradian raced for the ball, dived with glove outstretched, and caught it. Once again, the Hurricanes had held on. They added three runs before the game ended, insuring victory.

As sports editor John Wentworth of the New Britain Herald put it:

> It was a very special occasion, his affair at Old Yale Field.

For Coach Kezer, the championship merely provided more testimony to his remarkable coaching prowess. For the team seniors, it meant a sensational ending to an already spectacular three year career. And for the underclassmen, it represented a promise of things to come.

Heartiest congratulations to the students of New Britain High School for establishing a rich winning tradition and a proud team spirit which will continue for many years.

URGES STUDY OF FAST BREEDER NUCLEAR REACTOR PROGRAM

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASPIN. Mr. Speaker, a bipartisan coalition of 38 House Members has joined me in urging the Environmental Protection Agency to undertake additional economic and environmental studies of the controversial fast breeder nuclear reactor program.

Recently, the EPA canceled plans to sponsor outside research on the relative costs and benefits of fast breeder reactor, even though EPA rated the draft environmental impact statement on the fast breeder reactor prepared by the Atomic Energy Commission "inadequate."

Mr. Speaker, the original contract was canceled after pressure was exerted by the infamous Office of Management and Budget, the Atomic Energy Commission, and some congressional proponents of nuclear power. The administration and the AEC are desperately trying to avoid any independent evaluation of the fast breeder reactor program.

A fast breeder reactor produces more nuclear fuel than it consumes while generating electricity. Mr. Speaker, I believe that there are serious economic and environmental questions which must be resolved before an irreversible commitment is made for the commercial development of breeders. It is not clear that a fast breeder reactor is either environmentally safe or economically sound. I frankly fear that the fast breeder reactor will in the long run be a more expensive method of generating electricity compared to conventional methods. Environmentally, there are serious questions about plant safety, the possible leak of radioactive materials, and even the theft of plutonium by terrorist groups to make homemade nuclear bombs.

The 38 of us have written to EPA Administrator Russell Train asking him to move forward on a proposed $85,500 contract for an outside group to independently evaluate the economic and environmental impact of the nuclear fast breeder reactor. The fast breeder reactor program is such a far-reaching change in the way we generate power that independent evaluation must take place.

The letter follows:

June 24, 1974.

Hon. RUSSELL E. TRAIN,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. TRAIN: We are writing to express our support for a strong and independent EPA role in the evaluation of the AEC Breeder Reactor (LMFBR) program and its Environmental Impact Statement. Given the potential for environmental hazard posed by LMFBR development and the serious omissions and deficiencies in the draft statement, we fully support the "inadequate rating" determined by your agency. Questions concerning the safeguarding and toxicity of plutonium, reactor safety disposal and alternatives must be answered prior to full-scale commitment to Commercial Breeder development and before an Impact Statement can be considered adequate.

The potential environmental and social impact of a "Breeder Future" necessitates that the EPA evaluation of the final Impact Statement be thorough, and comprehensive. We therefore urge the EPA to appropriate the use of agency funds for consultation studies deemed essential. We are deeply disturbed that the AEC, the Office of Management and Budget and others have pressured the EPA to drop its proposal for an $85,000 outside cost-benefit study. This sum is a modest expenditure given the multibillion dollar price tag of LMFBR Research and Development.

We therefore request that your agency proceed with its original plan to have outside experts assess certain aspects of the costs and benefits of the Breeder Program.

The Breeder Program must stand the test of public scrutiny and must not be sheltered from federal agency criticism. The EPA must be free to make its own determination and present its conclusions to the public.

We hope to continue our effort to support your agency's thorough and independent evaluation of the Breeder Program.

Sincerely,

LES ASPIN,
Member of Congress.

And for: Hon. Bella Abzug, Hon. Herman Badillo, Hon. Jonathan Bingham, Hon. John Brademas, Hon. George Brown, Hon. Cardiss Collins, Hon. Lawrence Coughlin, Hon. Ronald Dellums, Hon. Don Edwards, Hon. Dante Fascell, Hon. Edwin Forsythe, Hon. Donald Fraser, Hon. Ella Grasso, Hon. Gilbert Gude, Hon. Lee Hamilton, Hon. Ken Hechler, Hon. John Heinz, Hon. Elizabeth Holtzman, Hon. Jack Kemp, Hon. Silvio Conte, Hon. Alan Steelman.

Hon. Edward Koch, Hon. William Lehman, Hon. Clarence Long, Hon. Ralph Metcalfe, Hon. Joe Moakley, Hon. Robert Nix, Hon. David Obey, Hon. Wayne Owens, Hon. Peter Rodino, Hon. Benjamin Rosenthal, Hon. Edward Roybal, Hon. Paul Sarbanes, Hon. Patricia Schroeder, Hon. John Seiberling, Hon. Pete Stark, Hon. Louis Stokes, Hon. Jerome Waldie, Hon. Lester Wolff, Hon. Robt. Tiernan, Hon. Gerry Studds.

WYOMING CONSERVATION LEADERS

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, on June 27, 1974, two outstanding citizens from the State of Wyoming, Mrs. Margaret E. Murie and Mr. Thomas A. Bell, will be honored by the Department of the Interior in being awarded the Conservation Service Award, the highest honor given by that department to nonemployees for distinguished service to our Nation in the field of conservation.

The citations signed by Secretary of the Interior Rogers C. B. Morton read as follows:

Citation for Conservation Service—Thomas A. Bell—in recognition of many years of untiring service as conservation leader and writer in the fields of wilderness, wildlife and public land management; Citation for Conservation Service—Margaret E. Murie—in recognition of outstanding devotion and leadership in the preservation and conservation of our nation's wildlands.

Lecturer, conservation consultant, naturalist and author Mardy Murie has spent her life in the West. Born in Washington, the boundless opportunities nature afforded her were studied, cherished, and served as the basis for her lifelong pursuit of preserving the beauty and the stature of the many acres in our Nation that are of inestimable value in their natural state.

Married to the late Dr. Olaus J. Murie, a noted biologist with countless awards to his credit, Mardy was able to continue her unswerving interest in the land, and together they became a top notch team, coauthoring such books as "Two in the Far North" and "Wapiti Wilderness."

In 1967, Mardy Murie was named a distinguished alumnus of the University of Alaska, where she was the first woman to graduate, and the only graduate of the class of 1924. She is an honorary life member of the Sierra Club, an honorary member of the Wyoming Press Women Club, and a long-time member and consultant to the Wilderness Society. She is also a member of the National Audubon Society, the Federation of Western Outdoor Clubs, and the Society of Woman Geographers.

Editor-reporter Thomas A. Bell, is a native of Wyoming and a distinguished veteran of World War II. Following the war, like so many of us, Tom Bell returned to school, the University of Wyoming, where he received a master's degree in botany. Upon graduation, Tom became a biologist with the Wyoming Game and Fish Commission and was assigned as manager of the Ocean Lake facilities near Riverton, Wyo. He soon went into business for himself, buying a ranch by nearby Lander.

While ranching, Tom Bell accepted the position of executive director of the Wyoming Outdoor Coordinating Council, and began writing columns and feature articles for the Wyoming Wildlife Federation. His interest and expertise grew, and finally Tom sold his ranch and founded one of the Nation's leading environmental biweekly newspapers, "High Country News."

Awards are nothing new to Tom Bell. He was the first recipient of the Rocky Mountain Center on the Environment's Communication Award, has been honored with the American Motors Conservation Award, and has received numerous recognitions within Wyoming. Tom also holds the positions of past president of the Wyoming Wildlife Federation and past executive director of the Wyoming Outdoor Coordinating Council.

Mr. Speaker, I commend these two individuals who serve as leaders and examples of the most favorable sort in their field of conservation. I laud them personally, because I know first-hand of their sincerity, their untiring work, their unswerving ideals in the cause whose banner they carry. I congratulate Mardy Murie and Tom Bell for recognition well earned and well deserved.

TWENTY DAYS IN OCTOBER

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. LONG of Maryland. Mr. Speaker, a recent article by Marvin and Bernard Kalb in the June 23 New York Times magazine, entitled "Twenty Days in October," constitutes a startling revision of the previously held belief that the United States moved instantly, quickly, and decisively to provide Israel with the arms it needed to defend itself during the Yom Kippur war. The Israeli Government has even been quoted in the past as expressing gratitude for U.S. help, saying that this help was immediately forthcoming and delivered without prodding.

But, according to the Kalbs, the contrary seems to have been true. The United States dragged its feet for an entire week before beginning the massive airlift Israel needed to replace its staggering losses. Indeed, the Kalbs suggest that supplies of planes, tanks, ordnance, and electronic equipment might not have been forthcoming even after a week's delay, if the administration had not feared severe political repercussions both abroad and at home.

Excerpts from this article follow:

TWENTY DAYS IN OCTOBER

(By Marvin and Bernard Kalb)

Early on the morning of Monday, October 8, as the war picked up momentum on both fronts, Schlesinger met with his top aides and, according to reliable sources, rejected a request that Israeli planes be allowed to land in the United States to pick up ammunition and spare parts. Israel's General Elazar had predicted that morning that his forces would soon go on the offensive, but his prediction was based, in part, on the expectation of increased American supplies.

In the afternoon (October 11), Kissinger himself again urged Schlesinger to charter 20 American transport planes to fly supplies and again Schlesinger resisted, warning of a possible oil embargo. Their argument was resolved only after Kissinger had won the President ordered Schlesinger to charter 20 planes; but by the end of the day Dinitz still had heard nothing of the airlift, and Israel, meanwhile, was still suffering heavy losses.

At 6 P.M., Friday (October 12), Dinitz accompanied by General Mordechai Gur, then Israeli Defense Attache, finally got his meeting with Pentagon leaders. Dinitz reviewed the massive Soviet contribution to the Arab cause and then lamented the "unbelievably slow response of the Americans." Schlesinger did not dispute the Ambassador's rundown, but he explained that "political considerations" had caused the United States to "slow down." The U.S. did not want to destroy its "position and image in the Arab world." Private airline charter companies feared Arab terrorism or reprisals and therefore refused to help Israel. Insofar as United States military transports were concerned, Schlesinger carefully emphasized that they would be permitted to carry military supplies to the Azores Islands, but no further. Israel would have to make other arrangements to get the supplies from the Azores to Tel Aviv. Dinitz was flabbergasted. He said, in that case, the supplies wouldn't get to Israel "in time for this war."

(Friday night, October 11, Israeli Ambassador Dinitz, in a meeting with Kissinger) "If a massive American airlift to Israel does not start immediately," Dinitz emphasized, "then I'll know that the United States is reneging . . . and we will have to draw very serious conclusions from all this."

Dinitz did not have to translate his message. Kissinger quickly understood that the Israelis would soon "go public" and that an upsurge of pro-Israeli sentiment in the United States could have a disastrous impact upon an already weakened Administration.

At 10:30 (Saturday morning, October 13), the President summoned all his top advisers to an emergency meeting at the White House. Kissinger had alerted Nixon to the need for an unambiguous Presidential order launching an American airlift of supplies for Israel. Kissinger, in his dual capacity as national security adviser and Secretary of State, joined Schlesinger, Moorer, Haig, Colby and other officials. They heard the President ask one key question: Why had there been a delay in implementing his previous orders about supplies for Israel? Schlesinger tried to explain his difficulty in chartering civilian transport. "To hell with the charters," Nixon exploded, according to one eyewitness. "Get the supplies there with American military planes! Forget the Azores! Get moving! I want no further delays."

By 3:30 P.M. (October 13) Dinitz was informed that a fleet of larger C–5's had just left the United States for Israel. The Ambassador cabled Mrs. Meir that "a massive American airlift" had begun.

STEEL PRICE HIKES

HON. JOHN N. HAPPY CAMP

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. CAMP. Mr. Speaker, Monday morning Bethlehem Steel Co., the country's second largest steel mill, posted base price increases of from 5 to 15 percent on almost its entire product line.

When the events of the recent past are examined closely, it becomes apparent that what we are really talking about is a 40-percent increase in most steel costs since March 7. Let us take a look at what has happened in 4 short months.

In early March of this year, the Cost of Living Council finally OK'd an 8-percent increase in steel prices, after denying this request in December 1973 and February 1974, as inflationary and unwarranted. I understand, by the way, that 8 percent is a normal annual increase in steel prices. However, the expiration of the economic stabilization program on April 30 found the steel mills ready with another sizable price increase of about 10 percent, coupled with word that the extra fees charged for certain sizes of steel would be raised later in the month. On May 20, the extra charges were hiked, causing construction steel costs to rise some 10 percent. Monday's announcement by Bethlehem, which brings its prices up to those of the other major companies, brings the total percentage increase since March 8 to approximately 40 percent.

To get an idea of what this will mean to the steel mills' customers, let us look at price comparisons between March 7 and June 24 on some of the basic steel used in the construction business. All figures given are for steel plate sized three-eighths inch by 84 inches by 53 feet.

	Per hundredweight		Increase	
Grade	Mar. 7, 1974	June 24, 1974	Per ton	Percent
A36	$9.30	$12.95	$73	39.2
A588	12.00	16.25	85	35.4
A441	10.15	14.85	94	46.3
A572	9.85	14.35	90	45.6

The prices quoted above are Bethlehem's and, as I said, their action Monday brings their prices in line with the other majors.

Let me point out, too, that the smaller steel companies have kept pace with the majors' prices and, in fact, the so-called mini-mills have maintained a $1.17 margin per hundredweight above the majors' prices, an increase in their prices of about 55 percent in a 13-month period.

In the steel business, Mr. Speaker, the metal fabricator agrees to buy steel from the mill at whatever the going price is on the day the steel is shipped. Since all the mills have this policy, there is no way to be sure that steel costs will not rise before delivery is made.

On the other hand, the metal fabricator in dealing with his buyers customarily contracts to deliver goods at a certain, fixed price. Thus we have a situation where unexpected increases in costs brought on by a hike in basic steel prices cannot be recovered by passing these increases along.

It is easy to see then where a company's backlog of orders could bankrupt it, given staggering steel price increases like the one announced Monday. In fact, according to informed sources, one company is facing an increase on one job of some $450,000 on just the steel produce purchase cost alone. Another job will cost this same company an additional $650,000 in unanticipated costs as a result of Monday's action. That is over a million dollar increase in costs on just two jobs, Mr. Speaker, and I would venture to say that this kind of a situation will not be unusual.

Mr. Speaker, the fact is that if steel prices continue to rise at the rate they have over the past 4 months, not only are many of our metal fabricators going to be in real trouble, but, ultimately, every consumer in the United States is going to be forced to pay for increased costs with the purchase of any product containing steel.

LET US CONCENTRATE OUR NATION'S EFFORTS ON SAVING THE LIVES OF INFANTS WITH BIRTH DEFECTS, NOT IN RATIONALIZING ALTERNATIVES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. KEMP. Mr. Speaker, no right is more precious than the right to life.

It would not need stating—except for in this day and time too many miss the point—that there are no other rights for an individual if there is not the right to life.

Recent hearings by the Subcommittee on Health of the Senate Committee on Labor and Public Welfare—popularly known as the Kennedy subcommittee—have brought to public light the growing willingness of some hospitals—even some parents—to allow children born with birth defects to die. These newborn babies are simply not provided the medical assistance and support systems necessary to correct the deformity or to sustain life.

To me, the disclosures made before the Kennedy subcommittee are right out of the pages of "Brave New World" and "1984"—out of that once far-distant future of degraded human existence which we thought we would never live to see.

There appeared in last Sunday's edition of Parade magazine a highly informative article on new surgical techniques being used to save infants born with birth defects.

Instead of adopting an elitist philosophy of individual or team judgment as to who shall live and who shall die, the doctors developing the techniques described in that article—and using them—are commited to using every technique known to modern medicine—and inventing some new ones in the process—to save these infants' lives.

Here is where we should be spending our research dollars—in helping these men and women of medicine develop and use techniques for saving lives—not in some bizarre fetal-experiment programs. That is why I voted for the successful amendment to prohibit the use of Federal funds for such fetal-research experimentation programs.

Here is where we should be spending our taxpayers' dollars—in saving these babies' lives—not in allowing the use of Federal funds for abortion—which would have been allowed by the recent legal services and community action bills. That is why I voted for the successful amendments to prohibit the use of those taxpayers' funds for abortions.

Mr. Speaker, I urge the Kennedy subcommittee—and all the Members of both the House and Senate—to insure that an adoption of national policy be directed at saving lives and in using our Federal tax dollars for such a commitment. Here, surely, is the direction in which we should be moving.

I commend this article to your attention:

A SECOND CHANCE AT LIFE: NEW SURGICAL TECHNIQUES THAT SAVE INFANTS

(By Jonathan Braun)

Joey was born in a New Jersey hospital at 3:30 a.m., weighed about 5½ pounds—and was in danger of losing his life.

X-rays showed that his esophagus, instead of leading from his throat down to his stomach in one long continuous tube, was in two segments. The upper part ended somewhere in his chest, while the lower end joined his trachea.

"Esophageal atresia," was the diagnosis, a common—but potentially deadly—birth defect. Survival meant it had to be totally corrected within hours.

It was—and today, Joey is a normal, healthy 4-year-old. Like thousands of other children, he owes his life to a medical specialty known as minisurgery—surgery on the very, very young.

Using incredibly delicate techniques, doctors have operated successfully on premature infants weighing slightly over a pound. Some operations have been conducted less than an hour after birth.

Nearly every American university hospital and children's hospital has become a center for minisurgery—and hospital physicians in any given area are familiar with their nearest center.

Right after Joey's illness was diagnosed, a call was put in to New York Hospital-Cornell Medical Center. Head pediatric surgeon Dr. S. Frank Redo listened as a New Jersey doctor described the baby's condition. "Get him here as soon as possible," said Dr. Redo.

AMBULANCE TO "ISOLETTE"

Joey was placed in a special incubator for the 40-mile ambulance ride to New York City. Upon arrival, he was transferred to an "isolette," a Plexiglas-covered incubator on wheels, with "portholes" through which staff members can perform blood transfusions, administer oxygen and give other emergency services.

Just six hours after he was born—after undergoing blood tests and additional X-rays, Joey was operated on by Dr. Redo and a team of skilled assistants.

The operation, which connected both ends of the infant's tiny esophagus, was a complete success. There was a time, however, when babies born with esophageal atresia—as well as countless other birth defects—were almost certain to die.

NOTHING IS ROUTINE

"Minisurgery is a relatively new field," says Dr. Redo. "Operations that were considered tremendous undertakings 20 years ago are now relatively routine, although with these cases nothing is really routine."

The concept of major, lifesaving surgery on infants had its beginnings in the late 1930's at Boston Children's Hospital. There, great advances were made by an almost legendary group of pediatric surgeons trained and led first by Dr. William E. Ladd, then by Dr. Robert E. Gross.

According to Dr. Redo, "The Boston group's real accomplishment was the realization that the infant is not just a little adult—that the infant has its own special problems and requires a good real of special care before, during and after the operation."

Pre-operative care is vitally important in minisurgery, especially, as in Joey's case, when the patient has to be transported from one hospital to another. Says Dr. Redo: "Probably the most significant development in surgery on premature and high-risk newborn patients has been the perfection of transport techniques such as those perfected by our unit."

"The idea is to get the baby safely to the regional center while maintaining the highest quality care," explains Dr. Alvin Hackel, who manages a West Coast interhospital transport system at the Stanford University Medical Center. "When we get a call from one of our 55 referral hospitals we usually dispatch a team consisting of a nurse and at least one highly trained specialist. After consulting with the other doctors, our people take over responsibility for the baby. This is the critical point—from then on the quality of care must be maintained."

FLIGHT FOR LIFE

On their first day on earth, some infants fly over 300 miles to get to Stanford. Many are brought by helicopter to a heliport only 700 feet from the emergency room entrance. Others are brought by airplane, then transported by ambulance.

"The transfer between hospitals should be as quick as possible since complete intensive care is not possible until the baby is at Stanford," says Dr. Phillip Sunshine, program director of the university's Premature Research Center. "The ideal traveling time between hospitals is less than one hour."

Since infants lack the ability to ward off cold and maintain a stable body temperature, they must be transported in a neutral thermal environment. The Stanford transporter provides a comfortable temperature through use of radiant heat warmers, a principle adapted from the Apollo space program.

SAFETY DEVICES

The transporter also has an oxygen ventilation system with a two-to-three-hour oxygen supply, battery-powered monitors for heart rate, fluid intake, blood pressure and temperature; portable rechargeable battery units for the system; and a stabilizing unit to prevent injury to the minipassenger during sudden changes in speed or altitude.

But rapid efficient transportation from outlying hospitals to better equipped and staffed regional centers is only part of the story. For one thing, infants require more precise diagnosis than adults. They obviously cannot explain anything about their condition; even more importantly, though, they are often so weak that their lives can be threatened by merely subjecting them to too many tests. "We make a special point of limiting diagnostic studies on these babies," says Dr. Redo. "We only do whatever is necessary to verify that the patient is in need of surgery."

Intensive care for the newborn includes careful monitoring of all their responses. Babies are extremely susceptible to bacterial invasion. Since fever, the standard adult trouble signal, is often absent, they can run deceptively normal temperatures with serious infections.

Because babies are physiologically very different from adults, they react differently—sometimes unpredictably—to drugs. Therefore, special infant drug doses must be based on superprecise calculations.

ANESTHESIA PROGRESS

The same holds true for anesthesia, and much of the progress in minisurgery can be traced to advances in this area. Special masks about the size of telephone mouthpieces have been created to administer anesthesia to babies.

Other surgical tools have also been cut down to meet infant needs. The minisurgeon's scalpel, for instance, has a normal handle, but a blade less than a half-inch long; and some test tubes used for newborns are no larger than drinking straws.

Some minisurgeons wear special eyeglasses—and even use microscopes—to magnify baby body structures that are barely visible to the naked eye.

Even structures that can be seen are incredibly small. The liver of a newborn infant, for instance, is just 1/20th as big as that of a 5-year-old.

But while minisurgery calls for scaled-down instruments, it requires giant-sized surgical skill. "The minisurgeon needs special training and understanding," says Dr. Redo. "He has to be careful, yet quick. He has to handle tissues with extreme delicacy; and he has to be ready for a variety of problems, because no two cases are exactly alike. In minisurgery, as with surgery on adults, there are standardized approaches, but the actual steps in each operation can be very different. Above all, the minisurgeon has to be thoroughly prepared for surgery that is always of an emergency nature."

Probably the most dramatic and revolutionary minisurgery technique is the use in open-heart surgery of a kind of suspended animation called deep hypothermia. Using icebags and a refrigerated bed, doctors drastically lower the patient's temperature, then stop the heart with an injection of potassium solution. At this point, the patient is legally dead—with no heartbeat, circulation or reflexes, and no electrical signals coming from the brain. While the patient's body functions are temporarily frozen, the surgeon is free to operate without the risk of heavy bleeding or the obstacle of a pulsating heart muscle.

NO DAMAGED BLOOD CELLS

Another great advantage of deep hypothermia is that it eliminates the need for the heart-lung machine, which has made open-heart surgery possible by keeping blood circulating during surgery. In infants, however, the machine, if used throughout an operation, can damage blood cells that no critically ill baby can afford to lose; it also requires several clamps, tubes and connections that further limit the tiny area in which the surgeon works.

The new "icebox" surgery is saving many of the thousands of babies whose lives are in imminent danger each year because of defective hearts.

"We now do complete corrections I would have thought not possible five years ago," says Dr. Robert L. Replogle of the University of Chicago's Wyler Children's Hospital.

A HEART STOPS

One of the leading specialists in deep hypothermia, Dr. Replogle, recently operated on a 5-month-old boy who was born with one lung artery connected to the aorta—the main artery to the body—instead of the heart. The infant's heart was stopped for an hour while Dr. Replogle repositioned the artery. After the correction was completed, the patient was hooked up to the heart-lung machine for the first time. It pumped warm blood through his body, and immediately his heart came back to life.

At least one new diagnostic technique is also reducing the risk in infant heart surgery. Until now, heart disease in babies, as in adults, was diagnosed by catheterization—inserting a flexible tube through the blood vessels and into the chambers of the heart. The tube's progress is monitored by an X-ray as the pressure and oxygen content in the heart's chambers are both monitored. But cardiac catheterization can be a demanding and dangerous procedure with fragile infants on the verge of death.

So doctors are now using a much safer method called echocardiography, which uses high-energy sound waves that are transmitted through the patient's chest and bounced back from the heart, creating an echo picture on a special scope. Echocardiography is expected to be a valuable tool in pinpointing the problems of an estimated 50,000 babies born each year with heart disease, as well as 30,000 babies who are born "blue" because their blood is not getting enough oxygen.

EARLY DIAGNOSIS

"The diagnosis must be done as early as possible," says Dr. Aldo Castaneda of Boston Children's Hospital. "Eventually, we hope to perfect intrauterine diagnosis."

Recognizing a birth defect in an infant that has yet to be born is only one future goal in minisurgery. "There's no question that once the rejection phenomenon is licked even transplantation will someday be possible," says Dr. Redo. "Despite the great strides in this field, many problems still lack total solutions and a good deal of research is needed in several different areas.

"In many ways, minisurgery is still in the pioneering stage. As such, it's an exciting, challenging and gratifying field. You see, we give a baby a whole new life—only hours after its life began."

THE TIME FOR CAMPAIGN REFORM IS YESTERDAY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BADILLO. Mr. Speaker, the continued procrastination of the House in reporting out and voting on an election campaign reform act is unacceptable in this year of Watergate disclosures. The events of the past 2 years have convinced the American people that their Government has been subtly transformed into government by, of, and for special interests. By now the impact of wealthy contributors on Government policies is too well documented to allow us any excuse for delaying further on doing what we can to clean up Federal election campaigns.

The public wants campaign reform. The public expects it. There is now a national consensus for campaign reform everywhere in America with the single exception of the House of Representatives. Instead of cleaning up the Congress to give the voters a contrast to a White House in thrall to campaign contributors, we are witnessing the success of the same moneyed forces in their efforts to keep the doors of Government locked to all but selected special interests. The dillydallying on this top priority legislation is the best proof available that jurisdiction over election laws should be moved to the Ethics Committee as proposed in House Resolution 988.

Mr. Speaker, I want to make it clear to the American people that not all Members of Congress are adamantly opposed to cleaning up the conduct of election campaigns for Federal office. I am proud to be one of more than 150 sponsors of the Anderson-Udall clean elections bill and one of 30 sponsors of the Harrington bill to establish a public fund for Federal election campaigns and to provide strict guidelines for disclosure and expenditures.

The American people want and deserve an accounting for our views on campaign practices that are now held in universal disrepute. The Senate on April 11 approved a good campaign reform bill by a vote of 53 to 32. Many State legislatures have enacted election laws with teeth in them. Once again, the House of Representatives wallows along in the wake of the rest of the country.

Public financing of elections is not a giveaway. The real giveaway comes with sales of ambassadorships, preference in awarding of Federal grants and contracts, selected exemption from antitrust laws, increases in subsidy levels, and a thousand other sub rosa ways in which wealthy contributors can be rewarded.

Mr. Speaker, there is a great deal of agitation around here these days for reforming another branch of the Government. I suggest that we first set our own House in order. The New York Times put the case for election campaign reform succinctly in an editorial just prior to passage of a bill in the Senate. Let us hope that we are just prior to passage of a bill in the House. The article follows:

[From the New York Times, Mar. 27, 1974]

THE TIME IS NOW

Now is the time for a full and fundamental cleansing of the nation's outmoded, corrupt system of financing public elections with private money. Now is the time to break the stranglehold of wealthy individuals and of self-seeking interest groups over the nation's politics. Now is the time to bring into the open sunlight of public responsibility a system half-publicly regulated and half-secret. If Congress cannot reform the nation's politics in this sordid year of Watergate, when will there be a more opportune time?

The campaign reform bill awaiting action in the Senate is an admirable measure. It has bipartisan backing as well as support from ordinary citizens across the country. Senators Mike Mansfield, the majority leader; Robert Byrd, the majority whip, and John Pastore, the party's chief spokesman on this problem, have given the bill stalwart Democratic support. On the Republican side Senator Hugh Scott, the minority floor leader, has been out in front urging action on reform.

The heart of the bill is a sharp reduction in the size of private contributions and, as an alternative, an optional form of public financing. Opposition to this reform concept comes from diverse quarters. President Nixon is opposed. Senator James Allen, Alabama Democrat, who serves as Gov. George C. Wallace's agent in the Senate, is opposed. So are right-wing conservative Republicans led by Senators Barry Goldwater and Strom Thurmond. The biggest danger to the bill is the threat of a filibuster by Senator Allen with the backing of the Goldwater-Thurmond group. But this bluff can be called if Senators Mansfield and Scott remain firm in support of the bill.

As with any innovation, the advocates of reform are vulnerable to the criticism that they are attempting too much. But primaries as well as general elections need drastic improvement; in many one-party states, the primary provides voters with their only effective choice. It would make no sense to reform the financing of political campaigns at the Presidential level and leave House and Senate unreformed.

Rightly or wrongly, Congress as well as the Presidency suffers from a loss of public confidence in this Watergate season. The members of Congress will be making a serious miscalculation about their own political futures as well as the fate of the institutions in which they serve if they revert to business-as-usual. The people sense the need for reform, and the people's sense needs heeding.

The principles underlying the reform bill are simple: Presidential and Congressional primaries would be financed by matching grants. Thus, Presidential aspirants would have to raise $250,000 in private contributions of $250 or less before they qualified to receive the matching sum of $250,000 from the Federal Government. Like climbing steps in a flight of stairs, the candidate would qualify for another quarter-million dollars each time he raised the same amount privately. There would be an over-all limit of approximately $16 million, half public and half private, for each Presidential candidate in the primaries.

The same principle would apply to House and Senate primaries except that the limit on contributions would be lower—$100 or less—and each step in the staircase would be lower, $25,000 in Senate races and $10,000 in the House. In general elections, the matching principle would not apply. Candidates could finance their campaigns by public or private funds or any mix of the two as long as they stayed within an over-all ceiling.

The bill would not lock parties and candidates into a novel or rigid arrangement. Rather, it curbs the abuses of private financing and offers public financing as an alternate route to elected office. Since the old private route has become choked with scandal, it cannot—unreformed and unaided—serve democracy's need much longer. Now is the time to provide a public alternative.

WHY NO CLEAN CAR MOTOR?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. BROWN of California. Mr. Speaker, I wish to share with my colleagues an editorial from a newspaper in my congressional district. It concerns the actions by the administration and the Congress in dealing with the problem of automotive air pollution. I would only like to make one observation about the contents of the editorial, and that is that the EPA was not acting on its own accord when it decided to let the automobile manufacturers off the hook, but was heeding the will of both the majority views in Congress and the administration.

The editorial follows:

WHY NO CLEAN CAR MOTOR?

San Bernardino County's supervisors became more than a trifle upset last Monday. They became downright angry. Nobody can blame them, for they had something to be angry about.

So do the rest of us.

The supervisors, during a public hearing on new air pollution control proposals, expressed their anger against the federal government for failure to force the production of a non-polluting automobile motor.

Under discussion at the hearing were control measures to reduce hydrocarbon emissions from service stations. Vapors from filling auto gas tanks as well as from delivery of bulk supplies would be kept from entering the atmosphere.

The hydrocarbon reduction is estimated at only three tons a day, or about 1.5 per cent of total emissions in the county. At the same time, 182 tons of hydrocarbons are being emitted from moving vehicles every day.

Yet a truly clean car motor remains to be developed. And this the supervisors wasted no time in pointing out.

Every step that can be taken to reduce pollution of any type is worth taking even though it costs money. No one ever expected cleansing the environment to come cheap.

And anti-pollution regulations must be strict in their provisions and strict in their enforcement. No polluter should be permitted to continue so doing, within the bounds of technology, and reasonable amount of time to employ the technology and to absorb control installation costs.

This applies to the automotive industry and the car engines it produces. Nevertheless, the auto makers have been allowed to delay, to dally, to make implausible excuses. They have been given by the federal Environmental Protection Agency (EPA) extension after extension of the deadline to meet the requirement to manufacture a smog-free engine.

All that they have accomplished is to tack on devices to the same old engines, devices which can prove difficult to maintain and the effectiveness of which is still unproven.

It is admitted that the automobile is the primary polluter of the atmosphere. Eighty per cent of the eye-smarting, dirty brown muck that fills Southern California air, endangers health, kills or stunts plant life and causes discomfort, comes from autos.

So the automobile engine, as the chief culprit, should be the first target for air pollution control. Instead, the EPA appears ever willing to concentrate on other polluters and be far too lenient with car makers.

The supervisors and the county Air Pollution District are doing the best they can to wrestle with the problem of pollution control with the means available to them. But they can't make clean motors or exert any influence on manufacturers to produce clean motors.

Supervisor James L. Mayfield directed his anger at the Congress, which manifestly has the power to prod both the EPA and the auto industry.

"The blame is with 535 congressmen," he said at the hearing, "and I'm not going to sit here and be a fall guy for them."

Neither should the public.

Skies will never be completely free of poison—even if all stationary pollution sources are cleaned up—unless the problem of the dirty car motor is solved. They simply cannot.

Consequently, further delay in forcing the automotive industry to design the smog-free engine—and it can if it has to—must not be allowed. The EPA and the Congress better stop fooling around, get down to business and see that the car makers stop fooling around and get down to business.

THE NEED FOR AN ECONOMIC PLANNING BOARD

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. HARRINGTON. Mr. Speaker, some months ago, I inserted an article by Wassily Leontief in the CONGRESSIONAL RECORD, setting forth his arguments with regard to our need as a nation for a capacity to realistically plan various aspects of our development. Since that time, Senator NELSON has introduced legislation, which I introduced in the House as H.R. 15129, to at least begin to establish the kind of information system that will be the necessary first step in developing a planning capability.

An interview with Professor Leontieff appears in the July-August issue of Challenge, further elaborating on his views, and it seems to me his comments are sufficiently wise and timely that they deserve the attention of all my colleagues. Therefore, I would like to insert the interview in the RECORD at this time.

The text follows:

WHAT AN ECONOMIC PLANNING BOARD SHOULD DO

(Interview with Wassily Leontief)

Q. In your article in the *New York Times* of March 14, you comment on Herbert Stein's suggestion that we possibly should have a national planning board. You say: ". . . if in place of the powerless and understaffed Council of Economic Advisers we had had a well-staffed, well-informed and intelligently guided planning board, the mess in which the country finds itself today could have been avoided." This implies that great things can be expected of a planning board. What would a planning board be capable of doing and what would it not be capable of doing?

A. I do not think that planning is an easy and simple matter. Planning is possibly one of the most ambitious things society can undertake in the economic field, and one cannot expect instant success. The practical approach must be gradual. I would visualize that the first steps might consist simply of analyzing the operation of the economic system, simply of getting at the facts and presenting the picture as it evolves. But not in terms of a few general indices. There is too much emphasis nowadays on attempting to describe the state of the economy in terms of a few indices such as price level, employment, savings and GNP. There is also great pressure now to use social indices. I'm skeptical about the usefulness of very aggregative, essentially symbolic descriptions of the state of the economic system. It can be effectively explained only in terms of rather deep-lying details. For example, you cannot deal with various aspects of technological development, trends in different industries, and the now very fashionable problems of resources and pollution in aggregative terms. As a matter of fact, the problem of inflation cannot be dealt with in aggregative terms either. If you had inflation in which all prices and incomes moved in parallel, nobody would care. Actually inflation is a change in relative prices, not just in the average price level.

Q. You're talking about the question of information. What kind of information do we need? Or, to be specific, what kind of information does a planning board need to be effective?

A. I would like to describe and measure the flow of goods and services among all the different sectors of the economy, the state of equipment, the structure of the labor force, and prices in very great detail, so that looking at the entire picture, we would see what is happening in each sector, physically as well as financially. The planning board must have a detailed and at the same time fully integrated picture, not just disjointed pieces of information. It must know what is happening in the economy from day to day, month to month, and year to year.

Q. How much of this information do we have now?

A. When you say we, that raises a question. As a matter of fact, various people have access to separate chunks of the requisite data. Most of this information is in the hands of private businesses and public organizations which control a large part of our economy. The first and foremost task of the planning—or rather monitoring—board would be to fit together the pieces of this jigsaw puzzle so that a clear, detailed picture of the entire system emerges.

Q. If a planning board were in possession of this detailed information about the economy, what would it do with it?

A. Three years ago we might have discovered that our refining capacity was not sufficient to provide American users of various petroleum products with amounts they would like to buy at the existing prices.

Q. Certainly we were in possession of this information. We knew, or at least some people knew, that there was a coming shortage of refining capacity. So it isn't a lack of information that's at issue but a lack of reaction to that information. The government had that information. What would a planning board add to the picture?

A. Possibly some people spoke about it, but the word was never spread in precise, incontestable terms. A planning board would provide official information which everybody would have to pay attention to. And, of course, a planning board would not only provide information, but also draw conclusions about the future course of development, assuming inaction or alternative courses of action.

Q. There are other countries, such as France and Japan, that have large planning boards. Weren't they in possession of the information concerning the oil shortage? And if they were, why didn't they react to the situation? They were taken unawares; they paid the penalty of inaction just as we did, even though they had large planning boards.

A. As far as I understand it, Japan and Europe were not hit the same way we were. They were hit by the embargo of the Middle Eastern oil producers. We are hit not so much by the embargo as by the shortage of domestic refining capacity. That is why our petroleum industry tells us that we still have trouble even though the embargo has been lifted. Considering what happened in Europe when the embargo hit and what happened here when we experienced a small shortage, the comparison comes out very favorably for Europe and very unfavorably for us. Europe was really much less disorganized than we were.

Let me add this observation. I was rather amused to read about the encounter between Mr. Kissinger and French Foreign Minister Jobert in Washington last February. It was a peculiar situation. Mr. Kissinger was arguing for international planning while representing the country which does the least internal planning of any in the West, and manages the little it does in a most haphazard manner. If Mr. Jobert agreed to plan petroleum collectively and asked Mr. Kissinger to put his cards on the table, Mr. Kissinger wouldn't have any cards to put on the table. He has no power to control the internal situation, and, even if he had such power, the U.S. government has no factual information on the basis of which he could exercise power in an intelligent, systematic way. During my recent stay in France, I found a very good system of administrative and economic controls, backed up by a well-organized data system. The French government is much more aware of what is happening in the French economy than we are of what is happening in ours. So-called indicative planning has often been pooh-poohed. Actually, it provides the French government particularly the Ministry of Finance, with very detailed information and effective control over the French economy. So when Mr. Jobert essentially said, "Look here, we don't want to much international planning," I think he said it because he felt confident about France's ability to compete with other countries from a pretty firmly and rationally managed domestic base.

Q. That sounds a bit ironic after France suffered from the oil embargo. The implications of your previous remarks is that the best of planning within national boundaries has to be frustrated if that planning doesn't extend internationally. Countries that are heavily engaged in international trade are dependent on various commodities that they import, and if they can't rely on those, then the planning system is frustrated, is it not?

A. Yes, uncertainty about foreign supplies and outlets is undoubtedly important. But admitting that one operates in a world of uncertainty, one can avoid the pitfalls and take advantage of the changing international situation if one can operate from a well-managed domestic base. I think this is the attitude of Soviet Russia. Soviet Russia is known to operate quite effectively in the world market. Look at Soviet agriculture and large-scale industrial production. While the Russians are quite inefficient in the organization of production at the microlevel, they have the overall domestic economy rather well under control, and thus can take advantage of unexpected opportunities on the world markets. They can respond to changing external conditions much better than countries that are not well organized at home.

Q. Let's consider the Council of Economic Advisers (CEA). What are its shortcomings and what would you like to see an expanded planning board be able to do that the present Council of Economic Advisers cannot do?

A. The present Council of Economic Advisers is not in a much better position to know what actually is going on than any private academic economist with a small research staff. The information it has about the economy is summary and approximate, not much better than that possessed by a professor at Chicago or Harvard. The kinds of recommendations it can make are limited to the classical Keynesian variety. There are about three or four variables it can manipulate—the government budget in the aggregate, certain aspects of taxation, certain aspects of monetary policy—and that's all. When members of the CEA are asked for advice on some particular problem, they usually don't have the necessary information on hand. What they have to do is ask somebody to research the thing. The fellow who researches it possibly has three or four assistants and usually has to call up somebody on the outside. They don't have on hand as full a picture as, for example, the Ministry of Trade has in Japan, or Professor Malinvaud, the head of research in the French Ministry of Finance, has when he is advising Giscard d'Estaing.

Q. But if the Council of Economic Advisers has aggregative information about the economy, why does it need detailed information? Can't the operation of the market serve the regulatory function of bringing about balance in the detailed aspects of the economy?

A. The market is indeed a marvelous machine. It operates like a large automatic computer. As contrasted with amateurs who have only discussed them, anybody who has had practical experience with large automatic computers knows that these complex mechanisms break down a couple of times a day and that you must have repairmen standing around all the time fixing up this and fixing up that. The idea that you can feed a problem into the computer at five o'clock in the afternoon before going home and find the answer neatly printed out in the morning is quite incorrect. Experience with automatic computers shows that you cannot rely on them to solve all your problems automatically. By the same token, you cannot rely on the competitive economic system to solve all your problems automatically either. You need a very large crew of troubleshooters on a standby basis. And mind you, a repair crew must know exactly how an engine is constructed and how it operates.

Now this is much more than a superficial analogy. Many proponents of the "competitive solution" of all economic problems are as naive as those who assume that if you can get hold of an automatic computer, you can rely on it without any knowledge of what goes on behind those whirling discs inside.

Q. My understanding of cases where detailed planning has been attempted—and this could be either indicative as in France or imperative as in the Soviet Union—is that the lag in the connection of information, and the sheer weight of all the detailed information that has to be collected in attempting to direct the economy, makes this kind of computing operation just as bad as, if not worse than, the computing that the market itself does.

A. I have a feeling that simply bringing out a systematic, detailed description of the current state of economy and analyzing the figures could have very beneficial effects. The next step would be to collect information systematically about investment decisions, employment decisions, decisions about technology, and the like, made by private corporations as well as by all kinds of public bodies. I think that simply putting together such fully coordinated, systematic information, instead of relying on all kinds of casual surveys, would improve the efficiency of our system.

Let me say that if this country were to undertake such large-scale monitoring operations, we would go about it much more efficiently than many other countries do. Planning is a technical problem, and we pride ourselves—rightly so—on handling technical problems well. Observe what happened in the Soviet Union. From what I can see, the most successful planning in the Soviet Union is done in some of the Baltic Republics. There, the central planning boards seem to be quite effective in using modern computers and analytical techniques. Why? Because the cultural level of the entire population is higher and management operates with greater skill. America builds highways more efficiently, organizes industrial production more efficiently and does its marketing more effectively than other countries. Why shouldn't we be able to collect economic information and utilize it more efficiently too?

Q. Perhaps we should clarify whether you're advocating imperative planning or indicative planning for the United States.

A. At the present time, I would not advocate imperative planning for the United States except in those areas in which we already have a great deal of governmental regulation. In fields like communications, transportation, and agriculture, which are already subject to direct government action, with better information and more systematic analysis, such guidance would be much more effective than the kind of ad hoc, uncoordinated operations the government is conducting now.

It's quite understandable that business does not like any type of outside intervention. Business, however, is not as delicate a flower as its spokesmen would like us to believe. The implication is that if you just breathe on it in the wrong way, it will wilt. No, private enterprise is robust and it will pursue profits if there are any to pursue. You may restrict its freedom in one way or another, but as long as there is a gleam of profit at the other end of the narrow tunnel, business will pursue it. So I'm not afraid that regulation will cause business to give up. It will use all its imagination, capacity, and drive to function effectively within the limits imposed by public authority.

Q. You've raised several questions. First of all, about indicative planning. If you take the case of France, the Commissariat au Plan does make detailed information available, but the fact is that the information is often disregarded by industry. I believe Renault at various times has exceeded the projections for production in the automobile industry. Doesn't this undermine the value of indicative planning? As a matter of fact, I've heard it argued that indicative planning in France has not been successful, that it's the bullying behind the indicative planning that has been successful.

A. Oh, yes, I'm not against bullying; but you can bully much better if you know what pitfalls are to be avoided and in what direction you want the economy to go. I realize full well that it will not be easy to be a little more systematic in directing our complex economy. In the beginning the results won't be very brilliant, but conditions will be even worse if we go on muddling through as we're doing now.

Q. Another point I want to ask you about. I don't understand your praise of Soviet planning when at the same time you say that profits should be the indicator of business success. The Soviets have quite a few other indicators besides profit, and this really creates a muddle of red tape and inefficiency.

A. Nothing is further from my mind than the notion that the profit motive, or, in a wider sense, self-interest, can be replaced by centralized decision making. The profit motive is the wind that fills the sails and propels the vessel. The helmsman knows how to use the rudder to make the vessel move in the direction in which he wants to go. Milton Friedman repeats again and again that the profit motive is the powerful driving force that moves our economy, and I agree. But he also insists that we abandon the vessel to the whim of the wind, and let it go in the direction in which the winds happen to be blowing. Follow his advice and the ship will very quickly land on the rocks. I say: use the profit motive, but control it to move the economy in the direction you want to go. And to fix your course, you must have maps and charts.

Q. All right, let's go back to France. The French have indicative planning, but they haven't succeeded in doing anything about inflation. Is this beyond the powers of a planning board? What can a planning board do and what can it not do?

A. Among the so-called free nations, Japan and France have used a kind of indicative planning for the longest period of time. Both are among the fastest moving countries. The spectacular sustained growth of Japan is well known, and in recent years France has been the fastest growing economy in Europe. This does not prove, of course, that planning was the cause of prosperity and growth. But certainly planning didn't prevent it; I think it helped.

As far as inflation is concerned, my view is that inflation is quite unavoidable in free exchange economies. The Keynesian prescriptions essentially enhanced the rate of inflation. Nobody can stop inflation unless the whole economic system is changed in a drastic way. The only country in which I have seen no sign of inflation is China. Why? Because there obviously the entire monetary mechanism plays a minor, subordinate role, and the operations of the economy are guided by direct physical controls. In modern economies where money plays a major, active role, there's a ratchet effect. Nobody ever likes to reduce prices. Whenever relative prices get out of line, those that are low, relatively speaking, go up. Inflation seems to be an unavoidable feature of the system.

Q. This greatly curtails the power of the planning board in Western countries, does it not, because inflation is very disruptive.

A. We can discuss how disruptive inflation is. It would be most desirable to have no inflation, but there are other things in the economy which can be equally or even more disruptive than inflation. The long-standing claim of economists that they knew how to control inflation is an empty pretense. By now most of us agree that we don't know how to make good the claim. The steady, long-run, upwardrising trend is impossible to control because of the ratchet mechanism built into our social-economic system that makes it advantageous to create money—advantageous, that is, despite all the protestations to the contrary, to some of the most powerful and important groups in our society.

Q. Should we be willing to live with inflation?

A. I suppose we will live with it whether we are willing or not. We might as well be willing. Not that I like it very much. But one reason why economists are in such disrepute is that they have pretended to understand inflation and to know how to control it when obviously we do not.

Q. What is the mix between planning and the market that you think would be appropriate in a country like the United States?

A. One must proceed empirically. First of all, one must secure a solid data base—a map describing the terrain. One must create a governmental body with enough resources and sufficient power at its disposal to collect and analyze these data. This task cannot be carried out without close cooperation with industry and labor. Planning can be introduced only step by step, starting with the fields in which the government already is heavily involved, such as taxation, environment, transportation, and now, obviously, energy.

Q. How would a planning board determine priorities?

A. I happen to be very skeptical of the idea—which many theoretical economists advance—of a national "objective function," defining national goals as a well-ordered set of national priorities. By analogy with an individual "utility function," it supposedly could provide a guide to fine-tuning economic decisions. I don't think that an economist qua economist has any more competence to choose national goals than any other citizen. What an economist should be able to do, however, is to outline the choices. If a friend were to invite me to dinner in a restaurant and say, "Wassily, will you please describe your tastes to me so that I can order the appropriate dishes?" I would reply, "Never mind the description of my tastes. Just show me the menu and I will select the dishes myself."

Q. So the priorities are determined by a political process.

A. Absolutely.

Q. If you invite the participation of both business and labor, you are going to have conflicts over the plan.

A. Certainly you will have conflict. We have conflict now, only at the present time it's resolved by a kind of cheating process. Politicians and even economists make promises which they cannot possibly fulfill. We should at least be able to present feasible—that is, practical—alternatives.

Q. Would the planning board simply play a passive role in drawing up a menu? Or would it have the power to decide what hors d'oeuvres you're going to have?

A. Just as with tax legislation, the final decision has to be made by the Congress. The choice of the measures or the course of action designed to achieve certain objectives should definitely not be within the competence of the planning board. The planning board, after analyzing the situation, should present the government, and ultimately the public, with a set of feasible alternatives.

Q. At present we have the Council of Economic Advisers, the Federal Reserve, the Office of Management and Budget, and the Treasury. Would you combine their powers in some way or would you leave them alone?

A. I believe that the adversary procedure which dominates in Washington in all fields, including economics, is ridiculous. Whenever an economic decision has to be made, the ascertainment of the facts is left to experts representing different groups of people with mostly opposing interests. Each expert is expected to present the facts conducive to the acceptance of the goals of his political or economic backers.

I would concentrate the fact-finding function as much as possible in the hands of an overall organization, call it a planning board or the fact-finding arm of the planning board, and put it under a bipartisan committee of the Congress or even make it independent like the Supreme Court. Let other departments make the specific practical proposals, utilizing the same basic factual information as much as possible.

The trouble is that we prepare the factual analysis on which to base the choice between alternative courses of economic policy in the same way as the two opposing sides prepare their evidence for adversary court proceedings.

Q. But as long as we have competing interests in our society, we're going to have advocates within the government for those interests. You don't suggest that we can sidestep that, do you?

A. Absolutely not. I try to be extremely practical and I know we will always have contesting interests. However, I think we can begin to establish certain rules of the game. Let them push for their particular solutions, but let us at least ascertain that each of these solutions can really be implemented in practice. As things stand now, each of the opposing interest groups usually promises results that an objective analysis of the situation would show to be unachievable.

Q. Just one last question. What would be the length of the planning period? Would a planning board plan both for the short range and the long range?

A. I would be inclined not to meddle with the short range. However, the information which a planning agency possesses should be put at the disposal of anybody who makes short-range decisions. Describing the alternative possibilities, I would center attention on the medium range, that is, three to five years, and the long run, say, ten to twenty years and beyond. The latter is particularly important because the effect of many of the most critical economic decisions taken now will surface only during our children's lives or the lives of our children's children.

PITTRON'S SILVER ANNIVERSARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. GAYDOS. Mr. Speaker, I was privileged to participate in a recent observance of the 75th anniversary of one of southwest Pennsylvania's oldest and most successful industrial plants—Pittron of Glassport, Pa.

The 3-day event, June 7 through June 9, was hosted by Mr. George V. Hager, president of Pittron, and had as its theme: "The Value of the Person in Industry." Several prominent figures in management, labor, and government took part in the proceedings.

Among them were men of such caliber as Mr. D. C. Burnham, chairman of Westinghouse Electric Corp., the keynote speaker; the Honorable Ernest P. Kline, Lieutenant Governor of the Commonwealth of Pennsylvania; Dr. Don Nobers of the Beaver-Butler Mental Health Center; John S. Johns, vice president of USWA; Joseph Odorcich, director of District 15, USWA; Samuel L. Piccolo, president of Local 1306, USWA; Shelby Rowe, chairman of Civil Rights Committee, Local 1306.

Wayne T. Alderson, vice president of operations at Pittron; Don Mains, president and owner of Canton Malleable Iron Co.; Jack Weisgerber, director of communications, Pittsburgh-Wheeling Steel; the Reverend Gilbert Hoffman, superintendent of Pittsburgh District, United Methodist Church; the Reverend Edward Bryce, director, Peace and Justice, Diocese of Pittsburgh; the Reverend Dan E. Bastin, director, Urban Industrial Ministry.

Pittron's history in southwest Pennsylvania dates back to 1899 with the start of a steel foundry on the banks of the Monongahela River at Glassport. The plant, Pittsburgh Steel Foundry was destined to become one of the largest in the Nation.

Starting with 50 employees, the foundry grew rapidly in the early part of the century. It was incorporated in 1925 and during the peak of World War II, over 3,200 men were employed and up to 4,000 tons of casting were shipped each month. In addition to direct military work, the plant also produced castings for a duplicate set of locks for the Panama Canal.

In 1959 Pittsburgh Steel Foundry joined the Textron Inc. family and in 1968, because of its wide diversification of work, the company name was changed to Pittron. Its half-mile long plant on the original site is one of the largest and best equipped foundries in the world. Casting weights now range from 5,000 pounds to more than 200,000 pounds.

Pittron has attained a unique position in the metal working industry through a dedicated work force and management staff. Teamwork, unity of purpose, facility improvement and technical expertise assures Pittron's growth.

In dedicating a new park at the plant site, Mr. Hager set the tone for the future when he said it reflects the sincere interest of the company in improving the image of industry in society. Mr. Hager observed:

> Our interest in social, civic and cultural activities must and will be a continuing factor if we are to continue our role as a good neighbor in Glassport.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I extend to Mr. Hager, the officers and employees of Pittron, our congratulations on a memorable occasion and our best wishes for the future.

RESPECT FOR OUR NATIONAL ANTHEM

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WYMAN. Mr. Speaker, in my native State of New Hampshire, citizens almost universally stand up upon the playing of our National Anthem. Distressing however, this apparently is not the case throughout the country.

Perhaps those attending the theater do not feel it incumbent to rise at such time. That this offends some is shown in the excellent letter of protest submitted to the editor of the Shreveport Times by Margaret Chellman of Barksdale Air Force Base.

I commend Mrs. Chellman for the quality of her objection and for taking the time to translate something she felt in her heart into words and acts directed toward "doing something about it."

The letter follows:

EDITOR,
Shreveport Times, Shreveport, La.

DEAR SIR: I had a very upsetting experience last evening, that I think should be shared with all. My husband and I were attending the Broadmoar Theater; I went into the theater while my husband bought some candy. Upon entering, I heard the Star Spangled Banner our National Anthem being played, and to my amazement *all* those in the theater were seated. I walked in and said didn't anyone knows that one was to stand when the National Anthem is being played. At this I received many turned heads; one gentlemen said "yes" and stood, after him 2 or 3 rows of people stood. Standing there I could not believe what I had seen.

I commend the theater for playing the National Anthem, it is one of the few who do so, but I could not understand the people. To these people I say "shame" and I pity them. Where is their love of country and respect for all it's symbols. Were they ignorant of the fact that they should rise, but surely they had all been to school, and when I attended this we were taught. Or was it laziness or a couldn't care less attitude? I shudder to think it is the latter, for if that is true something is very wrong. If we don't care and have respect for ourselves as a mation, then who will? We are a great nation and its people should be proud, but today most of our citizens can only find ways to tear this country apart. I believe what Lincoln said "united we stand divided we fall". After all, "we the people" make up this nation and what it stands for. Being patriotic is not being square, it is believing in a way of life and trying hard to make it work and being proud of our endeavours. If we err, it only proves us human.

I thank you for taking the time to read this letter. I hope somewhere, sometime you will take time to print something of the patriotic duties of a citizen.

Sincerely,

MARGARET O. CHELLMAN.

RESULTS OF PUBLIC OPINION POLL OF OHIO'S 17TH DISTRICT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASHBROOK. Mr. Speaker, tabulation of my 14th annual opinion poll of the residents of the 17th Congressional District of Ohio has just been completed. Once again the response was excellent. Hundreds of letters, notes, and marginal comments were included with the completed polls. I appreciate my constituents' response to the questionnaire as it is one more method of getting their views on a number of the issues facing this country.

The poll once again attempted to cover a wide range of domestic and foreign policy issues. As I have often said before, representing the people of the 17th Congressional District is a two-way street. Having the benefit of their views on the issues covered by this opinion poll, as well as thousands of comments on a variety of other topics, works to our mutual advantage.

1974 PUBLIC OPINION POLL OF 17TH OHIO DISTRICT

[Answers in percent]

1. Do you believe the energy crisis is: (Check one)

a. An artificial crisis, falsely created by the oil companies to increase their profits, 42.

b. A genuine crisis, for which the oil companies should not be blamed, 2.

c. A genuine crisis, caused by misguided governmental policies, 4.

d. A genuine crisis, caused by a combination of factors including international and political as well as mistakes of government and the oil companies, 52.

2. In face of the current and impending energy shortages, do you favor these possible courses of action?

a. Reduce Environmental Protection Agency air quality standards to allow increased burning of coal and/or atomic energy, 41.

b. Increase the domestic oil depletion allowance as an incentive for oil exploration, 16.

c. Deregulate the price of natural gas, 7.

d. Reduce new car emission standards, 29.

e. Ration gasoline by issuing Federal coupons, 4.

f. Control retail prices in the petroleum field, 30.

g. Roll back gasoline prices by law, 35.

3. Wage and price control legislation will expire on April 30th. Should the Congress: (Check one)

a. Extend the present legislation, 12.

b. Make wage and price controls tougher, 22.

c. Not extend because wage and price controls have failed to halt inflation, 62.

4. A national health program for all citizens: (Check one)

a. Should be established and operated solely by the Federal Government, 26.

b. Should be established by the Government but operated through private insurance and medical organizations, 39.

c. Should not be established, 30.

5. Would you favor a reduction of government services and a corresponding tax decrease? Yes 76, no 18.

6. In 1973, the Supreme Court ruled that abortion was legal in most circumstances when the woman and doctor approve. What is your opinion? (Check one)

a. I agree with the Supreme Court decision, 49.

b. I favor a constitutional amendment outlawing abortion except in cases of extreme potential health danger to the mother, 36.

c. I favor outlawing all abortion, 7.

d. I favor a constitutional amendment which will allow each state to decide on the abortion issue, 8.

7. Legislation has been considered at all levels of government to regulate land use. Which policy would you prefer?

a. Strong Federal restrictions on use of all land, 9.

b. Federal guidelines with control at State level, 34.

c. Local and State government control only, 50.

8. Should Congress restore the death penalty for the most severe crimes? Yes 80, no 17.

9. Should the United States convert to the metric system? Yes 30, no 61.

10. Should action be taken on a Federal level to comply with the report issued by the President's Commission on Marijuana and Drug Abuse calling for decriminalization of marijuana possession, but keeping penalties for sale of the substance? Yes 44, no. 48.

11. Should a newsman be required to testify in Federal court and disclose his sources of information on matters that jeopardize national security? Yes 52, no 45.

12. Do you approve of the "voucher concept" for educational assistance whereby a voucher representing the average per capita cost of educating each child may be spent by the parent at any public or private school? Yes 40, no 47.

13. In 1970, under the Postal Reorganization Act, the U.S. Postal Service became an independent establishment, and daily operations were, for all intents and purposes, re-

moved from Federal or Congressional control. How would you rate your postal service? (Check one)

a. Improved service, 11.
b. Same service, 49.
c. Worse service, 40.

14. Should amnesty be granted to those who left the country during the course of the Vietnam conflict to avoid the draft and, if so, under what circumstances? (Check one)

a. Amnesty if he returns and completes his military service, 22.

b. Amnesty if he returns and completes a period of alternate service, 30.

c. Unconditional amnesty should be granted, 6.

d. No amnesty under any circumstances, 40.

15. Do you think that governmental officials in Washington, D.C., have the right to inspect doctor's medical records of their patients? Yes, 17; No, 80.

16. Should the United States continue to give economic and military aid and support to South Vietnam? Yes, 29; No, 66.

17. Should the United States attempt to maintain military superiority over the Soviet Union? Yes, 78; No, 17.

18. Should the United States maintain its perpetual sovereignty and control over the Panama Canal and the Canal Zone? Yes, 79; No. 13.

19. What do you consider the three major issues facing our country? (Rank in order of importance, check only three)

a. High prices, 65.
b. National defense, 27.
c. Energy problems, 33
d. Shortages, 20.
e. Unemployment, 16.
f. Watergate, 20.
g. Excessive governmental spending, 55.
h. Expanding governmental regulation, 18.
i. Tax reform, 20.
j. Foreign policy, 7.
k. Other, 5.

BASF WYANDOTTE CORP. EDUCATIONAL RESOURCE PROGRAM

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I insert into the RECORD an excellent analysis of the BASF Wyandotte Corp. educational resource program, recently started by BASF Wyandotte to make additional resources available to schools through the utilization of the able personnel of that fine corporation.

The future of the Nation lies within its youth and their education. It follows, therefore, that a major portion of our efforts should be directed at improving the education process and providing greater access to it for all. We demand this from professional educators and hope for it from those who receive the benefits of the system. It is highly commendable when new initiatives are developed in the business community by those who are not directly involved in education but who perceive their responsibility to contribute to the education of others.

BASF Wyandotte Corp. of Wyandotte, Mich., has started a new program which other businesses might want to follow. The program is quite simple and straightforward. Called the educational resource program, the basic idea is that the company has a number of people who have knowledge and skills that can be valuable to the education of young people. Much in the same way that teachers use libraries to obtain reference material on specific subjects, BASF Wyandotte's educational resource program provides people who, because of their own education and achievements, are sources of valuable information for classroom use.

Briefly, this is how the program operates.

First. The company makes available to teachers for classroom presentation employees with special academic achievements and skills who have volunteered to participate in the program.

Second. Teachers are given information outlining the subjects, grade levels, curriculum relationship, and education and professional experience of each resource person.

Third. The teacher reviews the subjects that are relative to the curriculum in terms of both content and timing. Resource persons whose subjects meet these criteria are invited by the teacher to make classroom or school laboratory presentations to the students.

In effect, BASF Wyandotte is providing teachers with the means of enlarging the classroom by including work-experience exposure from the company's leading scientists, engineers, chemists, and business managers.

An expansion of this enlightened concept by other companies, organizations and institutions will narrow the gap between generations and help fulfill our hopes for the future.

The analysis of the BASF Wyandotte Corp. educational resource program follows:

EDUCATIONAL RESOURCE PROGRAM

(By BASF Wyandotte Corp.)

DEAR TEACHER, BASF Wyandotte Corporation has developed an Educational Resource Program to bring to your students in the classroom the knowledge and expertise of leading scientists, engineers, chemists and business managers.

This program provides you, the teacher, with a most reliable resource for information in curriculum areas not normally available through text books or other sources.

Briefly, this is how the program works.

1. BASF Wyandotte will make available to teachers for classroom or laboratory presentations individual employees who have offered to participate in the program.

2. In the pocket of this folder are outlines on the subjects, grade levels, curriculum relationship, education and professional experience of the BASF Wyandotte resource persons. Included is information on whether the subject can be developed in the classroom or laboratory and what, if any, special equipment is needed. Publications and films available from BASF Wyandotte are listed as an additional source of information on the company and its activities.

3. The teacher should review the subject areas that relate to the curriculum in terms of its content and timing. If there is a subject and a resource person that meets these requirements, contact should be made directly with him to arrange a time that would be acceptable to both the teacher and the lecturer. Requests should allow for at least two weeks advance notice, or more when possible. The teacher is also asked to keep in mind that all of our resource persons are working full time for BASF Wyandotte and that they are participating in this program as a personal commitment to the educational community. We would hope, too, that because of the experimental nature of this effort that everyone will understand that there will be times when the resource person will be unable to fill requests because of other commitments.

BASF Wyandotte Corporation sincerely hopes that this program will assist teachers in providing their students with an enriching education experience. We look to the program as a means of broadening our contact with the educational community and building a better understanding.

D. H. AMBROS, *President*.

SUBJECT: BUSINESS DEVELOPMENT

Curriculum and grade level

Twelfth grade students whose curriculum includes studies in economics and social sciences.

Abstract

1. Product cycle.

2. Business development outline through marketing research, production and sales.

3. Student relationship.

Classroom equipment requirements

Viewgraph projector (to be provided by the school).

Resource person

E. S. Mylis, B.S. in Chemistry, Detroit University; graduate work at University of Toledo and Wayne State.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Food and beverage processing.

2. Chemical cleaning of food processing equipment.

Classroom equipment requirements

Viewgraph projector and Slide projector (3¼ x 4") (to be provided by the school).

Resource person

Otto T. Aepli, B.S. in Chemistry, Towne Scientific School, University of Pennsylvania; M.A. in Chemistry, Temple University; holder of 18 U.S. and foreign patents; author of 10 scientific papers.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

Discussion and demonstration of urethane foam preparation. Lab preparation would be actual foaming of semi-flexible or rigid foams.

Classroom equipment requirements

(To be provided by the school)

Slide projector and screen.

Lecturer will provide materials for laboratory demonstration.

Resource person

R. L. McBrayer, B.S. in Chemical Engineering, University of Colorado; graduate work in Chemical Engineering, Wayne State; member: American Institute of Chemical Engineers, Naval Reserve Association, and Defense Preparedness Association.

Holder of four U.S. patents and has extensive experience in making presentations on urethane foams to student and youth groups.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Example of processes of applied chemistry in invention and development of a new product.

a. Recognition of problem.

b. Definition of proolem including requirements of new materials.

c. Definition of the properties required and how to test for them.

d. Testing program (and synthesis program).

e. Final solution.

2. Example of the processes of applied chemistry in the improvement of the product, adaption to different requirements and invention of similar products to serve the same purpose.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

J. F. Maxwell, B.S. in Chemistry; M.B.A. in Administrative Science; 16 years experience in industrial research on lubricants and functional fluids; past president, American Society of Lubricant Engineering (Detroit).

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Chemical Specialties Industry—Discussion of the chemicals used and the applications of these products in the industrial and institutional field.

2. Metals talk: "Relating the Heat Barrier to the Development of Aerospace Metals."

3. Collection of metal specimens.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

P. N. Burkard, B.S. in Chemistry, University of Illinois; M.S. in Chemistry, Syracuse University; 35 years with BASF Wyandotte in Research, technical service and sales.

SUBJECT: CHEMISTRY

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Job opportunities in chemical specialties.

2. Marketing of chemical specialties.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

Richard J. Hamilton, B.S. in Chemistry, Central Michigan University; 1965–68, Dow Chemical, Chemical Engineering Process; 1968–72, BASF Wyandotte Technical Services; 1972-present, Marketing Manager, Food Services Department, Chemical Specialties Division; holder of six patents in chemical processes.

SUBJECT: CHEMISTRY (CHEMICAL ENGINEERING)

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

Chemistry and Chemical Engineering involved in manufacture of soda ash, ethylene oxide, ethylene glycol, diethylene glycol and antifreeze—Quality Control.

Technical Service—Transportation emergencies.

Classroom equipment requirements

(To be provided by the school)

Blackboard.

Resource person

J. F. Yaeger, B.S. in Chemistry, University of Detroit; 5 years Soda Ash Manufacturing; 6 years Organic Technical Service.

SUBJECT: MANAGEMENT SCIENCES

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of business or mathematics.

Abstract

Problem solving and computer applications including student participation in critical analysis.

Classroom equipment requirements

(To be provided by the school)

Slide projector and screen; blackboard.

Resource person

Alex Markin, B.Sc., M.Sc. in Chemical Engineering; published two papers on Chemical Engineering.

SUBJECT: MICROBIOLOGY IN WATER POLLUTION CONTROL

Curriculum and grade level

For students at the junior and senior high level whose curriculum includes courses in the field of science.

Abstract

Discussion of the role played by bacteria in keeping the environment clean, with special emphasis on biodegradability, its measurement and the activated sludge process.

Classroom equipment requirements

(To be provided by the school)

None.

Resource person

L. E. Kuentzel, Ph.D., University of Colorado; 32 years research with Michigan Alkali—Wyandotte Chemicals, BASF Wyandotte; currently Head of Biodegradable Laboratory and Research Associate.

SUBJECT: MICROBIOLOGY

Curriculum and grade level

For students at the junior and senior high level whose curriculum includes courses in the field of science.

Abstract

A general comparison of microbial to higher life forms or selected topics in environment, sanitary, or industrial microbiology dependent on course grade level.

Classroom equipment requirements

(to be provided by the school)

Blackboard.

Resource person

Donald F. Garvin, B.S. in Biology; M.S. in Microbiology; Work Experience: 14 years in medical bacteriology and public health; 7 years in sanitary and industrial microbiology; professional membership: American Society of Microbiology.

SUBJECT: THE PHYSICS AND PSYCHO-PHYSICS OF COLOR

Curriculum and grade level

For students at the senior high level whose curriculum includes courses in the field of science.

Abstract

1. Presentation on the basic physical explanation of the laws and properties of color. A development of the tristimulus equations and concept and the ICE standard observer concept is made.

2. Short discussions of various types of spectrophotometers and the essential difference between additive and subtractive color analysis.

3. Brief coverage of the physical basis for certain psychological response to color and combinations of color—short coverage of the anatomy behind color seeing.

Classroom equipment requirements

(To be provided by the school)

Blackboard and table.

Resource person

Edward T. Parker. B. Sc. in Chemical Engineering, Oregon State College. Extensive experience in color control on product and new color formula development.

PUBLICATIONS AND FILMS FROM BASF WYANDOTTE CORP.

Publications

Facts & Figures (available in classroom quantities).—This folder contains information about the BASF Group and BAF Wyandotte including a brief history of the company.

BASF Wyandotte—A Special Chemistry (available in single copies for teachers).

A 28-page color brochure that highlights the diversity of products made by the company, its research efforts and the people who make up the company.

BASF—A World Enterprise in Chemicals (available in classroom quantities).

An 8-page color booklet that lists many of the principle products, locations and financial operations of the BASF Group.

BASF films (16mm, color motion pictures)

Spotlight-BASF is a 30-minute film that focuses on the U.S. and European activities of the Group. Featured in a 15-minute segment are many of the BASF Wyandotte Operations.

Everywhere you look BASF Wyandotte is at work in a 15-minute film that shows how the company's products show up in the everyday world—sodium bicarbonate in the cake you eat and chlorine to make your clothes brighter. The film also introduces some of the company's employees and explains their activities in community affairs.

Condemned to Progress is a 26-minute film that looks at the research efforts being conducted to increase agricultural production. The film highlights the research programs at the agricultural experimental stations in Limburgerhof, West Germany, and in other countries around the world.

Copies of the publications and loan prints of the films are available on request. For films, indicate a choice of two dates when you plan to show the film allowing a minimum of three weeks for delivery. Send your requests to:

Public Relations Department, BASF Wyandotte Corporation, 100 Cherry Hill Road, Parsippany, New Jersey 07054.

PROLIFERATION OF NUCLEAR WEAPONS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. WOLFF. Mr. Speaker, recent weeks have seen mounting concern over the possible proliferation of nuclear weapons, both to nations and to terrorist groups.

The possibility that terrorist groups may gain access to the materials and technology required to construct a nuclear weapon should be a matter of the highest concern of this Congress. In the recent past, terrorist groups have had no regret over murdering families, schoolchildren, and athletes. They have held as hostages hundreds of aircraft passengers. They have shown themselves to have little regard for human life. A nuclear weapon in the hands of such a group can lead to a tragedy unequaled in all of the history of mankind.

In light of this concern, I would like to call to the attention of my colleagues an item published in July's edition of the American Legion magazine. The article follows:

Proliferation of Nuclear Weapons

The possibility that terrorists can put together their own atomic bomb, and with it threaten entire population centers, has been raised by a secret study undertaken for the Atomic Energy Commission.

The governmental viel of secrecy over the study was lifted by Sen. Abe Ribicoff (Conn.), chairman of a Senate subcommittee investigating the AEC structure.

The report concludes that despite the complexity in converting uranium into an atomic bomb, there are today many experienced scientists and technicians around who, driven by strong resentment for some wrong—real or imagined—could be recruited into one of the urban guerrilla groups operating around the world.

The study recommends that new and stringent security measures be taken, under a special federal nuclear service, to prevent terrorists from stealing mateials essential to building a "basement" A-bomb in their hideaway.

CONGRESSMAN CONTE PROVIDES FACTS ON DICKEY-LINCOLN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DRINAN. Mr. Speaker, a great deal of misinformation concerning the actual costs and benefits of the proposed Dickey-Lincoln hydroelectric power project in nothern Maine preceded the House vote of June 6 appropriating funds for preconstruction planning of this project. As I said in my statement on that date. I do not believe that the very small amount of power which Dickey-Lincoln will generate justifies the excessive cost and destructive environmental impact of this project.

My colleague from Massachusetts, Silvio Conte, who led the fight against Dickey-Lincoln in the House, recently wrote a letter to the Boston Globe rebutting the Globe's editorial of June 6 in support of funding Dickey-Lincoln. Congressman Conte's excellent letter, published in the Boston Globe of June 25, clears up many of the misconceptions on which the Globe and a slim majority—201–186—of the House based their support of Dickey-Lincoln. I commend Congressman Conte's letter to all of my colleagues. I am also inserting the Boston Globe editorial of June 6 which prompted his persuasive response.

The articles follow:

Dickey-Lincoln's Up Again

Today in the U.S. House of Representatives, legislation to provide $800,000 and resume funding for construction of the proposed $479 million Dickey-Lincoln hydro-electric power project on the St. John River in Maine comes up for a vote.

We hope the New England congressional delegation and a majority of Congress support the measure. It is, as Cong. Torbert Macdonald (D-Mass.) has said, "an idea whose time has finally arrived."

There is, first, the energy shortage, which will be with us probably through the rest of the century. Private power companies dependent on oil or coal are in trouble with rising costs. And the public utilities, whose strong lobbying has kept Dickey-Lincoln from congressional enactment for the past decade, have now for the most part dropped their opposition to it.

There is, however, serious opposition to the project from such environmentalist organizations as the Sierra Club and the Appalachian Mountain Club. We are sensitive to their arguments and take them seriously. It is true, for example, that building the Dickey-Lincoln Dam would spoil canoeing on part of the St. John River and create a large lake by flooding some 89,000 acres.

That sounds like a large area, and it is, but it, too, would be available for canoeing and boating. In size, it amounts to less than six-tenths of one percent of the forest area in Maine. Put another way, its use for public power seems to us as justifiable in this crisis as the submergence of several communities several decades ago to create the 40-square-mile Quabbin Reservoir to assure much of eastern Massachusetts perhaps the nation's best water supply.

Dickey-Lincoln's benefits should not be exaggerated. It will not solve the energy shortage—but it will help some. It will supply only peaking power—but that is vitally needed. It will be expensive—but not as expensive as not building it. It will be no Tennessee Valley. And it may not, with today's rising costs be the kind of yardstick its supporters originally predicted.

But New England is the nation's only region that does not have a single Federal power project, and its power rates have been rising twice as fast as in the rest of the country. Dickey-Lincoln could have been in operation by now, supplying a billion kilowatt-hours annually at a cost of about .4 cents per kwh instead of the more than 1.7 cents charged before the recent boosts by private plants built instead of it.

Cong. Macdonald estimates it could have been saving New England consumers by now up to $40 million a year for electric power. Studies by the Corps of Army Engineers and congressional committee staffs show it would provide power at less cost than any other alternative, and that for every Federal dollar invested in construction, the government would get back, as of 1967, about $1.80, and as of today, double the money.

So we believe Cong. Silvio Conte's (R-Mass.) opposition to Dickey-Lincoln is misdirected. And we hope as many New England congressmen as possible vote for it. If not, they will be reminded next winter.

Billion Dollar Dam

Not only do I disagree profoundly with The Globe's June 6 editorial, "Dickey-Lincoln is up again," but I find its arguments for proceeding with the Dickey-Lincoln hydroelectric power project on the upper St. John River in Maine so contradictory . . . that I must answer it . . .

While the editorial acknowledges environmentalists' opposition to Dickey-Lincoln . . . It points out that the 89,000 acres that will be flooded is only six-tenths of one percent of the forest area of Maine. What it doesn't say is that that area . . . is the heart of the Great Maine Woods, the last major wilderness area in the Northeastern United States, an area which doesn't even have public roads into its interior . . .

The editorial concedes that construction will spoil canoeing on part of the St. John, but reassures readers that boating will be possible on the resulting lake. It's true that one can paddle a boat on almost any body of water, but it's not the same as running white water. And, it's beside the point. The opposition of environmentalists to Dickey-Lincoln is based on its total impact on the wilderness character of the area, its wildlife and waterfowl, and on the many kinds of wilderness recreation it affords now . . .

The Globe equates the submersion of the Upper St. John River Basin . . . to that of several communities for the Quabbin Reservoir "to assure much of eastern Massachusetts perhaps the nation's best water supply."

Dickey-Lincoln isn't going to assure much of a power supply. The projected billion kilowatt hours annually looks like a lot unless one realizes that it is only a little over one percent of annual consumption in New England now and will be less than one percent when the project is completed.

The production of peaking power is put forward as an asset. Actually, the reason for the project's being designed as a peaking facility is because there isn't enough water in the St. John to do anything else. Generators, at Dickey, which will be bigger than the Aswan Dam, can only be run two and a half hours a day. Peak power demand in New England in the summer runs up to six hours a day and over. Dickey-Lincoln will not remove the need for a single other peak power unit. It will simply provide relief for a very short period each day. And peak power units are considerably less efficient than those that run 24 hours a day.

The Globe also concedes that Dickey-Lincoln will be expensive, but . . . the power rates and cost benefit ratio it uses are based on a cost estimate long abandoned by the U.S. Army Corps of Engineers, $356 million for the dams and $61.5 million for transmission . . . When questioned . . . the Corps admitted that if it used a more realistic borrowing rate of 6⅞ percent and figured in a modest annual increase of 8 percent for rising costs during construction, the investment would rise to $839 million plus . . . . A congressional study of Corps' hydroelectric projects constructed between 1961 and 1967 showed that actual costs exceeded estimates for 90 percent of the projects. Dickey-Lincoln is going to be a billion-dollar baby.

The .4 cent per kilowatt hour rate for Dickey-Lincoln power is based on the original, now discarded, cost estimate. Using more realistic borrowing rates and an annual cost escalation, the rate rises to over 4c per kilowatt hour. The Globe has never provided figures to back up its estimated $40 million a year savings on New England's power bill. The Corps' own figure, incidentally, is $11.7 million. Even if the $40 million were accurate, it is only a fraction of one percent of our annual $1.6 billion electric bill in New England. Moreover, the savings will go only to "preferred customers," the rural electric cooperatives and publicly-owned systems that by law have first claim on the project's power.

The cost-benefit analysis relied on by The Globe for its statement that in 1967 we would have gotten back $1.80 for every Federal dollar invested, and that today's return would be double that, is misleading . . . It compares fossil fuel alternatives at an 8¾ percent interest-rate and paying taxes to state and Federal governments with a federally-financed, non-taxable project subsidized by a totally unrealistic 3¼ percent borrowing rate. The Corps' analysis also counts as benefits $1.25 million for recreation, $817,000 for regional development, and $60,000 for flood control while building nothing in for loss of wilderness recreation, for the far cheaper and more appropriate flood control measures available, or for the loss of renewable, harvestable timber.

The worst argument is The Globe's principal one—every other region in the country has a public power project and New

England should have one too. New England needs power, not a billion-dollar status symbol . . . New England does not have appropriate water resources for the kind of publicly-financed hydroelectric power projects that have been constructed elsewhere.

What we do have are needs and intellectual resources that will allow us to develop some real solutions to the power problem—alternative sources of energy, better building and transportation technologies.

Dickey-Lincoln is not a step in the right direction. It's a billion dollar step backwards.

Silvio O. Conte,
Member of Congress.

Washington, D.C.

A QUESTION OF PRIVILEGE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, at the beginning of business tomorrow, Thursday, June 28, I intend to call up a resolution involving a "question of privilege" of the House as provided under House rule IX. At this point in the Record I include a copy of a "Dear Colleague" letter I am sending to all House Members today along with the full text of the resolution I will be calling up:

Congress of the United States,
Washington, D.C., June 26, 1974.

Member's Urgent Attention for Thursday, June 27, 1974

Dear Colleague: At the beginning of business on Thursday, June 27, 1974, I intend to call up a highly privileged resolution involving a "question of privilege of the House," pertaining to the Bolling-Martin committee reorganization proposal, H. Res. 98.

Under House Rule IX, "Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings." It is my contention that the rights of the House and the integrity of its proceedings are being violated by deliberate delay of consideration of the Bolling-Martin resolution.

Clause 27(d)(1) of House Rule XI specifies: *"It shall be the duty of the chairman* of each committee to report or cause to be reported promptly to the House any measure approved by his committee *and to take or cause to be taken necessary steps to bring the matter to a vote."* Despite the fact that H. Res. 988 was reported by the Select Committee on Committees on March 21, 1974, a rule has not yet been requested by the chairman. The matter has instead been referred to the House Democratic Caucus which voted 111–95 on May 9, 1974, to give the matter further study and to instruct the Democratic Members on the Rules Committee to take no action until further directed by the caucus.

It is clear from the above that the rights of the House and the integrity of its proceedings are being interfered with by the action of the Democratic Caucus and the refusal of the chairman of the select committee to take the necessary steps to bring the matter to a vote. My resolution therefore directs the chairman to seek a rule and directs the Rules Committee to give immediate consideration to that request. I urge your support for my resolution.

Very truly yours,
John B. Anderson,
Member of Congress.

Resolution

Mr. Anderson of Illinois submitted the following resolution as a question of privilege of the House.

Whereas on January 31, 1973, the House of Representatives voted to establish a ten-member, bipartisan Select Committee on Committees charged with conducting a "thorough and complete study of rules X and XI of the Rules of the House of Representatives; and

Whereas the select committee was further "authorized and directed to report to the House by bill, resolution, or otherwise," with respect to matters within its jurisdiction; and

Whereas on March 21, 1974, the select committee reported House Resolution 988 in conformance with its mandate; and

Whereas the chairman of the select committee has failed to seek a rule making H. Res 988 in order for consideration by the House; and

Whereas, clause 27(d)(1) of House Rule XI states, "It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote;" and

Whereas delay in the consideration of H. Res. 988 may be directly attributed to action taken by the House Democratic Caucus on May 9, 1974, including instructions to the Democratic Members of the House Committee on Rules to take no action on the resolution until so directed by the caucus; and

Whereas the House Democratic Caucus is not recognized under the Rules of the House as a standing or select committee to which legislation may be referred or as having authority to defer action on legislation in clear violation of clause 27(d)(1) of House Rule XI: Therefore be it

Resolved, That the chairman of the select committee be directed to forthwith seek a rule making in order for consideration by the House, House Resolution 988; and be it further

Resolved, That the House Committee on Rules be directed to give immediate consideration to such request.

CAMPAIGN FINANCE REFORM

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. DICKINSON. Mr. Speaker, I should like to call to the attention of our colleagues an important address by the distinguished junior Senator from New York, James L. Buckley, on the subject of campaign finance reform.

In speaking to the New York Republican Volunteers on June 5, Senator Buckley very incisively analyzed the difficulties with so-called election reform based upon public financing of campaigns.

In the first place, the Senator pointed out, bills such as S. 3044—the Federal Election Campaign Act Amendments of 1974—might more appropriately be called the Incumbent Protection Act of 1974. This is because any incumbent has built-in advantages which a challenger can only hope to overcome by raising and spending a larger sum of money. By limiting a challenger to the same expenditure as an incumbent, the incumbent's reelection—already likely—is practically assured.

Second, Senator Buckley rightly notes that such bills may well be unconstitutional since they restrict our rights of freedom of expression; if I want to pay for an advertisement saying I support Senator X because I agree with his views on A and B, why should I be restrained from doing so?

Third, and perhaps most important, the banning of private donations would cut down on citizen participation and make our politics much less responsive to the views and concerns of the average citizen.

I believe Senator Buckley has made a valuable contribution to our understanding of this complex issue and I commend his carefully reasoned speech to all of our colleagues:

Senator James L. Buckley
Campaign Reform

In early April of this year the Senate debated and finally passed legislation that if enacted into law will have a profound impact on the way we as Americans select candidates and finance their campaigns for public office. I am referring, of course, to S. 3044, the "Federal Election Campaign Act Amendments of 1974," a bill that many would have us believe will prevent future Watergates, cleanse our political system of corruption at all levels, and restore public faith in our electoral system.

I voted against S. 3044 in April. I did so because I think it was poorly conceived and oversold. I said on the Senate floor during the debate that it might more appropriately be termed the "Incumbent Protection Act of 1974," and warned my colleagues that this approach to reform with its limitations on individual expression, might be struck down by the Supreme Court if it ever becomes law.

I must confess, however, that my warnings were rejected by my colleagues. S. 3044 has passed the Senate and similar legislation is now being considered in the House. It is therefore at least possible that a bill incorporating important features of S. 3044 will eventually reach the President's desk for signature. When it does I sincerely hope that he will veto it.

But let's examine S. 3044 for a few minutes to see why I think it is such bad legislation.

S. 3044 includes a number of campaign reform proposals tied together in a package that we are told will satisfy the public desire for reform and at the same time solve many of the problems that face our society.

Title I, for example, incorporates public financing of Federal elections with strict expenditure limitations. The concept of publicly financed election campaigns has been debated for some years now, but I am still far from convinced that it is an idea whose time has come or indeed, that it is an idea whose time should ever come.

The scheme incorporated into this portion of S. 3044 is quite intricate; but one that must be thoroughly understood both mechanically and conceptually.

Therefore, before I move into a discussion of what I see as the basic objections to the entire concept of public financing I would like to go over the provisions of the specific plan approved by the Senate on April 11th.

Under title I, tax money amounting to approximately $360 million every four years would be made available to finance or help finance the primary and general election campaigns of legitimate major and minor party candidates for all Federal offices.

A candidate seeking the endorsement of

his party via the primary route would have to demonstrate his "seriousness" by raising a specified amount through private contributions before qualifying for Federal money. Once this threshold amount has been raised, however, the candidate becomes eligible for public matching funds up to the limit applicable to his race.

Candidates running in the general election for any Federal office are treated differently depending on whether they are running as major or minor party candidates. A major party is defined as one that garnered twenty-five percent of the vote in the previous election.

Major party candidates may receive full public funding up to the limit applicable to their races.

A minor party candidate, on the other hand, may receive public funding only up to an amount which is in the same ratio as the average number of popular votes cast for all the candidates of the major party bears to the total number of popular votes cast for the candidate of the minor party. However, the major party candidate must receive at least five percent of the vote to qualify for any funding.

Minor party candidates are allowed to augment their public funds with private contributions up to the limits set in the act and may receive post election payments if they do better in the current election than they did in the preceding elections.

The independent candidate or the candidate of a new minor party isn't entitled to anything prior to the election, but can qualify for post election payments if he draws well at the polls.

Let us move now to the question of the propriety of the spending limits that are an integral part of the plan.

Under the section 504 of the title we are debating uniform limits that are imposed on incumbent and nonincumbent candidates alike. These limits will necessarily favor incumbent Presidents, Senators, and Congressmen because any incumbent has advantages that must be overcome by a challenger trying to unseat him. To overcome these advantages a challenger must spend money.

Congressional and Senatorial incumbents have generally been fairly safe re-election bets for a variety of reasons. Incumbency itself has been estimated to be worth five percentage points on election day.

The $90,000 limit on House races imposed by the bill would most certainly serve to benefit incumbents. I say this on the basis of an analysis of the recent Common Cause study of expenditures in 1972, in which the average expenditure in races in which incumbents were unseated (a rather rare phenomenon, incidentally) was about $1,125,000. This suggests that in the usual case, it takes a certain expenditure on the part of a challenger to achieve the recognition and identification on the issues which the incumbent has already acquired by virtue of past elections, his performance in office, and his ability to send periodic communications to his constituents, at Government expense. I would note at this point that when I offered an amendment that would provide challengers with fifteen percent more money than incumbents, the amendment was handily shot down.

More important than the specifics of S. 3044 or any other specific bill, however, is the assumption that private financing is an evil to be avoided at all costs.

I am afraid, I have to reject that basic assumption. A candidate for public office is currently forced to compete for money from thousands or—in the case of Presidential candidates—millions of potential contributors and voters.

Viable candidates rarely have trouble raising the funds needed to run a credible campaign, and, in fact, their ability to raise money is one very good gauge of their popular support.

As Congressman Bill Frenzel of Minnesota said during hearings on public financing last year:

"While the ballot box is an essential means of measuring popular support for a candidate, political contributions give individuals and groups an opportunity to register strong approval and disapproval of a particular candidate or party."

Under our present system, potential candidates must essentially compete for private support, and to attract that support they have to address themselves to issues of major importance to the people who will be contributing to their campaigns and voting for them on election day. Public financing might allow candidates to ignore these issues, fuzz their stands, and run campaigns in which intelligent debate on important matters is subordinated to a "Madison Avenue" approach to the voters.

Let's consider a couple of examples. During the course of the 1972 campaign, it was reported that Senator McGovern was forced by the need for campaign money to place greater emphasis on his support of a Vietnam pullout than his political advisors thought wise. They felt that he should have downplayed the issue and concentrated on others that might be better received by the electorate.

I do not doubt for a minute that the Senator's emphasis on his Vietnam position hurt him, but I wonder if we really want to move toward a system that would allow a candidate to avoid such issues or gloss over positions of concern to millions of Americans.

The need to court the support of groups with special concerns creates similar problems. Those who believe that we should maintain a friendly stance toward Israel, for example, as well as those who think a candidate should support union positions on a whole spectrum of issues want to know where a candidate stands before they give him their vocal and financial support. The need to compete for campaign dollars forces candidates to address many issues and I consider this vital to the maintenance of a sound democratic system.

Second, to the extent that these plans bar the participation of individual citizens in financing political campaigns they deny those citizens an important means of political expression. Millions of Americans now contribute voluntarily to Federal, State and local political campaigns. These people see their decision to contribute to one campaign or another as a means of political expression. Public financing of Federal general election campaigns would deprive people of an opportunity to participate in full in the political process and express their strongly held opinions.

They would still be contributing, of course, since the Senate bill will cost them hundreds of millions of dollars in tax money. But their participation would be compulsory, and might well involve the use of their money to support candidates and positions they find morally and politically reprehensible.

Third, S. 3044 and similar bills combine public financing with strict limits on expenditures. As I have already indicated, these limits must, on the whole, work to the benefit of incumbents as they are lower than the amount that a challenger might have to spend in a hotly contested race if he is to overcome the advantages of his opponent's incumbency.

Fourth, the various schemes devised to distribute Federal dollars among various candidates and between the parties has to affect power relationships that now exist. Thus, if you give money directly to the candidate you further weaken the party system. If you give money to the national party, you strengthen the national party organization relative to the State parties. If you are not extremely careful you will freeze out or lock in minor parties. These are real problems with significant policy consequences that those who drew up the various public financing proposals tended to ignore. The authors of S. 3044 merely managed to make the consequences less clear. They did not attempt to cope with the problems I have suggested.

Fifth, public financing will have two significant effects on third parties, neither desirable. In the first place, it will discriminate against genuine new third party movements—such as that of George Wallace in 1968—because such parties have not had the chance to establish a voting record of the kind required to qualify for pre-election financing. On the other hand, once a third party qualifies for future Federal financing, a vested interest arises in keeping it alive—even if the George Wallace who gave it its sole reason for existence should move on. Thus we run the risk of financing a proliferation of parties that could destroy the stability we have historically enjoyed through our two party system.

In addition, S. 3044 and all similar plans raise first amendment questions since they all either ban, limit or direct a citizen's right of free speech.

In this light it is interesting to note that a three judge panel in the District of Columbia has already found portions of the campaign reform law we passed in 1971, to be in violation of the first amendment. As you will recall, the 1971 act prohibited the media from accepting political advertising unless the candidate certified that the charge would not cause total spending on his behalf to exceed the limits imposed by the law. In the opinion of the court, this had the effect of placing an unconstitutional restriction on the freedom of individuals wishing to buy ads in newspapers and other media in support of a given candidate.

I have already indicated in reference to the specifics of title I that I fear we are debating a bill that would aid incumbents over the candidates. This is so because of the uniform spending limits that are an inherent part of this and most other public financing plans.

In addition to incumbents, such a plan would aid another class of candidates and therefore artificially tilt the politics of this country.

Any candidate who is better known when the campaign begins or is in a position to mobilize non-monetary resources must benefit from these kinds of plans as compared to less known candidates and those whose supporters are not in a position to give them much help.

This is necessarily true because the spending and contributions limits even out only one of the factors that determine the outcome of a given campaign. Other factors therefore become increasingly important and may well determine the winner on election day.

Consider, for example, the advantages that a candidate whose backers can donate time to his campaign will have over one whose backers just do not have the time to donate. In this context, one can easily imagine a situation in which a liberal campus-oriented candidate might swamp a man whose support comes primarily from blue-collar middle-class workers who would contribute money to their name, but who do not have time to work in his campaign.

Or consider the candidate running on an issue that attracts the vocal and "independent" support of groups that can provide indirect support without falling under the limitations imposed by the law. The effectiveness of the antiwar movement and the way in which issue-oriented antiwar activists were able to mesh their efforts with those of friendly candidates illustrates the problem.

The Washington Post's prize-winning political reporter, David Broder, noted in a very perceptive analysis of congressional maneuvering on this issue last year that most Members seemed to sense that these reforms will, in fact, help a certain kind of candidate. His comments on this are worth quoting at length:

". . . the votes by which the public financing proposal was passed in the Senate had a marked partisan and ideological coloration. Most Democrats and liberals in both parties supported public financing; most Republicans and most conservatives in both parties voted against it.

"The presumption that liberals and Democrats would benefit from the change is strengthened by the realization that money is just one of the sources of influence in a political contest. If access to large sums is eliminated as a potential advantage of one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely be determined by the ability to mobilize other forces.

"The most important of these other factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower and publicity for the campaign.

"That immediately conjures up, for Republican and conservatives, the union boss, the newspaper editor, and the television anchorman—three individuals to whom they are reluctant to entrust their fate of electing the next President."

These reforms—if we are going to insist on calling them reforms—affect the way we select our Presidents. They affect the relationship of our citizens to their elected Representatives and to the Government itself. They affect the party system that has developed in this country over nearly 200 years in ways that we cannot predict.

In other words, they affect the very workings of our democratic system and could alter that system significantly.

Those in and out of the Congress who advocate public financing are selling it as a cure-all for our national and political ills. For example, Senator Kennedy recently went so far as to say that:

"Most, and probably all, of the serious problems facing the country today have their roots in the way we finance political campaigns . . ."

This statement reminds one of the hyperbole associated with the selling of the New Frontier and Great Society programs in the 1960's. The American people were asked then to accept expensive and untried panaceas for all our ills.

Those programs did not work. They were oversold, vastly more expensive than anyone anticipated, and left us with more problems than they solved. Public financing is a Great Society approach to another problem of public concern and, like other solutions based on the theory that Federal dollars will solve everything, just won't work.

MOBIL OIL'S PROPOSED ACQUISITION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. ASPIN. Mr. Speaker, the Mobil Oil Co. is attempting to diddle and defraud the American consumer. I have filed a petition with the Federal Trade Commission to stop the proposed acquisition by Mobil of Montgomery Ward's parent company Marcor.

Mobil may offer $500 million to Marcor to obtain a 51 percent controlling interest in the company which owns Montgomery Ward and the Container Corp.

The acquisition of Marcor by Mobil Oil would be a violation of antitrust laws, and it also betrays that oil company's line that sky-high profits are spent on oil exploration. Obviously, despite loud and frequent claims to the contrary, Mobil Oil is not spending its profits on finding more oil and gas. Mobil Oil is using its exorbitant profits to buy up more companies, in this instance Marcor. All the while Mobil has been complaining in newspaper ads that it needs higher and higher profits for exploration, and all of the while it has been attempting to diddle and defraud the American consumer.

One Mobil newspaper advertisement published earlier this year begins:

> Are oil profits big? Right. Big enough? Wrong. (New York Times, January 21, 1974).

The advertisement continues:

> The only way to generate enough funds and attract new capital is to increase earnings . . . We are determined to improve our ability to supply our customers in years to come and to find the money to make this possible even if we have to point out that our 1973 profits weren't big enough.

Last year Mobil profits increased 47 percent totaling $842.8 million.

In another ad Mobil complained that "we just spent 3 month's profits in one morning" referring to a recent lease bid. The ad goes on to say:

> We must go on spending big in order to find new reserves that will keep us in business and keep you supplied with fuel . . . a large part of the money we invest in this search has got to come from profits.

Mr. Speaker, there is serious antitrust and restraint of trade questions involved in this proposed acquisition. Since Montgomery Ward sells tires, batteries, accessories, and even gasoline, it is in direct competition with Mobil. Montgomery Ward operates over 500 service centers that specialize in automotive accessories and fuel.

I am specifically asking the Federal Trade Commission to investigate the proposed acquisition and seek a Federal court injunction blocking it. As many of my colleagues may know, the recent trans-Alaskan bill greatly broadened the FTC's power to seek injunctions to prevent corporate mergers which are considered a restraint of trade.

The petition to the FTC follows:

House of Representatives,
Washington, D.C., June 24, 1974.

Lewis Engman,
Chairman, Federal Trade Commission,
Washington, D.C.

Dear Chairman Engman: On Monday, June 17, it was reported that the Mobil Oil Corporation is planning to make a public cash offer of approximately $500 million to acquire controlling interest in Marcor, Inc. Mobil management has confirmed these plans but has not yet disclosed the financial terms of the proposed transaction.

Because of the disastrous effects this takeover would have on consumers throughout the nation, and because of the substantial lessening of competition that it will cause, I urge you to immediately initiate the necessary legal steps to investigate and, if necessary, to enjoin the acquisition in accordance with Section 7 of the Clayton Antitrust Act.

Mobil is an integrated company engaged in the production, refining, transportation and marketing of petroleum-related products. With 1973 annual sales of $12.6 billion and $10.7 billion in assets, Mobil is one of the largest companies in the world. Marcor's annual sales are $4 billion and its assets amount to over $2.5 billion. Its principal subsidiary, Montgomery Ward, is one of the nation's leading retailers of consumer goods. According to its spokesmen, Montgomery Ward operates some five hundred service centers specializing in tires, batteries and other automotive products and accessories. In addition, some Montgomery Ward stores and service centers retail gasoline. Both companies are also engaged in the business of automotive repairs and servicing.

If allowed to go through, the acquisition of Marcor by Mobil would be the largest corporate takeover in history. These two companies are in direct competition in the sale of services and products in many areas of the country. Clearly, the effect of this acquisition may be substantially to lessen competition in these lines of commerce.

I will appreciate your keeping me informed of the actions that are being taken by the FTC as this matter proceeds.

Sincerely,

Les Aspin,
Member of Congress.

RESOLUTIONS OF THE NEW YORK CONFERENCE OF THE UNITED CHURCH OF CHRIST

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 26, 1974

Mr. RANGEL. Mr. Speaker, participants in the 11th annual meeting of the New York Conference of the United Church of Christ which met in Ithaca, N.Y., on June 9, 1974, resolved to speak out on issues that are of great concern to all Americans.

The conference urged the 93rd Congress to consider its resolutions. For this reason, I have taken the liberty of entering into the Record a copy of the resolutions passed by the New York conference.

The resolutions follow:

Resolutions Adopted at the 11th Annual Meeting of the New York Confference of the United Church of Christ

Whereas, Rhodesia's (Zimbabwe) economy and politics are dominated by 5% white minority rule, and there are no freedoms existing for majority rule, and

Whereas, in 1968 the United Nations voted economic sanctions against Rhodesia, and

Whereas, The United States Senate voted (54–37) to "Repeal the Byrd" amendment, an amendment which allowed the Congressional vote in 1971 the United States to violate the economic sanctions for the special interests of certain mineral industries (chrome, ferrochrome, and nickel), and

Whereas, the Synod of the United Church of Christ has given support to the "Repeal of the Byrd" amendment, therefore,

Be it resolved, that the State Conference of the United Church of Christ urge the House of Representatives to support in this 93rd Congress the "Repeal of the Byrd" amendment (H.R. 8005).

Adopted as vote: AM–74—#26.

Whereas, in the second year (FY 1975) of "peace with honor", a 65% increase is being requested by the Nixon administration for Southeast Asia ($2 billion as military aid, and $800 million as economic aid), and,

Whereas, Thieu's government continues to deny the Vietnamese people the freedoms guaranteed in the Peace Accords by creating a police state which holds 100,000-200,000 of its citizens in jail for their political belief subject to systematic abuse and indescribable torture (Newsweek, 7/23/72; Bishop Thomas Gumbleton, National Catholic Reporter, 5/11/72, therefore,

Be it resolved, That the State Conference of the United Church of Christ urge our representatives in Congress to support the principles of the Indo-China Peace Pledge which are:

(1) To PRECLUDE DIRECT UNITED STATES MILITARY INVOLVEMENT by positively prohibiting the renewal of United States air, sea, or land combat operations and the use of United States military or parliamentary advisors for Indo-china.

(2) To ENCOURAGE A POLITICAL SETTLEMENT BASED ON THE PEACE AGREEMENT SIGNED BY THE UNITED STATES by withholding non-humanitarian aid to either party in South Vietnam which does not comply with the Agreement which provides for a cease-fire and for the restoration of the basic freedoms of press, speech, meeting, political belief, and movement for the people of South Vietnam.

(3) To END UNITED STATES POLICE AID by opposing all direct and indirect United States funding of police and prison systems in Indo-china, particularly those funds used for South Vietnam for the continued imprisonment and torture of political prisoners whose release is called for by the Peace Agreements.

Adopted as vote: AM-75 #27.

Whereas, the United Church of Christ has taken important leadership on the issues of racial justice, peace, corporate responsibility, and other matters relating to the problems of our times, and

Whereas, many programs of human need like the Office of Economic Opportunity (OEO) are being phased out, or grossly underfunded in the FY 1975 budget while the military budget is raised by 10% (the first time in history that a defense budget has gone up after a war), and

Whereas, in most of our regional areas in New York State there has emerged in the religious constituency ongoing program of an ecumenical nature on the issues of peace, social justice, and reordering of national priorities, therefore

Be it *Resolved,* That the State Conference recommend the Executive to appoint a "Task Force on Peace and Social Justice" to assist (1) in the development of a statewide strategy on the reordering of national priorities, and (2) in financing and cooperating with regional "peace and social justice" organizations that are reflective of the interests of the State Conference of the United Church of Christ and,

Be it further *Resolved,* That the State Conference of the United Church of Christ urge the Congress of the United States to continue the Office of Economic Opportunity as key community program in the implementation of "anti-poverty" work.

Adopted as vote: AM-74 #29.

Whereas, our government is facing one of the greatest moral crises in its history, and

Whereas, the people of the United States are torn by the many grave charges of corruption which surround the administration of Richard Nixon,

Therefore be it *Resolved,* That the New York Conference of the United Church of Christ express its grief and concern at the abuses of power revealed, and supports the thorough and expeditious implementation of the constitutional processes provided to ensure governmental integrity.

Adopted as vote: AM-74 #32.

SENATE—*Thursday, June 27, 1974*

The Senate met at 9:30 a.m. and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in whom we live and move and have our being, in reverent memory we thank Thee for Thy servant Ernest H. Gruening, "father of the State of Alaska," for all the good and gracious influence which radiated from his life to others and made the world better by his presence, grant the consolations of Thy Holy Spirit to all who mourn and renew our dedication to eternal verities.

Almighty God, who has made and preserved us a nation, we thank Thee for the day of our national independence, and the declaration that all men are created equally free under God to find life's fulfillment under a government of the people, by the people, and for the people. As we commemorate the birthday of the Republic help us to remember that freedom is never free, but must be earned and conserved in every generation by work and sacrifice. Send upon the people of this land a fresh visitation of Thy spirit that the fires of pure religion and high patriotism may burn brightly on the altar of the Nation.

And to Thee we ascribe all glory and praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 27, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, June 26, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EMERGENCY HOUSING FINANCE ACT OF 1974—PLACED ON THE TABLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 824 (S. 3511) be taken off the calendar and put under "Subjects on the Table," on page 14 of the legislative calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REGULATION OF CERTAIN POLITICAL CAMPAIGN FINANCE PRACTICES IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 935 (H.R. 15074).

The ACTING PRESIDENT pro tempore. Without objection, the clerk will read the bill by title.

The assistant legislative clerk read the bill, as follows:

A bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

TITLE I—SHORT TITLE, DEFINITIONS

Sec. 101. Short title.
Sec. 102. Definitions.

TITLE II—FINANCIAL DISCLOSURES

Sec. 201. Organization of political committees.
Sec. 202. Principal campaign committee.
Sec. 203. Designation of campaign depository.
Sec. 204. Registration of political committees; statements.
Sec. 205. Registration of candidates.
Sec. 206. Reports by political committees and candidates.
Sec. 207. Reports by others than political committees.
Sec. 208. Formal requirements respecting reports and statements.
Sec. 209. Exemption for candidates who anticipate spending less than $250.
Sec. 210. Identification of campaign literature.
Sec. 211. Effect on liability.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

Sec. 301. Establishment of the Office of Director.
Sec. 302. Powers of the Director.
Sec. 303. Duties of the Director.
Sec. 304. General Accounting Office to assist Board and Director.
Sec. 305. Nominating committee.
Sec. 306. District of Columbia Board of Elections and Ethics.

TITLE IV—FINANCE LIMITATIONS

Sec. 401. General limitations.
Sec. 402. Limitation on expenditures.

TITLE V—CONFLICT OF INTEREST AND DISCLOSURE

Sec. 501. Conflict of interest.
Sec. 502. Disclosure of financial interest.

TITLE VI—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

Sec. 601. Penalties and enforcement.
Sec. 602. Tax credit for campaign contributions.
Sec. 603. Use of surplus campaign funds.
Sec. 604. A study of 1974 election and report by Council.
Sec. 605. Effective dates.
Sec. 606. Amendments to District of Columbia Election Act.
Sec. 607. Authority of Council.
Sec. 608. Authorization of appropriation.

TITLE I—SHORT TITLE, DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act".

DEFINITIONS

SEC. 102. When used in this Act, unless otherwise provided—

(a) The term "election" means a primary, runoff, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office or for the purpose of electing a candidate to office, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.

(b) The term "candidate" means an individual who seeks nomination for election, or election, to office, whether or not such individual is nominated or elected, and, for purposes of this Act, an individual shall be deemed to seek nomination for election, or election, to office, if that individual has (1) obtained or authorized any other person to obtain nominating petitions to qualify such individual for nomination for election, or election, to office, (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about such individual's nomination for election, or election, to office, or (3) reason to know, or knows, that any other person has received contributions or made expenditures for that purpose, and has not notified that person in writing to cease receiving contributions or making expenditures for that purpose. An individual who is deemed to be a candidate for the purposes of this Act shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other Federal law.

(c) The term "office" means the office of Mayor of the District of Columbia (as established by the District of Columbia Self-Government and Governmental Reorganization Act), Chairman or member of the Council of the District of Columbia (as established by such Act), or Chairman or member of the Board of Education of the District of Columbia, or member of an Advisory Neighborhood Council.

(d) The term "political committee" means any committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in, promoting or opposing the nomination or election of an individual to office.

(e) The term "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees; or

(4) the payment, by any person other than a candidate or political committee, or compensation for the personal services of another person which are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose or the furnishing of goods, advertising, or services to a candidate's campaign without charge, or at a rate which is less than the rate normally charged for such services.

Notwithstanding the foregoing, such term shall not be construed to include (A) services provided without compensation, by individuals volunteering a portion of all of their time on behalf of a candidate or political committee, (B) personal services provided without compensation by individuals volunteering a portion or all of their time to a candidate or political committee, (C) communications by an organization, other than a political party, solely to its members and their families on any subject, (D) communications (including advertisements) to any person on any subject by any organization which is organized solely as an issue-oriented organization, which communications neither endorse nor oppose any candidate for office, or (E) normal billing credit for a period not exceeding thirty days.

(f) The term "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure; or

(3) a transfer of funds between political committees.

(g) The term "person" means an individual, partnership, committee, association, corportation, and any other organization or group of persons.

(h) The term "Director" means the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics.

(i) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office and qualifies under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.

(j) (1) The term "Commissioner of the District of Columbia" means the Commissioner of the District of Columbia provided for under Reorganization Plan Numbered 3 of 1967, except that on and after January 2, 1975, such term shall mean the Mayor of the District of Columbia provided for by the District of Columbia Self-Government and Governmental Reorganization Act.

(2) The term "Council" or the "District of Columbia Council" means the District of Columbia Council provided for under Reorganization Plan Numbered 3 of 1967, except that on and after January 2, 1975, such term shall mean the Council of the District of Columbia provided for by the District of Columbia Self-Government and Governmental Reorganization Act.

(k) The term "Board" means the District of Columbia Board of Elections established under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.) as amended and redesignated as the "District of Columbia Board of Elections and Ethics" by this Act.

TITLE II—FINANCIAL DISCLOSURES

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer thereof and no other individual has been designated and is performing the functions of treasurer. No contributions and no expenditure shall be accepted or made by or on behalf of a political committee without the authorization of its chairman or treasurer.

(b) Every person who receives a contribution of $10 or more for or on behalf of a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, submit to the treasurer of such committee a detailed account thereof, including the amount, the name and address (including the occupation and the principal place of business, if any) of the person making such contribution, and the date on which such contribution was received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, employees, or associates of such committee.

Except for accounts of expenditures made out of the petty cash fund provided for under section 203(b), the treasurer of a political committee, and each candidate, shall keep a detailed and exact account of—

(1) all contributions made to or for such political committee or candidate;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of every person making a contribution of $10 or more, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee or candidate; and

(4) the full name and mailing address (including the occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) The treasurer or candidate shall obtain and preserve such receipted bills and records as may be required by the Board.

(e) Each political committee and candidate shall include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics.".

PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) Each candidate for office shall designate in writing one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee accepting contributions or making expenditures for the purpose of influencing the nomination for election, or election, of the candidate who designated it as his principal campaign committee. The principal committee may require additional reports to be made to it by any such political committee and may designate the time and number of all reports. No political committee may be designated as the principal campaign committee of more than one candidate.

(b) The treasurer of each political committee which is a principal campaign committee, and each candidate, shall receive all reports and statements filed with or furnished to it or him by any other political committees, consolidate, and furnish the reports and statements to the Director, together with the reports and statements of the principal campaign committee of which he is treasurer or which was designated by him, in accordance with the provisions of this title and regulations prescribed by the Board.

DESIGNATION OF CAMPAIGN DEPOSITORY

SEC. 203. (a) Each political committee, and each candidate accepting contributions or making expenditures, shall designate, in the registration statement required under section 204 or 205, one national bank located in the District of Columbia as the campaign depository of that political committee or candidate. Each such committee or candidate shall maintain a checking account at such depository and shall deposit any contributions received by the committee or candidate into that account. No expenditures may be made by such committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of $50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be kept in accordance with requirements established by the Board. Payments may be made into the petty cash fund only by check drawn on the checking account maintained at the campaign depository of such political committee or candidate. Each such political committee or candidate so maintaining a petty cash fund shall submit to the Director, on or before the (1) twentieth day of each calendar month, a report setting forth all petty cash receipts and disbursements received or made in connection with such fund during the first fifteen days of such month, and (2) fifth day of each calendar month a report setting forth all such receipts and disbursements received or made during the preceding calendar month for any period not covered by any such prior report under this subsection.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 204. (a) Each political committee shall file with the Director a statement of organization within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Director at such time as the Director may prescribe, but in no event later than twenty days following such date of enactment.

(b) The statement of organization shall include—

(1) the name and address of the political committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the political committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the political committee is a continuing one;

(8) the name and address of the bank designated by the committee as the campaign depository, together with the title and number of each account and safety deposit box used by that committee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box; and

(9) such other information as shall be required by the Director.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Director within the ten-day period following the change.

(d) Any political committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year shall, within ten days thereafter, so notify the Director.

REGISTRATION OF CANDIDATES

SEC. 205. (a) Each individual shall, within five days of becoming a candidate, or within five days of the day on which such individual, or any person authorized (directly or indirectly) by that individual (pursuant to section 401(g)) to do so, has received a contribution or made an expenditure in connection with that individual's campaign or for the purpose of preparing to undertake that individual's campaign, file with the Director a registration statement in such form as the Director may prescribe.

(b) In addition, candidates shall provide the Director the name and address of the campaign depository designated by that candidate, together with the title and number of each account and safety deposit box used by that candidate at the depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box, and such other information as shall be required by the Director.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 206. (a) The treasurer of each political committees supporting a candidate, and each candidate, required to register under this Act, shall file with the Director, and with the applicable principal campaign committee, reports of receipts and expenditures on forms to be prescribed or approved by the Director. Except for the first such report which shall be filed on the twenty-first day after the date of enactment of this Act, such reports shall be filed on the 10th day of March, June, August, October, and December, in each year during which there is held an election for the office such candidate is seeking, and on the fifteenth and fifth days next preceding the date on which such election is held, and also by the 31st day of January of each year. In addition such reports shall be filed on the 31st day of January of each year. In addition such reports shall be filed on the 31st day of July of each year in which there is no such election. Such reports shall be complete as of such date as the Director may prescribe, which shall not be more than five days before the date of filing, except that any contribution of $100 or more received after the closing date prescribed by the Director for the last report required to be filed prior to the election shall be reported within twenty-four hours after its receipt.

(b) Each report under subsection (a) of this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $50 or more, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all tranfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value of $50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the net amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events organized by such committee; (B) mass collections made at such events; and (C) sales by such committee of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of $50 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount of value of $10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the total sum of expenditures made by such committee or candidate during the calendar year;

(11) the amount and nature of debts and obligations owed by or to the committee, in such form as the Director may prescribe, and a continuous reporting of its debts and obligations after the election at such periods as the Director may require, until such debts and obligations are extinguished.

(12) the identification of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of $100 has been made, and which is not otherwise reported, including the amount, date, and purposes of such expenditure; and

(13) such other information as may be required by the Director.

(c) The reports to be filed under subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the unchanged amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(d) Each treasurer of a political committee, each candidate for election to office, and each treasurer appointed by a candidate, shall file with the Director weekly reports of cash contributions on forms to be prescribed or approved by the Director.

REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 207. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount of $50 or more within a calendar year shall file with the Director a statement containing the information required by section 206. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 208. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period to be designated by the Board in a published regulation.

(c) The Board shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

IDENTIFICATION OF CAMPAIGN LITERATURE

SEC. 209. All newspaper or magazine advertising, posters, circulars, billboards, handbills, bumper stickers, sample ballots and other printed matter with reference to or intended for the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words "paid for by" followed by the name and address of the payer or the committee or other person and its treasurer on whose behalf the material appears.

EFFECT ON LIABILITY

SEC. 210. Nothing in this title shall be construed as creating or limiting in any way the liability of any person under existing law for any financial obligation incurred by a political committee or candidate.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

ESTABLISHMENT OF THE OFFICE OF DIRECTOR

SEC. 301. (a) There is established within the District of Columbia Board of Elections and Ethics the office of Director of Campaign Finance (referred to in this Act as the "Director"). The Commissioner of the District of Columbia shall appoint, by and with the advice and consent of the Senate, the Director, except that on and after January 2, 1975, any vacancy in the office of Director shall be filled by appointment by the Mayor, with the advice and consent of the Council. Any such appointments may be made without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service. The Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of title 5 of the United States Code, and shall be responsible for the administrative operations of the Board pertaining to this Act and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate to the Director the making of regulations regarding elections. Notwithstanding the foregoing provisions of this subsection, the Comptroller General of the United States shall, as soon as practicable following the date of the enactment of this Act, appoint or designate an acting Director who shall have the powers and perform the duties of the Director until the date on which any individual appointed as Director by the Commissioner of the District of Columbia under this subsection qualifies for that position.

(b) The Board may appoint a General Counsel without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The General Counsel shall be entitled to receive compensation at the same rate as the Director and shall be responsible solely to the Board. The General Counsel shall perform such duties as may be delegated or assigned to him from time to time by regulation or order of the Board.

(c) In any appropriate case where the Board upon its own motion or upon recommendation of the Director makes a finding of an apparent violation of this Act, it shall refer such case to the United States Attorney for the District of Columbia for prosecution, and shall make public the fact of such referral and the basis for such finding. In addition, the Board, through its General Counsel, shall initiate, maintain, defend, or appeal any civil action (in the name of the Board) relating to the enforcement of the provisions of this Act. The Board may, through its General Counsel, petition the courts of the District of Columbia for declaratory or injunctive relief concerning any action covered by the provisions of this Act.

POWERS OF THE DIRECTOR

SEC. 302. (a) The Director, under regulations of general applicability approved by the Board, shall have the power—

(1) to require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Director may determine;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of his duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the Superior Court of the District of Columbia; and

(6) to accept, on behalf of the Board, gifts and voluntary and uncompensated services.

Subpenas issued under this section shall be issued by the Director upon the approval of the Board.

(b) The Superior Court of the District of Columbia may, upon petition by the Board, in case of refusal to obey a subpena or order of the Board issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

DUTIES OF THE DIRECTOR

SEC. 303. The Director shall—

(1) develop and furnish (upon request) prescribed forms for the making of the reports and statements required to be filed with him under this Act;

(2) develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(3) make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit and facilitate copying of any such report or statement by hand and by duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) preserve such reports and statements for a period of ten years from date of receipt;

(5) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(6) prepare and publish such other reports as the Board may deem appropriate;

(7) assure dissemination of statistics, summaries, and reports prepared under this title;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title; and

(9) perform such other duties as the Board may require.

GENERAL ACCOUNTING OFFICE TO ASSIST BOARD AND DIRECTOR

SEC. 304. The Board and Director shall, in the performance of their functions under this Act, request the assistance of the Comptroller General of the United States, and the Comptroller General shall provide such assistance with or without reimbursement, as the Board and Director and the Comptroller General shall agree. The Comptroller General shall have authority to conduct such investigations and audits as the Comptroller General determines necessary in connection with the administration of the provisions of this Act by the Board and the Director.

NOMINATING COMMITTEE

SEC. 305. (a) Effective January 2, 1975, there is established within the Government of the District of Columbia a committee to be known as the "District of Columbia Board of Elections and Ethics Nominating Committee" (hereinafter referred to as the "Committee"). The Committee shall have the function of nominating individuals for appointment as members of the District of Columbia Board of Elections and Ethics for any and all vacancies occurring on such Board on or after the date on which a majority of the members first appointed pursuant to this section hold their first meeting as members of the Committee. Such nominations shall be made by the Committee in accordance with the provisions of this section. The Committee shall consist of five members. Within ten days following the date on which a majority of the members are first appointed pursuant to this section, such members so appointed shall hold their first meeting as members of the Committee.

(b)(1) Two members of the Committee shall be appointed by the Mayor, at least one of whom shall be a lawyer.

(2) Three members of the Committee shall be appointed by the Chairman of the Council of the District of Columbia with the approval of the Council.

(c) Members of the Committee shall serve for terms of five years, except that of the members first appointed pursuant to subsection (b)(1), one shall serve for one year and one for five years, as designated at the time of appointment, and members appointed pursuant to subsection (b)(2), one shall serve for two years, one for three years, and one for four years, as designated at the time of appointment.

(d)(1) No individual may be appointed as a member of the Committee unless he or she—

(A) is a citizen of the United States, and

(B) is a resident of the District of Columbia and has maintained his or her domicile within the District for at least one year immediately preceding the date of his or her appointment, and

(C) is not a member of the Council of the District of Columbia or an officer or employee of the Government of the District of Columbia (including the judicial branch).

(2) Any vacancy in the membership of the Committee shall be filled in the same manner in which the original appointment was made. Any individual appointed to fill a vacancy, occurring other than upon the expiration of a term, shall serve only for the remainder of the term of such individual's predecessor.

(e) Members of the Committee shall be paid for each day spent performing their duties as members of the Committee at a rate which is equal to the daily equivalent of the rate provided by step 1 of grade 17 of the General Schedule under section 5332 of title 5, United States Code.

(f) (1) Except as otherwise provided in subsection (a) of this section, the Committee shall act only at meetings called by the Chairman or a majority of the members thereof and only after notice has been given of such meeting to all members of the Committee.

(2) The Committee shall choose annually from among its members a Chairman and such other officers as it deems necessary. The Committee may adopt such rules of procedure as may be necessary to govern the business of the Committee.

(3) Each agency of the government of the District of Columbia shall furnish to the Committee, upon request, such records, information, services, and such other assistance and facilities as may be necessary to enable the Committee to perform its function properly. Any information furnished to the Committee designated "confidential" by the person furnishing it to the Committee shall be treated by the Committee as privileged and confidential.

(g) (1) In the event of any such vacancy in the District of Columbia Board of Elections and Ethics, the Committee shall, within thirty days after such vacancy occurs, submit a list of three persons as nominees for appointment by the Mayor to fill the vacancy. If more than one such vacancy exists at the same time, the Committee shall submit a separate list of nominees for appointment to fill each such vacancy, and no individual's name shall appear on more than one such list. In filling such vacancy, the Mayor may appoint more than one individual from any list currently before the Mayor. In any case in which, after the expiration of the thirty-day period following the date on which a majority of the members of the Committee first meet as provided in subsection (a), a vacancy is scheduled to occur, by reason of the expiration of a term of office, the Committee's list of nominees for appointment to fill that vacancy shall be submitted to the Mayor not less than thirty days prior to the expiration of that term.

(2) If the Mayor fails to submit for Council approval the name of one of the individuals on a list submitted to the Mayor under this section within thirty days after receiving such list, the Committee shall appoint, with the approval of the Council, an individual named on the list to fill the vacancy for which such list of nominees was prepared.

(3) Any individual whose name is submitted by the Committee as a nominee for appointment to the District of Columbia Board of Elections and Ethics may request that the nomination of such individual be withdrawn. If any such individual requests that his or her nomination be withdrawn, dies, or becomes disqualified to serve as a member of the Board, the Committee shall promptly nominate an individual to replace the individual originally nominated on the list submitted to the Mayor.

(h) Members of the Committee shall be appointed as soon as practicable, but in no event later than June 30, 1975.

DISTRICT OF COLUMBIA BOARD OF ELECTIONS AND ETHICS

SEC. 306. (a) On and after the date of the enactment of this Act, the Board of Elections of the District of Columbia established under the District of Columbia Election Act (D.C. Code, sec. 1–1101 et seq.), shall be known as the "District of Columbia Board of Elections and Ethics" and shall have the powers, duties, and functions as provided in such Act, in any other law in effect on the date immediately preceding the date of the enactment of this Act, and in this Act. Any reference in any law or regulation to the Board of Elections for the District of Columbia or the District of Columbia Board of Elections shall, on and after the date of the enactment of this Act, be held and considered to refer to the District of Columbia Board of Elections and Ethics.

(b) Notwithstanding any other provision of law, the District of Columbia Board of Elections and Ethics shall meet at least monthly during any calendar year in which there is an election and at least quarterly in nonelection years.

(c) On and after January 1, 1975, members of the Board shall be paid for each day spent performing their duties as members of the Board at a rate which is equal to the daily equivalent of the rate provided for Level III under the Executive Schedules as provided for by section 5314 of title 5, United States Code.

(d) (1) Any person who violates any provision of this Act or of the District of Columbia Election Act may be assessed a civil penalty by the District of Columbia Board of Elections and Ethics under paragraph (2) of this subsection of not more than $50 for each such violation. Each occurrence of a violation of this Act and each day of noncompliance with a disclosure requirement of this Act or an order of the Board shall constitute a separate offense.

(2) A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing, and the Board has determined, by decision incorporating its findings of facts therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Board shall file a petition for enforcement of its order assessing the penalty in the Superior Court of the District of Columbia. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall be forthwith sent by registered or certified mail to the respondent and his attorney of record, and if the respondent is a political committee, to the Chairman thereof, and thereupon the Board shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and the decision of the Board or it may remand the proceedings to the Board for such further action as it may direct. The court may determine de novo all issues of law but the Board's findings of fact, if supported by substantial evidence, shall be conclusive.

(e) Upon application made by any individual holding public office, any candidate, or any political committee, the Board, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, with respect to any specific transaction or activity inquired of, as to whether such transaction or activity would constitute a violation of any provision of this Act or of any provision of the District of Columbia Election Act over which the Board has primary jurisdiction.

(f) (1) Any person who knowingly files any false or misleading statement, report, voucher, or other paper, or makes any false or misleading statement to the Board, shall be fined not more than $10,000, or shall be imprisoned for not longer than five years, or both.

(2) The penalties provided in paragraph (1) of this subsection or subsection (d) do not apply to any person or political committee who, before the date of enactment of this Act, makes political contributions or receives political contributions or makes any political campaign contributions or expenditures prohibited by this Act, except such person or political committee shall not make any further such contribution or expenditures during the remainder of calendar year 1974.

(g) The Board shall—

(1) make the public reports and statements filed with it available for public inspection and copying, commencing as soon as practicable but not later than the end the second day following the day during which it was received, and permit copying of any such report or statement by hand or duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(2) preserve such reports and statements for a period of ten years from date of receipt;

(3) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(4) prepare and publish an annual report including compilations of (A) total reported contributions and expenditures of all candidates, political committees, and other persons during the year; (B) total amounts expended according to such categories as it shall determine broken down into candidate, party, and nonparty expenditures; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as it shall determine necessary; and (E) aggregate amounts contributed by any contributor shown to have contributed, in the aggregate, in excess of $50;

(5) prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;

(6) prepare and publish such other reports as it shall deem appropriate;

(7) assure wide dissemination of statistics and public reports prepared under this Act;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this Act, and with respect to alleged failures to file any report or statement required under the provisions of this Act; and

(9) prescribe suitable rules and regulations to carry out the provisions of this Act.

TITLE IV—FINANCE LIMITATIONS

GENERAL LIMITATIONS

SEC. 401. (a) No individual shall make any contribution which, and no person shall receive any contribution from any individual which, when aggregated with all other contributions received from that individual, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, $500;

(2) in the case of a contribution in sup-

port of a candidate for Chairman of the Council, $400;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, $400;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, $200, and in the case of a runoff election, an additional $200; and

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward, $100, and in case of a runoff election, an additional $100.

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, $25.

(b)(1) No candidate may make contributions and expenditures during the calendar year in connection with his campaign for nomination for election of public office, and for election to public office, from his personal funds, or the personal funds of his immediate family, in excess of 25 percent in the aggregate, of the total amount he may spend during that year under subsection (a) of section 402 of this Act in connection with those campaigns.

(2) No candidate or member of the immediate family of a candidate may make a loan or advance from his personal funds for use in connection with a campaign of that candidate for nomination for election, or for election, to public office unless that loan or advance is evidenced by a written instrument fully disclosing the terms, conditions, and parts to the loan or advance. The amount of any such loan or advance shall be included in computing the amount of which paragraph (1) applies only to extent of the balance of the loan or advance which is unpaid at the time of determination.

(3) For purposes of this subsection, the term "immediate family" means the candidate's spouse and any parent, brother, or sister, or child of the candidate, and the spouse of any such parent, brother, sister, or child.

(c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by that individual in that election exceeds $1,000.

(d)(1) Any expenditure made by any person advocating the election or defeat of any candidate for office which is not made at the request or suggestion of the candidate, any agent of the candidate, or any political committee authorized by the candidate to make expenditures or to receive contributions for the candidate is not considered a contribution to or an expenditure by or on behalf of the candidate for the purpose of the limitations specified in this Act.

(2) No person may make any unauthorized expenditure advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other unauthorized expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1,000.

(3) For purposes of paragraph (2)—

(A) "clearly identified" means—

(i) the candidate's name appears,

(ii) a photograph or drawing of the candidate appears, or

(iii) the identity of the candidate is apparent by unambiguous reference,

(B) "person" does not include the central committee of a political party, and

(C) "expenditure" does not include any payment made or incurred by a corporation or labor organization which, under the provisions of section 610 of title 18, United States Code, would not constitute an expenditure by that corporation or labor organization.

(e) In no case shall any person receive or make any contribution in legal tender in an amount of $50 or more.

(f) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(g) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

LIMITATION ON EXPENDITURES

SEC. 402. (a) No principal campaign committee shall expand any funds which when aggregated with funds expended by it, all other committees required to report to it, and by a candidate supported by such committee shall exceed (1) in the case of a candidate for Mayor, $150,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $90,000 for one of such elections and $60,000 for the other of such elections; (2) in the case of a candidate for Chairman of the Council, $115,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $70,000 for one of such elections and $45,000 for the other of such elections; (3) in the case of a candidate for member of the Council elected at large, $90,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of $50,000 for one of such elections and $40,000 for the other of such elections; (4) in the case of a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, $20,000 in the aggregate for any primary and general election in connection therewith; and (5) in the case of a candidate for member of the Board of Education elected from a ward, $10,000 in the aggregate for any primary and general election in connection therewith (6) in the case of a candidate for member of an Advisory Neighborhood Council, $500.

(b) No political committee or candidate shall knowingly expend any funds at a time when the principal campaign committee to which it shall report, or which has been designated by him, is precluded by subsection (a) from expending funds or which would cause such principal campaign committee to be precluded from further expenditures. Any principal campaign committee of a candidate having reasonable knowledge to believe that further expenditures by a political committee registered in support of such candidate, or by the candidate it supports, will exceed the expenditure limitations specified in subsection (a) shall immediately notify, in writing, such political committee or candidate of that fact.

(c) Any expenditure made in connection with a campaign in a calendar year other than the calendar year in which the election is held to which that campaign relates is, for the purposes of this section, considered to be made during the calendar year in which that election is held.

TITLE V—CONFLICT OF INTEREST AND DISCLOSURE

CONFLICT OF INTEREST

SEC. 501. (a) The Congress declares that elective and public office is a public trust, and any effort to realize personal gain through official conduct is a violation of that trust.

(b) No public official shall use his official position or office to obtain financial gain for himself, any member of his household, or any business with which he or a member of his household is associated, other than that compensatoin provided by law for said public official.

(c) No person shall offer or give to a public official or a member of a public official's household, and no public official shall solicit or receive anything of value, including a gift, favor, service, loan gratuity, discount, hospitality, political contribution, or promise of future employment, based on any understanding that such public official's official actions or judgment or vote would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the public official in the discharge of his duties, or as a reward, or which would cause the total value of such things received from the same person not a member of such public official's household to exceed $100 during any single calendar year.

(d) No person shall offer or pay to a public official, and no public official shall solicit or receive any money, in addition to that lawfully received by the public official in his official capacity, for advice or assistance given in the course of the public official's employment or relating to his employment.

(e) No public official shall use or disclose confidential information given in the course of or by reason of his official position or activities in any way that could result in financial gain for himself or for any other person.

(f) No member or employee of the Council of the District of Columbia or Board of Education of the District of Columbia shall accept assignment to serve on a committee the jurisdiction of which consists of matters (other than of a de minimis nature) in which he or a member of his family, or a business with which he is associated, has financial interest.

(g) Any public official who, in the discharge of his official duties, would be required to take an action or make a decision that would affect directly or indirectly his financial interests or those of a member of his household, or a business with which he is associated, or must take an official action on a matter as to which he has a conflict situation created by a personal, family, or client interest, shall—

(1) prepare a written statement describing the matter requiring action or decision, and the nature of his potential conflict of interest with respect to such action or decision;

(2) cause copies of such statement to be delivered to the District of Columbia Board of Elections and Ethics (referred to in this title as the "Board"), and to his immediate superior, if any;

(3) if he is a member of the Council of the District of Columbia or member of the Board of Education of the District of Columbia, or employee of either, deliver a copy of such statement to the Chairman thereof, who shall cause such statement to be printed in the record of proceedings, and, upon request of said member or employee, shall excuse the member from votes, deliberations, and other action on the matter on which a potential conflict exists;

(4) if he is not a member of the Council of the District of Columbia, his superior, if any, shall assign the matter to another employee who does not have a potential conflict of interest, or, if he has no immediate superior, he shall take such steps as the Board prescribes through rules and regulations to remove himself from influence over actions and decisions on the matter on which potential conflict exists; and

(5) during a period when a charge of conflict of interest is under investigation by the Board, if he is not a member of the Council of the District of Columbia or a member of the Board of Education, his superior, if any, shall have the arbitrary power to assign the matter to another employee who does not have a potential conflict of interest, or if he has no immediate superior, he shall take

such steps as the Board shall prescribe through rules and regulations to remove himself from influence over actions and decisions on the matter on which there is a conflict of interest.

(h) Neither the Mayor nor any member of the Council of the District of Columbia may represent another person before any regulatory agency or court of the District of Columbia while serving in such office. The preceding sentence does not apply to an appearance by such an official before any such agency or court in his official capacity.

(i) As used in this section, the term—

(1) "public official" means the office of the Mayor of the District of Columbia, Chairman of the Council of the District of Columbia, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education of the District of Columbia, or each officer or employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS-15 of the General Schedule or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual);

(2) "business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock, trust, and any legal entity through which business is conducted for profit;

(3) "business with which he is associated" means any business of which the person or member of his household is a director, officer, owner, employee, or holder of stock worth $1,000 or more at fair market value, and any business which is a client of that person;

(4) "household" means the public official and his immediate family; and

(5) "immediate family" means the public official's spouse and any parent, brother, or sister, or child of the public official, and the spouse of any such parent, brother, sister, or child.

DISCLOSURE OF FINANCIAL INTEREST

SEC. 502. Any candidate for nomination for election, or election, to public office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, shall file annually, with the Board a report containing a full and complete statement of—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received by him or by him and his spouse jointly during the preceding calendar year) which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(2) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of $1,000, and the identity and amount of each liability owned by him, or by him and his spouse jointly, which is in excess of $1,000 as of the close of the preceding calendar year;

(3) any transactions in securities of any business entity by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $5,000 during such year;

(4) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf, or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $5,000;

(5) any purchase or sale, other than the purchase or sale of his personal residence, or real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $5,000; and

(6) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, except in the case of candidates filing reports during calendar year 1974, who shall file reports for the preceding three calendar years.

(b) Any candidate for nomination for, or election to, office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Chairman and each member of the Council and the Mayor holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, and each officer and employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS-15 of the General Schedule under section 5332 of title 5, United States Code, or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual), shall file with the Board in a sealed envelope marked "Confidential Personal Financial Disclosure of (name)", before the fifteenth day of May in each year, the following reports of his personal financial interests:

(1) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code of 1954;

(2) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(3) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of $10,000 or more, and the identity, if known, of each interest of the other fiduciary relation in real or personal property in which the candidate, officer, or employee held a beneficial interest having a value of $10,000 or more, at any time during the preceding year. If he cannot obtain the identity of the fiduciary interests, the candidate, officer, or employee shall request the fiduciary to report that information to the Board in the same manner that reports are filed under this rule.

(c) Except as otherwise provided by this section, all papers filed under this section shall be kept by the Board in the custody of the Director for not less than seven years, and while so kept shall remain sealed. Upon receipt of a request by any member of the Board adopted by a recorded majority vote of the full Board requesting the examination and audit of any of the reports filed by any individual under section (b) of this title, the Director shall transmit to the Board the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Director, such envelope may be opened and the contents thereof may be examined only by members of the Board in executive session. If, upon such examination, the Board determines that further consideration by the Board is warranted and within the jurisdiction of the Board, it may make the contents of any such envelope available for any use by any member of the Board, or the Director or General Counsel of the Board which is required for the discharge of his official duties. The Board may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Board shall publicly disclose not later than the first day of June each year the names of the candidates, officers, and employees who have filed a report. Any paper which has been filed with the Board for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of the service of the Mayor or Chairman or member of the Council of the District of Columbia or Chairman or member of the Board of Education, or officer or employee of the District of Columbia, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such date or termination of service.

(d) Reports required by this section (other than reports so required by candidates) shall be filed not later than sixty days following the enactment of this Act, and not later than May 15 of each succeeding year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Board may prescribe.

(e) Reports required by this section shall be in such form and detail as the Board may prescribe. The Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities or purchases, and sales of rental property of any individual.

(f) All public reports filed under this section shall be maintained by the Board as public records which, under such reasonable regulations as it shall prescribe, shall be available for inspection by members of the public.

(g) For the purposes of any report required by this section, any individual shall be considered to have been Mayor, Chairman, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education, or officer or employee of the District of Columbia during any calendar year if such individual served in any such position for more than six months during such calendar year.

(h) For purposes of this section, the term—

(1) "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(2) "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(3) "commodity" means commodity as defined in section 2 of the Commodities Exchange Act, as amended (7 U.S.C. 2);

(4) "transactions in securities or commodities" means any acquisition, holding, with-

holding, use, transfer, or other disposition involving any security or commodity;

(5) "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouse of such person; and

(6) "tax" means the taxes imposed under chapter 1 of the Internal Revenue Code of 1954, under the District of Columbia Revenue Act of 1947, and under the District of Columbia Public Works Act of 1954 and any other provision of law relating to the taxation of property within the District of Columbia.

TITLE VI—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, STUDY OF 1974 ELECTION AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

PENALTIES AND ENFORCEMENT

Sec. 601 (a) Except as otherwise provided in section 306(f) of this Act, any person or political committee who violates any of the provisions of this Act shall be fined not more than $5,000, or shall be imprisoned for not longer than six months, or both.

(b) The penalties provided in subsection (a) shall not apply to any person or political committee who, before the date of enactment of this Act during calendar year 1974, makes political contributions or receives political contributions or makes any political campaign expenditures, in excess of any limitation placed on such contributions or expenditures by this Act, except such person or political committee shall not make any further such contributions or expenditures during the remainder of calender year 1974.

(c) Prosecutions of violations of this Act shall be brought by the United States Attorney for the District of Columbia in the name of the United States. The United States Attorney for the District of Columbia shall, on or before January 31 of each year, report to the Congress with respect to the disposition of cases prosecuted for violations of this Act during the calendar year preceding the year in which such report is submitted.

TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

Sec. 602. (a) Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1567—47-1567e) is amended by adding at the end of that title the following:

"Sec. 7. (a) Credit for Campaign Contributions.— For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of $12.50, or $25 in the case of married persons filing a joint return.

"(b)(1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

"(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.".

(b) The table of contents of such article is amended by adding at the end of the part of such table relating to title VI the following:

"Sec. 7. Credit for campaign contributions.".

USE OF SURPLUS CAMPAIGN FUNDS

Sec. 603. Within the limitations specified in this Act, any surplus, residual, or unexpended campaign funds shall be contributed to a political party for political purposes, used to retire the proper debts of the political committee which received such funds, or returned to the donors on a pro rata basis.

A STUDY OF 1974 ELECTION AND REPORT BY COUNCIL

Sec. 604. (a) The Council of the District of Columbia shall, during calendar year 1975, conduct public hearings and other appropriate investigations on (1) the operation and effect of this Act and the District of Columbia Election Act on the elections held in the District of Columbia during 1974; and (2) the necessity and desirability of modifying either or both of these Acts so as to improve electoral machinery and to insure open, fair, and effective election campaigns in the District of Columbia.

(b) Upon the conclusion of its hearings and investigations the Council shall issue a public report on its findings and recommendations. Nothing in this Act shall be construed as limiting the legislative authority over elections in the District of Columbia vested in the Council by the District of Columbia Self-Government and Governmental Reorganization Act.

EFFECTIVE DATES

Sec. 605. (a) Titles II and IV of this Act shall take effect on the date of enactment of this Act, except the first report or statement required to be filed by any individual or political committee under the provisions of such titles shall include that information required under section 13(e) of the District of Columbia Election Act (D.C. Code, sec. 1-1113 (e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974.

(b) Titles I, III, V, and VI of this Act shall take effect on the date of enactment of this Act.

AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

Sec. 606. (a) Section 13 of the District of Columbia Election Act (D.C. Code, sec. 1-1113) is amended to read as follows:

"AUTHORIZATION

"Sec. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act.".

(b) The first sentence of subsection (b) of section 4 of such Act (D.C. Code, sec. 1-1104) is amended to read as follows:

"(b) For duty performed after the date of the enactment of this Act and prior to January 1, 1975, each member of the Board, for each day of duty so performed, shall be paid compensation at the rate of $150 for each such day. Such compensation shall be paid without regard to any annual limitation."

(c) The amendment made by subsection (a) shall not affect the liability of any person arising out of any violation of section 13 of the District of Columbia Election Act committed before the date of enactment of this title, and any action commenced with respect to such a violation shall not abate.

AUTHORITY OF COUNCIL

Sec. 607. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the Council of the District of Columbia to enact any act or resolution, on or after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

AUTHORIZATION OF APPROPRIATION

Sec. 608. Amounts authorized under section 722 of the District of Columbia Self-Government and Governmental Reorganization Act may be used to carry out the purposes of this Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

DEATH OF FORMER SENATOR ERNEST GRUENING

Mr. MANSFIELD. Mr. President, it was with deep sorrow that a I was informed last night of the passing of our late colleague, the former Senator from Alaska, Ernest Gruening.

Ernest Gruening has had a remarkable career. Trained to practice medicine, he instead devoted himself to the welfare of people and causes in another sense.

He was an outstanding Member of the Senate. He made many contributions. His voice was heard, and it was heard with vigor and with logic.

I wish at this time to express on behalf of Mrs. Mansfield and myself to Mrs. Gruening our sense of deep loss, profound sympathy, and to extend to her our condolences in her hour of need.

May his soul rest in peace.

Mr. HUGH SCOTT. Mr. President, we who served with the late and very distinguished Senator, Ernest Gruening, will grieve for his family. We will miss him.

My wife and I extend our sincere condolences to Mrs. Gruening, who is also a longetime friend.

He was a man who held strong views and who articulated them strongly, who never mistook the difference between disagreeing, which he did not hesitate to do, and disagreeable, which he never was.

He was a man whose views commanded respect, even though he did not hesitate to be at times in a very small minority, and at other times succeeded in swaying the Senate to his views.

He has left his mark upon the Senate and he was indeed a man worth remembering, as we remember him.

I think I may use pretty much the same terms that Cicero used in his oration on the death of his friend Milo, when he said:

> Vir et fortissimus in publica re et firmissimus in re suscepta.

Which is to say, a man both very brave in public life and very strong in a cause which he had undertaken.

This I think is fitting to be said for our departed friend.

Mr. MANSFIELD. Mr. President, how much time do I have left?

The PRESIDENT pro tempore. The Senator from Montana has 6 minutes left.

Mr. MANSFIELD. I yield such time as the Senator from South Dakota may desire to speak on the passing of our former colleague.

Mr. McGOVERN. Mr. President, I wanted to just say a few words about our friend and former colleague, Senator Gruening.

It was my privilege not only to serve with him here in the U.S. Senate for a number of years, but also to come to know him as a close personal friend and to work with him very closely in the course of the 1972 campaign for the Presidency and also during 1971 in the contest for the Democratic Presidential nomination.

I always will think of Senator Gruening as a man who brought great passion and personal commitment, and a healthy sense of moral outrage, to the problems that faced our country.

I remember during all of 1971 when we were scheduling him for appearances in various parts of the country that he always insisted on a very heavy schedule. He felt that it was not a good day if there were not at least 10 or 11 events scheduled, sometimes in that many different communities.

On one occasion when he arrived at a particular assignment that we had outlined for him in Wisconsin during the primary there, he was given a copy of the schedule that showed a 30-minute break in the middle of the afternoon, and he asked the young man that met him at the airport why that vacant time was left on the schedule. The young man said, "Well, Senator, Senator McGovern has told us that when he comes in he likes about a 30- or 40-minutes break in the middle of the afternoon to get a little rest."

Ernest Greuning said, "Well, George is a young man; he needs his rest in the afternoon. But," he said, "At my age you do not need as much rest. Let us schedule another stop."

So that was the way he worked throughout his life.

In this morning's Washington Post, Jules Witcover, the distinguished political writer for that paper, has an excellent account of Senator Gruening's life.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senator Ernest Gruening, Father of Alaska Statehood

(By Jules Witcover)

Ernest H. Gruening, generally regarded as the father of Alaska statehood, one of its first two U.S. senators and among the earliest and strongest voices raised in the Senate against the Vietnam war, died yesterday evening at 87.

Sen. Gruening died at 6:20 p.m. at Doctors Hospital, where he been undergoing treatment for cancer.

In a career that started with formal training to be a doctor, Sen. Gruening was in turn a newspaper reporter and editor, magazine editor, foreign correspondent, author, historian, publicist, diplomat, territorial governor and lobbyist before entering the Senate in 1959.

In his two terms, he was one of the Senate's most outspoken liberals, a pioneer in the fields of birth and world population control, and one of its two most steadfast and bitter foes of U.S. intervention in Vietnam.

He was probably best known for his vote, along with fellow Democratic Sen. Wayne Morse of Oregon, against the Gulf of Tonkin resolution of August, 1964, that President Lyndon B. Johnson used as blanket authorization to escalate U.S. involvement in Southeast Asia.

Ten months earlier, in October, 1963, he criticized on the Senate floor the "sheer hypocrisy" of sending 12,000 U.S. troops into Vietnam and calling them "technicians." On March 10, 1964, he made the first major Senate speech calling on the United States to get out of Vietnam. In it, he decried the loss of American lives "in seeking vainly in this remote jungle to shore up self-serving corrupt dynasts or their self-imposed successors," and declared:

"I consider the life of one American boy worth more than this putrid mess. I consider every additional life that is sacrificed in this forlorn venture a tragedy. Some day—not distant—if this sacrificing continues, it will be denounced as a crime."

To the last, Ernest Gruening was an outspoken battler for the causes he espoused and an uncompromising critic of his political foes.

From his bed at Doctors Hospital in early June, he followed the progress of the impeachment inquiry against President Nixon in the daily newspapers and discussed it vigorously and with a sense of outrage with callers. He insisted not only that the President should be impeached, but that he should be convicted of high crimes and misdemeanors, thrown out of office, then prosecuted as a citizen, convicted again and put in jail as an example that American justice still worked.

He embraced and lived the admonition of the Welsh poet, Dylan Thomas, that the elderly not let their lives trickle out meaninglessly and obediently:

"Do not go gentle into that good night,
Old age should burn and rave at close of day;
Rage, rage against the dying of the light."

Ernest Henry Gruening raged in his youth, his middle age and at the close of his days in as varied a public career as any man who ever sat in the United States Senate. His colleague and friend, Sen. Hubert H. Humphrey, once called him "the 20th century Benjamin Franklin," but he might have compared him to the versatile Thomas Jefferson as well.

Born in New York City on Feb. 6, 1887, to Emil Gruening, a prominent eye and ear surgeon, and Phebe Fridenberg Gruening, he attended local schools and then Harvard, planning to follow his father into medicine. He received a bachelor of arts degree in 1907 and then entered Harvard medical school.

But a doctor's life did not appeal to him; he was already a young man of broad interests in public affairs, literature and people, and those interests, and some of his friends, pulled him inexorably toward the newspaper business.

His best friend, Earl Derr Biggers, later the author of the Charlie Chan detective stories, was drama critic for the Boston Traveler, and on nights when there was more than one opening, Biggers asked Sen. Gruening to review one for him.

While still attending medical school, Sen. Gruening took a job on the Boston American for $15 a week, giving up an internship at the Boston City Hospital. On his father's advice, he later went back and finished school, receiving his doctor of medicine degree in 1912, but he never practiced—nor regretted not having done so.

In 1913, he joined the Boston Herald as a reporter, rewrite man and copy editor, and a year later, after the Herald was absorbed by the Boston Traveler, became an editorial writer and then the Traveler's managing editor at the age of 27.

His championing of social justice and the rights of minorities was manifested in one of his first directives to the staff. He ordered that identification of individuals by race be dropped unless "it is of particular and special interest and when the story is manifestly incomplete and inaccurate if the color of the person involved is concealed." The Traveler became one of the first metropolitan newspapers in the country to adopt such a policy.

Sen. Gruening also clamped down on a practice of granting favorable theater reviews in return for advertising. Later when he moved to the *Boston Journal as managing editor*, he successfully fought efforts by major advertisers in the city to control the paper's editorial contents.

When the United States entered World War I in 1917, Sen. Gruening came to Washington to help organize the bureau of imports of the War Trade Board. After a *brief time as managing editor of the New York Tribune*, he enlisted in the Army, rejecting a medical commission and instead went to field artillery officers' training at Camp Zachary Taylor, Ky., where he was a candidate for an Army commission when the war ended.

Next he became business manager of the Spanish language newspaper *La Prensa* for a year, helping to convert it from a weekly to a daily, and then in 1920 became managing editor of *The Nation*, where he recruited such writers as H.L. Mencken, Dorothy Canfield, Sinclair Lewis, Willa Cather and Theodore Dreiser.

At The Nation, Sen. Gruening wrote articles and editorials attacking U.S. military intervention in Haiti, the Dominican Republic and Nicaragua, helping to trigger a Senate investigation in which he was invited and agreed to participated on the scene.

He also wrote articles critical of U.S. policy in Mexico, where 10 years of revolution had brought much foreign exploitation and internal political turmoil.

In 1923, he resigned from the magazine and went to Mexico on a reporting assignment for *Collier's Weekly* and The Nation. From that experience and extensive reading, he wrote "Mexico and Its Heritage," published in 1928 and called by the New York Herald Tribune "the most vigorous, useful, and comprehensive picture yet made of the complex present-day conditions below the Rio Grande."

In 1963, he received the Order of the Aztec Eagle, the Mexican government's highest decoration, for the book, which the then Mexican ambassador to the United States, Antonio Carrillo Flores, called "the best book written by a non-Mexican about my country."

Meanwhile, Sen. Gruening continued freelance writing, taking time out in 1924 to serve as director of national publicity for the presidential campaign of the progressive candidate, Robert LaFollette of Wisconsin.

In 1927, he helped found and became the *first editor of the Portland, Maine, Evening News*, and in five years built it into a crusading liberal newspaper. His major battle fought and won there was the blocking of a private power empire's effort to reverse longtime Maine policy and export the state's water power, Later he wrote a book attacking private power interests, "The Public Pays," published by Vanguard Press in 1931.

In 1933, Senator Gruening returned to the editorship of The Nation, making regular trips to Washington to report on the New Deal of the new President, Franklin D. Roosevelt. Aware of Sen. Gruening's experience in Latin America, Roosevelt appointed him an adviser to the U.S. delegation at the Seventh Inter-American Conference in Montevideo, at which the FDR "Good Neighbor" policy long sought by Sen. Gruening was formulated.

After a brief and contentious tenure as editor of the New York Post, in which he fought with the owner over suppressed stories, Sen. Gruening received a second appointment from FDR, one that was destined to have the greatest impact on his life and on his role in American political affairs. He was named director of a new Division of Territories and Island Possessions in the Department of the Interior, with jurisdiction over Hawaii and a host of small Pacific Islands, Puerto Rico, the Virgin Islands and Alaska.

After more than a year of concentrating his attentions on the severe poverty problem in Puerto Rico, Sen. Gruening made his first trip to Alaska in 1936. He became immediately enamored of the place, but was struck by its inaccessibility.

He pioneered in expanding air transportation to and throughout Alaska and in the eventual construction of the Alcan Highway, linking the territory through Canada with the United States, or "the lower 48" as it was called in Alaska.

Throughout his tenure, Sen. Gruening was involved in a running battle with Secretary of the Interior Harold L. Ickes, but in 1939, apparently against Ickes' wishes, Roosevelt appointed him governor of Alaska. He immediately won approval of a new system of taxation that outraged absentee exploiters of the territory's raw materials, particularly the large salmon industry, but helped launch development of improved school and public services.

He successfully waged a campaign against discrimination against Alaskans in eating places throughout the territory, and throughout World War II oversaw the influx of military and governmental installations that in 1945 provided the base and population for a postwar boom.

Sen. Gruening served nearly 14 years as territorial governor and capped his tenure as leader of the fight for Alaskan statehood. He personally sought to educate editors, members of Congress and fellow governors about the territory's readiness for statehood—its citizens approved a referendum in 1946—and spoke and wrote extensively about Alaska.

In 1954, his book, "The State of Alaska," chronicled the territory's history since its discovery in 1741, and in 1956 the voters of Alaska, to nudge Congress, elected him unofficial "senator" to lobby for statehood in Washington.

Sen. Gruening undertook the assignment with vigor and conviction, bombarding congressmen and senators with statistics and other information about Alaska and arguing that it had great growth potential that needed statehood to realize. He persuaded Edna Ferber to write a novel about Alaska, called "Ice Palace," that later was called by Clifton Fadiman "the Uncle Tom's Cabin for Alaska." In June, 1958, Congress voted statehood.

Two months later, Sen. Gruening was nominated in the Democratic primary to be one of the new state's first two senators, and he won in the fall, beating Republican Mike Stepovich. He was an indefatigable campaigner, as one voter found out when he told the candidate that "I'd sooner vote for the devil."

Sen. Gruening replied, "You know, he'd be a tough buy to beat. But if he decides not to run, do you suppose you could switch to me?"

The voter eyed him for a moment, then said, "Why you SOB, I might vote for you yet."

Even before he entered the Senate, Sen. Gruening had also been a staunch advocate of Hawaiian statehood, and he continued the effort there. He was on the Senate floor in March, 1959, when the Senate voted to make Hawaii the 50th state.

In two terms in the Senate, Sen. Gruening compiled a strong liberal and civil rights voting record, generally aligning himself with Northern Democrats, and was a leader in pressing for expanding federal research into birth control methods, an interest he pursued after he left the Senate.

But it was his outspoken early stand against the war in Vietnam that highlighted his Senate service. He and Morse were the only senators to vote against appropriations bills for Vietnam in 1965, as well as casting their lonely votes against the Gulf of Tonkin resolution.

Sen. Gruening continued his opposition to the war in the Senate until he lost the Democratic primary in 1968 in his bid for a third term, and thereafter as a private citizen. He backed and campaigned for Sen. George McGovern (D-S.D.) in the New Hampshire primary of 1972 and later in the general campaign against President Nixon.

In his last years, Sen. Gruening pursued the cause of population control and of the rights of women, testifying on the abortion issue before a Senate subcommittee in 1974. He also appeared on television shows, calling for the impeachment of Mr. Nixon.

In his autobiography, "Many Battles," published in late 1973, Sen. Gruening wrote: "Whatever his part in Watergate, Nixon's undeniable guilt has been his attemped and partly successful subversion of our free society into a police state . . . I intend to devote my remaining years, however, few they may be, to exposing this sinister subversion, to alerting my fellow countrymen, and to trying to help restore the America that has been and has served us so well."

Sen. Gruening is survived by his wife, the former Dorothy E. Smith, of the home, 7926 West Beach Dr. NW., and a son, Huntington Sanders Gruening, of Federal Way, Wash. Two other sons, Ernest Jr. and Peter Brown, are deceased.

Mr. McGOVERN. In the course of that article, he quotes Dylan Thomas on his Advice to the Elderly:

"Do not go gentle into that good night,
Old age should burn and rave at close of day:
Rage, rage against the dying of the light."

I think no words could better describe Senator Gruening right until the very end of his life.

I arrived at the Doctors Hospital last night just a few minutes after Senator Gruening died, and Mrs. Gruening was still sitting there in the room with him. I stayed there and visited with her for about an hour in the presence of Senator Gruening who had just died, and we were talking without any tears at all about this marvelous life and the many things that he did.

Mrs. Gruening spent most of that time expressing her thanks and her gratitude and her joy that she had been permitted to share some 60 years with this remarkable man.

Our colleague, Senator HUMPHREY, once described him as the 20th century Ben Franklin and, I think, that is true, when you consider all of the things that he did.

He had a degree in medicine; he was the editor of a number of leading newspapers, the editor of Nation magazine; he was a territorial Governor of Alaska, the father of Alaska statehood; he served with great distinction in this body, and was active until the very end of his life.

His great book, which he entitled appropriately "Many Battles,"—and he is the kind of man who saw life as a series of battles—ends on these words:

> The rest of the nation needs to follow the example and recapture the courage of those—past and present—who inculcated and preserved the spirit of free men which has guided and galvanized America until yesterday. Along with our basic freedoms to speak, to write, to think as we please, must also be freedom from fear. Men are not really free if they have to wonder whether they are. Thus believing, and acting accordingly, we shall win this battle and make the America we love happen again.

Mr. President, some months ago 5 Members of the Senate, including myself, nominated Senator Gruening for the Nobel Peace Prize. The other Senators who joined with me in that effort were Senators CHURCH, ABOUREZK, HATFIELD, and NELSON.

I would like to ask unanimous consent that our letter of March 7 of this year to the Nobel Peace Prize Committee be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOBEL PEACE PRIZE COMMITTEE,
DRAMMENSVEIEN 19,
Oslo, Norway, March 7, 1974.

DEAR MEMBERS OF THE COMMITTEE: This letter supports a cable you have already received, placing the name of our former colleague, United States Senator Ernest Gruening, in nomination for the Nobel Peace Prize.

Senator Gruening's leadership in the quest for peace spans many issues and several generations. It goes back as far as the magazine and newspaper editorials he wrote as a journalist against the "gunboat diplomacy" of the 1920's, and against the interventions in Haiti, the Dominican Republic, and Nicaragua. It is as current as the efforts he continues now, in his eighty-seventh year, against steps which would heighten the danger of more serious confrontations in Indochina. For all of those years he has truly been an indefatigable champion of peace.

But his most remarkable and farsighted contributions have been addressed to two issues which still remain at the forefront of the international agenda. One is the continuing war in Indochina. The other is the ominous growth in world population.

On the first, it may be appropriate to recognize those who participated in negotiations to end direct American involvement in Indochina. But the conflict has not ended, and the risk of a wider war remains.

Yet there is another and still graver risk. It is that in our relief over the end of American involvement, we may see obscured not only for Americans but for much of humankind the urgent lessons to be learned from this sad experience—that small lands as well as large have a right to settle their own affairs; that a policy of unilateral intervention can only degrade the international agencies created to resolve disputes; that even powerful nations confront the tides of nationalism at their peril. And for that reason alone, we contend that to advance the purposes of the Nobel Peace Prize, it is prudent to honor not only those who continued but then finally ended a grave mistake, but also one American who was the most consistent, the most tireless, and among the earliest voices urging against that mistake before it was made.

Senator Gruening's courage and foresight are demonstrated on the public record. He argued against American intervention in the Vietnamese civil war in October of 1963, when the question was still whether U.S. advisors should be assigned to assist the government then in power in Saigon. He followed in March of 1964 with a more comprehensive address in the United States Senate entitled "The United States Should Get Out of Vietnam." Shortly thereafter, he began pressing for reference of the issue to the United Nations, and for the establishment of a ceasefire under international supervision. When the war took a sharp turn toward escalation in August of 1964, he was one of only two members of the Senate who voted against the Gulf of Tonkin resolution.

But there is an even more significant contribution which cannot be as readily traced. Senator Gruening has coupled his words of warning with ceaseless efforts both in the Congress and around the country to win a reevaluation and a reversal of U.S. policy. He authored a book, *Vietnam Folly*, which still stands as an outstanding documentation of the case against the American involvement and escalation in Indochina. He pleaded the case tirelessly with his colleagues in the Congress, not only in formal debates on the floor but in conversations in the cloakrooms and offices. Finally he took his case to the nation, speaking everywhere an audience could be found. In 1963, at the age of seventy-six, he launched a personal crusade against the war. More than a decade later his indomitable spirit still persists, and his crusade still goes on.

Anyone who has observed America over the past decade must be convinced that this is how and why we finally came to end our direct involvement in Indochina. Those who presided over the process of negotiation and withdrawal had earlier been among the most aggressive supporters of escalation. Withdrawal finally came not so much because they decided to reverse their policy; it came because Senator Gruening and ultimately millions of others worked to reverse American politics. At last a new course became a political necessity.

We may admire those who had the patience, the energy, and the wisdom to finally negotiate the settlement, when settlement was the demand of the American people. But in good conscience, the name "peacemaker" fits Senator Gruening much better. How much harder was his task. For he embraced the cause of peace when it was a lonely cause. He challenged his own party. He challenged the authority which made the war. In 1968 public divisions over the war in Vietnam cost him his seat in the Senate. But it did not cost the country his vision and leadership. And if any one person is responsible more than any other for ending the tragic role of the United States in Vietnam, it is this wise and viliant public citizen.

For that alone, we submit that this nomination should have the most careful consideration of the Committee. But Senator Gruening has taken an early, leading role in another area of overriding worldwide concern.

The United Nations has proclaimed 1974 World Population Year, demonstrating what has now become a nearly universal recognition of the importance of this issue to peace and stability in the world. Few knowledgeable discussions of the prospects for peace now fail to account for the need to limit population growth, to husband our planet's scarce resources and to assure that their use will ultimately serve to close the perilous gap between rich and poor nations.

Senator Gruening saw this in the first decade of the century. He contended then that population control was an essential step toward higher health standards and the elimination of poverty, and eventually toward a more civilized and peaceful world. As a journalist, he wrote his controversial views on the subject into his newspaper editorials. He participated in a conference on birth control sponsored by crusader Margaret Sanger in 1921, at a time when advocacy of such a cause was not only unpopular but dangerous. As Director of the United States Division of Territories and Island Possessions under President Roosevelt in the 1930's he helped establish maternal health clinics in Puerto Rico, a step credited with significant social and economic progress in that land.

When he came to the Congress, Senator Gruening at first found attitudes on population control issues which did not differ greatly from the hostility of the 1920's. Again he became the patient but persistent educator. In 1963 he cosponsored legislation calling for the creation of a Presidential Committee on Population to research and expose the problem. He sponsored his own, more ambitious bill to support the publication and distribution, both in the United States and abroad, of information on population control. Then, as chairman of the Subcommittee on Foreign Aid Expenditures, he held no less than thirty-two hearings over the course of three years.

The effort was productive. The Family Planning Service and Population Research Act was passed. An Office of Population Affairs was created in the Department of Health, Education, and Welfare. A sum of $175 million was appropriated to foster birth control programs abroad. In contrast to the cautious climate of just ten years ago, such programs have become widely accepted and supported as indispensable national and international programs.

The challenge remains. But again, what progress has been made and what international leadership the United States has supplied stands largely as a monument to the foresight and good works of one man, Senator Ernest Gruening.

This, then, is the statesman we recommend to the Committee. He is a man of energy, of integrity, and of absolute dedication to justice and to the cause of peace. He fights tirelessly for what he believes—and we have learned that what he believes is usually right.

Senator Gruening's example is an inspiration to the best in all of us. The Committee's decision to honor him would be an inspiration to the best ideals advanced since 1901 by the Nobel Prize—for "peace congresses," for the "abolishment of reduction of standing armies," and, above all, for "the fraternity of nations."

Sincerely yours,

JAMES ABOUREZK,
FRANK CHURCH,
GAYLORD NELSON,
GEORGE McGOVERN,
MARK O. HATFIELD,
U.S. Senators.

Mr. McGOVERN. Mr. President, I thank the Senator from Montana for yielding.

Mr. STEVENS. Mr. President, America suffered a grevious loss yesterday evening. Ernest Gruening's last battle, which he nobly fought against cancer for nearly 3 years while he completed his book chronicling the "Many Battles" fought during his 87 years, ended at 6:20 p.m. in Doctors Hospital.

I, personally, feel this loss. Having been opponents in elections, and friends and associates in many battles, Ernest Gruening and I have worked together since I came to the Senate. I shall miss his advice and counsel and deeply morn his passing.

Alaskans, especially, feel a great sense of loss today, for during the last 30 years of his life Ernest Gruening—as territorial Governor, activist for statehood, U.S. Senator, and finally as a private, but still active and vocal, citizen—fought some of his greatest battles for Alaska. And in doing so he won the lasting respect and love of Alaskans.

As territorial Governor, Ernest Gruening championed Alaska's cause against those who exploited our natural resources and left nothing for Alaskans in return. At the same time he helped bring about ordered development for the benefit of Alaska residents, and he led the way for improved schools and public services. He was one of the first to work for the rights and well-being of Alaska Natives, and he was one of the first to see the danger of Japanese invasion of Alaska in early World War II and to work to build up the territory's defenses. Toward the end of his governorship he was perhaps our ablest leader in the long battle for statehood. When Alaska became the 49th State, Ernest Gruening continued as U.S. Senator to fight for Alaska's progress and right of self-determination.

More recently—during the past year, in fact—his voice was still heard engaged in noble battle for Alaska, this time for the Alaska pipeline and against arbitrary Federal lock-up of vast amounts of Alaskan land.

During his 2 terms in the Chamber Senator Gruening's efforts expanded to battles of nationwide and worldwide significance. He was always courageous and outspoken in fighting for what he believed was right, and he was never afraid to keep up a lonely fight against overwhelming odds.

Senator Gruening's many battles in these Halls and on this floor number more than I can relate in this statement. Civil rights, the rights of women, domestic social issues of all sorts, worldwide issues aimed at preserving individual rights of nations and people—in all these he was a dramatic leader. Often his conscience led him to stand virtually alone most notably in his early oppostion to the war in Vietnam.

Whether or not his colleagues in the Senate agreed with him, his integrity and ability to stand up against all odds for his beliefs was never in question.

Alaska, America, and the world as a whole owe Ernest Gruening a great debt of gratitude. Throughout his career as journalist, public servant, governor, Senator, author and active private citizen, Ernest Gruening served us well.

The Washington Post article this morning on Senator Gruening's death included a verse by the poet Dylan Thomas, which aptly describes the philosophy by which Ernest Gruening lived out his last years. I can think of no more fitting way to close this statement than to repeat that verse:

"Do not go gentle into that good night,
Old age should burn and rave at close of day;
Rage, rage against the dying of the light."

Mr. MOSS. Mr. President, I speak here today in great sorrow. The death last night of former Senator Ernest H. Gruening has grieved me deeply. He was one of the best friends I have ever had in the Senate. I found in the warmth of his spirit, and in the depth of his wisdom and experience a fountainhead of strength to which I turned again and again.

I began to realize how remarkable was this man, how prodigious his knowledge and judgment, during the recess at the end of our first year in the Senate, when he, Senator MUSKIE and I composed a 3-man special mission to the Soviet Union. We went to study hydroelectric development on Russia's lakes and rivers—to survey the great power dams they were building. We took with us a number of water and power experts from government departments and private groups. But we soon found that this man from Alaska knew almost as much about the subject we were studying as did those who had devoted their lives to it. His knowledge was phenomenal.

As the years passed, it became evident that Ernest Gruening was a man who knew a prodigious amount about a lot of subjects, and that he had the ability and judgment to evaluate what he knew, and to recommend sound courses of action based upon it.

Can we ever forget that it was Ernest Gruening of Alaska, along with Wayne Morse of Oregon, who saw, in August 1964, the pitfalls for America in agreeing to the Gulf of Tonkin Resolution, which provided the authority to escalate U.S. involvement in South Vietnam. Had the Nation recognized then the great gift of Ernest Gruening to grasp and fully to evaluate the essentials of a situation, and had followed his counsel, how many traumatic years we might have been saved.

We saw the fruits of this great gift again and again—in Senator Gruening's early espousal in birth and world population control, and in some of the action he took in assuring civil rights to people with whom he was associated long before the national efforts in this direction.

This was truly a remarkable man—one of the most remarkable the 20th century has seen. Who else had a successful career in so many fields? First, he trained in medicine, and became an M.D., then became a newspaper reporter, an editor, a magazine editor, and a foreign correspondent, an author, a historian, a publicist, a diplomat, and finally a territorial Governor, before becoming a U.S. Senator. And he was outstanding—a pioneer—in every one of them. Few in America now or in the past can match that record.

But it was as the "Father of Alaska Statehood" that Ernest Gruening would want most to be remembered, and it is in this capacity that we pay special tribute to him today. He—more than anyone else—lobbied to successful conclusion legislation providing for statehood for Alaska. He had been its territorial Governor, and he knew its potential. In typical Gruening fashion he assembled all of the facts in favor of statehood and bombarded Congress with them. The vigor and conviction with which he pursued his cause overwhelmed the opposition, and the June 1, 1958, victory was an especially sweet one to him. The people of Alaska sent him to the Senate in gratitude.

Since he left the Senate he has pursued the work he started here—particularly in the field of population control—with his customary vigor. In so doing, he demonstrated another great Gruening gift. There was no generation gap so far as he was concerned. Young people related to him just as avidly as did people in their later years. He was a man for all seasons—and for all people.

I shall greatly miss Ernest Gruening. Our relationship remained constant through the years, even after he left the Senate. He was a cherished, valued friend. He leaves a void no one else can fill.

Phyllis and I extend to his wonderful wife, Dorothy, and his son, Huntington, our sincere sympathy at this time of their monumental loss.

SENATE CONCURRENT RESOLUTION 96—ADJOURNMENT OF THE TWO HOUSES UNTIL JULY 8, 1974

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Rebublican leader and myself I send to the desk a concurrent resolution and ask that it be immediately considered.

The ACTING PRESIDENT pro tempore. The clerk will report.

The second assistant legislative clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Thursday, June 27, 1974, it shall stand adjourned until 12 noon on July 8, 1974, or until 12 noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it, or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble.

The concurrent resolution (S. Con. Res. 96) was agreed to.

Mr. MANSFIELD. Mr. President, I ask that the resolution lie on the desk pending the resolution of the conference report on the continuing resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JIMMIE JOHNSON RETIRES

Mr. GRIFFIN. Mr. President, is there any time remaining to the time allotted to the distinguished minority leader?

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania has 5 more minutes.

Mr. HUGH SCOTT. I yield my remaining time to the distinguished Senator from Michigan (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. President, a little more than 40 years ago a young man came from Kentucky to Washington seeking employment.

Tomorrow, he will retire after devoting 31 years and 10 months of his life to the service of the Senate of the United States.

I refer, of course, to James L. Johnson, whom we all know as "Jimmie."

Few men have served the Senate so well and faithfully. As legislative clerk, we all have benefited by his helpfulness, and his unfailing good humor.

Jimmie was born in Parkers Lake, Ky., on April 22, 1914. He attended grade and high schools in Whiteley City, and the Bowling Green Business University in Bowling Green, Ky.

When he came to Washington for a job he found his way into the office of the late and beloved Alben B. Barkley, then Senator from Kentucky. As Jimmie recalls.

> It was just one of those things. They needed a secretary. I was pretty good at shorthand and typing so I was hired on the spot.

Jimmie worked in Senator Barkley's office until 1943. Thereafter, he left for the first of two stints in private employment. He returned in 1948 to work with Senator Barkley and remained through the Truman-Barkley campaign and continued Vice President Barkley's office until 1952.

Then he had another fling in private business but came back to the Senate in 1955 as registration clerk in the office of the Secretary of the Senate. In addition to registration clerk—keeping the records on lobbyists—he also served as asistant legislative clerk. Upon the retirement of Ted Mansur, he was promoted to that position.

As he has watched from a front row seat the inevitable march of history, Jimmie has many rememberances to carry with him into retirement. One of the most memorable was standing in the Senate the day that Senator Barkley made an impassed speech and then resigned as mjaority leader as a gesture of protest over President Franklin D. Roosevelt's veto of a tax bill. Senator Barkley, of course, was immediately reelected.

Jimmie, I understand, has no plans to remain idle. He is interested in woodworking and gardening at home in McLean, Va., and in fishing and golf. His score is one of the best kept secrets in the U.S. Senate. He also looks forward to an opportunity for a little more travel, particularly to visit his sons, James R., of Long Island, N.Y., and Michael E., of Bennington, Vt., and their families.

I know that I speak for all of my colleagues in the Senate in saying "thank you" to Jimmie Johnson for his many years of work and his unfailing good humor and in being a wonderful friend and comrade to all of us. We wish him and Mrs. Johnson many happy and rewarding retirement years.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GRIFFIN. I am glad to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, the distinguished acting Republican leader has just put into words what the hearts of all the Senate feel toward Jimmie Johnson. There is not anything that I can add except to say that I agree completely. And I know I speak for the full Senate, as does the acting Republican leader by saying we hate to see Jimmie go, but he knows what he is doing. He always has known, and all I can say is Amen.

Mr. HUGH SCOTT. Mr. President, I wish to associate myself with the remarks just offered by the Senator from Michigan (Mr. GRIFFIN) noting the retirement of the Senate's legislative clerk, James L. Johnson. Jimmie has served the Senate for over 30 years now, and his absence will be felt by all of us.

Joseph McCaffrey, a local broadcaster who knows the workings of Congress better than most reporters, recently said that Jimmie was most valuable because, sometimes, he was the only person in town who knew what the Senate was doing.

I know that I can speak for my colleagues when I say that Jimmie will be sorely missed. We wish him, and his family, well during his retirement years.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from California (Mr. Tunney) is recognized for not to exceed 15 minutes.

Mr. TUNNEY. Mr. President, I yield 1 minute to the distinguished Senator from South Dakota (Mr. McGovern).

(The remarks Senator Tunney made at this point on the introduction of S. 3707, providing a tax credit incentive for increased savings, are printed in the Record under Statements on Introduced Bills and Joint Resolutions.)

DOMESTIC FOOD ASSISTANCE PROGRAM—CONFERENCE REPORT

Mr. McGOVERN. Mr. President, I submit a report to the committee of conference on S. 3458, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. Proxmire). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of June 26, 1974, at p. 21277.)

Mr. McGOVERN. Mr. President, I am very pleased to present to the Senate this conference report on S. 3458.

Six days ago, the Senate adopted the conference report on H.R. 14354. In that report, the Senate and House conferees adpoted provisions under which the Secretary is required—during the next fiscal year—to use section 32 funds and funds of the Commodity Credit Corporation to purchase agriculture commodities that are not in surplus to maintain the annually programed level of assistance for programs authorized under the National School Lunch Act, the Child Nutrition Act of 1966, and title VII of the Older Americans Act of 1965.

Under the agreement reached by the conferees on S. 3458, the authority of the Secretary of Agriculture to purchase commodities that are not in surplus would be made mandatory with respect to the other food assistance programs—including the donation of commodities to needy families pending the transition to the food stamp program, institutions, supplemental feeding programs, disaster relief, summer camps for children, and the family commodity distribution program on Indian reservations not requesting a food stamp program. As provided in the Senate bill, the purchases would be made "to maintain the traditional level of assistance for food assistance programs as are authorized by law.

However, under the conference agreement on S. 3458, the mandatory authority of the Secretary to purchase commodities that are not in surplus would be limited in duration for 3 years rather than permanently as proposed by the Senate, or for 1 year as proposed in the House amendment.

The conference agreement, therefore, requires the Secretary to use the authority and funds of section 32 of Public Law 320, 74th Congress, as amended, and Commodity Credit Corporation funds during fiscal year 1975 to carry out the programs provided in section 4(a) of Public Law 93-86, as amended, but for the following 2 fiscal years, the Secretary's mandate would be tempered by the amounts Congress may provide in annual appropriation bills.

Under the conference agreement, the programs would be carried out after fiscal year 1975 only with funds specifically appropriated for the purposes set forth in section 4(a) of Public Law 93-86. The conference agreement prohibits the use of permanent appropriations, such as section 32 funds, for carrying out the programs in fiscal years 1976 and 1977.

The conference agreement includes the provision of the House amendment authorizing the Secretary to purchase seafood commodities and their products.

The conferees also agreed to include a clarification of the language contained in subsection (b) of section 4 of Public Law 93-86 relating to "the number of adults participating in the activities" of summer camps receiving commodities under section 4. In determining "adult participation" in this food donation program, the Secretary should distinguish and exclude those adults who perform basic support functions—such as persons performing custodial and gardening duties—as compared to those adults who act in direct administrative support of the summer camp programs.

The conference agreement does not include the provisions in sections 2, 3, and 4 of the Senate bill treating the administration of the food stamp program on Indian reservations differently from the administration of the program in the States. In lieu of these special amendments to the Food Stamp Act, which expires on June 30, 1977, the conference agreement would give Indian reservations the option, through June 30, 1977, of remaining in the family commodity distribution program rather than transferring to the food stamp program.

The Senate bill would have authorized the Secretary of Agriculture to pay each State agency 62.5 percent of all the State agency's costs in administering the food stamp program. At present, the Food Stamp Act authorizes the Secretary to pay each State 62.5 percent of only certain designated administrative costs. The House amendment contains no comparable provision.

The conference agreement adopts the Senate provision with an amendment reducing the percentage of administrative costs to be paid by the Secretary from 62.5 percent to 50 percent.

The conferees also adopted the provision of the Senate bill requiring reports from the States on the effectiveness of the administration of the food stamp program. Under the conference agreement, the reports are to be made from time to time at the request of the Secretary. No payment of administrative costs shall be made unless the Secretary of Agriculture is satisfied that the State is employing enough qualified personnel to administer the program efficiently and effectively.

Finally, the conferees adopted the provision of the Senate bill establishing a 5-cent minimum rate of reimbursement for each half pint of milk served in the special milk program. The minimum rate of reimbursement is to be adjusted annually, beginning with the 1976 fiscal year, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Adjustments are to be computed to the nearest one-fourth cent. Also, in lieu of a stated amount, appropriations of such sums as may be necessary to carry out the program are authorized.

Mr. President, I am pleased with the agreement of the conferees. We were able to maintain the position of the Senate that the Secretary of Agriculture be required to maintain the purchase of agricultural commodities. While the conference agreement will not make the program permanent, as would the Senate bill, it will require that the program be continued for 3 years.

In addition, the House conferees accepted several other important provisions which were not in the House bill. As a result, we will have a better Food stamp program and a better special milk program.

I hope that the Department of Agriculture will take note of the Senate's action today. The USDA has already sent letters to many of the state agencies telling them that the commodity distribution programs will be terminated. It is my understanding that the USDA has a policy of terminating supplemental food programs in any county that transfers from a family commodity distribution program to a food stamp program. The conference agreement requires the reversal of this policy. I hope that USDA officials will immediately write these State administrators to inform them that the commodity distribution programs included in the conference agreement will be continued.

Mr. President, this conference report was signed unanimously by all the House and Senate conferees of both parties. As I have stated, it has to do with some amendments to our food assistance program that will make it a more constructive and useful program. There is no dispute about it on either side of the aisle.

Mr. President, I move adoption of the conference report.

The motion was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. Nunn). Under the previous order, the distinguished Senator from Hawaii (Mr. Fong) is now recognized for not to exceed 15 minutes.

THE HAWAIIAN NATIVES CLAIMS SETTLEMENT BILL

Mr. FONG. Mr. President, I had reserved 15 minutes this morning to speak at length on the Hawaiian natives claims settlement bill which I was prepared to introduce this morning. But, at the request of the ALOHA Association representatives here in Washington, I shall not introduce the Hawaiian natives claims settlement bill in the Senate today as I had planned to do.

Late yesterday, I was advised by the group's leaders that they had met with Senator Henry Jackson, chairman of the Senate Interior and Insular Affairs Committee, in Senator Inouye's office yesterday afternoon. It was reported to me that Senator Jackson promised to hold hearings on the Hawaiian natives claims in Hawaii after the November election this year, and advised them not to have a bill introduced in the Senate.

Because Senator Jackson is the committee chairman, the ALOHA group decided to take his advice and requested that I not introduce the bill as planned.

Members of my staff have worked 16- and 18-hour days with the group and their lawyers ever since they arrived last week in an effort to meet the deadline they had set for introduction of a bill—today, June 27.

I myself met a number of times with the ALOHA group in an effort to reach agreement on a strong, valid bill.

Yesterday afternoon a seventh draft of the bill, which I felt was an excellent approach, was finally put together. However, late yesterday the group's leaders returned to my office to advise me to their meeting with Senator Jackson.

In deference to their desires, I shall not introduce the Hawaiian natives claims settlement bill in the Senate today. I am informed, however that a much earlier and different version of this measure is being introduced in the House of Representatives this afternoon.

With the approach taken in the seventh draft yesterday, I want to say that I fully support the effort of the Hawaiian people. I am convinced just compensation must be paid by the U.S. Government to the native Hawaiians for the illegal acts of the agents of the United States in the 1890's in calling in the Armed Forces of the U.S. Government to assist in the overthrow of the sovereign Government of Hawaii and the taking of the native Hawaiian lands.

Their cause is just and the request is fair. I urge all of Hawaii and this great Nation to join in supporting the righting of these wrongs.

Mr. President, many people in Hawaii worked hard to prepare a bill to redress the wrongs afflicted on the Hawaiian people. The delegation who came to our Nation's Capitol in behalf of this cause ably represented the Hawaii people and I commend them. I ask unanimous consent that the names of all the ALOHA delegation from Hawaii be printed in the Record at this point.

There being no objection, the names were ordered to be printed in the Record, as follows:

List of ALOHA Delegation

Kekoa D. Kaapu, President, Director-at-large.

Charles Kauluwehii Maxwell, Vice President, Director from Maui.

Mrs. Lorita Kuuiponoheaokahalelaulani Watland, Secretary, Director from Oahu.

Richard Kealoha Hoopii, Sr., Treasurer, Director from Maui.

William Char, Director-at-large.

Mrs. Louisa K. Rice, Founder, Senior Advisor and Director.

Arthur A. Hoke, Jr., Director from Hawaii.

Charles Rose, Director from Hawaii.

Mrs. Charles Rose, Kawika Rose, and Crystal Rose.

Mrs. Elaine Kamamalu Kaopuiki, Director from Lanai.

Henry Wiebke, Director from Molokai.

Mrs. Violet Mays, Director from Oahu.

Mrs. Pouanuiohiloanuiamamau Beaver, Director from Oahu.

Jeremia Kaluna, Director from Kauai.

Arthur W. Kinney, Director from Kauai.

Mrs. Pua Prim.

Mrs. Elizabeth Kekauilani Kalama.

Kalani Hatchie.

Mrs. Jacqueline Erickson.

Stewart Udall, Attorney.

Richmond F. Allan, Attorney.

Henry B. Taliafero, Attorney.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the time just yielded back by the distinguished Senator from Hawaii (Mr. Fong).

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the time allotted to the distinguished assistant majority leader, the Senator from West Virginia (Mr. Robert C. Byrd), be vacated, and that 10 minutes of that time be transferred to the distinguished Senator from Idaho (Mr. McClure).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum on Senator Fong's time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Massachusetts is recognized for not to exceed 10 minutes.

REHABILITATION PROGRAMS IN INDOCHINA

Mr. KENNEDY. Mr. President, a great deal has been said over the last couple of years about reconstruction in Indochina, and the relief and rehabilitation of war victims throughout the area. An important theme in this discussion, especially over humanitarian assistance for war victims, has been the hope in many quarters that a good share of this effort could be carried out under some form of international auspices—if not on a regional basis, then at least for some of the special people problems and needs which exist in the separate war-affected areas.

Based on lengthy hearings and inquiry by the Subcommittee on Refugees, which I serve as chairman; on the findings and recommendations of a special subcommittee study mission to Indochina last year; and on very extensive conversations with experts and government officials in this country and overseas, I have shared this hope. And, along with other Members of the Senate, I have long advocated that our Government actively encourage and support initiatives for the expanding participation of the United Nations, its specialized agencies, the International Red Cross, and similar organizations in relief and rehabilitation programs in Indochina. Senators may recall that last year, the Senate adopted my amendments for this purpose to the fiscal year 1974 foreign assistance authorization bill.

The administration's policy toward internationalizing assistance for Indochina has ben ambiguous to say the least. Despite public statements to the contrary—before the Refugee Subcommittee and elsewhere—the record is clear that, apart from some tokenism, our Government has done precious little to encourage or support humanitarian initiatives by the United Nations and other international bodies.

And even today, when a more positive attitude seems to be developing within our Government, the administration is attaching unreasonable conditions to our support of new international programs for war victims—and some high officials in our Government seem determined to scuttle the small programs already in operation.

One case in point involves the administration's attitude toward the modest Indochina program recently approved by the Executive Board of UNICEF. We have indicated our general support for an expanding UNICEF presence in Indochina—but, only on the condition that it will serve the administration's policy of maximizing our presence and continuing our direct involvement in the political confrontations in the area. And so we are attaching political strings to our UNICEF contributions and trying to block the agency's freedom in meeting the needs of children wherever they exist in Indochina. I submit that such attitudes on the part of our Government undercut the effectiveness of UNICEF and threaten to unravel the international cooperation which is needed to meet the humanitarian needs of orphans and children and war victims throughout Indochina.

But an even more distresssing sign of some attitudes in our Government, is recorded in recent "confidential" cables to the Department of State from Ambassador Graham Martin in Saigon. The cables concern American relations with the International Committee of the Red Cross—ICRC—and our country's support of the Indochina relief programs of the Indochina Operational Group—IOG—of the International Red Cross.

The Ambassador's cables were prompted, apparently, by recent ICRC activities relating to a conference of government experts which will meet in Switzerland in September to consider restraints on the use of "weapons that may cause unnecessary suffering or have indiscriminate effects." In an effort to encourage the broadest possible participation in this international meeting, the ICRC, as convener of the conference, has been soliciting the views of individual governments over a possible invitation to the so-called Provisional Revolutionary Government of South Vietnam—PRG.

As the United States did earlier this year at the Geneva Diplomatic Conference To Update the Geneva Conventions of 1949, our Government is opposing any participation by the PRG in the September meeting. Perhaps this is a good policy—but the fact remains that Ambassador Martin has even objected to the issue being raised by the ICRC. In a recent cable to the Department of State, he said this "kicks the United States—Government—around," and he accused the ICRS of yielding "to Eastern bloc, Nordic, and perhaps other pressures to contemptuously ignore us."

In a May 31 cable from Saigon, the Ambassador continues:

> One of the reasons may be that through prior experience ICRC feels it can safely do so. For example, at the same moment we were raising the question of "PRG" attendance at Lucerne, State's (cable) on 25 May instructed Geneva that "AID/Washington plans new $2 million grant to Red Cross IOG from FY 75 appropriation if funds permit." Perhaps it might make impression if (U.S.) Mission in Geneva were to indicate that it had been instructed, without explanation, to withdraw that assurance.

Ambassador Martin then goes on to say that—

> This recommendation is not intended as a pressure exerting bluff. If the ICRC persists on the course on which it is tentatively embarked, we have serious doubts that U.S. (Government) interests will be served by making this grant and we would not approve a final decision to make it.

Followup cables from Ambassador Martin repeat the recommendation, that the "Department should instruct Mission Geneva to indicate to the ICRC that the tentative assurance previously given for $2 million in fiscal year 1975 had been withdrawn."

On the face of it, the Ambassador's recommendation is a petty form of diplomatic blackmail—which not only offends the sensibilities of most Americans, but also does a disservice to a highly respected international organization. Moreover, if the recommendation is carried out, it would sabotage needed and important international humanitarian programs among war victims, especially in Cambodia, where the International Red Cross is carrying a major burden in meeting medical needs among the millions of refugees and civilian casualties produced by continuing war. Given the ICRC's activities and interest in past years over American POW's in North Vietnam, and the organization's possible assistance in the full accounting of our MIA's, the Ambassador's recommendation is incredible.

I do not know the fate of the Ambassador's recommendation. But I hope it is flatly rejected. I hope that our Government has the good sense to reaffirm our support of the IOG and its humanitarian programs in Indochina, and that our contribution to these needed humanitarian efforts will be even greater than in the past. This would be in line with the intent of Congress, and with pledges given to me personally by high administration officials last year during the foreign aid debate.

I bring this issue to the Senate, because it raises again serious questions about the qualifications and representation of the American Ambassador to Saigon, who continues to distort congressional intent and the stated policy of the administration he represents. And his abuse of the International Red Cross, whose humanitarian services are indispensable around the world, should not be tolerated by any American.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I commend the Senator from Massachussets for carrying on an effort that he has persistently advanced on the floor of the Senate, and to the American people and high officials of our Government over many years. His voice has been raised a good many times on behalf of the humanitarian interests that we have in Southeast Asia as against the military operations that continue there.

Everyone who was acquainted at all with the tragedy of that war knows that among its most pitiful victims have been the children and the innocent civilians who have been driven out of their homes, and who, in some cases, lost their limbs and their lives. South Vietnam is filled with orphan children, suffering from lack of medical care.

In 1969 I visited South Vietnam hospitals where one could see two and three patients lying on a single cot, in unventilated, overheated buildings in downtown Saigon, built on the floor, with not even adequate personnel to take care of their minimum needs.

Here is a program conducted by the International Red Cross, which the United States has always supported, trying to administer to people of this kind. As the Senator from Massachusetts said, because that organization is doing what it has always done in trying to reach beyond political lines to administer to innocent children and victims of this war, whether they are in an area controlled by the PRG or the Thieu government, we have an American Ambassador threatening them with diplomatic blackmail and threatening to withdraw funds from that organization unless it is run precisely as the Ambassador thinks it should be run.

What a stark contrast that is to the way we permitted the Thieu government to sabotage the Paris peace agreement and to continue the persecution of innocent prisoners, and to do everything they could to undo the work of the Paris peace conference.

The Senator from Massachusetts tried to get a reduction in a modest amount of the military aid we are pouring into South Vietnam at $1 billion a year. He called for a reduction of some $150 million and that was turned down. Apparently there is plenty of money to continue the killing and destruction in Vietnam, but here, with an organization trying to care for the needs of the people we have an American Ambassador, who speaks for our people and our Government, trying to sabotage one of the great humanitarian organizations of the world.

I commend the Senator from Massachusetts for bringing this matter to the attention of the Senate and the American people. I join him in hoping that Ambassador Martin's recommendation will be flatly rejected by the State Department.

Mr. KENNEDY. Mr. President, I thank the Senator from South Dakota who, as all Americans know, has really appealed to the conscience of this country about our policies in the Indochina Peninsula.

Here we are talking about a $2 million American contribution to a group which has had general support from people all over the world, an organization which has responded to natural disasters and tragedies in every part of the world, an organization that is attempting, as the Senator pointed out, to deal with one million orphans in South Vietnam, where tens of thousands of children under the age of 14 have lost arms and legs. The average waiting time there is many months and even years for a prosthetic device, and many children will need a change six to eight times over a lifetime.

Here we are delivering munitions of war, and yet we have been unwilling and unable to really respond to humanitarian needs. Finally, we begin to try to support an international organization, the Red Cross, that is really trying to do something about children and the innocent victims of war in the Indochina peninsula, and some officials are trying to cut off American support of the organization because we have some policy considerations in terms of an international meeting, the purpose of which is to try to put some limitations on the weapons of war.

The Senator from South Dakota, as a combat veteran, understands the enormous growth in antipersonnel weaponry being used in all wars at this time. Under Red Cross auspices, at the end of the First World War there was a meeting and it was agreed to abandon the dumdum bullet because it outraged the sensibilities of people all over the world. We have been attempting to do something in areas of nuclear weaponry and gas warfare because we are so outraged. It is a violation of human dignity.

Here the Red Cross itself was considering what steps it could take to try to do something about the type of weaponry which in terms of human suffering have been magnified so dramatically, and they were only trying to make a sounding as to who should participate in the conference; yet we seem prepared to strike out a major line of humanitarian assistance in order to carry through a policy consideration of this administration.

Earlier we had Mr. Martin's performance of suggesting to the Department of State that it refuse to give "honest and detailed" answers to Members of Congress who are interested in inquiring about the real policies of the United States in Indochina and our ongoing and continuing commitments. As the Senator from South Dakota will remember, Mr. Martin indicated that the State Department should answer those inquiries through its congressional liaison office with a bland report rather than give a full explanation of our responsibilities. What I bring to the Senate today continues to reflect adversely on the qualifications of the man who is supposedly representing the U.S. interests in Saigon.

I serve notice that I am going to continue to pursue these interests with the appropriate authorities in the State Department, and try to learn just what Mr. Martin is doing in Saigon, because I fail to see where he is really representing American interests—the interests of Congress and the American people.

ORDER OF BUSINESS

The **PRESIDING OFFICER**. Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized for not to exceed 15 minutes.

Mr. ALLEN. Mr. President, it is not the intention of the Senator from Alabama to use his allotted time at this time. I would be delighted to make it available to the leadership if the leadership desires to use any part of the time allotted to the Senator from Alabama. If not, I yield back the remainder of my time.

The **PRESIDING OFFICER**. Under the previous order, the Senator from Idaho (Mr. McCLURE) is recognized for not to exceed 10 minutes.

THE FORTHCOMING REPORT OF SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. McCLURE. Mr. President, very soon now the Senate Select Committee on Presidential Campaign Activites will end its historic work and issue its final report. This report will likely carry much weight here in the Senate as Congress begins its attempt to reform campaign laws and insure a better election process.

I am compelled, therefore, Mr. President, to rise today and voice my concerns and apprehensions about the question of evenhandedness or, more to the point, the probable lack thereof, that I hear may be the trademark of the final report.

I think certain aspects pertaining to the investigation process deserve the scrutiny of my colleagues as well as the American people to perhaps place in better context and perspective the forthcoming final report.

Mr. President, in late August 1973, Mr. David Dorsen, assistant chief counsel to the Watergate Committee, sent questionnaires to what was reported by the Washington Star-News as a "couple of hundred individual contributors and a couple of hundred corporate officials" who helped finance the 1972 Presidential campaigns.

Mr. President, I ask unanimous consent that the letter to officers of major corporations with accompanying questionnaires and material; and the letter to individual contributors with accompanying questionnaires and material—both of which are signed by Mr. Dorsen—be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLURE. Mr. President, of course, no one questions the committee's right to engage in such interrogatives; however, it should be noted that these questionnaires were mailed without either an accompanying minority signature or prior approval of the minority side of the committee.

Judging from the feedback to the minority members, the mailing was geared heavily toward Republican-oriented companies and contributors. Some of these recipients, subsequently, were subpenaed by the committee and sworn testimony was taken.

I am informed, Mr. President, that because of the furor this caused among the minority members of the committee and at the urging of some minority members of the committee, an additional questionnaire was mailed to a number of Democrat-oriented corporations and labor unions.

Mr. President, I ask unanimous consent that a copy of the cover letter for the second series of questionnaires be printed in the RECORD following the conclusion of my remarks along with the questions and other enclosed material.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. McCLURE. Mr. President, I note that a deputy minority counsel, Mr. Donald G. Sanders, was at least allowed to be a signatory to this second mailing.

Mr. President, I have been informed that the upcoming final report by the Watergate Committee gives, at best, only passing comments about the information received from this second effort.

In light of Mr. Douglas Caddy's recently published book, entitled "The One Hundred Million Payoff," which discusses organized labor's tremendous financial interests in the political process as well as today's published reports about apparent questionable campaign contributions to Democratic campaigns by the Associated Milk Producers, Inc., some very significant questions arise to which the American people and the U.S. Senate deserve explicit answers—Answers which I sincerely hope are forthcoming in the committee's final report.

For example, Mr. President, why did it take a strong reaction to the initial questionnaire to get a second questionnaire sent to Democratic-oriented organizations including labor leaders and labor unions?

Who were the corporations and the reportedly 80 union leaders this second questionnaire was sent to and which ones fully replied and which did not—and why?

Just as it will be helpful in our efforts to write proper campaign reform legislation to know in detail corporate abuses, would not the information contained in the returned questionnaires from labor leaders be equally important and helpful to the Senate in drafting legislation which could correct actual and/or potential labor abuses?

Why, Mr. President, was there no testimony taken from labor leaders by the committee in its investigation?

How can the Senate draft and adopt proper and effective campaign reform legislation without knowing the degree of involvement of corporations supportive of both sides of the political spectrum and of labor leaders and labor unions in campaigns?

Mr. President, I ask unanimous consent that two newspaper articles which bear on this situation be inserted in the RECORD following the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. McCLURE. Mr. President, I would like to read just very briefly from one of those articles.

This is an article which appeared in the Wheeling, W. Va., Intelligencer on May 22, 1974, and the headline of that article is "Watergate Panel Shields Labor Spending, Leaks on Union Inquiry Strangely Missing."

I quote from that article. It says:

> Despite the fact that the Ervin committee has leaked constantly like a huge sponge under a compressor, all inquiries on these replies have been turned away.
>
> All efforts to examine the documents have been rebuffed. It was made crystal-clear that the communications are extremely "sensitive." There will be no hearings on labor contributions, no executive session questioning of any labor leaders.

These articles suggest an additional question which needs answering in the name of objectivity and fairness—why is it that whatever information was returned by the Democratic-oriented organizations such as labor unions in this second set of interrogatives was kept so secret and confidential and was not "leaked" to the press for public consumption?

In all candor, Mr. President, I had to smile when I read newspaper accounts about this situation which quoted Mr. Sam Dash, chief counsel for the committee, as saying:

> There's an issue of privacy here.

Mr. President, with the recent disclosures of confidential information being printed on the front page of newspapers and in numerous columns around the country, one must be suspicious of a possible new aspect of a "Watergate coverup." If the information contained in these questionnaires exonerates organized labor and other Democratic oriented organizations from any questionable involvement in campaigns, that should be made known to the American public. If that information, however, indicates abuses of the electoral process by Democratic corporate officials and labor leaders, that information is critical to the Congress before it can write proper reform legislation. In either case, I suggest that only passing comment about it in the final Watergate report will be difficult to accept as emblematic and characteristic of evenhanded and objective analysis of the 1972 Presidential campaign abuses.

Mr. President, a recent survey by Opinion Research Corp. in Princeton, N.J., indicates that the majority of American people feel organized labor is much too powerful. Could it be, Mr. President, that this information in the possession of the Watergate Committee would unquestionably confirm that suspicion?

Mr. President, I want to make it clear to my colleagues that I raise these questions in the context of attempting to contribute to a proper analysis of the forthcoming final report by the Watergate Committee and in the spirit that only with all pertinent information can this Congress draft the best possible legislation in our sincere effort to better our election system.

Mr. President, I am afraid that after all the publicity, attention, and legislative support given the Watergate Committee over these past several months that the questions I raise here may not be answered, let alone be asked by the final Watergate report—I sincerely hope I will be proven totally wrong.

Exhibit 1

U.S. Senate Select Committee on Presidential Campaign Activities,
Washington, D.C., August 29, 1973.

Sam Ervin,
Chairman.

Dear Sir: As an officer of a major American corporation, your cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. This Committee has, as one of its areas of inquiry, the question of campaign financing and, in order for the Committee to do its work effectively, data on campaign solicitations and contributions are being sought.

We would appreciate your completion of the enclosed form directed to corporate officers and its return to us in the envelope that we have provided for such purpose. In addition, if you or a member of your family made contributions totaling $500 or more in the 1972 Presidential Campaign, we are requesting that the second form directed to individual conrtibutors be completed.

We would like to assure you that no inference of any wrongdoing should be drawn from this request.

If you fill out and return the applicable form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

Finally, we would like to call your attention to the provisions of Title 18, United States Code, Section 1001, which deals with making false statements to the Government. We are enclosing a copy of the statute for your information.

If you have any information concerning the inquiry, please contact me at the above address.

Sincerely,

David M. Dorsen,
Assistant Chief Counsel.

Title 18, United States Code, Section 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Questionnaire for Corporate Officers

1. Name, address and telephone number.

2. Did you or any member of your immediate family contribute the sum of $500 or more to any political candidate, committee or party in connection with the 1972 Presidential election? ———

If so, please complete the attached questionnaire for contributors to the 1972 Presidential Campaign.

3. (a) Please list the names and addresses of all companies with which you were affiliated as an officer or director between January 1, 1971 and December 31, 1972: (Note: Hereinafter, when the phrase "your companies" is used, it shall refer to companies listed in your answer to question 3–a.)

(b) For each of your companies during the period January 1, 1971 through December 31, 1972 please list the chief executive officer, the chief fiscal officer and the Vice President or other official responsible for relations or liaison with the United States Government and its agencies and departments.

4. Were you contacted in person, by telephone or in a personal letter for contributions in connection with the 1972 Presidential Election? ———

If so, state details, including person soliciting and summary of conversation or communication. If you have any written communication or record, please attach a copy to your response.

5. Did you participate in or attend or, to your knowledge, did any other officers or directors of any of your companies participate in or attend discussions concerning the use of corporate funds or resources in connection with the 1972 Presidential Campaign? ———

If so, state full details.

6. Did any of your companies make any contribution out of corporate funds, directly or indirectly, to any political candidate, committee for a candidate, political party or firm or person on behalf of any political candidate, committee or party in the 1972 Presidential Campaign? ———

If so, state full details.

7. Did any of your companies provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign? ———

If so, state full details.

8. Did any of your companies pay any bills or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ———

If so, state full details.

9. Did any of your companies excuse or forgive or settle at less than face value any bills or indebtedness of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ———

If so, state full details.

10. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or to your knowledge, any other officer or director of any of your companies that for the receipt of a campaign contribution that some benefit would accrue in any fashion to you or to any of your companies? ———

If so, state full details.

11. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or director of any of your companies that any action would or might be taken against you or any of your companies if you failed to make a contribution to the 1972 Presidential Campaign? ———

If so, state full details.

12. Do you have any other information or comments regarding fund-raising or financing in connection with the 1972 Presidential Campaign?

U.S. Senate,
Washington, D.C.

Your name has appeared as a contributor to the Campaign of one of the 1972 Presidential Candidates. The Senate Select Committee on Presidential Campaign Activities has as one of its areas of inquiry the question of Campaign financing. In order to do this job effectively we are seeking information from a number of the contributors to the 1972 Campaign. Therefore, we would appreciate your cooperation in completing the attached form and returning it to us in the enclosed envelope.

If you fill out and return the enclosed form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

Finally, we would like to call your attention to the provisions of Title 18, United States Code, Section 1001, which deals with making false statements to the government. We are enclosing a copy of the statute for your information.

If you have any questions concerning the inquiry, please contact me at the above address or telephone number.

Sincerely,

David M. Dorsen,
Assistant Chief Counsel.

Your voluntary cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. We assure you that no inference of wrongdoing should be drawn from the fact that you are being asked to complete this questionnaire.

Title 18, United States Code, Section 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Senate Select Committee on Presidential Campaign Activities—Questionnaire Regarding Political Contributions in 1972 Presidential Campaign

1. Name, address and telephone number.

(A) Name of spouse.

2. Names and addresses of employers between January 1, 1971 and December 31, 1972 and positions held.

3. Did you contribute to a political party, a candidate or a committee for a candidate in the Presidential Campaign of 1972 during the period of January 1, 1971 to December 31, 1972? ———

For each contribution, please list (A) the name and address of the recipient, (B) the amount you contributed, (C) the date, and (D) the type of contribution, i.e., cash, check, stock, bonds, services, goods, or others. If not cash or check, describe contribution in detail. If not cash, attach copy of relevant documents.

4. Did your spouse or any other member of your immediate family contribute to the Presidential Campaign as defined in question 3? ——— If so, who? ———————

Each such person should complete a copy of this form.

5. Did your employer or any agent of your employer solicit contributions, directly or indirectly, from you or other members of the company on behalf of any particular candidate, political party or political committee during the period January 1, 1971 to December 31, 1972? ———

(A) If so, list names, positions and addresses of such solicitors.

(B) State full details of solicitations.

(C) Did you contribute as a result of this employer solicitation ——— If so, state amounts and dates.

(D) Names of other employees solicited.

6. Did anyone else solicit you in person or by telephone for a contribution? ——— If so, please give name of solicitor and describe events of the solicitation.

7. Did anyone make a contribution covered by Question 3 in your name or anyone in your immediate family? ——— If so, explain circumstances in detail.

8. (A) Did your employer have any arrangement to reimburse you, directly or indirectly, such as through the use of bonuses or raises, for political contributions made by you or your immediate family during the period of January 1, 1971 to December 31, 1972? ——— If so, state full details.

(B) Was the possibility of such reimbursement discussed by you or to your knowledge, others at the place of your employment? ——— If so, state full details.

9. Did your employer furnish to any candidate, committee for a candidate or firm or person on behalf of any candidate or political party, whether directly or indirectly, any monies, goods, service or any other thing of value for the Presidential Campaign of 1972 during the period January 1, 1971 to December 31, 1972? ——— If so, state full details.

10. Did you, or your immediate family or your employer receive from any candidate or from anyone on behalf of any candidate, political party, any political committee or committee for a candidate any information or instruction regarding the gift tax laws or the April 7, 1972 Campaign Disclosure Law? ——— If so, state details and enclose copy of any documents provided, if available.

11. During the period January 1, 1971 through December 31, 1972, were you, any member of your immediate family or any business or enterprise of which you were an officer, director, partner or had an interest in excess of 5% involved in any negotiations, litigations or contacts with the United States Government or any agency or department thereof? ——— If so, state details.

12. Do you have any other information or comments regarding fund-raising or financing in connection with the 1972 Presidential Campaign?

Date ——— Signature ———————

(Attach additional sheets if necessary.)

Exhibit 2

U.S. Senate,
Washington, D.C.

As an official of a major American union, your cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. This Committee has, as one of its areas of inquiry, the question of campaign financing and, in order for the Committee to do its work effectively, data on campaign solicitations and contributions are being sought.

We would appreciate your completion of the enclosed form directed to union officials, and its return to us in the envelope that we have provided for such purpose. In addition, if you or your spouse made contributions totaling $500 or more in the 1972 Presidential campaign, we are requesting that the second form directed to individual contributors be completed.

If you fill out and return the applicable form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

We would like to call your attention to the provisions of Title 18, United States Code, Section 1001, which deals with making false statements to the government. We are enclosing a copy of the Statute for your information.

We would like to assure you that no inference of any wrongdoing should be drawn from this request.

Finally, if you have any questions concerning this inquiry, please contact us at the above address, or Phone 202-225-0531.

Sincerely,

David M. Dorsen,
Assistant Chief Counsel.
Donald G. Sanders,
Deputy Minority Counsel.

Your voluntary cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. We assure you that no inference of wrongdoing should be drawn from the fact that you are being asked to complete this questionnaire.

Title 18, United States Code, Section 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Senate Select Committee on Presidential Campaign Activities

QUESTIONNAIRE FOR UNION OFFICIALS

1. Name, address and office telephone number.

2. Did you or your spouse contribute a total of $500 or more to any political candidate, committee or party in connection with the 1972 Presidential Election?———If so, please complete the attached questionnaire for contributors to the 1972 Presidential Campaign.

3. A. Please list the name and addresses of all unions with which you were affiliated as an officer or agent between January 1, 1971, and December 31, 1972. (Note: Hereinafter, when the phrase "your union" is used, it shall refer to *all* unions listed in your answer to Question 3A.)

(B) For your union during the period January 1, 1971, through December 31, 1972, please list the chief executive officer, the chief fiscal officer and the official responsible for relations or liaison with the United States Government and its agencies and departments.

4.(A) Please list the political action arm(s) or political education committee(s) affiliated with your union, if one existed in 1972; and list the chief executive officer and chief fiscal officer of the same committee(s).

(B) Please state the customary procedure followed by the political action arm(s) or political education committee(s) when they are soliciting donations for political campaigns.

(C) Please include a copy of any audit or statement or memos of disbursement of these funds for *Presidential Candidates* in the 1972 election.

5. Were you contacted in person, by telephone or in a personal letter for contributions in connection with the 1972 Presidential Election?———————

If so, state details, including person soliciting and summary of conversation or communication. If you have any written communication or record, please attach a copy to your response.

6. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign contact your union to solicit contributions from union funds, to solicit the union's assistance in obtaining contributions from members, or to suggest that you make a personal contribution which would be reimbursed by the union? ———If so, state full details.

7. Did your union make any contribution out of union funds, directly or indirectly, to any political candidate, committee for a candidate, political party or firm or person on behalf of any political candidate, committee or party in the 1972 Presidential Campaign? ———If so, state full details.

8. Did your union effect, or attempt to effect, a plan for making deductions from members' dues which would or did inure, directly or indirectly, to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

9. Were the members of your union directly or indirectly asked, encouraged or instructed to make contributions which would or did, directly or indirectly, inure to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

10. Did your union provide any goods or services, including tne supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

11. Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ——— If so, state full details.

12. Did any representative of any candidate, political committee, or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or employee of your union that any action would or might be brought against you, your union or the employers of any members of

your union if your union failed to make a contribution to the 1972 Presidential Campaign? ——— If so, state full details.

13. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or director of your union that for the receipt of a campaign contribution that some benefit would accrue in any fashion to you or to your union? ——— If so, state full details.

14. Did you solicit funds from your membership on behalf of a 1972 Presidential Candidate? ——— If so, state full details.

15. Do you have any other information or comments regarding fundraising in connection with the 1972 Presidential Campaign?

(NOTE.—Attach additional sheets if necessary in responding fully to all questions.)

EXHIBIT 3

[From the Wheeling, W. Va. Intelligencer, May 22, 1974]

WATERGATE PANEL SHIELDS LABOR SPENDING

(By Victor Riesel)

WASHINGTON.—At least one huge set of dossiers in the Watergate Committee files has been sealed. These contain the replies received from some 220 national and international labor leaders to a committee questionnaire dispatched to them on Sept. 27, 1973. In it were 15 queries seeking answers to one fundamental question: How much hard and soft cash did "you or your union" contribute "in connection with the 1972 presidential campaign"?

Despite the fact that the Ervin committee has leaked constantly like a huge sponge under a compressor, all inquiries on these replies have been turned away.

All efforts to examine the documents have been rebuffed. It was made crystal-clear that the communications are extremely "sensitive." There will be no hearings on labor contributions, no executive session questioning of any labor leaders.

They may never be made public though the committee is scheduled to fade away on June 30 after "some further investigatory work." Thus the huge final report may not contain any reference to labor's financing of any 1972 candidate.

"The question on release of the questionnaires came up recently," one of the Ervin group's most active officials told me. "The committee expressly directed those of us who have access to the labor contributions material to keep it all on an absolutely confidentiality basis.

"We were told this wide-ranging questionnaire should not be made public or 'leaked.' They said they want to go over it first."

The official who has seen whole sets of photostated documents turned over to newsmen on a regular (sometimes even messengered) basis was puzzled.

"There are far more matters here which are more sensitive than the labor money questionnaires," he adeed. "Yet the other material was handed to favored men. But we had no ban put on those, only the labor replies. And they feel they may not release it at all."

However, a leak is a leak and I got to them. Fascinating. Only one labor leader contributed anything but pennies. He gave $500. The rest of the money, of course, came from the rank and file.

The contributions ran about 15 to 1 in favor of George McGovern. Some $44,000 officially went to Dick Nixon's campaign.

None of this was followed up. Virtually no staff time was alloted it. At best, a researcher telephoned union leaders

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full nature and seriousness of the questionnaire. And that it must be answered honestly.

There was no move to confirm the answers to Questions 10 and 11. The first of these asked: "Did your union provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign?—If so, state full details." And the latter query asked: "Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign?—If so, state full details."

These are the soft-cash inquiries. Soft cash, for example, in the 1974 elections is what San Francisco Mayor Joseph Alioto's labor supporters were preparing to spend. They asked for bids on millions of Alioto-for-Governor buttons, ties, tie clasps, T-shirts, pins, etc. Some committee or other, some "rank-and-filer" would pick up the bill on delivery. However, the definite orders were postponed when the California labor political committee endorsed not only Alioto but other Democrats as well in the primary race.

That's "soft cash." So is the money which went to the teams of political specialists which labor poured into the recent series of special elections and primaries in Michigan, Pennsylvania, Ohio and California. None of it surfaces as money contributed to the candidate.

Since none of the answers to the 15 queries can be traced through individual national and international union records, this valuable information is destined to permanent darkness like royal artifacts sealed in an undiscovered pyramid.

Thus, for example, the total contributions listed in the replies reveal that $600,000 went to Sen. McGovern. Obviously far more than that was spent by a combine of AFL-CIO unions and independents such as the United Auto Workers and others inside labor.

There's something strange somewhere. Sam Dash, the Watergate Committee's chief counsel, said the "public should have the information." But the senators disagreed.

"The committee," Dash told me, "felt we shouldn't be intruding on the impeachment proceedings. So I do not have a report on the labor union material other than a general impression of the questionnaire. No, there won't be any hearings on these. We will look at them again. There's an issue of privacy here."

Thus the sluice gate was shut on at least one fount of information—the replies of national labor leaders when asked to put on record what their unions poured into the 1972 political war chests. Apparently the committee has some competent plumbers of its own when it wants to shut off a leak. Well, almost competent.

[From the Washington Star-News, Sept. 5, 1973]

1972 DONORS QUERIED

(By Martha Angle)

The special Senate Watergate committee has sent questionnaires to several hundred major campaign contributors in an effort to learn how millions of dollars were raised for last year's presidential election.

Committee sources said the questionnaires were mailed last week to "a couple of hundred individual contributors and a couple of hundred corporate officials" who helped finance the presidential bids of one or more candidates.

Although the Senate panel has thus far focused its attention almost exclusively on alleged illegal or unethical activities, by President Nixon's campaign aides, its probes of campaign financing is directed at both political parties.

The questionnaires ask contributors how they came to make political donations, whether large contributions were split up to avoid payment of the federal gift tax, whether corporations reimbursed their officers and employes for contributions supposedly made as individuals and whether the contributor gave money in the name of someone else.

A committee source said no affidavit or other form of oath was attached to the questionnaire but added, "it is of course an official query from an arm of the government and we can follow up if necessary."

The questionnaire represents just one step in the committee's staff investigation in preparation for the third and final phase of its investigation, which will focus on campaign financing.

Chief Counsel Samuel Dash said last week that a number of major corporate executives who made large campaign contributions last year will be called as witnesses during the final phase of the hearing.

Congress returns from its August recess today, but the Watergate committee will not hold its first executive session until Tuesday.

Public hearings are scheduled to resume the week of Sept. 17, with a half dozen witnesses left over from the Watergate break-in phase of the investigation, expected to testify first.

At least two of these witnesses, Watergate conspirator E. Howard Hunt and former White House special counsel Charles W. Colson, will serve as "transitional" witnesses testifying about both the Watergate scandal and other political espionage.

Before the recess, committee members had informally discussed the possibility of splitting into two subcommittees to conduct simultaneous hearings on political "dirty tricks" and campaign finances.

But sources said yesterday that it now appeared likely the panel will continue to operate as a whole since the subcommittee approach would stretch an already over-burdened staff too thin.

Committee staff members are preparing a confidential status report on the progress of their "dirty tricks" and campaign finance investigations which will be presented to the seven senators at next week's executive session, sources said.

Staff investigators have been scattered around the country during the recess interviewing prospective witnesses for the final two phases of the hearing.

Sources said it appears likely that political saboteur Donald Segretti will be offered limited immunity from prosecution in exchange for cooperation with the Senate committee.

Segretti has reportedly talked freely with Senate investigators and provided the names of others in the Nixon campaign undercover activities network.

Mr. President, I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I want to commend my distinguished colleague from Idaho (Mr. MCCLURE) for his observations regarding the need for a thorough investigation of union political campaign contributions and activities.

It would, indeed, be a farce to issue a select committee report on campaign activities without a meaningful effort to examine the role of the unions.

Mr. President, in this morning's Washington Post there is an article concerning a committee staff report containing allegations that a milk producers group had paid $25,000 for computer services for one of the Democratic Presidential primary candidates in 1972.

I do not know whether this is true, but I do not believe it is very significant when compared with the hundreds of thousands—perhaps millions of dollars—worth of services that union organizations provide for candidates. One of the big items which the unions offer is the use of union computers to aid their chosen candidates. I do not see any difference between a union doing $25,000 in computer work for a candidate, and the donation of $25,000 to pay for computer work. They are one and the same, and if it is bad for a person or an organization to pay $25,000 cash for campaign services, then it is equally bad for an organization—for a union—to use its union-owned or leased equipment to provide $25,000 worth of campaign services.

Mr. President, the picture that we get from the newspapers and television would indicate that the select committee has gone to great lengths to investigate possible corporate misdeeds, but has made the barest token effort to assess what the unions have done. This is the impression that has been given to the American people.

At a time when we hear a great deal of moralizing about not only being fair and evenhanded, but about the need to provide the public with evidence of such objectivity, we find that it appears to be sadly lacking.

Mr. President, the most astute political observers have estimated that the unions provide funds and services totaling from $60 million to $100 million for campaigning in Presidential election years. Union officials themselves have not refuted this, and they have made statements boasting that the AFL–CIO is the most potent single politician machine in America.

Union political activities should be the main focus of our campaign reform investigations, not an afterthought.

Any capable team of investigators can find hundreds of cases where unions have violated the letter or the spirit of our campaign laws.

Campaign reform is a very important matter, and it is time that all the cards be laid on the table for the American people. It would be grossly hypocritical for this Congress to pretend to have given a thorough study to Presidential campaign abuses without an in-depth investigation of the union role.

Mr. President, I have great admiration for the chairman and the ranking minority member of the select committee. I hope that they will consider this urgent matter and deal with it accordingly.

TRANSACTION OF ROUTINE MORNING BUSINESS

The **PRESIDING OFFICER**. At this time, in accordance with the previous order, there will be a period of not to exceed 15 minutes for the transaction of routine morning business, with statements of each Senator limited to 3 minutes.

Is there morning business to be transacted at this time?

Mr. **ROBERT C. BYRD**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

PRESENTATION OF A PETITION

Mr. **THURMOND**. Mr. President, on June 20, 1974, the General Assembly of the State of South Carolina adopted a concurrent resolution memorializing the Congress of the United States to take necessary action to relieve the beef price crisis at the producer level and specifically to curtail beef imports until prices paid to cattle producers are improved.

The resolution notes that the price of beef paid to cattle producers has dropped to approximately one-half of the price being paid several months ago while the cost of fertilizer, feed, fencing and other products necessary for the production of beef has continued to climb at a rapid rate. If this present structure continues many cattle producers will go out of business.

Mr. President, on behalf of myself and the junior Senator from South Carolina (Mr. HOLLINGS) I ask unanimous consent that this concurrent resolution be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks, and that it be referred to the appropriate committee for proper consideration.

There being no objection, the resolution was ordered to be printed in the RECORD, and referred to the Committee on Agriculture and Forestry, as follows:

A concurrent resolution to memorialize the Congress of the United States to take necessary action to relieve the beef price crisis at the producer level and specifically curtail beef imports until prices paid to cattle producers are improved

Whereas, the price of beef paid to cattle producers has dropped to approximately one-half of the price being paid several months ago; and

Whereas, the cost of fertilizer, feed, fencing and other products necessary for the production of beef has continued to climb at a rapid rate; and

Whereas, despite the reduction in beef prices paid to the producers, the retail price to consumers continues to remain high; and

Whereas, continuation of the present price structure will result in many cattle producers going out of business, which unfortunate situation will eventually result in higher prices to the consumers in this country. Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring: That the General Assembly by this resolution memorialize the Congress of the United States to take necessary action to relieve the beef price crisis at the producer level and specifically curtail beef imports until prices paid to cattle producers are improved, be it further

Resolved that copies of this resolution be forwarded to the Vice-President, the Speaker of the House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MONDALE, from the Committee on Labor and Public Welfare, without amendment:

H.R. 15296. An act to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession (Rept. No. 93–979).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Con. Res. 93. Concurrent resolution relating to an inflation policy study (Rept. No. 93–982).

By Mr. RIBICOFF, from the Committee on Government Operations, with amendments:

S. 2744. A bill to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a new Nuclear Safety and Licensing Commission in order to promote more efficient management of such functions (Rept. No. 93–980).

ENERGY REORGANIZATION ACT OF 1974

Mr. **RIBICOFF**. Mr. President, from the Committee on Government Operations, I submit a report on S. 2744 to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a new Nuclear Safety and Licensing Commission in order to promote more efficient management of such functions.

I ask unanimous consent that the bill, as reported, be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2744

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Energy Reorganization Act of 1974".

DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby declares that the general welfare and the common defense and security require effective action to develop, and increase the efficiency and reliability of use of, all energy sources to meet the needs of present and future generations, to increase the productivity of the national economy and strengthen its position in regard to international trade, to make the Nation self-sufficient in energy, to advance the goals of restoring, protecting, and enhancing environmental quality, and to assure public health and safety.

(b) The Congress finds that, to best achieve these objectives, improve Government operations, and assure the coordinated and effective development of all energy sources, it is necessary to establish an Energy Research and Development Administration to bring together and direct Federal activities relating to research and development on the various sources of energy, to increase the efficiency and reliability in the use of energy, and to carry out the performance of other functions, including the Atomic Energy Commission's military and production activities: *Provided*, That, in establishing an Energy Research and Development Administration to achieve these objectives, the Congress intends that no energy technology be given an unwarranted priority.

(c) The Congress further declares and finds that it is in the public interest that the licensing and related regulatory functions of the Atomic Energy Commission be separated from the performance of the other functions of the Commission, and that this separation be effected in an orderly manner, pursuant to this Act, assuring adequacy of technical and other resources necessary for the performance of each.

(d) The Congress further declares that it is in the public interest and is hereby stated to be the policy of Congress that small business concerns be given an opportunity to participate, insofar as is possible, in a fair and equitable proportion of grants, contracts, purchases, and other Federal activities relating to research, and development, and demonstration of sources of energy efficiency and utilization of energy and conservation of energy.

TITLE I—ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

ESTABLISHMENT

SEC. 101. There is hereby established an independent executive agency to be known as the Energy Research and Development Administration (hereinafter in this Act referred to as the "Administration").

OFFICERS

SEC. 102. (a) There shall be at the head of the Administration an Administrator of Energy Research and Development (hereinafter in this Act referred to as the "Administrator"), who shall be appointed from civilian life by the President by and with the advice and consent of the Senate. A person may not be appointed as Administrator within five years after release from active duty as a commissioned officer of a regular component of an Armed Force. The Administrator shall receive compensation at the rate now or hereafter prescribed for offices and positions at level II of the Executive Schedule (5 U.S.C. 5313). The Administration shall be administered under the supervision and direction of the Administrator, who shall be responsible for the efficient and coordinated management of the Administration.

(b) There shall be in the Administration a Deputy Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate now or hereafter prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314). The Deputy Administrator shall have special responsibility, subject to the Administrator's authority, for international cooperation in all energy and related environmental research and development.

(c) The President shall appoint the Administrator and Deputy Administrator from among individuals who, by reason of their training and experience are specially qualified to manage a full range of energy research and development programs.

(d) There shall be in the Administration six Assistant Administrators, one of whom shall be responsible for fossil energy, another for nuclear energy, another for environment and safety, another for conservation, another for solar, geothermal, and advanced energy systems, and another for defense programs. The Assistant Administrators shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate now or hereafter prescribed for offices and positions at level IV of the Executive Schedule (5 U.S.C. 5315). The President shall appoint each Assistant Administrator from among individuals who, by reason of training and experience, are specially qualified to manage the energy technology area assigned to such Assistant Administrator.

(e) There shall be in the Administration a General Counsel who shall be appointed by the Administrator and who shall serve at the pleasure of and be removable by the Administrator. The General Counsel shall receive compensation at the rate now or hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

(f) There shall be in the Administration not more than eight additional officers appointed by the Administrator, who shall serve at the pleasure of and be removable by the Administrator and shall receive compensation at the rate now or hereafter prescribed for offices and positions at level V of the Executive Schedule (5 U.S.C. 5316).

(g) The Division of Military Application transferred to and established in the Administration by section 104(d) of this Act shall be under the direction of a Director of Military Application, who shall be appointed by the Administrator and who shall serve at the pleasure of and be removable by the Administrator and shall be an active commissioned officer of the Armed Forces serving in general or flag officer rank or grade. The functions, qualifications, and compensation of the Director of Military Application shall be the same as those provided under the Atomic Energy Act of 1954, as amended, for the Assistant General Manager for Military Application.

(h) Officers appointed pursuant to this section shall perform such functions as the Administrator shall specify from time to time.

(i) The Deputy Administrator (or in the absence or disability of the Deputy Administrator, or in the event of a vacancy in the office of the Deputy Administrator, an Assistant Administrator, the General Counsel or such other official, determined according to such order as the Administrator shall prescribe) shall act for and perform the functions of the Administrator during any absence or disability of the Administrator or in the event of a vacancy in the office of the Administrator.

RESPONSIBILITIES OF THE ADMINISTRATOR

SEC. 108. (a) The responsibilities of the Administrator shall include, but not be limited to—

(1) exercising central responsibility for policy planning, coordination, support, and management of research and development programs respecting all energy sources, including assessing the requirements for research and development in regard to various energy sources in relation to near-term and long-range needs, policy planning in regard to meeting those requirements, undertaking programs for the optimal development of the various forms of energy sources, managing such programs, and disseminating information resulting therefrom;

(2) encouraging and conducting research, development and demonstration of commercial feasibility and practical applications of the extraction, conversion, storage, transmission, and utilization phases related to the development and use of energy from fossil, nuclear, solar, geothermal, and other energy sources; including such nonnuclear research and development programs as may hereafter be authorized by the Congress;

(3) engaging in and supporting environmental, biomedical, physical, and safety research related to the development of energy sources and utilization technologies;

(4) taking into account the existence, progress, and results of other public and private research and development activities, including those activities of the Federal Energy Administration relating to the development of energy resources using currently available technology in promoting increased utilization of energy resources, relevant to the Administration's mission in formulating its own research and development programs;

(5) participating in and supporting cooperative research and development projects which may involve contributions by public or private persons or agencies, of financial or other resources to the performance of the work;

(6) developing, collecting, distributing, and making available for distribution, scientific and technical information concerning the manufacture or development of energy and its efficient extraction, conversion, transmission, and utilization;

(7) encouraging and conducting research and development in energy conservation, which shall be directed toward the goals of reducing total energy consumption to the maximum extent practicable, and toward maximum possible improvement in the efficiency of energy use. Development of new and improved conservation measures shall be conducted with the goal of the most expeditious possible application of these measures; and

(8) encouraging and participating in international cooperation in energy and related environmental research and development.

(b) In carrying out his responsibilities under this Act, the Administrator shall consult with the Administrator of the Small Business Administration and take the appropriate action to help assure that small business concerns receive an opportunity to participate in a fair and equitable proportion of grants, contracts, purchases, and other Federal activities relating to research, development, and demonstration of sources of energy, efficiency and utilization of energy and conservation of energy.

ABOLITION AND TRANSFERS

SEC. 104. (a) The Atomic Energy Commission is hereby abolished. Sections 21 and 22 of the Atomic Energy Act of 1954, as amended **(42 U.S.C. 2031 and 2032) are repealed.**

(b) All other functions of the Commission, the Chairman and members of the Commission, and the officers and components of the Commission are hereby transferred or allowed to lapse pursuant to the provisions of this Act.

(c) There are hereby transferred to and vested in the Administrator all functions of the Atomic Energy Commission, the Chairman and members of the Commission, and the officers and components of the Commission, except as otherwise provided in this Act.

(d) The General Advisory Committee established pursuant to section 26 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2036), the Patent Compensation Board established pursuant to section 157 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2187), and the Divisions of Military Application and Naval Reactors established pursuant to section 25 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2035), are transferred to the Energy Research and Development Administration and the functions of the Commission with respect thereto, and with respect to relations with the Military Liaison Committee established by section 27 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2037), are transferred to the Administrator.

(e) There are hereby transferred to and vested in the Administrator such functions of the Secretary of the Interior, the Department of the Interior, and officers and components of such department—

(1) as relate to or are utilized by the Office of Coal Research established pursuant to the Act of July 1, 1960 (74 Stat. 336; 30 U.S.C. 661–668);

(2) as relate to or are utilized in connection with fossil fuel energy research and development programs and related activities conducted by the Bureau of Mines "energy centers" and synthane plant to provide greater efficiency in the extraction, processing, and utilization of energy resources for the purpose of conserving those resources, developing alternative energy resources, such as oil and gas secondary and tertiary recovery, oil shale and synthetic fuels, improving methods of managing energy-related wastes and pollutants, and providing technical guidance needed to establish and administer national energy policies;

(3) as relate to or are utilized for underground electric power transmission research; and

(4) as relate to the acquisition, production, distribution, and storage of helium.

(f) There are hereby transferred to and vested in the Administrator such functions of the National Science Foundation as relate to or are utilized in connection with—

(1) solar heating and cooling development; and

(2) geothermal power development.

(g) To the extent necessary or appropriate to perform functions and carry out programs transferred by this Act, the Administrator and Commission may exercise, in relation to the functions so transferred, any authority or part thereof available by law, including appropriation Acts, to the official or agency from which such functions were transferred.

(h) In the exercise of his responsibilities under section 103, the Administrator shall utilize to the fullest extent practicable the technical and management capabilities of other executive agencies having facilities, personnel, or other resources which can assist or advantageously be expanded to assist in carrying out such responsibilities. The Administrator shall consult with the head of each agency with such facilities, personnel, or other resources and assign, with their consent, responsibility for specific programs or projects in energy research and development as appropriate: *Provided*, That (1) such assignments shall be in addition to and not detract from the basic mission responsibilities of the agency, and (2) such assignments shall be carried out under the policy guidance of the Administrator.

TRANSFER OF PERSONNEL AND OTHER MATTERS

SEC. 105. (a) Except as provided in the next sentence the personnel employed in connection with, and the personnel positions, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to or to be made available in connection with the functions and programs transferred by this Act, are, subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), correspondingly transfered for appropriate allocation. Personnel positions expressly created by law, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation at the rate prescribed for offices and position at levels II, III, IV, or V of the Executive Schedule (5 U.S.C. 5313–5316) on the effective date of this Act shall be subject to the provisions of subsection (c) of this section and section 301 of this Act.

(b) Except as provided in subsection (c), transfer of nontemporary personnel pursuant to this Act shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer.

(c) Any person who, on the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5 of the United States Code, and who, without a break in service, is appointed in the Administration to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position.

ADMINISTRATIVE PROVISIONS

SEC. 106. (a) The Administrator is authorized to prescribe such policies, standards, criteria, procedures, rules, and regulations as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

(b) The Administrator shall engage in such policy planning, and perform such program evaluation analyses and other studies, as may be necessary to promote the efficient and coordinated administration of the Administration and properly assess programs toward the achievement of its missions.

(c) Except as otherwise expressly provided by law, the Administrator may delegate any of his functions to such officers and employees of the Administration as he may designate, and may authorize such successive redelegations of such functions as he may deem to be necessary or appropriate.

(d) Except as provided in section 102 and in section 104(d), the Administrator may organize the Administration as he may deem to be necessary or appropriate.

(e) The Administrator is authorized to establish, maintain, alter, or discontinue such State, regional, district, local, or other field offices as he may deem to be necessary or appropriate to perform functions now or hereafter vested in him.

(f) The Administrator shall cause a seal of office to be made for the Administration of such device as he shall approve, and judicial notice shall be taken of such seal.

(g) The Administrator is authorized to establish a working capital fund, to be available wihout fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interests of economy and efficiency. There shall be transferred to the fund the stocks of supplies, equipment, assets other than real property, liabilities, and unpaid obligations relating to the services which he determines will be performed through the fund. Appropriations to the fund, in such amounts as may be necessary to provide additional working capital, are authorized. The working capital fund shall recover, from the appropriations and funds for which services are performed, either in advance or by way of reimbursement, amounts which will approximate the costs incurred, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from the sale or exchange of its property, and receipts in payment for loss or damage to property owned by the fund.

(h) Each department, agency, and instrumentality of the executive branch of the Government is authorized to furnish to the Administrator, upon his request, any information or other data which the Administrator deems necessary to carry out his duties under this title.

PERSONNEL AND SERVICES

SEC. 107. (a) The Administrator is authorized to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, pursuant to section 161d of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2201(d)) as are necessary to perform the functions now or hereafter vested in him to prescribe their functions.

(b) The Administrator is authorized to obtain services as provided by section 3109 of title 5 of the United States Code.

(c) The Administrator is authorized to provide for participation of military personnel in the performance of his functions. Members of the Army, the Navy, the Air Force, or the Marine Corps may be detailed for service in the Administration by the appropriate military Secretary, pursuant to cooperative agreements with the Secretary, for service in the Administration in positions other than a position the occupant of which must be approved by and with the advice and consent of the Senate.

(d) Appointment, detail, or assignment to, acceptance of, and service in, any appointive or other position in the Administration under this section shall in no way affect the status, office, rank, or grade which such officers or enlisted men may occupy or hold, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. A member so appointed, detailed, or assigned shall not be subject to direction or control by his Armed Force, or any officer thereof, directly or indirectly, with respect to the responsibilities exercised in the position to which appointed, detailed, or assigned.

(e) The Administrator is authorized to pay transportation expenses, and per diem in lieu of subsistence expenses, in accordance with chapter 57 of title 5 of the United States Code for travel between places of recruitment and duty, and while at places of duty, of persons appointed for emergency, temporary, or seasonal services in the field service of the Administration.

(f) The Administrator is authorized to utilize, on a reimbursable basis, the services of any personnel made available by any department, agency, or instrumentality, including any independent agency of the Government.

(g) The Administrator is authorized to establish advisory boards, in accordance with the provisions of the Federal Advisory Committee Act (Public Law 92–463), to advise with and made recommendations to the Administrator on legislation, policies, administration, research, and other matters.

(h) The Administrator is authorized to employ persons who are not citizens of the United States in expert, scientific, technical, or professional capacities whenever he deems it in the public interest.

POWERS

SEC. 108. (a) The Administrator is authorized to exercise his powers in such manner as to insure the continued conduct of research and development and related activities in areas or fields deemed by the Administrator to be pertinent to the acquisition of an expanded fund of scientific, technical, and practical knowledge in energy matters. To this end, the Administrator is authorized to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities with private or public institutions or persons, including participation in joint or cooperative projects of a research, developmental, or experimental nature; to make payments (in lump sum or installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments); and generally to take such steps as he may deem necessary or appropriate to perform functions now or hereafter vested in him. Such functions of the Administrator under this Act as are applicable to the nuclear activities transferred pursuant to this title shall be subject to the provisions of the Atomic Energy Act of 1954, as amended, and to other authority applicable to such nuclear activities. The nonnuclear responsibilities and functions of the Administrator referred to in sections 103 and 104 of this Act shall be carried out pursuant to the provisions of this Act, applicable authority, existing immediately before the effective date of this Act, or in accordance with the provisions of chapter 4 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2051–2053).

(b) Except for public buildings as defined in the Public Buildings Act of 1959, as amended, and with respect to leased space subject to the provisions of Reorganization Plan Numbered 18 of 1950, the Administrator is authorized to acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain facilities and real property as the Administrator deems to be necessary in and outside of the District of Columbia. Such authority shall apply only to facilities required for the maintenance and operation of laboratories, research and testing sites and facilities, quarters, and related accommodations for employees and dependents of employees of the Administration, and such other special-purpose real property as the Administrator deems to be necessary in and outside the District of Columbia. Title to any property or interest therein, real, personal, or mixed, acquired pursuant to this section, shall be in the United States.

(c)(1) The Administrator is authorized to provide, construct, or maintain, as necessary and when not otherwise available, the following for employees and their dependents stationed at remote locations:

(A) emergency medical services and supplies;

(B) food and other subsistence supplies;

(C) messing facilities;

(D) audiovisual equipment, accessories, and supplies for recreation and training;

(E) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(F) living and working quarters and facilities; and

(G) transportation for school-age dependents of employees to the nearest appropriate educational facilities.

(2) The furnishing of medical treatment under subparagraph (A) of paragraph (1) and the furnishing of services and supplies under paragraphs (B) and (C) of paragraph (1) shall be at prices reflecting reasonable value as determined by the Administrator.

(3) Proceeds from reimbursements under this section shall be deposited in the Treasury and may be withdrawn by the Administrator to pay directly the cost of such work or services, to repay or make advances to appropriations or funds which do or will bear all or a part of such cost, or to refund excess sums when necessary; except that such payments may be credited to a service or working capital fund otherwise established by law, and used under the law governing such funds, if the fund is available for use by the Administrator for performing the work or services for which payment is received.

(d) The Administrator is authorized to acquire any of the following described rights if the property acquired thereby is for use in, or is useful to, the performance of functions vested in him:

(1) copyrights, patents, and applications for patents, designs, processes, specifications, and data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases, before suit is brought, for past infringement of patents or copyrights.

(e) Subject to the provisions of chapter 12 of the Atomic Energy Act (42 U.S.C. 2161–2166), and other applicable law, the Administrator shall disseminate scientific, technical, and practical information acquired pursuant to this title through information programs and other appropriate means, and shall encourage the dissemination of scientific, technical, and practical information relating to energy so as to enlarge the fund of such information and to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding.

(f) The Administrator is authorized to accept, hold, administer, and utilize gifts, and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Administration. Gifts and bequests of money and proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the Administrator. For the purposes of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift or bequest to the United States.

COUNCIL ON ENERGY POLICY

SEC. 109. (a) The Congress finds and declares that—

(1) there are many Federal agencies, created at different times and for different purposes to handle specialized problems, all directly or indirectly involved in the establishment of energy policy;

(2) there is no comprehensive national energy policy but instead Federal energy activities consist of a myriad of laws, regulations, actions, and inactions resulting in narrow, short range, and often conflicting decisionmaking by individual agencies without adequate consideration of the impact on the overall energy policy, not future national energy needs; and

(3) as a consequence of not having a comprehensive national energy policy, the Nation faces mismanagement of energy resources, unacceptably high adverse environmental impacts, inadequate incentives for efficient utilization and conservation of energy resources, shortages of supply, and soaring energy prices.

(b) Therefore, it is declared to be the purpose of the Congress to protect and promote the interest of the people of the United States as energy users by establishing a Council on Energy Policy to serve as a focal point for—

(1) the collection, analysis, and interpretation of energy statistics and data necessary to formulate policies for wise energy management and conservation and to anticipate social, environmental, and economic problems associated with existing and emerging energy technologies;

(2) the coordination of all energy activities of the Federal Government, and provision of leadership to State and local governments and other persons involved in energy activities; and

(3) the preparation, after consultation with other interested organizations and agencies, of a long-range comprehensive plan (hereinafter referred to as the "energy plan") for energy development, utilization, and conservation to foster improvement in the efficiency of energy production and utilization, reduction of the adverse environmental impacts of energy production and utilization, conservation of energy resources for the use of future generations, reduction of excessive energy demands, and development of new technologies to produce clean energy.

(c) (1) The policies, regulations, and public laws of the United States shall be interpreted and administered to the fullest extent possible in accordance with the policies set forth in this section; and

(2) All agencies of the Federal Government shall to the fullest extent possible—

(A) utilize a systematic interdisciplinary approach which will insure the integrated use of both physical and social sciences in producing, conserving, and utilizing the Nation's energy resources;

(B) submit prior to the review process established pursuant to the Budget and Accounting Act of 1972, as amended, to the Council on Energy Policy established by this section for comment all legislative recommendations and reports, to the extent that such recommendations and reports deal with or have a bearing on energy matters;

(C) gather data and information pursuant to guidelines promulgated by the Council on Energy Policy; develop analytical techniques for the management, conservation, use, and development of energy resources, and make such data available to the Council on Energy Policy;

(D) recognize the worldwide and long-range character of energy concerns and, where consistent with the foreign policy of the United States, lend appropriate support to initiatives, resolutions, and programs designed to foster international cooperation in anticipating and resolving energy-related problems;

(d) There shall be established in the Executive Office of the President a Council on Energy Policy (hereinafter referred to as the "Council"). The Council shall be composed of three members who shall be appointed by the President to serve at his pleasure by and with the advice and consent of the Senate. The President shall at the time of nomination designate one of the members of the Council to serve as Chairman. Each member shall be a person, who as a result of his training, experience, and attainment, is well qualified to analyze and interpret energy trends and information of all kinds; to appraise programs and activities of the Federal Government in light of the energy needs of the Nation; to be conscious of and responsive to the envirenmental, social, cultural, economic, scientific, and esthetic needs and interests of the Nation; and to formulate a national energy plan and recommend national policies with respect to wise energy management.

(e) (1) The Council shall serve as the principal adviser to the President on energy policy and shall exercise leadership in the formulation of Government policy concerning domestic and international issues relating to energy.

(2) The Council shall make recommendations to the President and the Congress for resolving conflicts between the policies relating to energy of different Federal agencies and recommend measures to improve the implementation of Federal energy policies or the management of energy resources with particular emphasis upon policies and activities involving two or more departments or independent agencies.

(3) The Council shall develop within eighteen months after the date of enactment of this Act and thereafter shall annually update an energy plan for energy development, utilization, and conservation in the United States to carry out the purposes as stated in subsection (b) of this section. Copies of such plans shall be distributed on January 1 of each year to the President, to the Congress, and to all Federal and States agencies concerned with energy, and upon request to local agencies and nongovernmental entities.

(4) The Council shall promptly review all legislative recommendations and reports sent to Congress to the extent that such recommendations and reports have a bearing on energy matters, and it shall send to the President and the involved Federal agency a statement in writing of its position and the reasons therefor.

(5) The Council shall keep Congress fully and currently informed of all of its activities. Neither the Council nor its employees may refuse to testify before or submit information to Congress or any duly authorized committee thereof.

(6) The Council shall conduct annual public hearings on the energy plan and may hold public hearings when there is substantial public interest in other pending matters.

(7) In carrying out its collection, analysis, and interpretation of energy statistics function, the Council shall, as quickly as possible and after appropriate study, promulgate guidelines for the collection and initial analysis of energy data by other Federal agencies, after published notice in the Federal Register and opportunity for comment. Such guidelines shall be designed to make such data compatible, useful, and comprehensive. Where relevant data is not now available or reliable and is beyond the authority of other agencies to collect, then the Council shall recommend to the Congress the enactment of appropriate legislation. Pending congressional consideration, the Council may gather such data directly. The Council shall have the power to require by special or general orders any person to submit in writing such energy data as the Council may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as the Council may direct.

(f) (1) In exercising its powers, functions, and duties, the Council shall—

(A) consult with the Interagency Energy Advisory Committee established under subsection (g) of this section and with representatives of science, industry, agriculture, labor, conservation organizations, State and local governments, and other groups, as it deems advisable; and

(B) employ a competent, independent staff which shall utilize, to the fullest extent possible, the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, to avoid duplication of effort and expense, thus assuring that the Council's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by other agencies.

(2) Members of the Council shall serve

full time and the Chairman of the Council shall be compensated at the rate provided for level II of the Executive Schedule Pay Rates (5 U.S.C. 5313). The other members of Council shall be compensated at the rate provided for level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315).

(3) The Council may employ such officers and employees as may be necessary to carry out its functions. The Council may also employ and fix the compensation of such experts, consultants, or contractors to conduct detailed studies as may be necessary for the caring out of its functions to the same extent as is authorized under section 3109 of title 5, United States Code (but without regard to the last sentence thereof).

(g)(1) There is also created in the Executive Office of the President an interagency Energy Resources Advisory Committee (hereinafter in this section referred to as the "Energy Committee"). The Energy Committee shall be composed of the Chairman of the Council, the Secretary of the Interior, the Administrator of the Federal Energy Administration, the Administrator of the Energy Research and Development Administration, Secretary of State, the Secretary of the Treasury, Director, Office of Management and Budget, and such other officials of the Federal Government as the President may designate. The Chairman of the Energy Committee shall be selected by its members.

(2) It shall be the duty and function of the Energy Committee to assist the Council in insuring communication and coordination among Energy Committee member agencies in the development of energy resources, and in such other matters as the Council may determine.

(3) The Chairman of the Energy Committee may not refuse to testify before the Congress or any duly authorized committee thereof regarding the activities of the Energy Committee or other matters concerning interagency coordination of energy policy and activities.

(4) This subsection (g) shall be effective no later than sixty days after the enactment of this Act or such earlier date as the President shall prescribe and publish in the Federal Register, and shall terminate upon enactment of a permanent department responsible for energy and natural resources or two years after such effective date, whichever shall occur first.

(h) The Council shall prepare and submit to the President and the Congress on or before January 1, 1975, and annually thereafter, an energy report to accompany the energy plan. This report shall include—

(1) an estimate of energy needs of the United States for the ensuing ten-year period to meet the requirements of the general welfare of the people of the United States and the commercial and industrial life of the Nation;

(2) an estimate of the domestic and foreign energy supply on which the United States will be expected to rely to meet such needs in an economic manner with due regard for the protection of the environment, the conservation of natural resources, and the implementation of foreign policy objectives;

(3) current and forseeable trends in the price, quality, management, and utilization of energy resources and the effects of those trends on the social, environmental, economic, and other requirements of the Nation;

(4) a catalog of research and development efforts funded by the Federal Government to develop new technologies, to forestall energy shortages, to reduce waste, to foster recycling, and to encourage conservation practices; and recommendations for developing technology capable of improving the quality of the environment, increasing efficiency, and protecting employee health and safety in energy industries;

(5) recommendations for improving the energy data and information available to the Federal agencies by improving monitoring systems, standardizing data, and securing additional needed information;

(6) a review and appraisal of the adequacy and appropriateness of technologies, procedures, and practices (including competitive and regulatory practices), employed by Federal, State, and local governments and nongovernmental entities to achieve the purposes of this section; and

(7) recommendations concerning the level of funding for the development and application of new technologies, as well as new procedures and practices which the Council may determine to be required to achieve the purposes of this section and improve energy management and conservation together with recommendations for additional legislation, including the preparation of the reorganization recommendations required by section 110 of this Act.

(i)(1) Copies of any communications, documents, reports, or information received or sent by any member of the Council shall be made available to the public upon identifiable request, and at reasonable cost, unless such information may not be publicly released under the terms of paragraph (2) of this subsection.

(2) The Council or any officer or employee of the Council shall not disclose information obtained under this section which concerns or relates to a trade secret referred to in section 1905 of title 18, United States Code, except that such information may be disclosed in a manner designed to preserve its confidentiality—

(A) to other Federal Government departments, agencies, and officials for official use upon request;

(B) to committees of Congress having jurisdiction over the subject matter to which the information relates;

(C) to a court in any judicial proceeding under court order formulated to preserve the confidentiality of such information without impairing the proceedings; and

(D) to the public in order to protect their health and safety after notice and opportunity for comment in writing or for discussion in closed session within fifteen days by the party to whom the information pertains (if the delay resulting from such notice and opportunity for comment would not be detrimental to the public health and safety). In no event shall the names or other means of identification of injured persons be made public without their express written consent. Nothing contained in this section shall be deemed to require the release of any information described by subsection (b) of section 552, title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

(j)(1) The Comptroller General of the United States shall continuously monitor and evaluate the operations of the Council including its reporting requirements. Upon his own initiative or upon the request of a committee of the Congress or, to the extent personnel are available, upon the request of a Member of Congress, the Comptroller General shall (A) conduct studies of existing statutes and regulations governing Federal energy programs, (B) review the policies and practices of Federal agencies administering such programs, (C) review and evaluate the procedures followed by such agencies, in gathering, analyzing, and interpreting energy statistics, data, and information related to the management and conservation of energy, including but not limited to data related to energy costs, demand, industry structure, environmental impacts, and research and development, and (D) evaluate particular projects or programs. The Comptroller General shall have access to such data from any public or private source whatever, notwithstanding the provisions of any other law, as is necessary to carry out his responsibilities under this section and shall report to the Congress at such time as he deems appropriate with respect to Federal energy programs, including his recommendations for such modifications in existing laws, regulations, procedures, and practices as will, in his judgment, best serve the Congress in the formulation of a national energy policy.

(2) In carrying out his responsibilities as provided in paragraph (1) of this subsection, the Comptroller General shall give particular attention to the need for improved coordination of the work of the Federal Government related to energy policies and programs and the attendant need for a central source of energy statistics and information.

(3) The Comptroller General or any of his authorized representatives in carrying out his responsibilities under this section shall have access to any books, documents, papers, statistics, data, information, and records of any private organization relating to the management and conservation of energy, including but not limited to energy costs, demand, supply, reserves, industry structure, environmental impacts, and research and development. The Comptroller General may require any private organization to submit in writing such energy data as he may prescribe. Such submission shall be made within such reasonable period and under oath or otherwise as he may direct.

(4) To assist in carrying out his responsibilities, the Comptroller General may sign and issue subpenas requiring the production of the books, documents, papers, statistics, data, information, and records referred to in paragraph (3) of this subsection.

(5) In case of contumacy, or refusal to obey a subpena of the Comptroller General issued under this section, by any person who resides, is found to transacts business within the jurisdiction of any district court of the United States, such district court shall, upon the request of the Comptroller General, have jurisdiction to issue to such person an order requiring such person to comply forthwith. Failure to obey such an order is punishable by such court as a contempt of court.

(6) Reports submitted by the Comptroller General to the Congress shall be available to the public at reasonable cost and upon identifiable request, except that the Comptroller General may not disclose to the public any information which could not be disclosed to the public by the Council under the provisions of subsection (i)(2) if the information were held by the Council.

(k)(1) There are authorized to be appropriated to carry out the provisions of this section not to exceed $1,000,000 for fiscal year ending June 30, 1975, $2,000,000 for fiscal year ending June 30, 1976, and $4,000,000 for each fiscal year thereafter.

(2) All sums appropriated under this section shall remain available for obligation or expenditure in the fiscal year for which appropriated and in the fiscal year next following.

FUTURE REORGANIZATION

SEC. 110. (a) Not later than January 31, 1975, the President shall transmit to the Congress his recommendations for such organizational arrangements for the management of energy and natural resources by the Federal Government as he deems advisable. Such recommendations shall include—

(1) the appropriate organizational arrangements for long-term implementation of the functions of the Energy Research and Development Administration and of the Federal Energy Administration, and the energy related functions of the Department of the Interior,

(2) the appropriate means for improving coordination among the energy activities of the Federal Government, and

(3) the appropriate organizational arrangements to coordinate energy functions with other natural resources management functions of the Federal Government.

(b) This report shall replace and serve the purposes of the report required by section 15(a)(4) of the Federal Energy Administration Act.

COORDINATION WITH ENVIRONMENTAL EFFORTS

SEC. 111. The Administrator is authorized to establish programs to utilize research and development performed by other Federal agencies to minimize the adverse environmental effects of energy projects. The Administrator of the Environmental Protection Agency, as well as other affected agencies and departments, shall cooperate fully with the Administrator in establishing and maintaining such programs, and in establishing appropriate interagency agreements to develop cooperative programs and to avoid unnecessary duplication.

TITLE II—NUCLEAR SAFETY AND LICENSING COMMISSION

ESTABLISHMENT AND TRANSFERS

SEC. 201. (a) There is established an independent regulatory commission to be known as the Nuclear Safety and Licensing Commission which shall be composed of five members, each of whom shall be a citizen of the United States. The President shall designate one member of the Commission as Chairman thereof to serve as such during Chairman during his absence. The Chairman may from time to time designate any other member of the Commission as Acting Chairman to act in the place and stead of the Chairman during his absence. The Chariman (or the Acting Chairman in the absence of the Chairman) shall preside at all meetings of the Commission and a quorum for the transaction of business shall consist of at least three members present. Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission, shall have full access to all information relating to the performance of his duties or responsibilities, and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct. The Commission shall have an official seal which shall be judicially noticed.

(b)(1) Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The President is selecting the members of the Commission, shall have due regard to a fair representation of expertise in nuclear safety technology, health science, and environmental science.

(3) Appointments of members pursuant to this subsection shall be made in such a manner that not more than three members of the Commission shall be members of the same political party.

(c) Each member shall serve for a term of five years, each such term to commence on July 1, except that of the five members first appointed to the Commission, one shall serve for one year, one for two years, one for three years, one for four years, and one for five years, to be designated by the President at the time of appointment.

(d) Such initial appointments shall be submitted to the Senate within sixty days of the signing of this Act. Any individual who is serving as a member of the Atomic Energy Commission at the time of the enactment of this Act, and who may be appointed by the President to the Commission, shall be appointed for a term designated by the President, but which term shall terminate not later than the end of his present term as a member of the Atomic Energy Commission, without regard to the requirements of subsections (b) (2) and (3) of this section. Any subsequent appointment of such individuals shall be subject to the provisions of this section.

(e) The Chairman shall receive compensation at the rate now or hereafter prescribed for offices and positions at level II of the Executive Schedule (5 U.S.C. 5313). Other members shall receive compensation at the rate now or hereafter prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314).

(f) Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. No member of the Commission shall engage in any business, vocation, or employment other than that of serving as a member of the Commission.

(g) There are hereby transferred to the Commission all the licensing and related regulatory functions of the Atomic Energy Commission, the Chairman and members of the Commission, the General Counsel, and other officers and components of the Commission—which functions officers, components, and personnel are excepted from the transfer to the Administrator by section 104(c) of this Act.

(h) In addition to other functions and personnel transferred to the Commission, there are also transferred to the Commission—

(1) the Advisory Committee on Reactor Safeguards, the Atomic Safety and Licensing Board Panel, and the Atomic Safety and Licensing Appeal Panel;

(2) all personnel whose primary responsibility is research related to confirmatory assessment of the safety of reactors licensed under the provisions of the Atomic Energy Act of 1954 as amended, and of this Act, with the exception of such personnel as the Director of the Office of Management and Budget determines are necessary to assist in reactor developmental research.

LICENSING AND RELATED REGULATORY FUNCTIONS RESPECTING SELECTED ADMINISTRATION FACILITIES

SEC. 202. Notwithstanding the exclusions provided for in section 110a. or any other provisions of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2140(a)), the Nuclear Safety and Licensing Commission shall, except as otherwise specifically provided by section 110b, of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2140(b)), or other law, have licensing and related regulatory authority pursuant to chapters 6, 7, 8, and 10 of the Atomic Energy Act of 1954, as amended, as to the following facilities of the Administration:

(1) demonstration Liquid Metal Fast Breeder Reactors when operated as part of the power generation facilities of an electric utility system, or when operated in any other manner for the purpose of demonstrating the commercial feasibility of such a reactor for a power generation system;

(2) other demonstration nuclear reactors—except those in existence on the effective date of this Act—when operated as part of the power generation facilities of an electric utility system, or when operated in any other manner for the purpose of demonstrating the commercial feasibility of such a reactor for a power generation system;

(3) facilities used primarily for the receipt and storage of high-level radioactive wastes resulting from activities licensed under such Act; and

(4) Retrievable Surface Storage Facilities and other facilities authorized for the express purpose of subsequent long-term storage of high-level radioactive waste generated by the Administration, which are not used for, or are part of, research and development activities.

OFFICE OF NUCLEAR SAFETY RESEARCH

SEC. 203. (a) There is hereby established in the Nuclear Safety and Licensing Commission an Office of Nuclear Safety Research under the direction of a Director of Nuclear Safety Research who shall be appointed by the Commission, who shall report directly to the Commission, and who shall serve at the pleasure of and be removable by the Commission. The Director shall receive compensation at the rate now or hereafter prescribed for officers and positions at level IV of the Executive Schedule (5 U.S.C. 5315).

(b) Subject to the provisions of this Act, the Director of Nuclear Safety Research shall engage in or contract for research which the Director recommends and the Commission deems necessary for the discharge of the licensing and related regulatory functions of the Commission.

(c) In order to carry out the provisions of subsection (b) of this section, the Administrator of the Energy Research and Development Administration and the head of every other Federal agency shall—

(1) cooperate with respect to the establishment of priorities for the furnishing of such research services as requested by the Commission for the conduct of its functions;

(2) furnish to the Commission, when requested, on a reimbursable basis, through its own facilities or by contract or other arrangement, such research services as the Commission deems necessary for the conduct of its functions; and

(3) consult and cooperate with the Nuclear Safety and Licensing Commission on research and development matters of mutual interest including the provision of information on, and of physical access to, Administration facilities for the sole purpose of assisting the Commission to acquire the expertise necessary to perform its licensing and regulatory functions, as provided in this Act.

(d) Nothing in subsections (a) and (b) of this section or section 201 of this Act shall be construed to limit in any way the functions of any office of the Administration relating to the safety of activities within the jurisdiction of the Administration.

BUREAU OF NUCLEAR MATERIALS SECURITY

SEC. 204. (a) There is hereby established in the Nuclear Safety and Licensing Commission a Bureau of Nuclear Materials Security under the direction of a Director of Nuclear Materials Security, who shall be appointed by the Commission, who shall report directly to the Commission, and who shall serve at the pleasure of and be removable by the Commission. The Director shall receive compensation at the rate now or hereafter prescribed for officers and positions at level IV of the Executive Schedule (5 U.S.C. 5315).

(b) Subject to the provisions of this Act, the Director of Nuclear Materials Security shall—

(1) recommend regulations relating to safeguarding against threats, thefts, and sabotage involving special nuclear materials, high-level radioactive wastes, and nuclear facilities resulting from all activities licensed under the Atomic Energy Act of 1954, as amended;

(2) enforce such regulations which are promulgated by the Commission;

(3) monitor, test, and recommend upgrading internal accounting systems for special nuclear materials licensed under the Atomic Energy Act of 1954, as amended;

(4) develop, in consultation and coordination with the Energy Research and Development Administration, contingency plans for dealing with threats, thefts, and sabotage relating to special nuclear materials, high-level radioactive wastes and nuclear facilities resulting from all activities licensed under the Atomic Energy Act of 1954, as amended;

(5) conduct a thorough review of the desirability and feasibility of establishing a security agency within the Bureau or execute

some or all of the functions of the Bureau, and report his recommendations to the Commission within one year of the effective date of this Act; and such report shall be transmitted to the Congress by the Commission as soon as it is received; and

(6) engage in or contract for research which the Director of Materials Security deems necessary for the discharge of the functions of the Bureau.

(c) Nothing in this section shall be construed to limit in any way the functions of any office of the Energy Research and Development Administration relating to the safeguarding of special nuclear materials, high-level radioactive wastes and nuclear facilities resulting from all activities within the jurisdiction of the Administration pursuant to this Act.

NONCOMPLIANCE

SEC. 205. (a) Any individual director, officer, or employee of a firm constructing, owning, operating, or supplying the components of any facility or activity which is licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954 as amended, or pursuant to this Act, who obtains information reasonably indicating that such facility or activity or basic components supplied to such facility or activity—

(1) fails to comply with the Atomic Energy Act of 1954, as amended, or any applicable rule, regulation, order, or license of the Commission, or

(2) contains a defect which could create a substantial safety hazard,

shall immediately notify the Commission of such failure to comply, or of such defect, unless such person has actual knowledge that the Commission has been adequately informed of such defect or failure to comply.

(b) Any person who knowingly fails to provide the notice required by subsection (a) of this section shall be subject to a civil penalty in an amount equal to the amount provided by section 234 of the Atomic Energy Act of 1954, as amended.

(c) Any person who knowingly and willfully fails to provide the notice required by subsection (a) of this section shall be subject to a criminal penalty of a fine not to exceed $50,000 or imprisonment of not more than one year, or both.

(d) The requirements of this section shall be prominently posted on the premises of any facility licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954, as amended.

(e) The Commission is authorized to conduct such reasonable inspections and other enforcement activities as needed to insure compliance with the provisions of this section.

INFORMATION AND STUDIES

SEC. 206. (a) The Commission shall accept requests made in good faith for relevant studies or reports from any party to a licensing proceeding or rulemaking hearing. If such studies or reports are existing, the Commission shall make them available to the requesting party in a timely manner, subject to appropriate provisions of existing law regarding public disclosure. If such studies or reports must be especially prepared, the Atomic Safety and Licensing Board shall determine, subject to review under normal Commission review procedures, if such studies or reports are reasonably necessary for the requesting party to present its position in the proceeding or hearing, and are in the public interest. The requesting party shall be promptly notified of any determination by the Board or by the Commission.

(b) When it has been determined that studies or reports must be especially prepared at the request of a party, the Commission shall prepare such studies or reports, request them to be prepared by other Federal agencies, or have them prepared by contract. Such studies or reports shall be funded by the Commission: *Provided,* That the Commission shall seek contributions or reimbursement, in whole or in part, to the extent that the party requesting such studies or reports is financially capable of providing such contributions or reimbursement.

(c) When the Commission, in making a determination under subsection (a) of this section, shall be of the opinion that such determination involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the determination may materially advance the ultimate termination of the litigation, it shall so state in writing in such determination. The Court of Appeals for the District of Columbia may thereupon, in its discretion, permit an appeal to be taken from such determination, if application is made to it within ten days of the time the requesting party is notified of the determination of the Commission: *Provided, however,* That application for an appeal hereunder shall not stay proceedings of the Commission unless the Commission or the court of appeals or a judge thereof shall so order.

(d) Studies and reports made available by the Commission pursuant to this section shall be offered as part of the record of the proceeding or hearing.

ABNORMAL OCCURRENCE REPORTS

SEC. 207. The Commission shall submit to the Congress each quarter a report listing for that period any abnormal occurrences at any facility or activity which is licensed or otherwise regulated pursuant to the Atomic Energy Act of 1954 as amended, or pursuant to this Act. Each such report shall contain—

(1) the date and place of each occurrence;

(2) the nature of each incident;

(3) the cause or causes of each; and

(4) any action taken to prevent reoccurrence;

the Commission shall also provide as wide dissemination to the public of the information specified in clauses (1) and (2) of this section as reasonably possible within five days of its receiving information of each abnormal occurrence and shall provide as wide dissemination to the public as reasonably possible of the information specified in clauses (3) and (4) as soon as such information becomes available to it.

OTHER OFFICERS

SEC. 208. (a) The Commission shall appoint a Director of Nuclear Reactor Safety who shall report directly to the Commissions who shall serve at the pleasure of and be removable by the Commission and who shall receive compensation at the rate now or hereafter prescribed for officers and positions at level IV of the Exceutive Schedule (5 U.S.C. 5315).

(b) There shall be in the Commission not more than nine additional officers appointed by the Commission who shall serve at the pleasure of and be removable by the Commission and who shall receive compensation at the rate now or hereafter prescribed for officers and positions at level V of the Executive Schedule (5 U.S.C. 5316).

TITLE III—MISCELLANEOUS AND TRANSITIONAL PROVISIONS

TRANSITIONAL PROVISIONS

SEC. 301. (a) Except as otherwise provided in this Act, whenever all of the functions or programs of an agency, or other body, or any component thereof, affected by this Act, have been transferred from that agency, or other body, or any component thereof affected by this Act, the agency, or other body, or component thereof shall lapse. If an agency, or other body, or any component thereof, lapses pursuant to the preceding sentence, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rate prescribed for an office or position at level II, III, IV, or V of the Executive Schedule (5 U.S.C. 5313–5316), shall lapse.

(b) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Administrator, the Commission, or other authorized officials, a court of competent jurisdiction, or by operation of law.

(c) The provisions of this Act shall not affect any proceeding pending, at the time this section takes effect, before the Atomic Energy Commission or any department or agency (or component thereof) functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued if this Act had not been enacted.

(d) Except as provided in subsection (f)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

(e) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or such official as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter any roder which will give effect to the provisions of this section.

(f) If, before the date on which this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Administrator or Commission, or any other official, then such suit shall be continued as if this Act had not been enacted, with the Administrator or Commission, or other official, as the case may be, substituted.

(g) Final orders and actions of any official or component in the performance of functions transferred by this Act shall be subject to judicial review to the same extent and in the same manner as if such orders or actions had been made or taken by the officer, department, agency, or instrumentality in the performance of such functions immediately preceding the effective date of this Act. Any statutory requirements relating to notices, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the performance of those functions by the Administrator or Commission, or any officer or component.

(h) With respect to any function transferred by this Act and performed after the effective date of this Act, reference in any other law to any department or agency, or any officer or office, the functions of which are so transferred, shall be deemed to refer to the Administration, the Administrator or Commission, or other office or official in which this Act vests such functions.

(i) Nothing contained in this Act shall be construed to limit, curtail, abolish, or terminate any function of the President which he had immediately before the effective date of this Act; or to limit, curtail, abolish, or terminate his authority to perform such function; or to limit, curtail, abolish, or terminate his authority to delegate, redelegate, or terminate any delegation of functions.

(j) Any reference in this Act to any provision of law shall be deemed to include, as appropriate, references thereto as now or hereafter amended or supplemented.

(k) Except as may be otherwise expressly provided in this Act, all functions expressly conferred by this Act shall be in addition to and not in substitution for functions existing immediately before the effective date of this Act and transferred by this Act.

INCIDENTAL DISPOSITIONS

SEC. 302. The Director of the Office of Management and Budget is authorized to make such additional incidental dispositions of personnel, personnel positions, assets, liabilities, contracts, property records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to or to be made available in connection with functions transferred by this Act, as he may deem necessary or appropriate to accomplish the intent and purposes of this Act.

DEFINITIONS

SEC. 303. As used in this Act—

(1) any reference to "function" or "functions" shall be deemed to include references to duty, obligation, power, authority, responsibility, right, privilege, and activity, or the plural thereof, as the case may be; and

(2) any reference to "perform" or "performance", when used in relation to functions, shall be deemed to include the exercise of power, authority, rights, and privileges.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 304. (a) Except as otherwise provided by law, appropriations made under this Act shall be subject to annual authorization.

(b) Beginning in fiscal year 1976, and in every fiscal year thereafter, in the absence of a specific nonnuclear energy research and development policy enacted by Congress for the Administration, of the amounts appropriated for the nondefense programs of the Administration, not less than 7 per centum shall be available for each of the research and development functions assigned to each of the nondefense Assistant Administrators under subsection 102(d) of this Act.

(c) Authorization of appropriations to the Commission shall reflect the need for effective licensing and other regulation of the nuclear power industry in relation to the growth of such industry.

COMPTROLLER GENERAL AUDIT

SEC. 305. (a) Section 166, "Comptroller General Audit" of the Atomic Energy Act of 1954, as amended, shall be deemed to be applicable, respectively, to the nuclear and nonnuclear activities under title I and to the activities under title II.

(b) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of title II of this Act by the Nuclear Safety and Licensing Commission—

(1) Not less than fifty-four months nor more than sixty months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit, which shall contain, but not be limited to, the following:

(A) an evaluation of the effectiveness of the licensing and related regulatory activities of the Commission and the operations of the Office of Nuclear Safety Research and the Bureau of Nuclear Materials Security;

(B) an evaluation of the effect of such Commission activities on the efficiency, effectiveness, and safety with which the activities licensed under the Atomic Energy Act of 1954, as amended, are carried out;

(C) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of title II.

(2) Copies of the report shall be furnished to the Chairman, Nuclear Safety and Licensing Commission, the chairman of the Senate Committee on Government Operations, the chairman of the Committee on Government Operations of the House of Representatives, and the chairman of the Joint Committee on Atomic Energy.

REPORTS

SEC. 306. (a) The Administrator shall, as soon as practicable after the end of each fiscal year, make a report to the President for submission to the Congress on the activities of the Administration during the preceding fiscal year. Such report shall include a statement of the short-range and long-range goals, priorities, and plans of the Administration together with an assessment of the progress made toward the attainment of those objectives and toward the more effective and efficient management of the Administration and the coordination of its functions.

(b) During the first year of operation of the Administration, the Administrator, in collaboration with the Secretary of Defense, shall conduct a thorough review of the desirability and feasibility of transferring to the Department of Defense or other Federal agencies the functions of the Administrator respecting military application and restricted data, and within one year after the Administrator first takes office the Administrator shall make a report to the President, for submission to the Congress, setting forth his comprehensive analysis, the principal alternatives, and the specific recommendations of the Administrator and the Secretary of Defense.

(c) The Commission shall, as soon as practicable after the end of each fiscal year, make a report to the President for submission to the Congress on the activities of the Commission during the preceding fiscal year. Such report shall, in layman's language, include a statement of the short-range and long-range goals, priorities, and plans of the Commission as they relate to the relative benefits, costs, and risks of commercial nuclear power. Such assessment shall be based on a complete accounting of the Commission's activities and findings in the following areas—

(1) insuring the safe design of nuclear powerplants and other licensed facilities;

(2) investigating abnormal occurrences and defects in nuclear powerplants and other licensed facilities;

(3) safeguarding special nuclear materials at all stages of the nuclear fuel cycle;

(4) investigating suspected, attempted, or actual thefts of special nuclear materials in the licensed sector and developing contingency plans for dealing with such incidents;

(5) insuring the safe, permanent disposal of high-level radioactive wastes through the licensing of nuclear activities and facilities;

(6) protecting the public against the hazards of low-level radioactive emissions from licensed nuclear activities and facilities.

INFORMATION TO COMMITTEES

SEC. 307. Except as provided in section 304(b) of this Act, the Administrator shall keep the appropriate congressional committees fully and currently informed with respect to all of the Administration's activities.

TRANSFER OF FUNDS

SEC. 308. The Administrator, when authorized in an appropriation Act, may, in any fiscal year, transfer funds from one appropriation to another within the Administration: *Provided*, That no appropriation shall be either increased or decreased pursuant to this section by more than 5 per centum of the appropriation for such fiscal year.

CONFORMING AMENDMENTS TO CERTAIN OTHER LAWS

SEC. 309. Subchapter II (relating to Executive Schedule pay rates) of chapter 53 of title 5, United States Code, is amended as follows:

(1) Section 5313 is amended by striking out "(8) Chairman, Atomic Energy Commission." and inserting in lieu thereof "(8) Chairman, Nuclear Safety and Licensing Commission.", and by adding at the end thereof the following:

"(22) Administrator of Energy Research and Development.".

(2) Section 5314 is amended by striking out "(42) Members, Atomic Energy Commission." and inserting in lieu thereof "(42) Members, Nuclear Safety and Licensing Commission.", and by adding at the end thereof the following:

"(60) Deputy Administrator, Energy Research and Development Administration.".

(3) Section 5315 is amended by striking out paragraph (50), and by adding at the end thereof the following:

"(99) Assistant Administrators, Energy Research and Development Administration (6);

"(100) Director of Nuclear Reactor Safety, Nuclear Safety and Licensing Commission;

"(101) Director of Nuclear Materials Security, Nuclear Safety and Licensing Commission;

"(102) Director of Nuclear Safety Research, Nuclear Safety and Licensing Commission;

(4) Section 5316 is amended by striking out paragraphs (29), (69), and (102), by striking out "(62) Director of Regulation, Atomic Energy Commission."; by striking out "(81) General Counsel of the Atomic Energy Commission," and inserting in lieu thereof "(81) General Counsel of the Nuclear Safety and Licensing Commission.", and by adding at the end thereof the following:

"(133) General Counsel, Energy Research and Development Administration.

"(134) Additional officers, Energy Research and Development Administration (8).

"(135) Additional officers, Nuclear Safety and Licensing Commission (9).".

SEPARABILITY

SEC. 310. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 311. (a) This Act shall take effect one hundred and twenty days after the date of enactment, or on such earlier date as the President may prescribe and publish in the Federal Register; except that any of the officers provided for in this Act may be nominated and appointed, as provided by this Act, at any time after the date of enactment of this Act. Funds available to any department or agency (or any official or component thereof), any functions of which are transferred to the Administrator and the Commission by this Act, may, with the approval of the President, be used to pay the compensation and expenses of any officer appointed pursuant to this subsection until such time as funds for that purpose are otherwise available.

(b) In the event that any officer required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any officer, whose appointment was required to be made by and with the advice and consent of the Senate and who was such an officer immediately prior to the effective date of this Act, to act in such office until the office is filled as provided in this Act. While so acting, such persons shall receive compensation at rates provided by this Act for the respective offices in which they act.

TITLE IV—SEX DISCRIMINATION

Sec. 401. No person shall on the ground of sex be excluded from participation in, be denied a license under, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under any title of this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or cut off any other legal remedies available to a discriminatee.

DOMESTIC FOOD ASSISTANCE PROGRAMS—REPORT OF A COMMITTEE (S. REPT. 93–978)

Mr. McGOVERN, from the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, submitted a report thereon, which was ordered to be printed.

ORDER FOR COMMITTEES TO FILE REPORTS ON WEDNESDAY, JULY 3

Mr. MANSFIELD. Mr. President, I ask unanimous concent that all committees be authorized to file reports on Wednesday, July 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred or passed as indicated:

By Mr. MANSFIELD:

S. 3706. A bill for the relief of Janice Elaine Groves and her daughter, Anna Groves. Referred to the Committee on the Judiciary.

By Mr. TUNNEY (for himself and Mr. Taft):

S. 3707. A bill to provide a tax credit incentive for increased savings. Referred to the Committee on Finance.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 3708. A bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

By Mr. CURTIS:

S. 3709. A bill to amend the Internal Revenue Code of 1954 to permit the amortization over a 5-year period of new facilities for the production of fertilizer. Referred to the Committee on Finance.

S. 3710. A bill to provide that certain applications and other documents required to be filed with executive departments and agencies shall be considered as timely filed if they are timely mailed. Referred to the Committee on Government Operations.

By Mr. STEVENS:

S. 3711. A bill for the relief of Mrs. Yu Sil Kang (nee Kim). Referred to the Committee on the Judiciary.

By Mr. RIBICOFF (for himself and Mr. Weicker):

S. 3712. A bill to provide one additional permanent district judgeship for the district of Connecticut. Referred to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. Buckley, Mr. Biden, and Mr. Schweiker):

S. 3713. A bill to amend the Health Programs Extension Act of 1973. Referred to the Committee on Labor and Public Welfare.

By Mr. HARTKE (for himself and Mr. Bayh):

S. 3714. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

By Mr. THURMOND:

S. 3715. A bill to provide for the establishment of a national cemetery in the State of South Carolina. Referred to the Committee on Veterans' Affairs.

By Mr. ABOUREZK:

S. 3716. A bill to facilitate the transfer of science and technology and increase cooperation between the United States and other nations through the full utilization of global telecommunication services. Referred to the Committee on Government Operations.

By Mr. HUMPHREY (for himself, Mr. McIntyre, Mr. Chiles, Mr. Case, Mr. Williams, Mr. Metzenbaum, Mr. Hart, Mr. Hathaway, Mr. Stevenson, Mr. Nelson, Mr. Metcalf, Mr. Proxmire, Mr. Ribicoff, Mr. Stafford, Mr. Hughes, Mr. Pastore, Mr. Mondale, Mr. Brooke, and Mr. Muskie):

S. 3717. A bill to extend the Emergency Petroleum Allocation Act of 1973. Referred to the Committee on Interior and Insular Affairs.

By Mr. ERVIN:

S. 3718. A bill for the relief of Leah Maureen Anderson. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. Javits, and Mr. Bentsen):

S. 3719. A bill to amend the Urban Mass Transportation Act of 1964 to provide increased assistance for mass transportation systems. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JACKSON (for himself and Mr. Haskell):

S. 3720. A bill to authorize the allocation of supplies of materials and equipment associated with the production of energy supplies. Referred to the Committee on Interior and Insular Affairs.

By Mr. GRAVEL:

S. 3721. A bill to provide that an individual who has attained age 65 will not be required to pay the social security tax on his first $2,400 of wages and self-employment income. Referred to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. Humphrey):

S. 3722. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain expenses incurred for installation of solar heating and cooling systems. Referred to the Committee on Finance.

By Mr. HART:

S. 3723. A bill to regulate commerce by discouraging needless depletion of natural resources and by encouraging resource recovery and reuse through programs and incentives for recycling and for converting waste into usable energy, and for other purposes. Referred to the Committee on Public Works, by unanimous consent.

By Mr. ABOUREZK:

S. 3724. A bill to provide for the efficient development of the natural resources of the Navajo and Hopi Reservations for the benefit of its residents, to assist the members of the Navajo and Hopi Tribes in becoming economically fully self-supporting, to resolve a land dispute between the Navajo and Hopi Tribes, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOLE:

S. 3725. A bill to raise the Veterans' Administration to the status of an executive department of the Government to be known as the "Department of Veterans' Affairs." Referred to the Committee on Government Operations.

By Mr. ROBERT C. BYRD (for Mr. Cranston):

S.J. Res. 223. Joint resolution extending the authority of the Small Business Administration. Passed, without amendment.

By Mr. MONTOYA (for himself, Mr. McIntyre, Mr. Stevenson, Mr. Humphrey, Mr. Kennedy, Mr. Hart, Mr. Percy, Mr. Mansfield, and Mr. McGovern):

S.J. Res. 224. Joint resolution to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND RESOLUTIONS

By Mr. TUNNEY (for himself and Mr. Taft):

S. 3707. A bill to provide a tax credit incentive for increased savings. Referred to the Committee on Finance.

Mr. TUNNEY. Mr. President, last Thursday I offered for myself and the Senator from Ohio (Mr. Taft) amendment No. 1509 to the debt ceiling bill, and I ask unanimous consent that a slightly modified version of that amendment be printed as a bill in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TUNNEY. Mr. President, we introduce this bill in order to suggest to the Senate what seems to me to be a new and innovative solution to several major economic problems facing our country today. We believe our bill would contribute a great deal toward:

First, slowing the rapid rate of increase in the prices of new homes, mortgage payments, and residential rentals;

Second, dealing with the problem of massive unemployment in the construction trades;

Third, providing a means of access to

"inflation-protected" savings for moderate or average-income savers; and

Fourth, helping reduce general inflationary pressures by inducing a voluntary increase in savings.

The bill itself is reasonably simple. It would provide a tax credit equal to the increase in interest income earned in the current year over interest income earned in the previous year, up to a maximum of $100. All savings accounts and all certificates of deposit which pay no more than 7½ percent would be covered. The credit would be available for 3 years beginning with 1974.

A short example illustrates the tax credit idea proposed in my amendment.

In 1973 a taxpayer has $1,000 in a 5-percent savings account and earns $50 interest for the year.

At the beginning of 1974 the taxpayer increases his or her savings to $2,000 and earns $100 in interest.

Under my proposal, the taxpayer could claim a tax credit of $50—the amount of the increase in interest income.

The principle of this policy is very simple. For each dollar of increased interest income, up to $100, a saver gets $1 of tax credit.

Dollar-for-dollar matching, up to the $100 limit, makes savings much more attractive. In this example the total return on increased savings of $1,000 is $100. The effective rate of interest is 10 percent—a rate sufficient to fully offset the rate of inflation expected in 1974.

What would this tax credit cost?

Preliminary Treasury estimates suggest that the cost would range from $1 billion to $1.5 billion. Since these estimates seem very high, I have asked Treasury for an explanation of the assumptions and calculations employed in their formulation. I would like to point out, however, that the lower Treasury figure, $1 billion, implies that the credit would produce an increase in qualifying savings of between $20 and $25 billion next year. Compare this with the fact that the total increase in savings for 1974 is now expected to be only $6.7 billion. Note also that much of this $6.7 billion would not qualify for the credit since a major portion would be undertaken by those who invest in high-interest certificates of deposit and by those whose increased interest income would vastly exceed the proposed $100 tax credit ceiling. The inevitable conclusion is either that Treasury expects that my amendment will produce a net increase of $18 to $20 billion in additional savings or the Treasury has vastly overestimated the cost. In either event, the term "cost" is somewhat illusory in this context since the proposed tax credit represents basically a return to taxpayers of their own money in return for their performance of a socially useful task; namely, increasing personal savings.

Mr. President, I cannot stress too strongly the importance of increasing personal savings. According to the Department of Commerce, savings, measured as a percentage of disposable personal income, has steadily declined from 8.1 percent in 1970 to 6.6 percent in the first quarter of 1974. It is these savings, of course, which provide the backbone for the home mortgage market and a very substantial part of the capital needed for expansion of basic productive capacity.

Just yesterday, Treasury Secretary William Simon testified before the Joint Economic Committee that the survival of our economy will require that future rates of capital formation be considerably higher than those which have prevailed heretofore.

Improvement of our housing stock, provision of new systems of urban transportation, rebuilding some of our basic industries, cleaning up the environment, and developing major new energy supplies will, as the Secretary testified—

> Require an immense volume of new investment capital, far above and beyond the normal requirements to replace aging schools, industrial plants, and all of the other conventional needs.

If I may quote just a bit further from the Secretary's testimony:

> Inflation is the bitter enemy of the saving-investment process. What reason is there for any worker to put aside part of his paycheck every week if his return on that saving is no higher—or even less—than the rate of inflation?

Mr. President, declining rates of new savings combined with more and more rapid growth in the demand for credit have produced massive disintermediation.

Billions have flowed from savings banks, savings and loans, and other major mortgage institutions which are severely limited in their ability to offer high interest rates into Treasury bills, high-grade corporate or AA utility bonds which pay 9 percent or more.

In April the federally insured savings and loans had a net outflow of $335 million while the savings banks sustained a net outflow of $650 million—the worst outflow on record.

Mortgage money is getting tougher and tougher to find, and it is getting more expensive. In May, for the 12th month in a row, interest rates on home mortgages rose to an all-time high.

Mr. President, this is much more than a problem of having to pay an extra percentage point or having to wait an extra month or two more to find home financing. The steady increase in interest rates, due to the failure of savings to adequately supply credit for the mortgage market, has priced more and more Americans out of the market for home ownership. Between 1965 and 1973, the income of wage and salary earners increased 57 percent.

While home prices increased less than 57 percent, the average monthly mortgage payment increased 85 percent. This means that, since 1965, the full amount of the real increased cost of home ownership, and the reason why fewer and fewer Americans can afford to own their own homes, has come from increases in mortgage interest rates. We must act soon to increase the supply of mortgage money or face a long-term worsening of our national housing picture.

Every year, our national need for new housing units grows by 2.5 million units. Today's rate of production is only 1.5 million units. During the first quarter of 1974, 440 construction firms collapsed. More firms will fail in the second quarter. Almost half a million workers in the construction trades are unemployed. Their unemployment rate of 10.3 percent is about double that for the labor force as a whole. Housing starts in the first 4 months of this year were off 30 percent over the same period last year. In May they declined 38 percent below the rate for the same month last year.

The current rate of production in housing, 1.5 million starts per year, will surely lead to intensified inflationary pressures on rents and home prices. History demonstrates this very clearly—1965 to 1970 was an extended period of housing production deficiency. During these years, the housing component of the Consumer Price Index rose 25 percent and was a major contributing factor in the overall increase of 23 percent in the cost of living. Of course, increases in housing costs and rent create a self-sustaining inflationary momentum which helps to build pressure for future rounds of wage-and-price increases.

Let us not be deceived by recent administration actions in this area. These efforts to pump an additional $10 billion into the mortgage market through the Government National Mortgage Association, the Federal Home Loan Bank System, and the Federal Home Loan Mortgage Corporation will be helpful. Clearly, however, the effect has been insufficient to bring about a recovery from the current housing depression. What is needed is the kind of stimulus the Treasury department indicates would be provided by my amendment.

In closing, Mr. President, I should like to emphasize several key points.

First, the legislation which I am offering and will attach as an amendment to the first likely vehicle that comes to the floor from the Finance Committee, covers all savings accounts in commercial banks, savings and loans, mutual savings banks, and credit unions. It covers certificates of deposit of less than $10,000. The tax credit provided cannot exceed $100 per taxable entity. It rewards only increases in savings and provides no tax windfalls for existing savings. The $100 tax credit ceiling and the limitation to savings instruments which pay no more than 7½ percent insure that most of the benefit accrues to moderate- and middle-income savers who would otherwise have no access to the inflation protection they badly need.

Second, this bill is counterinflationary in a number of significant ways. By increasing savings as much as $20 billion or more, assuming the Treasury estimate is right—I do not happen to think they are right, but assuming that they are, this amendment will make available a much more adequate supply of credit to finance needed growth in the Nation's housing stock. Borrowing costs will decline while housing production and employment in the construction trades will increase and the runaway inflation of housing costs will be substantially moderated. Increased savings will also reduce the pressure of consumption spending while providing needed capital to finance expansion of productive capacity in shortage-plagued industries.

Finally, this bill offers a measure of equity to the millions of ordinary citizens who lack the resources or sophistication to take advantage of high-interest certificates of deposit or similar securities. As my earlier example showed, the prime benefit goes to the small saver who can substantially boost the rate of return on his or her savings through the proposed tax credit.

Mr. President, one of the things important to note here is that if a person does have substantial resources, he or she can go to the Eurodollar market and buy certificates of deposits in the amount of $100,000 and receive 13½ percent interest

Mr. President, I think we need to give the small and average savers in this country a break. The best way to do this is to give him a small tax credit for increasing his savings. I believe this will achieve a significant result. The Treasury Department certainly feels that it will. I also feel that the temper of the Senate is ripe for this kind of legislation. There was a strong attitude expressed by the Senate in the past few days in opposition to inflationary tax cuts. I think the Senate was right in rejecting tax cuts at this time. The bill I am introducing would provide $20 billion or more of additional savings which would significantly help the national economy at a time when there is a critical demand for capital, when interest rates are at record levels, and when the average person feels that he has to spend his money today in order to get full value, recognizing that if it is saved until tomorrow, it will have depreciated substantially in value.

Thank you, Mr. President.

Exhibit 1

S. 3707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 42 as 43, and by inserting after section 41 the following new section:

Sec. 42. Credit for Interest on Savings.

"(a) In General.—In the case of an individual there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount by which the interest on savings received by the taxpayer during the taxable year exceeds the amount of the interest on savings received by the taxpayer during the preceding taxable year.

"(b) Limitation.—The amount of credit allowed under this section for any taxable year shall not exceed $100 (50 in the case of a married individual making (a separate return of tax).

"(c) Definitions.—For purposes of this section—

"(1) Interest on savings.—The term 'interest on savings' means interest or dividends received on money deposited in a savings account or a time deposit with a financial institution.

"(2) Savings account.—The term 'savings account' means an interest-bearing deposit or account which is not payable on a specified date or at the expiration of a specified time after the date of deposit (although the individual who maintains the deposit or account may be required by the financial institution with which the deposit or account is maintained to give notice in writing of an intended withdrawal not less than 30 days before wthdrawal is made).

"(3) Time deposit.—The term 'time deposit' means a deposit of less than $10,000 which is payable on a specified date or at the expiration of a specified time after the date of deposit and which bears a rate of interest no greater than the maximum rate which may be paid by financial institutions under regulations prescribed under the amendments made by the Act entitled "An Act to provide for the more flexible regulation of maximum rates of interest or dividends payable by banks and certain other financial institutions on deposits or share accounts, to authorize higher reserve requirements on time deposits at member banks, to authorize open market operations in agency issues by the Federal Reserve banks, and for other purposes", approved September 21, 1966 (Public Law 89–579).

"(4) Financial institution.—The term 'financial institution' means—

"(A) a commercial or mutual savings bank whose deposits and accounts are insured by the Federal Deposit Insurance Corporation or otherwise insured under State law;

"(B) a savings and loan, building and loan, or similar association the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or otherwise insured under State law; or

"(C) a credit union the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or otherwise insured under State law."

(b) The table of sections for such subpart is amended by striking out the last item therein and inserting in lieu thereof the following:

"Sec. 42. Credit for interest on savings.
"Sec. 43. Overpayment of tax.".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1973, and ending before January 1, 1977.

Mr. TAFT. Mr. President, I am pleased to be the cosponsor of S. 3707, which provides a tax credit for interest on new savings.

The concept of allowing a tax break on savings is one which I have advocated for years. My bill in this Congress, S. 321, would provide a tax exemption for the first $500 of interest on savings. The Tunney bill is a more limited approach, but it is consistent with my efforts and a much needed initiative.

I realize that these proposals have a considerable cost, but I believe that they also would bring major benefits if adopted at this time. We all know that the housing sector of the economy is in depression, in large part because mortgage credit is either totally unavailable or available only at exorbitant interest costs. By encouraging an increase in the savings funds provided to savings and loan associations and other institutions which can then be invested in housing, proposals to provide more favorable taxation of savings interest would increase the flow of money to be used for mortgage lending in a very direct fashion. Savings and loan associations alone, to which much of the increase in savings would go, have provided about 45 percent of America's home loan money.

Indeed, each tax dollar spent in this way will be likely to generate many more dollars in mortgage money. In turn, this would generate jobs and income in the construction sector, which would result in increased tax receipts.

At the same time, this approach would be anti-inflationary during a period of rapid inflation. It would encourage consumers to save rather than to spend money, which would be of considerable value as long as inflationary shortages in the economy persist. It would also allow thrift institutions to compete more effectively for funds with other forms of investments whose attractiveness has increased with inflation, even though the interest rate on savings has been held at an artificially low level by the Government in an attempt to limit mortgage interest and other interest costs.

In addition to the advantages which are of particular value at the present time, there is a good case for legislation of this type based on equity. Both dividends and capital gains income receive tax advantages, but income from savings receive none. Furthermore, such legislation may be much more likely to assist persons with modest income than the other tax advantages on income which I have pointed out.

I am hopeful that the Finance Committee will soon see fit to hold hearings on my bill, the Tunney-Taft proposal, and similar legislation which would help to accomplish the same important goals.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 3708. A bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. Fannin) a bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System.

This draft legislation was submitted to the Committee on Interior and Insular Affairs by the Secretary of the Interior in lieu of legislation presently pending before the committee. The Department has included many new wild and scenic rivers from around the Nation. I am introducing the bill as a courtesy to the Department, and such introduction in no way means that the Senator from Arizona (Mr. Fannin) and I necessarily are familiar with or endorse any of the proposals contained in the Secretary's recommendations.

I ask unanimous consent that the report accompanying the proposal from the Secretary of the Interior be printed in the Record at this point in my remarks.

There being no objection, the report was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Washington, D.C., June 19, 1974.

Hon. Henry M. Jackson,
Chairman, Committee on the Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This responds to your request for the views of this Department on several bills dealing with additions to the study list of possible wild and scenic rivers, as well as certain bills designating rivers as components of the Wild and Scenic reports. We recommend against enactment of the following bills: S. 30 (Colorado River in Utah); S. 449 (Colorado River in Colorado); S. 2151 (Cahaba, Alabama); S. 2216 (Sipsey Fork, Alabama); S. 2319 (several rivers in Colorado); S. 2386 (American, California), S. 2443 (Upper Mississippi, Minnesota); S. 2691 (Kettle, Minnesota); S. 3130 (Shepaug, Connecticut); S. 3186 (Tuolumne, California); S. 3628 (Illinois River in Oklahoma). We recommend the enactment of the attached substitute bill in their stead.

The substitute bill constitutes the results of an analysis conducted by an interagency committee, consisting of members of this Department and the Department of Agriculture, for the purpose of setting priorities among rivers which have been suggested as additions to the wild and scenic rivers study list. Such a list of priority rivers as that embodied in the substitute bill has become necessary, we believe, because the studies are costly and complicated and because the manpower needed to conduct them is limited. Moreover, the time permitted for such studies has, in effect, recently been constricted by an amendment to the Wild and Scenic Rivers Act from 5 years to 3 complete fiscal years. (P.L. 93–279). In addition, there is already an obligation on the part of this Department and others to complete by 1978 study of several of the 27 rivers originally earmarked for study in the Act. To place rivers, in addition to those selected by the interagency group, on the list of rivers to be studied would compromise the ability of this Department and others to complete existing and projected studies and to devote proper care and attention to them. The failure of a river to appear on the list contained in our substitute bill does not necessarily mean that it should not be studied. Rather, it is the judgment of the interagency committee and of the Administration that rivers on the list should be studied first. Accordingly, we recommend enactment of the comprehensive substitute bill, in lieu of the individual bills before the Committee.

As required by section 5(c) of the Act, we shall study first those rivers most likely to be developed, particularly for energy purposes. This statutory requirement is reinforced by the Administration's goal of achieving energy self-sufficiency under Project Independence. Thus far, we have identified four rivers where energy-related development is likely: the Sweetwater, Wyoming; the Little Missouri, North Dakota; the White, Colorado and Utah; and the Yellowstone, Wyoming and Montana. We will carry out studies of these rivers within 1 year of the date of enactment of our proposed substitute bill. Other rivers are likely to be added to this high-priority group as a result of studies now being done in preparing the blueprint for Project Independence.

We would also point out that there is an additional reason why S. 30 and S. 2691 should not be enacted: both bills would designate components of the Wild and Scenic Rivers System, without the benefit of study as to its suitability for such designation. We believe that it is inconsistent with the purpose of the Wild and Scenic Rivers Act to add new components directly to section 3 of the Act, creating "instant rivers." The Act states explicitly, in section 1(c), that one of its purposes is to prescribe the methods by which additional components may be added to the system from time to time. It then provides such procedures in sections 4 and 5. As the Senate Report, No. 491, 90th Congress, 1st session, on S. 119 stated:

"(T)he committee is cognizant that there are many other rivers throughout the United States which may qualify for the system. The bill establishes procedures by which these may be added." At page 6.

The Office of Management and Budget has advised that the presentation of the enclosed legislative proposal and of this report is in accord with the program of the President.

Sincerely yours,
JOHN C. WHITAKER,
Acting Secretary of the Interior.

"(36) American, California: The North Fork from Mountain Meadow Lake to the Auburn Reservoir and the lower 7.5 miles of the North Fork of the North Fork.

"(37) Shenandoah, Virginia and West Virginia: the main stem, the North Fork from Front Royal to Brocks Gap, and the South Fork from Front Royal to Waynesboro.

"(38) Sweetwater, Wyoming: the main stem from its source to the confluence with Chimney Creek.

"(39) Cacapon, West Virginia: the entire river.

"(40) Columbia, Washington: the main stem from Priest Rapids Dam to McNary Reservoir.

"(41) Guadalupe, Texas: the entire river from its source to New Braunfels but excluding Canyon Reservoir.

"(42) John Day, Oregon: the main stem downstream from North Fork and the North Fork downstream from Baldy Creek and Granite Creek downstream from Clear Creek.

"(43) Little Missouri, North Dakota: the main stem from Marmarth to Garrison Reservoir (Lake Sakakawea).

"(44) Loxahatchee, Florida: the entire river including its tributary, North Fork.

"(45) Niobrara, Nebraska: the main stem from Antelope Creek to Sparks Gauging Station.

"(46) Tangipahoa, Louisiana and Mississippi: the entire river.

"(47) White, Colorado and Utah: the entire river.

"(48) Wisconsin, Wisconsin: the main stem from Prairie du Sac to the mouth.

"(49) Yellowstone, Wyoming and Montana: the main stem from Yellowstone Lake to Pompey's Pillar and its tributary, Clark's Fork.

"(50) Blackfoot, Montana: the main stem from Landers Fork to Milltown Dam.

"(51) Colorado, Colorado and Utah: the main stem from the confluence of the Gunnison River to the confluence of the Dolores River including the Dolores River below the proposed McPhee Dam but excluding the segment from one mile above Highway 90 to the confluence of the San Miguel River.

"(52) Delta, Alaska: the main stem from its source to Black Rapids.

"(53) Gulkana, Alaska: the entire river including its tributaries, West and Middle Forks.

"(54) Madison, Montana: the main stem from Earthquake Lake to Ennis Lake.

"(55) Ogeechee, Georgia: the entire river.

"(56) Owyhee, Oregon: the main stem from the Idaho State line downstream to the Owyhee Reservoir. *Provided however,* That the authority of the Chief of Engineers to undertake emergency flood control work along the Owyhee River under the authority of section 5 of the Flood Control Act of 1941 (55 Stat. 650), as amended (33 U.S.C. 701n), shall not be affected by study of this river.

"(57) Salt, Arizona: the main stem from its source to Stewart Mountain Dam.

"(58) Snake, Wyoming: the main stem from its source to Palisades Reservoir, excluding Jackson Lake. *Provided however,* That study of this river shall not affect the authority of the Chief of Engineers to undertake maintenance work for the flood protection project along the Snake River authorized by the Flood Control Act of 1950 (64 Stat. 180), nor shall it affect the authority of the Chief of Engineers to undertake emergency flood control work along the Snake River under the authority of section 5 of the Flood Control Act of 1941 (55 Stat. 650), as amended (33 U.S.C. 701n).

"(59) Wenatchee, Washington: entire river, including Lake Wenatchee, and its tributaries, the Chiwawa and White Rivers."

By Mr. CURTIS:

S. 3709. A bill to amend the Internal Revenue Code of 1954 to permit the amortization over a 5-year period of new facilities for the production of fertilizer. Referred to the Committee on Finance.

Mr. CURTIS. Mr. President, today I am introducing legislation to provide a tax incentive to encourage the construction of new fertilizer production facilities in this country. At the present time there is in my opinion a domestic shortage in fertilizer production of about 20 percent. There is an enormous foreign demand also. This shortage in fertilizer will have a serious impact on the growth in the production of grains and food items in the near future, since, as everyone knows, there is a direct relationship between the use of fertilizer and agricultural productivity.

Because many of the present fertilizer production facilities are reconverted World War II ammunition plants whose efficiency is low and are nearing the end of their useful life, this situation is going to become more acute. At the same time there is growing demand for fertilizer in the emerging nations to help them meet their increasing food requirements. The measure I am introducing today would constitute a positive step toward alleviating the growing gulf between supply and demand for fertilizer products.

The purpose of this bill is to provide for 5-year amortization of the depreciable cost of a new facility which is certified by the Secretary of Agriculture as one to be used primarily in the production of fertilizer. It must be a new facility acquired after April 26, 1974, or a facility the construction or reconstruction or erection of which is completed after April 26, 1974. In the latter case, the fast amortization applies only to the portion of the facility which is constructed, et cetera, after April 26, 1974. An election is to be made to take advantage of 60-month amortization effective with the month following the month in which the facility is completed or acquired, or with the taxable year succeeding the taxable year in which the facility is completed or acquired. Once the amortization period is begun, the fast amortization will not apply to subsequent additions or improvements to the facility.

Appropriate provisions are included for the recapture of the accelerated deductions in the event of early disposition of the fertilizer facility to prevent any abuse of this tax incentive. This is done by bringing the amortization deductions within the scope of the depreciation recapture provisions of sections 1245 and 1250.

In view of the seriousness of the problem created by the shortage in fertilizer production facilities, I am hopeful that this matter will receive early attention by the Congress.

By Mr. CURTIS:

S. 3710. A bill to provide that certain applications and other documents required to be filed with executive departments and agencies shall be considered as timely filed if they are timely mailed.

Referred to the Committee on Government Operations.

Mr. CURTIS. Mr. President, I have received several complaints from constituents who attempted to comply with time deadlines in applying for Federal grants, only to be thwarted by the unreliable U.S. Postal Service. As an example, I would like to include in the Record, with the Senate's unanimous consent, two letters written by Floyd Marian, which describe the time bind he confronted in preparing his application for a grant for special Indian education, his sincere efforts to get the application in on time, and the final rejection of his grant application due to the tardy mail service.

There being no objection, the letters were ordered to be printed in the Record, as follows:

April 22, 1974.

Mr. Robert Mintz,
Chief, Support Operations Branch,
Application Control Board,
Washington, D.C.

Dear Mr. Mintz: We received notification today that our application for award from the U.S. Office of Education was rejected. The rejection was because the application arrived after the published closing date. The amount of the possible grant was small, $1,060, however, it is disheartening to the writers as well as the Indian Parents Council to have the application rejected on this basis.

Are there any means of appeal to this rejection? The actual paperwork was completed March 7 and in order to give proper public notice the hearing on the proposal was not held until March 12. The chairman of the Indian Parent Advisory Council signed the form on March 13. The application was mailed on March 13. The application was stamped as having been received March 19. The mails are sometimes slow, but this seems to be excessive. We complied to the best of our ability to have the application in your hands before the deadline date. Are there any means of appeal or is this final?

Thank you for your kind consideration and cooperation.

Yours truly,

Floyd Marian,
Director of Federal Projects.

Hastings Public Schools,
Hastings, Nebr., April 22, 1974.

Senator Carl T. Curtis,
New Senate Office Building,
Washington, D.C.

Dear Senator Curtis: Recently this school district made application for a grant for Special Indian Education under Part A, Title IV (Indian Education Act), P.L. 92–318. The application was mailed March 13 and we received notification today, April 22, that the application was not accepted. The reason for non-acceptance was because it arrived after the published closing date, March 15.

The amount of the grant was very small, $1,060, and hardly worth thinking about. However, considering the short amount of time given to organize, plan and make application for the grant and to have it rejected because of late arrival and not on the merits of the proposed project makes us, school officials and Indian parents, disappointed and a little angry at this rejection.

I know that there is little if anything that can be done, but I did want to express our feelings on this rejection.

Yours truly,

Floyd Marian,
Director of Federal Projects.

Mr. CURTIS. I see no reason why a conscientious applicant who completes the paperwork and mails his application in what he considers to be adequate time to meet the specified deadline, should be refused the grant simply because the application was processed unduly slowly by the Postal Service. In an attempt to solve this problem, I propose herewith a bill to provide that certain applications and other documents required to be filed with executive departments and agencies shall be considered as timely filed if they are timely mailed. I send this bill to the desk and ask that it be appropriately referred. I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if—

(1) under any law of the United States, or any rule or regulation issued thereunder, any application for a grant, loan, or other assistance or benefit provided or authorized by such law, or any other document, is required to be filed within a prescribed period or on or before a prescribed date with an officer, department, agency, or other instrumentality of the executive branch, and

(2) after such period or such date, such application or document is delivered by United States mail to such officer, department, agency, or instrumentality,

the date of the United States postmark stamped on the envelope or other wrapper in which such application or document is mailed shall be deemed to be the date on which such application or document was filed and received by such officer, department, agency, or instrumentality.

(b) Subsection (a) shall apply only if—

(1) the postmark date falls within the prescribed period or on or before the prescribed date for filing the application or other document, and

(2) the application or other document was, within the time prescribed by paragraph (1), deposited in the mail in the United States in an envelope or other appropriate wrapper, postage prepaid, properly addressed to the officer, department, agency, or instrumentality of the executive branch with which the application or document is required to be filed.

(c) Subsection (a) shall not apply to—

(1) any application or other document if the law which requires or authorizes such application or document provides that it must be filed by a means other than by mailing, or

(2) any return, claim, statement, or other document to which section 7502 of the Internal Revenue Code of 1954 applies.

Sec. 2. The Director of the Office of Management and Budget shall prescribe regulations providing for the uniform application of the first section of this Act by all officers, departments, agencies, and instrumentalities of the executive branch.

By Mr. HARTKE (for himself and Mr. Bayh):

S. 3714. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

Mr. HARTKE. Mr. President, I introduce on behalf of myself and Senator Bayh a bill which will enable the State of Indiana to embark upon a program to build highways which will give the people of our State access to public recreation areas.

With the assistance of the Federal Government, several reservoirs have been constructed in Indiana. Although these reservoirs afford Hoosiers with an unparalleled opportunity for recreation and an enjoyment of nature, the road system prevents all but a handful of the State's residents from taking advantage of that opportunity.

The legislation I introduce today will open up these recreational areas to the people of Indiana. It enables the State of Indiana to return $1,936,894 which it had received from the Federal Government in the form of highway assistance. That money was used to pay approximately 2 percent of the cost of the East-West Toll Road—Interstate 80/90—in Indiana. The repayment of that money will enable the State of Indiana to enter into an agreement with the Indiana Toll Road Commission—which operates the East-West Toll Road—to finance the construction of mini toll roads which will permit access to reservoir recreation areas. If that money were not repaid, the conditions which were attached to it by the Federal Government would prohibit the State from entering into an agreement with the toll road commission.

Mr. President, the Federal Government made it possible for these reservoirs to be constructed in Indiana knowing that they would create useful public recreation facilities. But there are no public roads to reach the reservoirs at the present time. The bill I have introduced today makes it possible for the reservoirs to achieve their full recreational potential and is in keeping with the Federal public works program which built the reservoirs.

The only solution to this dilemma is the bill which I introduce today. Indiana does not have the money to build these new highways out of its general revenues, and the State presently gets about 40 cents back in Federal highway aid for every dollar it contributes to the highway trust fund. The problem is made even more bleak by the impoundment of some $20 million in Federal highway assistance.

This bill will enable Indiana to create a pool of highway toll revenues to help finance the construction of the "mini" toll roads. Its concept has twice been endorsed by the Indiana State Legislature, and it has received the official support of the Indiana Toll Road Commission and Gov. Otis R. Bowen.

I urge the Public Works Committee to give this legislation its early and favorable consideration.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon repayment by the State of Indiana to the Treasurer of the United States of the sum of $1,936,894 which is the amount of Federal-aid highway funds received for the construction of the following interchanges with the east-west toll road (interstate route 80/90) in northern Indiana:

(1) the interchange in interstate route 69 with such toll road in Steuben County, Indiana;

(2) the interchange of interstate route 80 with such toll road in Lake County, Indiana;

(3) the interchange of interstate route 65 with such toll road in Lake County;

then such east-west toll road (interstate route 80/90) in northern Indiana shall be free of all restrictions with respect to the imposition and collection of tolls or other charges thereon or for the use thereof contained in title 23, United States Code, or in any regulation or agreement thereunder. The amount to be repaid shall be deposited to the credit of the appropriation for "Federal Aid Highway (Trust Fund)". Such repayment shall be credited to the unprogramed balance of the Federal-aid highway funds of the same class apportioned to the State of Indiana. The amount so credited shall be in addition to all other funds then apportioned to such State and shall be available for expenditure in accordance with the provisions of title 23, United States Code. Any agreement heretofore entered into by the head of any department, agency, or instrumentality of the United States, the Indiana Toll Road Commission, and the State of Indiana, Acting by and through the Indiana State Highway Commission, which is inconsistent with this Act, is hereby abrogated to the extent of such inconsistency.

Mr. BAYH. Mr. President, I join my senior colleague (Mr. HARTKE) in introducing this legislation to permit the State of Indiana to return to the Federal Government approximately $1.9 million in highway assistance received some years ago from the Department of Transportation. The purpose of the proposed payback is to free the State from contracts entered into when it received these funds for interchanges with the East-West Toll Road in northern Indiana.

Wide support for this proposal has been expressed in Indiana. Enabling legislation has been enacted twice by the Indiana State Legislature. The proposal has the strong support of Indiana's distinguished Governor, Otis R. Bowen. I request unanimous consent to include in the RECORD at the conclusion of my remarks a letter I recently received from Governor Bowen on this issue in which he endorsed the legislation we are introducing today. In addition, companion legislation has been introduced in the House of Representatives by all 11 Indiana Representatives.

As explained to my office by State representatives, the legislation is necessary for Indiana to embark on a new road building program, at the State level, for so-called mini-toll roads which would provide citizens access to large reservoirs. We are in the remarkable situation in which access to reservoirs, built with public funds and offering valuable recreational opportunities, is severely limited because of the lack of highway funds. The problem has been worsened by the impoundment of Federal highway assistance which, according to the Indiana Washington office, has thus far cost Indiana about $20 million.

To help meet the need for access roads to reservoirs in Indiana the State would like to create a central pool of toll road revenues. However, this cannot be done unless it is free from its prior commitment to the Department of Transportation regarding future collections on the East-West Toll Road. And the only way this can be accomplished is to pass the legislation we are introducing today to permit the State to return these funds to the Federal Government.

Mr. President, this is a straightforward case of giving the State of Indiana the option to decide at the State level how it can best meet the local highway needs of its citizens. It may be said fairly that this legislation does not involve any substantive change in Federal highway policy, but merely responds to a specific problem in a single State. Since this is an issue about which the State government feels strongly I see no reason why the Congress should not respect the wishes of the State of Indiana. I hope this simple and unique measure can receive speedy, affirmative action.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Indianapolis, Ind., June 17, 1974.

Hon. BIRCH BAYH,
Old Senate Office Building,
Washington, D.C.

DEAR BIRCH: In an effort to move forward on one of Indiana's high priority highway programs, Don Newman, our Indiana liaison, and Richard A. Boehning, Chairman of the Indiana State Highway Commission, have been working with you and the rest of our Congressional delegation on proposed legislation which would allow Indiana to implement the mini-toll road concept. The mini-toll program received Indiana legislative approval some years ago and was updated in the recent 1974 session of the Indiana General Assembly. One of the problems in the financing of any such mini-toll road involves certain provisions in three contracts which were executed by the Indiana State Highway Commission, the Indiana Toll Road Commission and the federal government many years ago. The proposed legislation would abrogate these three contracts and allow Indiana to proceed with the program. This Congressional action would be similar to that successfully initiated by other states in similar circumstances.

I have been informed that Don Newman has furnished you with information concerning the technicalities of the program and of the legislation. I certainly endorse the legislation and urge that you use your best efforts in seeking its passage as soon as possible so that Indiana can move forward in implementing its mini-toll program.

Kindest personal regards,

OTIS R. BOWEN, M.D.,
Governor.

By Mr. THURMOND:

S. 3715. A bill to provide for the establishment of a national cemetery in the State of South Carolina. Referred to the Committee on Veterans' Affairs.

Mr. THURMOND. Mr. President, I am pleased to introduce a bill to provide for a national cemetery in the State of South Carolina.

Two national cemeteries already exist in South Carolina—one in Beaufort and one in Florence. The cemetery in Florence has only 400 remaining spaces, while the Beaufort Cemetery has about 6,000. There are now 309,000 veterans in South Carolina. Mr. President, at the present time, a national cemetery may be authorized only by legislation. The Senate Veterans' Affairs Committee will be reviewing the National Cemetery System later in this session. At that time, I am hopeful that this legislation will receive most careful attention.

Mr. President, I send the bill to the desk for appropriate reference and ask unanimous consent that the text appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized and directed to establish a national cemetery in the State of South Carolina. Such cemetery shall be established at or near the city of Columbia, South Carolina, if the Administrator determines that such a location is desirable and practicable for such purpose. The Administrator is authorized to use as a site for such cemetery any federally owned lands in such State which are surplus to the needs of the department or agency of the Government having jurisdiction over such lands and are deemed by the Administrator to be suitable for the location thereon of a national cemetery. In the event the Administrator determines that no such federally owned lands are available as a site for such cemetery, he is authorized to acquire by donation, purchase, condemnation, or otherwise such lands as in his judgment are required as a site for such cemetery.

SEC. 2. The head of any department or agency of the Government having jurisdiction over any lands in the State of South Carolina which are surplus to the needs of such department or agency and which are deemed by the Administrator of Veterans' Affairs to be suitable for the location thereon of the national cemetery provided for by the first section of this Act is authorized and directed, upon request by the Administrator of Veterans' Affairs, to transfer such lands to the Veterans' Administration.

SEC. 3. The Administrator of Veterans' Affairs is authorized and directed to provide for the care and maintenance of the national cemetery established under authority of this Act.

SEC. 4. The appropriation of such sums as may be necessary to carry out the provisions of this Act is hereby authorized.

By Mr. ABOUREZK:

S. 3716. A bill to facilitate the transfer of science and technology and increase cooperation between the United States and other nations through the full utilization of global telecommunication services. Referred to the Committee on Government Operations.

Mr. ABOUREZK. Mr. President, I am introducing a bill, along with Congressman RICHARD HANNA in the House of Representatives, which would facilitate the transfer of science and technology to less developed countries throughout the world.

This legislation would establish an international institute to mediate the transfer of information by identifying what technology is available, by arranging for its distribution, and by assisting in establishing communication centers for receiving scientific and technological information in the requesting countries. In addition, the institute would provide technology assessments connected with the use of information on particular projects.

The activities of the institute would be carried out under the guidance of an interagency council, representing every U.S. agency which has substantial foreign and technological responsibilities. These activities include the inventory, coordination and dissemination of all nonclassified and nonproprietary governmental scientific and technical information to other countries upon request. It would also establish a mechanism to provide the recipient countries, on a reimbursable basis, with referrals and access to copyrighted and proprietary information and consulting services of American firms.

While most of us have become painfully aware that existing technology taken "off the shelf" is of little value in meeting the needs of developing nations, it could be adapted or tailored to fit the requirements of these nations should an improved system of coordinating the flow of scientific and technical information be established.

We must recognize, however, that the gap between developed and developing countries includes more than simply a matter of providing equipment and services. It also includes a severe shortage of education and opportunities in less developed countries, especially in the fields of science and technology.

For all too long now, the United States has nearly monopolized its technical expertise and scientific information—albeit for a number of good reasons. Nevertheless, we have been the beneficiaries of these advancements while others in the world, many with the wealth, will, and capacity to utilize much of this priceless information, have been forced to watch from the sidelines. While in the short run, the effects of this unintentional policy or practice have been somewhat negligible, the long-term effects will be profound. Whereas to the extent that other nations are aided, the rest of the world benefits, it follows that to the extent that they are forgotten or neglected, the rest of the world sacrifices.

Although the effect of this legislation may not be that less developed countries are transformed into modern, industrialized societies in the U.S. mold, I am convinced that its enactment would help immeasurably in the development and assistance of many of these countries throughout the world. New systems are needed to meet new demands, and the number of demands for greater technological improvement has been unprecedented in recent years.

Never before in the history of this country has there been a greater need for the community of nations to work together on constructive and progressive activities rather than those that contribute to distrust and conflict. This legislation will allow us to serve that need through a refined communication system among nations as well as an improved coordination and dissemination of American scientific and technological information.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3716

A bill to facilitate the transfer of science and technology and increase cooperation between the United States and other nations through the full utilization of global telecommunication services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, DECLARATION OF POLICY AND DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "International Science and Technology Act of 1974".

DECLARATION OF POLICY AND PURPOSE

SEC. 102. (a) The Congress declares that it is in the best interests of the United States to develop a sound and unified international science and technology policy which will contribute to the attainment of one or more of the following objectives:

(1) To provide an institutional structure which will serve global needs for the effective transfer and use of science and technology.

(2) To provide a centralized telecommunication management facility in the United States with the aim of facilitating science and technology transfer with lesser developed countries.

(3) To provide assistance to the less developed countries in identifying and establishing counterpart telecommunication management centers.

(4) Through this institutional structure and assistance, to help build technological self-capacity that will enhance and enrich global trade, and to further promote international understanding and cooperation between all nations.

(5) To provide a focal point for all United States agencies and activities which will coordinate international activities in science and technology with the objective of increasing effectiveness and decreasing duplication.

(6) To assist in resolving major global problems such as population, food, resources, environment, and large scale catastrophies.

(b) It is the purpose of this Act to insure fuller international usage of earth-orbiting satellites and the data obtained from them for the benefit of all nations. These include satellites for the observation of weather, of the land, and of the oceans, and for telecommunications. The institutional structure provided by this Act is designed to become a major factor in facilitating the procurement and transfer of technology data obtained from earth-orbiting satellites.

(c) It is anticipated and urged that developing nations adopt a complementary and like institutional framework so that the intended enrichment of science and technology flow will more effective and surely be achieved.

DEFINITIONS

SEC. 103. As used in this Act (unless the context otherwise requires)—

(1) the term "science and technology" refers to basic science data, information, and education, ranging from applied science to engineering technology, and includes all manner of hardware and software technology and related educational activities;

(2) the term "technology transfer" includes both science and technology and describes the process of collection, documentation, and successful dissemination and use of scientific and technical data by any and all modes of communication, with the transfer taking place when the data involved is successfully adapted and applied in a useful way;

(3) the term "technology assessment" refers to a form of policy research which provides a balanced appraisal of the nature, significance, status, and merit of a technology program and assesses the consequence as desirable, undesirable, or uncertain;

(4) the term "Institute" refers to the International Science and Technology Transfer Institute established by section 201;

(5) the term "Council" refers to the group of senior advisors, organized as provided in section 202, that provide policy and technical evidence to the director and staff of the Institute on a regular basis;

(6) the term "telecommunication" refers to any mode of communication between nations, and within nations, which uses meaningful signals, and includes voice, slow scan video, teletype, facsimile, computer retrieval, interactive television, and cathode ray devices; and

(7) the term "telecommunication management centers" refers to the national centers which are associated with the United States in an international communications network to facilitate the transfer of technology and culture between nations.

TITLE II—FEDERAL COORDINATION PLANNING AND REGULATION

IMPLEMENTATION OF POLICY

SEC. 201. (a) In order to achieve the objectives and carry out the purposes of this Act, there is hereby established an institute to be known as the International Science and Technology Transfer Institute (hereinafter in this Act referred to as the "Institute").

(b) The Institute shall operate as a semiautonomous United States activity, utilizing an Advisory Council as described in section 202 for policy and technical guidance.

ADVISORY COUNCIL

SEC 202. (a) The Council shall be composed of—

(1) the Director of the National Science Foundation (or his delegate),

(2) the Deputy Director for International Programs in the National Aeronautics and Space Administration (or, as alternate, the Director of the Office of Technology Utilization in such Administration),

(3) the Assistant Secretary of State for Scientific Affairs (or, as alternate, the Director of Science and Technology in the Agency for International Development),

(4) the Director of the Office of Telecommunications in the Department of Health, Education, and Welfare (or his delegate),

(5) the Deputy Director of the Office of Technology Assessment (or his delegate),

(6) the Director of the National Bureau of Standards (or his delegate),

(7) the Secretary of the Interior (or his delegate),

(8) the Secretary of Commerce (or his delegate),

(9) the Secretary of Agriculture (or his delegate),

(10) the Secretary of the Smithsonian Institution,

(11) the Director of the Office of Telecommunications Policy (or his delegate),

(12) the Chairman of the Atomic Energy Commission (or his delegate),

(13) the Administrator of the Environmental Protection Agency (or his delegate), and

(14) the Director of Defense Research and Engineering in the Department of Defense (or his delegate),

and such additional members as the Council determines by majority vote, but not to exceed a total of twenty-one.

(b) Members of the Council need not be full-time officers or employees of the United States. Members of the Council shall be reimbursed for expenses incurred in their service on the Council, but shall receive no pay (or additional pay) on account of such service.

(c) Eleven members of the Council shall constitute a quorum, but a lesser number may hold hearings.

(d) The Chairman of the Council shall be the Director of the National Science Foundation or his delegate.

(e) The Council shall meet regularly, or more frequently at the call of the Chairman or a majority of its members.

(f) The Council may invite the participation as advisors of the International Bank for Reconstruction and Development, the Ford Foundation, the Rockefeller Foundation, or any other entity or individual involved in international economic or technical development concerning any matter within the scope of the Institute's work.

DIRECTOR

SEC. 203. (a) The Institute shall have a Director who shall be appointed by the Chairman of the Council, and who shall be paid at the rate of basic pay in effect for level 5 of the Executive Schedule.

(b) Subject to the advice of the Council, the Director may appoint and fix the pay of such personnel as he deems desirable to assist him in carrying out the daily operations of the Institute.

(c) The Director and staff of the Institute may be appointed without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, and such staff may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Subject to such rules as may be adopted by the Council, the Director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code.

(e) Upon request of the Council the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under this Act.

FUNCTIONS

SEC. 204. (a) The Council shall advise the Institute on standards and procedures concerning—

(1) the translation of information transmitted by the Institute pursuant to this Act;

(2) the hours of operation of the Institute's communication center;

(3) encouraging countries which have a communication center established under this Act to establish an entity similar to the Institute to permit greater coordination with the Institute;

(4) using the Institute's communication center and the communication center of any less developed country to provide support for and encourage the transfer of science, technology, culture, and other information from such less developed country to researchers and institutions in the United States; and

(5) using the Institute's communication center to transmit information to the communication center in any less developed country during a natural disaster in such country.

(b) When so authorized by the Council, any member or agent of the Council may take any action which the Council is authorized to take by this section.

(c) The Council or the Director of the Institute may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Council or the Director the head of such department or agency shall furnish such information to the Council or the Institute.

(d) The Institute may use the United States mails in the same manner and upon the same conditions as any other department or agency of the United States.

(e) The Director of the Institute, with the approval of the Council, shall establish procedures—

(1) to enable the Institute to monitor on an ongoing basis discoveries, inventions, and research developments in science and technology (including satellite applications thereof), made in the United States, or made at any location with financial assistance from the United States Government, or made at any location by a corporation or any other person which is owned or controlled by a United States citizen;

(2) to obtain by purchase or gift any information concerning any discovery, invention, or development included in paragraph (1) from the individual who owns the patent or copyright for such discovery, invention, or development, or (if no one owns such patent or copyright) from the individual who makes such discovery, invention, or development; and

(3) to encourage, stimulate, and sponsor enhanced and improved communication between scientists and technologists in the United States and their counterparts in less developed countries.

(f) The Institute shall retain all information it obtains under subsection (e)(2) and shall disseminate such information to foreign persons pursuant to section 205. In fulfilling its duties under subsection (e)(1), the Institute may not violate any aspect of confidentiality concerning any such discovery, invention, or development which is imposed by the person who makes the discovery, invention, or development. Any information the Institute obtains under subsection (e)(2) may not be obtained in violation of any copyright, by infringement of any patent, or in violation of any law protecting unpublished materials.

REQUEST FOR INFORMATION BY OTHER COUNTRIES

SEC. 205. (a) To enable its nationals and other persons to receive information retained by the Institute under section 204, a country shall comply with the provisions of this section.

(b) Any less developed friendly country shall submit a request to the Council for permission to receive information retained by the Institute under section 204. The Council shall approve any such request if (1) the requesting country agrees not to apply customs duties or other charges on information received in that country from the Institute under this Act, (2) the requesting country agrees not to charge any fee not authorized by section 207(b) to any person in that country for requesting or receiving any information under this Act, and (3) the Council determines that its approval of the requesting country is in the United States national interest. After approving a foreign country's request under this subsection, if the Council determines that the country violates clause (1) or (2), it shall prohibit such country from receiving information under this Act until the Council determines that the country no longer violates either such clause.

(c) Immediately after the approval under subsection (b) of the request from a developing country, the Director of the Institute shall send members of the Institute's staff to that country. The members of the staff and officials of that country shall jointly determine (1) the complexity of the communication center which that country needs in order to obtain information from the Institute's communication center in the United States, and (2) the amount of funds, if any, the Institute will contribute toward the costs of establishing and maintaining that country's communication center. In determining the amount to contribute under clause (2), the members of the staff and officials of that country shall only consider that country's per capita income and how it compares with the per capita income of other countries whose requests are approved by the Council under subsection (b). The higher a developing country's per capita income, the less the Institute shall contribute under clause (2), in an amount which the Council and officials of that country shall jointly prescribe.

TRANSMITTAL OF INFORMATION TO FOREIGN COUNTRIES

SEC. 206. (a) Immediately after the establishment of a communication center in any less developed country under section 205, the Institute shall establish and maintain a communication center in the United States which shall be used to receive requests for information retained by the Institute under section 204 from foreign countries' communications centers and to transmit that information to those countries' communications centers. The Institute shall receive any request for such information from a less developed country's communication center if the request originated from (1) any national of such country, or (2) any foundation, corporation, international organization, or any other person for such person's project in such country. In the transmission of any such information by the Institute it may translate whatever information the Council deems appropriate. Such transmission shall include telephone, facsimile, microfiche, microfilm, microform, slow scan video, teletype, computer retreval, and interactive television and cathode ray devices.

(b) For the purposes of any transmission between the United States and a less developed Country's communication centers, the Institute and such country shall lease the requisite number of telecommunication capacity, and the cost of such leasing shall be shared by the Institute and such country in a manner agreed upon by the Council and the government of such country.

(c) Any country requesting information under this Act shall establish procedures for persons under subsection (a)(1) and (2) to submit requests to that country's government for the government to transmit through its communication center to the Institute.

OTHER FUNCTIONS

SEC. 207. (a) In addition to its other obligations under this Act, the Institute—

(1) shall transmit to less developed friendly countries which have a communication center for the purposes of this Act recommendations constituting a technology assessment for any project in that country which uses information transmitted from the Institute's communication center pursuant to this Act (and in formulating such recommendations the Institute may, to the extent feasible, use information obtained under section 241 of the Foreign Assistance Act of 1961);

(2) shall encourage any less developed country with a communication center established under this Act to conform the industrial and product standards involved in any project for which information is transmitted from the Institute to the relevant international industrial and product standards; and

(3) may enter into an agreement with a less developed country with a communication center established under this Act to supply such country on an ongoing basis bibliographies, computer program abstracts, or whatever other information, maintained by the United States Government, that the Council and such country determine concern substantive areas which are critical for such country's economic, social, scientific, or technological development.

(b) The Institute may charge a less developed country with a communication center established under this Act for the following services provided to such country on the basis of a request from such country to the Institute:

(1) obtaining material not retained by the Institute under section 204 which is needed to answer a request for information made by the less developed country under this Act;

(2) technical assistance by the Institute's staff concerning an economic or social development project, if such assistance occurs after the assistance by such staff under section 205(c); and

(3) management advice by the Institute's staff concerning an economic or social development project.

The less developed country which is charged for services provided under this subsection may pass the amount of such charge on to the person managing the economic or social development project for which the services are obtained.

PARTICIPATION BY PARTICULAR COUNTRIES

SEC. 208. Because of the potential interest indicated by the governments of Colombia, Indonesia, and the Arab countries of the Middle East, immediately after the date of enactment of this Act the Secretary of State shall send a copy of such Act and an accompanying letter to each such government inviting the government to participate in the program authorized by this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. There are authorized to be appropriated sums as may be necessary to carry out this Act.

By Mr. HUMPHREY (for himself, Mr. MCINTYRE, Mr. CHILES, Mr. CASE, Mr. WILLIAMS, Mr. METZENBAUM, Mr. HART, Mr. HATHAWAY, Mr. STEVENSON, Mr. NELSON, Mr. METCALF, Mr. PROXMIRE, Mr. RIBICOFF, Mr. STAFFORD, Mr. HUGHES, Mr. PASTORE, Mr. MONDALE, Mr. BROOKE, and Mr. MUSKIE):

S. 3717. A bill to extend the Emergency Petroleum Allocation Act of 1973. Referred to the Committee on Interior and Insular Affairs.

PLIGHT OF INDEPENDENT OIL FIRMS REQUIRES EXTENSION OF MANDATORY ALLOCATION PROGRAM

Mr. HUMPHREY. Mr. President, as chairman of the Subcommittee on Consumer Economics of the Joint Committee on Economics, I held hearings on June 13 on the "Plight of the Independent Oil Firms."

The hearings attempted to solicit and evaluate more information about the increasingly desperate situation of independent competitors in the oil industry. The subcommittee heard testimony from Dr. John Sawhill, Acting Director of the Federal Energy Office, and from several representatives of national independent gasoline marketers and refiners. And, an evaluation has been made of an FEO report on the declining market of independent nonbranded gasoline marketers.

I believe action must be taken to address the serious problems of the independents in the United States before they lose their competitive viability completely.

INDEPENDENTS' MARKET SHARE PLUMMETING

Since the days of John D. Rockefeller, control of the oil industry has been heavily concentrated. However, a few independent competitors have remained at each stage of its operations—in crude production, refining, and marketing. There are just enough such competitors, in fact, to inject a degree of competition into what otherwise would be very tightly knit oligopoly.

The tight supply situation beginning in late 1972 brought very harsh consequences for many independent refiners and marketers. They could not obtain adequate supplies, and many independent marketers perished in the squeeze. It was at this point that both Houses of Congress saw fit to pass, over the administration's strenuous objections, the Emergency Petroleum Allocation Act of 1973. This act required the administration to impose mandatory supply allocation with the purposes, among others, of—

> (1) Preserving the competitive viability of independent refiners, small refiners, nonbranded independent marketers, and branded independent marketers; and
>
> (2) Equitable distribution of crude oil . . . and refined petroleum products at equitable prices among all . . . sectors of the petroleum industry, including independent refiners, small refiners, and so forth. . . .

This language seems clear enough, and one might have thought that it would suffice to see that these objectives would be carried out. The mandatory allocation program authorized by the act has been in effect now for several months With the development of the two-tier price system for crude oil and many divergent prices for products, however, most independents found themselves obliged to depend on higher proportions of high-priced oil than major oil companies. This is in part because many of them depend heavily on very high-priced imports.

With the relaxation in April of the most extreme part of the shortage, the independents' market share began to erode sharply again as they were underpriced by the majors. Now it appears that most of those independent refiners and marketers who have survived may be wiped out by their inability to compete in terms of price.

A consultant's report to the FEO which Mr. Sawhill made available, shows that the market share of independent nonbranded-gasoline marketers slumped from nearly 28 percent in May 1972—just 2 years ago—to about 22 percent in March 1974. Between March and April, however, it is estimated to have plummeted to the range of 18 percent, and this decline is continuing. So the big oil companies already have grabbed over one-third of the independents' gasoline market. A similar encroachment is occurring at the refining level. If anything is to be done to stabilize the situation, it better be done fast.

The major companies also are expanding their control at the expense of their own franchised dealers. In a limited but growing number of cases, successful stations have been taken over by the companies, and the men who have built up the businesses have been turned out. I understand that the companies then can declare themselves to be "new customers" under the FEO rules and can assign the station a larger supply quota than it previously got. Other ruses of this kind keep cropping up whereby the majors are extending their grasp on the refining and marketing sectors of the business even during this period of supply controls.

FEO RESPONSE INADEQUATE

What is the Federal Energy Office doing, meanwhile, to help to maintain the independents as a viable force as required by the Allocation Act? It has taken a few halting steps to try to make oil available to companies with supply deficiencies, but its steps to date have not come to grips with the problem of widely diverse prices.

Many independent operators who have been forced by circumstances to turn to FEO for help have reported precious little willingness in that organization to help. In one case, the applicant was told that he would have to be showing actual losses before lower cost supplies could be assigned. Another apparently was told to use up all its inventories and to cut its ties to its regular suppliers before help would be forthcoming. Now, that kind of help will not do the job.

In general, the FEO seems to be very reluctant to use the power that it clearly has to force the major companies to cooperate to carry out the objectives of the Allocation Act. Now it is reported that the FEO is considering phasing out both price controls and the mandatory allocation for some fuels as early as this August. FEO officials have said that they are working on a plan to selectively decontrol prices of oil and petroleum products, possibly to begin at the end of the summer and phasing through February 28, 1975.

Mr. Sawhill admits that FEO has failed to solve the problem of the declining market of independent nonbranded gasoline marketers, but FEO is already moving into a phaseout of the mandatory allocation regulations. The law is very explicit. The FEO is required to preserve the competitive viability of the independents. It is not time to phase out the regulations. It is time to address the problem of the independents directly. Congress must make sure that this program is to be continued for a sufficient duration to assure that the competitive position of small independent operators around the country is not further eroded.

Mr. President, it is time to take some initial steps to help the consumers and to address the plight of the independent oil refiners and independent gasoline marketers in America. Therefore, Senator THOMAS J. MCINTYRE and I, together with others, are introducing a bill to extend the Emergency Petroleum Allocation Act of 1973 to June 30, 1976.

Mr. President, I ask unanimous consent that an article, entitled "Energy Office May Phase Out Controls and Allocations for Some or All Fuels," by Les Gapay which appeared in the Wall Street Journal, be included at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 7, 1974]

ENERGY OFFICE MAY PHASE OUT CONTROLS AND ALLOCATIONS FOR SOME OR ALL FUELS

(By Les Gapay)

WASHINGTON.—The Federal Energy Office is considering phasing out both price controls and the mandatory allocation program for some, and possibly all, fuels.

Officials said that the agency is working on a plan to selectively decontrol prices of oil and petroleum products, possibly to begin at the end of the summer and phasing through next Feb. 28, when the law for such authority expires. However, sources say it's doubtful either step will be enacted before fall.

Moreover, one knowledgeable Energy Office official said that gasoline prices probably would be the last to be decontrolled, possibly this fall or winter when use drops from the summer peak driving season. One fear is that decontrol of the price of "old" crude oil, produced at pre-1972 output levels, currently set at a ceiling of $5.25 a barrel and accounting for 62% of the nation's crude output, may push its price to levels that could add several cents to the retail price of gasoline. The price of "new" crude, or that above 1972 output levels, as well as that from low-output "stripper" wells, isn't controlled.

A price-decontrol plan is being prepared for energy chief John Sawhill by the agency's top pricing official, Charles Owens, who is leaving the energy office at the end of this month. The energy office took over fuel-price regulation from the Cost of Living Council late last year.

Officials cautioned that there hasn't been a high-level Nixon administration decision on how fast to end any fuel-price controls, but policy makers are leaning toward decontrol by next February.

The problem being faced is which petroleum products to decontrol first. The administration is reluctant to move too fast because decontrol might result in higher retail prices and be met by opposition from the public and in Congress. Administration officials expect there will be efforts in Congress to extend the pricing authority for fuels beyond next Feb. 28.

Underlining public opposition to higher prices, consumer advocate Ralph Nader plans today to release internal energy office memos and reports, which he says admit that the price increase last December allowing old oil to go to $5.25 from $4.25 a barrel couldn't be justified on economic grounds. Mr. Nader said the $1 boost was unwarranted and costs consumers $2.5 billion to $3 billion a year.

Mr. Sawhill has said he thinks fuel prices, including gasoline, have reached a peak. But some energy office insiders privately predict the average gasoline price might go up another couple of cents in the next few months. According to energy office surveys, the nationwide average retail price for regular gasoline as of May 10 was 53.9 cents a gallon, including an 11.7 cents average for federal and state taxes. Last October, the average retail price for regular, including tax was 39.4 cents. Officials said that any termination of price controls would be done in a gradual approach to minimize its impact.

As for ending the fuel allocation system, jet fuel, propane and residual fuel oil are likely to be the first exempted.

In his recent economic address, President Nixon said the increase in fuel supplies since the end of the Arab oil embargo should permit the government to withdraw from petroleum-allocation, and he directed Mr. Sawhill to give him a plan to do that. Yesterday, in answer to questions after a speech here, Mr. Sawhill said the government would "deallocate to the extent we can" before the expiration of the fuel allocation law mandated by Congress, also next Feb. 28.

Mr. Sawhill added, though, that gasoline allocations would have to continue through this summer, although some products in adequate supply might be phased out of the allocation program soon. He mentioned jet fuel, propane and residual fuel oil, which is heavily used by utilities. Mr. Sawhill said public hearings would be held before allocation of any fuel is ended, indicating that such moves wouldn't become final until at least the end of the summer.

Mr. Sawhill said supplies of residual fuel are high and he didn't foresee any power brownouts this summer, a view in apparent conflict with a recent Federal Power Commission report that said tight fuel supplies for utilities could be a problem. A few utilities recently have been drawing on their inventories rather than purchasing high-priced new fuel supplies and have been notified by the energy office that the agency frowned on such a practice.

Some energy office insiders fear that they mightn't be able legally, or even realistically, to end the fuel-allocation program as President Nixon wants. Some officials think congressional action would be needed to end allocations for certain fuels. They also privately worry that supplies of heating oil might be tight this winter and ending such allocations might be hard to justify.

Energy officials also say that although supplies of most other fuels are in about balance with current demand, because of conservation and the impact of recent price increases, they mightn't remain at adequate levels later this year or next year. Some top administration officials, like budget chief Roy Ash and White House Economic Adviser Herbert Stein, want a quick end to the allocation program. Mr. Sawhill is known to want further study. In public pronouncements he often states the need to maintain allocations to protect the independent sector of the oil industry from losing its share of the market. Protection of the independents was one of the provisions in the mandatory fuel allocation program Congress passed last November.

In another area, Mr. Sawhill yesterday reiterated that the "government clearly must play a more important role" in international agreements between oil companies and oil-producing nations. "The question is what should we do about it," he said, a matter that is being studied within the administration. He said he personally opposes having the government enter into specific price discussions between oil companies and foreign countries, and instead favors requiring the companies to the details of their negotiations with the energy office prior to any final agreements.

By Mr. WILLIAMS (for himself, Mr. Javits, and Mr. Bentsen):

S. 3719. A bill to amend the Urban Mass Transportation Act of 1964 to provide increased assistance for mass transportation systems. Referred to the Committee on Banking, Housing and Urban Affairs.

THE NATIONAL MASS TRANSPORTATION ASSISTANCE ACT

Mr. WILLIAMS. Mr. President, by now it must be self-evident to anyone who has lived through the energy crisis or who realizes that our streets are choked with private cars, that our air is polluted with exhaust fumes and that we may be running out of gasoline that our Nation's mass transportation systems must be improved.

Even before the energy crisis, the need for massive infusions of Federal assistance for mass transportation was obvious. Billions of Federal dollars are necessary if we are to build the new rapid transit systems which our Nation's continually expanding urban areas so badly need, while at the same time preserving our already existing systems which now teeter on the verge of financial insolvency due to ever-increasing operating deficits.

Six national urban centers now have operational rail rapid transit systems—New York, Boston, Philadelphia, Chicago, San Francisco, and Cleveland. These systems must be improved and their services expanded as these cities overflow their traditional boundaries. An additional rail system is currently under construction—in the District of Columbia—and three others—Atlanta, Baltimore, and Pittsburgh—have received Federal grants and are ready to proceed.

Thus, 10 cities of over 1 million in population are now receiving or applying for Federal assistance for equiping or constructing mass transit systems. There are four additional cities—Denver, Miami, Buffalo, and Los Angeles—where efforts are now being made to raise the local share for new rail rapid transit systems, and five others—Detroit, St. Louis, Houston, Dallas, and Tampa—which hope to construct rail systems over the next decade.

Unfortunately, the administration has seen fit to fund the urban mass transit program at a dollar figure of a little over a billion dollars a year. Such a figure will not meet the needs of these cities, much less the rest of our Nation. To make matters worse, the Department of Transportation has, in my opinion, over the past several years undertaken a deliberate policy of discouraging new rail mass transportation systems, the very systems which are most needed if we are to meet the mass transit needs of the 1970's and 1980's.

In addition, as we all know, the issue of operating subsidies is still unresolved, even though our Nation's mass transit systems are now receiving over $600 million a year in support from State and local governments. This has required fare increases for which the harried rider receives no benefits either in improved service or in modern equipment. And these fare increases have, over the years, resulted in decreasing ridership, increased deficits, leading to public takeovers, abandoned transit lines, and entire areas of our Nation without any means of public transportation. If this trend is to be reversed, the issue of Federal operating assistance for urban mass transit must be resolved in a positive manner. Mass transit assistance cannot be limited to capital improvements. As the February 26, 1973, report of the Joint Economic Committee states:

> The arguments for restricting direct mass transportation aid to capital expenses are without basis.
>
> Furthermore, a grant to subsidize capital but not operating expenses encourages wasteful, premature replacement, over-capitalization of technology and inadequate maintenance, which are likely to be extremely costly.

Currently, all but two of our country's commuter rail lines have operating deficits as do one-third of all of bus companies. Over the past decade, the number of municipalities forced to initiate local programs for operating assistance has increased by nearly 400 percent. Operating assistance is essential if we are to bring hope and stability out of the chaos and confusion which now besets our Nation's transit policies. The need is indisputable. And improved urban mass transportation is a national problem which must be solved on a national basis.

In solving the mass transportation crisis on a national basis, the needs of cities of under 50,000 in population must not be ignored. The senior Senator from West Virginia—Senator RANDOLPH, the chairman of the Committee on Public Works—has over the years been one of our leading advocates for improved urban mass transportation, especially in cities that are not part of the great metropolitan complexes. His work has been invaluable in pointing out the needs of cities of under 50,000 in population—needs which are too often overlooked when we speak about urban mass transportation. As a result of Senator RANDOLPH's work, any national urban mass transportation bill must take special cognizance of these needs and earmark Federal funds for their fulfillment.

Mr. President, because of the urgency of meeting our Nation's commitment to urban mass transportation, I am today introducing legislation which would provide $18 billion in contract authority over a 5-year period of time. This amount of money and the 5-year contract authority provisions will, in my opinion, provide the long-term funding and Federal commitment which is so urgently needed to fulfill our Nation's transit needs.

Under the National Mass Transportation Assistance Act, $12.5 billion would be made available at the rate of $2.5 billion a year for capital grants on an 80–20 Federal-local matching basis to construct and improve rapid rail, light rail, and bus systems throughout our Nation. This money would not only be allocated for the construction and upgrading of rail transportation systems in our larger cities, but would also be available for capital grants to areas where bus service must be improved.

An additional $5 billion would be made available at the rate of $1 billion a year for either operating assistance or minor capital improvements. Under my proposal, the choice would be made at the local level as to whether the community would spend its share of Federal funds for bus replacements, minor capital improvements, or for operating assistance. In other words, a revenue-sharing program—a program which in the past this administration has wholeheartedly espoused. Under this section's provisions, the $1 billion in authorized funds would be distributed by formula to the urbanized areas of each State.

One-half of the total amount would be distributed in accordance with the ratio of the population of the area to the total population of the United States.

One-fourth of the total amount would be governed by the ratio of work trips traveled on the mass transportation system in the urbanized area, to the total number of work trips in all such areas throughout the country.

One-fourth of the total would be distributed according to the ratio of mass transportation vehicle-miles traveled in the urbanized area to the total mass transportation vehicle-miles traveled in all urbanized areas throughout the country.

The Federal share for such grants would not exceed 80 percent of the cost of the project, with the remaining funds being provided by the applicant.

State or local tax revenues which are used for the operation of mass transportation services in the area involved may be credited toward the non-Federal share of the cost of the project.

Finally, one-half billion dollars would be earmarked over the 5-year period at a rate of $100 million a year for non-urban mass transportation on a population basis. And in cognizance of the special needs of our senior citizens, any applicant receiving formula funds under the National Mass Transportation Assistance Act would be required to provide for one-half fares for the elderly during non-peak hours.

Mr. President, in the past, the Federal Government has not hesitated to aid in the development of a variety of forms of transportation—from the construction of the transcontinental railroad to the promotion of the maritime and aviation industries and most recently, the completion of an interstate highway system.

A national interest has been recognized and Federal dollars have been spent. Now there is a great national stake in maintaining, upgrading, expanding, and improving our Nation's mass transportation systems. The issue of mobility and the quality of life afforded the thousands upon thousands of our citizens who must now depend upon urban mass transportation is now at stake.

The U.S. Conference of Mayors, at its recent meeting in San Diego, fully recognized the need for the massive infusion of Federal funds which the National Urban Mass Transportation Assistance Act provides when it adopted the following resolution:

URGENT NEED FOR NEW TRANSPORTATION LEGISLATION

Whereas, the House Rules Committee has delayed indefinitely Congressional action on the Conference Report on S. 386, the Emergency Urban Mass Transportation Assistance Act of 1974; and

Whereas, new Federal legislation to establish a program of operating assistance to maintain and improve mass transportation systems is still urgently needed, particularly because of continued inflation and the energy crisis; and

Whereas, new Federal legislation to comply with the Urban Mass Transportation Assistance Act's requirement for a biennial update of capital assistance authorizations is needed in 1974; and

Whereas, new Federal legislation is needed to provide the opportunity for cities to have a legal right for funds for new fixed guideway transit systems, especially because the Department of Transportation has discouraged and opposed the construction of new fixed guideway transit systems, and has not defined costs and benefits in such a way as to permit optimization of the social, economic, environmental, and energy benefits of new fixed guideway transit systems, thus further contributing to the decline of our nation's cities and disregarding local needs and priorities; and

Whereas, the Congress is now considering several proposals to assist urban mass transportation.

Now, therefore, be it resolved that the United States Conference of Mayors calls upon the Congress to adopt this year a major new mass transportation assistance law that will provide, at a minimum:

(1) A $3.6 billion a year program for at least 5 years for public mass transportation operating and capital expenses;

(2) Direct application by cities or regional transportation operating agencies to the Federal Government, without a state veto;

(3) A guaranteed and adequate level of Federal funding for urbanized areas which recognizes their size, programs, and need. The Secretary of DOT shall include construction and extension of fixed guideway transit systems as projects eligible for funding under this legislation.

Federal grants should be distributed in a fair and equitable manner based upon, but not limited to, previously approved projects that require additional funding, and such other factors as public mass transit usage, commitment of local funds, and relative population of the urbanized area eligible for assistance;

(4) The Federal matching share shall be 80 percent for a capital assistance project, and the Federal matching share shall be 50 percent for an operating assistance project; and

(5) Projects shall be selected by States and cities with transportation responsibilities and shall be in accordance with and consistent with the continuous, comprehensive, and cooperative transportation planning process carried out by the chief elected officials of general purpose local governments through an areawide planning agency under Section 134 of the Federal-Aid Highway Act; such areawide agency shall be constituted by adequate and proportional representation of its constituent members.

Mr. President, in my opinion, the National Urban Mass Transportation Assistance Act fully meets the objectives of the U.S. Conference of Mayors' resolution. It should and must be acted upon at the earliest possible date.

Mr. President, I now ask that the full text of the National Urban Mass Transportation Assistance Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Mass Transportation Assistance Act of 1974."

INCREASE IN CAPITAL FEDERAL ASSISTANCE

SEC. 2. Section 3(a) of the Urban Mass Transportation Act of 1964 is amended by striking the second sentence and inserting in lieu thereof the following: "Eligible facilities and equipment should include buses, busways, new rail and other fixed guideway systems, improvements and extensions of rail and other fixed guideway systems, rail and other fixed guideway systems rolling stock, land (but not public highways) and other real and personal property needed for an efficient and coordinated mass transportation system."

AUTHORIZATION

SEC. 3. The first section of 4(c) of the Urban Mass Transportation Act of 1964 is amended by striking out "$6,100,000,000" and inserting in lieu thereof "$15,600,000,000".

TRANSPORTATION PLANNING

SEC. 4. Section 3(a) of the Urban Mass Transportation Act of 1964 is amended—

(1) by inserting "(1)" after "Sec. 3. (a)";

(2) by redesignating clauses (1) and (2) of the third sentence as clauses (A) and (B) respectively;

(3) by striking out the sixth and seventh sentences; and

(4) by adding at the end thereof the following:

"(2) It is declared to be in the national interest to encourage and promote the development of transportation systems, embracing various modes of transport in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective the Secretary shall cooperate with the States in the development of long-range plans and programs which are properly coordinated with plans for improvements in other affected forms of transportation and which are formulated with due consideration to their probable effect on the future development of urban areas of more than fifty thousand population. The development of projects in urbanized areas under this section shall be based upon a continuing, cooperative, and comprehensive planning process covering all modes of surface transportation and carried on by the States and the governing bodies of local communities in accordance with this paragraph. The Secretary shall not approve any project in an urbanized area after July 1, 1976, under this section unless he finds that such project is based on a continuing comprehensive transportation planning process carried on in conformance with the objectives stated in this paragraph."

FORMULA GRANT PROGRAM

SEC. 5. (a) The Urban Mass Transportation Act of 1964 is amended by striking out section 5 and inserting in lieu thereof the following new section:

"FORMULA GRANTS

"SEC. 5. (a) (1) The Secretary shall apportion the sums authorized by subsection (b) for apportionment in fiscal years 1975 and 1976 for expenditure in urbanized areas or parts thereof within a State on the basis of a formula under which each urbanized area or part thereof within a State will be entitled to receive an amount equal to the sum of—

"(A) one-half of the total amount so apportioned in the ratio which the population in the urbanized area or parts thereof in each State bears to the total population in all the urbanized areas in all the States as shown by the latest available Federal Census;

"(B) one-fourth of the total amount so apportioned in the ratio which the total mass transportation vehicle miles traveled in such urbanized area or parts thereof in each State bears to the total mass transportation vehicle miles traveled in all the urbanized areas in all the States; and

"(C) one-fourth of the total amount is apportioned in the ratio which the total workers using public transportation to work in the urbanized area bears to the total workers using public transport in all urbanized areas as shown by the latest available Federal Census.

"(a) (2) The Governor, responsible local officials, and public operators of transportation services, with the concurrence of the State and local public bodies providing financial support for transit services, in accordance with the procedures required under section 5(e) (2), shall designate a recipient (designated recipient) to receive and dispense the funds apportioned under paragraph (1) hereof, with the concurrence of the Secretary. Each such designated recipient shall be a State agency or local public body and shall be composed of representatives of the State and duly elected public officials or their designees, and other officials of local governments having jurisdiction in such urbanized areas, except that in any case in which a State agency is responsible under State law for financing, construction, and operation, directly by lease, contract, or otherwise public transportation services, the Secretary shall designate such State agency as the designated recipient to receive and dispense funds apportioned under paragraph (1) above.

"(b) (1) To finance grants under this section, the Secretary shall incur obligations on behalf of the United States in the form of grant agreements or otherwise in aggregate amounts not to exceed $5,000,000,000.

"(2) Sums apportioned to the designated recipient of any urbanized area or to the Governor under subsection (a) (which shall be in addition to any amounts available to finance such activities under section 3 of this Act), shall be available for obligation by the recipient or the Governor for a period of two years after the close of the fiscal year for which such sums are apportioned, and any amounts so apportioned remaining unobligated at the end of such period shall lapse and shall be returned to the Treasury for deposit as miscellaneous receipts.

"(3) There are authorized to be appropriated for liquidation of the obligations incurred under this section $1,000,000,000 prior to July 1, 1975, which amount may be increased to $2,000,000,000 prior to July 1, 1976, $3,000,000,000 prior to July 1, 1977, $4,000,000,000 prior to July 1, 1978, and $5,000,000,000 prior to July 1, 1979.

"(c) (1) The Secretary may approve as a project under this section, on such terms and conditions as he may prescribe, (A) the acquisition, construction and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service, and (B) the payment of operating expenses to improve or to continue such service by operation, lease, contract or otherwise.

"(2) The Secretary shall issue such regulations as he deems necessary to administer this subsection and subsection (d), including regulations regarding maintenance of effort by States, local governments, and local public bodies, the appropriate definition of operating expenses, and requirements for improving the efficiency of transit services.

"(d) The Federal share payable on account of any project financed with funds made available under this section shall not exceed 80 per centum of the cost of the project. The remainder of the cost of the project shall be provided from sources other than Federal funds. Federal funds available for expenditure for mass transportation projects under this section shall be supplementary to and not in substitution for the average amount of State and local government funds and other revenues expended on the operation of mass transportation service in the area involved for the two fiscal years preceding the fiscal year for which the funds are made available; but nothing in this sentence shall be construed as preventing State or local tax revenues in the area involved from being credited (to the extent necessary) toward the non-Federal share of the cost of the project for purposes of the preceding sentence.

"(e) (1) As soon as practicable after the apportionment pursuant to subsection (a) has been made for any fiscal year, any applicant desiring to avail himself of the benefits of this section shall submit to the Secretary for his approval a program, or programs, of proposed projects for the utilization of the funds authorized. The Secretary shall act upon programs submitted to his as soon as practicable, and he may approve a program in whole or in part.

"(2) It is declared to be in the national interest to encourage and promote the development of transportation systems, embracing various modes of transport in a manner that will serve the States and local communities efficiently and effectively. To accomplish this objective the Secretary shall cooperate with the States in the development of long-range plans and programs which are properly coordinated with plans for improvements in other affected forms of transportation and which are formulated with due consideration to their probable effect on the future development of urban areas of more than fifty thousand population. The devolopment of projects in urbanized areas under this section shall be based upon a continuing, cooperative, and comprehensive planning process covering all modes of surface transportation and carried on by the States and the governing bodies of local communities in accordance with this paragraph. The Secretary shall not approve any project in an urbanized area after July 1, 1976, under this section unless he finds that such project is based on a continuing comprehensive transportation planning process carried on in conformance with the objectives stated in this paragraph.

"(f) (1) The Governor or the designated recipient of the urbanized area shall submit to the Secretary for his approval such surveys, plans, specifications, and estimates for each proposed project as the Secretary may require. The Secretary shall act upon such surveys, plans, specifications, and estimates as soon as practicable after they are submitted, and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

"(2) In approving the plans, specifications, and estimates for any proposed project under this section, the Secretary shall assure that possible adverse economic, social, and environmental effects relating to the proposed project have been fully considered in developing the project, and that the final decisions on the project are made in the best overall public interest, taking into consideration the need for fast, safe, and efficient transportation, public services, and conservation of environment and natural resources, and the costs of eliminating or minimizing any such adverse effects, including—

"(A) air, noise, and water pollution;

"(B) destruction or disruption of man-made and natural resources, esthetic values, commnuity cohesion, and the availability of public facilities and services;

"(C) adverse employment effects, and tax and property value losses;

"(D) injurious displacement of people, businesses, and farms; and

"(E) disruption of desirable community and regional growth.

"(g) Upon submission for approval of a proposed project under this section, the Governor or the designated recipient of the urbanized area shall certify to the Secretary that he or it has conducted public hearings (or has afforded the opportunity for such hearings) and that these hearings included (or were scheduled to include) consideration of the economic and social effects of such projects, its impact on the environment, including requirements under the Clean Air Act, the Federal Water Pollution Control Act, and other applicable Federal environmental statutes, and its consistency with the goals and objectives of such urban planning as has been promulgated by the community. Such certification shall be accompanied by (1) a report which indicates the consideration given to the economic, social, environmental and other effects of the proposed project, including, for construction projects, the effects of its location or design, and the consideration given to the various alternatives which were raised during the hearing or which were otherwise considered, and (2) upon the Secretary's request, a copy of the transcript of the hearings.

"(h) (1) The Secretary may discharge any of his responsibilities under this section with respect to a project under this section upon the request of any Governor or designated recipient of the urbanized area by accepting a certification by the Governor or his designee, or by the designated recipient of the urbanized area, if he finds that such project will be carried out in accordance with State laws, regulations, directives, and standards establishing requirements at least equivalent to those contained in, or issued pursuant to, this section.

"(2) The Secretary shall make a final inspection or review of each such project upon its completion and shall require an adequate report of its estimated and actual cost, as well as such other information as he determines to be necessary.

"(3) The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this subsection.

"(4) Acceptance by the Secretary of a certification under this section may be rescinded by the Secretary at any time if, in his opinion, it is necessary to do so.

"(5) Nothing in this section shall affect or discharge any responsibility or obligation of the Secretary under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), section 4 (f) of the Department of Transportation Act (49 U.S.C. 1653(f)), title VI of the Civil Rights Act of 1964 (42 U.S.C. 200(d) et seq.), title VIII of the Act of April 11, 1968 (Public Law 90-284, 42 U.S.C. 3601 et seq.), and the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

"(i)(1) As soon as practicable after the plans, specifications, and estimates for a specific project under this section have been approved, the Secretary shall enter into a formal project agreement with the Governor or designated recipient of the urbanized area. Such project agreement shall make provision for non-Federal funds required for the State's or designated recipient's pro rata share of the cost of the project.

"(2) The Secretary may rely upon representations made by the applicant with respect to the arrangements or agreements made by the Governor or the designated recipient where a part of the project involved is to be constructed at the expense of, or in cooperation with, local subdivisions of the State.

"(j)(1) The Secretary may in his discretion, from time to time as the work progresses, make payments to the applicant for costs of construction incurred by him or it on a project. Such payments shall at no time exceed the Federal share of the costs of construction incurred to the date of the voucher covering such payment plus the Federal share of the value of the materials which have been stockpiled in the vicinity of such construction in conformity to plans and specifications for the project. Such payments may also be made in the case of any such materials not in the vicinity of such construction if the Secretary determines that because of required fabrication at an offsite location the materials cannot be stockpiled in such vicinity.

"(2) After completion of a project in accordance with the plans and specifications, and approval of the final voucher by the Secretary, an applicant shall be entitled to payment out of the sums apportioned to him of the unpaid balance of the Federal share payable on account of such project.

"(3) No payment shall be made under this section except for a project covered by a project agreement.

"(4) In making payments pursuant to this section, the Secretary shall be bound by the limitations with respect to the permissible amounts of such payments contained in subsection (d).

"(5) Such payments shall be made to such official or officials or depository as may be designated by the Governor or designated recipient of the urbanized area and authorized under the laws of the State to receive public funds of the State.

"(k) The Secretary shall not approve any project under this section unless he finds that such project is needed to carry out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and is necessary for the sound, economic and desirable development of such area. A project under this section may not be undertaken unless the responsible public officials of the urbanized area in which the project is located have been consulted and, except for projects solely to pay operating expenses, their views considered with respect to the corridor, location, and design of the project.

"(l) The Secreary shall not approve any project under this section unless the applicant agrees and gives satisfactory assurances, in such manner and form as may be required by the Secretary and in accordance with such terms and conditions as the Secretary may prescribe, that the rates charged elderly and handicapped persons during nonpeak hours for transportation utilizing or involving the facilities and equipment of the project financed with assistance under this section will not exceed one-half of the rates generally applicable to other persons, whether the operation of such facilities and equipment is by the applicant or is by another entity under lease or otherwise.

"(m)(1) The provisions of section 13(c) and section 3(e)(4) shall apply in carrying out mass transportation projects under this section.

"(2) The provision of assistance under this section shall not be construed as bringing within the application of Chapter 15 of title 5, United States Code, any nonsupervisory employee of an urban mass transportation system (or of any other agency or entity performing related functions) to whom such chapter is otherwise inapplicable."

(b) Section 4(a) of such Act is amended by striking out "Except as specified in section 5, no" and inserting in lieu thereof "No."

RURAL TRANSIT ASSISTANCE

SEC. 6. (a) The Secretary is authorized to make grants to assist States and their political subdivisions in financing and construction and operation of facilities and equipment for use in providing public mass transportation service in areas not within urbanized areas. Only July 1 of each fiscal year, the Secretary shall apportion the sums authorized to be appropriated for this subsection for such fiscal year among the States in the ratio in which the population of all those areas within this subsection in each State bears to the total population of all such areas in all States, as shown by the latest available Federal Census.

(b) To finance grants under this section, the Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in an aggregate amount not to exceed $500,000,000.

(c) The Federal grant for any project assisted under this section shall be in an amount not to exceed 80 per centum of the cost of the project. The remainder of the cost of the project cost shall be provided, in cash, from sources other than Federal funds. Such remainder may be provided in whole or in part from other than public sources, and any public or private transit system funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital. No refund or reduction of the remainder of the project cost shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

DATA AND FINANCIAL REPORTING SYSTEMS

SEC. 7. Section 15 of the Urban Mass Transportation Act of 1964 is amended by striking out the entire section and inserting in lieu thereof the following:

"REPORTING SYSTEM

"SEC. 15. (a) The Secretary shall, by January 10, 1977, develop, test, and prescribe a reporting system to accumulate public mass transportation financial and operating information by uniform categories and a uniform system of accounts and records. Such systems shall be designed to assist in meeting the needs of individual public mass transportation systems, Federal, State, and local governments, and the public for information on which to base planning for public transportation services, and shall contain information appropriate to assist in the making of public sector investment decisions at all levels of government. The Secretary is authorized to develop and test these systems in consultation with interested persons and organizations. The Secretary is authorized to carry out this subsection independently, or by grant or contract (including working arrangments with other Federal, State, or local government agencies). The Secretary is authorized to request and receive such information or data as he deems appropriate from public or private sources.

"(b) After July 1, 1978, the Secretary shall not make any grant under section 5 unless the applicant for such grant and any person or organization to receive benefits directly from that grant are each subject to both the reporting system and the uniform system of accounts and records prescribed under subsection (a) of this section."

ELIGIBILITY OF QUASI-PUBLIC DEVELOPMENT CORPORATIONS

SEC. 8. (a) The first sentence of section 3(a)(1) of the Urban Mass Transportation Act of 1964 is amended by inserting "(A)" after "financing", and by inserting before the period at the end thereof the following: ", and (B) the establishment and organization of public or quasi-public transit corridor development corporations or entities".

(b) Section 3(a) of such Act is amended by inserting after the second sentence the following new sentence: "Eligible facilities and equipment may also include real property including land (but not public highways), within the entire zone affected by the construction and operation of transit improvements, including station sites, needed for an efficient and coordinated mass transportation system which is compatible with socially, economically, and environmentally sound patterns of land use."

COORDINATION OF URBAN MASS TRANSIT PROGRAMS WITH MODEL CITIES PROGRAMS

SEC. 9. Section 103(a) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) respectively, and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) any program which includes a transportation component as a project or activity to be undertaken meets the requirements of section 3(e) of the Urban Mass Transportation Act of 1964;".

INVESTIGATION OF SAFETY HAZARDS IN URBAN MASS TRANSPORTATION SYSTEMS

SEC. 10. The Secretary of Transportation shall investigate unsafe conditions in any facility, equipment, or manner of operation financed under the Urban Mass Transportation Act of 1964 which creates a serious hazard of death or injury for the purpose of determining its nature and extent and the means which might best be employed to eliminate or correct it. If the Secretary determines that such facility, equipment, or manner of operation is unsafe, he shall require the State or local public body or agency to submit to the Secretary a plan for correcting the unsafe facility, equipment, or manner of operation, and the Secretary may withhold further financial assistance to the applicant until such plan is approved or implemented.

FARES FOR ELDERLY AND HANDICAPPED PERSONS

SEC. 11. Nothing contained in this title shall require the charging of fares to elderly and handicapped persons.

TITLE II—FARE-FREE MASS TRANSPORTATION DEMONSTRATIONS

SEC. 201. The Secretary of Transportation (hereinafter referred to as the "Secretary") shall enter into such contracts or other arrangements as may be necessary for research and the development, establishment, and operation of demonstration projects to determine the feasibility of fare-free urban mass transportation systems.

SEC. 202. Federal grants or payments for the purpose of assisting such projects shall cover not to exceed 80 per centum of the cost of the project involved, including operating costs and the amortization of capital costs for any fiscal year for which such contract or other arrangement is in effect.

SEC. 203. The Secretary shall select cities or metropolitan areas for such projects in accordance with the following:

(1) to the extent practicable, such cities or metropolitan areas shall have a failing or nonexistent or marginally profitable transit system, a decaying central city, automobile-caused air pollution problems, and an immobile central city population;

(2) several projects should be selected from cities or metropolitan areas of differing sizes and populations;

(3) a high level of innovative service must be provided including the provision of crosstown and other transportation service to the extent necessary for central city residents and others to reach employment, shopping, and recreation; and

(4) to the extent practicable, projects utilizing different modes of mass transportation shall be approved.

SEC. 204. The Secretary shall study fare-free systems assisted pursuant to this title, and other financially assisted urban mass transportation systems providing reduced fares for the purpose of determining the following:

(1) the effects of such systems on (A) vehicle traffic and attendant air pollution, congestion, and noise, (B) the mobility of urban residents, and (C) the economic viability of central city business;

(2) the mode of mass transportation that can best meet the desired objectives;

(3) the extent to which frivolous ridership increases as a result of reduced fare or fare-free systems;

(4) the extent to which the need for urban highways might be reduced as a result of reduced fare or fare-free systems; and

(5) the best means of financing reduced fare or fare-free transportation on a continuing basis.

SEC. 205. The Secretary shall make annual reports to the Congress on the information gathered pursuant to section 204 of this title and shall make a final report of his finding, including any recommendations he might have to implement such findings, not later than June 30, 1976.

SEC. 206. In carrying out the provisions of this title, the Secretary shall provide advisory participation by interested State and local government authorities, mass transportation systems management personnel, employee representatives, mass transportation riders, and any other persons that he may deem necessary or appropriate.

SEC. 207. There are hereby authorized to be appropriated not to exceed $20,000,000 for each of the fiscal years ending on June 30, 1975, and June 30, 1976, respectively, to carry out the provisions of this title.

Mr. JAVITS. Mr. President, I am pleased to join with the Senator from New Jersey on introduction of this critically important legislation to aid the Nation's urban and rural areas in the development, improvement, and operation of their mass transit systems. We in the Senate have been attempting for over 3 years now to authorize Federal aid to urban mass transit. Yet despite Senate passage of several measures to achieve this necessary goal, barriers have prevented enactment of any legislation. I believe that we have now come up with a bill that meets all reasonable objections, that provides the needed assistance in a fair and equitable manner, that will not be inflationary, and that will immediately begin the process of improving our Nation's mass transportation systems.

We are at a critical juncture for mass transit in this country which urgently needs the planning and funding provided by this bill. Any further delay will exacerbate the financial crises now being faced by mass transit systems throughout the country causing deterioration of service, rising of fares, and consequent declines in ridership. Such a trend will only lead to a worsening of fuel shortages and environmental degradation which have already reached near disaster proportions. If we are to stem this tide, achieve any measure of energy independence in the near term, and meet the air quality standards of the Clean Air Act, this measure must be enacted in this session of Congress.

This bill takes as its starting point the best aspects of the conference report on S. 386, the Emergency Commuter Relief Act, which was recently tabled in the House Rules Committee, thus precluding any consideration of it by the House. The bill also recognizes the President's views on this important issue, as well as the needs of the Nation's Governors and mayors.

The bill is fair to every urban area that needs emergency assistance as well as those cities that are only beginning to develop mass transit systems. The funding would be available immediately and would be spread over a 5-year period so that cities could plan and implement major improvements to their existing systems. The Federal share, which is 80 percent, would be apportioned on a formula basis carefully designed to incorporate the administration's position and fair to all. The formula is one-half based on the population of the urbanized area, one-fourth based on transit miles ratio, and one-fourth based on the worker ridership ratio. It would be illogical and unfair to allocate operating assistance on a purely population basis. Operating aid is most needed by those cities that are operating—that is, cities that have large mass transit systems that are now in need of Federal help. It would plainly be unfair to distribute operating assistance in a way that gives twice or more the Federal subsidy to riders in a city with a small system than to riders in an area with a large and well-established mass transit operation. Thus any objection that this bill helps the big cities is precisely correct; it helps all cities that need Federal aid to maintain, improve, and expand their mass transit systems.

But the bill goes further. It provides one-half billion dollars in grant assistance to rural areas in the construction and operation of mass transportation services. This funding, as it should be, is apportioned on a population formula basis. The Federal share, as it is for the urban areas, is 80 percent.

Mr. President, my State, as do others with large metropolitan areas, desperately needs the assistance provided for in this bill. Although some may be content to wait, New York cannot. Not only does New York City need assistance, but the other cities of New York just as clearly must receive Federal assistance if their mass transportation operations are to survive. Buffalo, Rochester, Syracuse, and Albany have mass transit systems that will lose riders and that will have to raise fares if no assistance is forthcoming. Moreover, these cities cannot possibly afford, even with substantial help from the State, to make improvements to and expansions of their existing systems. As the mass transit alternative becomes less appealing, the only choice left for our urban residents is the private automobile. This can only lead to prolongation if not worsening of the gasoline shortages experienced last winter, with continued dependence upon imported oil for greater and greater percentages of our fuel requirements. The consequences for our cities' air is equally bleak if efforts are not begun now to turn urban Americans away from their cars and into mass transit. Even with the emission control equipment presently on all new automobiles, and planned for future cars, the growth in vehicle miles is so great that the air quality in our cities has steadily worsened. Transportation control plans, which are the key element in implementation of Federal air quality standards, are merely pies in the sky if mass transit does not improve and expand. The importance of this bill, to both of these urgent goals, cannot be overestimated.

I commend Senator WILLIAMS for his able and continuing leadership on this crucial issue. I hope that the members of the Committee on Banking, Housing and Urban Affairs will again demonstrate their concern by acting on this measure at the earliest practical time. I trust that when brought to the Senate floor, my colleagues will support this measure as they have supported mass transit legislation in the past. Time is of the essence, and I urge my fellow Senators to rally behind this bill so that it can begin the long process of mass transit improvement this year.

Mr. BENTSEN. Mr. President, I am pleased today to join with my colleague from New Jersey, Senator WILLIAMS, in cosponsoring the National Mass Transportation Assistance Act of 1974. On June 7, I introduced, after nationwide hearings, my own bill, S. 3601, the Urban Public Transportation Assistance Act. The bill I introduced represented, in my view, a distillation of the best views my Transportation Subcommittee received during 3 months of hearings on urban transit.

Although the bill introduced by Senator WILLIAMS differs, in several significant ways, from my own bill, it too represents a serious commitment of national resources to urban public transportation. It is my belief that the bills are not too far apart for us to reach an acceptable accommodation.

I am joining the Williams bill, because I believe that it is urgent that Congress enact transit legislation this year. The most effective way to reach that goal is to have the various Senators interested in the passage of the legislation working together to come up with the best possible bill. I stand ready to cooperate with the Senator from New Jersey and to work on a blending of our two bills in a final measure that will be feasible, fair to the cities and States, and consistent with my efforts to protect the cities that do not have elaborate transit systems as well as those that have moved aggressively with local funds to develop comprehensive transit services.

In my view, no bill can be ultimately successful in either House of Congress, unless it recognizes that effective transit service is a nationwide problem, which requires a national approach. That will be my goal in our discussion.

I commend Senator WILLIAMS for his efforts in this matter, and I believe his action, along with the introduction of my bill, significantly improves the chances for the passage of a major transit bill during this session of Congress.

By Mr. JACKSON (for himself and Mr. HASKELL):

S. 3720. A bill to authorize the allocation of supplies of materials and equipment associated with the production of energy supplies. Referred to the Committee on Interior and Insular Affairs.

ENERGY MATERIALS AND EQUIPMENT ALLOCATION ACT

Mr. JACKSON. Mr. President, for the next few years, demand for energy will exceed available supplies by a considerable amount. There is a need to increase domestic energy production and to diminish projected gaps between supply and demand. Some contend that higher prices are needed to elicit these additional supplies. But Mr. President, this is not the case. Petroleum and coal prices have been climbing steadily and are now at all-time highs. Although the administration and the industry continue to advocate the need for higher prices, they also now concede that domestic production is not being constrained by economic considerations. Rather production is being limited by shortages of equipment and material such as tubular goods, drill pipe, casings, roofbolts, and other materials.

According to the testimony of John Sawhill, Administrator of the Federal Energy Office, at his confirmation hearing, these shortages are largely the result of stockpiling by the majors, and of increased exports. A study done by FEO on this problem determined that:

> On average, as of December 1, 1973, the stockpiles of the 22 largest oil companies were 30 percent greater than their monthly average since January 1, 1972. Further, eight of these companies hold 74 percent of the inventory. The effect of this maldistribution of available supplies is compounded by the fact that the majority of drilling activity is performed by the independent operators.

Also, exports of oil country tubular goods in 1973 rose 47 percent to 168,000 tons, the highest level in 15 years.

Mr. President, unless stockpiling of oil country tubular goods can be controlled, independent producers will be unable to obtain the necessary equipment for drilling and production. Exploration activity is likely to be diminished, while needed equipment lies inactive in inventory. This is not a situation we can tolerate if we are to move toward energy self-sufficiency. I therefore am introducing a bill today which would allow the President to allocate scare materials essential to energy production. This legislation is discretionary, but it does provide needed authority which does not now exist. In dealing with present material shortages, the FEO is now restricted to jawboning as a means of effecting materials redistribution. To date, this has not proved to be very effective. Surveys conducted by both the Independent Petroleum Association of America and the Federal Energy Office, indicate that severe distribution problems still exist with regard to oil country tubular goods and other such products.

Mr. President, I ask unanimous consent that the text of the bill and the two studies referred to be printed in the RECORD at this point.

There being no objection, the bill and studies were ordered to be printed in the RECORD, as follows:

S. 3720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. Congressional Findings.

The Congress hereby finds that:

(a) There are acute spot shortages of oil country tubular goods and other materials essential to the expansion of our domestic energy industries.

(b) Shortages are largely the result of stockpiling by major oil producers and increased exports.

(c) The independent producers, who do most of the drilling in this country, have experienced the most severe materials shortages, with inventories available to them more than 60% below last year's levels, while the stockpiles of many major companies are 30% greater than last year.

(d) These shortages of materials are a threat not only to competition within the energy industry, but also to the achievement of our national goal of energy self sufficiency.

SEC. 102. Purposes.

The purpose of this Act is to grant to the President of the United States temporary authority to deal with shortages of materials and equipment essential to energy production. The authority granted under this Act may be exercised for the purpose of maximizing domestic energy production, and minimizing the adverse impact of materials shortages on the independent sector of the industry, and the domestic economy.

SEC. 103. The first clause of section 4(b) (1) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(b) (1) The regulation under subsection (a) and any regulation promulgated under subsection (h), to the maximum extent practicable, shall provide for—"

SEC. 104. Section 4 of the Emergency Petroleum Allocation Act is amended by adding at the end thereof a new subsection:

"(h) (1) Beginning 60 days after the date of enactment of this Act, the President may in accord with the purposes of this Act by regulation require the allocation of supplies of materials and equipment necessary, and essential to the expeditious and orderly development of new domestic energy supplies, if he makes the findings required by paragraph (3) of this subsection.

"(2) Not later than 30 days after the date of enactment of this Act the President shall report to the Congress with respect to the manner in which the authorities contained in paragraph (1) will be administered. This report shall include but not be limited to the manner in which allocations will be made, the procedure for requests and appeals, the criteria for determining priorities as between competing requests, and the office or agency which will administer such authorities.

"(3) The authority granted in this subsection may not be used unless the Administrator finds that—

"(A) such supplies are scarce, critical, and essential to maintain or further exploration production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities; and

"(B) maintenance or furtherance of exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities cannot reasonably be accomplished without exercising the authority specified in paragraph (1) of this subsection."

SEC. 105. Section 6(c) (3) of the Emergency Petroleum Allocation Act of 1973 is amended by adding the phrase "or section 4(h)" after the phrase "section 4(a)".

REPORT OF THE IPAA SPECIAL MATERIALS COMMITTEE APRIL 2, 1974

I. INTRODUCTION

The first meeting of the Materials Committee was held in Dallas, Texas, on March 13, 1974 to study the requirements, supplies, inventories and distribution of materials and equipment needed to support the continued expansion of U.S. exploratory and development drilling now underway and thereby increase domestic supplies of crude oil and natural gas. The committee considered rig availability, oil country tubular goods, manpower and price controls on materials.

The Commerce Department and the Federal Energy Office (FEO), in conjunction with the Cost of Living Council, released in January 1974 the results of a survey of oil country tubular goods which included information on mill shipments, inventories, distribution and anticipated sales and use in 1974 covering 18 steel producers, the 22 largest oil companies, and 26 major distributors. This preliminary investigation pointed out that tubular goods shortages are real to the independent operators, in particular, and to some of the major oil companies as a result of higher than normal inventory of tubular goods by some of the major companies. The effect of this maldistribution of available supplies is compounded by the fact that the majority of drilling activity is performed by the independent operators who drill some 80 percent of all wells in the United States*, with a somewhat lower percentage of total footage and use of tubular goods.

II. SCOPE OF COMMITTEE REPORT

The National Petroleum Council's Committee on Emergency Preparedness, in response to a request from Stephen A. Wakefield, Assistant Secretary, United States Department of the Interior, for Energy and Minerals Resources, has appointed a Subcommittee on Materials and Manpower Requirements for Exploration, Drilling and Production. The Council study will assess the availability of materials, manpower and equipment necessary for the exploration, drilling and production of oil during the next three years. It would deal with shortages of materials, manpower or equipment needed for these tasks and will indicate the probable limitation on drilling activities, the duration and causes of such shortages, together with any possible measures to alleviate them. The anticipated completion date for the NPC final report is August 1974.

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*Petroleum Information, Denver, Colorado—Survey of 1972 Drilling in the United States.

In view of this planned comprehensive study by the National Petroleum Council which has the experience and expertise to study all aspects of the materials, manpower and equipment needs of the petroleum industry, it was concluded that the IPAA Materials Committee limit the scope of the committee study and analysis to the immediate problem of oil country tubular goods needed in the next twelve months—through April 1975. While there are many problems in obtaining various equipment and materials, such as line pipe, the committee agreed to limit its initial study to the most critical problem—oil country tubular goods (casing, tubing and drill pipe).

III. BASIC ASSUMPTION

While the committee is aware of proposed changse in U.S. tax laws and the possibility of lower oil prices, for purposes of this report economic incentives were assumed to be adequate to support the increased levels of drilling set forth herein.

IV. RIGS

The availability of drilling rigs is a key factor in the potential for increased drilling activity. The surge in U.S. drilling activity, as measured by rotary rigs activity, began last May and has continued to increase over year earlier levels as shown on the attached chart. Despite problems in obtaining oil country tubular goods, the number of rotary drilling rigs actually drilling footage, as reported by Hughes Tool Company, increased to a high of 1,440 rigs in the week ending December 24, 1973, an increase of 184 rigs or 15 percent over the same period in 1972. However, due to a poor first half, the annual average of rotary rig activity for 1973 was only 1,194 rigs. Rigs active to date in 1974—through March 25—have averaged 1,365, an increase of 217 rigs or 19 percent over the same period in 1973.

The Reed Roller Bit Company Annual Rig Census in 1973 reports a total of 1,767 rigs including 294 stacked and 1,473 rigs "active". Rig utilization, computed from dividing rigs making hole (Hughes Tool) by total "active" rigs (Reed), can never be 100 percent due to move time, rigging up and rigging down, repair, etc. *Drilling Magazine* states the overall optimum utilization is probably around 80–85 percent. The experience in 1973 tends to bear out this rig utilization factor since the Hughes Tool rotary rig average of 1,194 rigs actually drilling footage is 81 percent of the "active" rig count of 1,473 reported in the Reed Rig Census.

The number of stacked rigs reported in the Reed Rig Census has declined steadily from 551 in 1971 to 294 in 1973 and further reductions are no doubt taking place in the sellers market for rotary rigs. Using the Reed Census total of 1,767 total rigs and a rig utilization factor of 82 percent would indicate that some 1,450 rigs could, on the average, be making hole during the next twelve months through April 1975. The validity of 1,450 available rotary rigs making hole on the average is strengthened by the fact that 1,440 rotary rigs were, in fact, drilling hole in the latter part of December 1973. For purposes of this report, therefore, the committee is using 1,450 rotary rigs running on the average as a basis for determining tubular goods requirements during the next twelve months.

It is important to realize that utilization of 1,450 rotary rigs is possible only if independent operators have access to the needed supplies of tubular goods since they drill some 80 percent of total wells drilled.

V. TUBULAR STEEL REQUIREMENTS

Annual total footage divided by the number of rotary rigs actually drilling footage results in an annual average of footage drilled per rig. For example, in 1973 a total of almost 139 million feet of hole was drilled by the 1,194 average rigs running during the year or an average of 116,363 feet drilled per rig per year.

Oil country tubular goods shipments for domestic use average 11 tons per 1,000 feet drilled during the past three years.

During the next twelve months utilization of 1,450 rigs would result in about 169 million feet of hole and 1.86 million tons of oil country tubular goods using a factor of 116,363 feet of hole per rig per year as was the case during 1973 and tubular goods requirements of 11 tons per 1,000 feet of hole, the experience of the last three years.

VI. TUBULAR STEEL SUPPLY

Information available to the committee indicates that the capacity of U.S. mills for production of oil country tubular goods is 2.1 million tons. The American Iron and Steel Institute reports that total mill shipments during 1973 totalled 1,736,000 tons. The tonnage available for domestic use was 1,708,000 tons since 168,000 tons of mill shipments were exported and 140,000 tons of carbon casing was imported during 1973.

The projected requirement for 1.86 million tons of oil country tubular goods during the next twelve months is attainable if mill production and shipments are maximized and net exports of tubular steel are not dramatically increased over 1973 volumes. Most important, however, for the forthcoming twelve months is the need for all mill shipments to be used in drilling wells without the stockpiling in inventories as was the case in 1973.

Significant gains in footage per ton of steel can be attained from shifts to lighter weight per foot casing. The Committee believes that an opposite trend has developed with reduced mill production, for example, of 4½" K–55 casing weighing 9.5 pounds per foot. One ton of steel used to make 4½" K–55 casing weighing 9.5 pounds per foot instead of 10.5 pounds per foot results in an additional 20 feet of casing per ton or an increase of 10.5 percent. It seems logical that a lack of profitability to the steel mills under present price controls has caused this counter-productive trend.

VII. INVENTORIES

During 1973, the customary practice of keeping downstream inventories of tubular goods in local storage points and supply houses in the field was virtually eliminated. Higher than normal inventories of tubular goods by some of the major companies have resulted. As pointed out in the FEO Fact Sheet on Oil Country Tubular Steel (attached), "On average, as of December 1, 1973, the stockpiles (tubular goods) of the 22 largest oil companies were 30 percent greater than their monthly average since January 1, 1972. Further, eight of these companies hold 74 percent of the inventory." The Fact Sheet also noted that, "Historically, the independent operators, and to some extent major companies, have depended on stocks held by the manufacturers and distributors. The inventories held in these sources as of December 1, 1973 were more than 60 percent below the average monthly volumes held between January, 1972 and October 1973. Under the extreme buying pressures being currently experienced, these inventories are believed to have diminished even more since that time. Further, any existing inventory is probably committed. The total supply channel appears to have undergone a rapid change to a system whereby material is available only on a steel mill order basis. An order placed now by a consumer either with the mill or, more normally, through a distributor, will not be completed for some nine to twelve months."

The build-up in inventories of oil country tubular goods in 1973 is documented by a comparison of footage drilled in 1973 relative to domestic supply of oil country goods. A total of 1,708,000 tons of oil country goods was available for U.S. drilling in 1973 and footage drilled was 139 million feet, or an average of 12.3 tons per 1,000 feet. This ratio is substantially above the 9.4 tons in 1972; 11.4 tons in 1971 and 9.3 tons per 1,000 feet drilled in 1970. The higher tons shipped per 1,000 feet in 1973 is a clear indicator of significant additions to inventories.

The situation exists, therefore, where supply and demand of tubular goods is in approximate balance, but where a considerable portion of the oil industry is unable to obtain deliveries of pipe to drill wells. The committee is of the opinion that men of good faith of the steel industry, the government, and both the major and independent sectors of the oil industry, can resolve this distribution problem without formal government allocations.

It is proposed that steel mills and distributors go back into the downstream inventory business for the purpose of supplying those who have an immediate need to use pipe in wells. Each supply company would maintain set-aside inventories in local areas. An oil company ready to drill a well would submit to his supplier a copy of his drilling contractor's commitment to provide a rig, a copy of his approved application to drill, and an order for the casing and tubing necessary for the drilling of the well. The local supplier would then furnish a written commitment to the operator for the casing required for the well, and a bill immediately payable for a certain percentage of the casing and tubing so ordered, with this money to be retained by the supply company as an inventory charge whether the operator's well was successful or not. If a commercial producing well results, the production string of casing and tubing would be provided. If the well is dry, the reserved casing and tubing would be released back to the local inventory for the use of others. There should also be a contractual agreement by the operator and supplier that if the successful well is salvaged in less than six months, that such salvage shall be offered back to the supplier at a certain discount.

It is the committee's opinion that the above suggestion would materially assist those now unable to obtain necessary tubular goods, would more equitably distribute current mill shipments, would eliminate costly delays at the casing point stage of drilling wells, would give the supply companies incentive to provide downstream warehousing, would discourage operators from multiple ordering of tubular goods, and would avoid anti-trust violations, since each company would be maintaining its own inventories.

The committee believes that the Federal Energy Office should act as a catalyst to get the above plan underway rather than impose formal government controls. It has to be assumed that most of the mill shipments for 1974 are already committed to various oil companies at the present time, hence, without voluntary agreement for delayed delivery between the steel mill and the oil company with a confirmed order for delivery in 1974, there are no tubular goods available for these suggested supply company downstream inventories.

Only the government agencies involved know which oil companies have unusually large inventories, and while this committee has no quarrel with those companies with sufficient capital and foresight to stockpile tubular goods, we believe it should be the function of the FEO to use its good offices to arrange postponement of deliveries of new pipe to the stockpiling companies until downstream inventories can become established.

VIII. TUBULAR GOODS PRICES

The Cost of Living Council's price regulations on oil country steel are adversely affecting the supply of tubular goods. For example, second hand pipe in the field, when available, is commanding a price substantially higher than the regulated price of new pipe. It appears significant also that exports of oil country tubular goods in 1973 rose 47 percent to 168,000 tons, the highest level in fifteen years. The increased export tonnage would indicate that current foreign prices for tubular goods are more attractive than those permitted in the domestic market under CLC price controls. CLC price regulations on oil country tubular goods are an impediment to attainment of maximum rig activity and subsequent additional petroleum supplies. It is urged, therefore, that as requested in the attached letter, oil country tubular goods be exempted from price regulations, as has already been done for oil field machinery, so that the market place can function to bring forth the needed supplies of casing, tubing and drill pipe.

CONCLUSIONS AND RECOMMENDATIONS

The energy crisis makes it a matter of first priority to maximize domestic production of crude oil and natural gas. The greatest potential for accomplishing this goal in the immediate future lies in expanding exploration and development in the onshore areas of the lower 48 states where independent producers dominate drilling activity.

To this end, it is attainable and urgent that an average of about 1,450 rotary rigs be drilling during the coming 12 months—an increase of more than 20 percent over the average rigs running in 1973.

This expansion of activity will require adequate economic incentives and access to the needed equipment, materials and manpower. The most pressing need is to insure the availability of the necessary supplies of oil country tubular goods (casing, tubing and drill pipe). Therefore, it is recommended that the IPAA request and urge the Federal Energy Office to:

A. Establish a voluntary program to encourage steel mills to:

(1) maximize production of oil country tubular goods, (2) maximize casing footage per ton and (3) reestablish inventories of oil country tubular goods in local areas along the lines suggested in this report for use only by those who have immediate need to use pipe in wells being drilled.

B. Urge the Cost of Living Council to remove price controls from oil country tubular goods.

TOTAL U.S. SUPPLY OF TUBULAR GOODS—RIG ACTIVITY—AND FOOTAGE DRILLED, 1968–73

	1968	1969	1970	1971	1972	1973
Tubular goods (thousand tons):						
Mill shipments	1,483	1,400	1,307	1,404	1,277	1,736
Less exports	−95	−95	−88	−82	−114	−168
Plus imports	115	126	103	147	142	140
Total U.S. supply	1,503	1,431	1,322	1,469	1,305	1,708
Rotary rigs running[1]	1,171	1,195	1,028	976	1,107	1,194
Wells drilled	32,194	34,053	29,467	27,300	28,755	27,602

	1968	1969	1970	1971	1972	1973
Footage drilled (thousand feet)	149,288	160,949	142,431	128,335	138,286	138,938
Tons OCTG per thousand feet	10.1	8.9	9.3	11.4	9.4	12.3
Average depth of wells	4,536	4,726	4,834	4,701	4,809	5,034
Footage drilled per rig	127,488	134,685	138,552	131,491	124,920	116,363
Total rotary rigs[2]	2,111	2,060	1,898	1,859	1,768	1,767
Stacked rigs	603	411	567	551	387	294
Active rigs	1,508	1,649	1,331	1,308	1,381	1,473

[1] Number of rigs actually drilling footage.

[2] Excludes rigs not capable of drilling over 3,000 ft.

Source: American Iron & Steel Institute, tubular goods shipments, exports and imports; Hughes Tool Co., rotary rigs running; American Petroleum Institute, wells and footage drilled and average depth; Reed Roller Bit Survey, total rotary rigs, stacked rigs, active rigs.

[From Federal Energy Office, Public Affairs]

FACT SHEET—OIL COUNTRY TUBULAR STEEL

In recent weeks numerous reports have circulated of shortages of steel tubular goods. The uncertainties created by such reports appear to be a major deterrent to maintenance and expansion of our domestic petroleum exploration and development effort. A joint study team from the Commerce Department, the Cost of Living Council, and the Federal Energy Office has completed a preliminary investigation into these reports. William E. Simon, Federal Energy Administrator, revealed the results of the survey today.

The study team's investigation revealed that in terms of total tonnage of oil country tubular goods, the supply in 1974 should meet the projected industry demand.

Government and industry experts project that drilling will be expanded in 1974 to 156 million feet total, which will require an estimated 1.75 million tons of oil country tubular goods. Manufacturers have scheduled production of 1.85 million tons. The above demand figure is restrained by the availability of oil drilling rigs. If adequate rigs were available, the demand for tubular goods to meet industry's desired drilling program, or even to sustain the current level of production, would be significantly greater.

Although supply-demand is in balance, in terms of total steel tonnage, there could be specific shortages in individual types, weights, grades and sizes of tubular goods.

The study also revealed that shortages are real to the independent operators, in particular, and to some of the major oil companies as a result of higher than normal inventory of tubular goods by some of the major companies. On overage, as of December 1, 1973, the stockpiles of the 22 largest oil companies were 30 percent greater than their monthly average since January 1, 1972. Further, eight of these companies hold 74 percent of the inventory. The effect of this maldistribution of available supplies is compounded by the fact that the majority of drilling activity is performed by the independent operators. Historically, the independent operators, and to some extent major companies, have depended on stocks held by the manufacturers and distributors.

The inventories held in these sources as of December 1, 1973 were more than 60 percent below the average monthly volumes held between January, 1972 and October, 1973. Under the extreme buying pressures being currently experienced, these inventories are believed to have diminished even more since that time. Further, any existing inventory is probably committed. The total supply channel appears to have undergone a rapid change to a system whereby material is available only on a steel mill order basis. An order placed now by a consumer either with the mill or, more normally, through a distributor will not be completed for some nine to twelve months.

The study further revealed that, although U.S. exports of tubular goods did significantly increase in 1973, the export total was only about 10 percent of U.S. production. Until 1973, these exports were more than offset by imports to the U.S. The exports are largely to the foreign operations of American companies; consequently, in some measure they do contribute to the U.S. supply of petroleum.

Mr. Simon emphasized that the overall positive results of this study should serve to quell immediate buying pressure and apparent excessive stockpiling and unnecessary forward buying practices. The joint task force will continue its investigation and will develop recommendations to correct the current maldistribution.

The survey covered steel producers, the 22 largest oil companies, and 26 major distributors. Conducted under the Defense Production Act, the survey included information on inventories, capacity, past practices, and anticipated sales and use.

In addition to its work to correct the tubular goods distribution situation, the survey team has begun to look into the problem of oil development limitations due to a short supply of drilling rigs, associated services and manpower.

By Mr. GRAVEL:

S. 3721. A bill to provide that an individual who has attained age 65 will not be required to pay the social security tax on his first $2,400 of wages and self-employment income. Referred to the Committee on Finance.

Mr. GRAVEL. Mr. President, today I am introducing a bill to provide that an individual who has attained age 65 will not be required to pay the social security tax on his first $2,400 of wages and self-employment income. Adoption of such a provision would reflect this country's concerned efforts to insure that our senior citizens are able to meet the rising cost of living.

This attempt to aid the elderly in overcoming the staggering burden of inflation is a reflection of my belief that the burden of taxes imposed upon citizens should reflect their taxpaying ability.

Low income in retirement is the most serious problem confronting the elderly today. Those in our society who are elderly, poor, or geographically isolated, traditionally live at a disadvantage with respect to the American mainstream. It has become apparent that those factors which place them at a disadvantage contribute further to the impact the present cost of living has placed upon them.

Compounded by the fact that a high proportion of the aged are also poor, we have witnessed their having to cope with cutbacks in signficant older American programs; increased health care costs; rising unemployment; proposed cost increases under medicare; and little relief from the 8.8 percent inflation.

We need no further proof that present programs do not do enough. We need no further evidence of the tremendous hardships the elderly must endure. What is needed now is a genuine national effort to improve and expand all previous attempts at alleviating this dismal situation. And that is what this proposed legislation is designed to do.

It is believed that service to the elderly, especially the minority and low-income elderly, will greatly strain our country's administrative and budget resources. For the most part, effective administrative services are minimal at best and display a tragic insensitivity at worst.

In Alaska, a State with the youngest median age in the nation, the elderly have often been overlooked. This was made clear to me in responses recently received from a senior citizens questionnaire. Responding to an inquiry concerning their financial needs, the senior citizens replied with a candor that reflected more their meager needs than flagrant wants. Wanting no more than what is necessary to exist, we cannot continue to deprive our elderly the means by which to live free of poverty and despair.

Twentieth century America has made phrases such as "growing old gracefully" a cruel mockery in terms of the present situation. The majority of our Nation's 21.3 million persons 65 years of age and older worry more about being able to afford food than they do the "graceful progression of years." It is our responsibility to insure that old age be a period of health, happiness and productivity; a time to live rather than linger, a time to enjoy rather than exist.

My plan to provide financial assistance to our senior citizens is encouraging in theory, but we must ask ourselves when the theories will cease and become a reality. We can no longer tolerate the neglect and poverty that our elderly citizens are forced to endure. The time has come to begin implementing the policies and programs which will give senior citizens the comfort and respect they so richly deserve.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees under the Federal Insurance Contributions Act) is amended by adding at the end thereof the following new subsection:

"(c) For purposes of subsections (a) and (b) of this section, the amount of the wages received by an individual in or after the calendar year in which he attains (or would except for his death, attain) age 65 shall be deemed to be reduced by an amount equal to $2,400 or, if less, an amount equal to the amount of such wages (as determined without regard to this subsection)."

(b) Section 1401 of such Code (relating to rate of tax on self-employment income under the Self-Employment Contributions Act) is amended by adding at the end thereof the following new subsection:

"(c) (1) For purposes of subsection (a) and (b) of this section, the amount of the self-employment income of an individual for the taxable year in which he attains age 65, and for any taxable year thereafter, shall (subject to paragraph (2)) be deemed to be reduced by an amount equal to $2,400, or, if less, to wages of such individual received during the taxable year, or an amount of the amount of such self-employment income (as determined without regard to this subsection).

"(2) If, for any taxable year the aggregate of the deemed reduction applicable to an individual's self-employment income (as determined under paragraph (1)) and the deemed reduction applicable to such individual's wages (as determined under section 3101(c)) is in excess of $2,400, or, if less, the aggregate of such individual's self-employment income (as determined without regard to this subsection) and such individual's wages (as determined under section 3121(b), but without regard to section 3101(c)) then the amount deemed reduction (as determined under paragraph (1)) shall be reduced by an amount equal to the amount of such excess."

(c) The amendment made by subsection (a) shall be applicable only to wages received after December 31, 1974, and the amendment made by subsection (b) shall be applicable only to self-employment income for taxable years beginning after such date.

SEC. 2. (a) (1) Section 201(a) of the Social Security Act is amended by inserting, immediately after the third sentence thereof, the following new sentence: "For purposes of the preceding sentence, the amount of the taxes imposed by section 3101(a) of the Internal Revenue Code of 1954 shall be determined without regard to section 3101(c) of such Code, and the amount of the taxes imposed by section 1401(a) of such Code shall be determined without regard to section 1401(c) of such Code."

(2) The first sentence of section 201(g) (2) of such Act is amended by inserting "(and as determined without regard to section 3101 (c) of such Code)" immediately after "section 3101(a)".

(c) (1) Section 1817(a) of such Act is amended by inserting, immediately after the third sentence thereof, the following new sentence: "For purposes of the preceding sentence, the amount of the taxes imposed by section 3101(b) of the Internal Revenue Code of 1954 shall be determined without regard to section 3101(c) of such Code, and the amount of the taxes imposed by section 1401(b) of such Code shall be determined without regard to section 1401(c) of such Code."

(2) The first sentence of section 1817(f) (1) of such Act is amended by inserting "(and as determined without regard to section 1401(c) of such Code)" immediately after "section 3101(b)".

By Mr. DOMENICI (for himself and Mr. HUMPHREY):

S. 3722. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain expenses incurred for installation of solar heating and cooling systems. Referred to the Committee on Finance.

Mr. DOMENICI. Mr. President, today the full committee of Senate Resolution 45, the National Fuels and Energy Study Group of which I am a member, held hearings on a bill sponsored by our distinguished colleague from Minnesota, Mr. HUMPHREY. The testimony received today was most enlightening and, more important, showed a new desre to seriously increase the scope of our solar energy program. As I brought out in my testimony today, I am concerned that we initiate programs to encourage the private sector to implement the technology developed under our present solar energy programs. I am firmly convinced that we have reached the stage where the private homeowner should be offered incentives that would allow him to meet this additional cost of implemeting solar heating and cooling units. The Secretary of Housing and Urban Development has already undertaken the project of determining performance criteria that would be suitable for solar heating and cooling units.

I am, therefore, introducing a bill that would allow the private homeowner to deduct from his capital account the cost of installation and equipment purchase over a period of 60 months up to $5,000. Recent figures indicated that the average colonial home in Baltimore, Md., using present solar heating technology would receive 60 percent of the energy required to comfortably heat it. Using the same home, that presently requires 24 barrels of No. 2 heating oil per year for heating purposes, you can readily see the beneficial effect of utlizing such a supplemental source of energy.

I have received numerous requests from individuals who desire to install solar heating and cooling equipment, but because of the cost factors have been unable to do so. It would, therefore, be desirable to allow a tax incentive to encourage individuals to install solar heating and cooling equipment.

I am hopeful my colleagues will join with me in sponsoring this new incentive that would allow any individual to utilize our present solar technology.

By Mr. HART:

S. 3723. A bill to regulate commerce by discouraging needless depletion of natural resources and by encouraging resource recovery and reuse through programs and incentives for recycling and for converting waste into usable energy, and for other purposes. Referred to the Committee on Public Works, by unanimous consent.

Mr. HART. Mr. President, I introduce a bill, entitled the "Resource Conservation and Energy Recovery Act of 1974," and ask unanimous consent that it be referred to the Committee on Public Works. The bill is identical to the bill which was reported on March 19 from the Subcommittee on the Environment of the Committee on Commerce to the full committee. The Commerce Committee has held a number of executive sessions on the subcommittee-reported bill and will continue to mark up the legislation on July 12. Quite a number of amendments will be offered by members of the committee at that time and at any subsequent markup sessions which may be held. By introducing the bill without such amendments I do not mean to indicate the disposition which the Commerce Committee will reach on such amendments.

My sole purpose in introducing the subcommittee-reported bill at this time and in asking for its referral to the Committee on Public Works is to insure that when that committee holds its hearings after the recess on legislation concerning recycling and solid waste, it will have before it proposals which were endorsed by the Subcommittee on the Environment.

The lines of jurisdiction in this area between the Committees on Public Works and Commerce are not clearly drawn and I hope will be more clearly defined by the two committees in the near future. In asking for unanimous consent to refer the bill I introduce today to the Committee on Public Works, I do not mean to prejudge the ultimate disposition of this jurisdictional question or to take any position on where the bill would be referred in the absence of such unanimous consent.

Mr. President, I also ask unanimous consent that the text of the bill be printed in full at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into sections according to the following table of contents, may be cited as the "Resource Conservation and Energy Recovery Act of 1974".

TABLE OF CONTENTS

Sec. 2. Declaration of policy
Sec. 3. Definitions
Sec. 4. Transportation rates for recovered materials
Sec. 5. Reclaimed materials preference
Sec. 6. Recovery facilities preference
Sec. 7. Minimization of needless and dangerous waste
Sec. 8. Unsafe waste management practices
Sec. 9. State programs
Sec. 10. Comprehensive State plans
Sec. 11. Cooperative and joint activities
Sec. 12. Recovery demonstrations and other assistance
Sec. 13. Loan guarantees
Sec. 14. Grants
Sec. 15. Technology transfer
Sec. 16. National Commission on Environmental Costs
Sec. 17. Recycled oil
Sec. 18. Records and examinations
Sec. 19. Prohibited acts
Sec. 20. Remedies
Sec. 21. General provisions
Sec. 22. Packaging and labeling
Sec. 23. Authorization for appropriations

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds that the shortage of petroleum products and other energy sources during the winter of 1973–74 has dramatized the fact that the Nation no longer possesses an overabundance of the natural resources necessary for commerce, public welfare, and the national defense. In the future, greater attention must be paid to and greater emphasis must be placed on recovering and reusing resources currently disposed of as waste in order to minimize the depletion of remaining virgin natural resources.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act to—

(1) promote, through economic incentives and minimum standards, the use of materials and products that can be used again through recovery, reuse, and recycling, and to discourage the unnecessary use and depletion of virgin natural resource materials;

(2) prohibit transportation rates which discriminate against recovery materials in favor of virgin materials;

(3) change, with respect to the Federal Government, (A) its procurement practices to encourage the use of reclaimed materials and minimize the unnecessary purchase of virgin materials; and (B) its disposal practices to maximize the use of facilities for the recovery of energy and other resources from waste;

(4) encourage the recovery of energy and other resources from waste through loan guarantees, construction grants, and support of research and development projects;

(5) protect human health and the Nation's natural resources by identifying and establishing national standards for product composition and for the treatment and disposal of hazardous waste; and

(6) enable consumers to contribute to resource conservation by establishing a National Commission to formulate a practical and convenient national disposal costs system which would internalize waste disposal costs and thus permit consumers to make rational value comparisons among competing products on the basis of total costs, including disposal cost.

DEFINITIONS

SEC. 3. As used in this Act, unless otherwise defined in this Act—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "commerce" means commerce among the several States or with foreign nations or in any State or between any State and foreign nation;

(3) "Commission" means the National Commission on Environmental Costs, established under section 16 of this Act;

(4) "demonstration" means the planning, design, construction, operation, and maintenance of any program or facility for waste management, the recovery of energy or other resources from waste for the purpose of examining the technical and economic feasibility of such program or facility;

(5) "disposal cost" means the economic cost (measured in dollars per standard unit of measure) of collecting, transporting to a treatment facility, storing, and processing solid, liquid, and semisolid waste in the waste disposal systems in the United States;

(6) "disposal site" means location where final disposal of waste occurs;

(7) "environment" includes water, air, land, all living things therein, and the interrelationships which exist among these inanimate and animate things;

(8) "Federal agency" means any department, agency, or other instrumentality within the executive branch of the Federal Government; any independent agency or establishment of the Federal Goverment including any government corporation; and any establishment in the legislative or judicial branch of the Federal Government other than the Senate or the House of Representatives;

(9) "final disposal" means the discharge, deposit, or injection into subsurface strata or excavations or the ultimate disposition on land, water, or in the atmosphere of any waste remaining following any treatment, resource recovery, or energy recovery;

(10) "generation" means the act or process of producing waste;

(11) "hazardous waste" means any waste or combination of wastes which pose a substantial present or potential hazard to human health or the environment because such waste or wastes are nondegradable or persistent in nature; can be biologically magnified; can be lethal; or may otherwise cause or tend to cause detrimental and cumulative effects.

(12) "person" includes a governmental entity;

(13) "pilot plant" means any small-scale experimental facility constructed for the purpose of investigating or testing the technological feasibility of a new energy recovery or resource recovery technology;

(14) "procurement item" means any device, good, substance, material, products, or other item which is the subject of any purchase, barter, or other exchange made to procure such item;

(15) "procuring agency" means any Federal agency; any State agency or agency of a political subdivision of a State which is using Federal funds; or any person contracting with any such agency with respect to work performed under such contract;

(16) "product" means any article, device, item, material, or other substance or any part thereof which is manufactured or produced for distribution or sale in commerce to any person for any presonal, household, or business use other than use as material in the manufacture or production of, or as a component part of, another such substance; and any container or packaging material which is used in the distribution or sale in commerce of any such substance;

(17) "reclaimed material" means any material which has been collected or recovered from waste for a commercial purpose following end usage as a product;

(18) "recycled material" means any material which has been collected or recovered from waste for a commercial purpose whether or not such collection or recovery follows end usage as a product;

(19) "recycled research" means any investigation which attempts to advance the state of the art with respect to methods and technologies for energy recovery and resource recovery from waste and which is likely to lead to the establishment of a pilot plant or demonstration within a reasonable period of time;

(20) "recyclable", means capable of being and likely to be recovered from waste for a commercial purpose;

(21) "reusable", means capable of being and likely to be reintroduced into commerce for purposes of distribution, sale, or use without any substantial treatment, alteration, or change other than sanitary cleansing;

(22) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa;

(23) "storage" means the interim containment of waste after generation and prior to final disposal. If any such containment lasts 2 years or more, it shall be considered final disposal rather than storage of waste;

(24) "transport" means the movement of waste from the point of generation through any intermediate transfer points to the point of treatment, storage, recovery, or final disposal:

(25) "treatment" means any activity or processing designed to change the physical form or the chemical composition of waste so as to render it nonhazardous, less hazardous, safer for transport, or recoverable;

(26) "treatment facility" means a location at which waste is subjected to treatment. The term may include a facility where waste has been generated;

(27) "unsafe waste management practice" means any aspect of waste management or any method used in any waste disposal system which poses an unreasonable present or potential hazard to human health or the environment;

(28) "virgin natural resource material" or "virgin material" means a raw material, including, but not limited to, previously unused copper, aluminum, lead, zinc, iron, or other metal or metal ore, or new or virgin textile material which has useful physical or chemical properties which exist, unused, in nature;

(29) "waste" means any discarded, disposed, unused, or otherwise unusable solid, liquid, or semisolid material or materials. The term shall not include any source material, special nuclear material, or byproduct material subject to regulation or control under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.);

(30) "waste disposal system" means a system for the collection, storage, transport, treatment, utilization, processing, or final disposal of waste, including its conversion into energy or recycled materials; and

(31) "waste management" means the systematic control of the generation, collection, processing, recycling, recovery, or final dis-storage, transport, treatment, utilization, posal of waste.

TRANSPORTATION RATES FOR RECOVERED MATERIALS

SEC. 4. (a) RATE POLICY.—The Interstate Commerce Commission shall, by the earliest practicable date, make such changes in the rates charged by common carriers subject to its jurisdiction as are necessary or appropriate to promote the movement by such carriers of recycled materials, at the lowest possible lawful rates compatible with the maintenance of adequate transportation service: *Provided*, That no investigation or proceeding resulting from the enactment of this section shall be permitted to delay the decision of cases now pending before such Commission involving rates for the transportation of recovered materials, but such cases shall be decided in accordance with this section.

(b) INTERVENTION.—The Administrator shall take such steps as are necessary to insure that the directives of this section are carried out as expeditiously as possible. The Administrator is authorized, in the discharge of such responsibility, to initiate and intervene in proceedings before the Commission, and shall have such standing in such proceedings and with respect to commencing or participating in any appeal from any agency action by the Commission, as is necessary or appropriate in the discharge of such responsibility. Attorneys appointed by the Administrator may appear for and represent him.

(c) UNREASONABLE AND DISCRIMINATORY RATES.—(1) In addition to all other obligations imposed by law, the Commission shall not approve, authorize, or allow any carrier subject to its jurisdiction to put into effect any rate or charge increase for the transportation of any recovered material if such rate or charge increase is unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable by comparison with any such increase or any existing rate or charge by such carrier for the transportation of any virgin material which competes with such recovered material.

(2) In addition to all other obligations imposed by law, it shall be unlawful for (A) any common carrier by rail, water, or motor vehicle subject to financial regulation under the Interstate Commerce Act (49 U.S.C. 1 et seq.) or the Shipping Act of 1916 (46 U.S.C. 801 et seq.); (B) any group, conference, or association of such carriers; or (C) any officer or agent thereof, to demand, charge or collect any rate or charge, schedule of rates or charges, classification or tariff for the transportation of any recovered material if such rate, charge, schedule, classification, or tariff is unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable by comparison with any rate or rate charge, schedule of rates or charges, classification or tariff already on file, filed, charged, or demanded by it for the transportation of a virgin material which competes with such recovered material.

(d) COMPLAINTS.—Any interested person may file a complaint with the Commission alleging that rates, charges, or tariffs or proposed rate increases for the transportation of any recycled material subject to its regulatory jurisdiction are unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable. Upon the filing of any such complaint, other than one determined by the Commission to be frivolous, the Commission shall forward a copy thereof to any carrier whose rates or proposed rate increases are challenged, and such carrier shall be given a reasonable opportunity to answer such allegations in writing. The Commission shall thereupon investigate and, after a public hearing, make a determination. If such rates, charges, tariffs, or proposed rate increases are found to be unjustly discriminatory or, in the case of movements in interstate commerce, unreasonable, the Commission shall issue an appropriate order which effectively cancels such rates, charges, or tariffs or denies such rate increases, or which modifies or alters them to the extent necessary to correct any such unjust discrimination or, in the case of movements in interstate commerce, unreasonableness. The respondents shall be ordered to comply with any such ruling.

(e) PROCEEDINGS.—(1) In any proceeding under this section, the carriers whose existing or proposed rates are under investigation shall establish by a preponderance of the evidence on the record, subject to cross-examination, that such rates are, where applicable, reasonable, or nondiscriminatory.

(2) The Commission shall make specific findings based upon appropriate references to the record with respect to all determinations made by it in accordance with this section. If the Commission wishes to rely on its own experts, such experts shall introduce all their evidence in the record, subject to cross-examination.

(3) With respect to determinations required under this section, any facts or conclusions offered in evidence by any government agency which has specific expertise in a relevant matter such as functional equivalence, substitutability, or environmental impact and the degree thereof, shall be presumed to be true unless rebutted by a preponderance of the evidence.

(4) The Commission shall give full preference to the hearing and decision of such questions and shall decide them as speedily as possible. In any such case, the Commission may by subpena compel the attendance of witnesses and the production of books, papers, documents, and such other evidence as may be required. Attendance of witnesses and production of evidence in response to subpena may be required from any place in the United States to any designated place of hearing. Persons acting under subpena, except employees of the Commission, shall be entitled to the same fees and mileage as are paid for appearances in the courts of the United States. Obedience to any such subpena shall, on application of the Commission, be enforced by any appropriate district court of the United States. In any such proceeding, depositons, written interrogatories, and other discovery procedures shall be available to any party thereto, to the extent practicable, in conformity with the rules applicable to civil proceedings in the district courts of the United States.

(f) REVIEW.—Orders issued by the Commission pursuant to this section shall be subject to judicial review or enforcement by any appropriate court of the United States in accordance with the provisions of the Interstate Commerce Act (49 U.S.C. 1 et seq.) and the Shipping Act of 1916 (46 U.S.C. 801 et. seq.).

(g) PRESUMPTION.—For purposes of this section, a recovered material which is functionally or technically equivalent to or substitutable for, in an industrial or manufacturing process, including an energy recovery or resource recovery process, a virgin natural resource material shall be presumed to be competitive with such virgin material unless this presumption is rebutted by a preponderance of the evidence.

(h) DEFINITIONS.—As used in this section, "the Commission" means, to the extent of applicable jurisdiction, the Interstate Commerce Commission or the Federal Maritime Commission or both.

(i) REGULATION.—The Commission is authorized to prescribe such regulations as may be necessary to carry out the provisions and purposes of this section.

(j) PENALTIES.—Any person who violates subsection (c)(2) of this section shall be subject to a civil penalty of not more than $5,000 for each such violation. Such penalty may be remitted or mitigated upon such terms as the Commission deems consistent with the purposes of this section.

(k) STUDIES.—(1) The Interstate Commerce Commission and the Federal Maritime Commission, in consultation with the Secretary of Transportation and the Administrator, shall undertake studies, to be completed within 2 years of the date of enactment of this Act, of the need and feasibility of establishing a transportation rate policy for all recoverable materials based only on the type, size, and kind of transportation equipment used, the characteristics of movement, services, and facilities provided, and the weight and/or volume of the shipment. Such studies shall investigate all significant factors relevant to the need and feasibility of such a rate policy including, but not limited to—

(A) the current transportation rates for recovered materials which can be substituted for raw materials and the contributions of such rates to carrier revenues;

(B) the similarities or differences between transportation costs for raw materials and competing recycled materials;

(C) the percentage movement, past and prospective, or recycled materials by various modes of transportation;

(D) the effects of rate changes on the past or prospective movement of recycled materials;

(E) the need for changes in transportation service to promote the movement of recycled materials and the impact of such changes or shipper utilization of service including (i) the impact of rates for single and multiple movements at competitive intermodal rates for all distances which can be served properly by water, motor, and rail carrier meeting the long run marginal cost for that movement; (ii) the impact of regularity of service allowances which reflect the rate of utilization of services provided; (iii) the impact of service charges and allowances which reflect the peak and off-peak nature of transportation movements and their relationship to traffic patterns; (iv) equipment changes which would make it possible in all instances for shippers or receivers to furnish their own equipment if they so desire; and

(F) the level of rates that should be paid to support service improvement.

(2) The Interstate Commerce Commission and the Federal Maritime Commission, in consultation with the Secretary of Transportation and the Administrator, shall conduct a study and investigation to be completed within three years of the date of the enactment of this Act, of the extent to which the transportation rate structure of recycled materials is unjustly discriminatory or, in the case of interstate commerce, unreasonable. In the conduct of such study and investigation, the Commission shall review the significant rates which are components of such rate structure. Such study shall investigate all relevant factors including, but not limited to—

(A) the impact of present rates on the movement of recycled materials;

(B) the probable impact of changes in present rates on the movement of recovered materials;

(C) the probable impact of increased movements of recycled materials on the amount of waste which must be ultimately disposed of and the depletion of virgin natural resources in the United States;

(D) the substitutability of recycled materials for raw materials in the production process and the impact of substituting recycled materials for raw materials in that process; and

(E) the extent of competition between raw materials and recycled materials which can be substituted for such raw materials in the production process.

To the extent that such rate structure or rates are found to be unjustly discriminatory or, in the case of interstate commerce, unreasonable, the Commission shall alter or modify such rates to correct such unjust discrimination or, in the case of interstate commerce, unreasonableness.

(3) Upon completion of such studies, the Interstate Commerce Commission and the Federal Maritime Commission shall each submit a report to the Congress detailing the results of their respective studies and setting forth, in addition to their findings under paragraphs (1) and (2) of this subsection, (A) the effect on the environment of transportation rates for and treatment of recycled materials; (B) any changes in such rates and treatment that would improve environmental quality; (C) any such changes that would reduce depletion of the Nation's virgin natural resources; and (D) any recommendations for legislation necessary or appropriate to implement the findings and report.

(1) Research and Demonstration.—The Interstate Commerce Commission, the Federal Maritime Commission, and the Secretary of Transportation shall establish a research, development, and demonstration program which shall be coordinated by such Secretary. Such program shall develop and improve transport terminal operations, transport service characteristics, transport equipment, and collection and processing methods for the purpose of facilitating the competitive and efficient transportation of recycled materials.

RECLAIMED MATERIALS PREFERENCE

Sec. 5. (a) General.—A procuring agency shall comply with the requirements set forth in this section and any regulations issued under this section, with respect to any purchase or acquisition of any property having a fair market value of $5,000 or more and with respect to any purchase or acquisition on a recurring or continuing basis of the same or a functionally equivalent material, product, or item where the fair market value of the quantity thereof purchased or acquired in the course of the preceding fiscal year was $5,000 or more.

(b) Requirements.—(1) With respect to procurement items purchased through advertisements for bids, no procurement shall be made of any such item unless it is, by comparison with competing items offered for sale by suppliers, composed of the greatest percentage of reclaimed materials and is, to the greatest extent, recyclable or reusable following the use for which it is designed or used, whenever a significant difference exists between such item and competing items with respect to such characteristics.

(2) The requirements of paragraph (1) of this section shall not apply to any procurement by a procuring agency if the procurement item which meets such requirements and regulations (A) is not reasonably available within a reasonable period of time; (B) does not meet reasonable performance standards set by such agency; (C) is only available at a price which unreasonably exceeds the current market price for competing items; or in any situation in which such procuring agency for good cause finds that such requirements are impracticable, unnecessary, or contrary to the public interest.

(3) Each procuring agency shall make its own determinations and findings with respect to the characteristics of procurement items and competing items and the question of compliance with the requirements of this section. The Secretary of Commerce, through the National Bureau of Standards, and the Administrator shall assist any procuring agency in making any such determinations or findings upon request in writing from such agency. In case of any dispute between a procuring agency and a prospective supplier with respect to any such determination or findings, the dispute shall be arbitrated by a board consisting of the Comptroller General of the United States, the Director of the Office of Management and Budget, and the Administrator, or their duly designated representatives. Any decision of such board shall be final and binding on the parties.

(4) Each prospective supplier shall disclose such information to procuring agencies as is necessary to enable such agencies to comply with the requirements of this section.

(c) Guidelines.—The Administrator, after consultation with the Administrator of General Services and the Public Printer, shall prepare, and from time to time revise, guidelines for the use of procuring agencies in the implementation of the requirements of this section. Such guidelines shall set forth recommended practices with respect to the procurement of reclaimed, recyclable, and reusable materials and items containing such materials and shall provide information as to the availability, sources of supply, and potential uses of such materials and items.

(d) Other Standards.—In addition to the foregoing, each procuring agency shall be subject to all applicable standards promulgated under section 7 of this Act with respect to all procurement items purchased or acquired by it.

RECOVERY FACILITIES PREFERENCE

Sec. 6. (a) General.—A procuring agency shall, to the maximum extent practicable, manage or arrange for the management of waste generated by it in a waste-management facility which maximizes resource and energy recovery.

(b) Other Requirements.—In addition to the foregoing, each procuring agency (and any other Federal agency or facility) shall be subject to the requirements of section 8 of this Act with respect to all waste generated, transported, stored, or finally disposed of by it.

MINIMIZATION OF NEEDLESS AND DANGEROUS WASTE

Sec. 7. (a) General.—As soon and as often as is feasible, the Administrator shall promulgate, and from time to time revise, standards regulating the manufacture and distribution of certain products in commerce to the extent necessary to protect human health and the environment against unreasonable burdens or risks associated with the disposal of such products or to prevent the unreasonable depletion of any virgin natural resource. Such a standard may be promulgated, by regulation and only upon a finding by the Administrator that (1) regulations issued under the Clean Air Act (42 U.S.C. 1857) the Federal Water Pollution Control Act (33 U.S.C. 466), or section 8 of this Act cannot protect as effectively against such burdens or risks; or (2) a standard is necessary or appropriate to prevent unreasonable depletion of a virgin natural resource. Such a standard may (A) prohibit or suspend the manufacture, distribution, or sale of a product in commerce; (B) restrict the manner in which a product may be distributed, sold, or utilized in commerce; (C) declare that a product, to be distributed or sold in commerce, must contain a specified percentage of reclaimed, recovered, reusable, or recyclable materials; (D) declare that a product, to be distributed or sold in commerce, must not contain more than a specified quantity of identified component materials which are determined to produce adverse effects upon disposal; or (E) any combination of the foregoing. The promulgation of any standard under this section shall be considered a major Federal action significantly affecting the quality of the human environment within the meaning of section 102(2)(c) of the National Environment Policy Act of 1969, and the provisions of such section 102(2)(c) and all other sections of such Act shall apply to each such action.

(b) Seizure.—(1) The Administrator, or upon his request the Attorney General, may initiate an action in an appropriate district court of the United States against any product which constitutes an imminent hazard as described in section 20(d) of this Act or against any product which is manufactured, distributed, sold, or utilized in violation of a standard promulgated under subsection (a) of this section or a finding made under subsection (c)(1) of this section for seizure and condemnation of such product.

(2) In any such action, such product may be proceeded against by process of libel for its seizure and condemnation within any judicial district in which it is found. Proceedings and cases shall conform as nearly as possible to proceedings in rem in admirality.

(3) Upon the entry of an order of seizure and condemnation under this subsection, the product against which such order is entered shall be disposed of by destruction or sale under the supervision of an officer of the court, or it shall be released to its owner, or a designated responsible person who intervened in the proceeding as a claimant, to be destroyed or brought into compliance with applicable requirements under the supervision of a duly authorized agent of the Administrator. Any such sale shall be conducted in accordance with the provisions of this subsection and the laws of the jurisdiction in which the sale is conducted. The proceeds of such sale, minus expenses of sale and costs, shall be paid to the United States for deposit in the Treasury as "miscellaneous receipts". No such product shall be released until the owner or designated responsible person has paid to the court all costs incurred and has executed a good and sufficient bond payable to the United States conditioned upon a commitment that (A) the product will be destroyed or brought into compliance with applicable requirements pursuant to the terms of such order and the provisions of this paragraph; (B) the product will not be sold or disposed of contrary to the provisions of the order, this Act and regulations thereunder, and the laws of the involved State; and (C) payment will be made promptly to the Administrator of reasonable and appropriate supervision fees, according to a schedule of such fees to be established by the Administrator. As used in this paragraph, "costs" means, where applicable, court costs and fees, moving and storage expenses, testing and examination costs, and any other expenses incurred in seizing and safeguarding such property.

(c) Exports and Imports.—(1) A product intended solely for export and not sold for purposes other than resale in any State is exempt from regulations and standards issued under this section, except that no product may be exported if the Administrator finds that such product will, upon final disposal following export and use, directly or indirectly pose an unreasonable threat to the health of humans within the United States or to the environment of the United States. The Administrator, with the cooperation of the Secretary of State, shall furnish a notice of the information in his possession, with respect to a product and applicable standards, and shall make available at cost any such information requested, to the government of any foreign nation to which an identified product or class of products is or may be exported, where such product is covered by a standard promulgated under subsection (a) of this section but is exempted from the application of such standard by this paragraph.

(2) The Secretary of the Treasury shall refuse entry into the United States, or admission for delivery of any product offered for entry, which fails to conform with an applicable standard promulgated under subsection (a) of this section. Such Secretary shall notify the consignee of such product of such refusal of entry together with the reason therefor. The Secretary of the Treasury (A) shall cause the disposal or storage (in accordance with such regulations as he may prescribe) of such product if it is not returned to its nation of origin or transported to any other foreign nation within 3 months after such notification of the consignee; or (B) may deliver such product to the con-

signee pending examination and final decision if such consignee (i) executes a bond payable to the United States in a face amount equal to the full invoice value of such product and any duty thereon; and (ii) agrees that the full amount of such bond shall be forfeited if he refuses to return such property to the custody of such Secretary upon demand. All charges for storage, cartage, and labor on any product refused admission for delivery under this paragraph shall be paid by the owner or consignee thereof and, until payment, shall constitute a lien against any other products imported by such owner or consignee.

(d) STATE AUTHORITY.—(1) If the Administrator has promulgated a standard under subsection (a) of this section or made a finding under subsection (c)(1) of this section with respect to a product, no State or local government may impose requirements which are different therefrom.

(2) The Administrator may by regulation, upon the petition of any State or local government or at his own initiative, exempt State and local governments from the prohibitions of paragraph (1) of this subsection with respect to any State or local requirement which is more stringent than the corresponding Federal requirement, if such exemption will not, through difficulties in marketing, distribution, or other factors, result in placing an unreasonable burden upon commerce.

UNSAFE WASTE MANAGEMENT PRACTICES

SEC. 8. (a) GENERAL.—As soon as feasible, but no later than 18 months after the date of enactment of this Act, after consultation with appropriate Federal agencies, the Administrator shall issue, and may from time to time thereafter modify, final regulations establishing (1) standards for the regulation and elimination of unsafe waste management practices, in accordance with subsection (b) of this section; (2) permit requirements for certain generators of hazardous waste and operators of waste treatment or disposal sites or facilities, in accordance with subsection (c) of this section; and (3) standards for State programs designed to regulate and eliminate unsafe waste management practices, in accordance with subsection (d) of this section.

(b) STANDARDS.—(1) Regulations issued under subsection (a)(1) of this section shall include minimum performance standards with respect to the methods, techniques, and practices of waste management which are reasonably necessary or appropriate to protect human health and the environment against risks associated with unsafe management of wastes. Such standards shall specify, but shall not be limited to, acceptable criteria for the location, design, construction, and operation and maintenance of waste treatment and disposal sites and facilities, including, where appropriate, specifications that such sites and facilities be constructed or operated by regional authorities consisting of more than one State or political subdivision. Such standards shall take into account the nature of the waste and shall provide the maximum feasible protection for human health and the environment.

(2) In developing such standards, the Administrator shall consider all factors relevant to protection of human health and the environment, including the likelihood and extent of contamination of ground or surface waters; the likelihood and extent of air pollution; any potential hazards to transportation modes or facilities; the relationship of disposal site and facility locations to potential risks and hazards resulting from decomposition of waste; risk of surface and subsurface fires at disposal sites and facilities; and any other matters affecting human health or the environment arising out of or in the course of waste management.

(3) No regulation shall be issued under subsection (a)(1) of this section for the purpose of controlling any effluent or emission unless the Administrator finds that such effluent or emission cannot be as effectively controlled by the Clean Air Act, as amended, or the Federal Water Pollution Control Act, as amended.

(c) PERMITS.—(1) Regulations issued under subsection (a)(2) of this section shall mandate that a person obtain from the State and retain a generator's or operator's permit, in accordance with the applicable requirements of this subsection, if such person is a generator of a significant amount of hazardous waste, as determined by regulation by the Administrator, or if such person is an operator of a waste treatment or disposal site or facility which is of such a nature or character as to pose significant risks to human health or the environment, as determined by regulation by the Administrator.

(2) A person shall not qualify for, obtain, or retain a generator's permit unless he (A) maintains daily records which indicate the amount and nature of all hazardous waste generated and the treatment, treatment facilities, and disposal sites used in the disposition thereof; (B) labels conspicuously all containers in which such hazardous waste is stored on property owned by the generator or in which it is transported to any disposal site; (C) meets or exceeds all applicable standards set forth in regulations issued under subsection (b) of this section and all applicable State standards for the regulation and elimination of unsafe waste management practices; (D) except where the destination is property owned by the generator, transports hazardous waste only to waste treatment or disposal sites facilities which have qualified for and been granted a waste disposal permit; (E) submits an annual report to the applicable permit-granting authority, on a form prepared with the approval of the Administrator; (F) submits to inspection of records and operations to determine compliance with permit requirements in accordance with section 18(b) of this Act; (G) complies with any special conditions imposed by the permit-granting authority; and (H) operates consistently with any applicable State comprehensive plan developed under section 10 of this Act.

(3) A person shall not qualify for, obtain, or retain an operator's permit unless he (A) meets or exceeds all applicable standards set forth in regulations issued under subsection (b) of this section and all applicable State standards for the regulation and elimination of unsafe waste management practices; and (B) refuses to accept for treatment or disposal waste which is labeled or containerized in violation of applicable standards if he knows or reasonably should have known such waste to be so labeled or containerized.

(d) PROGRAM STANDARDS.—Regulations issued under subsection (a)(3) of this section shall mandate that, at a minimum, an acceptable State program for the regulation and elimination of unsafe waste management practices shall require that—

(1) any person in the State generating hazardous waste or operating a waste treatment or disposal site or facility in the State shall obtain from the State a generator's or operator's permit where such a permit is required by subsection (b) of this section and regulations issued thereunder. Such a permit shall not be issued, and if issued shall be suspended or revoked, if a person fails to comply with any applicable requirement under subsection (b) or (c) of this section or any applicable State requirement for the regulation and elimination of unsafe waste management practices. The State shall conduct a sufficient number of inspections annually to insure full compliance with such permit requirements;

(2) all persons generating, transporting, treating, disposing, or otherwise managing wastes within the State meet or exceed any State or Federal standard or requirement with respect to the regulation and elimination of unsafe waste management practices (including any State requirement needed to implement Federal requirements under this section); and

(3) State authority with respect to the regulation and elimination of unsafe waste management practices resides in an agency or agencies which (A) are responsive to the needs of human health and the environment; (B) are authorized to exercise and do exercise adequate regulatory authority; (C) are authorized and adequately staffed to conduct comprehensive and detailed investigations into any aspect of unsafe waste management practices; (D) establish and enforce adequately regulations, practices, and provisions which are consistent with the provisions of and the regulations under this Act; and (E) make provision for public participation, including notice and opportunity for a public hearing prior to the issuance of any generator's or operator's permit.

(e) EFFECT ON STATE LAWS.—(1) Nothing contained in this Act shall be construed to prevent any State or local government from imposing any requirements or standards which are more stringent than those imposed under the provisions of this section.

(2) No State or local government shall impose, with respect to waste originating in any other jurisdiction, any requirements with respect to transport, storage, or final disposal which are more stringent than the requirements applicable to waste originating within the area of its own jurisdiction or which discriminate in any other way against waste originating within any other jurisdiction.

STATE PROGRAMS

SEC. 9. (a) GENERAL.—Within 18 months after the issuance of final regulations under section 8 of this Act, and in accordance with such regulations and such section, each State shall develop a program for the regulation and elimination of unsafe waste management practices. Such program shall be submitted to the Administrator for approval, and upon approval shall go into effect. If any State fails to develop or submit such a program to the Administrator, or if it fails, within a reasonable time, to make such revisions in the program developed and submitted as the Administrator determines to be necessary, the Administrator shall issue regulations establishing an interim program for such State. Ninety days thereafter such interim program shall go into effect in such State, except that the Administrator may extend such effective date for cause. If the Administrator determines, following his approval of a State program, that revisions or corrections therein are needed to comply with additions to or revisions in Federal program standards, or that such program is not being adequately administered or enforced, he shall notify the affected State and request corrective action within a reasonable time certain. If such corrective action is not taken timely, the Administrator is authorized to withdraw his prior approval of such program and proceed as if such State had failed to submit a program for approval. If, at any time after an interim program is established or in effect in a State, the Administrator makes a determination that such State has developed and submitted to him an adequate program, including any revisions determined by him to be necessary and any requested corrective action, the Administrator shall authorize such State program to go into effect and the interim program to cease to be in effect on the earliest feasible designated date.

(b) REVIEW.—(1) The Administrator shall periodically, but not less than once every 3 years, review each State program which has been approved under this section to determine whether it remains in accordance with applicable regulations and requirements and to evaluate its effectiveness.

(2) The Administrator shall report to the Congress and the President simultaneously each year the results of each review conducted under this subsection, including any recommendations for additional Federal activity or legislation.

(c) ASSISTANCE.—(1) The Administrator shall from time to time render financial and other assistance to the several States for the purpose of assisting such States to develop, implement, and enforce State programs for the regulation and elimination of unsafe waste management practices. Such assistance shall be rendered on the basis of the State's population and the extent to which it has unique waste management problems which require special attention: *Provided*, That no such payment shall be greater than 75 per centum of the total cost of developing, implementing, and enforcing such program.

(2) The Administrator is authorized to terminate any assistance under this Act to any State upon a determination that such State is not meeting the requirements of this section and that there is no reasonable basis for such noncompliance.

COMPREHENSIVE STATE PLANS

SEC. 10 (a) GUIDELINES.—The Administrator shall consult with regional, State, and local government agencies and other Federal agencies concerned with waste management, resource recovery, conservation of natural resources, energy production, and human health and the environment for the purpose of developing appropriate and practical guidelines for waste management and resource recovery systems (including systems for private use). As soon as practicable after the date of enactment of this Act, the Administrator shall publish such guidelines in preliminary form in the Federal Register together with an explanation thereof and reasons therefor, and he shall invite interested persons to comment thereon in writing and, at his discretion, in public hearing. Not later than 18 months after the date of enactment of this Act, the Administrator shall promulgate final guidelines, which shall be consistent with standards established under section 8 of this Act and other applicable laws and regulations, to promote the conservation and recovery of the natural, economic, and energy resources of the Nation to the maximum extent feasible. Such guidelines shall leave to the States maximum flexibility as to the means for meeting the objective of the preceding sentence. Such guidelines may be amended at any time, by modification, addition, or deletion at the discretion of the Administrator.

(b) STATE PLAN.—Within 4 years after the date of enactment of this Act, each State shall prepare a coordinated and comprehensive waste management and resource and energy recovery plan, in cooperation with the Administrator and in accordance with the final guidelines promulgated under subsection (a) of this section. Each such State plan shall include—

(1) a complete inventory and detailed description of all existing waste management systems and parts thereof and, with respect to waste, all existing treatment, disposal, resource recovery, and energy recovery sites and facilities in the State, and an inventory and description of any deficiencies therein with respect to the State's current and short-range future needs. Such inventory and description shall include (A) all franchises for collection or other waste management operations granted by any agency of the State or any of its political subdivisions including, with respect to the holder thereof, his name, address, and telephone number, the area covered by and a description of his operations, and a summary of his qualifications to hold such franchise; (B) all waste management systems, sites, and facilities operated by the State, any of its political subdivisions, and any person other than a franchise holder, including, with respect to the operator thereof, name, address, and telephone number, the area covered by and a description of the operations, and a summary of qualifications to perform such operations; (C) the population density and characteristics of each area serviced by each franchise holder and each government or other operator; and (D) the estimated waste management and resource and energy recovery needs of the State and its political subdivisions for the next 6 years;

(2) the State's estimated long-range future needs for waste management and resource and energy recovery facilities over the course of the next 20 years;

(3) a prospectus, including target deadlines for completion, for the orderly development of public and private waste management systems and resource and energy recovery facilities in the Sate sufficient to meet such estimated long-range future needs, short-range future needs, and present deficiencies. Such prospectus shall detail the means by which the State reasonably expects to maintain the minimum standards for the regulation and elimination of unsafe waste management practices pursuant to sections 8 and 9 of this Act consistent with other applicable laws and regulations. Such prospectus shall also set forth a construction and capital acquisition program for the State for the next 6 years for waste management systems and resource and energy recovery facilities, based upon population-growth projections, the availability of public and private capital, and other relevant factors; and

(4) a method and practicable means for securing adequate public and private financing to implement the State plan both as to capital costs and operational expenditures.

(c) SUBMISSION OF PLANS.—Each comprehensive State waste management and resource and energy recovery plan shall be submitted to the Administrator for review and approval as to its compliance with the guidelines and other requirements of this section. The Administrator may recommend revisions essential to the achievement of effective waste management and resource and energy recovery.

(d) MAINTENANCE OF PLANS.—Each State plan prepared in accordance with this section shall be kept up to date and reviewed and revised periodically, not less than once every 3 years. Upon each such review, each State plan shall be extended to show long-range needs, proposals, and means for the succeeding 20 years, and revised needs and construction and capital acquisition programs for the succeeding 6 years. Each revised State plan shall be submitted to the Administrator in the same manner as an original plan under subsection (c) of this section.

(e) ASSISTANCE.—(1) The Administrator shall provide to the States such financial and other assistance as is necessary or appropriate for the preparation, review, and revision of the State plans required by this section.

(2) The Administrator is authorized to terminate any assistance under this Act to any State upon a determination that such State has failed to comply with the guidelines and other requirements of this section and that there is no reasonable basis for such noncompliance.

COOPERATIVE AND JOINT ACTIVITIES

SEC. 11. The Administrator shall—

(a) encourage cooperative and joint activities among and between various States and various political subdivisions within the States with respect to hazardous waste management; regulation and elimination of unsafe waste management practices; research and development; implementation of improved methods and economies; recovery of resources from waste; conversion of waste into energy; planning; and other aspects of waste management, including the development, submission, and implementation of programs for the regulation and elimination of unsafe waste management practices under section 9 of this Act and of comprehensive State plans under section 10 of this Act, and the establishment of regional authorities whenever possible to improve the efficiency and quality of waste management practices;

(b) give preference under this Act, with respect to equally deserving and eligible applications for financial or other assistance, to such applications as are submitted by regional authorities or which involve or are based on cooperative or joint activities or efforts among and between States and/or political subdivisions thereof; and

(c) participate in the development of and encourage the enactment or issuance of more uniform statutes and regulations governing waste management.

RECOVERY DEMONSTRATIONS AND OTHER ASSISTANCE

SEC. 12. (a) GENERAL.—The Administrator, alone or in conjunction with the Secretary of Commerce, the Secretary of Housing and Urban Development, the administrators of Federal energy programs, and the Administrator of the National Aeronautics and Space Administration, shall conduct, encourage, cooperate with, and give financial and other assistance (including loan-guarantee assistance as authorized by and subject to the conditions of section 13 of this Act) to appropriate persons in the conduct of programs, projects, research projects, demonstrations, and investigations relating to the production of usable forms of energy from waste and to new or improved systems of waste management, with particlular emphasis on method of recovering resources and energy in usable forms from waste, environmentally. Benign methods for disposal of residual waste following recovery, and systems integrating recovery methods with other forms of waste management.

(b) PILOT PLANTS AND DEMONSTRATIONS.—To the extent practicable and at the earliest feasible date, the Administrator shall (1) assist, at the culmination of any successful recovery research projects, the construction of experimental pilot-plant facilities for the purpose of investigating or testing the technological feasibility of any promising new energy or resource recovery methods or technology; and (2) demonstrate each such method and technology which is evaluated affirmatively at such pilot-plant stage. Each such demonstration shall incorporate new or innovative technical advances or shall apply such advances to different circumstances and conditions, for the purpose of evaluating design concepts or to test the performance efficiency and economic feasibility of a particular method or technology under actual operational conditions. Each such demonstration shall be so planned and designed that if successful, it can be expanded or utilized directly as a full-scale operational energy or resource recovery facility.

(c) REPORTS.—The Administrator shall report the results of studies, investigations, and demonstrations under this section to the Congress and the President on an annual basis.

(d) PROPRIETARY INFORMATION AND PATENTS.—Whenever, under this section or other provision of this Act, the Administrator enters into any contract or other agreement which any party thereto will receive any Federal financial assistance, such agreement shall provide that, as a condition of receiving such assistance, all processes, patents, and other information (whether patented or unpatented, in the form of trade secrets, know-how, proprietary information, or otherwise), which result in whole or in substantial part, directly or indirectly, from the utilization of such assistance, shall be made available to the general public in accordance with the provisions of this subsection. All such information shall be made available by any recipient of such assistance or any successor to such recipient to any qualified applicant, on reasonable and nondiscriminatory license terms as approved by the Administrator, pursuant to section 553 of title 5, United States Code, at such time as the stage of commercial application, as determined by the Administrator, has been reached: *Provided*, That if such information results completely from Federal financial assistance, such agreement may, at the discretion of the Administrator, require that such information become the property of the United States and be dedicated to unrestricted public use. If any party holds background patents, trade secrets, know-how, proprietary information, or other information (hereinafter referred to as "background infomation") which will be employed in the proposed project or undertaking resulting in whole or substantial part, directly or indirectly, from Federal financial assistance under this Act, such agreement shall further provide that such background information shall also be made available in the same manner to any qualified applicant. License terms shall take into account the extent to which the commercial viability of the total process or system was achieved with Federal financial assistance, the nature of such assistance, and the reasonable interests of the parties and the public. In considering license terms for approval, the Administrator shall duly evaluate the effects of such terms on competition within the United States.

LOAN GUARANTEE

Sec. 13. (a) General.—The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, to guarantee and to make commitments to guarantee the payment of interest on, and the principal balance of a loan or other obligation incurred by any State, regional, or local government agency, or any other institution, organization, corporation, partnership, or individual for the purpose of financing (1) construction of full-scale operational facilities for energy recovery, resource recovery, and waste management or (2) demonstrations of energy recovery, resource recovery and waste management systems under section 12 of this Act: *Provided*, That the outstanding indebtedness guaranteed under this Act shall at no time exceed $825,000,000: *And provided further*, That no guarantee or commitment to guarantee shall be undertaken under this Act after June 30, 1977. Each application for such a guarantee shall be made in writing to the Administrator in such form and with such content and other submissions as the Administrator shall prescribe to reasonably protect the interests of the United States. Each guarantee and commitment to guarante shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator deems appropriate. Each guarantee and commitment to guarantee shall inure to the benefit of the holder of the obligation to which such guarantee or commitment applies. The Administrator is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions, upon a finding by the Administrator that such modification is equitable, not prejudicial to the interests of the United States, and has been consented to by the holder of such obligation.

(b) Criteria.—The Administrator shall guarantee or make a commitment to guarantee under subsection (a) of this section, with respect to a facility, only if—

(1) such facility will be constructed, operated, and maintained in accordance with any applicable approved program, in accordance with section 9 of this Act, and any applicable approved comprehensive State plan, in accordance with section 10 of this Act;

(2) such facility will be constructed, operated, and maintained in accordance with any applicable standards or regulations duly issued by the Administrator.

(3) such facility shall be capable of performing its intended function in the most efficient manner practicable; and

(4) no other means of financing or refinancing such facility is reasonably available to the applicant.

(c) Charges.—(1) The Administrator shall charge and collect such amounts as he may deem reasonable for the investigation of applications for a guarantee, for the appraisal of properties offered as security for a guarantee, and for the issuance of commitments to guarantee.

(2) The Administrator shall set a premium charge of not more than 1 per centum per year for a loan or other obligation guaranteed under this section.

(d) Validity.—No guarantee or commitment to guarantee an obligation entered into by the Administrator shall be terminated, canceled or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Administrator. Such a guarantee or commitment to a guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Administrator entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

(e) Default.—(1) If there is a default by the obligor in any payment of interest or principal due under an obligation guaranteed by the Administrator under this section and such default has continued for 60 days, the holder of such obligation or his agents have the right to demand payment of such unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, but not later than 45 days from the date of such demand, the Administrator shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Administrator as to which the obligor has defaulted, unless the Administrator finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

(2) If the Administrator makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation, including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Administrator shall notify the Attorney General. Upon such notification, the Attorney General shall take such action against the obligor or any other parties liable thereunder as is, in his discretion, necessary to protect the interests of the United States. The holder of such obligation shall make available to the United States all records and evidence necessary to prosecute any such suit.

GRANTS

Sec. 14. (a) General.—The Administrator is authorized, in accordance with the provisions of this section, to—

(1) make grants to a regional authority, State or local government agency, or any other person for the construction of energy recovery, resource recovery, and waste disposal and treatment sites and facilities, in accordance with the findings required pursuant to subsection (b) of this section;

(2) make grants to a regional authority, State or local government agency, or any other person for the purpose of waste management (including resource and energy recovery) operation and maintenance, in accordance with the findings required pursuant to subsection (c) of this section;

(3) make grants to, and contracts with, a regional authority, State or local government agency, or any other person for the purpose of developing, expanding, or otherwise carrying out programs designed to train individuals for occupations relating to energy and resource recovery, collection, transport, storage, treatment, and final disposal of waste; or the administration of programs of waste management.

(b) Construction Grants.—A grant shall be made pursuant to subsection (a)(1) of this section only upon a finding that the proposed site or facility—

(1) will be constructed, operated, and maintained in accordance with (A) any applicable approved State program, in accordance with section 9 of this Act; (B) any applicable approved comprehensive State plan, in accordance with section 10 of this Act; (C) any applicable standards duly promulgated by the Administrator; and (D) any applicable provisions of other Federal, State, and local law;

(2) will be used to dispose of, to recover resources or energy from, or to treat waste collected from or furnished by the public or generated as a byproduct of any industrial, agricultural, or commercial operation;

(3) cannot reasonably be financed through any other available means including loan guarantees extended under section 13 of this Act;

(4) is likely, by comparison with existing sites or facilities in the same area, to reduce to the maximum extent feasible the projected economic and social costs of waste management or resource or energy recovery during the period that it is expected to continue in operation; and

(5) will facilitate compliance with standards, promulgated by the Administrator under this Act, or by any State.

(c) Operation and Maintenance.—A grant shall be made pursuant to subsection (a)(2) of this section only upon a finding that—

(1) the waste management program with respect to which such grant is made (A) will facilitate compliance by the applicant with standards promulgated by the Administrator under this Act or by any State; (B) will result in a significant benefit to human health or the environment; (C) will be conducted and maintained in the most efficient practicable manner; and (D) makes separate provision for financing any increase in labor or other costs which are unrelated to the improvement of such program; and

(2) any site or facility with respect to which such grant is made will be operated and maintained in accordance with (A) any applicable approved State program, in accordance with section 9 of this Act; (B) any applicable approved comprehensive State plan, in accordance with section 10 of this Act; (C) any applicable standards duly promulgated by the Administrator; (D) any applicable provisions of other Federal, State, and local law; and (E) a realistic plan for achieving operational financial self-sufficiency in a limited period of time.

(d) Terms, Procedures, and Criteria.—(1) The amount of the Federal share of any grant under this section shall not exceed 75 per centum of the total cost of the project or undertaking for which the financial assistance is provided.

(2) Each applicant for a grant shall submit to the Administrator, as part of the application for financial assistance, such plans, specifications, data, reports, and any other information as is deemed necessary or appropriate by the Administrator.

(3) Before approving any such grant application, the Administrator shall, in addition to any other necessary findings, determine that the applicant has made adequate provision for proper and efficient implementation of the project or undertaking for which the grant is sought, including the employment of qualified personnel. The Administrator shall also consider the extent to which the applicant has made a good faith effort, in the absence of Federal financial assistance, to improve any waste management or related programs subject to his control or supervision and the effectiveness of such efforts. No grant shall be approved under this section if the Administrator finds that a party other than the applicant will accomplish the purposes intended to be accomplished by the project or undertaking for which the grant is sought as effectively as the applicant and without (or with less) Federal assistance.

(4) Funds appropriated for the purposes of this section shall be expended in the manner most likely to maximize the benefit to human health and the environment and to minimize the depletion of virgin natural resources. The Administrator shall act upon each grant application as soon as practicable after it has been submitted.

TECHNOLOGY TRANSFER

Sec. 15. The Administrator shall establish and maintain a central reference library for actual performance and cost effectiveness records and other data and information with respect to the various methods of energy and resource recovery from waste and the various systems and technologies for collection, transport, storage, treatment, and final disposal of waste, and other aspects of waste management. Such information shall be made available to State and local governments and other persons. The Administrator shall also implement a program for the rapid dissemination of information relating to all such aspects of waste management, including the results of any research, developments, demonstrations, investigations, experiments, surveys, studies, or other information which may be necessary or useful to State and local officials and such other persons.

NATIONAL COMMISSION ON ENVIRONMENTAL COSTS

Sec. 16. (a) Establishment.—There shall be established, 120 days after the date of enactment of this Act, a National Commission on Environmental Costs.

(b) Structure.—(1) The Commission shall consist of 12 members, as follows:

(A) three who shall be appointed by the majority leader of the Senate from Members of the Senate, of whom not more than two shall be members of the same political party;

(B) three who shall be appointed by the Speaker of the House of Representatives from Members of the House of Representatives, of whom not more than two shall be members of the same political party;

(C) three who shall be appointed by the President from the personnel of Federal agencies: *Provided*, That the primary employment activity of each such person at the time of appointment is the protection of environmental quality; and

(D) three who shall be appointed by the President from lists of qualified individuals not employed by the Federal Government on the basis of their special training, experience, or qualifications, of whom not more than two shall be members of the same political party.

(2) The members of the Commission shall be appointed for a term of 3 years, except that any individual appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and in the same manner in which such predecessor was appointed.

(3) The members of the Commission shall elect one of their number to serve as Chairman thereof.

(4) Four members of the Commission shall constitute a quorum at any meeting for the transaction of any function of the Association: *Provided*, That notice in writing of the date, time, and location of such meeting was given or sent by certified mail to each of the members of the Commission 30 days prior to the date thereof.

(c) Duties.—It shall be the duty of the Commission to—

(1) conduct a comprehensive study, including field testing and controlled experimentation to the extent practicable, of the feasibility and effectiveness of establishing a system of national disposal cost charges. The system of charges considered shall include, but need not be limited to, one under which a single national charge of 1 cent per pound would be levied on all products other than consumables. As used herein, "consumables" means those products which are not normally disposed of through waste disposal systems and any edible product which is intended for human consumption. The study shall include an evaluation of the accuracy with which actual disposal cost, by product or class of products, can be measured;

(2) study and make recommendations as to the best way to administer such a system of national disposal costs charges, including the level and agency or agencies of Government which should have major responsibility therefor and the extent to which refunds or credits should be authorized or mandated of sums paid or amounts otherwise due for such disposal charges, including, but not limited to, refunds or credits based on the amount, if any, of recovered material included in a product or with respect to products which when ,unwanted or discarded are normally submitted to and accepted by a resource recovery facility or with respect to consumers whose waste is submitted to and accepted by a resource recovery facility;

(3) study and make estimates and projections of anticipated revenue during the first 5 years of operation, taking into account any recommended refunds or credits, with respect to each such system studied and tested together with the anticipated costs of administering and enforcing each such system;

(4) study and make recommendations as to the distribution and use of such revenues;

(5) conduct a comprehensive study of the extent to which the costs of environmental degradation can be quantified and the feasibility of establishing a system of charges to internalize the costs and mitigate the adverse effects of such environmental degradation. The Commission shall examine the extent to which the costs of such environmental degradation would be internalized through the application of alternative means of control; and

(6) study all feasible means of disclosing the extent of environmental degradation to consumers, by those responsible for such degradation. The means studied shall include, but not be limited to, disclosures in advertising and labeling of products. The Commission shall examine all reasonable means of effectively informing consumers of the sources of environmental degradation including, but not limited to, environmental costs associated with such products and alternative products which are likely to cause less environmental degradation.

(d) Reports.—The Commission shall submit progress reports simultaneously to the Congress and the President at such times as the Commission deems appropriate. An interim report shall be submitted not later than 2 years after the date of enactment of this Act. The final report of the Commission shall be submitted simultaneously to the Congress and the President within 3 years after the date of enactment of this Act. Such final report and, where feasible, such progress reports and interim report shall include any changes in the law recommended by the Commission to implement the findings and conclusions of its studies. The Commission shall cease to exist 60 days after the date of submission of its final report.

(e) Powers.—(1) The Commission or any member thereof may, for the purpose of carrying out the provisions of this section, hold such hearings, sit and act at such times and places, administer such oaths, and require by subpoena or other order the attendance and testimony of such witnesses and the production of such evidence as the Commission or member deems advisable. Subpoenas may be issued under the signature of the Chairman or any duly designated member of the Commission, and may be served by any person designated for such purpose by the Chairman. Witnesses summoned shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. Such attendance of witnesses and production may be required from any place in the United States to any place designated for such hearing.

(2) In case of refusal to obey a subpoena or other order issued under paragraph (1) of this subsection, by any person who resides, is found, or transacts business within any judicial district of the United States, the district court of the United States for any such district shall have jurisdiction and shall upon the request of the Chairman of the Commission issue to such person an order to appear and produce evidence. Any failure to obey such an order shall be punishable by such court as a contempt of court.

(3) The Administrator of General Services shall furnish the Commission with such offices, equipment, supplies, and services as he is authorized to furnish to any other agency or instrumentality of the United States.

(4) Each Federal agency is authorized and directed to furnish to the Commission, upon written request by the Chairman thereof, on a reimbursable basis or otherwise, such assistance as the Commission deems necessary to carry out its duties.

(5) The Commission may enter into such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its duties, with any person.

(f) Compensation and Personnel.—(1) A member of the Commission shall receive compensation only if not otherwise employed in any capacity by the Federal Government. Such a member shall receive $300 per diem when engaged in the actual performance of duties vested in the Commission. All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

(2) Subject to such rules and regulations as the Commission may adopt, the Chairman of the Commission shall have the power to (A) appoint, fix the compensation, and assign the duties of an Executive Director and such additional staff personnel as are deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, except that no individual shall be paid at rates in excess of the maximum rate for GS–18 of the General Schedule as set forth under section 5332 of such title; and (B) procure temporary and intermittent services

to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $150 a day for persons performing such services. In making appointments and procuring services, the Chairman of the Commission shall hire sufficient full- and part-time employees who are competent environmentalists, lawyers, economists, scientists, and engineers.

RECYCLED OIL

SEC. 17. (a) LABELING.—(1) The Director of the National Bureau of Standards shall issue regulations with respect to recycled oil, in accordance with paragraph (2)(A) of this subsection. As of the effective date of such regulations, any decision or regulation of the Federal Trade Commission, or of any State or local government, requiring that recycled oil which is sold for a purpose designated in such regulations of the Director of the National Bureau of Standards be labeled as "previously used" or "reprocessed" oil shall cease to have effect and shall be repealed by operation of law.

(2) As used in this subsection—

(A) "recycled oil" means used oil which has been rerefined or otherwise processed to remove the physical and chemical impurities acquired through use and which is equivalent or better in quality and performance to new oil of reasonable quality for designated purposes, as determined by regulations issued by the Director of the National Bureau of Standards;

(B) "new oil" means oil which has been refined from oil which has never previously been used by a consumer; and

(C) "used oil" means oil which has through use been contaminated by physical or chemical impurities which have not been removed by subsequent refining, treatment, or other processing.

(b) EXCISE TAXES.—(1) Section 4221(a) of the Internal Revenue Code of 1954 (relating to certain tax free sales) is amended by striking the second "or" in clause (4), striking the period following clause (5) and inserting in lieu thereof ", or", and by adding the following new clause:

"(6) for use as lubricating oil blended or mixed by any person with used or waste lubricating oil which has been cleaned, renovated, or refined if the resultant mixture is used otherwise than in a highway motor vehicle."

(2) The amendment made by this subsection shall be effective with respect to lubricating oil sold after the last day of he month in which this Act is enacted.

RECORDS AND EXAMINATIONS

SEC. 18. (a) PRODUCT.—Each manufacturer, producer, or importer of any product which is governed by any standard under a regulation issued under this Act shall—

(1) establish and maintain such records, make such reports, provide such information, and make such tests as the Administrator or the Secretary of the Treasury (in the case of importers) may reasonably require to determine compliance with such standard or standards and the requirements of this Act;

(2) permit a duly designated officer or employee, upon request, to have access to the records, reports, information, and test results required pursuant to paragraph (1) of this subsection, for the purpose of examination and copying; and

(3) make products coming off the assembly line or otherwise in the hands of the manufacturer available for inspection and testing by the Administrator and make products for which entry is sought into the United States or otherwise in the hands of the importer available for inspection and testing by the Secretary of the Treasury, to the extent required by applicable regulations of the Administrator or such Secretary: *Provided*, That the Administrator or such Secretary shall require no more inspection and testing than is reasonably necessary to discharge his responsibilities under this Act.

(b) WASTE.—(1) Any person who stores, treats, transports, disposes of, or otherwise handles waste shall, upon request, admit any duly designated officer or employee of the Environmental Protection Agency, an involved regional authority, or a State or local agency having jurisdiction to any site or facility subject to his control and furnish or permit such officer or employee access, at all reasonable times, to all records relating to such waste for purpose of examination and copying.

(2) Any such duly designated officer or employee is authorized to (A) enter at reasonable times any establishment, or other place maintained by any person, in which waste is stored, treated, transported, or disposed of; and (B) inspect and obtain samples from any person of any such waste and samples of any containers or labeling for such waste. Each such inspection shall be commenced and completed with reasonable promptness. If such officer or employee obtains any samples, he shall give the owner, operator, or agent in charge of the premises from which they are obtained, a receipt describing each such sample. If an analysis is made of such sample or samples, a copy of the results shall be furnished promtly to such owner, operator, or agent.

(c) FINANCIAL ASSISTANCE.—(1) Each recipient of financial assistance, including guarantees, under this Act, whether in the form of grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements, shall keep such records as the Administrator, after consultation with the Comptroller General, shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of 3 years after the completion of any project or undertaking covered by paragraph (1) of this subsection, have access for the purpose of audit and examination to any books, documents, papers, or other records which, in the opinion of the Administrator or the Comptroller General, may be related to or pertinent to any Federal financial assistance grant, subgrant, contract, subcontract, obligation guarantee, or other arrangement under this Act.

PROHIBITED ACTS

SEC. 19. It is unlawful for any person subject to the jurisdiction of the United States to—

(a) introduce or deliver for introduction in commerce any product which does not conform to an applicable standard set forth in a regulation duly issued by the Administrator under any provision of this Act;

(b) fail to furnish records or fail to permit access, for examination and copying, to records, information, samples, and test results required pursuant to this Act;

(c) fail to obtain or comply with any condition of any permit requirement for generators or disposers of hazardous waste which is required under Federal law;

(d) operate any waste treatment or disposal site or facility or to generate any hazardous waste without an operator's or generator's permit meeting the requirements of Federal law; or

(e) fail to comply with any applicable regulation, standard, or order issued by the Administrator in accordance with this Act.

REMEDIES

SEC. 20. (a) CIVIL PENALTIES.—(1) Any person, other than a person who commits a criminal violation under subsection (b) of this section, who is found by the Administrator after notice and an opportunity for an adjudicative hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 19 of this Act, shall be liable to the United States for a civil penalty of not more than $10,000 for each day of violation. The amount of such civil penalty shall be assessed by the Administrator, or his delegate, by written notice. In determining the amount of such penalty, the Administrator shall take into account the nature, circumstances, extent, and gravity of the prohibited act or acts committed and, with respect to the person found to have committed such act or acts, the degree of culpability, any history of prior offenses, ability to pay, and effect on ability to continue to do business, and such other matters as justice may require.

(2) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Administrator. The Administrator shall promptly certify and file in such court the record upon which such penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Administrator shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

(3) If any person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Administrator, the Administrator shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(b) CRIMINAL PENALTIES.—Any person who knowingly commits an act prohibited by section 19 of this Act shall, upon conviction, be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

(c) SPECIFIC RELIEF.—The Administrator, or at his request the Attorney General, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation by any person of an act prohibited by section 17 or 19 of this Act. The district courts shall have the power to grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, compensatory damages, and punitive damages.

(d) IMMINENT HAZARD.—(1) If the Administrator has reason to believe that an imminent hazard exists, he may petition an appropriate district court of the United States, or upon his request the Attorney General shall so petition, for an order suspending or restricting the manufacture or distribution of the product responsible for such hazard or for an order directing the operator of the disposal site or facility, or the custodian of the waste, which constitutes such hazard, to take such steps as are necessary to eliminate such hazard. Such action may include, with respect to a site or facility, permanent or temporary cessation of operation.

(2) As used in this subsection, an "imminent hazard" exists if the evidence is sufficient to establish that prior to the completion of an administrative hearing or other

formal proceeding initiated to abate such harm (A) the disposal of such product will result in an unreasonable burden or risk to human health or the environment; or (B) the collecting, storing, transporting, treating, utilizing, processing, or disposal of such waste will result in any unreasonable threat to human health, living organisms, or the environment.

(e) Citizens Civil Action.—(1) Except as provided in paragraph (2) of this subsection, any person may commence a civil action for injunctive relief on his own behalf, whenever such action constitutes a case of controversy against (A) any person (to the extent permitted by the eleventh amendment to the Constitution) alleged to be in violation of any regulation, order, approval, or permit requirement issued in accordance with this Act; or (B) the Administrator where there is alleged a failure by him to perform any act or duty required of him under this Act. The district courts of the Untied States shall have jurisdiction over actions brought under this subsection without regard to the amount in controversy or the citizenship of the parties. An action under subparagraph (A) may be brought in the district court for any judicial district in which venue is proper under section 1391 of title 28, United States Code. An action under subparagraph (B) may be brought only in the district court for the District of Columbia.

(2) No civil action may be commenced—

(A) under paragraph (1)(A) of this subsection prior to 60 days after notice of the alleged violation is given to the Administrator and to any alleged violator by the person commencing the action;

(B) under paragraph (1)(A) of this subsection if the Administrator or the Attorney General has commenced and is diligently prosecuting an action in a court of the United States to require abatement of the alleged violation;

(C) under paragraph (1)(B) of this subsection prior to 60 days after notice of intent to commence such action has been given to the Administrator, in such manner as the Administrator may prescribe by regulation.

(3) In any action under this subsection, the Administrator or the Attorney General, if not a party, may intervene as a matter of right. In any case in which an action is barred under paragraph (2)(B) of this subsection, any person may intervene as a matter of right in the pending action commenced by the Administrator or the Attorney General.

(4) The court, in issuing any final order in any action under this subsection, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever it determines that such an award is appropriate.

(5) Nothing in this subsection shall be construed to restrict any right which any person or class of persons may have under any statute or at common law to seek enforcement of any applicable regulation or order any other relief.

(6) When any civil actions brought under this subsection involve the same defendant and the same issues or alleged violations but are pending in different courts, such pending proceedings may be ordered consolidated for trial in accordance with this paragraph. Upon application of such defendant to one such court, such court shall, unless good cause is shown, order all such actions under this subsection involving the same defendants and the same issues or alleged violations to be consolidated for trial in (A) the court agreed upon by stipulation among all the parties; or (B) the court selected by the defendant or the court in a judicial district convenient to such defendant's principal place of business. Such order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting such order shall give prompt notification thereof to the other courts having jurisdiction of any case covered by such order, and upon request by any such court may reconsider and amend, modify, or withdraw such order.

GENERAL PROVISIONS

Sec. 21. (a) Regulations.—(1) In addition to any specific grant of authority in this Act, the Administrator is authorized (upon the petition of any person or upon his own motion) to issue at any time, in accordance with the provisions of section 553 of title 5, United States Code, and of paragraph (2) of this subsection, regulations to carry out the purposes and provisions of this Act. The Administrator is further so authorized to amend or rescind any such regulation.

(2) The Administrator shall publish any regulation proposed under this Act in the Federal Register at least 60 days prior to the date upon which such regulation is scheduled to become final. With respect to any petition received requesting the issuance of any regulation, the Administrator shall publish in the Federal Register a notice thereof, including a summary of the regulation proposed, the purpose of the petition, and a statement of the availability of any data submitted in support thereof. If any such petition is denied, the Administrator shall publish in the Federal Register a notice of such denial together with the reasons therefor. If any person adversely affected by a proposed regulation files objections and requests a public hearing within 45 days after the date of publication of the proposed regulation, the Administrator shall grant such request and final regulations shall not be issued by him until after the conclusion of such public hearing. Any such public hearing shall consist of the oral and written presentation of data or arguments in accordance with such reasonable conditions or limitations as the Administrator may prescribe.

(3) Proposed and final regulations issued under any provision of this Act shall set forth the findings of fact on which the regulations are based and the relationship of such findings to the content of the regulations.

(4) Unless otherwise provided for in this Act, all regulations under this Act shall be promulgated in accordance with this section.

(b) Judicial Review of Regulation.—(1) Any judicial review of any final regulation issued under this Act shall be conducted in accordance with the provisions of sections 701 through 706 of title 5, United States Code, except that with respect to relief pending review, no stay may be granted of any agency action unless the reviewing court determines that the party seeking such stay is likely to prevail on the merits in the review proceeding and that such party is likely to suffer irreparable harm pending the determination of such proceeding unless such stay is granted.

(2) Any party to a judicial review proceeding under this subsection may request permission from the court to present additional evidence. If such party establishes, to the satisfaction of the court, that such evidence was not available when the Administrator issued the final regulation or regulations under review and is material, or that the failure of the Administrator to include such evidence in the agency proceeding was arbitrary or capricious, the court may, upon such terms and conditions as it deems proper, order such evidence (and any material tending to controvert it) to be taken before the Administrator and presented to the court in the review proceeding. Upon the basis of such additional evidence, the Administrator may modify his findings as to the facts or make new findings. The Administrator shall present any such additional evidence taken to the court, together with any such modifications in the findings and any recommendation for the modification or setting aside of his original order.

(c) Integration With Other Acts.—The Administrator shall integrate all provisions of this Act for purposes of administration and enforcement and shall avoid duplication, to the maximum extent practicable, with the appropriate provisions of the Clean Air Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticide Control Act (7 U.S.C. 135), and such other Acts of Congress as grant regulatory authority to the Administrator. Such integration shall be effected only to the extent that it can be done in a manner consistent with the goals and policies expressed in this Act.

(d) Availability of Information.—The Administrator shall make available to the public, upon request and at cost of reproduction and mailing, any and all information obtained or developed under this Act except to the extent that such information constitutes a trade secret or confidential commercial or financial information which if disclosed would result in significant competitive damage to its owner, except that such information may be disclosed by the Administrator—

(1) to other Federal Government departments, agencies, and officials with reasonable need for such information for official use, upon request;

(2) to committees of Congress having jurisdiction over the subject matter to which the information relates;

(3) in any judicial proceeding relating to the provisions of this section under a court order formulated to preserve the confidentiality of such information without impairing the proceeding;

(4) if relevant in any proceeding under this section, except that disclosure shall preserve the confidentiality to the extent possible without impairing the proceeding; and

(5) to the public in order to provide reasonable protection of the public health, after affording parties who oppose disclosure notice and opportunity for comment in writing or for discussion in closed session if the delay resulting from such notice and opportunity for comment would not be detrimental to the public health.

PACKAGING AND LABELING

Sec. 22. Section 12 of the Fair Packaging and Labeling Act of 1966 (15 U.S.C. 1461) is amended by replacing the period at the end thereof with a colon and adding the following: "*Provided*, **That notwithstanding any** provision of this Act or any law of any State or political subdivision thereof, any recyclable or recycled solid waste material, which is not a consumer commodity, and which historically has been labeled and sold on the basis of gross weight with a stated maximum percentage of such weight for tare or packaging, may continue to be labeled and sold in that manner and without any other weight designation.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 23. (a) General.—Except with respect to the specific authorizations for appropriations contained in subsections (b) through (i) of this section for the purpose of carrying out specific programs and provisions, there are authorized to be appropriated for carrying out the provisions of this Act such sums as are necessary not to exceed $42,000,000 for the fiscal year ending June 30, 1975, $42,000,000 for the fiscal year ending June 30, 1976, and $37,000,000 for the fiscal year ending June 30, 1977.

(b) State Programs.—There are authorized to be appropriated for the purpose of assisting the States in developing, implementing, and enforcing State programs required under section 9 of this Act such sums as are necessary not to exceed $3,000,000 for the fiscal year ending on June 30, 1975; $6,000,000 for the fiscal year ending on June

30, 1976; and $12,000,000 for the fiscal year ending on June 30, 1977.

(c) Comprehensive State Planning.—There are authorized to be appropriated for the purpose of assisting the States in developing comprehensive State management and resource recovery plans as required under section 10 of this Act such sums as are necessary not to exceed $1,500,000 for each of the fiscal years ending on June 30, 1975; June 30, 1976; and June 30, 1977.

(d) Recovery Demonstrations.—There are authorized to be appropriated for the purpose of making grants for energy and resource recovery pilot plant and demonstration programs as required under section 12 of this Act such sums as are necessary not to exceed $45,000,000 for each of the fiscal years ending on June 30, 1975; June 30, 1976; and June 30, 1977.

(e) Loan Guarantees.—There are authorized to be appropriated to the Administrator such sums as are necessary, not to exceed $825,000,000, to pay any amount required to be paid by reason of a default on any loan or other obligation guaranteed under section 13 of this Act.

(f) Grants.—(1) There are authorized to be appropriated for the purpose of making grants for facility construction under section 14(a)(1) of this Act such sums as are necessary not to exceed $20,000,000 for the fiscal year ending on June 30, 1975; $70,000,000 for the fiscal year ending on June 30, 1976; and $100,000,000 for the fiscal year ending on June 30, 1977.

(2) There are authorized to be appropriated for the purpose of making grants for operations and maintenance under section 14(a)(2) of this Act such sums as are necessary not to exceed $20,000,000 for the fiscal year ending on June 30, 1975; $75,000,000 for the fiscal year ending on June 30, 1976; and $105,000,000 for the fiscal year ending on June 30, 1977.

(3) There are authorized to be appropriated for the purpose of making grants and contracts for training under section 14(a)(3) of this Act such sums as are necessary not to exceed $2,500,000 for each of the fiscal years ending on June 30, 1975; June 30, 1976; and June 30, 1977.

(g) National Commission on Environmental Costs.—There are hereby authorized to be appropriated for the purpose of financing the activities of the National Commission on Environmental Costs under section 16 of this Act such sums as are necessary not to exceed $2,000,000, to remain available until expended.

By Mr. DOLE:

S. 3725. A bill to raise the Veterans' Administration to the status of an executive department of the Government to be known as the "Department of Veterans' Affairs." Referred to the Committee on Government Operations.

VA TO CABINET LEVEL

Mr. DOLE. Mr. President, today I offer a bill to raise the Veterans' Administration to Cabinet level status and establish a Department of Veterans' Affairs.

In my opinion, this step is long overdue and I hope the Congress and the administration will act quickly on this matter. This idea has been presented to the Congress in previous years and I feel it has not received adequate consideration.

SIZE APPROPRIATE FOR DEPARTMENT

Mr. President, the simple fact is that the Veterans' Administration has a direct influence on the lives of over 29 million veterans. When wives and children of these veterans immediate families are added to this figure, it is apparent that the activities of the Veterans' Administration affect nearly one-half of our population of over 200 million Americans.

It is a well known fact that with over 202,000 employees, the Veterans' Administration is the second largest Federal agency in employment.

The VA has a budget of $13.4 billion for fiscal year 1975 and this will probably rise to $15 billion after new programs are added. This level of funding makes it the third largest agency by budget in the Federal Government.

These simple facts are an indication of the tremendous importance of the Veterans' Administration in our Government. It seems clear to me that this is adequate to demonstrate the importance of giving departmental status to the VA. But there are additional reasons.

STATE WITHIN A STATE

Mr. President, the diversification of services within the Veterans' Administration are paralleled by almost no other Federal agency. VA services range from education and training to housing, business and farm loans to disability compensation and pension to life insurance and many other services. It is truly appropriate to call the VA a state within a state.

The National Cemetery System is the latest addition to the organization's responsibilities. There are over 100 national cemeteries administered by the VA in this recent program. With this added responsibility the VA may now serve a veteran from early in life with his education right on through to his final resting place.

VAST MEDICAL SYSTEM

The best example of the tremendous range of VA services may be its vast medical system. This system includes 171 hospitals and over 200 clinics.

In the VA system of hospitals and clinics, over 80,000 inpatients are treated daily. There are over 14 million outpatients treated by the VA.

The prosthetic aids and rehabilitative assistance provided by the VA rival the best available in the private medical sector and anywhere else in the world. Sharing these developments with the rest of the population could be more easily accomplished if the VA were raised to Cabinet-level status.

ORGANIZATION IMPROVED

Presently, at least eight other agencies are concerned with some sort of service to veterans. Clearly, the quality and availability of these services could be better evaluated and improved if a Department of Veterans' Affairs could be established to control and supervise all services provided to veterans.

Presently, the Administrator of the VA is responsible to the President for the well-being of veterans and he carries out many of the Federal laws which govern them. He is the primary adviser to the President on veterans' affairs.

In view of the enormous responsibility and magnitude of services under the VA Administrator, he should, in my opinion, clearly be promoted to Cabinet rank. There should be a clear-cut and higher level channel by which the Administrator can supply facts and counsel to the President. In turn the President's guidance and support should be more directly available to the Administrator.

The establishment of a Department of Veterans' Affairs would permit greater consistency and effectiveness among the many benefits and rights established by the Congress for veterans of the Armed Forces and their dependents and beneficiaries.

Mr. President, again I wish to underscore my concern about the importance of this measure and to urge the support of every Member of the Senate for it.

I request unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF DEPARTMENT

Section 1. (a) There is hereby established at the seat of government an executive department to be known as the Department of Veterans' Affairs (hereinafter referred to as the "Department").

(b) There shall be at the head of the Department a Secretary of Veterans' Affairs (hereinafter referred to as the "Secretary") who shall be appointed by and with the advice and consent of the Senate, and shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments. The Department shall be administered under the supervision and direction of the Secretary.

(c) There shall be in the Department an Under Secretary, such Assistant Secretaries as shall be determined by the President to be necessary, and a General Counsel, who shall perform such functions and duties as the Secretary may prescribe, and shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively of executive departments. The Under Secretary (or, during the absence or disability of the Under Secretary, or in the event of a vacancy in the office of Under Secretary, an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Under Secretary shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

TRANSFERS—ADMINISTRATIVE PROVISIONS

Sec. 2. (a) There are hereby transferred to and vested in the Secretary all of the functions, powers, and duties vested by any statute, provision of law, reorganization plan or executive order in the Administrator of Veterans' Affairs.

(b) There are hereby transferred to the Secretary all personnel, property, records, assets, contracts, obligations, and commitments of the Veterans' Administration and all unexpended balances of appropriations, authorizations, or other funds held, used, arising from, or available (or to be made available) to the Veterans' Administration.

(c) The President is authorized to transfer to the Secretary any other function relating primarily to veterans not otherwise transferred by this Act, together with such personal property, records, obligations, commitments, appropriations, allocations, and other funds as he determines necessary to carry out any function so transferred under authority of this section.

(d) Except as may be otherwise expressly provided in this Act, any reference to the Veterans' Administration or the Administrator of Veterans' Affairs in any other way, provision of law, rule, regulation, certificate, directive, instruction, or other official paper in force on or which will become effective after the date of enactment of this Act shall be deemed to refer and apply to the Department of Veterans' Affairs or the Secretary of Veterans' Affairs, respectively.

SAVINGS PROVISIONS

SEC. 3. (a) Notwithstanding the proceeding sections of this Act, all delegations of authority by the Administrator of Veterans' Affairs and all orders, rules, authorizations, determinations, contracts, delegations, regulations, certificates, directives, issuances, or other official actions of the Administrator of Veterans' Affairs, or of any other agency officer or office, which are in force on the date of enactment of this Act, shall continue in full force and effect until modified, amended, superseded, or revoked by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate.

(b) No suit, action, or other proceeding commenced by or against the Veterans' Administration, or by or against any officer of the agency in his official capacity, shall abate by reason of the enactment of this Act.

EFFECTIVE DATE

SEC. 4. This Act shall take effect when specified by Executive order of the President, but in no case later than six months after the date of its enactment.

By Mr. MONTOYA (for himself, Mr. MCINTYRE, Mr. STEVENSON, Mr. HUMPHREY, Mr. KENNEDY, Mr. HART, Mr. PERCY, Mr. MANSFIELD, and Mr. MCGOVERN):

Senate Joint Resolution 224. Joint resolution to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month." Referred to the Committee on the Judiciary.

RECOGNIZING THE FIGHT AGAINST BIRTH DEFECTS

Mr. MONTOYA. Mr. President, today I am introducing a joint resolution to establish January as March of Dimes Birth Defects Prevention Month. I am happy this resolution has the support of Senators MCINTYRE, STEVENSON, HUMPHREY, KENNEDY, HART, PERCY, MANSFIELD, and MCGOVERN, as the bill is introduced. An identical resolution is being introduced in the House of Representatives by Congressman JAMES SYMINGTON. In taking this step we will be offering the support of Congress for a volunteer effort which is aimed at solving the No. 1 child health problem in the United States.

THE FACTS ABOUT BIRTH DEFECTS IN THE UNITED STATES

This problem affects all of our lives. Every year about 250,000 babies are born in the United States with some type of defect—mental or physical. This amounts to almost 1 in 14 births or 700 babies a day—about 7 percent of all live births. Official statistics indicate that of those born alive more than 60,000 die each year in infancy, childhood, or in adult life as a direct result of birth defects. A 10-year study conducted at the University of Florida College of Medicine suggests that birth defects cause some 129,000 deaths a year, more than twice the officially reported number. Birth defects are implicated in fully half the deaths of preschool children and are responsible for the death of almost two-fifths of elementary school age youngsters.

In addition, there are some 500,000 spontaneous abortions, stillbirths, and miscarriages each year due to defective fetal development.

Altogether, more than 560,000 lives a year are destroyed by birth defects. Only heart disease claims more lives.

THE COST IN DOLLARS

As a result, birth defects are estimated to cost the United States some $80 billion annually in lost lifetime earnings. Because this loss begins with birth, rather than late in life, it is more than four times greater than for any other disease. In addition, some 1,200,000 are hospitalized in the United States each year for the treatment of birth defects at an estimated cost of over $800 million.

It is estimated that approximately 15 million Americans suffer from birth defects serious enough to affect their daily lives. These include 3 million mentally retarded, 4 million diabetics, 1 million with congenital bone, muscle, or joint disease, 500,000 totally or partially blind, 750,000 with impaired hearing, 350,000 with congenital heart or circulatory defects, and 100,000 with severe speech problems.

In 1950 the United States ranked sixth among the advanced nations in prevention of infant deaths, and in 1972 it ranked 15th.

We are losing ground in our fight to maintain international leadership in the development of preventive medicine, prenatal, and neonatal care.

JANUARY IS MARCH OF DIMES MONTH

For nearly 40 years, the March of Dimes has had a concentration of public education and publicity during the month of January. Each year, January has been proclaimed March of Dimes Month by numerous Governors and mayors. The following States have declared a March of Dimes month in January at least once since 1970: Alabama, Alaska, Arkansas, Colorado, Connecticut, Hawaii, Illinois, Idaho, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, and Wisconsin.

This tradition began with the establishment of the President's Birthday Ball honoring President Franklin D. Roosevelt on January 30, 1934. The proceeds of the President's Birthday Ball were used to finance the fight on polio through the National Foundation and the annual campaign to support the National Foundation became the March of Dimes.

With its victory over polio, the National Foundation/March of Dimes began in 1958 to focus its full resources on the campaign against birth defects. Its efforts are directed both to the prevention of birth defects and to the treatment of those born with disease or damage due to prenatal factors.

PROGRAMS FOR PREVENTION OF BIRTH DEFECTS

Every child should enter the world undamaged by defects, events that take place during pregnancy. Statistics prove that a program of prevention is a necessity.

Programs of prevention require great emphasis on prenatal care. The National Foundation/March of Dimes through its more than 2,300 chapters covering every county in the United States, has initiated numerous programs at the local level to see that expectant mothers receive adequate prenatal care. Working with all elements of the community, prenatal care projects have been established that now help bring medical services and health education to families in an increasing number of localities. The National Foundation helped initiate nationwide programs such as "Operation Stork," "Better Infant Births," and "Stork Nests" in conjunction with other volunteer groups.

It has cosponsored prenatal care clinics with hospitals and public health departments in inner city and rural areas. Beside adequate medical care, the prenatal care programs stress the importance of nutrition to mothers both before and during pregnancy and to the newborn.

Congress has also responded to these problems through the passage of the Maternal and Child Health Services provisions of the Social Security Act. This act has resulted in the establishment of 61 maternity and infant projects in 34 States and eight intensive care projects for high-risk infants. The National Foundation/March of Dimes programs have acted as referrals to these projects.

In addition, Congress has established the special supplemental food program for women, infants, and children—WIC program—under section 17 of the Child Nutrition Act of 1966. The National Foundation/March of Dimes has been working closely with the Department of Agriculture and the local communities to implement this program and to develop appropriate systems of evaluation.

Through the Public Health Service Act, funds are made available for research into the causes and treatment of birth defects as part of the total Federal medical research program. The National Foundation/March of Dimes makes extensive grants each year for research into the underlying causes of birth defects and also into the best methods of diagnosis and treatment. The internationally famous Salk Institute for research has been built and largely supported by March of Dimes funds.

The National Foundation/March of Dimes sponsors a network of medical service programs throughout the country. Through these programs children with birth defects receive diagnosis and treatment by teams of medical experts. More than half of the programs also provide genetic counseling. At others, high-risk pregnancies are monitored and intensive care is given to critically ill newborns. These programs are administered by hospital medical centers.

EDUCATION AND PUBLIC INFORMATION

The education and training of professionals to provide the broad range of services required is another goal. The National Foundation/March of Dimes provides leadership in this area with symposiums to educate family practitioners in genetics and courses for nurses in intensive care of critically ill newborns as examples. Fellowships are awarded to outstanding investigators and clinicians and scholarships are made available in the health specialties. Of particular importance is the dissemination of knowledge about birth defects and their treatment through the publication of original articles and reprints, the distribution of audiovisual films on genetics and the publication of a "Birth Defects Atlas and Compendium" as a resource tool for doctors.

Of equal importance is the dissemination of knowledge to the public and especially to the prospective mother. The National Foundation/March of Dimes volunteers throughout the country carry the word in person and through hundred of thousands of pamphlets and booklets to all parts of the community. Prospective mothers must know the importance of early and regular medical attention in pregnancy and why it is her best safeguard in reducing the risk of maternal complications and hazards to her unborn baby.

FOCUSING ON THE NEED

In the crusade against birth defects, it is necessary for the people of the United States to consider fully the nationwide problem and its effect on present and future generations. By authorizing the President to designate January of each year as March of Dimes Birth Defects Prevention Month will be the vehicle through which information about education, nutrition, and prevention of birth defects is transmitted to the public. I urge my colleagues to support this resolution.

ADDITIONAL COSPONSORS OF BILLS

S. 2497

At the request of Mr. Baker, the Senator from Illinois (Mr. Stevenson), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2497, to require the Librarian of Congress to establish and maintain a library of television and radio programs, and for other purposes.

S. 3074

At the request of Mr. Clark, the Senator from New Hampshire (Mr. McIntyre) was added as a cosponsor of S. 3074, the Comprehensive School Health Education Act.

S. 3096

At the request of Mr. Cranston, the Senator from Florida (Mr. Gurney) and the Senator from Ohio (Mr. Taft) were added as cosponsors of S. 3096, a bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage.

S. 3188

At the request of Mr. Robert C. Byrd for Mr. Jackson, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of S. 3188, to establish the Sewall-Belmont House National Historic Site, and for other purposes.

S. 3530

At the request of Mr. Stevens, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 3530, to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act.

S. 3625

At the request of Mr. Domenici, the Senator from Idaho (Mr. Church), the Senator from New York (Mr. Javits), the Senator from Arizona (Mr. Fannin), the Senator from Hawaii (Mr. Fong), and the Senator from Ohio (Mr. Taft) were added as cosponsors of S. 3625, to provide for the recycling of used oil, and for other purposes.

S. 3633

At the request of Mr. Ervin, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 3633, a bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution.

S. 3643

At the request of the Senator from New York (Mr. Javits) the Senator from New Hampshire (Mr. McIntyre), the Senator from Ohio (Mr. Metzenbaum), and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 3643, the Rail Passenger Service Amendments of 1974.

S. 3663

At the request of Mr. Beall, the Senator from Hawaii (Mr. Fong), the Senator from Illinois (Mr. Stevenson) and the Senator from Utah (Mr. Moss) were added as cosponsors of S. 3663, to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations, and cooperative housing corporations.

S. 3672

At the request of Mr. Baker, the Senators from California (Mr. Cranston and Mr. Tunney) were added as cosponsors of S. 3672, to amend title 17 of the United States Code to remove the expiration date for a limited copyright in sound recordings, to increase the criminal penalties for piracy and counterfeiting of sound recordings, and for other purposes.

S. 3680

At the request of Mr. Tunney, the Senator from Illinois (Mr. Stevenson) was added as a cosponsor of bill S. 3680, a bill to prevent the taxation of the forgiven portion of education loans.

SENATE CONCURRENT RESOLUTION 97—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO FOREIGN FISHING FLEETS IN INTERNATIONAL WATERS

(Referred to the Committee on Commerce.)

Mr. MAGNUSON. Mr. President, few ocean problems facing scientists and fishery management authorities rivals the complexities associated with the maintenance of the runs of salmon. Unlike most fishery resources, anadromous fish, such as salmon, divides its life cycle between the world oceans and the inshore freshwater areas. The United States, as "host state," must make considerable sacrifice to assure that the inshore habitat is maintained, not only for spawning areas but for the period of time which the individual species remain in freshwater before going to sea.

A large part of the sacrifice is borne, of course, by the commercial and recreational fishermen and industry, who must regularly curtail their operations in order that the individual races of salmon reach the spawning grounds in sufficient and proper numbers to insure continuance of the runs. This regulation must be done close to the stream of origin, for there is no known method for practically regulating a high seas catch where indiscriminate net fishing can easily destroy an individual stock of fish.

The United States and Canada, long recognizing this difficulty, have by national law banned high seas net fishing and have taken the position that no such harvest should be allowed. Unfortunately, the Japanese do continue a high seas net fishery principally on Bristol Bay, Alaska salmon stocks which has been a contributing factor to the difficulties of returns to that once-great salmon area.

Mr. President, I introduce, for appropriate reference, a concurrent resolution indicating the sense of the Congress on this vital and timely question.

The concurrent resolution reads as follows:

S. Con. Res. 97

Whereas foreign fishing fleets in international waters are removing substantial amounts of salmon spawned in United States waters while this same method is denied United States fishermen;

Whereas pursuant to the policy of Congress expressed in S. Con. Res. 11 (H. Con. Res. 173) every effort should be taken to provide a productive and well-managed fishery and eliminate discrimination against United States fishermen;

Whereas it is recognized that salmon can be most efficiently harvested when close to land and returning to spawning grounds where they have reached their maximum growth, are isolated into spawning groups, and are isolated from immature fish;

Whereas high seas gill netting of salmon is destructive since a large percentage of the salmon caught are shaken out of the nets in a dead or injured condition and therefore are not harvested at all;

Whereas high seas netting of salmon is nonselective and consequently large numbers of immature fish are captured;

Whereas this inefficient harvesting of one of the world's most valuable fish resources deprives the world community of needed protein supplies;

Whereas coastal State management and production programs for salmon are largely ineffective as long as indiscriminate high seas netting is continued;

Whereas salmon runs in some parts of the world are being depleted by the combination of overfishing and lack of proper management;

Whereas future overfishing could virtually eliminate important parent cycles of salmon;

Whereas the enforcement of the United States species approach proposal at the International Law of the Sea Conference and the enforcement of proposed congressional measures to secure control over salmon spawned in United States waters would be greatly facilitated by a ban on high seas fishing of salmon: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the high seas netting of salmon be recognized as a destructive and wasteful method of fishing that prevents effective management and harvesting of valuable fish resources and is contrary to the policy of Congress expressed in S. Con. Res. 11.

Sec. 2. It is the sense of Congress that its Members support measures that will prevent netting and other inefficient methods of harvesting salmon on the high seas.

Sec. 3. It is the sense of Congress that the Secretary of State utilize means at his disposal to secure a worldwide ban on such methods of fishing.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTIONS

SENATE CONCURRENT RESOLUTION 88

At the request of Mr. Nelson, the Senator from Kansas (Mr. Dole), and the Senator from New Jersey (Mr. Case) were added as cosponsors of Senate Concurrent Resolution 88, relative to a national economic emergency.

SENATE CONCURRENT RESOLUTION 92

At the request of Mr. Humphrey, the Senator from Maine (Mr. Muskie) was added as a cosponsor of Senate Concurrent Resolution 92, expressing the sense of Congress that certain responsibilities of the U.S. Customs Service should not be transferred to the Immigration and Naturalization Service.

SENATE RESOLUTION 352—SUBMISSION OF A RESOLUTION TO AMEND RULES XXV AND XVI OF THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. MOSS. Mr. President, last week Senator Goldwater and I informed the Senate of our intention to introduce a resolution amending the Standing Rules of the Senate to confer upon the Committee on Aeronautical and Space Sciences jurisdiction over the Energy Research and Development Administration.

Today I am introducing such a resolution for myself and Senator Goldwater.

We are taking this step at this time so that the appropriate resolution will be pending before the Committee on Rules and Administration when the act establishing ERDA becomes law. Thus, the Senate will be able to act in a timely manner to resolve the question of jurisdiction over ERDA and to designate clearly which Senate committee has been assigned the responsibility to oversee the actions of this new agency in its critical early days.

The resolution reads as follows:

S. RES. 352

Resolved, That paragraph 1(a) of rule XXV of the Standing Rules of the Senate is amended—

(1) by adding at the end of subparagraph (1) the following:

"(D) Matters relating to energy research and development.

"(E) Energy Research and Development Administration."; and

(2) by striking out of subparagraph (2) "upon," and inserting in lieu thereof "upon (A)", and by adding at the end of such subparagraph (2), immediately before the period, a comma and the following: "and (B) energy research and development activities of all agencies of the United States".

Sec. 2. Immediately before the period at the end of the last item of the second column of the table contained in paragraph 6(a) of rule XVI of the Standing Rules of the Senate, insert a semicolon and the following: "for the Energy Research and Development Administration".

SENATE RESOLUTION 353—SUBMISSION OF A RESOLUTION TO COMMEND THE CBS TELEVISION NETWORK

(Referred to the Committee on Commerce.)

Mr. SCHWEIKER. Mr. President, on behalf of Senators Biden, Beall, Brooke, Case, Cotton, Helms, Hollings, Javits, Mathias, McIntyre, Nunn, Pell, Ribicoff, Roth, Talmadge, Thurmond, Weicker, and Williams, I am today introducing a resolution commending the CBS television network for initiating its series "Bicentennial Minutes" in commemoration of our Nation's 200th birthday. This series of 1-minute vignettes depicting historic events of 200 years ago will begin July 4, 1974, and run for 732 consecutive days through July 4, 1976.

The cosponsors of this measure, representing 12 of the 13 original colonies, are proud of the role their States played in founding the Republic, and welcome this effort and others aimed at fostering the Bicentennial spirit.

Mr. President, I ask unanimous consent that there be printed in the Record at this point a copy of the resolution and an article from the June 24 issue of Time magazine describing the "Bicentennial Minutes" series.

There being no objection, the resolution and articles were ordered to be printed in the Record, as follows:

S. Res. 353

Whereas on this July 4 the CBS television network will debut a prime-time television series called "Bicentennial Minutes"; and

Whereas this series will run every night of every day for 732 consecutive days, and will end on July 4, 1976, our Nation's 200th birthday; and

Whereas each minute documentary will highlight an event from American history occurring on that date 200 years before: Now, therefore, be it

Resolved, That the Senate commends the CBS television network for so commemorating the birth of our Nation, and for providing a focus for Americans to foster a sense of deepened pride in their heritage.

The 732 Steps

The 200th birthday of the United States is still two years away, but already television networks are starting to celebrate. Among the shows planned for the fall are NBC's series based on Carl Sandberg's biography of Lincoln, and another by the Public Broadcasting System on the Adams family from 1750 to 1900. CBS, however, has decided to go to extremes with the longest-running shortest commemorative of them all. Beginning on July 4, it will offer a prime-time TV series called Bicentennial Minutes, which will run every night of every week until B-day, July 4, 1976. Each segment is exactly one minute long.

Dreamed up by Exectuive Producer Lewis Freedman, the series will describe bits of American history, data and errata, the momentous and the obscure. The 732 minutes—of the newspaper filler "on this day 200 years ago" variety—will be narrated, says the network, by "everyone from movie stars to Supreme Court Justices." Sample Minutes: Actor Barry Sullivan recounting the career of Tom Paine, Charlton Heston describing George Washington's reaction to the Boston Tea Party, Richard Crenna explaining the impact of the fuel crisis in Boston in the year 1774, and Jean Stapleton revealing Martha Washington's secret recipe to prevent cherries from spoiling.

SENATE RESOLUTION 354—ORIGINAL RESOLUTION REPORTED RELATING TO THE CASE OF UNITED STATES AGAINST REINECKE

(Considered and agreed to.)

Mr. ROBERT C. BYRD (for Mr. Eastland), from the Committee on the Judiciary, reported an original resolution (S. Res. 354) to authorize Senator James O. Eastland as chairman of the Committee on the Judiciary, to provide copies of certain materials of the committee with respect to the case of United States against Reinecke.

CHANGE OF REFERENCE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 92, a resolution which I introduced on June 20, be referred to the Committee on Government Operations.

The PRESIDING OFFICER. The Senate will be in order. The Chair cannot hear the Senator.

Will the Senator restate his unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. President, I ask unanimous consent that Senate Concurrent Resolution 92, expressing the sense of Congress that certain responsibilities of the U.S. Customs Service should not be transferred to the Immigration and Naturalization Service—a bill which I introduced on June 20 and which was referred to the Committee on Finance—be referred to the Committee on Government Operations, and that the Committee on Finance be discharged from further consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 160

At the request of Mr. Humphrey, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of Senate Resolution 160, a resolution to establish a temporary select committee of the Senate to conduct a study and investigation on regulatory commissions and the U.S. economy.

SENATE RESOLUTION 347

At the request of Mr. INOUYE, the Senator from New Hampshire (Mr. MCINTYRE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Montana (Mr. MANSFIELD) and the Senator from Hawaii (Mr. FONG) were added as cosponsors of Senate Resolution 347, to authorize the Committee on Commerce to make an investigation and study of the policy and role of the Federal Government on tourism in the United States.

SENATE RESOLUTION 347

At the request of Mr. INOUYE, the Senator from Florida (Mr. CHILES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Missouri (Mr. EAGLETON), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of Senate Resolution 347, relating to the role of the Federal Government in tourism in the United States.

ENROLLMENT OF CERTAIN NATIVES UNDER THE ALASKA NATIVE CLAIMS SETTLEMENT ACT—AMENDMENT

AMENDMENT NO. 1535

(Ordered to be printed, and referred to the Committee on Interior and Insular Affairs.)

Mr. STEVENS. Mr. President, the Alaska Native Claims Settlement Act, Public Law 92–203, directed the Secretary of the Interior to make a study of all Federal programs primarily designed to benefit Native people and to report back to the Congress with his recommendation for the future management and operation of these programs within 3 years of the date of enactment of the law. The 3-year deadline will expire on December 18 of this year.

In the fall of 1973, a steering group was appointed to direct the 2(c) Study under the chairmanship of Tom Whittington who was an attorney with the Department of the Interior in Washington. The steering group was composed of members from the Northwest Federal Regional Council, the State of Alaska, and members of the Alaskan Native community. In a September 14, 1973 letter to Bernard Kelly, chairman of the Northwest Federal Regional Council, Secretary of the Interior Morton stated that:

> This Steering Group would . . . develop the study plan, and the respective assignments and procedures by which the plan would be completed. Further, it would be the coordinating group for the development of policy alternatives to be submitted to Washington.

The Secretary went on to reiterate his:

> Two most basic concerns in the implementation of the study: first, that it be objective and that efforts be made to analyze problems from a comprehensive, long-range viewpoint; second, that Natives be involved in the study as much as possible.

In April of this year, Mr. Whittington was replaced by Mr. Roy Sampsel from the Interior Department's Portland Office. On May 17, 1974, the steering group transmitted to Secretary Morton a comprehensive document outlining the work plan for the study and requesting a 2-year extension to meet the congressional and departmental directive for a comprehensive study. In view of the importance of the 2(c) study and its potential impact on Alaskan Natives, I urged the Department of the Interior to request an extension of the study deadline.

In mid-June, the Department decided not to request an extension and let a request for proposal to contract out the study. The study has now become a 5-month effort directed at a maximum of 20 Federal programs having significant impact on Alaskan Natives.

Mr. President, the steering group identified some 480 Federal programs impacting Alaskan Natives. While all 480 may not have a significant impact on a large proportion of the Native population, there are more than 20 programs which should be scrutinized before the study is completed.

One most important consideration was overlooked by both the Congress and the Department of the Interior when stipulating a completion date for the 2(c) study—that is the land itself. While the monetary settlements are sizable under the act, the greatest, long-term benefit is the 40 million acres which will be transferred to the regional and village corporations. This land transfer will not be completed until December 1974.

It seems, therefore, somewhat futile to attempt to assess the impact of the claims act on Alaskan Natives or to make recommendations for the future of Federal programs prior to the transfer of the land.

Mr. President, the amendment I am offering today together with the Senator from Washington (Mr. JACKSON) and my colleague (Mr. GRAVEL) to S. 3530 would authorize and direct the Secretary of the Interior to conduct a comprehensive study of all Federal programs designed to benefit Alaskan Native people—not just the 20 programs which will be selected by the contractor for the 2(c) study. The Secretary is further charged with the responsibility of assessing changes in Native life style, health status, income levels, and a range of other socioeconomic variables which may be altered as a result of the Land Claims Settlement. This study would use the present 2(c) study as a starting point. Under my amendment the final study would be submitted to Congress along with the recommendations for the future direction of Federal programs for Alaskan Natives on June 20, 1977.

The Alaska Native Claims Settlement Act made history by being the first legislated aboriginal claims settlement in our Nation's history. I feel that Congress acquitted itself well in this task. It is my intention that the will of Congress in mandating the 2(c) study be fulfilled. The major point in section 2(c) is that a study be submitted to Congress by December 18, 1974. I do not feel that the 3-year time frame provided in the Land Claims Act is sufficient. But we can use the 2(c) study as a base—and complete the task if this amendment is enacted. The point is that we wish an accurate, complete evaluation of any changed Federal responsibilities toward Alaskan Native people as a result of the settlement.

Mr. President, I ask that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1535

On page 1, after line 10, add the following new section:

SEC. 2(a). Upon completion of the study required pursuant to section 2(c) of the Alaska Native Claims Settlement Act (85 Stat. 688) (hereinafter referred to as the "Settlement Act"), the Secretary of the Interior (hereinafter referred to as the "Secretary") shall submit such study to each of the Alaska Native Regional Corporations established under that Act and to the State of Alaska. Each such Corporation and the State of Alaska may review such study and submit its comments to the Secretary prior to June 30, 1975. The study, together with the comments and any response the Secretary may wish to make to such comments, shall be submitted anew to the Congress on or before July 30, 1976.

(b) The Secretary is authorized and directed to make a study of (i) any changes in Alaska Native life style, health status and needs, income distribution and holdings, economic pursuits, housing, means and patterns of transportation, modes of communication, and social and cultural patterns which may result from the implementation of the Settlement Act, and (ii) all federal programs designed to benefit Alaska Native people. The study shall include recommendations of the Secretary for the future management and operation of these federal programs and any other federal programs which may be required to serve the Alaska Native community during the remaining period of, and after, the implementation of the Settlement Act.

(c) In making the study required by subsection (b), the Secretary shall give full consideration to the study made pursuant to section 2(c) of the Settlement Act and to the comments thereon by Alaska Native Regional Corporations and the State of Alaska pursuant to subsection (a) of this section.

(d) The Secretary shall provide the opportunity for participation of Alaska Natives and the State of Alaska in the conduct of the study required by subsection (b).

(e) The study required by subsection (b) shall be submitted to the Congress on June 30, 1977.

(f) There are hereby authorized to be appropriated to the Secretary such sums as are necessary to conduct the study required by subsection (b).

APPROPRIATIONS FOR AGRICULTURE, ENVIRONMENTAL, AND CONSUMER PROTECTION PROGRAMS, 1975—AMENDMENT

AMENDMENT NO. 1536

(Ordered to be printed, and referred to the Committee on Appropriations.)

Mr. NELSON. Mr. President, I send to the desk an amendment to H.R. 15472, the fiscal year 1975 appropriations bill for agriculture, environmental, and consumer protection and ask that the amendment be printed and referred to the Committee on Appropriations.

Mr. President, this amendment has been cosponsored by Senators Cook, Mondale, Ribicoff, McGovern, Nunn, Hart, Javits, Case, Kennedy, Randolph, Abourezk, Packwood, Hughes, Gravel, Dole, Stevenson, Humphrey, Tunney, and Williams.

This amendment appropriates $600 million that will help meet the legal and financial commitment the Congress made to the Nation's cities in 1966 for the reimbursement of sewage treatment plant construction costs.

This amendment appropriates $600 million that was authorized by the Congress and signed into law by the President (Public Law 93-207) on December 28, 1973. The Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500) appropriated $1.9 billion to cover the full eligible costs for the cities that went ahead with a promise of Federal reimbursement from 1966-72 and prefinanced the eligible Federal share of the cost of plant construction. They went ahead on the premise that the Federal share would be paid in full in a timely fashion.

Section 206(a) of Public Law 92-500 authorizes EPA to award reimbursable grants or grant increases to bring Federal assistance up to 50 or 55 percent of eligible costs on all publicly owned treatment works on which construction started between June 30, 1966, and July 1, 1972, provided that these projects meet requirements of section 8 of Public Law 84-660, as amended. Provisions of Public Law 93-207 require the grantee or potential grantee to apply for such reimbursement prior to January 31, 1974, to be eligible for reimbursement. In effect, section 206(a) calls for, first, grant increases up to 50 or 55 percent on projects, some of which have been completed and some of which are still under construction, that had previously been approved and serviced by EPA under Public Law 84-660, and second, new grant awards to projects that had not been previously approved by EPA.

Now it appears that even this increased authorization will not be enough. EPA has again revised its cost estimate. Based on applications received on and prior to January 31, 1974, the estimate of the total eligible amount under section 206(a) is about $3 billion. This is not a final figure because, first, the final eligible costs of projects still under construction cannot be fully determined until construction is, in fact, completed, and second, we are still working with individual applicants to determine the eligible costs of projects which had not been previously approved and on which we have no information in our files. EPA expects to complete its determination of eligible costs on this latter class of projects in the first half of fiscal year 1975. Final determination of eligible costs of projects still under construction could take several years, depending on completion of construction of the last project. Over 5,300 projects across the country with a total eligibility in excess of $3 billion must now be paid from the $1.9 billion appropriation.

Unless more money is appropriated cities across the Nation that went ahead with the promise of Federal reimbursement will continue to carry a Federal responsibility. Unless more money is appropriated the EPA will continue to prorate the $1.9 billion in the following manner: projects that have received prior Federal funding will receive half of their eligible share. The other half will be paid at 65 cents on the dollar. Projects that have not received prior Federal assistance but that have filed for money will have their eligibility reviewed over the summer and be paid with what is left of the $1.9 billion.

This amendment will increase the reimbursement rate to approximately 90 percent of the total Federal eligibility for projects that have received prior funding and provide an increased amount of money to new projects.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1536

On page 36, line 7, after the word "expended" add the following new paragraph:

"For reimbursement of costs of construction of wastewater treatment works pursuant to section 206(a) of the Federal Water Pollution Control Act, $600,000,000, to remain available until expended."

SCIENCE AND TECHNOLOGY APPLICATIONS ACT—AMENDMENT

AMENDMENT NO. 1537

(Ordered to be printed, and referred jointly to the Committees on Aeronautical and Space Sciences and Commerce.)

Mr. MAGNUSON. Mr. President, today I am introducing in behalf of myself and Senators Moss and Tunney, an amendment to S. 2495, the "Technology Resources Survey and Applications Act." This amendment is the outgrowth of 2 days of joint hearings held by the Commerce and Aeronautical and Space Sciences Committees on S. 2495 this past March.

This amendment will establish a focus for science and technology policymaking in the executive branch. It will provide an effective mechanism for long-range planning in science and technology.

Science and technology have a profound impact on modern society. The need to have a White House level policymaking office in science and technology has long been recognized. One of the reasons several previous attempts by a number of Presidents to develop such a capacity failed, was the lack of legislative authority for such a body to coordinate and evaluate the numerous science and technology programs of the mission agencies. The situation was further aggravated last year when the science advisory role was shifted to a part-time responsibility of the Director of the National Science Foundation. It is just unrealistic to expect NSF, itself a mission-oriented Agency, to oversee the science and technology programs of its sister agencies. The coordination, evaluation, and policymaking role can only be accomplished by a high level Council. For 20 years, we have had a Council on Economic Advisers. Since 1969, we have had a Council on Environmental Quality. The proposed Council of Advisers on Science and Technology is patterned after these two very successful precedents.

The National Academy of Sciences released a report yesterday calling for the establishment of a similar science policy apparatus.

The Commerce Committee and the Aeronautical and Space Sciences Committee will hold joint hearings on this amendment on July 11. We expect several former Presidential Science Advisers to appear. I look forward to their comments on this proposal.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1537

Strike out all after the enacting clause and substitute in lieu thereof the following:

That this Act may be cited as the "Science and Technology Applications Act of 1974".

STATEMENT OF FINDINGS AND DECLARATION OF POLICY

Sec. 2. (a) The Congress, recognizing the profound impact of science and technology on society, and the interrelations of scientific, technological, economic, social, political, and institutional factors, hereby finds and declares that—

(1) the scientific and technological capabilities within the United States, if properly applied and directed, could effectively assist in improving the quality of life and in anticipating and resolving many critical and emerging national problems;

(2) it is the responsibility of the Federal Government to assure adequate opportunity for the full and efficient use of such scientific and technological capabilities;

(3) the maintenance and strengthening of diversified scientific and technological capabilities in the Federal departments and agencies, in State and local governments, in industry and the universities, and the encouragement of independent initiatives based on such capabilities, are essential to the most effective use of science and technology in resolving critical and emerging national problems;

(4) a more systematic approach is needed to identify critical and emerging national problems and to analyze, plan, and coordinate Federal science and technology programs, policies, and activities intended to contribute to the resolution of such problems;

(5) the effectiveness of scientific and technological contributions to improvements in the quality of life and to the resolution of critical and emerging national problems depends on the maintenance of a strong base of knowledge in science and advanced

technology together with a resource of highly qualified scientists and engineers;

(6) an annual Science and Technology Report to the Congress would facilitate more effective utilization of science and technology in the resolution of critical and emerging national problems; and

(7) science and technology can fully serve the nation only if adequate means are established in the Executive Office of the President to provide source of scientific and technological analysis and judgment to the President drawing on the best talents available within and outside the Federal Government.

TITLE I—NATIONAL SCIENCE AND TECHNOLOGY RESOURCES PLANNING AND COORDINATION

THE COUNCIL OF ADVISERS ON SCIENCE AND TECHNOLOGY

SEC. 101. (a) There is established in the Executive Office of the President a Council of Advisers on Science and Technology (hereinafter referred to as the "Council"). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who, by reason of their training, experience, and attainments, are exceptionally qualified to analyze and interpret scientific and technological developments; to appraise and recommend programs, policies, and activities of the Federal Government in the light of the policy declared in Section 2; and are sensitive to the economic, social, esthetic and cultural needs and interests of the Nation.

(b) The President shall designate one of the members of the Council as Chairman and one as Vice Chairman, who shall act as Chairman in the absence of the Chairman.

(c) Members of the Council shall serve full time and the Chairman of the Council shall be compensated at the rate provided for Level II of the Executive Schedule Pay Rates. The other members of the Council shall be compensated at the rate provided for Level IV of the Executive Schedule Pay Rates.

(d) The Council may employ such officers and employees as may be necessary to carry out its functions under this Act. In addition, the Council may employ and fix the compensation of such experts and consultants as may be necessary for the carrying out of its functions under this Act, in accordance with Section 3109 of Title 5 (but without regard to the last sentence thereof).

(e) The Council shall have the authority, within the limits of available appropriations, to enter into contracts or other arrangements for the carrying on by organizations or individuals, including other government agencies, of such activities as the Council deems necessary to carry out the purposes of this Act.

FUNCTIONS OF THE COUNCIL

SEC. 102. (a) It shall be the duty and function of the Council to serve as a source of scientific and technological analysis and judgment for the President with respect to major policies, plans, and programs of science and technology of the Federal Government. In carrying out its duties, the Council shall:

(1) seek to define a coherent approach for applying science and technology to critical and emerging national problems and for coordinating the scientific and technological responsibilities and programs of the Federal departments and agencies in the resolution of such problems;

(2) assist and advise the President in the preparation of the Science and Technology Report, in accordance with Section 103 of this title;

(3) gather timely and authoritative information concerning significant developments and trends in science and technology, both current and prospective, to analyze and interpret such information for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of the policy set forth in section 2 of this Act;

(4) initiate studies and analyses, including systems analyses, to identify and assess alternatives available for the resolution of critical and emerging national problems amenable to the contributions of science and technology and, insofar as possible, determine and compare probable costs, benefits, and impacts of these alternatives;

(5) review and appraise the various programs, policies, and activities of the Federal Government in the light of the policy set forth in section 2 of this Act for the purpose of determining the extent to which such programs, policies, and activities are contributing to the achievement of such policy, and to make recommendations to the President with respect thereto;

(6) report at least once each year to the President on the overall activities and accomplishments of the Council;

(7) perform other duties and functions and make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President may request.

(b) In exercising its powers, functions, and duties under this Section, the Council shall:

(1) work in close consultation and cooperation with the heads of the Federal departments and agencies;

(2) utilize the services of consultants, establish such advisory committees, and consult with State and local governmental agencies, with appropriate professional groups, and with such representatives of industry, the universities, agriculture, labor, consumers, conservation organizations, and other groups, organizations, and individuals as it may deem advisable;

(3) utilize to the fullest extent possible the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided.

(c) Each department, agency, and instrumentality of the executive branch of the Government, including any independent agency, is authorized and directed to furnish the Council such information as the Council deems necessary to carry out its functions under this title.

(d) The Chairman of the Council shall, in addition to the duties and functions set forth in subsection (a)—

(1) serve as the Science and Technology Adviser to the President;

(2) appoint, assign the duties, and fix the compensation of personnel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(3) perform other duties and functions as assigned by the President or this Act.

SCIENCE AND TECHNOLOGY REPORT

SEC. 103. (a) The President shall transmit annually to the Congress, beginning July 1, 1975, a Science and Technology Report (hereinafter referred to as the "Report") which shall set forth—

(1) a review of developments of national significance in science and technology, including, but not limited to the mathematical, physical, social, and life sciences, and civil, chemical, electrical, and mechanical engineering and related technologies;

(2) the significant effects of current and foreseeable trends in science and technology on the social, economic, and other requirements of the Nation;

(3) a review and appraisal of selected science and technology-related programs, policies, and activities of the Federal Government;

(4) an inventory and projection of critical and emerging national problems the resolution of which might be substantially assisted by the application of science and technology;

(5) the identification and assessment of scientific and technological measures that can contribute to the resolution of such problems, in light of the related social, economic, political, and institutional considerations;

(6) the existing and projected scientific and technological resources, including specialized manpower, that could contribute to the resolution of such problems; and

(7) recommendations for legislation on science and technology-related programs and policies that will contribute to the resolution of such problems.

(b) Upon request, the National Science Foundation shall furnish assistance to the Council in carrying out the Council's responsibilities under subsection 102 (a) (2) in regard to the matters called for in paragraphs (1) and (6) of subsection (a) of this Section.

(c) The Report shall be printed and made available as a public document.

TITLE II—THE OFFICE OF TECHNOLOGY APPLICATION

OFFICE ESTABLISHED

SEC. 201. (a) The Administrator of the National Aeronautics and Space Administration shall establish within the Administration an Office of Technology Application to be headed by an Associate Administrator.

(b) In order to carry out the purposes of this Act, the Administrator, through the Office of Technology Application, shall utilize the resources of the National Aeronautics and Space Administration to the fullest extent consistent with its areas of scientific and technological competence and shall—

(1) upon request, furnish assistance to the Council in carrying out the Council's responsibilities under paragraphs (2) and (4) of section 102 (a);

(2) upon direction of the President, conduct research, development, and demonstration projects, in order to carry out the purposes of this Act, consistent with the provisions of section 102 (d) of the National Aeronautics and Space Act of 1958, as amended by this Act.

(3) conduct exploratory research and development projects in support of his responsibilities under this Act.

(c) Except as otherwise provided in this title, the Administrator shall, in carrying out his functions under this title, have the same powers and authority he has under the National Aeronautics and Space Act of 1958.

AMENDMENTS TO THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

SEC. 202. (a) Section 102 (d) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 (d)) is amended to read as follows:

"(d) The Congress declares that the expertise developed by the National Aeronautics and Space Administration in research and in the development of new and advanced technology to solve complex problems in the conduct of aeronautical and space activities shall, in addition, at the direction of the

President, be made available and be used to further the purposes of the Science and Technology Applications Act of 1974, to the extent not inconsistent with or in diminution of such aeronautical and space activities.".

(b) Section 102 of such Act is amended by adding at the end thereof the following new subsection:

"(e) It is the purpose of this Act to carry out and effectuate the policies declared in subsections (a), (b), (c), and (d) of this section.".

TITLE III—GENERAL PROVISIONS

APPROPRIATIONS AUTHORIZED

SEC. 301. (a) There is hereby authorized to be appropriated to the Council of Advisors on Science and Technology, such sums as are necessary to carry out its functions under this Act.

(b) There is hereby authorized to be appropriated to the National Aeronautics and Space Administration $10,000,000 for the fiscal year ending June 30, 1975, to carry out its functions under this Act. The provisions of section 4 of the Act of June 15, 1959 (73 Stat. 75, 42 U.S.C. 2460), shall apply to authorizations of appropriations to the Administration to carry out its functions under this Act for fiscal years after June 30, 1975.

Amend the title so to read:

To provide a Council of Advisors on Science and Technology, to provide for an annual Science and Technology Report, and for other purposes.

Mr. MOSS. Mr. President, we have all been affected, either directly or indirectly, by the energy crisis. As I have noted on previous occasions, this crisis was precipitated not so much by the Arab oil embargo as by poor government planning and organization. We have had to confront one crisis after another because we have had no forward-looking, comprehensive policy of relating our scientific and technological advances to our domestic problems. Even now, as a good portion of our energies is directed toward resolving the fuel dilemma, a material shortage looms disturbingly on the horizon.

Yet, we have no clearly defined national science policy dealing with the Nation's energy and raw material needs and their relation to our environmental goals and our objectives for economic development. Because no such policy exists, it is difficult for the research institutions of the nation to apply their talents to maximum good effect. In order to provide for more effective utilization of our scientific and technological resources to the solution of our critical domestic problems, Senators MAGNUSON, TUNNEY and I introduced S. 2495 on September 27, 1973.

Since then, many experts from government, industry and the academic community have offered valuable assistance in improving the legislation. As a result, the bill has been significantly altered and additional hearings have been set for July 11 on the amended version of S. 2495. The bill now provides for a small Council of Advisers on Science and Technology in the Executive Office, a Science Adviser to the President, and an annual report concerning the relation of scientific resources to critical and emerging national problems. I feel that the bill is substantially improved and that the concept is one that merits the serious attention of my colleagues.

MANAGEMENT OF THE NATIONAL RESOURCE LANDS—AMENDMENT

AMENDMENT NO. 1538

(Ordered to be printed, and to lie on the table.)

Mr. McCLURE (for himself, Mr. BUCKLEY, and Mr. BARTLETT) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 424) to provide for the management, protection, and development of the national resource lands, and for other purposes.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1535

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of amendment No. 1535, intend to be proposed by him to S. 3530, to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaskan Claims Settlement Act.

HEARING ANNOUNCEMENT ON S. 3530

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Senate Committee on Interior and Insular Affairs on S. 3530, a bill to authorize the Secretary of the Interior to enroll certain Alaskan Natives for benefits under the Alaska Native Claims Settlement Act, and amendment No. 1535, an amendment to S. 3530.

This hearing will be held on July 17 at 10 a.m. in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel, at 225-2656.

ANNOUNCEMENT OF HEARINGS BY DISTRICT OF COLUMBIA COMMITTEE ON NOMINATION OF MR. H. MASON NEELY TO BE A MEMBER OF THE DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION

Mr. MATHIAS. Mr. President, the Committee on the District of Columbia, on Tuesday, July 9, 1974, at 9:30 a.m., will hold a public hearing on the nomination of Mr. H. Mason Neely to be a member of the District of Columbia Public Service Commission. The hearing will be held in room 6226, Dirksen Senate Office Building. Persons wishing to present testimony on Mr. Neely's nomination should contact Mr. Robert Harris, staff director of the District of Columbia Committee, 6222 Dirksen Senate Office Building, by noon on Monday, July 8, 1974.

NOTICE OF RESCHEDULING OF HEARINGS ON H.R. 10337

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate that because of a scheduling conflict the hearing on H.R. 10337 and other measures relating to the Hopi-Navajo land dispute has been rescheduled for July 24, 1974.

The hearing will commence at 10 a.m., room 3110, Dirksen Senate Office Building, and is open to the general public.

NOTICE OF HEARINGS ON SHORTAGES OF GOODS ESSENTIAL TO INCREASED DOMESTIC OIL AND GAS PRODUCTION

Mr. JACKSON. Mr. President, on July 12, the Interior Committee will hold hearings on shortages of tubular goods and other materials essential to the production of energy, and on legislation to provide for the allocation of such materials. At a time when all Americans are becoming increasingly aware of the importance of our energy resources, the fuel extractive industries—especially the independent sectors—are being plagued with materials shortages. As the Nation stands on the threshhold of a major drive toward energy self-sufficiency our fuel producers are unable to acquire the materials and equipment required to achieve this goal. In some instances, even current production levels are threatened by shortages. Coal mines have been forced to close for lack of roof bolts; and independent oil drillers have been unable to obtain sufficient pipe and casing to drill for new wells.

Mr. President, we are faced with an urgent situation, and an immediate need for its rectification. I know that many of my colleagues are very concerned about this problem, and I hope that a timely and satisfactory solution can be found.

SALUTE TO AMERICA

Mr. HARTKE. Mr. President, beginning on June 14 and ending next week on July 4, a 21-day salute to Honor America has been celebrated. From Flag Day to Independence Day the media, civic groups and organizations, States and localities, and individual Americans have been promoting America and unity among all citizens. This is the fifth such annual observance—and it records our Nation's 198th birthday.

We are all aware that while many of the problems still confronting America may appear to be monumental, they are problems that are surmountable through the exercise of the American spirit and will. In the nearly 200 years of existence, America has suffered battle, hardship, and often despair. But the Declaration of Independence and our Constitution remain intact and as Americans we still pledge to them our loyalty.

Mr. President, I ask unanimous consent that an article prepared by the Honor America Committee of the American Historic and Cultural Society, Inc., be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DAY TO HONOR AMERICA, JULY 4TH, 1974

John Hancock of Massachusetts signed the Declaration of Independence with a bold, elaborate and most legible flourish. It was followed by the signatures of 55 others from the 13 American colonies, 198 years ago today.

And in signing this document they called their erstwhile colonies, "Free and Independent States", by appealing to the Protection of divine Providence (the capitals are theirs) and did "mutually pledge to each other our lives, our Fortunes, and our Sacred Honor."

On July 4, 1776, this was no empty pledge. It meant very starkly that each signer had affixed his signature to his own death warrant. Each inscription convicted its perpetrator, automatically, of treason.

Yet such was the overwhelming strength of their patriotism in their fledgling nation that they pledged their all that it might be achieved.

And in years of battle, blood, hardship and often despair, it was achieved. Today nearly two centuries later, we of America are still a nation bound by the principles set forth in that Declaration and in the Constitution which followed it.

John Adams, second President of the United States, wrote of July Fourth—"It ought to be solemnized with pomp and parade, with shows, guns, bells, bonfires, and illuminations, from one end of the country to the other, from this time forever more."

Our nation has survived much, from minor upheavals to major corruptions, to bloody civil war. But that Declaration and that Constitution remain intact. We still pledge to them our lives, our fortunes, and our sacred honor.

And in these troubled times, more than ever, we might take heed of one of our most prominent contemporary constitutional lawyers, Louis Nizer, who in a recent address at New York University Law School, said:

"Ours is a great and noble nation. We must not give vent to despondency or skepticism . . . our great nation couldn't have achieved its eminence in science, business, and culture without a healthy core . . ."

We hold these truths to be self-evident . . .

And by honoring America's founders we also honor America, itself.

THE LUVERNE JOURNAL AND NEWS (ALA.) VIEWS PRESS RESPONSIBILITY

Mr. ALLEN. Mr. President, the Luverne Journal and News of Luverne, Ala., is a newspaper widely read and respected throughout the State of Alabama. While the establishment press has had a field day at the expense of the Secretary of State, the Journal and News was examining a more fundamental concept: the responsibility of the press for fair play. In an editorial on June 12, the paper succinctly noted that the press can use freedom to destroy something great in the name of triviality. The Luverne Journal and News will not be party to the use of its first amendment rights in such a way and I believe it is to that newspaper's credit that it understands its rights and responsibilities in a free society.

Mr. President, believing that more than one side of the story should be heard concerning the now-famous Kissinger press conference in Austria, I ask unanimous consent that the editorial from the Journal and News be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HIGH PRICE TO PAY

Secretary of State Henry Kissinger's outrage over the current media attack upon him is entirely appropriate—not necessarily that he is impervious to scrutiny, but the content and the timing seemed rather stupid.

If any man will go down in history as a single individual most instrumental in promoting world peace and accord, this man will surely come away hands down. We have never seen any envoy, ambassador or Secretary of State devote more of himself, body and soul, to a proposition that has Kissinger in his role of peacemaker. His Middle East achievements have been nothing sort of remarkable, and indeed the President's current trip to this area was paved by the dogged determination of this man in his relentless quest for understanding and accord among the warring Mid-East factions.

For accusations, supported by hearsay and inuendo, to smack this man in the face at this particular moment, is to say the least, grossly irresponsible. The Washington Post and the New York Times, both editorially bringing up old wiretap charges and calling Kissinger to account, represent at once the best and the worst in the concept of the freedom of the press: the best because this is a totally free democracy where such is possible with no repercussions; and worst because it can use this freedom to destroy something great in the name of triviality.

This is what is being done to Kissinger, and he has threatened to resign his position if his honor is not cleared up. We don't blame him for his attitude, though it would be a tragic loss to this country and to the world should he return home from his critical peacemaking mission to answer some fool charges that certainly could have waited.

And even if they prove to be true, would not be worth the price their clarification would exact.

FREEDOM UNDER LAW AT STAKE

Mr. GOLDWATER. Mr. President, among the mail I have received concerning my call for a dialog on whether or not newspapers shall live by the laws of the land preserving Government top secret documents is a most thoughtful and eloquent statement by Prof. Edith Clark Lowry on the risk to the American experiment in popular self-government which we must face if the press continues in its abuse of the first amendment guarantee of press freedom.

Dr. Lowry, an educator and professor of constitutional history who is ranked in "Who's Who of American Women," reminds us, as we approach the 200th anniversary of American freedom, that this Nation was built upon a constitutional system of justice, in which an accused person is tried in the courts, not in the newspapers. American justice includes the principle of a presumption of innocence until proven guilty in the proper court of law, even if the accused is a Government official. American justice means attendance to the rights of all the people, including the President of the United States, the Secretary of State, and other high officials.

Professor Lowry also reminds us that the Founders of the Constitution thoughtfully erected a representative form of government in which elected officials are chosen to serve for a specific number of years and not at the whim of fleeting emotions or transistory public opinion. In Madison's words:

> It is the reason, alone, of the public, that ought to control and regulate the Government.

If we forget our own historic traditions, if we turn to the abusive excesses which led to the fall of ancient Greek and Roman societies and which the architects of our Constitution knowingly rejected, Dr. Lowry warns that the result may be the destruction of the American concept of freedom under law.

Mr. President, in order that my colleagues may reflect upon the important message contained in Professor Lawry's statement, I ask that the complete text shall be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

STATEMENT BY PROF. EDITH CLARK LOWRY

As a professor of Constitutional History, I can keep silent no longer. I have not spoken before, because I do not believe in trial by newspaper or television. But I must protest that the time has come, indeed is overdue, for the Press to begin to exercise responsible restraint and to allow our legal system a chance to function with at least a minimum of fairness; although the possibility of finding unbiased juries or conducting impartial court proceedings has been rendered rather remote. The Media may not have "invented" Watergate, but they have developed it into an un-ending source of copy and a veritable gold mine for publishers. More shocking, however, than the shocks of Watergate is the evidence of treasonable betrayal of security, not unlike that in Germany, and the obvious connivance of the Press, whether or not at a price, with every "leak-er" of information. Such leaks, when published, are variously defined as "secret" or "confidential", so apparently these words have new meanings. There would seem to be a deliberate movement of increasing proportion to destroy, if possible, our present legal and governmental institutions.

It is no accident that virtually every "free" government in the world has been toppled within the last year. Now it looks as if ours could be next. It is an old pattern of historic revolutions to destroy the old order in the name of freedom, and to build a "new" world *by force* also in the name of freedom. We are ourselves the children of such a revolution. Perhaps we should be asking if we want another. Our system, as it stands, is a sophisticated system which requires an essentially sophisticated society to make it work. It is built on the ordered acceptance of majority decision in every phase of government, so that we need a citizenry who know how to resist demagoguery, and whose loyalty to their country is beyond politics. Are we indeed such a society? Our American tradition commits us to a pattern of government in which all officials are elected for a fixed term of office. If we do not like their performance we elect someone else the next time round. In the interim we may freely voice our discontent, and this is the justification for the "freedom of the Press". The results of *any* political election are binding on us *all* until the appropriate time for the next one. To change this pattern without clear evidence not only of crime but of criminal intent on the part of *any* incumbent is to destroy what has so far proved to be the most stable form of democratic government devised by man on this planet.

If crime has been committed there must be sufficient sworn evidence to bring it into the courts, and conviction can only come when there is no shadow of doubt. A man is presumed innocent until proved guilty in a court of law. This is basic to criminal justice under English Common Law which is our inheritance. The system is founded ultimately on the integrity of the individual's oath. Whether such a system can survive in a society which no longer takes seriously eternal judgment against false witness is a real question. The Judaeo-Christian tradition which has formed our Western Culture does, of course, condemn it, and even goes so far as to suggest that the just man is one who neither slanders his neighbor nor repeats the slanders of others. (Psalm 15). Be that as it may—the only justice Man can give to Man is *legal* justice. We are not God. Our perspectives are limited. We must be content to insist that our common life be played by rules that can be monitored. We can also make new rules—and should—but they cannot be enforced retro-actively. This is not pure legalism. Rather it is defense of Law as our best means of achieving such justice as is possible. Law predates formal patterns of Government. Its chief end historically is the maintenance of public order. Beyond this, a "free" society is committed to the prevention of the exploitation of the individual in a world characterized by acquisitiveness and the thrust for power. We are jealous, and rightly so, for our rights as citizens, and we are proud that in general the little man is protected as well as the great.

The inexorability of time is bringing us to the year 1976, when we are to celebrate two hundred years of independent American government. The two party system was not originally, and is not officially, part of this arrangement. We all want a better world, but we are bound to disagree on the techniques for building it. Two parties draw the battle lines, but government by discussion is the American way of resolving such disagreements, within the framework of the fifty states, composed of a host of smaller communities, but all united in a common loyalty to the Nation of which we are a part. Congress discusses and makes the rules, the Judiciary confirms them, and the Executive conducts our public business in accordance with them. Partisan politics are inappropriate in celebrating our two hundredth birthday; they are divisive of our common life at one of the most critical times in world history; and they are a disaster when they jeopardize our diplomatic efforts in the cause of peace.

This letter is a clarion call to the Press to stop malicious gossip, and to re-establish the primacy of Law. This country still has a chance to give leadership for peace, for justice among nations large and small, and for reasonable distribution of the earth's plenty. "Freedom under law" has been won for us at great cost by past generations. It can easily be lost. A self-righteous press which declares it is more important to publish unproven and unidentified "news", however slanderous, than to give a fair trial, is undermining public confidence and making the legitimate processes of government impossible. This is "Star Chamber" tactics in a new guise, where neither accuser nor accusation is known to the accused. It is unworthy of the great tradition of the American press. Have the very things we deplored in the McCarthy era really become acceptable today? In this world of instant communication the influence of the Media is frighteningly great. It must be careful not to usurp those powers belonging to the government and to the law. It is doubly important that we should be able to rely on the integrity of the Press, and on its devotion to all that is *best* in our society. Otherwise we shall be led, as have been others before us, to destroy ourselves at the very moment of our greatest challenge in history. Nothing less than the Western tradition of a *free world under law* is at stake.

EDITH CLARK LOWRY,

JUNE 1974.

BANKERS SUPPORT GUARANTEED LOANS

Mr. McGOVERN. Mr. President, on Tuesday of this week, four spokesmen for the South Dakota Bankers Association testified before a House subcommittee on behalf of an emergency guaranteed loan program for livestock producers, such as this body had passed the previous day.

Because their statement sets forth succinctly the problem in my State, I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SOUTH DAKOTA BANKERS ASSOCIATION BEFORE SUBCOMMITTEE ON LIVESTOCK AND GRAINS

Mr. Chairman, I am Henry Schelle of Chamberlain, South Dakota, president of the South Dakota Bankers Association. With me are John Diefendorf of Beresford, South Dakota, Art Weaver of Huron, South Dakota, and Ed Anderson of Rapid City, South Dakota, other members of the banking industry across our state.

As you know, we are here to discuss the livestock situation. We consider it to be a major disaster in South Dakota. In our state, agriculture affects 80–85% of our economy. Of that, 80% is livestock or livestock-related products. With the drop in livestock prices 45–60%, and increases in the costs of operating by 100%, you can see the adverse effect on our economy in South Dakota. We are not going to bore you with a lot of statistics, but we would like to show you the variance in the numbers of cattle in South Dakota during the last five years.

In 1968, we had 4,280,000 cattle. In January of 1974, we had 5 million. We feel that South Dakota ranchers were responding to the Department of Agriculture predictions of a shortage of meat both now and in the future. Our farmers changed their operations from cash grain to more livestock and have, as a result, built up to the biggest financial catastrophe in South Dakota since the depression. To prove this statement, a drop in the market value of $200 per head on five million cattle amounts to $1 billion: one-third of South Dakota's gross state product in 1972 which stood at $3.094 billion.

We feel that the federal government is not abreast of a serious situation and has not given this problem the attention it deserves.

In coming here we do not feel we have the answer to it all, but we do feel we have some suggestions worthy of your consideration.

We feel the loan guarantee is a step toward the resolution of our problems, but certainly it is not the complete answer. In all events, we recommend that paperwork be held to a minimum.

We feel with the high interest market of today in South Dakota, a guaranteed loan at a high interest rate will offer little encouragement to an individual who has lost his last 10 years' earnings in one year.

Gentlemen, this has actually happened. In most cases, our borrowers did not change their operations substantially from practices which had been previously successful in the last ten years except to increase their production in response to the USDA predictions of a shortage of meat.

Furthermore, the continued drain on our deposit base, coupled with that which has already occurred, may so deplete our loanable funds that we will not have the capital to make guaranteed loans. We fear the worst may be yet to come in this area.

In addition to guaranteed loans, we feel it is imperative that limits should be placed on imports. Also, the proposed meat purchases should be at least doubled and this should be done immediately to have a significant effect on the market. We understand there are cold storage facilities for such purchases.

Gentlemen, in this presentation we haven't asked anything directly for bankers. A viable cattle industry is good news for all South Dakota business. We are very worried about our cattlemen, however. Some will have no choice but to go out of business or to seriously curtail their operations. Either case will be detrimental to our state and to the livestock industry.

If our livestock industry is phased out in South Dakota, other states will also suffer, inasmuch as we are YOUR customers for manufactured goods. Moreover, we will have very expensive meat IF it is available.

We thank you for listening and we invite your questions. Mr. Anderson makes loans to cow-calf operators, Mr. Diefendorf, primarily to feeders, and Mr. Weaver and myself serve both.

TURKEY PRICES

Mr. HUMPHREY. Mr. President, a release by the Minnesota Agriculture Commissioner, Jon Wefald, points out sharply the impact of depressed prices in the turkey market.

The commissioner indicated that turkey producers are losing money as is the case with beef and dairy cattle, poultry and swine.

Now is a good time for consumers, including the Government, to make purchases of turkeys with retail prices down almost 50 percent from last fall's peak prices.

Mr. President, I ask unanimous consent that this release be printed in the Record.

There being no objection, the release was ordered to be printed in the Record, as follows:

NEWS RELEASE

"Despite the clamor about rising food prices, there are still some selective bargains today at the food markets," Agriculture Commissioner Jon Wefald said today. "One of the best bargains is turkeys. Within a period of about seven months, retail turkey prices have dropped nearly 50 per cent from the peak price of last fall. Actually, today's retail prices for whole turkeys compares with the pre-inflation years of the fifties—a complete reversal from the general trend in food prices," Commissioner Wefald added.

"Historically, turkey meat has generally been a close-margin item in most food stores and it is apparent that retailers are continuing this practice despite the general inflationary trends."

"Turkey meat is an exceptional food bargain from every viewpoint . . . price, nutrition and taste appeal. Turkey meat is higher in protein than any table meat. It is likewise lowest in cholesterol. So, from a nutritional and dietary standpoint, you could not select a better meat," Commissioner Wefald stated.

With whole turkeys available in sizes from 6 pounds and up, a homemaker can select a size for any size family. For the consumer who does not wish to prepare a whole turkey, there is a plentiful supply of turkey parts . . . drumsticks, thighs, wings, breasts, and quarter turkeys. In addition, turkey processors are now offering a wide variety of solid turkey meat products such as boneless roasts, steaks, filets and rolls. These further processed products are in the convenience foods category, requiring a short cooking time.

Commissioner Wefald asked, "Are turkey growers the exception in the cost-price squeeze most meat producers are experiencing? Not at all. Turkey growers' production costs have soared along with other producers and, while their plight has not been dramatized as frequently as the beef and hog producer, turkeys are selling well below the cost of production. However, Minnesota turkey growers have reacted quickly to this downward trend in prices and have cut back their flocks substantially. Revised production estimates now indicate that the 1974 crop of turkeys probably will be close to the 1973 crop. This would indicate that prices for whole turkeys will start an upward climb by early fall and continue to rise toward the holiday season. Consequently, consumers would be wise to purchase several turkeys at today's low prices and store them for future use. In all likelihood, today's low turkey prices will disappear in the near future."

THE LEADERSHIP VACUUM

Mr. MOSS. Mr. President, I rise to commend Senator METZENBAUM on his timely and thoughtful presentation to the Democratic policy committee on June 25 on the need for leadership from the Congress on three urgent problems with which our Nation must come to grips. I ask unanimous consent that Senator METZENBAUM's memorandum to members of the Democratic policy committee be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOSS. The problems the distinguished Senator from Ohio discussed were the threat to our economic and political stability posed by the staggering accumulation of wealth by the Persian Gulf oil producers; the dilemma of rising inflation and unemployment; and the crisis in international food supply with its effects on the American economy.

These are shockingly grave problems. Apparently there will be no forceful leadership or creative ideas forthcoming from the executive branch. It is, therefore, incumbent on the Congress, and a special responsibility of the Democratic leaders to fill the leadership vacuum.

How we should move to fill the leadership vacuum is a subject which I shall treat soon in another speech. It is a subject to which I hope our colleagues in the Senate will give serious thought. In the meantime, we owe a debt of thanks to Senator METZENBAUM for bringing the matter to the fore.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., June 25, 1974.

To the Members of the Democratic Policy Committee:

I come before the Democratic Policy Committee today to discuss three national and international problems of such major proportion that I would feel remiss if I remained silent.

They are:

(1) As a result of the energy crisis, Persian Gulf oil producers are accumulating staggering amounts of wealth. They now have at least $60 billion of excess funds in their hands. No less an authority than David Rockefeller, head of the Chase Manhattan Bank, is warning of potential "economic and political chaos" if the trend continues.

(2) Our own economy is so torn by both persistent inflation and unemployment that conventional economic wisdom is being called into question. The president of the Bank of America, Mr. A. W. Clausen, is recommending a "summit conference" on the economy because, he says, "Today a lot of things go on that economists don't understand and can't explain."

(3) The world-wide food scarcity threatens starvation for the peoplle of some areas abroad, and is producing shortages and escalating grocery bills for the American housewife.

NO LEADERSHIP FROM ADMINISTRATION

Most disturbing of all is the fact that we can no longer look to the White House for leadership in coping with matters of such magnitude. We are afflicted with a preoccupied President who is unable to offer the nation guidance on many urgent issues. This Administration has no meaningful program to deal with any one of the three problems I have mentioned.

DEMOCRATIC POLICY COMMITTEE CAN FILL LEADERSHIP VACUUM

Therefore, it is more imperative than ever for Congress to step forward to fill the vacuum if leadership is to be exerted, and policy is to be enunciated. I suggest it must come from the Democratic Policy Committee in the United States Senate.

If the Democratic Senators fail to reach out and aggressively seize the initiative, we will suddenly awaken one day to find our nation as unprepared on these other problems as we were during the energy shortage.

As a freshman Senator, and a lame duck at that, I do not presume to suggest that I know all the answers. In fact, I know I don't. No one person does. But as a concerned American, I see three major problems looming ahead of us, and I also see that our nation has absolutely no policy to cope with any of them.

THERE MAY BE NO SOLUTIONS, BUT EFFORT SHOULD BE MADE

There may be no solution to one, or all, of them. But, as I see it, there is an obligation, a duty, to attempt to find the solution. And that responsibility—now more than ever—rests with Democrats in the Senate.

OIL

Oil is the subject of world-wide concern. We all know what has happened to the price of gasoline and the profits of oil companies in this country.

PERSIAN GULF OIL COUNTRIES POSE ECONOMIC AND POLITICAL THREAT

But this is just the most obvious part of the problem. The staggering amount of money being transferred to the treasuries of the Persian Gulf oil producers is creating a potentially enormous economic and political threat that is not now generally recognized.

This year the oil exporting countries will receive $105 billion in total oil income, or $80 billion more than last year. More than half of this money will go to sparsely-populated Saudi Arabia, a semi-feudal nation which abolished slavery only in 1962.

ABOUT $60 BILLION ANNUALLY IN EXCESS FUNDS

Of this total, the oil states will have $60 billion over and above what they will be able to absorb internally, event with massive expenditures on industrial development, social welfare programs and ultra-modern weaponry. By 1980, it is estimated that this liquid surplus capital will swell to at least $400 billion, leaving the oil producing states holding approximately 70 percent of the world's total monetary reserves just six years from now.

To provide some sense of scale, it is worth noting that total world reserves as of March, 1974 came to $186 billion of which the U.S. share was $14.6 billion, or 7.84 percent. In 1949, at the height of American post-World War II economic predominance, we held 56.5 percent of world reserves.

ARAB EXCESS FUNDS EACH YEAR EQUAL TWO-THIRDS OF TOTAL U.S. OVERSEAS INVESTMENTS IN LAST 75 YEARS

Even more startling is the fact that, as Joseph Alsop has pointed out: "The oil producing countries will have to find ways to place an amount of money, *in just one year, equivalent to about two-thirds of the total value of all the overseas investments of the United States in the last three-quarters of a century.*"

To illustrate graphically just what $60 billion could buy at today's stock market prices, the table below shows the cost of acquiring a controlling interest (51 percent of voting stock) in eleven major U.S. corporations:

Corporation and price of majority control as of June 24, 1974

A.T. & T	$13, 046, 980, 000
Boeing	192, 782, 750
Dow Chemical	3, 164, 314, 250
General Dynamics	128, 755, 125
General Motors	7, 205, 900, 625
I.B.M	15, 953, 274, 000
I.T.T	946, 199, 750
Lockheed	26, 068, 500
United Airlines	275, 425, 500
U.S. Steel	1, 184, 464, 750
Xerox	4, 704, 334, 875
Total	46, 828, 500, 125

From these figures, it is obvious that not only will the Persian Gulf oil states soon be in a position to exert decisive control over the international monetary system and financial institutions around the world, but they may also (should they choose to do so and should we allow it) develop massive economic leverage inside our own economy.

DAVID ROCKEFELLER IS ALARMED

David Rockefeller, head of the Chase Manhattan Bank, has warned that this gigantic flow of money, in and of itself, could lead to "economic and political chaos" marked by "disruptive domestic unemployment and depression."

NUCLEAR POWER MAY COME INTO HANDS OF POLITICALLY WEAK GOVERNMENTS

Another ramification became evident yesterday. News reports quoted the Shah of Iran as saying he plans to develop nuclear weapons, presumably with the help of technology and equipment purchased from France, a nation which did not sign the nuclear non-proliferation treaty. The Iranian decision brings to mind the unstable politics of this area. The vast wealth and economic power of the region is held by governments which are, in the main, politically and militarily weak.

POLITICAL INSTABILITY COULD LEAD TO GREAT POWER CONFRONTATION

Clearly, the area is a tempting target for all manner of interests, from states wishing to expand their influence to political groupings of the most varied persuasions. And a political upheaval in a major oil-producing nation could result overnight in a great power confrontation—a possibility which makes the situation even more dangerous.

ARAB INVESTMENTS IN THE UNITED STATES ARE GROWING

At this point, it is clear that the oil-producing nations are increasing their direct investment in the American economy, but their long-run intentions are not as yet clear. The Kuwait Investment Company, for example, has real estate interests in Nashville, St. Louis and South Carolina. Iran is an investor in New York City real estate and has interests in blue chip stocks. Iran has also taken the lead in "downstream" investments in the petroleum industry—acquiring control over petrochemicals and distribution as well as production. And Saudi Arabia seems to be moving in a similar direction. These are not particularly objectionable moves, but they could be the opening wedge for a more threatening series of acquisitions in the future.

No one knows all the implications of this enormous transfer of wealth to the Persian Gulf oil states. But we should be aware that it is happening, and we should be prepared to deal with the consequences.

THE ECONOMY

As we all know, the President's State of the Union message promised there will be "no recession" this year. Yet, economic forecasts from a wide variety of sources are uniformly bleak.

DOW DOWN 240 POINTS

Normally, the stock market anticipates business conditions, and for the past several months the market has reflected investor fears about future economic conditions. In January, 1973, the Dow-Jones average peaked at 1051. The average dropped by more than 200 points within a year. Over the past five months it has declined another 40 points.

Noted economists agree that our economy is in serious trouble. Walter Heller recently wrote in the *Washington Post* that we are sliding toward a recession. Arthur Okun has predicted that history will record 1974 as the sixth post-World War II recession. The President's own Council of Economic Advisers concedes that its earlier predictions for the year were too optimistic.

GNP CONTINUES TO DECLINE

Semantics aside, the statistics show that the economy is in trouble. According to the Department of Commerce, the Gross National Product declined at an annual rate of 6.3 percent during the first quarter of this year—the steepest quarterly decline since 1958. Preliminary figures indicate a miniscule upturn in the second quarter, but even Administration spokesmen do not expect the economy to recoup the earlier decline.

The second half of the year may be better than the first half. But the economic consensus is that when 1974's totals are in, we will have suffered damaging losses.

UNEMPLOYMENT CONTINUES TO RISE

In more human terms, our economic situation is even more depressing:

When Nixon took office in 1969, 2.7 million people were out of work, representing 3.3 percent of the labor force;

Last month 4.7 million were unemployed, equal to 5.2 percent of the labor force;

By the end of the year unemployment is expected to reach 6 percent and projections call for continued high unemployment next year.

INFLATION CONTINUES UNABATED

At the same time, inflation continues unabated. For 1974, an increase of between 8 percent and 10 percent in the Consumer Price Index is expected. The outlook for 1975 is not much better. During the first quarter of this year, the CPI jumped at an annual rate of 15.4 percent, following an 8.8 percent rise in 1973. We are caught in the grip of the worst inflationary spiral since World War I.

NO EASY SOLUTION AT HAND

The agony of the situation is that no one is certain what to do about it. The conventional economic wisdom is bewildered. There is a burgeoning realization that a creative, new approach to economic policy making may be necessary.

As the President of the Bank of America suggested in the article I cited earlier, economists really cannot understand much of what goes on today. As he put it:

"The economy is different from what we understood it to be in the mid-30's or at the start of this century. We have reached a point in policy making where pure economics and pure political science don't quite mesh."

For this reason he suggested the creation of a National Economic Commission to seek a way out of the current economic dilemma.

TIME TO SEEK SOLUTION: NOW BEFORE PROBLEM BECOMES ECONOMIC REALITY

Many years ago the National Monetary Commission, created in the wake of the financial panic of 1907, gave birth to the Federal Reserve System that has served this country well for so long. Now may be the time for a similar searching re-examination of our methods of economic policy making. Perhaps that suggestion should be given serious consideration. If not that, then we need to explore other steps to provide our country with a viable economic policy.

FOOD

The growing food crisis is distorting our economy and, indeed, that of the entire world.

Already, famine exists in the Sahel region of Africa (a belt extending across the continent below the spreading Sahara Desert, including such countries as Niger, Chad, Mauritania, Mali and Ethiopia). A poor wheat harvest threatens disaster in South Asia. At the same time, commodity reserves, our own included, are nearly exhausted after five successive years in which world food consumption has exceeded production.

WORLD FOOD RESERVES PERILOUSLY THIN

As Ambassador Martin, Secretary of State Kissinger's delegate to the upcoming World Food Conference said at last week's Senate hearings on National Nutrition Policy:

"The margin of safety in the race against world famine grows narrower day by day as U.S. stockpiles of grain are exhausted. The world food reserve is now measured in weeks rather than months."

The stark fact about world food supplies is that a single crop failure in even one major food producing area could require the wealthy countries to accept food rationing to avert mass starvation in the poorer countries.

CRISIS THREATENS WORLD STABILITY

And humanitarian considerations aside, the world food crisis could have a very important impact on our national security. Food shortages could bring down friendly governments around the world, and the possibility that nuclear armed nations, such as India and China, may be unable to feed their own people is frightening.

FOOD INFLATION DISTORTS AMERICAN ECONOMY

Here at home the American family suffered a 22 percent increase in food prices last year. Even the Nixon Administration concedes food prices will rise at least another 15 percent this year. The price spiral afflicts all Americans. Even the well-to-do are being forced to tighten their belts. The poor and the elderly are hurt the worst, of course. For those families, according to testimony before the Senate last week, escalating prices required some family menus to include dog food. Shoplifting has increased drastically in the food stores, poaching is up in the national forests and even zoo animals have been slaughtered for meat.

For those who are not destitute—most Americans—the drain on the family pocketbook is severe.

A family of four earning $10,000 a year that paid 25 percent of its income for food in 1972 may be forced to pay 40 percent by the end of 1974.

This means these families have less to lay out for non-food purchases, thus lowering their overall living standard and simultaneously sapping consumer demand for other goods and services. All too obviously, this could lead to economic contraction, with a consequent loss of jobs and income throughout the economy.

Just last week, Dr. Jean Mayer, the coordinator of the Senate's Nutrition Policy Conference, summed up the ominous prospects:

"As the problems of the world community becomes increasingly crucial to our own health as a nation, the need for responsible food and nutrition policies can only grow in urgency in the months and years ahead."

NIXON ADMINISTRATION TAKES CAVALIER ATTITUDE

Yet, the Nixon Administration has not even begun to respond seriously to the growing crisis. Secretary of Agriculture Butz has taken a rather cavalier attitude toward starvation abroad and malnourishment at home. The Secretary seems mainly concerned with the balance of payments benefits we derive from our agricultural exports. An important concern, to be sure, but it fails to come to grips with the basic reality; that food is not just a commodity—that it is essential to life itself.

RATIONAL FOOD POLICY, NEEDED

As the last and perhaps the only hope of mankind in the area of food production, we have a heavy responsibility to the American people and to the people of the world to develop a rational food policy. This policy must insure fair prices to the farmer and adequate supplies at reasonable prices to the consumer in America. It must take into consideration the needs of our friends and allies, and it must provide an adequate reserve to cushion against world catastrophe.

Nothing less will fulfill America's obligation to itself and the world.

OPPORTUNITY FOR LEADERSHIP UNPRECEDENTED IN NATION'S HISTORY

CONCLUSION

These are some of the major problems that confront our nation, as I see it. They are not only problems, but opportunities; opportunities for this body, the Democratic policy makers in the Senate, to provide America with what it so desperately needs at this time in history—leadership.

WHAT'S HAPPENING TO AMERICAN VALUES

Mr. CURTIS. Mr. President, an interesting article appeared in the June 24 issue of U.S. News & World Report—"What's Happening to American Values," a conversation with former Ambassador and Congresswoman, Clare Boothe Luce. Mrs. Luce has the experience and wisdom to stand back some distance from the problems which have surfaced in America today and try to understand what lies behind them. The topics are the usual slate of "relevant" items—Watergate, Congress, women's liberation, patriotism, religion—but Mrs. Luce comments with a fresh, sensible, and ultimately optimistic outlook, which makes this article not only newsworthy, but refreshing reading in the midst of the hot air around Washington this summer.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT'S HAPPENING TO AMERICA'S VALUES

A CONVERSATION WITH CLARE BOOTHE LUCE

(Why the malaise that now seems to afflict the U.S.? Is no end in sight? In a meeting with editors of "U.S. News & World Report," a distinguished observer of the world scene speaks her mind after years in public life.)

Question. Mrs. Luce, have Americans always been as cynical as they seem today about institutions, leadership and traditional beliefs?

Answer. Oh, no. There's been an enormous change, in my lifetime, in American attitudes.

Traditionally, Americans are an optimistic and Utopian-minded people. This is because they've lived for 200 years in marvelously fortunate conditions. They've lived on a vast and bountiful land which has produced an endless quantity of material goods. They've lived under a form of government originally designed to encourage competition and personal initiative. They've lived in a country where the average American has always been better off—richer, freer, better educated—than his parents, and where he has always expected his children to be better off than himself.

Up to now, Americans have always believed that despite national ups and downs they were making progress toward the American Utopia, in which poverty—and even work—would be abolished, and all men would live equally free to pursue their own ideas of happiness. Call it "the American dream." Well, we are waking up from it. We are beginning to face the realities of the world we live in. And it's a traumatic experience.

Consider that only 25 years ago, we had won the greatest war in history, and we stood at the highest pinnacle of wealth and power any nation had ever attained. Do you remember that President Roosevelt promised to deliver the "Four Freedoms" to the whole world when the war was over? How many people today can even name what those Four Freedoms were?

The violent changes that have since taken place in the world, and that have adversely affected America, have come on us so suddenly. Nothing in our national experience has prepared us to deal with them. We are—at least for the moment—demoralized by them.

Question. Are you suggesting that this country has reached a kind of moral watershed—that we are sliding into a basic attitude of disbelief we've never known before?

Answer. Well, we are certainly losing our faith in the idea that perpetual peace and prosperity are just around the corner. We are becoming painfully aware that there are limits of our ability to amass wealth and to exercise power over the rest of the world. We have begun to realize that we are only 6 per cent of the world's population and that, at the rate the rest of the nations' populations are exploding, we will be only 3 per cent in another 50 years.

We are also aware that we are now consuming 35 per cent of the world's basic resources, and that these resources are finite—and that many, like fuel and oil, are irreplaceable. Bucky Fuller likes to remind people that it takes nature a million years to make a gallon of gas that sells for 59 cents. How long will the billions of people in other nations who are eager to industrialize and raise their living standards consent to let a handful of Americans go on consuming the lion's share of the world's perishable and irreplaceable goods? The Arab fuel crisis was a paradigm of the dilemmas we face in respect of the many vital materials we must import from abroad in order to maintain our way of life.

Remember, for years after World War II we waged cold war—economic war—against the Communist world and other unfriendly nations. Today, other nations have begun to wage economic war on us. What should we do? Pull in our belts, like they had to do? Lower our living standards? Or prepare to go to war if other nations deny us what we must have to maintain our present level of productivity? Neither answer is acceptable to us.

We talk hopefully of scientific and technological breakthroughs. And, in the matter of energy, they are altogether possible—in fact, have already been made. But at once we face another dilemma: Where are the capitalists who are willing to take the gigantic financial risks involved in developing these new sources of energy—gas from coal, nuclear plants, sun power, etc.—in the face of American labor costs and the punitive taxation imposed on today's entrepreneurs? For example, we have enough coal in America to last us 300 or 400 years. We know now how to make clean fuel from this coal. But our labor costs too much. So the coal stays in the ground, and we import coal from Poland—and are considering buying natural gas from the Russians.

Then, science and technology themselves have begun to create dilemmas. For decades Americans believed that there was nothing wrong with America, or the world, that technology and science couldn't cure. So science gave us all those lovely nuclear bombs, which more perhaps than anything else have turned so much of the American dream into the American nightmare. And the beautiful technology that was going to produce Utopia has, of course, produced some marvelous things—airplanes, TV's, autos—but it has also produced smog, pollution, traffic jams, urban decay and endless weapons of prodigious destructiveness. In my lifetime, science has prolonged the average life span 10 or 15 years, but it has also made it possible for an enemy to wipe out 50 million American lives in a 20-minute nuclear attack.

Our faith—which had virtually become a religious faith—in salvation by science and technology probably began to collapse when we realized that we didn't know—we still don't know—how to get the nuclear genie back into the bottle. A great part of our American malaise is that we have lost confidence in our ability to use our own prodigious scientific and technological know-how to our own good. We can plant our flag on the distant moon and send satellites whizzing around Mars. But we can't seem to keep our own rivers and lakes and cities clean. "Is a puzzlement" for everyone.

Question. You spoke of "pulling in our belts." Why do people seem increasingly to feel like "living it up" instead of restraining or inconveniencing themselves?

Answer. Because people really don't know what they should do in the present economic crisis. They instinctively know that if everybody stopped "living it up"—I mean, stopped spending for things they really don't need—our economy, which is a consumer-luxury economy, would quickly collapse. But they are also fearful that we may be spending ourselves into a depression.

When people know what they should do—when they are told what to do—by leaders in whom they have confidence, they respond well. In the fuel crisis last year, it was remarkable how well they responded to the White House's request for their voluntary efforts to cut down their fuel consumption.

Question. Why can't Americans practice self-restraint without being told?

Answer. Because throughout their history, the more they have spent, and even wasted, and the more they have "lived it up," the more prosperous they have seemed to become. "Living it up" is an old American habit acquired in an economy of plenty. We just don't know how to behave in an economy of scarcity.

Also the people don't practice self-restraint because their political leaders—especially their Congress—don't encourage them to do so. You don't get elected to Congress by telling your constituents they can't have what they want. You get elected by promising them you will see to it that they will have everything they want—and more. And you certainly never tell them who has to pay for it all: They do.

Question. Does inflation feed a national urge to spend before prices take another jump?

Answer. Yes, of course it does. Most people, myself included, feel quite helpless about inflation. There seems to be no agreement in or out of Government on how it should be controlled.

Some weeks ago in Chicago, I heard a couple of economists having a hot discussion on the subject. One wanted price controls; the other didn't. I asked, rather timidly, "What do you think is the cause of inflation?" They couldn't agree on that either. Finally one of them said in exasperation, "The cause of inflation is exactly what any particular economist says it is when it begins to happen." No wonder they call economics "the dismal science."

Oh yes, there was one thing on which both of those economists did agree: that Government spending simply had to be controlled. But they also agreed that Congress is a kind of economic wino—hopelessly addicted to spending, even though it knows it can all wind up in the gutter of a great depression.

Question. What has happened to patriotism—that old-fashioned concept of flag and country?

Answer. If by "patriotism" you mean the willingness to defend this country if it were attacked, I feel sure that is still there. But if you mean by "patriotism" pride in the country, well, a great many Americans, especially young Americans, aren't particularly proud of America just now.

It all goes back to the fact that America isn't living up to our historical and traditional Utopian expectations. The flag is an emotional symbol. It stands for the way you feel about the country. People who feel that the country is doing the wrong thing—as many did about Vietnam—take out their emotions on the flag.

G. K. Chesterton once said, "To say 'My country, right or wrong' is like saying 'My mother, drunk or sober.'" A lot of young Americans feel it is patriotic to try to sober up your mother—I mean, to criticize your country when you think it is doing wrong. The trouble with a lot of these young people is that they dig holes they can't fill. They have plenty of destructive criticisms of America, but very few constructive ideas. Well, I don't have too many, either, these days. But I am sure of one thing: Violence—the Symbionese sort of thing—is no more the answer to any of our domestic problems than war is for our international problems.

There are a lot of things wrong with our country. But compared with any other country, it is still the fairest, richest and freest land of all. Patriotism, or so it seems to me, is just as much a positive value in our national life as honesty or what we call morality.

Question. Why do the churches seem so powerless today to restore faith in the old moral virtues, the "positive values"?

Answer. The churches, as formal institutions, have themselves brought too many of the materialistic values of our success-oriented society. The collapse of faith—faith in the crucified God—among churchmen themselves is too big a subject to go into here. But let me say that the churches—or rather the theologians in the churches—have failed to deal effectively with the three greatest revolutions of modern times: the scientific and technological revolution, the psychological revolution and the sexual revolution.

During most of man's history his greatest energies have been spent on conquering his environment—or taming nature. In modern times, his science and technology have given him the tools to achieve a high level of mastery over all but the most tremendous forces of nature—earthquakes, hurricanes, tidal waves, etc. He always realized, of course, that there was another problem: achieving some mastery over himself—over his own human nature, which always was, and still is a great mystery to him.

Voltaire always said that if God did not exist man would have to invent him to explain man to himself. In any event, for thousands of years, man explained the mysteries he found in himself and in his world in terms of a cosmology, or a God who had created and programed the universe, and put every living thing into it—especially man—for some transcendent and divine purpose.

Man, according to Christian belief, was the animal who was different from all other animals: He had a soul. The divinely ordained purpose of his life was to "save his soul" by loving, worshiping and obeying the law of God. All the Ten Commandments, when you think about them, are commandments to man to control his purely animal instincts and emotional impulses.

I feel like a fool trying to explain the "death of God" or the collapse of Christian faith in a few sentences. But the theory of evolution was just one of the scientific discoveries that dealt faith a blow. But Freud, who formally opened the psychological revolution, dealt it a very great blow. I do not dispute—who can?—The genius of Freud, and his tremendous insights into the subconscious workings of the human mind. But the fact remains: Freud convinced generations of men in the West that man was simply and entirely an animal, that he had no soul and that everything—but everything—man created, from banks to cathedrals, from governments to gods, were "sublimations" of his repressed infantile sexual desires.

Quite simply, between science and psychology, modern man has lost his soul. That is really what is at the root of his malaise.

Question. Could you elaborate on that?

Answer. Oh dear! Well, man is either an animal who, like any other animal, is born to devour or be devoured, kill or be killed—to rut, to rot and to die—or he is an animal quite different from all other animals.

One great difference obvious to everyone is that he tries not to be the animal, for some mysterious reason, nature intended him to be. Nature intended him, for example, to defecate and urinate whenever and wherever he had the impulse; from the most ancient times, he has toilet-trained himself. Nature intended him to kill and eat anything edible when he was hungry; throughout history, mankind has viewed cannibalism as abhorrent. Nature intended him, as an animal, to freeze, fight or flee in the face of danger. He has the same instinct for self-preservation and aversion to pain as all other animals, but he "goes down with the ship"; he accepts torture rather than betray his comrades, his country or his God. He gives his greatest good—his own life—for the good of others.

The list of unanimal-like and antianimal-like things man does and doesn't do is endless, including thinking about the future and contemplating his own death. Let us, for the sake of argument, admit that all the strange unanimal-like things he does are sublimations of his animal sexuality. We are still stuck with the mystery: Why does he repress his animal desires? Why does he "sublimate"? Freud never came up with an answer to that one.

In any event, no man can live and no society can survive for very long without a religion and a faith of some sort that explains man's nature and the meaning of his life and death. I agree entirely with Toynbee that the history of civilization is the history of society's religions. By "religion" I mean any system of thought and belief that "ties things together" and gives a society something which explains to its satisfaction the meaning of life and death, of good and evil, and of man's own nature.

Communism was such a religion to many young people in my youth. So, in Germany, was Nazism. It's hard to make a religion of democracy, because it's such a flexible system. Besides, democracy as we know it in the West is the political formulation of our Judeo-Christian ideas about the nature of man. We are bound to lose democracy in proportion as we desert our Judeo-Christian religious beliefs and values. And I'm afraid that may be what is happening now.

AS WOMEN ENTER A "MAN'S WORLD"

Question. Mrs. Luce, has the last quarter of a century brought any change for the better in America?

Answer. There has been a change for the better in the matter of the equality of the sexes. And of the races. Men are beginning to treat women less like animals, or to use the popular phrase, "sex objects."

Consider again what nature intended. It programed a normal, healthy female to have 30 children. My great-grandmother had 21. My grandmother had 11. Does any man in his right mind today want his wife to do what nature intended? Well, thanks to medical technology, she doesn't have to have any more children than she chooses to have.

I'm all for women who want children, and who desire the career of mother and housewife. But I'm also for women who prefer other careers. I'm especially for women—and with all my heart—who have to work to support themselves or their families, and are being discriminated against in their wages and jobs.

For example, look at the Pentagon. Women are almost 41 per cent of the Defense Department. Yet, out of the 885 career and appointive employes in the top three grade levels, only five are women. Over 80 per cent of the employes in the three lowest grades are women. Our Defense Department seems more scared of giving a break to women than of giving it to the Russians.

Anyway, as a woman, I welcome the entrance of women into what was once called "man's world." But what must now be done is to give them equal pay for equal work, and the opportunity for upward-mobility jobs. As to whether the effort to do away with sexism and racism in America will make us all happier, who knows? But you can say that any time we move to end discrimination, things are getting better.

Question. What other changes would you like to see?

Answer. I would like to see a reform in our educational system. I would like to prevent young people from going to college for one or even two years after graduation from high school. I would like laws permitting them to work during those two years, or maybe to go into social work of some sort.

I would like to provide a period of socially accepted "dropout" so that young people can really find out what living and working in the real world is all about. The ones who decided, after that period, to go to college would be motivated by a real desire to learn. They would go to college as matured young men and women, and not as overgrown "kids," which is the humiliating word we use now for 20 and even 24-year-old young adults.

A lot of educators have this idea. They have discovered that war veterans and even dropouts who come back to college after a year or two in the adult world become serious-minded students—and generally know what they want to study. You know, you can't teach anybody anything unless he or she really wants to learn. College should be a place reserved only for those who desire to learn.

Question. Would you prescribe the same for young women?

Answer. Oh, yes. Then there's another thing I'd like to see happen: more institutions of learning for adults. There must be thousands and thouands of adults—people over 30—in this country who would love to go to college: men who couldn't afford to go when they were young; women who married when they were young.

Take me—I never went to college. My parents couldn't afford it, and then I married very young. All my life, I have wanted the university experience. But where could a person of 40 or 50 go to college without feeling ridiculous and conspicuous? Education shouldn't be something you can get only in your 20s. I think an old-people's college would be positively jammed. Think how thrilling it would be to get your B.A. at 40 or a Ph. D. at 60!

Question. In your travels, particularly around the United States, do you find people better informed about foreign developments than they were a decade or two ago? Or are they becoming isolationists?

Answer. The American public has never, perhaps in this century, been worse informed about either foreign or domestic developments than they have been in this past year and a half. The media's obsession with Watergate has driven almost everything else from the forefront of the news. As far as much of the press is concerned, the only thing worth reporting to Americans is what happens in the Watergate depths and on the Golan Heights.

I sometimes think that this is because the press subconsciously—or consciously—can't bear to tell their fellow Americans what a general mess the West is in, because they themselves are fresh out of ideas about what to do about it. They are, of course, out of their cotton-picking minds if they really think that getting Nixon out of there is going to solve the growing resources crisis, inflation, the threatened collapse of NATO, or any of the other serious world problems that they aren't focusing America's attention on—or letting the President attend to. If Pulitzer Prizes were being given out for distinguished services to the cause of isolationism, the Watergate press would get them all.

Also, there's this question of "sharing the wealth." Liberals aren't as eager as they were a decade ago to raise the living standards of the underprivileged nations at the expense of the U.S. taxpayer. It's one thing, they are beginning to think, to raise other people's living standards if your own are zooming, but it's another thing to raise them if doing so knocks down your own. They are beginning to wonder if today liberalism shouldn't begin—and end—at home.

Curiously enough, the liberals themselves are growing isolationist at the very hour when the electronic revolution in communications is able to bring the problems of every other nation into every man's living room. The terrible miseries being suffered by the peoples of Vietnam, India, Bangladesh, Pakistan, Africa—with the flip of the dial we can see them all. The question is: Do we really want to see them if we can't do anything about them?

One thing is certain: The U.S. has a great many difficult problems of its own to solve, and it will not and cannot undertake any great new aid programs. To this extent, it has already gone isolationist. But its diplomatic, economic and military relations with other nations cannot, and should not, be neglected or ignored. And that, unfortunately, is the effect of the media's obsession with Watergate. We have all but forgotten that any other question except "the tapes" exists.

Question. What has been the effect of Watergate on the national psyche?

Answer. Very melancholy indeed. Man has to look up, and have faith. As a child he looks up to his Godlike parents. As he grows older he finds other authority figures, in his favorite scientist, philosopher or professor.

Americans, traditionally, have very little respect for politicians as a class. The very word "politician" has always been used in a derogatory sense. Look in the dictionary if you don't believe that. When Americans respect a politician they call him a statesman. But Americans do have great respect for the office of the Presidency, and they deeply desire to look up to and have faith in the man who occupies it. They want to admire the Great White Father.

Now, no President who ever lived has been admired and trusted by all the people. F.D.R. was a popular President with a majority, but a good 40 per cent disliked and distrusted him at all times. But there is no doubt that, despite the many costly mistakes he made, he dignified the Presidency, especially after Pearl Harbor, in his role of Commander in Chief.

That sleazy complex of events we call Watergate has unquestionably robbed the President of much respect and dignity. I want to believe that Mr. Nixon will be able to restore it before he leaves the White House. But, meanwhile, our national pride in the Presidency has been wounded.

THE "HYPOCRISY" OF WATERGATE

Question. Is Watergate going to leave a deep scar?

Answer. I could wish that what it would soon leave is a scar, for that would be a sign of healing. I am more inclined to believe that the wound will become infected, and suppurate for a very long time. A lot of the political fingers that have pointed at Nixon—and pulled open and widened that wound haven't been what you could call surgically clean. And the people know that and resent it.

A certain amount of corruption, dirty tricks and law bending are endemic to democratic politics, and any politician who denies it is an expletive-deleted hypocrite. Really clearing up politics in this great democracy would be more Herculean task than cleaning up the Augean stables.

What is important is to keep corruption and unethical practices in politics, like crime in the country, at a tolerable level. When it is discovered in the White House, it tends to pass the tolerable level. But what also, perhaps, has passed the tolerable level is the hypocrisy of many of the politicians who have fingered the President on the score of unethical political practices.

Question. Have your views about Mr. Nixon generally changed significantly in the past year or so?

Answer. I have always thought Mr. Nixon a remarkably competent man. I can think of no political figure today in whose hands I think the republic would be safer. I also think that he will go down in history, despite Watergate, as a great President. I am disappointed, very disappointed, that he put his trust in such a crummy crew of counselors. But then, Julius Caesar put his in Brutus, with his gang of coconspirators, and Jesus himself picked Judas.

Great men, as a matter of fact, are rather famous for picking unreliable subordinates. Isn't it often the trusted partner who robs the safe?

Question. You once served in Congress. Has Congress gone downhill over the past quarter of a century?

Answer. The Congresses I served in were Roosevelt rubberstamp Congresses. Under the pressures of the Depression and the war, they all but totally handed over their constitutional powers to the White House. The Roosevelt Congresses turned the White House into a virtual dictatorship. The Congress has never recovered the power that it passed over to the Chief Executive after 1933.

It is doing a lot of yowling just now about recovering its lost powers and restoring the constitutional balances. Nobody who knows anything about the Congress and the way it is presently structured believes a word of it. Give it a simple problem, and the Congress will make it complicated. Faced with a really tough and complicated problem, Congress worries it for months and months, and then bounces it over to the White House to handle.

Take the energy crisis. Almost a year has passed, and what has Congress done about it except those endless hearings? To be sure, Congress still has the power—the overwhelming power that the Constitution gave it—over the purse strings of the nation. The tragedy—and it is a tragedy for the country—is that while it still has the purse, it has thrown away the strings. It counts on the White House to save it from its fiscal follies by vetoes. The Congressmen then tell their constituents, "I voted the money to you, but the mean, old, uncompassionate President vetoed the bill."

The height of compassion at this moment is to spare the people the ravages of inflation. If next November brings us a veto-proof Congress, it won't matter whether Nixon or Ford is in the White House. Unless the wise heads in the Congress prevail, we'll have the wildest inflation that the country has ever seen. Of course, there's always the hope that the media may come to its senses and take out after the Congress. But they probably won't until inflation begins to eat up the profits of the newspaper business.

Question. How would you characterize the media's handling of Watergate?

Answer. It reminds me of a famous Texas character, Judge Bean, known as "the law west of the Pecos," who said, "Let's give this here horse thief a fair trial before we hang him at 2 o'clock this afternoon."

But in criticizing the President, the media is only doing what it has always done. If you read the attacks that the press has made on other Presidents in days gone by, the attacks on Nixon are not, by comparison, much worse. In fact, Washington, Jefferson, Lincoln and—in his first term—Roosevelt were just as savagely treated. The press hotted the Congress up to impeach President Andrew Johnson.

When you read the history of the press, I think you have to admit that the media, while it is infinitely more powerful than it was even 50 years ago, is, give or take a vindictive paper here or there, altogether a much better and fairer press.

Question. In general, how can America work its way through its malaise?

Answer. We will, somehow, have to adjust ourselves to living in a world whose basic economy is now one of scarcity. We will have to learn how to handle the unpleasant and dangerous side effects of our technology—pollution, and all that. We will have to devise a foreign policy and a military strategy that will safeguard us from both economic and military attacks. All this isn't going to be easy. But I feel sure that, if we have the will, we do have the skills and physical resources to make it to our third centennial as one of the world's great—if not greatest—nations.

Question. Are the spiritual resources still there?

Answer. They are there, any time we choose to call on them. They are like the unlimited mountains of coal we are sitting on. We have to dig for them—and pay the price for doing so.

Question. Do we need a better quality of leadership in the West?

Answer. Obviously.

Question. How are we going to get it?

Answer. When you ask that quetsion, my crystal ball fogs up. I don't see any great new leaders in it just now. Some very good men, but not great—just the same faces we've had in the polls for the past eight years. But here's where faith comes in: I have faith that when we really need an inspired leader, our country will produce one.

"I HAVE FAITH IN THE PEOPLE"

Question. Do our leaders today have real faith in the democratic system's ability to change things for the better?

Answer. Well, they should have. It's the most flexible political system that has ever been created. It is my view that democracy is fair-weather government. But the marvelous thing about democracy is that when the weather turns foul—as it does in war and great crisis—it can voluntarily turn itself into a democratic dictatorship, and then, when the weather improves, return to fair-weather democracy again.

It seems to me that the idea embodied in our Constitution, of free people guiding their own destiny, is the noblest political idea man has ever had. We must never forsake it.

I would like to be more optimistic than a lot of what I am saying sounds. But while I think that America is going through a very downbeat and dangerous period, I do have faith in the character of the American people. When the going gets really rough, as it has before in our history, they will pull themselves together, and then, pulling together, they will pull America out of danger.

We are a know-how, can-do people. But we just have to become again a will-do people.

A CLARE BOOTHE LUCE SAMPLER

Watergate: "That sleazy complex of events . . . has unquestionably robbed the President of much respect." However, "I also think he will go down in history . . . as a great President. I am very disappointed that he put his trust in such a crummy crew of counselors."

Congress: It "is a kind of economic wino—hopelessly addicted to spending, even though it knows it can all wind up in the gutter of a great depression."

The media: "The American public has never, perhaps in this century, been worse informed about either foreign or domestic developments" because of "the media's obsession with Watergate."

Women's liberation: "There has been a change for the better in the matter of the equality of sexes . . . Men are beginning to treat women less like animals."

America's limits: "We are becoming painfully aware that there are limits to our ability to amass wealth and to exercise power over the rest of the world."

Patriotism: "A great many Americans, especially young Americans, aren't particularly proud of America just now. . . . America isn't living up to our historical and traditional Utopian expectations."

Religion: Institutional churches have "bought too many of the materialistic values of our success-oriented society. . . . Quite simply, between science and psychology, modern man has lost his soul. That is really what is at the root of his malaise."

The future: "America is going through a very downbeat and dangerous period," but Americans "will pull themselves together."

MGM'S GREAT ENTERTAINMENT

Mr. McGOVERN. Mr. President, I rarely use the CONGRESSIONAL RECORD for comments on the world of entertainment. But on Tuesday night of this week, two of my daughters and I were guests of the Uptown Theater for the opening showing in Washington of "That's Entertainment"—MGM's golden aniversary highlights of some of its greatest musical and dance movies.

Listening, watching, and reliving these marvelous musicals of the past half century was one of the most enjoyable and uplifting experiences of my life. I have no hesitation in recommending this superb compilation of musical highlights to persons of all ages and tastes.

I ask unanimous consent that reviews of "That's Entertainment," by Gary Arnold in today's Washington Post and by Donia Mills in the Washington Star, be printed in the RECORD.

There being no objection, the reviews were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 26, 1974]

MGM's "THAT'S ENTERTAINMENT!": "AN UNDENIABLY ATTRACTIVE SPREAD"

(By Gary Arnold)

There are moments in "That's Entertainment!," MGM's Golden Anniversary compilation of highlights from its frequently grand and sometimes just grandiose musical comedy past, which provoke a slight gnashing of the teeth at the foreshortening or drastic cutting of certain numbers.

Happily, the irritation is short-lived, because this collection is simply too rich and exhilarating to resist. It seems absurd to quibble about a few missing delicacies in the face of such an undeniably attractive spread.

As it happens, "That's Entertainment!," which opens today at the Uptown (after an invitation-only preview last night), is the second most enjoyable compilation ever seen, and even if badly done it's hard to resist any collection of vintage film clips.

The most engaging was a one-shot affair produced about a dozen years ago by Albert Johnson, who ran the University of California film programs. Johnson drew from all the studios, so his survey included the Astaire and Rogers musicals for RKO and the Busby Berkeley production numbers for Warner Bros., as well as the MGM musicals.

"That's Entertainment!" is a one-studio compilation, but since the studio is Metro, that represents a lot of musical entertainment and certainly musical supremacy from the early-to-middle '40s through the middle-to-late '50s.

The movie tells us much about what we lost with the abandonment of the original screen musical and the subsequent dependence in the 1960s upon Broadway adaptations.

"That's Entertainment!" hits most of the high spots from "The Broadway Melody" to "Gigi," which represents a vast esthetic distance from the exceedingly primitive to the exceedingly sophisticated. The compilation includes about 60 separate numbers, some more or less intact and others used only sparingly.

MGM had Mickey Rooney and Judy Garland (and Busby Berkeley to direct them), Gene Kelly (who brought along the teen-aged Stanley Donan as his assistant choreographer), and then Fred Astaire in the second phase of his film career. MGM got Pandro S. Berman, the producer of the Astaire-Rogers series, from RKO and Joe Pasternak, the producer of the Deanna Durbin series, from Universal.

Ironically, the greatest producer of movie musicals had been on the lot all along. The late Arthur Freed came to MGM in 1929 to do the score for "The Broadway Melody" with his song-writing partner, composer Nacio Herb Brown. Brown and Freed did tunes for MGM musicals throughout the '30's, and in 1940 Freed became a producer, specializing in musicals.

The 40 titles that begin with "Babes in Arms" include most of the important musicals made since 1940, and if one chooses "The Wizard of Oz" as the starting point—Freed was the associate producer—the list is even more fabulous.

No studio has rivaled the output of the Freed unit at MGM and no studio has picked up the tradition of the original film musical from where Freed and director Vincente Minnelli left it in 1958 with their last triumph "Gigi."

Since the running time of the film is 127 minutes, some quick arithmetic should alert musical fans to the inevitable cuts and omissions. The two great solo turns from "Singin' in the Rain"—Donald O'Connor's "Make 'Em Laugh" number and Gene Kelly's title dance—came through more or less intact. The prologues are gone, but the slapstick and lyric substance of the numbers remains, and one presumes he's joined by millions in considering them the most joyous numbers ever committed to film.

Kelly's enchanting dance with Jerry the Mouse from "Anchors Aweigh" has survived satisfactorily, and at least four Astaire highlights are unmarred—the sublime hat rack and wall-and-ceiling dances from "Royal Wedding," the "Dancing in the Dark" number with Cyd Charisse from "The Band Wagon," and that wonderfully mellow duet with Jack Buchanan, "I Guess I'll Have to Change My Plans," also from "The Band Wagon."

Although the big ballet from "An American in Paris" is not this reviewer's favorite, Kelly has a right to feel annoyed at its being cut in half, especially since the narration builds it up as the climactic achievement of the American musical cinema. It would be wiser if the narration mentioned the cuts from the outset.

Two Astaire numbers from "The Barkleys of Broadway"—"Shoes with Wings On" and "They Can't Take That Away From Me"—get rather perfunctory footage, and there's the merest snatch of his fine "By Myself" solo from "The Band Wagon."

"That's Entertainment!" is never less than an amusing memory album, but the excerpts don't begin to take hold emotionally until they catch up with the strongest musical comedy performers, namely Rooney, Garland, Astaire and Kelly. They come and go in early stages of the compilation, but they take over in the later stages, and it's obvious that MGM and American movies wouldn't have been the same without them.

If MGM's musical comedy reputation had depended upon such landmarks of the '30s as the white elephant finale from "The Great Ziegfeld" ("A Pretty Girl Is Like a Melody"), the love duets of Jeanette MacDonald and Nelson Eddy, and the proficient but uninspired hoofing of Eleanor Powell, "That's Entertainment!" would have been a rather preposterous project.

As a matter of fact, there's a slightly embarrassing sequence preceding the arrival of Rooney and Garland in "Babes in Arms" in which James Stewart describes how he and other nonmusical contract stars were required to get in the singing-dancing act.

A few of them—Cary Grant, Clark Gable, Stewart himself in a thin but appealing rendition of "Easy to Love"—fake it rather nicely, and it's pleasant to be reminded of the conviction and professionalism performers displayed in this era, whether or not the assignment suited their particular skills. Nevertheless, there is no reason to confuse Grant, Gable and Stewart with legitimate song-and-dance personalities.

When Rooney and Garland enter, they light up the screen with their youthful enthusiasm and vivacity. These kids are not faking it. They sing and dance up a storm, and even their naivete seems lyrically charged and energizing. There is no return to the "They Also Sang" tone of the '30s clips, which suggest the kind of pleasantly facetious thing that producer-director-writer Jack Haley Jr. often did on his "Hollywood and Stars" television series.

The remainder of "That's Entertainment!" is dominated by the work of unique and indispensable stars. The passages devoted to Astaire, Kelly and Garland put this compilation on another level—the level of genius.

While it's perfectly true that these are once-in-a-lifetime performers, their uniqueness shouldn't be used to make new generations of performers feel automatically inferior. There won't be another Astaire or Kelly or Garland, but there's no reason to believe these are the last of the originals. If this compilation were simply for antiquarians, it would be a waste of time. "That's Entertainment!" doesn't make you want to see only the old favorites again. It also whets your appetite for new work in the best of the old traditions.

No one in his right mind desires musicals in their former abundance. Lest we forget, there are very few shows with scripts as witty and disarming as "The Wizard of Oz," "Meet Me in St. Louis," "Singin' in the Rain," "The Band Wagon" or "It's Always Fair Weather."

As a rule, you paid for the musical highlights by suffering through tedious or downright imbecilic exposition.

The night after seeing "That's Entertainment!" I attempted to stay up to watch "Anchors Aweigh" on television, but the hackneyed plot had me in dreamland long before Kelly's good dance numbers rolled around. An ideal compilation film might put together all the good numbers from all the dreary musicals.

In theory, musicals should improve if there is no longer a need to manufacture routine, staple musicals. What happened in Hollywood in the late '50s is that the original screen musical was abandoned altogether while the Broadway hits were inflated to blockbuster dimensions. The intimate, satirical Hollywood musical vanished, and the industry failed to develop a new generation of song-and-dance specialists, preferring to "protect" their huge investments in Broadway shows by paying big for presumably big names.

The studios alternately sustained and bankrupted themselves on largescale Broadway adaptations in the '60s, but what is there left to adapt now? Perhaps Hollywood will be compelled to encourage original musical comedy material out of sheer necessity. There's no sign that audiences have ceased liking musicals.

In recent years "Funny Girl," "Oliver," "Fiddler on the Roof," "Cabaret" and "Jesus Christ Superstar" have proved successful, and Cy Feuer, the producer of "Cabaret," pointed out that such "flops" as "Hello, Dolly!" "Darling Lili," "On a Clear Day You Can See Forever" and "Paint Your Wagon" grossed a good deal at the box-office and should have been hits, if only their costs had been kept under control.

One would like to see Feuer (or someone) attempt a systematic approach to film musical production in this decade. Just because we haven't had an independent Arthur Freed is no reason why we can't have one. Perhaps "That's Entertainment!" will also help remind us which aspects of musical comedies are more and less important.

For a personal taste, the big production numbers can remain relics of the past, but gifted solo singers and dancers are absolutely essential. One may enjoy and marvel at such Busby Berkeley spectacles as his mind-boggling aquacade for Esther Williams in "Million Dollar Mermaid," but that doesn't mean they should be revived. On the other hand, it would be lovely to see a fresh group of star performers.

The simplest lyric situations leave the most lasting impressions: Astaire dancing with a hat rack, Kelly dancing in the rain, Garland singing "You Made Me Love You" or "Over the Rainbow" or "Get Happy." These are the emotionally stirring and liberating routines, and not one of them depends upon "production values." Unfortunately, it is easier to stage extravaganzas than develop singing and dancing stars.

The sequences in "That's Entertainment!" are narrated by Fred Astaire, Bing Crosby, Gene Kelly, Peter Lawford, Liza Minnelli, Donald O'Connor, Debbie Reynolds, Mickey Rooney, Frank Sinatra, James Stewart and Elizabeth Taylor. Obviously, some of these names have more legitimate links with MGM's musical heritage than others.

Stewart and Taylor were nonmusical stars at Metro. Crosby was a Paramount star who passed through MGM on loan to Marion Davies for "Going Hollywood" in 1933 and then returned 23 years later for "High Society." O'Connor was a Universal star loaned for two pictures, the immortal "Singin' in the Rain" and the very mortal "I Love Melvin."

Perhaps because this is a house compilation, all the narrators tend to reminisce in generalities. The text is chatty rather than informative, and one wishes that someone—perhaps Vincent Minnelli—had been secured to reminisce about Arthur Freed.

The most effective narrator is Liza Minnelli, who introduces the sequence devoted to Garland. Part of her effectiveness stems from the personal angle—she's talking about her mother, after all—but another part derives from her youth. Minnelli is the only *young* star among the narrators, and the film desperately needs this link with a new generation.

Without her "That's Entertainment!" would seem exclusively like an oldtimer's show dedicated to celebrating the Good Old Days. Her presence allows one to look forward as well as backward, and that dual vision is necessary to anyone who cares about the survival of the musical film. "That's Entertainment!" celebrates a justly glorious past. Let's hope it also inspires a revitalized future.

[From the Washington Star-News, June 26, 1974]

NOW THIS IS ENTERTAINMENT! AS IT WAS AND IS

(By Donia Mills)

("That's Entertainment—A United Artists release of an MGM Production, written, produced and directed by Jack Haley Jr., with music adapted by Henry Mancini. Narrated by Fred Astaire, Bing Crosby, Gene Kelly, Peter Lawford, Liza Minnelli, Donald O'Connor, Debbie Reynolds, Mickey Rooney, Frank Sinatra, James Stewart, Elizabeth Taylor. At the Uptown Theater.)

"That's Entertainment" is aptly named—an irresistible pastiche of show-stopping song-and-dance numbers from the golden age of MGM musicals, assembled to celebrate the studio's 50th anniversary. It opened today at the Uptown Theater, and here's one sentimental journey on which everyone imaginable should rush to book passage—people who love movies, people who just like movies, and especially people who have given up on movies because they aren't fun any more.

"That's Entertainment" is nothing but fun, a collage of 76 musical highlights covering 30 crucial years in the development of the genre:

Here are Gene Kelly dancing with an animated Jerry the Mouse in "Anchors Aweigh," and Fred Astaire dancing with a hatrack in "Royal Wedding"; Eleanor Powell crashing through a dozen cellophane hoops and straight into the audience's heart in "Rosalie," and Donald O'Connor flailing through his comical "Make 'em Laugh" number from "Singin' in the Rain," which lays claim to the title of funniest musical number ever filmed.

Here's a chance to wax nostalgic about an era when no order was too large for MGM production crews to fill. Working on sound stages or studio lots, they would recreate Grand Central Station or the Pacific Fleet just so Bing Crosby or Ann Miller could surge through singing a song.

Frank Sinatra, narrating at one point, says it best: "You can wait around and hope, but you'll never see the likes of this again."

He's right, of course: musicals today tend to be stuffed with money but starved for talent. Few performers can any longer muster up the moxie that Mickey Rooney and Judy Garland, just to name one couple projected in the series of the 1930s "backyard musicals" that included "Babes on Broadway" and "Strike Up the Band."

They may have had the same plots, characters and even identical lines, but they also had some immortal brand of spirit—born of who cares how many grim story conferences and tearful umpteenth takes—that still has an undiminished tonic effect.

The script of "That's Entertainment," pieced together by former television documentarian Jack Haley Jr., doesn't hesitate to point out the laughable as well as laudable in MGM's history. We are treated, for example, to a succession of musical numbers done by people who were obviously forced into performing against all their natural inclinations—Joan Crawford dancing, Jean Harlow singing, and Clark Gable doing the vaudeville routine in "Idiot's Delight" that had angry fans rising up in arms in 1939 to protest the indignity done their suave idol's image.

* * * * *

In technical matters, "That's Entertainment" is literally unparalleled. The old films have been re-shot in 70mm, which means they look even crisper and brighter than in their original presentation, and the sound tracks have been re-recorded in four-track stereo. Clips from "Gigi" and "Seven Brides for Seven Brothers" demonstrate the wide, sweeping band of old-fashioned Cinemascope, once the hottest fad in Hollywood but now obsolete. And the old-fashioned Metrocolor is simply dazzling—brassily unreal, almost iridescent, as if black, white, or halftones weren't on the MGM palette.

The compilation flows smoothly from one thematic segment to another with pleasing variety and proportion, bombarding the audience with famous faces almost faster than they can register—including some priceless newsreel footage panning down the tables at MGM's 25th-anniversary luncheon in 1949, when the famous stable was bulging with stars.

Eleven of those faces appear in the present to narrate various portions of the show, although these snippets of script are, alas, not always as indispensable as the excerpts that they were written to introduce. It's always nice to see James Stewart, Gene Kelly, and Fred Astaire, of course—and Liza Minnelli is lovely, appearing like a bright spot of hope for future musical comedy as she talks simply and earnestly about mother Judy Garland and her parabolic career in Hollywood.

But who needs Elizabeth Taylor, photographed in shimmering chiffon and a fortune in diamonds, telling us breathily: "What wonderful years those were at MGM"?

And there seems no way to avoid the sometimes cloying poignance hovering over the ruins at the nearly deserted Culver City Studio—the crumbling college set used for "Good News," the peeling white frame house where Andy Hardy lived—a virtual Acropolis of American movie mythology.

We watch the phantasmagoric aquatic revels of Esther Williams, and then see Donald O'Connor walking around the empty, weed-choked pool where they were staged.

Liza Minnelli has perhaps the most fitting line of all: "Thank God for film—it can capture a performance and hold it forever."

MINNESOTA INDUSTRY INVOLVED IN RESEARCH ON EARTH'S CONTINENTAL CRUST

Mr. HUMPHREY. Mr. President, over the years, scientists have hypothesized that the American and Euro-African continents once were part of the same land mass.

Recent studies of the Earth's crust are in support of this theory and have shown that these continents indeed are moving farther apart. They indicate that the

American land plate is formed in the mountainous rift valley that runs down the center of the Atlantic Ocean. The plate proceeds to move toward the west where it descends back into the earth's mantle at the San Andreas fault in California.

The verification of this theory has led to the further study of the Earth's crust at this rift valley. The high level of heat flow in this region where the continental plate is formed has encouraged scientists to believe that it also is the origin of many of the metallic ores that exist on the Earth's surface.

A joint French-American project has begun to look into this possibility. The primary sea craft being used in this operation is the submarine Alvin, which was built by Litton Industries in Minneapolis.

On June 23, an article entitled "Scientists Go Down To Watch the Oceans Grow" appeared in the New York Times. This piece deals with some of the continental drift phenomena that presently is being observed at depths of up to 9,000 feet with the aid of the Alvin.

Mr. President, I ask unanimous consent that the text of this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Scientists Go Down To Watch the Oceans Grow

(By Walter Sullivan)

No modern discovery about the earth is more astounding than that the continents are not fixed in place. The Atlantic ocean basin is constantly opening; the Pacific, constantly closing, and the land masses bordering them are in motion. Asia and the Americas are, in effect, moving toward each other.

The idea of continental drift was first championed in 1912, by the German meteorologist and polar explorer Alfred Wegener. Then, it was a scientific heresy.

Now, a revised theory, called plate tectonics, is widely accepted. It stems from two postwar discoveries. One is that ocean basins are continually being split apart, and lava rises into the resulting rift valleys to add to the sea floor; the other, that where trenches descend into the ocean bottom parallel to volcanic coastlines like those of Chile and Peru, or along island areas like the Aleutians, the sea floor is descending, into the earth's deep interior, subtracting from the total. The additions and subtractions are due to the movement of giant plates on which the continents and the oceans rest.

This week, the most ambitious deep-sea diving program ever undertaken will begin. Its purpose is to observe at first hand the volcanic processes by which new sea floor is manufactured. Not only is it a project of high scientific goals. It is one of high adventure.

DIVES WILL BE 9,000 FEET

Two hundred miles southwest of the Azores, some 60 dives are to be made by American and French deep submersibles into the rift valley that bisects the Atlantic. There, two plates are being driven apart by forces still not fully understood. The vessels will penetrate water so deep—around 9,000 feet—that it will take an hour to sink into the canyons in the ocean bottom.

The American craft in the cooperative venture, known as Project FAMOUS (for French-American Mid-Ocean Undersea Study), is the Alvin, operated by the Woods Hole Oceanographic Institution for the United States Navy. It was the Alvin that finally found the hydrogen bomb that fell into the Mediterranean in 1966 when a United States Air Force mid-air refueling exercise over Spain ended in disaster.

The Americans set out from Woods Hole, Mass., on June 5, the research ship Knorr, with the Alvin lashed down on the deck, towin the catamaran, Lulu. At Ponta Delagada, en route to the diving area, the Alvin was shifted to its berth between the pontoons of the Lulu. The hope is to make the first plunge Tuesday.

The French group, two mother ships and two submersibles—the bathyscaphe Archimede and the "scoucoupe plongéante" or "diving saucer" Cyana—is scheduled to arrive a few days late. The plan is to complete the dives by early September, before the autumn storms.

In its planning, its dependence on new technologies and the special training of its crews, Project FAMOUS has much in common with Project Apollo, that landed men on the moon. It also shares with Apollo a certain risk. On the first of its seven preliminary dives into the rift last summer, the Archimede was caught by an unexpected current and several times scraped its fragile hull on the rocks. The chances of damage by a sudden volcanic eruption seem slight, however, though widespread evidence of recent volcanic activity was seen.

What will be learned about the surface of the earth, and about the theory of the plates, from studying the bottom of the sea? Scientists believe that many of the world's deposits of metallic ores originated in mid-ocean rift valleys created by plate action. Metal-rich solutions, the theory goes, are extracted by hot water from rock newly risen from deep inside the earth. The water then penetrates crevices cool enough for them to solidify. Since different metals precipitate at different temperatures, the cooling sea water sorts out the ores into discrete deposits.

Scientific interest in the past two years has focused on such deposits on the Mediterranean island of Cyprus. The ancient Egyptians got their copper from Cyprus 5,000 years ago, as did later the Assyrians, the Phoenicians, the Greeks, the Persians and then the Romans. The Romans named the metal "cyprium" or "cuprium" after the island of its origin, giving English its word "copper."

Today Cyprus exports $30 million annually in mining products. The Mavrovouni ore body alone contains 43 per cent iron, 4 per cent copper and smaller amounts of zinc, gold and silver.

The hot water deposition of metals like these can be observed within the scaldingly hot brine pools on the floor of the Red Sea, opposite the sacred city of Mecca, and it is now widely believed that the ores of Cyprus were originally formed along a mid-ocean ridge. The FAMOUS dives will help confirm similar activity in the ocean rifts.

Less clear is how the new plate theory might explain ore deposits on the tops of high mountains, such as the Andes. According to plate theory, when an oceanic plate has descended under the lighter rim of a continent, and penetrated to a depth of about 60 miles, part of it begins to melt and push upward as lava, carrying ores to the surface. Such action would account for the lines of volcanoes paralleling many coasts, as in the Andes, Japan, the Aleutians and even the Cascades of California, Oregon and Washington.

It is speculated that the copper, silver, tin and other riches of the Andes first emerged along the East Pacific Rise, the ridge from which the floor of the Pacific is spreading. Then, millions of years later, they were carried down beneath South America until they were brought to the surface by volcanic action.

The deep dives will be made in search of the starting point of this process. But even the dives may not resolve a more basic question: What is the process in the earth's core that is causing the plates to move? Until that is known, studying the plates is not unlike watching icefloes, separating here and grinding together there, in a motion so complicated that it is difficult to tell what water movements are responsible for it all.

THE MALAGASY REPUBLIC

Mr. HARTKE. Mr. President, June 26 marks the 14th year of independence of the Malagasy Republic. This island republic, formerly the Island of Madagascar, is the world's fourth largest island.

For years this semitropical island has been graced by the trade winds of the Indian Ocean which has made it a haven for sea vessels plying the trade routes of the world.

The island's population of 7.2 million trace their ancestry to almost every corner of the world, and yet, they live in harmony and peace, both internally and externally.

Formerly, a French colonial possession, the Republic became independent on June 30, 1960 and launched a program of development to benefit the entire population.

Basically an agricultural country, the Malagasy Republic exports vanilla, coffee, and vast quantities of sugar. The development of its livestock industry is growing yearly with a long-range view of eventual export.

Mr. President, I am pleased to congratulate the head of government, Maj. Gen. Gamriel Ramanantsoa and the people of the Malagasy Republic on their national day.

RETIREMENT OF ADM. THOMAS H. MOORER

Mr. THURMOND. Mr. President, I rise to bring to the attention of the Senate and the Nation the retirement on June 30 of a distinguished patriot and military leader, Adm. Thomas H. Moorer.

Admiral Moorer has been in the top echelon of the military leadership of this country since October 1962 when he assumed command of the 7th Fleet. From that point he proceeded to rise to even greater positions of responsibility to include Commander in Chief of the U.S. Pacific Fleet, Commander in Chief of the Atlantic Fleet, and Supreme Commander in the Atlantic. In August 1967 he was named Chief of Naval Operations, serving in that capacity for 3 years prior to his appointment in July 1970 as Chairman of the Joint Chiefs of Staff.

As the ranking Republican on the Senate Armed Services Committee, I am personally aware of the sound military advice and outstanding judgment provided by the Chairman of the Joint Chiefs during the difficult decisions in Vietnam. His judgment in mining Haiphong Harbor, bombing of North Vietnam and other critical military operations throughout Southeast Asia were instrumental in U.S. attainment of our main objectives in this difficult conflict.

Admiral Moorer is a man of impeccable integrity, superior military judgment, and outstanding leadership qualifications. The Nation owes this distinguished citizen a great debt, and it is my hope that in retirement he will assume an active role in some capacity in order that the Nation might continue to profit from his great talents.

Mr. President, I ask unanimous consent that the following items concerning Admiral Moorer be printed in the Record following these remarks: A biography of Admiral Moorer's career; an article entitled "A Man of Unusual Integrity" which appeared in the March 1974 issue of Sea Power magazine; and a column by the outstanding writer Holmes Alexander, entitled "Defense Needs Defending," which appeared in the February 4, 1974, issue of the News and Courier newspaper, Charleston, S.C.

There being no objection, the material was ordered to be printed in the Record, as follows:

Biography of Adm. Thomas H. Moorer, U.S. Navy

Thomas Hinman Moorer was born in Mount Willing, Alabama, February 9, 1912, son of the late Dr. R. R. Moorer and the late Mrs. (Hulda Hill Hinson) Moorer. He was graduated from Cloverdale High School in Montgomery, Alabama, Valedictorian of the Class of 1927, and on June 10, 1929, entered the U.S. Naval Academy. As a midshipman he played football for three years. He was graduated and commissioned ensign on June 1, 1933, and through subsequent promotions attained the rank of rear admiral to date from August 1, 1958; vice admiral, to date from October 5, 1962 and admiral, to date from June 26, 1964.

After graduation in June 1933, he served six months on board the U.S.S. *Salt Lake City* as a junior officer in the gunnery department. He assisted in fitting out the U.S.S. *New Orleans* at the Navy Yard, New York, and served in cruiser's gunnery and engineering departments from her commissioning, February 15, 1934, until detached in June 1935. During the next year he was a student at the Naval Air Station, Pensacola, Florida. After completing flight training in July 1936 he was designated a Naval Aviator.

In August 1936 he was assigned to Fighting Squadron ONE–B, based briefly on the U.S.S. *Langley* and later on the U.S.S. *Lexington*. He was transferred in July 1937 to Fighting Squadron SIX, based on the U.S.S. *Enterprise*, and continued duty with that squadron until August 1939. He then joined Patrol Squadron Twenty-Two, a unit of Fleet Air Wing Two, and later Fleet Air Wing Ten, and was with that squadron at Pearl Harbor, Territory of Hawaii, when the Japanese attacked the Fleet there on December 7, 1941. His squadron was sent to the Southwest Pacific and during the Dutch East Indies Campaign, he was shot down in a PBY on February 19, 1942, north of Darwin, Australia. He was rescued by a ship which was sunk by enemy action the same day.

He was also awarded the Purple Heart Medal for wounds received on February 19, 1942, and the Silver Star Medal for "extremely gallant and intrepid conduct as Pilot of a Patrol Plane during and following an attack by enemy Japanese aircraft in the vicinity of Cape Diemen, February 19, 1942 . . ." The citation continues: ". . . Although he and his co-pilot were wounded in the attack, (he) succeeded in landing his badly damaged and blazing plane. His courage and leadership during a subsequent attack upon the rescue ship and while undergoing hardships and dangers of returning the survivors to the Australian mainland were in keeping with the highest traditions of the United States Naval Service."

He is entitled to the Ribbon for, and a facsimile of the Presidential Unit Citation to Patrol Squadron Twenty-Two. The citation follows: "For extraordinary heroism in action as a Unit of Patrol Wing Ten attached to Aircraft, U.S. Asiatic Fleet, operating against enemy Japanese forces in the Philippine and Netherlands East Indies Areas from January 1942 to March 3, 1942. Holding fast to their courage as the Japanese ruthlessly hunted them down, the pilots of (that squadron) doggedly maintained their patrols in defiance of hostile air and naval supremacy, scouting the enemy and fighting him boldly regardless of overwhelming odds and in spite of the crushing operational inadequacies existing during the first months of the war . . ."

Between March and June 1972, he served with Patrol Squadron One Hundred One and was awarded the Distinguished Flying Cross. The citation follows: "For extraordinary achievement and heroic conduct as commander of a patrol plane on a hazardous round-trip flight from Darwin, Australia to Beco, Island of Timor, on the afternoon and night of May 24, 1942. In an undefended, comparatively slow flying boat, Lieutenant Moorer braved an area dominated by enemy air superiority, effected a precarious landing in the open sea at dusk and took off at night in the midst of threatening swells, with a heavily loaded airplane. His superb skill and courageous determination in organizing and executing this perilous mission resulted in the delivery of urgently needed supplies to a beleaguered garrison and the evacuation of eight seriously wounded men who otherwise might have perished."

After his return to the United States in July 1942, he had temporary duty from August of that year to March of the next in the United Kingdom, as a mining observer for the Commander in Chief, U.S. Fleet. He then fitted out and assumed command of Bombing Squadron One Hundred Thirty-Two, operating in Cuba and Africa from its base at Key West, Florida, Boca Chica Air Base. Detached from that command, he served as gunnery and tactical officer on the staff of Commander Air Force, Atlantic, from March 1944 to July 1945.

He was awarded the Legion of Merit: "For meritorious conduct . . . as Force Gunnery and Tactical Officer on the staff of Commander Air Force, Atlantic Fleet . . ." The citation states that he "planned and supervised the development and practical application of tactics, doctrines and training methods relating to anti-submarine warfare and gunnery; supervised many experimental and developmental projects; and coordinated information on enemy tactics and countermeasures . . . By his outstanding executive ability, Commander Moorer contributed materially to the combat effectiveness of aircraft in anti-submarine warfare . . ."

From August 1945 until May 1946, he was assigned to the Strategic Bombing Survey—Japan—of the Office of the Chief of Naval Operations, engaged in the interrogation of Japanese officials. For two years thereafter, he served as executive officer of the Naval Aviation Ordnance Test Station, Chincoteague, Virginia. He next had duty afloat as officer of the U.S.S. *Midway* (July 1948–November 1949), and as operations officer on the staff of Commander Carrier Division Four, Atlantic Fleet (December 1949–July 1950).

Reporting in August 1950 to Inyokern, California, he served for a year as experimental officer of the Naval Ordnance Test Station. During the year following, he was a student at the Naval War College, Newport, Rhode Island, and in August 1953, again reported for duty on the staff of Commander Air Force, Atlantic Fleet. In May 1955 he was ordered to the Navy Department to serve as aide to the Assistant Secretary of the Navy (Air) and in July 1956 was detached to sea duty as commanding officer of U.S.S. *Salisbury Sound* (AV–13).

On July 26, 1957 his selection for the rank of Rear Admiral was approved by the President and in October, the same year, he reported as Special Assistant, Strategic Plans Division, Office of the Chief of Naval Operations, Navy Department. From January 1, 1958 until July 1959, he was Assistant Chief of Naval Operations (War Gaming Matters), after which he commanded Carrier Division SIX. He returned to the Office of the Chief of Naval Operations in November 1960 and served as Director of the Long Range Objectives Group until October 1962 when he assumed command of the Seventh Fleet. For his service in this assignment he was awarded the Distinguished Service Medal. In June 1964 he became Commander in Chief of the Pacific Fleet. Admiral Moorer assumed command of NATO's Allied Command, Atlantic, the U.S. unified Atlantic Command, and the U.S. Atlantic Fleet on April 30, 1965.

On June 17, 1967, he was awarded a Gold Star in lieu of a second Distinguished Service Medal: "For exceptionally meritorious service as Commander in Chief Atlantic, Commander in Chief U.S. Atlantic Fleet, Commander in Chief Western Atlantic Area, and Supreme Allied Commander Atlantic . . ." The citation states in part, "During the Dominican Republic Crisis of 1965–66, he directed military operations with utmost professionalism, judgment and diplomacy, resulting in a cease-fire, politico-military stabilization of the situation . . . and finally the orderly and peaceful withdrawal of U.S. forces . . ." The citation continues: "As Supreme Allied Commander Atlantic, Admiral Moorer foresaw the need, and initiated a major revision in NATO maritime strategy . . . this development of the concept of a standing naval force for the Allied Command Atlantic; and his assistance in establishing the Iberian Atlantic Command Headquarters resulted in major contributions to the North Atlantic Treaty Organization . . ."

On June 3, 1967, he was named by President Johnson to succeed Admiral David L. McDonald, USN, as Chief of Naval Operations, Navy Department. Admiral Moorer became the eighteenth Chief of Naval Operations on August 1, 1967.

On January 13, 1969, he was awarded a Gold Star in lieu of a Third Award of the Distinguished Service Medal "For exceptionally meritorious service as Chief of Naval Operations from August 1967 to January 1969." The citation indicates that "Admiral Moorer provided forceful and aggressive leadership . . . during a period of increasing worldwide commitments and continuous combat operations against enemy forces in Southeast Asia."

He was reappointed Chief of Naval Operations by President Nixon on June 12, 1969. He was then nominated by President Nixon on April 14, 1970, to serve as Chairman of the Joint Chiefs of Staff. The Senate confirmed the appointment on June 17, 1970.

On July 1, 1970, he was awarded a Gold Star in lieu of a Fourth Award of the Distinguished Service Medal "for exceptionally meritorious service to the Government of the United States in a duty of great responsibility as the Chief of Naval Operations from August 1967 to July 1970." The citation reflects his contributions to the modernization of the Navy's ships and aircraft, to the United States future status as a world maritime power, to the security of the United States, and in support of United States foreign power and national strategy. The citation further indicates "As a member of the Joint Chiefs of Staff, Admiral Moorer, through his statesmanship and superb understanding of the factors which influence the formulation of national policy, contributed substantially to the development of important policies during a period of vital and unusual significance to the United States."

On July 2, 1970, Admiral Moorer assumed the office of Chairman. He was reappointed by President Nixon for a second two-year term as Chairman of the Joint Chiefs of Staff on June 20, 1972. The reappointment was confirmed by the Senate on June 30, 1972.

The Defense Distinguished Service Medal was presented by Secretary of Defense Melvin R. Laird on January 10, 1973 for "extraordinarily meritorious and distinguished service to the Government of the United States in a position of unique responsibility as Chairman, Joint Chiefs of Staff from July 1970 through January 1973." The accompanying citation notes, "Admiral Moorer has carried the heavy responsibilities of the country's senior military officer with great distinction during a crucial period in the history of the United States.

"He has been relied upon extensively by the President, the National Security Council, and the Secretary of Defense for advice and counsel, which has invariably been characterized by thoroughness, accuracy and wisdom." Also cited are his contributions in the areas of negotiations related to the Strategic Arms Limitations, Mutual and Balanced Force Reductions, Incidents at Sea, and the effectiveness of the Joint Chiefs of Staff representing the Armed Forces of the U.S. in the national security decision making process.

[From Sea Power, March 1974]

A MAN OF UNIVERSAL INTEGRITY

(By Ernest A. Carrere, Jr.)

In recent weeks there has appeared on the front pages of some of our most distinguished newspapers, in prime time on TV, and in positions of prominence in our major news magazines an unusual spate of stories alleging, suggesting, and in some instances claiming that three years ago Dr. Henry Kissinger was "spied" upon by members of the Defense establishment. The purpose of this unusual activity, it was further argued, was to provide the Chairman of the Joint Chiefs of Staff, Admiral Thomas H. Moorer, with information that would perhaps enable him to subvert the initiatives of President Nixon and Dr. Kissinger with regard to China, Russia and the detente, and the SALT negotiations.

It also was alleged that this quest for information was at least condoned, if not authorized and directed, by Moorer, even though there was—and is—absolutely no evidence whatsoever that Moorer has ever publicly or privately questioned, challenged, or been in disagreement with any steps proposed and ultimately taken that renewed our relations with China, brought about the framework for detente with Russia, and made SALT appear more promising so far as U.S. interests were concerned. Quite the contrary, the record shows that Moorer has strongly and consistently spoken out in support of these initiatives.

It is our firm belief that these stories are preposterous, they smack of outright character assassination, that they have not and will not stand up under scrunity, and that they warrant the most vigorous possible challenge so that the record can be put straight.

Most of the stories pointed the finger at Rear Admiral Robert Welander and Yeoman First Class Charles E. Radford as being the parties responsible for funneling National Security Council information to the Joint Chiefs and also for leaking stories to a well-known syndicated columnist. Some accounts suggested that Welander and Radford had been placed on Kissinger's White House staff for that particular purpose, and, when found out, were summarily banished. Most hinted that any information obtained and passed on would not normally have been available to Admiral Moorer. Almost none attempted to delve into the scope of the information which would have been provided him routinely as the senior military advisor to the President and as a member of the National Security Council, implying, rather, that obtaining certain information surreptitiously and illegally was the only way the Joint Chiefs were to obtain it.

To date, despite countless references to "highly informed" and "well placed" sources in the White House and elsewhere, there has been no single individual either (1) named as the source, or one of the sources, of allegations, or (2) willing to step forward and accept responsibility for the stories. There still is no explanation for the media's description of the reportedly "paranoid" mood allegedly prevailing at the time, within the National Security Council staff, and between it and the Pentagon. That's characterizing a regular working relationship with some pretty strong language, language that warrants justifying.

Media outlets have been quick to seize on other allegations of wrongdoing by the Joint Chiefs and to give them front-page play; however, they haven't been nearly so quick to utilize at all or give equivalent play to the Defense Department's prompt and complete knocking down of such charges. And even after forthright rebuttals by both Admiral Moorer, who finally took the lead in his own behalf, and Secretary of Defense James R. Schlesinger, one still sees stories suggesting that Kissinger was indeed "spied on," and that the Pentagon resorted to such tactics in order to further its own positions on international affairs and perhaps subvert Kissinger's and the President's.

We believe it is high time, in behalf of the military services, the office of the Chairman of the Joint Chiefs, and the current Chairman himself, to look at the other side of the coin, and to examine the record of the senior person involved. First, the reporting of the incident has ranged from merely lacking in thoroughness and credibility to being incredibly sloppy. There are many sound and competent reporters on the Pentagon beat who are fully aware of the normal working relationships between the Joint Chiefs and the National Security Council, and between the State and Defense Departments, and who are cognizant of the voluminous amounts of information funneled regularly and as a matter of course to those who need to know. A few checks with some of these newsmen might have helped put the initial flurry of stories in proper perspective: Instead, there were few if any statements that the Chairman of the Joint Chiefs is at all times one of the best informed men, if not the best, in the country on all affairs having any possible connection with the present and future security of the nation, and therefore doesn't need a "spy ring" to help him do his job.

Nor did those whose early accounts were given Page One play do much checking to ascertain how long there has been a Joint Chiefs liaison billet on the NSC staff. The answer is: since 1950—but we suspect most readers haven't been so informed until now. Welander, incidentally, followed on the heels of a number of distinguished officers, among them the current Supreme Allied Commander, Europe, General Andrew J. Goodpaster, USA.

Most reports inferred that the passing of information from the National Security Council to the Joint Chiefs was illegal. However, Secretary of Defense Schlesinger, in a wide-ranging discussion of the incident at a recent press conference, observed in connection with this aspect of it: "There is no evidence that I am aware of any illegal actions. . . ."

There is one *fact* that was and is cause for great concern: sensitive information *was* leaked to a syndicated columnist, who promptly gave it wide play. But few reporters, in their rush to file those first stories, bothered to dig long and hard enough to find out who had taken the initial step in bringing about a security investigation that not only stopped the leak but contributed information leading to the sources of it. That party was one at whom the media instead pointed the finger of guilt, Welander.

And what of the man who is bearing the brunt of the allegations, the innuendos, the suggestions that he has served his country less than faithfully and honestly? Thomas H. Moorer was nominated to the Congress for promotion to the rank of rear admiral by President Eisenhower. He was named commander of the U.S. Seventh Fleet in the Pacific, and promoted to three-star rank, by President Kennedy. He was nominated to the four-star post of commander of the Pacific Fleet by President Johnson, who later named him Commander-in-Chief, Atlantic and Atlantic Fleet. He thus became the first officer ever to serve as commander of both Atlantic and Pacific Fleets.

Subsequently, Johnson appointed him Chief of Naval Operations, and President Nixon reappointed him as CNO. Nixon later nominated him to be Chairman of the Joint Chiefs and, at a time the press now alleges he was ready to fire Admiral Moorer, reappointed him to this office, the highest an officer can hold.

During these turbulent years in our country's history, in addition to serving four Presidents, he also served at high levels under six Secretaries of Defense: Thomas Gates, Robert McNamara, Clark Clifford, Melvin Laird, Elliot Richardson, and now Schlesinger. They and the Navy Secretaries, who also were his boss for part of that time, recognized his talents and achievements with four Navy Distinguished Service Medals and a recently established decoration, the Defense Department Distinguished Service Medal. These are the highest noncombat awards an individual in uniform may receive.

He has served his country most ably, and with great distinction, for 45 years. He has earned the respect and admiration not only of those with whom he has served, but also of those before whom he has had to appear each year for years—the members of Congress—to present to them and to the nation his appraisal of the status and needs of the forces which defend the United States. It seems to us that, had he not been an exceptional officer, had he not been consistently forthright and honest in his dealings, had he not been a man of unusual integrity, had he not been so respected as an officer, as a man, and as an American, he would not have been given the unusual opportunities he has had to serve.

Accordingly, we believe he has earned something more than allegations that he ordered others to spy on another distinguished leader of our country. We believe he is owed something more than the less-than-competent reporting that has led to those allegations. We believe he is due more from normally wise editors and senior news commentators than hasty decisions to give wide and prominent play to a story which really doesn't make sense on the face of it. We believe his record warrants a forthright confrontation—the current Stennis hearings are a good start, we think—rather than suggestions of wrongdoings emanating from faceless persons hidden behind the catchall word, "sources," and also a more vigorous defense of his record than has been forthcoming to date from the leaders he has served so well.

Finally, we believe that, if we all aren't willing to support Americans who give their country the best they can for almost two-thirds of the estimated life span of man within this republic, in the future there won't be nearly as many Americans who will be willing to stay on the firing line as long as Thomas Moorer has.

Hasn't America had enough of these continuing attempts to undermine and tear down the institutions which have contributed to the greatness of this country? We sure have. And we believe the time has come to do some reinforcing and building anew—now!

[From the Charleston (S.C.) News & Courier, Feb. 4, 1974]

DEFENSE NEEDS DEFENDING

(By Holmes Alexander)

WASHINGTON.—In Adm. Thomas Moorer there is just about as little strut and vanity as can ever be found in a leader of armed men.

As chairman, Joint Chiefs of Staff, the extremely knowledgeable but self-effacing Moorer holds the highest post in our military forces, and for the most part this position has not been one that glittered * * *

Only Gen. Max Taylor and Adm. Arthur Radford came anywhere matching such a booted, spurred and oracular Caesarean figure that we had when Douglas MacArthur was Army chief of staff. Indeed, the act of 1949 which unified the armed services, at least in the top echelons, seemed to contemplate something other than an image of glory. Significantly, the first chairman was Omar Bradley, known in World War II as the GI's general, a reserved, plain-spoken man with a map-of-integrity face. Designedly or not, Bradley became the prototype for his successors who have been chosen to preside over the service chiefs and to advise the civilian authorities.

Adm. Moorer is just about the perfect product of the tradition that was set in the postwar period when much—perhaps too much—care was taken to walk wide of the Prussian model. In his second term as chairman, Moorer is best known for the firm and accurate testimony he gives to committees of Congress, and for the unobtrusive, businesslike manner in which he does his important job without drawing undue attention to himself.

All this supplies an incongruity to the disagreeable publicity into which the admiral has been drawn. In the dragnet investigation of presidential affairs, it appears that intrigue is accepted as the normal way of life, and that even the servants now get in on the act. A loyal Navy yeoman, working in the National Security Council within the White House complex, thought it his duty to swipe some information and carry it across the Potomac to the Pentagon.

How the carbon copy sheets reached as high an official as Adm. Moorer, and why he bothered to receive material which he says would have reached him by normal channels in due time, would not concern this busy capital very long in ordinary circumstances. But in the present atmosphere of scandal and suspicion, the ordinary event is magnified into an ominous one, and the casual footfall is heard as the tramp of doom.

It is a gross distortion to treat this insignificant episode as having any place in Moorer's exemplary career of public service. He is not formed to be a spymaster, nor a dissenter to the rule, which is as old as the nation, that officers in uniform are subordinate to their civilian leaders. But what makes it particularly untimely for Adm. Moorer's repute to be dangled over the pit of the administration's credibility gap is that we have a special need to believe in the importance and wisdom of our naval persons.

Disarmament groups sit in several of the fashionable meeting places of Europe. It is quite within the reach of the negotiators to bring off a thinnning out of ground forces without altering the balance of power. The Israeli and the Arabs, the Warsaw Pact and NATO, are more or less in equipoise along the main fronts. We have to look seaward to perceive where the imbalance is broken. One passage in the current issue of the magazine Seapower says it all:

"The only significant change to the strategic equation during the past quarter of a century is that the Soviet Union has now achieved, for all practical purposes, equality at sea with the West."

This equality, however, is only measurable in ships, guns and numbers of sailors. Any comparison of leadership and performance is another matter. We have a present need for the prestige of our naval power, and much of that resides in the ranking Navy officer, Thomas Moorer. It would be a major loss if the admiral's good name were injured by those who are heedlessly trying to pull down anybody near the President.

RESIGNATION OF JOE E. GONZALES, U.S. SENATE

Mr. McCLELLAN. Mr. President, we, as Members of the Senate, have been particularly fortunate to have the services of dedicated staff members to aid us in carrying out our duties and responsibilities to the American people.

Joe E. Gonzales, who recently tendered his resignation as a professional staff member of the Committee on Appropriations after 19 years of service is one of this small group of dedicated public servants.

As clerk of the Subcommittee on Treasury, Postal Service and General Government, Mr. Gonzales exhibited a high level of professional competence and created an outstanding record of achievement—a record that is the capstone of a quarter-century of public service.

During those years, he was associated with some of the most distinguished Members of this body—the late Senators Hayden, Russell, and Robertson, as well as the able senior Senator from New Mexico, Mr. MONTOYA, who currently serves as chairman of the Subcommittee on the Treasury, Postal Service and General Government.

In recent months, Mr. Gonzales helped arrange hearings by the Subcommittee on Internal Revenue Service taxpayer assistance and compliance programs which will undoubtedly result in improved service for American taxpayers.

So, Mr. President, I am certain that I speak for the Committee on Appropriations and the entire Senate when I salute Joe E. Gonzales and extend all best wishes to him and to his family.

RETIREMENT OF FRANCIS S. HEWITT, U.S. SENATE

Mr. McCLELLAN. Mr. President, it is with deep regret that I announce the retirement of Francis S. Hewitt after 31 years of dedicated service to the U.S. Senate and the Committee on Appropriations.

Fran, as he is affectionately called by Senators and his colleagues, attended Rutgers University, earning a B.A. degree in 1932 and a masters degree in 1936. He also attended New York University and served as an instructor in English at Rutgers from 1936 to 1940.

In March 1943 he accepted a position on the staff of the Joint Committee on Reduction of Nonessential Federal Expenditures, which was then chaired by the late distinguished Senator from Virginia, Harry Byrd, Sr. His service with the Joint Committee was interrupted by a call to duty with the U.S. Army, from November of 1943 until October of 1945. He returned to his former position with the Joint Committee where he remained until April 1947.

He then accepted a position on the professional staff of the Committee on Appropriations where he remained until his retirement. During his 27 years with the committee, Fran has not only served as clerk to the Subcommittee on Defense, but he has also performed many other duties. For example, he performed the research that was necessary to compile and publish Senate Document 21, 90th Congress, first session, entitled "Committee on Appropriations, U.S. Senate, 100th Anniversary—1867–1967."

Regardless of the complexity of the particular assignment or task Fran could always be counted upon to perform efficiently. But because he is self-effacing, recognition has never been sought for his accomplishments. Over the years he has many times put in long hours, even though it was a great risk to his personal health and well-being, because innate conscientiousness impelled him to do so. His dedication to the committee has been an inspiration to all those who worked with him.

The committee and the Senate have gained much from his outstanding services and contributions. His absence will be sorely felt not only by members but by the staff of the committee as well. We wish Fran the best that his well-earned retirement can bring.

CIA AUTHORITY TO HALT DISCLOSURE OF INTELLIGENCE SECRETS

Mr. MUSKIE. Mr. President, in the Washington Post yesterday morning, Laurence Stern wrote that Central Intelligence Agency Director William E. Colby is asking for a legislative grant of power which would strike at the heart of our first amendment guarantee of a free press.

The measure, as described by Stern, would empower the Director to seek injunctions against the news media to prevent them from publishing material he considers harmful to the protection of intelligence sources and methods.

The article went on to say that the proposal is being circulated through the bureaucracy for comment before it is introduced in the Congress.

I would hope that someone in the executive branch would have the wisdom to put a quick end to such a proposal for it represents nothing more than a prior restraint on a free press in this country—a concept which defies the intention of those who drafted the Bill of Rights and which was specifically rejected by the Supreme Court only 3 years ago in the Pentagon Papers case.

In an initial three-part proposal which later became the first amendment, James Madison proclaimed:

> The people shall not be deprived or abridged of their right to speak, to write, or to publish their sentiments; and the freedom of the press, as one of the great bulwarks of liberty, shall be inviolable.

Reaffirming the guarantees of the first amendment, the Supreme Court denied to the Government the right to enjoin publication of the Pentagon Papers. In the majority decision, Mr. Justice Black stated:

> The amendments were offered to curtail and restrict the general powers granted to the Executive, Legislative and Judicial Branches . . . in the . . . Constitution. The Bill of Rights changed the original Constitution into a new charter under which no branch of government could abridge the people's freedoms of press, speech, religion and assembly.

In the CIA proposal, the Director would not only be empowered to seek an injunction against publication of national security information, he would be authorized to determine the ground rules for the classification of the material itself.

Surely, this is the type of reach for authority which the first amendment and the Supreme Court have sought to proscribe, and I would caution those who advocate its adoption to take another look.

I would ask that the article, "CIA Seeks New Powers To Halt Leaks," from the June 26 Washington Post, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

CIA Seeks New Power To Halt Leaks

(By Laurence Stern)

Legislation that would significantly broaden the government's power to bring criminal sanctions against employees or government contractors for disclosure of intelligence secrets is being circulated within the Nixon administration.

The measure, proposed by Central Intelligence Agency Director William E. Colby, could also empower him to seek injunctions against news media to prevent them from publishing material he considers harmful to the protection of intelligence sources and methods.

Colby's draft would give the CIA director more statutory muscle to define national security secrets and punish transgressors than ever before.

Its appearance comes against a background of court battles on national security secrecy issues ranging from the Ellsberg case to the book, "CIA and the Cult of Intelligence," written by former government intelligence officers Victor Marchetti and John Marks. The book, the first to be published in the United States after pre-publication censorship by the federal government, went on sale yesterday.

Had Colby's proposal been law a year earlier the book might well have never seen the light of day and the two authors would have been subject to 10-year prison sentences and $10,000 fines.

Under existing law, however, the best the CIA was able to do was invoke the secrecy oaths signed by both men as grounds for a civil action requiring them to submit their manuscripts in advance for government clearance.

The government won the first round in the courts when the binding nature of the secrecy oaths was upheld. But Marks and Marchetti challenged the CIA's demand, on grounds of classification, for some 350 deletions in the manuscript. After adjudication of their countersuit before U.S. District Court Judge Albert V. Bryan Jr., in Alexandria, the number of deletions was reduced to 27.

Bryan required the agency to go beyond the mere assertion by Colby and four CIA deputy directors that material in the book was classified. He asked the CIA to demonstrate in each instance the basis for classification. Much of the trial was held in a closed courtroom.

Under Colby's proposed amendment to the National Security Act of 1947, the CIA director would be empowered to determine the ground rules for classification under a general grant of responsibility for protecting "intelligence sources and methods."

The Colby proposal would exempt news media from the criminal provisions of the law. But the draft language could, according to informed officials, enable the CIA director to trigger injunctive action by the Attorney General against "any person"—presumably including journalists—before or after an act of disclosure.

In the Pentagon Papers case, several Supreme Court justices, particularly Thurgood Marshall, cited the absence of any statutes to support the government's effort to prevent publication of the Vietnam documents. Colby's proposal would strengthen the government's hand in this respect.

Colby submitted the draft measure to the Office of Management and Budget to circulate through the bureaucracy for comment before it is introduced in Congress. In a transmittal letter to OMB Director Roy L. Ash, Colby observed that in "recent times, serious damage to our foreign intelligence effort has resulted from unauthorized disclosure of information related to intelligence sources and methods."

He did not specify what that damage was.

ALBERTUS MEYERS, DEAN OF THE NATIONS CONCERT BAND DIRECTORS

Mr. HUGH SCOTT. Mr. President, a June 5, 1974, article appeared in the Morning Call of Allentown, Pa., honoring Albertus Meyers, conductor of the Allentown Band and dean of the Nation's concert band directors. Mr. Meyers was named recipient of the Golden Deeds Award of the Allentown Exchange Club and was paid a special tribute by having the Allentown Eighth Street Bridge redesignated as the "Albertus Meyers Bridge."

In light of Mr. Meyers' accomplishments in the music world and in community affairs I believe it is fitting that we make note of his efforts and distinguished contributions to the "cultural betterment of Allentown—and the Nation," as the Morning Call so aptly described them.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Albertus Meyers Gets Golden Deeds Award

(By Dan Pearson)

Dr. Albertus L. Meyers, 83, conductor of the Allentown Band and dean of the nation's concert band directors, received the Golden Deeds Award of the Allentown Exhange Club last night.

Attending the club's 18th annual award dinner in Allentown's Lehigh Valley Club were 110 members and guests, including band directors from other cities.

Maestro Meyers, who is called Bert by most of his friends, knew in advance that his name would be inscribed in the Book of Golden Deeds.

But he had no inkling of the big surprise of the program: Gov. Shapp, in recognition of the musical distinction that Dr. Meyers has brought to Allentown and all of Pennsylvania, has proclaimed that Allentown's 8th Street Bridge be redesignated as the "Albertus L. Meyers Bridge."

The proclamation, bound in a blue and gold folder, was read by State Rep. James P. Ritter of Allentown, who noted there was not sufficient time to make the change legislatively. Eventually the state secretary of transportation will affix a bronze plaque to the structure bearing its official name.

Stunned by the governor's proclamation, Dr. Meyers turned to other seated at the head table and stared at them in disbelief.

David M. Schneck, chairman of the award committee, evoked laughter when he quipped: "Bert, now you can put the five-cent toll back on to augment your Social Security."

(A five-cent toll charged by the state was taken off in the 1940s after auditors determined the span had paid for itself).

It was Schneck who presented Dr. Meyers the handsome plaque bearing a golden book mounted on a panel of walnut. The inscription on the open pages of the book recognized Dr. Meyers' many contributions to the cultural betterment of Allentown.

The recipient, who is a former conductor of the Allen High School and Muhlenberg College bands, received a standing ovation.

"Thanks a lot, folks, this is quite an honor. I certainly appreciate my band boys being here and my many good friends in the music business," said Dr. Meyers.

Immediately before the award presentation, Allentown Mayor Joseph S. Daddona gave Dr. Meyers a tie pin bearing the seal of Allentown as a "token gift."

Praising the many musical accomplishments of Dr. Meyers, who will be 84 in September, Daddona said, "I am proud to be the mayor of Band City, U.S.A."

In a letter of commendation from the White House, President Nixon said, in part: "In presenting you with the Golden Deeds Award, the members of the Exchange Club acknowledged a dedicated and distinguished service to their community. I am especially pleased to join with them, and all of your fellow citizens, in wishing you every satisfaction and joy on this occasion and in the coming years."

In another letter from Washington, Rep. Fred B. Rooney of Bethlehem observed: "Through your efforts and dedication as conductor, the Allentown Band has become widely regarded as America's greatest concert band. High praise comes not only from those musicians who had had the privilege of playing under your direction with the Allentown Band, but also from the many thousands who have shared the enjoyment of outstanding musical performances."

Not to be outdone by the city, Donald B. Hoffman, chairman of the Lehigh County commissioners, presented Dr. Meyers with a paperweight having the county seal.

As a parent of two children who received guidance and direction from Dr. Meyers, the commissioner stressed the impact that the conductor, and former cornet player in the famed Sousa Band, has had on the lives of hundreds of young musicians in Allentown.

"They learned from Bert that the teamwork you learn in a band is one of the most useful lessons of life," Hoffman said, adding: "You have made this a much better community in which we live."

Another well-kept secret was an oil portrait of Dr. Meyers in his Allentown Band conductor's uniform painted by Mrs. Helen Hughes Lehman from photographs. The framed portrait, unveiled by club members, was commissioned by the Exchange Club and presented by Allen High School, where Dr. Meyers was director of instrumental music 1940–56.

It was accepted by Dr. John McHugh, principal, who said the painting will have an honored place in the school.

Clifford S. Bartholomew, former mayor of Allentown and McHugh's predecessor at Allen High, recalled that Dr. Meyers was a "great band leader" at the school.

Program guests were welcomed by Warren G. Reichard, club president, who noted that the Golden Deeds Awards essentially named the recipient "Mr. Allentown" for the year.

A number of the speakers were introduced by Robert H. Wittman, assistant chairman of the award committee.

Many of the Richlandtown native's colleagues in the music field were on hand to share in the tributes.

Among them was Leonard Smith, conductor of the Detroit Symphonic Concert Band and Herbert Johnson of the former Philco Band. Saluting Dr. Meyers, also, was Henry Cresple, president-emeritus of the Allentown Band, and Donald Bryan, assistant conductor of the Allentown Symphony.

Said Smith of the recipient: "You are the dean of American bandmasters and we are very proud of you."

As his personal gift, Smith gave Dr. Meyers a full sheet of the two-cent John Philip Sousa stamp issued in the 1940s.

In a jocular mood, Edward G. Leidig, Allentown Fair president, presented Dr. Meyers a miniature harmonica that had been passed along for the occasion by the fair's musical director, Richard Heyman.

"Dick wants you to play this for Liza Minelli when she appears at the fair this season," Leidig said.

Barely able to hold it in his short, broad fingers, Dr. Meyers played the scale with aplomb and raised his eyebrows dubiously.

LOOKING AHEAD AT FERTILIZER

Mr. McGOVERN. Mr. President, as chairman of the Senate Agriculture Subcommittee which has been investigating the fertilizer supply, price, and demand situation, I want to focus the attention of the Senate briefly on the outlook for fertilizer for American agriculture for the 1974–75 crop year.

We experienced severe spot shortages throughout farm country during the past planting season, and every indication is that next year's shortages may be more acute and more widespread.

The reason for this is that the fertilizer industry went into the immediately preceding season with modest inventories. Today, the inventories do not exist, and next year's supplies will come almost entirely from current production.

To give us a preliminary outlook at what may be a serious problem next fall, winter, and spring, I ask unanimous consent to have printed in the RECORD an article from Farm Chemicals magazine entitled: "Supply Situation: Tight and Getting Tighter."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUPPLY SITUATION: TIGHT AND GETTING TIGHTER

The 1973–74 fertilizer year was rought, but 1974–75 will be even rougher. The industry is coming off a sweep out year, with inventories non-existent. The outlook for fall and spring, based on interviews with leading basic producers, can be summed up as "tight and getting tighter."

Only one company reports it will have substantially more material available for the fall season. According to Dick Hiendlmayr, Olin expects its phosphate production to be up 5 to 10%. "We've done some work on our P_2O_5 plant and have had reasonable success in unbottlenecking it. Our only limitation will be rock availability. We're operating under a 90% allocation right now."

Vistron may have some additional anhydrous ammonia available "because we're diverting more away from the industrial market."

The outlook for spring is a little better, particularly in phosphates. Expansions will bring an additional 1.32 million tons P_2O_5 wet acid on stream in 1975, according to figures compiled by Texasgulf's H.V. "Van" Donohoo. Texasgulf, Agrico, Occidental, and IMC expect new production on stream by the end of '75.

Saskatchewan has removed controls on potash production for the last quarter of the 1973–74 fertilizer year, but potash is ures compiled by Texasgulf's H. V. "Van" Donohoo explains, "When the Saskatchewan government finally turned the Canadian producers loose and said we could go to rated capacity, it turned out we couldn't do it. We didn't have the manpower, and we'd let the equipment go down because there was no need to buy new equipment when we were operating at reduced capacity. Deliveries are long on equipment now. I would guess that potash is going to remain in tight supply for four or five years."

W. L. Johnson, Jr., of Kerr-McGee Chemical looks for fertilizer supplies to remain relatively tight for at least two to three years. "Additional nitrogen availability will be limited by feedstock shortages and long lead time to build new plants. Although several phosphate conversion plants are now underway, phosphate products will be limited by the availability of phosphate rock. Even potash will remain relatively tight because of transportation difficulties and the lead time to start up dormant capacity in Canada," he explains.

Pricing policies, availability of phosphate rock, natural gas supply, and supplies of other resources will determine the supply situation for the next several years, according to L. M. Gambrell of Allied Chemical. Allied anticipates its 1974–75 supply will "approximate than in 1973–74 on major products."

Swift Chemical looks for supplies to be extremely tight through spring of 1975. Joe Sullivan reports Swift has looked at the long-term picture and sees a high risk of nitrogen overcapacity by 1979, medium to high risk of overcapacity in phosphates, and medium risk in potash.

"We have not abolished the law of cycles," Sullivan says. "On the other hand, I don't think the valley this time around will be as deep as it was in the late '60s. When you combine the problems of obtaining capital, the long leadtimes in bringing plants on stream, and EPA regulations, the key components are far more complex than before and would tend to limit production."

PRICES? GOING UP

There's little question that prices will continue upward. As Dick Kenyon of Phillips Petroleum points out, "cost of power requirements are increasing, natural gas costs are going up, labor costs are up and going higher." He predicts a $10 to $15/ton increase in anhydrous ammonia in July, with possibly a second increase in January.

"We have to have a fair return, and the farmers have to have a fair price. I think price increases are coming but they will be reasonable increases."

Increased production costs will have to be reflected in the selling price, Ron Johnson of Agrico Chemical emphasizes. "We're in the throes of new construction right now and the costs are escalating very rapidly on the equipment we're purchasing for these plants. With high interest rates and the normal inflationary pressures, I think we can expect prices will continue to increase."

W. L. Johnson of Kerr-McKee expects fertilizer prices to continue upward during 1974–75 "though the expected price increases will not be as great as during this year. Previous price increases have reflected the need to catch up after several years of wage and price controls, although the industry still does not return a satisfactory profit compared to the capital investment. Future price increases will be necessary to compensate for the rising costs of equipment, fuel, labor, and other expense items. In addition, the strong overall worldwide demand for fertilizers will require price increases during the coming year, to keep available fertilizer supplies in the U.S. and not have them drawn away from our country due to higher prices available abroad."

DISTRIBUTION PATTERNS CHANGING

The tight supply situation has brought some changes in marketing and distribution. Agrico Chemical, for example, attempted "to design a system that would get our products most efficiently and most rapidly into the marketplace," according to Ron Johnson. "We tried to direct material to those people who have sufficient equipment, sufficient storage, and were, in our judgment, best able to serve the most farmers in the area."

Agrico allocated product on a state-by-state basis in such as way that each state received as much product as in previous years, but emphasizes that local distribution of the materials "may have been adjusted or modified."

L. M. Gambrell reports that in 1973, Allied Chemical utilized approximately 50 terminals for fertilizer distribution. Some of these terminals have been closed due to termination of lease agreements, failure to effect satisfactory exchange arrangements for supplies, and various economic considerations. "Notwithstanding this," he points out, "all 1972–73 marketing areas will be served by an Allied Chemical terminal in 1974."

Kerr-McGee had to substitute solid nitrogen for anhydrous and direct application nitrogen materials. W. L. Johnson reports it was necessary also "to transport available fertilizers and pesticides from area to area in order to provide products to customers served by facilities which were out of inventory at a particular time. This has added greatly to our distribution cost."

Dick Hiendlmayr notes that last year Olin made the decision to withdraw from several states east of the Mississippi. "We have for a number of years been a net purchaser of anhydrous ammonia. In 1973 these quantities for purchase were no longer available to us at prices that we could resell in the direct application market. For that reason, we decided to withdraw. We notified our dealers as early as possible and helped them to obtain other suppliers."

Vistron made a similar decision last spring when price controls were still in effect, according to Don Brinkley, withdrawing from the market in certain areas west of the Mississippi. "We tried to move our distribution closer to our plant in Lima, Ohio to offset low prices," he explains.

Joe Sullivan points out that Swift "made a fundamental decision to pull out of two areas early last year. It was a conscious decision to move out of one marketing area; in the other case, we decided to shut down a plant because of EPA restrictions. We contacted our dealers in time to give them ample opportunity to find alternative sources of supply. We did add dealers in other areas where we continue to serve the marketplace.

"In addition, we instituted a program of executive review to approve or disapprove elimination of any dealer who we had served in the past."

Hopefully, most of the changes forced by the supply crunch have been made. But all producers interviewed recommend that dealers get in touch with their suppliers as quickly as possible. "It's no time to start shopping," they warn.

SOLAR ENERGY NOW

Mr. HUMPHREY. Mr. President, the energy crisis has brought to the forefront a problem that has been only dimly perceived by most people in the past; namely, the finite nature of our fossil fuel supplies.

The new awareness of this problem has convinced most people that alternative methods for generating power to heat and cool our houses and turn our generators is essential. In this regard, I have long been an advocate of expanded solar energy research support by the Federal Government.

While solar hot water heaters have been utilized in Florida for over 25 years, many have been abandoned because of their high cost. With the great increase in fuel and electricity prices in the past year, however, the use of solar energy in these homes has once again become feasible.

The Sun is unlimited in its energy-producing potential. It remains for us to harness this energy source and develop new, more economical, methods of storing it, so that we can heat our houses and buildings in the winter months when the energy absorbed from the Sun is at its low point.

In the next two decades, solar energy can be used as a significant aid, not a cure-all, for our energy ills. According to the experts, solar energy could provide up to 50 percent of the requirement for home heating. This would enable us to save large quantities of petroleum that would ordinarily be used for this purpose.

The energy produced by the Sun is a free and infinite commodity. We would never have to worry about a "shortage" or an increase in the price of the "fuel" manufactured by the sun.

Solar energy has unlimited potential in the future. It is important that we in the present evaluate this potential properly.

In the past few years, solar energy research has begun to take form. An excellent evaluation of its progress and potential, entitled "Solar Energy Now" was written by James Spaulding in the May 1974 issue of the Sierra Club Bulletin.

Mr. President, I ask unanimous consent that this excellent article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record as follows:

Solar Energy Now

(By James Spaulding)

On the day before the House of Representatives recently passed a bill to provide the first major practical test of solar heating and cooling, the *New York Times* commented that solar energy was "clearly an idea whose time has come." So it might seem. Not only does full congressional approval of the solar heating and cooling bill seem likely, but the federal government today is backing research and development of solar energy as it never has before.

The federal government's National Science Foundation already has begun trials of solar heating in schools in four states—Maryland, Massachusetts, Minnesota, and Virginia. The foundation's $13-million research program for solar energy this year includes:

Construction of three different kinds of solar-heated homes by different universities to find the most effective ways to substitute sunlight for other fuels in the home.

Operation of a mobile solar heating and cooling laboratory to test the feasibility of solar energy in different climates and conditions in the United States.

Construction of a 100-kilowatt generator to be driven by wind—a form of solar energy stored in the atmosphere.

Testing or designing of two different kinds of systems for concentrating sunlight to provide high temperatures for driving steam turbines to generate electricity.

Continued efforts to reduce the production costs of silicon crystals, which are used in solar cells that convert sunlight directly to electricity. Progress recently was reported in this effort.

Development of a floating power station believed capable of generating large amounts of electricity from solar energy stored in the oceans as differences in temperature between the surface and the deep.

Experimenting with making high-quality methane gas for use in homes and industries from sewage. Such bioconversion of wastes to fuels also could be applied to converting organic materials like algae—which quickly stores large amounts of the sun's energy—into fuel. More than 30 universities and such corporations as Westinghouse, General Electric, Honeywell, Martin Marietta, Exxon, TRW, and McDonnell-Douglas Astronautics are participating in the research.

Besides the National Science Foundation's solar-energy research program, the foundation is supporting extensive research in developing geothermal energy, in converting coal to gas and liquid fuels, in developing better ways to store heat and electricity, in reducing energy waste, and in minimizing the harmful effects of energy production on the environment. Alfred J. Eggers, Jr., assistant director for research applications of the science foundation, told the House Committee on Science and Astronautics recently that the solar heating and cooling program was "moving expeditiously" toward practical trials this year. "The program is directed at achieving systems that will be cost-competitive in the marketplace in the earliest practicable time," he said.

Other groups also have decided to make practical tests of solar heating and cooling. For instance, both the National Aeronautics and Space Administration (NASA) and RCA have proposed to incorporate solar heating and/or solar cooling into buildings. The RCA experiment will be carried out in an addition to the RCA building in Rockefeller Center in New York City. So far, no actual designs have been submitted for the NASA project.

Solar energy enthusiasts—a few of them considered cranks—have been contending for years that solar energy should be given a trial. Why has the idea suddenly won influential friends? For a practical test program like the one called for in the solar heating and cooling act to attract broad congressional support would have seemed unthinkable five years ago. Today, however, millions of Americans have had to turn down their thermostats, slow their cars to 55 miles per hour, and wait for hours in service-station lines. The sun's energy has not changed, nor have scientists yet devised much that will improve our ability to capture solar energy. Instead, what long had been predicted finally began to happen: energy consumption in the United States overtook supply. The Arab oil boycott dramatized this dilemma. With world-wide demand for oil and gas rising, and the supply no longer unlimited, fuel prices began rising sharply.

Representative Mike McCormack (D-Wash.), chairman of the House Subcommittee on Energy, said at a Stanford University symposium on energy recently that the United States had moved in the last 24 months from an era of fuel abundance to an era of shortages that will last for decades. "The fundamental fact we have to live with," he said, "in arriving at a specific energy policy, is that we have already consumed more than half of all the petroleum and natural gas that we ever had or ever will discover on this continent or its offshore shelves." McCormick is a former research chemist.

It is the impending shortage, then, of petroleum and natural gas, and the certainty that their prices will rise, that mainly make solar energy so attractive. There are other important reasons, of course; solar energy is incredibly abundant and for practical purposes limitless. Solar heating and cooling systems are essentially nonpolluting. Electrical power generation by direct solar conversion will cause some local thermal pollution, though at much lower levels than conventional fossil-fuel or nuclear plants. But the worsening outlook for gas and oil is the central reason that the federal government is spending money for research and development of solar energy. Economic and social factors ultimately will decide whether this program succeeds.

The most obvious sign that the economic climate for solar energy is improving is the burgeoning of government programs. In the 20 years before 1971, only token amounts were spent for solar-energy research, except in the space program. But in 1971 and 1972, the science foundation spent more than $1 million annually for solar-energy research. The amount last year was nearly $4 million, and this year it will be at least $13 million. The Administration has proposed spending funds in 1975–1979 for solar-energy research that would total $200 million.

Under the Solar Heating and Cooling Demonstration Act, which is separate from the Administration's proposals and the National Science Foundation's program, $50 million would be spent in the next five years. A total of 4,000 homes—half of them privately owned—would be equipped with solar heating devices and some with cooling devices. Public buildings also would be so equipped. The National Bureau of Standards would specify the performance of the heaters. NASA would direct the manufacturing. The Department of Housing and Urban Development would be in charge of installing the heating and cooling units and monitoring their performance. So far, this legislation has passed the House.

The goal of the government solar-energy program in the United States—hedged with appropriate ifs about financing and technology—has become substantial. Solar energy, say the federal agencies, can economically provide up to 35 percent of the total building heating and cooling load, 20 percent of the nation's gas fuel, 10 percent of the liquid fuel, and 20 percent of electric-energy requirements by the year 2000, How much is all that? For the first goal alone—35 percent of the toal heating and cooling load—the estimated energy cost in the U.S. next year will be 15,935 trillion British Thermal Units (BTU), which amounts to about 113 billion gallons of gasoline, and if solar heating and cooling could provide for 35 percent of this energy load, it would save about 40 billion gallons of gasoline yearly. Such conversions of BTUs to gasoline are more than theoretical because natural gas and petroleum not burned for electricity or heating can become gasoline, either directly or by substitution.

There appears to be considearble overlapping of the goal figures for solar energy, but in any event the amount of energy the federal science agencies say can be saved with sunshine is huge. The amount of energy to be saved by substituting solar energy to produce 20 percent of the electricity generated 25 years from now, for example, would be equivalent to 22 billion gallons of gasoline annually. The solar-energy goals do not reflect the amount of solar energy available—the science agencies acknowledge that far more than man needs—but the goals reflect an economic appraisal: the devices to collect, convert, process and store solar energy will be costly.

The goals percentages reflect what scientists believe solar energy can provide in competition with fossil and nuclear fuels. Yet even though devices to store, convert, process, and collect solar energy will be more costly on a dollar-per-watt basis than current power plants at current prices, they will be a lot cheaper than fusion and are now competitive with breeder reactors.

The goals of the solar-energy program are long-range because of what seem to be substantial obstacles. Unfortunately, these are not so much technological in the case of solar heating—the most immediate goal for the solar-energy program—as they are economic, social and political. Solar space-heating devices are essentially simple, but no U.S. manufacturer yet makes them. But even if a large solar-heating industry existed, solar home heaters could be expected to cost more to make than conventional heaters, which would still be required to supplement the sun-produced heat. So the initial cost of a solar home would be high. And builders, buyers, and lenders all judge homes by initial cost, rather than by the cost over the life of the home, which would favor solar heating.

Lack of codes, standards, practices, manufacturers, designers, and builders skilled in solar energy must be overcome before solar energy is used for heating on a large scale. The National Science Foundation has taken a step toward overcoming these deficiencies by financing research for a special chapter on solar energy in the *Handbook of the American Society for Heating, Refrigeration and Air Conditioning Engineers*. The handbook, which consists of 200 chapters in four volumes, is regarded as the bible of the industry. The chapter on solar energy, which will be published in June, is 20 pages. Eight are devoted to theory and fundamentals, the rest to applications. Carl W. MacPhee, editor of the handbook, said in a telephone interview that the new chapter simply summarized what had been done in solar energy: it was not a chapter on design. "You couldn't design a solar heating system from scratch using the handbook," he said, "without reading an awful lot more and knowing much more about solar energy. But by 1978, the chapter will look much different."

Despite the obstacles to putting solar energy to work in home heating and cooling, the natural advantages of solar energy and the expected rise in oil and gas prices make solar energy appear competitive. One highly regarded study quoted by the National Bureau of Standards says that solar home heating already can compete with electric heating, and may soon compete with oil and gas. (Electricity rates in some upper-middle class homes in the Northwest have recently exceeded $250 a month. At this rate, solar energy is a bargain.) Even without rising utility rates, solar heating could compete with conventional systems if it were subsidized to the same extent. The biggest roadblock to the increased use of solar energy is not a lack of know-how, but a lack of economic incentives, such as tax credits or FHA inducements to builders.

The National Bureau of Standards has computed that a typical U.S. residence of 1,600 square feet of floor space receives about 800 million BTUs in solar energy annually on its roof, an amount equivalent to more than 6,000 gallons of gasoline. A home of this size typically requires only about 130 million BTU's for heating, but sunlight falls on the roof intermittently, and most of it in the summer months when heating needs are lowest. Because of this need to store heat when the sun fails to shine, the Bureau of Standards and other federal agencies havc suggested that solar heating might be most feasible if it provided 50 to 75 percent of required home heat, with a conventional heater providing the rest. The equipment necessary to store solar-energy heat for periods long enough to provide 100 percent of the heat would be too expensive in the more northern latitudes of the United States. For the average-sized home, using solar energy to provide 50 percent of the necessary heat would save the equivalent of about 500 gallons of gasoline annually.

Lloyd O. Herwig, director of advanced solar-energy research and technology for the National Science Foundation, says that heating and cooling are the most promising immediate applications of solar energy because their technology—especially for heating—is most advanced. Solar hot-water heaters have been used for more than 25 years in Florida, and thousands are still in use there today.

Nearly half a million are in operation in Japan. Many of these devices, although effective, have been abandoned over the years because hot-water heaters fueled by gas or electricity have been cheap and more convenient. Recent skyrocketing electric bills in many parts of the country may make solar heating more attractive to many homeowners.

The typical solar collector for heating is a shallow box or tray covered with one or more layers of glass. Sunlight passing through the glass strikes a blackened metal plate in the back of the box, heating both the plate and the air around it. The plate is blackened to make it absorb more heat from the sunlight. Glass is transparent to the visible wavelengths of light that carry the most energy, but not to the wavelengths of heat radiated by the black plate when it becomes hot. Thus, the heat is trapped. This differential transparency of window glass is called the greenhouse effect. If it were not for this, the black plate would radiate back through the glass as much heat as it received from the sun, and solar collectors would work poorly. As it is, however, a well-insulated solar collector with three layers of glass can achieve temperatures inside of about 125 degrees above that of the outside air. Such a device can raise water temperature to 140 degrees—customary in a household water heater—when the temperature outside the collector is well below freezing. For maximum efficiency, flat-plate collectors are positioned to face south and are tilted at an angle of 15 to 20 degrees plus the number of degrees of latitude. Thus, the farther north the collector, the more it will be tilted.

Heat may be extracted from the collector by circulating water through thin-walled tubing soldered to the black plate or incorporated into it. Air also can be used to extract the heat. Both hot-air and hot-water systems, and combinations of the two, are in use now in some of the experimental solar homes in the United States. If the sun shone long enough every day in every latitude to meet local heating needs, solar heating might be widely used now.

Because it obviously does not, a solar heating system requires a subsystem to store heat in darkness and in cloudy weather. The method most often used today consists of tanks of water or rooms of masonry that are heated in sunny weather by the solar collector. A solar house designed for Washington, D.C., for instance, contains tanks for about 3,000 gallons of water, enough to keep the house comfortable for 21 hours when the air outside is zero degrees. The collectors cover 600 square feet of the roof, somewhat more than one-third of the roof area of the average-sized house.

Because hours of sunlight are fewer and the winter temperature lower, in general, as latitude increases, solar heating becomes increasingly expensive where it is needed most. More collectors will be needed in the north, and more storage capacity for the heat. From an economic standpoint, then, the federal agencies have categorized the United States into three zones: the southern, where solar energy can provide 100 percent of needed heat and where solar cooling will be most economical; central, where solar energy can provide a major part of the heat, but where standby heating with gas or oil will be needed; and northern, where solar energy can be counted on to provide supplemental heating for the conventional furnace in late fall and early spring.

How far north solar heating will be economically feasible will depend on the cost of solar collectors and heat-storage systems, how scarce and how costly heating oil and natural gas become, and whether incentives are adopted to encourage solar heating. For instance, some scientists and many environmentalists have suggested imposing a tax penalty on oil and gas, instead of the depletion allowance, to conserve the nation's dwindling reserves of these previous fuels. Similarly, a bonus might be paid for installing solar-energy devices, not only because they have fossil fuels, but because solar energy is nonpolluting.

Cost figures for solar-energy heating systems can only be estimated. Such estimates are discouraging, indicating that to equip a home with a solar energy heating system will add 10 percent to 20 percent to the total price of the home.

The estimate that solar-heating can compete with electrical heat at the present time is based on the assumption that if solar collectors were mass-produced, they could be priced at two dollars to four dollars per square foot. It also is assumed that the solar heating cost will be discounted at six percent and depreciated over 20 years. An engineer who has studied solar energy for the prospect of manufacturing heating equipment profitably said he doubted that costs of solar collectors could be reduced by mass production because little technology was required for manufacturing. Most of the expense, he said, was in the materials—mainly copper, aluminum, and steel—all of which are expensive and likely to become more expensive. The engineer said he was pessimistic, too, because Americans are accustomed to convenience and little maintenance. (For solar collectors to work efficiently, someone must wash the collector windows occasionally.) He said solar water housing might economically be provided to large buildings by utilities as a way for the utilities to conserve their own supplies of fossil fuels.

If the expensive equipment for solar heating also could be used to supply energy for cooling, the federal agencies contend that the system might prove more economically competitive. The National Science Foundation granted $238,000 last year to Professor George O. G. Lof at Colorado State University to build such a residential heating and cooling system. Lof, who has been president of the International Solar Energy Society, is building an experimental solar house at Fort Collins, Colorado. He said recently that both heating and cooling are needed to justify the cost of solar collectors.

The refrigeration system required for solar cooling already has been tested successfully. It is based on the gas-absorption principle used in refrigerators commonly found in campers today, which are powered by propane or kerosene. Heat from the burning fuel raises the pressure of the refrigerant, usually ammonia or lithium bromide.

The heat is dissipated in conventional coils such as those found in all refrigerators. The refrigerant then is allowed to vaporize—the key to the cooling process—into cooling coils. These coils turn cold and provide cooling for air conditioning or other uses. The vapor is then reabsorbed in a solution.

Solar cooling has been proposed for NASA's new engineering building, along with solar heating. Solar air conditioning is an alluring prospect because air conditioning has accounted for much of the increase in electricity use in homes in the last few years. Furthermore, solar energy ordinarily is most intense when cooling is needed the most.

Karl W. Boer, director of the University of Delaware's Institute of Energy Conservation, is experimenting at Newark, Delaware, with a more sophisticated system for extracting solar energy for home use. It is intended to heat and cool the home and supply some of its electricity. The Delaware house is, in effect, shingled with solar cells made of cadmium sulfide, which, like silicon crystals, generate electricity directly from sunlight. This electricity can be fed directly into the household circuit or stored in batteries. Heat collected in solar collectors behind the cadmium sulfide cells can be used for heating. Boer and his colleagues are also experimenting with various chemicals to store the heat by using it to melt certain salts—called heat of fusion. Large amounts of heat can be stored that way, and the reverse phenomenon might be used for cooling. Cadmium sulfide cells, which so far have only been manufactured on a laboratory basis, are far less expensive to make than silicon cells, but they are less efficient and reliable. The National Science Foundation is backing Boer's research because it is interested in cutting the cost of silicon cells. At today's costs, enough silicon cells to light a 100-watt bulb when the sun is shining would cost between $5,000 and $10,000.

The Science Foundation regards its windpower experiments as one of the kinds closest to commercial exploitation among all solar energy research. Windpower electric generators are in operation throughout the world today, particularly in Australia and Switzerland, from which wind machines are being imported by a few individuals in the United States.

A NASA report to Congress indicated that wind generators placed on the Great Plains could produce 50 percent of the electricity needed in the United States in 1985—equivalent to about 140 billion gallons of gasoline. The main problem would be the costs of transporting this energy from one centralized location to various, far-flung regions of the country. Much study is needed, however, before the wind generators could be placed to produce the maximum electricity. Power from wind increases with the cube of velocity, which means that doubling the wind speed increases the electricity produced eight times.

A 1,250-kilowatt wind generator with blades 175 feet in diameter was built at Rutland, Vermont, in the early 1940's to supplement power from coal-fired steam turbines. It cost more to build, maintain and operate than a coal power plant, so when a blade failed because of metal fatigue, it was abandoned. The windpower generator financed by the National Science Foundation, will have two blades 125 feet in diameter and produce 100 kilowatts in an 18-mile-an-hour wind. It will be installed within the next year, according to plan, at NASA's Plum Brook station near Sandusky, Ohio. At least five other windpower research programs are in progress, with a total budget of $1 million this year. Next year, the wind-power research budget is expected to be $5 million to $7 million.

Wind, like sunshine, is intermittent, and batteries are not regarded as a practical way to store large amounts of electricity. The electricity could be stored by generating hydrogen by passing a charge through water. Then the hydrogen could either be burned for fuel or consumed in a gas fuel cell to make electricity directly. Such fuel cells have been operated successfully. An entire energy system based on hydrogen—including hydrogen-fueled automobiles—has been proposed by some scientists.

Not as far advanced as the wind-power solar-energy program, but designated for testing within a few years, is a scheme for extracting solar energy stored in the oceans as heat. The amount of this energy is enormous—so great that a NASA study indicated that 100 percent of the electricity needs of the United States in 1985 could be met from Gulf Stream solar-energy generators.

The proposed site for a 400-million-watt solar ocean plant is in the Gulf Stream 15 miles east of the University of Miami Institute of Marine Sciences. Professor William E. Heronemus, of the University of Massachusetts engineering department, says that from this location, either alternating current or direct current could be transmitted to the mainland by cable. The power plant also could generate hydrogen gas for transfer to shore by tanker or pipeline.

Electricity can be generated in tropical sea water because the surface is warm and the depths cold. Typically, the temperature difference is about 40 degrees. In the plant designed by Heronemus and others, the warm water heats as gas—say, propane—that vaporizes to a high pressure at the surface water temperature. The high-pressure gas drives a turbine, then is cooled and condensed to a liquid by cold water from the depths. When again warmed by the surface water, it again drives the turbine. The whole idea originated with a French physicist in the 1880's and was tried successfully in the 1920's off the coast of Cuba. It produced little power then because water, instead of gas, was used as the forking fluid.

Whether the growing program of research and development in solar energy will soon usher in a solar era remains uncertain. Future possibilities include the production of electricity through direct solar conversion, which many experts say would take no longer to develop than the fast-breeder reactor. Where the Administration thinks the priorities lie can be told from its $10-billion energy proposal for 1975–1979, which calls for spending $2.175 billion to find and develop processes to turn coal into gas and oil. By contrast, it calls for spending approximately one-tenth that amount for exploiting solar energy. More than 40 percent of the $10 billion is budgeted for nuclear energy. If the government is right, solar energy will make only a modest contribution to relieving the energy shortage in the next few decades. But if the advocates of direct conversion are right, solar energy might one day light the world.

HEALTH MANPOWER IN IOWA

Mr. HUGHES. Mr. President, the health of this Nation's citizens is a principal concern of this Congress. Right now, a number of national health insurance proposals are being considered by both the House and the Senate, and congressional hearings on this vital issue are concluding.

Before the enactment of any national health insurance plan, we must make sure that we have enough health professionals available to serve the needs of this Nation's citizens. It has been recognized for many years that many communities and neighborhoods lack health manpower. That certainly is the case in Iowa.

Yesterday, Congressman John Culver and Senator Dick Clark presented extensive and comprehensive testimony before the Senate Health Subcommittee chaired by Senator Kennedy of Massachusetts on the health manpower problems in Iowa.

At that time, Congressman Culver and Senator Clark gave conclusive evidence on the health manpower shortage in Iowa, and pointed out that Iowa has three key problems with health manpower:

> First, there is an overall shortage of doctors. Second, there is a geographical disparity in the distribution of doctors and related health personnel. And finally, there is a marked imbalance between the number of primary care physicians and specialists.

Mr. President, I commend my colleagues and friends for their excellent testimony and concern for the health of Iowa citizens. Because of the importance of this statement, I ask unanimous consent that the joint testimony of Congressman Culver and Senator Clark be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Health Manpower in Iowa

(Joint testimony by Senator Dick Clark and Congressman John Culver)

Mr. Chairman: This country's health care system is in trouble. Many people cannot meet the cost of staying well or the cost of staying alive. As a result, good health care is just not available to millions of Americans. And unless something is done, unless Congress approves a national health insurance program like the Kennedy bill, unless Congress passes the kind of legislation before this subcommittee today, the situation will get worse before it gets better.

I don't know if you had the chance to see it, Mr. Chairman, but the *Washington Post* carried an interesting article on a speech Sunday by the president of the American Medical Association at the AMA's convention. The report said that Dr. Russell Roth accused public officials of creating a "phony issue" out of health care. "Politicians," the doctor said, "are not held responsible for difficulties in access to medical services or deficiencies in quality of care or even for its increasing costs." But Congress is responsible for them because Congress is in a position to do something about them, and health care deserves more—not less—attention from all of us.

The timing of Dr. Roth's statement was ironic at best. The same day that he made that speech, you and Senator Javits released a report prepared at the Department of Health, Education and Welfare that warns that the health policies of this administration could lead to a serious shortage of doctors and health professionals in the next 10 years.

And there is evidence which we are submitting to the subcommittee today that documents an especially critical manpower problem in Iowa.

As Congress increases its attention to the problems of health care, health manpower is a good place to begin.

Mr. Charman, you and the subcommittee should be commended for your efforts to meet the manpower needs of the Nation's health care system. We very much appreciate the opportunity to discuss Iowa's particular manpower problems. Hopefully, this information will be helpful to you as you consider this legislation.

Like many other States, Iowa's health care system has three fundamental manpower problems. First, there is an over-all shortage of doctors. Second, there is a geographical disparity in the distribution of doctors and related health personnel. And finally, there is a marked imbalance between the number of primary care physicians and specialists.

There is a close relationship between the demographic characteristics of Iowa counties and the health manpower that is available in the State, and it is important to note Iowa's population's characteristics in some detail.

Iowa has about 2.8 million citizens—57 percent living in urban areas, 43 percent in rural areas. The State is divided into 99 counties, and nine out of ten of them are rural. Iowa has a very high proportion of older citizens with more than one out of every 12 persons over 65.

While many of Iowa's rural citizens do not have the kind of access to good medical care available to urban residents simply because of their location, the rural elderly's problems in getting good health care best exemplify the entire State's health manpower problems.

Iowa has the second highest percentage of citizens 65-and-older; second only to Florida. Every county has a relatively high proportion of older citizens, and most rural counties have an elderly population of over 15 per cent. Iowa's older citizens are also its poorest. Their's is a doubly difficult burden. The combination of old age and a sub-standard income often prevents them from receiving the very services they need most, and health care is the prime example.

A substandard income makes it difficult for older people to get to those places where medical services are available. In Iowa, most hospitals, doctors, nurses, and extended care facilities are located in cities. Most older people—particularly the impoverished old—are not located there.

Six Iowa counties (Polk, Johnson, Linn, Blackhawk, Scott, and Woodbury) have almost 50 percent of all the physicians. Two counties alone account for 29 percent of all the physicians in the State. Although the heavy concentration in Johnson County does not reflect doctors in private practice, but relates to the university hospitals and medical facilities, the fact remains that nearly half of Iowa's doctors are located in just six of its 99 counties and two of those six counties account for nearly a third of all the doctors.

It should also be noted that nearly 90 percent of Iowa doctors in specialty practice are located in 18 counties. The remaining 10 percent are distributed through 56 counties, leaving 25 counties with no specialists at all.

A majority of the cities in Iowa with less than 1,000 population have no physicians, and 27 cities with a population of more than 1,000 have no physicians.

This confirms what has long been suspected in Iowa: there is a scarcity of medical doctors in the sparsely populated older-age counties where the demand for medical services is especially high.

A study conducted by the Department of Health, Education and Welfare shows that of Iowa's 99 counties, only 12 of them have a "suitable" number of doctors.

The same imbalance of resource is evident in the distribution of nurses and hospital beds. Statistics prepared for the Iowa State White House Conference on Aging show that counties with the greatest percentage of older people—the rural counties have the lowest percentage of nurses and hospitals. In evaluating all of this it should be recalled that older people tend to be hospitalized more frequently, have a higher prevalence of chronic disease, and stay in the hospital for a longer and consequently costlier period of time.

Even more disturbing are the trends that seem to be developing in Iowa's rural areas. Between 1950 and 1970 the number of physicians in towns of 1,000 population or less fell drastically.

	1950			1971		
Population	Under age 70	Over age 70	Total	Under Age 70	Over age 70	Total
Towns over 1,000	1,751	352	2,103	2,792	207	1,899
Towns under 1,000	245	113	258	81	14	95

During this same period, larger communities, on the other hand, sustained their physician populations quite well; however, early retirement seemingly has increased significantly in both groups.

Most small towns in Iowa are within 10–15 miles of a community of 3,000 population or greater. Such a distance can be traveled in less than 30 minutes, yet even these miles can be a formidable barrier to any number of rural residents—especially the elderly. A more significant problem is that the number of physicians in the larger towns has not grown sufficiently to care for the growing population of people from surrounding communities, nor are the specialists as available for primary care as were their general practitioner predecessors. With this growing disparity between supply and demand, the residents of the larger communities also have problems with accessibility to medical care.

For the years 1950–1974, the medical doctor trend in Iowa counties can be summarized by the following graph:

(Graph not included in RECORD.)

In the past 23 years, the number of physicians in rural areas (counties with no city larger than 10,000 population) has decreased almost 25 percent—from 1043 to 784 physicians—while the population in these rural counties has dropped less than 100,000.

The University of Iowa, College of Medicine has responded to this situation by increasing enrollment by 50 percent since 1966, and in 1971 the school instituted a physician's assistant training program that will graduate its first class this year. Similarly, a pediatric nurse practitioner course has been established by the College of Nursing in conjunction with the Department of Pediatrics and will soon graduate its first class of students.

One of the most important factors associated with the maldistribution of physicians has been the decline of the primary care physician. The physician depopulation of rural communities has not been due to a migration of doctors to larger centers, but to an inadequate supply of new physicians entering primary care specialties. Since 1969, considerable progress has been made at the University of Iowa Medical School in reestablishing the role of the general practitioner under a new label of family physician. The university also has established a community familiarization program for medical students starting in their freshman year and extending into newly established residencies in Iowa communities. All this has been designed to attract more Iowa graduates, not just to primary care, but primary care practice *in Iowa*.

The programs initiated and designed by the University of Iowa Medical School and related institutions are very encouraging. Yet, locally and nationally, much more needs to be done.

Mr. Chairman, the statistics in Iowa speak for themselves: the need to take affirmative action in the near future is overwhelming. Last Sunday, an editorial in the *Des Moines Register* said that public service by doctors—the Kennedy manpower legislation—would give "affirmative answers" to the growing problems faced by all of our citizens. I hope the entire Congress is prepared to take this kind of affirmative action to alleviate the manpower problems afflicting the entire Nation.

One of this country's most precious assets is the health and well-being of its people. Good health and good health care ought to be a right for every individual—whether they are poor or rich, black or white, urban or rural. But right now, good health care is not a right in this country. Instead it is a privilege that all too often depends on the size of an individual's bank account. That is more than just a problem—it's a tragedy. And all members of this committee know its dimensions better than most.

Through a national commitment to medical research, this country has made astounding advances in medical technology, through a national investment in medical education—a Federal commitment of over 1 billion dollars this year alone—we train the world's best physicians and we have the world's finest research facilities. Yet we have failed to create programs to bring the fruit of that investment—good health services—back to the people who have paid for it.

Congress has initiated a number of programs to increase the availability of health services. Programs like medicare and medicaid have provided financial access to health care for millions of the elderly and poor. Congress now is considering a number of national health insurance proposals, but the success of such a program, as well as the continued success of the medicare and medicaid programs depends on the health professionals who provide the medical services.

Health manpower programs have met with little success in guaranteeing an adequate supply of doctors where they are needed. Congressman Bill Roy, a physician and an expert in health manpower, has concluded that "none of the various State and local programs have been notably effective in insuring the presence of health professionals in communities where they are needed. . . .

The regional medical and comprehensive health planning programs have different goals and no real capacity either to attract or to place health manpower where it is needed. The Federal health manpower training programs . . . have had little or no success in increasing the aggregate number of physicians in the nation."

Given the health manpower situation in Iowa and in States all across this country, there can be little doubt that the problem is very serious. Unless we find acceptable solutions now for rural practice and inner city practice, this country will have the same health manpower problems in 1980 that it does now. Certainly, the American public is aware of the situation. A recent survey by Louis Harris shows that "by 70 to 22 per cent, a sizable majority feels that 'there are not enough doctors in the country to serve the needs of everyone.' Presumably, the shortage could be even more acute if more people were covered by insurance which entitled them to doctor care."

On the floor of the Senate on May 29th of this year, Senator Hugh Scott said:

"There is a growing consensus among the American people that reform of our national health delivery system is essential; that improvement in the overall quality of health care is essential; and that action on a national level is essential."

Very few would dispute that assessment. Yet while there is strong agreement on the need for reform, there is strong disagreement on how to affect it. The legislation before the subcommittee today deals directly with the primary need: to place the healing services within reach of all the afflicted, especially those healing services that are only available through qualified physicians.

The present situation is not acceptable. The fact that physicians are now clustered in disproportionate numbers in those communities where they can command the highest income does illustrate the economic law of supply and demand, but it ignores the human considerations of service and need.

This legislation speaks to that problem.

First, the bill provides that the money now being spent on medical education be realized directly by the student—an amount currently estimated at over 50 per cent of his total bill for medical education. This massive subsidy of one of the most lucrative professions has been concealed from both the recipient and the donor by the institutional filters through which it flows. With this bill, that concealment would end. Each medical student would know exactly how much of his education depended on the taxpayer.

The second major provision requires each medical doctor to pay back a small proportion of his public-supported education in the form of limited service—either in private practice or the National Public Health Service Corps—in a medically underserved area.

There is some apprehension in the profession about this provision. But in our judgment it's unwarranted because the requirement is not obligatory. The individual medical student can "buy out" if he chooses. The cost of exercising this option is significant, but the option remains. In addition, the period of required service is limited: Six months of service for each year of tax-supported education with a maximum of two years. And during the period of service in a medically underserved area, there would be supplementary compensation to assure the physician of an income matching that of established physicians in comparable circumstances.

The legislation before us recognizes an important fact and provides for an important need. It recognizes the fact that the American people underwrite the major share of all the medical education in this country. And it recognizes the need for service. In return for educating doctors, the American people are entitled to medical services in every part of the country, not just in those communities where it's profitable to practice. This legislation will help to accomplish that objective.

Mr. Chairman, this bill represents an ambitious and serious effort to solve the health manpower problems that exist today. We agree with its major thrust, and we support your efforts and those of the entire committee in addressing this most difficult problem.

THE INEQUITIES OF THE 1975 JOHNSON-O'MALLEY INDIAN EDUCATION PROGRAM BUDGET

Mr. FANNIN. Mr. President, in comparison to other Federal education programs such as title I of the Elementary and Secondary Education Act, the Johnson-O'Malley Indian education program is less significant, but to a number of States with reservation Indian populations it is of critical importance and even more so to those States having substantial numbers of Indian children. Enacted in 1934, the Johnson-O'Malley program has served to financially assist public schools in the education of Indian children. This assistance was viewed then as it is now, as a necessity since public schools were assuming greater responsibilities in the education of Indian children. What made JOM so important was the fact that many Indian children resided on tax-exempt lands, thus leaving the public schools without sufficient resources to meet their educational needs. As the number of Indian children attending public schools grew, to an estimated 98,000 students by 1974, the necessity for the Johnson-O'Malley program became firmly established and the affected States have come to rely on it to help meet the costs of educating our Indian citizens. It is no secret then that Arizona, like other Western States with large reservation Indian populations, has more than just a passing interest in the Johnson-O'Malley program and its budget. Because of its importance to our national effort to deliver sufficient resources for Indian education, I undertook a special review of this year's proposed budget and the basis on which it was justified and what I found disturbs me greatly. This analysis raises serious questions concerning the administration of this program.

The JOM budget is small compared to other programs, but despite its relative size, it is an important program and how its budget is allocated and on what basis it is allocated is the basic concern of my remarks.

1975 BUDGET: JUSTIFICATION AND ALLOCATION

The administration's 1975 budget for the Johnson-O'Malley program is requesting $27,952,000, an increase of $2,600,000 over the 1974 budget of $25,352,000. The official budget justification statement cities the following reasons as the basis for this year's budget increase:

> 1. An increase of $2,055,000 is requested to provide for an unanticipated enrollment increase of 5,500 students in fiscal year 1974 and for an additional increase of 2,000 students expected in fiscal year 1975. This increase will permit the various public schools to return to fiscal year 1973 levels of support per pupil.
>
> 2. An increase of $545,000 will be required to partially offset cost of living increases and to provide for greater tribal and parental involvement to the extent possible.

The emphasis is obviously on meeting the costs of increased student enrollments. In addition, the budget justification cites the basic need of the Johnson-O'Malley program;

> Under the Act of April 16, 1934, as amened, commonly called the Johnson-O'Malley Act, the Bureau of Indian Affairs, provides supplementary aid to public school districts which face financial problems due to the presence of tax-exempt, Indian-owned lands within the district boundaries and the enrollment of relatively large numbers of Indian children.
>
> Many of the school districts on Indian reservations have insufficient funds to operate effective school programs even with State aid and general Federal aid to education programs. Such districts have little or no tax base. In these districts, Johnson-O'Malley aids are used to assume operation of a basic school program.

Again, the theme is very clear. The Johnson-O'Malley 1975 budget is justified on the basis that JOM funds are necessary to meet increased student enrollments and to sustain the operation of schools and school programs designed to meet our goals for Indian education.

In regards to the proposed allocation of JOM 1975 funds, the budget justification is silent on how the 1975 budget is to be allocated among the various States and contracting agencies.

1975 BUDGET: AN ILLUSION

The 1975 JOM budget outlines a program to meet increases in student enrollment and to offset cost-of-living increases. To those public schools affected by such enrollments and cost increases the proposed budget increase of $2,600,000 over fiscal year 1974 would represent a significant effort by the Federal Government to meet their needs even though the States affected by JOM collectively requested an appropriation of over $41 million. Yet, on closer analysis the proposed increase is really an illusion.

Instead of an increase of $2,600,000 for JOM program support, only $1,222,000 is scheduled to meet the needs of the States over 1974. The budget justification talks of a $2,600,000 increase but further analysis shows that $1,378,000 is to be used to pay for a Department of Interior audit—$165,000—and administration support—$1,213,000. In reality, then, the actual level of program funding for the Johnson-O'Malley program in 1975 is $26,574,000 which is only $1,222,000 more than what was appropriated in 1974.

This kind of discrepancy is explainable from a budget point of view, I suppose, but it is clearly unexplainable in view of the needs that many school districts face in their efforts to provide a quality educational program to their Indian students. What is needed is not budgetary discrepancies but real, increased levels of support.

THE 1975 JOM BUDGET: THE ALLOCATION OF FUNDS

In addition to the discrepancy in the level of funds available under the 1975 budget for program support, there is a more serious issue involved in the allocation of JOM funds.

The 1975 budget, according to its justification, is based on need; that is, the need for additional funds to meet increased student enrollments and increased costs. Yet, the proposed allocation of funds seriously ignores the needs of many States which are experiencing increased enrollments. This discrepancy is clearly demonstrated in comparing the 1974 budget allocation with the proposed 1975 distribution of JOM funds as initially established by the Bureau of Indian Affairs. The results of this analysis show the following:

First. Two States gain students and will receive additional funds—Minnesota, New Mexico (Albuquerque area).

Second. Ten States gain students, but receive the same level of funding as they did in 1974—South Dakota, Kansas, Montana, Wyoming, Oklahoma, Mississippi, Utah, Washington, California, Florida.

Third. One State gains students, but will receive less funds than in 1974—Arizona.

Fourth. Three States lose students, but receive additional funds over the amount received in 1974—Alaska, Wisconsin, New Mexico (Navajo area).

Fifth. Six States lost students, but will receive the same level of funding as in 1974—Nebraska, North Dakota, Nevada, Idaho, Oregon, and peripheral dorms (New Mexico-Arizona-Utah).

Sixth. Two States lost students and will receive less funds than in 1974—Iowa, Michigan.

Seventh. Unknown: two States—Colorado, New York.

These results were derived from the table which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INSERT NO. 1

COMPARATIVE ANALYSIS OF JOHNSON-O'MALLEY FUNDING ALLOCATIONS: 1974 AND 1975

State	Actual 1974 allocation	Number students 1974	1975 State request	Proposed 1975 allocation	Number students 1975	Difference in 1974–75	
						Funding	Students
Nebraska	$670, 000	715	$851, 000	$670, 000	650	NC	—65
North Dakota	740, 000	2, 208	900, 000	740, 000	2, 000	NC	—208
South Dakota	1, 640, 000	5, 258	2, 703, 000	1, 640, 000	5, 410	NC	+152
Colorado	287, 000	865	366, 800	292, 000	NA	+5, 000	NA
Kansas	102, 000	236	172, 000	102, 000	250	NC	+14
Montana	1, 060, 000	1, 648	2, 652, 800	1, 060, 000	7, 759	NC	+111
Wyoming	135, 000	932	311, 000	135, 000	1, 105	NC	+73
Alaska	4, 625, 000	8, 600	5, 300, 000	5, 684, 000	6, 800	+1, 059, 000	—2, 200
Minnesota	1, 320, 000	3, 357	2, 072, 000	1, 330, 000	3, 360	+10, 000	+3
Wisconsin	450, 000	2, 247	770, 600	504, 000	1, 162	+54, 000	—1, 085
Iowa	150, 000	237	210, 000	124, 000	210	—26, 000	—27
Michigan	135, 000	691	264, 000	111, 000	673	—24, 000	—18
Oklahoma	2, 130, 000	12, 512	2, 452, 100	2, 130, 000	13, 000	NC	+488
Mississippi	15, 000	83	20, 000	15, 000	125	NC	+42
Arizona (Phoenix Area)	4, 285, 000	17, 615	10, 145, 179	4, 035, 000	22, 154	—250, 000	+5, 461
Nevada	230, 000	2, 235	500, 000	230, 000	300	NC	—1, 935
Utah	20, 000	63	40, 000	20, 000	300	NC	+237
Idaho	485, 000	1, 737	660, 500	485, 000	1, 500	NC	—237
Washington	975, 000	5, 945	1, 380, 400	975, 000	6, 100	NC	+155
Oregon	70, 000	1, 104	163, 600	70, 000	800	NC	—304
California	350, 000	2, 913	3, 000, 000	350, 000	8, 400	NC	+5, 487
Florida	10, 000	225	120, 000	10, 000	230	NC	+5
New York			120, 000	0			NA
New Mexico (Albuquerque)	1, 478, 000	5, 032	1, 955, 000	1, 557, 000	6, 000	+179, 000	+68
Navajo	1, 970, 000	15, 704	2, 366, 000	2, 200, 000	15, 694	+230, 000	—10
Peripheral (Arizona-New Mexico)	2, 105, 000	1, 874	2, 000, 000	2, 105, 000	1, 244	NC	—600

Mr. FANNIN. Mr. President, the inequities which this analysis demonstrates are clear. What is not clear is the reason for such inequities. Perhaps some are explainable, as in the case of Alaska where conditions and exceptional need require additional funds even in the case where the number of students served decreases. But what is not explainable is the decision of the Bureau of Indian Affairs to reduce the allocation to a State like Arizona by $250,000 when Arizona will experience an increase this year of over 5,000 students according to the BIA's own figures. It is going to take a great deal of explanation before I will be satisfied that such an allocation is based on a recognition of need. Ten other States are also experiencing increases in student enrollment but instead of increases in funds they must be content to operate on the same level as the previous year. Yet, there are nine States which lost students but either received additional funds or at least received the same level of funding as in 1974. This proposed allocation defies justification if it is based on need as the budget documents contend. Since analysis refutes the budget justification, the basis for allocation must lie elsewhere.

I have learned that the allocation of JOM funds for fiscal year 1975 is based on what is known as "Band Analysis." According to the BIA:

> The "Band Analysis" approach is a method of providing the Indians and their leaders with a formal unified, system for identifying their needs in relative degrees of importance on a program by program basis. It is a method of indicating what programs are most important to a given tribe and which are of lesser importance.
>
> Each Agency is given a listing of all Bureau programs that can be included in a Band process. For each of these programs, the tribes are provided with base figures. These figures represent an estimate of the funds, based on the President's budget that the tribes can expect to receive for each program. The total of these figures will represent the base from which the Tribes will then be able to build their proposed programs.
>
> The Tribes are then asked to develop a distribution of three fixed levels of funds among the programs. These levels have been set at 95 percent, 110 percent, and 120 percent of the base total provided. Within these limits the tribe is given the freedom to adjust the figures on a program by program basis to satisfy their needs as they see them.
>
> In other words, the Band system tells a tribe how much it can expect to receive for most of their programs next year. It then asks them to decide which of these programs should be reduced, which should be retained at the same level and which should be expanded next year within the 95 percent, 110 percent, and 120 percent limits.
>
> Because the tribe will be dealing with a fixed total for each of the three levels, it must decide which programs will be expanded at the expense of other programs thereby establishing the relative importance of each program in relation to all the other programs.

Under "Band Analysis" the Bureau of Indian Affairs has proposed that JOM funds for 1975 be distributed as follows:

FISCAL YEAR 1975 AID TO PUBLIC SCHOOLS (JOM) PROGRAM

[Distribution based on States' requests compared to BIA proposed distribution based on tribal priorities]

	States' requests	Proposed distribution tribal priorities
Aberdeen area:		
Nebraska	$851, 000	$670, 000
North Dakota	900, 000	740, 000
South Dakota	2, 703, 000	1, 640, 000
Albuquerque area:		
Colorado	366, 800	292, 000
New Mexico	1, 955, 000	1, 557, 000
Anadarko area: Kansas	172, 000	102, 000
Billings area:		
Montana	2, 652, 800	1, 060, 000
Wyoming	311, 000	135, 000
Juneau area: Alaska	5, 700, 000	5, 684, 000
Minneapolis area:		
Minnesota	$2, 072, 000	$1, 330, 000
Wisconsin	770, 600	540, 000
Iowa	210, 000	124, 000
Michigan	264, 000	111, 000
Muskogee area: Oklahoma	2, 452, 100	2, 130, 000
Navajo area:		
New Mexico	2, 366, 000	2, 200, 000
New Mexico-Dorms	2, 000, 000	2, 105, 000
Arizona (see Phoenix)		2, 985, 000
Phoenix area:		
Arizona	10, 145, 179	1, 050, 000
Nevada	500, 000	230, 000
Utah	40, 000	20, 000
Portland area:		
Idaho	660, 500	485, 000
Washington	1, 380, 400	975, 000
Oregon	163, 600	70, 000
Sacramento area: California	3, 000, 000	350, 000
Eastern area:		
Florida	120, 000	10, 000
Mississippi	20, 000	15, 000
New York	120, 000	0
Total, all States	41, 895, 979	26, 574, 000
Interior Department audit	165, 000	165, 000
Admin. support	1, 213, 000	1, 213, 000
Total budget	43, 273, 979	27, 952, 000

Mr. President, "Band Analysis" may have its place but I am concerned with its application to the Johnson-O'Malley program for the following reasons:

First, because a tribe is told by the Bureau how much it can expect to receive, it then must determine which programs should be reduced, maintained at existing levels, and which should be expanded within a 95-percent, 110-percent, or 120-percent range. These ranges, of course, are related to a funding base which in all likelihood would be the budget level for the previous year. The difficulty with this approach is the fact that if a tribe wants to expand its commitment to the Johnson-O'Malley program, its budgetary options are severely limited by the range of permissible budgetary expansion. In short, "Band Analysis" may operate to lock a tribe into a range of funding which may be insufficient to meet their educational needs.

Second, as I understand it, each tribe is given a list of Bureau programs on which they make their judgments concerning levels of funding. The Johnson-O'Malley program apparently is included on such a list despite the fact that in most cases a local school district is the administering agency. By including Johnson-O'Malley as a program subject to "Band Analysis" a tribe may give more emphasis to programs it administers directly rather than one that affects the tribe indirectly. The result may be a distortion of Johnson-O'Malley needs since given the choice the tribe would quite naturally support programs that affected the tribe directly.

Third, it may be highly inappropriate for a tribal council to determine the needs of a local school district for Johnson-O'Malley funds, under "Band Analysis" if that tribal council did not consult with the local school district and its governing board. In Arizona, I am told that none of the major impact Johnson-O'Malley school districts were consulted by tribal councils in setting a priority for the Johnson-O'Malley program for this year's budget. If there is no link between the tribal council and the local school district over setting a priority for Johnson-O'Malley then one may conclude that the proposed Johnson-O'Malley allocation for fiscal year 1975 does not accurately reflect the need of those affected school districts. On the basis of my own analysis this conclusion would seem to be clearly justified.

Fourth, by consulting only with the tribal council, "Band Analysis" defeats the role of the local JOM parent committee in developing, with the local school board, the annual JOM budget request, an objective which many Indian parents have long sought. The State request, which is a combinaton of all local school district requests, is by far more accurate in indicating need than "Band Analysis" and more reflective of Indian self-determination.

Fifth, I might add that I am not really sure that a tribal council should be involved at all in setting priorities for Johnson-O'Malley since by doing so it is intervening in the affairs of a local public school district unless, of course, the tribe was holding a JOM contract. It would be even more inappropriate in those cases where the local school board was composed of a majority of Indians. Again, in Arizona two-thirds of the major impact school districts are governed by school boards composed of a majority of Indians. If "Band Analysis" in its operations ignores the local Indian school board, as it apparently has in Arizona, Indian self-determination is eroded.

Finally, "Band Analysis" is essentially a mechanism or technique to control expenditures which in its operation may or may not have any relationship to program considerations. Certainly there can be no doubt that in regard to the 1975 JOM budget "Band Analysis" fails to appreciate the basic objectives of the JOM program. Indian education programs like JOM cannot hope to succeed when guided by a budgetary system like "Band Analysis." When a budget system creates a condition that overlooks basic program needs then that program loses its capacity to realize its own objectives; a situation we can hardly tolerate in regard to Indian education.

Mr. President, instead of basing the allocation of JOM funds on meeting the costs of increased student enrollment, the 1975 JOM funds are to be allocated on the basis of the relative priority that tribes assign to the JOM program. This explains the inequities which exist in this year's proposed allocation. It hardly seems fair to local school districts and JOM parental committees to have the allocation of Johnson-O'Malley funds determined on a basis other than need. If unlimited funds were available to meet the needs of the Johnson-O'Malley program then perhaps the problem would not be so great, but when JOM funds are limited, as they are, then it is clearly inequitable to allocate funds on any basis other than educational need as those directly responsible for educational programs see them. If a budget system like "Band Analysis" distorts need and arranges funding which results in clear inequities, that system should be replaced. But the real loser, of course, is the Indian student. If the Johnson-O'Malley 1975 funds are allocated under the present plan then a number of schools are going to find less funds behind each child to meet their educational programs.

The Phoenix area of Arizona, for example, under the proposed 1975 allocation will lose $250,000 but will experience a student enrollment increase of over 5,000 students. This would mean that Arizona will realize a loss in per pupil support compared to 1973 and 1974. In 1973 Arizona, under JOM, was provided $204 for each Indian student which dropped to $199 in 1974. Under the 1975 allocation it will drop again to $188—a loss of $16 over 1974 and $22 over 1973. Yet the budget justification argues that the so-called increase in funding will "permit the various public schools to return to fiscal 1973 levels of support per pupil." This last discrepancy in the 1975 budget only confirms that the proposed allocation fails to meet its own objectives.

This system makes no sense and I am convinced that the Congress will be making a serious mistake if it approves the allocation of the 1975 JOM budget on the basis of "Band Analysis." In this regard, I have strongly urged the Senate Interior Appropriations Committee to allocate funds on the basis of State need and not "Band Analysis." It is my hope that the Appropriations Committee will review this issue and, if possible, replace the "Band Analysis" allocation system with one which will be fair, equitable, and based on a realistic view of local educational need and not on the apparent distortions created by the "Band Analysis" system.

Finally, Mr. President, I recognize my responsibility to develop a legislative solution to this problem and I intend to pursue that objective since it is unfair to have the Appropriations Committee assume that burden. Certainly, "Band Analysis" as applied to the Johnson-O'Malley program raises serious questions as to whether the allocation of funds under JOM meets Congressional intent. For the BIA to institute, administratively, an allocation system which has never been considered by Congress and which may be at variance with congressional intentions, is in my mind, a serious error especially in the face of determined congressional efforts to legislate reforms of the entire Johnson-O'Malley program. The discrepancies and inequities which are clearly reflected in the 1975 JOM budget only support the need for review of the JOM program and the need for early reform. In this regard, it makes little sense to establish a new allocation system until Congress has a chance to consider the best approach to this problem. The allocation of JOM funds is the prerogative of Congress and any changes in that system should be determined by Congress and not the Bureau of Indian Affairs.

CONCLUSION

Mr. President, over the past few years we have experienced great momentum in developing quality Indian education programs and in providing increased resources to meet the requirements of those programs. Yet, that momentum could be threatened if the "Band Analysis" budgetary system is allowed to operate the Johnson-O'Malley program. I do not doubt for a minute the sincere motivations of those who urged the use of "Band Analysis" in allocating JOM funds. But obviously it just is not working. If we permit a system like "Band Analysis" to determine levels of support without reference to the actual needs of local educational agencies then the role of Johnson-O'Malley as a major force in Indian education programs will be eroded. This, to me, would be unacceptable, not only to those schools affected by JOM but, more importantly, to our Indian citizens and their dreams for educational attainment. The threat to the educational opportunities for Indian children is real under "Band Analysis" and it is for this reason that I find such a system inequitable and clearly inappropriate in meeting the need of those public schools which are on the front line in providing a quality Indian education program.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on June 16, 1949, the Genocide Convention was transmitted to the Senate by President Truman who urged that it be ratified. Every administration since 1949 has supported the Genocide Convention. Most recently, President Nixon urged the Senate "to consider anew this important convention and to grant its advice and consent to ratification." Such action, said the President, "will demonstrate unequivocally our country's desire to participate in the building of international order based on law and justice."

Despite this continuing bipartisan support for the convention, the Senate has responded neither favorably nor with due diligence. In 1950, the convention never made it out of committee. Hearings were also held in 1970 and 1971. Each time the convention has made it to the Senate floor, it has either been ignored or the opponents of the convention have tried to argue it to death. The latest example of this took place earlier this year.

Mr. President, for 25 years we have been playing volleyball with this important treaty. I urge that we stop doing so now and act effectively so as to add the United States to the list of 78 nations that have already ratified the treaty.

WORKER'S COMPENSATION REFORM

Mr. HUMPHREY. Mr. President, on June 14, the Senate Subcommittee on Labor held hearings on "Worker's Compensation Reform," in Minneapolis, Minn. I was privileged to be able to testify before that committee on this subject which is of vital concern to American workers and their families.

Mr. President, I ask unanimous consent that my testimony in support of major reforms in worker's compensation be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of Senator Hubert H. Humphrey

Mr. Chairman, thank you for this opportunity to testify before the Labor Subcommittee on legislation to reform our system of worker's compensation. I am very pleased that the citizens of Minnesota are being given this opportunity to participate in the formulation of this important legislation.

You will hear from a long list of excellent witnesses today. They will, I am sure, provide outstanding testimony, particularly on the detailed provisions of The National Workers' Compensation Standards Act of 1973—S. 2008.

For this reason, my testimony this morning will be brief.

With regard to S. 2008, I am pleased to be a co-sponsor of this important legislation. It has my full support.

There is no question that we need some minimum standards, guaranteed minimum levels of assistance, that apply to every American worker who develops an illness as a result of his job, and to his family if such illness results in death.

The reason we need Federal minimum standards is clear from the conclusion of the National Commission on State Workmen's Compensation Laws. They state unanimously that:

"The inescapable conclusion is that State workmen's compensation laws in general are inadequate and inequitable."

More specifically, the Commission reported the following disturbing findings;

In Jaunary 1972, the maximum weekly benefit in more than half the States did not equal the national poverty income level.

The benefit structure in many states makes it a certainty that victims of permanent partial disabilities, permanent total disabilities, and death cases, and their families, cannot escape poverty.

While 13 States cover 83% of their workers, 15 States cover less than 70%. Over 15 million workers are estimated to be denied any protection at all from worker's compensation.

The American working family needs the basic protection that this legislation will provide. In fact, these measures are long overdue. Millions of American families have felt the crushing burden of poverty descend upon their shoulders and the indignities of the welfare lines enter their lives, because of the deficiencies of the worker's compensation laws.

We need this legislation now. Our people need its provisions for universal coverage of all workers; extension of protection to all injuries and occupational diseases; improved benefits for the totally disabled and survivors in death cases; elimination of all time or dollar maximum limitations for either death or total disability payments or for medical care or rehabilitative services; periodic benefit increases based on changes in State average weekly wage to name a few.

Mr. Chairman, I compliment you on what I believe to be an outstanding piece of legislation. Obviously, your hearings in Minneapolis and elsewhere will result in refinements that will make this even better legislation. I hope that you will soon be able to report this legislation to the full Senate for action. When you do, you can count on my support.

I would also like to thank the Chairman for including S. 2587—The Employees Comprehensive Respiratory Disease Compensation and Registration Act—on the agenda of this series of hearings before the Labor Subcommittee.

This legislation, which I authored, provides for the care and compensation of workers and their families who suffer from respiratory diseases and disability because of their employment in America's modern industrial system.

Many of the more than 400,000 persons who develop occupational diseases each year, suffer from diseases of the respiratory tract and associated tissues.

Yet, State worker's compensation laws, with few exceptions, restrict coverage for respiratory disease.

Federal benefits have been approved only for coal miners who suffer in an astonishing degree from black lung disease. All the workers in other production industries, the 3.5 million asbestos workers, 900,000 textile workers, 770,000 workers exposed to bagasse fibers, the 600,000 workers exposed to silicon dust, the 715,000 cosmetic workers, paintmakers, papermarkers, and talcumpowder makers, bear the burden of disease, and medical expenses alone. When disease strikes they often must go on welfare. When they die, usually in their most productive years, their families are cast aside without even the most minimal assistance. They too add to our welfare rolls.

Compounding this tragedy is the fact that these workers often are unaware of the hazards they face daily. And because they do not realize the risks, they are unable to receive medical assistance which could prevent, control or cure these diseases with the horrible names and still more horrible effects—silicosis, asbestosis, byssinosis, talcosis, lung cancer, and brown lung.

The legislation I have proposed will rectify the injustice that has been done for so many years.

It is time for employers and conpensation agencies, State, and Federal, and American consumers to share the risks as they have shared them for black lung and for industrial accidents under the worker's compensation laws.

This bill will do two important things. It will provide benefits in cases of total disability due to respiratory disease at a realistic and humane level. The bill provides that benefits be paid at a rate equal to two-thirds of the employee's average weekly wage and in no event less than 50 percent of the average weekly wages paid in his State of residence.

Care is also taken to assure that if the worker dies as a result of these respiratory diseases his family will be provided for.

The bill also creates an information source which will assure us that all those exposed to these environmental hazards of the workplace will know the risks they take and their eligibility for benefits based on level and period of exposure.

If we are to make progress in combating the toll which overtakes our industrial production workers, through preventive medicine, we must provide for assessment of risks and medical follow up. A nationwide register of employees exposed to respiratory risks will be developed. It will contain data for each person tabulating exposure to disease-producing agents, duration of exposure, and severity of exposure. The record will be supplemented and kept up to date even though a person changes jobs, so long as his exposure to new risks is created. These records will be confidential and available only to the employee and his physician. The register will enable this legislation to become much more than just an insurance program. It will be part of a positive health care system to prevent disease and its costs and sufferings.

Mr. Chairman, I urge prompt action on this legislation to eliminate one of the most serious sources of injustice to American workers and their families that remains a tragic part of our industrial society.

In conclusion, I would like to thank the Chairman for this opportunity to testify in behalf of much needed reform in our nation's system of worker's compensation. I am delighted with his decision to hear from the people of Minnesota on this important issue.

TRANSPORTATION OF HAZARDOUS MATERIALS BY AIR

Mr. HARTKE. Mr. President, during the next 12 months, commercial airlines in the United States will carry more than 900,000 shipments of radioactive materials in the cargo holds of passenger aircraft. Government officials, who are responsible for the safety and welfare of air travelers, insist that those shipments present no danger whatsoever.

In fact, during testimony before a congressional committee a year ago and again in testimony before a hearing of the Commerce Committee which I chaired earlier this month, spokesmen for the Federal Aviation Administration praised the safety record of such shipments during the past 25 years. They have testified that there have been only three incidents involving the leakage of radiation from cargo containers on passenger planes in all that time.

Mr. President, if there had been just one incident involving leakage that would be one too many; but there have been many more leaks than those acknowledged by the FAA.

Some months after the hearings on the House side, acting on information received from sources in Government and the air transportation industry, The National Tattler, a weekly publication which is distributed throughout the United States, began conducting an independent investigation into the situation. Its well-researched and documented findings were published a few weeks ago and revealed conditions which are outrageous.

For example, the Tattler investigators uncovered—and obtained copies of—official Department of Transportation records documenting many times the number of incidents reported to Congress by the FAA. The Tattler investigators wove a story of conditions so dangerous to

American air passengers that I believe their investigation deserves the attention of my colleagues.

I, therefore, ask unanimous consent, Mr. President, that the text of articles which appeared in the May 12, 1974, edition of the Tattler on this subject be printed in the RECORD at the conclusion of my remarks.

I might add, Mr. President, that the merits of the Tattler's investigation were emphasized when, only a few days before it appeared on the newstands, nearly 150 paying passengers and air personnel were exposed to the dangers of radiation from a leaking container being shipped from Washington, D.C., to Atlanta, Ga., and then on to Baton Rouge, La.

Mr. President, the transportation of hazardous materials is a subject which deserves the attention of Congress, and I intend to pursue it until the American people can fly in airplanes free from the fear of being exposed to the dangers of radiation. The National Tattler deserves high praise for a good job of investigative reporting on a situation which has been hidden from the public eye by government officials.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the National Tattler, May 21, 1974]

Tattler Probe Spurs Congressional Action To Halt Deadly Radioactive Shipments in Luggage Holds—Today's American Passenger Jets Are "Atomic Bombs"—One Crash Could Wipe Out Any U.S. City, Top Pilot Says; Rays Threaten Millions Aloft

(By William Barnhill and Robert H. Abboring)

Almost a million passenger-carrying airliners will crisscross the United States this year, carrying the threat of sickness, death and destruction for millions of Americans.

Nestled in the cargo holds of these commercial airliners will be dangerous radioactive materials, including deadly plutonium.

An intensive Tattler investigation has uncovered the shocking fact that a half million airline passengers are being exposed daily to dangerous radiation from these materials as a result of government bungling and callousness on the part of some airline officials.

Even more frightening than the danger to the health and lives of passengers is the possibility one of these planes could crash in or near a large American city.

According to one top safety expert, if one of these planes crashes near a city like New York, millions could be killed and the area would be uninhabitable for 24,000 years.

Medical experts and Atomic Energy Commission officials say that even a relatively small amount of radiation can be enough to cause:

Sterility in men;

Miscarriages or deformed babies for women;

Radiation induced cancer for every passenger.

These dangers are all very real. They also directly contradict the assurances of the Federal Aviation Administration and Department of Transportation that the carrying of radioactive materials aboard commercial airliners presents no danger to passengers.

The most recent of these assurances was made by William Burns, director of the transportation departments' Office of Hazardous Materials on March 14, 1973, before Rep. Jack Brooks (D-Tex.) and the House subcommittee on government activities.

He told the subcommittee that there have been only three leakages of radioactive materials carried aboard commercial airliners in 25 years.

But an examination of Transportation Department records by Tattler disclosed that there have been at least 11 serious leaks of radioactive materials carried aboard airliners during a 9-month period, including a major incident on Dec. 31, 1971.

All took place well before Burns made that public reassurance on March 14.

In some of these 11 incidents, radiation to which passengers were exposed exceeded by more than 100 times the maximum level considered safe by the Atomic Energy Commission.

When told of these facts, Sen. Vance Hartke (D.-Ind.) exploded:

"This has gone far enough! I'm introducing legislation to ban the shipment of radioactive cargo on commercial airlines altogether."

Rep. Brooks, chairman of the House subcommittee on government activities, said:

"The evidence shows that the air safety system for hazardous materials is in total disarray. In my opinion, the American public has not received the protection they're entitled to.

And while this is going on the FAA continues to soothe people into believing no problem exists at all."

The working pilots and stewardesses who crew the airliners have long been aware of radiation danger.

The Air Lines Pilots Association warned the aviation authority and the transportation department that unless "effective and early action" is taken pilots will refuse to fly the airliners.

A spokeswoman for the Stewardesses for Women's Rights told Tattler that stewardesses have been secretly wearing radiation-detector badges concealed in their uniforms.

"During 1972 alone, 10 stewardesses for one airline based in St. Louis became pregnant. Five had miscarriages and another had a deformed baby," she said.

"Money-making is the name of the game," said Capt. Donald Dunn, co-chairman of the pilots' association's Hazardous Materials subcommittee.

"The companies who ship this stuff say that if it's packaged properly no radiation will escape. But that's simply not true," Capt. Dunn told Tattler.

"The only way manufacturers and airline shippers could eliminate the problem is to store every shipment in containers heavily lined with lead.

"But that would cost a lot of money. So they flagrantly disregard public safety for the sake of the almighty buck," he explained.

"Anyone who must fly on a regular basis—this includes pilots, stewardesses and passengers—is quite conceivably receiving serious overdoses of radiation, based on the dosage limits established by the AEC Atomic Energy Commission).

"Another thing that's terribly unfair is the fact that passengers don't even know they're flying with radioactive cargo.

"When trucks and trains ship such stuff, they must be appropriately marked. But planes do not. The airline companies do not want to scare passengers."

There are many, continued Capt. Dunn, who insist that the doses of radiation the passengers get are so small that they do not prove fatal.

"But we're not worrying about people being killed. We're worrying about the potential long-term effects. These can include sterility, leukemia, cancer, birth defects, and so on.

"Even if the package is properly loaded, passengers sitting directly above the shipment get continuous doses of 150 millirems at their feet.

"And that's when the shipment is properly packaged and loaded. But when it's not, and far too often the containers leak, the doses go way, way up."

Tattler found from the AEC that the average citizen is allowed exposure to only 170 millirems, a unit of radiation measurement, in an entire year. This means that if passengers are exposed to a "safe" container just once in a flight, they've received the maximum exposure allowed. A second trip in the same year can exceed the safe limit.

"We found shipments emitting three times the amount allowed under federal regulations," said Capt. Dunn.

The Federal Aviation Administration and the Department of Transportation have been aware of these dangers for at least two years. In 1971, the National Transportation Safety Board warned in a public statement:

> . . . The presence of gamma and other radiation is not readily perceptible to human senses. Thus an individual may be receiving radiation exposure at an excessive rate and be totally unaware of the fact.

"Gamma rays can be very penetrating, and they travel great distances in air. For example, even 5 inches of lead shielding will not absorb all the gamma radiation emitted from certain isotopes." (An isotope is a radioactive substance.)

Capt. Dunn told Tattler that passengers are not the only ones threatened by planes carrying radioactive materials.

"If an airliner carrying plutonium should crash and burn near a large city, millions could be killed and the area made unlivable for thousands of years.

"Fire will not destroy radiation and if for some reason one of those 'indestructible' containers should burst on impact the smoke from the fire will carry the radiation with it high into the air and from there wherever the wind blows it.

"It's conceivable that millions of people could be killed and the whole area poisoned by the radioactivity," he cautioned.

The dangers are very real and no one is merely crying "wolf," safety experts for the pilots' association stressed.

Tattler found out from the Air Transport Association, the federation for airline operators, that between 900,000 and 1 million shipments of radioactive materials—including plutonium—will be flown around the U.S. in the cargo holds of the airliners on which you travel this year.

And, according to ALPA, 9 out of 10 of these shipments violate federal safety regulations in some way.

Senator Hartke Demands Ban on Such Cargo Aboard All Passenger Craft

Sen. Vance Hartke (D.-Ind.), a member of the Senate Aviation Subcommittee, was among the first to react when Tattler presented him with the facts about airline radiation danger.

"What is it going to take to make the bureaucratic power structure and private industry pull their heads out of the sand and face reality?" he demanded.

"Must we have a major disaster as a result of radioactivity shipped aboard commercial aircraft before someone takes positive action?

"Time and again, I have watched glaring safety violations being pointed out to the FAA (Federal Aviation Administration) and each time they practically fall all over themselves to make excuses for the airlines. They take only the most delicate action only after it has been forced on them.

"The airlines, shippers of radioactive cargo, and their friends at the FAA say there's no significant danger to the flying public from radioactive cargo.

"Why then did so many federal officials from so many federal agencies jump into the act following the radioactive spill aboard the Delta Airlines passenger plane in 1971–72?"

"I have written to Alexander Butterfield, FAA Administrator, John Reed, chairman of the National Transportation Safety Board, and William Burns, director of the Office of Hazardous Materials, asking what follow-ups, if any, have been made to find out if there have been any NON-immediate injuries.

"I also want to know why FAA officials and Director Burns told Congress last year that there have been only three radioactive spills during the past 25 years when there have been at least 11 during 1972 alone.

"Mr. Burns told Congress: 'In 25 years of transporting radioactive materials on passenger planes, there have been no deaths or injuries known to have resulted from the radioactivity of a shipment.'

"But I'd like Mr. Burns to tell me if there have been any deaths from cancer, have there been any fetal deformities, or have any males become sterile.

"The American people need and deserve protection. To provide that protection, I have asked my legislative staff to prepare a measure for introduction in the Senate to ban the shipment of radioactive cargo aboard any passenger-carrying aircraft."

THESE LEAKS FOUND IN 9-MONTH SPAN

Although officials stated there were only three incidents of radiation leakage aboard commercial aircraft in 25 years, Tattler's Bill Barnhill documented these cases during one nine-month period. They include:

Dec. 31, 1971–Jan. 2, 1972—This was the first and most serious incident. The Delta Airlines jet, carrying highly radioactive Molybdenum-99, sprang a leak in New York City, then stopped at 10 other U.S. cities before the mishap was discovered in Houston, Texas. A total of 941 passengers and crew came in contact with the deadly plane. Safety experts told Tattler: "There's no doubt at least some of the passengers received several hundred percent more radiation than is considered acceptable by the Atomic Energy Commission in a single year."

Jan. 7, 1972—A cylinder containing Irridium 192 was being unloaded from an Allegheny Airlines plane in Washington when the cover came off, spilling the radioactive contents.

Jan. 8, 1972—a shipment of radioactive isotopes fell from a cart as it was being wheeled to a Northwest Airlines plane at Kennedy Airport in New York. The container fell out of its lead-lined safety package.

April 17, 1972—The cover of a box containing a Class III radioactive material (Class III is the most dangerous) was pulled off its hinges as it was being loaded aboard a North Central Airlines plane at Duluth (Minn.) International Airport. A level of high radioactive emission was recorded at four to five feet from the box.

April 29, 1972—A shipment of radioactive isotopes fell from a wooden support and was run over by a fork-lift truck, breaking two glass tubes, as it was being put aboard an American Airlines plane in Chicago.

June 22, 1972—Delta Airlines personnel found a damaged carton containing radioactive materials in the cargo of one of their aircraft at Houston International Airport after it had arrived from St. Louis.

July 20, 1972—While unloading a shipment of radioactive material from the hold of an Alleghany Airlines plane at Washington National Airport, workers discovered an open container. The shipment had come from Boston.

July 29, 1972—At Stapleton Field, in Denver, Colo., a container with a Class III radioactive cargo was found damaged in the hold of a Braniff Airways plane. The plane had come from Lima Peru, via Miami, Fla.

Aug. 8, 1972—Delta Airlines personnel found one of five packages aboard a Delta plane at Washington National Airport to be damaged. Radiation was detected.

Sept. 17, 1972—A shipment of Class III radioactive material was found to be wet aboard a Delta Airlines Plane at Miami International Airport.

FINANCIAL STATEMENT OF J. GLENN BEALL, JR.

Mr. BEALL. Mr. President, on May 6, 1974, I included my financial statement in the CONGRESSIONAL RECORD.

It has been brought to my attention that certain figures were printed incorrectly, therefore, I am submitting the statement for reprinting, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT—SENATOR J. GLENN BEALL, JR.—DECEMBER 31, 1973

ASSETS

Cash in bank:	
Checking accounts	$8,535.73
Savings accounts	12,201.51
Total	20,737.24
Stocks and bonds (see list attached, appendix A)	190,554.53
Life insurance—cash surrender value	19,909.20
Beall, Garner & Geare, Inc., retirement trust (vested interest)	30,861.67
Real estate:	
Beall's Lane, Frostburg, Md	50,000.00
Western Avenue, Chevy Chase, Md	80,000.00
Total	130,000.00
Personal property	20,000.00
1972 Chrysler 4 door sedan	2,500.00
Total	414,562.64

LIABILITIES

Note payable, First National Bank & Trust Co. of Western Maryland	5,000.00
Due on life insurance	2,744.26
MORTGAGES PAYABLE	
The Fidelity Bank, Frostburg, Md. Frostburg house)	14,180.79
Citizens Building & Loan Association (Chevy Chase house)	53,725.61
Total	75,650.66
Net worth	338,911.98

APPENDIX A—STOCKS AND BONDS

34 Allegheny Power System	$680.00
39 Beall, Garner and Geare, Inc. (Common)	116,248.18
100 Beall, Garner and Geare, Inc. (Pfd.)	26,000.00
Beall, Garner and Geare, Inc. (7% conv. notes)	5,000.00
100 Canadian Export Gas and Oil	312.50
1 Capitol Hill Associates	100.00
163 Cumberland Fair Associates	3,260.00
50 The Fidelity Bank	1,000.00
232 First National Bank and Trust Company of Western Maryland	15,080.00
50 General Telephone and Electronics	1,250.00
5 Irving Trust	134.37
17 Kaiser Aluminum and Chemical (common)	$337.87
8 Kaiser Aluminum and Chemical (4¾% com. conv. pfd. 1959)	448.00
170.522 Massachusetts Investors Growth Stock Fund	2,013.86
60 Minnesota Mining and Manufacturing Co	4,680.00
34 Northern Illinois Gas	739.50
34 Tenneco	765.00
30 Exxon	2,823.75
268 United States Fidelity and Guaranty Co	9,681.50
Total	190,554.53

STATEMENT OF INCOME AND TAXES FOR 1973

*Gross income	82,195.00
Less adjustment to income	3,000.00
Adjusted Gross Income	$79,195.00
Less:	
Contributions	2,325.00
State and local taxes	7,871.00
Interest paid	5,162.00
Miscellaneous exp	901.00
Total contributions	16,259.00
Total income	62,936.00
Exemptions	2,250.00
Taxable Income	60,686.00
Federal income tax paid	22,462.00

*Income includes long term capital gain in amount of $6,469.00 from sale of real estate.

MOTHER TERESA AND THE HUNGRY

Mr. McGOVERN. Mr. President, during my 2 years as Director of the Nation's food-for-peace program, 1961–62, I came to know of the soul stirring work among the hungry, sick, and dying of Calcutta by Mother Teresa. This great humanitarian continues her work of mercy at the present time. She deserves the affection and admiration of the world.

I ask unanimous consent that an article about Mother Teresa in the Washington Star of June 26, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star-News, June 26, 1974]

MOTHER TERESA DUE ON "TODAY"

(By Patricia Simmone)

"It's like talking to a modern-day saint," Barbara Walters said yesterday about Mother Teresa, who will be coming back for a second appearance July 8 on the Today Show.

The frail, 63-year-old nun famed for her life in India working with the starving and poor of Calcutta, will be here to enlist Congressional support for the world-hungry, including those in Africa and the Middle East.

"She is fascinating," Ms. Walters said.

Malcolm Muggeridge and the BBC had the same reaction when they more or less discovered Mother Teresa a few years ago doing a documentary about her work, which has now spread to three continents.

"The response was greater than I have known to any comparable program, both in mail and in contributions for her work," Muggeridge wrote.

"The letters came from the young and the old, the rich and the poor, educated and uneducated, all sorts and conditions of people. All said approximately the same thing: "This woman spoke to me as no one ever has and I feel I must help her.' "

In one of her interviews Mother Teresa was asked if the hunger in Harlem (where some of her nuns are now working) could be compared to that in Calcutta or Bombay?

"All hunger hurts deeply . . . we are all of the same family. And it is not always hunger for bread but for love. Sometimes the bread is easier to give. But in Western countries, I think the hunger is more for love," she answered.

Her nuns treat half a million patients a year in 125 dispensaries and run 12 homes for the dying poor. When she first started the Indian government gave Mother Teresa an abandoned Hindu Temple, and it was here that the sisters brought the disease-ridden outcasts they found dying in the gutters of Calcutta.

"What exactly do you do for them?" Muggeridge asked.

"We want them to know that they are wanted," Mother Teresa explained. "We want them to know there are people who really love them, who really want them, at least for the few hours they have to live."

DISASTER ASSISTANCE

Mr. HUMPHREY. Mr. President, I want to applaud the House action yesterday on the conference report on H.R. 12412, providing disaster relief assistance to the drought-stricken countries of west Africa, and to Pakistan and Nicaragua. This measure is now cleared for the President.

I first introduced this legislation in the Senate with Senators JAVITS, JACKSON, and KENNEDY on October 2, 1973. Since that time, the crisis in the Sahel has grown considerably. The funds now authorized and appropriated by Congress are urgently needed to save lives and to contribute to the reconstruction of economies devastated by drought.

We have seen the generosity of the American people in their private efforts to assist those affected by disasters around the world—and in their strong support of this legislation.

I hope that the President will act immediately to sign this bill into law and provide this desperately needed relief assistance to the people of west Africa, Pakistan, and Nicaragua.

THE CONSUMER PROTECTION AGENCY ACT

Mr. THURMOND. Mr. President, I am greatly alarmed by S. 707 and the unprecedented powers it would bestow on a Federal agency if it were enacted. Creating a massive intergovernmental bureaucracy is not going to service the average citizen with a legitimate consumer complaint.

Bureaucracies are noted for paperwork, and this agency will be the alltime recordholder. In my opinion, the planned Consumer Protection Agency can only grow and grow until the national paper work load is pandemic.

While the plan to establish the CPA as a complaint clearinghouse may be a noble purpose, I stagger at the thought of the scope of this task. In my opinion, all that paperwork will come to no action since "the CPA has no authority to impose any resolution of such complaints or any person or government agency." In addition, I think we must realize that the Better Business Bureau already serves as a consumer complaint clearinghouse.

A complaint-filing system is not the only duplication created by this legislation. The very concept of the CPA to serve as a governmental watchdog to snap at the heels of other Federal agencies duplicates the activities of those agencies.

Every agency of the Federal Government was created to serve in the best interests of all the citizens of the United States. The design of the CPA is to divide our people—shopowner against customer and farmer against consumer. However, all shopowners are also customers and all farmers are also consumers—their individual interests are complementary. The Federal agencies were established to serve these complementary needs.

If this system is not working to peak efficiency, then let us pass legislation to shore up the administration system. When you are already 95 percent successful, you do not discard the system in the expectation that starting all over will gain you 100 percent effectiveness. Creating a CPA will destroy the interagency balance of business-consumer needs—we will have much less efficiency with this new "advocacy agency" and doubtfully any more service to consumers.

The powers of access to information, authority to disclose such information, and judicial review are powers we should not bestow lightly upon a new agency. I think many people are unaware of the dangers of this bill. I look forward to the extended debate planned when this legislation is brought to the Senate floor because I wish to explain the dangers I see in any agency designed to hound good government.

SUPPLY AND DEMAND, REBALANCING THE EQUATION

Mr. NELSON. Mr. President, I call attention to a speech given by the president of the Bank of America, Mr. A. W. Clausen, before the annual meeting of the Society of American Business Writers on May 6 of this year.

The speech is entitled "Supply and Demand, Rebalancing the Equation," and it deals in broad-brush terms without current economic crises of inflation, unemployment, and productivity. Mr. Clausen perceptively points to resource shortages as one of the significant factors which contribute to our current situation.

The speech is in many respects excellent and well written but I raise it now to call attention to a specific proposal made by Mr. Clausen.

The proposal interests me because its philosophy is so similar to the philosophy behind Concurrent Resolution 88, relating to a national economic emergency, which I introduced recently along with Senators HART, HUMPHREY, and JAVITS, and which has since acquired the cosponsorship of a number of other Senators.

The part of Mr. Clausen's speech to which I refer reads as follows:

I have a suggestion that may be worth considering. Back at the turn of the century, in the wake of the financial panic of 1907, the business, financial, and political communities became acutely aware that we needed a new banking system. They recognized that neither Congress nor the Executive Branch had the strength and expertise to construct such a system and make it palatable to the prevailing interests.

So Congress created the National Monetary Commission, Although it was a Congressional body with Senator Nelson W. Aldrich of Rhode Island as its chairman, the Commission drew heavily on outside leaders and experts. The Aldrich Commission, as it came to be called, gave us the Federal Reserve Act of 1913. As I think you'll agree, it worked. Even though my banking colleagues and I sometimes differ with the Fed, the Fed is unique among U.S. institutional innovations.

I know that the federal government today is bottom-heavy with special boards and commissions. They are appointed with fanfare, and then they lapse into limbo. Their reports are more often ignored than not.

Yet I can think of no better way to mobilize the leadership of government, business, labor, consumers, the financial community, and other interests than to bring them together in a sort of supra-government council—a summit commission representing all the interests that would have to agree in order to put a new economic policy into effect.

So I propose a new National Economic Commission, to be composed of the national leadership, broadly conceived. It would be unique both in its membership and the power it represented and also in that it would build on the work of the many previous commissions which produced exhaustive studies—which have rarely received the attention they deserved—studies on such subjects as national priorities, money and credit, financial institutions, productivity, and many others.

It would be unique in another very real sense, for it would accept political responsibility for putting its findings into practice.

This would take a lot of effort. But I think it would work. I don't see anything else on the horizon that has a chance. Frankly—and I hesitate to say this—I doubt the capacity of government, even when the President and the majority in Congress are of the same party, to deal effectively with fundamental economic problems without the sort of effort I've proposed.

But I don't take a proprietary interest in the idea. If someone has a better way—a more practical way, a way with better promise of success—I'm for it.

The crucial point, to paraphrase Clemenceau, is that economic policy is too important to leave either to economists or to politicians. It is everybody's responsibility.

We have reached a critical juncture. We must either stop inflation or reconcile ourselves to living with it and with its consequences, which include the ever-present threat of a serious recession.

The American people are deeply concerned about inflation and the changes it might force on our economic habits and our freedom of choice.

So far there is no evidence of a fundamental change in the overall pattern of spending, saving, and investing. One of our strongest bulwarks against inflation is still in place—the determination of most people to fight inflation rather than yield to it.

We cannot count on this bulwark indefinitely. We must reinforce it with a convincing long-range—and up-to-date—program.

In closing, I must emphasize as forcefully as I can that the strength of our economy is awesome. I suppose, if we had to, we could somehow survive much worse inflation than we have now. But the cost would be far more than economic—the greatest costs would be measured in social and political terms.

The central question is not how much punishment our economy and society can endure. We have been given the stewardship of the world's mightiest economic machine. The question is: are we equal to the task?

Of course, Concurrent Resolution 88 does not recommend establishment of any permanent machinery or commission. It would add nothing to our Federal bureaucracy. It would, however, on an ad hoc basis permit the Congress to act as if it were being assisted by such a permanent commission.

Mr. President, the problems faced by our economy are so serious that we in the Congress can no longer wait to respond.

PALESTINIAN TERRORISM

Mr. RIBICOFF. Mr. President, both the New York Times and the Washington Post yesterday editorially treated the subject of Palestinian terrorism from different perspectives but with unusual perception. Looking at past events, the Times justifiably described the Sudan's release of the murderers of a Belgian and two American diplomats as "a mockery of justice." In order to prevent future outrages its call for all nations "to ostracize those nations whose rulers cannot be counted on to stand up to international murder, extortion, and piracy."

With the exception of Israel, almost all of the governments in Western Europe holding convicted Arab terrorists have already released them. The Times cites these nations as "accomplices in the spread of international terrorism," and surely their actions are as contemptible as those of the Sudanese authorities.

The Post, in its editorial, made a point sometimes overlooked by commentators on Palestinian terrorist attacks and the Israel responses to these attacks. This is the responsibility the Palestine Liberation Organization must bear for the terrorists' forays against Israel women and children.

The editorial described as "foolishness" the PLO's demands to be recognized as the political body representing Palestine at the same time it claims the right to mount these murderous raids from its havens in Lebanon. Israel cannot be expected to negotiate with self-styled Palestinian leaders who not only plan the murderous attacks on Israeli civilians, but hide out among Arab civilians in refugee camps.

In its call for "A New Approach to Palestinian Terror," the Post underscored the need for Lebanon to follow Jordan's example in preventing terrorist raids on Israel from within its borders. Only when this is done, will the killing in the Middle East end, and the parties then will be able to get down to the task of finding ways of living with each other in peace.

I ask unanimous consent that both editorials be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the New York Times, June 26, 1974]

Mocking the Dead

Last year, when the authorities in Khartoum captured eight "Black September" gunmen who had tortured and killed a Belgian and two American diplomats, the Sudanese Government condemned the outrage and promised to bring the criminals to justice. The Sudanese Foreign Minister called the brutal killings "a criminal act" to be prosecuted and punished. Sudan's President Nimeiry himself denounced the barbarous deed on television.

The civilized world reacted with relief and admiration when it appeared that Khartoum stood ready to defy Arab pressure to release the murderers. That estimate of President Nimeiry's toughness was, unfortunately, exaggerated. The President has now sacrificed justice to expediency. Although a Sudanese court sentenced the eight murderers to life imprisonment, President Nimeiry has decided to turn the killers over to the Palestine Liberation Organization.

Making a mockery of justice as well as the victims' memory, General Nimeiry engaged in the charade of first commuting the sentences to seven years in prison and then assigning supervision of the sentence to the Palestinians—an act equivalent to releasing a gangland killer to the custody of his own Mafioso family.

Khartoum thus has joined the dishonor roll of countries which, by surrender to Arab pressures, have made themselves accomplices in the spread of international terrorism. In the end, these cowardly officials will increasingly expose their own governments and people to the danger of unpredicable slaughter. The appropriate response of governments interested in the maintenance of international law and safety is to take every possible peaceful step to ostracize those nations whose rulers cannot be counted on to stand up to international murder, extortion and piracy.

[From the Washington Post, June 26, 1974]

A New Approach to Palestinian Terror

It is plain that the old approaches to Palestinian terror are inadequate: they neither save lives nor insulate the state-by-state diplomacy of the Mideast from the shocks of guerrilla violence. The latest incidents prove the point again. The Israelis, responding to the murder of three civilians at a northern kibbutz, conducted three days of air raids against guerrilla facilities in some of the 15 refugee camps in Lebanon. As usual, innocent civilians were also killed. Three more terrorists then killed a mother and her two children, and a soldier, at an Israeli seaside resort. Under Prime Minister Rabin's policy of "perpetual war" against terrorists, more reprisals were at once planned.

Israel, while trying to stiffen defenses on its own territory, seems increasingly ready to carry retaliatory and preemptive attacks to Lebanese soil. It would thereby like to force the Lebanese government to police "Fatahland," the southern jump-off area where some 6,000–10,000 guerrillas operate. The United States endorsed the theory of this policy—though it regularly deplores the civilian deaths that result from the practice of it—in the Nixon-Rabin communique provision calling on states "to refrain from organizing or encouraging the organization of irregular forces or armed bands including mercenaries for incursion into the territory of another state." But instead of cracking down on guerrillas who abuse its hospitality, Lebanon, militarily and politically vulnerable, is now asking Egypt and Syria to help provide a defense against Israeli raids. Egypt and Syria are under at least as strong political pressure to help the Lebanese and Palestinians as the Israeli government is under to fight back against terror. Down that road lies more violence, more tension between the Israeli and American governments, stalemate in the American-sponsored Mideast settlement effort, and perhaps worse.

Is there an alternative to this wasting contest of Israeli and Palestinian wills, an alternative that will at once satisfy the legitimate Israeli goal of halting terror and the legitimate Palestinian goal of gaining political rights? One possibility, perhaps long overdue for exploring, might be for the Palestine Liberation Organization to accept responsibility for controlling the guerrillas—all guerrillas, not just those operating out of southern Lebanon. Right now the PLO's situation is contradictory and untenable. The PLO demands to be recognized as the political body representing Palestinians, but it refuses to accept the first and fundamental obligation of any body demanding political status—to control and take responsibility for military actions committed in its name. Rather, even while claiming a general right to fight against Israel, the PLO either formally disavows specific operations or offers the fantasy that the operations are mounted from inside Israel—in any case, an abdication of political responsibility.

The Palestinians are right, as we have long said, to claim political status. But, we also believe, the Israelis are no less right to deny it to them as long as the Palestinian's act like "irregular forces or armed bands including mercenaries." This was the descriptive language of the Nixon-Rabin communique which the PLO decried. Too many Palestinians believe they should automatically be endowed with political rights simply by asking for them. This is foolishness. No other would-be nation has ever been recognized on this flimsy basis. The Palestinians must earn political rights, not just by issuing manifestos and programs but by demonstrating that they can use power responsibly and control those in whose name they profess to speak.

Under this requirement, the PLO—if it is serious—should undertake in effect to run a sub-administration in "Fatahland" and to stop violating the sovereignty of one state, Lebanon, by using its territory to launch operations violating the sovereignty of another state, Israel. The PLO should punish—rather than lionize—those of its members who commit such crimes as killing foreign diplomats. For instance, not to punish the eight terrorists handed over to the PLO the other day in Sudan—the eight killed two American diplomats and a Belgian diplomat last year—only validates the description of Palestinians as "irregular forces and armed bands" and undercuts the PLO's claim to be accepted as a legitimate member of the international political community. The question of the PLO's representation at Geneva can hardly be considered while the PLO remains a political adolescent. Its political aspirations will deserve and win respect only as it goes beyond demanding "rights" and starts to accept responsibilities as well.

STATEMENT ON A VOTE

Mr. CLARK. Mr. President, yesterday, my vote on final passage of the debt ceiling bill, H.R. 14832, was not recorded. At that time, I was speaking with groups of 4–H students from Black Hawk County and Franklin County, Iowa. Since I was near the floor of the Senate—we were meeting on the Senate steps of the Capitol—a page was sent from the floor to let me know the vote was in progress. The page misunderstood the directions and I was not summoned to the floor. However, as was announced at the time, had

I been present I would have voted for passage of the bill.

NORMAN JONES: DISTINGUISHED KANSAN

Mr. DOLE. Mr. President, with the passing of Norman Douglas Jones on May 31, Kansas lost one of her most distinguished sons. For the many veterans he served, a trusted colleague will be sorely missed.

SERVED VETERANS LOCALLY AND NATIONALLY

Norman Jones was distinguished in his service to veterans. Having graduated from the University of Kansas in 1948, he went to work for the Kansas State Veterans Commission and became its director. In this capacity he provided tireless assistance to thousands of World War II veterans in Kansas. He worked hard to insure the high quality of veterans programs, particularly in education and training under the GI bill.

Mr. Jones left this position in 1957 to work for the Veterans of Foreign Wars as assistant director of the organization's Vocational Rehabilitation Service. Two years later he became the director. This position later became the National Service Officer and he occupied the office until the time of his death.

Norm Jones' help to veterans all across the country was invaluable. He was without peer when it came to knowledge about veterans programs. He worked closely with officials of the Veterans' Administration and enjoyed a warm and productive relationship with them. His work in conjunction with the VA and the Department of Labor's Office of Veterans Employment improved the lives of countless veterans.

An example of Mr. Jones' compassion was the selfless effort he put into the VA Volunteer Service. Through his perseverance, the VAVS became a viable program. The lives of thousands of veterans in VA hospitals across the Nation have been brightened by the warmth, kindness, and entertainment extended through this service and it has been in no small part because of Norm's efforts.

As national service officer for the VFW, Norm Jones was especially dedicated to the aid of disabled veterans. This dedication led to his appointment in 1965 as chairman of the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped. Acting in this capacity, Mr. Jones supervised the development of special projects designed for the rehabilitation and employment of disabled veterans.

Finally, Norm Jones helped many of us in the Congress in our efforts to pass meaningful legislation for veterans. His expertise on education benefits for veterans was unequaled. I can personally attest to the assistance he provided and express my heartfelt appreciation.

DEDICATION A HALLMARK

Norm was dedicated not only to his work, but to his country as well. A native of Vinland, Kans., he joined the Kansas National Guard in 1939, from which he was called to active duty a year later. During his outstanding service in the infantry throughout the Second World War, Mr. Jones was awarded the Bronze Star, the Asiatic-Pacific and European Theater Ribbons, the American Defense Service Ribbon and the Combat Infantryman's Badge.

Not only will Mr. Jones be missed by the country he loved, but by the family he cherished. He leaves behind his wife, Catherine, two daughters, a son, two stepsons and four grandchildren.

While his untimely death is to be mourned, those of us whose lives he touched will look upon his life as one devoted to the aid of others. Whether it be as a friend, family man, or public servant, Norm Jones had a sense of dedication known but to a few.

AFRICAN DEVELOPMENT FUND

Mr. HUMPHREY. Mr. President, today the Senate Foreign Relations Committee held hearings on S. 2354, a bill I introduced with Senators Brooke, Javits, Kennedy and McGee, to authorize U.S. participation in the African Development Fund of the African Development Bank. This fund is a joint effort by industrialized nations and the developing nations of Africa to provide soft-term loans for economic development projects in some of the poorest countries in the world. Our contribution would be $15 million over a 3-year period. It would be less than the contributions of Canada and Japan.

I believe the United States should participate in this truly multilateral, cooperative effort.

Mr. President, I ask unanimous consent that my opening statement at these hearings be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY

Mr. Chairman, the bill we are considering today, S. 2354, would authorize the United States participation in the African Development Fund. The Fund is an important institution in the cooperative effort by developed and developing countries to realize Africa's vast economic human potential. Our pledge to contribute to the regional development bank of the poorest of continents is long overdue. I hope this Committee will act speedily to fulfill the promise the United States government has made to the nations of Africa.

The African Development Fund is the "soft loan" window of the African Development Bank. It is the branch of the Bank which provides loans for development projects in the poorest countries of Africa—those countries which cannot afford credit on normal terms. It also provides loans to the other countries for projects which are essential to development but which do not themselves yield immediate high returns. Where the African Development Bank itself is a "self-help" effort by the nations of Africa, the Fund is a joint effort by the Africans and the developed nations. Thirty-nine African states have subscribed more than $380 million of their scarce convertible currencies to their Bank to be lent on regular terms for development purposes. They have asked the developed countries to establish with them this Fund for lending on easier terms.

At the time when this special fund was first conceived, the United States government enthusiastically supported it and promised to contribute if other donor countries showed an interest. At first, in 1967, we promised to contribute $60 million over three years if other countries would contribute $90 million. The Fund was inaugurated in July, 1973. Today, sixteen other donor nations have made pledges of over $100 million—and the United States has not even fulfilled its reduced promise to match Canada's $15 million contribution over a three-year period. We are the only country which participated in negotiations to establish the Fund that has not yet met its promise to contribute. We have been given a year longer than any other country to become a Charter Member. We have six months left.

I met with the President of the African Development Bank, Mr. Labidi, when he was here in March. He expressed confidence that, in his words, "the United States will soon take its rightful place among the developed countries, which support our endeavors to contribute to the economic and social progress of the world's poorest continent, by fulfilling its commitment to the Fund."

The African nations believe the United States is sincere in its commitment to economic development and in its support of their Fund. Yet they are understandably distressed and puzzled by our delay in meeting a commitment of only $5 million per year for three years. This is a small sum when compared with the more than $1 billion annually we allocate to the other two regional development banks. A failure by the United States to fulfill our commitment by December 31 of this year would be a serious blow to our relations with the nations of Africa.

I believe that Members of Congress representing the broad spectrum of opinion on foreign economic assistance will all find ample reason to support United States participation in this Fund.

Those who believe that the initiative for economic progress must come from the developing countries themselves should support this Fund. For the African states took the initiative in establishing and funding their own regional development bank. By contributing to the Fund, we can express our support for this joint effort by poor countries in solving their own development problems.

Those who believe that the United States should do more to support truly multilateral institutions should be especially interested in a U.S. commitment to the Fund. For this is not an institution dominated by the United States. It is a genuine joint effort. Our contribution would amount to only 12 percent of the total. It would be less than the contributions of either Canada or Japan.

Those who believe our development assistance should be focused on improving living standards for the poorest people of the world have every reason to support this Fund. The projects it finances will be in some of the world's poorest countries—and will contribute to their ability to provide the food and services their populations so desperately need.

Finally, this legislation should be actively supported by those who believe that the problems of world poverty and hunger are among the most important issues in international relations. Our cooperation with the developing countries in solving these problems is every bit as important as our cooperation with the Russians in reducing the threat of nuclear war.

I hope that the representatives of the Administration here today will pledge their full and active support of this legislation. After all, its purpose is to fulfill a long-overdue commitment made by this country to the people of Africa.

APPEAL FROM SOVIET JEWS IN MOSCOW

Mr. JACKSON. Mr. President, I would like to share with my colleagues an urgent message cabled to me and to Senators JAVITS and RIBICOFF from Moscow by Soviet Jewish scientists and other prominent emigration applicants who are the main targets of a renewed and brutal campaign of intimidation, arrests, and reprisals. Among the signatories of the cable are the wives of two scientists who have already been placed under arrest.

I ask unanimous consent to print this telegram in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

[Telegram]

Senators JACKSON, RIBICOFF, JAVITS,
Washington, D.C.

DEAR SENATORS: It became known to us from radio broadcasts that you are discussing with the Secretary of State, Dr. Kissinger, the matters connected with a compromise in the matter of the amendment to the bill of trade. Among other things, the necessity of the receival of guarantees from the Soviet authorities about the ending of the persecutions of persons who had submitted applications for emigration from the USSR had been stressed. It was even mentioned that the Soviet authorities would be ready to make a statement that the submission of an application for emigration from the USSR does not contradict the Soviet laws.

We do not know whether the Soviet authorities will make such a statement officially but we do know beyond all doubt that the Soviet authorities had answered and are answering by tyranny and complete disregard for their own laws to all the demands of observing the Soviet laws in regards to the Jews who had been deprived of the possibility to leave the USSR under various fabricated pretexts.

Our experience had confirmed numerous times that a Jew who had stated about his desire to leave the USSR is placed outside the law: 1. He is illegally dismissed from work so that he could be later illegally accused of "parasitism". 2. His postal correspondence is read illegally and his telephone is bugged or disconnected altogether. 3. He is forbidden sometimes to leave his place of residence and sometimes "hunts" after persons with Jewish features are staged at railway terminals, airports and bus-stops. 4. He can be subjected to an illegal arrest at any moment and sent to prison without any charges being presented against him. 5. He can be presented with false, fabricated charges and sent to a labour-camp for a long period of time. These are, in brief the "legal aspects" of the life of the Jews living in the USSR and desiring to emigrate.

During the same days when official Soviet representatives make unofficial statements about that the restrictions of the Jewish emigration will be stopped and the repressions of the Jews will end a further escalation of the repressions takes place. A number of observers connect it with the forthcoming visit of President Nixon to Moscow. We do not know whether the President's visit is the reason or the pretext for the intensification of the repressions against the Jews. Already in 1972 telephones were disconnected and 11 Jews were arrested one day before President Nixon's arrival in Moscow.

This time no telephones will be disconnected prior to the visit as all of them were already disconnected in the middle of May. Arrests had started in Moscow 10 days before the President's arrival and their number of the arrested will be much larger than the one in 1972. This time—and this did not happen before—the KGB and the militia are breaking out the doors in the apartments of the Jews in order to send to prison the tenant of the apartment, who had refrained from going out into the street fearing an arrest, accusing him of disturbing public order. Following KGB's instructions the court today sentences the Jews to prison terms in absentia and then the militia detains these people and no-one of the relatives can find out about their fates.

We have no doubt in that the repressions will become even more cruel in the next few days. Same as before we hope that you and all those who care about the position of the Jews in the USSR and insist on the improvement of their fates will not allow themselves be misled and will insist on the receival of firm guarantees foreseeing free emigration of Jews from USSR in reality and the complete end of all repressions and tyranny.

Respectfully yours,

Polsky, Victor and Elena; Pestin, Vladimir and Elena; Koshevoy, Leonid; Mikhailova, Irina; Abramovich, Pavel; Balashinskaya, Marta; Agursky; Rubin; Akselrod, Inessa; Slepak, Maria; Polotsk; Lapiduss; Shpolyanskaya; Druk, Aleksandr and Drestiana; Levit, Vladimir and Alla; Korenfeld, Ludmila and Lidia; Belopolsky, Leonid; Inditsky; Drabkin, Victor and Sara; Toker; Lerner, Aleksandr and Yudif; Beilin, Iosif and Dina; Ramm; Balatnik, Bella; Kandel, Feliks; Esses, Ilya; Lunts, Ludmila; Nudel, Ida.

H.R. 8660—TO ASSIST FEDERAL EMPLOYEES IN MEETING THEIR TAX OBLIGATIONS UNDER CITY ORDINANCES

Mr. McGEE. Mr. President, although the senior Senator from Ohio (Mr. TAFT) was present yesterday, he was necessarily absent when the legislation to allow the Federal Government to withhold city income taxes from its employees (H.R. 8660) was cleared for the President's signature. The Post Office and Civil Service Committee is aware of his work upon this measure, and I am pleased to ask unanimous consent that his statement regarding its final passage be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ROBERT TAFT, JR., ON SENATE PASSAGE OF H.R. 8660

Mr. President, as the original Senate sponsor of H.R. 8660, I am delighted that the legislation has finally come before us for final passage and submission to the President. I wish to compliment the Post Office and Civil Service Committee for their diligent work.

Today marks the end of over two years of waiting and negotiating on this legislation for me. I first introduced a similar bill in the Senate as S. 3469 in the 92d Congress, on April 10, 1972. On September 5th of that year, I introduced it as an amendment to the Revenue Sharing Act of 1972. Although it was not accepted as a part of that act, the Senate passed such a proposal as part of H.R. 7577, an omnibus tax bill. That bill never became law.

Undaunted, the Senate again accepted my amendment to H.R. 8214, earlier in this Congress, to accomplish the purposes of this legislation. That bill never became law either.

From this history, the Senate can understand why I am extremely pleased to see the bill in its final form.

Although the legislation is far from the most important which this Congress will act upon, I believe it certainly merited the extended fight. It will benefit directly hundreds of thousands of civilian Federal employees, including a disproportionately large number of Federal workers in Ohio.

Because local income taxes are not withheld from the wages of Federal employees, these workers are forced to pay the taxes in lump sums on a quarterly or annual basis. The obligation to pay a substantial amount in local taxes at one time presents a serious hardship to many Federal workers. As of early 1972, one-third of Cleveland's postal workers had not been able to meet this obligation, and owed the city hundreds of dollars per person in back taxes.

The legislation before us will allow Federal workers to pay their city taxes in the same convenient manner as other workers, by making the payments in even installments throughout the year.

The proposal will also provide some extra money for the cities. Because the cities' tax collection departments will no longer have to devote extra attention to Federal workers, administrative costs will decrease. The cities of Akron, Columbus, and Toledo expected in 1972 that they each could save up to $35,000 per year in this manner. The major source of the cities' new income would occur, however, as a result of a reduction in tax delinquencies and an increase in the cities' ability to collect delinquent taxes. Cleveland's tax department had estimated that because of fewer losses in uncollected taxes, the city's income could be increased by $300,000 to $400,000 annually, if my bill were adopted. The city of Cincinnati expected that the bill would save its taxpayers about $100,000.

The bill received past support from the National League of Cities, U.S. Conference of Mayors, the National Postal Union, and other major Federal employees' associations, as well as the Treasury Department and the Office of Management and Budget. I am grateful for their assistance and I am confident that the bill will result in the benefits we all expect.

WATERGATE AND LABOR

Mr. HANSEN. Mr. President, the distinguished Senator from Idaho (Mr. McCLURE) has contributed some excellent remarks today about the value to this country of evenhandedness and fairness.

It is a concern and point of view that has been expressed by more and more of the people of Wyoming—and I would guess throughout the Nation.

As the Senator (Mr. McCLURE) asks, it is curious that we have seen little in the newspapers in Washington about the full extent of the investigation of the Senate's Select Committee on Presidential Activities. Yet we know that Mr. David M. Dorsen, the assistant chief counsel, and Mr. Donald G. Sanders, the deputy minority counsel, did by letter, solicit information from officials of major American unions, and cooperation from these union officials in connection with the committee's work on Presidential campaign activties.

Many of us are curious as to what was learned in this area by the committee's probe. Perhaps it has been printed in the Washington newspapers, but if so, the Senator from Wyoming has missed the news. If it has been reported to the Senate, the Senator from Wyoming has not had that report brought to his attention, either.

Yet there have been many "leaks" to the press from all the investigations underway into the 1972 election campaigns, and judging from what I read, if those "leaks" have anything to do with Watergate, or if it can be alleged that these "leaks" could be vaguely related to the President of the United States, the "leaks," plus accompanying theories and speculation, have been printed, generally on the front pages. So far as I have been able to find out, the information the committee may have obtained from the labor unions has not been "leaked" to the press. It appears that labor and some of the other possible campaign abuses of 1972 are ship tight.

The Washington Post today did print an article about certain Presidential campaign managers invoking the fifth amendment when asked by the committee to testify about alleged illegal campaign contributions to unsuccessful candidates for the Presidency. But it would seem we can agree that most of the publicity so far has been aimed at the campaign of the man who was the successful candidate for President.

The distinguished Senator from Idaho (Mr. McClure) has asked some pertinent questions in his remarks. They are the same questions that the American people are asking.

Mr. President, the American people are entitled to some answers.

The very knowledgeable columnist, Victor Riesel, in an article printed May 22 in the Wheeling, W. Va., Intelligencer, suggested that "at least one huge set of dossiers in the Watergate Committee files has been sealed." He said these "contain the replies received from some 220 national and international labor leaders to a committee questionnaire dispatched to them on September 27, 1973."

Mr. President, it may be, as Mr. Riesel suggests, that such information is "sealed," but the junior Senator from Wyoming has every confidence in the committee that the information, if it exists, will be presented to the Senate and made public when the committee completes its report.

I ask unanimous consent that Mr. Riesel's column of May 22 be printed in the Record, along with the committee's letter to union officials and attachments, including the 15 questions asked of leaders of organized labor.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Wheeling (W. Va.) Intelligencer, May 22, 1974]

"Leaks" on Union Inquiry Strangely Missing—Watergate Panel Shields Labor Spending

(By Victor Riesel)

Washington.—At least one huge set of dossiers in the Watergate Committee files has been sealed. These contain the replies received from some 220 national and international labor leaders to a committee questionnaire dispatched to them on Sept. 27, 1973. In it were 15 queries seeking answers to one fundamental question: How much hard and soft cash did "you or your union" contribute "in connection with the 1972 presidential campaign"?

Despite the fact that the Ervin committee has leaked constantly like a huge sponge under a compressor, all inquiries on these replies have been turned away.

All efforts to examine the documents have been rebuffed. It was made crystal-clear that the communications are extremely "sensitive." There will be no hearings on labor contributions, no executive session questioning of any labor leaders.

They may never be made public though the committee is scheduled to fade away on June 30 after "some further investigatory work." Thus the huge final report may not contain any reference to labor's financing of any 1972 candidate.

"The question on release of the questionnaires came up recently," one of the Ervin group's most active officials told me. "The committee expressly directed those of us who have access to the labor contributions material to keep it all on an absolutely confidentiality basis.

"We were told this wide-ranging questionnaire should not be made public or 'leaked.' They said they want to go over it first."

The official who has seen whole sets of photostated documents turned over to newsmen on a regular (sometimes even messengered) basis was puzzled.

"There are far more matters here which are far more sensitive than the labor money questionnaires," he added. "Yet the other material was handed to favored men. But we had no ban put on those, only the labor replies. And they feel they may not release it at all."

However, a leak is a leak and I got to them. Fascinating. Only one labor leader contributed anything but pennies. He gave $500. The rest of the money, of course, came from the rank and file.

The contributions ran about 15 to 1 in favor of George McGovern. Some $44,000 officially went to Dick Nixon's campaign.

None of this was followed up. Virtually no staff time was allotted it. At best, a researcher telephoned union leaders asking if . . . full nature and seriousness of the questionnaire. And that it must be answered honestly.

There was no move to confirm the answers to Questions 10 and 11. The first of these asked: "Did your union provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign?—If so, state full details." And the latter query asked: "Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign?—If so, state full details."

These are the soft-cash inquiries. Soft cash, for example, in the 1974 elections is what San Francisco Mayor Joseph Alioto's labor supporters were preparing to spend. They asked for bids on millions of Alioto-for-Governor buttons, ties, tie clasps, T-shirts, pins, etc. Some committee or other, some "rank-and-filer" would pick up the bill on delivery. However, the definite orders were postponed when the California labor political committee endorsed not only Alioto but other Democrats as well in the primary race.

That's "soft cash." So is the money which went to the teams of political specialists which labor poured into the recent series of special elections and primaries in Michigan, Pennsylvania, Ohio and California. None of it surfaces as money contributed to the candidate.

Since none of the answers to the 15 queries can be traced through individual national and international union records, this valuable information is destined to permanent darkness like royal artifacts sealed in an undiscovered pyramid.

Thus, for example, the total contributions listed in the replies reveal that $600,000 went to Sen. McGovern. Obviously far more than that was spent by a combine of AFL–CIO unions and independents such as the United Auto Workers and others inside labor.

There's something strange somewhere. Sam Dash, the Watergate Committee's chief counsel, said the "public should have the information." But the senators disagreed.

"The committee," Dash told me, "felt we shouldn't be intruding on the impeachment proceedings. So I do not have a report on the labor union material other than a general impression of the questionnaire. No, there won't be any hearings on these. We will look at them again. There's an issue of privacy here."

Thus the sluice gate was shut on at least one fount of information—the replies of national labor leaders when asked to put on record what their unions poured into the 1972 political war chests. Apparently the committee has some competent plumbers of its own when it wants to shut off a leak. Well, almost competent.

Select Committee on Presidential Campaign Activities,
Washington, D.C.

As an official of a major American union, your cooperation is being sought in connection with the work of the Senate Select Committee on Presidential Campaign Activities. This Committee has, as one of its areas of inquiry, the question of campaign financing and, in order for the Committee to do its work effectively, data on campaign solicitations and contributions are being sought.

We would appreicate your completion of the enclosed form directed to union officials, and its return to us in the envelope that we have provided for such purpose. In addition, if you or your spouse made contributions totaling $500 or more in the 1972 Presidential campaign, we are requesting that the second form directed to individual contributors be completed.

If you fill out and return the applicable form within ten (10) days of your receipt of it, in all likelihood there will be no further need for you to participate in our inquiry. However, should you fail to complete the form in the indicated time, the Committee may find it necessary to subpoena you or your records in order to complete its work.

We would like to call your attention to the provision of Title 18, United States Code, Section 1001, which deals with making false statements to the government. We are enclosing a copy of the Statute for your information.

We would like to assure you that no inference of any wrongdoing should be drawn from this request.

Finally, if you have any questions concerning this inquiry, please contact us at the above address, or phone 202–225–0531.

Sincerely,

David M. Dorsen,
Assistant Chief Counsel.
Donald G. Sander,
Deputy Minority Counsel.

Notice

Your voluntary cooperation is being sought in connection with the work of the Senate Select Committee on Presidential campaign activities. We assure you that no inference of wrongdoing should be drawn from the fact that you are being asked to complete this questionnaire.

Title 18, United States Code, Section 1001

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Senate Select Committee on Presidential Campaign Activities: Questionnaire for Union Officials

1. Name, address and office telephone number.

2. Did you or your spouse contribute a total of $500 or more to any political candidate, committee or party in connection with the 1972 Presidential Election? ______ If so, please complete the attached questionnaire for contributors to the 1972 Presidential Campaign.

3. Please list the names and addresses of all unions with which you were affiliated as an officer or agent between January 1, 1971, and December 31, 1972. (Note: Hereinafter, when the phrase "your union" is used, it shall refer to *all* unions listed in your answer to Question 3A.)

B. For your union during the period January 1, 1971, through December 31, 1972, please list the chief executive officer, the chief fiscal officer and the official responsible for relations or liaison with the United States Government and its agencies and departments.

4. A. Please list the political action arm(s) or political education committee(s) affilliated with your union, if one existed in 1972; and list the chief executive officer and chief fiscal officer of the same committee(s).

B. Please state the customary procedure followed by the political action arm(s) or political education committee(s) when they are soliciting donations for political campaigns.

C. Please include a copy of any audit or statement or memos of disbursement of these funds for *Presidential Candidates* in the 1972 election.

5. Were you contacted in person, by telephone or in a personal letter for contributions in connection with the 1972 Preidential Election? ______ If so, state details, including person soliciting and summary of conversation or communication. If you have any written communication or record, please attach a copy to your response.

6. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign contact your union to solicit contributions from union funds, to solicit the union's assistance in obtaining contributions from members, or to suggest that you make a personal contribution which would be reimbursed by the union? ______ If so, state full details.

7. Did your union make any contribution out of union funds, directly or indirectly, to any political candidate, committee for a candidate, political party or firm or person on behalf of any political candidate, commitee or party in the 1972 Presidential Campaign? ______ If so, state full details.

8. Did your union effect, or attempt to effect, a plan for making deductions from members' dues which would or did inure, directly or indirectly, to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ______ If so, state full details.

9. Were the members of your union directly or indirectly asked, encouraged or instructed to make contributions which would or did, directly or indirectly, inure to the benefit of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ______ If so, state full details.

10. Did your union provide any goods or services, including the supplying of personnel or facilities, to any candidate, committee, or political party in connection with the 1972 Presidential Campaign? ______ If so, state full details.

11. Did your union pay any bills, salaries or obligations on behalf of any candidate, political committee or political party in connection with the 1972 Presidential Campaign? ______ If so, state full details.

12. Did any representative of any candidate, political committee, or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or employee of your union that any action would or might be brought against you, your union or the employers of any members of your union if your union failed to make a contribution to the 1972 Presidential Campaign? ______ If so, state full details.

13. Did any representative of any candidate, political committee or political party in connection with the 1972 Presidential Campaign, directly or indirectly, suggest or indicate to you or, to your knowledge, any other officer or director of your union that for the receipt of a campaign contribution that some benefit would accrue in any fashion to you or to your union? ______ If so, state full details.

14. Did you solicit funds from your membership on behalf of a 1972 Presidential Candidate? ______ If so, state full details.

15. Do you have any other information or comments regarding fund-raising in connection with the 1972 Presidential Campaign?

NOTE.—Attach additional sheets if necessary in responding fully to all questions.

REMARKS BY SENATOR JAMES A. MCCLURE

Mr. President. Very soon now the Senate Select Committee on Presidential Campaign Activities will end its historic work and issue its final report. This report will likely carry much weight here in the Senate as Congress begins its attempt to reform campaign laws and insure a better election process.

I am compelled, therefore, Mr. President, to rise today and voice my concerns and apprehensions about the question of evenhandedness or, more to the point, the probable lack thereof, that I hear may be the trademark of the final report.

I think certain aspects pertaining to the investigation process deserve the scrutiny of my colleagues as well as the American people to perhaps place in better context and perspective the forthcoming final report.

Mr. President, in late August, 1973, Mr. David Dorsen, Assistant Chief Counsel to the Watergate Committee sent questionnaires to what was reported by the *Washington Star-News* as a "couple of hundred individual contributors and a couple of hundred corporate officials" who helped finance the 1972 President campaigns.

Mr. President, of course no one questions the Committee's right to engage in such interrogatives; however, it should be noted that these questionnaires were mailed without either an accompanying Minority signature *or prior approval of the Minority side of the Committee.*

Judging from the feedback to the Minority Members, the mailing was geared heavily toward Republican oriented companies and contributors. Some of these recipients, subsequently, were subpoenaed by the Committee and sworn testimony was taken.

I am informed, Mr. President, that because of the furor this caused among the Minority Members of the Committee and at the urging of some Minority Members of the Committee, an additional questionnaire was mailed to a number of Democrat oriented corporations and labor unions.

I note that a Deputy Minority Counsel, Mr. Donald G. Sanders, was at least allowed to be a signatory to this second mailing.

Mr. President, I have been informed that the upcoming final report by the Watergate Committee gives, at best, only passing comments about the information received from this second effort.

In light of Mr. Douglas Caddy's recently published book, entitled *The One Hundred Million Payoff*, which discusses organized labor's tremendous financial interests in the political process as well as today's published reports about apparent questionable campaign contributions to Democratic campaigns by the Associated Milk Producers, Inc., some very significant questions arise to which the American people and the United States Senate deserve explicit answers—Answers which I sincerely hope are forthcoming in the Committee's final report.

For example, Mr. President, why did it take a strong reaction to the initial questionnaire to get a second questionnaire sent to Democratic oriented organizations including labor leaders and labor unions?

Who were the corporations and the reportedly 80 union leaders this second questionnaire was sent to and which ones fully replied and which did not—and why?

Just as it will be helpful in our efforts to write proper campaign reform Legislation to know in detail corporate abuses, wouldn't the information contained in the returned questionnaires from labor leaders be equally important and helpful to the Senate in drafting legislation which could correct actual and/or potential labor abuses?

Why, Mr. President, was there no testimony taken from labor leaders by the Committee in its investigation?

How can the Senate draft and adopt proper and effective campaign reform legislation without knowing the degree of involvement of corporations supportive *of both* sides of the political spectrum and of labor leaders and labor unions in campaigns?

These articles suggest an additional question which needs answering in the name of objectivity and fairness—why is it that whatever information was returned by the Democratic oriented organizations such as labor unions in this second set of interrogatives was kept so secret and confidential and was not "leaked" to the press for public consumption?

In all candor, Mr. President, I had to chuckle when I read newspaper accounts about this situation which quoted Mr. Sam Dash, Chief Counsel for the Committee, as saying ". . . There's an issue of privacy here."

Mr. President, with the recent disclosures of confidential information being printed on the front page of newspapers and in numerous columns around the country, one must be suspicious of a possible new aspect of a "Watergate coverup." If the information contained in these questionnaires exonerates organized labor and other Democratic oriented organizations any questionable involvement in campaigns, that should be made known to the American public. If that information, however, indicates abuses of the electoral process by Democratic corporate officials and labor leaders, that information is critical to the Congress before it can write proper reform legislation. In either case, I suggest that only passing comment about it in the final Watergate report will be difficult to accept as emblematic and characteristic of evenhanded and objective analysis of the 1972 Presidential campaign abuses.

Mr. President, a recent survey by Opinion Research Corporation in Princeton, New Jersey, indicates that the majority of American people feel organized labor is much too powerful. Could it be, Mr. President, that this information in the possession of the Watergate Committee would unquestionably confirm that suspicion?

Mr. President, I want to make it clear to my colleagues that I raise these questions in the context of attempting to contribute to a proper analysis of the forthcoming final report by the Watergate Committee and in the spirit that only with all pertinent information can this Congress draft the best possible legislation in our sincere effort to better our election system.

Mr. President, I am afraid that after all the publicity, attention and legislative support given the Watergate Committee over these past several months, that the questions I raise here may not be answered, let alone be asked, by the final Watergate report—I sincerely hope I will be proven totally wrong.

Thank you.

LOCKHEED AIRCRAFT CORP.

Mr. PELL. Mr. President, earlier this month the management of Textron, Inc., and Lockheed Aircraft Corp. announced an agreement involving a substantial investment in Lockheed by Textron and a restructuring of Lockheed's debt.

The effect of the agreement would be to strengthen the financial structure of Lockheed and eliminate the U.S. Government guarantee of Lockheed loans which was authorized by the Congress in 1971.

Mr. President, I am much encouraged and very pleased by the announcement of the Textron-Lockheed agreement.

I am pleased primarily because the agreement, when it becomes effective, would eliminate the participation of the Federal Government in the financial affairs of Lockheed Corp. Except in rare circumstances in which vital public services are involved, I believe it is bad policy and bad economics for the Federal Government to become enmeshed in the financial affairs of private corporations, and for that reason I voted against the authorizing legislation. Consequently, I am delighted that there now appears a chance, through the Textron-Lockheed agreement, that the Federal Government and the taxpayers may be relieved of their involvement in the corporate affairs of Lockheed.

In addition, Mr. President, I am proud that one of the principal parties to the agreement, Textron, Inc., is a Rhode Island corporation with its headquarters in Providence. Txetron has gained a national reputation for sound management, corporate responsibility and business leadership, and it brings those qualities to its agreement with Lockheed.

The Textron-Lockheed agreement is complex. Its implementation requires cooperative and coordinated actions by many segments of the business and banking community and by the Federal Government.

It is very much in the public interest that the Lockheed Corp. be restored as a viable and vigorous participant in the economic life of our country, without the necessity for props, subsidies or guarantees from the Federal Government. Because of that public interest, I hope very much that each of the interests involved in the Textron-Lockheed agreement will make extra efforts to take the actions necessary for execution of the agreement.

That includes, specifically, the Federal Government agencies which must rule or give opinions on various aspects of the Textron-Lockheed agreement. I hope that those agencies will expedite their reviews acting within their statutory responsibilities.

Of particularly critical importance to the execution of the Textron-Lockheed agreement is a requirement that Lockheed obtain a sufficient number of confirmed orders for the Tri-Star aircraft which it produces. I am not an expert in aircraft, in the competitive characteristics of aircraft, nor in the economics of the air transportation industry. I would urge however that the airline companies, as an act of corporate community responsibility, review their aircraft acquisition plans in the light of the Textron-Lockheed agreement.

In conclusion, Mr. President, I express my admiration for the ingenuity and initiative displayed by all of those involved in negotiating the Textron-Lockheed agreement and particularly congratulate Mr. G. William Miller, a Providence resident and principal executive officer of Textron for his leading role in this connection and for demonstrating the business vitality that has been the hallmark of our State these past three centuries. I hope these efforts bear fruit by relieving the Government and the taxpayers of an unhealthy and I believe unwise participation in the affairs of a major private corporation.

I ask unanimous consent that there be printed in the Record several items regarding the Textron-Lockheed agreement, including an article from the Providence Sunday Journal of June 9, 1974, entitled "Declaration of Independence from Federal Loan Crutch"; an article from the Washington Post of June 9, 1974, entitled "The Big Deal, No Hurdles for Textron"; a letter to Textron shareholders by G. William Miller, chairman of the board of Textron; and the text of the joint announcement by Textron and Lockheed of the agreement.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Providence Sunday Journal, June 9, 1974]

Declaration of Independence From Federal Loan Crutch

(By Joseph L. Goodrich)

American corporate enterprise struck a solid blow for freedom from government intervention last week. And it was particularly fitting that this bid for the separation of business and government should come from Providence-based Textron Inc.

This move parallels, in some respects, the blow struck for freedom by Rhode Islanders some 200 years ago by the sinking of the Gaspee. This is not to suggest that Textron is inciting a revolution. Far from it. But what Textron is proposing to do is a significant reversal of the current trend toward increasing dependence on big government by business.

It concerns Textron's plan to rescue Lockheed Aircraft Corporation from its financial difficulties. A significant part of that plan, which has been tentatively approved by the directors of both companies, is the release of the federal government from its guarantee of up to $250 million in bank loans to Lockheed.

That guarantee had saved the California aircraft and aerospace company from bankruptcy in 1971. At the time, it appeared to be the only way of pulling Lockheed from the brink of disaster since none in the private corporate sector appeared willing even to touch the Lockheed problem with a 10-foot pole.

Coming on the heels of the federal government's guarantee of $100 million in borrowing by the bankrupt, bumbling Penn Central giant in 1970, the federal rescue of Lockheed appeared to signal that Big Brother in Washington had moved into a field, business was vacating by default, largely because it was unable to take care of itself. As an aside, the federal loan guarantee to Penn Central has simply prolonged the railroad's agony.

Considerable controversy boiled up over the Lockheed loan guarantee proposal. Critics accused the Nixon administration and Congress of bailing out the military-industrial complex, and the measure skinned through the Senate by a single vote.

Now comes Textron with its plan to get Lockheed back on the profitability track without the help of big government. Under the leadership of its board chairman and chief executive officer, G. William Miller, Textron believes it can help Lockheed work itself out of its financial difficulties with the application of the management skills and sound business practices that have worked to make Textron a singularly successful multimarket company. Its successes include military helicopters and other aerospace business.

What's more, Textron is ready to back up that conviction with an $85 million investment of its own funds in Lockheed. Of that sum, $60 million would be invested in Lockheed common stock and the balance in a new issue of preferred stock.

The point is that the bulk of the Textron investment is in ownership equity which involves considerable risk. Should Lockheed be forced into bankruptcy, the common stockholders, of which Textron would be the largest, would be at the bottom of the totem pole when the company's assets are distributed in the liquidation. They would get the residue after all creditors and preferred holders are satisfied. Often, by the time the stockholders' turn comes around, there is little left to distribute.

Hence, Textron's insistence that big government be released from its loan guarantee is a very real declaration of independence by that corporation. It is a demonstration of willingness to asume the risk without a government crutch, and is evidence of Textron's confidence in its ability to effect a successful Lockheed recapitalization on its own.

Textron, under Miller's leadership, has prided itself on being a good corporate citizen. It recognizes the necessity for big government, but it also believes that corporate business has a responsibility to make the grade through the application of the best management techniques and ethical business practices. That's a Miller conviction, and it permeates the entire Textron organization.

Textron isn't involved in the Lockheed plan for altruistic reasons. It expects a substantial return for its risk taking. Its proposed common stock purchase will give it a 45 per cent ownership of Lockheed which gives Textron effective control of the company. That ownership will give Textron a 45 per cent equity in Lockheed earnings if Textron can restore the company's profitability. That's what profit incentive is all about.

Whether Textron can convince all 24 banks now participating in the $620 million of Lockhed's present bank debt that the federal loan guarantee must go is still a question.

Miller has said that the lead banks in the group have agreed to go along with the plan, and that's a good start. It would seem to be in the banks' best interest to go along with Textron not because Textron wants to get big government out of the act, but because the banks will get out whole from a very delicate situation if the Textron plan works as Textron is confident that it will.

Under the plan, the banks are being asked to convert $275 million of the $620 million they have loaned to Lockheed into a new issue of Lockheed preferred stock, assuming an equity position and thereby contributing to a substantial reduction in Lockheed's debt service costs.

Since no one else in the private sector has come forward with a plan to solve Lockheed's problems, the choice appears to be acceptance of the Textron proposal or face the possibility of the Lockheed problem worsening to the point where it could become an albatross around the neck of both business and banking.

The federal government's guarantee of $220 million of Lockheed's currently outstanding bank loans is basically a negative thing. It implies a lack of faith in the ability of the corporation whose loans are guaranteed to make the grade.

Textron is demanding a restoration of that faith.

[From the Washington Post, June 9, 1974]

The Big Deal: No Hurdles for Textron

(By Jack Egan)

Providence, R.I.—"You ought to know us by the company we keep," Textron, Inc., advises in a recent advertisement.

Textron itself may be little known, the slogan says, but the products under its multimarket conglomerate umbrella—including Speidel watchbands, Bell helicopters, Homelite chain saws, Sheaffer pens and Eaton paper—are pre-eminent and familiar names in their areas.

Last week, many more people got to know the Textron name through the latest company it is trying to "keep"—Lockheed Aircraft Corp., the nation's largest defense contractor and the financially troubled manufacturer of the L–1011 TriStar widebodied jet.

Directors of both companies announced that, in a bold move, Textron is ready not only to come to the financial rescue of Lockheed, but also to bail out the U.S. government from its politically embarrassing $250 million emergency loan guarantee uncomfortably granted to Lockheed in 1971 to stave off bankruptcy.

But this latest acquisition—should it be completed—is not really a merger but an investment on the part of Textron.

The intricately worked out deal—arrived at after months of negotiations with the assistance of Lazard Freres & Co., the investment banking firm—would give Textron 45 per cent ownership of Lockheed's common stock, a chunk of new preferred stock and the chairmanship of the company in return for an $85 million equity investment.

In addition, another $15 mililon would be raised for Lockheed through a new stock offering to shareholders.

Is it a speculative gamble for Textron or a shrewd and relatively reckless move?

As the details of the restructuring package unfolded during the week, it turned out that it includes a number of intentionally difficult barriers that must be hurdled—by everyone but Textron—before the deal is consummated Nov. 30.

And true to the pragmatic corporate character of Textron—which many consider to be both the first and the most successful of the breed of conglomerates—the agreement with Lockheed is financially conservative and very well hedged.

Here is what happens if all the pieces fall together:

Lockheed has a good chance to regain a robust profitability level—albeit under the control of another corporation—by neutralizing once and for all the fund drain imposed upon it by the ill-starred TriStar program.

Except for the cost of administering and accounting for the L–1011 program on its books—including debt service—Lockheed earned operating profits on its other programs of about $150 million in 1973. This compares with net profits of $16.8 million afterwards, on sales of $2.76 billion.

Under the deal with Textron, Lockheed will once and for all write off between $500 and $550 million against the L–1011 inventory, which is $300 million after taxes. Simultaneously, its debt load will be reduced and also its interest expenses.

Lockheed's banks, with $620 million now outstanding, have a chance for the first time in three years to begin to get repayment on these loans. In return, the 24 bank lending group, headed by Bankers Trust Co. of New York and the Bank of America, must agree to convert $275 million of this debt to prefered stock, and also reaffirm a $275 million credit line to Lockheed at an almost ludicrous 4 percent interest rate.

These two steps alone would reduce Lockheed's debt costs, and increase its pre-tax profits by an estimated $50 million to $60 million next year.

Though some analysts feel the banks have little choice if they ever want repayment, the lenders came to no quick agreement to be generous in their own self-interest when they met with the principle parties in New York last Thursday. A decision is expected in the next week or two.

The Nixon administration can exit "with honor" from its politically controversial loan guarantee, made to keep the company from going under when its engine manufacturer, Rolls Royce, Ltd., went bankrupt and had to be reorganized by the British Government. This severely delayed the L–1011 program.

However, the Justice Department antitrust division must still approve what it may consider to be an unholy alliance between two multi-billion-dollar companies who, if size isn't enough, are also both involved in aerospace.

Lockheed's customer airlines would benefit by the assurance of the aircraft manufacturer's existence 10 to 20 years from now to supply them with spares and back-up for their fleets of L–1011s. Lockheed officials readily concede the uncertainty of its financial future has itself put a crimp on new orders.

But, in what may be the most formidable hurdle of them all, Lockheed must get 45 new firm L–1011 orders before the deal is completed in November. Although present airline customers hold 67 "second-buy" options with minimum down payments, some observers believe that the current airline industry climate would make this condition all but impossible to meet.

One analyst, who watched the deal unfold closely, was sure that Textron would waive this requirement if everything else were guaranteed, but would use it as an "out clause" in November if it decided to back out.

However, there is also much sense in this clause of the agreement, because Lockheed would be assured of a steady production flow on its L–1011 cash flow and assembly line for years to come. This would give further solidity to the company.

Finally, Textron stands to benefit handsomely, and almost instantly, if all other aspects of the deal work out. By comparison, its investment is relatively modest—the cost of four L–1011s.

"Everybody wins," Textron chairman G. William Miller says, almost gleefully, as he considers the symmetry of the package. "The best business plans are those that have nothing but a positive result for everybody," he says.

Miller is especially proud that the arrangement "brought together so many parts of the private economy to work together without a government prop."

Miller, 49, just last April was named chairman of Textron. He joined the company in 1956, lured by its founder Royal Little with the carrot of a vice presidency and a stick in the form of a threat to fire him if he didn't prove himself in a year. He became Textron's president four years later, and the story is part of the company's legend.

Under the arrangement with Lockheed, he will also be chairman of the aerospace company, perhaps a unique situation for a single individual to stand at the helm of two billion-dollar corporations.

The challenge doesn't faze the lively Miller whose managerial style already is to delegate authority and concentrate his energies only where they are required.

He says he is already chief executive of the 34 component companies of Textron, and sees this as just another extension of his stewardship of the company's assets. "It's just another $85 million," Miller says in an interview in his office on the 23rd floor of a modern building in the midst of downtown Providence.

Unlike many companies the same size, the firm has no Textron building, and no fancy logo for the name. The company occupies only three floors in this building, with a staff of 130, having moved 18 months ago from an older tower nearby where it had only one floor.

Miller's manner, as well as the company's, is plain spoken, energetic but prudent, and with the emphasis on quality in earnings and product.

Miller abhors the word conglomerate to describe Textron, not because it is inaccurate, but because of the connotations it has of a company multiplying in size with all of the abandon of a colony of rabbits.

Textron—the name is a J. Walter Thompson coinage combining the words textile and rayon—was founded in 1928 as the Franklin Rayon Corp. In 1952, its founder, Little, embarked on a program of "balanced diversification."

Today, Textron is completely out of the textile business but has a carefully acquired list of companies in the aerospace, consumer products, industrial products, metal products and venture capital categories. The emphasis is on quality companies with well-known proprietary products. The Textron organization stands in the background, serving almost like a portfolio manager.

The strategy was "designed on the one hand to afford protection against economic cycles and product obsolescence and on the other hand to provide a means for participating in new markets and new technologies," according to Textron's 1973 annual report. "The key elements are balance and flexibility in a rapidly changing world."

Certainly this philosophy, along with realistic accounting, a light debt load and conservative management, have put Textron in the perfect position to take advantage of Lockheed's present situation.

Last year, Textron had net income of $100.8 million on sales of $1.86 billion, both records for the company. Although there were substantial dips in net sales and income for Textron's aerospace and consumer products divisions, this was more than compensated for by gains in the industrial and metal product areas, a testament to its structural ability to thrive during periods of shifting economic trends.

For the ten-year period ending in 1982, Textron has targeted and annual 8 per cent growth in sales to $3.5 billion, and a yearly 10 per cent increase in net income to $200 million.

Miller insists that Textron is not interested in merging with Lockheed and is only keen on the company as a good investment.

Asked for a parallel to the proposed equity participation and control, Miller invokes the example of DuPont's investment in General Motors, DuPont has majority interest in the auto giant until the courts made it divest itself in the 1960s on antitrust grounds because of interlocking business relationships between the two companies.

Miller does not anticipate trouble from the Justice Department on Textron and Lockheed. "We don't do business back and forth," he says. As for the problem of "bigness per se," he notes that Lockheed's and Textron's sales last year added together "don't move us up on the Fortune 500 very much."

Miller says the provision that Lockheed achieve 45 new firm orders for the L–1011 is "a key factor" in the deal, and refuses to speculate on what happens if it is not achieved. The requirement is necessary, he says, to assure Lockheed stable production in future for the program.

"It is the genius at the heart of the plan," Miller says, to "restructure the program past the point where you have problems."

What happens if Lockheed only gets 40 of the required 45 firm orders? Is the deal then off?

"If we get 40, we'll get 45," Miller says confidently. "It seems logical for the airlines to cooperate," he says. Miller indicates that only two-thirds of the second-buy options need to be converted. Likely sources include Delta, Air Nippon Airways, Cathay Pacific and British Airways, Miller says, as well as some new orders from a few Middle Eastern carriers.

Speaking of the airlines that already hold options, Miller believes it is in their interest to firm these options into orders because otherwise they could jeopardize their previous investment in L–1011s.

The Textron chief does not anticipate that the company will involve itself in any new mergers while the Lockheed deal is pending, or for a substantial period after it goes through.

"We're conservative people," he says. "We make sure things are well in control, well executed and well implemented before we undertake new initiatives."

TEXTRON,
Providence, R.I.

To Textron Shareholders:

On June 3 an announcement was made with respect to a proposed Textron investment in Lockheed Aircraft Corporation. *This proposal does not involve a merger or consolidation of the two companies. Textron would not assume any of Lockheed's debts or other liabilities. The plan would not result in any change in Textron operations.*

The plan, which will be effective only if approved by Textron shareholders, does involve an equity investment by Textron in Lockheed and a restructuring of Lockheed's debt.

The proposal contemplates a new equity investment in Lockheed of $100 million. Textron would provide $85 million of this total. Sixty million dollars of Textron's investment would be by purchase of 12 million new common shares of Lockheed at $5 per share. Textron would also invest $25 million in a new Lockheed preferred stock. The remaining $15 million of the $100 million total would be provided by a rights offering to Lockheed shareholders.

After the purchase of Lockheed common stock, Textron would own 45% of the 26.4 million Lockheed common shares then outstanding.

Under the proposed plan, Lockheed would continue as a separate corporation, with the benefit of the new financial support provided by its banks and Textron and by Lockheed shareholders.

The stock of Lockheed acquired by Textron would be carried as an investment. This means that Lockheed's sales, costs or expenses would not be included in Textron's income statement. However, Textron's pro rata share of Lockheed's earnings would be reflected in Textron's financial statements. If the plan had been put into effect a year ago, with the restructuring and accounting changes contemplated in the plan, there would have been an increase in Textron's earnings per share after the effective date of the plan.

Several conditions must be met and approvals must be obtained before the plan becomes effective, including those of Lockheed's banks and other creditors, Lockheed's and Textron's Boards of Directors and shareholders and various government agencies.

Approval of the plan by Textron shareholders is not required. However, Textron management has decided that your approval will be an essential condition. Accordingly, a special meeting of shareholders will be held for this purpose, probably in October. A proxy statement describing the proposed transaction in detail will be sent to shareholders of record well in advance of that meeting. I hope you will consider this material carefully before making your decision on the proposal.

Sincerely,

G. WILLIAM MILLER.

NEWS RELEASE, JUNE 3, 1974

Daniel J. Haughton, Chairman of the Board of Lockheed Aircraft Corporation, and G. William Miller, Chairman of the Board of Textron Inc., jointly announced today that their respective Boards of Directors have approved a tentative plan which would include an equity investment by Textron in Lockheed and a restructuring of Lockheed's debt. Mr. Miller indicated that Textron has held talks concerning the plan with Lazard Freres & Co., Lockheed's financial advisor, and also with some of the Lockheed lending banks.

The plan contemplates a new equity investment in Lockheed of $100 million, of which Textron would provide $85 million by acquiring 12 million new common shares of Lockheed at $5 per share and $25 million of a new Lockheed preferred stock. The remaining $15 million would be provided by a rights offering of 3 million new Lockheed common shares to Lockheed shareholders at $5 per share to be underwritten by Lazard. After the purchase of 12 million shares of Lockheed common stock, Textron would own about 45% of the approximately 26.4 million Lockheed common shares then outstanding.

It will be a condition of the plan that the Lockheed lending banks convert $275 million of the present $620 million Lockheed bank debt into the new Lockheed preferred stock, and confirm a bank credit to Lockheed of $375 million.

In addition to the infusion of new equity, the plan would result in a significant reduction in Lockheed's debt service costs and would improve cash flow during the next several years.

Under the plan, Lockheed would continue as a separate corporation, with the benefit of the new financial support provided by the lending banks, Textron and Lockheed shareholders. The stock of Lockheed acquired by Textron would be held for investment, and there would not be a merger or consolidation of the two companies. Textron operations would not be affected in any way.

Except for Mr. Miller becoming Chairman and Chief Executive Officer of Lockheed after the proposed recapitalization is finalized, at which time Mr. Haughton will become Vice Chairman, no other changes in the management of Lockheed are contemplated. Mr. Miller will continue as Chairman and Chief Executive Officer of Textron.

Textron is a diversified company with total assets of $1.3 billion, and with 1973 sales of $1.9 billion and net income after taxes of $100.5 million.

One of the primary purposes of the plan is to give additional support to Lockheed's TriStar L–1011 commercial air transport program. The TriStar is an important part of the air fleet of many major airlines around the world. In order for the plan to become effective, it would be a condition that sufficient airline second buy options be converted into firm orders, or new orders be obtained, to bring the TriStar program to a total of 180 firm production commitments including the 74 airplanes already delivered. Cumulative orders to date total 202, including 135 firm orders and 67 second buy options.

It is contemplated that the TriStar program will run to at least 300 aircraft over its entire lifetime, extending well into the next decade.

Under the proposed plan Lockheed would undertake to adopt a change in accounting policy by writing off certain non-recurring costs related to the TriStar program. These non-recurring costs have already been expended and are currently being amortized by Lockheed over the planned 300 airplane program. It is estimated that under the amended accounting policy, the write-off, which would be charged to Lockheed's income in 1974 as a condition to and before the plan becomes effective, would amount to approximately $300 million net after providing for the anticipated related tax benefits. It is anticipated that in future years the TriStar program would operate near a break-even after all charges. With continuation of Lockheed's other substantial and profitable programs, this would permit Lockheed to return to greater profitability.

Lockheed's operations include Lockheed Missiles and Space, located in Sunnyvale, California, which produces fleet submarine ballistic missile such as the Poseidon, satellite space vehicles and other research and development projects; Lockheed-California, with plants in Burbank and Palmdale, which, in addition to producing the TriStar L–1011, designs and manufactures military aircraft such as the P–3C Orion and the S–3A Viking; Lockheed-Georgia, located in Marietta, which designs and builds large military and commercial airlift and cargo aircraft such as the C–130 Hercules; Lockheed Aircraft Service, with headquarters in Ontario, California, which is the nation's oldest and largest aircraft maintenance and modification firm with operating branches around the world; and a number of other divisions.

The plan is intended to assure availability of sufficient capital so that these Lockheed operations will not be restricted by lack of adequate financial resources. Many Lockheed programs are essential to national security and represent some of the most advanced technology in the world.

The suggested plan contemplates release, on terms satisfactory to the parties, of the U.S. Government loan guarantee for Lockheed which was approved by Congress in 1971. The proposed support from private banks and private industry should assure continued vitality of Lockheed as a unique and vital American enterprise.

With the restructuring of debt, it is expected that Lockheed would be able to generate sufficient cash over the next few years to make substantial reduction in its senior securities and maintain itself on a sound financial basis.

The preliminary plan, if accepted and implemented, would be subject to approval by Lockheed's banks and other creditors and by Lockheed and Textron directors and shareholders. It would also be subject to several other conditions, including agreement by Rolls-Royce as engine supplier to continue its support of the TriStar L–1011 program, and approval of various U.S. Government agencies.

It is expected that closing would occur by 30 November 1974.

HEALTH CARE FOR THE ELDERLY

Mr. HUMPHREY. Mr. President, I want to commend the Subcommittee on Health Care of the Elderly, of the Senate Special Committee on Aging, chaired by Senator MUSKIE, for holding hearings on the "Barriers to Health Care for Older Americans," on June 25 and 26. I also want to thank several distinguished citizens from Minnesota who testified at this hearing about the success of the Senior Citizens' Clinic of Minneapolis.

Health care for the aged is one of the most important issues facing Congress today. The overriding problem that Mr. MUSKIE's Subcommittee on Health Care of the Elderly addressed is simply that all too many elderly persons in America cannot, on their own, afford the cost of adequate health care. We must not continue to allow spiralling health care costs, and gaps in insurance coverage, to place our elderly population outside the mainstream of our health care system. We must protect these Americans from the financial ruin all too often associated with a major illness that occurs so commonly with age.

Older Americans need more health care but at the same time they have less money, in comparison with other age groups. Therefore, the elderly are not able to utilize the full range of health services they need. They are economically forced to wait until they need acute in-patient hospital care. The elderly in America are further discouraged from obtaining health care because they are concentrated in central city and rural areas that are geographically isolated from health service areas.

In recent years, Congress has been attempting to deal with the most urgent needs of our elderly population. The medicare program has enabled our older citizens to obtain some basic health care, but there are still many problems. The average medicare patient now pays more in out-of-pocket expenditures for health care than he did before the inception of the program.

The average personal health care cost for the aged in 1973 was $1,000, but the average out-of-pocket payment was $276. In 1969, medicare paid 46 percent of their health bill, but today it pays only 42 percent. This decline in medicare's share of the health bill of the aging is a primary problem of the total health care picture in America today. We must do something about it. I hope this hearing and the experience of the Minneapolis Age and Opportunity Center clinic for the elderly will help generate some solutions to this problem which seems to be increasing daily.

I am proud of the successes that Minnesota has shown in providing health care for the aged. The senior citizens' clinic is an important example for the entire American health care community. I hope the Minneapolis Age and Opportunity Center and the personnel at the Abbott Northwestern Hospital keep Congress informed of their successes and their problems. This hearing is an opportunity to generate some excellent solutions to the health problems of the aged by discussing the impressive progress of the Abbott-Northwestern/M.A.O. Senior Citizen's Clinic.

I again want to thank all of my friends from Minnesota for sharing their experiences with Senator MUSKIE and the members of the Subcommittee on Health Care of the Elderly.

Mr. President, I ask unanimous consent that an article on the Minnesota Senior Citizens' Clinic which appeared in the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MINNESOTA BLUE CROSS SAID TO BLACKLIST CLINIC FOR ELDERLY

(By Bradley Graham)

Physicians, nurses and medical center administrators yesterday accused Blue Cross-Blue Shield of Minnesota of attempting to frustrate an experimental clinic that has offered virtually free health care to old people.

Since November the Minneapolis clinic, in treating elderly persons who have annual incomes below $4,500, has said it would accept as full and final payment only what Medicare will provide—thus sparing the elderly substantial additional out-of-pocket expenses.

But Blue Cross, which determines what Medicare cases are compensable in Minnesota, has been rejecting many of the claims of those treated by the free clinic, although it continues to pay the claims of patients who receive identical treatment at other centers.

"They are making it very difficult to support quality health care," Lavetta Pearson, director of the clinic, told a Senate subcommittee investigating health care for the aged. "It just seems unfair."

The clinic is believed to be the first of its kind in this country, and thousands have already registered for medical attention, clinic officials reported. The overwhelming response indicates Medicare is not sufficient in serving the health care needs of the elderly, they said.

Blue Cross, however, has refused to go along, and has told the clinic it does not approve. The minutes of a recent meeting between clinic and Blue Cross officials, released yesterday, quotes a Blue Cross supervisor as admitting that the clinic has been blacklisted.

"We (Blue Cross) are being discriminatory against the clinic because of the way you are set up," Sharon Blood, supervisor for the Blue Cross Medical Review Team, is quoted as saying.

The Clinic has been "singled out because you have opened your arms and said to everybody come to us—we will take care of your problems," she said.

According to the minutes, she indicated that Blue Cross was stunned by the volume of claims and was finding it difficult to determine which claims should be paid, adding "it was almost a flip of the coin" in deciding among them.

Blue Cross is scheduled to answer the charges before the subcommittee today. Sen. Edmund S. Muskie (D-Maine), the subcommittee chairman said at the end of yesterday's hearing that "Blue Cross is left in a position at best ambiguous."

The hearings were marked by earnest and often dramatic testimony, orchestrated by the clinic sponsors—Abbott Northwestern Hospital and the Minneapolis Age and Opportunity Center—to highlight their main point: that many old people are still not seeking the medical care they desperately need because they cannot afford it.

"These are not just people coming in with a few arthritic pains," said Daphne Krause, executive director of the health center. She read the files of several patients who had been treated for protruding bladders, fractures, heart failures and other serious medical problems.

She said the free clinic provides the low-cost curative and preventive care, plus the guarantee of independence, that she said are lacking in Medicare.

THE POZNAN UPRISING

Mr. WILLIAMS. Mr. President, I wish to join my colleagues in the Congress in honoring the 18th anniversary of the heroic Polish uprising in Poznan which sparked a resurgence of hope and struggle toward freedom and independence.

On June 28, 1956, the courageous workers in Poznan began a 3-day uprising to protest deplorable living conditions, the presence of Soviet forces and the stifling of democratic ideals by the Polish Communist Government. The heroic strikers blocked the streets of Poznan chanting "We want freedom" before storming the security police headquarters and the Communist Party Building.

Inevitably, the Communist rulers sent in armed forces to crush this noble uprising. Yet these brave Poles continued, undaunted, in their battle for freedom in the face of tanks and trained infantry until the revolt was finally suppressed on June 30. Casualties were estimated in the hundreds.

Mr. President, in spite of these tragic consequences, the Poznan uprising was not in vain. The Communist government was forced to grant greater freedom of the press and to increase the autonomy and rights of various people's councils. These councils, in turn, initiated demands for greater freedom and democracy.

The Poznan rebellion is but one shining episode of many in the history of a nation deeply devoted to the principles of liberty and independence. The Polish nation has struggled in the cause of freedom for the last 35 years, under the oppression of first the Nazis and then the Communists. The Poznan uprising renewed and strengthened the determination of this nation to continue its historic crusade against tyranny.

Mr. President, I am proud to represent over 217,000 Polish-Americans in my home State of New Jersey who exemplify the love of dignity and freedom found in their heritage. It is appropriate that Americans, and all freedom-loving people, pay tribute to the undying dedication of the Polish nation to democratic ideals on this anniversary of the Poznan uprising.

MEDICARE BENEFITS FOR SENIOR CITIZENS

Mr. HANSEN. Mr. President, on Tuesday and Wednesday of this week, the Subcommittee on Health of the Special Committee on Aging held hearings focusing on the operation of a unique clinic being operated by Abbott Northwestern Hospital in conjunction with the Minneapolis Age and Opportunity Center. This clinic recently began offering medical services to low-income Americans over 65, accepting medicare reimbursements as full payment for services rendered. This operation was facilitated by the contributions and personal dedication of a group of individuals, associations, and private corporations, in addition to a limited amount of Government grants.

In response to such service at low cost, the clinic was flooded with patients needing immediate medical care. Whether the onslaught of patients was due to a large amount of aged persons who had been delaying procuring needed medical care because they could not afford it, or whether the patients were simply coming to the clinic because it was cheaper than anywhere else, has not been conclusively determined.

The testimony presented by the representatives of Abbott Northwestern Hospital offers all of us who are concerned with the situation of the aged person an opportunity once again to examine this issue with more clarity and perception.

I would like to reaffirm my deep and sincere concern for the health care of our aged persons. Surely, after years of productive and valuable contribution to society, our senior citizens deserve and should be entitled to help from the greater society in meeting rising living and medical costs.

Equally evident is the unfortunate plight of many of our senior citizens who, through blunders and mistakes of other segments of society, are caught in a position where they are no longer able to remain self-sustaining, and are left with little or no recourse to procure essential living and medical needs. This was dramatically brought to our attention at the recent hearings. It is a tragedy indeed that there are so many senior citizens in our country of plenty that do not have adequate access to the proper medical care.

The efforts of individuals at the Abbott Clinic who have so freely contributed of their time and means, without compensation, to help the aged in their community is significant. Also to be commended are the private foundations and associations who have so generously contributed in funding the operation. We may consider this an excellent example of what the efforts of dedicated private individuals and associations can accomplish on their own initiative without the mandating authority of the Federal Government.

Although pleased to view these efforts, I am somewhat concerned with their recommendation that the Federal medicare program increase its coverage and scope of benefits to pay for a greater portion of the senior citizens' medical costs.

Let me make myself clear: I agree and wholeheartedly subscribe to the need and worthiness of providing health care to the aged population. Such a cause indeed is beyond question. However, the method of providing such recompense and aid is of prime concern to me.

Traditionally, it has been the role and responsibility of the family to provide for and take care of its aged. The family was integrally interested and personally concerned with its aged, as the ties of blood and kinship were strong. Each individual and family felt a responsibility to repay in some small measure the many years of toil and sacrifice their parents or grandparents had given.

These efforts have often been supplemented by private individuals and local associations. These efforts preserved a unique emotional tie between the aged and the younger generation—one of love, respect, and trust.

In the last hundred years we have witnessed a marked departure from the traditional responsibility for the aged. As our society has become more complex and many of the moral values have changed, we have seen more and more of this responsibility shifted from individuals and families to disinterested third parties such as the Government. What was once primarily a family, individual and local responsibility has now, by default, been handed over to the Federal Government.

The recent demands for increased Medicare coverage and benefits, in my opinion, are uniquely representative of the seeming uncontrolled passion in certain circles for shifting major moral and social responsibility from individuals, where it ought to lie, to the Government, who carries it as a third-party tool.

Great difficulties lie ahead if we continue to increase the Federal role in providing medical care for our senior citizens.

One of them is cost. In 1971, Medicare paid $7.5 billion in reimbursements. If this was actually only 40 percent of the medical costs of the elderly, then to have paid the full medical costs would have cost the Federal Government $18.75 billion. Such a figure staggers the imagination. Taking into account inflation since 1971, the figure to provide needed medical care to our senior citizens at a Federal level now would be much higher. The fact is that the health needs of senior citizens are unlimited, and will never be able to be fully met by a government hand-out program.

The task is one of herculean proportions, and may be beyond the capacity of our economy to sustain, without a renewed demonstration of personal and family commitment to help.

In a period when inflation is our nation's number one problem, and is principally caused and aggravated by spiraling Government expenditures, I find it highly irresponsible to propose increasing to unthinkable proportions the expenditures of the Federal budget for health, when these costs could and should be met at State, local, and individual levels.

Another serious problem that we should consider in removing the financial barriers is the sharp increase in demand that would be experienced within the health system if it were suddenly opened up to increased requests for health care services. If the experience at Abbott Northwestern Hospital were duplicated all over the country when medical care was offered for free, can you imagine the turmoil and confusion that would result? I suggest that all of our health care facilities would be inundated with demands for health care, legitimate and imagined, far beyond our capacity to provide it. Such a situation would have no other result than to repeat the experience of 1965 when medical prices sharply increased as the demand heavily exceeded the supply of medical facilities.

Many physicians noted that as the demands upon their time increased as the patient load became greater, they were forced to spend less time with each patient. In order to assure that the patient had been diagnosed properly, and to protect himself from malpractice suits, the doctor often ordered various laboratory and X-ray tests. These tests were not always necessary, but to "be safe," they were requested.

As the financial barriers are lowered, the doctor becomes further and further inundated with patients demanding care. Of course, he cannot continue to supply the same quality of care as before.

So you see, we have a very real practical problem with reducing financial barriers to medical care.

Mr. President, there is no doubt in my mind that, when medical services are offered at low cost or for free, most individuals, whether they are actually delaying going to the doctor because of limited resources, or whether they are just going some place where they will have to pay more, will opt for the cheaper of the two alternatives. I suspect that this is what happened in Minnesota.

Without demeaning or ignoring the need for providing medical care for our senior citizens, then, let me suggest that we turn from further Federal responsibility in this area and encourage private and local efforts.

Numerous instances have shown that private and State efforts to provide for the elderly can be successful. These efforts should be expanded and encouraged by Federal policy.

It is of great interest to know the extent of such efforts as represented by private philanthropic contributions to health care. During 1973, $3.98 billion was contributed by private philanthropy for health and hospitals, about 4 percent of total health spending, and about 19 percent of private, nonprofit construction costs. A statistical report prepared for the American Association of Fund-Raising Counsel, presenting figures on 84 fundraising campaigns shows contributions totaling $183,500,849. Goal attainments ranged from 210.8 percent of a $250,000 goal to 58 percent of a $1.5 million goal. Corporations accounted for 37.9 percent of the total raised; other individuals accounted for 16.3 percent, and foundations for 15.1 percent.

Of particular note is that of 244,680 gifts, 242,000 were gifts of $5,000 or less. In 32 instances the largest gift was made by a corporation or financial institution; in 11 instances by an individual or family; in 10 instances by a foundation and in 6 instances by a hospital auxiliary organization.

Of supreme importance to me is that in these fund-raising campaigns, 33,513 volunteer workers were involved.

The figures are significant, for it shows that the principle of private and local responsibility for philanthropic contributions is not lost. I assert that this is what we ought to encourage. Surely if such efforts were expanded we could deal much more effectively with the problems of our senior citizens.

A proposal which shows real understanding of the basic issues involved is that made by William Buckley printed in the CONGRESSIONAL RECORD several months ago. Mr. Buckley, the noted columnist, proposed that:

> The burden of the nonprofessional work done in behalf of the aged should be done by young men and women graduated from high school, during one year before matriculating at college . . . The experience would remind young people at an impressionable age of the nature of genuine, humanitarian service, which is the dis-interested personal act of kindness, administered by one individual directly to another individual . . . The opportunity is great for initiative from the private sector.

Mr. President, I ask unanimous consent that Mr. Buckley's article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. Mr. President, such a policy would return us to a realization of the responsibility of the individual and local association to provide help for the elderly. It would inculcate among our people a sincere interest of love, trust, and appreciation for the senior members of society. And that is the basis for sincere community efforts to help them procure needed medical care.

Let me refer to just one more example from my home State of Wyoming. This is the exciting story of Eileen Hunter, of Jackson Hole, Wyo., who has played such an important role in the construction, operation, and expansion of the St. John's Hospital there. St. John's Hospital has just completed an expansion that adds six semiprivate rooms, a physical therapy department and a nurses' station. The project was begun over a year ago and reflects the continuing commitment of Eileen Hunter and the public response her altruism stimulates.

Noting that the nursing home facility might be phased out due to a rapid increase of acute care patients, during 1973 Mrs. Hunter raised the initial $50,000 of the total $150,000 for the expansion. She then spearheaded the drive to make up the full amount. When asked an approximate total of her hospital donations Eileen replies—with typical Eileen Hunter style—

> If I can afford to give a lot and another can afford to give a dollar, then we're even.

While the contributions of Mrs. Hunter and John D. Rockefeller, Jr., were paradigms of philanthropy at its best, it must be noted that the working men and women of Jackson Hole, by pledging amounts of only a few dollars per month over a period of years persuaded the board of St. John's that it could build the new hospital facilities.

I submit that this is the type of thing we ought to consider. While the sustained dedication Mrs. Hunter exhibits is uncommon, I suspect that through some formal encouragement such efforts could become much more common and effective in carrying the burden of providing help to our senior citizens.

It is the principle of this issue that is most important—that individuals and private entities become active and involved in charitable support and contributions. It is far better for individuals to recognize their responsibility to help their neighbor than to shirk the responsibility or abdicate it to the government. Disinterested, third-party intermediary government roles will never match personal efforts based on sincere concern and motivated by love, trust, and respect.

Demands for the expansion of governmental programs of medicare and medicaid would be sharply reduced if private individuals, associations, and local governments, to the extent of their abilities, would take care of their families, kin, and the underprivileged.

The political advantage to be had by supporting far-reaching, comprehensive benefit programs for the aged are great. But in this instance, in all good faith and candor, I must defer the responsibility to your State and local governments, and private individuals and associations. To do otherwise would be to hold out false promises that may never be met, and will surely result in further discontent and distrust of our public officials by all our people.

EXHIBIT 1

[From the Washington Star-News, Mar. 21, 1974]

A UNION OF THE YOUNG AND THE OLD

(By William F. Buckley, Jr.)

I spoke the other day of the excruciating problem of the aged, and how it grows worse.

Simultaneous with the increase in the aged is the increase in the college population. That population in 1930 was 1.1 million. In 1970, 8.4 million.

It is my proposal that the burden of the nonprofessional work done in behalf of the aged should be done by young men and women graduated from high school, during one year before matriculating at college. The idea of public service of some kind or another by the citizenry has frequently been proposed. There has been an instinctive coolness towards the idea primarily because of the conscriptive feel of it: The suggestion that government require anyone to do anything of a philanthropic character tends to put one off, and for reasons not by any means all bad. The opportunity is great for initiative from the private sector.

I envision a statement by the trustees of the 10 top-rated private colleges and universities in the United States in which it is given as common policy that beginning in the fall semester of 1976 (to pick a year far enough away to permit planning, soon enough to generate excitement), no one accepted into the freshman class will be matriculated until after he has passed one year in public service. I say public service because if the plan were very widely adopted, there would be more young help available than could be absorbed in the nursing homes alone. There are many other ways in which the young could be used. As guards in the grade schools, just to give a single example (there are 1,700 auxiliaries in the New York schools alone), but for convenience I dwell on the care of the aged.

As regards the financing, it would be required only that the government exclude this category of volunteers from the provisions of the minimum wage. Otherwise the economic advantage would substantially dissipate. The nursing homes would of course provide board and pocket money (mostly, the volunteers could continue to live at home). In the unusual case where the 18-year-old is helping to support his own family, the college could either suspend the requirement or concert with foundations to find ways to permit the young volunteers to eke out the year.

The colleges would take the position that they desire, in matriculating freshmen, an earnest of public concern, and extra-academic experience of a useful kind. The intervention of hundreds of thousands of 18-year-olds into the lives of the aged would serve more than merely the obvious purposes of cleaning the rooms and pushing the wheelchairs and washing the dishes. It would mean, for the aged, continuing contact with young spirited people in their most effusive years.

For the youth it would mean several things. It would postpone by a year their matriculation at college. College administrators are all but unanimous in their conviction that an older student, one year, rather than freshly graduated, from high school gets more out of college. The experience would, moreover, interrupt the inertial commitment to more-and-more education, and some of the less strongly motivated, the rhythm having been broken, would probably elect not to go on to college.

The experience—particularly because of the voluntary aspect of it—would remind young people at an impressionable age of the nature of genuine, humanitarian service, which is the disinterested personal art of kindness, administered by one individual directly to another individual. And the experience would touch the young, temperamentally impatient with any thought of the other end of the life cycle, with the reality of old age; with the human side of the detritus whose ecological counterparts have almost exclusively occupied fashionable attention in recent years. Their capacity to give pleasure to others, without the stimulant of sex, or the pressure of the peer group, or the sense of family obligation, or the lure of economic reward, could not help but reinforce the best instincts of American youth, and these instincts are unstimulated at our peril.

What it might provide for society as a whole, this union of young and old, is, just possibly, the reestablishment of a lost circuit: of spirit, and affection, and understanding.

NEEDED REFORMS IN OUR HEALTH CARE SYSTEM

Mr. HUMPHREY. Mr. President, the urgent need for health care reform in America is evident to all of us in Congress. It is time that all Americans, regardless of ability to pay or geographic location, should be able to obtain adequate medical care.

The tremendous advances in medical technology must be made available to all of our citizens. We must not continue to allow spiraling health care costs to outprice good health care. We must protect Americans from the financial ruin all too often associated with a major illness.

Recently, I had the distinct privilege to address the graduating class of Hennepin County School of Nursing in Minneapolis about the health care situation in America, and I would like to share these thoughts with my colleagues.

Mr. President, I ask unanimous consent that the text of this commencement address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY

Nothing could please me more than to be here with you on this most important day. I would like to thank William Kreykes and the Hennepin County General Hospital School of Nursing for extending their gracious invitation to me.

All of you are entering a crucially important field in which there is a tremendous need for more personnel. Hennepin County General Hospital has done an outstanding job of training you, and I am saddened that you will be its last graduating class.

I understand that since this program's inception in 1947, seven hundred and six nurses, including yourselves, will have received diplomas. Of course, clinical experience for students from other institutions still will be learned at Hennepin for collegiate-based associate degrees and baccalaureate degree programs. For this we are grateful.

The shortage of trained nurses becomes more crucial every year. This shortage extends through Minnesota and the whole country. In fact, the latest Health, Education and Welfare statistics show that we need 157,000 registered nurses. This acute nursing shortage will affect you as soon as you start working, as it adversely affects the entire health care delivery system.

There are nearly 20,000 registered nurses here in Minnesota, over 6,000 licensed practical nurses and almost 12,500 nursing aides and orderlies. One-third of these are meeting patients' needs in our hospitals.

Nurses perform an invaluable service to those who need medical assistance. With all the furor about health care these days, more of us should realize that nurses have a very crucial role to play in utilizing services. Forty-six percent of all health care personnel—by far the largest component of the nation's health manpower—are made up of nurses' aides and orderlies.

You are called upon daily to administer and assist with the latest breakthroughs in medical technology, while remaining a compassionate and calm human being, sometimes in the face of great pressure and tragedy.

Tremendous strides have been made through the efforts of dedicated health professionals like yourselves in prevention and treatment of illness, injury, and disability. Despite this, and despite the fact that many Americans receive excellent health care at prices they can afford, far too many of our people remain outside or on the periphery of our nation's health care system.

The best medical care America presently has to offer may still be the best in the world. Why do you think so many ailing kings and potentates frequently come to our famous medical centers? Yet many of the standard health statistics comparing the United States with other industrialized nations suggest that something is very much amiss.

Why do we rank 15th in infant mortality?

Why do we rank 12th in life expectancy among females and 27th among males?

A single example will highlight the mortal meaning of these figures. If the U.S. infant death rate last year had been proportional to Sweden's, 50,000 fewer babies would have died in this country.

Such figures tell us much about our peculiarly destructive way of life—our dietary habits, our air pollution, our lack of regular exercise, our emotional pressures.

But by now nearly everyone recognizes that the system itself is also to blame.

A large portion of Americans are saying that medical services are unaffordable or unobtainable, and that the practitioners are frequently unaccountable.

Americans are disturbed with the cost of health care. In 1973, $441.00 was paid out for health services for every man, woman, and child in this nation—over 91.4 billion dollars, and fully 7.7 percent of our entire Gross National Product. Medical costs rose more than 81 percent from 1960 through February, 1974, over one-third faster than the rise in consumer prices as a whole.

The staggering increases in the cost of medical care, and the failure of public and private health programs to keep up with them, has caused great hardship for millions of Americans. Health insurance today covers only 37 percent of each consumer dollar spent on medical care in the country. The remainder must come out of his or her pocket.

Another disturbing fact is the continuing critical health manpower shortage in our country.

Unbelievable as it is, many central city and rural areas in the United States have fewer doctors and nurses per person than many Latin American countries, and some doctor-to-people ratios in these areas are comparable to those found in India and Bangladesh.

Doctors, like all entrepreneurs, tend to cluster where the money is, therefore shortchanging large areas in America. The state of Mississippi, for instance, has only 82 physicians for every 100,000 persons, compared to 371 physicians for every 100,000 in Washington, D.C. At last count, some 5,000 towns in 130 counties throughout the nation had no doctor at all.

A 1965 study of 1,500 towns and cities in the upper-Midwest found two-thirds of those communities doctorless; 200 other cities were down to only one doctor, and more often than not he was in his 60s or 70s.

The pattern is repeated in countless urban ghettoes. Albuquerque has 250 physicians per 100,000 population overall, but its Chicano and Indian section has only three physicians per 200,000. Boston's Roxbury district hasn't a single pediatrician. Washington Park, another huge Boston ghetto, has just seven doctors, and their average age is 66.

More must be done to correct these intolerable inequities.

We cannot continue to accept the rationalization of this situation as an unfortunate by-product of free enterprise.

Because of the continuing health care manpower shortages and maldistribution, increasing numbers of nurses are assuming broader roles in health care. Nurses are assuming greater responsibilities in community mental health centers, school needs, home health needs, in maternal and child health, and in the care of the chronically ill.

With this in mind, I would like to tell you briefly about two areas of special concern to me, and in which I have proposed specific care of the chronically ill.

Even more serious than the general shortage and maldistribution of medical manpower is the critical scarcity of medical personnel providing primary health care to children.

More than 1,600 counties with over 23 million people do not have a single active resident pediatrician.

It was very disturbing for me to learn just how many children either have not visited a physician or do so far too infrequently to receive adequate health care.

A recent study revealed that 18.7 percent of all children up to 5 years old and 39.2 percent of the children 6 to 16 years of age had not seen a physician in the year prior to the study.

Obviously something needs to be done to improve the access to good health care for our children.

I have introduced the Child and Maternal Health Care Extension Act to help solve this serious problem.

It would signal the initiation of a new child and maternal health care policy for the United States. It would authorize a program guaranteeing that all infants, children, and pregnant women without regard to their place of residence or family income, will have equal access to medical diagnosis, screening, and comprehensive medical care.

Among other things this bill would:

Establish mobile health care facilities in physician shortage counties across the nation;

Authorize an extensive program of grants to institutions of higher learning, specifically for the training of pediatric nurse practitioners; and

Provide a number of new programs to assure that children suffering from life-threatening and catastrophic illnesses will receive needed medical care, regardless of their parents' income.

A second area demanding urgent attention is the treatment of the chronically ill.

Today, over 700,000 Americans are long-term hospital patients, and over one million more are patients in nursing homes. In addition, almost 20 million people who are not in institutions have disabilities severe enough to restrict or prohibit major activities.

At present, we do not have a comprehensive, humane, and cost-effective system to meet the health care needs of chronically ill or disabled persons. Such a system must be developed in fairness to these people and in order to remove a severe burden from our hospital facilities.

For this reason, I have proposed enactment of the National Chronicare Demonstration Center Act of 1974.

Basically, this proposal would provide grants for the development of programs offering a comprehensive range of services to the chronically ill residents of areas with different needs and health care capabilities.

More specifically, HEW would make grants to a limited number of community chronicare health centers serving rural, suburban, and urban populations. These projects would then be closely monitored and evaluated for the lessons they might provide for other similar communities.

I believe we need this legislation and the answers it can provide. And we need the answers just as soon as it is possible to get them.

There is another pressing issue affecting nurses and facing Congress this month, the Public Health Service Act. The Public Health Service Act authorizations originally were supposed to expire on June 30, 1973, but were extended another fiscal year until June 30, 1974. Therefore, well over a dozen major Federal health programs are due to expire this month.

Although there has been major legislation introduced to extend these programs—most notably by Congressman Rogers in the House and Senator Kennedy in the Senate—nothing substantive has been signed into law yet. Many of these programs directly affect the nursing professions and provide a substantial Federal financial input into our health care system.

I would like to mention one provision which is of direct concern to me and should be of concern to you. Title VIII of the Public Health Service Act is of crucial importance to nurses.

Its provisions are designed to meet some of the most pressing needs in nursing, including the need for more nurses, more teachers in schools of nursing, education programs to expand the qualifications of nurses for primary care responsibilities, and accelerated activity to recruit persons with nursing potential into the profession.

Some of you here today have received your training through courses provided under Title VIII. The accelerated courses especially were designed to allow an individual to receive his or her accreditation with the least possible financial burden and in the least amount of time.

This program needs to be continued. Last year's budget request by the Administration proposed to cut back on this important health program. This year's request is more frugal and stringent than last year. Congress must keep on the vanguard and press for adequate funding for the medical professions and especially the nursing profession.

I will fight with all my power to prevent a further erosion in health programs such as Title VIII by an indifferent Administration.

Finally, I would like to discuss with you briefly one of the most important issues facing Congress and America today—national health insurance.

The urgent need for reform is evident to all of us.

It is time that all Americans, regardless of ability to pay or geographic location, are able to obtain adequate medical care.

I have been attempting to deal with this most urgent health need of our population for 25 years.

In 1949, I introduced my first health insurance bill in the Senate. Finally, in 1964, a revised version of that legislation was enacted as the Medicare program.

Medicare, and now the Medicaid health program, have enabled those most in need of assistance—the elderly and the poor—to obtain some health care. But the average Medicare patient now pays more out-of-pocket expenditures for health care than he did before the inception of the program.

Many poor persons and the aged are unable to meet either the Federal or State eligibility requirements for these medical insurance programs. For a person on the Medicaid rolls, the State of residence is the single most important factor determining the scope of coverage to which he is entitled. While some States have generous benefits packages and eligibility criteria, other poorer states offer a more limited scope of services and have restricted the size of their Medicaid population.

The time for reform is now, not only for the elderly and the poor, but for all of our citizens.

I want you to know that I support the enactment of a comprehensive national health insurance plan as I did over 25 years ago.

The Senate now has before it three proposals which are providing the basis for the health insurance debate. These are the Kennedy-Mills bill, the Administration proposal and the Long-Ribicoff bill.

No one can predict today the exact details of the national health insurance plan that will be enacted. But one thing is certain: We will have a national health insurance program that goes well beyond anything the government has done in the health field in the past—and we will have it soon.

I hope its basic features will be the result of counsel and advice from professionals in the health care field, like you of this graduating class.

Whatever plan is adopted it must conform with three basic principles:

1. That every American must be treated equally in having access to quality health care.

2. That comprehensive health care services must be readily available at the lowest possible cost.

3. That government has a direct responsibility in seeing to it that these services will be provided and that these objectives will be met.

In conclusion, let me emphasize that we really need the help of medical professionals like you. I am proud of your successes here at Hennepin—you are an important part of America's health service. I hope you keep in mind that adequate health care is a right of every American and that you play a crucial role in making sure that Americans receive the best possible health care.

In your professional work in the coming years, I ask all of you to keep in mind the wisdom of the old proverb which says:

> "He who has health, has hope.
> He who has hope, has everything."

DEVELOPING CONSENSUS ON CRIMINAL JUSTICE DATA BANK LEGISLATION

Mr. ERVIN. Mr. President, since January of 1974 the Constitutional Rights Subcommittee has been working on criminal justice data banks legislation. Hearings were held in March of this year on two bills: One, introduced by me, S. 2963, and the other introduced by Senator Hruska on behalf of the Justice Department, S. 2964. Since that time members of my staff, Senator Hruska's staff, and the Justice Department have been attempting to draft a compromise provision reflecting some of the ideas expressed at the subcommittee hearings, and taking into account the concerns expressed by FBI Director Kelley and other law enforcement officials.

I understand from members of my staff that negotiations have gone quite well. Two developments have come to my attention which suggest further support for some of the concepts contained in S. 2963 and S. 2964.

First is a resolution passed by the most recent National Governor's Conference in Seattle, Wash. The resolution urges enactment of Federal legislation containing many of the same elements as S. 2963 and S. 2964. I was pleased to note in the last sentence of the resolution that the Governor's Conference believes that any Federal legislative solution "should expressly provide for full participation by States in the development and promulgation of regulations and in the administration of the act."

S. 2963 would create a new Federal State Board for development of policy on criminal justice data banks which is entirely consistent with the conference's position.

Mr. President, I ask unanimous consent that the resolution be printed in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ERVIN. Mr. President, on June 10 of this year the FBI promulgated a new policy regulating the dissemination of arrest records to banks and other noncriminal justice agencies.

Effective July 1 of this year the FBI will only disseminate records to noncriminal justice agencies if the arrests appearing on the record contain a final disposition. The only exception to this rule would be records indicating an arrest which is less than 1 year old. This policy is a recognition by the Bureau that dissemination of incomplete arrest records could be prejudicial to persons applying for jobs or licenses. This is only one more indication of Director Kelley's efforts to attempt to protect the rights and reputations of innocent persons whose records are maintained by the FBI. Although the policy does not go quite as far as S. 2963, I do believe the Bureau should be congratulated on its efforts. I believe that only conviction records should be made available to noncriminal justice agencies except perhaps in circumstances where a charge is still pending for less than a year. However I do believe that this policy is an important new development. I ask unanimous consent, Mr. President, that the Director's letter to all fingerprint contributors be printed in the Record at this time.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of Justice,
Federal Bureau of Investigation,
Washington, D.C. June 10, 1974.

Letter to All Fingerprint Contributors

Re FBI identification services

NON-FEDERAL APPLICANT FINGERPRINT PROGRAM CHANGE IN DISSEMINATION POLICY

Dear Sir: My associates in the FBI and I are dedicated to the continuance of our identification services to our fingerprint contributors. At the same time we recognize our responsibility to insure that arrest information is disseminated under procedures which will minimize possible inequities and will be fair to everyone concerned. It is my strong conviction that arrest information in our Identification Division files should be made available to law enforcement agencies for law enforcement purposes without restriction. There will be no change in our dissemination procedures for law enforcement purposes. We have concluded, however, that because of recent court cases, pending Federal legislation, and as a result of our own experience that a change is imperative with reference to the dissemination of arrest information disseminated in connection with fingerprints processed for Federally chartered or insured banking institutions and for state and local agencies for employment and licensing purposes, pursuant to Public Law 92–544. Therefore, effective July 1, 1974, the following new procedure will be implemented, but I want to assure you that this change in our policy is designed to insure our continued service to our fingerprint contributors and should not be interpreted in any way as an indication that the FBI is critical of any local agency's practices.

Under the new procedure only arrest information accompanied by final dispositional data will be disseminated unless the arrest is less than one year old. This one-year provision is necessary because of the time involved in the adjudication of some offenses. This procedural change will modify the current policy of disseminating all arrest information for employment and licensing purposes and result in the discontinuance of disseminating arrest data more than one year old not accompanied by dispositions for these purposes.

Fingerprint cards processed by the FBI Identification Division under the above procedure for which no prior arrest record is located or for which a record is located containing arrests more than one year old without reported dispositions will be returned to the contributors stamped "No Arrest Record Meeting FBI Dissemination Criteria." If a record is located meeting the dissemination criteria, it will be stamped "Arrest Record Meeting FBI Dissemination Criteria," attached to the fingerprint card and returned to the contributor.

All arrest data in the FBI identification files will continue to be furnished in response to other fingerprint submissions, including those submissions for employment with law enforcement agencies and correctional institutions. Notice of this policy change is being furnished to you in advance of its announcement to the public which I intend to make on or about June 24, 1974, followed by publication in the Federal Register.

For your information, final disposition reports are being received at the highest rate ever. Current submissions total some 10,000 more each month than in 1971. This response indicates the awareness of the contributors to the need for complete identification records and we solicit your cooperation and attention in promptly furnishing all arrest dispositions as such records become available.

Very truly yours,
Clarence M. Kelley,
Director.

Exhibit 1

Resolution of the 1974 National Governor's Conference

CRIMINAL JUSTICE INFORMATION SYSTEMS

Recognizing that certain basic standards are needed to assure the confidentiality and security of criminal history data, the National Governors' Conference urges development of legislation establishing minimum standards for the development, structure and operation of criminal justice data systems. The legislation should define the kind of information to be contained in the system, provide for the inclusion of dispositional data, opportunity for review and expungement of outdated or inaccurate data and sanctions for the misuse of confidential information. Access to individually identifiable information should be strictly limited. States should, however, be permitted to exceed such minimum standards through their own legislation and to have such standards prevail over less restrictive federal or sister state standards.

In the case of automated data systems, States should be permitted to determine whether information should be stored in a shared or dedicated facility.

Any federal legislation pertaining to the privacy and security of criminal justice data should expressly provide for full participation by States in the development and promulgation of regulations and in the administration of the act.

THIS NATION HAS NO ECONOMIC POLICY

Mr. METZENBAUM. Mr. President, in a statement I made before the Senate Democratic Policy Committee on Tuesday, June 25, I pointed out that this Nation lacks Executive leadership on three urgent and related issues—the vast flow of capital to the oil-producing nations of, the Middle East, the deepening crisis of the American economy, and the worldwide shortage of food.

I expressed my central concern in that statement in this way:

> Most disturbing of all is the fact that we can no longer look to the White House for leadership in coping with matters of such magnitude. We are afflicted with a preoccupied President who is unable to offer the nation guidance on many urgent issues. This Administration has no meaningful program to deal with any one of the three problems I have mentioned.

An excellent example of the lack of Executive direction on economic matters appears before us today.

This morning the President sent me and 54 other Senators a copy of a letter addressed to our distinguished colleague from Oklahoma, Senator BARTLETT, in response to a letter we 55 Senators had addressed to him relative to balancing the Federal budget. Mr. Nixon's essential purpose in his reply is to lay blame on the Congress for the fact that the budget is out of balance.

Mr. Nixon then throws in a suggestion on taxes, as follows:

> I would also take this occasion to strongly urge the Congress not to vote tax reductions. Such action would simply create an additional imbalance in the budget.

Now you would think since Mr. Nixon said it, that more or less commits the administration to a position of opposition to tax cuts.

But not necessarily. Today, the Washington Post carries this front-page headline: "U.S. Studying Tax Cuts for Business." The story beneath the headline begins with this paragraph:

> Treasury Secretary William E. Simon said yesterday the Nixon administration is "taking a careful look at the idea" of tax cuts for business as a way of stimulating needed new investment and greater economic growth.

Mr. President, I happen to believe we need a tax cut in order to head off the threat of further economic decline later this year. I have introduced legislation which would give each taxpayer a choice of taking either the current personal exemption—$750—for Federal income tax purposes, or claiming a personal tax credit of $250. That is clearly not the kind of tax cut Mr. Simon is currently "taking a careful look at." But that is beside the point.

The point is this: On June 24, the President of the United States made a flat, unequivocal statement. He asked the Congress not to vote for any tax reductions whatever. Two days later, on June 26, the Secretary of the Treasury, who works for that same President, says that maybe a tax cut—for business—is something we ought to consider seriously.

Inconsistencies of this sort occur virtually every day in the statements of officials of this administration. What to do about taxes is at the very heart of what can be done to salvage the economy. Yet this administration seems so little concerned with a serious and coherent effort to define economic policy, that they permit two contradictory statements on basic tax policy to be issued virtually simultaneously.

I believe the Nation deserves better leadership on economic matters. I believe that leadership can and must come from the Congress.

THE NEED FOR SCIENTIFIC LEADERSHIP

Mr. McINTYRE. Mr. President, I have been concerned for some time about the actions taken by the administration to downgrade the role the scientists historically have played in helping to keep our country in the forefront of science and technology.

The President abolished his Science Advisory Committee about a year and a half ago and assigned the responsibility of science adviser to the Dr. Guy Stever who heads the National Science Foundation.

I was apprehensive about that action when it was taken, and my concern was rekindled this morning when I read an article by Thomas O'Toole printed on page A28 of the Washington Post titled "White House Panel Urged by Scientists." I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McINTYRE. Mr. President, the danger that we may lose our leadership in world science and technology is real. This leadership is not only vital to our economic and social well-being but, perhaps more importantly, it is critical to our national security. And this message has been repeatedly and emphatically delivered during my years as chairman of the Armed Services Subcommittee on Research and Development.

I frankly do not understand why the President eliminated his science advisers, although the article speculates that it may have been because the White House resented the opposition of our scientists to the Vietnam war and to the supersonic transport or SST which was killed.

Whatever the reason, something must be done to reestablish the scientific function in the White House and to convince the President of its importance. But this alone would be nothing more than lip-service if he did not really use these advisers.

I have not yet seen the 73-page report of the blue-ribbon panel of scientists mentioned in the article. However, I intend to review it and recommend that my colleagues do the same.

To sum up, Mr. President, I hope that my colleagues in the Senate and the House, the various responsible committees of Congress, the various departments of the Government, industry, and the scientific community will join with me and make their voices heard in the White House. This is a serious matter which requires urgent attention.

EXHIBIT 1

WHITE HOUSE PANEL URGED BY SCIENTISTS

(By Thomas O'Toole)

A blue-ribbon panel of American scientists recommended yesterday that the White House create a staff of scientific advisers similar in size, scope and power to the Council of Economic Advisers.

More or less concluding that the demise of the White House Science Advisory Committee was an unwise move last year, the panel of 13 scientists urged President Nixon to consider a new White House role for American scientists. The panel came out strongly in support of a Council for Science and Technology made up of at least three full-time members.

"The panel has reached the conclusion that science and technology can fully serve the federal government only if adequate means are included within the staff structure of the Executive Office of the President to provide a source of scientific and technological analysis and judgment," its 73-page report said.

Pointing out that the United States faces the threat of worldwide drought and famine as well as an on-going energy crisis, the scientists concluded that a White House science council could provide the advice and early warnings necessary to deal with these problems.

"We'll be in the eye of a lot of hurricanes," said panel chairman James R. Killian, onetime science adviser to President Eisenhower and now Honorary Chairman of Massachusetts Institute of Technology. "It is important that the White House get the right kinds of advice for coping with those hurricanes."

Killian chaired a panel that included Nobel Prize winner Charles Townes, Polaroid president Edwin Land, Bell Telephone Laboratories chairman James Fisk and former IBM chief scientist Emanuel Piore. The panel was supported by the National Academy of Sciences, which sent its report to the White House and Congress.

The panel said it debated alternatives to the three-man White House council, but concluded none was as good. Panel members said they "viewed with admiration" the efforts of National Science Foundation Director Guy Stever to advise the President, but "concluded this arrangement is inherently unsatisfactory and insufficient."

The White House gave the assignment of science adviser to Stever when it abolished the Science Advisory Committee a year and a half ago. It is understood that Stever has had little access to the White House, and in fact has not seen the President in some months.

President Eisenhower created the Science Advisory Committee after the Soviet Union orbited the first satellite in 1957. It had served three Presidents listing as its major achievements the killing of such bad weapons programs as the nuclear bomber and advocating the Apollo program to put men on the moon.

Just why President Nixon chose to do away with his science advisers remains something of a mystery, although it is understood there was strong White House resentment of many university advisers who were preaching so loudly against the Vietnam war. Also, the White House looked with strong disfavor on scientific opposition to the supersonic transport, which many White House aides believed helped to kill the SST project.

TAX CREDITS AND NATIONAL HEALTH INSURANCE

Mr. HANSEN. Mr. President, my good friend, Senator William Brock, has recently introduced a bill that carries a unique approach to the question of national health insurance. He proposes that a tax credit for health costs be made available to persons for payment of medical bills.

His idea appears to be a good one, and is a realistic and substantive approach to the problem of rising health costs.

As far as I can determine, a major reason for rising medical costs has been the prepaid insurance concept that is almost universal. A person with such an insurance policy sees no large out-of-pocket initial expenditures when he seeks health care. The doctor realizes this also; the psychological orientation to cost-consciousness is lessened and "all services necessary" are unquestionably ordered. The cost-plus retrospective reimbursement procedures embodied in many such plans and in medicare and medicaid have encouraged liberalized utilization and prescription of health services. This has caused a sharp increase in demand not fully compensated by a corresponding increase in supply. Costs have inevitably risen.

If the tax credit for health costs could be applied to medical expenses, on a retrospective, reimbursement basis, as well as to the purchase of insurance policies, this problem would be partially dealt with. Cost-consciousness would be encouraged if the actual payment of the bill remained in the patient's hands.

I ask unanimous consent that an article by Senator Brock as printed in the National Review be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the National Review]

A Proposal—National Health Insurance Made Easy

(By Senator William E. Brock)

During the next few years, there will be much debate over the appropriateness of having the Federal Government provide health insurance to all Americans. The debate will founder and sputter at times, grow heated and emotional at times, not over the central issue of whether this is properly a task of government, but over the confusing multiplicity of plans offered. At least six major plans are under serious consideration.

Let's put aside the very important question of whether government should be involved and discuss the essential preliminary question of the criteria for a sound governmental plan. Any health plan should have at least the following five characteristics:

1. It should be simple.
2. It should work for all the people, including those unable to compete in the labor market.
3. It should operate so as to minimize administrative and overhead costs.
4. It should be efficient, should get the most for the actuarial costs.
5. It should not add a gross burden to the taxpayer.

Of the major plans now being suggested, none meets more than three of the criteria. Here is the skeleton of my proposal and an examination of it with reference to each criterion. I leave the most difficult, but most important, part of the analysis to the last.

My plan would be administered through the Internal Revenue Service. In essence, four lines would be added to the annual personal income tax form:

A. Annual medical expense ______________
B. 10 per cent of Adjusted Gross Income ______________________________________
C. If A exceeds B, subtract B from A ______
D. Take 90 per cent of C ________________

The amount shown on line D would be refunded to the taxpayer. The net annual real cost to him would be line A minus line D.

HOW DOES IT STAND UP?

How does my plan stand up against the five criteria mentioned above?

1. That the plan is simple need not be discussed at any length. Just compare this with any of the alternatives. Obviously, the definition of what constitutes medical expenses is difficult, e.g., should dental or psychiatric care be included? But this would be equally true of any plan.

2. Two problems, arise in making the plan workable for those unable to participate in the labor market. First, they will not ordinarily file an income tax return. Second, heavy medical expenses arising in say, January would not be refunded for a year, and the medical facilities should not have to wait that long to get their money. These difficulties can be handled very easily

Everyone who has medical expenses would file a return. Since line B would equal zero for those who would not otherwise file, a simple 90 per cent refund would be made on all medical expenses. Second, if expenses were heavy early in the year, a quarterly report would be filed just as some people now file a quarterly report of estimated income.

It may seem that even 10 per cent of medical expenses could be a burden to a family below the poverty level. For example, a family with an income of $3,000 annually and medical expenses of $5,000 would still have to pay $770 out of pocket. We will return to this point.

3. That the plan would not be excessively expensive administratively is also clear. Paper work for physicians would decline from present levels. Most people would not be involved in any given year since health expenses rarely exceed 10 per cent of income. Consequently, the physicians would merely bill patients as usual. Among those who are involved, only a portion would have their expenses questioned; consequently, only for these would physicians have to make out any report.

The administrative work for individuals would also be minimal. They would collect their medical bills and submit copies with their tax returns. There would be no additional forms to prepare. The IRS would assume a new responsibility, but a relatively simple one. In addition to checking arithmetic they would contact those health facilities whose bills were questionable. No new administrative office need be established.

4. The fourth criterion is complex. We must explain precisely what constitutes efficiency in this case. What, in effect, does it mean to get the most for the actuarial cost? To understand this concept, I turn to the Nobel Prize winning economist Kenneth J. Arrow. Here is a simplified account of his analysis.

People desire insurance because they dislike gambling. We can put this in stark mathematical terms. Suppose an individual has the option of playing a game or not playing. If he does not play, he will receive $100. If he plays and wins he will receive $110. If he plays and loses he will receive $90. The odds on winning or losing are 50–50, which is to say, even.

People who don't like to gamble won't play. They are said to be risk averse. They prefer getting $100 for sure to the gamble of getting either $110 or $90. As the stakes increase, the dislike of the gamble increases for these risk averse people. They *greatly* prefer getting $100 to the game in which winning yields $200 and losing yields nothing.

Now let's get back to our health insurance plan and compare it to an actuarially identical plan which pays the insured on a different basis. (An actuarial cost equals the number of people covered by a plan multiplied by the average payment to each person.)

Suppose that the average medical expense is $200 for families whose annual income is $1,000. For our plan, Plan X, lines A, B, and C would look like this:

A. Annual medical expense	$200
B. 10 per cent of Adjusted Gross Income	100
C. Subtract B from A	100

If line D were 100 per cent the insured would receive a $100 refund. For the sake of exposition, we temporarily assume D to be 100 per cent.

Consider an alternative plan. Plan Y, which pays the insured 50 percent of all covered medical expense. (This may seem appealing at first since it begins to pay with the first dollar of medical expense.) Since the average expense is $200, half of that is $100. The average insured receives the same under both plans.

But ordinarily a family will have expenses greater or less than the average. Consider two possibilities, that expenses come to $220, and that they come to $180. In the first instance, under Plan X, the tax return would read:

A. Annual medical expense	$220
B. 10 percent of Adjusted Gross Income	100
C. Subtract B from A	120

The family gets $120 in refund. The final cost then is $100 (A minus C). Under the 50 percent plan (Plan Y), the family gets $110 in refund and the final cost is $110. Clearly, the family is better off under Plan X.

Of course the other possibility, that the expense is $180, has the opposite result. Plan X still yields a final cost after refunding of $100. But the 50 percent Plan Y yields $90 as the final cost.

By the very nature of the problem, a family does not know what the outcome will be. But under our plan, no matter what the expense, the final cost comes to $100. Under the alternative plan, the expense may be more or less. As we saw, those who are risk averse, who prefer insuring to gambling, must prefer our plan precisely because the risk or gamble is minimized. And this is the reason for insuring at all. We have the following necessary conclusion: Plan X is preferred to Plan Y for exactly the same reason that people prefer having insurance to not having insurance. If you prefer having insurance to not having insurance, you prefer our plan to any other.

5. The reader will notice that we have ignored line D of our original plan. That line calls for refunding only 90 per cent of the expenses of line C, not the 100 per cent we have just assumed in the example. In fact, if we were considering only the first four criteria for a health insurance plan, the 100 per

cent refund would be ideal. But we must consider the fifth criterion as well: we do not want a plan that will add a gross burden to the taxpayer.

With a 100 per cent refund, any family whose medical costs equaled or exceeded 10 per cent of its income would have no motive not to incur additional, unnecessary medical expenses ad infinitum. Health facilities are a scarce resource and profligate use of them will drive their costs upward. People in acute need of medical attention would find long lines of patients who have no real need barring their way.

Recognizing this, we must point out that those who provide the insurance, the taxpayers, are also risk averse. They cannot afford the risk of huge medical expenses eating up their taxes and their incomes. By imposing the 90 per cent limit on medical insurance, this risk is effectively neutralized. As an example, a family earning $20,000 annually that incurs a $10,000 annual medical expense will pay $2,000 (10 per cent of $20,000) plus $800 (10 per cent of the remaining $8,000), for a total cost of $2,800. Such a family would not lightly incur further costs unnecessarily given even a 10 per cent real burden. I.e., an additional $500 in medical expenses would cost the family $50 more.

The choice of 90 per cent rather than 95 per cent or 80 per cent is to a degree arbitrary. The figure must be low enough to prevent vast waste of medical resources. It would be totally self-defeating to have a plan which so clogged waiting lines in hospitals and physicians' offices that those critically in need of medical service were denied. It is for this reason that even the poor must be forced to pay for some small portion of their medical expenses. The only alternative would be effectively to destroy equity in the provision of a vital service.

Given the 90 per cent rule, the estimated cost to the taxpayer would be held to an additional 2 per cent of national income. That cost would be less were the 90 per cent reduced, but that would then operate so as to eliminate the basic advantage of the plan. Exactly how the 2 per cent would be raised remains an unresolved issue. The cost could be equally divided between employees and employers, or by any number of other devices. It is a secondary issue and could be managed in any number of ways. The important criteria again are simplicity, efficiency, and equity.

I have no high hopes that this analysis, as simple and as convincing as it seems to me, will end the debate. Political processes are not in all ways logical. But the burden of proof is now on those who offer complex and analytically muddled plans to rethink their case. Rethink, not emote.

Insuring against above-average medical expenses

Plan X: Deduct 10% of income

Plan Y: Deduct 50% of expenses

	X	Y
Above average:		
Annual medical expenses	$220	$220
Less deduction	100	110
Insurance pays	120	110
Average:		
Annual medical expenses	200	200
Less deduction	100	100
Insurance pays	100	100
Below average:		
Annual medical expenses	180	180
Less deduction	100	90
Insurance pays	80	90

REPRESSION OF SOVIET JEWS

Mr. TUNNEY. Mr. President, I am shocked and outraged by the widespread repressive measures which the Soviet officials have been taking against Soviet Jews to prepare their "welcome" for President Nixon. In the past few days, over 50 Soviet Jews who have been seeking permission to emigrate have been arrested. Others have been called up for military duty, in order to take them away to a "safe" place during the visit of the President. Many Jews have been forced into hiding to avoid being arrested or shipped off to the military.

Soviet authorities fear that the presence of these Jews in public might call attention in the West to the unsolved problem of Soviet emigration practices about which the U.S. Congress and the American people have voiced deep concern. The Soviet officials prefer to keep these Jews in prison or in the military reserves during the President's visit so as not to remind the world that Soviet citizens are not free to exercise the internationally recognized human right to emigrate.

Some of the Jews arrested are Moscow scientists who have been waiting for years for permission to emigrate and who have been dismissed from their jobs for applying to leave. They, together with prominent scientists from various other countries, have planned an international scientific seminar, July 1–5, in Moscow, in order to provide the long-out-of-work Moscow Jewish scientists the opportunity for professional exchange with their peers. Soviet officials are trying to prevent this seminar from being held by imprisoning the Moscow scientists who are organizing the seminar and by trying to force them to withdraw their plans for the meeting.

One of those Moscow scientists arrested is Aleksander Luntz, a mathematician, with whom I spoke directly by phone only a few months ago and with whose plight I have been deeply concerned. During my conversation with Dr. Luntz, he told me:

> I want to tell you that all of us are being held hostage here. . . . We will not cease our struggle for our basic human rights, and to emigrate to Israel.

Today, Dr. Luntz is no longer simply a hostage within the U.S.S.R., unable to obtain an exit visa; he is a prisoner of the KGB, to insure his silence and invisibility during President Nixon's visit, and to force a halt to the seminar plans.

A similar series of arrests and military call-ups of Soviet Jews occurred before the President's last Moscow summit meeting in May 1972. This time, the officials' "protective roundup" is even more widespread and blatant. Reportedly, agents searching recently for one Soviet Jew told the man's brother that they had an order to hold him for 15 days, which would cover President Nixon's visit of June 27–July 3.

But arrests and persecution of Jews trying to leave the U.S.S.R. are not reserved exclusively for summit meetings. They are on-going. More than 30 Jews are languishing in Soviet prison camps, sentenced to long prison terms, for their efforts to emigrate to Israel. Late reports indicate more than 30 arrests in recent days in Moscow, an additional 17 in Kishinev, and detentions reported in Leningrad, Odessa, and Kiev. And the trial preparations continue. Events unthinkable under a judicial system such as ours are commonplace, everyday occurrences in the lives of Soviet Jews. Yuri and Anna Berkovsky of Novosibirsk, for example, whose only "crime" is that of seeking to emigrate, were arrested, subjected to police investigations, and now finally served with false criminal charges. It is expected that the Berkovskys will be brought to trial shortly to serve as a warning to other Jews from their city who may be thinking of applying to emigrate.

Are these actions by the Soviet authorities measures to inspire the confidence of the U.S. Congress and the American people in "détente"? If suppression of the rights of individuals is a necessary component of the new relationship between the United States and the U.S.S.R., we need to stop and rethink what the United States is attaining by pursuing a "détente" with the Soviet Union.

I am all for improved relations and eased tensions between our two countries, but such improved relations must include not only increased trade and economic exchanges, but also a guaranteed basic respect for the internationally recognized human rights and individual liberties of those within our countries' borders. The Soviet press gave widespread coverage to the remark made by President Nixon at the Naval Academy graduation in Annapolis, that emigration was an internal Soviet affair. This stance has apparently encouraged the Soviet authorities to continue and even to enlarge upon their crackdown on those Jews who have indicated a desire to emigrate. Clearly, the U.S. Congress and the American people are outraged and appalled at the policies being pursued within the Soviet Union, and we would not wish to give the Soviet Government the impression that the free world condones this blatant denial of basic human rights.

I urge the President and the Secretary of State to protest these arrests and violations of the rights of Soviet Jews, and to impress upon the Soviet officials the widespread American concern that they correct their repressive emigration practices before seeking further economic concessions from the United States. Therefore, I have joined with a number of my colleagues in the Senate to send a telegram to President Nixon, before his departure, to reiterate the importance which we place on this issue.

Mr. President, I ask unanimous consent to have the text of the telegram printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD as follows:

[Telegram]

DEAR MR. PRESIDENT: We are greatly concerned at reports of a Soviet round-up of dissidents and Jewish activists in preparation for your visit. This is an appalling beginning for a visit that is aimed at improving U.S.-Soviet relations and easing tensions.

We strongly urge you protest this action to Soviet leaders and publicly reject these repressive tactics. The argument in your Annapolis speech that so-called domestic affairs are beyond the reach of détente could give the Soviets the false impression that they can persecute minorities and dissidents with no adverse impact on American opinion and on support for détente. This is an additional reason to put this issue high on your agenda in your talks with General Secretary Brezhnev.

THE HIGH PRICE OF FUEL

Mr. BIDEN. Mr. President, the high price of fuel is obviously a matter of major concern to every American family. A recent exchange between our colleague, the Senator from South Dakota (Mr. Abourezk), and the Rapid City, S. Dak., Journal outlines the sharp differences of opinion which exist on this issue.

I ask unanimous consent that the Journal article and the remarks of Senator Abourezk be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Rapid City (S. Dak.) Journal, June 12, 1974]

Rollback of Fuel Prices Would Be Counterproductive

A bill to roll back the prices of crude oil has been introduced by Sen. James Abourezk.

Abourezk says the legislation would substantially reduce the cost of gasoline to the consumer and curb the "unconscionable" profits of the major oil companies.

While the Abourezk proposal appeals to the inflation-conscious consumer, we think a price rollback would be counterproductive to the long-term goal of solving the energy problem.

There are two fundamental questions that must be asked about any energy-related proposal. First, will the proposal encourage conservation of energy? Second, will it help to increase domestic energy supplies?

We do not see the Abourezk proposal eliciting an affirmative answer to either of these questions.

In the first place, higher gasoline prices have been a factor in reduced consumption which has enabled the nation to move from a crisis situation to ever-decreasing spot shortages. Lowering the price will not encourage the conservation which must continue.

Lowering gasoline prices will do nothing to increase domestic energy supplies. For this nation to become independent of foreign sources will require determination, tremendous physical and scientific effort and unprecedented capital expenditures.

A study by the First National Bank of Chicago estimates petroleum expenditures in the United States must total some $250 billion by 1985. To finance such expenditures, petroleum companies must increase their net income by some 15 to 21 per cent per year.

We see the Abourezk proposal as contributing to the climate of suspicion and hostility which has surrounded the nation's energy problem. While the criticism is directed at the oil industry it doesn't take much imagination to see it extending to all industry which could mean the end of the free market system.

To reinforce his proposal for an oil price rollback, Abourezk is seeking Senate support to block the confirmation of John Sawhill as federal energy administrator.

Sawhill has received high marks for his ability to function as energy administrator. His confirmation isn't in doubt. For that reason, Abourezk's opposition can be described by an expression the senator himself recently used—"a fairly empty threat."

U.S. Senate,
Washington, D.C., June 20, 1794.

To the Editor:

On Thursday, June 12 the Rapid City Journal ran a major editorial arguing that fuel prices should *not* be rolled back. On the same day the same paper ran a front page headline that said, "Tourism lagging" and explained the lag by saying people are concerned with high fuel prices. It is difficult to believe the Journal could fail to grasp the obvious connection between these two items. The simple, hard fact is that tourism is suffering badly, primarily because of the sky high oil prices which the Journal supports.

If the arguments used by the Journal to back its support for high prices made sense, perhaps we might be willing to swallow hard and accept a bad tourist season as our contribution to meeting the energy crisis. But the Journal's arguments do not make good economic sense. In fact, they are nothing but warmed over oil industry advertisements.

HIGHER PRICES—LESS PRODUCTION

Consider the Journal's argument that oil prices must be kept high in order to insure expanded production. What are the facts? Domestic oil production has fallen by 314,000 barrels per day over the past year at the very same time that crude oil prices have doubled for old oil and tripled for new oil. Higher prices have resulted in less, not more production.

It is a fact that the oil industry's own National Petroleum Council said in 1972 that oil production would be stimulated to the maximum extent possible if crude oil prices reached $3.70 in 1970 dollars ($4.50 in 1974 dollars.) Crude oil prices are now at an average of $5.25 for old oil and $10.50 for new oil or an overall average of over $7.00 for each barrel used. Since we could get maximum feasible production for about $4.50 per barrel, why are we paying over $7.00 per barrel? Certainly not to increase production.

COUNCIL SHOWS NO JUSTIFICATION FOR INCREASE

It is a fact that previously secret Cost of Living Council documents show there was no justification for the last major domestic crude oil price increase in December, 1973. This price increase could not possibly increase production because old wells were already pumping at their maximum capacity, and for new well drilling there was, and is, not enough tubular steel or other materials available to drill wells any faster than they are already being drilled. This is mostly due to major oil company hoarding of supplies needed by smaller independents. Thus, to increase production, what we ought to be doing is breaking the monopoly power of big oil instead of rewarding them with unjustified price increases.

FREE MARKET SHOULD APPLY TO OIL

The Rapid City Journal also reflects the oil industry argument that any criticism of their industry means that the critic wants to bring an end to the free market system. Nonsense. How can you destroy the free market system in an industry where there has been no true free market for years?—an industry where 93% of all domestic oil reserves are owned by only twenty major companies—an industry that the Federal Trade Commission said engages in "monopolistic" and "anti-competitive" practices.

You can't destroy something that doesn't exist. But what you can do is try to create free enterprise and a free market by breaking up the giant oil companies.

I share the Rapid City Journal's admiration for the free market system.

The Journal ought to advocate giving that system a try in the oil industry. If they did they might find there would be a lot more oil around at a much more reasonable price.

HIGH GAS PRICES HURT AVERAGE CITIZEN

The Journal might also do well to reconsider another argument they use to support high gas prices. They say high prices conserve fuel by forcing people not to buy it. Judging by the empty tourist establishments they are right.

But what the Journal fails to mention is that conservation achieved through 55 or 65-cent gas puts the whole burden on lower and average income families. While a U.S. Senator or a Rapid City Journal editor can travel all he likes on 55-cent gas, a Senator's secretary or a Journal printer is forced to stay home.

This is obviously unfair. It is also not a very effective way to save energy in the long run. Much more fair and more effective are conservation practices which permit everyone to save energy while going about their normal daily business. Cars built to obtain good mileage, industrial processes designed to save rather than waste energy, increased usage of mass transit, construction of homes and buildings made to save on heating, and the fastest possible movement toward use of solar, wind, and other inexhaustible energy sources are all steps that can help meet our energy crisis without imposing unequal and unfair burdens on those who do not happen to be wealthy.

ROLLBACK IS IN PUBLIC INTEREST

The Rapid City Journal is entitled to its belief that gas prices should stay high. That opinion is shared by the oil industry and it is an opinion that has powerful support from President Nixon, and from John Sawhill, Nixon's nominee for head of the Federal Energy Administration.

But, as South Dakota's Senator, I am also entitled to my opinion. I believe high oil prices are extremely damaging to South Dakota. I have opposed Mr. Sawhill because I believe his view, along with that of President Nixon and of the Rapid City Journal, is not in the public interest.

I think it would be interesting to hear from the public on this matter. I hope you will send any thoughts you may have both to me and to the Rapid City Journal.

Sincerely,

James Abourezk,
U.S. Senate.

TESTIMONY ON SOLAR ENERGY RESEARCH ACT OF 1974

Mr. HUMPHREY. Mr. President, this morning I had the privilege of testifying before the Senate Interior Committee on my proposal for a much expanded program of solar energy research and development.

This legislation, S. 3234—the Solar Energy Research Act of 1974, would authorize a $600 million, 5-year program with a central organizational focus for all the Government's solar work in the Energy Research and Development Administration.

I am pleased to see the growing interest in the Interior Committee, in the Congress, and in the country as a whole, in launching a major solar energy research and development initiative.

In my testimony this morning I observed how impressive it would have been if President Nixon had been in a position to announce a major agreement to provide the Egyptians with solar energy technology rather than nuclear reactors.

Mr. President, I ask unanimous consent that my testimony this morning, be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows.

Testimony of Senator Hubert H. Humphrey

Mr. Chairman, I am pleased to testify on S. 3234, the Solar Energy Research Act of 1974, which I authored. I am gratified that the Committee will devote a full day and hear a number of outstanding witnesses testify on my proposals for an expanded program of solar energy research and development. I am particularly pleased to see that you will hear from a witness from Canada and one from Israel. I fully support the obvious need to closely cooperate with our foreign friends in all of our energy research and development. In the field of solar energy, where other nations have invested more time and effort than the United States, we must fully utilize their experience.

I have been joined in this proposal by twenty-four Senate colleagues, including yourself Mr. Chairman. These co-sponsors are: Senators Jackson, Fannin, Bible, Tower, Williams, Brock, Metcalf, Dole, Mondale, Cook, Nelson, Case, Church, Haskell, Johnston, McGovern, McGee, Packwood, Clark, Gravel, Pell, Montoya, Schweiker and Hatfield. I am particularly pleased to report such strong bi-partisan support for this proposal.

While many of us have recognized the potential of this cleanest and potentially most abundant of all sources of energy, and for years some of us have called for stepped-up efforts to tap it, the total Federal effort specifically directed toward solar energy research and deveolpment has been and remains inadequate. This is particularly true in view of the urgency of our Nation's energy crisis and the important researchable projects that are available for funding.

In addition to the need for carrying on a vigorous solar energy research and development program, we must also assure that the resources are available for the full utilization of the results of solar energy research by the ultimate users—the utilities, the housing contractors, the home owners, and private industry—at the earliest practical date. This is imperative, if we are to approach energy self-sufficiency within the next decade.

In reviewing funding requirements, I direct the Committee's attention to Section 4C of S. 3234. It requires the Energy Research and Development Administration, in conjunction with the Solar Energy Research Council, to return to the Congress for authorizations to proceed into the solar energy demonstration phase.

In view of the rapid progress in solar technology development in recent months, the Committee may wish to consider authorizing funding in fiscal year 1975 to allow the immediate start-up of not only a major demonstration program, but also of a program to support a full range of efforts to assist the "developers" and the potential "users" of solar energy. This would certainly help hasten the day when solar energy will make a substantial contribution to our nation's energy self-sufficiency. Beyond fiscal year 1975, funding for such activities could be authorized on an annual basis.

With respect to the $600 million funding authorization level which I have recommended for the next five years, I provided considerable technical support for this level in the addenda to my March 26, 1974 introductory statement in the Senate which appears in the Congressional Record of that date.

The technical materials include the "Overview" section of the Sub-Panel IX Report, which was prepared by the Solar Energy Technical Review Panel as a basic input to Dr. Dixy Lee Ray's report to the President—"The Nation's Energy Future."

Included in the Sub-Panel IX Report is a chart which lists the funding requirements for a "minimum viable" and an "accelerated orderly" solar energy research program. The funding level I have proposed is almost $200 million more than the Panel's "minimum" program but $450 million less than its "accelerated" program.

At about the same time, the Mitre Corporation prepared its voluminous solar energy research report. In its "Summary and Discussion of Alternatives" section, an addendum to my March 26 statement, a similar five-year funding requirement for solar energy research and development is recommended.

Yet, both of these studies were prepared before the "energy crisis" of this last winter brought home to all of us just how serious a long term energy problem America faces. The Committee should, I believe, give consideration to an even higher funding level and to new goals based on energy developments in the last several months, including the requirements of "Project Independence."

The Committee may wish to consider establishing a specific goal for solar research and development. Such a goal might be to make as many of the various forms of solar energy economically competitive at the earliest practical date. The appropriate funding level would then be determined by the Committee in light of that objective.

This bill provides the central focus needed to assure the realization of the full potential of solar energy—from the solar heating and cooling of buildings in the near term, to the mid-term solar production of electricity. It fits well into the overall Energy Research and Development Authorization passed by the Senate last Fall under the able leadership of Chairman Jackson.

The solar program would be located in the Federal Energy Research and Development Administration, (ERDA), or any other permanent energy research and development organization established by Congress. Should the Energy Research and Development Administration for any reason not be established at the time of passage of this bill, this program would be located, on an interim basis, within the Atomic Energy Commission.

As I emphasized in my testimony last month on this proposal before the Joint Committee on Atomic Energy, cooperation among the various federal agencies with solar research capabilities, as called for in my proposal, is central to the success of any federal solar research effort. With the great in-house talent at the AEC laboratories, keeping all solar work "in-house," when they become part of ERDA, will be a real temptation. However, industry talent and other "participating" agency talent must be fully used, to do otherwise would seriously waste our resources.

In particular, the National Science Foundation should be commended for its excellent work in solar energy. And I am proud to say that Minnesota companies and communities are fully involved in their programs. The NSF should maintain its capability in the areas of advanced energy research and technology including solar. Fundamental science in the area of solar energy can best be served if ERDA fully utilizes the experience and expertise of the National Science Foundation.

NASA, in performing its important mission in the area of aeronautical and space research and development, has developed an impressive expertise in many areas pertinent to solar. It too, must be drawn upon in our solar research efforts.

And, the AEC has begun to develop an impressive solar energy program, since instructed to do so by the Congress. Four present AEC, and future ERDA, laboratories have been identified, so far, as having capabilities and enthusiastic interest in solar energy—Berkeley, Livermore, Los Alamos, and Argonne.

Argonne is developing a novel solar thermal concentrator, Los Alamos is developing a low-cost manufacturing process for flat plate solar collectors. Berkeley is conducting research in such areas as: photovoltaics, photosynthesis; and solar radiation measurements.

Besides close cooperation with and utilization of other Federal agencies, ERDA should especially utilize the great talents and capabilities to be found in the private sector.

It was a government-industry team that got us to the moon; it will be an *industry*-government team (with the emphasis on industry) that will achieve energy self-sufficiency for America.

But America, in achieving the capability for energy self-sufficiency, as we ultimately will, must not then assume that it can turn its back on the world and adopt an isolationist policy. We are merely 6% of the world's people; 94% of the world is out there striving to achieve the standard of living we enjoy, with all the energy and materials consumption that such a standard implies. We must not be blind in our efforts at energy self-sufficiency to the aspirations of other nations, for their consequences are profound for our nation.

Today, many of the world's energy importing nations—many of our closest friends and most important allies—rely heavily on the Arabs for oil, with their demonstrated willingness to use energy resources for political purposes. Tomorrow, an additional major exporter of energy may well be the Soviet Union, whose vast resources of coal and oil in Siberia are just now beginning to be tapped in a major way.

During the recent embargo, the decision of the Netherlands to stand fast for an independent foreign policy cost them dearly. Also, Iceland—which provides a strategic base for the American military—became very concerned over the possible loss of its prime source of energy, the Soviet Union. Can we really be politically independent if our friends, allies, and sources of raw materials, are dependent?

Achieving the capability of energy self sufficiency for America is a must. However, in a world where we still depend on cooperation with others for our security, for our markets, and increasingly, for our raw materials, our definition of national energy self-sufficiency must be extended to include the ability to provide some assistance to our friends and allies who are particularly vulnerable to energy "blackmail."

Thus, every effort must be made to increase our ability to produce energy, particularly clean non-polluting energy, along with our ability to store and transport such energy.

Achieving energy self-sufficiency might wreak havoc on our environment and on our limited conventional fuel resources unless we turn to clean, inexhaustible sources of energy such as solar energy.

The technical evidence indicates that solar energy can begin making a contribution within a few years in the area of solar heating and cooling. And, if we choose to do so, it can begin to have an impact on the production of electricity by the early part of the next decade. The great potential of solar energy certainly warrants our full support. However, as I said before, adequate support for solar energy has here-to-fore been lacking.

Mr. Chairman, it is heartening to see the tremendous growth in understanding of and support for solar energy among the general public.

On June 17 and 18, for example, The Washington Star carried a two part article on solar energy. This article is very well done and it provides a rather complete summary of present solar energy activity in this country. However, I mention it today simply to demonstrate the genuine interest of the people in this country in solar energy.

It is very rare for new technological topics to receive front page attention in our major newspapers as these articles did. I believe this is indicative of the importance which the citizens of this country place on solar energy activities, and the need for increased Federal activity to insure its viability.

Another important indication of the vitality of the solar energy field, is the tremendous enthusiasm shown through participation at an ever increasing number of significant solar energy expert meetings. Just this month, for example, June 17–19 the National Science Foundation sponsored a meeting here in Washington on solar heating and cooling, with over 400 experts in attendance. These people gathered to hear the results of recently sponsored NSF work in this area. A recent meeting in Denver received the same strong turn out and enthusiasm. These sessions have been receiving the growing attention of the scientific, engineering, and especially the industrial community.

No doubt, there are improvements that you will be able to make in this legislation, as a result of your intensive scrutiny. I do hope, however, that the Committee will soon report a bill that will authorize a major Federal program to develop the tremendous energy potential of the sun.

The need for an expanded solar energy research and development program is obvious and the time to act is at hand. We must harness the sun for mankind. I believe Congress can take this initiative now and demonstrate to the American people the kind of leadership in the energy field that they so justifiably demand of us.

Finally, Mr. Chairman, I thank you for your interest in solar energy, your co-sponsorship of this proposal, and this opportunity to testify on behalf of my proposal for a vigorous solar energy program.

GUS SONNENBERG RETIRES

Mr. GRIFFIN. Mr. President, another of our friends and associates in the Senate who will retire this week is Harry F. "Gus" Sonnenberg, keeper of the stationery. He is leaving after 35 years of service to the Senate.

Gus Sonnenberg first came to the Senate in 1936 as a page under the patronage of Senator Henry F. Ashurst, of Arizona. Subsequently, he operated the subway cars, ran an elevator, and worked in the service department.

After a short period of private employment, he came back to the Senate in 1948 to work in the stationery room. In 1960, he was promoted to the position of keeper of the stationery. Since then he has worked with diligence and unfailing courtesy in keeping our offices supplied with all our stationery needs.

With all my other colleagues, I wish Gus many happy retirement years with his family at his home in McLean, Va.

FREEDOM OF CONTRACT FOR ATHLETES

Mr. ERVIN. Mr. President, as the Senate knows, I have for some time been interested in securing for professional athletes their right to contract freely for their services, and thus free them from the yoke of the reserve system which binds them to one sports team for as long as it pleases the owner to retain their services. To this end, on December 4, 1973, I introduced S. 2768, a bill to guarantee professional athletes this contractual freedom enjoyed by every other service profession. I hope that this Congress will act to protect these athletes' constitutional rights.

Mr. President, a respected friend and great legislative leader, former Representative Emanuel Celler, recently brought to my attention a May 29, 1974, New York Times article by Red Smith concerning the contractual bondage of professional athletes. The article, entitled "You Cannot Pay Me Enough," is very illuminating and I commend it to each Senator's attention.

Mr. President, I ask unanimous consent that this article by Mr Smith be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

You Cannot Pay Me Enough

(By Red Smith)

"After 12 years in the major leagues I do not feel that I am a piece of property to be bought and sold irrespective of my wishes. I believe that any system that produces that result violates my basic rights as a citizen and is inconsistent with the laws of the United States and of the several states."

"Pete Rozelle and Ted Kheel will answer that athletes are 'well paid' to give up their freedom. . . . I am appalled that in the United States of America people can still make economic arguments to justify the taking away of a man's freedom and dignity. . . . You cannot pay me enough for me to allow you to sell me or trade me."

"The present system in football does not impose an absolute restraint on player transfers. . . . This system has worked reasonably well. The players' demand for 'no system' would constitute anarchy"

"Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or anyplace subject to their jurisdiction."

The author of the first paragraph is Curt Flood, who was a baseball player when he wrote it in a letter addressed to the baseball commissioner on Dec. 24, 1969. The second paragraph is by John Mackey, the great end who was leader of the professional football players four years ago in their last scarifying exercise in collective bargaining with their employers. It was written to appear in last Sunday's New York Times alongside a statement from Theodore W. Kheel, the clubowners' labor counsel, which included the third paragraph above. Anybody unfamiliar with the source of the fourth paragraph will have to look it up for himself.

THE BIG BUST-OUT

For some years now, it has seemed probable that basketball would be the first professional team sport to discard the reserve system, which in effect gives the employer outright ownership of his employes. At least some men who own basketball teams are confident they could operate successfully hiring players the same way Macy's hires sales clerks, floorwalkers and department heads.

It is beginning to appear, however, that when the inevitable bust-out comes to pass, the membership of the National Football League Players Association may go over the wall ahead of their roundball brothers. There is good reason to believe that what the players call "freedom issues" will have to be resolved this summer before the first exhibition game can be played.

The owners will only cripple themselves if they shut their eyes to this situation. They can "hunker down and stonewall it," but their morning paper ought to show them the unwisdom of that course. The longer they temporize, the more pressure they will put on themselves to make 11th-hour concessions rather than sacrifice receipts from one exhibition.

In 1970 they tried intimidation. They talked of shutting down for a season, which would have meant defaulting on television contracts involving many millions. They threatened to staff their teams with rookies, as if their TV sponsors and cash customers would hold still for that. They warned the players that loss of one weekend of exhibitions would cost $1-million, and this would have to come out of player salaries. The players didn't scare, and at last Pete Rozelle had to call the disputants together and keep them together for 22 hours to get a contract.

NONNEGOTIABLE HANDCUFFS

Ted Kheel participated in those negotiations as a mediator, a role in which he has had wide fairness and impartiality. Now he is the owners' hired man and needs none of those qualities. This time around, his job is to defend the owners' position.

Accordingly, he has been parroting the owners' threadbare argument that the feudal system they have created is the only system under which their business can survive. As a reasonable man, he must know this is utter nonsense. As a fair man, he must recognize the truth of John Mackey's statement that "if freedom will destroy the N.F.L., then the N.F.L. should be destroyed."

Mr. Kheel is on firmer ground when he argues that the players' economic demands are unrealistic. One who shares this view is Ed Garvey, executive director of the union. To be sure, Garvey doesn't say so in so many words. Tell him he is demanding too much and he laughs. "I'd hate to have the players come around and tell me I asked for too little," he says.

He knows and Kheel knows that the financial issues can be negotiated. Kheel complains that the players refuse to negotiate the freedom issues. He says that if the players would propose changes in the system the owners would negotiate, but the players aren't interested in being a little bit free. He is right. A man wearing handcuffs doesn't want them loosened a little to ease the chafing. He wants them off.

DR. HORACE M. KALLEN

Mr. HUMPHREY. Mr. President, on February 16 of this year, America lost one of its most fertile minds.

On that day, at the age of 91, Dr. Horace M. Kallen passed away.

Dr. Kallen was an outstanding thinker, writer, and teacher. But more than this, Dr. Kallen was an unwaivering advocate of the rights of the individual. In his more than 30 books, Dr. Kallen was an intellectual "trail blazer" of the first order.

Long before consumerism became an issue in this Nation, this man of many talents published, in 1944, "Consumer Cooperation and the Freedom of Man." Likewise, he spoke and wrote about environmental problems and ecology before this issue emerged as a matter of great concern in America. As a founder of the New School for Social Research in New York, Dr. Kallen helped create that unique atmosphere in which free thought was encouraged and not condemned.

Dr. Kallen was a valued friend, an outstanding American, and a creative spirit. All of us who knew him will sorely miss him.

Mr. President, I ask unanimous consent that an article summarizing some of Dr. Kallen's achievements, which appeared in The Cooperator, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Tribute to Horace M. Kallen, 1883–1974

(By Donald D. Martin)

Large numbers of institutions and organizations with diverse interests benefited from the wisdom and vision of Professor Horace M. Kallen. Not the least of these was the cooperative movement.

Dr. Kallen viewed consumers cooperation as the best means people have to attain a more satisfying way of life as consumers—be it in the consumption of bread, education, housing, literature, art, credit, leisure, whatever—for he viewed all aspects of life as a process of consumption. Man produces in order to consume, was his thesis on the primacy of the consumer.

Dr. Kallen was a perfectionist and a pragmatist. While viewing cooperation as the best means of obtaining goods and services for consumption, as a cooperator he could be critical of and annoyed with the shortcomings he observed in cooperatives. He would say that cooperators should not be content with getting second best goods or services in their cooperatives. After all, he would say they, the members should speak up to protest and correct what is not perfect in their own cooperatives.

He urged much greater emphasis on employee training, first, so employees would have greater job satisfaction and second, so there would be better service and satisfaction for the consumers. (It was probably for this reason he became a founder, trustee and teacher of Rochdale Institute in 1938.) He advocated greater participation by the membership on as broad a scale as possible in the affairs of cooperatives. He was concerned about too much power in the hands of too few people in all institutions, including cooperatives. More active participation, he said would provide more opportunities for members to become involved in decision making.

He was not as fearful of controversy as he was of apathy, believing it possible to achieve accommodation or union of divergent points of views to achieve common goals. He strongly cautioned against trying to achieve unity on all issues. Unity he said, is apt to be used to stifle dissent and individual liberty and freedom of thought. More than anything else, liberty and freedom in all endeavors was most precious to him.

His first book about cooperation and cooperatives, "The Decline and Rise of the Consumer," was published in 1936. Last fall Rochdale Institute and the New School for Social Research jointly published his "Consumerism, Cooperatism and the Idea of the Consumer." Dr. Kallen was one of the founders of the New School. He was on the original faculty and although he officially retired in 1969, he continued occasionally to teach. His last teaching appearance at "his" school was last fall when he conducted an eight weeks seminar on cooperation which was sponsored by Rochdale Institute and the New School.

In addition to his many other responsibilities and interests, in the past few years Dr. Kallen played an active role as a trustee of Rochdale Institute which was organized in 1971. The Institute awarded him its Distinguished Cooperative Educational Service Award last year. In previous years, the United Housing Foundation and the Cooperative League of the USA had honored him for his contributions to cooperation.

He was a renowned philosopher, advisor and counselor to statesmen, author of more than thirty books and hundreds of other works. He was a noted libertarian, Zionist, humanist and, probably the role he enjoyed most, distinguished educator. Yet, for all his eminence, those who were privileged to know him as a friend, loved him for his gentleness, kindness, humor and warmth, as well as for his keen intellect. He was a charming civilized human being.

His friendship will be missed by many. His ideals and ideas will continue infinitely.

WORLD INDEBTEDNESS TO FULBRIGHT

Mr. SYMINGTON. Mr. President, editorials expressing the general regret at the loss of a great U.S. Senator continue to come in from everywhere.

The void in the Senate his departure will leave becomes ever more clear to ever more people.

In this connection I ask unanimous consent that the following editorials be printed in the Record at this point:

"World Indebted to Fulbright," Montreal Gazette;

"Fulbright's Loss—and the Senate's," Chicago Sun-Times;

"Defeat of a Great Dissenter," the Christian Science Monitor;

"Senator Fulbright's Defeat Diminishes The Congress," Asheville Citizen-Times;

"The Nation Loses Fulbright," New Orleans, The States-Item;

"Salute to Senator Fulbright," the Capital Times, Madison, Wis.;

"Fulbright: Good-Bye and Thank You," The Bristol Press, Bristol, Conn.;

"Bumpers In; Fulbright Out," the Palm Beach Post;

"Fulbright's Legacy to the Senate," Los Angeles Times;

"Farewell to Fulbright," London Times; and

"Senator Fulbright 'Like a Rose in Desert of Politics,' " Arkansas Democrat.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

World Indebted to Fulbright

There is a touch of flawed nobility about J. William Fulbright's 30-year career in the Senate, half of it as chairman of the Senate Foreign Relations Committee. Defending the Arkansas electoral base in which he has now been defeated by a worthy opponent from a new political generation, Fulbright sided with the segregationists in the civil rights struggle of the 'fifties and early 'sixties. But in his chosen field of political action, international affairs, he was the luminous and courageous voice of what he once called "the usually sensible and humane American mind."

A thinker in politics, the former university president had a tenacity in the pursuit of great ideals, an intellectual grasp of the complexity of international affairs, a sense of decency and moderation in the formulation and execution of national policy, and a devotion to constitutional and democratic limits on the exercise of power that were the glory of his country in the era of its excesses.

When there was but one Senate vote against Senator Joseph McCarthy's devastating witch hunts, that vote was Fulbright's. When there was counsel to President Kennedy against the criminally reckless Bay of Pigs invasion project, it came from Fulbright. When the United States lurched into full scale war in Vietnam, Fulbright was the influential spokesman for dissent.

"The more I puzzle over the great wars of history, the more I am inclined to the view that the causes attributed to them—territory, markets, resources, the defence or perpetuation of great principles—were not the root causes at all but rather explanations or excuses for certain unfathomable drives of human nature," Fulbright once said.

"For lack of a clear and precise understanding of exactly what these motives are, I refer to them as the 'arrogance of power'—as a psychological need that nations seem to have in order to prove that they are bigger, better, or stronger than other nations."

Though he spoke most often for the minority of the day, Fulbright had immense influence in creating the majority of the next day. As Fulbright goes down to defeat, his ideas about the proper limits of U.S. power abroad, and executive power at home, go on to victory. Speaking for his own country, he spoke for others; speaking for his own times, he spoke for the future. He is one of the great Americans of his times.

Fulbright's Loss—And the Senate's

The defeat of J. William Fulbright in Tuesday's Democratic senatorial primary election in Arkansas deprives the Senate of an intelligent, influential and far-sighted man. The Senate will be much the poorer for Fulbright's absence, but the nation can continue to benefit from his gifts if he is able to contribute effectively to the creation and conduct of U.S. foreign policy from a private forum. Fulbright's mature voice will be greatly needed if the momentous new problems facing the United States are to be realistically perceived and effectively dealt with.

During the 1950s, Fulbright was an early and sometimes solitary foe of the demagogic tactics of Sen. Joseph R. McCarthy. He assailed McCarthy's witch hunts at a time when doing so involved important political risks. As chairman of the Senate Foreign Relations Committee, Fulbright quickly and clearly understood that the United States was becoming dangerously obsessed with military solutions to political problems in Southeast Asia and elsewhere. Under Fulbright, the committee exerted an important influence in liberating the nation from this obsession. That force is likely to be weakened if the committee chairmanship passes to John J. Sparkman of Alabama, who has consistently gone along with the administration's military requests.

Fulbright's polished, almost patrician, style cost him votes, especially since his challenger, Gov. Dale Bumpers, is a folksy campaigner who enjoys shaking hands and exchanging stories at Arkansas catfish fries. But Bumpers recognized that the overriding issue was the effectiveness of the current congressional leadership in dealing with the problems of the people. Bumpers argued repeatedly that Congress had failed. He called for new leadership to cope with inflation ("the real issue") and Watergate ("the umbrella issue"). He was dramatically successful in this strategy in spite of the fact that Fulbright had never been identified with either Watergate or the economy.

If this intense and widespread voter anger had not yet been clear as a result of previous elections this year, it ought to be abundantly clear now. The Fulbright defeat clarified another fact: voters are angry not only at conservative Republicans associated with the Nixon incumbency but also at liberal Democrats who have been among the administration's sharpest critics. Unless the Congress shows greater aggressiveness and independence in cleansing the stain of the Watergate scandal and in restoring the buying power of the consumer's dollar, the electorate will unhesitatingly vote for candidates who can and will.

Defeat of a Great Dissenter

It is one of the ironies of American politics that a primary election in a small state can remove a national figure from public office. But this is what has happened in Arkansas, where Gov. Dale Bumpers, representing a new political generation, has overwhelmingly defeated J. William Fulbright for Democratic nomination to the Senate seat he has held for almost three decades.

Apart from the local popularity of Mr. Bumpers and the waning national impact of Senator Fulbright in recent years, there are several possible strands in the outcome.

The Fulbright campaign suggested seniority and eminence could do more for Arkansas.

Yet his concentration on Washington and matters at the top must have made him seem remote to Arkansas in comparison with their very visible Governor. The belated Fulbright campaign effort to get the black vote looked rather desperate in view of his poor record on civil-rights legislation.

At the same time Mr. Fulbright appeared to be a casualty of the loss of confidence in present national government caused by the scandals of the administration which—another irony—he so often opposed. Governor Bumpers campaigned on a need for new leaders to restore confidence in Washington.

Whatever the reasons, Mr. Fulbright acknowledged his defeat in the courtly manner which he has customarily maintained even when launching his sharpest dissents against national policy. Though this newspaper has often disagreed with him, it recognizes the value of articulate dissent in a democracy. The retirement of such an experienced and knowledgeable voice from Capitol Hill raises once more the question of whether the United States—not having a House of Lords—should provide some means to tap the opinions of its elder statesmen.

In Mr. Fulbright's case, he would speak from an unusual record of often lonely independent judgment—which sometimes seemed brashly unrealistic but sometimes now seems to have been merely premature. Almost 10 years ago he was advocating the opening to China which it took a conservative Republican to achieve. As chairman of the Senate Foreign Relations Committee he was the perennial skeptic on his country's assumption that it was wise enough to busy itself with the affairs of other nations. He questioned the Vietnam war before this became fashionable. He sought evenhandedness in the Middle East before American policy went officially in that way.

It is not yet clear who will replace Mr. Fulbright as chairman of the Foreign Relations Committee—Senators Sparkman, Church, and Mansfield have been mentioned—but the change cannot help being significant.

Along with positions that were characterized as a new isolationism, Mr. Fulbright sponsored the legislation that may have done more to reduce intellectual isolationism than any other single program since World War II—the Fulbright Act for international exchange fellowships.

Though Arkansans have at last opted for a change, they can take satisfaction in the thorny independent citizen they gave to the nation for so long.

Senator Fulbright's Defeat Diminishes the Congress

As is so often the case, Sen. J. William Fulbright's primary defeat in Arkansas on Tuesday was not without irony. At a time when Congress is grappling to reassert itself after decades of abdicating power to the executive, one of the few lawmakers who through the years has fought against an impotent legislative branch is turned out of office.

Fulbright is one of the last lawmakers in either chamber to question unrestrained presidential power in foreign relations. As chairman of the Senate Foreign Relations Committee, he has advocated a foreign policy based on reason and not reaction, fashioned by a cooperative response from both the President and Congress. Presidents and Secretaries of State have often rejected his advice, but they have seldom ignored it. His has been the voice of intelligence and restraint.

During his three decades in Washington, he has been a listener, too, a trait shared by too few of his colleagues; for if they were listeners, Congress would possibly not be held in such low regard now. Most Congressmen do not listen to questions based on what they, not the witnesses, think. But Fulbright does listen, then frames his questions on what was said. True to his scholarly background, he has practiced a national dialogue on scores of public issues.

While all eras must end, it is seldom that the finale comes at the hands of a victor as progressive and personable as Arkansas Gov. Dale Bumpers. It is too bad that they faced each other, but such are the fortunes of politics.

Before the election Walter Lippmann cautioned that Fulbright's defeat would be a "national calamity." That remains to be seen, but some changes are sure to be ahead.

The most immediate repercussion will be in Washington. Fulbright's loss may be seen as a warning to other incumbents that the winds of change are blowing across the country in the wake of Watergate.

And in the Senate, Sen. John J. Sparkman, D-Ala., at 74, will probably replace Fulbright as chairman of the foreign relations committee. Sparkman does not share Fulbright's views or insights on an active Congressional role in foreign policy. Sparkman's elevation, however, could place Sen. William Proxmire, the maverick Wisconsin Democrat, in charge of the Senate Banking Committee, a move that would benefit consumers over heady banking power.

Fulbright has enjoyed a distinguished career, one of the most unique in our history, which will, like Presidents, not ignore him. His voice will be missed. But at 69, Arkansas may have done him an oblique favor, for there has to be more in life than fighting Presidents and slothful Congresses.

The Nation Loses Fulbright

The defeat of Sen. J. William Fulbright in Arkansas' Democratic primary Tuesday removes from Congress a brave and independent statesman molded in the highest traditions of that legislative body.

As chairman of the Senate Foreign Relations Committee since 1959, Mr. Fulbright was an unbending believer in the Senate's constitutional responsibility to advise and consent to the conduct of foreign policy by the Executive Branch. His dedication to that belief often put him in open conflict with presidents of both parties.

His critics called him an isolationist. But Sen. Fulbright's pronouncements were tempered by a belief that it was not the responsibility of the United States to determine the political destinies of other nations.

He strongly opposed President Kennedy's decision to invade Cuba in 1961. Although he voted for the 1964 Gulf of Tonkin resolution expanding President Johnson's warmaking powers in Vietnam, he soon regretted the vote and emerged as Congress' leading critic of U.S. military involvement in Southeast Asia.

Sen. Fulbright's civil rights voting record followed the conservative mainstream back home, but his courage rarely flagged on other domestic issues.

He called for President Truman's resignation in 1946, after the Republicans won control of the House and Senate, arguing that this political bifurcation was a defeat in the governmental system.

He was among the first to condemn the methods used by the late Sen. Joseph McCarthy, who, he claimed, "did more harm to the United States . . . than he has ever done to the Communist conspiracy here and abroad."

Among the monuments of his 32-year career are the Fulbright Scholarships, the largest single international student exchange program in history.

In a political era oversupplied with double-talk, evasion and demagoguery, the intelligence and adroitness of William Fulbright will be sorely missed.

Salute to Sen. Fulbright

The removal of Sen. J. William Fulbright from the Senate—and particularly from the key post of chairman of the Senate Foreign Relations Committee—is a loss whose tragic consequences this nation will be gauging for years to come.

Bill Fulbright has been one of the clearest voices for rationality in the political life of this nation. In the era of McCarthy madness he faced the hysteria in his own state with a show of courage that few other senators from the north, to say nothing of the south, could summon.

But it was in the dark hopelessness of the Vietnam insanity that he won the respect of his countrymen and men of good will around the world.

Now the people of his state, after 30 years of beneficence to the rest of us, have decided to replace him with a soap opera idol, a handsome, handshaking politician with little to commend him to serious-minded people anywhere.

It is difficult to conclude anything but that the people of Arkansas are still afflicted with the national sickness which has produced such political abortions as a landslide for Dick Nixon.

We have lost a voice desperately needed to find the paths to peace in the explosive Middle East. Fulbright had the courage to talk sense about the Middle East at a time when powerful forces within the Jewish community in this country wanted to hear only cheerleaders.

Writing from Little Rock before the election, Harry Kelly of the Chicago Tribune, reported on how bitter the Zionist campaign against Fulbright had become. Not a single dime was contributed to Fulbright's campaign, Kelly reported.

"But a Bumpers' lieutenant, whipping his grey Lincoln down Highway 40, confided to a reporter that he had many offers of donations from American Jews who would like to see the chairman of the Foreign Relations Committee unseated," Kelly wrote.

Have we in the Fulbright defeat another example of the tunnel vision of world Zionism—the narrow nationalism that permitted a politician of Nixon's shabby standards to capture the support of much of what was hitherto one of the most progressive-minded elements in our political life?

Fulbright is needed in the Senate to provide the balance needed in the Middle East—the balance that can be tipped if Nixon and Kissinger start playing the game of buying phony peace with the blood and treasure of American citizens as was done in Southeast Asia.

This country is headed for certain peril when it purges from public office the rational voices of such men as Bill Fulbright, Wayne Morse and Ernest Gruening, who sought to warn us against the insanity of Vietnam, and delivers to Richard Nixon a landslide vote for president.

Fulbright: Goodby and Thank You

While Eugene McCarthy in 1967 was certainly the first U.S. senator to publicly oppose the American presence in Vietnam, for him war protest was a campaign issue, no doubt sincere though nonetheless handy in its appeal to younger voters.

McCarthy was defeated in the '68 primaries, and for a brief time the issue of Vietnam morals was once again left to the generals. When the cries next were heard, this time not to be silenced, they derived from the voice of a man with nothing to gain through lonely protest and with only conscience as a possible motive.

William Fulbright deserves the bulk of credit for pioneering the effort that ultimately brought an end to the war in Vietnam. His solitary—and initially futile—

pursuit of antiwar legislation, the intensity of his anger over the Cambodian incursion, the volume of war-related information released through his office, his almost daily invective to the press—all of this went a long distance toward generating the level of public indignation that in the end proved decisive.

Moreover, as Chairman of the Senate Foreign Relations Committee, Fulbright's was among the most responsible voices that could have been raised against the war. And for a time—perhaps six months during 1968–69—it was the only one.

Politically, his stand was a major gamble. Had war opposition not gained the support that it did—largely as a result of his efforts—his tenure as senator would no doubt have ended sooner.

Sadly, it has ended now. It is difficult, from this vantage point, to assess the causes behind Fulbright's defeat in last Tuesday's Arkansas-primary. Perhaps the voters felt that he lacked the common touch—he is a wealthy man in an impoverished state—or, more likely, that his eternal emphasis on foreign affairs had come at the expense of attention to local matters.

Whatever the case, it is impossible to conceive that the issues underlying his defeat were not local ones. And it is unfortunate, in spite of any failings on the parochial level, that the voters of Arkansas did not see fit to reelect him solely on the strength of the honor he has reflected on his state during his 30 years of service in the senate.

Fulbright's solitary stand on Vietnam has not been the only example of his political courage or of his commitment to the moral conduct of foreign affairs. In 1962, he was one of only a handful of congressmen to oppose publicly the Bay of Pigs invasion; more recently, he has again been among the minority who have insisted that Israel compromise her demands to insure a Middle Eastern peace.

The Fulbright Scholarship exchange program was an early example of his dedication to the practices of enlightened internationalism. On another level, he has backed virtually every overture to detente the U.S. has broached toward Communist nations.

If he has neglected Arkansas, he has certainly served the world. Through his efforts to do so much, he has apparently sacrificed his right to do anything at all, even in Little Rock. It is a sad paradox.

Bumpers In; Fulbright Out

Maybe it was sheer rebellion against an entrenced incumbent. Maybe it was a need to seek change in an era of scandal. Maybe it was a dominance of state issues over national issues. Maybe it was the senator's age. Maybe it was just facination with a new and rising political star. Possibly all these things conspired against Sen. J. W. Fulbright in the Democratic primary in Arkansas.

In any event, Sen. Fulbright has been defeated by Dale Bumpers, a popular high-performance governor who has toppled more than one political giant on his road to Washington. Gov. Bumpers soon will become Sen. Bumpers because the winner of the Democratic primary is a virtual shoo-in at the fall election.

Whatever the gain for Arkansas in going for Gov. Bumpers, there is a corresponding loss for the nation. Sen. Fulbright, 69, has proven himself more statesman than politician. He has displayed great talent in international matters. He has been his own man for 30 years in the Senate. The nation has admired and benefitted from his special blend of Oxford scholarship and Ozark earthiness.

Sen. Fulbright, as chairman of the Senate Foreign Relations Committee, long ago sounded alarms that the nation unfortunately didn't head. He wanted Congress, especially the Senate, to take a more active role in foreign affairs. Had he successfully made his point, the country might have been spared the disaster of the Bay of Pigs invasion under President Kennedy and the long tragedy of an Asian war under both Presidents Johnson and Nixon.

Sen. Fulbright pleaded with President Kennedy to call off the suicidal Cuban invasion. Three years later, he fell victim to the Tonkin Gulf resolution that expanded the Vietnam war and served as the cornerstone of President Johnson's war policies. He came to regret his vote on this resolution, saying he was misled with false information, which was truly the case. He became an outspoken war critic when it took courage and he particularly attacked the Nixon Vietnamization plan. His strong anti-war stance merits significant credit for eventual congressional curbing of war funds and ending our direct involvement.

Sen. Fulbright displayed his visionary talents 10 years ago in a speech entitled "Foreign Policy: Old Myths and New Realities." He talked about thawing the cold war with Russia and dealing with her "as a normal state with normal and traditional interests." He exposed the folly of America dealing with "two Chinas" when he said only one existed—that being mainland China.

It was Sen. Fulbright's international viewpoints that led to his sponsorship of what are known today as the "Fulbright Scholarships," a successful international student exchange program. Too, he earns plus marks in the history books for his criticism of Sen. Joseph McCarthy who went on a wild, Commie witch-hunt in the early days of the Eisenhower administration. Regrettably, Sen. Fulbright's preoccupation with foreign matters brought him up short in some domestic areas, most conspicuously in the field of civil rights.

Overall, three decades of commendable Senate service now end for Sen. J. W. Fulbright. He bows out with earned respect and prestige. He gives way to an individual with high promise and ambition. There's reassuring democratic style in this changing of the political guard in Arkansas.

Fulbright's Legacy to the Senate

It's hard to think of the Senate without J. William Fulbright, the rumpled, scholarly man of contradictions and influence. He has been a good and useful member.

From his first term in Congress 30 years ago, when he sponsored legislation that created the imaginative and constructive scholars exchange program, he has had an impressive impact on the shaping of American foreign policy and in trying to assert a more coherent response from the Senate to its constitutional responsibility for advice and consent on foreign policy matters.

In a way, it's too bad that he didn't know when to quit. At 69, he has been pushed into retirement by his constituents. They have turned to Dale Bumpers, the 48-year-old governor of Arkansas, with every prospect of bringing a progressive vitality that the Senate surely can use. But the departure of Fulbright may not bring rejuvenation of the leadership of the Foreign Relations Committee; the chairmanship could pass to John Sparkman of Alabama, who will be 75 before the next session of Congress begins.

Fulbright will be remembered above all for his sometimes brilliant, sometimes stubborn action on foreign policy. He tangled with every President he served: He wanted Harry Truman to resign so that a Republican could be in the White House while Republicans led Congress; he tried unsuccessfully to dissuade John Kennedy from the Bay of Pigs invasion, and the nation could only wish that he had been more persuasive; he opposed Lyndon Johnson's invasion of the Dominican Republic and, after supporting the Gulf of Tonkin resolution, came to oppose—with increasing intensity—both President Johnson's and Richard Nixon's prolongation of the American war in Indochina.

His vision in foreign policy has not always been matched in domestic affairs. He was a drafter of the Southern Manifesto attacking the Supreme Court finding that school segregation is unconstitutional. At the same time, however, he was first in the Senate to oppose the dreadful abuses of Sen. Joseph McCarthy. His investigation of the Reconstruction Finance Corp. was a model of constructive legislative committee work, and led to a proposal for elevating ethics in government 20 years before Watergate.

Fulbright will leave to the Senate much on which to build as it fufills its role in helping Presidents guide the nation in the world community. He will also leave an example, useful to succeeding generations, of intelligence and courage.

Farewell to Fulbright

It has long been one of the anomalies of American politics that the distinguished liberal intellectual chairman of the Senate Foreign Relations Committee should represent the state of Arkansas. He will do so no more unless something very surprising happens. Defeated in the Democratic primary he now has almost no chance of remaining in the Senate beyond next January. His departure will be a loss to the Senate and to all who have valued his contribution to American foreign policy.

Senator William Fulbright neither formed nor changed policy, and his ideas were seldom adopted when he put them forward. To that extent he failed. But he did not see it as the role of his committee to make policy. He wanted it to check, monitor, question, and educate. His monuments will be, the Fulbright scholarships, the televised hearings on Vietnam, which were an unparalleled exercise in mass education, and a consistent record of probing, far-seeing comment on American foreign policy that has already earned his writings a permanent place in contemporary political literature.

He has not always been right but he has been right sooner and more often than most politicians. Many of his early heresies have now become the conventional wisdom of the age. He opposed President Kennedy's attempt to invade Cuba and held more balanced views than most on the Berlin crisis, when he urged the need to understand the Soviet Union's fear of Germany. He foresaw the recognition of East Germany and the American rapprochement with China. He opposed the Vietnam war although, to his later regret, he supported the Gulf of Tonkin resolution which enabled President Johnson to deepen the American commitment to the war.

His main concern has been the role of the United States in the world. He was among the first of the liberal internationalists to question the assumptions of American postwar policy, the extent of American commitments abroad, and the simple moral categories of the cold war. He pointed out that America had no moral obligation to export her way of life throughout the world and that it was not in her political interest to do so. He was an early advocate of the view that foreign policy can sometimes be served best by improving the quality of life at home, and he was much concerned about the impact of American power and good intentions on weaker and more fragile cultures.

It was, however, the corrupting influence of power on America itself that worried him most. In *The Arrogance of Power*, published in 1967, he wrote of the dangers of confusing power with virtue and said that "America is now at that historical point at which a great nation is in danger of losing its perspective on what exactly is within the realm of its power and what is beyond it. Other great nations, reaching this critical juncture, have aspired to too much and by over extension of effort have declined and then fallen."

These have been the lessons of the Vietnam war, and Senator Fulbright saw them sooner and more clearly than most. Dr. Kissinger has now absorbed them into the mainstream of American policy and is trying to define the new and more modest limits of American power and responsibility. Senator Fulbright can at least take comfort from this belated vindication, and even if he is no longer in the Senate next year he can be sure that when he speaks on foreign affairs people will still listen to him.

It is oddly appropriate that Senator Fulbright should be taking leave of the Senate at the same time as America is taking leave of the philosophy of total commitment and moral absolutism which he condemned, but there is an obvious danger that the pendulum could swing too far the other way and that the lessons of Vietnam could be wrongly applied in the future. Senator Fulbright is not an isolationist and his authority could be badly missed if isolationism begins to take hold. It would be a sad irony if, now that his message has got through, it should be misunderstood yet again.

Senator Fulbright "Like a Rose in Desert" of Politics

(By Erwin McDonald)

The tragedy of the Fulbright-Bumpers race for the U.S. Senate was that one of the two noted Arkansans had to be eliminated. Now the sun has set and a star has risen. We have upcoming Senator Bumpers and outgoing Senator Fulbright.

This column will deal primarily with the setting sun, trusting there will be many opportunities in the future to write about the rising star.

Being your own man, in politics as in other areas of life, too often means taking care of yourself, looking after the interests of old No. 1. Consequently, there is a lot of opportunism along the way.

As the sordid unraveling of Watergate continues to reveal, the question so much of the time is not "What is right?" or "What is for the best interests of the country?" but "How will it play in Peoria?" and "How can we keep the cap on the bottle?"

J. William Fulbright will go down in history as one who was his own man in a much higher sense of the term. He was concerned, to be sure, with the wants and wishes as well as the needs of his constituency. But when it was necessary for him to reach a decision and take a stand, he dared to act according to what he felt was right regardless of the personal consequences. And for many of us, this qualified him for the rank of statesman as over against mere politician.

Character is so often conspicuously absent in high places that it is like a rose in the desert when it does appear. In Fulbright, Arkansas and the nation were blessed in having in Congress not only a man of sterling character but also one of rare talent, education, and ability.

One of the marks of Fulbright's true greatness has been his freedom from anything approaching-blind partisanism. When the chips have been down, he has been first an American and then a Democrat.

An illustration of this is his warm and outspoken support for Secretary of State Henry Kissinger, a man appointed by his arch political enemy, Republican President Nixon. In a national television interview early last Wednesday, the morning after his horrible night before, the sprightly Senator cited Kissinger as the greatest and best qualified of all the half dozen Secretaries of State with whom he has worked.

Historians and political scientists will have their appraisals of Fulbright and their assessments as to how he came down before the personable Governor Bumpers. But we average Arkansans must be indulged our own views of an event of so great an import for us.

It is ironic that the senator, one of the staunchest holdouts against what is widely referred to as "the mess in Washington," should have been associated in the minds of some voters as a part of the mess. But this is a part of the picture. In incidental contacts ahead of the election, I heard some saying, "I'm so disgusted that I'm going to vote against anyone up for reelection. I think we should turn all of them out and start over."

This, as some of the national commentators have suggested, will obviously serve as a bad omen for others seeking re-election. The national opinion polls that for a while were rating Congress lower than the President have not helped the over-all image of the incumbent.

Another factor in the political downfall of the senator is the hard-core opposition that has built up against him over his long tenure. It is inevitable that a public servant will have opposition, for he in effect must live in a glass house. And the more positive and outspoken the man, the surer he is to be opposed, on practical and philosophical grounds if for no other reason. Incidentally, Fulbright can take solace in the fact that in all his years of public service he has never been suspected by anyone of being crooked or unclean.

There's no way of knowing how many voters were in the automatic against-Fulbright camp. Some political observers have estimated up to 40 per cent of the vote this time would be in this category.

The senator's pedantic, school-teachery way of "correcting" his opponents may not have made him friends and influenced people to be for him in his uphill battle against Governor Bumpers. In politics, as in sports, it is generally conceded that "the best defense is a good offense."

Not the least of the accounting is Dale Bumpers' charismatic smile, sparkling shoeshine, Billy Graham preaching style, and his ability to keep aloof from such liabilities as debating the issues for three hours with Fulbright, one of the world's all-time great debaters.

David had his Goliath, but Bumpers has his Faubus, Rockefeller, and, now, his Fulbright. And now it appears that the senator was attacking not a meteor but a rising star.

But it is not all over yet for Senator Fulbright. He will be the junior senator from Arkansas for another seven months. And it may be that he will have the greatest opportunity for service to his state and nation in these last days that he has had at any other time in his long and distinguished tenure. For it is likely that the currently sitting Congress will have the responsibility for impeaching a President and setting our government back on the solid track laid down for it by the founding fathers. And after that, retirement!

THE ALEXANDER SOLZHENITSYN INTERVIEW

Mr. BUCKLEY. Mr. President, on Monday CBS–TV performed an enormously important public service in broadcasting a 1-hour interview of Alexander Solzhenitsyn. I ask unanimous consent that a transcript of the broadcast be printed in the Record so that Members of the Congress may have the benefit of the insight it provides on the Soviet system, as well as on the implications of "détente" as seen by a particularly sensitive observer.

There being no objection, the interview was ordered to be printed in the Record, as follows:

Interview With Alexander Solzhenitsyn

Cronkite This is Walter Cronkite reporting from Zurich, Switzerland . . . a city which has on more than one occasion provided sanctuary for the political exiles and refugees of the world. On June 17th, 1974—one week ago tonight—this reporter spoke with the latest and most celebrated of those political exiles—the Russian writer Alexander Solzhenitsyn. This is his first extended television interview since his forceable exile from the Soviet Union last February

Solzhenitsyn. I've known Soviet life for the whole of my life. Today I haven't lost my Soviet point of view. This is the way it is. International detente does nothing to help the situation inside the Soviet Union. Tell me please, let's be realists, what kind of guarantees are there that the treaties will be fulfilled today or tomorrow? What kind of guarantees are there? And when your businessmen conclude treaties—an alliance with our leaders—and say that trade guarantees peace, that's obvious to a child it's not true. It doesn't guarantee anything. On the contrary, trade goes on so long as there is peace and when there isn't peace, there won't be any trade. Therefore, what guarantees could there be? From where you can get the warning voices? Only from our dissidents.

Cronkite. We spoke for one hour and forty minutes with Solzhenitsyn. This hour is edited from that filmed conversation.

Announcer. This is a CBS News Special "Solzhenitsyn" with CBS News Correspondent Walter Cronkite.

Cronkite. In February 1974, Alexander Solzhenitsyn, 56 years old, became the first Russian to be forcibly exiled from the Soviet Union since Leon Trotsky in 1929. He was flown to West Germany. In late March, his wife and family joined him in Zurich.

This is the Solzhenitsyn family in Zurich today. His second wife, Natalya Svetlova, is 34. His son, Yermolai, is 3. Ignat is 21 months. Stepan is 9 months. Also with him is his stepson Dimitri, 12. And his mother-in-law, Yekaterina Svetlova, 55. Solzhenitsyn is compared today with Russia's greatest writers—Tolstoy, Dostoevsky, Pushkin and Turgenev. A Nobel prize-winner in 1970, he has written six books that led to his expulsion—books of rage against the Soviet repression. "One Day in the Life of Ivan Denisovich"—1962; "The Cancer Ward"—1968; "The First Circle"—1968; "Stories and Prose Poems"—1971; "August–1914"—published in 1972; "The Gulag Archipelago—1918–1956"—published in the United States this month. The "archipelago" symbolizes the network of prison camps dotted like islands across the length and breadth of the Soviet Union. Solzhenitsyn's books are said to have earned him millions in royalties.

In Zurich today, Solzhenitsyn works on "March 1917", third volume of the trilogy with "August 1914" and "October 1916". For security reasons he and his family asked us not to show the residential street on which they live or the exterior of their modest house. In this hour, he talks about his writing, his ordeal in the Soviet Union, his views of the United States and of the world, and of his hopes for the future.

Mr. Solzhenitsyn, after four months in Western Europe, have you revised any of your opinions which were formed back in the Soviet Union about the Western World?

Solzhenitsyn. You know, four months is, of course, a very short period, especially with my work so that my experience of the West is very small. No, my main views, as they were formed have remained as they were. I would even say that my views are not individual views. They correspond with those of many people living in the Soviet Union and in Eastern Europe.

Cronkite. Your work in the Soviet Union must, of course, have been very difficult in many ways. Now, with the freedom to work, is that likely to affect the attitude with which you work perhaps?

Solzhenitsyn. You know, when I was working in the Soviet Union, the pressure on me from outside, that was pressure on my life, not on my work. I started seriously working in the camp from 1948. But there, every day, I had to think about what I had written. Where could I hide it? But then maybe somebody would come at night. But here I can write it, put it away and go to sleep peacefully.

Cronkite. How difficult has it been for your family to adjust—your children and your wife,—to life outside of Russia?

Solzhenitsyn. Of course it's been difficult. Of course for my family. Well, it's not easy for anybody to get used to it, especially when this happens so suddenly. But we aren't really inclined to accustom ourselves; we're busy with our work. I'm busy up to my eyes in work, and ahead is the prospect of returning to Russia. We're in contact with Russia every day. We feel close. So we have no intention of getting used to being in the West. We believe that we shall return to Russia.

Cronkite. Any idea when?

Solzhenitsyn. When? Unfortunately, people can never forecast when.

Cronkite. Does that necessitate a change in the political system or just the political government of the moment?

Solzhenitsyn. Yes, yes. The system must be changed. For me there's a very simple key. The system should change sufficiently to allow *The Gulag Archipelago* to be published freely and widely in Russia, not the kind of deceptive publications that we have. Those are the conditions in which I could be useful in Russia.

Cronkite. In other words, the day that Alexander Solzhenitzyn's works go on free sale in the book stores of Russia, that's the day you'll be able to go home?

Solzhenitsyn. Yes. At that time I could be useful. That would be the right moment.

Cronkite. Do you have concern about your safety?

Solzhenitsyn. No, you see, I was there until the very last day. I should never have left there of my own accord. Moreover, if I'd been concerned about my own safety, I wouldn't have dared to publish *Gulag* while I was still in the Soviet Union. I realized what it would mean for me to print *Gulag*.

It was either death or death through prison. There was nothing else for it. And that's the way it happened. They arrested me, they charged me with being a traitor, which involved the death penalty, a shooting, so on the very first evening of my arrest, they told me I would be shot. I was ready for it. There was no other way of getting out of the situation. I couldn't leave the country. I couldn't hold on to *Gulag* forever. It had to be printed. So I really put my life at risk. That's the way it was.

Cronkite. I wondered what your opinion was of the western media since you've been out?

Solzhenitsyn. I have to say that the western press helped me and Sakharov and all of us to hold out for years, and particularly helped in August and September of last year. It was then that, in alliance with the western press, we won an important battle. So, of course, I could only be grateful to the western press. But if we should speak objectively, if you want the views of an outsider, who sometimes can see things a bit better than the people who live on the spot, here are a few of my impressions. Now here I arrived with this little bit of bread from the Lefortovo Prison in Moscow, my last uneaten meal from Lefortovo. I arrived suddenly in western Europe. Only three hours before, I'd been threatened with execution.

Suddenly they tell me they're throwing me out and dumped me in Frankfurt Am Main. And practically from that minute, the western press begins to invade me. I could hardly understand exactly what happened. It was as though I'd come with ready statements to make, but the only statement that I could make was that I'd made and said enough there and now I'd be silent. But the press wouldn't leave me alone. They pursued me everywhere. They hung around my house, then around my lawyer's house. I wanted to go out at night to get a bit of fresh air at night on my back balcony. All of a sudden these two Kleig lights on me. People were taking photographs of me. I go with my friend for a walk. They stick a microphone up to me, listen to what I'm saying to my friend. And I bawled them out: "Look, you're worse than the secret police in Russia!" Then the press says my first statement in the West was to say that the western press is worse than the KGB. It was as though I was trying to praise the KGB. I had wanted to say to them, "Look. Understand me. I just can't—let me have a rest. Let me talk to my friends." No, they went on.

For a long time, when I came back from Norway, when my family arrived, tired, exhausted, they wanted us to pose for them. Well, we couldn't pose for them. Then they ruined everything, ruined the flowerbeds around our house, stamped on everything. And so, I said, "But gentlemen, why do you do this? I do ask you. I'm not going to talk now." So they asked me: "We can't leave you," they would say. "We are ordered to do it. If we don't do it, we shall be sacked." Well, you know, that's a very slippery and dangerous argument. If I don't carry it out, they're going to sack me. Any kind of policeman in the Soviet Union can say that. "If I don't do it, I'll be sacked." You see, every profession must put some restraints on itself. Every person must put some restraint on himself. Honestly, the western press is really not stopped by anything. Not the police, nobody can stop them, keep them off a person. Not the government, nothing seems to interfere with them. In that case, you simply have to restrain yourself. This is really a moral sin. You must drop it. Other people are trampling on flowerbeds; I won't. Other people pursue a man but I won't.

Every quality, every good quality, if they aren't restrained in some way, become vices. It would be possible to admire this determination to extract the truth without bothering about anybody else, ready to go into battle. I don't mind dying, so long as I get hold of the story. But what is strange is when this western press gets to Moscow or to eastern Europe, or even to China, for example. But this is a very extraordinary thing. There the western press changes completely. There are one or two remarkable exceptions. There are certain correspondents who aren't afraid. But they get sent out of the country. But the great majority of them, they suddenly, those very men, who here will stop at nothing, they become so modest and so cautious there and so very careful. Here there's nothing sacred for them. They go at presidents, military, ministries and so forth, but there, if some miserable Bulgarian policeman tells them not to photograph a church, they stop. Or the Red Guards, you know, the Red Guards in China. If they hang up some kind of leaflet and a correspondent comes up to read it and some wretched little Red Guard tells him not to read it, the correspondent turns and walks away. Why do they do that? Why such a difference?

Cronkite. You criticize the behavior and the manners of the American press, particularly in your own case, but you're not suggesting that you dislike the system of the freedom of the press in the Western world?

Solzhenitsyn. Not only do I not criticize the system of freedom of the press, on the contrary I consider it one of the great good things of the western way of life. I have only two criticisms to make. On the one hand, it's not only the press but every profession which must know how to make use of its freedom but to set some kind of a limit. So beyond this I'm stepping over the moral limit. Externally, the press must be absolutely free, as it is with you, but internally everyone must know where to draw the line. On the other hand I insist that if the press has such freedom in the West then it must carry the same kind of freedom when it gets into the East.

Cronkite. But presumably this is the principal purpose in your writing Gulag and your other works is to try to begin to convey the truth of what has happened behind the Iron Curtain to what we call the West.

Solzhenitsyn. I can't say that I wrote all these things in order to open the eyes of the West to Russia. I wrote them primarily for my own people in Russian because we just don't know our own history.

That's what's so frightful. Only the West knows our history, we don't. We have lost it, I told you. Recent events, before the Revolution, the materials being destroyed, witnesses have died, so I tried to restore the truth. I worked for many years. If it hadn't been for the miracle of *Ivan Denisovich* that Ivardousky managed to persuade Khrushchev to have it published, I saw my life, I would write to my very death, write everything and then I would die. But thanks to *Ivan Denisovich* I was able to have my things published in the West. If Khrushchev had known that was writing the history of the Revolution he would never have let *Ivan Denisovich* be printed. He did it because he was quarreling with China over Stalin. Neither I nor anybody else suspected what consequences it would have.

Cronkite. If Khrushchev made a mistake in permitting the publication of Denisovich, has not perhaps Brezhnev perhaps made a mistake in exiling you and bringing all this added publicity to *Gulag?*

Solzhenitsyn. You know by exiling me, he didn't add anything for me. Persecuting me in the Soviet Union was sufficient. He made certainly clear my position—yes. They committed a very big mistake in that when I wrote the letter to them I explained that they have false objectives. I tried to persuade them to realize they have a false objective which has forced them not only not to print *Gulag*, not only to exile me, but even to sentence me to death. But they so badly understood the situation that they were afraid to print the *Cancer Ward—Cancer Ward*, which is perfectly easy to publish. In very dramatic circumstances they recently offered to publish *Cancer Ward* in the Soviet Union.

Cronkite. Well, how did *Gulag* ever get published while you were in the Soviet Union?

Solzhenitsyn. When the *Gulag Archipelago*, when the very day when I knew that it had been seized by the Secret Police, I immediately gave instructions that it should be printed in the West. The *Archipelago* was supposed to be published while I was in the Soviet Union but according to my plans it was supposed to come out in the spring of 1975. You see I finished the *Archipelago Gulag* in 1968, but I decided that I would work for a few years and write some of the volumes of my history of the Revolution because these are two connected things. Without the Revolution there wouldn't have been the *Archipelago* and the *Archipelago* comes out of the Revolution. And since nobody knows the history of the Revolution in our country, I thought that I would do some work on that and the two things could be published together. That was the way. I intended to be in the Soviet Union when it was published in the spring of 1975, but unfortunately the *Archipelago* got into the hands of the police.

How did that happen? Well it happened through Vorayanska. She helped me to type the draft version of *Archipelago Gulag*. That version she kept and took care of it and then when I had the final version I told her that she should destroy it. She lived in Leningrad. I lived in Moscow or near by. I said she had to destroy it but she refused, she gave various reasons, she said it was in the ground, she said it was winter. The second time I said, "No, you must destroy it. I can't be sure of preserving it." The second time she refused. The third time I told her to destroy it and she, literally, in 1972, she wrote me a letter in which she very dramatically, beautifully, described how she had burnt it page by page. I believed her. But she deceived me poor woman, because she thought that she would save the *Archipelago Gulag* even, even if I lost it, but she would have preserved it. Well, so the whole thing turned out for the worst. She was so devoted to it she was afraid that I might not preserve it, and it might be lost and so she preserved it. In this way, she fell under suspicion. How could the secret police get on to her trail? For a long time she had not worked with me. There had been no letters, no work for me. Who, who knew her? She was known by two or three folk, that's all, just two or three folk. She was known by my former wife, Reshetovskaya, but Reshetovskaya knew nothing recently about her. But the past events she knew quite well. Recently, the secret police had been close to my former wife. They'd been having talks with her, interrogating her, and they asked her about *Gulag*. I just didn't want to think that she would do it out of a spirit of vengeance. But she warned me, and she let it be known that she would take vengeance on me. I thought she wouldn't do it over my things but maybe out of carelessness she simply said something, showed photographs and in that way Vornyanskaya was arrested. But the fact was that the secret police had not heard about it earlier. When the secret police actually read it and the authorities read it their hands must have burnt. They must have trembled because they didn't expect anything of such force and so that's the reason I returned to *Cancer Ward*. Three weeks after I had given instructions for *Gulag* to be published my wife phoned me and wanted to meet me. That's my former wife. We met at the Ryazan Station. She spoke on behalf of the secret police that some important person wanted to speak to me. I refused, so then she said, all right, they propose what? This. If you make a statement, public statement that for twenty years you will not publish *Gulag Archipelago* then they will let you publish *Cancer Ward* immediately. It was only then when they had *Gulag* in their hands they realized what it was.

I had to deceive the secret police for another three months. I didn't know what they might do in the meantime. I said, all right then I won't print it for the time being as long as nothing happens to my twenty two hundred witnesses. She said the witnesses won't be affected but only those who helped you and the people who were close to me in former times who only she knew about. I follow very closely what happens to those people and what will happen to them in the Soviet Union now.

CRONKITE. With the vaunted power of the secret police, why wasn't it possible for them to go to your quarters and the quarters of your friends and seize the manuscript of *Gulag*?

SOLZHENITSYN. You see in 1965 they seized my archives. They couldn't take *Gulag* because as soon as they took my archives it wasn't with me. Within three hours *Gulag* was away from me, and then I traveled to a distant spot at a time when I got rid of my beard so as to travel without being recognized, and it was there, I finished *Archipelago* in another place.

Later, after my letter to the Writer's Congress, you know they simply didn't dare to come near me, to come for me. Right to the very end they didn't dare until they decided to exile me. They just didn't dare.

CRONKITE. I notice your handwriting is very small. You could probably get the whole *Gulag Archipelago* as printed in a very few pages.

SOLZHENITSYN. You know, this is an unfortunate experience. I had to write with such small writing. It not only had to do with *Gulag* but the whole of my works could be contained in a small box. The whole of my collected works could be carried by you without being noticed. I wrote from top to the bottom of the page and from one side to the other. Only like that could you do it.

CRONKITE. You speak of the importance of opinion in the West. Is it this Western opinion that is causing a greater wave of emigration now? For instance, the Panovs last week. Did they get out because of Western pressure?

SOLZHENITSYN. Western public opinion has tremendous, huge influence, I wrote last year from the Soviet Union. In an interview I said that the West doesn't really understand how great its influence is. When the combined voice of the whole continent, protests instead of two or three western intellectuals who say "I would protest but I don't believe in the strength of my protest," you get a combined strength. Sakharov and I could have been squashed without Western public opinion.

You raised the Panovs and so forth. I will tell you here there is a sort of distortion in the attention which the West gives to Soviet problems. This distortion comes because of the distorted picture in which the West doesn't properly understand the Soviet Union. The increase in emigration has been achieved thanks to Western public opinion. The case of Panov and others sort of unnoticed, all the best efforts of Western public opinion have tried to help people in the Soviet Union toward making emigration easier.

They've achieved that so it looks like the most important thing is to make emigration easier whereas in reality western public opinion could ease the situation of those who don't want to emigrate but those who, at the risk of their own life, want to improve the situation there in Russia. I, of course, as you understand, consider that every person wants to emigrate should be able to emigrate. Every obstacle to emigration is a barbarity in a civilized country. But, those people who emigrate are really fleeing from the country. There are a lot more brave people who stay in the country and try to improve the situation there.

Why don't they get attention from the West? One day in a psychiatric ward, in a prison camp is much worse than going day after day to the Exit Department to apply for a visa.

CRONKITE. Do you think it's unpatriotic for those who wish to flee the Soviet Union to save their lives?

SOLZHENITSYN. Look, look, I would put it this way. I would say—yes, if a man leaves the Soviet Union who feels that the country is alien to him, and it's not his real country, then it's a perfectly natural act of a free man. He wants to go and live in another country and I certainly don't you know, and really go to Israel, not those who pretend that they're going to Israel but really go somewhere else but those who say they really go to Israel, I respect them because they are choosing for themselves a very much more difficult life in Israel. It will be more dangerous and there will be more duties for them to fulfill.

They are moved by religious feelings and feelings of national renascence. I have great respect for them. This is a patriotic move. I cannot respect those people who say this: this is my country, this is my native land, the Soviet Union, but I don't like it here. I'm going to leave it, and I won't stay here. And from the West I'll explain to you what you ought to do and I'll tell you how to go on. And then if things improve, I'll come back. When things are bad at home and there's illness there, a misfortune, then you don't leave home. You can leave home when everything's all right there. That's the way I see it.

CRONKITE. Do you see Soviet repression as a threat to World peace?

SOLZHENITSYN. Yes, I consider that repression in the Soviet Union, by its very nature, is by no means an internal matter of the Soviet Union. I consider significance. That it's a danger for the whole world.

They talk so much now about detente, as if this detente was an improvement in the atmosphere everywhere. No. According to my very latest information, which I received in the last week, the situation in the Soviet Union is getting worse. Even in the very last week, they just really let out from there the last people who were getting in their way, so as to reduce the pressure. In the future it won't be so easy to get out of there. And then they will be persecuting people more. Of course, I feel this very badly insofar as it concerns people who are close to me. There is now a new concept in the Soviet Union: a friend of Solzhenitsyn is a criminal! It's as though it were an article of the criminal code. A friend of Solzhenitsyn is a criminal! A friend of mine, Academician Shafarevich, a mathematician, a winner of international prizes, who has just been elected to the American Academy, they don't dare to suppress him at the moment. And the Chukovskys also benefit from their distinguished father. But, for example, people very close to me—One man, Vadim Borisov, who is the godparent of my children and whose statements have been published in the West—he is now threatened on all sides. Why?

Because a friend of Solzhenitsyn means he's also an enemy of the people. You have to understand the situation. Nobody talks about bugging because everybody's bugged on all sides. The question of breaking into a doctor's office to find medical records—nobody would do it. There would be no need to break in. Any authority could simply tell the doctor he'd have to hand the records over. See, when I say everything's on a different scale. Different conditions. Barabonov, a fairly well-known man, he's now threatened with being called an idler or with arrest. And Alexander Gorlov, I wrote about him at one time. At the time when there was a raid on my country house. He was told to shut up, but he wouldn't. He's not a dissident, he's never made any public statements, but he's just not one of their people. He just wouldn't keep quiet, he told me. And for that reason, he's persecuted by the police. And now, after my departure, he's been threatened. This is the situation in which my friends find themselves. In Russia, in the Soviet Union, the family of political prisoners are also persecuted so that if somebody sits in prison and I know, I've been in prison, I know that my family will be hungry and without clothes. This is a very special totalitarian way of repression. But there is a certain Alexander Ginzburg. He's very well known. In his day, he published a white book on the case of Sinyavsky. Golansov, his friend, died in the camp, but Ginzburg came out. He's free but he's very sick. He's just a very remarkable man. He is now a sort of encyclopedia and knows who has to be helped. So we have organized here in the West a Russian social fund. All the royalties from *Gulaz Archipelago* will go into that fund, and also royalties from other of my works. Maybe perhaps other people will make contributions. And so, with this money, we shall try to help the families of the political prisoners in the Soviet Union. We're not taking a single illegal step. All strictly according to Soviet law. Nevertheless, as soon as it became known that it was being done through Ginzburg, they started to persecute him.

CRONKITE. Even although it's legal under the law, what makes you believe that the Soviet authorities will for one minute let anybody distribute that fund in the Soviet Union?

Solzhenitsyn. Of course, they will persecute those who receive the money, but in spite of the fact that Ginzburg is being persecuted, he carries on with the work. And even if they maltreat him, destroy him, others will do the work instead. This work, of course, involves very great risks.

Cronkite. You said that you did not think the detente helped the situation at all. I gather then you're not very enthusiastic then about President Nixon's visit to the Soviet Union?

Solzhenitsyn. This is the way it is. You know, Nixon recently said something like this. He said that it was a long time since there was a situation which was so close to lasting peace as today. He said something like that. I must say that this kind of optimism is completely incomprehensible to me. What is deceptive here, where you can make a mistake, is it seems as though the two conflicts which threaten the world have died down—the one in Vietnam and the one in the Middle East. Well, the one in the Middle East seems to have died down really well, thank God for that. As for Vietnam, that conflict has not ceased; it's just an illusion. If in the course of the armistice, more Vietnamese died than Americans in the whole war, what kind of a peace can that be? It's temporarily stopped and it will start again one day. So these two points of conflict have stopped, but they don't decide the future. The future is going to be decided by the general situation and the general situation is—now, just before Nixon's visit—never before has the superiority of the Soviet Union and the Warsaw Pact over the countries of NATO been so great as it is at the moment. If previously, the superioritv was in ground forces, in tanks, it is now, according to the latest estimates of your experts, the superiority is in nuclear weapons and missiles. Never before—this is a second factor—has the Soviet Union and Eastern Europe received such a mass of high-class technical equipment as before. We never got enough of this proper technical equipment. Third thing, never before has the President of the United States been in such a weak position as he is at the moment. He is now so weak that he does not have the strength to dictate to the Soviet Union. In any case, the old treaties are still not being carried out. The general agreement about Western Berlin is being violated. The treaty on arms—on nuclear arms restrictions—is also being violated. Your President does not have the sufficient strength to demand proper control of these treaties. This is the case.

Cronkite. In your letter to the Soviet leaders, you favored an authoritarian system for the Soviet Union and this brought considerable criticism from some fellow dissidents, and I think some disappointment perhaps on the part of liberals in the West. Can you straighten out your views on that?

Solzhenitsyn. Yes. You see my letter to the leaders of the Soviet Union was really very incorrectly understood in the West, partly because in America and England it was published without the foreward.

There were always different systems, and in my letter to the Leaders, I dealt exclusively and only with Russian subjects. What is necessary, what can we do in Russia, and secondly, what can be done in present conditions and definitely without revolution. I tried to seek a way by which we in Russia now could find a way of softening the totalitarian system, but at least leave it, but at least soften it. But now, for Russia today, another revolution would be worse that 1917. The number of people who would die and the productive forces that would be destroyed. There's no other way for us in Russia. But that doesn't mean that I in general think that there should be a totalitarian system and that it's better than a democratic system. Yes, I've even criticized the * * * elsewhere, I commented as I saw it from the Soviet Union.

Cronkite. Is it possible that having been behind the Curtain in the Soviet Union that you don't fully understand the American democracy either? For instance, you said, I think in your letter, I believe, in that criticism of the democratic system of which you spoke, you said that election every four years is an attempt at gratifying the masses, and in the Ellsberg acquittal, you referred to the judge pandering to the passions of society. Well now, that's really from the American view what democracy is all about—is gratifying the masses and pandering to society.

Solzhenitsyn. You know, it's not right to say that I haven't noticed the good sides of American democracy. I've noticed a lot of good sides to American democracy, but when we're talking together, publicly, so I think we just can't go on endlessly praising each other and paying each other compliments. Normally one criticizes. But in general terms, it seems to me that now the governments of the major democracies are in a great danger. Democracy itself is in great danger. The governments are really so unstable that two or three votes seem to decide the whole course of policy. It seems questions are being decided in this way.

Cronkite. Well, how do you see America's role in the world today?

Solzhenitsyn. The United States won the World Wars and decided the outcomes of the wars. The United States twice raised Europe from the ruins. The United States throughout the world helped in all cases of famine, flood, epidemics. The United States defended peace against Stalin on many occasions, the case of Western Berlin, the Berlin blockade, in Korea and in the Far East in general.

That's what the United States did. But what was the attitude of the world at large to that? The Americans had never begged for their loans to be repaid, never made political conditions. They showed great generosity. What happened then to America? The cultural centers in America were being threatened and burnt. When America lost her vote in the United Nations, people of the Third World simply cheered. The most fashionable thing for politicians in the Third World to do and even in Europe was to attack America.

What is written about you in the Soviet press? You don't have to pay any attention at all. There was a time when they gave instructions to the Soviet press to attack America as imperialists, then they gave orders to talk about détente. There are American leaders arriving in Moscow, another command is given. How many flags should be put out, how many people should be on the street, who should stand where? So just don't pay any attention to that sort of thing. That is done on the orders of the government. But believe me I want to tell you that there exist quite independently of this government policy a strong, steady sympathy on the part of the Russian people to the American people. In spite of all the newspaper lies, in spite of all that, there is an internal sympathy on the part of the Russian people for the Americans. Although people are very ungrateful to America there is paradoxically the fact that your activity is very highly esteemed in Russia. But this doesn't necessarily give us any great hopes for the future because we are not masters of our own fate for the time being. And in general and in your country and in our country, the future is not going to be an easy one. Great countries don't have easy futures, easy fates. Both with you and with us, there's a very difficult future ahead, very serious dangers ahead, mainly internal dangers. I don't fear an international conflict, a nuclear conflict. But I believe that internally there are very great dangers ahead.

Cronkite. Can we look forward at all to the possibility of an early visit of Mr. Solzhenitsyn to the United States?

Solzhenitsyn. You know, I would very gladly go there, but now after this convulsion I've had to live through, this break in my life, I now have to recreate my thing of first importance to me which is my work as a writer. I cannot break it off. I have to be convinced that my work is going on without halt. When I find it possible that my work wouldn't suffer from such a trip, and I must arrange it so that it wouldn't suffer, then I would go with very great pleasure.

Cronkite. We shall look forward to that, and thank you for this interview.

WORLD FOOD SHORTAGE

Mr. HUMPHREY. Mr. President, earlier this month a great American, Orville Freeman, addressed the annual convention of the Fertilizer Institute. His remarks were reported in the Journal of Commerce on June 12.

He highlighted the fact that we now face the prospect of scarcity in world food supplies. The inputs to increase production, such as water, energy, and fertilizer, are also in short supply. Former Secretary Freeman called for the establishment of policies and institutions, on national and international levels, to manage scarcity. He particularly supported the idea of food reserves.

He said:

> The matter is too important to be left entirely in the hands of the private trade. These are matters of international concern and should be a part of national policies and actions.

Mr. President, it is refreshing to hear such forward-looking comments. I ask unanimous consent that the article be printed in the Record

There being no objection, the article was ordered to be printed in the Record, as follows:

Farmland Will Have To Yield More

White Sulphur Springs, W. Va.—Former Agriculture Secretary, Orville L. Freeman, yesterday warned that by 1976, 80 per cent of the world's annual increase in food production will have to come from raising the yield of existing farmlands.

"We're getting to the end of our rope—the availability of arable land is nearing its limit," he said.

Mr. Freeman spoke at the annual convention of the Fertilizer Institute. He is president of Business International, a global research organization that counsels more than 600 multinational corporations and governments.

FOOD DEMAND CLIMBING

"World demand for food is climbing for two reasons: in the less developed countries, because of growing populations. In the industrial countries, because of rising affluence. We can no longer count on the traditional approach to the production of more food, expanding the land under cultivation. The fact is that in many parts of the world, including areas that are most hard-pressed for food, there is actually less agricultural land available every year because of erosion, industrial development, residential and transportation requirements and other factors," he said.

The problem is that the other basic physical resources for food production—fresh water, energy, and fertilizer—are also in critically short supply, and the world is facing serious difficulties in trying to expand these resources. "It is a challenge of staggering proportions," Mr. Freeman told the assembled manufacturers of agricultural fertilizer.

GOING OUT OF STYLE

"The institutions for managing abundance are well developed," Mr. Freeman said, "but they're going out of style. In a world that's moved almost overnight from abundance to a shortage of essential raw materials, we've got to learn how to manage scarcity.

"The crisis is not just one of rising prices—as important as that problem has become. It's a question of availability at any price, and for the hungry people of this world, the outlook is bleak."

Mr. Freeman said that the past year has seen a rise in malnutrition among the world's poorest billion. "It appears certain," he said, "that reduced fertilizer supplies during the next year will cause a sharp drop in food production in several key developing countries even if weather conditions are good. The unfortunate result will be a demand for increased food imports at a time when global reserves are already at dangerously low levels and food prices are at historic highs."

HUMAN RESPONSIBILITY

He called for the creation of policies and institutions, on both national and international levels, to manage scarcity. Foremost among the new policies needed is a modern approach to food reserves. Price volatility must be controlled, he urged, and fortunate nations must accept the "human responsibility" of responding to crop failures and famine in poor countries. He expressed his support for legislation by Sens. Humphrey, Aiken, Young and McGee to establish a national food reserve policy, and also urged more clearly defined land-use policies to protect agricultural land.

"The matter is too important to be left entirely in the hands of the private trade," he said. "These are matters of international concern and should be a part of national policies and actions."

Mr. Freeman predicted that in the near future nitrogen production facilities will be built "where the cheapest sources of natural gas are located—in the oil exporting nations." In a unified global economy, it is necessary to manufacture goods where they can be produced most efficiently, he said.

WATERGATE AND TEAPOT DOME

Mr. ERVIN. Mr. President, J. Leonard Bates, a member of the history department at the University of Illinois, Urbana-Champaign, Ill., wrote an excellent article entitled "Watergate and Teapot Dome," which appeared in volume 73, No. 2, of the South Atlantic Quarterly, a publication of the Duke University Press. In my judgment, this is an exceedingly timely article which merits wide dissemination. For that reason, I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATERGATE AND TEAPOT DOME

(By J. Leonard Bates)

A Washington correspondent for the *St. Louis Post-Dispatch* wrote in 1924: "Teapot Dome is an alluring and provocative name. It has a mysterious sound and comes trippingly from the tongue." Today "Watergate" comes no less trippingly from the tongue and has provided innumerable opportunities for imagery. Starting with the names by which we know them, these famed scandals of the twentieth century are strikingly similar in many respects. Each, for example, is the name of a particular scandal that also has become, for many, a label to cover the misdeeds of an era. Thus a great hotel in Washington, D.C. can be linked somewhat imaginatively with an oil field, or "dome," in the dry and rocky land of central Wyoming—each in its time a symbol of wealth and intrigue, of activities inimical to the highest ideals of this Republic.

The Watergate scandal has now outdistanced all others in American history, and, if the television commentators may be believed, there is really no comparison. Certainly the issue of "tapes" did not exist in the 1920's, the President was not under fire and threat of impeachment, and there was neither a Spiro Agnew nor a palace guard numbering in the hundreds. In broad outline, however, and in many details, the situations are similar. Much that happened in the summer and fall of 1973 was like a replay of events in 1923–24. In 1973 as in 1923, the Republican party was in trouble, with top leaders under fire, and the complications keep increasing. The Executive branch attempts to withhold evidence, while the Congress tries to get it out. One sensation crowds upon another. Black headlines tell of notable figures who have violated a public trust. The exposures appear without end, and no one can remember all the names. How the public reacts is enormously important, for this will determine the fate of individuals and perhaps of great political parties.

One difference between the two periods is extremely important from the standpoint of political repercussions. The major revelations in the 1920's occurred after Warren G. Harding had died and Calvin Coolidge took his place. No one could really accuse Coolidge of direct implication in the scandals. The political situation was "profoundly" affected, as one observer remarked. Another observer, a Republican, attended the funeral services for Harding in August 1923 and then reported to Senator William E. Borah on all the political talk—that is, among the Republicans assembled in Washington. Much of this talk was extremely hard-boiled, even before Harding was laid in the ground. One Republican senator said out loud what many were thinking: Harding had done more for the Republican Party in the last week (by dying) than he did in the entire period of his presidency! Politics is just as hard-boiled in the 1970's, and many Republicans have joined in the clamor for Nixon to resign.

If one could take the Democrats' word for it in 1924, the Harding-Coolidge administration was shot through with scandal. In the language of Cordell Hull, Tennessee congressman and chairman of the Democratic National Committee: "This administration came in under the shadow of the Newberry scandal and the Daugherty scandal. Others followed in quick succession, including the bureau of engraving scandal, the Goldstein scandal, the ship subsidy and ship sales scandal, the veterans' bureau scandal, the sugar profiteering scandal, the naval oil reserve scandal (including Teapot Dome), the reclamation service scandal, the income tax bureau scandal, the packers and stockyards scandal, the Tolbert scandal, the Slemp scandal and a long list of others less known, with one now brewing in the tariff commission. . . . There is scarcely a department of the government under this administration that is not discredited by its record, and many bureaus not already scandalized are under suspicion." Without any question, the Harding administration was gaining ill-fame rapidly, about the time Harding died, and the situation got worse instead of better. Several scandals were particularly damning.

Most outrageous of all was the corruption in the Veterans Bureau. Harding had chosen a personal friend and one of his poker companions to head this agency, Charles R. Forbes, a charming man of dubious past. Almost immediately, stories began to circulate that Forbes was arranging kickbacks from his contractors and was swindling the veterans in every way he could think of. Meanwhile, hospitals and medical supplies were badly needed in those years just after World War I. According to one story, Harding indignantly forced Forbes to resign. It remained for the Senate, however, to investigate the matter and show the moral squalor in which Forbes and some of his confederates operated. One of his co-workers, the chief counsel of the bureau, killed himself. Forbes himself finally went to jail for a short term.

Meanwhile, Harry Daugherty, the Attorney General, was getting into trouble. As early as May 1922 the *New York Tribune*, a staunchly Republican paper, called for him to resign. An intimate of Harding and Daugherty was Jess Smith, another member of the "Ohio gang." He lived for a time with Daugherty and shared a bank account with him. He also had a desk in the Department of Justice, for his personal use, without being employed there. Smith became a cheap fixer for bootleggers, income tax evaders, and the like. When rumors of his activities reached Harding, the President tried to send him back to Ohio. In May 1923 Smith killed himself.

One scandal revealed to the public in 1924 involved Jess Smith, his friend Daugherty, and the alien property custodian, Thomas W. Miller. In essence, Miller, the head of this office, was paid at least $50,000 to turn over control of a metal company, worth millions, to men who fraudulently claimed it. Jess Smith got his cut, as did a prominent Republican named John T. King. Had Attorney General Daugherty shared in the loot? It seemed that he had, but to get the evidence was not easy. Miller was convicted, however, and went to prison for his part in the affair.[1]

Most sensational of all was the Teapot Dome scandal. In late 1923 the Public Lands Committee of the Senate began laboriously accumulating evidence concerning the recent leases of two naval oil reserves located in Wyoming and California. The circumstances were peculiar. Their disposal seemed contrary to a long-established bipartisan policy of conserving this oil for the Navy. Inspired chiefly, by Harry Slattery, a shrewd and dedicated conservationist, and Robert M. La Follette, a progressive senator from Wisconsin, the Senate investigation was brought to a spectacular climax by Senator Thomas J. Walsh of Montana, a Democrat. It was discovered that the Teapot Dome in Wyoming and Elk Hills reserve in California had been leased through a colossal fraud in which Albert B. Fall, Secretary of the Interior, illegally assumed control of these tracts and secretly granted them to two powerful oil men. The latter, in gratitude, paid large sums to Secretary Fall.

A few leaders were determined to "get the rascals out" and restore faith in the American system of responsible leadership and justice under law. Senator Walsh emerged as an authentic hero of the affair. He had served in the Senate with distinction since 1913 but had seldom made headlines in the major newspapers until his revelations as the Teapot Dome investigator. In a comparable way Senator Samuel J. Ervin, Jr., emerged from the ranks in 1973. Incidentally, one of those who had an influence in the choice of Sam Ervin for his present role is Mike Mansfield of Montana—a long-time admirer of Senator Walsh. One may be sure that Mansfield has thought of the similarity (and the irony, perhaps) of these events, with the West and South supplying eminent lawyers for a high national purpose.

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[1] A good general account of the Harding scandals, drawn largely from congressional hearings, is M. R. Werner, *Privileged Characters* (New York, 1935). Robert K. Murray, *The Harding Era: Warren G. Harding and His Administration* (Minneapolis, 1969), is based on the Harding Papers primarily and has an interpretation partial to the White House. No one can ignore it for the Harding policies generally.

The 1920's produced a number of congressional investigators and two special prosecutors, but had no counterpart to Judge John Sirica and the role he plays.

What caused the Harding scandals and the scandals of the Nixon Administration? Are they similar in the major causative influences? They probably are, although some television commentators have made a sharp distinction. The scandals occurred in the earlier period, so we are told, because Secretary Fall and others were ready to take payoffs, and they did so; while the men around Richard Nixon fifty years later were hard-nosed conservatives, concerned about "security," interested in power, in matters of ideology, and particularly in Nixon's re-election, rather than personal profit. Yet personal profit became involved in Watergate too. It is obvious, for example, that many in the Nixon administration have an intimate working relationship with large corporations or special interests. Some have profited already through these connections, while others (it seems clear) expect to do so ultimately, through employment or consulting work.

The scandals go back, respectively, to the election of 1920 and to Nixon's first term, leading into the election of 1972. In each instance the campaign resulted in a landslide. In each the Republicans could assume a "popular mandate." The American people were voting *for* a Republican ticket and they were voting *against* a Democratic Party and a party leadership that had been widely discredited. Woodrow Wilson was not running for the presidency in 1920 (James M. Cox was), but many were voting under an anti-Wilson influence. To cast a ballot for Harding, Coolidge, and the Republicans was to vote against the recent past and some of its liberal ideas and apparent failures.

An opportunity existed, in the new atmosphere, for militant reactionaries to take decisive action. This, essentially, is what Albert B. Fall proceeded to do as the new Secretary of the Interior. Fall, a veteran of ideological battles over public land policy, had maintained for years that the federal government had no right to supervise or control the development of timber land, mineral lands, grazing lands, water power, and other public resources in the western states. The West ought to be developed, as the East had been, free from bureaucratic interference. As soon as possible, in fact, the Department of the Interior ought to be abolished. Fall was reacting strongly against the federal conservation programs that had developed under Theodore Roosevelt, Taft, and Wilson. Conservatives of a later time rejected most strongly the programs for social welfare, but the tendencies toward free enterprise and private profits were quite similar in the two eras.

Early in 1921 Albert B. Fall sat firmly in his saddle as the new head of the Department of the Interior. He proceeded to grant favors as lavishly as he was able to do. He did not receive payoffs, apparently, with the important exception of the arrangements in Wyoming and California that became his undoing. Fall's biographer, David Stratton, has argued that the Secretary did not have to be paid, that he believed fervently in the policy he was following. However, he also got into financial straits and accepted cash and gifts, totaling over $400,000, from the two oil men to whom he gave special leases of naval petroleum reserves. Harry Sinclair got the Teapot Dome in Wyoming, while E. L. Doheny took possession of Elk Hills in the San Joaquin Valley of California.

To discuss all the details of Fall's leases and his "usurpations," as Senator Walsh called them, would require a volume or two. A brusque and forceful man, Fall had first persuaded the Secretary of the Navy that the Department of the Interior ought to administer the naval petroleum reserves. These reserves should never have been created anyway, many believed. They were unnecessary because the American petroleum companies would produce the supplies that were needed. The Navy could have its fuel oil without any taint of government operation or socialism. By his arguments and force of personality, Fall succeeded in getting these reserves transferred, by means of an executive order, from the Navy Department to the Interior. Then, secretly, Fall granted the leases to Sinclair and Doheny. But some other oil men had their own claims to Teapot Dome and asserted them strongly. Fall and Sinclair had to engage in a cover-up operation. They had to buy off Sinclair's competitors in Teapot Dome, mostly to keep them quiet. Before the sordid business was over, Sinclair had paid out more than a million dollars, including a quarter of a million to the *Denver Post*. This paper had discovered the scandal in 1922 and published stories attacking those apparently responsible. Then it dropped the whole affair after its owners were handsomely paid.

When one company persisted in occupying a part of the Teapot Dome, where they meant to drill, Fall resorted to a display of force. The time-honored method of bringing such operations to a halt, if they were illegal, was to appeal to the courts. Fall, instead, called upon Theodore Roosevelt, Jr., who was in the Navy Department, for a detachment of five marines. The marines were ordered to Teapot Dome where they displayed their weapons and had no difficulty in stopping the drilling operations. In the saga of the United States Marine Corps, this was not an heroic moment. The methods by which Fall exploited both the Navy Department and the marines are reminiscent of the alleged manipulation fifty years later of the Federal Bureau of Investigation, the Central Intelligence Agency, the Internal Revenue Service, and other agencies.[2]

Secretary Fall, like John Mitchell in the Nixon administration, left the cabinet long before his actions were explored. Fall was evasive and untruthful, and the facts finally had to be forced out through governmental inquiry. (If anything is clear from Teapot Dome and Watergate, it is that lying is not unusual among high-placed officials. This may be true of Presidents as well as others, especially when under fire and fighting for their reputations.) Secretary Fall had to serve a short prison term for his mistakes, and an embarrassing number of Nixon aides suffered the same fate.

Attorney General Daughtery continued in the cabinet in 1923–24, after Harding's death. Daughtery resembled Fall in having ideas that were militantly conservative. He was closely associated with business interests, asserting frequently his antilabor views, and he blamed the talk about scandals mostly on communists, congressional radicals, and others. He wrote in a conspiratorial vein to President Coolidge that he should not be afraid of the scavengers in Congress; he (Daugherty) would give him the necessary protection. A sensible man, Coolidge was not impressed. Daugherty also used his control of the Department of Justice to launch an investigation of the investigators. Not only did agents of the Bureau of Investigation and others in the Department fail to give aid in the inquiries of 1923–24; they actually opposed for a time those in the Senate trying to get at the truth. Senator Burton K. Wheeler, a critic of Daugherty and the Department of Justice, was accused and later brought to trial on flimsy evidence that he had been involved in an illegal petroleum lease. He managed, however, to escape conviction. This episode may bring to mind the Nixon aides and their clumsy attempt to destroy Daniel Ellsberg.

Harry Daugherty was investigated for his own activities and was indicted; but he refused to testify, pleading a fear of self-incrimination. When the jury failed to agree, Daugherty escaped a prison sentence. Thus, narrowly, the Harding administration avoided having a second member of its cabinet go to jail.[3]

Further to consider causative influences, there can be no doubt that many in the Harding-Coolidge administration were overconfident and even arrogant in their exercise of power. Both Harding and Collidge wanted less government in business and more business in government. They succeeded in that respect. Many in the Executive branch were indignant about "government by investigation," that is, by the Congress; many were contemptuous of Congress and those who allegedly spoke for "the people." Liberal movements, labor unions, and academic theorists were in bad repute. Muckraking had almost disappeared, partly because magazines were known to lose advertising if they dared to run articles critical of the "system." It was a situation that invited scandal.

Unlike their counterparts in the early 1970's, however, the conservatives of 1920 did not have a determined leader of strong convictions. They had Warren G. Harding. Although Robert K. Murray has sought to revise earlier interpretations, Alice Roosevelt Longworth could write in 1933 that "Harding was not a bad man, he was just a slob." Essentially he was a reactionary, but he also liked people, and he liked to go out among them and "bloviate," as he called it. Formerly a newspaper man, Harding got along splendidly with gentlemen of the press. In these and other respects he did not have the personality or the will to give direction to and dominate a conservative movement as Richard Nixon has done. Even assuming that an ideological clique had centered in the White House, it would have been a small one, since the personal staff consisted of a secretary, a physician, and a speech writer or two. This number may be compared with some five hundred in the White House and Executive offices under Nixon.

What is to be said about campaign contributions? Certainly they had not assumed the importance in 1920 that they have in 1972–73. Nor did the Republicans establish anything resembling a separate committee to elect the President. Yet Will Hays, the Republican campaign manager in 1920 and the early twenties, was a major figure and a controversial one. Like scores of other prominent leaders, he was pulled into the Senate investigations, and the revelations about his financial operations were not exactly savory. The important question in both eras was whether contributors to the party victory were expecting to receive their reward in jobs, contracts, leases, tax relief, a friendly word to people with influence, and similar favors.

Harry Sinclair, for example, contributed $75,000 to the Republican campaign in 1920. Then, later, to make up a deficit that existed, he added another $160,000; and he also "lent" the Republicans $185,000 in Liberty Bonds which were supposed to be returned after the party raised additional sums elsewhere. The source of Sinclair's bonds is a story in itself; for he and other petroleum executives had formed a dummy corporation in 1921, the Continental Oil Company Limited, through which they bought millions of barrels of oil at a low price. They then sold these supplies to their respective companies at a much higher price, thus defrauding their own stockholders. With the illicit profits, Sinclair bought Liberty Bonds, and he used the bonds, first, to bribe Secretary Fall and, second, to help bail out the Republican Party. One could suspect, naturally, that Sinclair had ulterior motives in virtually everything he did.

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[2] For the episode involving the marines, see U.S., Congress, Senate, *Leases upon Naval Oil Reserves*, 3 vols. (Washington, 1924), pp. 1054–60 and passim; and Werner, *Privileged Characters*, pp. 92–96.

[3] Burl Noggle, *Teapot Dome: Oil and Politics in the 1920's* (Baton Rouge, 1962), pp. 124–29 and passim. This is an excellent account of the scandal and its ramifications.

E. L. Doheny, lessee of the California naval reserve, was a Democrat who admitted that he gave $75,000 to the Democratic party in 1920 and then also contributed $25,000 to the Republicans—a contribution which he said was intended to help the Republican Party refute the base charge that Warren G. Harding had Negro blood.

In a political and constitutional sense, the oil-leasing scandal was a dramatic affair. The Senate clashed with the Executive branch over procedure to be followed, and the senators fought among themselves. The formal investigation was launched with a Senate resolution of April 21, 1922, introduced by Senator La Follette, calling upon the Secretary of the Interior to supply the Senate with all documents concerning the leases of the naval reserves, and, furthermore, authorizing the Senate to "investigate this entire subject of leases upon naval oil reserves, with particular reference to the protection of the rights and equities of the Government of the United States and the preservation of its natural resources."

The investigation did not actually begin until the fall of 1923, by which time Coolidge had become President. Senator Thomas J. Walsh was the man who functioned as the prosecutor, or investigator, not because he came forward to take the job, but because he was persuaded that someone had to take hold of the thing and prevent it from becoming a whitewash. The problem was that the Republicans then controlled both Congress and the Presidency. They had no desire to uncover more dirt concerning the policies under Harding or those still continuing. The Public Lands Committee, charged with the duty of conducting the oil probe, had a conservative Republican as the chairman, Reed Smoot of Utah, and no help could be hoped for from him. Senator La Follette, therefore, and others urged Walsh to take charge. (La Follette himself was not on the committee.) The Montanan was known as an able lawyer, an exceedingly energetic man, already serving on more committees than anyone in the Senate; he was a bear for work. No less important, he had the respect of his colleagues, much as Senator Ervin does today. As a Democrat, he would try hard, it was assumed, to uncover scandals in a Republican administration; but at the same time he would be fair.

Walsh was a leader of high ideals who had hoped, as a youth, that he might become a statesman on the Roman model. In the Senate he developed a personal code concerning such questions as the use of his name or picture, his association with lobbyists, and the correct procedure to follow in the conduct of political campaigns. He believed in the absolute necessity of judges and other public officials behaving in such a manner that the people could have confidence in them, for without that confidence popular government must fail. (Perhaps Judge John Sirica comes to mind.) Walsh adhered to a standard of strict personal morality, as suggested by this statement: "You can give your children no heritage quite equal to an unblemished name."

To a surprising extent, Walsh did the research for and ran the Teapot Dome inquiry himself. He had one law clerk, a student, and only sporadic assistance from Senators George Norris of Nebraska, John Kendrick of Wyoming, A. A. Jones of New Mexico, and others on the Public Lands Committee. The Teapot Dome inquiry was a small operation indeed compared with the Watergate investigation of the 1970's. In the first phase of the hearings, held in a small room in the Senate Office Building, Walsh probed into technical aspects of the questionable leases that Secretary Fall made. Unlike the Ervin committee fifty years later, this Senate committee of 1924 had no special counsel sitting at the table. Walsh was his own lawyer as Navy men, petroleum experts, and others, including cabinet members and former cabinet members, came before the Public Lands Committee to give testimony. The result, at first, was an inability to prove fraud or to uncover anything really sensational, although the evidence showed that Fall had taken the law into his own hands and behaved in an unusual way.

One obstacle, in this early phase, was the lack of interest shown by most of the newspapers and the outright hostility of some. The *Washington Post*, whose reporters did so much to expose the Watergate mess, was on the wrong side in 1924. Edward McLean, publisher of the *Post*, was a playboy friend of Albert Fall who tried to help the Secretary in the cover-up. The *New York Times* also gave no help to the prosecutor. Even the *New York World*, normally a tower of strength for the Democrats, paid so little attention to the investigation that Senator Walsh felt compelled to protest. Worst of all were the newspapers caught in the blackmailing operations. The *Denver Post* was not the only paper that Harry Sinclair paid in an effort to buy silence.

Yet the press had its heroes too. Aid that was perhaps indispensable came from W. B. Colver, editor of the *Washington Daily News*. Colver had a friend in Colorado, the editor of the *Denver Express*. After some investigation they learned, and informed Senator Walsh, that D. F. Stackelbeck, a reporter on the *Denver Post*, had made an *investigation* of Fall's activities and discovered one of the worst scandals in history. The tip was essentially true. Stackelbeck, whose superiors on the *Denver Post* had first used the stories on Fall and then silenced the reporter, came to Washington and suggested the line of questioning that was to destroy the Secretary and put this story on the front pages for years to come. Another newsman whose service was outstanding was Paul Y. Anderson of the *St. Louis Post-Dispatch*. Indeed, Anderson won a Pulitzer Prize for his work, like two reporters from the *Washington Post* in 1973.

In the Walsh investigation, a stream of witnesses testified that Fall had become a wealthy man between 1920 and 1921. Soon he was caught in a lie concerning the source of this new-found wealth. Paul Anderson described the changes that now occurred: "Four-column headlines leaped to the first page of the haughty New York Times. . . . At once the inquiry was transferred from the cozy committee room to a spacious caucus hall [the same as in 1973], and the air became redolent of costly perfumes. Larger press tables were hastily dragged in, and Senators, after introducing themselves to the chairman as members of the committee, took their seats at the table for the first time, wearing an air of stern resolve. Senator Smoot left off scoffing, and Senator [Irving] Lenroot went into action with a ferocity which made Senator Walsh's tactics seem mild by comparison." Anderson paid tribute to Walsh, "a hard-boiled lawyer from the Montana copper country, who, in the face of killing apathy and less passive hindrances . . . [had] made one of the most brilliant, resourceful and persistent fights ever carried out against the private plundering of the public wealth."

In the meantime the politics of Teapot Dome was becoming increasingly important. The relevations came just at a time when each party was looking toward its political conventions, to be held in June and July 1924. Calvin Coolidge was trying to get a firm control over the Republican Party so that he would receive the nomination without a fight. The leading contender among the Democrats was William G. McAdoo, son-in-law of President Wilson and highly regarded as a powerful figure in his own right. He had been Secretary of the Treasury under Wilson and head of the Railroad Administration during World War I.

The situation politically in 1924, to be sure, was quite different from that in 1974. Coolidge was shy, frugal, pinch-faced, seemingly as clean as the winds of his rural New England. It would be difficult at best for the Democrats to tag this man as "corrupt." When he handled himself with political finesse and also perched on the upswing of the business cycle, it became impossible.

Coolidge's policy, however, evolved under considerable pressure. At first he showed hostility toward the investigation. Like Chief Justice Taft and many other Republicans, he even suspected a Democoratic plot to discredit his administration. Recognizing, finally, that a scandal actually existed, and having decided to run for another term in the White House, he saw the wisdom of action. Meanwhile he had his own men—in the Public Lands Committee, for example—sniping at Senator Walsh; and one extremely partisan Republican, a senator from Missouri, made personal attacks that were wholly unjustified. Coolidge consulted with his Republican advisers and set out to nullify any advantage that the Democrats might have gained. The Senate had raised the question of special, independent prosecutors, since the Department of Justice under Harry Daugherty could not be trusted. Anticipating this demand, Coolidge proceeded to appoint his own prosecutors, though the first two were not confirmed. The final choices were quite adequate but hardly the best available. One was Atlee Pomerene, a former Democratic senator from Ohio, and the other was Owen Roberts, a Philadelphia lawyer and Republican who went on later to become a justice of the Supreme Court. Coolidge also accepted the resignation of Edwin Denby, Secretary of the Navy, and he forced Daugherty out of the cabinet. In the view of Senator Walsh, the President had failed, notably by leaving many subordinates in office who had contributed to the scandals. Generally speaking, however, Coolidge's administration was moving to clean up the mess by the summer of 1924. The "Harding gang" was no longer in power. Enough had been done to withstand any sweeping attacks on the Republican Party. Coolidge went on without difficulty to receive the coveted presidential nomination.

Meanwhile, the Democrats' trouble was just beginning. E. L. Doheny, the Democrat who had leased Elk Hills, succeeded in his testimony before the committee in smearing a number of men who had been prominent in the Wilson administration, including William G. McAdoo. The latter, for example, had not been directly implicated in any way in the question of naval petroleum reserves. But he had served as Doheny's lawyer and had received large retainers. That was enough to injure him badly, although he continued to campaign for the presidential nomination. What had been a Republican scandal now assumed the complexion of a two-party affair. As one newspaper put it, "The Senate investigation has become a 'gusher' and both Republicans and Democrats, in varying degrees no doubt, will carry the smell of petroleum, both crude and refined." In other words, the Democrats had lost their issue. They fought among themselves, a not uncommon occurrence, and lost any chance they had of winning the November election.

* * * * *

This writer once developed a theory that it is virtually impossible for a national political party to "throw the rascals out," or to take over the presidency on the basis of a corruption issue. Almost inevitably in a period of national scandal both parties are affected, and the outs cannot fashion a winning issue. Watergate, however, seems to have been, uniquely, a one-party scandal. It has been so damaging to the Republicans, and the President himself has been so deeply implicated, that the Democrats ought to win handily in 1974 and again in 1976. Yet the path is strewn with perils for the usual politician of both parties. Obviously much that has happened under Nixon is a culmination of tendencies that existed before. The Democrats share in the problems of Watergate and may yet muff their opportunity. Certainly they do not have an acknowledged leader, while a Republican "Mr. Clean" still has time to emerge and to be the savior of his party, much as Coolidge was in 1924 and Herbert Hoover in 1928.

Always there has been a tendency to think that scandals do not really have much importance. Yet Teapot Dome did have its importance. There is little doubt, for example, that two influences above all others contributed to the declining reputation of the GOP from the late twenties to 1941. One was the Great Depression. The other was the Harding scandals. Gradually, through the medium of articles, books, and word of mouth, the Harding scandals came to be looked upon as sordid and a national disgrace. The investigations had not long been under way before Republicans and Democrats alike were conceding that Watergate was a disgrace. Whatever may happen at the polls, the Republican Party will suffer in history because of Richard Nixon's poor judgment, the Committee for the Re-election of the President, the Plumbers, and all the rest. Obviously, too, a lessening of presidential authority, already apparent, will be followed by legislative attempts to meet the crisis of Watergate. The effects of this affair may be truly momentous.

The human element cannot be forgotten—the victims and the casualties of one sort or another, and those, as well, who rise to fame. One suicide has occurred already, and the toll of Teapot Dome (two) may be equaled or surpassed. There are those other victims, not of personal mistake, but of family connection. Wives, children, grandchildren, and friends will live with the memory; and some will be embittered. A Watergate or Teapot Dome is reminiscent of a civil war or mountain feud. The bloodletting will likely continue for some time.

From the standpoint of national policy, not much sentiment is allowed. Judge Sirica has not been tolerant of those at the bar, and Senator Sam Ervin sees issues involved that go far beyond the penalty that may be meted out to a few men. Senator Walsh argued, almost fiercely, that those who have failed in their duty as high public officials must be made an example to the Republic. Something like that happened in the 1920's, and it is happening again.[4]

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[4] This article originated as a public lecture at the University of Illinois in May 1973, much revised to keep up with the unfolding events of Watergate. Considerable portions of the account have been adapted from earlier writings of the author—a dissertation on Senator Thomas J. Walsh of Montana (University of North Carolina, 1952) and the following publications: "The Teapot Dome Scandal and the Election of 1924," *American Historical Review*, 60 (Jan. 1955), 303–22, and *The Origins of Teapot Dome: Progressives, Parties, and Petroleum, 1909–1921* (Urbana, 1963). Barry Wood, a graduate student at the University, has read the manuscript and offered suggestions based on his own research, for which I am grateful.

FULBRIGHT: HE LEAVES A LARGE GAP

Mr. SYMINGTON. Mr. President, I ask unanimous consent that an article, "Fulbright: He Leaves a Large Gap," by James McCartney of the Knight Newspapers, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Miami Herald, June 2, 1974]

FULBRIGHT: HE LEAVES A LARGE GAP—HE BROKE RAYBURN'S RULE, BUT HIS IMPACT WAS GREAT

(By James McCartney)

WASHINGTON.—It was the late Sam Rayburn, legendary speaker of the House, who laid down the fundamental rule, the way of life, of Congress, a rule he often passed along to newcomers.

"To get along, go along."

J. William Fulbright, whose 30-year career as a senator was brought to a resounding close Tuesday by defeat in a Democratic primary in Arkansas, never played by that rule.

He has rarely gone along with anybody.

He has been that rarest of congressional animals: A maverick.

And even more astonishingly for Congress, he was a maverick who rose to one of the most prestigious jobs that Congress has to offer, the chairmanship of the Senate Foreign Relations Committee.

But his influence on American policy was incalculable and cannot be measured by conventional yardsticks. Fulbright has been anything but a conventional senator.

How do you measure the influence of a philosopher in what is essentially a tough, hard-knocks political environment?

What Fulbright has done is to demonstrate that there is a role for a maverick in the highly charged political environment of Washington.

And without him there will be an enormous gap at the thinking level of foreign affairs, a level often by-passed by administrations tacticians and politicians.

Questions will not be asked. Issues will not be raised.

As one high level administration official puts it: "You always had a Fulbright to give the other point of view. He made a tremendous contribution because he could not be ignored.

"He did not hesitate to keep insisting, even when nobody seemed to be listening, and time has borne him out, over and over again."

Examples are legion. At his very first press conference after becoming chairman of the Foreign Relations Committee in 1959, Fulbright dropped a whole series of suggestions:

The U.S. should seek to negotiate with the Soviet Union, should stop saying "no" automatically to all Russian offers to talk about ending the Cold War.

Red China eventually should be recognized.

New talks should be opened to try to settle the future of Vietnam.

The possibility of a mutual withdrawal of troops from Central Europe should be explored.

Every one of those suggestions appeared "radical" to many at the time.

It was 10 years before a President, in this case Nixon, announced a policy of "negotiation not confrontation" with the Soviets.

It was 12 before a new opening was made toward Red China.

Negotiations are under way today in an attempt to reduce the numbers of troops in Central Europe.

And sadly, no talks were started to settle the fate of Vietnam, and a national tragedy was the result.

But Fulbright has been far more than a simple nit-picker. He did not accept the fundamental premises upon which American foreign policy, as espoused by both Republicans and Democrats, was based.

He did not buy the "Cold War," and the idea that everything the Russians did was wrong, and everything the U.S. did was right.

He believed that the U.S. had developed an "empire" around the world, supported by what he called "a powerful military-industrial-labor-university complex oriented to the conduct of war and cold war."

He did not believe that the U.S. should be thought of as a "power"—a very common term in both parties. What was important, he said, was not whether a country was "powerful," but what kind of lives it provided for its people.

He did not support the nation's many wars and military interventions. He was opposed to the intervention in Lebanon by President Eisenhower; the Bay of Pigs, by President Kennedy; the intervention in the Dominican Republic by President Johnson.

All, he said, "could and should have been avoided with comparative ease."

He thought that President Kennedy's much-touted Cuban missile crisis was a fraud, and also could easily have been avoided.

While the nation's military budget continued to go up, Fulbright delivered a series of speeches on the Senate floor entitled "The Selling of the Pentagon" to try to demonstrate that taxpayers' money was being used to sell a militaristic society to the public.

The speeches caused hardly a ripple at the time, but touched off a national sensation when a television network (CBS) used them as a basis for an hour-long show.

Fulbright defied conventional techniques for running a congressional committee. Unlike many of his colleagues who rose to eminent position, he did not seek to become a dictator over his committee, imposing his will on other members.

He thought of his committee as a vehicle for education. A committee hearing was often a kind of seminar on some vital foreign policy question.

When questions began to arise in his own mind in early 1966 about the wisdom of the Vietnam War, his approach was typical. He called hearings to let those who had questions about the war air their opinions—generals, scholars, some former top State Department officials.

"He made opposition to the war intellectually respectable," says one former official.

A top Senate staff member gives him even more credit: "He turned this country around."

Sen. Stuart Symington (D., Mo.) has said that he "learned about foreign policy at Fulbright's knee."

Sen. Frank Church (D., Idaho) said: "He brought the Foreign Relations Committee back to life and he tried his best to achieve a renaissance in the Senate itself." He credited Fulbright with leaving "a historic mark that will be remembered long after his time."

Fulbright was talking about many of the issues that have been drawn to national attention by the Watergate scandals long before anyone ever heard about Watergate.

He has rallied against what he considered the overblown powers of the President. A chapter in a book he wrote in 1972 was entitled "The Imperial Presidency."

Fulbright summed up his own ideas about foreign affairs for the U.S. in the closing words of that book, "The Crippled Giant."

"The price of empire is America's soul," he wrote, "and that price is too high."

TURKISH OPIUM: WHAT ARE THE FACTS?

Mr. BUCKLEY. Mr. President, as you know, the Turkish Government has indicated that it may once again allow opium poppies to be grown commercially by Turkish farmers, a practice abolished in 1972. It is by now notorious that a great deal of the opium that was legitimately grown in Turkey found its way to the illegitimate heroin market as raw material for the production of that dread substance. In 1972, the U.S. Government pledged $35 million to assist Turkey in phasing out the production of opium and it was all but universally acknowledged that the cessation of opium production in Turkey contributed immensely to a lessening of the drug problem here in our country and throughout the world.

But, as I said, the Turkish Government now states that for economic reasons, it may once more be necessary to allow the poppies to be grown commercially.

I recently received a copy of a letter that had been sent by Myles Ambrose, former head of the Justice Department's Office of Drug Abuse Law Enforcement, to the Washington Post. In that letter, Mr. Ambrose stated in part:

> There were no real economic or social hardships caused by ending poppy cultivation, and Turkey would do well to keep this primitive crop in its past and concentrate on developing its splendid agricultural resources to help supply the world with food crops, particularly grain which is badly needed.
>
> While we are inclined to accept the good intentions of the Turkish Government in its promise to adopt a fool-proof system of control, should it re-establish opium production, we must be guided by past experience where the most conservative observers estimate that at least half of the opium produced in Turkey entered the illicit traffic.

Mr. President, I ask unanimous consent that Myles Ambrose's letter be printed in the RECORD:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SPEAR AND HILL,
Washington, D.C., May 6, 1974.

THE EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: *The Washington Post* published a letter on April 28 from Mr. Zeyyat Goren, Press Counselor of the Embassy of Turkey, relative to the article by Jack Anderson in the *Post* of April 14 entitled "Lifting the Turkish Opium Ban." Mr. Goren states that the "ban on poppy cultivation was a unilateral decision. There has been no official agreement signed between Turkey and the United States." It is true that the decision of the Government of Turkey to ban the cultivation of the opium poppy was a unilateral decision. However, this decision was based on Article 22 of the United Nations Single Convention on Narcotic Drugs of 1961 which states:

"Special Provision Applicable to Cultivation: Whenever the prevailing conditions in the country or a territory of a Party render the prohibition of the cultivation of the opium poppy, the coca bush or the cannabis plant the most suitable measure, in its opinion, for protecting the public health and welfare and preventing the diversion of drugs into the illicit traffic, the Party concerned shall prohibit cultivation."

When the Government of Turkey decided to end the cultivation of poppy after the 1972 harvest, the United States Government pledged $35 million to assist Turkey in phasing out opium production. Twenty million dollars of this fund has been allocated to programs and projects which could produce new sources of income for the poppy farmer. Fifteen million dollars was to be spread over three to four years to help replace losses in foreign exchange that would have been earned by Turkey through legal opium sales.

The Government of Turkey on its own paid subsidies in 1972 and 1973 to farmers who ended opium production the previous year. It is my understanding that these payments amounted to the equivalent in Turkish currency of about $5 million and were successful in easing the transition of farmers to other crops. The subsidy phase of the Turkish program to terminate opium production has ended. Of the $35 million pledged by the United States, $10 million has already been provided as foreign exchange replacement and $10 million for development programs to raise the level of agriculture and economic development in the former poppy growing regions. Of the remaining $15 million pledged by the United States, $10 million is allotted for development programs and $5 million for foreign exchange relief.

The United States has long sought to convince the Turkish Government to outlaw opium production. It was not until 1971, however, that President Nixon succeeded in this effort. The ban was a sovereign act taken by the Government of Turkey in the obvious belief that, under Article 22 of the Single Convention, it had an obligation to take that step. The United States Government in pledging $35 million to assist Turkey implement the ban, obviously considered the Turkish action permanent and not something that would be rescinded after only one or two years, even before the funds provided to facilitate the ending of opium production were fully utilized.

Mr. Goren states that, "None of the producing countries, other than Turkey, has so far imposed a total ban on poppy cultivation." Under the Single Convention on Narcotic Drugs of 1961, a total of ten countries can be considered eligible to produce opium for export. However, four of these countries (Afghanistan, Burma, North Vietnam and Pakistan) for various reasons have not developed the extensive administrative systems necessary to become exporters under the Single Convention and in practice never became licit exporters. Afghanistan has in addition, many years ago, imposed a total ban on poppy cultivation but has been unable to eliminate illicit cultivation.

The advances of agricultural development in Yugoslavia and Bulgaria made poppy cultivation for opium no longer worthwhile. Yugoslavia has ended opium production entirely, and Bulgaria produces less than one ton annually for its own requirements. The USSR and Iran have produced opium for their own needs and not for export. There are no reports of any leakage to the illicit traffic in the USSR or Iran affecting other countries. India and Turkey have in effect been the only countries in recent years producing large quantities of opium for export. The fact is that, while no country has reported being adversely affected by opium leakage to the illicit traffic in India, several countries in Western Europe, the United States, Canada, Mexico and South America have long been seriously affected by heroin produced from morphine base originating in Turkey where it was in turn illicitly manufactured from opium diverted from licensed opium production on a large scale prior to their humane decision of 1971. No matter how you look at it, Turkish opium was the major source for American heroin.

In his address to the Third Special Session of the United Nations Commission on Narcotic Drugs at Geneva in February 1974, Sir Harry Greenfield, Chairman of the International Narcotic Control Board, in touching upon opium production controls, said, "Now with the termination of poppy cultivation in Turkey at the end of 1972, the risk (of diversion) has been substantially reduced. From the standpoint of control, this is a major gain. In India, which is now the sole remaining authorized producer of opium for export, the administrative controls have long conformed to an exemplary standard of efficiency, and such seepages as may still persist seem to be absorbed by the surviving internal demand for indulgent consumption, leaving virtually no surplus to flow into international illicit channels."

Mr. Goren states that the Turkish opium ban "has created a deficit of 200 tons for the world pharmaceutical industry. Resulting shortage of opium is now being covered by increased production in other parts of the world."

During 1973, a drought in India did result in an opium crop shortfall of about 200 tons. On this point, the International Narcotic Control Board in its report for 1973, issued on February 25, 1974, stated that, "It appears that whereas the 1973 production schedules will not in itself suffice to meet demand, the 1974 schedule might be expected to lead to a possible equilibrium." On this point, at the recent Third Special Session of the United Nations Narcotic Commission, Sir Harry Greenfield cautioned against any hasty decisions by governments to begin or to re-establish any opium production to fill the 1973 shortfall which could well be ended by the 1974 crop in India. (Incidentally, statements which have recently appeared in *The New York Times* that the United States is presently considering growing opium on a controlled basis are inaccurate. A staff study was made some months ago of the feasibility of such a plan, but it was rejected.)

While Mr. Goren states the ban in Turkey has been responsible for the 200 ton shortfall in 1973, it should be noted that during the last five years of opium production, Turkey only managed to purchase an average 106 tons annually from farmers. The demand for illicit supplies in Turkey at greatly increased prices has traditionally prevented the government from obtaining sufficient quantities from farmers to make an adequate and dependable annual contribution to legal world requirements. This failure has been the reason for an increase in Indian opium production and has caused countries to produce 30 per cent of the world opiate requirements through the industrial poppy straw process.

Mr. Goren states that since the ban was enforced, crop substitution and development programs introduced in the former poppy growing areas have not been able to alleviate the economic and social hardships imposed by the ban on "poor poppy growers." The farmer in Turkey who grew poppy was a general farmer, growing wheat, barley, other grains, sugar beet, vegetables and seed oil crops. Poppy was an extra cash crop which, because of its high risk of failure due to weather conditions, no farmer ever grew exclusively. The average grower earned from $10 to $60 annually on his poppy crop in an economic environment where he earned from $700 to $1,000 total income annually. The cultivation of opium poppy was one-tenth of one percent of the overall agricultural production of the regions in which it was grown.

Opium poppy and its products amounted to three-fourths of one percent of Turkey's total exports. Annually, Turkey cultivates about 12 million hectares (30 million acres). Yet, at the height of production, only 112,000 acres of poppy were cultivated; and in 1972, the last year of production, only 18,000 acres of poppy were cultivated by farmers, amounting to only one percent of Turkey's population.

Because poppy was such a soil-depleting crop, farmers always rotated it with wheat, barley, other grains and melon. The transition to substitute crops was, therefore, quite easy and normal, and most of the substitutes earn as much for the grower as poppy, provided he did not sell to the illicit market. If the grower depends upon sales to the illicit market, there is no crop that can compete with the poppy. Many farmers have indicated that they were glad to have ended poppy production, that the crop was no longer worthwhile in point of the choice land, hand labor, fertilizer and water resources it required. Those who complain the most and advocate a return to production may well have supplied the huge illicit traffic.

There were no real economic or social hardhardships caused by ending poppy cultivation, and Turkey would do well to keep this primitive crop in its past and concentrate on developing its splendid agricultural resources to help supply the world with food crops, particularly grain which is badly needed.

While we are inclined to accept the good intentions of the Turkish Government in its promise to adopt a fool-proof system of control, should it re-establish opium production, we must be guided by past experience where the most conservative observers estimate that at least half of the opium produced in Turkey entered the illicit traffic. The conditions responsible for this situation have not changed. To a great extent, they are beyond Turkish control and involve narcotic traffickers in the United States, Western Europe, as well as those in Turkey. There are numerous unscrupulous individuals who, through their interaction, have been in the past and would be again responsible for penetrating the Turkish system of opium control and diverting vast quantities to the illicit traffic for heroin manufacture to again infect Western Europe and North America.

It is simply impossible to control the production of opium by 40,000 to 70,000 farmers on half-acre plots in Turkey. This production is simply too vulnerable to criminal elements in Turkey and abroad, and there is no system that can prevent substantial diversion. The cost of attempting to develop and implement such a system would be economically prohibitive.

While Turkey may have a sovereign right to re-establish opium production, if it wishes, it also has a solemn responsibility to consider whether in the interest of humanity it does not have an obligation to maintain the ban which has had such a remarkable effect in reducing the traffic in heroin and addiction in Western Europe and North America. Our efforts of the past five years have had significant results which impartial commentators have noted. We cannot return to the jungle conditions of the 1960's. Turkey's return to opium production in my judgment would be disastrous.

Sincerely,

MYLES J. AMBROSE.

RETIREMENT OF ADMIRAL MOORER

Mr. STENNIS. Mr. President, on June 30, 1974, Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff, will retire after 41 years of distinguished service in the U.S. Navy. He deserves the thanks and the praise of the Senate and the entire Nation.

Admiral Moorer's active career covered distinguished combat service in the South Pacific in World War II as a pilot and commander; later he served as an operations carrier officer, and subsequently as commander of the 7th Fleet. He has held numerous high level staff assignments, all culminating in his appointment as Chief of Naval Operations in 1967 in which he served two terms. As we all know, he served two terms as Chairman of the Joint Chiefs of Staff.

These many assignments equipped Admiral Moorer well for later meeting the severe tests of character and leadership required for duty as Chairman of the Joint Chiefs of Staff, which is the highest military office in the Nation. Admiral Moorer, in a most difficult period, ably met the demands of this office. Whenever I personally wanted an objective assessment of a military situation, I always called him, and knew I could rely on the information and judgment he extended to me. I called him many times when making hard decisions involving military questions.

I would observe that Admiral Moorer was one of those named with the so-called military spying matter. This entire matter has been the subject of a most exhaustive committee investigation. I can state without reservation that Admiral Moorer did nothing improper in connection with this entire episode. He testified fully and explained the situation completely as he knew it. Secretary Kissinger also expressed his confidence in Admiral Moorer. As far as the committee is concerned, there is no shadow of blame or impropriety with respect to Admiral Moorer on this entire subject.

I wish him well as he steps down after a brilliant naval career.

SMALL BUSINESS IN THE 1970'S

Mr. CLARK. Mr. President, not long ago Congress led the country in celebrating National Small Business Week. Judging by the various public comments on that occasion, it is safe to say that there is a consensus that it is almost impossible to exaggerate the importance of small businessmen today.

The Senate Select Committee on Small Business noted a few years ago that the number of full-time commercial small business firms is about 5¼ million, or 95 percent of all businesses. There is one small business for every 25 people in the United States. Small firms account for almost 40 percent of the gross national product and provide jobs for 35 million Americans. They are indispensable to "big" business as outlets, agents, and suppliers.

The importance of small businesses is magnified in Iowa, a State with one of the highest percentages of small businessmen in the country. Earlier this year I had the privilege of hosting a conference for small businessmen in Iowa. A wide range of problems were discussed, followed by specific suggestions for solving them. In light of the intense interest in the status of the small businessmen over the past several weeks, I would like to take a moment to share some of the issues discussed at the conference and review the congressional response to them.

INTRODUCTION

The conference began with opening remarks from the panel which consisted of Jay Sears, the Iowa Small Business Administration district director; Carl Warren and Jim Kemper from the Small Business Administration regional office in Kansas City; and Ed Merson of the Senate Small Business Committee. Jay Sears devoted his remarks to an informative explanation of the role of the district office of the SBA—its capabilities, its services, and its shortcomings—in its continuing effort to provide expertise and management assistance to the small business community in Iowa. He was followed by Carl Warren, the regional assistant and an expert in government procurement. While Iowa has the most small businessmen in the district, he said, it is last in the district in actually securing government contracts. He discussed the five basic government procurement programs—prime contracts, subcontracts, certificate of competency, business development, and procurement source—and concluded that there were significant opportunities for small business in government procurement and the regional office was committed to seeing that Iowa got a share of that opportunity.

Jim Kemper, the energy and material shortage coordinator for the regional office, then outlined the problem of material shortages and what the SBA is doing to respond to them. He indicated that the most serious problems of shortages are found in fertilizer, sheet steel, and alcohol, and the ramifications of these shortages is best evidenced by the fact that the Government has processed 25,000 separate shortage problems in manufacturing alone. In response, the SBA has attempted to assist the small businessman by providing data and required forms—for fuel allocation for example—as well as establishing national set-aside programs of surplus materials—aluminum, zinc, copper—for small businessmen.

Finally, Ed Merson supplied a summary of the activities of the Senate Select Committee—where it has been, what it is doing this year, where it is going.

The opening remarks were followed by an informal discussion by all the conference participants. Its purpose was to solicit the opinions of the businessmen who came to the conference on the problems facing Iowa small businessmen—indeed, to compile a "shopping list" of those problems in an effort to isolate the most troublesome ones, and then concentrate on solutions to them. The discussion covered a wide area, but it seemed to focus on the general areas of Government procurement, material shortages and the energy crisis, discrimination in supplies by large conglomerates against smaller firms, OSHA, and the paperwork burden.

GOVERNMENT PROCUREMENT

It is clear that Iowa does not get its share of Government contracts, and an effort was made to determine the reason for that. Numerous examples were cited of the inability of small businessmen to locate procurement opportunities so they could further compete. It was suggested that businessmen could improve this situation by taking advantage of several publications listing such information. These publications include

Small Business Administration prints of "Selling to the U.S. Government" and the "U.S. Government Purchasing and Sales Directory," as well as the "Commerce Business Daily." Government—Federal, State, and municipal—could do its part by taking steps to improve coordination among themselves in working to assist small businessmen. Finally, another solution suggested was to install Government procurement experts in the SBA rather than simply in the agency purchasing the material; SBA personnel would be more responsive to small businesses than, for example, the Defense Department.

Following the conference, the Government Procurement Subcommittee held an exhaustive day of hearings on several procurement problems on May 21. On the basis of his contributions at the conference, Ted Johnson of J–TEC Associates in Cedar Rapids, was invited to testify before the committee in Washington. As a result of his testimony and the rest of the hearing record, the subcommittee chairman, Mr. HATHAWAY, has introduced a bill to provide emergency relief for small businesses in connection with fixed price Government contracts.

MATERIAL SHORTAGES AND THE ENERGY CRISIS

One of the primary reasons for holding the small business conference in Des Moines was to investigate the reports of the devastating impact of the energy crisis and the material shortages on Iowa's small businessmen. The participants of the conference made it very clear that this was perhaps their most important concern. They documented countless cases of attempts to obtain badly needed supplies which only ended in frustration. Shortages of petrochemicals and metal, especially steel, were particularly severe. The price of petrochemicals, for example, had risen from 62 cents in August 1973, to $1.23 at the time of the conference in mid-March. In addition to the shortage of metal materials, metal processors were handicapped by the genuine plant capacity shortage in the United States.

On April 29, the Comptroller General filed a report with Congress on the problem of commodity shortages. The study noted that serious shortage problems exist in many diverse areas of the economy—including meat, lumber, plywood, zinc, soybeans, edible oils, scrap metal, cattle hides, cotton, wheat, corn, steel, wool, chemicals, fertilizer, and aluminum. A recent survey compiled by the National Small Business Association also underlined what Iowa's small businessmen emphasized: that these shortages are so adversely affecting small businessmen that nearly 80 percent of the respondents to the survey cited the material shortages as their No. 1 problem.

The conference participants were not without recommendations. For example, one immediate suggestion to alleviate the petrochemical shortage was to allocate it on a priority basis. Just recently, of course, the Senate passed an amendment to accomplish just this goal. Another suggestion proposed legislation to provide loans to small businesses adversely affected by the energy crisis. Senator CRANSTON's Small Business Subcommittee has just completed hearings on such a bill which I am cosponsoring, and the full Senate is expected to act on the legislation shortly.

But the general theme that emerged from the conference was that Government is simply often not aware of what is going on. We need a better inventory of shortages. The public needs to know all the facts regarding exports. We need to ascertain the impact of legislation like OSHA and environmental legislation or policies such as the wage and price controls to make sure we do not unknowingly encourage shortages. In short, we need more information on a wide range of issues—in Government and business—if we are going to make decisions more intelligently and rationally.

That is why I supported the excellent proposal by Senator MANSFIELD to establish a Temporary National Commission on Supplies and Shortages with the authority to compile such information. Many Iowa small businessmen also thought congressional hearings would be the best forum for gathering such information and determining the causes and possible solutions for this problem. I am now working with the staff of the Small Business Committee and plan to hold hearings to make sure that the interests of small businessmen are considered in the report of the Temporary National Commission.

CORPORATE GIANTISM

It also became quite clear during the course of the conference that where supplies do exist, their distribution practices exacerbate the problem of shortages for small businesses. The large companies which distribute the supplies often discriminate against the smaller firms in favor of the larger corporations, because that is where the greater volume of their business lies. So material shorages, which adversely affect everyone are having a magnified effect on some members of the economic community simply because they are not loud enough to demand their share of the supplies that are available.

Mr. President, this Nation has long distrusted concentrations of power. We have always sought to disperse both economic and political power, and today we should continue to encourage the widest possible distribution of economic resources.

Incentives should be developed to keep the resources in the hands of those who will use it most effectively—in other words, the small businessman, and not the giant corporations and conglomerates.

One way is to reexamine the antitrust laws. We need to determine whether they are adequately enforced, whether they successfully perform the job they are designed to accomplish; promoting competition, rather than allowing monopolies, conglomerates, or corporate giants to stifle it. Should these laws be strengthened to protect the smaller companies who bear the brunt of discriminatory distribution of supplies? Should the laws be strengthened to bring the growing conglomerate within their scope?

This Congress already has adopted the first significant antitrust reforms in two decades, but these efforts focused upon the procedural aspects of the Government's handling of these controversial cases, especially in the area of public disclosure of consent decree settlements. Closer attention should be paid to the substantive provisions of the law which address the delicate relationship between large and small businesses, rather than just those between large businesses and the Government. Even in an economy without material and other shortages, it is vitally important to protect small businessmen from the giant corporations and conglomerates who often become too big for their own good and for the good of the country.

PAPERWORK

In the past several years, the Government Regulation Subcommittee of the Senate Select Committee on Small Business has conducted a series of extensive hearings on the growing problems of paperwork and bureaucratic redtape. As these hearings have progressed, I have become increasingly concerned with the demands the Federal Government makes for an endless variety of data, statistics, administrative reports, and other information—and the impact those demands have on the small businessman of this country.

The testimony before the subcommittee indicated that this Federal paperwork is a factor in the collapse of many small businesses today. It has been estimated that many small businesses must spend at least 100 hours a year—the equivalent of almost 1 day a month—to satisfy the paper appetite of the Federal Government.

The participants of the conference agreed with the testimony. They reported that the paperwork burden has tripled in the past couple of years. Particular emphasis was placed on the constant changes in the forms, without adequate accompanying interpretations. It often appears that the information reported is itself never read or questioned; filling in the empty spaces is apparently sufficient to get the Government off the small businessman's back. But if they do not take the time to fill them out, the Government comes after them. As one participant said:

> Put gibberish down and they'll forget you.

They suggested a variety of reforms, ranging from more uniformity—perhaps even included in statutory guidelines similar to the Uniform Commercial Code—to a preference for cycle billing on either a quarterly or annual basis.

Most small businessmen recognize that the Government has certain legitimate information needs, but certainly not to the degree now imposed upon the citizens of this country. The current demand of paperwork serves only to contribute to our most recent environmental crisis: Federal form pollution.

As a result of these developments, I have cosponsored legislation to help alleviate this problem. The first bill is S. 200 which would require the affirmative disclosure in committee reports of paperwork requirements contained in any legislation reported to Congress. This information is currently unavailable and has led to many difficulties.

The second measure is S. 1812 which

would transfer the authority for the administration of the Federal Reports Act of 1942 from the Director of the Office of Management and Budget to the General Accounting Office. This would correct the failure of the 1942 act to recognize the needs of small business. It would also allow the Congress to oversee the problems of reporting and paperwork more effectively.

A third bill, S. 2445, would combine the reporting of wages by employers for income tax withholding with old-age, survivors, and disability insurance. It would severely reduce the paper burden imposed by Internal Revenue Service form 941, which costs the Nation's small businessmen some $235 million annually.

I hope the Senate will move quickly to adopt this and other legislation to solve this serious problem.

OSHA

Compliance with the Occupational Safety and Health Act is another problem often discussed by small businessmen and emphasized at the conference. Some felt that businesses needed more time to adjust to the requirements of the law, and urged that it be phased in over a longer period of time. Other people said that some of the regulations were simply unrealistic in light of the existing technology, and suggested that these regulations be eased. Still others faulted the law for failing to distinguish between the capabilities of various businesses. For example, some felt that different requirements should be imposed on new businesses than those required of established firms; some believed that some smaller sized businesses ought to be exempted altogether; while still others emphasized the necessity of different regulations within industries—depending on the size and specialty of different firms.

But by far the most frequent point was the feeling that OSHA has been misused to penalize employers rather than protect the safety of employees. The OSHA enforcement policy combines the functions of prosecutor, judge, and jury in the same entity: The OSHA inspector. Most small businessmen do not have the time to read the voluminous regulations—which are 17 feet tall when stacked upon each other—nor do they have the resources to pay lawyers to find out for them. The small businessman cannot even ask the Department of Labor for help; if an inspector visits a worksite and sees a violation, he is required to issue the appropriate citations and penalties. As a result, many small businessmen can be penalized for violations they did not even know existed.

For this reason, I introduced legislation earlier this year to assure companies of more fairness. The bill would authorize onsite consultations for those businessmen who want to know if they are complying with the law without risking citation for a violation. The program would be under the direction of the Small Business Administration.

Even without this legislation, I believe the SBA has the authority to do this job now. Section 8(b) of the Small Business Act provides that the Administrator is authorized to provide technical and management assistance to small business firms. Specifically, this section authorizes the Small Business Administration to provide advising and counseling services to small businesses on accident control. The chairman of the Senate Small Business Subcommittee, Mr. CRANSTON, and I discussed this issue on the Senate floor recently, and he asked the SBA to survey the need to provide such a service. If there is a great demand for this assistance, we are prepared to request additional appropriations for the SBA to enable them to provide this service. Such an approach would more closely conform to the purpose of the OSHA law—guaranteeing safe and healthy work establishments rather than punishing employers.

SUMMARY

The small businessman today is faced with 20th century conglomerate competition on the one hand, and increasing and unnecessary obstacles created by the Government on the other. Unfair competitive practices from monopolistic corporations to bureaucratic redtape pose an increasing threat to the very survival of the small business community. If we are to insure the health and stability of the economy—and indeed, retain the vital spirit of individualism which has sponsored the growth of our Nation—we must be more responsive to the needs of our Nation's small businessmen.

One of the Iowa small businessmen stood up at the conference and demanded:

> Why can't the government be aware of what's going on?

The small business conference was a small step toward finding out what is going on. We now know many of the most serious problems. We now have the benefit of suggestions from many small businessmen themselves about the best solutions. We have acted on many of the issues on this agenda already, but much, much more remains to be done. I sincerely hope that we will be able to continue this work and meet these challenges head-on.

THE NEED TO CUT U.S. TROOPS IN ASIA

Mr. CRANSTON. Mr. President, today's New York Times carries an excellent article by Joseph Lelyveld on the U.S. military presence in Asia.

The article points out that whereas the U.S. military presence in Asia is as massive as ever, the rationalizations surrounding it have changed. Instead of portraying U.S. troops as a shield against Communist aggression in Asia, diplomats fall back on abstract formulas about "stability" and "national interest"—formulas which are singularly unconvincing.

The article also presents some revealing information about the employment consequences of the U.S. presence. Our naval base at Subic Bay in the Philippines, for example, provides a workload of 1.2 million man-days a year. In central Luzon, 7 out of 10 Filipinos are said to be dependent to some degree on income generated by Clark Air Force Base. Cheap wages are obviously an attraction; in Guam and Japan, workers are paid four and five times as much as they are in the Philippines.

Moveover, while the U.S. economy is sagging, the towns surrounding these bases are booming. An article accompanying the Lelyveld piece reports that souvenir shops outside Subic Bay sell T-shirts stamped "Tonkin Gulf Yacht Club" and "Participant Vietnam War Games 1972–77." With the fleet spending $30 million a year in the Subic Bay area, there is no fear of a recession.

Mr. President, I urge my colleagues to read these articles and to think over their lessons. I ask unanimous consent that both articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

U.S. MILITARY PRESENCE IS IN ASIA AS OF OLD BUT JUSTIFICATION FOR IT IS ALL NEW

(By Joseph Lelyveld)

SUBIC BAY, THE PHILIPPINES.—In foreign ministries and embassies around Southeast Asia, the prospect of a military disengagement by the United States is still discussed as a major imponderable. But here at the naval base that is generally held to be the single most valuable American installation in the region, they talk of doubling the size of a large floating drydock so it can accommodate aircraft carriers.

Anything short of lifting a carrier out of the water is already within the competence of the repair shops of the Pacific Fleet's major support base, which handle 110 ships a month—a workload said to amount to 1.2 million man-days a year.

That is three times the workload in 1964, on the eve of the major commitment of American combat forces to Vietnam, which is one sign among many that what remains of the American military presence and capability in Southeast Asia after the withdrawal of 540,000 troops from Vietnam is anything but residual.

Although the Navy has been in the Philippines since Admiral Dewey sailed into Manila Bay in 1898, it was really with Vietnam, Navy men, say proudly, that Subic came into its own. It is a base that has everything a fleet could want: the repair shops: an air station that sees 11,000 takeoffs and landings a month; its own mountains reserved for ship-to-shore gunnery practice; enough beaches so that some can be set aside for the Marines to practice Bataan-style amphibious landings 30 years after the real thing.

IT'S SOMETHING ELSE

"It's something else," an American official said of the base. And yet it is only one facet of the many-sided American military presence in the Philippines—which is of course, only one facet of the continuing American military presence in Asia.

The justifications of that presence have become more tactful in the new era of balance-of-power diplomacy that has its origins in the confrontation between the Soviet Union and China.

Now, instead of talking about the American presence as a shield against an undifferentiated Communist threat to Asia, diplomats such as the one offered recently to the House Foreign Affairs Committee: that it reduces "the likelihood of aggressive and destabilizing actions by unfriendly powers, from within the region and without."

The "unfriendly powers"—sometimes referred to as "those who might risk new hostilities"—are rarely named; when they are the names have a familiar ring. Secretary of Defense James R. Schlesinger noted in his annual report to Congress in March that China had medium-range bombers that could "threaten our forces and allies in Asia." And Robert S. Ingersoll, an assistant Secretary of State, warned a Senate Foreign Relations subcommittee of "a strong Soviet desire to play a greater role in the region."

In a period of supposed détente, such arguments are not meant to sound as scary as they once did. Their purpose is to shore up a basic strategic assumption that has lasted for a generation: that American security requires a strong presence in Asia as part of global deployment of nonnuclear forces.

A SURVIVING PRESUMPTION

The Philippines offers the clearest evidence that this assumption has survived the trauma of the Vietnam war, the scaling down of American commitments symbolized by the Nixon doctrine and the start of cordial contacts with Peking.

The American presence in South Korea can be immediately connected to the 20-year-old standoff on the cease-fire line. The presence in Thailand is presumed to be contingent on the Indochina war. The presence in Taiwan—which is marginally larger two years after President Nixon's trip to China than it was a decade ago—is contingent on the unpredictable course of relations between Peking and Washington.

The American presence here in the Philippines, it seems safe to say, is contingent only on the American will to remain. If empirical evidence has any weight, that will is as strong as ever.

It takes statistics to show that a "presence" is something more than a strategic concept. Start at the naval supply depot here, where three million barrels of fuel oil are landed every month. From there a 43-mile pipeline leads to the 200-square-mile Clark Air Base in central Luzon, the Air Force's largest base on foreign soil and the second largest in the world (only Vandenberg Air Force Base in California is bigger).

The 13th Air Force, which has its headquarters at Clark, has 650 aircraft of 28 types in Thailand, Taiwan and the Philippines; a 29th type is the Strategic Air Command's B–52's, stationed in Thailand and on Guam. There are 2,400 aircraft engines in reserve and a munitions supply sufficient "to meet all contingencies."

At Subic, the naval magazine, a vast warren that occupies an area of 18 square miles, contains 95,000 tons of munitions. Back in 1964, 15,000 tons were deemed ample.

The American force level in the Philippines, 16,000, is a shade higher than it was 10 years ago. As units are withdrawn from Thailand, officials say, it is likely to increase.

Filipino nationalists, who periodically used to demand the removal of the bases, have been effectively silenced since President Ferdinand E. Marcos imposed martial law in September, 1972. There have been occasional examples of American legislators asking how necessary the bases are, but none have called for withdrawal.

As a result the United States and the Philippines have been quietly renegotiating the agreement on the bases in an atmosphere that is freer of controversy than any previous discussion on the subject. As it stands, American forces can continue to use what military planners like to call their pied-a-terre in the Philippines on a rent-free basis until 1991.

Protecting the status quo is the prime negotiating aim of the United States. It was also the prime consideration behind the calm, uncensorious American reaction to the imposition of martial law—far overshadowing as an interest, American officials say, the more than $1-billion in American investment in the Philippines.

ENORMOUSLY CONVENIENT

"The bases are a fundamental national interest," a diplomat said. "They are enormously convenient."

The difference between "convenient" and "necessary" in this context is hard to pinpoint, but it is often asserted that the difference between convenience and doing without would be measured in billions of dollars as long as the United States wanted to maintain a strategic posture in Southeast Asia.

"You've got to have your support come from somewhere," said Rear Adm. Doniphan B. Shelton, commander at Subic. "You get a lot for your money out here."

Part of the saving is in not having to keep extra ships at sea to supply the fleet. Part is in labor costs in the repair shops, where wages range from 45 to 70 cents an hour. Repairs done this year, the Navy estimates, will cost $32 million; in shipyards in the United States they would cost about $220-million more.

On Guam, a United States territory 1,300 miles to the east, a minimum-wage law forces the Navy to pay five times as much for shipyard work as it does here. In Japan it pays about four times as much.

If the United States has financial inducements as well as strategic reasons for maintaining the bases, that is even more obviously the case for its hosts. After the Manila Government, the United States Defense Department is the largest employer in the Philippines. In central Luzon, it is said, 7 of 10 Filipinos are dependent to some degree on income generated by Clark.

The 40 square miles of Subic Bay are under the exclusive control of the United States Navy, which is notified "as a courtesy" by Philippine naval vessels when they sail into the harbor.

If Vietnam has made any difference at all in the American posture here, it is in the way American officers treat issues of internal security.

The United States conducts joint training exercises with the Philippine armed forces and supplies them with $19-million a year in aid. But American officials are painfully concerned to rebut suggestions that this is done to uphold the martial law or support the Government's counter insurgency efforts against Moslem separatists.

Admiral Shelton, who confers regularly with Filipino commanders, insisted that he was not authorized to discuss these matters.

The new American diplomatic style is simply to say that military assistance is offered to preserve American interests—in this case the bases. American diplomats speak of pragmatic trade-offs and leave it to the recipients of the aid to rationalize the consequences for their countries.

Vietnam may have left an aversion to long-range commitments, but in the aftermath of the war the United States has still been able to undertake a new and important military relationship. In the last two years, after a hiatus of more than a decade, it has quietly resumed military aid to Indonesia.

No treaties were signed and no proclamations issued, but the United States went ahead and armed two mobile brigades to serve, as the House Appropriations Committee was told last year, "as a valuable deterrent to any significant dissident challenge in that far-flung archipelago."

ECONOMIC INTEREST STRESSED

Significantly, when the program was challenged, it won approval after being defended in terms of American economic interests. Representative Otto E. Passman, the Louisiana Democrat who is chairman of the committee, reacted skeptically at first, recalling Indonesia's former dependence on the Soviet Union for arms. But after obtaining a special briefing on the country's natural wealth, he withdrew his objections, telling the committee: "they just discovered an island that is almost sinking with nickel. It is the largest nickel deposit that the world has ever known. Another island is almost solid copper."

For the relatively modest cost of $20-million in grant aid, the United States has been able to assure itself a position as Indonesia's main military supplier. This year about 200 of the 1,000 Asian military officers being trained in the United States will be Indonesians. Seventy American military men are stationed in Indonesia—as inconspicuously as possible because that is the way both Governments must have it.

The major test of American intentions in southeast Asia will be Thailand, where a reduction in force—from 35,000 to 27,000 by the end of this year—is in progress. Theoretically the force will continue to be "drawn down" when the threat of war fades from Indochina, but even in theory there is no American commitment to reduce it to zero eventually.

RE-ENTRY RIGHTS DISCUSSED

"Some Thai generals see a relation between the size of our forces here and the size of our military assistance program," a high United States Army officer in Bangkok said. "I don't think that's necessarily so. We are going to have residual interests here for many years to come. There will be ample reasons for a quid pro quo with the Thais."

For instance, even if the Air Force decided to use Clark as its forward base in Southeast Asia, it would still be eager to retain landing rights in Thailand. "Without Thailand there is no place between the Philippines and Iran where we can land a military plane," an official noted.

In fact the Air Force is talking not only about landing rights but "re-entry rights" to the seven bases the United States has built in Thailand in the last 10 years. Nominally they belong to the Royal Thai Air Force, but it is apparent that the Thais have neither the need nor the means to maintain them all in a state of readiness.

Gen. John C. Meyer, head of the Strategic Air Command, has been quoted as saying it would take only 72 hours to return the B–52's now stationed at U Tapao if it was finally decided to withdraw them all.

The most sensitive and possibly the most important "residual interest" the United States would seek to retain in Thailand is one that is almost never mentioned—a key electronic intelligence station in the northeast at a place called Ramasun, about five miles south of a major air base at Udon Thani.

There are 1,500 United States Army men stationed at Ramasun, which is formally known as the Seventh Radio Research Field Station. That name does not appear on any signpost; in fact, except for warnings in Thai and English that the base is patrolled by dangerous dogs, there are no signs.

ELECTRONIC RESEARCH

The most prominent feature, as seen from the highway, is a screen of wires, rods and high antennas laid out in a huge circle around a windowless concrete building. At a glance it might be mistaken for scaffolding for a baseball stadium under construction.

Though American officials in Bangkok wave away questions about Ramasun's function—"no one here is authorized to speak about it," one said—a four-sentence statement made available by a military spokesman says that Ramasun is involved in "electronic research projects" and "communications research and development," and that it "provides rapid radio relay and service communications for defense of the United States and the free world."

The very delicacy with which the base is discussed, when it is discussed at all, helps to define its role. At the least Ramasun is able to monitor low-frequency radio transmissions in North Vietnam and China that cannot be picked up by more remote listening stations or satellites.

"It's the human factor," a knowledgeable American explained. "Trained people who know how to turn the dials can still make a big difference, especially when they're that close."

No written agreement assures the American tenancy at Ramasun or any of the air bases. "We paid for what we got," an American official said, referring to the $640-million in military aid, all in grants, that Thailand has received in 10 years.

This assistance has been justified to Congress as support to the Thais to enable them to resist Communist insurgency in the impoverished and neglected northeast. If the insurgency did not exist, it might have been necessary to invent it to explain the aid, but the Thai Communist party oblingingly decided to take up arms in 1965, just as the United States was settling into the bases.

EFFORT HAD LITTLE IMPACT

The ensuing counterinsurgency effort, it is now acknowledged, added little luster to the American reputation for expertise. The United States trained the army and police and initiated pilot development projects, psychological warfare and grassroots mobilization, social scientists descended on the area to study and quantify the tiny insurgency and the village society in which it was establishing itself.

The program seemed to make little difference. The insurgents grew at a steady if unspectacular rate of 10 to 20 per cent a year, and now, it is estimated, there are 7,000. Lumping together the military and economic assistance that has ostensibly been earmarked for their extirpation, it can be calculated that the United States has spent about $90,000 on each.

The flaw in the program, American officials now say, was that the Thai armed forces had little appetite for grappling with the insurgents at the village level. Instead, it is said, they have usually been content to contain them in remote areas.

The situation continues to deteriorate slowly, but the United States has decided to scale down its involvement. For the first time in 13 years there are no American Special Forces units in Thailand; the last Green Beret left in March. By the end of the year the last United States officer serving as an adviser to the Thai Army at the regimental level will also have departed.

Five years ago the United States Embassy in Bangkok had more than 30 officials with the insurgency as a full-time preoccupation; now the number is said to be three.

Through American officials, as they do in the Philippines, now tend to explain military assistance to the Thais as a form of payment for the bases, Congress has been cutting military grants at every opportunity, and those to Thailand are clearly on the decline.

To make up for the cuts the Thais have been offered credits for military sales but have yet to accept any. "The general plea is that it's happening too fast and too soon," an American officer said.

The same plea is heard in South Korea, which still receives 80 per cent of its military assistance from the United States in the form of outright grants. Indeed, there is only one former recipient in Asia that the United States has been able to coax into thinking of itself as a customer, and that is Taiwan.

Though military grants to Taiwan stopped last year, there is no suggestion that the Military Assistance Advisory Group there might have outlived its usefulness. On the contrary, said Maj. Gen. John E. Barnes Jr., who was interviewed shortly before he completed his tour as its commander, it still has the job of promoting sales of American weapons.

Last year, almost as if President Nixon had never ventured to Peking, the United States authorized a "co-production contract" worth more than $200-million between the Chinese Nationalists and Northrup Aviation for the construction of F-5E "international freedom fighters" on the island. "They're selling like hot cakes," General Barnes noted.

"We encourage U.S. industry coming in here and telling these people what they have to sell," he said. "There will be a need for a MAAG here as long as we want them to have U.S. equipment." In the general's mind, that plainly meant indefinitely. He did not forsee an American disengagement—not from Taiwan, and certainly not from Asia.

"We're going to continue to march," he said.

A Thriving City Next Door

Subic Bay, the Philippines.—Most of the residents of Olongapo, a city of about 100,000 adjacent to the vast United States Navy base here, depend on it for their livelihoods.

Olongapo, whose shanties are visible through the fence around the base, is probably the Navy's favorite liberty port in Asia.

On average 9,000 sailors pass through the base's main gate every night in the year; often it is as many as 14,000. Once they cross the bridge over the fetid canal that separates base from town, they stand at the edge of a neon jungle with more than 300 bars, staffed by more than 2,000 registered, medically examined "hostesses."

At the Mardi Gras, D'Honey Sisters are singing with D'Imagination Band. At the Grand Ol' Oprey, Filipino singers furnish country music with a Tennessee accent. A bar called Cloud Nine flies the black liberation flag; a black man posted at the door gives the clenched-fist salute.

Souvenir shops sell T-shirts with such legends as "Tonkin Gulf Yacht Club" and "Participant Vietnam War games 1972–1977."

Sailors returning to the base at night are greeted by screams from girls standing in boats under the bridge and calling for their leftover pesos. If the girls fail to catch the change, there are youths ready to dive into the scummy water to retrieve it.

Plans to fill in the canal may doom that particular industry, but with the fleet spending $30-million a year, Olongapo does not fear a recession.

CONSUMER ACTIVIST LISTS CPA BILL WEAKNESSES

Mr. ALLEN. Mr. President, it has taken a while, but we finally have a candid appraisal of some of the major weaknesses in the current CPA bill by a consumer activist and supporter of S. 707.

We are indebted to the distinguished senior Senator from Minnesota for bringing these views to light.

I wish to comment upon these views now, rather than during the upcoming debate on S. 707, because they burst the key bubbles of myth which might otherwise have been launched during our consideration of S. 707 on this floor.

The views are those of John F. Banzaf, professor of law and legal activism at the George Washington University National Law Center and a noted and effective consumer activist himself.

They are found in the June 24 Record at page 20738–9 in a letter to Senator Mondale, and they concern an amendment to S. 707 which was introduced by the distinguished Senator that day. The amendment would provide Federal assistance, via the CPA, to consumer organizations who wish to intervene or participate in Federal agency and court proceedings.

Professor Banzaf says that Senator Mondale's proposal is a "necessary addition to the bill, and goes a long way toward remedying what many have suggested are weaknesses in the bill."

While the amendment of the senior Senator from Minnesota may go a long way in making this bill workable, in the opinion of some, it alone would not, in my opinion, go far enough to make the bill acceptable to many others, as I shall indicate a little later on in my remarks.

However, this amendment, and Professor Banzaf's comments, do show us that there are other alternatives to a CPA in protecting consumers—alternatives which should be considered before we take the traditional approach of throwing another Federal agency at one of our problems.

Had we had Professor Banzaf's views before support for this bill became entrenched, the entire thrust of this legislation might have been changed. I wonder if at this point, however, there are many people with open minds on this subject.

Professor Banzaf makes four points of the current bill's weaknesses, and offers to back them up with "concrete examples." It is refreshing to find someone talking about this bill from the point of view of actual knowledge and experience.

WHO REPRESENTS CONSUMERS BEFORE THE CPA?

In speaking of the CPA, Professor Banzaf asks:

> What guarantee is there that such an agency will be different from all others and will continue to effectively represent this point of view as the years go by? Indeed, is it not possible that 10 years from now Congress will be asked to set up still another agency to represent the consumer or public interest point of view before the Consumer Protection Agency, to insure that it, in turn, represents this viewpoint before its federal regulatory agencies?

This highlights the central fallacy of S. 707. As the minority views on this bill point out—

> The genesis of this CPA bill is dissatisfaction over Federal agencies which have not done as their supporters thought they would. And, if the potential supporters of the CPA accept this theory and believe in the scientific method, then we must assume that the CPA will not act as they think it will.

In short, this bill is a monument to our being unable to learn from experience.

IS THE CPA DIFFERENT?

But, proponents will say, this CPA is to be different, it will not have any direct regulatory power, only regulatory power by proxy—the power to get other agencies to use their regulatory power. Therefore, they assume, the CPA will be insulated from outside pressure.

Professor Banzaf confronts that argument directly—

> With all due respect, I think that argument is erroneous. To whatever extent the Consumer Protection Agency is effective in influencing proceedings at other agencies related to strong vested interest, these interest will, in turn, seek to neutralize the effectiveness of the Consumer Protection Agency, presumably by using the same techniques which have proven so effective at other government agencies.

From a business representative's viewpoint, what could possibly be the difference between a Federal Trade Commission which directly regulates his company in the name of consumers and a CPA which regulates his company through the FTC in the name of consumers? They will both be staffed by fallible human beings.

IS THE CONSUMER MONOLITHIC?

Professor Banzaf, as do many, apparently equates the public interest with the interest of consumers, and he points out—

> The extreme difficulty, even impossibility, of determining what "the Public Interest" is in any given situation.

With respect to the CPA specifically, the consumer activist points out that—

> No matter how the proposed Consumer Protection Agency would determine which positions it wishes to espouse, these postions may not acurately or completely reflect the consumer interest it seeks to protect. No one entity, whether private or governmental, can always be sure that the view it is advocating on behalf of consumers is the most appropriate one.

As the minority views on S. 707 ask,

> What is the consumer interest in an automobile? Cost, safety, availability, power, appearance, fuel consumption, speedy, impact on the environment, size, comfort? In point of fact, it is all of these. . . . To advocate for safety (for example, mandatory seat belts) can mean to advocate against cost and convenience, two other valid consumer interests.

Similarly, Professor Banzaf points out—

> It is very difficult for an individual attorney or organization to forcefully advocate two or more different approaches to the same problem. Thus, it is more likely to choose one which it believes to be the most appropriate and to advocate that to the exclusion of all others.

CAN THE CPA PERFORM UP TO EXPECTATIONS?

Finally, Professor Banzaf points out why the CPA could not possibly do what its proponents wish it to do—

> Consumers have a very wide spectrum of interests, many falling in areas of great legal and technical complexity. Were the Consumer Protection Agency forced to develop sufficient expertise in each of these many areas so as to present and espouse the consumer interest, it could do so only with an inordinant expenditure of time and resources. Moreover, as the individual responsible for a given area—e.g., food product labeling—educated himself on these issues, it is not unreasonable to suppose that he would leave the agency, creating a lack of continuity and the need to reeducate a new staff member. To put the same thought in different words, it is impossible for an agency the size of the Consumer Protection Agency to develop a continuing expertise in the many areas of direct interest and impact on consumers.

Mr. President, just let me now address two of the reasons why I feel that Senator MONDALE's amendment, itself, would not accomplish what is intended.

I shall treat these very briefly because they are discussed more fully in the minority veiws on this bill—which are entirely consistent with Professor Banzaf's concerns, and which I urge all my colleagues to read in conjunction with Professor Banzaf's comments.

First, Senator MONDALE's amendment would not grant private consumer activists the extraordinary and unprecedented advocacy powers to be granted to the CPA. Therefore, the CPA will clearly be more powerful than the pivate activists who are intended to provide a productive counterbalance. In fact, the CPA could intimidate these groups with its vast powers.

Second, under S. 707, it is to be the CPA, itself, which determines by law what is "the interest of consumers" in any particular proceeding—and this determination is not to be reviewable in court or elsewhere by anyone, including a private consumer advocate with a differing viewpoint.

Mr. President, for ease of review, I now ask unanimous consent to print the letter from Professor Banzaf to Senator MONDALE, which appeared in the June 24 issue of the RECORD, in this RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL LAW CENTER,
June 5, 1974.

Hon. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I am very happy to accept your kind invitation to comment on your proposed amendment to the Consumer Protection Agency Bill [S. 707], which would authorize the reimbursement of public interest organizations for their expenses in participating in certain agency proceedings. I believe that your amendment is a very worthwhile and necessary addition to the bill, and goes a long way towards remedying what many have suggested are weaknesses in the bill.

In the first place, there has been some doubt whether the creation of still another governmental entity is the most effective way to insure that the consumer or public interest point of view will be represented before major federal regulatory agencies. When each of the agencies was created, it was initially assumed that both the staff and the commissioners of the agency would be vigorous in expressing and protecting the public interest. Sadly, experience has shown that this is generally not true, and that after a reasonably short period most agencies seem to lose their initial drive, and the public interest point of view is heard less and less. As I understand it, one of the major purposes of the proposed Consumer Protection Agency would be to serve the function originally delegated to the staffs of the respective agencies of representing the consumer or public interest point of view. Yet what guarantee is there that such an agency will be different from all others and will continue to effectively represent this point of view as the years go by? Indeed, is it not possible that 10 years from now Congress will be asked to set up still another agency to represent the consumer or public interest point of view before the Consumer Protection Agency, to insure that it, in turn, represents this viewpoint before its federal regulatory agencies?

The provision for reimbursement as provided in your amendment would be a most effective means of dealing with this problem. Many of the public interest organizations which presumably could be reimbursed under your amendment have demonstrated a continuing interest and ability to speak strongly for various consumer points of view. Indeed, many of them depend for their continued survival on the effectiveness of their representation, since without it they will be unable to raise funds from those they seek to represent. In addition, the constant interaction between such vigorous outside organizations and the staff of the Consumer Protection Agency would tend to keep the latter vigorous in their representation of consumer interests, both by setting an example, and by constant encouragement and serving in a watch dog capacity.

It has been suggested by some supporters of the original bill that the Consumer Protection Agency would be effective in its advocacy of consumer interests where the staffs of the individual agencies have failed, because with no power of its own the C.P.A. would not be the recipient of industry and lobbyist pressure which have done so much to cripple the major regulatory agencies. With all due respect, I think that argument is erroneous. To whatever extent the Consumer Protection Agency is effective in influencing proceedings at other agencies related to strong vested interests, these interests will, in turn, seek to neutralize the effectiveness of the Consumer Protection Agency, presumably by using the same techniques which have proven so effective at other government agencies. There therefore remains a very strong and pressing need for non-governmental organizations to represent the consumer and public interest point of view before major federal regulatory agencies.

A second reason why I believe your amendment is both worthwhile and necessary is because of the extreme difficulty, even impossibility, of determining what "The Public Interest" is in any given situation. Indeed, it is probably presumptious for any individual private organization or government agency to presume to represent "The Public Interest" in any given proceeding, since it is the function of most regulatory proceedings to determine how public interest can best be served with regard to a particular factual and/or legal situation. No matter how the proposed Consumer Protection Agency would determine which positions it wishes to espouse, these positions may not accurately or completely reflect the consumer interest it seeks to protect. No one entity, whether private or governmental, can always be sure that the view it is advocating on behalf of consumers is the most appropriate one. It can be said with some assurance, however, that by permitting a multiplicity of voices on any given issue the Government will greatly increase the chances that one among those positions is the most correct. Your amendment would permit private organizations whose views on a given issue may differ from that of the Consumer Protection Agency to nevertheless have them heard by the regulatory agency. Thus, the general public interest will be served by permitting the decisionmaker to be exposed to a wide variety of different views and suggestions and to adopt from among them, on the basis of his own expertise, that best calculated to serve the public interest.

Thirdly, even assuming that the Consumer Protection Agency in a given situation fortuitously represents the interest of consumers, there may, nevertheless, be different proposals to achieve generally agreed upon ends. It is very difficult for an individual attorney or organization to forcefully advocate two or more different approaches to the same problem. Thus, it is more likely to choose one which it believes to be the most appropriate, and to advocate that to the exclusion of all others. On the other hand, the regulatory agency, having a wider perspective, might choose to adopt an alternative solution to the same problem, if only it were presented to it by a forcefull advocate sharing the concerns of the Consumer Protection Agency, but not its ideas with regard to specific remedies. Your amendment, again, would permit different organizations sharing the same general viewpoint and orientation to submit to the regulators alternative proposals for dealing with the same problem. Such an approach can only make the regulatory system fairer and more effective, which is, after all, the goal of the Consumer Protection Agency Bill.

Finally, I believe your amendment would lead to far more effective and efficient representation before regulatory agencies. Consumers have a very wide spectrum of interests, many falling in areas of great legal and technical complexity. Were the Consumer Protection Agency forced to develop sufficient expertise in each of these many areas so as to present and espouse the consumer interest, it would do so only with an inordinent expenditure of time and resources. Moreover, as the individual responsible for a given area—e.g., food product labeling—educated himself on these issues, it is not unreasonable to suppose that he would leave the agency, creating a lack of continuity and the need to re-educate a new staff member. To put the same thought in different words, it is impossible for an agency the size of the Consumer Protection Agency to develop a continuing expertise in the many areas of direct interest and impact on consumers. On the other hand, there are a large number of organizations which have developed considerable experience and expertise in many of these areas. Your amendment would permit the Government to avail itself of this expertise directly, without the need in each case for a Consumer Protection Agency staff member to become educated in what may be a highly complex area.

For all of the reasons stated above, I very strongly support your proposed amendment, and hope that your colleagues will agree to accept it. Space has prohibited me from amplifying on many of the ideas expressed above, or in providing concrete examples. I would be very happy to provide to you or to an appropriate committee concrete examples of each of the ideas discussed above, as well as to answer any questions you or members of your staff may have. I again thank you for providing me with this opportunity to comment.

Yours truly,

John F. Banzhaf,
Professor of Law and Legal Activism.

SENATOR RANDOLPH RECEIVES STATE VFW'S HIGHEST AWARD FOR LONG AND DISTINGUISHED SERVICE TO VETERANS

Mr. CRANSTON. Mr. President, on Saturday, June 22, the members of the West Virginia Department Veterans of Foreign Wars and Ladies Auxiliary paid tribute to one of the Mountain State's leading citizens, Senator Jennings Randolph. During the 53d annual State convention at Weirton, W. Va., my esteemed colleague on the Senate Committee on Veterans' Affairs was presented the department's highest honor—the Silver Medal—for his long service on behalf of this Nation's veterans.

In 1969 the senior Senator from West Virginia received the national VFW's highest award—the Gold Medal—at a similar ceremony at Weirton. It was presented by the then national commander, Richard Homan of Sugar Grove, W. Va.

In accepting the Silver Medal, Senator Randolph recounted the recent achievements of the Senate Committee on Veterans' Affairs in producing legislation of benefit to this Nation's 27 million veterans and survivors. It has been my pleasure and privilege, as a member of the committee, to have worked closely with Senator Randolph to develop this legislation. Our endeavors together began when Senator Randolph and I served on the Veterans' Affairs Subcommittee of the Labor and Public Welfare Committee. Both of us had the privilege of chairing that subcommittee.

Senator Randolph told the assembled Veterans of Foreign Wars:

> I pledge to you that our Committee on Veterans' Affairs will insist that the new Administrator (of the Veterans' Administration) possess the highest qualities of leadership, understanding and administrative ability.

I heartily concur in that pledge.

Mr. President, I ask unanimous consent that Senator Randolph's address before more than 500 persons of the West Virginia Department of the Veterans of Foreign Wars and Ladies Auxiliary annual convention be printed in the Record, together with excerpts from the program of the State commander's grand banquet and an article reporting the event by the Weirton Daily Times.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks by Senator Jennings Randolph

This is truly an historic day.

Thirty years ago—on June 22, 1944—President Franklin Roosevelt signed into law the original G.I. Bill of Rights. As a member of the House of Representatives, I was privileged to have actively supported that legislation. I recall FDR's profound statement on the G.I. Bill of Rigths. He said: "We have taught our youth how to wage war; we must also teach them to have useful and happy lives in freedom and justice and decency."

The G.I. Bill of Rights for World War II veterans was the most significant and far-reaching education and training legislation in our Nation's history. Many millions of veterans benefited from the original bill, and millions more have taken advantage of subsequent legislation designed to help Korean and Vietnam era veterans readjust to civilian life.

Almost exactly three decades later—on June 18—the Senate unanimously approved a new comprehensive GI bill produced by our Committee on Veterans' Affairs. I am hopeful of speedy action in the House to move this important legislation, which will open the doors of education to thousands more Vietnam era veterans.

Thirty years ago, President Roosevelt recognized that the tides of war had shifted—the Normandy invasion was moving eastward—and that millions of veterans would soon return to civilian life to make a new start.

He described the goals of the GI Bill thusly:

"Vocational and educational opportunities for veterans should be at the widest range . . . lack of money should not prevent any veteran of this war from equipping himself for useful employment for which his aptitudes and willingness quality him. The money invested in this in this training and schooling program will reap rich dividends in the higher productivity, more intelligent leadership and greater happiness."

How splendidly the program succeeded. American taxpayers invested $14.5 billion in what was perhaps the most important social experiment in the history of American education. Their investment has paid off handsomely. It is estimated that, as a direct result of the increased education and training our World War II veterans received, at least $3 and perhaps as much as $6 in additional taxes has been returned to the U.S. treasury for each dollar spent.

Although we are mindful of budgetary realities, the Veteran Affairs' Committee on which I serve is committed to providing adequate educational opportunities to our newest generation of veterans. At a minimum, there is a strong belief that the educational opportunities available to Vietnam-era veterans should be no less than those available to veterans who served in the Second World War.

You may recall that every eligible World War II veteran in college received a subsistance allowance of $75 a month, plus up to $500 a school year for tuition, books and fees. At that time, the $500 covered tuition and fees for practically every public and private college in the United States. Today the single veteran-student receives a flat $220 a month to cover living costs, tuition, books and fees. With the national average college tuition, plus room and board, exceeding $1,200 a year, the payment of $1,989 for a nine-month school term effectively excludes the young veteran from all but the lowest-cost public schools and community colleges today.

Under the legislation passed by the Senate on Thursday—formally known as the Vietnam Era veterans' Readjustment Assistance act of 1974—veterans would get an 18 percent increase in benefits. A single veteran would get $260 a month. A married veteran would get $309 a month. Also, veterans could get as much as $720 a year to help defray tuition costs, with the first $100 to be paid by the veteran. Other provisions extend the enrollment benefits from the present 36 months to 45 months, and allow the veteran 10 years in which to use his benefits, compared to the present eight years.

The House of Representatives has passed its own bill which would increase rates by 13 percent and also extend the time limitation to 10 years. With the support of the Veterans of Foreign Wars and other organizations, I am confident we can reconcile the differences.

The new GI Bill is not solely for education and training. I am gratified that Chairman Hartke added a measure which I introduced on April 18 of last year which extends reemployment rights to veterans who were employed by State and local governments prior to entering the military service. Those who held jobs with the Federal Government or private industry already are assured that their job rights are protected.

This, unfortunately, is not the case with those veterans who previously held jobs as schoolteachers, policemen, and other State, county or city employment.

Some State and local jurisdictions have demonstrated an unwillingness to rehire the returning veteran. Or, if they do, they seem unwilling to grant them seniority and other benefits which would have accrued to them had they not honorably served their country in the military.

This legislation leaves no doubt in the minds of State and local government employers that Congress feels all veterans should receive equitable treatment in the matter of reemployment rights.

I am cognizant of the fact that many of you here today are not planning to enter college, are not looking for that old job you held before military service, and chances are it would take you days to find that "ruptured duck" you so proudly wore on your lapel many years ago.

Another measure just signed into law that is of real interest to you is the Veterans Disability Compensation and Survivor Benefits Act of 1974. It was my privilege to cosponsor and actively work for this measure.

This legislation includes:

(1) a cost-of-living increase in the rates of disability compensation for service-connected disabled veterans ranging from 15 to 18 percent;

(2) a 15 percent cost-of-living increase in the rates of additional compensation for dependents for veterans whose disability is rated 50 percent or more;

(3) a 17 percent cost-of-living increase in the rates payable for dependency and indemnity compensation for widows and children, and for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance;

(4) the equalization of the rates of death compensation to the survivors of veterans of peacetime and wartime service where

death occurred prior to January 1, 1957, thereby eliminating the distinction between the two periods of service.

It is not my intention to try to cover all bases on veterans legislation in the 93d Congress, but I would like to report to you on several significant actions successfully completed by our Committee on Veterans' Affairs.

Before doing this, it is appropriate to comment on the make-up of our Committee. The Chairman is Senator Vance Hartke of Indiana and the Ranking Minority Member is Senator Clifford P. Hansen of Wyoming. The others who serve are:

Senator Herman E. Talmadge, Georgia, Ranking Majority Member; Harold E. Hughes, Iowa; Alan Cranston, California; Strom Thurmond, South Carolina; Robert T. Stafford, Vermont; James A. McClure, Idaho; and your Senator.

You may be assured that our Committee works diligently for the veterans of this country. There is no partisanship in our ranks—bringing needed services and programs to benefit veterans, their dependents, and survivors in a fair and equitable manner guides our deliberations. It is this characteristic that has resulted in the enactment of substantial and progressive measures.

During the First Session, there were 65 separate bills and joint resolutions referred to the Committee. Many of these were combined into more comprehensive legislation which was enacted into law. I was an original cosponsor of each one of these bills. Of major importance to more than 2.3 million veterans and their widows is the liberalization of disability and death pensions for veterans and survivors. It provides a cost of living increase of not less than 10 percent in nonservice-connected pension rates. Comparable increases were enacted later for service-connected disabilities of veterans receiving compensation benefits.

The Veterans Health Care Expansion Act of 1973 provides improved and expanded medical and nursing home care to veterans. It also provides hospital and medical care to certain dependents and survivors of veterans.

During the First Session of the 93d Congress, two measures dealing with the economic and energy crises were considered and enacted into law. One deals with soaring interest rates and authorizes the Administrator of Veterans Affairs to set such maximum interest rates as he determines on loans guaranteed by the Veterans Administration. The other authorizes the Administrator to continue GI Bill benefits to enrolled veterans during periods when educational institutions are temporarily closed because of energy shortages and inability to operate.

The National Cemetery Act of 1973 establishes a new National Cemetery System within the Veterans Administration. Responsibility for administration of national cemeteries, with certain exceptions such as Arlington National Cemetery, is transferred from the Department of the Army to the VA. The law also authorizes a plot allowance of $150, in addition to the present allowance of $250 for burial and funeral expenses, payable in cases where the veteran is not buried in a national or other Federal cemetery.

Finally, an issue of intense interest to all veterans, their families, and survivors is the future of the Veterans Administration. You are aware of the turmoil, personnel and administrative problems which have confronted the Veterans Administration at the national level. To resolve this situation which has had an adverse impact on services and benefits to veterans will require strong leadership.

I pledge to you that our Committee on Veterans' Affairs will insist that the new Administrator possess the highest qualities of leadership, understanding, and administrative ability. Further, we shall insist on assurances from the White House that the head of the VA will be free to run the agency without improper interference, pressure, and influence from the Office of Management and Budget. We must have such commitments because, if left to their own designs, the officials of the OMB will continue to chip away at needed veterans' programs and benefits.

It is anticipated that the nomination of the new Administrator will be submitted to the Senate and our Committee in the very near future.

Much has been accomplished. Yet our mission is far from completed. Ahead lie such emotional issues as amnesty and a full accounting of our Missing In Action in the Far East. One of our most important tasks in the days ahead is to assure that the Veterans Administration is returned to the high state of excellence which has been its hallmark for so many years.

When this convention is finished, it will be the challenge of you and your comrades to join again with us in assuring that America does not forget the men and women who answered the call, who have served in troubled times to keep America the bastion of democracy in the Free World.

I ask each of you to renew your efforts, to accept the challenges ahead, and to work through the security of strength and with God's help, to keep peace at home and throughout the world.

FIFTY-THIRD ANNUAL CONVENTION, VFW AND LADIES AUXILIARY, DEPARTMENT OF WEST VIRGINIA

(State Commanders Grand Banquet, Saturday, June 22, 1974, 7:00 p.m., Millsop Community Center, Weirton, W. Va.)

PROGRAM

Invocation: Ralph McElfresh, State Chaplain.

National Anthem: Mrs. Russell Loar, Guest Soloist.

Toastmaster: David J. Lowery, Past State Commander.

Introductions of Guests—Head Table: Toastmaster, David J. Lowery.

Presentation of Awards to Senator Randolph: Earle E. Muse, State Comamnder.

Formal introduction of the Honorable Jennings Randolph, U.S. Senator-W. Va., by Cooper T. Holt, executive director, Washington Office V.F.W.

Remarks: Toastmaster.

Presentation of Awards: Earle E. Muse, State Commander.

Benediction: Janice Adkins, State Chaplain, Ladies Auxiliary V.F.W.

Commanders Ball: Post Home—10:00 p.m. Music by: The Fantastics Ltd., "Music Out of This World."

STATE OFFICERS 1973–1974

Commander: Earle E. Muse.
Sr. Vice Commander: Raymond Honaker.
Jr. Vice Commander: John Payne.
Quartermaster-Adjutant: Ralph Stump.
Judge Advocate: Sam Angotti.
Chaplain: Ralph McElfresh.
Surgeon: John Berger.
Chief of Staff: John Bennett.
Inspector: Blaine Godwin.

STATE OFFICERS—LADIES AUXILIARY

President: Grace Kominos.
Sr. Vice President: Ann Kundrat.
Jr. Vice President: Margaret Cooper.
Secretary-Treasurer: Marjorie Sidebottom.
Chaplain: Janice Adkins.
Guard: Dorothy Wagoner.
Chief of Staff: Helen Honaker.
Commander Post 2716: William Drennan.
President of Auxiliary 2716: Betty Risher.
General Chairman: David J. Lowery.
Co-Chairman: Ethel Gregson.

[From the Weirton (W. Va.) Daily Times, June 24, 1974]

SENATOR RANDOLPH RECEIVES STATE'S TOP VFW AWARD

The largest-attended banquet in the 53-year history of the West Virginia Department of the Veterans of Foreign Wars was marked Saturday by presentation of the department's highest award to Sen. Jennings Randoph and Sunday by the election of Raymond Honaker of Huntington to the state commandership.

The convention, which drew more than 500 veterans from all 55 counties, was a tribute to State Commander Earl E. Muse of Princeton, who set an alltime membership record of 26,658, and to David J. Lowery of Weirton, former state commander, who served as general convention chairman.

The VFW elected:

Raymond H. Honaker of Huntington, commander; John F. Payne of Clendening, senior vice commander; Blaine Godwin of Elkins, junior vice commander; Ralph Stump of Charleston, quartermaster-adjutant to his 19th year; Ralph McElfresh of New Manchester, chaplain to his 18th year; Sam Angotti of Morgantown, judge advocate, to his 20th year, and John Berger of Moundsville, post surgeon.

Mr. Honaker was installed by his twin brother, Ralph, who had served as state commander in 1965.

The Women's Auxiliary elected a Weirton woman, Mrs. Peter S. Kundrat, state chairman. The organization reported a record turnout under the convention chairmanship of Mrs. Robert Gregson of Weirton.

Sen. Randolph, who served 12 years in the House of Representatives and is in his 17th year in the Senate, was introduced at Saturday's banquet by Cooper T. Holt, executive director of the VFW office in Washington.

SILVER MEDAL AWARDED

Mr. Muse presented the state VFW's highest award, the Silver Medal, to Sen. Randolph, pointing out that in 1969 the senator had received the national VFW's highest award—the Gold Medal—in Weirton from then National Commander Richard Homan of Sugar Grove, W. Va. Mr. Homan attended Saturday's banquet and Sunday's election meeting.

Mr. Muse noted that "Sen. Randolph is a great leader in the national capital. We of the veterans organizations, particularly the VFW, are greatly interested in him because as a member of the Senate Veterans' Affairs Committee he has helped make decisions that have affected the lives of hundreds of thousands of veterans.

Sen. Randolph recalled that it was 30 years ago to the date that President Roosevelt signed into law the original GI Bill of Rights which the senator then, as a member of the House, supported.

NEW GI BILL

"Almost exactly 30 years later, on June 18, last Thursday," he said "the Senate unanimously approved a new comprehensive GI Bill produced by our Veterans Affairs Committee. I am hopeful of speedy action in the House to move this important legislation, which will open the doors of education to thousands more Vietnam era veteran."

Sen. Randolph also discussed the recent passage of the Veterans Disability Compensation and Survivors Benefit Act of which he was a cosponsor.

CHANGE IN VA

"An issue of intense interest to all veterans," he said, "is the future of the Veterans Administration. You are aware of the turmoil, personnel and administrative problems which have confronted the VA at the national level. To resolve this situation which has had an adverse impact on services and benefits to veterans will require strong leadership.

"I pledge to you that our Committee on Veterans Affairs will insist that the new administrator possess the highest qualities of leadership, understanding and administrative ability.

NO INTERFERENCE

"Further, we shall insist on assurances from the White House that the head of the VA will be free to run the agency without improper interference, pressure and influence from the Office of Management and Budget. We must have such commitments because, if left to their own designs, the officials of the OMB will continue to chip away at needed veterans' programs and benefits."

Referring to amnesty, he said: "I am against it."

SERVICES NEEDED

Congressman Harley Staggers, who has been in the House 25 years, told the veterans:

"You have served America in time of war; America needs you in peacetime as well. A lot of governments have been overturned throughout the world in just the last two months, some in countries where no one ever thought it would happen. We, in America, must be on the alert. We must never lose faith."

OVER 500 ATTEND

Mr. Lowery was toastmaster at the banquet, which was attended by more than 500 persons.

Commander Muse commented:

"Mr. Lowery performed beyond the call of duty in setting up the convention. I feel this has been the greatest VFW convention ever held in the state. The hospitality of the people of Weirton has been outstanding."

In presenting Mr. Lowery an award, Mr. Muse said: "It's a pleasure to do this for a great guy."

Mr. Holt presented Mr. Muse with an award, citing him as an "All-State Commander."

Mayor Mike Andochick Jr. extended the official welcome and presented City of Weirton awards to top VFW and Auxiliary officials.

JOB TASK FORCE CITED

Awards were presented to James R. Mccartney of Morgantown for heading the Monongalia County Task Force and to Mrs. William Truman of Morgantown, the veterans representative in the Morgantown Office of the Department of Employment Security. The Task Force, a volunteer project, helped get jobs for 2,500 veterans in the Morgantown area.

"We don't have a Weirton Steel in Morgantown," Mr. McCarthy said, "but we have many, many small ones that fully cooperated with us."

WAR HERO ATTENDS

Hershel Williams of Huntington, a VA representative, spoke of the close kinship among veterans and respect for the American flag. He received the Congressional Medal of Honor for blowing up seven pillboxes during the 3rd Marine division's invasion of Iwo Jima.

Two candidates for national junior vice commander attended the dinner. They were Arnold Muir of Columbia, S.C., and T. C. Selman of Freeport, Texas.

Other guests were Albert Benbow, executive vice president of the Weirton Steel Division, and Mrs. Marie Klugow of Tracy, Calif., former national Auxiliary president.

The final session, marking the adoption of resolutions and election of officers, was held in Millsop Community Center Sunday morning.

The 1975 convention was awarded to Huntington.

COOPERATIVE EDUCATION: THE EMERGING MANPOWER RESOURCE

Mr. HARTKE. Mr. President I ask unanimous consent to have printed in the RECORD excerpts from the proceedings of a number of recent conferences on "Cooperative Education: The Emerging Manpower Resource."

These conferences were held in the spring of this year under the joint sponsorship of the Bureau of Higher Education of the U.S. Office of Education and the National Commission for Cooperative Education. They were supported by many business and industrial leaders, trade associations, colleges and universities, and several major corporations. Included in the remarks for insertion in the RECORD are those of my distinguished colleagues Senator JOSEPH M. MONTOYA of New Mexico and Senator TED STEVENS of Alaska, as well as my own.

Work-study cooperative education at the college level is one of the programs that for a number of years has been supported by the Congress and by the Office of Education as a creative way to meet new challenges in higher education. The conferences which were structured as employers' institutes as a way to encourage the employing sector to hire cooperative education students were held in New York City on April 2, in Detroit on May 2, in Albuquerque on May 17, and San Francisco on June 5. I am confident that the following excerpts of the proceedings of these conferences will not only be enlightening as to the great value to the Nation of cooperative education but will also serve to encourage the continued support of the Congress for this uniquely American social invention.

There being no objection, the material was ordered to be printed in the RECORD as follows:

REMARKS OF MR. EDWARD E. BOOHER, PRESIDENT, BOOKS AND EDUCATIONAL SERVICES GROUP, MCGRAW-HILL, INC., AT THE EMPLOYERS' INSTITUTE INC., HELD IN NEW YORK CITY ON APRIL 2, 1974

For those of you who are unfamiliar with cooperative education, let me briefly define it as a mode of learning in which students alternate between on-campus study and off-campus work in productive paying jobs. It will be demonstrated to you today, I hope convincingly, that cooperative education, aside from its very important educative value, provides employers with an effective recruitment resource which in balance-sheet terms has positive bottom-line significance.

It is only in recent years that the concept of alternating work and study in a structured sense has caught the imagination of educators, businessmen and government.

A half century after cooperative education was first established at the University of Cincinnati in 1906, there were still only thirty-five or so colleges and universities that had adopted it. In 1962, just a bit more than ten years ago when the National Commission for Cooperative Education was created, there were only 60 colleges offering cooperative education programs.

A valid idea does not die. It may have to wait for its time, and linger in suspension until events assert its necessity. I think this has happened to the idea of cooperative education, which quite recently and quite suddenly has found its time and has moved out of its partial limbo into a major role on the national, education scene.

In 1973, the number of colleges and universities offering cooperative education programs had grown to 566 in the United States and 10 in Canada. These institutions and the wide variety of cooperative education curricula they offer are listed in the green booklet you will find in the packet of material prepared for each of you. This year, that list will be expanded to include 174 additional institutions, bringing the total offering co-op programs to 740.

Many of these programs are in their initial stages; others are in process of being started up and implemented; but in very short order they will be fully functioning, well-staffed, and well-directed operations, so that the number of co-op students is likely to increase from the present level of 200,000 to about 500,000 in the next two or three years. And after that? Well, we understand that over 400 additional colleges have applications in with the U.S. Office of Education for starting-up grants in the new fiscal year, and this suggests that there will be well over a thousand colleges offering co-op programs, with a commensurate increase in the number of students.

The colleges and universities involved are in all 50 states. They include two year community colleges, four year colleges, and graduate schools. In some instances—Antioch, where I went, Wilberforce, the first black university in the country, Northeastern, LaGuardia Community College—the cooperative program is mandatory for all students. In some places, it is mandatory for certain curricula, such as engineering. In other places, the program is offered on an optional basis.

I should also note that the ubiquity of cooperative education programs is a point of interest to companies with employing centers in various parts of the country. There are very few places in the United States which do not offer some access to co-op students; and, indeed there are very few job classifications for which co-op students are not in training. The range of student interest runs a gamut from A to V, starting with agriculture and related subjects, and including architecture, accounting, business majors, engineering, liberal arts, the natural, social and behavioral sciences, secretarial science, health professions, computer sciences, environmental sciences, graphics, industrial design, and v—for vocational arts.

The new, almost epidemic interest in cooperative education, is partly due to the missionary work of the National Commission. To a great extent the spread of the idea can be attributed to the urgency felt by students for more reality-oriented courses, and a flight from traditional ways of learning. And not the least of the forces at work has been the government, and a number of foundations which together have funded much of the starting-up process.

The government itself is in fact a major employer of co-op students. According to the United States Civil Service Commission there are over 6700 co-op students employed in federal agencies, with certified cost benefit results. Furthermore, many, many large and small companies, my own included, employ co-op students and the fact that we repeatedly do so testifies to its validity.

REMARKS OF DR. ROBERT J. KIBBEE, CHANCELLOR OF CITY UNIVERSITY OF NEW YORK, AT THE EMPLOYERS' INSTITUTE, HELD IN NEW YORK CITY ON APRIL 2, 1974

It is not my purpose through my enthusiastic endorsement of cooperative education in any way to denigrate those colleges and universities which do not offer cooperative curricula. In the City University of New York complex, most of the institutions, including the 10 senior colleges do not offer the cooperative model. I should say, however, that throughout the college and university system of the nation, there are grave doubts about the conventional academic disciplines as to their ability to satisfy the needs of students, and by extension the needs of society. Very often, we witness an abandonment of the strictly traditional modes of learning in favor of something new.

A recent report, for example, of the Commission on Non-Traditional Study, assessing the need for responsiveness to changing social conditions, states:

"Education, like every other important entity of society, must be responsive to the world it serves or suffer from the constant danger of becoming static and lifeless. Its responses must be active, innovative, contemporary. And those who design education must do more than merely respond; they must develop initiatives of their own that reflect an awareness of changing necessities."

One of the reasons I have supported and encouraged the adoption of cooperative education in our 8 community colleges in the public system of New York is precisely because it is responsive to the changing necessities of a very broad segment of our population.

Economically and culturally disadvantaged young people of our community are now more aware than ever before of the offerings of our society if they could but attain the threshold to reach. Many of them move through precollege education with the implanted notion, accidental or purposeful, that their opportunities are limited. Many of them are thwarted in their education ambitions by parental pressure because poor people look to their offspring to bring home money as soon as possible. Many of them are not academically prepared or financially able to seek admission to first rate, 4 year conventional colleges. The community college saves them; it is their escape hatch to self-fulfillment; and more so if its courses, for whatever skill or profession being sought also combine off-campus, meaningful, money-earning work.

I am appalled at times by the lack of understanding of the importance of our community colleges. As far back as the Truman Administration their need was justly valued by the same panel of experts who advanced the notion of the GI Bill. It is one of those social inventions uniquely characteristic of the American process which emerged to open the doors of higher education to all those, who either for reasons of poverty, non-acculturation, discrimination, or academic unpreparedness have had their learning experience aborted.

It would be a serious blow to the vigorous development of the community college system if the Governor and the Legislature failed to provide full funding for the needs of these 8 colleges which have such a special importance to so many young people of our City.

And I would say in conclusion that they have a special importance to you as employers. Don't take my word for it. Test it yourself. Make contact with the cooperative education departments of our community colleges. Let them work with you. Let them guide you in hiring students. And by so doing you will not only be making a sound investment in your own manpower resources, but you will also be invigorating the economic viability of our City.

The future of our City will be brighter if our business and industry flourish and remain here, and related to this is the indispensible accessibility to well-trained, well-educated young men and women. This is the emerging resource provided by our cooperative education colleges.

Remarks of U.S. Senator Ted Stevens at the Employers' Institute, Held in Detroit on May 2, 1974

Education has nearly always been a powerful force in American life in raising the status of individuals from one level to another. Vertical mobility has been possible since colonial indentured servants were able to become businessmen and landowners. And long before free land on the western frontier gave out, free education had become the key success and personal achievement for large numbers of poor and middle class Americans, native born and immigrant.

It still is. The American dream begins with getting an education. But something has happened to erode some of the reality from both the dream and the means of achieving it for many. Education has not altogether kept up with the needs of people. Too much rigidity has developed; too much emphasis has come to be placed on preparation for college, too little on preparation for a rewarding life including earning a living.

This is not to say that too many students are going to college, even though the figure now approaches 50% of that age group. The arguments and statistics used to arrive at that conclusion are not very convincing, and most people continue to believe that college is the capstone of the educational system. The problem is that too many students in elementary and secondary schools are being prepared for nothing else. And of those who go to college too many are going too haphazardly, too poorly prepared, and for the wrong reasons.

Many educators, businessmen, working people, and parents have felt for a long time that the schools should place more emphasis on preparing students for employment. This was the complaint more than a century ago which led to the land grant college legislation of the 1860's, and again more than fifty years ago which led to the Smith-Hughes and subsequent vocational education acts. More recently, we have seen the federal government recognize vocational education within the traditional college setting by providing funding for cooperative education programs.

In the 1960's, with rapidly advancing technology in virtually every field of employment creating obsolescence in job skills and widespread unemployment for the unskilled, Congress again responded. The Manpower Development and Training Act of 1962, and the Vocational Education Amendments of 1968 were major efforts to use national resources in providing every person who needed it with the necessary preparation for employment.

In the judgment of many of those who led these efforts, they should have had a profound effect on American education. Perhaps they will yet. There is considerable evidence that they have made an impact, but the net result at this time is still more than a little disappointing. Large numbers of students continue to go through school without adequate preparation for the world of work. Dropouts, pushouts, and failures litter the educational scene. And jobs go begging which require the skills most unsuccessful students could have acquired in school if they had been given the opportunity.

There are problems at the Federal level—disagreement as to which direction policy should take, disagreement over funding levels for various programs and numerous disagreements which have been recorded in Senate proceedings on confirmation of Commissioners of Education, in Appropriations Committee hearings, in legislative oversight hearings, and on the floor of the House and Senate. This situation has extended through the terms of three Presidents and in both political parties.

In spite of these problems, many people believe that failure to provide satisfactory education for a great number of students lies with the schools themselves. School administrators have their critics; vocational teachers blame academic teachers; academic teachers criticize schools of education; guidance and counseling departments are thought to be poorly qualified to guide students in the selection of careers and career preparation; and educators generally feel that the school budgets are too low, while the taxpayers groups feel they are too high.

In the meantime no one really knows just what education is doing, who is being prepared for what, if vocational graduates are benefiting from their education, and how much it is costing. The U.S. Office of Education has provided a few statistics over the years, but in Congress we have often found these statistics to be quite inadequate. The Senate Appropriations Committee, of which I am a member, has for years complained that we are not getting the kinds of information we need to make the decisions we must make, especially in the area of education.

Total expenditures for higher education rose from $29.9 billion in 1971–72 to $32.5 billion in 1972–73—an increase of 8.3%. The federal budget will provide about $2.1 billion for higher education in Fiscal Year 1975. Additional contributions to higher education for the academic year ending last June are estimated at $2.24 billion—that is an increase of 11% from the previous year. When we add the $65 billion of State and local funds spent yearly—at all levels of education—we can realize what a high financial investment we have made in education. While money is important, we must give the human investment our primary concern. If people are spending twelve to twenty years of their life getting an education, certainly we in decision-making positions should know why they are there and just what education is doing for them.

The Department of Labor's Bureau of Labor Statistics recently reported that two-thirds of the job openings in the United States through 1985 will result from the need to replace workers who die or retire. Only a third of the openings will result from employment growth. Other predictions are that government will continue to be a source of new jobs with most of the growth at state and local levels. State and local government employment could increase by as much as 50% over the 1972 level by 1985. Service and miscellaneous industries will continue to be among the fastest growing industries through the mid-1980's. More than half again as many workers are expected to be employed in this industry division in 1985 as in 1972. Manpower requirements in health services are expected to grow rapidly due to population growth and the increasing ability of persons to pay for health care. Business services, including accounting, data processing, and maintenance, also are expected to grow very rapidly.

The Department of Labor also projects that professional and technical workers—a category which includes highly trained personnel such as teachers, engineers, dentists, and clergymen—will be fast-growing as the nation makes greater efforts toward socio-economic progress, urban renewal, transportation, harnessing the ocean, and related goals.

So, we have taken a brief look at the history of our educational system, the money invested in education and the projected future needs in terms of manpower. I think that the cooperative education movement offers great promise in American education today and in the years to come.

Cooperative education broadens the traditional liberal arts curriculum to assure students of a better means of developing a career and earning a living. Education must provide our young people with a better understanding of what they are learning if they are to achieve greater competence and confidence in applying their knowledge and skills. One of the most important benefits to be derived from education is the ability to see the interrelationship of various disciplines—how, for instance, history, economics and psychology are entwined and relevant in day to day decisions. Too often, in the past, colleges have presented material in terms of static or ideal situations which just do not exist. In studying economics, a student may be presented with a consumption model showing government expenditures as an optional policy to be used to stimulate the economy or to slow it down. Seldom, if ever, is the relative size of the federal expenditures which are made daily and year after year ever given their full impact in the capitalistic system. Cooperative education gives the student an opportunity to put to realistic use whatever he happens to be studying—and it does it in such a way that he can truly take advantage of the academic setting to seek answers to real questions.

In many ways, we have looked at college as a period for a person to experiment with different life styles and forms of social interaction within a fairly protected environment. Cooperative education also allows this experimentation within the field of employment. By actually being exposed to different working situations, a student is much more capable of making decisions regarding a career choice. Again, this is timely in that he will have the opportunity to gain the academic background needed to attain his goal.

From the viewpoint of the colleges there are also advantages to adopting a cooperative approach. The cost of higher education continues to rise dramatically—on this I am somewhat of an expert as I now have two daughters in college, a son ready to start next fall and two more sons in high school. By working during part of the academic year, students can often make enough money to pay for a large share of college expenses. This, in turn, enables the colleges to more realistically charge the full cost of educating a student. I would also think that such a system would have a beneficial effect on maintaining high quality professors who are challenged and respond favorably to student questions arising from their actual experiences in applying what they have been taught.

A most important group in this movement is, of course, the employer. During the first and second year of employment a great many industries report a turnover rate in the range of 60%—some go as high as 150%. A cost-benefit analysis conducted by a division of AT&T showed that the cost of employing and retaining each co-op graduate was 40% less expensive than employing and retaining a regular college graduate. Additionally, recruitment of cooperative students has been more efficient because of the opportunity to evaluate the student on the job, and the student to evaluate the employer in his role. There has also been a more rapid rise of cooperative graduates into the managerial ranks. So far, there is relatively little data to support these statements. I would urge those involved in cooperative education to do some concrete evaluation of the program. As you may know, the Federal funding level for this program is requested at the same level this year as for the last fiscal year. The phenomenal growth of the cooperative education program—from 19 state institutions ten years ago to over 800 two and four year colleges and universities during the present year—means that Federal funding will be far short of the demand. To increase the funding we need hard data—from the schools, the employers and the students to present the case before Congress. I, for one, believe in cooperative education and would willingly lend my support to furthering its goals in Washington.

Remarks of Dr. Dewey Barich, President, Detroit Institute of Technology, at the Employers' Institute, Held in Detroit on May 2, 1974

All through the American experience there has been a continuing commitment to education, from the days of the Founding Fathers to this very present. To be sure, there is a long tradition of education in other countries reaching back into antiquity, but none has had the kind of development as we have had.

From the beginning it was perceived that a democracy of self-governing people could not function or endure without an informed electorate; and it was also clear that a nation expanding over a vast continent, seeking to create economic wealth on a hitherto unimagined scale, required human resources that could meet the demands for every conceivable skill and talent.

At the beginning, Jefferson wanted higher education accessible to all with the ability to become part of an aristocracy of mind and intellect; and Jackson, our first populist president, scorning such elitist criteria, wanted every mind treated as equal and urged for a universal system open to all regardless of capacity.

These and other contradictory thrusts caused higher education in the United States to evolve into a variegated garden of learning, without conforming to any single doctrine or authoritarian philosophy of education.

We have all kinds of colleges and universities, conventional and experimental, vocational and purely academic, 2-year schools and four year schools and so on, running the full gamut of disciplines, but all of them taken together seek to contribute to each person the will and equipment to achieve a more meaningful life.

What appears to be a hodge-podge of education phenomena, however, is really a unique adaptation to our own inheritance and our own national condition.

We have always invented social forms to suit our national condition, and this has been especially true in education, from the earliest days of free public school instruction through the frequent participation of government in moves to create access to higher education when the requirement for it was felt.

One undertaking of the government which will be long remembered and which had a decisive effect on both the economy and the rise of education was the Land Grant Act of 1862. Under that authority, the federal government distributed approximately 11½ million acres of land to the states and territories, to be sold, with the money to be used to set up new agricultural and mechanical colleges or to finance new agricultural and mechanical departments in existing state universities and private colleges.

It is amply established that this policy provided an opportunity for the children of farm families to learn scientific agriculture and eventually to transmute that knowledge into the most abundant agriculture possessed by any nation in the world. It is also well to recall that out of the original land grant colleges there have emerged a dozen or more of the most prestigious universities now serving the young people of our nation.

More recently, in a span of seven years after World War II, the government spent 14 billion dollars for the education of 8 million veterans under the G.I. bill of rights. No one could regret this undertaking when it is measured against the enormous benefits on countless scores that accrued to the nation. I am sure there are many occupying important positions in Detroit whose education was made possible by the G.I. bill, and who must ever be grateful to it.

Since we have such variety of education and educational needs in the United States, and since we follow no single education doctrine or authority it has been inevitable that we constantly seek new adaptations to new needs and we are consequently continuously engaged in education innovation.

Cooperative Education is an example of an innovation which responds to the needs of our time, and I hope that its significance will be appropriately assessed by both employers with a self interest and as citizens who believe it necessary to encourage an activity which is good for the nation. It is clear that the Federal Government is bent on encouraging the growth of cooperative education as witness the size of grants to colleges that have been authorized under the new and enlarged appropriations, and by its funding of employers' institutes such as this one. This is not the first time nor will it be the last that industry and education have been stimulated to cooperate in a common aim.

I submit that this special attention to cooperative education is very much a part of the nation's ongoing process of relying on education to meet basic national needs, just as the land-grant colleges met a need in their time.

I suggest that not the least of the forces at play in this revelation is the 26th amendment which by enfranchising citizens of 18, has redefined adulthood.

Adulthood requires self-reliance and the ability to manage one's affairs, and this attitude implies a capacity to make one's own way in the world. Cooperative Education is a learning mode that supports this psychic need.

There is also a great stirring among disadvantaged youth for their proper places under our egalaterian ideal and I can think of no more effective way to advance the young people of our ethnic minorities up the ladder of achievement than through cooperative education. Every employer in this room and elsewhere has an obligation to implement so-called "affirmative action" programs which is simply a fancy name for equal opportunity, and we have learned in our experience at the Detroit Institute of Technology that drawing upon the cooperative education program is the most effective way of complying with this obligation.

The same compulsion applies to the education and hiring of women in positions of responsibility and once again employers throughout the country have found that cooperative education programs are the most valuable source of well-trained women even in the most technical professions, including a wide variety of engineering disciplines.

Remarks by Edward N. Cole, President, General Motors Corp. at the Employers' Institute Held in Detroit on May 2, 1974

General Motors has been involved in cooperative education since the establishment of General Motors Institute as a part-time training school in 1919, just thirteen years after Herman Schneider instituted the first program of cooperative education at the University of Cincinnati in 1906. Since its incorporation in 1926, GMI has provided the corporation with educational programs and services in engineering and management. Many of GM's officers, top managers and salaried employes are graduates of GMI.

Exclusive of GMI students, GM employed 992 cooperative education students representing 100 institutions of higher learning during the 1972–73 academic year. The 100 institutions included junior and community colleges as well as the traditional 4-year colleges and universities. The students included 480 who were studying engineering and science; 356 studying business administration; and 156 studying technology.

At GMI, our own institution, there are 3,189 cooperative students this academic year sponsored by 150 of GM's units in the United States and Canada. Of the more than 12,000 GMI graduates, 60 percent are still with General Motors even though they are not required to remain with us one day beyond graduation.

Our retention rate is much higher for our co-op sudents than it is for other graduates.

Officers of the Corporation have been enthusiastic advocates of cooperative education. Charles (Boss) Kettering, for example, was chairman of a conference at Dayton, Ohio, in 1957, which examined the cooperative plan and how it might serve the enlarging student population of the future. That conference resulted in a two-year national examination of the advantages and disadvantages of cooperative education.

At that Dayton conference, C. R. Osborn, a vice president of General Motors and a founding trustee of the National Commission for Cooperative Education, said that the cooperative approach to education represented triple profit—profit to the student, profit to the cooperating institution, and profit to industry. Mr. Osborn's assessment is as valid today as it was 17 years ago.

My association with cooperative education began in 1930 when I enrolled at GMI as an engineering student under the sponsorship of the Cadillac Motor Car Division. I didn't get my degree until 1952 because my work assignments often extended beyond the customary time sequences. Because of my personal experiences, I assure you that I know the full value of a cooperative education. Its innovative approach is revolutionizing higher education. This revolution—very quiet and quite orderly—is producing capable, well-trained professionals and technicians without spectacular confrontations or disruptions.

Cooperative education is a realistic education and is especially suited to the needs of students and employers in this age of industrialization and urbanization. It is a first-rate education because it successfully combines theory and practice in the desirable proportions.

It is my judgment that there will be an increasing demand for the cooperative approach to higher education in the coming decades. Consider two things: First, the growing complexity and mechanization of American industry will require bright and able workers with a wide variety of skills. And, second, the rising cost of a traditional 4 or 5-year college or university education is making it increasingly difficult for many families to afford higher education for their children. Both these factors have a significance for employers and, parents, too, I might add.

The U.S. Department of Labor in its recently published Occupational Outlook Handbook, projects a labor force of 107.7 million in 1985. Because jobs will become more complex and require greater skill, employers will need and seek people who have higher levels of education. The growth in employment will be fastest in those occupations requiring the most education and training. The Labor Department points out, for example, that professional occupations will be the fastest growing occupations between now and 1985 as the nation makes greater efforts toward the country's socioeconomic progress, urban renewal, transportation and the environment.

In projecting future employment, the Labor Department assumed that there will be no major event such as a long, and widespread energy shortage that will substantially alter our rate of economic growth. It also assumed that we will maintain our high level of employment and utilization of available manpower; that our economic, social and educational trends will continue to change according to patterns of the recent past and that scientific-technological advancement will continue at about the same rate as in recent years.

Continued economic growth is necessary if the Department's employment projection is to become an actuality. With the end of Phase Four controls yesterday, we should return to a more normal market functioning of supply and demand. I think this will stimulate production and competition and, with limited government direction, reduce prices. To bring inflation under control, we must increase productivity to meet demand. This will provide jobs and cool the economy. Productivity gains are closely tied to our economic climate—the government encouragement of business to re-invest and the stimulation of a favorable tax structure. Any economic philosophy of limited growth will ultimately mean scarcity of products and more inflation, fewer opportunities for individuals and more unemployment.

While a high school education has been the standard for most American workers, training beyond high school has been the standard for many professional occupations. The wider use of new, highly sophisticated automated equipment in offices and on the production lines will raise the skill requirements for clerical and other jobs. New methods of manufacture, new materials, and new products to meet our constantly changing and rising standard of living will require workers who have greater technical knowledge and the ability to understand and operate the complicated machinery of the future.

While a higher level of education or more specialized training will be required for the better, more interesting jobs which offer the best wages and steady employment, it is somewhat ironic that higher education is getting beyond the financial ability of an increasing number of American families.

This circumstance is resulting in greater enrollments in the nation's two-year community colleges. This is especially true of minority students who, because they are highly career oriented, realize that they must leave the campus with critical or unique job skills which will enable them to step competently into a job. They want the degree they earn to be relevant in terms of a steady paycheck.

The institutions of higher learning which offer cooperative education programs now number more than 800, serving more than 180,000 students. This year, the federal government proposes to spend $10.8 million to develop and expand the cooperative education idea. This is a mere drop in the bucket. The federal spending ought to be five times greater than it is because hundreds of community colleges, and public and private 4-year colleges and universities have requested grants to establish or expand their co-op programs.

These developments bode well for the business and industrial community and I urge that community to take advantage of the opportunities offered by work-study programs at the collegiate level.

Cooperative education, as the theme of today's institute indicates, is the emerging resource for developing the manpower for virtually the entire spectrum of technical and professional skills. The remainder of your day will be devoted to the specifics of how you can benefit from this revolution in education. For the moment, I will share with you some of the benefits of cooperative education as I have experienced them.

Cooperative education accomplishes several goals. It allows teacher and student to gather and contemplate the past as well as to create the future. It provides an atmosphere where students can flourish in the real world of competition and where they can participate actively and effectively in their educational experience.

Earning while learning not only enables students to pay a substantial part of their educational expenses, but it gives them a head start on their chosen careers.

Early entry in an occupation, incidentally, has an additional fringe benefit for the employe. Those five years as a co-op student are counted at retirement time. By working while earning an academic degree, students are oriented to the world of work. They have the opportunity to learn about the range of occupations open to them and the potentials and limitations of the fields which interest them. Most importantly, they have the opportunity to change academic plans and prepare for a more informed vocational choice in the event they decide their abilities are more suitable for a different career. This flexibility is desirable and pays dividends because the coordination of work experience with the academic program motivates students, causes them to find greater meaning in their studies as they see the connection between the jobs they hold and the things they learn on campus.

During the five-year work and learn experience, student and employer have the chance to view each other carefully and critically before deciding if they are meant for each other. There is a smoother transition into full-time employment at the end of the undergraduate period and the student is immediately productive upon graduation. The cooperative experience reduces or even eliminates the apprenticeship and training programs usually required of new employes. The co-op student, you might say, has a head start on other student graduates in the company.

The benefits of cooperative education do not only accrue to the student. The employer and the institution benefit also.

Cooperative programs enable the educational system to become more aware of the needs of industry. Because the adequate education of the student is of paramount importance, the institution and the employer establish a relationship which reduces the isolationism of the school and results in a better rapport with the commercial community.

This mutually important relationship enables the faculty to be kept up-to-date and stimulated by events in the world of commerce because the student's on-the job experiences become a vital part of the classroom program. In a way, you might say that industry assists with the design of the educational curriculum because the feedback between industry and education through the student and the faculty keeps the institution more in tune with the needs of industry. The average educational institution simply does not have the resources to keep abreast of today's fast-moving technology.

Finally, another principal advantage of the program is that the co-op student—the successful one anyway—becomes a "missionary" for the employer. His understanding and appreciation of your company and the function it fulfills in the provision of goods and services in our economic system are a dividend that is too often overlooked. His "goodwill ambassador" role is invaluable to the educational institution and the employer.

Finally, important to the success of the cooperative education program is the provision by the employer of a meaningful employment opportunity for the graduate. Permanent employment of cooperative education graduates assures employers of employes who are experienced in the company and have already established a record of constructive work.

The increasing complexity of modern society has heightened the need for improved cooperation between industry and education. In preparing youth for the highly competitive job market, education can be the equalizer that breaks down racial and economic barriers. The business community feels that if education is to accomplish its goal of providing equal opportunity for advancement, it must be more directly related to the real world and the needs of students. To some, this means that greater emphasis should be on career orientation. This suggests the expansion of work-study programs or the achievement of a marketable skill before students join the work force.

I might point out here that because science and technology will play increasingly important roles in our future, the cooperative education institutions are as good recruiting grounds for government personnel as they are for industry and business. Because so many major decisions on matters affecting the national welfare must be based on technological and scientific knowledge, it just seems to me that our government at all levels—especially the Federal level—should be staffed by more people with this sort of background and training.

It is a mistake to think that the cooperative plan of education is most easily and directly applicable to business and industry. From my experiences with the Congress and federal bureaucrats, I assure you that government can make effective use of cooperative education programs. Legislative and regulatory matters can be better resolved if more legislators and government careerists were technically trained and qualified. And, to be totally fair, I should add that corporate managers benefit, too, when they are better-versed in the structure and functioning of government.

On previous occasions, I have expressed the view that we must kick the habit of always turning to those wonderful folks on the banks of the Potomac River for solutions to all of our problems. I am not convinced that the collective judgment of 535 legislators, or a handful of politically appointed politicians, is necessarily more valid than the judgment of people who know what is best for themselves.

Philip H. Abelson, editor of *Science* magazine, expresses a similar view in the March issue of his magazine as it applies to education. I think it is appropriate to quote here:

"At one time, industry was a prime supporter and defender of academic institutions. During the last two decades, however, while universities fell into dependence on government, industry and universities have been estranged. But academia now understands that it cannot count on government for sustained rational behavior. At the same time, industry needs a healthy university system. Already there are shortages of some kinds of engineers, and shortages of physical scientists are likely soon. Thus the climate is more favorable for a closer working arrangement."

I agree with Mr. Abelson. There are signs that the distress and sometimes hostility that existed between the business world and higher education are beginning to give way. This was evident this past January at the annual meeting of the Association of American Colleges when businessmen and college officers cautiously explored the possibilities of a new relationship, apparently aware of the fact that each needs the other and can really help each other. And, this past March the chairman of IBM hosted a dinner attended by the presidents or chairmen of many of America's largest high technology companies, 13 Nobel laureates, and other leaders in academic life. The dinner honored the three physics Nobel laureates for 1973, but the IBM chairman emphasized that a prime reason for the dinner was to initiate a dialogue between academic science and industry.

This conference today is the proper place to enlarge the dialogue between industry and academia. Our educational system cannot be changed and improved in a meaningful way in isolation. Education must have the active support and cooperation of business and industry if it is to find better ways to provide our youth with more knowledge and more proficient skills. Do not pass up today's opportunity to implement a program that can be of strategic importance to your manpower planning.

Cooperative education is responsible. It is accountable. Its performance has facilitated rather than impeded educational purposes.

Clearly on the basis of what it has already contributed and achieved in the field of higher education, cooperative education is ready and capable of a new era of educational leadership.

Remarks of Paul S. Mirabito, President, Burroughs Corp. at the Employers' Institute on May 2, 1974, in Detroit, Mich.

I am happy to be taking part in today's conference because I believe that programs in co-operative education offer important benefits to everyone involved: the students, their universities, and the companies which employ them. Industry must recognize the difficulties which education is facing today, and we must be concerned about the implications of those difficulties for our future manpower. Our needs must be communicated to the nation's educators, and co-operative education certainly can play an important role in that function. I would add that our experience at Burroughs with co-operative education has been so successful that we regard this program very favorably.

Before moving into the main portion of my remarks, allow me to express my congratulations to all of the organizers of the Employers Institute. In providing industrial leaders with this comprehensive look at co-operative education, they are performing a very great service for future students who will benefit from expanded programs . . . for the universities which will offer those programs . . . and for the companies represented here, which will gain from hiring co-op students.

THE PROBLEMS OF HIGHER EDUCATION TODAY

Industrial enterprises rise or fall on the quality of their people. This is especially true of companies in the high-technology industries, such as the computer industry, of which Burroughs Corporation is a member. Of necessity, we keep a concerned eye upon the major source of our new people . . . the college campuses . . . and what we see today in many respects gives us concern.

FINANCIAL

Tuition costs are rising to levels frequently beyond the capacity of the typical middle-class student to pay, and federal educational aid programs focus almost entirely on students from low-income families. The basic federal program of educational grants is so poorly funded that the maximum grant is $452, in a year in which the tuition cost alone at a leading university is substantially greater than that amount.

This crucial point in the financing of higher education comes at a time in which support from the private sector is at an all-time high . . . tuition revenues continue to grow . . . state support is increasing . . . foundation support is increasing sharply once again after a period of slowdown . . . and federal support is rising at a faster rate than at any other time in the last five years.

ENROLLMENTS

The paradox of universities facing financial need at a time of record private giving and rising government support testifies to two fundamental problems: the leveling off, and in some cases actual decline, in enrollments; and the destructive effects of inflation, which is eroding the purchasing power of the schools faster than rising income can compensate for it.

The leveling off of student enrollment itself has several causes, not just rising tuition costs and inadequate aid programs. College courses themselves are giving rise to questions as to the relevancy of structured education. One Detroit educator has characterized this aspect of the problem as basically a "consumer revolt." He says that some prospective students are looking at our colleges and refusing to buy what they see.

Costs and the question of relevancy seem today to be the major causes for the half-million vacant seats at American colleges and universities. In the 1980's, another important factor will begin to have its own adverse impact: the movement toward zero population growth. Right now, elementary schools comprising millions of students, report nearly a two percent drop directly attributable to population declines. This shortfall will reach the colleges in a very few years, and relevancy and cost may become moot points. The students just will not be there.

UNIVERSITY CUTBACKS AND ATTITUDE

This cumulative series of problems has led to still another adverse impact on our universities. We find that universities, which for 27 uninterrupted years have devoted their major efforts to the improvement and expansion of their curricula, their facilities, and their physical facilities, today are cutting back in program offerings, faculty strength, and in new construction.

American education, which has been described as a "growth industry" in those 27 years, this year is a "no growth industry," and the prospects for the future are disheartening. Clark Kerr, the chairman of the Carnegie Commission on Higher Education, concluded that the prevailing attitude on many campuses today "is more to look back with longing than to look ahead with hope".

The possible consequences of this attitude of discouragement are highly disturbing for this country's industrial managers. The situation of higher education today has been described as a "watershed, a turning point." Where we go in education depends largely upon how the waters are diverted, and industry, I believe, has an important interest in the diversion of those educational waters.

WHY INDUSTRY HAS AN INTEREST IN EDUCATION

The preservation and strengthening of our educational institutions is central to the continuing development and success of U.S. industry in the competition of world markets . . . and among all industries, those with a high technical or scientific content in their products must be the most concerned.

The technological industries generally are young industries, characterized by invention and discovery and the very rapid application of those discoveries to new products. We constantly seek to improve productivity through beneficial change and, therefore, our industries attract innovative and active young men and women. These young people find within these industries an environment which stimulates their inventiveness and provides high opportunity for career growth.

I am most familiar with the computer industry among the technological industries, and an important characteristic of my industry is its very rapid rate of growth. Many business observers have forecast that the computer industry will be the largest of all industries before the end of this century.

THE GROWING NEED FOR COLLEGE GRADUATES

To support this very rapid rate of growth, we must continue to expand employment. We bring young people into the business at the base of our activity, and promotion follows shortly after they join us from college or university. Thus, our employment profile always has a very high proportion of young people. Among Burroughs people today around the world, more than one-third are age 30 or younger.

The emphasis in my company upon hiring well-educated and well-trained young men and women stems from the advanced technological nature of our products, and the demand for sophisticated marketing services associated with those products. For instance, our marketing personnel must know the computer business, and they must be thoroughly conversant with the business of their customers as well.

The requirement for well-educated people is not limited to the technical or marketing areas. Growth in those areas requires total growth in all business areas to support and advance the corporation, and that means we constantly seek men and women with degrees in business management, accounting, economics, finance and the entire range of business disciplines.

This example, taken from my own company, illustrates graphically the pragmatic interest of industry in the health of higher education.

INDUSTRY'S ROLE IN HIGHER EDUCATION

If our universities are to produce the young men and women schooled in the technical and business disciplines which we need in very great numbers, avenues of communication must be greatly strengthened. Industry must communicate in regular and specific ways with the educators who shape the courses being offered on today's campuses, and those who plan tomorrow's courses.

Similarly, federal agencies which monitor the changing, long-term trends of industrial development must make certain that information on the emergence of new industries or the rapid growth of existing industries is communicated in specific terms to the education planners.

State industrial development agencies and local universities must also be in constant contact, if the university structure is to have the guidance it requires to support the state's attempts to attract new industries. Universities across the nation, hopefully, will seek to strengthen their competencies in the disciplines needed by those industries which the states are seeking.

The kinds of industries which locate in a given area are determined to a very large extent by the nature of the educational institutions in that area. A good example of this is the role played by MIT in attracting the electronics industry to New England.

COMMUNICATION THROUGH CO-OPERATIVE EDUCATION

Effective communication and competent long-range planning will accomplish much in meeting the future needs of industry. Regarding the *immediate* needs of our companies, and the communication between industry and education, I suggest that a very good beginning has been made through programs such as co-operative education.

These programs bring together the company and the college on the most elementary terms: the college is teaching, and the company is hiring. Viewed as a communications device alone, co-operative education accomplishes a great deal. Industry indicates, by the act of hiring students, those disciplines which it needs . . . now. By its choice of students, the company indicates quite clearly those schools which it feels are doing the best job of preparing young people to enter the world of commerce and industry.

Students returning to their campuses after having spent several months in an industrial environment provide the university with a clear channel of communication regarding the relevance of their courses.

ADDITIONAL BENEFITS OF CO-OP PROGRAMS

We know through our experiences at Burroughs that co-operative education provides benefits beyond basic communication. Co-operative education, for instance, answers many questions a student may have about the relevancy of his education. By spending a significant part of his time in a work environment, the usefulness of his structured classwork is made apparent.

The student also has an opportunity to determine relatively early in his formal education if the career choice he has made is right for him. In the majority of cases, co-operative education reinforces those career decisions which already have been made. However, we have all seen a few youngsters who learned that their preliminary choice was a wrong choice for them. They learned this early enough to make important changes in their educational planning, to shift gears and move toward a different career.

The financial benefits of co-operative education to the student are significant. He has an opportunity to defray the costs of his education through wages earned while at work in industry. This permits many students to finish their degree studies, supported by their own earned income, requiring no grant approval or loan repayment.

The colleges, on the other hand, benefit from the continuing contact with the world of industry afforded by co-operative education, and the renewed interest of their students in the educational process. While the financial benefit to the college implied by greater student interest is impossible to measure, no educator would question the value to a university of strong student interest.

EXPERIENCE AT BURROUGHS

As for industry's gain from the development of an active co-op program, I can cite our own experience at Burroughs, based on many years of participation. Our first co-op student came aboard more than 20 years ago. Today, many managers . . . extending up to senior management . . . are products of co-op programs.

HOW PROGRAM IS CONDUCTED

Our recruitment of co-op students parallels our regular recruiting efforts. All of our operating groups have responsibility to fill their employment needs, and the offices which discharge that responsibility are charged equally with recruiting for co-op posts.

About one-third of the co-ops whom we hire come into the engineering and manufacturing areas; about one-third are preparing for careers in accounting and finance, and the remaining one-third work in marketing areas, thus co-op students are active in all of the major areas of our business. They come to us from more than 50 institutions of higher learning across the United States.

In all, more than 200 students are regular participants in the Burroughs program and they earn nearly a million dollars a year in salaries alone. The important word here is "earn", and managers have made a point of letting us know that they regard these bright young people with great favor.

EXCELLENT IMPRESSION MADE BY STUDENTS

The students have made an excellent impression upon our managers, and we would very much welcome the extension of co-operative education to many more campuses across the country. We would urge college counsellors to encourage outstanding students to participate in those programs.

I am happy to say that many of our students subsequently join Burroughs as regular, full-time employees upon completion of their undergraduate work. Many of those who join our company make good use of our tuition aid program to go on to earn their master's degrees, and as opportunities and needs arise, we encourage their continuing interest in education.

RECOMMENDATION TO OTHER COMPANIES

Other speakers on today's program are presenting detailed reports on the cost-effectiveness of co-operative education, so I will say only that at Burroughs, we have matched our co-op program to our company's manpower and recruiting needs, and after many years of experience, are well satisfied with the excellent results we have obtained.

To the business and industrial community represented in this audience, I can recommend with very great enthusiasm that you look with deep interest toward co-operative education as a very real vehicle by which many of your recruiting needs might be satisfied. At the same time, you will be making a positive and important contribution to the encouragement of youth, and the future development of our universities.

Thank you very much.

REMARKS OF JOHN L. CHASE, CHIEF TRAINING AND PROGRAM DEVELOPMENT BRANCH, DIVISION OF TRAINING AND FACILITIES, U.S. OFFICE OF EDUCATION AT THE EMPLOYERS' INSTITUTE IN DETROIT ON MAY 2, 1974

Dr. Peter Muirhead, the Deputy Commissioner of Education for Higher Education, requested me to express his deep regret that he could not address you today because he is required to appear and testify this morning before the Committee on Education of the House of Representatives.

Dr. Muirhead asked me to speak in his place and present to you the policy position of the U.S. Office of Education in regard to cooperative education because the direction of the program of grants for cooperative education is a responsibility that I have in the Office of Education.

I think that Detroit is the place to acknowledge the fact that Charles Kettering is the originating genius responsible finally for the present federal legislative policies that call for support of the establishment and expansion of cooperative education in institutions of higher education.

Kettering was greatly impressed by the fact that the speed of change imposes a continuous strain on education. A real problem faces education to train not for the needs of last year, nor even for this year, but for the needs of the future of which we may not even dream today.

Kettering used to say to his associates that forty years of work on research and development in the laboratory had taught him one thing: Most things don't work!

I regret to say that many recommended policies for the improvement of higher education do not work.

But Kettering was a close friend of Dean Herman Schneider of the University of Cincinnati, who invented cooperative education in 1906, and Kettering watched and participated in the whole original development of cooperative education.

Kettering's view was that the complexity of social structures and behavior in our society is so great that it is quite unlikely that anyone can, by a purely intellectual effort, blue-print a successful solution for the problems of education.

Kettering devoted his life to looking for successful working models—and he was always greatly impressed by those physical or social arrangements that did work.

So Kettering noticed that the plan of a student alternating periods in college with periods in industry or business did improve the educational programs of institutions of higher learning. He saw this was true years before careful scholarly research revealed that the mixture of educationally related job experience and education provides a much more adequate education.

The observation of human behavior was all important. The test was: Did it work? Were the various demands of individuals satisfied? By inspection of what happened to students, he concluded that cooperative education lapwelds theory from the classroom with practice on the job. Cooperative education creates a weld that is much stronger than the buttwelding of a college degree followed by employment, the two touching at only one line of contact.

For five years now the Office of Education has been administering a small program of grants in support of cooperative education. We have observed the various successful working operations of cooperative education—and we have learned a lot about it.

We have learned that cooperative education is based on the principle that well-educated, mature individuals will develop more effectively through an educational pattern which, at periodic intervals, places them in a world beyond the campus. Through these controlled and structured experiences, which are most often paid positions in business and industry, and the public employer sector, the students bring an enrichment to the classroom and the employer which enhances their total development.

We have learned that, for students, the alteration of work and study provides a career education that enhances personal growth and development, lends relevance to curriculum, and teaches skills in human relations through experiences in the adult world. It makes higher education financially possible for many students because of their earnings on job assignments in their cooperative education work periods.

It is for these reasons that Dr. Peter Muirhead recently said that "Cooperative education may become the major breakthrough of the 1970's for students, for faculty involvement, for institutions of higher education, and for employers."

The Federal government has inaugurated and established a program for furthering the national expansion of cooperative education.

The Higher Education Act provides for an expenditure of $10,750,000 this year and next year in support of cooperative education.

Requests for grants to establish or expand cooperative education have come from hundreds of community colleges, colleges and universities—both public and private—from all of the fifty states.

The expansion of cooperative education, with the support of the Federal government, is regarded by many educational leaders as the single most important development in higher education today. In June, 1972, there were 350 institutions of higher education offering cooperative education opportunities for students. In June, 1973, there were 566 colleges, universities, and community colleges offering programs of cooperative education in a wide diversity of curricula. Currently, in May, 1974, there are more 800 institutions of higher educating offering cooperative education programs serving over 180,000 students.

This is ten times the number of students in these programs fifteen years ago. Given continuing Congressional funding of the cooperative education legislation, there is a prospect that 500,000 students will be in cooperative education programs by 1980.

It is this growth in cooperative education that has led the U.S. Office of Education to give support to the National Commission's effort to organize a series of Regional Employer Institutes. This Detroit Institute today begins the process of informing employers about the increasing availability of students in cooperative education programs.

For it is essential to say that the further expansion of cooperative education—its projected growth—is dependent upon increasing employer knowledge about the cost-benefit experience that employers have had in hiring cooperative education students.

The Office of Education realizes that adequate data on cost-benefit employer experience would have important usefulness to educators as a tool to enable them to provide employers with answers to their question: What is the effect on "the bottom line" figure for our business if we employ cooperative education students?

There are existing only two examples of the needed cost-benefit information. Xerox has made an internal study which reveals—and I quote—"Xerox has made very substantial savings in its personnel recruitment costs through employing cooperative education students." A second study was made by South Central Bell of nine years of their employer experiences, and they found—and I quote—"The Study revealed that the cost of employing and retaining each Co-op graduate was 40% less expensive than employing and retaining a regular college graduate."

It is the prospect of uncovering useful data of this kind that has led the Office of Education to make two grants this year aimed at persuading leading corporations to undertake internal studies of their own cost-benefit experience in that employers cooperate and support these useful investigations.

Business and industry will find it worthwhile to appraise their experience. The preliminary studies show that there is an unrecognized dollar return to employers who hire cooperative education students.

But there is a further dimension of cooperative education that should be of interest to employers as taxpayers and as citizens. We all know that many institutions of higher education have catastrophic financial problems.

Because of financial distress, 37 colleges closed last year.

The College Entrance Examination Board has recently stated that the cost of higher education to a student in the coming year will be 9.4% greater than last year—and 36% more than it was four years ago.

Meeting the costs of a college education is a problem that more and more American families are finding more difficult each year. The educational institutions, like business and industry, are beset by an inflation that is officially announced in the latest report as running at an annual rate of 14.5%. To compound the difficulty, education budgets and programs for federally-funded support of higher education are all established and based on estimates that are, in general, made two years ago—and thereby there is a further lag behind the pace of inflation.

Within this context, it is useful to consider the economic position of the cooperative education student. At Northeastern University, the largest cooperative education institution, with 16,000 full-time students, the average student earnings for the 26 weeks the student expends in his two job periods are $3,350 this year.

With a small amount of assistance from his family or a small loan of $400 to $700 a year, the student is able to meet his college education costs.

Total student-earned income in jobs in the cooperative education program at Northeastern University is $37,000,000 this year.

Cooperative education is a way of drawing into the economy the productivity of students to meet the ever-mounting costs of higher education—and have this productivity be a part of an organized educational program.

In Congress, both Republicans and Democrats have joined in the bi-partisan introduction and enactment of legislation by Congress supporting cooperative education legislation.

Cooperative education is a response to the realization that industry and education need to work together on pressing problems of education.

In recent years educational leaders of black institutions have begun to see the possibilities of cooperative education programs.

Ten years ago there were *no* black colleges offering cooperative education programs. Now there are more than fifty. More than three-fourths of the black institutions of higher education have been currently applying to the U.S. Office of Education for grants to establish and expand programs of cooperative education.

Ten years ago there was only *one* community college offering its students the opportunity of a cooperative education program. As a consequence of Congress establishing a national public policy to favor and assist the expansion of cooperative education, there are now several hundred community and junior colleges that have started cooperative education programs. For example, there are now 20 community colleges in Michigan, 43 community colleges in California, and nine community colleges in Washington that have programs of cooperative education.

Ten years ago there were 19 state institutions of higher education that had cooperative education programs, almost entirely in the fields of engineering and science. Now there are more than two hundred. These additional institutions of higher education have received grants from the U.S. Office of Education that encouraged them and enabled them to undertake to establish cooperative education. In the fall of 1973, there were 640 institutions of higher education that requested OE support for co-oping programs.

It would seem likely that with continuing adequate Federal support for this educational program, that within five years there will be at least 1,000 institutions of higher education offering cooperative education programs.

It is of use to state candidly that achieving change in higher education is fraught with difficulty. It requires tenacity. It requires a strategy of reinforcing success. It requires that the educational innovation is seen to have advantages from many different viewpoints—and that this becomes obvious to many by inspection of the process and the consequences for the students and society.

Plato said, "What is honored in a country is cultivated there." European travelers to America in the early 19th century gave many accounts of how in America "All honest callings are honorable," as Toqueville reported. The respect for hard work was widespread, and the American definition of a gentleman was to be found in his answer to the question, "What do you *do?*" and *not* to the question of *"Who are you?"*

America was built by a people in a hurry. They built it using a work ethic. It is obvious that the influence of such a system of values creates a highly productive economy.

Town and country have competed with each other in industrious pursuits, machines invented, new lines of communication established, the frontiers reached and passed. The universal and sincere faith that Americans have had in the power of education is one of the most remarkable feartures of America. A great part of our strength has been that the effort made in America to spread useful education is truly prodigious.

Historically, work has held a position of honor in America. We take this for granted, but European travelers to America in the 19th century did not. They were astonished at what they saw. Work was honored and the educated man was looked upon with suspicion. Historically, liberal arts education has been thought of as a practical and useful education—which is an error. Work has not been part of our concept of the process of education. Therefore, the meaning of a work and study program is not easily seen by us.

Aristotle said, "The most difficult problem in the philosophy of education is the relationship between theory and practice."

I think it is forgiveable that we all stumble in thinking about this matter. So, I find it useful to quote two individuals, Ralph Tyler and Sam Gould, who have given a lot of thought to this problem. They say it very well.

First, Sam Gould, the former Chancellor of the State University of New York and a member of the Study Committee on Cooperative Education, which was headed by Dr. Ralph Tyler, cuts to the heart of the problem in saying—and I quote:

"We are not a society of drones or parasites or even pure asethetes. Most of us must work in order to live, and we need to have a healthy regard for the characteristics of work. We need to be aware not only of its boredom but of its exhilaration. We need to see it in the perspective of a highly industrialized society deeply involved in the production and distribution of goods. In such a perspective, it is a valid part of everyone's education since it is inescapable. If we must perforce devote a considerable portion of our mortal time and our physical and mental energies to it, then work is deserving of our careful analysis and consideration. Linked to the total on-going educational process and made a part of such a process, it can and should be a positive force in human and educative development.

"It is when one considers the philosophical roots of the cooperative system of education that the whole process takes on deeper significance. It is an added dimenson to learning tied closely to life itself and therefore maturing and enriching. And the importance of making it part of the educational process is that there is less danger of its real significance being lost to the student. The very pattern itself reduces spoon-feeding and coddling to a minimum, and encourages the self-reliance and responsible qualities of the student."

Sam Gould made this statement in 1960 after he had spent two years looking at research measurements on the performance of 5,300 students in cooperative education programs in all phases of their lives and careers.

There are other conclusions reached by the Study Committee on Cooperative Education 15 years ago that are better appreciated now. For example, Dr. Ralph Tyler reported that the Research Study on Cooperative Education found:

"For most married women, the work experience in cooperative education is greatly valued because through it they develop initial skills in an occupational area, and have greater confidence that they can return to productive employment after their children no longer need a great deal of their attention."

It is also true that the Office of Education, after observing the manner in which cooperative education programs serve students, has found a lot of supporting evidence for an important conclusion of the Study of Cooperative Education—and I quote:

"Cooperative education gives a student an education qualitatively superior in some respects to a conventional college education. Cooperative education students, through their educationally related job experience, become more mature; and their records in graduate school and in employment show that cooperative education is a first-rate college education."

Plato was right when he wrote, "What is honored in a country is cultivated there." We have honored hard work in America. For many reasons now, we need to cultivate a relationship between work and education. Years ago, when America was a rural society, the mixture of work and study on a farm was the lot of almost everybody. But we now live in a society which has, increasingly, cut youth off from the adult world of work and thrown them into a leisure filled with hobbies and activities and classroom studies. Cooperative education is a social invention to make education relevant to the needs of students in an age of industrialization and urbanization.

We need to cultivate a relationship between education and experience. We need cooperative education because it is the finest kind of career education. All of us—business, industry, government, educators—need to work together to construct a social and economic arrangement that creates a series of working connections between jobs and education. Cooperative education is a feedback process that cultivates an attitude honoring work and experience.

Kettering used to say, "The trouble with educators is that they tend to wash out experience." Now, leading educators are taking a fresh look at the problems of higher education. They are recommending the inclusion of educationally related work experience in programs for their students. The U.S. Office of Education is presently engaged in making federal grants to institutions of higher education to enable them to make educationally related work experience a part of the student's educational program. Congress has wisely set in motion this expansion of cooperative education. Now, there is need for business and industry to set in motion an expansion of job opportunities for students in cooperative education programs. To all employers, may I say, the ball is now in your court, gentlemen!

Thank you.

REMARKS BY U.S. SENATOR JOSEPH M. MONTOYA AT THE EMPLOYERS' INSTITUTE HELD IN ALBUQUERQUE ON MAY 17

The world is full of nostalgia these days. We love to remember the things of the past which delighted us, and comforted us, and sustained us. Remember home-made ice cream? Remember Saturday night baseball? Remember popcorn in the bleachers?

Remember Babe Ruth—pointing at the bleachers with the tip of his bat to tell the fans this time he was going to hit a home run? And when he did, the crowd went wild. They loved him for what he stood for—the confidence, the ability, the pride—and the success!

We have always loved that confidence, and maybe that is why we have been able to accomplish so much in our brief history as a nation. We have been confident, we have had ability, we have felt proud—and many times we have succeeded!

Of course, there were times when the team or the player we loved—even Babe Ruth—struck out. There were hard times and agonies, too, even in the "good old days" we remember as being so simple.

Success—or failure? What have we been as a nation? What are we now?

In 1974, it is tempting to make a quick negative reply to that kind of question, and a lot of people do. We hear a lot about what we "can't" do—and we *have* had some bad moments in the last few years. Our problems seem to overwhelm us, and it is easy to make a superficial analysis which says "No Way!"

But today I want to suggest that it's time for us to look at what we have been, and what we are, and what we can be—and to decide that all is not lost, after all.

I heard a story the other day about a little boy who brought home a bad report card to his father, and said "It's not me, Dad, it's the system that failed!"

Well, that's one explanation. And we may laugh—but a lot of adults are saying the same kind of thing.

I'm going to try to tell you why I don't agree with that kind of excuse and why I think it's safe to say that the system is not failing.

If there is anything which distinguishes us, as Americans, from other peoples, it is that we have always believed that problems were things which cried out for answers—and that we could find those answers.

From the beginning we have believed in our ability to form a proper government, to build strong institutions, to succeed where others failed, and to create a better world for our children.

Robert Kennedy used to say that we should dream of what had never been—and say "Why not?" He was only putting into words for us the feeling we have always had about ourselves and about one another. We are a great people for saying "Why not?"—and it's time we got back to saying it more often.

With that attitude, we have done many things which seemed like miracles—two hundred years of miracles, miracles often performed in the face of a world opinion which assured us that it couldn't be done.

When something needed changing, there has always been an American government to do the things we could not do alone: educate our children, build our roads, deliver our mail, provide for our elderly, lick a depression.

Yet we have retained the freedom to choose our tools of progress: when private enterprise could do a job better than government we have supported that effort, both as consumers and as producers. When individuals could increase their own abilities and their own knowledge through their own effort we have been proud of them as "self-made" men and women—and we think of them as being "typical" of our nation.

Our great genius has been in being able to balance these two ways of doing things, without ever losing our confidence in the systems and the institutions we built.

It is through the proper balance of two human concepts that we have succeeded as a people, I think. Those concepts are basic to all human societies, but are usually opposed to one another: the concept of law and the concept of freedom. One controls our action, the other makes it limitless.

Our genius has been in creating a system of law—a government—which we ourselves could change, so that when we *needed* to work together to achieve a goal we could choose to do that, through government. At the same time we had a written Constitution which protected us from the restrictions of too much government. We could depend upon our Constitutional protections to preserve our freedom to act as private individuals.

With this very unique kind of balance we developed a successful and creative society which led the world in development and challenge.

It still does.

When the world thinks of the great achievements of this century, they think first of American achievements: nuclear power, putting a man on the moon, controlling polio, putting communications satellites into the sky, creating a "green revolution" in agriculture.

All of those miracles—and the thousands of others which have happened in our two hundred years of development as a nation—happened through the cooperation of many institutions in our society—working together for change and for progress. Our business community, our banks, our universities, our farms, our media—*and* our government have a record of successfully sharing the responsibility and the effort for change when it is needed.

That doesn't mean that change has always been easy, or that every new development has come effortlessly or without a quarrel. We have had to *work* at cooperation, and we have had to convince one another that something was worth doing before we could go ahead to get it done.

But our track record is pretty fair—and when we tipped our bat at the bleachers to indicate our goal and our intention of reaching that goal successfully—more often than not we have hit a home run.

You may think this is a strange time for an elected official to be speaking to you about our great success as a nation. It has become very popular to question all of our institutions, and to "put down" those which are most visible. We live in a climate of disappointment and disillusionment. Our children question the value of every one of the institutions we have built with such effort—our schools, our universities, our government at every level, our political parties, our churches, our courts, and our business enterprises of every kind.

Doctor, farmer, banker, student, professor, Senator, manufacturer, lawyer—none of us has quite escaped, in recent years, the scorn or anger of a public which no longer seems to believe in us—or in itself as a problem solver.

What has gone wrong? None of us really know, and I am certainly no wiser than any other American when it comes to explaining what has happened to weaken us as a nation. I have heard many reasons given for our current malaise:

The war—but we have had wars before, and more painful ones.

Economic problems—but we have had those before, and only 40 years ago a terrible depression.

Rebelling youth—but we have always had young people who rebelled—in fact we are a nation which was created by young men in revolt against the establishment or an authoritarian King and a harsh government.

Permissiveness?—but we have always been a nation which permitted great personal freedom to ourselves and to one another. The strength of this nation has depended, at least partly, on the openness and lack of conformity in our society.

No—I am going to suggest something else—as an explanation. First, I am going to suggest that the things we view today as failing institutions are not failing at all. I think that it may be simply that we are overreacting to *temporary* setbacks and to successes which are simply not as great as we expected and planned for them to be. We promised ourselves a home run—and we found we are only on first base.

Because we are so very good at so very many things, we somehow came to believe that we could do *everything* well and *immediately* and without working together. We over-expected—and stopped cooperating.

We saw poverty—and we decided that we would change it. We did make great progress with many programs—but of course, some programs were not completely successful—and so we began to feel that all the programs were failing and that it was useless to keep trying.

We saw inequality of opportunity and discrimination—and we decided that we could change that with law and with government programs to help the disadvantaged catch up. We have made remarkable progress. In just a few years we have raised the consciousness of blacks and Mexican-Americans and Puerto Ricans and Indians and Cubans and Chinese-Americans, so that now each of these minorities is struggling and complaining and working toward a better chance. But we have not yet succeeded in removing *all* the barriers to success for these disadvantaged Americans—so we have begun to think we cannot.

We saw children and the elderly and poor families without hospitals and without doctors—and we tried to build the hospitals and provide the health care. We did more in a few short years to change health care than had ever been done before in such a short time—but of course we did not completely finish the job. We removed polio and measles and whooping cough and scarlet fever as dangers—but we found other needs which now seem equally as difficult and important.

We saw ignorance—and we decided that we would provide education for all children. We *have* created a great revolution in education, and we have the most successful education system in the world—but there are still unsolved problems.

We began to say "it can't be done," instead of "why not?"

All of the things I am saying are generalizations, of course. Not every American is disillusioned about every part of our society. Businessmen, for instance, feel sure that the business community is on the right track—but that *other* parts of the system are not working as well as they should be.

University professors *know* how many great advances they are making or could make if they were properly funded—but feel that the *rest* of the society is going astray.

Easterners feel that the western states don't understand the problems of the great cities—and westerners know that the eastern elite are ruining the country. Young people don't trust anyone over thirty—and old people complain that "kids didn't act that way when I was young."

So that is my second explanation for our unhappiness with ourselves—we have stopped cooperating with one another and stopped believing in one another. We have allowed ourselves to be divided into many parts—and we are so busy worrying that we often don't find time to work.

You all know about Gresham's Law—that bad money drives out good. Well, there's another law which political men and women understand well—that is that bad talk drives out good. In the last few years we have listened to a lot of bad talk—and it has served to make us doubt ourselves, doubt our own abilities and accomplishments, and divide us into quarreling factions.

But the system isn't failing—I can assure you, the system is working! In fact, if one looks, one finds that in America in 1974, all systems are "GO," as the astronauts said.

Nowhere is that fact more evident than in the cooperative education systems which this group is gathered to discuss. Here is a place where three institutions—government, education, and business—have come together to solve a problem.

The problem, of course, was how to get more education into young people and at the same time how to get better educated young people into the working world.

It isn't a new problem—men have always struggled to find a way to train young people to take over jobs. That's what the apprentice system was about, in the middle ages. That's what the craft shops of Europe were about—and the stable of artists who worked for Titian or da Vinci or Michelangelo were doing "on the job training"—a kind of renaissance vocational education, if you will.

After the industrial revolution changed our world in the last century, it began to be clear that a barrier between the academic world and the work world was separating the young from the old, and the student from the worker. When the University of Cincinnati began the first cooperative education program in 1906, the idea of combining work and study to enrich both experiences, it was recognized by students who participated as a plan of great value. Slowly the academic world and the business world were won over—as colleges began to realize that students who worked were *better* students as a result—and businesses began to realize that better educated and more experienced workers would result from an investment in this new kind of work-study program.

The addition of the third ingredient—government support—came in the 1960's, with the help of National Commission for Cooperative Education, and the passage of the Higher Education Act, Title IV. The urgent need for this kind of education, combined with the cooperation between government, business and the universities and colleges, caused a sudden expansion of programs. Now there are more than 800 institutions involved—and almost 200,000 students.

It worked. The "system" worked to develop it. It is going to keep on working!

I know that in this conference many speakers will be extolling the remarkable virtues of this kind of education, and providing the details of performance in the past and promise in the future.

In Washington hearings are being held this week where much of the same information will be heard—and I am sure that those hearings will result in increased support, a longer grant period, and some changes in the guidelines. The success of the programs is such that even Administration hardliners are finding it difficult to say no to *this* grant program.

The real point I want to make about cooperative education today is that it is one of the many success stories which are all around us—a sign not of a failing system, but a working one.

Our universities face economic problems today which are going to be very difficult to overcome. With tuition costs rising, so that average costs are $4000 and $5000 a year in private four year colleges, students are in trouble too—and so are parents. Inflation eats away at our progress, and nowhere with more tragedy than in our educational system.

Yet more than half of all American youngsters go on to college today, and more want to go. In 1960 there were only 3.8 million students enrolled in one form or another of higher education—and today there are more than 9 million. That kind of expansion has been expensive, and difficult—but it has begun to break down old discriminations and barriers to opportunity.

The problem we face today is preventing a reversal of that trend toward better education for minorities, for poor youngsters, for the children of the working poor. We need *more* colleges, more community colleges, more two year colleges, and more great universities—not less.

Is there a way that we can keep on working toward that goal of expanded educational opportunity—in spite of inflation and an energy shortage and the other problems which have become such a part of our lives that we talk of nothing else?

Is there a way in which businessmen can make sure that they will get both educated and trained workers in the future—and keep them?

Is there a way students—even poor students—can earn and learn and stay in college in spite of rising costs?

Is there a way in which college and university professors can keep students in college, learning—and still help them to be a part of the working world around them?

I think it is obvious that cooperative education is *one* way that we can do all these things—and that we *will*. Here in New Mexico five of our colleges and universities have good experience with the cooperative education program—and more will follow.

In this, as in so many other things, we will have to *make* it work. That means we will have to believe in one another, in ourselves and in our system. That means that we will have to accept the fact that we can make government work, that we can solve problems, that we do the difficult and even the impossible. We will have to say "Why not?"—and dare to dream that we can change the things we want to change about our future.

We will have to turn the negative attitudes of the last few years around. A generation gap is not something we can't close—and inflation is not something we can't lick—and good government is not something we can't have. All those things are possible to us—and I believe that we *will* have them, because I believe that its still possible to point that bat at the bleachers—and hit a home run.

We *are* the system—and that's why the system can't strike out.

Remarks of Bruce J. Pierce, President and Chief Executive Officer, Bank of New Mexico at the Employers' Institute Held on May 17 in Albuquerque

The distinguished speakers on today's agenda intend to demonstrate to you that cooperative education is an important emerging manpower resource. not only as it relates to the large national purpose, but also for the significant opportunity it presents to employers in planning their strategic hiring policies.

Before I go any further, let me emphasize that when we use the word "manpower", both in the title of today's Conference and in the material which will be presented, we ask not to be faulted as "male chauvinists", for we mean man *and* woman power with equal emphasis.

For those of you who are unfamiliar with cooperative education, let me give you a bit of a briefing on its background, its purposes, and its increasingly important contribution to a new partnership between education and industry.

Cooperative education is based on the premise that learning occurs in settings beyond the traditional classroom. A well structured program in which students alternate between periods of work and study provides students with work experience which complements and supplements classroom experience, thereby bringing relevance into the curriculum, and enabling students to develop increased knowledge and skills in their major fields of interest.

Cooperative education compounds the mastery of knowledge, information and techniques with realistic experience and a sense of relationships of schoolwork with other aspects of life. It is a step toward fulfilling the expectations of the students' hopes and plans which in and of itself is a mighty motivational force. Cooperative education calls for learning, through doing, the chance to know and practice democratic group living.

Cooperative education also makes higher education financially feasible for many students because of earnings from their work assignments. It may well represent the best way for students from educationally and economically disadvantaged backgrounds to enter and succeed in college. Cooperative education can provide financial help to the student since he will be engaged in gainful employment during a portion of his college career. He can actually make and save enough during his off-campus term to underwrite his tuition and other costs when he returns to the campus.

As employers, you will be impressed by how much cooperative education inculcates a sense of the importance of work and good workmanship and the wise use of time, energy, and money. I believe that to the extent that student employees have this awareness, they automatically set higher than ordinary standards for their own performance.

I think that the speakers on today's program will demonstrate to you—and I hope convince you—that cooperative education, aside from its very important educative value, provides employers with an effective recruitment resource, which in income statement terms, has a positive bottom-line significance.

As is indicated on your program, your speakers today will expand on the derivations and the scope of cooperative education as an important and, happily. expanding social invention. You will be brought up to date on the progress we are making here in our own part of the country in harnessing this concept of alternating work and study in a way that enables all of us as employers to make our own contribution to the growing partnership I spoke of earlier, the increasing interaction between education and industry.

Here in New Mexico, several of our institutions of higher learning are involved in cooperative education. Long a leader in the field, our own New Mexico State University at Las Cruces has pioneered many of the developments that have led to a better understanding of the values of cooperative education.

Remarks of Dean Roy L. Wooldridge, Executive Vice President for Cooperative Education at the Employers' Institute Held on May 17, 1974, in Albuquerque

It is indeed a pleasure to be here today to tell you a little of what is happening in cooperative education. I accepted the invitation because it seems to me that there is one common bond that we all have here today, and that is our interest in cooperative education. I thought it might be well to give you some perspective on what is happening on the national scene in cooperative education. Unless you live with it on a day-to-day basis, you may not be aware of the rather significant things that are happening to this form of education that began so many years ago. Therefore, I am dividing my remarks into three parts. First, I will give you some background information, then something about the present status, and then I will try to take a look at the future and what it might mean, particularly to those of you who are employers.

When we talk of cooperative education today, we are talking about a system of education that blends some form of off-campus experience into the educational lives of the students. There are two things that I would look for to distinguish it from other kinds of part-time placements. One is that the institution regards the experience as an integral part of the degree experience. I do not mean that it necessarily gives academic credit in terms of semester hours or credit hours, although as you will see, that is one of the innovations in cooperative education, but that the institution considers successful completion of the off-campus experiences in industry or the public sector a requirement for graduation. The second ingredient that I would look for is that the educational institution assumes the responsibility for the work experience to be integrated into the educational program of the student. It should be related or closely associated to what the student is studying or the student's long-range career objectives or goals that the student is interested in achieving.

You may recall that when cooperative education began at the turn of the century, it was based on two observations made by Herman Schneider about the students in his classes. In a sense, they are the same basic reasons for many institutions adopting the cooperative education program today. Most students, whether they are in an engineering program, a liberal arts program, business, or whatever, are aiming toward some future professional career, and every profession has certain factors that cannot be taught solely in the classroom or laboratory. Working side by side with professionals who are already successful in the field is a very important element in the student's preparation for a career. Secondly, and possibly even truer today, students must earn money to help pay for their education. They work evenings and weekends, part-time, and during vacation periods. Students feel compelled to do this, but in most cases, these jobs bear little or no relationship to the student's educational program. Schneider's observations were that if these two things were true: if students in fact need to work, and if they need some type of experience outside of the classroom in order to prepare them for careers, then the two should be combined into an educational system whereby paid employment is part of the system and the work experience is related to the students career objectives and studies.

It is easy to make these observations but not nearly as simple to implement a program. A special kind of calendar must be designed which allows the student body to be split into two groups; while one is at work, the other is in school, and they change places at periodic intervals. This insures a full 52 week coverage of a regular job assignment. This was the key that opened the door to the jobs in the early years and still does today. It takes a lot of work on the campus to redesign the curriculum and to make a commitment to radically change the calendar from the usual nine months with a three-month vacation. The alternative patterns vary greatly. One calendar used by many community colleges employs the formula of having one student work in the morning and another in the afternoon, so it becomes a half-day alternation. At the opposite end of the pole is a system used by a university in Tennessee which has a full twelve-month alternation. The student works for twelve months and then goes to school for twelve months. Amid these two extremes one finds the quarter system, the plan in use at Northeastern, which is built around a thirteen-week pattern. Another common calendar is one based on a semester system which is designed around a sixteen-week alternating cycle. These latter two are the most popular types of calendars.

It is easiest to describe the phenomenal growth of cooperative education by citing some figures. In the first 36 years of cooperative education's life, from 1906 to 1942 when the U.S. was fully into World War II, we went from one institution, the University of Cincinnati in 1906 and Northeastern soon after in 1909, to 30 schools, or a growth of 30 institutions in 36 years. In 1946 the War had ended, and with the veterans coming back, the colleges returned to their normal patterns. A sixteen-year period followed from 1946 to 1962 when 40 more institutions were added making a total of 70 institutions. In the eleven years from 1962 to the present time, 330 institutions were added to the list, making a current total in this country of about 400 colleges and universities offering this form of education. At the moment 200 more institutions are in the planning stage. Therefore, the total number of institutions either offering or having made a commitment to offer cooperative education is about 600.

Over the years, the Federal government has been fairly generous in making grants to cooperative education. This past year, 630 institutions applied for a total of $25,000,000 of support from the U.S. Office of Education. An appropriation of $10,750,000 was made for cooperative education which has been allocated to 420 institutions, and of these, 240 institutions were new to the field of cooperative education. The remaining grants were for expansion or the further development of existing programs. The best estimate of the National Commission for Cooperative Education is that 95,000 students are presently participating in these programs in the U.S., and we would guess that about 5,000 employers of all kinds—public, private, large, and small—are participating with an annual student payroll of $280,000,000.

There are various kinds of programs of cooperative education. In a mandatory program like Northeastern's, except for a few students in the Liberal Arts College, students are automatically on the program when enrolled at the University. Antioch, Wilberforce, and the General Motors Institute also have compulsory programs. Out of the 400 cooperative education schools, there are only 4 or 5 where there is this kind of total institutional commitment. Elective programs are by far the most popular. At these institutions, students elect whether they wish to go into a cooperative or off-campus program or to remain on campus for a conventional education.

Some institutions like MIT, Cornell, and the Rochester Polytechnical Institute have honors programs that are restricted to the very best and brightest students, which are measured by the student's grades. At Berea College in Kentucky all the assignments are on the campus and the students constitute a substantial portion of the institution's work force. Finally there are the off-campus experimental programs which are much more free-wheeling than any of those previously mentioned. Bennington, Keuka, Beloit, and Kalamazoo are some of the schools offering such cooperative programs. These would not look at all like the programs at Northeastern, Antioch, or Drexel which have a more rigidly structured teaming of students. In the experimental programs some jobs are salaried and some are not. However it is more difficult to find paid positions when year-round coverage is not offered.

In the late 1950's, when cooperative education was growing from a very modest base of a few institutions which were very much committed to it, the Edison Foundation became interested and obtained funds from The Ford Foundation to engage in a research study that was conducted by Dr. James W. Wilson under the chairmanship of Dr. Ralph W. Tyler. After two years of studying students in cooperative programs, a report was published that made several very strong claims as to the educational benefits of cooperative education. It concluded that cooperative education is a superior form of education for young people. On that platform the National Commission for Cooperative Education was formed.

The purpose of this nonprofit organization has been to spread the gospel of cooperative education. Its consultants were sent across the country to speak to presidents, trustees, students, faculty—any group that would listen.

The Ford Foundation began to show a keen interest, and in 1965 it gave Northeastern University a grant to establish a Center for Cooperative Education to provide research, training, and consulting services to other institutions interested in developing cooperative programs. In 1968, The Ford Foundation made an additional grant to Northeastern to endow a chair for a research professorship in cooperative education.

At about this time, the Federal government became interested, and several of us were called to Washington at the request of both houses of Congress to testify before various committees. As a result one provision in the 1965 Higher Education Act, under the title concerned with developing institutions, states that one of the activities a developing institution could undertake with federal money was to develop a cooperative program. In 1968, when the amendments to the Higher Education Act were written, it was felt that cooperative education was worthy enough to warrant its own legislation. Under the 1968 Amendments, cooperative education was given its own title and became a line item in the bill. Last year's budget appropriated $10,750,000 for cooperative education. It was one of the few items in the Department of Health, Education, and Welfare budget for which the Nixon administration requested more money than in previous years. The same amount is being requested for the fiscal year 1974, and it would not be surprising if there were as many as 800 institutions applying for approximately $30,000,000.

Some factors came into play that brought all of this into focus which I would like to mention. First was President Johnson's War on Poverty and the nation's concern with impoverished people and deprived youngsters who had neither social, cultural, nor economic advantages. The cooperative program, because of its peculiar quality of allowing students to earn at the same time as assimilating them into America's free enterprise system, became one of the answers to this problem. Also there was a great concern for racial injustice. Cooperative education became a vehicle for many of the traditionally Black colleges to combat inequality and open the door for more Black young people to attend college. There was the cry for relevance that grew out of the anti-war movement and the critical questioning of the traditional form of education. Cooperative education bridged the gap between the utopian life on the campus and the realities of the world outside the university walls. Finally, the financial squeeze hit many institutions, in particular the church-related schools when the church could no longer maintain its former level of support.

Where are we going from here? I think that there is enough evidence to predict that within the next five years, one-half of our colleges and universities, that would be 1,500 in number, will be offering some kind of off-campus experience for their students. This means a jump from 95,000 to 500,000 students looking for positions in the labor market. One of the problems that we will have to face is preparing employers for this onslaught of students. One of the worst things that could happen would be for the young people who are again turning to the American free enterprise system to find that the employers are totally unprepared to offer any kind of positions to them. That is one of the problems facing us and forms the new missionary thrust of the National Commission.

Let me close by saying that one of the programs that Northeastern has undertaken to prepare for the rapid rise of cooperative institutions is the establishment.of the Institute for Off-Campus Experience and Cooperative Education. We are finding more and more schools in New England wishing to offer some experience for students who are "stopping-out". These are students who are fed up with the traditional educational setting and want something more from a college education than they are being offered under the conventional system. It is very expensive to mount a staff, even with government aid, especially if there are only 20–30 students at a university wishing to participate. We founded the Institute in order to draw on the expertise of our own coordinators to try and help place the students from these other institutions. It has been funded by the Carnegie Corporation and the Exxon Education Foundation for $400,000 for the first two years while we experiment with it to see if it is a viable approach. We now have eleven colleges in New England who are on contract with us and paying fees. We hope that in five years it will be self-sufficient, and we anticipate a nationwide network growing out of this experiment.

The advantage to you, I think, as employers will be that you will need to meet only with the Northeastern coordinators with whom you have become accustomed, who know your needs, and who now can refer students from other institutions as well as Northeastern.

REMARKS OF HOWARD W. FRIEDMAN, PRESIDENT, AMREP CORPORATION AT THE EMPLOYERS' INSTITUTE HELD ON MAY 17, 1974, IN ALBUQUERQUE

Just about seven years ago, AMREP Corporation assisted the National Commission for Cooperative Education in organizing one of its first regional conferences which was held here in Albuquerque under the aegis of Senator Montoya.

The event was the model for a subsequent series of regional conferences which hastened the acceptance of this form of higher education among policy-makers in Washington and educators.

I am, therefore, happy to be taking part in today's conference, which is conceived as an employers' institute dedicated to the mission of increasing employment opportunities for college students enrolled in work-study cooperative programs.

In providing us a comprehensive look at cooperative education, this conference is offering an excellent frame of reference for all of us concerned with the future growth of New Mexico.

Now, I know there are some people in our state who oppose growth in the mistaken notion that it violates the environment, or causes social dislocations which offend the status quo. I think these largely are people who have the time and money to star gaze, climb mountains, and live in a dream world.

For New Mexico, the brutal reality is that without growth, our economic viability and our well being will not improve but decline.

New Mexico is fifth in size, geographically, among all 50 states, possessing over 121,000 square miles. Yet with all this vast area, in the 1970 census, we reported a population of just over 1,000,000, an increase of only 50,000 in the ten years after the 1960 census. In terms of per-capita income, we are way down among the lower fifth of the States. And like all areas of limited opportunities, we suffer from a brain drain: at least 50 percent of all our college graduates leave us to make their lives elsewhere.

Note with me that New Mexico's principal sources of revenue, exclusive of the Federal Government's atomic energy projects, are derived from tourism, agriculture, and extractive industries. New Mexico does not export very many products with a significant labor and capital content.

Nowadays there is much talk about the limits of growth; and even if it were a valid fear, which I for one do not accept, it is preposterous to talk about limiting growth in a place where it hasn't even started in any modern sense.

We need to start growing in New Mexico in such a way that all New Mexicans can prosper, and that the per-capita income of New Mexico will rise from the lower fifth to the upper fifth. The prescription is no secret. We must urgently attract new industries to the state, especially those new industries which are characterized by clean, new, high technology.

To do so, our state development agencies must be able to say that our colleges and universities are training and developing a New Mexico manpower resource needed by those industries which the State is seeking. That is one of the reasons we must do everything in our power to encourage, support and strengthen programs of cooperative education in our institutions of higher learning. New Mexico needs the kind of well trained, motivated students cooperative education produces if new employment opportunities are to be created here.

All over this country, there will be an increasing demand for the cooperative approach to higher education. The growing complexity and mechanization of American industry will require bright and able workers with a wide variety of skills. And, importantly, the rising cost of a traditional college education is making it increasingly difficult for many families to afford higher education for their children, and I should think this is truer of New Mexico than of many other states. Because co-op students are paid in their work periods or internships, the cooperative method helps ease the cost crunch, and opens higher learning to those who otherwise could not afford it.

If New Mexico is going to move forward, if we are going to grow, we most certainly must have the trained manpower to make it possible.

The U.S. Department of Labor in its recently published *Occupational Outlook Handbook* projects a labor force in the United States of 107.7 million in 1985. That's not too far ahead in the future. Because jobs will become more complex and require greater skill, employers will need and seek people who have higher levels of education. The growth in employment, it is said, will be fastest in those occupations requiring the most education and training.

The Labor Department points out that professional occupations will be the fastest growing occupations between now and 1985 as we make greater efforts toward socio-economic progress, urban renewal, transportation and environmental improvement.

I should say that unless our young people have ample opportunity for development of these advanced skills, New Mexico will find it difficult to march forward into the new era of growth projected for the nation as a whole.

It was, I think, Robert McNamara, President of the World Bank, who once said that the money goes where the brains are, and he meant by that the money for capital investment as well as for technological research.

Only two weeks ago, at a conference in Detroit similar to this one, Paul S. Mirabito, President of the Burroughs Corporation, said, "The kinds of industries which locate in a given area are determined to a very large extent by the nature of the educational institutions in that area. A good example of this is the role played by MIT in attracting the electronics industry to New England."

It is noteworthy to observe that the Burroughs Corporation, a leader in the computer industry, is a major employer of cooperative education students, and includes the recruitment of such students in its overall corporate manpower policies.

This is also true of such companies as Xerox, General Electric, RCA, General Motors, Kodak and countless others.

These companies find that among the advantages of hiring cooperative students are the low cost of recruitment and training; the higher rate of retention; greater motivation; and an overall better job performance.

Except for the few who want to sit by the wayside and watch the world go by, most of us want New Mexico to grow and prosper, and to do so we need to attract the kinds of companies I have mentioned.

Now, I am not so naive as to believe that the mere expansion of cooperative education in and of itself will do the job. It is an important factor however, because it will demonstrate that in the offing is a manpower resource to serve the needs of the companies involved in the new technology.

I think our state development agencies in cooperation with New Mexico's colleges and universities should broadcast far and wide the kinds of students we have enrolled in cooperative education curricula, as a way of demonstrating that we, too, are right up there with the best.

I think that corporate chief executives—those of us who are building new communities in New Mexico, the large and small banks, the public utilities and the manufacturing concerns should organize an industry/education council through which employers can communicate to educators what their present manpower needs are and what they will be in the future. I believe it to be vital that the closest possible relationship be established between these two main sectors of our economic life.

I think the State Government, the prime movers of the economy, and the educational institutions should set up a task force to determine how, when and where a New Mexico Center of Science and Technology can be created. New Mexico must, one way or another, establish a brain resource which will attract, as MIT did in New England, those companies which require access to highly trained minds. Remember, the money goes where the brains are.

Finally, as I have said earlier, all of us here must assist in every way possible the expansion of cooperative education in New Mexico. We have in our state a large segment of disadvantaged people. Especially the young among them must be given the opportunity to become fully functioning, economically creative members of society. To achieve that, they must be educated and trained, and I can think of no more effective way than through cooperative education. Like every other society since the dawn of history, the people of New Mexico must also increase their wealth-producing capacity, and only through the power of brain, skill and talent can that be accomplished. Education—and emphatically, cooperative education—is the means at hand. If we turn away from it, we may well end on the dead center we now occupy, with tourists coming and going, and with our best minds leaving us forever.

The other course open to us is to grow parallel with the nation: educate and train the new generation of young New Mexicans, with business and education working together toward the goal of increasing New Mexico's productivity.

Fred Smith, Chairman of the Board of Trustees of the National Planning Association, said it took historian Arnold Toynbee a lifetime and a million or so words to isolate some overwhelming truths as old as society itself.

Mr. Smith said, "First, Toynbee finds there is a direct parallel between successful civilizations and the capacity of civilizations to produce the surplus necessary to keep them moving forward. In short, only a productive society can get anywhere."

I think there is a lesson for us in New Mexico. We must promote the will and determination to move constructively toward a society that is more rewarding for all the people. The path to this goal is through education for all who seek it.

Remarks of U.S. Senator Vance Hartke at the Employers' Institute Held in San Francisco on June 5, 1974.

As we approach the two hundredth anniversary of the founding of the Republic we are also at that edge of time when it is vital to know who we are and where we are going.

The past is prologue only in the sense that it stirs our collective memory to recall that Americans in another age were resolute and courageous in their confrontations with the imperatives of their own time.

But there is nothing in our beginning which fortold the pain and disarray of our present condition.

The temptation is almost unavoidable to speak out about the Watergate scandals—or the corruption in high places beyond all belief—or the energy crisis which was allowed to happen despite the early warnings—or the manipulation and mismanagement of the economy which have led to raging inflation and sinful unemployment—or the ultimate danger to the American system which lies in the spreading erosion of public confidence in all our inherited institutions.

However, it is not the purpose of this forum to agonize over these failures and betrayals; but to discuss the significance of cooperative education, which I have wholeheartedly supported for many years, and which as a subject has the refreshing significance of being positive and creative.

At the outset, I should say that I am honored to be part of this first series of regional *employers'* institutes on cooperative education, as much as I was honored in 1967 to have been the sponsor of the first regional *educators'* conference on cooperative education.

The question before us is the relationship between work-study cooperative education and national policy, and by national policy I mean a rational manpower policy, which is something we pretend to have but really don't.

The functional objective of any rational manpower policy must be full employment. The impulse to work, to build, to do, to be active is inherent in the human spirit and any society which denies its people the opportunity to do so violates this ingrained need to its own peril.

More to the point, the failure to provide full meaningful employment exacts such incalculable costs that the burden must finally become too heavy for a free, democratic people to bear.

With increasing severity, our high-technology industrial system seems unable to meet this requirement. Already, upwards of 20% of our population—40 million or more people—are nonfunctioning or only marginally functioning in an economically productive sense. These include those displaced by machines, those who are mandatorily retired at too early an age, those untrained or undertrained for meaningful achievement, those unemployed, and those disemployed.

There is no way I can assess for you in human terms, in society's terms, or in dollars and cents what it means to the nation that a large proportion of our adult population goes through life unneeded and unproductive.

There is more at stake in this condition than meets the eye, and I assure you it takes no special intellectual agility to perceive that a system which discards or has no place in it for millions of its people—old and young adults alike—must expect anti-social behavior such as drug abuse, alcoholism, crime and violence, racial conflict, alienation, and I would suspect finally that out of this could develop a strong inclination to impose social controls by those who *have*, in self-preservation against those who *have not*. Therein lies the real danger to our democracy.

Let me suggest also that the generation of young Americans now in college or planning to go to college will not be automatically rescued from this discontent and alienation. There are about 9 million young people in college and community colleges across the nation. According to the "Report on Higher Education" prepared by the U.S. Office of Education by a task force headed by Dr. Frank Newman of Stanford University, of the more than one million people who enter college each year, fewer than half will complete 2 years of study, and only about a third will complete a 4-year course of study.

The Report states, "With the exception of summer jobs, most young people in college have no first-hand knowledge of any occupation save that of being a student. A great deal of student concern about the relevance of their education can be attributed to their isolation. Many, perhaps most students lack the experience and sense of adult roles that would help them to see how courses can be relevant."

The Report states that the ability to make career choices improves with off-campus experience. I would translate this to mean that the mixture of work and study contributes a sense of purpose to the student's outlook, and helps to fulfill the expectation that the system has a place for him or her.

The rub here is that there must be choices for off-campus experience in meaningful jobs for students and continuing employment after graduation in jobs of ascending potentials.

But even more vexatious than the sense of isolation of college students, which is substantially mitigated by the cooperative education concept, is the sense of exclusion of disadvantaged young people in the ethnic minorities, the actual discrimination against women from equal career opportunities and the devastating disappointment of college graduates for whom the planned-for career is not available. And finally, in this context, I must also note the shameful treatment of the veterans of the Vietnam War. There were no welcome-home parades with flags and bunting and the bands playing for them. But that was because it was a war we did not win and the people hated it. But the veterans, those who spent part of their youth in the slime of Indo-China, why in God's name should they not have the same chances as everyone else for good jobs and a good education?

Obviously we have a universe of problems which we cannot roll up into one ball of wax under the general heading of a rational manpower policy, for manpower policy must be part and parcel of a national economic policy. I submit that this and previous administrations have imprisoned our economy in a straight-jacket of archaic economic ideas which are totally non-applicable to the present world, and which, in fact, could not include a real manpower policy.

The White House Council of Economic Advisers, the experts in the Office of Budget and Management, the Governors of the Federal Reserve System, the technicians of the Treasury Department are all masters of statistical compilations and econometric models, and they determine policy basically in non-human terms.

In my view there should be only one guiding principle for this nation's economic policy and it is that our human resources are our most precious treasure and that the opportunities must be created for the full expression of the human potential to work, to produce and to create.

I think we must reject any policy which induces unemployment as an anti-inflationary force, which has been the Nixon policy since he took office. It has succeeded only in producing countless victims, without at all halting the relentless rise in prices. Furthermore, there is something dead wrong—morally and economically—with any national policy which defines full employment as a condition in which only a small percentage of the work force is unemployed. To me, full employment means what it says—no unemployment at all, not even the 4% which the professional economists accept as tolerable.

I think the tight money and credit policies imposed by the Federal Reserve Board and encouraged by the White House have been a disaster, which the powers that be refuse to recognize, and which if permitted to continue will result in economic stagnation.

In place of these policies of restraint, I am in favor of stimulating vigorous economic expansion by reducing personal income taxes so as to increase purchasing power, and by a mandatory rollback of interest rates to a level which will open the door again to large scale investment in new housing and other construction, in new plants and equipment, and in new business ventures.

A national economic policy with the welfare of the people at its core should recognize that there is a growing scarcity of jobs in American industry due to the export of American technology, jobs and plant facilities as company after company has sought access to cheap labor and favorable tax conditions abroad. The result is that in such industries as electronic parts and sub-assemblies, machine tools, shoes and apparel, automobiles, and so on and so on, a flight of jobs from America has occurred in increasing volume.

To compound this, we are losing jobs to foreign manufacturers who compete with us in our home markets and overseas with the benefit of various forms of government subsidies and local wage controls.

As many of you may know, I am the co-author of the Hartke-Burke Trade Bill and I am pressing for its enactment over the massive opposition of various special interests who in my opinion place their selfish goals above the nation's needs.

This bill is closely related to the theme of this conference, for it basically seeks to preserve, restore and create job opportunities. It is a complex and technical piece of legislation which has as its main thrust the protection of American jobs against the competition of cheap labor and subsidized exports.

I want earnings of American companies abroad returned here, taxed here and invested here.

I want jobs we have lost abroad brought back here.

I want the flight of American capital halted.

In short, I want to stop the decline in industrial employment in the United States. And, if the opponents of the Hartke-Burke Bill want to call this protectionism—well, that's just another shibboleth and it doesn't bother me at all.

Nor am I timid about the use of tax relief in such instances where it will stimulate the economy and encourage the drive toward full employment.

In 1966 I introduced an amendment to the Manpower Training and Development Act calling for an extension of the 7-percent investment tax credit to apply as well as to investment in job retraining. Now there is an even greater urgency for technologically displaced and disemployed Americans to redirect their skills into other or related occupations, and I plan in this session of the Congress to reintroduce that amendment as part of a needed manpower policy.

A year later, in 1967, impressed by the creative importance of cooperative education, I introduced with the support of 18 colleagues, the College-Industry Cooperative Education Bill which was passed in 1968. This was the precedent legislation that finally resulted in the current enlarged, but I believe, still inadequate, appropriation of $10,750,000 for spreading cooperative programs. The result, as you have heard, will be a rapidly multiplying number of students, in both four-year and community colleges, who will need jobs as the tandem feature of their education.

The appropriation of $10,750,000 in the current fiscal year, and a similar amount for the fiscal year starting July 1, 1974 are not enough. Cooperative education is one area of government funding that has demonstrable success, both educationally and economically. It pays for itself many times over. The taxes alone paid by students on their earnings are about five times greater than the current appropriations.

Just recently, hearings have begun in the Congress on proposed appropriations for cooperative education for the fiscal year beginning July 1, 1975, and more than one leader, including Edward Cole, the President of General Motors, has testified in support of an appropriation of at least $50,000,000. I think this is the least amount this vital development needs for its more rapid expansion, and when this bill reaches the Senate, that is the amount I will fight for on the floor.

The leaders of American industry have the overriding incentive of supporting the mission of cooperative education as one way of reinforcing the hopes of young people that there is a place for them in our system. To provide an additional incentive, Congress should consider the possibility of granting employers a tax credit of 7 percent on the wages paid to cooperative education students for on-the-job educational experience.

Let me, if I may, touch upon some salient points which should bother all of us, and which are closely related to the purposes of this conference, and which ultimately must be coped with in a new manpower-economic policy.

First, and very dear to me, is the problem of the returned Vietnam War veteran, who has been stigmatized and generally cast into the segment of the disadvantaged. As Chairman of the Senate Committee on Veterans' Affairs, I am sponsoring and otherwise supporting a wide range of proposals that will increase veterans' allotments so that continuing education and job training will be possible.

I think there is a place in the scheme of cooperative education for all veterans who want the opportunity for such a work-study experience.

And today, I invite the directors of college co-op programs and the National Commission for Cooperative Education to develop with me a program that can be financed by the Federal Government which will first, prepare veterans for college entries, second, guide them in curricular and career choices, and work for them in appropriate job placements.

Second, I am concerned about the plight of many of our colleges and universities. I am bothered, as you should be, by the reports of rises in tuition costs, the cutbacks in education services, and the menacing financial difficulties, on occasion bordering on bankruptcy, of colleges. When I read that a College of Engineering or a College of Pharmacy has been shut down for want of money, I consider it a national tragedy.

Our colleges must not be allowed to go broke and schools must not be allowed to close down.

To avert this, I plan to introduce a pluralistic approach to providing federal aid to higher education. Later this month I intend to give special attention to the problems of middle-income families who cannot bear the ever-increasing burden of tuition costs.

Finally, and without laboring over too many of our other deficiencies, we have to redress the evil of unequal opportunity for women and the career and education barriers to the young people of our ethnic minorities. Regardless of what you hear about equality and upward mobility, the reality tells a different story.

With regard to the discrimination against women, I think under the Fair Employment Practices Act every major employer in the United States should be subject to a regular, periodic audit of its hiring and advancement policies, and that it should be established by law that employers must, on the basis of merit, give equal pay for equal work, and provide equal opportunity for women to advance to higher positions of responsibility. This process should be undertaken as a regular procedure and not in response to occasional complaints of injustice.

With regard to minority youth, I would welcome the collaboration of the leaders of the cooperative education movement to develop with me a program to be Federally funded to make possible the college entry of such young people. I envision such a program to include preliminary selection and motivation of potential students, pre-college preparation, and Federal scholarships to supplement their off-campus earnings.

These are all important considerations for each of us to weigh as we contemplate the future. Recently, I read an article by Willis W. Harman, director of the Center for the Study of Social Policy at Stanford Research Institute, entitled "Humanistic Capitalism; Another Alternative." Dr. Harman notes that the ability of capitalism to bring about a humane society is held increasingly in question. He asks, in effect, if there is an alternative to the "friendly facism" toward which some observers see us heading. His alternative is a society that embraces an economic policy rooted in human values.

I believe it is part of the continuing story of the quest for fulfilling our goals of a fair and equitable society. Among the questions that have come down to us is our responsibility to provide education for all, a higher quality of working life, and real chances for all those on the fringe, for whom our fine talk about equality and opportunity is still meaningless.

Whatever winds the future blows toward us, our common purpose is to make a commitment to ourselves, to each other and to the nation to make this democracy work, and that we shall have the courage to adopt new ideas and new policies in that most worthwhile of struggles.

Since our concern today is the fate and future of higher education in the United States, I would like to recall for you an item in the last will and testament of George Washington. It is a long document, but not too far from the beginning of it is a passage which suggests how we might celebrate the 200th anniversary of the Republic.

As one of the rewards for his services in the founding of the nation, Washington agreed to accept from the Commonwealth of Virginia 50 shares in something called the Potomac Company, on the condition that he would be allowed to assign the shares to public uses. He said in that connection that he could not accept them for his personal profit since to do so "would be inconsistent with a principle which I had adopted and had never departed from . . . namely, not to receive any pecuniary compensation for any services I could render my country in its arduous struggle with Great Britain for its rights . . ." What a standard of behavior that is!

Washington then bequeathed the fifty shares in the Potomac Company "towards the endowment of a university, to be established within the limits of the District of Columbia, under the auspices of the general government."

That University was never built, and I submit that it should be built. We have three military academies, but none for peace. I think it would be a stirring avowal of our faith in the future if we redeemed the promise of the first of our founding fathers by breaking ground in the year of the bicentennial for the building of a United States Academy for International Peace. I intend to offer the necessary legislation for an authority and funding to establish such a United States International Peace Academy, the building of which to start coterminously with the celebration of the nation's birthday. Its purpose should be to train a new generation of leaders in the discovery and invention of the ways and means to permanent world peace. If we are greatly to celebrate the birth of our nation, let us do so with a bold forward look rather than a backward glance.

Remarks of William S. Pfeifle, President and Chief Operating Officer, the Bank of California, at the Employers' Institute Held in San Francisco, June 5, 1974

Other speakers on our program will deal with such subjects as the national and ubiquitous availability of co-op students: the relationship to the co-op movement to our manpower needs; its effectiveness in implementing affirmative action programs; specific cost-benefit data; and cooperative education and national policy.

For my part, I have one observation I should like to share with you. We are going through a very painful period in the history of our country. The epidemic erosion of confidence in our inherited institutions is constantly aggravated by our seeming inability to solve the massive problems for which we as a people have had little or no previous experience. The energy crisis, the relentless inflation, the violation of public trust, the world's food crisis and its effect on us, our own change from a society of abundance to one of shortage—all these and other dilemmas have combined to create a mood of pessimism among large numbers of people.

But when we learn that hundreds of thousands of young men and women have enrolled—and will enroll—in cooperative education programs as an expression of their ambition to work in our system and to be successful, we have good reason to be optimistic. They are proof positive of an underlying faith in the continuing opportunities our society offers.

The expectations of young America are high, but they must not, under any conditions, be thwarted. They include a desire for higher learning related to the real world and finally the opportunity for employment in creative, meaningful work. The preservation and strengthening of our educational institutions is central to this problem. But tuition costs are rising beyond the reach of many students, while universities themselves face mounting financial need, as one of the destructive effects of inflation. A result has been a decline in enrollment. A decline which is expected to get worse unless the cost of education is reduced. Also occurring is the actual closing of some colleges.

This is an unhealthy condition in the face of our manpower needs with their heavier and heavier stress on professional and advanced technical skills. The strengthening of our higher education institutions and lessening of the cost burden for students should be matters of immediate concern to industrial and business enterprises. This is especially true of companies in high-technology industries, of which California has a very large share. For it is such companies for whom college campuses are the major source of new people. It is of paramount importance to our future growth that this brain resource be nourished and supported.

One of the purposes of this Institute today is to open the lines of communication between employers of California and the colleges and universities which are offering Cooperative Education programs. I myself have only recently gained a comprehensive view of Cooperative Education, and I can recommend with great enthusiasm that you look at it as a very real vehicle by which many of your recruiting needs can be satisfied. At the same time, you will be reinforcing the faith of our youth in the American system, and helping the future development of our colleges. Don't forget, Cooperative students earn money for their work and this helps them meet tuition costs.

Once again the interaction between industry and education can result in a new partnership of significance to both.

Remarks by Stanley E. McCaffrey, President, University of the Pacific at the Employers' Institute, Held in San Francisco, June 5

It is a very great pleasure for me, on behalf of the University of the Pacific, and our fellow sponsoring organizations, to welcome you to this "Employer Institute on Cooperative Education" and we of our University are extremely pleased to be able to join with the National Commission for Cooperative Education and the United States Office of Education in sponsoring this important conference. May I express our deep appreciation, also, to the Northern California business and industrial firms and associations which have joined with us as sponsors. Their assistance and support have been most valuable in making this Institute possible.

The theme of this Institute is "Cooperative Education: The Emerging Manpower Resource." There is a very great deal of discussion these days about "resources," much of it directed toward the energy problem. Largely because of the energy problem, all of us have had occasion lately to think about our resources and to come to have a new appreciation for them. As a nation and as a people, we are blessed with numerous resources, many of which we either take for granted or hardly think of as resources. For example, the intangible qualities of Spiritual Faith, of Honesty and Integrity, are among our most valuable and vital resources and often only in times of emergency do we appreciate them. Of all our resources, however, I think none is more valuable than education. Education enables individuals to lift themselves above even the most humble beginnings to new levels of development and fulfillment, enables a whole society to have a higher level of knowledge, and in general is a mighty force in improving our quality of life.

As we pause to think of our nation's development in this century—or that of our own State of California, for that matter—we must be impressed that education, in general, and higher education, in particular, has played a vitally important role in that progress. Indeed, a strong case can be made that America's supremacy in the world is due to our system of higher education. American higher education is unique in the world. We literally make it possible for any young man or woman to have the opportunity to obtain a college education. That is not the case in Europe, in England, Asia and in most parts of the world. Thus we have not only trained great scientists and scholars but the general level of education of our citizenry is unquestionably higher than of other countries of the world. A young person in this country, regardless of his economic background, his race, creed or color, can obtain the finest education if he or she has the motivation to try and the capacity to take advantage of the opportunity. This, ladies and gentlemen, in my opinion, is a very important key to the progress of our nation and the strength of our society.

The importance of higher education is stressed by Bernard Berelson when he said, "American society *depends* upon American higher education. This has always been true but in recent years it has become more widely recognized and probably more widely applicable. As American society has become more complex and more interdependent, the burdens upon the institutions of higher education have become heavier—the burdens to provide intellectual leadership for the society, to transmit the higher learning from generation to generation, to advance knowledge, to apply knowledge through professional practice, to recruit, screen and develop the leading talent of each generation. The great society of the modern world rests upon trained intelligence, and the institutions of higher education are its sources of renewal."

Thus, I believe you can see why I feel a convincing case can be made that "Our Nation's Greatest Resource" is Higher Education, our colleges and universities.

Now I know that the confidence of many people—undoubtedly a majority of our citizens—in our colleges and universities was seriously shaken in the 60's when activism on the campuses was the order of the day and when violent demonstrations were taking place at so many colleges and universities across the land and indeed, throughout the world. Those were turbulent, terrible days—an extremely difficult period—for colleges, for all associated with them, and for our society. Fortunately, as some times happens, out of all those troubles some constructive things developed. Faculty came to realize that students cared about learning and professors had to devote themselves more to teaching. Relevancy became important. Participation in decision making on the part of faculty and students developed. A sense of responsibility on the part of students and faculty has developed. Today you rarely hear of violence on a campus. Students are more serious, more hard-working, more goal oriented. Whereas during the 60's they pressed for the no-grade, "pass-fail" system, now they work for A's and are disappointed when they don't achieve them. The average student today is looking forward to a career or a profession and is expecting the college or university to prepare him for it.

Let me talk for a moment about the students I know best, those on my own campus at the University of the Pacific. The entering class this past year was one of the brightest in history. They had a high school Grade Point Average of 3.28 (a B+) as compared with the previous entering class average of 3.09. They are hard-workers and professors testify that today's students not only are doing their homework but are eager to learn. There certainly is evidence, too, that they want to prepare themselves for a career, that while they want a general education, they also want to be prepared to undertake a job upon graduation.

Nowhere in the United States or world, for that matter, is there a finer system of higher education than here in our own State of California. We have the combination public-private system which provides a full range of educational opportunities and services and comprises the finest system of higher education anywhere in the world. There is the University of California with its nine campuses, the State College and University system with its twenty institutions, the junior-community college system with now 101 campuses throughout the state, and the independent sector with 52 private colleges and universities. Thanks to the generous support of generations of Californians through legislative appropriations the public sector has been enabled to provide the finest type of higher education at the lowest possible cost and in the University of California has one of the great universities in all the world. The private colleges and universities are also distinguished and have enrolled in them about one-quarter of all the students in 4 year and graduate schools—some 80,000 undergraduates and 45,000 graduates and professional students. These private universities grant annually some 15,000 bachelors degrees, one-fourth of all those awarded in the State, 36% of the Masters, 55% of Professional, nearly 50% of MDs and 41% of PhDs.

Of particular interest to us as we consider cooperative work-study education, are the junior or now more commonly called community colleges. This movement had its principal beginnings and greatest development in this State and today there are 101 campuses throughout California with a total enrollment of over one million students! These 2-year colleges provide college preparatory work for transfer to 4-year institutions and very importantly offer vocational and occupational training in preparation for careers. The community college movement, kindled in California, has now spread across the nation and has become one of the vitally important aspects of the total educational fabric of our nation, providing educational opportunities to any student, regardless of economic background.

California has been blessed with this incomparable public-private system of higher education and there is no question but that the enormous and incomparable growth and development of the State from every standpoint has been made possible in very large measure by our colleges and universities.

As we observe the changes in thinking of young people and of needs of society, I am very much impressed that of the various forms of education, it is now clear that cooperative work-study is the type of education *"whose time has come."* In combining the classroom academic learning with practical on-the-job work experience, cooperative education fulfills the desires of young people to have relevance in their education, provides them the satisfaction of preparing themselves for a career and of assisting them in earning money to achieve their educational goals.

Cooperative work-study education, introduced in 1906 at the University of Cincinnati, is really flowering today. After a slow and gradual development for the better part of this century, the movement has flourished in recent years. Today this form of higher education is being offered by more than 800 colleges and universities across the country. More than 180,000 students are enrolled in these programs and are employed by cooperating employers in 5,000 locations. It is estimated that with the accelerating expansion of this type of education, in the near future there will be half a million students participating in some form of cooperative work-study program! In Northern California, the University of California at Davis has a well-developed cooperative work-study program and Chico State is moving strongly into this field.

We are proud that at our University of the Pacific we have been engaged in several forms of cooperative work-study programs for some years. While our Engineering program is best known, we also have a well-developed program in the form of internships in our School of Pharmacy. Under this plan, our Pharmacy students undertake jobs in pharmacies and in other health care settings, performing the practical jobs of pharmacists and expanding their knowldege of pharmacy beyond the classroom through this practical on-the-job experience. We know our Pharmacy School graduates are well prepared when they obtain their degree, both because of the excellent academic preparation they have received but also as a result of the excellent training they have received in pharmacies, in hospitals, in clinics and other professional assignments.

Cooperative work-study has expanded beyond engineering, business administration and the professions, like Pharmacy, into the liberal arts and that is where the greatest opportunity and need exist today. In our Raymond College, established fourteen years ago as the first cluster college in the United States, we see extremely interesting developments in this regard. Raymond has historically been an innovative college with a great deal of emphasis on independent study and the liberal arts. Gradually in recent years, in response to the desire of students to gain practical work experience of a real and relevant nature, Raymond has been developing internships which are both popular and valuable. We today find Raymond students working as internes for Congressmen, in Federal, State and local governmental agencies, on business assignments in banks and insurance companies, in journalism and for other media, and many of these internships provide not only practical work experience but lead to permanent job opportunities. One of our Raymond graduates of this year, for example, Deborah Nikkel, had an internship with the *Christian Science Monitor* in Boston and so favorably impressed her employer by her proformance that she has been employed by that distinguished newspaper on its regular staff.

But it is in our School of Engineering that we find what is a classic cooperative work-study program. Under it, students spread their four years of engineering study over five years and have actual work experience totaling 16 months in three or four work periods during that five years. Incidentally, students earn an average of $600 a month while working and a total of $10,000 during the 16 month work experience. Most importantly they gain invaluable on-the-job training which enables them both to be placed more readily in engineering jobs, and to be better prepared for undertaking their careers.

Every engineering co-op student is expected to "carry his own weight" and be a productive employee in each of the co-op assignments. Thus our students do fill a critical need for the employers by performing necessary and useful tasks within the companies. On the other hand, the companies are contributing substantially to the welfare of the university and the student by virtue of the salaries paid by the employers to the students. During the three years since our co-op program was started, engineering students have had a total of 203 co-op assignments—each of which last for approximately 4 months. In these 203 assignments engineering students have grossed $515,392.00 in salaries. It is perfectly clear that employers have thus contributed, in return for services rendered, more than one-half million dollars to enable students to continue their engineering studies here at UOP. Also noteworthy is that minority students represent more than 13% of the total placements. More than sixty employers are participating with us in this program representing small, large, private, public, research, design, construction and production oriented firms. Graduates of this program, as a result of their classroom academic preparation and practical on-the-job experience, are not only in the favorable position of having tangible job offers but even more importantly are truly prepared to undertake the challenging responsibilities of today's engineer to solve engineering problems and make a constructive contribution to building a better life tomorrow.

Cooperative work-study education is a program which has very real benefits for all who participate, the student, the university and the employer. It is one of those rare activities where "everybody gains and nobody loses." It makes so much sense that one wonders why it has taken so long to be recognized for its values. But it is clear that such recognition has arrived and that there will be enormous development of these programs in the years immediately ahead. To you as employers, as well as to those educators present, I heartily commend this program to you. You will hear testimony today as to the values of the program to employers and certainly there is every evidence from the experience of others that these values are real. But, as in most things in life, the best and only way in which you will really be able to know these values is to participate in the program. If and when you do, you will find that you, as an employer, will benefit, and you can also have the very real satisfaction of knowing that you are playing a vital part in the growth and development of individual lives. And it is pretty hard to gain a greater satisfaction than that.

In a talk given by the late Alfred P. Sloan, Jr. shortly before his death, he called attention to the joint role of education and the corporate enterprise by saying: "When the annals of our time are recorded, it will most likely be found that the two greatest contributions of our time have been the U.S. university and the U.S. corporation; both mighty forces, both uniquely American. If these two forces," he continued, "can go forward together in understanding and cooperation, there is perhaps no problem beyond their joint power for resolution. If, however," he added, "they choose to go their separate ways, there is no solution of any problem affecting either that is likely to be long lasting."

I am confident that our universities and our leaders in business and industry share more than ever the responsibility and obligation to repair and strengthen the very fabric of our society. And I know of no way in which we can better work together for our mutual benefit, for the enriching of individual lives and for the strengthening of our society than through cooperative work-study education. Here is a great opportunity for all of us. Let us seize it and by our devoted and dedicated efforts, together, enable our nation and society to move forward to achievements for the betterment of mankind.

REPORT BY DR. CHARLES C. HALBOWER, HEAD, EDUCATIONAL MANAGEMENT GROUP, ARTHUR D. LITTLE, INC., ON "DOCUMENTED EMPLOYER BENEFITS FROM COOPERATIVE EDUCATION," PRESENTED AT BOTH THE ALBUQUERQUE AND SAN FRANCISCO EMPLOYERS' INSTITUTES

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The objective of this study was to identify, document and, where possible, quantify the benefits selected employers derive from their cooperative education programs. It was planned as the first and pilot stage of a two stage nationwide study. The purpose of the overall study is to stimulate and support a significant nationwide expansion of cooperative education.

Basic to the purpose of the overall study effort are the following premises:

(1) College students and educational leaders are increasingly appreciative of and involved in cooperative education. Several studies have documented the value of cooperative education to students and to educational institutions. From the end of World War II to 1973 the number of collegiate institutions offering cooperative education programs increased from approximately 43 institutions to over 566 colleges, universities and community colleges. The number continues to grow.

(2) The Federal government is committed to a significant expansion of cooperative education programs that meet desired criteria. Under provisions of the Higher Education Act of 1972 Congressional appropriations to support the Cooperative Education Program increased from $1.7 million to $10.75 million for 1973–74.

(3) Expansion of cooperative education on the scale suggested above will require significantly greater participation on the part of the nation's employers. This must include involvement of increasing numbers of employing organizations not now hiring cooperative education student employees together with broader and more extensive utilization of cooperative education programs by employers now only modestly involved.

(4) Essential to the significantly greater participation of employers in cooperative education is their understanding of the several ways cooperative education can benefit them.

(5) Very little systematically researched and publicly available data exist regarding employer benefits from cooperative education.

Therefore, as the first step in the effort to engender significantly greater participation of employer in the desired nationwide expansion of cooperative education, it was decided to research and document the benefits actually being derived from cooperative education by a small sample of employing organizations known to be effectively managing their cooperative education programs. This new research-based information could then be utilized in subsequent efforts to inform the nation's employers of ways they too might benefit from more extensive or perhaps more purposefully managed cooperative education programs.

Northeastern University officials, leaders in the cooperative education movement for many years, identified the need for such a study and conceptualized its broad outlines. They contracted with and funded an Arthur D. Little, Inc., study team to carry out the first stage of the study. This report is the principal product of that commitment.

This report is organized as follows. The Introduction offers background information concerning this study: brief comments on the development of cooperative education; a discussion of the need for this study, its conceptualization and its sponsors; and a description of the study team composition and relationships with Northeastern University officials. Chapter II discusses the selection of employer to participate in the study; and it briefly describes the six employing organizations and comments on their cooperative education programs. Chapter III presents in some detail the results of our analysis of each of the benefits the six employers are deriving from cooperative education. Chapter IV discusses a number of policy level and operational level issues concerning the management of cooperative education programs by employers, and offers several recommendations for optimizing employer benefits from cooperative education.

The remainder of this chapter presents a summarized discussion of the study design, a brief summary of each of the benefits being derived from cooperative education by the six employers, and a list of employers' situational difficulties in which cooperative education would appear to be specifically beneficial.

A. The study design

To produce the information and analyses desired in this study the "case study" approach was adopted. The subjects of the case studies were a small number of employing organizations of various types and sizes whose cooperative education programs differed in the length of time they had been in operation and in ways they were utilized and emphasized. A sample of six (N=6) was agreed upon as being both adequate for the intended purpose and manageable within time and budget constraints.

Important characteristics common to each employer to be considered for inclusion in this study were established as: (1) a policy level commitment to cooperative education based on conclusions by management that cooperative education was beneficial to that organization; and (2) recognition by knowledgeable cooperative education leaders in educational institutions that the employer was managing its cooperative education program so as to derive several benefits from it. Characteristics we sought to vary among employers selected for study were those of size, economic sector and type of activity, and duration of the cooperative education program. After considerable exploration and discussion, the following six employing organizations agreed to participate with us in this study:

General Electric Company.
Xerox Corporation.
Pioneer Cooperative Bank.
Liberty Mutual Insurance Companies.
Social Security Administration.
Wellesley (Massachusetts) Public School System.

In planning the case studies of the six participating employers, we reviewed the literature on cooperative education to ensure that our explorations of employer benefits would cover the full range of potential benefits suggested or referred to in the literature. Our task then was to define those potential benefits in operational terms and to specify those data to be collected and analyzed so that we could determine whether, and the degree to which, those potential benefits were being realized. These definitions and specifications were then utilized in constructing standard data collection instruments to be applied where feasible in the case study of each employing organization.

Within each of the six participating organizations we interviewed policy level officials and those most directly involved in administering the cooperative education programs. We collected background information about the organization, its personnel administration and personnel data system, the history of its cooperative education program, and the way its cooperative education program is now managed and utilized for various purposes. We obtained judgments from interviewees on a broad and largely predetermined set of issues and questions concerning their cooperative education programs; and we pressed for "hard data" that would support or qualify the interviewees' conclusions. In particular, we sought information from each employing organization that would permit comparative analyses of the relative costs and benefits of utilizing its cooperative education program to achieve certain ends versus the costs and benefits of utilizing alternative means or programs to achieve the same ends.

For each employing organization we constructed a profile of the specific benefits the organization was attempting to derive from its cooperative education program, together with whatever evidence was available to document whether or not, and to what degree, those benefits actually were being derived.

It became apparent that similar benefits to employers from cooperative education were occurring in each of three definable stages or time phases, and that some employers were managing their cooperative education programs to derive benefits more in some time phases of their cooperative education programs than in others. Therefore, we decided to present and discuss each benefit separately, in the time phase in which it typically occurred, and to indicate which employer was obtaining that particular benefit and how.

A draft of our conclusions about the benefits that each employing organization was deriving from its cooperative education program was sent to a representative of that organization for review prior to including that information in this final report.

B. Benefits to the six employing organizations

Employers can derive benefits from their cooperative education programs in one or more of three generally definable time phases: (1) the preprofessional employment phase; (2) the recruitment, selection, orientation and initial training phase; and (3) the permanent professional employment phase. Chart 1 on the next page defines those phases and indicates employer benefits possible in each of those time phases. Each of these time phases of cooperative education is discussed below together with a summary of the benefits employers realize from cooperative education in each phase.

1. The Preprofessional Employment Phase

Benefits in this first phase are derived from the employment of cooperative education students as they alternate periods of academic study with periods (workblocks) of actual work experience in jobs related to their career development. This phase begins with the student's first workblock with an employer and continues until the employer decides that the student is a good candidate for "permanent" employment. This decision usually is made in the student's final workblock, although employers increasingly are making and acting on this decision earlier (in the student's next to the last workblock), especially when the student is a particularly attractive candidate for permanent employment. If the employer decides not to offer employment to the student upon graduation, the employer can still benefit from effective utilization of the student employee through his or her final workblock.

There are at least four specific types or classes of benefits that employers can derive from their cooperative education programs in this first Preprofessional Employment phase. However, employers differ in the ways they manage their cooperative education programs. Some manage their programs purposefully to derive all four types of benefits, or to stress the yield from some of the four types of benefits more than from others. More typical, apparently, is a focus on deriving two or perhaps three types of benefits. And of course, employers differ in the ways and the degree to which they exploit particular benefits within each type or class of benefits.

CHART 1.—*The phases of cooperative education in which employer benefits occur*

PHASE 1. PREPROFESSIONAL EMPLOYMENT

Definition

The period begins with the first workblock and extends up to the last workblock of the employed co-op student. Phase ends when the employee seeks and the employer considers permanent employment.

Benefits

a Good source of manpower (Preprofessional or Paraprofessional)

b Generates professional released time

c Improves the personnel selection process

d Enhances relations with colleges and other students

PHASE 2. RECRUITMENT, SELECTION, ORIENTATION AND HIRING

Definition

The phase includes the last workblock of co-op student employment through completion of orientation to entry level employment. The orientation can include either formal or informal training. Phase ends when the co-op student is hired full-time *and* becomes "permanently" responsible to the supervisor for the quality of his work.

Benefits

a Facilitates entry level recruiting

b Facilitates assessments of employee quality and promotability or advancement potential

c Improved access to and by minority employees

d Improved cost-benefits in recruitment and training

PHASE 3. PERMANENT PROFESSIONAL PLACEMENT

Definition

The period includes at least the first three years of permanent employment. The end point of this phase is not clear from our study but needs to be established. It extends to that time beyond which differences in value or performance of employees cannot be attributed to whether or not they are former co-op students.

Benefits

a Longer average retention (lower attrition)

b High quality employees

c More rapid advancement

This study reveals that in the Preprofessional Employment phase, employers derive the following four types of classes of benefits from their cooperative education programs:

(1) a good source of paraprofessional or preprofessional manpower;

(2) the generation of professional released time;

(3) contributions to improving the personnel selection process; and

(4) fostering effective relationships with colleges and enhancing the overall effectiveness of college recruiting.

Each of these types or classes of benefits is discussed briefly below and in more detail in Chapter III. Also indicated below, and treated at greater length in Chapter III are those employing organizations that purposefully and demonstrably capitalize upon each of these potential benefits.

a. A good source of paraprofessional or preprofessional manpower

The employer benefit most commonly derived from cooperative education programs is obviously that of utilizing cooperative education student employees as a good source of paraprofessional and preprofessional manpower. Some employers designate specific positions or "workslots" as "Co-op positions." Those positions are then filled constantly by cooperative education students alternating between their workblocks and their periods of academic study. Employers also utilize cooperative education student employees in a series of specific, short-term tasks which may not constitute a defined "position" but which capitalize on the students' particular levels of knowledge, intelligence, and skill. Employers benefit most from this mode of utilizing cooperative education student employees when they purposefully design these positions and select tasks so that they make genuine, meaningful contributions in achieving organizational objectives. Increased benefit also depends on the care with which cooperative education student employees are placed in positions which make optimum use of their capabilities as they grow with additional experience and learning.

Important in the economics of cooperative education study employee utilization is the determination of pay scales and fringe benefits for such employees. Most cooperative education students are paid according to the salary levels for specific job classifications which take into account not only the job demands but also levels of education and prior work experience of the employee. Employers generally pay cooperative education student employees at the same salary level they would pay other new "permanent" employees in the same positions or job classifications. While they find that "permanent" employees in those positions usually become more efficient in the more routine functions of the job (because of longer experience in the jobs), they also find that cooperative education students in those positions usually learn faster and better.

Two major economic benefits to employers are derived from the typical differential cost of cooperative education positions versus "permanent" positions. A permanent employee in a given paraprofessional or preprofessional position typically advances up the salary scale annually or on some other basis of "time in grade," even though the position requirements do not change. However, the salary for that same position can be maintained at the same level for longer periods (or with only cost of living adjustments) by rotating cooperative education student employees into that position. In addition, the fringe benefits of permanent employees typically cost significantly more than those of cooperative education student employees who fill equivalent positions, since they are often classified as "term" or temporary employees, or as employees who regularly go on "leave without pay."

All six employing organizations managed their cooperative education programs so as to derive benefits of this type or class. Some employer representatives believe that their programs could be economically justified solely from benefits of this type. However, because of data limitations it was not possible to carry out systematic comparative cost analyses to document the extent of such benefits.

b. Generation of professional released time

Four of the six employers (General Electric, Xerox, Social Security Administration, and the Wellesley Public School System) utilized their cooperative education programs to derive incremental value from their cadre of permanent professional staff. This type of benefit is made possible by: (1) pairing cooperative education student employees with professional staff who utilize the student employees as assistants to carry out the less demanding elements of their jobs; or (2) redefining professional level positions to focus more exclusively on professional level tasks, and complementing those positions where necessary with closely related paraprofessional or preprofessional level support positions to be filled by cooperative education student employees with appropriate knowledge and skill. This permits more work of greater value to be accomplished by the higher paid professional staff. The less demanding tasks can be carried out more economically by the lower paid cooperative education student employees under the guidance of the professional staff.

It is obvious that careful and purposeful personnel administration is required to generate professional released time from the utilization of cooperative education student employees, especially if benefits of this type are to be maximized. The realization of this employer benefit also tends to benefit additionally the cooperative education student employees through the purposefully closer working relationships with professional staff, a highly valued learning opportunity.

While four of the employers demonstrated the steps they have taken to realize this potential and obvious economic benefit from cooperative education, none had "hard data" available to quantify this benefit.

c. Contributions to improving the personal selection process

Cooperative education programs provide unique opportunities for both the prospective employer and the prospective permanent employee to evaluate each other in terms of an appropriate "match" for possible permanent employment. The unique value of such opportunities lies in the "reality" features of what amounts to actual trial employment in a mutually beneficial arrangement without long-term commitments by either party.

The student employee gets a reality-based understanding of job requirements, style of supervision, organizational "climate," and opportunities for satisfying work and advancement. Important to both employee and employer, the cooperative education student employee has a unique and early opportunity to explorse and assess the appropriateness of his chosen career and thus the appropriateness of his academic major or specialization.

The employer has an opportunity to evaluate the performance of the student employee on the job and with respect to various tasks and functional requirements. Such on-the-job performance evaluations permit significantly more effective screening of potential candidates for permanent employment than is possible with alternative procedures limited to the evaluation of candidates' grade averages, test scores, extracurricular activities, and reference checks. Employers who manage their cooperative education programs so as to capitalize on these reality-based performance evaluations can improve the validity of their selection decisions and reduce the incidence and the cost of bad selection decisions.

Five of the six employers in this study manage their cooperative education programs purposefully to benefit from opportunities afforded to improve their employee screening and selection process. Those employers are: General Electric, Xerox, Pioneer Cooperative Bank, Social Security Administration, and the Wellesley Public School System. Three of those five employers had specific data available to demonstrate the realization of this benefit.

d. Fosters effectiveness of college relations and the overall college recruiting effort

Four of the six employers in this study (General Electric, Liberty Mutual, Pioneer Cooperative Bank and Social Security Administration) utilize their cooperative education programs as vehicles for fostering interaction with participating colleges and for enhancing the effectiveness of their overall college recruiting. Cooperative education programs provide employers with specific contacts and means for communicating regularly with the institutions about changing personnel requirements, including possible new functional or knowledge or skill requirements in specific occupations and industries. This feedback permits teaching faculty to modify the content of certain courses or the options that might be offered in standard programs. This feedback also enables career counselors and faculty advisors to be more realistic in the counseling and guidance of students regarding career opportunities and related academic preparation. Such feedback and its effects benefit the college, its students, and eventually the employer.

An even broader or more general potential employer benefit from participating in cooperative education programs is the enhancement of the employer's overall college recruiting effort. Faculty advisors, college counselors and cooperative education coordinators can do a much better job of accurately advising students about employment opportunities and requirements when they are familiar with the employment situations of specific employers. Interactions concerning cooperative education programs can produce that familiarity. And finally, and quite important to some employers, cooperative education student employees satisfied with their work experiences can be effective promoters of their employer in contracts with other students.

2. The Recruitment, Selection, Orientation and Initial Training Phase

Employer benefits in the second time phase of cooperative education are those incremental advantages afforded in the recruitment, selection, orientation and initial training of "new college hires," i.e., college graduates hired into entry level professional positions. This phase typically begins with the last workblock of cooperative education students employment, although it may begin earlier in the student employee's next to last workblock, especially if the "co-op student" is a particularly attractive candidate for permanent employment. It begins operationally with the employer's identification of likely candidates for permanent employment from a review of the performance evaluations of cooperative education student employees. It includes the mutual exploration of possible entry level positions, the negotiation of a mutually acceptable employment agreement, and the orientation and training of the "new hire" for the "permanent" position.

There are at least four specific types or classes of benefits that employers can derive from this phase of their cooperative education programs. Some employers manage their programs so as to realize or emphasize more of these potential benefits than is the case with other employers. These four potential benefits include:

(1) the facilitation of professional entry level recruiting;

(2) the facilitation of assessments of employee quality and promotability;

(3) improved access to and by minority employees; and

(4) improved cost/benefits in orientation and initial on-the-job training.

Each of these benefits is discussed briefly below and in greater detail in Chapter III. Indicated below, and treated at greater length in Chapter III, are the employing organizations that demonstrably capitalize upon each of these potential benefits.

a. The facilitation of professional entry level recruiting

Five of the six employers in this study (General Electric, Xerox, Pioneer Cooperative Bank, Social Security Administration, and the Wellesley Public School System) demonstrated evidence that they manage their cooperative education programs to facilitate professional or college entry level recruiting. Among those five employers this "facilitation" was demonstrated in different ways and produced various advantages over alternative modes of college entry level recruitment. Some of these advantages were obviously more "economic" than others. However, none of the employers maintained cost data which would permit documentation of the extent of the cost/benefits of recruiting entry level professionals from their cooperative education programs versus other modes of recruitment.

Most of the five employers demonstrated that the "yield" per employment offer (acceptances of permanent employment as a percent of offers) is significantly higher for cooperative education students than for college seniors recruited in other ways.

Another demonstrated advantage of recruitment and selection from cooperative education student employees is that line managers and supervisors participate earlier and more meaningfully in the process than characteristic of other modes of recruitment and selection. The on-the-job performance evaluations of "co-op employees" by the line managers and supervisors and their participation in the hiring process enhance the specificity of job offers and the confidence with which they are made.

The cooperative education student employee is much more aware of employer requirements and specific job requirements in that organization than an employment candidate recruited directly from campus. Thus he can make more informed career decisions and even more valid choices among possible job openings in the employer's organization. At least for some employers this appears to result in higher job satisfaction as indicated by reduced turnover and transfers.

One employer, the Pioneer Cooperative Bank, elected to utilize its cooperative education program as its sole college recruitment vehicle. This decision was made partly on the basis of comparative costs of various modes of recruitment and partly because of the desire to minimize potentially costly errors in selection of personnel to be developed as the Bank's middle mangers.

b. The facilitation of assessment of employee quality and promotability

Four of the six employers (Xerox, Pioneer Cooperative Bank, Social Security Administration, and the Wellesley Public School System) purposefully manage their cooperative education programs to realize the benefit of being able to assess and forecast employee quality and promotability accurately.

Xerox utilizes cooperative education student employee performance evaluations as a primary factor in its decisions to offer permanent employment; and offers are usually made only if the evaluations suggest that the candidates will meet entry level requirements. Pioneer Cooperative Bank uses its teller positions (most of which are "co-op positions") as on-the-job training and selection experiences to determine which individuals will be further trained and developed as middle managers in the Bank. The Social Security Administration's cooperative education "Access Program" is designed specifically to train, evaluate and retain only those student employees who will qualify for entry-level professional positions upon graduation from college and completion of the program, and then be assured of progress up the career ladder from entry-level positions of GS–5 or GS–7 to the GS–10 or GS–11 level. The Wellesley Junior High School generally hires inexperienced teachers only if they have had a prior work experience in the school. This policy was adopted to facilitate selection of high-quality teachers capable of qualifying for tenure through the use of first-hand, on-the-job performance evaluations.

c. Improved access to and by minority employees

Two of the six employers in this study (Liberty Mutual and the Social Security Administration) purposefully and demonstrably utilize their cooperative education programs to improve access to qualified minority employees and to improve access to professional level jobs for qualified minority student employees. In 1973 the Social Security Administration's Program Access involved 208 cooperative education student employees, of which 60 percent were members of minority groups. Of the 24 students successfully completing the program since its initiation in 1972, 22 were hired as entry-level professionals and exactly 50 percent of those hired were members of minority groups.

Three other employers recently have taken action to facilitate the hiring of minority employees through their cooperative education programs. Of all the cooperative education student employees of General Electric 41 percent are members of minority groups and 18 percent are women.

d. Improved cost/benefits in orientation and initial training

None of the six employers in this study maintained the comparative cost data and quantified estimates of benefits regarding those aspects of personnel administration that would permit straightforward analyses of the degree of cost/benefit being derived from their cooperative education programs. However, two of the employers with relatively new programs (Pioneer Cooperative Bank and the Social Security Administration) maintained data which permitted the determination that a positive relationship existed between the benefits and costs of certain aspects of their "co-op programs" when compared with similar aspects of alternative programs. That was true of the cost/benefits of orientation and initial on-the-job training, especially when the factor of significantly increased retention in entry-level "permanent" positions was considered.

With the exception of the Wellesley Public School System, employers in this study judged their cooperative education programs to be more cost-effective than alternative programs in the orientation and training of employees for their initial entry-level positions in permanent employment. There was no doubt that the understanding of an organization's operations, management processes, job requirements and "product lines" was superior and less costly to produce for cooperative education student employees selected for permanent positions than for direct hires from campus. Pioneer Cooperative Bank and the Social Security Administration were able to document that advantage. In addition, Liberty Mutual can offer permanent employees hired from its cooperative education program a starting salary of up to $1,000 a year more than it offers other entry-level new college hires. It is believed that this represents the "value added" from the orientation and training experience of the cooperative education student employee.

3. The Permanent Professional Employment Phase

Employer benefits in this third time phase of cooperaitve education actually are advantages the employer derives after the former cooperative education student employees have been hired and placed as permanent employees. The time phase lasts until the value of such employees no longer can be attributed to whether or not they were cooperative education students. This time period is estimated to be of at least three years' duration and probably not more than five years, but it has not been established through systematic research.

At least three types or classes of benefits appear to be realized from cooperative education by at least some employers in this third time phase. They include:

(1) longer average employment (higher retention or less attrition);

(2) high staff quality, as measured by performance appraisals; and

(3) high potential for advancement or promotion.

a. Higher retention (less attrition) of former cooperative education student employees

Three of the six employers in this study (Xerox, Social Security Administration, and the Wellesley Public School System) maintained a personnel information system which would permit comparative analysis of the retention of permanent employees who are former cooperative education student employees versus those who are not. In the Social Security Administration, retention of former cooperative education students in almost a year of entry level professional employment is significantly higher than that of other new college hires. In the Wellesley Junior High School 100 percent of new teachers hired from the pool of former cooperative education student employees were eligible for tenure after three years of employment. However, this was not significantly higher than the retention of other new teacher hires, all of whom had prior work experience in the school. Analysis of available data showed that in the Xerox Corporation retention of former cooperative education students was not significantly different from the retention of other entry level new college hires.

b. Potential for advancement or promotion

The cooperative education programs of four of the employers in this study have existed long enough to have some information on the comparative rate of advancement (promotion) of former "co-op students" versus those who are not. However, their personnel information systems do not readily permit such comparative quantitative analyses. The Pioneer Cooperative Bank and the Social Security Administration will be able to carry out such comparative analyses in two to three years.

The Wellesley Junior High School represents the only source of data available for such a comparative analysis, and then only if achieving tenure is regarded as "advancement or promotion." All nine former "co-op students" hired as starting teachers in the Junior High School have been awarded tenure. However, this is not significantly higher then the rate of tenure award for teachers also who had prior work experience in the school but were not former "co-op students."

c. Staff quality as measured by performance appraisals

Of the six employers in this study only the Xerox Corporation had both: (1) a cooperative education program of sufficient duration to place graduates in permanent employment long enough to receive systematic performance evaluations; and (2) a personnel information system which permitted comparative analysis of the performance evaluations of former "co-op students" versus other new college hires who were not. Analysis of the Xerox data showed no significant differences or systematic trends in the performance evaluations of the two groups of permanent employees.

Both the Pioneer Cooperative Bank and the Social Security Administration have relatively new cooperative education programs, and both will be able to make those comparative analyses of performance evaluations shortly.

Other indicators of "staff quality" can be used in such a comparison. While Liberty Mutual's data base does not permit quantitative measurement and analysis of the starting salaries of new college hires, the company frequently starts former "co-op student employees" at a somewhat higher salary (up to $1,000 a year) than those without the prior work experience in the organization. Also data from the Wellesley Junior High School show that teachers who are former "co-op students" have consistently been awarded tenure after three years of teaching experience as contrasted with a slightly lower rate of tenure awards among other beginning teachers.

Available data from General Electric regarding salary progress (i.e., rate of salary advancement) do not show a consistent difference or trend between former "co-op students" and those who are not.

Chart 2 summarizes the findings of our study. It shows that among the six employers in our study, more benefits are being derived from the earlier time phases of cooperative education than from the last one. Also, it shows that some employing organizations manage their cooperative education programs purposefully to realize a broader spectrum of benefits than do others. The next section summarizes and highlights a range of situational problems or difficulties in which cooperative education was found to be helpful.

CHART 2.—DOCUMENTED[1] BENEFITS OF COOPERATIVE EDUCATION

Phases and benefits employers receive	Employers[2] participating in the study					
	1	2	3	4	5	6
1. Professional employment:						
A. Manpower: preprofessional, paraprofessional	×	×	×	×	×	×
B. Professional released time	×	×			×	×
C. Improved selection process	×	×		×	×	×
D. Enhanced college relations	×		×	×	×	×
2. Recruitment, selection, orientation, and hiring:						
A. Facilitates entry-level recruiting	×	×		×	×	×
B. Promotability more accurately determined		×		×	×	×
C. Improved access to and by minority employees			×		×	
D. Improved cost/benefits in orientation and training			×	×	×	
3. Permanent professional employment:						
A. Higher average retention	Same				×	Same.
B. Potential for advancement				?	?	Same.
C. Staff quality (as measured by performance appraisals)	Same					Same.

[1] Benefits shown here are limited to those we were able to verify from interview information and from records of implemented activities. Some employers have recently implemented activities the results of which are not yet available for analysis.

[2] Legend: 1=General Electric Co., 2=Xerox Corp., 3=Liberty Mutual, 4=Pioneer Cooperative Bank, 5=Social Security Administration, 6=Wellesley Public School System.

C. Problems cooperative education can help ameliorate

Listed below is a range of situational problems or difficulties frequently encountered by employers which an effectively managed and coordinated cooperative education program help ameliorate. We suggest that if employers are confronted by one or more of the following problems, they consider cooperative education as one approach to improving their situation.

Cooperative education can be helpful if:

1. There is a need for a stable and prescreened source of intelligent and upwardly mobile preprofessional or paraprofessional manpower.

2. There is a need for more economic and flexible utilization of preprofessional level manpower.

3. There is a need to derive greater value from the work of professional level employees by permitting them to focus more exclusively on more professional demanding tasks.

4. There is a need to improve the quality (validity) of the screening and selection decisions about new college hires.

5. It would be useful to enhance the quality and extent of relationships with colleges from which graduates are recruited.

6. It would be useful to have college faculty, counselors and students be more knowledgeable of employment opportunities in your organization.

7. There is a need to improve the "yield" from employment offers and reduce the cost of campus recruitment.

8. There is a need to improve the promotability, or at least the assessment of promotability, of new college hires.

9. There is a need to improve access to the employment of qualified minority employees, and to increase access to professional level jobs by members of minority groups.

10. There is a need to reduce the cost of orientation and initial training of new college hires.

11. There is a need to reduce early attrition and turnover among new college hires.

12. There is a need to maintain high quality of new permanent professional level employees.

THE CONSUMER PROTECTION AGENCY ACT SHOULD BECOME LAW

Mr. RIBICOFF. Mr. President, legislation creating an independent Consumer Protection Agency, S. 707, was reported favorably by the Committee on Government Operations on May 28. The legislation is about to be considered once again by the Senate.

In anticipation of that event a minority of the Committee of Government Operations filed separately, on May 29, minority views on this legislation. I would like to take the opportunity today to answer some of the points raised in the minority views. I believe that this bill should rise or fall on its own merits. Once all the Members have an opportunity to study the issues at hand an overwhelming majority will support it. It is my hope that this statement, in addition to the detailed description of the bill's provisions contained in the majority report—Senate Report 93-883—will be of some help to the Senate in considering this legislation.

To summarize the points I will cover in detail, I disagree with the minority views for the following reasons:

The CPA will not be just another large Government bureaucracy seeking to regulate how people live and work.

In size it will be small by any relative standard.

In its powers, it will operate only as an advocate with no regulatory power.

It cannot force an agency to take any action, nor force any company to do business in a certain way.

As the minority views concede, the agency will seek chiefly to assure that consumer's interests are heard in major Federal regulatory proceedings.

The CPA can intervene in agency proceedings only to advocate the interests of consumers. And it may only intervene in agency proceedings in a way that does not disrupt the agency's functions. It will not be entitled to constant status reports. It will not be able to interfere with the Government's national security functions.

The CPA can intervene as a formal party in formal agency proceedings, but subject to all the restrictions and rules to which any other party is subject. Intervention by the CPA under such conditions will not endanger the due process rights of other parties.

The CPA will have the power to appeal in court final agency decisions affecting the consumer. But the bill does not increase the number of agency decisions that can be reviewed by a court, nor does it alter the extent of such review. Courts will continue to afford great deference to the decisions of other agencies. The CPA's arguments will be treated like the arguments of any advocate. Judges will not be reduced to confusion by the presence of a second Government agency as a party, but rather helped in reaching its decision, just as they have been often helped in the past when two Government agencies have appeared in court on opposite sides of an issue.

The CPA's actions will be subject to judicial review by any party injured by the CPA's actions. Nothing it does—including its findings that a particular matter substantially affects the interests of consumers—will be beyond challenge. The whole scope of the CPA's activities will be largely governed and limited by the interpretation and rulings made, not by itself, but by other agencies.

The CPA will have certain information gathering and disclosure powers. But they are governed by numerous restrictions I will later list in detail. Its information-gathering powers are far less than most agencies have. It can subpena no one, nor can it inspect the records of any business. The number of persons to which it can even send questions is limited. It can in no way harass small businesses or private citizens. While the CPA, like any other agency, will be able to obtain certain relevant information from other agencies, it will not be able under any circumstances to disclose such information to the public.

While certain business interests have been active in opposition to this legislation, the Senate is also beginning to hear from the people, and their representatives on the State and local level. They leave no doubt that the people see this legislation, not as a threat, but an important safeguard for their interests. I ask unanimous consent to print in the RECORD at the conclusion of my remarks telegrams or resolutions of support from 32 State Governors, from the U.S. Conference of Mayors, and the National Association of Attorneys General. I also ask unanimous consent to print a list of some of the national, State, and local organizations and groups endorsing the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

I. THE CPA WILL NOT ACT LIKE A REGULATORY AGENCY

Mr. RIBICOFF. Before discussing some of the more specific points raised by the minority views, I wish to emphasize that the CPA will have no power to regulate any business activities. The minority views refer to the agency's "insidious" or "predatory" powers; its ability to "usurp" the congressionally mandated responsibility of other agencies; its ability to "order" agencies to take action; and its ability to "disrupt the priorities of any administration." These words are inappropriate. The CPA will be an advocate. It will not be a regulatory agency. It will not be able to assure that its views ever prevail. It will not be able to dictate to any other Federal agency. Any change in Federal Government policy effected by this act will come about because another Federal agency agrees with the views the CPA takes, or because a Federal court agrees with the CPA that the Federal agency has been acting unlawfully. So as to leave no doubt about this point, section 3(2) of the bill provides that the CPA's authority:

> Shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

Whatever substantive standards have governed the conduct of agency proceedings in the past will continue to govern. The primary purpose of this bill will be to increase advocacy of consumer interests in agency proceedings substantially affecting consumer interests.

II. CPA WILL NOT HAVE THE POWER TO DISRUPT THE FUNCTIONS OF OTHER FEDERAL AGENCIES

The minority views argue that the CPA's right of intervention or participation in Federal agency activities will inhibit Federal agencies in carrying out their functions. The minority views construct a hypothetical example to buttress that argument—an example which concludes that a representative of the CPA would have to accompany the Secretary of State to the Mideast each time he conducted oil negotiations with Arab leaders.

The Consumer Protection Agency Act would not, in fact, permit this to happen.

A. THE CPA'S RIGHT TO SUBMIT VIEWS IN INFORMAL AGENCY ACTIVITIES

First. Section 7(b) of the bill provides that the CPA may participate in each of the various stages of a Federal agency proceeding. Thus, it may participate at the stage when an agency undertakes to settle informally with a party. Or, it may participate during the stage when a Government agency seeks to negotiate a trade agreement.

The minority views, however, are in error when they suggest that everything happens within or during one of these stages, such as during the give and take of negotiations, is in itself a separate stage of the agency's activity.

The majority report of the committee clearly makes the distinction:

> The Administrator, under Subsection (b), has the right to participate through submission of written or oral information at all stages of an agency activity. The fact that he has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the activity, *such as the reaching of a settlement, the decision to initiate formal proceedings, or even a decision to discontinue the investigation.* (Italics added)

This sentence in no way suggests that a decision about a detail of the investigation process—or the negotiating process—would itself constitute a new stage of the agency activity, giving rise to a new right to participate in the agency's activity.

Second. The contention in the minority views that a representative of the CPA would have to fly around with the Secretary of State ignores the specific wording in section 7(b) of the bill. This subsection provides that the CPA's submission "need not be simultaneous with those of any other person."

This states flatly that the CPA does not have to be present, or in the next room, or even the same country, every time the Federal agency talks to anyone else. This provision further confirms that the bill does not require a Federal agency to solicit new views from the CPA every time another person makes any statement during the course of an agency activity.

Third. The minority views also contend that the Secretary of State would have to interrupt negotiations with Arab leaders on practically an hourly basis to talk to the CPA. This totally ignores the specific wording in section 7(b) requiring that the CPA participate in informal agency activities in an "orderly manner and without causing undue delay."

Finally, the minority views are incorrect when they contend that under section 7(d) the State Department would have to continually respond in writing to CPA's latest submissions of views. Since the CPA would not be entitled to continually submit new views during negotiations, there would be nothing for the agency to reply to under section 7(d). Moreover, nothing in section 7(d), or in any other section, requires a Federal agency to submit a written explanation to the CPA each time it adopts a decision that is not in conformity with the CPA's views. The requirements of section 7(d) apply only when a Federal agency fails to initiate a particular proceeding or action in response to a petition by the CPA. It has no applicability to decisions taken once the trade negotiations or other proceedings are initiated.

B. THE CPA'S RIGHT OF NOTICE OF INFORMAL AGENCY ACTIVITIES UNDER SECTION 9(B)

Since the CPA would have no right to submit views to the country's trade negotiators on a continual basis, it is equally incorrect to suggest that section 9 requires the State Department to constantly report to the CPA on the negotiating sessions

Section 9 is, by its own terms, simply designed to give the CPA the basic information it needs to decide whether or not to participate in any stage of any agency proceeding. The threshold role that section 9 will play is reflected in the language in section 9(B)(2). This subsection states that the CPA may request such information about the agency activities, in addition to notice and a status report, "as would facilitate the Administrator's timely and effective participation in an agency activity under section 7."

The purpose of section 9 is to assure the CPA the right to receive information when the CPA first becomes interested in an agency activity, or when an agency initiates a new activity. Since each new offer or counteroffer in trade negotiations does not represent a new stage in an agency's activity for purposes of section 7, the Federal agency would not be required to provide the CPA with continual notice.

In summary, the bill would not require the State Department to do more than: First, notify the CPA at the outset of an impending negotiation; second, provide the agency with a brief status report and other relevant information on where matters stand as of that time; and third, consider the views the CPA submits in return.

C. THE CPA'S INVOLVEMENT IN AGENCY ACTIVITIES WILL NOT ENDANGER NATIONAL SECURITY

The minority views are in error when they imply that the CPA could intrude into national security matters.

MOST NATIONAL SECURITY MATTERS OUTSIDE THE CPA'S JURISDICTION

Section 17(d) specifically exempts from the bill's provision the Central Intelligence Agency, the Federal Bureau of Investigation, the National Security Agency, and the national security or intelligence functions of the Department of Defense, including the Departments of the Army, Navy, and Air Force. This simply reflects the fact that most agency activities affecting national security will have no imaginable effect on a marketplace transaction involving consumers. There is no need, or authority, for the CPA to become involved in any way in such matters.

In cases involving other Federal agencies, where national security interests and substantial consumer interest are both involved in the same agency activity, the CPA's ability to participate in an agency activity will not include the right to be briefed on classified national security matters. The CPA's participation in such matters can be carefully limited by the Federal agency pursuant to all the safeguards in sections 7, 9, and 11(c). Section 11(c)(1) provides that an agency need not disclose classified information to the CPA.

Trade matters may substantially affect the interests of consumers, but most trade negotiations are handled on a routine basis, and according to established procedures, by the Special Representative for Trade Negotiations, rather than personally by high-level State Department officials. And most trade negotiations do not involve sensitive national security matters.

NEED FOR LIMITED PARTICIPATION BY THE CPA

The example cited by the minority views perfectly illustrates the need for participation by CPA, subject to all the restrictions described above, in some trade matters affecting both national security and substantial consumer interests.

The country's recent experience with the energy crisis has dramatically illustrated the importance of imported oil. Senator CHURCH's Subcommittee on Multinational Corporations has determined, on the basis of extensive hearings, that the skyrocketing cost of imported oil since 1971 was in large part due to the State Department's failure to take an active and informed part in negotiations between oil companies and the Arab exporting countries. The Church subcommittee has concluded that too often "the Government has routinely acquiesced in and abided by the wishes of the companies." The American people have paid the price for this failure by paying billions and billions of dollars in added fuel costs.

Oil is not the only area where foreign trade deals negotiated by this Government have cost the American public great sums of money. In 1972, the United States sold a quarter of its entire 1972 wheat crop to the Russians. Wheat rose from $1.51 a bushel to $2.27 in the summer of 1972. And because of the deal, each individual American consumer was forced to pay as much as a nickel more for each loaf of bread he bought.

Sections 135(c) and (d) of the House-passed trade bill presently pending before the Senate (H.R. 10710) would permit the President to establish special advisory committees representing sectors of industry, labor, or agriculture, but not consumers. These advisory committees would meet "before and during any trade negotiations" to provide policy and technical advice on the negotiations. The access S. 707 provides the CPA on behalf of consumers is less than the right these other interests would thus have under the trade bill to participate on a continuing basis in trade negotiations.

The CPA will not be able to dictate this country's trade policies, let alone its overall foreign policy. Yet recent history has conclusively proven the need for greater participation of consumers in this area.

III. THE CPA'S FINDINGS WILL BE SUBJECT TO JUDICIAL REVIEW

The minority views are not correct when they claim that by this bill:

> Congress would be delegating to the CPA the administrative expertise to decide what is best for consumers, an expertise which, by virtue of paragraphs (1) and (2) of subsection 14(e), could be challenged by no one anywhere, including in court.

A brief look at the bill's major provisions demonstrates the ample opportunity there will be to contest the CPA's determinations.

First, an agency may deny the CPA the right to participate in an agency activity if it does not accept the CPA's finding that the activity is one that substantially affects the interests of consumers. In such event, the CPA would have to go to court and persuade the court it has met all applicable preconditions for participation in the proceedings. If it could not support its finding that the matter substantially affected the interests of consumers, it could not participate. The other agency's familiarity with its own activity, and its possible consequences, would allow it to contest CPA's contention that a particular matter substantially affected the interests of consumers.

Second, section 14(e)(1)(B) states that any person who participates in an agency activity in which the CPA intervened or participated may obtain judicial review of CPA's actions if the agency action is itself reviewable. If the person can show that CPA's participation was prejudicial to the party, the action will be reversed. Similarly, section 14(e)(1)(c) specifically provides for review of the CPA's actions by any person substantially and adversely affected by the Administrator's use of discovery in an agency proceeding, under section 7(e), its request for information, under section 11(b), or its decision to disclose information in its possession under section 12.

Section 14(e)(2) governs review of the CPA's determinations that a particular agency activity substantially affects the interests of consumers. Pursuant to accepted principles of judicial review, this paragraph provides that such a determination may not be challenged by a party adversely affected by the CPA's action until completion of the proceedings. At the completion of the agency activity such person can challenge the CPA's right to participate in the proceedings, as well as any other matters it wishes. The provision simply follows the normal practice of preventing interlocutory appeals of a portion of an agency's actions prior to completion of the entire proceeding. This is a well-established rule based on the needs of judicial efficiency. Even in such cases, the only question that must be deferred is the correctness of the CPA's determination that the activity in which it is participating or intervening substantially affects the interests of consumers. If the CPA seeks, for example, to exercise rights of discovery as part of its participation in the proceeding, the person subject to such discovery requests may challenge it in court as unduly burdensome, irrelevant, or the like.

Third, even if the CPA does gain the right to participate in agency proceedings, the scope of the CPA's involvement will rest in large part on determinations which the Federal agency, not the CPA, will make. Sections 7, 9, and 11(c) require Federal agencies to make a number of determinations about the meaning of its regulations, the burden CPA's involvement will place on the agency, the character of information in its possession which the CPA seeks, and the consistency of the CPA's request with the agency's statutory responsibilities. The agency, not the CPA, will have the final word on these matters unless the CPA wishes to contest the agency's determination in court. In court, the other agency will be at great advantage. Since it will be its information, its proceedings, and its needs that will be at issue, the agency's arguments will be entitled to considerable deference.

Fourth, section 12(b) contains an even more extreme example of how the CPA will not, under any circumstances, be a law unto itself. That provision gives the other agency complete responsibility for deciding whether the CPA may or may not disclose information provided by such agency to the CPA. The CPA will have no option in such cases but to accept the other agency's determination. Nowhere is the CPA given the same right to dictate decisions to other Federal agencies.

IV. PARTICIPATION BY THE CPA IN FORMAL AGENCY PROCEEDINGS WILL NOT DENY DUE PROCESS TO OTHER PARTIES

The minority views suggest this legislation would deny due process to other parties to the agency proceeding because it would subject them to "dual prosecutors." This is not so.

At the outset it should be noted that use of the word "prosecutor" incorrectly suggests that the proceedings in which the CPA will intervene are criminal proceedings. This is not so. Proceedings before Federal agencies are not criminal trials. Likewise, section 8 of the bill specifically prohibits the CPA from instituting or participating in any criminal action in Federal court.

The CPA's intervention or participation power thus is limited to civil proceedings before agencies and courts. And even in such cases, the CPA cannot institute civil enforcement suits at either the agency or Federal court levels. The CPA can only intervene in such proceedings.

The bill provides that the CPA cannot intervene as a full party unless the Administrator finds he cannot adequately protect the interests of consumers by means short of such full intervention. In short, there is always a presumption against the CPA's need to intervene as a party—section 7(a). The CPA could not meet this requirement if its intervention was solely for the purpose of repeating evidence already introduced into the case. Intervention will only occur when necessary to introduce evidence that would not otherwise be introduced. Section 7(a) also specifies that when the CPA intervenes it will be subject to all the agency's rules governing the conduct of hearings. The CPA will not in any way be able to burden the record of the respondent by introducing evidence which is repetitive or cumulative or irrelevant to the issues at stake in the proceedings. If the CPA tries, the agency or the court will prohibit it as just that.

Section 7(a) states that the CPA's intervention in any proceedings may not affect the obligation of the Federal agency to assure procedural fairness to all parties. This represents a specific charge to all agencies to in fact make sure that CPA's participation in a proceeding does not impinge upon the due process rights of another party.

Section 7(e) states that when the CPA participates in agency proceedings it may only summon such witnesses, and only obtain such discovery, as are appropriate under the agency's rules of practice and procedure, and consistent with the Administrator's right to participate in an orderly fashion in the proceedings. The CPA's requests for discovery against other parties to the proceedings will thus be subject to the same rules concerning relevance, burdensomeness, and the like as any other party. In addition, the agency may reject the CPA's discovery request, whenever the request would unduly interfere with the agency's discharge of its own statutory responsibilities.

The CPA will be fully subject to all procedural rules protecting the rights of other parties. Therefore, when it participates in an agency proceeding as less than a full party, it will be subject to the same disadvantages as any other person participating in the proceeding to the same degree. The CPA could not, as the minority views suggest, intervene as an amicus, "insulated from examination by an opposing party, and force the FTC to proceed down a line of prosecution to the CPA's liking."

If the CPA only participated in an amicus status, it could not introduce evidence into the record. All it could do would be to present briefs and other argument which, untested by cross-examination, would not be admitted into the record as evidence. Even if the CPA were permitted to cross-examine parties as an amicus, it could only pursue matters raised during the witness's direct testimony. It would be unable on cross-examination to force an agency to proceed down a new line of prosecution.

The courts have found that intervention by parties in agency proceedings does not destroy the respondent's due process rights. Legislation granting the CPA intervention rights in agency proceedings is, in fact, entirely consistent with the common practice of agencies and courts to permit persons to intervene as full parties in such proceedings. In recent years the courts have been actually expanding the right of third parties to intervene and participate actively in Federal agency proceedings. *The Office of Communications of the United Church of Christ* v. *FCC*, 359 F.2d 994, is just one example of a number of such cases. In a subsequent court action in the United Church of Christ case then Judge Barger likened the proper role of a third party intervenor in such agency proceedings not to a prosecutor, but to a complaining witness. (See 425 F.2d 543, 546.)

Some of the cases recognize that intervention by third-parties in agency proceedings may increase the complexity of the hearing process. The courts have concluded, however, that this is no reason to deny persons the right to participate. Rather, the answer lies in making all parties adhere to the issues and refrain from introducing cumulative or irrelevant evidence. See, for example, *Virginia Petroleum Jobbers Association* v. *FPC*, 265 F.2d 364. There is no reason to conclude that the due process rights of other parties would be any more endangered when CPA intervenes, than when any other person intervenes.

V. THE CPA'S RIGHT TO APPEAR IN FEDERAL COURT IS ENTIRELY CONSISTENT WITH GOOD GOVERNMENT

The minority views suggest that the right the CPA will have to participate in court actions reviewing Federal agency actions will have a disastrous effect upon public policymaking as mandated by Congress. Both the present bill, and past precedents, are proof that this will not happen.

A. LIMITS ON THE CPA'S RIGHTS TO INSTITUTE OR INTERVENE IN JUDICIAL ACTION

As explained in the majority report, the judicial review section of the bill, section 8, limits and regulates in a number of important ways the CPA's right to participate in court cases so that it will not be able to unduly challenge the decisions of the Federal Government:

First, the CPA can only become involved in cases which are in Federal court, and which concern the review or enforcement of a Federal agency action.

Second, the CPA can only institute or participate in civil proceedings.

Third, the CPA can only institute or participate in review of Federal agency proceedings if the Administrator determines that such action substantially affects the interests of consumers. If the court finds that this determination is without basis, the CPA will be denied the right to institute or participate in the court proceedings.

Fourth, if the CPA did not intervene or participate in proceedings at the agency level, the CPA may not initiate judicial review of an agency action unless it first petitions the agency to reconsider its position.

Fifth, if the CPA did not intervene or participate in the proceedings at the agency level, the CPA may not institute or participate in the proceedings at the court level if such action would adversely affect the interests of justice.

Sixth, whenever the CPA initiates action in Federal courts he must do so within the same time period, and in the same manner, as any other person. Final agency action will not be subject to judicial challenge for any greater period of time than was the case previously.

Seventh, while the CPA may participate in suits involving the enforcement of agency decisions, it may not initiate such actions.

Eighth, while the section gives the CPA standing to institute or participate in certain suits, it specifically provides that the CPA can only seek court review of agency actions that are normally reviewable under the law. The CPA will not be able to appeal agency decisions committed to agency discretion, and thus not reviewable.

Ninth, whenever the CPA institutes or participates in judicial review of an agency action, the Administrator must explicitly state publicly both the consumer interests he is representing, and the interests of consumers which he is not representing—section 14(g).

Tenth, when the CPA intervenes in court actions reviewing agency proceedings which it did not participate in below, the CPA will not be able to disrupt or delay the legal process, or place an unfair burden on other parties. In addition to the requirements of section 8, the CPA will be subject to all the restrictions already governing intervention by any other party under Federal law.

It is a well-established principle of law that when a party intervenes in a proceeding, he "takes the case as he finds it"—2 Barron & Holtzoff, Federal Practice and Procedure, section 593 (1961)—and cases cited therein.

When the CPA intervenes in a proceeding reviewing a Federal agency decision, it will be just as subject as any other party to the rules requiring parties to confine themselves to the record as developed below. It may not raise new issues that are not already part of the record.

Further, the CPA may not wait indefinitely to intervene. Rule 15(d) of the Federal Rules Appellate Procedure requires that the motion for leave to intervene must be filed within 30 days of the time the original petition for review is filed. Finally, the note accompanying rule 24 of the Federal Rules of Civil Procedure, as amended in 1966, notes that even where a party has a right to intervene in proceedings pursuant to this rule, much intervention "may be subject to appropriate conditions or restrictions responsive among other things to the requirements of efficient conduct of the proceedings."

In summary, section 8 does not permit the CPA to appeal a decision on any grounds, nor is the CPA's finding that the matter involved in the court proceedings substantially affects the interests of consumers nonreviewable, nor does the section change "the standard of review" of Federal actions.

B. THE CPA'S PARTICIPATION WILL NOT PLACE AN UNDUE BURDEN ON THE COURTS

The minority views also suggest that the provision will place a "confusing and confounding burden upon our Federal courts." These fears are unfounded.

Opponents of this bill fear that a court would be forced to choose between the arguments of two Federal agencies, each with an equal claim to expertise on the same matter. This will not be the case. When the CPA participates in a review of an agency proceeding it will appear as an advocate for a particular point of view. As such it will be in the posture of any other advocate, for the CPA is granted no authority by this bill to make any decision as to how the interests of consumers should be weighed with other interests, and the final agency decision reached. Only the Federal agency charged with responsibility for acting in the public interest can do that. Thus, that agency's claim to expertise will be far more relevant, and much more determinative, with respect to the lawfulness of its final decision, than any expertise the CPA may claim.

This legislation will not significantly increase the caseload of Federal courts. Other parties to an agency decision can be counted on to appeal most agency decisions raising substantial questions suitable for resolution by the courts. In many, if not most cases, the CPA will simply intervene in court cases already brought by other parties to the proceedings. Most of those cases not appealed by another party will not be appealed by the CPA because of the unlikelihood of the CPA reversing a decision which none of the other parties thought worth appealing. The bill permits the CPA to institute action on its own, to take care of those few instances when the agency's action does raise a significant point of law, but the other parties do not appeal because the agency decision was favorable to them, though not to consumers. For instances, in a recent FPC decision—Opinion No. 686—a majority of the Commission approved, on an expedited basis, an application of certain producers to sell gas to a pipeline at a price determined by the parties. In a dissenting opinion, Chairman Nassikas attacked the majority's approval of the rate proposed by the parties "as a travesty of justice." He lamented the fact that since the parties obtained all they had sought, there was no one who could appeal in court the Commission's actions. The CPA could fill this gap.

Third. The minority views suggest that this legislation will spawn great numbers of court suits, because the National Environmental Policy Act did so. This overlooks the difference between the two bills. The Consumer Protection Agency Act gives the CPA—and by the express terms of section 14, only the CPA—the authority to enforce in court its right to participate in proceedings, obtain discovery, and so forth. This bill creates no new general right of review. Only agency proceedings that were reviewable before will be reviewable under the act, and only to the same extent. In contrast, the NEPA legislation placed a new imposition on every agency in the Government—the environmental impact statement—and made it possible for any person interested in environmental protection to make this the basis of a suit in Federal court.

Fourth. The proven difficulty of overturning an agency decision on appeal should further guarantee that the CPA will not flood the courts with appeals from agency actions. To challenge successfully an agency action, the CPA would have to show that the decision was unsupported by substantial evidence in the record as a whole. (See the Administrative Procedures Act, 5 U.S.C. 709; Davis, Administrative Law Text, section 29.01 et seq. (1972)). Agency decisions are in fact accorded great deference. The difficulty of overturning agency decisions is borne out by the record. The facts indicate that the agency wins well over 90 percent of the cases appealed.

For instance, between 1970 and the present, 32 decisions of the FTC have been appealed to the court of appeals Of these 32 appeals, the FTC has only lost twice. Similarly, in the CAB 58 petitions for judicial review of agency decisions in formal proceedings were filed with the court of appeals during fiscal year 1973. Twenty-five of these appeals have been decided, and the CAB was upheld in 24 of the 25 cases. Thus, the mere threat that CPA may take an agency into court will not give the CPA, even when combined with its other authority, the power to "coerce" any other agency into acting in accord with the CPA's views. The CPA will surely be aware of this record of court affirmations of agency actions and appeal only those rare cases not appealed by other parties which raise substantial and important questions about the lawfulness of the agency's actions. Of course, the bill's provision may well result in some undetermined number of additional agency actions being reversed in court. But that is hardly an argument against the bill. If the host agency acts unlawfully, the decision should be reversed.

Fifth. The American Bar Association, after thorough study of the question, has concluded that permitting the CPA to seek judicial review of final agency decisions causes no legal or practical problem. The ABA concluded that—

> Interagency litigation over the validity of administrative action has been commonplace since the early days of the administrative process; *that no new problems, whether doctrinal or practical* are presented by the proposal to give the Consumer Protection Agency the right to initiate or intervene in proceedings for judicial review of other agencies' actions; and that the *feasibility and desirability of inter-agency litigation should accordingly be recognized in this statutory context as well*. (emphasis supplied.) (See Congressional Record, vol. 118, pt. 24, p. 31774 et seq.)

This study notes that established principles of law permit Federal agencies to seek judicial review of the decision of another agency, even where there was no specific statutory provision authorizing it, and even where the proprietary interests of an agency are not involved.

The minority views suggest that when such instances have occurred in the past it has been different than if the CPA sought judicial review because such suits in the past have involved the conflicting proprietary or regulatory mandates of the two agencies. Yet, the ABA study points out that for years the Secretary of Agriculture, under the Agricultural Adjustment Act of 1938, has been authorized to seek judicial review of decisions reached by the Interstate Commerce Commission where necessary to protect farmers from exorbitant and discriminatory freight rates. In such instances, the Secretary of Agriculture is in exactly the same posture as the CPA. Like the CPA, the Secretary of Agriculture has no direct responsibility for setting interstate freight rates. Like the CPA, the Secretary of Agriculture is participating in such suits solely as an advocate for the interests of consumers of a service which is regulated by another Federal agency.

The minority views suggest that one agency has only rarely sought judicial review of another agency's action. Yet the study notes that the Secretary of Agriculture "has repeatedly attacked a wide variety of ICC orders viewed as contrary to the interests of farmers."

Sixth. The minority views are concerned that forcing a Federal district to chose between the arguments of two different Federal courts would place a difficult burden on the court.

But Federal judges are commonly called on to review and master difficult cases, where the record is voluminous and the evidence conflicting. The American

Bar Association study of the CPA concluded that having the CPA and another Federal agency vigorously advocating their point of view in court would not make the court's jobs more difficult. Rather, it would help to highlight and develop the issues in the case and promote more informed decisionmaking by the court.

VI. THE CPA'S ABILITY TO COLLECT AND DISCLOSE INFORMATION IS CAREFULLY CONTROLLED AND LIMITED

Sections 11 and 12 describe in considerable detail the conditions under which the CPA may obtain information from other Federal agencies, or other persons, and the limitations or prohibitions on public disclosure of such information. The minority views, in criticizing these sectons, overlook these safeguards, as well as the distinction made in the bill between the CPA's right to obtain information, and its more limited right to publicly disclose information it has obtained.

A. THE CPA'S RIGHT TO INFORMATION IN PRIVATE HANDS IS LIMITED

The bill contains a number of safeguards which will assure that the CPA will not be able to go on a fishing expedition or harrass businesses with numerous requests for information.

First. The minority views suggest that the CPA's information gathering in section 11(b) is unprecedented in scope. The fact is that the CPA's information gathering powers are far less than those of other Federal agencies. The CPA may ask business to supply it with information in writing, but so may the Federal Trade Commission (15 U.S.C. 46) and other Federal regulatory agencies. But the CPA will have no additional power to inspect or copy documents. It will have no power to require any person to appear and testify before the CPA as part of its information-gathering powers. Many other agencies do have these powers. Statutes confer such additional authority, for example, on the Securities Exchange Commission (15 U.S.C. 77(s) (b) and 77 uuu(a)); the Agriculture Department (7 U.S.C. 2115); the Interstate Commerce Commission (49 U.S.C. 20); the Veterans' Administration (38 U.S.C. 3311); and the Federal Communications Commission (47 U.S.C. 409). This list does not even begin to exhaust the number of such statutes.

Two. It has been suggested that the CPA may obtain any information it wants, free of any restrictions. In fact, section 11(b) of the bill contains a large number of restrictions on the CPA's information-gathering powers:

First. The CPA may only request information to the extent required to protect the health or safety of consumers, or to discover consumer fraud or other unconscionable conduct detrimental to the interest of consumers.

Second. The CPA may only request information from persons engaged in activities which substantially affect interstate commerce and whose activities may substantially affect an interest of consumers. These are significant limitations that will present the CPA from requesting information from many companies, especially small businesses, and almost all individuals. The section will not threaten the rights of individual citizens.

Third. Before requesting any information the CPA must set forth with particularly what consumer interest is involved, and the purpose for which the information is sought.

Fourth. If the person from whom the information is sought declines to provide the information, the CPA has the burden of proving in court that the information sought concerns the health or safety of consumers or relates to the "discovery of consumer fraud or other unconscionable conduct detrimental to the interests of consumers." It is by no means certain that the CPA will be able to meet its burden on this point.

Fifth. If the CPA meets this burden of proof, the person from whom the information is sought can still refuse the CPA the information if it would be unnecessarily or excessively burdensome to provide it.

Sixth. A district court is authorized to place whatever conditions it deems just on the CPA's right to collect information from private persons.

Seventh. The subsection further prohibits CPA from seeking any information from a private person if the same information is already available from a public source, or another Federal agency.

Eighth. In addition to the particular protection spelled out in the subsection itself, section 11(b) also provides that the Federal Reports Act will apply to the collection of information by the CPA to the same extent as it applies to independent Federal regulatory agencies. This means that any questionnaires the CPA wishes to send to 10 or more businessmen must first be submitted to the General Accounting Office. It will be the GAO's responsibility under 44 U.S.C. 3512, to assure that the CPA obtains needed information with a minimum burden on business enterprises, especially small businesses, and in a way that avoids duplication of effort with other Federal agencies. If the GAO determines that the information sought is available from other Federal sources, the CPA will be prohibited by the terms of this bill, and the Federal Reports Act, from soliciting the information.

Third. The CPA cannot use its information-gathering powers under this section in connection with any agency proceeding he has intervened in which is pending against the person from whom the information is sought. It is argued that the CPA should be barred from using any information obtained under this subsection in any subsequent proceedings, but this would only subject private persons to duplicative discovery requests. If this were the law, the CPA in any subsequent proceeding would have to go through the pointless exercise of using the agency's discovery procedures to obtain from the same person, for a second time, the information it already had.

Fourth. The CPA's information-gathering powers will not pose a threat to privacy. In fact, section 11(b) clearly prohibits CPA from requiring private persons to submit any information which would violate any relationship privileged according to law. If the law holds that a reporter's sources are privileged, the CPA could not obtain the information. A bill creating the CPA is not the place, however, to pass new legislation in this difficult and controversial area giving newsmen greater protection that they claim in other, similar instances.

B. THE CPA'S ACCESS TO AGENCY INFORMATION WILL NOT DISRUPT AGENCY ACTIVITIES

The CPA's right to obtain information from other Federal agencies under section 11(c) is not, as the minority views suggest, either unprecedented, or likely to hinder the ability of other agencies to obtain information from other sources.

First. It is first important, once again, to put this provision in perspective. The CPA's power extends only to the right to obtain information held by other agencies. This section has nothing to do with public disclosure of such information. As discussed below, an agency which gives the CPA any information may prohibit the CPA from disclosing that information if it wishes.

Second. The provision for such sharing of information does not give the CPA extraordinary powers. Under the Federal Reports Act of 1942 (44 U.S.C. 3501–3511) and other statutes, information may be and often is exchanged among Federal agencies. A number of opinions, including Federal Power Commission (16 U.S.C. 797) and the Federal Energy Administration, have been given specific authority to obtain information, such as that relating to oil and gas reserves, from other Federal agencies.

Third. Serving the CPA access to information already acquired by other agencies would only place an unnecessary burden on the persons outside Government from whom most of the information was developed in the first place. Without section 11(c), the CPA would have to ask these persons to duplicate for them the information already supplied another Federal agency.

Fourth. The bill specifically exempts seven categories of information from the disclosure requirements. These seven categories, modeled after provisions in the Freedom of Information Act, exempt, first, national security matters; second, agency personnel policy and prosecutorial recommendations; third, routine executive and administrative functions; fourth, personnel, medical, and similar files; fifth, information an agency is expressly prohibited by law from disclosing to another Federal agency; sixth, information in bank examination reports; and seventh, certain trade secrets and commercial or financial information.

The conditions under which one Federal agency may withhold information from the CPA under the seventh exception, relating to trade secrets, are spelled out in detail in section 11(c)(7). The Federal agency in possession of the information, not the CPA, will decide whether the information fits the conditions described in this subsection. Before any agency hands over such confidential information, the party who originally supplied the information must be notified. In this way he can seek injunctive relief if he feels the agency is acting in violation of this bill or any other act.

Fifth. The CPA's ability to obtain confidential information from other Federal agencies will not destroy the ability of other agencies to obtain the information in the first place. In its treatment of information which could injure a company if disclosed to the public, the bill distinguishes, on the one hand, between information which an agency must have to carry out its programs, but which it has no legal right to obtain from a business, and on the other hand, information which an agency has a legal right to obtain and which it needs to carry out its functions.

In the case of information which an agency needs and which it has a right to obtain anyway, enactment of the CPA bill will make no difference. In such instances a business would be doing the agency no favor by agreeing to turn over such information without a court fight. It would, in fact, be only obeying the law. There is no reason why a business would go through the pointless and expensive exercise of challenging an agency's order to produce certain data where it was clear that in the end it would lose, and the Federal agency would obtain the information. Even if businesses act in this way, the Federal agencies can still order disclosure of such material.

If the agency does not have a lawful right to obtain confidential information which could cause competitive injury if disclosed to the public, the powers granted the CPA by section 11(c) will in no way interfere with the ability of the agency to obtain such information on a voluntary basis. Under the bill's specific provisions, a business can in such event, continue to voluntarily cooperate with the agency. Such information will not be disclosed to the CPA, so long as the agency also finds that it must have the information to carry out its activities. Wherever the agency cannot so find that it needs the information, the business will have to decline to turn the material over to the agency if it does not want the CPA to get it. But in such a case the work of the agency will not, by definition, be seriously impaired by failure to obtain the information.

Thus the provisions of the bill fully protect an agency's ability to pledge not to disclose information received to any other agency so long as such agreements are necessary to obtain needed information.

C. DISCLOSURE OF INFORMATION BY THE CPA

I come next to the points raised by the opponents of the bill in connection with the CPA's right to disclose information to the public under section 12.

First. The minority views state that the exceptions from the right of the CPA to disclose information under this section are "narrow, contorted and ill-fitting." The first exception, contained in section 12(b), however, flatly prohibits the CPA from disclosing any information obtained from another Federal agency where that agency states that the material is the type that is exempted from disclosure to the public under the Freedom of Information Act or other law. Thus, disclosure of any trade secrets obtained from another Federal agency is flatly prohibited. If the agency does not make such a finding, the CPA may disclose the information. But in that case, the CPA's action will not provide the public with any additional information it could not also obtain from the agency that supplied the information to the CPA. To permit the CPA to disclose another agency's information only where the public could also get the information directly from the other agency is both a clear and reasonable exception.

Second. Trade secrets or confidential information the CPA obtains from sources other than another Federal agency may not be disclosed in most cases to the public. Any official of the CPA who violates this prohibition could be imprisoned for up to 1 year under the criminal penalty provisions of 18 U.S.C. 1905.

Third. The only time the CPA may disclose confidential information obtained from sources other than another Federal agency is when necessary to protect the public health or safety. Unlike other Federal regulatory agencies who can take direct action when they learn of a threat to the public's health or safety, the CPA would have no similar option. Public disclosure would be the only action it could take to avert the danger. In most instances the CPA will not be able to justify disclosure of trade secrets under the limited exception in section 12(c). It will be enough simply to disclose to the public the fact of the danger, without any detailed explanation that might require disclosure of actual trade secrets. This exception is included in the bill, however, because it is impossible to justify prohibiting the disclosure of confidential information where it is the only way the CPA has to prevent injury to the health or safety of Americans. As an added safeguard, section 12(d) requires that before the CPA discloses any trade secrets likely to cause substantial injury to a person or a company, it must notify the person affected and afford him an opportunity to comment or obtain injunctive release. If the CPA cannot prove the necessity of disclosing the trade secret, the court will bar disclosure.

Fourth. Finally, section 12(d) of the information disclosure provision contains very extensive safeguards contained to assure the accuracy of any information disclosed. The safeguards go beyond the provisions found in almost any other statute. Even if the information the CPA wishes to disclose is not a trade secret, the agency must first take all reasonable measures to assure its accuracy. It must also notify any person or company whose reputation or goodwill is likely to be substantially injured by the disclosure of the information. In effect, such person will have a full right to review and challenge—in court if necessary—any such information before it is disclosed. If, despite this, the information released is still inaccurate, misleading, or incomplete, the section imposes on the Administrator the duty to do all that is necessary to redress the wrong.

In summary, I believe that the provisions of sections 11 and 12 are carefully drafted to strike a fair balance between the right of the CPA, and the public, to learn about consumer goods, and the right of businesses to protect confidential information.

VII. THE CPA'S RESOURCES WILL NOT BE EXCESSIVE

The resources available to the CPA will not be excessive. The bill provides for a maximum authorization of $15 million in the agency's first year of operation, $20 million the second year, and $25 million the third year.

Let me try to put this in perspective:

The CPA's first year authorization would equal one two-hundreths of 1 percent of the Federal Government's total estimated budget for fiscal year 1975. The sum of $15 million is equally infinitesimal when compared to the size of the budget of U.S. agencies which take actions affecting the interests of consumers. The estimated size of the authorization for the Department of Commerce alone is $896 million for fiscal year 1975. It is the function of the Department of Commerce, with a budget 60 times greater than CPA will have in its first year, to "foster, promote, and develop commerce and industry." The agency's size is equally insignificant when compared to the resources of private industry. In 1973, GM alone made, every 4 days, more in after-taxes profits than the CPA will probably have in its third year to spend on all litigation.

Businesses spend large sums of money to protect their interests before Government agencies. This fact will also assure that the CPA will never be able to dominate the record, and overwhelm its opponents by its sheer size. One study cited in a recent book on the legal profession, "Lions in the Street," showed that for the single year, 1971, 17 companies alone spent a minimum of $15,282,000 on outside legal fees. This figure is not even complete, because it only includes fees paid to firms with individuals who were corporate officers or who sat on the boards of the corporations.

Further, it does not include the large sums the companies spent for in-house legal services. The total size of the money spent on all the corporations in the country for both in-house and outside legal services would be many, many times that amount. Of course, these 17 corporations spent money for legal services on matters which would in no way come under the CPA's jurisdiction. However, when the budget of only 17 companies for outside legal service alone equals the total resources the CPA is likely to have in its third year for agency and court activities, CPA's true relative size becomes apparent.

As the minority views point out, not every business is interested in every matter affecting the interest of consumers considered by a Federal agency. But this only emphasizes how businesses can concentrate their resources on those few matters of most direct concern to them, while the CPA will have to allocate its resources among a much wider spectrum of consumer interests.

The CPAs limited resources means that it will literally have to choose from among many, many thousands of Federal agency activities, those relatively few cases involving the most substantial interests of consumers. While complete figures are not available, the Administrative Conference of the United States has recently estimated that the administrative law judges in only 16 agencies terminate between 180,925 and 200,282 cases a year. An official of the Administrative Conference has also estimated that formal proceedings of the type included in these figures represent only about 10 percent of an agency's activities (see hearings on S. 1177, 92d Cong., p. 234). The total yearly number of agency activities, both formal and informal, throughout the whole Government could thus be in the millions. Even if it is conceded that only a fraction of these actions substantially affects the interests of consumers, it is clear the CPA will indeed be a David to the Goliath, of the Federal Government.

CONCLUSION

Many of the arguments against this legislation rests on the belief that one Federal agency should not oppose another Federal agency. Such a confrontation is "embarrassing" and leads to "erosion and a division of the Government."

In previous days, when the Federal Government was small, and its responsibilities far simpler, it may not have been necessary to charge a portion of the Federal Government with openly advocating its interests before other agencies.

But today, the conflicting pressures on the Government are too great—and its responsibilities too varied—to think that the Federal Government can still operate in the public's best interest if one agency cannot differ with the positions taken by another agency. One agency, representing one point of view, frequently contends, in one way or the other, with another agency, representing another point of view. This has hardly caused the Federal Government to collapse.

The Justice Department has consistently opposed arguments put forth by other agencies that the Justice Department should not be permitted to challenge decisions of other agencies in court because such suits are "embarrassing." In response, the Justice Department has recognized that without such opportunities for judicial review of one agency by another, the interests of the people might not be protected. Such protection of the people's interest is after all what good Government is all about.

As Deputy Attorney General Kleindienst testified in 1970:*

> Still applicable is the following objection to legislation to remove the United States and the Attorney General from suits to set aside Commission orders expressed by the then Deputy Attorney General William P. Rogers in an April 11, 1955, letter to the Director of the Bureau of the Budget:
>
> "The overall legislative plan now is and should be to create a check and balance between the Commission and the Attorney General in such fashion as to give double protection to the people of the United States."

With specific reference to the need for such checks and balances in connection with Federal agency actions affecting the consumer, Justice Department officials in the same hearings stated (id. at 12):

> Mr. Comegys (Deputy Assistant Attorney General, Antitrust Division). * * * Transportation affects the economy. It also affects the consumer. There is no independent consumer counsel within the Interstate Commerce Commission. Therefore, it is important that the United States bring an independent view to bear on the conduct of this litigation at all levels.

Creation of the CPA would not create a dangerous new precedent, but only recognize the diversity of viewpoint already in the Government.

Many of the opponents of this bill admit that the Federal Government has become too big and unresponsive. Some suggest that instead of creating a CPA, the Congress should instead reform every Federal agency. Reform of Federal agencies is a commendable goal, but a far more difficult task that could take years to accomplish. Those who speak about such reform efforts as an alternative to the CPA fail to describe with any specificity exactly how they would go about reforming the Federal Government. It may, in fact, be impossible to reform agencies internally. In 1970, for example, the CAB established a consumer advisory committee, but then abolished it 2 years later amid complaints by the agency that the committee had sought to get into policy issues of great importance to the consumer, such as international air fare agreements.

The Senate has the choice of taking no action, on the legislation on the hope that Congress will some day effect sweeping reforms of the entire Government. Or the Senate can take now a first step to try to work reform without such wholesale changes. This is what the CPA legislation tries to do. Some of the many safeguards contained in the bill are described above. Others are listed in the majority report. The bill is responsible legislation. And yet it undeniably breaks new ground. If it did not it would not be worth enacting.

All Americans are consumers. Those who support the bill can point to the CPA legislation with pride when people ask what they are doing to restore the people's faith in the integrity of the Federal Government.

I urge rapid and favorable action on this bill.

EXHIBIT 1

ENDORSEMENT OF STATE GOVERNORS

June 5, 1974.

Because of our concern that consumers presently lack effective representation before Federal regulatory agencies and because this lack of positive representation has resulted in a system of Federal regulations that do not adequately reflect interest of consumers we support legislation that would create an independent nonregulatory consumer protection agency.

Governor Daniel J. Evans, Washington State, Governor David Hall, Oklahoma, Governor Milton Shapp, Pennsylvania, Governor Jimmy Carter, Georgia, Governor Otis R. Bowen, Indiana, Governor William G. Milliken, Michigan, Governor, J. James Exon, Nebraska, Governor William A. Egan, Alaska, Governor Marvin Mandel, Maryland, Governor Philip W. Noel, Rhode Island, Governor Malcum Wilson, New York, Governor Tom McCall, Oregon, Governor Dale Bumpers, Arkansas, Govenor Branden T Byrne, New Jersey, Governor Patrick J. Lucey, Wisconsin, Governor Thomas L. Judge, Montana, Governor Dan Walker, Illinois, Governor Reubin Askew, Florida, Governor Mills E. Godwin, Jr., Virginia, Governor James E. Holshouser, Jr., North Carolina, Governor Thomas P. Salmon, Vermont, Governor John C. West, South Carolina, Governor John J. Gilligan, Ohio, Governor Wendell H. Ford, Kentucky, Governor Arthur A. Link, North Dokota, Governor John M. Haydon American Somoa, Governor Melvin H. Evans, Virgin Islands, Governor Bruce King, New Mexico, Governor Cecil D. Andrus, Idaho, Governor Richard F. Kneip, South Dakota, Governor Wendell R. Anderson, Minnesota, Governor Kenneth M. Curtis, Maine, Governor Francis W. Sargent, Massachusetts, Governor John Burns, Hawaii.

ENDORSEMENT OF THE U.S. CONFERENCE OF MAYORS

WASHINGTON, D.C.,
June 19, 1974.

On behalf of the United States Conference of Mayors, I want to take this opportunity to express our support for the Consumer Protection Agency Act (S. 707) as reported by the Senate Commerce and Government Operations Committees. The legislation would at long last provide consumers a voice at the executive level of the Federal Government in policy decisions being made by other Federal administrative and regulatory agencies. It would also create a much needed clearinghouse for consumer complaints at the Federal level to work in conjunction with local agencies currently involved in this area.

Protection of the rights of the consumer is a matter of the utmost importance to the Nation's local elected officials. We urge you and your Senate colleagues to take prompt affirmative action on S. 707 when the legislation reaches the floor during the upcoming weeks.

JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

ENDORSEMENT OF THE NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

Whereas, the National Association of Attorneys General, whose members have provided leadership for consumer protection law enforcement in their respective states, wholeheartedly support the creation of an independent and effective consumer protection agency to afford consumer advocacy at the federal level; and whereas, it is the Association's firm belief that the consumer should be afforded adequate protection through the coordinated efforts of local, state and federal enforcement agencies; and whereas this goal can best be achieved through insuring adequate funding to strengthen each agency's ability to respond quickly to consumer needs, therefore be it resolved, that the National Association of Attorneys General urges the United States Congress to pass legislation which establishes an independent and effective Federal Consumer Protection Agency to afford consumer advocacy involving only interstate transactions, and designed to strengthen state and local consumer programs through federal grants-in-aid, and which would recognize the necessity for maintaining effective control of enforcement of our consumer protection laws at the state and local level.

(Adopted unanimously, June 26, 1974, at the annual meeting of the National Association of Attorneys General at Coeur d'Alene, Idaho.)

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*See Hearings on Judicial Review of Decisions of the ICC Before the Subcommittee on Improvements in Judicial Machinery of the Senate Judiciary Committee (91st Cong., 2d Sess. 8–9). The testimony is cited in the American Bar Association study on the CPA. See CONGRESSIONAL RECORD, vol. 118, pt. 24, p. 31774 et seq.

ENDORSEMENT OF STATE AND LOCAL ORGANIZATIONS

NATIONAL GROUPS

Amalgamated Clothing Workers of America (AFL–CIO).

Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO).

American Association of University Women.

Americans for Democratic Action.

B'nai B'rith Women.

Common Cause.

Communications Workers of America (AFL–CIO).

Consumer Action for Improved Food and Drugs.

Consumer Federation of America.

Consumers Union of U.S., Inc.

Cooperative League of U.S.A.

Friends of the Earth.

International Association of Machinists and Aerospace Workers (AFL–CIO).

International Union of Electrical Radio and Machine Workers (AFL–CIO).

International Ladies Garment Workers Union (AFL-CIO).

National Consumers Congress.

National Consumers League (Esther Peterson, President).

National Council of Jewish Women.

National Council of Senior Citizens.

National Farmers Union.

National Rural Electric Cooperative Association.

National Women's Political Caucus.

Oil, Chemical and Atomic Workers International Union (AFL–CIO).

Public Citizen (Congress Watch).

Retail Clerks International Association (AFL–CIO).

Sierra Club.

United Auto Workers.

United Mine Workers of America.

United Presbyterian Church (Washington Office).

United Steelworkers of America (AFL–CIO).

Women's Equity Action League.

Women's Lobby.

LOCAL GROUPS AND INDIVIDUALS

Alabama

Alabama Labor Council (AFL–CIO).

Young Democrats, Univ. of Ala. (Tuscaloosa).

Arizona

Arizona Consumer Council.

Arizona Committee for Social Utility.

Arkansas

Arkansas Community Organization for Reform Now (Little Rock).

Arkansas Consumer Research (Little Rock).

California

California Citizen Action Group.

Coalition for Santa Clara Valley.

Consumers Cooperative (Don Rothenberg, Richmond).

Consumers Coop of Palo Alto.

Consumers United of Palo Alto.

Lawyers Committee for Urban Affairs (San Francisco).

San Francisco Consumer Action.

California Public Interest Research Group.

Colorado

Colorado League for Consumer Protection.

Colorado Public Interest Research Group.

Connecticut

Connecticut Citizen Action Group.

Connecticut Consumer Association. Inc.

Florida

American Consumers Association, Inc.

Concerned Consumers of Dade County.

Congress of Senior Citizens.

Consumer Information Center of Central Florida, Inc.

Florida Consumers' Federation.

Florida Public Interest Research Group.

Georgia

Citizens Consumer Council of Georgia.

Georgia Consumer Services Program (Ga. Dept. of Human Resources).

Iowa

Iowa Consumers' League.

Kansas

Kansas City Consumers Association.

Kansas State Consumer Relations Board.

Kentucky

Consumers Association of Kentucky, Inc.

Louisiana

Acadiana League.

Louisiana Consumers' League.

Consumer Protection Center (Baton Rouge).

Capitol Area Consumers League (New Orleans).

Mayor's Office of Consumer Affairs (New Orleans).

Maine

Public Interest Research Group.

Maryland

Maryland Citizens Consumer Council.

Montgomery County Office of Consumer Affairs.

Massachusetts

Fight Food Prices (Boston).

Michigan

Michigan Credit Union League.

Consumer Alliance of Michigan.

Missouri

Mid-American Coalition for Energy Alternatives (Clinton).

Housewives Elect Lower Prices.

Missouri Association of Consumers.

St. Louis Consumer Federation.

Nevada

Consumer League of Nevada.

Commissioner of Consumer Affairs.

New Mexico

Albequerque Consumer Federation.

New York

Action for a Better Community (Rochester).

Bi-County Consumer Coalition of Long Island.

Center for Community Issues Research (Rochester).

Consumers Association of New York (Rochester).

Consumer Protection Board (Huntington).

Legal Assistance Corporation.

Metro-Act of Rochester.

National Organization of Women, Genessee Valley Chapter (Rochester).

New York Consumers Assembly.

Program Funding (Rochester).

Rochester Urban League.

North Carolina

North Carolina Consumers Council.

North Carolina Public Interest Research Group.

Conservation Council of North Carolina.

Ohio

Consumer Conference of Greater Cincinnati.

Consumer Protection Association of Cleveland.

Consumers League of Ohio.

Ohio Consumers Association.

Oregon

Community Care Association, Inc. (Portland).

Oregon Consumers' League.

Pennsylvania

Alliance for Consumer Protection.

Commissioner of Insurance, Commonwealth of Penn.

Buckshead County Consumer Organization.

Pennsylvania League for Consumer Protection.

Philadelphia Area Consumers' Council.

Tennessee

Tennessee Consumer Alliance.

Texas

Texas Consumer Association.

Vermont

Vermont Public Interest Research Group.

Virginia

Virginia Consumers Citizens Council.

IS MOBIL OIL MOVING ANTICOMPETITIVELY

Mr. McINTYRE. Mr. President, just over a week ago, Mobil Oil Corp. announced that it was considering purchasing a controlling interest in Marcor, the parent company of Montgomery Ward, Inc. Since then, I, and a number of other Members of this Chamber, have spoken out against this move.

When Mobil announced this decision it was riding high on a crest of profit and public relations coups.

It had done battle with CBS News over an advertisement that CBS had refused to run and it seemed to me had at least won some advantage over the news media.

Second, Mobil was the last major oil company to open a major oil refinery in the United States. The company has used this as an advertising statement, and with good reason. New refineries are commendable ventures.

Mobil's profits have been up, too, in spite of rapid increases in investment in drilling, exploration, and development.

What I do not understand, Mr. President, is why Mobil had to go out to buy the Nation's fourth largest retailer.

Of course, I can make a few good guesses.

First, Congress has been making unkind noises about the oil companies for some time. So, it would appear to me that some members of Mobil's board would want to move out of oil into the "safer," less turbulent waters of retailing—though I doubt that they will find the waters of retailing much less turbulent than oil.

Second, Mobil has been trying to better its profits from its marketing operations. Purchase of a large marketing operation could help.

They are, to use the legal phrase, "forward integrating." This means they can buy up the marketing operations in the regions they serve. And instead of leasing gasoline stations that serve the public to independent operators, they take them over and turn them into owned and operated Mobil Oil Co. stations.

While there is nothing illegal in this, to my knowledge, the move by Mobil to buy Marcor worries me: instead of buying out the independents, Mobil may just have decided to compete on a massive scale. In competing it could drive the small independent gasoline dealer who sells Mobil products out of business. And, I doubt that Mobil will pass along any cost savings. It will absorb the savings.

Montgomery Ward, like other nationwide chains, sells considerable quantities of automobile related products. It owns 590 service centers at its stores and plans to add 50 more this year. I could make a good guess and say that Mobil certainly would not hesitate to install gasoline pumps at these high volume stores.

It infuriates me that the recent push by the majors to drive out independent dealers, several thousand, I believe, will result in concentration of gasoline marketing as the majors move into high volume dealerships.

And because of the amount of trade Montgomery Ward does in tires, batteries, and accessories, I wonder if there might not be a potential restraint of trade if Mobil buys its parent, Marcor.

At this point, Mr. President, I ask unanimous consent to have printed in the Record a letter that I have written to Attorney General Saxbe asking him to look into the matter of whether or not Mobil's purchase of a controlling interest in Marcor might not be in restraint of trade. Additionally, I ask unanimous consent to print in the Record an article by Crosby S. Noyes, from the Washington Star-News of June 25, showing how bad the public relations impact is of Mobil's move.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Select Committee on Small Business,
Washington, D.C., June 27, 1974.

Hon. William B. Saxbe,
Attorney General, Department of Justice, Washington, D.C.

Dear Bill: As you have probably noticed by the press reports, Mobil Oil Company, the nation's third largest oil company, has decided to purchase a controlling interest in Marcor, the parent company of Montgomery Ward, the nation's fourth largest retailer.

Because of the size of these two companies, I wonder whether or not there might be a violation of the nation's antitrust laws if the purchase is ever completed.

According to its annual report, Marcor owns some 449 retail outlets. It plans to add 20 more to this total during 1974. Marcor, through Montgomery Ward, also owns 590 service centers which provide tires, batteries, and automobile accessories to car owners. It has been expanding these operations and plans to add 50 new bays during 1974 to the 4,833 operating in the service centers.

Mobil owns and operates 412 retail outlets providing gasoline, and, I assume, tires, batteries and accessories to the American public. It has a total of 23,553 affiliated stations where its products are sold. This number declined by nearly 1,500 during 1973 as Mobil consolidated its operations. I believe this trend is continuing. Mobil also added 48 owned and operated stations during 1973.

From its position as one of the nation's largest refiners and the number of its affiliates, Mobil has a substantial share of the nation's gasoline marketing business. Mobil's share could be increased if it is allowed to control Montgomery Ward. Additionally, the growing concentration of high volume, high profits and gasoline facilities in shopping centers could further encourage Mobil's growth. In the end, there could be a substantial lessening of competition in gasoline marketing if the proposed purchase is permitted.

I look forward to hearing your views on the matter.

With best wishes,
Sincerely,
Thomas J. McIntyre,
U.S. Senator.

No Defense for the Oil Firms

(By Crosby S. Noyes)

I don't claim to know very much about the economics of the oil industry in this country. But I do know something about public relations, having been on the receiving end of that highly developed business for a good many years. And PR-wise, as they say at the White House, the oil industry is fouling things up in the worst way.

Not that they aren't spending enough money on it. The television shows sponsored by the major oil companies undoubtedly cost them some hundreds of millions of dollars a year. Viewers perhaps are impressed by the commercials explaining what a hell of a job the companies are all doing to solve the energy crisis and make Project Independence into something more than a presidential pipedream.

But there are some things that are hard for a PR man—or an oil company president—to explain. And one of them is the very evident fact that whoever has been hurt by the soaring increases in the price of Arab oil since October, it most certainly has not been the oil companies.

The problem started to get rough last winter when it was learned that profits of the major companies for the nine-month period of 1973 averaged a cool 46 percent above those for the comparable period of the year before. At the time, there was a good deal of angry talk on Capitol Hill about "obscene" profiteering at the public expense, along with threats of price rollbacks and a rewriting of tax breaks that have benefited the industry for many years.

Since then, things have gotten much worse—or much better, depending on the point of view. Figures for the first quarter of this year show profits from the major companies averaging 80 percent above a year ago, and some experts believe the figure may be much higher. In addition, a number of the major companies have withheld from profits substantial reserves as a hedge against possible tax increases or higher costs of Middle East oil later this year.

Making profits, of course, is as American as cherry pie, and what all industries are in business to do. But at a time when the average American is having trouble paying his grocery bills and when the high cost of energy is threatening to wreck the economies of most industrialized nations, there is such a thing as overdoing it.

The oil companies argue persuasively that there are special justifications in their case. Great sums of money will be needed to develop new and more expensive sources for oil, develop a process for extracting oil from shale and tar sands and the gasification of coal, expand refining capacity and lay new pipelines. According to industry estimates, a whopping total of $800 billion will be spent between 1970 and 1985, which is four times the outlay for the previous 15 years.

No doubt there is merit to the argument. But even so, it looks bad from a PR viewpoint when Gulf goes shopping to buy up Ringling Brothers Circus and Mobile offers to buy Marcor, Inc., in what would be one of the biggest business mergers in history. This kind of thing has provoked a number of people, including Rep. Charles Vanik of Ohio. According to Vanik, it "demonstrates that capital accumulation by oil companies is being shifted into buying up the country and creating new sources of profits and power instead of creating more energy for America."

Against this sort of negative image-making, counter-arguments are difficult. It may be true enough that most of the profits have been made in sales outside the United States at no cost to the American consumer. It may also be true that the bonanza—at least at the present astronomical levels—may be temporary, caused in part by increases in the value of inventories on hand before the prices went up. The impression remains that the oil companies, one way or another, are making a very good thing out of what is essentially a bad situation. And that the consumer, one way or another, is going to be handed the bill.

The impression is strengthened by the news that a recent 2 percent rise in royalties charged to the oil companies by the producing nations probably will be passed on to the consumers along with any possible increase of taxes. This is the stuff that the sternest kind of punitive legislation is made of, including the possible breaking up of the major oil companies. As things are going, the companies will be lucky if it doesn't happen to them.

WORKING ON THE SYSTEM WITH THE FREEDOM OF INFORMATION ACT

Mr. KENNEDY. Mr. President, the Freedom of Information Act is fast becoming recognized as a central key for unlocking the too-frequently closed doors of Government in the public's quest to find out more about what Government is doing. A conference committee will soon be considering bills passed by the House and Senate to strengthen the Freedom of Information Act, and I am confident that a final measure will be enacted by the 93d Congress.

The Freedom of Information Act represents more than just a tool which the American people can use to find out more about the activities of Government agencies. The information that this act makes available to the public can itself become a tool for facilitating more effective citizen involvement in the administrative process. But the public must first understand the diverse and complex ground rules of the various agencies before they can in fact affect Government decisionmaking. Each agency operates under its own regulations, and unfortunately many place substantial obstacles in the way of effective citizen participation in their processes.

A few years ago my Subcommittee on Administrative Practice and Procedure surveyed the agencies on the subject of citizen participation and agency responsiveness, in an effort to bring to light the attitudes and observations of officials on, as well as the agency frameworks for, citizen participation in agency proceedings. Since then the subcommittee has continued to conduct investigations and hearings aimed at opening the processes of Government, and there is still much work to be done.

I am pleased to see this theme carried forward in a new book directed at encouraging public involvement in and influence of Government decisionmaking. The volume is appropriately titled "Working on the System." This is an extremely useful and important source of information for any citizen concerned with how our Government operates. It details the basically uncharted terrain of Federal regulatory agencies and, most importantly, shows precisely how the average citizen can have a say in what those agencies do. The book is the result of the experience of Ralph Nader and his associates at the Center for Study of Responsive Law, who have had extensive experience in working on the system for the past several years. This book is basic reading for all those who want their voices heard in Washington.

I was pleased to see that "Working on the System" devotes an entire chapter to the Freedom of Information Act, including not only a concise summary of the law but a practical guide on how to use it. The lessons and advice in this chapter should be helpful to those who want to know more about Government and how to use the law that gives them access to the records of Government. I ask unanimous consent that the chapter on the Freedom of Information Act, subtitled "Let My People Know," be printed in the Record.

There being no objection, the chapter was ordered to be printed in the Record, as follows:

Working on the System—The Freedom of Information Act—Let My People Know

There is a common bond of bureaucracy that transcends the centuries and the oceans, and the words of Ibsen's fictional nineteenth century mayor would fit neatly in the mouths of many twentieth century civil servants. Part of the bond is the assumption that information which a public agency acquires becomes the property of agency personnel, to be disclosed only to those who can show a good reason for disclosure and who can be trusted not to make a fuss.

It was to combat this attitude and to establish the principle that government information *as a rule* is available to the public that the Freedom of Information Act (FOIA) was passed and signed into law in 1966. Lyndon Johnson chose the Fourth of July as the day for the ceremony, and he signed it "with a deep sense of pride that the United States is an open society in which the people's right to know is cherished and guarded." But so far this guarding of the people's right to know has been done mostly by some of the people themselves, rather than by the agencies subject to the Act, with occasional assistance from the federal courts.

The fundamental principle established by the Act is that information in the possession of federal agencies is to be made available to the public *unless* withholding it is specifically justified under one of the statutory exceptions to this rule of disclosure. It is essential to keep this basic rule in mind, because, in spite of the statute, most officials with whom you will come in contact will act on the assumption that government information is to be kept secret unless there is a specific reason for disclosing it. It is ironic that the law provides penalties for disclosure of trade secret-type information [18 U.S.C. 1905], but provides no penalty of any sort for the withholding of public information. Therefore, the law has created an impetus for the public official to withhold information. In light of this, you should challenge the decisions and actions of government officials and administrators whenever public access is questioned.

The official title of the FOIA is Public Law 89–487, an amendment to the Public Information Section of the Administrative Procedure Act (APA). The FOIA was later incorporated into the U.S. Code (by Public Law 90–23 of 5 June 1967) as Section 552 of Title 5. The Act itself is fairly brief, and the entire text is in Appendix 3-A (p. 60). It covers all federal agencies in the Executive Branch and independent commissions, but it does not apply to Congress, the courts, the District of Columbia and territories, or state and local governments.

Basically, the FOIA requires all federal agencies to make certain material, such as opinions in cases, policy statements, and administrative instructions which affect the public, available for public inspection and copying. "Identifiable records" that are requested are also to be made available unless they fall into one of the exempt categories. There are nine of these categories, which will be discussed later. Remember that these are exceptions to the general rule of disclosure, and even if parts of the records requested are exempt the agencies must make available those portions which are not exempt. Although the Act may *allow* an agency to withhold information in such categories, it does not necessarily require such withholding.

The major problem with the FOIA is that it hasn't been used by the press, citizens, or citizen groups to any appreciable extent. As a result, many administrators maintain the attitude of secrecy that they had prior to its adoption. The FOIA has many shortcomings, but it can be an effective tool if it is used. The more it is used, the more effective it will become.

HOW TO USE THE ACT

The first step in getting information from an agency under the FOIA is to determine as specifically as you can what information you want. One reason for this is the Act's requirement that records requested be "identifiable"; another reason is to aid in determining which agency you will ask, since frequently you will begin in the process with an idea of what information you want, and proceed from that to learning which agency has possession of it. Although the Act was passed to establish a uniform policy for information disclosure through the federal government, regulations which the agencies have adopted to implement it vary widely, and the ways in which they apply vary even more widely.

The FOIA requires every agency to publish its procedures for obtaining information. Since each has separate and sometimes different regulations, the various agencies' regulations should be consulted when you are considering submitting an information request. These regulations are available in the Code of Federal Regulations (C.F.R.) under the title assigned to that agency. The C.F.R. should be available at any library, law library, or most law offices. The citations for each agency's regulations are listed on page 23 of the United States Government Manual 1972–1973, which is available for $3.00 from the Government Printing Office (G.P.O.). This manual is a must for any activity concerning the federal government. If a set of the C.F.R. is not available, write the Public Information Office of the agency and ask for a copy of their Freedom of Information regulations. They usually respond quickly to this type of request.

In 1968 the House Committee on Government Operations compiled all of these regulations and published them in a Committee print entitled *Freedom of Information Act* (*Compilation and Analysis of Departmental Regulations Implementing 5 U.S.C. 552*). This is available from the G.P.O. for $1.25 and includes other material interpreting the Act, such as the Attorney General's Memorandum, along with an index to all departmental regulations printed in the C.F.R. However, this publication is seriously out of date and should be used only in conjunction with the current C.F.R.

A booklet which you may find useful in getting information from government sources is *The Damned Information* (Washington Institute for Quality Education, 300 M Street, S.W., Washington, D.C. 20024, $3.75). This contains a sample letter requesting information, similar to the one in Appendix 3–B (p. 64), and a complaint filed in federal court to force an agency to produce records under the FOIA. One warning: If you bring an action, at least consult an attorney; do not depend on the form of court pleadings contained in this otherwise helpful pamphlet. It also includes summaries of state freedom of information statutes, and guidelines on how government statistical information can be used.

Another important source of material for use in getting information from government sources at both the state and federal levels is the Freedom of Information Center (Box 858, Columbia, Missouri 65201, 314–882–4856). Subscribing memberships are $7.50 per year, and include the bimonthly *FoI Digest*, two reports published each month, opinion papers, and periodic newsletters from the Washington representatives. The Center has an extensive supply of papers on specialized subjects in freedom of information, most of which are written by graduate journalism students at the University of Missouri, and you may find one that applies to your specific situation. These include a summary of all cases decided under the FOIA. The Center's orientation is journalistic, rather than legal, and it does not involve itself in litigation under the FOIA.

A more recent and very useful publication on the FOIA is John Shattuck, *You're Entitled to know: Your Rights Under the Freedom of Information Act* (American Civil Liberties Union, 22 E. 40th Street, New York, N.Y. 10016, February 1973, a 25 cent pamphlet).

The House Foreign Operations and Government Information Subcommittee of the Committee on Government Operations has conducted a detailed survey of the practices of federal agencies in applying the Act. Hearings were held in the spring of 1972, and the bound transcript of the hearings is a valuable resource for use in dealing with federal agencies. The bound transcript of the hearings is available from the G.P.O. Ask for *U.S. Government Information Policies and Practices: Problems of Congress in Obtaining Information from the Executive Branch* (Hearings before a Subcommittee of the Committee on Government Operations, House of Representatives, 92nd Congress, 2nd Session, May and June 1972). As a result of those hearings, the subcommittee issued a report on the Administration of the Freedom of Information Act, House Report 92–1419, which provides excellent insight into problems presented with that administration (this report is now out of print and is available only in libraries).

Although you will probably need to refer to the agency's regulations if the information you are seeking is extensive or important, minor inquiries can be handled informally over the telephone. This frequently involves, or at least begins with, a call to the agency's Public Information Office. The information you want may be available in an agency publication, or the Public Information Office may be able to direct you to the department which has the information on file. But don't depend on the agency PIO for the final word on which department has the information, or on whether the agency has it at all. Sometimes it may be more effective to get a copy of the agency telephone directory (see Appendix 2–A, p. 40), determine which department is most likely to have the information, and call that department directly. Some agencies have made specific provisions in their regulations for accepting information requests by telephone [e.g., Civil Aeronautics Board, 14 C.F.R. 310.6(a); Securities and Exchange Commission, 17 C.F.R. 200.80(d)].

But many agencies are unlikely to respond to informal telephone requests, especially if the information is at all significant, and in most cases it will probably be necessary to write at least one letter requesting the information before you get anything. To write that letter, you will need at least a passing acquaintance with the terms and loopholes of the Act, and the way in which they have been applied.

These are the nine exemptions to the Act, and the type of information exempt under each. The FOIA does not apply to matters that are:

1. Specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy. The documents exempt under this section are those,

like the Pentagon Papers, which are classified. Courts are most reluctant to release information if this exemption is at all relevant. This does not necessarily eliminate the availability of information in the possession of the Department of State or the Department of Defense. Material such as results of drug-testing done on GI's returning from overseas is not exempt under this provision.

2. Related solely to the internal personnel rules and practices of an agency. This exemption relates to rules of internal management and covers things such as employee parking and cafeteria regulations, as well as certain manuals that relate to management and organization of particular agencies. Staff manuals instructing inspectors or agents how to perform their job are not exempt.

3. Specifically exempted from disclosure by statute. This exempts documents and information which are exempt from disclosure by other statutes. The most notable among these are those that relate to the Internal Revenue Service (IRS) and Social Security Administration. In those cases, information that relates to individual taxpayers and recipients or applicants under Social Security is exempt. The attempt of the Social Security Administration to exempt from disclosure survey reports compiled on the conditions present in nursing homes under Medicare is presently being challenged in court. Since the information obtained does not relate to applicants or recipients, it is hoped the courts will release the survey reports.

4. Trade secrets and commercial or financial information obtained from a person and privileged or confidential. Under this section it seems clear that confidential information which is not a trade secret and not financial or commercial is disclosable. Thus the agencies may withhold information only if it is either a trade secret or commercial or financial. This exemption applies only to information which is submitted to the government. Government-prepared documents can never be exempted under this section.

5. Inter-agency or intra-agency memoranda or letters which would not be available by law to a party other than an agency in litigation with an agency. This exemption is the one most widely used by the government, and they will attempt to use it in almost every situation. Opinions and policy recommendations are the traditional types of information which are included within this exemption. A memo from a staff person to a supervisor advising that a policy be formulated would be exempt. However, factual reports or analyses of facts are not included. Reports of inspectors or field personnel should not be exempt. This material might contain opinions, but if it can be determined that it is more factual analysis than policy recommendation, then it should be available.

6. Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. This exemption is self-explanatory. It should be pointed out, however, that this is the only exemption that encourages a balancing of interests between disclosure and nondisclosure. If this exemption is related to the information requested, then a brief explanation as to the need for the information should be made so that it can be determined that the disclosure of information would not be a clearly unwarranted invasion of personal privacy.

7. Investigatory files compiled for law enforcement purposes except to the extent available by law to a party other than an agency. Almost any information that a regulatory agency has can be considered an investigatory file. The courts have stated that only where there is an imminent prospect of a law enforcement proceeding being undertaken can the exemption be used. Thus, in cases where it can be shown that a law enforcement action against the particular factory is imminent, the inspection reports are exempt. Also, if the information is transmitted to the people being investigated, the information is no longer exempt.

8 and 9. These are special interest exemptions and are not relevant to most applications of the Act.

The extent to which these exemptions can be used as grounds for refusing public information requests will have to be determined largely by the courts through litigation. But, at a minimum, they offer some guidance as to what is and what is not available under the FOIA.

In writing a letter to the agency, identify the material you are asking for as specifically as possible, and be sure to indicate whether you wish to examine the records, or are asking for copies of the records to be sent to you. Even if you are fairly certain that you want copies, ask the agency to estimate the cost and let you know the amount before they actually copy and send the records. Copy and search fees are sometimes used as a barrier to access. If the agency demands thousands of dollars in search and copying fees, challenge that in court as an agency denial.

The Federal Advisory Committee Act, Public Law 92–463 (which became effective on 5 January 1973), provides "Except where prohibited by contractual agreements entered into prior to the effective date of this Act, agencies and advisory committees shall make available to any person, at actual cost of duplication, copies of transcripts of agency proceedings or advisory committee hearings" [Section 12(a)]. It used to be a common practice that, in order for a person to get transcripts of proceedings, he/she would have to buy them directly from the commercial reporting company that originally prepared them, at $.75 to $1.50 per page. This can no longer occur. Actual cost of duplication should not exceed 10 cents per page. Most of the existing contracts with commercial reporting companies should have expired or be close to expiration by the time this book is published.

The Federal Advisory Committee Act provides for public access to all Advisory Committee meetings, with some limitations. Notices are published in the Federal Register stating the time and place of these meetings. While this is a beneficial law, it has serious shortcomings. Like FOIA, it does not provide for access to any government body which cannot be called an "advisory committee" and it does not provide for the right of access to public officials, i.e., interviews.

Your initial letter of request for information should be drafted in accordance with the agency's procedures for requesting information, referred to earlier. Usually this request should be addressed to the agency's operations head, either by name or title. Include citations to the FOIA and to the departmental regulations. Since delay is frequently used as an informal barrier, it may be useful to request a reply within seven working days. If more time is needed by the agency to process your request, they at least should send you some notice informing you of the date when either the information or a decision on your request will be made available. In your initial request ask for a final determination. However, procedures promulgated by the agencies sometimes include a system of internal agency appeals which you may have to go through if your initial letter is not responded to with a final determination. In order to deal with this system as quickly as possible, your letter should state that, if your request is denied, that denial be substantiated by a statement of the statutory exemption being claimed by the agency, and why it is applicable to your request. The agency should also accompany any refusals of information requests with an outline of the agency's appeal procedure.

While initial information requests will vary according to the agency involved, a general form to follow is set forth in Appendix 3–A (p. 60). If your first letter is rejected, the rejection will at least give some idea of the legal issues which will be involved in your administrative appeal and in possible subsequent litigation in court. In making an administrative appeal you need to be familiar with interpretation of the statutory exemptions, as well as some common tactics used by agencies to avoid disclosure of information.

WHAT THE EXCEPTIONS MEAN: THE ATTORNEY GENERAL'S MEMORANDUM(S)

Following passage of the FOIA, the Department of Justice published a memorandum interpreting the Act for the use of government agencies. This is available in booklet form for 25 cents from the G.P.O., and is also included in the committee print compilation of departmental regulations. The official title is the Attorney General's Memorandum on the Public Information Section of the Administrative Procedure Act. While it is somewhat restrictive and self-serving, and is not binding on courts in interpreting the Act, it serves as a starting point for legal research, and may be useful in persuading agencies to disclose information in some cases. As the Memorandum notes (on p. 27), most cases involving appeals to federal courts from agency refusals to disclose information would be handled by the Civil Division of the Department of Justice, and the official interpretation of the Act by Justice should at least be persuasive to the agencies.

The basic structure of the Memorandum is a comparison of the provisions of the FOIA with the much more restrictive provisions of the Public Information Section of the APA, which it amended. The Memorandum gives a fairly expansive reading to the statutory exemptions from the rule of disclosure. However, faced with the conundrum exempting "trade secrets and commercial or financial information obtained from a person and privileged or confidential," the Memorandum begins by saying, "The scope of this exemption is particularly difficult to determine. The terms used are general and undefined. Moreover, the sentence structure makes it susceptible of several readings, none of which is entirely satisfactory." After reviewing the somewhat contradictory legislative history of this section, the Memorandum reaches the following conclusion, which also falls somewhat short of precision:

> It seems obvious from these Committee reports that Congress neither intended to exempt all commercial and financial information on the one hand, nor to require disclosure of all other privileged or confidential information on the other. Agencies should seek to follow the Congressional intention as expressed in the Committee report.

The Justice Department circulated another memorandum on 8 December 1969 which will have a much more practical effect on whether you get your information than all of the complicated statutory interpretations in the earlier memorandum. Basically, the Department told agencies that they should be willing to give in to requests for information, even when they think they can justify withholding it under one of the exemptions, if the disclosure is necessary to avoid the risk of a court ruling against the government. If an agency goes to court and loses, the ruling can be used against other agencies in similar situations. But if the agency relents and allows the information to be made public before a court orders it to do so, only that particular information is lost. As the Memorandum put it:

> Although the legal basis for denying a particular request under the Act may seem quite strong to an agency at the time it elects finally to refuse access . . . the justification may appear considerably less strong when later viewed in the context of

adversary litigation, from the detached perspective of a court . . . and a possible adverse judicial decision may well have effects going beyond the operations and programs of the agency involved.

Because of this, the Department asked all agency general counsels to consult the Justice Department before making a final agency refusal that could be appealed to a federal court. This is why a request that may be scoffed at by lower level agency personnel will be treated quite differently at the highest agency level. It is also the reason why you should persist in your administrative appeals to get to the top level of the agency as quickly as possible.

TACTICS OF EVASION AND HOW TO OVERCOME THEM

You should be prepared for some of the common tactics used by agencies to frustrate requests for information. As a matter of practice, most agencies have a two-pronged information policy: one policy toward citizens, and another for the special interest groups that form the agency's regulatory constituency. A pattern of preferential disclosure of information to those regulated industries gives them access to government information and proceedings during the crucial early stages of agency decision making, before the public is officially given notice by publication in the *Federal Register*.

Some of the favorite exemptions used by agency personnel to avoid disclosing information to those who are not part of the agency's regulatory constituency are the exemptions for "internal communicatons," for information "given in confidence," and for material being compiled "for investigatory purposes." One particular tactic is for an agency to open an investigatory file for some possible future action, and to conceal information of all sorts just by dropping it in that file. For example, the Department of Labor has denied access to records of violations of the Walsh-Healey Act which are five, ten, and fifteen years old. That Act sets minimum wages and safety standards for companies doing more than $10,000 worth of business with the federal government, and the only sanction for such violations is a three-year ban from further government contracts. The information was thus withheld under the exemption long after the practical deadline for imposition of any sanctions under the Act.

Another technique is that of "contamination," the mixing of material which should be available to the public with other material which can be withheld under one of the statutory exemptions. The Department of Defense, for instance, has refused to disclose information on the quantity of oil being pumped from the bilges of Navy ships into the water. The justification given for withholding these data is that they would be included in a report containing operational data on military characteristics which would be classified and withheld under the national security exemption.

One tactic for avoiding disclosure is to delay the administrative procedures so that inquisitive citizens are exhausted long before their administrative remedies have run out. Since a citizen is required to go through all of the agency's administrative procedures for appeal before he can go into federal court to secure his right to the information, prolonging the administrative process can hold him off until his need for the information becomes moot, or his financial resources are exhausted. In dealing with this tactic, it is worth remembering that a labor case which did not involve the FOIA, *Deering Milliken, Inc.* v. *Johnston* [295 F.2d. 856, 4th Cir. (1961)], generally supports the position that administrative agencies cannot, in effect, withhold statutory rights by unduly prolonging administrative proceedings. According to the ruling in that case, a citizen may not be required to exhaust all of the administrative remedies available if it would result in "fundamental unfairness," or where the agency clearly has acted beyond the scope of its statutory authority.

But if the information for which you are asking is significant, be prepared for delays followed by delays. For example, Consumer's Union waited for ten months to obtain a final determination on its request for information on hearing aids [Prices of Hearing Aids, Hearing before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, pursuant to S. Res. 258, 87 Cong., 2nd Sess. 257–58 (1958); paragraphs 10–13 of plaintiff's complaint in *Consumer's Union* v. *Veterans Administration*, 301 F. Supp. 796 (S.D.N.Y. 1969)]. A government-sponsored survey at two agencies found that action on some information requests had been pending for several months while the legal basis and policy reasons for possible withholding were studied, and in one case the request had been submitted more than a year before [Donald A. Gianella, Professor of Law, Villanova University, "Uniform Implementation of the Freedom of Information Act," 23 *Administrative Law Review* 217 (May 1971)].

During an interview in the course of that study, one staff member of an agency admitted candidly that requests from prominent national and Washington law firms ordinarily receive faster attention than requests from out-of-town persons unknown to the agency [*Ibid.*, 23]). This admission indicates one possible tactic for prodding agencies into giving faster attenton to requests for information by enlisting the support or at least the interest of people whom the agency pays more attention. An example would be to send copies of your letters requesting information to carefully selected Congressmen and journalists.

Until some schedule is established for handling information requests, either by Congress or by the agencies themselves, such as the ten-day guidelines adopted by the DeDefense Supply Agency [32 C.F.R. 1260.6(b)(3)], it may be useful to set a deadline of your own in your information request, giving a date by which you expect at least an initial reply to your letter. Current regulations of the Department of Transportation allow a person requesting information to get final action on an administrative appeal if the initial decision on his request has been unreasonably delayed [49 C.F.R. 7.71(b)]. Check the agency's regulations closely, and hold them to any self-imposed time period, such as the seven-day period which the Civil Aeronautics Board (CAB) has established for handling appeals on information requests [14 C.F.R. 310.9(d)].

Some other common agency tactics are to insist that the information not be indexed, so it cannot be identified and retrieved from the files (or from the computers), and, if pressed, to resort to exorbitant charges for searching and copying. Remember that the Act provides for *inspection* and copying, and you don't have to pay the photocopy charge just to look at something.

Remember that these barriers are essentially delaying devices, and they will be relied on less by the agency as you go through your administrative appeals and make it clear that you are ready and willing to go to court. Somewhere along the line you will probably be offered a compromise of sorts. This usually involves offering the information, or some of it, as a "favor," and it frequently includes stated or implied conditions. The condition may be for you to concede that you have no right to the information, that you won't tell how you got it, or that you won't use it to embarrass the agency. Often you must choose between getting some of the information as a favor when you need it, and getting the information as a matter of right after fighting your way through the administrative appeals. This dilemma provides one explanation why newspapers, which were thought to be the main beneficiaries of the Act, have been less than ardent about using it. Of the 200 or so suits filed under the statute, only about five have been brought by newspapers, and a survey of Associated Press managing editors in *Editor* and *Publisher* (26 June 1971) indicated that few working journalists even use the threat of the Act to get information. One reason is that most newspaper stories are written on deadlines which don't allow for administrative appeals, let alone litigation. Another is that journalists are often dependent on inside sources, and sources can dry up quickly if they are pushed too far.

GOING TO COURT

If the agency turns down your administrative appeal, don't stop trying. The Act specifically provides—

> . . . The district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, has jurisdiction to enjoin the agency from withholding agency records, and to order the production of any agency records improperly withheld from the complainant. [5 U.S.C. 552(a)(3)]

So, if you are turned down, you can go straight to court, and in your own district if you don't feel like going to Washington. When you litigate to force the agency to produce information, your case won't be subject to the same delays as are many ordinary civil cases, since the Act also provides—

> . . . Except as to causes the court considers of greater importance, proceedings before the district court, as authorized by this paragraph, take precedence on the docket over all other causes and shall be assigned for hearing and trial at the earliest practicable date and expedited in every way.

Some other statutes also can help when you go to court. 28 U.S.C. 1361 authorizes suits in the nature of mandamus (see below) to compel government officials to perform a duty; 5 U.S.C. 555(b) requires an agency "to conclude a matter" before it "within a reasonable time"; and 5 U.S.C. 706(1) authorizes a reviewing court to "compel agency action unlawfully withheld or unreasonably delayed."

"Mandamus" is a court order to a government official to do something which is "ministerial," that is, in which he has no discretion. It is especially appropriate as a remedy for forcing government officials to produce information which clearly should be public. Even if there are some legal questions to be decided in determining whether or not the information qualifies for exemption, it is clear that mandamus can also be used to force an official to exercise his discretion one way or another, rather than delaying it indefinitely [*National Anti-Vivisection Society* v. *FCC*, 234 F. Supp. 696 (N.D. Ill. 1964); *Indiana and Michigan Electric Co.* v. *FPC*, 224 F. Supp. 166 (N.D. Ind. 1963)].

The statutory requirement in 5 U.S.C. 555(b) that agencies act with "reasonable dispatch" is the current version of the statutory provision which was used in the Deering Milliken case referred to on page 55. In effect, it means that even if the agency has not taken final action, it is possible to get relief from a federal court if the agency's delay is equivalent to a "legal wrong." Along with Section 706(1), this means that an agency cannot keep you standing in the administrative halls forever and remain immune from judicial intervention to force the agency to act.

But don't get involved in any of these legal arguments at lower bureaucratic levels. Until you get to court, your problem won't be what the law says, but what the agency does. Be prepared for delays and evasions, and don't be diverted by them. Remember that the agency will be much more willing to grant access to the information when you have gone through the administrative appeals and it appears that you are likely to go to court. It is up to the agency to justify withholding under one of the statutory exemptions, so don't commit yourself to a particular legal argument or an interpretation of the exemptions until you have appealed to the top of the agency. That is where the administrative decision on any important information will be made, and your goal should be to get there as quickly as possible once your initial request is refused.

The Center for Study of Responsive Law has established a Freedom of Information Clearinghouse that can provide experienced guidance concerning any of the matters discussed in this chapter. If you need assistance, write a detailed description of your Freedom of Information problem, attach relevant correspondence, and mail it to Freedom of Information Clearinghouse, P.O. Box 19367, Washington, D.C. 20036.

DÉTENTE

Mr. NUNN. Mr. President, I would like to call to the attention of my colleagues a timely and perceptive analysis of the American and Soviet approaches to détente by Robert Conquest, the noted British authority on Soviet and international affairs. Professor Conquest's article was published in the London Times on June 18, 1974.

I ask unanimous consent to print this article, entitled "America's Policy of Détente: Realpolitik or Russian Roulette?" in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA'S POLICY OF DÉTENTE: REALPOLITIK OR RUSSIAN ROULETTE?

(By Robert Conquest)

President Nixon's speech last week at Annapolis, in preparation for his forthcoming visit to Moscow, was a classic statement of the Nixon-Kissinger position on detente. It argued with amenity and ability the case against critics of that position. All the same it largely misrepresented or misunderstood what it is that is widely felt to be wrong with the current American approach.

One would not wish to denigrate the skill with which the President and his Secretary of State have handled many issues: but, however serious in their own way, these issues are minor in comparison with the great central problem of world politics, the relationship with the Soviet Union. And no minor successes can conceivably compensate if a disastrous error is made over that.

The burden of the Annapolis speech was that relations between states should not be conducted on a purely idealistic basis, and that they should involve no interference with the domestic affairs of other countries. In a general sense, such a view will not be disputed. But in the context of relations with the Soviet Union as they are at present, it contains major fallacies.

First is the implication that Senator Jackson (with his celebrated amendment, overwhelmingly supported in the Congress, which makes the granting of Most Favoured Nation treatment dependent upon freedom of emigration), and those European statesmen who have stood for the free movement of ideas and people as essential to any détente, are motivated merely by an impractical idealism. The contrary is true. The attempt to represent Senator Jackson as a sort of hick Woodrow Wilson is anyhow absurd. He is certainly the American statesman with the profoundest knowledge and grasp of international and defence affairs—as was indeed shown when he was approached in turn to serve as Secretary of State and of Defence. He and the European leaders, who have included Herr Brandt and such moderates as the Danish and Dutch representatives in recent negotiations, are moved precisely by a more pragmatic and more profound understanding of the Soviet Union than the American administration has—and of world peace too.

There is, of course, a sense in which the demand for free emigration and for the free movement of people and ideas can be represented as interference in domestic Soviet affairs. Not that the Russians themselves have any right to complain. Suslov or Ponomarev appear at the congresses of Western Communist Parties. Soviet political works, printed in English in Moscow, are sold freely in our countries. And, on a different tack, Soviet arms (shipped via Prague) turn up in the Bogside.

But in any case, such "internal" changes as are necessary in the USSR if détente is to mean anything are not concerned with the political or social system as such. They are concerned with the fact—unavoidably affecting international relations—that the Soviet Union is a siege polity and a siege economy. The right to emigration is by common consent an international one, since it is guaranteed by the United Nations Declaration on Human Rights. And it might, incidentally, be held relevant to Russia's reliability in honouring its signature on international documents that it has subscribed to but not observed these provisions.

But the issue goes deeper even than that. Soviet-United States détente on present terms involves inside the Soviet Union not merely the thorough repression of all Western-style ideas, but a powerful campaign of indoctrination with hatred for all that the West stands for.

It is another major element of Kissingerite doctrine that trade will ease international relations. There is no historical warrant for this. The highest levels of Russian-German trade, for example, were reached in 1913 and 1940 respectively. And in fact, the whole Russian tradition, since Peter the Great and through Stalin, has been to import the technology of the West with the aim of strengthening the military, despotic and general anti-Western systems of rule. In present circumstances, moreover, an even greater absurdity arises. The Russian economy needs Western grain and other products precisely because it is enormously distorted in favour of the war industries—supporting a bigger defence effort than that of the United States with about half the gross national product. With a reasonable allocation of resources, Russia could master her own economic problems. As it is, Western imports are merely a form of subsidizing the weaponry massed against us. And this is to say nothing of the sale on the cheap of, for example, recent computer advances—that is, of making the results of Western research and development available to the Soviet Ministry of Defence.

At Helsinki, the Russians were granted a fair margin of arms superiority over the United States. It was then held that American superiority in technique would compensate. More recent Soviet (Western-assisted) arms development has, for the time being at last, made nonsense of this. Nor can the huge lead in conventional weapons deployed in Europe be taken as particularly sweet fruit of the detente.

And then, of course, there is the Chinese issue. To put it mildly, there has been no detente on that long Asian frontier. Yet detente is (as we were told peace was) indivisible. If the Soviet Union were really able to negotiate a disengagement, however temporary, in the West, and gain a free hand for dealing with China, one can only say that any such easing of the pressures on our flank would be about as much of a contribution to peace as the Nazi-Soviet pact.

Meanwhile, it is worth noting that almost all serious students of the Soviet Union, together with most observers of and participants in the international scene, are in general agreement with Senator Jackson's position. A detente in the sense of a truce may be achieved with a state which refuses to enter into the normal comity of nations, maintains an armed might far in excess of its true economic capacity, and continues to inflame its population against all non-Soviet systems and ideas. But such a truce cannot in any way be thought of as reliable—particularly if the Russians are encouraged to use it to modernize and re-equip themselves, while making no concessions in exchange. A true detente must involve at least a lesser degree of intolerance towards the movement of people and ideas. Only in that direction are there any serious prospects of a really lasting peace.

COMPREHENSIVE TEST BAN: LETTER TO THE PRESIDENT

Mr. KENNEDY. Mr. President, on Wednesday, I joined 36 of my Senate colleagues in writing to President Nixon, concerning his forthcoming summit meeting in Moscow with General Secretary Brezhnev. We wrote to express our support for his efforts, and our particular interest in achieving a ban on nuclear testing.

At the moment 36 Senators are cosponsors of Senate Resolution 67, calling upon the President to propose a mutual moratorium on testing, and to propose a treaty with the Soviet Union totally banning these nuclear tests. The resolution was reported favorably by the Foreign Relations Committee, by a vote of 14 to 1.

In the interests of supporting the efforts of the President, the Senators writing to him have combined the approach of a threshold ban and the approach of a comprehensive ban, as contained in Senate Resolution 67. We called upon him to seek an agreement that would proceed within a limited number of years to a full ban. We will support such a treaty. Yet we expressed "serious reservations about a threshold treaty that is not clearly linked to a reduction of tests to zero in a limited number of years."

This requirement is important, we believe, primarily because of the need to try limiting the spread of nuclear weapons to other countries. An agreement to end testing by the superpowers could have a powerful effect on other countries that might otherwise build the bomb; but a threshold agreement that did not provide for a fairly rapid end to testing would have virtually no effect at all.

All in all, we believe that the approach we have proposed in our letter to President Nixon is the best one to advance our shared objective of helping to bring the arms race under firm control—and to inhibit the spread of nuclear weapons.

Mr. President, I ask unanimous consent that the letter to the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 25, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you embark on your important trip to Western Europe and the Soviet Union, we want to assure you of our confidence in your objectives at the summit meeting with General Secretary Brezhnev. Agreements reached with the Soviet union that are genuinely in the interests of our two countries will receive sympathetic attention in the Senate.

We are particularly concerned about the prospects for an agreement limiting the testing of nuclear weapons underground by the United States and the Soviet Union. We understand that the primary focus of preparatory negotiations during recent weeks has been on a so-called "threshold" treaty.

On more than one occasion—public and private—General Secretary Brezhnev has indicated support for a total end to testing. Most recently, on June 14, he said:

"We are also ready to reach agreement now with the United States on the limitation of underground tests up to their full termination according to a coordinated timetable."

It is our understanding that this statement would also include the signing of a Comprehensive Test Ban during your visit to Moscow. We believe that this would be in our national interest, and that to achieve it should be the focus of our efforts.

We believe that a threshold treaty would raise new problems—such as accurate determination of explosive yields near the threshold itself—and in our judgment is not likely to contribute very much to the critical goal of encouraging restraint on the part of other states that could develop nuclear weapons. The recent test of a nuclear device by India, has increased the urgency of our developing a realistic non-proliferation strategy, of which a comprehensive test-ban should form an important part.

We strongly urge you, therefore, to go beyond a threshold ban, to an agreement that will lead progressively to a total ban on nuclear testing by the United States and the Soviet Union. The way in which this is accomplished is less important than the treaty commitment to eventual cessation of testing, within a limited number of years.

We are prepared to support such a treaty. But at this time, we have serious reservations about a threshold treaty that is not clearly linked to a reduction of tests to zero in a limited number of years.

In his press conference of June 17, Secretary of Defense Schlesinger said:

"What has been under discussion, and Mr. Brezhnev the other day indicated might well be acceptable to the Soviet Union, is a gradual movement in that direction (of a CTB) starting with a reduction of the number of tests—threshold test ban and the like."

We hope that the Secretary's statement reflects a genuine desire on the part of the Administration to reach binding agreement now with the Soviet Union to proceed to a complete test ban at an early date.

Again, Mr. President, be assured of our hopes for the success of your visit to Moscow, and of our support for your efforts to secure a lasting peace,

Sincerely,

Edmund S. Muskie, Philip A. Hart, William Proxmire, Charles McC. Mathias, Mike Gravel, Dick Clark, Hubert Humphrey, Lowell P. Weicker, Jr., James S. Abourezk, Harrison A. Williams, Jr., Abraham Ribicoff, Joseph R. Biden, Jr., Claiborne Pell, Bob Packwood, Vance Hartke, George McGovern, Frank E. Moss, Mark O. Hatfield, Gale W. McGee.

Edward M. Kennedy, Alan Cranston, Mike Mansfield, Adlai Stevenson, Clifford P. Case, William D. Hathaway, John V. Tunney, Daniel K. Inouye, Harold E. Hughes, Quentin N. Burdick, Howard M. Metzenbaum, J. W. Fulbright, Jacob K. Javits, Gaylord Nelson, Walter F. Mondale, Lee Metcalf, Warren G. Magnuson, Floyd K. Haskell.

SENATOR NUNN AND NATO

Mr. JACKSON. Mr. President, I want to bring to the attention of my colleagues a well-deserved tribute to the junior Senator from Georgia, Sam Nunn. Stephen S. Rosenfeld, in a column in the Washington Post, highlights Senator Nunn's important leadership role as a member of the Senate Armed Services Committee in developing major legislation to strengthen the Atlantic Alliance and to provide that our NATO allies assume their fair share of the burden of the defense of freedom. We can be proud to have Sam Nunn in the Senate—a devoted and effective public servant.

I ask unanimous consent to have printed in the Record the June 21 column by Stephen Rosenfeld.

There being no objection, the column was ordered to be printed in the Record, as follows:

Senator Nunn's NATO Maneuver

(By Stephen S. Rosenfeld)

Sam Nunn (D-Ga.), 35 years old, not 20 months a United States Senator, saved NATO the other day. His was as solid and deft a parliamentary performance in the national security area as the Congress has seen in years, belying the common notion that a legislator must have seniority or "power" to get something important done.

What Nunn did was to block—and rechannel—a campaign led by Senate Majority Leader Mike Mansfield (D-Mont.) to demobilize 125,000 men out of American ground forces overseas. This was the 1974 model of the now-traditional "Mansfield Amendment" to enact unilateral troop cuts in Europe.

Anticipating this campaign, Armed Services Chairman John C. Stennis (D-Miss.) last February sent the member he has called "last but not least" on his committee, on a study mission to Europe. Nunn, a great-nephew and once a staff aide of the late House Armed Services Chairman Carl Vinson (D-Ga.), occupies the Senate seat—and the Armed Services seat—of the late Richard Russel (D-Ga.). "We have military bases in Georgia," Nunn explains. "People in the South are much more tuned to a military and patriotic spirit than some of the other sections."

A lawyer and four-year state legislator, Nunn recalls putting in 100 hours preparing for his European trip—"getting through the first layer of propaganda." His report, "Policy, Troops and the NATO Alliance," though covering an oft-plowed field, nonetheless startled specialists with its freshness and command.

Nunn thinks the Mansfield Amendment approach could produce results—lowering the nuclear threshold, undermining the force-reduction talks—that the country wouldn't like. He concluded his report with a call for the administration and Congress to find together "a long-range NATO stance that we are willing to live with, politically, economically and militarily."

In pursuit of just such a joint long-term stance, Nunn then wrote three amendments to the basic military procurement bill.

Nunn had already, last year, joined with Sen. Henry Jackson (D-Wash.), an acknowledged expert at legislating policy by amendments, to sponsor an amendment requiring the NATO allies to pick up a greater share of the cost of maintaining U.S. troops in Europe or to face a reduction in U.S. troop commitments. That amendment, almost everyone agrees, has been extremely effective, where years of State Department entreaties had not.

The three new amendments were designed to provide a constructive alternative to Mansfield, one answering to the same world-weariness and the same felt need to update American policy but doing so in a way that would not upset negotiations with the Russians or unduly alarm the Allies.

One amendment makes it the sense of Congress that NATO support units (the Alliance's notoriously long "tail"(be cut by 20 per cent in two years, the mean to be replaced—if the administration chooses—by combat soldiers ("teeth").

The second requires the Pentagon for the first time to justify the numbers and purposes of the outsized and unplanned U.S. forces of 7000 "tactical" nuclear warheads in Europe. Sen. Stuart Symington (D-Mo.) had investigated this matter during the year but it took Nunn with his non-threatening Southern manner to move into it legislatively.

The third amendment compels the Pentagon to report on what it's doing to reduce the costs and the loss of combat effectiveness stemming from failure to standardize NATO equipment.

Politically, these amendments have a broad appeal, promising more military efficiency to defense conservatives and greater civilian control and lower costs to defense liberals. Ideologically, they are neutral. The Armed Services Committee endorse them unanimously, though House conferees' approval remains uncertain.

In the Senate debate on the Mansfield Amendment the other day, Nunn, who is a pleasant-looking soft-spoken fellow with a drawl, stood right up to the Majority Leader. He was well prepared. He had a folksy Georgia story about a preacher ready for a change of pace. Quite firmly, he managed to steer the whole debate away from the controversial ground of *whether* in general the United States should be doing more or less into the smoother area of *how* specifically we ought to proceed. And, in a word, he won.

When I talked with Nunn about this a few days later he was sure, but self-effacing, pleased with his success while intent on saying nothing that could give umbrage to his Senate brethren. He is not one for debates on great issues. He thinks national security debates can and should be waged on the basis of what is "effective and sensible." "You must be armed with a good bit of background to get down to the quick," he added.

What will Nunn be looking into next? His chairman Stennis wants him to get into personnel, he said—it takes 57 per cent, by some counts 67 per cent, of the military budget, I found myself thinking: Go, Sam, we're watching.

QUALITY HEALTH CARE

Mr. KENNEDY. Mr. President, the Health Maintenance Organization Act of 1973 contains many provisions to improve the availability and quality of health care throughout the United States.

One of its most important provisions is section 4, directing the Secretary of the Department of Health, Education, and Welfare to conduct a study analyzing the past, present, and potential future mechanisms and methods for the evaluation of the quality of health care services. The Secretary is directed to perform a single study under contract with a private nonprofit organization of national repute, which possesses a wide range of expertise and competence in a number of disciplines important to the adequate measurement of a complex area of endeavor, the quality of health care.

On May 20, 1974, the Department of

Health, Education, and Welfare asked the Institute of Medicine of the National Academy of Sciences to conduct the study mandated by the Health Maintenance Organization Act.

I would like to note for the record that I am very pleased with the Department's choice of the Institute of Medicine to conduct such a study. My colleagues on the Labor and Public Welfare Committee of the Senate and the Interstate and Foreign Commerce Committee of the House of Representatives and I have transmitted a letter to Secretary Weinberger conveying satisfaction with the Department's choice.

I ask unanimous consent that a letter from the Department to the Institute of Medicine, as well as a letter from ranking members of the Senate Labor and Public Welfare Committee and the House Interstate and Foreign Commerce Committee be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., May 20, 1974.

DR. DONALD FREDERICKSON,
President, Institute of Medicine,
National Academy of Sciences,
Washington, D.C.

DEAR DR. FREDERICKSON: The Health Maintenance Organization Act of 1973 (P.L. 93-222) added significantly to this Department's responsibilities for assuring the quality of health care throughout the Nation. In particular, Section 4 of this Act directs the Secretary of Health, Education, and Welfare to contract for a "Health Care Quality Assurance Programs Study."

The comprehensive nature of this study requires the expertise and access to all relevant sectors of the health system which the Institute of Medicine possesses. Therefore, we would like to begin discussions with you about a two-phase contract to undertake this study. As we envision the appropriate process, the first phase would involve consultation with a wide range of groups to bring a truly national perspective to the design of this study; the second phase would be the conduct of the mutually agreeable design for the study. The enormity and complexity of the task, the centrality of the results to many of HEW's health responsibilities, and the intensity of Congressional interest in this activity all require our especially close involvement in the design and progress of this study.

I look forward to discussing this matter with you as soon as possible.

Sincerely yours,
HENRY E. SIMMONS, M.D., M.P.H.,
Deputy Assistant Secretary for Health.

WASHINGTON, D.C.,
June 26, 1974.

Hon. CASPAR W. WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: We would like to commend the Department of Health, Education, and Welfare for initiating discussions with the Institute of Medicine of the National Academy of Science with respect to the study of health care quality assurance programs, as required by Section IV of Public Law 93-222. The selection of the Institute of Medicine to conduct such a study, in accordance with the suggestion contained in the statement of managers accompanying the conference report which led to the enactment of the law is, in our view, a wise one. The Institute has a uniform record of producing objective, high-quality work, and has performed well at the request of Congress in the past.

Despite the long delay in implementing this provision of the law, we are confident that the study will now go forward expeditiously, and contribute to the extremely important ongoing debate with respect to the assurance of high quality health care for all Americans in a valuable and timely fashion.

Sincerely,
JACOB K. JAVITS,
Ranking Minority Member, Committee on Labor and Public Welfare.
EDWARD M. KENNEDY,
Chairman, Senate Health Subcommittee.
RICHARD S. SCHWEIKER,
Ranking Minority Member, Senate Health Subcommittee.
HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare.
HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.
PAUL G. ROGERS,
Chairman, Subcommittee on Public Health and Environment.

THE PRESIDENT'S MIDDLE EAST SUMMITRY

Mr. BENTSEN. Mr. President, as the President begins his second visit abroad in as many weeks, I want to state my reservations about certain aspects of the President's Middle East summitry before we are called upon to judge the results of this Soviet summitry as well.

The President, through the negotiations of Secretary Kissinger, has brought the Middle East closer to peace than at any time since the founding of the Israeli State. It would appear, however, that in order to win a cessation of the conventional hostilities between Israel and her neighbors, we have had to enter into agreements which may sow the seeds of a future nuclear holocaust involving Israel, her neighbors and all the world. I am referring of course to the present U.S. negotiations with Egypt and Israel to arrange for the transfer of nuclear materials and technology. These negotiations are aimed at the delivery of 600-megawatt nuclear reactors which would use enriched uranium and would produce nuclear waste in the form of plutonium.

I question the need for this technology transfer and the risk posed by the proliferation of such dangerous materials. I question whether Egypt or Israel has a genuine need for such nuclear generating facilities and whether either Egypt or Israel is suited to control the use of such nuclear capabilities.

Nuclear power seems to have become intertwined with the mystique of nationhood for many emerging countries. This rush to join the nuclear club seems to be divorced from both the actual economics of nuclear power and the possible results of unlimited nuclear proliferation.

One need look no further than the recent nuclear explosion by India to find an example of this phenomenon. An impoverished nation, pursuing the most expensive technology and research, while producing the least possible benefits in terms of economic development.

Nuclear generating facilities require huge capital investments and become cost effective only when other sources of energy are equally expensive. For Egypt, with the great generating power of the Aswan Dam, there seems to be little need for generating electricity by nuclear power. For Israel, whose economy is already being seriously strained by the cost of war, it would appear that the cost of nuclear power would only be a further burden.

The Middle East is rich with natural energy sources and has myriad problems which would benefit from the scientific research and development necessary for a nuclear research program. Millions of cubic feet of natural gas are burned every day in Saudi Arabia for want of a willing purchaser, and yet, ironically, we are about to send a costly new power source, the atom, to her nearest neighbors.

It is ludicrous for the United States to be sending nuclear reactors for electrical generators to an area of the world that cannot properly clothe, house or feed millions of its people. Rather than "atoms for peace," we should help with agriculture research for improved crops. We should be providing the necessary technology and materials for fertilizer production and for the desalinization of water supplies.

These kinds are the kinds of technological transfers that will raise the standard of living in the Middle East and will feed the hungry children who suffer in that troubled region. We will not solve their problems by introducing the risk of a nuclear conflagration into one of the least stable political areas of the world.

Such a risk is substantial because the secrets of nuclear weaponry are no longer much of a secret. The problem of constructing a nuclear device is no longer a question of acquiring the know-how, but rather of producing the requisite materials. This is the danger that prompted the United States to sign the Non-Proliferation Treaty in 1970, and while a transfer agreement with Egypt and Israel may not violate the letter of that agreement, it certainly strains the spirit of it.

The logic of that treaty in effect was that the fewer countries possessing the tools of nuclear war, the less likely was the occurrence of a nuclear war. Simple in logic but difficult in practice. The Nonproliferation Treaty was a center piece of U.S. foreign policy for three administrations and the difficulty was not in convincing nuclear powers that they should refrain from sharing their plenty, but rather was in convincing less developed nations that they should be content with their want. One disturbing aspect of the proposed U.S. agreement is that it could trigger a competition among nuclear nations to win the favor of non-nuclear countries by meeting their requests for nuclear power and technology.

Such a competition could be disastrous in an area as unstable as the Middle East. The activities of Arab radical groups, for example, have already produced a ghastly chronicle of international terrorism. The deployment of nuclear reactors in the Middle East could provide these radical groups new targets for terrorism that would overshadow anything we have experienced in the past. The United States should be fighting the introduction of such materials into the Middle East, not leading the way.

On balance, then, this proposed transfer offers minimal gains and poses substantial risks. The Senate must not allow this agreement to be approved without the most stringent examination of a number of important questions. What are to be the controls, once this program is underway, and what guarantee do we have that the political leaders who promise peaceful use of atomic power today will not be replaced by less well intended leaders tomorrow.

What physical controls can we actually exercise and what recourse do we have if Arab nuclear policy goes the way of Arab oil policy and becomes a tool of political blackmail?

I want to see the President's Middle East initiatives succeed, but I do not believe the road to peace lies through the uncontrolled proliferation of nuclear materials. I will not support this transfer unless I am convinced that absolute controls are possible and that the cause of stability and peace in the Middle East will be served.

FINANCIAL STATEMENT BY SENATOR STEVENSON

Mr. STEVENSON. Mr. President, in keeping with my practice of voluntary disclosure, I ask unanimous consent that a statement of my assets and liabilities as of April 1, 1974 and a statement of income received and taxes paid in the tax year ending December 31, 1973, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Consolidated Financial Statement of Senator and Mrs. Adlai E. Stevenson III, April 1, 1974

(*Market value as at 3/31/74*)

Real estate:	
Home, Chicago, Ill	$90,000
Home, Washington, D.C. (cost)	125,000
One-third interest, residence, Beverly, Mass	30,000
Interest in farm, JoDaviess County, Ill.	67,500
Fractional interest, Fisk Building Amarillo, Tex	3,200
Fractional interest, 1776 Pennsylvania Avenue, Washington, D.C	20,000
Fractional interest, 633 Folsom Street, San Francisco, Calif	12,000
Real Estate—St. Maarten Island	8,000
10 percent undivided interest in real estate, Tiburon, Calif	66,195
Stocks and bonds:	
12,640 shares, Evergreen Communications, Inc. (publishes Bloomington, Ill. Daily Pantagraph, operates WROK, Rockford, Ill. and WJBC, Bloomington, Ill., owns 10 percent of Bloomington, Ill. CATV)	164,573
3 shares, Bloomington Broadcasting Corp., Class B, non-voting	1,500
533 shares, KBA Townbuilders Group Ltd., Tel Aviv	$550
34.1 shares, R. R. Leaseholds, Inc	500
State of Israel Bond	500
10,000 Bonds, Baltimore, Md., 6.25 percent 10/15/84	11,050
Commercial Paper	16,000
150 shares Deere & Co	6,075
300 shares General Electric	16,275
50 shares General Motors	2,487
142 shares Harris Intertype	4,224
200 shares Hesston Corp	6,500
10 shares Honeywell Inc	760
83 shares I.B.M	19,567
300 shares International Harvester	8,250
69 warrants, Lin Broadcasting Corp	17
100 shares Pfizer, Inc	3,725
200 shares Spectra Physics, Inc	4,300
100 shares Westinghouse Elec	2,050
210 shares Xerox Corp	24,150
705 shares Rowe Price New Era Fund	8,072
2511 shares Rowe Price New Horizons Fund	18,882
Cash:	
Less current obligations	1,000
Misc.:	
Personal property, including securities of nominal value, furniture, cars, paintings and clothing	50,000
Total	792,902
Debts:	
Mortgage—Perpetual Building Association, Washington, D.C	76,014
Mortgage—Continental Bank, Chicago, Ill	15,742
Note payable to Charles J. and Charlotte T. Whalen	1,550
Note payable to Brown Brothers Harriman	20,000
Total	113,306

Statement of Income and Taxes—1973

Income:	
Salary	$42,500
Dividends	91,243
Interest	857
Rents & Royalties	8,426
Honoraria	9,050
Net loss on sale of capital assets	−1,000
Adjustments to income:	
Employee business expense adjustment	3,467
Deductions:	
Medical	150
Taxes:	
Illinois State Income Tax	4,968
Real Estate Taxes	10,170
Other	1,138
Interest	8,017
Charitable Contributions	12,119
Miscellaneous:	
Unreimbursed Senate expenses	9,981
Other business expenses (preparation of returns, investment services, etc.)	6,238
Political contribution	100
Individual exemptions	4,500
Taxable income	90,228
Investment credit (share of investment for Sub-Chapter S Corporation, Evergreen Communications)	2,614
Recomputation from prior year of investment credit	11
Federal tax paid	36,714

The following income was received in 1973 and was not subject to Federal Income Taxes:

Baltimore, Md., Bond	625
Portion of tax free income attributed to taxpayer from Sub-Chapter S Corporation, Evergreen Communications	3,986
Total Direct Taxes (State and Federal income taxes and property taxes)	51,852

WHAT FUTURE FOR OEO PROGRAMS ON AGING?

Mr. KENNEDY. Mr. President, within a very short time the Congress will determine the fate of the Office of Economic Opportunity and the programs it now operates.

Our decision on the extension of OEO—or of the redistribution of its components—is made necessary by the expiration of present authority for OEO on June 30.

The House of Representatives has already acted and approved overwhelmingly the Community Services Act, H.R. 14449. That bill would transfer many OEO programs to a new Community Action Administration within the Department of Health, Education, and Welfare. Moreover, it would spin off the senior opportunities and services program to the Administration on Aging.

I intend to introduce legislation after the recess—along with the Senator from New York (Mr. JAVITS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Kansas (Mr. DOLE), and others—which would make major changes and improvements in our Nation's efforts to help break the cycle of poverty for more than 25 million Americans.

Specifically, our proposal would:

Establish a new, independent Community Services and Community Economic Development Administration;

Extend the Economic Opportunity Act for 3 years; and

Transfer the senior opportunities and services program to the Community Services and Community Economic Development Administration.

I believe that the Senate should give very careful attention to these alternatives, especially as they relate to OEO programs which serve older Americans.

As chairman of the Subcommittee on Federal, State, and Community Services of the Senate Special Committee on Aging, I took an active interest in 1965 when the committee conducted its hearings on the war on poverty as it affects older Americans. Because of the recommendations of the committee, the OEO now devotes considerable attention to the special needs of the elderly poor.

Among other actions taken, the OEO established the senior opportunities and services—SOS—program to provide service and employment opportunities specially designed for older persons.

Latest available information indicates that $10,700,000 was allocated for SOS for fiscal year 1973. Another $14 million was secured from other Federal programs to complement SOS funding.

Mr. President, this is no insubstantial amount. But the amount of dollars devoted to a group of programs do not necessarily indicate their true value. Programs may have special importance if they are responsive and innovative, which has certainly been the case with SOS and other OEO programs for the elderly.

To prepare for Senate discussion of OEO extension I asked the staff of the Senate Committee on Aging to prepare a background paper on SOS and to analyze the desirability of transferring such programs to a successor agency for OEO.

Mr. President, I ask unanimous consent to have the analysis printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

The Office of Economic Opportunity Senior Opportunity and Service Program

Congress, when it established the Office of Economic Opportunity in 1964, mandated that the agency should test and develop new approaches and programs to alleviate—and hopefully eliminate—poverty endured by millions of Americans.

The "charge" to OEO was to break the cycle of poverty. It soon became apparent that a plan to focus most of OEO resources on children and youth and young heads of families left out a large segment of the poor—namely the elderly, whose plight and vulnerability had a special poignance and desperate urgency.

In hearings conducted by the Committee on Aging, witnesses have said of the elderly time and time again, "Their future is now."

That Committee conducted hearings[1] in 1965 and in 1966. Expert witnesses agreed that OEO had a special responsibility for serving the elderly as well as other age groups. Their testimony, and other research by the Committee, led to publication of a report[2] which declared:

One in five of all poor people in the United States was then over age 65, although persons in that age group comprised only one-tenth of the total population.

"Elderly Americans go unnoticed, not only because of decreased mobility and limited opportunities for mingling with other age groups, but also because their problems are not as dramatically visible as those of other age groups."

The Economic Opportunity Act of 1964 had said:

"It is therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to *everyone* (emphasis added) the opportunity for education and training, the opportunity to work, and *the opportunity to live in decency and dignity*." (emphasis added)

OEO had begun several elderly-oriented programs, but they fell far short of need.

Soon after the Committee report was issued, several significant actions on behalf of older Americans occurred.

I. ESTABLISHMENT OF SOS

From its very inception the war on poverty focused primarily on the needs of the young. This attitude was given clearcut expression because of the prevalent feeling that Federal dollars committed to the young would yield a higher return, especially when disadvantaged youths would move off the welfare rolls onto the employment rolls through a comprehensive program of manpower training and other related services.

However, in 1967 the Congress made it clear—with the passage of the Economic Opportunity Act Amendments—that OEO was to focus increased attention on the needs of the elderly poor. An Assistant Director was established to coordinate OEO's efforts to serve, employ, and assist impoverished older Americans.

In April 1967 President Johnson appointed Ms. Genevieve Blatt as Assistant Director. Additionally, an Office on Older Persons Programs was created. Through the efforts of her office and staff—which was later reduced and then abolished—OEO became sensitized in its attitudes and programmatic efforts for the elderly poor.

One of the major innovations of the 1967 Amendments was the establishment of the Senior Opportunities and Services (SOS) program to help assure that other OEO programs (e.g., Emergency Food and Medical Services, Legal Services and others) "serve, employ, and involve" the aged poor to the maximum feasible extent possible.

Since June 1968—when the first 67 SOS programs were funded with a $2.5 million appropriation—OEO's programs for the elderly have increased substantially. Last year, for example, 85 percent of the 900-plus Community Action Agencies (CAAs) operated some type of program for the aged. More than 330 of the CAAs conducted specific programs for the elderly. Moreover, the $10.7 million of SOS funds generated a similar amount of other Federal monies from such agencies as ACTION, the Administration on Aging, the Department of Labor, and the Department of Housing and Urban Development.

Additionally, more than 400 CAAs operated programs for older Americans out of their General Community Funds (Versatile Funds) (Program account 05). The support of these programs through the general CAA administration and community support program amounted to nearly $50 million. (For more detailed information, see Appendix A.)

As a result, SOS succeeded in stimulating new hope, inspiration, and assistance for the elderly poor. To a very large degree, this momentum has been generated by a local groundswell of community support. The net impact is that many CAAs now regard their Older Persons Programs as perhaps their very best local projects. This view has been widely accepted by local governing bodies, and is a major reason that Older Persons Programs have been able to secure local matching funds at a higher percentage than any other OEO-administered program.

During its brief existence, the value and worth of the SOS program has been demonstrated time and time again. For many elderly the wide array of services provided under SOS has meant the difference between living independently in their own home, instead of being institutionalized at a much higher public cost. In 1973 nearly 1 million aged poor received 7.9 million individual services from local SOS programs. (For a more detailed listing of services provided, see Appendix B.) Additionally, the program has succeeded in improving conditions of the elderly in many other ways, including economical, psychological, nutritional, medical and others.

For these reasons, it is urged that the SOS program not only be continued but also expanded.

II. FEASIBILITY OF TRANSFER OF SOS TO A SUCCESSOR AGENCY

Independent evaluation of SOS has consistently established that the program is effective in identifying and meeting the needs of the elderly poor. Major findings[3] from an evaluation by Kirschner Associates, for example, revealed:

SOS programs have a low unit cost per beneficiary.

The program has produced significant improvements in the aged's sense of dignity, as well as their physical and emotional well-being.

SOS projects have been enthusiastically accepted by elderly participants, local governments, and others directly affected.

But with dismantlement a clear and present danger for OEO, fundamental questions now arise concerning how SOS can be continued most effectively. The following analysis is designed to examine two major alternatives from policy, administrative, practical, and legislative feasibility considerations.

a. Retention of the SOS Programs Within OEO or Its Successor Agency (e.g., a Community Action Administration within the Department of HEW or an independent Community Services and Community Economic Development Administration).

1. OEO has a national network of 905 Community Action Agencies (CAAs), covering approximately 90 percent of the U.S. population and from 80 to 85 percent of its area. These programs are now geographically, psychologically, and programmatically closest to the neediest, most isolated, and least identifiable elements of the elderly poor. Moreover, the existing framework has allowed the Older Persons Programs to tap into $80 million of other OEO support monies for fiscal 1973 to bolster efforts on behalf of the aged poor.

2. OEO programs (including SOS) have developed through the years an increasing and unique capability to assist the poor of all ages. Through its annual funding plan, OEO requires a needs assessment and program evaluation of the areas served by CAAs. Each OEO/SOS program component is regularly visited and evaluated by a regional field representative, who carefully reviews the annual funding plan for each CAA and its Older Persons Program. Additionally, each SOS project advisory board periodically reviews the strengths and weaknesses of the local program. Thus, there is local input into the project. Consequently, program emphasis can be adjusted to meet local conditions.

3. H.R. 14449 (Community Services Act)—as passed by the House—would establish within the Department of HEW a new Community Action Administration which would administer many former OEO programs, such as Community Action, Emergency Food and Medical Services, and others. Under the Javits-Kennedy proposal, an independent Community Services and Community Economic Development Administration would be responsible for administering many of these programs, including SOS. From an administrative, funding, and technical standpoint, it makes good sense to keep SOS within this framework and national network of CAAs.

4. As an independent agency within the executive office of the President, OEO has greater versatility in emergencies directly affecting the elderly. This capability would also be applicable in bringing OEO's services under the umbrella of a single agency. Recent disasters (e.g., the flood in Wyoming Valley, Pennsylvania, in 1971 and the tornadoes in Kentucky, Indiana, Illinois, and Ohio in 1973 and 1974) have amply demonstrated the effectiveness of OEO—through its regional offices, local CAAs, and SOS grantees—to supply assistance and relief for the elderly when their housing, food, and medical needs were most acute.

5. OEO/SOS program requirements are representative of the communities as a whole, with representation on CAAs (operating as non-profit government agencies) equally apportioned among the poor, locally elected government officials, and the community-at-large. (It should also be noted that some CAAs are public agencies which are operated by cities, counties, multi-county governments, or state governments under the Green Amendment.)

6. CAAs and SOS projects are mandated by law to employ the poor (in the SOS program the mandate is to employ the elderly poor) whenever and wherever feasible. The aged poor are thus represented on the advisory boards, employed in the program operations. and the beneficiaries of the services.

7. Many CAAs operate as nongovernmental agencies. Consequently, they have greater freedom and latitude to shift funding from one programmatic area to another as needs dictate—since the CAAs would be less sus-

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Footnotes at end of article.

ceptible and vulnerable to local and State political pressures.

8. If OEO or a successor agency continues to operate independently, there will be a better opportunity to identify, plan, and meet the needs of the Nation's poor—the old as well as the young.

III. STAFF CONCLUSIONS AND RECOMMENDATIONS

The decisive support (331 to 53) registered for the Community Services Act (H.R. 14449) by the House on May 29 provides an encouraging sign that it may be possible to place OEO programs within a separate unit of an existing department (e.g., a Community Action Administration within the Department of Health, Education, and Welfare) or a new independent agency (e.g., a Community Services and Community Economic Development Administration).

In terms of policy and administrative considerations, the arguments seem to be more compelling for keeping SOS in OEO or a successor agency, as opposed to spinning the program off to the Administration on Aging.

For these reasons, it is recommended that steps be taken immediately to continue SOS within the context of OEO or a successor agency.

FOOTNOTES

[1] "The War on Poverty as it Affects Older Americans," June 16, 17, and July 10, 1965, and January 19, 20, 1966.

[2] *The War on Poverty as it Affects Older Americans*, a report by the U.S. Senate Committee on Aging, June 20, 1966.

[3] "Evaluation of Selected Senior Opportunities and Services Programs," Kirschner Associates, Inc., prepared for Office of Economic Opportunity in February 1970.

APPENDIX A.—OFFICE OF ECONOMIC OPPORTUNITY PROGRAMING FOR THE AGED

[In millions of dollars]

	Fiscal year—						
	1967	1968	1969	1970	1971	1972	1973
Total, all programs	[1] 44.8	[1] 48.9	[1] 61.8	131.1	131.8	119.9	
Job Corps and work and training programs	7.7	8.6	10.5	34.0	27.6	27.7	
JOBS	(2)	(2)	(2)	.0	(3)	(3)	
PSC	(2)	(2)	(2)	1.6	3.3	3.2	
Mainstream	(2)	(2)	8.0	25.8	19.6	19.6	
CEP	(2)	(2)	(2)	5.6	4.7	4.9	
Office of Economic Opportunity	37.1	40.3	51.3	97.1	104.2	92.2	90.1
Program development and demonstration projects	(2)	(3)	1.3	1.3	1.6	1.7	1.5
Housing	(4)	(4)	(4)	.8	.9	.4	.3
Community development	(4)	(4)	(4)	.2	.1	.3	.3
Consumer	(4)	(4)	(4)	.1	.1	.1	.1
Communications	(3)	(3)	(3)	(3)	.1	.3	.2
Rural	(4)	(4)	(4)	2	.4	.6	.5
Community action operations	21.0	27.1	30.6	56.2	55.8	53.6	59.3
Local initiative	21.0	24.6	24.2	49.4	47.8	45.6	48.6
Senior opportunities and services		2.5	6.4	6.8	8.0	8.0	10.7
Health and nutrition	11.6	9.8	12.6	25.9	30.5	21.7	16.6
Emergency food and medical	1.0	3.0	7.4	11.0	10.6	(3)	(3)
Comprehensive health services	10.6	6.8	5.2	14.1	18.8	21.7	16.6
Alcoholic counseling	(3)	(3)	(5)	.8	1.1	(3)	(3)
Special Indian programs	(3)	(2)	(3)	4.6	5.4	4.8	5.2
Special migrant programs	(3)	(3)	(3)	2.5	2.8	2.7	2.9
Legal services	1.9	2.9	3.2	3.3	3.7	3.7	4.6
VISTA	2.6	3.0	3.6	3.4	4.4	4.0	

[1] Do not include all EOA programs. See note below.

[2] Incomplete.

[3] Indicates that the project was not then in existence.

[4] Not available.

[5] Unknown.

Note: Such programs as foster grandparents, rural loans, etc., are not included for any year, although previous reports did include them. The reason for not including them this time is that either they are no longer part of EOA or have no funds requested for them, and thus a parallel base calculation would be difficult to develop. Early migrants and Indians programs are not broken out separately. Beyond 1969, the data vary considerably in consistency.

APPENDIX B

Services or activities provided older persons by SOS program

Senior centers	1499
Civic influence and ACTION	173
Outreach and referral	248
Home health aid service	69
Other health services	127
Homemaker services	89
Housing assistance	180
Home repair services	86
Handyman services	61
Transportation assistance	261
Legal services	115
Employment training or job finding	133
Consumer education	174
Other education	139
Credit unions or buying clubs	46
Feeding programs	204
Home-delivered meals	126
Congregate meals	147
Other	45
Recreation and/or social	214
Handicrafts	218
Friendly visiting service	186
Telephone reassurance	132
Other	96

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate now stand in recess for 1 hour.

The motion was agreed to; and at 10:45 a.m. the Senate took a recess until 11:45 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUGHES).

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

Mr. MONDALE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COUNCIL ON LEGAL EDUCATION

Mr. MONDALE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 15296, which was reported earlier today.

The PRESIDING OFFICER. The clerk will report the bill by title.

The second assistant legislative clerk read as follows:

To authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MONDALE. Mr. President, this is an emergency matter to continue a longstanding and modest program of financial assistance for disadvantaged legal students. What we are asking for is the adoption of a House-passed bill which was unanimously recommended for passage by the Senate Labor and Public Welfare Committee. This has been cleared with the minority members of that committee.

It must pass before the end of this fiscal year, or the program will be seriously and adversely changed. So I am hopeful that the Senate will concur and send this bill to the President. The administration has requested the bill.

Mr. JAVITS. Mr. President, this is a highly desirable measure, and I think it is very desirable that it be continued.

If the Senator from Minnesota has cleared this with the minority, it certainly is agreeable to me. I strongly favor this legislation.

Mr. MONDALE. We have checked it with the minority. The Senator from New York has long supported this measure and has been one of its chief sponsors.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MONDALE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL RESEARCH ACT—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 7724, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 25, 1974, at pages 21084–21091.

Mr. KENNEDY. Mr. President, the National Research Service Award and Protection of Human Subjects Act is truly a pioneering piece of health legislation.

Not only does it provide expanded support for the training of the biomedical and behavioral researchers of the future, but it goes a long way to assuring that all such research is carried out in accordance with the highest ethical standards that can be developed. For the first time in this Nation's history a group of national experts will be convened by the Department of Health, Education, and Welfare, first as part of a 2-year commission, and then as part of a permanent council, to focus exclusively on the protection of subjects of biomedical and behavioral research.

This Nation's biomedical research program has always been, and must continue to be preeminent in the world. This conference report, which is very close to the original Senate bill, assures a continuing, vigorous program for the training of the young scientists of the future. It establishes an important precedent—the requirement that each recipient of a service award pay back the Federal support via the route of national service. I am especially pleased at the support the concept of national service has received by the biomedical research community and by my colleagues in the Senate and the House.

This legislation also requires that research service awards be granted on the basis of national need—awards in any given specialty will be titrated against the number of scientists in that specialty and the need for additional scientists.

I believe that the most significant aspect of this legislation is the protection of human subjects component. I need not remind my colleagues of the shocking events which led to the development of this section of the act: the Tuskegee syphilis study; the sterilization of the young Relf girls in Alabama; the disturbing use of psychosurgery without experimental safeguards or adequate peer review; the testing of experimental drugs on prisoners without adequate informed consent; the widespread use of experimental drugs like depoprovera in the routine practice of medicine; the use of depoprovera in institutions for the mentally retarded without adequate informed consent.

The list goes on and on. Testimony before the Health Subcommittee raised serious questions about the adequacy of review of experimental protocols by institutional review boards. It also raised questions about the ability of the Department of Health, Education, and Welfare to adequately protect subjects of biomedical and behavioral research.

This legislation is a major step forward in the development of a nationwide policy for the protection of human research subjects which must be second to none.

The conference report is not as comprehensive as was the original Senate bill, but it is a significant advance over the current situation. The permanent Commission called for in the original Senate bill will be limited to 2 years. But it will be replaced by a permanent National Advisory Council which has the authority to carry on the work of the Commission.

The national Commission, and the permanent Advisory Council will each be comprised of experts representing a wide variety of disciplines.

The enforcement powers of the Commission have been dropped in the conference report. But each recommendation made by the Commission must be published, and the Secretary of HEW must publicly respond to each of them.

It is my hope that this Commission will guide policy development on a wide variety of sensitive issues currently engulfing the research community. For example, reports are required on psychosurgery, fetal research, and research on prisoners, children, and the mentally retarded. In addition the Commission and the subsequent Advisory Council will continually reevaluate existing policies for the protection of human research subjects. As science and biomedical technology continue to advance into new areas, the Council will try to anticipate ethical dilemmas before they become problematical and formulate an approach to deal with them.

Mr. President, many of the issues the Commission will address are highly emotional. They are also complex and in many instances, highly technical. The Commission will focus a variety of disciplines, each represented by a national expert, on these problems. If the Congress eventually determines it must take action in any of the specific areas, it will be better informed and able to do so after receiving the Commission's recommendations.

Mr. President, I believe the enactment of this National Research Act is long overdue. I urge the adoption of the conference report.

Mr. JAVITS. Mr. President, I join with the Senator from Massachusetts (Mr. KENNEDY) in commending this report to the Senate. I participated in great part in the conference. It was a very difficult one, and I think Senator KENNEDY is entitled to great credit and appreciation from the Senate for the way in which he finally brought a conference agreement about, and the signing of the conference report by the managers on the part of the Senate and the House of Representatives.

I have just a few comments. First, it will be noted that the conference report deletes certain interim informed consent provisions relating to human subject experimentation, because the Secretary of HEW had finally issued regulations which we thought adequately achieved the objective of the interim provisions with respect to the protection of human subjects involved in HEW-supported research, development, and related activities. Therefore, there was no need for interim informed consent provisions.

I ask unanimous consent that the press release of the Secretary of HEW dated May 30, 1974, on this subject be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

HEW NEWS

(For release in a.m. papers, Thursday, May 30, 1974)

Secretary Caspar W. Weinberger today announced final regulations to protect human subjects involved in HEW-supported research, development, and related activities.

The regulations, published in today's *Federal Register*, amplify existing requirements that HEW grantees and contractors establish review mechanisms to govern all Department-supported research in which human subjects are placed at risk. Membership of the review committees must not be limited to employees of the organization or to such professional groups as physicians, psychologists, or sociologists. The regulations give the HEW Secretary broad discretionary authority to evaluate the adequacy of the committees.

Unless the Secretary provides otherwise, all proposals involving human subjects must be approved by such a review committee before submission to HEW. Temporarily, the Secretary has authorized a 30-day grace period following submission of proposals, for completion of organizational review. In no case will the Department complete its consideration of a proposal until such approval has been certified. The Secretary is also authorized to re-review all such proposals.

The committees are required to determine that any risk involved is outweighed by the benefit to the subjects and the importance of the knowledge to be gained. The subject's legally effective informed consent must be obtained in each instance involving exposure to risk.

Informed consent is based on the Nuremberg Code definition: "the knowing consent of an individual or his legally authorized representative, so situated as to be able to exercise free power of choice without undue inducement or any element of force, fraud, deceit, duress, or other form of constraint or coercion." Information necessary to the consent includes:

(1) Explanation of the procedures to be followed, and their purposes, including identification of any procedures which are experimental;

(2) Description of any discomforts and risks, as well as any benefits, that can reasonably be expected;

(3) Disclosure of any alternative procedures that might be advantageous for the subject;

(4) An offer to answer any questions about the procedures; and

(5) An instruction that the person is free to withdraw his consent and to discontinue participation in the project at any time.

The Secretary has authority to specify which research programs, methods, or procedures fall within the scope of the regulations and which can be excluded. He may restrict the use of certain research procedures or the involvement of certain groups, and he may require the use of necessary safeguards or particular informed consent procedures.

The regulations also require that emergent problems involving risk to subjects, including adverse reactions to drugs or medical devices, be promptly reported to the Department.

The regulations represent the latest stage in the evolution of Federal efforts to safeguard the welfare of research subjects. Similar controls were introduced by the National Institutes of Health in 1965 and by the Public Health Service in 1966. Revised in 1969, these controls were incorporated in HEW policy issued in 1971.

Secretary Weinberger emphasized that additional protection measures are now under consideration. He pointed out that a draft of proposed amendments to the new regulations appeared in the *Federal Register* on November 16, 1973.

"Comments on this draft are currently under review at the National Institutes of Health," Mr. Weinberger said. "From this review will come proposed rules providing additional protection for pregnant women, the fetus, children, the mentally retarded, the mentally ill, and prisoners, all of whom may, often in their own immediate interests, serve as subjects of research."

Mr. JAVITS. Second, Mr. President, I wish to call attention to the provisions in the conference report which would authorize special project grants and contracts for medical schools to develop and operate programs which provide increased emphasis on the ethical, social, moral, and legal implications of advances in biomedical research and technology.

Unfortunately, leadership in the reform of practices in the use of human subjects at risk in research procedures has not come from the medical profession per se. In large measure, the response to assure meaningful control to tragic accounts of experiments involving human beings has come from governmental sources. Our medical schools have a proud record of scientific leadership and I am confident that through medical school programs, stimulated by these provisions, their record in ethical, moral, and social innovation can be equally distinguished.

The ideals of the medical profession—set forth in the Hippocratic Oath, and codes such as the Declaration of Helsinki—relate primarily to concern for the individual's good as entrusted to the physician. It is urgent that our medical schools place greater emphasis upon the totality of the physician's consideration for the individual and society of the ethical, moral, and social concerns inherent in scientific inquiry. While the profession highly values research, it must, at the same time, more deeply involve itself in the consideration and implication of the ethics and morality of the enlistment of human subject in such highly valued research.

I believe scientific inquiry must constantly be blended with judgment, compassion, and sympathy, the true synthesis of humaneness and humanity.

I feel very honored to have been responsible for its inclusion in the conference substitute. The provision is identical to a bill I authored and introduced with Senator WILLIAMS, the chairman of the Labor and Public Welfare Committee, and cosponsored by Senator MONDALE.

These provisions will provide the opportunity for our Nation's medical schools to develop the appropriate program curriculums regarding ethical, moral, and social issues to meet that need—the protection of human subjects at risk in medical research and improved understanding of the consequences and implications for the individual and society of the advances in biomedical science—and through their own initiative and leadership construct an appropriate continuing professional institutional activity to safeguard human subjects in research.

As to individual rights, which were much debated in terms of conscience as to some of these matters which we have discussed, the Senator from Massachusetts (Mr. KENNEDY) and my colleague from New York (Mr. BUCKLEY), who has taken such a distinguished role in some of these matters, will be discussing them.

I believe the conference report takes us to about where we can be in terms of the law and the Constitution. They have in mind the possibility of certain other legislation, and I simply wish to affirm that I shall study it and regard it with the greatest openness of mind, and, indeed, sympathy. But for the purposes of this conference, I think that, as Senator KENNEDY will explain, we have done all that we could do within the parameters of bringing about an agreement between the House of Representatives and the Senate as far as this provision in the bill is concerned. I am in accord with this effort and wish to affirm it.

Mr. MANSFIELD. Mr. President, will the Senator yield at that point?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the conference report.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, first, I want to recognize the very important contribution that the Senator from New York (Mr. JAVITS), the ranking minority member of the Labor and Public Welfare Committee, has made to this legislation, as he has on all the health legislation enacted by the Congress. He is tireless in his pursuit of assuring high quality health care for the American people, and has been enormously sensitive to the whole range of issues which will be developed and considered by the Commission established by this legislation.

There is one particular aspect of the legislation that was passed and that was considered in the conference that I would like to review here on the floor of the Senate for the benefit of the membership. I will also indicate my own particular views on this matter and describe the action I intend to take to deal with it.

The Subcommittee on Health adopted an amendment by the distinguished Senator from Pennsylvania (Mr. SCHWEIKER), which is called the conscience amendment. That included three different provisions. First, it stated that no individual could be forced to perform or assist in performing any service or research project if that service or project was against his religious beliefs or moral convictions; second, it provides that there should be no discrimination in employment or extension of staff privileges to an individual because that individual either performed or refused to perform any services because of religious beliefs or moral convictions.

The third provision was that no entity could be required to make facilities available for performing services or research that are against the entity's religious beliefs or moral convictions.

The House of Representatives had no conscience amendment. The conference agreement adopted the first and second provisions: That no individual could be forced to perform or assist in performing a service or research project if that service or project was against his religious beliefs or moral convictions, and that there could be no discrimination in employment or the extension of staff privileges because an individual either performed or refused to perform a service because of his religious beliefs or moral convictions. The third provision, dealing with the entity, was dropped. This was done on the basis of the views of the House that they had no similar provision in their bill. They accepted only two of the three provisions.

This third provision has basically been included in other health legislation. It was included in Public Law 93–45 which, in fact, included all three of the provisions. I know there is a substantial number of the membership here who are concerned about that third provision. There is some concern, on the part of the groups most interested in this, that pending court cases may be adversely affected by this conference report. Several groups are challenging that particular provision on constitutional grounds—on the basis that many of the facilities being challenged have received some public funding and that apparently raises in some people's minds a constitutional question.

There is some legitimate concern that, somehow, by the conferees dropping the third provision, that some kind of judgment is being made by the Congress on this question, currently pending in the courts. There is some concern that this may have some impact or influence on the judicial process when it reviews the legislative history of this legislation.

But I want to make it extremely clear that that certainly was not at issue during conference consideration of this particular matter. No congressional action on the question has been taken. The House simply had no conscience amendment at all. This was a new issue or question that they were confronting. They had been sensitized to this particular issue on previous legislation of course. I have had the opportunity to talk with the chairman of the House Committee on Interstate and Foreign Commerce, and of reviewing with him at least some of the expressions of concern which I have summarized here. He has indicated that at the first opportunity that this matter is raised again, the matter being the questions surrounding provision 3, that they will give it consideration in the House and they would be willing to discuss it at considerable length in conference.

I have every intention, after we dispose of this conference report, of introducing legislation which includes points 1, 2, and 3, for myself and for Senators BUCKLEY, BIDEN, and SCHWEIKER—Senators who have been interested and concerned about this. I indicated that so far as I was concerned, we will make an effort, and I think I can give assurances on the basis of our past legislative history, that such a provision will be included in one of the revisions of the Public Health Service Act which will reach the Senate floor in July. By giving the House notice now of our intention, they will hopefully be put on notice, and will have given consideration to this particular issue and will have refined its own thinking on this matter. I am confident we will be able to work out a satisfactory resolution of it. Ultimately the courts may have to rule on the question, but in the meantime it is my intent to move forward on enacting a complete version of the conscience amendment.

It is important to raise this matter and to develop this legislative history because of the pending questions and also to reassure some of the groups who have been concerned about this. Our action today in no way detracts from the existing law—Public Law 93–45. It is on the books. It is the law. There was absolutely no feeling among the conferees that, in reaching this particular decision, we were altering or changing that particular law by any manner or means. As a matter of fact, that idea was not even dwelled on during the course of the conference. The current action was based on the fact that the House had no comparable provision and had not given it study and that before any kind of comprehensive inclusion, they felt that points one and two were all they could accept, pending their further study.

I say, I am satisfied, on the basis of the conversations I had, that this will be a subject matter which will be gone into by the members of the House committee prior to the time we meet in conference. I am hopeful that we will be able to resolve it in a way which will satisfy those who have a strong concern about this.

Finally, Mr. President, there is a sense of urgency about this legislation. It contains authorities which expire June 30, 1974, which will affect the great medical schools in Washington, D.C. I refer to the financial distress provisions which will have expired on June 30. So there is a sense of urgency about it. Obviously, we are in no way trying to suggest that the importance of this conscience amendment is diminished by the time constraints we are facing. But these are some of the hard realities. We do want to provide relief for these schools. We passed this legislation in September of last year and we appointed conferees on September 11. The House did not appoint conferees until March and, therefore, we had to keep one eye on the calendar as this long and difficult conference proceeded.

I think it is extremely important to enact this report. I regret, because of the particular time delays, that we find ourselves in this bind, but I wanted to give the membership at least some understanding of the legislative history, and to make clear my intentions on this. I will introduce a comprehensive conscience amendment immediately after the vote. No conclusions on congressional intent should be drawn on the absence of provision 3 of the conscience amendment in this report.

Mr. MONDALE. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. MONDALE. I wish to thank the distinguished chairman of the Health Subcommittee for what I think is a superb measure, and particularly to express my appreciation to him regarding the section I have been intimately involved with regarding health ethics studies.

I share with the Senator a great respect for the medical profession but we realize that increasing technology is here, or shortly will be here, which raises grave ethical and moral issues—issues affecting the future of all mankind. Such things as genetic engineering, which could literally vest one generation with the discretion to determine what the next generation would be, how many males or how many females, and all the rest—and raise issues that are truly profound.

There are, of course, great issues in medicine now that continue to raise questions as to who will live and who will die, because for one thing, there are not enough kidney dialysis machines and who will get them. Those who will not get one will die. It is that simple. It is routine these days. There are also many other questions to be considered. We must have the best thinking regarding the continuing sophisticated tools, drawing on the best minds of America and the best disciplines.

This Commission is a terribly important accomplishment in terms of moving that discussion to where it should be. I thank the Senator for his support and his leadership in this field.

Mr. KENNEDY. Mr. President, I want to acknowledge the leadership of the Senator from Minnesota (Mr. MONDALE) in the development of this commission He sponsored the forerunner legislation on it 3 years ago. He has been the one that has followed the development of this Commission for a considerable period of time. He has been enormously interested in its development and in its potential.

I certainly want to recognize the very important contribution that he has made to its development, and I share with him the belief that this Commission may be the most important health development that will pass in this Congress. Hopefully, we will get a health insurance program. But this legislation will have a direct impact on policies which literally affect life and death. It will provide information for those people in positions of public responsibility upon which sound decisions can be taken. The information will come—not just from the medical profession, but from ethicists, the theologians, philosophers and many other disciplines. This Commission will make us better able to meet our responsibilities in developing health policy.

Some might say that this is just another commission and that too often in the past, commissions have been used as a way of sidetracking public discussions of vital issues. But I think we have established procedures within this proposal which will require the Secretary to respond to these various Commission proposals. This was done to insure accountability. And a permanent National Council will continue the work of this Commission. This is not a one-shot deal.

Mr. President, I think this Commission can really make an extraordinary contribution, not only to us, the people trying to deal with health policy, but also in providing some relief and some guidance to parents and friends who are constantly put into positions where they really are unsure as to what decisions to make on many matters that affect the people they love most—their infants who may be deformed or severely retarded—their parents who may be seriously ill with progressive, chronic, disabling, terminal diseases.

Mr. President, I think this measure can make an enormous contribution. I want to again underline the role of the Senator from Minnesota.

Mr. MONDALE. I thank the Senator very much for his support.

Mr. BUCKLEY. Mr. President, I thank the Senator from Massachusetts for yielding.

I share his belief that the legislation at hand is extraordinarily important. It involves defining and clarifying matters of deepest ethical and moral importance in dealing with human lives and human beings.

By the same token, because of its importance, I wish once again to express my sense of frustration at the rules of this body which make it possible to take up a matter within hours of the time that the print is dry on the report. The report on this bill was available only a half hour ago.

The conference, for good or bad reasons, came up with some significant changes from the bill as adopted by the Senate. It seems to me that orderly procedure and the requirements of sound legislating ought to require that matters of this sort be available to the membership for a period longer than a half hour, in order that all Members of this body may be truly informed as to what is involved.

Unfortunately, as only a half dozen Members are present, the vote that will take place shortly will not in any sense be an informed vote.

I was prepared, Mr. President, to move to recommit the conference report with instructions to stand firm on the two key provisions of the Senate bill. But I shall not do so because of the assurances that we have received from the able Senator from Massachusetts.

Mr. President, I speak specifically of the Senator's statement that the fact that the institutional conscience clause was not accepted by the conference does not in any sense reflect a judgment by the conference that the protections and safeguards for religious and other institutions—hospitals that have been built, supported, managed, and staffed by people who have strong feelings about such things as fetal experimentation and abortion—have been diluted by the action that will be taken by Congress in the passage of this bill; that the omission in the bill as reported by the conference in no way dilutes or weakens the Church amendment that is now part of Public Law 93-45. I am delighted to have these reassurances in the RECORD.

Mr. President, I am also delighted to act as a cosponsor of the bill just submitted by the Senator from Massachusetts, which I understand will have the effect of taking care of this omission in legislation that will be reported to the floor at an early date.

Another area which concerns me is not only the elimination of the institutional conscience clause but also the compromises which were made which affect fetal research. Under the conference report, the Secretary is required to name the members of the Commission within 60 days, and then the legislation requires that that commission submit a report on the matter of fetal experimentation within 4 months of the date of appointment. Even then, that recommendation is only advisory and can in no way compel action on the part of the Secretary.

I am now a member of a commission. I know the length of time it takes for people to meet one another, to start planning their agendas and procedures. I frankly question whether a subject as sensitive, as controversial, and as important as that of fetal research can be coped with, can be adequately analyzed, within the 4-month period within which the commission must make its recommendation.

So, under the circumstances, Mr. President, I intend to vote against this bill.

I also urge that the leadership in the Senate consider a revision in the existing rules that make it possible for conference reports to be dealt with on the floor before the membership has had a chance to analyze their contents.

Aside from the critical remarks I have made today, I do want to commend the Senator from Massachusetts for his leadership in bringing to the forefront the very important matter of refining and developing a better sense of what is and what is not appropriate when one is dealing with human beings, human brains, and unborn human children.

Mr. KENNEDY. Mr. President, I want to acknowledge the interest of the distinguished Senator from New York in this entire area. I would make just a couple of brief comments in response.

On the question of timeliness of consideration of this legislation, I tried to review in my other comments the fact that the Senate was prepared to go ahead on this. After we passed it in September, the House did not appoint the conferees until relatively recently. We are caught now with the squeeze of the ending of the fiscal year. We tried to act at the earliest possible date.

As I understand, the report was available in the document room prior to lunch-time yesterday.

This is an extremely complex, important piece of legislation. Even so, it is a short period of time for the Members to review and digest it, and to be able to participate in a constructive way.

I think that basically, in a review or comparison of the conference report and the bill as passed by the Senate we can see that a great majority of the proposed legislation is similar to the Senate bill.

On the request of the time limit for the commission's review of vital research, we wanted to be sensitive to the sense of urgency of the Senator from New York and others, about the high priority we place on this issue. We wanted the commission to move into this area as a first order of business.

If we had said 1 year or 2 years there might have been those who would say, "That will be too long a period of time and in the meantime, these problems exist." In addition the commission must address many questions in its 2-year life. So we set the 4-month period, and the basis was consultation with some of those who are dealing in this particular subject.

We have only recently commissioned under OTA a study on bioequivalency, which is a subject matter that has been considered by HEW, the Food and Drug Administration, the Pharmaceutical Association for 8 or 10 years. It is one of the most complex and difficult health situations we have to consider. The panel has completed its work in 3 months. It was a first-rate panel, and a first-rate report, which will have extremely profound implications for the entire issue of bioequivalency and for the HEW reimbursement policy which has been announced.

We believe a 4-month period is a minimum period but it is an adequate period. No one believed the OTA report could be completed in 3 months, but it was and it was well done. Basically we set 4 months to underscore the sense of urgency on this issue, as reflected in the discussion on the floor of the Senate at the time we were considering the full legislation, and in the private conversations we have had with other Members.

I did want to indicate how we reached that particular time frame on that part of the conference report.

Mr. President, if no further Senators wish to speak on this matter or discuss it, I am prepared to vote.

Mr. BIDEN. Mr. President, when the Senate passed the Biomedical Research Act last September, I supported that legislation because I felt it made a positive contribution to public health. However, I must now express my dissatisfaction about the biomedical research conference report, which we are considering today.

This legislation, as approved by the House and Senate conferees, contains two serious flaws. First, the powers of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, as contained in the Senate version of the bill, have been so watered down in conference that the commission retains little of its original clout. The commission, intended by the Senate to be permanent, is now only temporary; it no longer can determine and implement policy, but rather it may make recommendations which do not require adherance. The functions of the commission, as revised in conference, seem only nominal.

The second flaw in the biomedical research conference report concerns the removal of the word "entities" from the section of the bill which is designed to protect individual rights. As this legislation was passed by the Senate, no individual or entities shall be required to participate in biomedical research or experimentation if such activities are contrary to the intended participants' religious beliefs or moral convictions. As reported by the conference committee, individuals are protected, but entities are not. This omission constitutes a grave infringement upon civil liberties.

However, despite my displeasure over this legislation, it is not my intention to call for the yeas and nays on final passage, although, should a record vote occur, I would vote "no."

Realistically, it is unlikely that I could prevail in a move to defeat this legislation. But, even if I were successful in such an attempt, I am fully aware that there are schools and other institutions which would stand to lose badly needed grants if this legislation were not passed today. Further, I am also aware that I can take legislative action to correct the problems so evident in this conference report, and I plan to do so.

I will be cosponsoring legislation, with Senator KENNEDY and Senator BUCKLEY, which is virtually identical to the conference report on biomedical research, but which also includes "entities" in the section of that legislation concerning "individual rights." By taking this action, it is my intention that hospitals and other institutions will be accorded the same protections that we so rightly accord individuals.

In this respect, there are those who would say that this action is unnecessary because of a bill, introduced by Senator CHURCH, which would protect hospital personnel from participation in medical procedures when such procedures are counter to their moral or religious beliefs. I should point out that although the biomedical research conference report does not affect, or alter, the Church legislation, biomedical research is not covered by that legislation.

Further, I will be making every effort, through whatever legislative means possible, to restore the power of the Biomedical Commission to the degree provided in the Senate bill.

Finally, it is my conviction that while there is important progress being made in biomedical research—progress which must continue—it is also vitally important that we move to protect the rights of the subjects involved in this research, as well as the rights of those individuals and institutions conducting it.

The vote against the biomedical research conference report, which I am prepared to cast, is a gesture of my displeasure over the conference report. My support for effective biomedical research legislation continues to be firm.

Mr. BEALL. Mr. President, I rise in

support of the conference report on H.R. 7724, the National Research Act.

Biomedical research has served this Nation well. The United States is recognized as being the world leader in this area. The national investment, which exceeds $20 billion since World War II, has returned even greater dividends to the public in terms of lives saved, diseases detected, and disabilities reduced.

These biomedical advances, as well as developments in health technology, have raised some profound legal, ethical, and social issues.

The legislation seeks to foster the development of reasonable guidelines and mechanisms to make certain that we focus on the issues raised by these developments and highlighted by hearings held by the Health Subcommittee.

As many of my colleagues know, I have been concerned about the use or misuse of the medical procedures known collectively as psychosurgery to alter behavior. On March 29, 1973, I introduced Senate Joint Resolution 86 which would have suspended Federal support for projects involving psychosurgery, for 2 years while a complete study was conducted and guidelines established for its use. On September 11, 1973, I offered a modified version of Senate Joint Resolution 86 as an amendment to H.R. 7724, the National Research Service Awards and Protection of Human Subjects Act.

I am pleased that the conference committee has retained language that would require that the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research conduct a study of the use of psychosurgery in the United States during the 5-year period ending December 31, 1972. The commission will make a determination as to the appropriateness of its use and recommend policies to the Secretary of H.E.W.

Mr. President, the May 1974 issue of Psychology Today contained two articles relative to this subject and I ask unanimous consent that the text of these articles be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. Mr. President, one of the reasons for the U.S. excellence in biomedical research is that the Nation, through training and fellowship grants, have been able to attract outstanding young men and women into research.

Notwithstanding our biomedical programs and the importance of the fellowship and training grants to the effort, the administration attempted to end these grants. This and other administration actions prompted me to investigate the morale and conditions at NIH. On March 26, during Senate consideration of the extension of the Cancer Act, I reported the results of my investigation and said the following with reference to the training grant and fellowship program:

> The Administration's effort, which has now been modified but not corrected, to end the training grants and fellowship programs, is a threat to the needed flow of bright and talented young scientists.
>
> When the administration attempted to end these programs, I did not hear from a single scientist who backed the administration's position. Yet, the administration persisted, apparently on the advice of their experts whom they could not, or would not, reveal. Both Houses have passed legislation which would move quickly to resolve our differences in conference so as to remove the uncertainty at NIH regarding the status and future of these programs.

This legislation is now before us and the bill's provisions establishing a national program of biomedical research fellowships, traineeships, and training will be reassuring to NIH and the research communities.

At the same time, it addresses some of the problems raised by the administration.

Mr. President, I join in urging the enactment of the conference report.

EXHIBIT 1

[From Psychology Today, May 1974]

THE MOVEMENT TO PULL OUT THE ELECTRODES

In Ken Kesey's *One Flew Over the Cuckoo's Nest*, a lobotomy puts a permanent halt to Randle Patrick McMurphy's heroic struggle against Big Nurse. In Michael Crichton's *Terminal Man*, Harry Benson learns to stop worrying and love the electrical charge he gets from 40 electrodes implanted in his brain. The characters are fictional, but psychosurgery is not. An estimated 500 to 700 people a year undergo brain surgery aimed at controlling their behavior.

Brain surgery of any kind is a serious matter, not only because of the inherent risks involved, but because damage to the brain is irreversible; brain cells, unlike other cells of the body, do not regenerate. So one might expect experimental psychosurgery to come under strict regulation. Not so. At this writing, only one state (Oregon) regulates psychosurgery by law. In most instances a physician intending to practice psychosurgery, whether for research or clinical purposes, encounters no special legal barriers or requirements. The result has been poor control, flimsy follow-up, and a dearth of public information.

The mildest proposal for regulation centers on stepped-up review by peer groups—the physician's peers, not the patient's. This amounts to self-regulation, and up to now the record of the medical profession in that area has been disappointing. Willard Gaylin, President of the prestigious Hastings Institute of Society, Ethics and the Life Sciences, told a Senate subcommittee on health that professional organizations have functioned essentially as protective guilds: "These groups are servants of the professional, and servants do not dictate to their masters."

A somewhat stronger proposal is for mandatory review by boards comprised of both physicians and laymen. Although this is a reasonable enough suggestion (many hospitals already have such boards), its effectiveness ultimately rests on the conscientiousness of board members, and their willingness to accept some of the responsibility now vested in individual doctors. That became dramatically clear last year in the first court case to limit the practice of psychosurgery.

The case involved a criminal sexual psychopath, L.S., who had been charged 18 years earlier with first-degree murder and rape, and had been confined ever since in a Michigan mental hospital. L.S. was to be the first psychosurgery patient in a state-funded experimental program at the Lafayette Clinic, a research facility of the Michigan Department of Mental Health. He was already scheduled for electrode implantation, when a legal-services lawyer, Gabe Kaimowitz, learned about the plan and related his concern to the *Detroit Free Press*. There was a rush of publicity, and Kaimowitz decided to bring suit on his own behalf as a taxpayer and on behalf of other taxpayers.

In the midst of all this pressure, the state withdrew its funds and the two physicians who had proposed the project, Ernst Rodin and Jacques Gottlieb, dropped their plans. But since there was nothing to prevent the Lafayette Clinic from reviving its program later on, and because important questions remained to be resolved, the court decided to hear the case anyway.

According to an American Orthopsychiatric Association (AOA) friend-of-the-court brief, testimony at the trial revealed that although the clinic had a committee that met weekly to discuss research activities, it never heard the psychosurgery proposal. A standing committee on human and animal experimentation did review it, along with another proposal, but in less than an hour and a half. Elliot Luby, Chairman of that committee, testified that he did not know exactly which parts of the brain were being considered for surgery, and said that in approving the project, the committee relied heavily on information from Rodin.

Two ad hoc committees also passed judgment. One, a selection committee, simply reviewed the patient's records to make sure they met certain broad criteria, without judging the appropriateness of psychosurgery in his particular case. A consent committee, composed of a law professor, a clergyman, and a certified public accountant, verified, on the basis of information from the authors of the proposal, that L.S. had freely given consent; they did not make an independent investigation. In fact, in his letter of approval, the accountant pleaded lack of competence to review the matter. The AOA brief quotes him as saying: "As a layman I am unqualified to comment on any of the many technical aspects which are involved in the project. Therefore we must all trust the good intentions and technical competence of the Hospital Medical Committee, psychologists, psychiatrists, neurologists, etc. who have reviewed and evaluated [L.S.'] case."

L.S. gave written consent to the procedures that were to be used on him, but his testimony at the trial indicated that he was influenced by his hopes for release after the operation. (E.G. Yudashkin, Director of the State Department of Mental Health, testified that in any event, L.S. would have been considered for release within six months to a year.) Furthermore, L.S. claimed that at the time he thought he was approving only electrode implantation, not destructive surgery. His parents, who did not talk to any of the doctors before signing the form, were under the same impression.

The plaintiffs argued that an incarcerated person, even more than most patients, is eager to please his doctors. Since L.S. had led a restricted and regimented life for many years, he was understandably flattered by the sudden attention he was receiving. He described his experience for the court:

"We [L. S. and Dr. Yudashkin] discussed this matter. And he let me have my opinions and my discussions about it. And, well, hey, this is neat, because you usually are told—you know—what you are going to do and how you are going to do it and why. And there was very little room for your own real opinions or decisions . . . And I felt very pleased with the fact that I was—you know—that it was left up to me to make the decision about this."

A three-man panel of judges agreed with the plaintiff's argument. Citing the Nuremberg Code, a general guide to medical ethics that grew out of the famous war-crime trials of World War II, they ruled that involuntarily confined patients are unable to give legally adequate consent to an experimental, high-risk operation like psychosurgery. They also referred to the First Amendment, which guarantees the right to free expression, and by implication, free generation, of ideas. An operation that might blunt emotion, deaden memory, and limit intellect would violate that right, the court noted.

Although this ruling does not extend to voluntarily confined patients, Mental Health Law Project lawyer Charles Halpern, who represented the AOA at the trial, believes the case will serve as a caution to other physicians contemplating similar operations. "If I were a neurosurgeon today," he observes, "I would not do psychosurgery."

The clamor over psychosurgery will not end with the case of L.S. Last December, the mother of a much-publicized psychosurgery patient, "Thomas R." filed a two-million-dollar lawsuit against Vernon Mark, the physician who performed an amygdalotomy on Thomas to treat his alleged violent rage. [See "The Pacification of the Brain," page 59.] The suit also names Frank Ervin, the psychiatrist who worked with Mark on the case. The mother claims that adequately informed consent was not obtained, and the results of the operation severely disabled her son. More suits seem likely.

There is also increasing interest in Washington. Last year, Senator J. Glenn Beall of Maryland introduced legislation that would have imposed a two-year moratorium on Federally funded psychosurgery, and required a thorough HEW study of the whole problem. However, opposition arose on the floor of the Senate. Senator Norris Cotton of New Hampshire told his colleagues that a member of his own family had benefited greatly from a lobotomy. Cotton was concerned that desperate patients would lose the chance to undergo similar operations. The supporters of the bill compromised by dropping the provision for a moratorium. The reduced version, calling for a comprehensive study, passed the Senate as an amendment to a Kennedy bill dealing with the general protection of human subjects. At this writing, that bill is in a joint House-Senate conference committee.

Another pending bill, sponsored in the House by Representative Louis Stokes of Ohio, would go much further, prohibiting psychosurgery altogether in Federally connected health-care facilities. The bill is in a House committee, where it may very well die.

Although the prospects for an immediate Federal ban or moratorium on psychosurgery seem dim, Government agencies have grown wary of supporting psychosurgery research. Last year, NIH turned down a large grant request by Vernon Mark. HEW does not currently fund any psychosurgery experimentation, and the Law Enforcement Assistance Administration recently cut off all funding of programs that seek to alter behavior through brain surgery. Such actions reflect a growing public concern about the ethical, social and legal implications of behavioral technology.—CAROLE WADE OFFIR.

THE PACIFICATION OF THE BRAIN

(By Stephan L. Chorover)

(To suppress violent people, surgeons now burn the brain's fragile centers. A neuroscientist, reviewing the scientific evidence, reports the operation's side-effects on monkeys: they lost their grip on reality, became deranged, and directed their sexual activity toward a wide variety of animate and inanimate objects. By treating antisocial behavior as an individual matter, he says, we ignore the brain at the patient's peril.)

Biologists and behaviorial scientists stand today where nuclear physicists stood alomst 30 years ago. In 1945, developments in nuclear physics led to the atomic bomb, and ushered in a new world of ethical and social problems. During the past few decades, developments in the behavioral sciences have spawned a wide-ranging psychotechnology, a varied arsenal of tools and techniques for predicting and modifying human behavior. Like thermonuclear technology, psychotechnology is complex and controversial. Its development and deployment raise problems that we can no longer afford to ignore.

Psychosurgery is a particularly controversial form of psychotechnology. Also known as "psychiatric neurosurgery," "mental surgery," "functional neurosurgery," and "sedative neurosurgery," it is brain surgery performed to alter thoughts, social behavior patterns, personality characteristics, emotional reactions, or other aspects of subjective experience in human beings. However, it does not encompass brain surgery directed at treating specific kinds of neuropathology (e.g., tumors and strokes) or disorders of movement (e.g., tremors and paralysis).

The proponents of psychosurgery claim that certain mental illnesses, behavior disorders, and emotional disturbances can be treated by surgically destroying particular brain regions. Some of its more outspoken advocates have gone as far as to suggest that psychosurgery ought to be used to control the behavior of criminals and other social deviants. M. Hunter Brown, a California psychosurgeon, has pointed out the supposed cost benefits: "Each violent young criminal incarcerated from 20 years to life costs taxpayers perhaps $100,000. For roughly $6,000, society can provide medical treatment [i.e., psychosurgery] which will transform him into a responsible, well-adjusted citizen."

Instead of summarizing the legal and ethical issues raised by the use of psychosurgery as a treatment for violence, I wish to focus here upon its purported scientific basis. I will examine whether psychosurgery is a therapeutic procedure in which specific benefits for the patient reliably follow the production of brain lesions, or an experimental procedure with consequences that are unpredictable and may be disastrous.

Sick Minds, Sick Brains. Since ancient times, physicians have known that there is a relationship between the brain and the mind, and that brain injury or disease may be accompanied by dramatic and debilitating changes in the afflicted person's mental life.

During the 19th century, the idea took hold that mental disease was synonymous with brain disease, and that the disturbed or disturbing behavior of certain people had its origins in the derangement of specific brain organs. All that remained to prompt the birth of psychosurgery was for someone to get the idea of abolishing troublesome behavior by selectively destroying the offending brain organ.

In the first published account of psychosurgery, in 1891, Gottlieb Burckhardt, supervisor of an insane asylum at Préfargier, Switzerland, justified the destruction of brain tissue in psychotic patients by arguing that ". . . our psychological existence is composed of single elements, which are localized in separate areas of the brain." Burckhardt thought that the excitement and impulsivity of his patients resulted from an excess of neural activity originating in the cerebral cortex; if one removed appropriate parts of the cortex, one would remove the pathological impulses.

Burckhardt operated on six patients, with poor results. One patient died, and although the survivors purportedly were more peaceful and easier to manage on the wards, they continued to exhibit psychotic systems. Burckhardt was not discouraged, and he urged his colleagues to "tread the path of cortical extirpation." But he faced vigorous opposition by a large segment of the medical community, and it was to be almost another half century before another psychosurgeon appeared on the scene to claim he had tread the path with success.

Indifferent Monkeys. In 1935, at the International Congress of Neurology, two American brain researchers, Carlyle F. Jacobsen and John F. Fulton, reported that they had destroyed the prefrontal regions of the brain in monkeys and chimpanzees. The animals showed marked deficits in learning and memory, as well as a host of other drastic behavioral changes. In several cases, bilateral frontal lobe lesions made the animals strikingly indifferent to stimuli that previously had provoked extreme agitation and frustration.

In the audience was a Portuguese neurologist, Antonio Egas Moniz. He rose to ask if it would not be possible to relieve anxiety in man by surgical means. Fulton was shocked by this proposal, but Moniz was undeterred. He returned to Portugal convinced of the similiarity between Jacobsen and Fulton's description of animal behavior and the querulous and agitated state of many chronically hospitalized mental patients. And he became determined to surgically modify the mental life of obsessed and melancholic patients, through the operation that came to be known as prefrontal leucotomy or lobotomy.

In their first operation, Moniz and his colleague Almeida Lima used injections of alcohol to coagulate certain fiber tracts running between the frontal lobes and other parts of the brain. Within a short period of time, however, they abandoned this technique in favor of cutting the fibers with a special knife called a leucotome, which they inserted through a small opening drilled in the skull. During a 10-week period in late 1935, Moniz and Lima performed 20 leucotomies.

Moniz claimed that seven of his patients were "cured" by the surgery, and that another eight, who had previously been violent and agitated, became calm, tractable, and generally easier to manage. He described his cases with a minimum of critical detail and a large measure of selfpraise, hailing the advent of leucotomy as "a great step forward . . . in the study of psychic functions on an organic basis . . . [with] both cures and improvements, but no failures to make us draw back."

Like Burckhardt before him, and like many of his psychosurgical successors, Moniz was anxious to give his procedures the semblance of scientific validity. But the fact remains that from the start, prefrontal lobotomy could be justified only by ignoring the evidence from animal experiments, that the destruction of frontal-lobe tissues led to a wide range of disabling behavioral effects.

Damaged People. As long as prefrontal lobotomies were performed mainly on chronically hospitalized psychotics, untoward side effects were difficult to recognize. Eventually, however, the operation became so popular that it was in use throughout the world, not only on psychotic patients, but also on so-called psychoneurotics, and individuals with psychosomatic complaints. With surgical candidates coming increasingly from less-disturbed segments of the general population, the occurrence of untoward side effects became more apparent. As one might have expected from a careful reading of the original Jacobsen and Fulton report, prefrontal lobotomy, even in the hands of an expert craftsman, often rendered the patient not only calm, but apathetic, irresponsible and asocial. The operation could blunt a patient's intellect, impair judgment, and reduce creativity. In some cases, complex metabolic changes led to wasting of the body, weakness, coma, and finally death.

Some estimates suggest that as many as 70,000 prefrontal lobotomies were performed in the United States and Britain from the mid-'30s to the mid-'50s. The acknowledged dean of American lobotomists, the late Walter Freeman, revealed before his retirement that he personally had performed more than

3,500 lobotomies. But by the end of the 1950s, most of the psychiatric community had lost its enthusiasm for the operation. Mounting concern over bad results, coupled with the growing popularity of alternative treatments (such as drugs and electroshock) brought psychosurgical practice to a virtual halt.

The Modern Era. During the past 20 years, however, a new generation of psychosurgeons has emerged. On the whole, these surgeons are willing to acknowledge that their predecessors exhibited excessive enthusiasm and obtained poor results. But most do not question the validity of a surgical attack upon the mind. On the contrary, they seem no less convinced than their predecessors of the scientific justification and therapeutic efficacy of the entire enterprise. For them, the excesses of the past were due not to faulty reasoning, or failure to heed unfavorable evidence, but rather to technical crudity.

Many psychosurgeons today point with pride to technical developments that allegedly make their operations more powerful and reliable. They claim that with new and more sophisticated methods, they can effect remarkably specific cures, without inducing any disturbing side effects. While psychosurgery may not lead invariably to a worsening of the patient's condition, I believe that improvements are far from assured, despite the resort to new techniques and targets. Moreover, I believe the claims of these psychosurgeons remain grossly exaggerated and at variance with much that we now know about the relations between brain function and behavior. Let us look briefly at the techniques and targets in question.

The relative inaccessibility of structures deep within the brain posed a serious problem for early psychosurgeons. Encased within its solid cranial vault, the brain is relatively impervious to surgical assault. Even when the skull is partially removed, the cerebral hemispheres that lie exposed comprise only a small and superficial portion of the entire brain volume. Hidden beneath them is a vast and incredibly complex system of cells, fibers, blood vessels and neutral networks. One cannot gain direct access to these deeper regions, without mutilating the overlying areas in the process.

New Techniques. To solve this problem, students of animal brain function developed, around the turn of the century, a method that came to be called stereotaxic brain surgery. This method permits a surgeon to identify the location of a particular point within the brain in terms of three coordinates, using anatomical landmarks on the head's surface as reference points. Sets of maps, or stereotaxic brain atlases, are now available for many species, including human beings. After determining the coordinates of a particular brain region from the appropriate atlas, the surgeon positions the subject's head within the working field of a special stereotaxic instrument. He can then direct probes or electrodes comprised of fine insulated wires toward the intended target, through a small hole drilled in the skull. It is possible to leave the probes in place within the brain for extended periods of time, with little discomfort to the subject, by securing the shafts of the probes to the surface of the skull.

Once in place, the electrodes may serve several purposes. First, by using electronic amplifiers and other equipment, one can record the electrical signals arising from the region of the brain near the uninsulated electrode tips. Although one cannot be sure that such signals originate in the immediate vicinity, grossly abnormal patterns of electrical activity often indicate disordered functioning near the electrode tip, or in a brain region functionally related to it.

Second, by passing a weak electric current through the electrode and into the brain, one can stimulate the tissue in the vicinity of the electrode tip. Frequently this seems to produce a particular kind of behavioral response in the patient. Although such behavior may be only remotely related to the response patterns normally associated with the brain region in question, stimulation experiments have figured prominently in recent attempts to learn more about how brain functions are organized.

Third, by passing stronger currents through the implanted electrode, a surgeon can destroy the tissue in the vicinity of the electrode tip. Thus psychosurgeons can produce lesions in parts of the brain that were formerly inaccessible.

Psychosurgeons have recently introduced yet another technique, from the world of modern communications. Miniaturized, wireless telemetry systems make it possible to transmit signals between an electrode implanted in the brain of a freely moving patient, and a stimulating or recording device located some distance away. This means that the person in control of the telemetry system can unobtrusively monitor or manipulate the brain activity and behavior of an otherwise unrestrained individual.

New Targets. The advent of stereotaxic psychosurgery has stimulated interest in new targets within the brain. The major focus of attention has shifted from the frontal lobes to the limbic system. This system includes certain "primitive" portions of the cerebral cortex (the hippocampus, hippocampal gyrus, and cingulate gyrus), and also a number of deeper-lying structures with which they have primary connections (the amygdala, septal nuclei, anterior thalamic nuclei, and hypothalamus). Overlying the limbic system, especially in primates (including man) is the enormous, mushrooming neocortex, with which most brain scientists associate our "higher" cognitive abilities.

Loosely speaking, then, the limbic system occupies an intermediate position between the lower and higher parts of the brain. It seems ideally situated to receive, transform and transmit signals passing between the older brain structures, which are involved in stereotyped behavior and visceral ("gut") and glandular responses, and the newer structures, which involve sensation, perception, thought, language, and other complex social acts. As one long-time student of the brain has put it, in the limbic system lie possible mechanisms by which "the brain transforms the cold light with which we see into the warm light which we feel."

Finally, limbic-system mechanisms seem to contribute to a person's sense of individuality and concepts of reality. They mediate emotional feelings that ultimately guide behavior required for self-preservation and the preservation of the species.

What happens when these critical structures are injured or destroyed? As in the case of prefrontal lobotomy, we find an early and portentious answer in experiments on laboratory animals.

Deranged Monkeys. In 1937, Heinrich Kluver and Paul C. Bucy reported that they had destroyed the temporal lobes and parts of the limbic system in rhesus monkeys. After the operations, they observed striking derangements in the behavior of the monkeys, including difficulty in recognizing objects; increased sexual activity directed toward a wide variety of animate and inanimate objects; and a compulsive orality that caused the monkeys to place both food and nonfood objects repeatedly in their mouths.

There are two other important effects. Although these monkeys had previously been fearful, wild, and difficult to handle, after the operation they became quite tame. They also appeared unable to inhibit responses leading to painful consequences, often exposing themselves to threatening or injurious situations. In a film that Kluver made, an operated monkey placed the lighted end of a cigarette in its mouth, quickly threw it down when he was burned, and then repeated the same painful act several times again in rapid succession.

The "Klüver-Bucy syndrome" demonstrated that temporal lobe structures are involved in a wide range of behavioral activities. Its dramatic features soon induced other investigators to pursue similar studies. For our purposes, the most important subsequent discovery was that in many species, several of the more severe emotional aspects of the syndrome could be produced by lesions restricted to one part of the limbic system, the amygdala.

In one study, Arthur King and several colleagues performed amygdalotomies on monkeys that had been living in a free-ranging colony. In the laboratory, most of the operated animals seemed to become less aggressive, and friendlier toward their human handlers. Of course, this result was exactly what one would predict on the basis of Klüver and Bucy's original findings. But, when the animals rejoined their old troop in the wild, a very different picture began to emerge. Although they had exhibited increased friendliness toward their human captors, they appeared confused and fearful among their former friends and relations. When other troop members approached in a neutral and nonthreatening way, the amygdalotomized animals would usually cower or flee. Conversely, when a dominant member of the troop made a threatening gesture, an altered animal, which would otherwise have adopted a submissive posture, would instead display an unseemly degree of insubordination; it would attempt to attack the dominant animal, and thereby invite a predictable and often terrible beating.

All in all, the amygdalotomized monkeys were incapable of coping with the complexities of social life in their normal environment. This incapacity caused them to become social isolates. Eventually they all died, either from starvation or from attacks by predators.

The results of these animal experiments suggest that no single part of the limbic system is concerned with only a single aspect of behavior. They should make us skeptical about the claim that specific therapeutic effects are attainable by destroying the amygdala or various other parts of the limbic system. Since we have devoted our attention to the effects of amygdalotomy upon behavior in nonhuman primates, let us now focus on destructive lesions in the amygdalas of human beings.

Excising Violence. In a previous PT article I pointed out that some psychosurgeons have suggested the existence of a causal link between brain disease and social violence, and have advocated psychosurgery as a scientifically valid and therapeutically successful treatment for human beings whom they perceive as exhibiting "poor control of violent impulses." In that connection, I referred to a book called *Violence and the Brain*, in which Vernon H. Mark and Frank R. Ervin describe their use of bilateral amygdalotomy with people who were allegedly suffering from episodes of unprovoked and uncontrollable violence due to limbic brain disease. Since that article was not primarily concerned with psychosurgery, I was content to state my conviction that Mark and Ervin's arguments have many logical and scientific shortcomings. Nor did I attempt to substantiate my belief that the book fails to provide the reader with clear and self-critical accounts of the cases reported.

In the book, Mark and Ervin described most of their patients as not only disturbed and impulsively violent, but also as suffering from some form of epilepsy. It is their contention that in most of these cases, the violent behavior was not only irrational and unprovoked, but was also directly traceable to brain disease. They assert, furthermore, that in most cases, their patients' behavioral problems were substanially alleviated by an amygdalotomy or other forms of limbic-system psychosurgery.

In attempting to evaluate these claims, it should be noted at the outset that here has long been a popular belief in a connection between epilepsy and violence. The common phrase, "a fit of anger" nicely epitomizes this view. But several clinical studies that have dealt with this question have failed to confirm this belief. A comprehensive review of the question, sponsored by the National Institute of Neurological Diseases and Stroke, concluded that ". . . the best generalization is that violence and aggressive acts do occur in patients with temporal lobe epilepsy but are rare, perhaps no higher than in the general population."

Bearing in mind that the existence of a relationship between epilepsy and violence remains an open question, let us consider closely one of Mark and Ervin's most highly touted cases, "Thomas R."

Courtesy and Rage. Mark and Ervin introduce Thomas as "a brilliant, 34-year-old engineer with several important patents to his credit." They say his manner was ". . . quiet and reserved, and he was both courteous and sympathetic." They say further that "he was an extremely talented, inventive man, but his behavior at times was unpredictable and even frankly psychotic."

In this connection, they allege a prolonged history of violence that includes spells of rage, "sometimes directed at his co-workers, and friends, but . . . mostly expressed toward his wife and children." They report that Thomas was "very paranoid, and harbored grudges which eventually produced an explosion of anger." They say that in a conversation with his wife, "he would seize upon some innocuous remark and interpret it as an insult. At first, he would try to ignore what she had said, but could not help brooding, and the more he thought about it, the surer he felt that his wife no longer loved him and was 'carrying on with a neighbor.' Eventually he would reproach his wife for these faults, and she would hotly deny them. Her denials were enough to set him off into a frenzy of violence." Mark and Ervin say that he also experienced periods of confusion and hallucination, but "Thomas' chief problem was his violent rage."

Mark and Ervin report that prolonged psychiatric treatment had not improved the patient's behavior, and that the referring psychiatrist felt Thomas' spells of rage represented an unusual form of temporal lobe seizure. According to Mark and Ervin, an electroencephalogram revealed electrical brain activity often indicative of epilepsy, and further tests indicated the presence of other brain abnormalities.

What happened next is best described in Mark and Ervin's own words, from a 1968 report:

"After a futile attempt to control his seizures and violence with a wide range of pharmacological agents, chronic temporal lobe electrodes were implanted in his amygdala.

"Over a period of weeks, repeated stimulation and recordings were carried out to find the optimal site for destructive lesions.

"It is of interest that stimulation in the medial portion of the left amygdala nucleus produced a feeling of 'going wild' and 'I'm losing control.' On the other hand, stimulation in the lateral amygdala, three millimeters away, repeatedly produced a sensation of 'hyper-relaxation,' a feeling of 'detachment,' 'just like an injection of Demerol,' 'just the antithesis of my spells.'

"In his usual state, this patient was keenly aware of the slightest personal insult or threat and his response was often sudden or violent. Under the effects of lateral amygdala stimulation, he showed bland acquiescence to the suggestion that the medial portion of his temporal lobe was to be destroyed. This suggestion, under ordinary circumstances, would provoke wild, disordered thinking. Indeed, eight to 10 hours after stimulation had been completed, and coincident with the disappearance of his detached and hyper-relaxed feeling, he became wild and unmanageable and protested vigorously against any destructive lesions in his amygdala." According to Mark and Ervin's account, it took "many weeks of patient explanation, and a near social tragedy (not otherwise explained), before Thomas accepted bilateral amygdala lesions.

In any event, the 1968 report continues: "[The lesions] were carried out sequentially, and he has not suffered a generalized rage attack in the six months following his last amygdala lesion." In *Violence and the Brain*, published two years later, they devoted twice as many sentences to the same point: "Four years have passed since the operation, during which time Thomas has not had a single episode of rage. He continues, however, to have an occasional epileptic seizure with periods of confusion and disordered thinking."

The reader, recalling the original claim that "Thomas' chief problem was his violent rage," might conclude that amygdalotomy has effected a specific cure. The rage allegedly is gone, the other symptoms remain essentially unchanged, and there are no permanent, postoperative side effects. In light of the devastating effects of amygdalotomy in monkeys, Mark and Ervin's reports of success with Thomas seem remarkable indeed. To me, it is especially surprising that the only adverse side effect mentioned in any of the reports I examined is temporary impotence.

Prior to his operation, Thomas was a married man who supported his family through his work as an engineer. Is he still married? Is he employed? What are his present circumstances and future prospects? Unfortunately, Mark and Ervin's brief descriptions are silent on these and many other questions.

Another View. There is, however, some independent information about Thomas now available from other sources. For example, a psychiatrist and well-known critic of psychosurgery, Peter R. Breggin, has conducted his own inquiry and published some of his findings regarding this case. Breggin claims to have interviewed Thomas and his relatives, reviewed the hospital charts, and discussed the case with several involved individuals. In recent months, I have obtained additional information to supplement Breggin's material.

According to Breggin, Thomas was continuously employed through December 1965. That year, he began to have serious marital problems, and visited his wife's psychiatrist. The psychiatrist has told Breggin in a telephone interview that although Thomas' wife was indeed afraid of him, the psychiatrist could remember no actual harm done to her. Breggin says, "[The] psychiatrist remembers that Thomas was depressed, but not sufficiently depressed to warrant electroshock or drugs. His memory is entirely consistent with the hospital records which report no hallucinations, delusions, paranoid ideas, or signs of difficulty with thinking. In the charts, his most serious psychiatric diagnosis is 'personality-pattern disturbance' [a classification] reserved for mild problems with no psychotic symptomatology."

Thomas worked intermittently during the early months of 1966, until the first of his diagnostic hospitalizations at Massachusetts General Hospital, on March 11, 1966. Breggin says that the hospital charts indicate Thomas had never been in trouble at work or elsewhere for aggressive behavior. During his four diagnostic hospitalizations, according to Breggin, Thomas "was never restrained, never forced into a locked ward, or in any way treated as a dangerous man." Breggin says that the first violent reactions he saw in the records were those that occured when Mark and Ervin proposed to make lesions in Thomas' brain.

Apparently Thomas was uneasy about the diagnostic procedures he was undergoing. At one point he referred to the tests as science fiction and wrote to his mother that he would spare her the details. But by October 1966, he had had multiple electrodes implanted, and his mother received a telegram from the hospital informing her that her son was recovering well from the "minor surgical operation" (to implant the electrodes) and was in good condition.

According to Breggin's account, the electrodes remained in place until August 1, 1967. During the nine-month period when the stimulation experiments and brain lesions were being performed, Thomas' wife served divorce papers to him on the ward. She eventually married the neighbor about whom Thomas had been so concerned.

On August 27, 1967, Thomas left the hospital in the care of his mother and moved to her home in California. Within a short time, it became clear that he was socially confused and unable to cope with the complexities of normal life. He was picked up by the police in a nearby city, and on November 20 he entered a Veterans Administration hospital. It was the first psychiatric hospitalization of his life. He was hallucinating, delusional and confused, and he wound up on a locked ward under heavy doses of medication.

During this time the V.A. physicians apparently did not have access to his previous medical records, and thus did not recognize the realistic basis of his delusions. Breggin quotes a passage in the discharge summary of May 22, 1968: "Patient stated that . . . Massachusetts General Hospital were [sic] controlling him by creating lesions in his brain tissue by microwave and that they had placed electrodes in his brain tissue some time before. Stated that they can control him, control his moods and control his actions, they can turn him up or turn him down." Certainly anyone with a story like *that* would appear to be imagining things. The V.A. diagnosis was "schizophrenic reaction, paranoid type."

Only five months after release from the V.A. hospital, Thomas was rehospitalized. Breggin reports that hospital staff notes indicate he had exhibited the first officially recorded episode of public violence in his life. An entry on October 28, 1968 says: "arrested by police—involved in fight, very impulsive." The Veterans Administration declared him to be totally disabled.

Breggin asserts that at the present time, Thomas continues to be confused and delusional; he is unable to work, generally incapable of caring for himself, and has been periodically rehospitalized as assaultive and psychotic. Breggin claims that during a recent confinement Thomas walked about the wards with his head covered by bags, newspapers and rags, fearful that his brain would be further destroyed. He quotes Thomas' mother as saying that since the operation, "The poor guy has been almost a vegetable . . . We know he was destroyed by that operation."

A Visit to Boston. There are other sources of information about Thomas' post-operative troubles. In August 1972, Ernst Rodin, a Detroit neurosurgeon visited Mark's project in Boston. At that time, Rodin was coauthor of a proposal to perform psychosurgery on patients who were in a state hospital because of "severe, uncontrollable, aggressive outbursts." The purpose of his visit, as he described it in a memorandum he wrote shortly thereafter, was "to obtain the most up-to-date information on the results of surgery for aggressive behavior in human beings."

Rodin apparently hoped this new information would strengthen his own proposal, but he found the results of his interviews "quite disturbing." After questioning Ira Sherwin, a neurologist on the project, Rodin concluded: "The reports on the operated patients do not jive exactly between Dr. Sherwin and Dr. Mark . . . The patient Thomas R., an engineer of high IQ . . . is floridly paranoid and in a V.A. hospital in [a West-Coast city]. I was told that he will never be able to function in society. Of psychological interest, is the fact that Mark and Ervin figure prominently in his delusional system, but the delusions are not aggressively flavored and there is no drive to 'get even' for what they have done to his brain."

Rodin wrote that he and Sherwin had also discussed other patients, including those described in *Violence and the Brain*. Sherwin he said, "was not aware of any genuinely successful cases." As regards the scientific validity of some of Mark and Ervin's results, Rodin wrote: "Sherwin . . . has no faith in the data. But since his Neurosurgical superiors do possess this faith, some of the material may appear in print."

This revealing memorandum is part of the public record; it was an exhibit in a civil action brought on behalf of the first proposed candidate for psychosurgery under Rodin's project. That important case ended in a decision barring experimental brain surgery upon individuals involuntarily confined in Michigan's public institutions (see page 69).

What, then, has happened to Thomas? Late in 1973, a declaration was filed in Massachusetts' Suffolk Superior Court on behalf of the patient known as Thomas R. It charges that as a result of the surgery, "the plaintiff was permanently injured and incapacitated, has suffered . . . great pain of body and mind, has been required . . . to incur substantial expenses for medical care and treatment, and has been permanently deprived of his earning capacity and his ability to work. . . ." At this writing, the matter is still in litigation.

The apparent fate of Thomas R., however pathetic and disturbing, is wholly consistent with our rudimentary understanding of the brain and the complexity of its functions. No brain activity occurs in isolation, without correlated activity in other regions. As the complexity of the behavior increases, so does the extent of interaction in the brain. Yet many psychosurgeons continue to ignore these facts, in favor of a pretentious and extreme doctrine of brain localization.

Operating on Deviance. Proponents of this doctrine sometimes attempt to use it to justify a psychotechnological approach to social conflict. I have already mentioned as a case in point the proposal to perform psychosurgery on prisoners. And, as I have argued elsewhere, there are public officials as well as psychotechnologists for whom the distance is short from brain disease to social disorder, and the passage is swift from the medical control of neurophysiological problems to the social control of deviant individuals and groups.

Psychosurgery has been performed on sexual deviants and drug addicts. A report of 22 such cases from Germany was published in 1973. Operations have also been performed on "hyperactive" children in several countries during the past few years. One psychosurgical team, for example, recently reported results of limbicsystem lesions made in 115 children, including 39 who were under the age of 11. They claimed that lesions of the cingulate gyrus, amygdale, and regions of the hypothalamus, "proved to be useful in the management of patients who previously could not be managed by any other measure." O. J. Andy, a well-known psychosurgeon at the University of Mississippi, has reported operations on a number of children six to 19 years old. In recent testimony before a Senate subcommittee, Andy said he had performed 13 of 14 such operations, and that a majority had produced "good" or "fair" results. He also presented a few "brief case reports." Here is one in its entirety:

"A seven-year-old, mentally retarded child had sudden attacks of screaming, yelling, running and beating the head against the wall. The walls were actually indented by the blows. Following thalamotomy three years ago, the patient did not display the wild, aggressive and screaming behavior. The improved behavior was an enjoyment for both the child and the parents."

Shifting the Emphasis. Although the abusive deployment of psychosurgery might be curbed by legislative or legal means, I think that the most important task before us is to develop alternative ways of perceiving social problems. We must learn to see such things as violence and hyperactivity as something other than individual infirmities. We must understand that they cannot be overcome by merely treating certain people with the most efficient or inexpensive technological methods available. Finally, we must shift the emphasis in our thinking from a preoccupation with controlling individual deviance to the problem of understanding the various systems (social, political, family) of which both deviance and its control are interrelated parts.

Clearly, the age of psychotechnology has arrived, and psychosurgery is merely its cutting edge. We must carefully examine the entire spectrum of psychotechnology, and begin to question the basic ideologies of behavioral prediction, modification and control. To pretend that physical control of the mind is merely a futuristic fantasy is plainly foolish. To believe that it can't happen here is even worse. For to deny the power and political appeal of a repressive psychotechnology is to expedite its encroachment, and to refrain from combating it is to surrender our constitutional freedom and our human dignity.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of death in family.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from New Hampshire (Mr. COTTON), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mr. GURNEY), the Senator from Kansas (Mr. PEARSON), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 72, nays 14, as follows:

[No. 283 Leg.]

YEAS—72

Abourezk
Allen
Baker
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cranston
Dole
Eagleton
Ervin
Fannin
Fong
Gravel
Griffin
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stevens
Stevenson
Talmadge
Thurmond
Tunney
Weicker
Williams

NAYS—14

Bartlett
Biden
Buckley
Byrd,
Harry F., Jr.
Curtis
Domenici
Hansen
Hatfield
Helms
Hruska
McClure
Proxmire
Roth
Young

NOT VOTING—14

Aiken
Church
Cotton
Dominick
Eastland
Fulbright
Goldwater
Gurney
McGovern
Pearson
Stennis
Symington
Taft
Tower

So the conference report was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 3490) providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 11105) to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DORN, Mr. TEAGUE, Mr. HALEY, Mr. DULSKI, Mr. HELSTOSKI, Mr. HAMMERSCHMIDT, Mrs. HECKLER of Massachusetts, Mr. ZWACH, and Mr. WYLIE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H.R. 13370) to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 96) adjourning the Senate from June 27, 1974, until noon July 8, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, which comes earlier, with amendments, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 13370) to suspend until June 30, 1976—the duty on catalysts of platinum and carbon used in producing caprolactam, was read twice by its title and referred to the Committee on Finance.

THE SENATE GREETS SENATOR LUDER OF ARGENTINA

Mr. McGEE. It is my honor, Mr. President, as the chairman of the Western Hemisphere Subcommittee of the Committee on Foreign Relations to host the presence of a distinguished Senator from Argentina, Senator Luder.

This special occasion is exceptional for a particular reason. For reasons of particular applicability in his country, their Senate has not been in session for a considerable period of time, and it is now being reactivated, and Senator Luder's presence here epitomizes now the new revitalization of the political structure of which he is an integral part.

He comes likewise from a part of the Argentine, and his background in Switzerland before that, that identifies him very closely with the beauteous parts of the State of Wyoming, the Grand Teton Mountains. In fact, we have often proposed that we get a public works project going to transfer Lake Bariloche in the Argentine Andes to the State of Wyoming to further enhance our geographical qualities.

I want to say that it is a significant occasion for the Members of this body for Senator Luder to be here and honor us with his presence today.

2-MINUTE RECESS

Mr. McGEE. Mr. President, I ask unanimous consent that the Senate recess for 2 minutes so that the Members of the body might greet our distinguished guest from the Argentine.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, the Senate took a recess for 2 minutes.

NUTRITION PROGRAM FOR ELDERLY

Mr. EAGLETON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11105.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to (H.R. 11105) to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes, with an amendment which was on page 3 of the Senate engrossed amendment, strike out all after line 9 down to and including line 21, and insert:

SEC. 4. Section 201 of Public Law 93–113 (87 Stat. 401, October 1, 1973) is amended by inserting the following new subsection (b) after subsection (a) and redesignating the present subsection (b) as subsection (c):

"(b) In no event shall the required proportion of the local contribution (including in-kind contributions) for a grant or contract made under this section be more than 10 per centum in the first year of assistance under this section, 20 per centum in the second such year, 30 per centum in the third such year, 40 per centum in the fourth such year, and 50 per centum in any subsequent such years: *Provided, however,* That the Director may make exceptions in cases of demonstrated need, determined (in accordance with regulations which the Director shall prescribe) on the basis of the financial capability of a particular recipient of assistance under this section, to permit a lesser local contribution proportion than any required contribution proportion established by the Director in generally applicable regulations.".

LOCAL SHARE CONTRIBUTION FOR RSVP PROJECTS

Mr. CRANSTON. Mr. President, as you know, the House has adopted an amendment as a substitute for section 4 which I authored in the Senate amendment to H.R. 11105. The House substitute amendment has the agreement of the sponsors of the original Senate amendment regarding the RSVP local contribution, as well as the general concurrence of the Action Agency which is responsible for administering the RSVP program.

The Senate amendment would have amended section 201(a) of Public Law 93–113, the Domestic Volunteer Service Act of 1973, by establishing percentages for local contributions by project sponsors which could be required by the Action Agency in connection with RSVP grants and contracts. Under the Senate provison, no first year grant could have required a local contribution in excess of 10 percent of the total amount of the grant, and no subsequent grant or contract could have required a local contribution in excess of 40 percent of such total. Further, under the Senate provision, the local share percentage after the first year could not have been increased by more than 50 percent over the percentage of the preceding year.

Although, the House committee was generally supportive of the principles underlying the Senate RSVP amendment, at the same time they felt that the Senate provision was somewhat too restrictive and might lead to inequitable results and maladministration.

As a result, Members of both the House and Senate undertook to work out a compromise which closely parallels the revised RSVP local-share policy set forth in the June 18, 1974, letter from the Action Agency to me, which was included in the RECORD (p. 20007) during the consideration of the Senate amendment. An identical letter was sent to House committee chairman (Mr. PERKINS).

Mr. President, we undertook to work this matter out in consultation with the principals in the other body and with the ACTION Agency. I wish to express my gratitude to the distinguished gentleman from Indiana (Mr. BRADEMAS) and the distinguished gentleman from Minnesota (Mr. QUIE) who have been so helpful and cooperative in this matter, and also to my distinguished colleagues in the Senate, Mr. WILLIAMS, Mr. BEALL, Mr. KENNEDY, Mr. EAGLETON, Mr. JAVITS, and Mr. STAFFORD, who worked so closely with us to reach a satisfactory accommodation of all viewpoints.

Mr. President, in fact I believe that the House substitute amendment has all the strong features of the original Senate amendment. Under the substitute provision, the first year RSVP local-contribution proportion could not be set by the Agency at any more than 10 percent, the second year at any more than 20 percent; the third year at any more than 30 percent, the fourth year at any more than 40 percent; and the local share contributions in subsequent years under subsequent grants or contracts could not exceed 50 percent. In addition, the substitute provides specifically for exceptions to be made by the Agency Director based on demonstrated need, as determined based on particular local financial capability in accordance with Agency regulations, so that amounts lower than the local share standards, which Agency regulations would require, could be permitted by the Agency based specifically on individual project needs.

Mr. President, I am happy to note that the other body is in full accord with the purposes of the Senate amendment to provide for a flexible policy that does not seek to impose arbitrary, rigid guidelines for local contributions.

Mr. President, it should also be clearly understood that the other body supports the intent, as pointed out during debate on the Senate amendment, that the local share amounts in the new statutory provision only limit what the Agency may require from local projects and in no way limit what additional sums project sponsors may voluntarily offer to contribute to the Agency, which, of course, the Agency may accept as a gift pursuant to section 402(5) of Public Law 93–113.

In addition, Mr. President, the Members of the other body yesterday expressed their full agreement with the language in the Senate Committee report (No. 93–932) on page 15, which I will quote, regarding the need for a liberal in-kind contribution policy as well as the need that no arbitrary limit should be imposed on the total dollar amount of Federal funding for a particular project, nor on the increase in total Federal funds from one year to the next:

The Committee further expects the ACTION Agency to apply a liberal in-kind contribution policy in determining what is an acceptable local-share contribution. Traditionally, the Committee has believed that as part of health, education, and social services program policy, local sponsors should have substantial latitude in meeting their share from either cash or legitimate in-kind contributions.

Furthermore, no arbitrary limit should be imposed on the total *amount* of Federal funding for a project, nor on the increase in total Federal funds from one year to the next. Provision needs to be made in any funding guidelines for the expansion and growth of R.S.V.P. projects that show good results in meeting basic program objectives, and to support such growth both through increasing local contributions and, where indicated, through increasing Federal funds.

Finally, Mr. President, we are certainly in agreement with the leaders of the other body regarding this particular provision in Senate amendment that it will be necessary for our respective committees and subcommittees to monitor closely the implementation of the new statutory provision by the ACTION Agency. To assist us in that monitoring activity, we will expect that the Agency will communicate with us specifically in the following respects. First, we expect the Agency to consult with us in advance prior to publishing for public comment in the Federal Register its regulations regarding the RSVP local contribution. Second, Mr. President, we expect the Agency to notify us immediately upon making a RSVP grant or contract in which there is a local contribution in excess of 40 percent of the total cost. Finally, Mr. President, we expect the ACTION Agency to submit to us every 4 months a list of RSVP project grants and contracts, the dollar amounts involved, and the local share amount and percentage—both required or voluntarily contributed—being provided by each project, including a specification of the amount which is an in-kind contribution and the amount which is in cash.

Mr. President, I hope that my colleagues will rapidly concur in this House amendment to the Senate amendment so we can send the bill to the President prior to the July recess. Once more, Mr. President, my thanks to my colleagues on the Labor and Public Welfare Committee and especially the Subcommittee on Aging chairman (Mr. EAGLETON) for their steadfast support throughout this matter.

Mr. EAGLETON. Mr. President, I move that the Senate concur in the amendment of the House to the Senate amendment to H.R. 11105.

The motion was agreed to.

FOREST HIGHWAY FUNDS TO REMAIN AVAILABLE UNTIL EXPENDED

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3490.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3490) providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended, which was in line 3, strike out "118(b)", and insert: "203".

Mr. MANSFIELD. Mr. President, I move the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes.

The message also announced that the House had passed a bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes, was read twice by its title and referred to the Committee on Public Works.

CONSIDERATION OF CERTAIN ITEMS OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 933, and the rest of the calendar in sequence, with the exception of Calendar No. 935.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHOOL FARE SUBSIDY FOR SCHOOLCHILDREN IN THE DISTRICT OF COLUMBIA

The bill (S. 3477) to amend the act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to provide for the regulation of fares for the transportation of schoolchildren in the District of Columbia," approved August 9, 1955 (D.C. Code, sec. 44–214a), as amended by an Act approved October 18, 1968, and by an Act approved August 11, 1971, is further amended by deleting "1974" and substituting "1977".

DISTRICT OF COLUMBIA CRIMINAL JUSTICE ACT

The bill (S. 3703) to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

A bill to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Criminal Justice Act".

SEC. 2. Title 11 of the District of Columbia Code (1973 edition) is amended by adding at the end thereof the following new chapter:

"Chapter 26.—REPRESENTATION OF INDIGENTS IN CRIMINAL CASES

"Sec.
"11–2601. Plan for furnishing representation to indigents in criminal cases.
"11–2602. Appointment of counsel.
"11–2603. Duration and substitution of appointments.
"11–2604. Payment for representation.
"11–2605. Services other than counsel.
"11–2606. Receipt of other payments.
"11–2607. Preparation of budget.
"11–2608. Authorization of appropriations.

"§ 11–2601. Plan for furnishing representation to indigents in criminal cases

"The Joint Committee on Judicial Administration shall place in operation in the District of Columbia a plan for furnishing representation to any person in the District of Columbia who is financially unable to obtain adequate representation—

"(1) who is charged with a felony, or misdemeanor, or other offense for which the sixth amendment to the Constitution requires the appointment of counsel or for whom, in a case which he faces loss of liberty, any law of the District of Columbia requires the appointment of counsel;

"(2) who is under arrest, when such representation is required by law;

"(3) who is charged with violating a condition of probation or parole, in custody as a material witness, or seeking collateral relief, as provided in—

"(A) Section 23–110 of the District of Columbia Code (remedies on motion attacking sentence),

"(B) Chapter 7 of title 23 of the District of Columbia Code (extradition and fugitives from justice),

"(C) Chapter 19 of title 16 of the District of Columbia Code (habeas corpus),

"(D) Section 928 of the Act of March 8, 1901 (D.C. Code, sec. 24–302) (commitment of mentally ill person while serving sentence);

"(4) who is subject to proceedings pursuant to chapter 5, title 21, of the District of Columbia Code (hospitalization of the mentally ill);

"(5) who is a juvenile and alleged to be delinquent or in need of supervision.
Representation under the plan shall include counsel and investigative, expert, and other services necessary for an adequate defense. The plan shall include a provision for private attorneys, attorneys furnished by the Public Defender Service, and attorneys and qualified students participating in clinical programs.

"§ 11–2602. Appointment of counsel

"Counsel furnishing representation under the plan shall in every case be selected from panels of attorneys designated and approved by the courts. In all cases where a person faces a loss of liberty and the Constitution or any other law requires the appointment of counsel, the court shall advise the defendant or respondent that he has the right to be represented by counsel and that counsel will be appointed to represent him if he is financially unable to obtain counsel. Unless the defendant or respondent waives representation by counsel, the court, if satisfied after appropriate inquiry that the defendant or respondent is financially unable to obtain counsel, shall appoint counsel to represent him. Such appointment may be made retroactive to include any representation furnished pursuant to the plan prior to appointment. The court shall appoint separate counsel for defendants or respondents having interests that cannot properly be represented by the same counsel, or when other good cause is shown. In all cases covered by this Act where the appointment of counsel is discretionary, the defendant or respondent shall be advised that counsel may be appointed to represent him if he is financially unable to obtain counsel, and the court shall in all such cases advise the defendant or respondent of the manner and procedures by which he may request the appointment of counsel.

"§ 11-2603. Duration and substitution of appointments

"A person for whom counsel is appointed shall be represented at every stage of the proceedings from his initial appearance before the court through appeals, including ancillary matters appropriate to the proceedings. If at any time after the appointment of counsel the court finds that the person is financially able to obtain counsel or to make partial payment for the representation, it may terminate the appointment of counsel or authorize payment as provided in section 2606 of this chapter, as the interests of justice may dictate. If at any stage of the proceedings, including an appeal, the court finds that the person is financially unable to pay counsel whom he had retained, it may appoint counsel as provided in section 2602, and authorize payment as provided in section 2604, as the interests of justice may dictate. The court may, in the interest of justice, substitute one appointed counsel for another at any stage of the proceedings.

"§ 11-2604. Payment for representation

"(1) HOURLY RATE.—Any attorney appointed pursuant to this chapter shall, at the conclusion of the representation or any segment thereof, be compensated at a rate fixed by the Joint Committee on Judicial Administration, not to exceed the hourly scale established by the provisions of section 3006A(d)(1) of title 18, United States Code. Such attorney shall be reimbursed for expenses reasonably incurred.

"(2) MAXIMUM AMOUNTS.—For representation of a defendant before the Superior Court or before the District of Columbia Court of Appeals, as the case may be, the compensation to be paid to an attorney shall not exceed the maximum amounts established by section 3006A(d)(2) of title 18, United States Code, in the corresponding kind of case or proceeding.

"(3) WAIVING MAXIMUM AMOUNTS.—Claims for compensation and reimbursement in excess of any maximum amount provided in subsection (2) of this section may be approved for extended or complex representation whenever such payment is necessary to provide fair compensation. Any such request for payment shall be submitted by the attorney for approval by the chief judge of the Superior Court upon recommendation of the presiding judge in the case or, in cases before the District of Columbia Court of Appeals, approval by the chief judge of the Court of Appeals upon recommendation of the presiding judge in the case. A decision shall be made by the appropriate chief judge in the case of every claim filed under this subsection.

"(4) FILING CLAIMS.—A separate claim for compensation and reimbursement shall be made to the Superior Court for representation before that Court, and to the District of Columbia Court of Appeals for representation before that court. Each claim shall be supported by a sworn written statement specifying the time expended, services rendered, and expenses incurred while the case was pending before the court, and the compensation and reimbursement applied for or received in the same case from any other source. The court shall fix the compensation and reimbursement to be paid to the attorney. In cases where representation is furnished other than before the Superior Court or the District of Columbia Court of Appeals, claims shall be submitted to the Superior Court which shall fix the compensation and reimbursement to be paid.

"(5) NEW TRIALS.—For purposes of compensation and other payments authorized by this section, an order by a court granting a new trial shall be deemed to initiate a new case.

"(6) PROCEEDINGS BEFORE APPELLATE COURT.—If a person for whom counsel is appointed under this section appeals to the District of Columbia Court of Appeals, he may do so without prepayment of fees and costs or security therefor and without filing the affidavit required by section 1915(a) of title 28, United States Code.

"§ 11-2605. Services other than counsel

"(1) UPON REQUEST.—Counsel for a person who is financially unable to obtain investigative, expert, or other services necessary for an adequate defense may request them in an ex parte application. Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the person is financially unable to obtain them, the court shall authorize counsel to obtain the services.

"(2) WITHOUT PRIOR REQUEST.—Counsel appointed under this section may obtain, subject to later review, investigative, expert, or other services, excluding the preparation of reporter's transcript, without prior authorization if necessary for an adequate defense. The total cost of services obtained without prior authorization may not exceed $150 or the rate provided by section 3006A(e)(2) of title 18, United States Code, whichever is higher, and expenses reasonably incurred.

"(3) MAXIMUM AMOUNTS.—Compensation to be paid to a person for services rendered by him to a person under this subsection shall not exceed $300, or the rate provided by section 3006(A)(e)(3) of title 18, United States Code, whichever is higher, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court, as necessary to provide fair compensation for services of an unusual character or duration, and the amount of the excess payment is approved by the presiding judge in the case.

"§ 11-2606. Receipt of other payments

"(a) Whenever the court finds that funds are available for payment from or on behalf of a person furnished representation, it may authorize or direct that such funds be paid to the appointed attorney, or to any person or organization authorized pursuant to section 2605 of this title to render investigative, expert, or other services, or to the court for deposit in the Treasury as a reimbursement to the appropriation, current at the time of payment, to carry out the provisions of this section. Except as so authorized or directed, no such person or organization may request or accept any payment or promise of payment for representing a defendant.

"(b) Any person compensated, or entitled to be compensated, for any services rendered under this chapter who shall seek, ask, demand, receive, or offer to receive, any money, goods, or services in return therefor from or on behalf of a defendant or respondent shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"§ 11-2607. Preparation of Budget

"The joint committee shall prepare and annually submit to the Commissioner of the District of Columbia, in conformity with section 11-1743 of this title, or to his successor in accordance with section 445 of the District of Columbia Self-Goverment and Governmental Reorganization Act, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for furnishing representation by private attorneys to persons entitled to representation in accordance with section 2601 of this title.

"§ 11-2608. Authorization of appropriations

"There are hereby authorized to be appropriated to the District of Columbia such funds as may be necessary for the administration of this chapter for fiscal years 1975 and 1976. When so specified in appropriation Acts, such appropriations shall remain available until expended.

SEC. 3. (a) Paragraph (1) of section 3006A, title 18, United States Code, as amended, is amended to read:

"(1) APPLICABILITY IN THE DISTRICT OF COLUMBIA.—The provisions of this Act, other than subsection (h) of section 1, shall apply in the United States District Court for the District of Columbia and the United States Court of Appeals for the District of Columbia Circuit. The provisions of this Act shall not apply to the Superior Court of the District of Columbia and the District of Columbia Court of Appeals.".

SEC. 4. This Act shall take effect upon the date of its enactment. Any person appointed on or after July 1, 1974, but prior to the commencing date of the plan referred to in section 11-2601 of the District of Columbia Code (as added by section 2 of this Act), by a judge of the Superior Court or the District of Columbia Court of Appeals to furnish to any person in the District of Columbia, who is financially unable to obtain adequate representation, that representation and those services referred to in such section 11-2601, may be compensated and reimbursed for such representation and services rendered, including expenses incurred therewith, upon filing a claim for payment. Payment shall not be allowed in excess of the amounts authorized in accordance with those sections added to the District of Columbia Code by such section 2.

OSCAR H. BARNETT

The Senate proceeded to consider the bill (S. 1193) for the relief of Oscar H. Barnett which had been reported from the Committee on the Judiciary with an amendment in line 5, after the word "consideration", insert "and without warranty of title,".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to convey by quitclaim deed or by other appropriate instruments, without consideration *and without warranty of title*, to Oscar H. Barnett, all right, title, and interest of the United States in and to the following tract of land located in Leake County, Mississippi:

South half of northwest quarter of northwest quarter, section 25, township 11 north, range 7 east.

MICHAEL D. MANEMANN

The bill (S. 2838), a bill for the relief of Michael D. Manemann, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in accordance with conclusions of the Report of the Review Panel, filed October 10, 1973, pursuant to sections 1492 and 2509 of title 28, United States Code, in Congressional Reference Case Numbered 3–71, before the Chief Commissioner of the Court of Claims, entitled "Michael D. Manemann against The United States," the Secretary is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael D. Manemann, a former military dependent, the sum of $27,000, in full satisfaction of all claims (including those for lost earnings, pain and suffering, and residual disability) of the said Michael D. Manemann against the United States resulting from the actions occurring overseas, of medical personnel of the United States Air Force who, it was found, in 1962 negligently failed to diagnose the existence of tuberculosis, at which time X-rays then taken showed a suspicious condition which should have led to further studies and to treatment which would probably have then obviated the need for the surgery which was subsequently undertaken upon the discovery of advanced tuberculosis in 1965.

(b) No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

LESTER H. KROLL

The bill (H.R. 3534), for the relief of Lester H. Kroll, was considered, ordered to a third reading, read the third time, and passed.

URSULA E. MOORE

The bill (H.R 5266), for the relief of Ursula E. Moore, was considered, ordered to a third reading, read the third time, and passed.

MRS. RITA PETERMANN BROWN

The bill (H.R. 7128) for the relief of Mrs. Rita Petermann Brown was considered, ordered to a third reading, read the third time, and passed.

VIOLA BURROUGHS

The bill (H.R. 7397) for the relief of Viola Burroughs was considered, ordered to a third reading, read the third time, and passed.

JAMES A. WENTZ

The bill (H.R. 8823) for the relief of James A. Wentz was considered, ordered to a third meeting, read the third time, and passed.

INCREASED AUTHORITY TO PAY CERTAIN CLAIMS

The bill (H.R. 9800) to amend sections 2733 and 2734 of title 10, United States Code, and section 715 of title 32, United States Code, to increase the maximum amount of a claim against the United States that may be paid administratively under those sections and to allow increased delegation of authority to settle and pay certain of those claims was considered, ordered to a third reading, read the third time, and passed.

UNANIMOUS-CONSENT AGREEMENT ON S. 3500

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the bill is called up and made the pending business before the Senate, there be a time limitation on the amateur athletics measure, S. 3500, of 2 hours on the bill, 1 hour on the amendment by Mr. Cook, and one-half hour on any other amendment, debatable motion or appeal; and that the agreement be in the usual form, with the time on the bill divided between and controlled by the Senator from Washington (Mr. Magnuson) and the Senator from New Hampshire (Mr. Cotton).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The leadership is cognizant of the desire of Mr. Cook to be present at the time that bill is taken up.

Mr. GRIFFIN. I thank the distinguished majority whip. With that observation I might also cite for the record with the Senator from Kansas (Mr. Pearson), the Senator from Maryland (Mr. Beall), and the Senator from Kentucky (Mr. Cook), all of whom have a keen interest in this particular legislation, and the agreement is satisfactory.

Mr. ROBERT C. BYRD. I might also ask the distinguished Republican whip as to whether or not it would be possible at this time to get an agreement on the atomic energy measure, S. 3698. It will be called up on Wednesday, July 10, 1974, following the recess.

Mr. GRIFFIN. I would respond by saying that I think we are pretty close to an agreement, but I am not in a position to say yes at the moment.

Mr. ROBERT C. BYRD. Very well. Then I assume that we will continue in our efforts during the day.

Mr. GRIFFIN. Yes.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess—

Mr. GRIFFIN. Will the majority leader withhold that for a moment?

Mr. MANSFIELD. Yes.

TRIBUTE ON RETIREMENT OF OFFICIAL REPORTERS OF DEBATES

Mr. GRIFFIN. Mr. President, there are a number of silent but indispensable men and women who make it possible for the Senate to do its work. Among them are the Official Reporters who meticulously and accurately record every word of the debates which take place on the Senate floor.

I mention this today because, effective with the close of business today, four of our Official Reporters and an assistant to the Reporters will be retiring. So, for them, today marks the end of their service as a part of the Senate.

Together they have a combined total of nearly 90 years of service in this body.

The Reporters to whom I refer and the approximate number of years of their service are as follows:

Francis J. Attig, 23 years.

Nicholas J. Cinciotta, 21 years.

Jack Romagna, 11 years.

Francis J. McSwiggan, 11 years.

Willard W. Pruett, the assistant, 23 years.

To each of them we owe a deep debt of gratitude for the pleasant and efficient way in which they have performed their assignments.

Day in and day out, in good weather and bad, they are always here working with flying pens as they record for history every word spoken and every action taken on the Senate floor. We who have the privilege of speaking in the Senate Chamber can only marvel at the skill as well as the patience and endurance of these men, our very able associates in the life and work of the Senate.

I know I speak for all of the Senators on both sides of the aisle when I wish for each of the retirees the very best during many happy retirement years.

RECESS UNTIL 1:20 P.M.

Mr. MANSFIELD. Mr. President, it is my understanding that the distinguished chairman of the Committee on Appropriations (Mr. McClellan) will be ready to take up the continuing resolution at about 1:15.

I ask unanimous consent that the Senate stand in recess until the hour of 1:20.

The PRESIDING OFFICER. Without objection, it is so ordered.

Accordingly, at 12:55 p.m. the Senate took a recess until 1:20 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Johnston).

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTINUING APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on House Joint Resolution 1062, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. JOHNSTON). The report will be stated by title.

The second assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 26, 1974, at p. 21214.)

Mr. McCLELLAN. Mr. President, the conference report and the joint explanatory statement of the committee of conference appear in the CONGRESSIONAL RECORD of June 26, 1974—the RECORD we received today—beginning on page 21214. In addition, we also have available the usual printed report.

While the conference report is self-explanatory, I should like to point out the action of the conferees with respect to two of the Senate amendments. First, on amendment No. 8, the Senate provided for an annual rate of $900,000,000 for the continuation of support for South Vietnamese military forces. The conference agreement provides instead an annual rate of $1,000,000,000 under the terms of the continuing resolution, in lieu of the current rate as proposed by the House.

On amendment No. 15, in connection with title I of the Elementary and Secondary Education Act, the conference agreement provides that the distribution of funds should be based upon provisions contained in H.R. 69, as passed by the Senate. Also, the conferees direct that funds for part B of title I shall not be distributed during the period covered by this continuing resolution since this legslation is in conference. The conferees further agreed that this action is without prejudice to the disposition of part B of title I of the authorizing legislation.

Mr. President, the continuing resolution simply represents a stopgap mechanism to provide interim financing authority for essential operation of the Government. It is necessary in order to enable the Government to continue to operate. This resolution extends to September 30 and I am hopeful that we will have all of the appropriation bills enacted by that date. Certainly, most of the bills should be enacted prior to then. I urge that the conference report be agreed to.

I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I concur and support the remarks of the distinguished chairman of the Appropriations Committee, Senator McCLELLAN, concerning this continuing resolution that is before us. This resolution extends the authority of Government agencies to expend funds so that normal business and activities can be accomplished without disruption.

This week the House has concentrated on passage of a number of appropriations bills, some of which have been sent over to the Senate and, some will be sent over before the close of business tomorrow. Also, it is my understanding, that immediately following the 4th of July recess, the House will act on additional bills and send them to the Senate.

As the chairman has indicated, it is expected that 9 of 13 regular annual appropriations bills for fiscal year 1975 will be passed by the House, and hopefully be passed by the Senate before the expiration of this continuing resolution on September 30, 1974. I would also hope that all 13 regular appropriations bills can be acted upon prior to the expiration of this continuing resolution.

The conferees supported the Senate bill to the maximum extent possible. This was particularly true in the consideration of title I for elementary and secondary education in which the Senate position was approved.

Mr. President, this was a provision in which the distinguished senior Senator from New York was very much interested, and a hard fight was conducted in support of the Senate's position.

The Senate position would not have been maintained if it had not been for the very skillful and persuasive work of the distinguished chairman of the committee. At first the House was adamant and would not accept the provision. They only accepted it after a 1-day delay.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I have heard with the greatest of interest the statements made by the chairman of the committee and the ranking minority member and I wish to express to them my great appreciation for the consideration which they showed to me on my own problem under title I of the Elementary and Secondary Education Act.

I know from the fact that Senator McCLELLAN and Senator YOUNG talked with me personally how deeply dug in was the House. I have been in a lot of conferences, as they both know, and I know how they can dig in, and they did not disappoint the conferees in this case.

So I am very appreciative, not only of what took place, but the consideration shown for a fellow Senator. I have always tried to do that in conferences, and it is so gratifying when it is reciprocated, as it was in this case.

By way of report to the Senate, I might say that sometime between 8 o'clock last night and 4 o'clock this morning the conferees of the education bill worked out at least a tentative agreement on these items of two bills. So the forecast which is made in this conference report that it should be properly left to us is entirely valid.

Second, I would like to note that as a matter of fact no money could be paid under part B during this short period of time of the continuing resolution, so I was entirely in accord with Senator McCLELLAN in using the word "direct," because it could not happen.

Finally, Mr. President, we are not yet through with the education conference. It continues in about 20 minutes. We have a particular issue which may deadlock us momentarily, but I believe we have gone far enough so that we will be able to join our colleagues on the Appropriations Committee in presenting to the Senate an agreed-upon and highly constructive amalgamation of the House and Senate bills on these formulae and other special provisions which are contained in title I because we are not hung up on that. We have gone by that.

I think when we finally come in with a conference report, the Senate will be gratified at its creativity on this subject, and the confidence which is expressed by the Appropriations Committee in giving us the run of it will have been fully justified.

Again, I would like to thank my colleagues for their consideration.

Mr. McCLELLAN. Mr. President, I wish to thank the distinguished Senator from North Dakota and the Senator from New York for their complimentary references to the chairman of the Appropriations Committee and the work we tried to do.

We had a problem with this conference report, as both Senators, and all Senators know, but by persistence and diligence and working in good faith and being tolerant and understanding, we arrived at the result that we present here today.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. COOK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ERVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION UNTIL MIDNIGHT, JUNE 30, 1974 TO FILE A REPORT PURSUANT TO SENATE RESOLUTION 327

Mr. ERVIN. Mr. President, on behalf of the Senate Select Committee on Presidential Campaign Activities, I ask unanimous consent that the committee have until not later than midnight June 30, 1974, to file a report pursuant to Senate Resolution 327.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ERVIN. Mr. President, I make this request because it would be impossible to have all the data, with the written material of the report, available before that time and, even then, it will also require an additional period of time to edit and to revise portions thereof before it can be made available for public distribution.

Since there are not copies sufficient for public distribution to the news media, I ask unanimous consent that the report be withheld until after the recess, when a sufficient number of copies of the report can be made available for the use of the news media and the general public.

The PRESIDING OFFICER. Is there objection? The Chairs hears none, and it is so ordered.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:15 P.M.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until the hour of 2:15.

The motion was agreed to; and at 1:49 p.m., the Senate took a recess until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COOK).

THE ECONOMY

Mr. NUNN. Mr. President, our country has a fight on its hands. In one corner, is a young fighter hoping to curb inflation; in the other corner, is the aged veteran determined to protect a growing, productive economy. However, the normal rules of a championship fight do not apply here. In this contest, the referee's problem is keeping these two fighters from knocking each other out. The goal should be for these two opponents to fight together—not against each other. The fight, then, is to retain a productive economy, and, at the same time, curb inflation.

I do not pretend to have the ultimate solutions to this complicated and serious predicament. I do think, however, that there are three essential ingredients which we must deal with effectively if we are to restrain today's runaway inflation and restore economic growth. I do not think we have adequately come to grips with any of the three.

The first ingredient is basic fiscal responsibility. Every housewife and businessman understands this principle. Simply stated, you can not spend all the money you desire and then figure out how much you have available to spend. It should be just the reverse. Unfortunately, this is how Congress has traditionally handled the largest budget in the world.

It would be nice if Congress could rely on the administration to carry the ball for the country, but if the proof of the economic pudding is in the eating, then this administration has produced a constant diet of crow.

The American people have been fed a steady diet of accentuate-the-positive, eliminate-the-negative predictions by Government economists. Admittedly, recent economic effort has produced a number of records—record levels of Federal spending, record rates of inflation and record interest rates that we can do without.

Clearly, Congress has not, in the past, taken on the job of fiscal planning. I am happy to say that with the passage of the budget reform legislation this month, we have finally given ourselves the tools to accomplish the task. With this one act, we have swept away the chaotic approach of the past which separated the annual spending process into 13 or 14 different bills considered independently, and at different times, and which kept consideration of Government expenditures and income unrelated.

Under the new procedures, Congress, for the first time can, and must, come to grips with total Federal spending from the beginning of the appropriations process. Congress must set the overall level of Federal spending and it must put expenditures and income together and decide whether we will have a deficit, surplus or balanced budget. I, for one, prefer a balanced budget. For the first time, the American taxpayer interested in fiscal prudence will have a congressional budgetary process he can focus on to let his opinion be known.

I am confident that this new budgetary process can potentially go far to end the built-in inflationary bias of the present system with its total focus on specific programs and appropriations.

But it will not answer our current problem, because it does not even get underway for 2 years. We cannot postpone fiscal responsibility any longer.

We have a situation in which the administration is continuing to propose Federal spending at record levels and with deficit financing. We are told this is necessary to maintain economic growth and avoid a recession. It has been estimated that Federal spending will increase by 14 percent in 1974, while administration estimates of inflation for the year are 7 percent. This leaves a real increase in Federal spending over inflation of 7 percent. It goes to show why the Federal spending process is a prime contributor to the inflationary cycle.

With the administration apparently prepared to continue sacrificing stable prices to increased economic growth, the independent Federal Reserve System has felt compelled to go the other way. Mr. Burns has turned the screws to fight inflation with tight money and high interest rates. Ask any homebuilder, new homeowner or small businessman what the results have been.

So we have a situation where Nixon is pushing on the accelerator and Burns is pulling on the brakes. The goal is supposed to be renewed growth complete with stable prices. But the result has been just the opposite. Real economic output declined at an annual rate of over 6 percent in the first quarter of this year; housing starts are more than one-third below the year before. Unemployment is over 5 percent and rising, inflation ran at a rate of over 14 percent annually during the first quarter of the year and real earnings for individuals have declined by nearly 6 percent in the last year.

Clearly, the Nixon/Burns tug-of-war is not stabilizing the economy. It is threatening to burn out the engine.

I believe the situation ought to be the other way around. We must have real Federal fiscal responsibility in order to permit more constructive monetary policies. Only fiscal policy can set the basic pattern of the economy. Monetary policy cannot hope to do more than fine tune it. If Congress will take the lead in curtailing Federal expenditures, then perhaps we will begin to see things once again in their right order with private investment stimulating economic growth and Federal fiscal policies promoting economic stability. We may not be able to achieve a balanced budget all at once, but I strongly believe we can and should reduce the deficit for the next fiscal year from the $9 billion proposed to not more than $2 or $3 billion.

We cannot wait until we have the orderly process of the budget reform bill. Congress must act now to curtail unnecessary Federal spending and restore proper balance to the economy.

The second necessary ingredient is increased American productivity. I do not believe that as a nation Americans recognize how serious the problems of our country's productivity have become.

From 1965 to 1970, America had only a 2-percent annual increase in productivity. Japan, however, had an increase of 13.2 percent annually while Germany had an increase of 5.7 percent. American productivity is not gaining but rather losing ground to our free world competitors.

There is another tricky aspect to the productivity question. Many people think of this measure as only applying to the assembly line. That is not true. Productivity now encompasses much more than that. Our work force is divided into two groups—those who produce goods and those who provide services.

Mr. President, when you compare the productivity of the two groups from 1950 to 1972, you see that the goods producers increased productivity 3.5 percent a year while services productivity increased only 2.6 percent a year.

In the services sector—government workers, communications, insurance, real estate, and finance—our Nation is having a harder time coming to grips with the productivity problem than on the assembly line.

What can be done about American productivity? There is no simple answer. First, government, at all levels, must realize the need for improvement. When you take into account that government is our largest employer, that one out of every six workers is employed by some level of government, you can imagine the vast impact on the economy.

I might add, Mr. President, that in many cases it seems the government has disincentives rather than incentives. Rather than services being the goal of local, State, or Federal Government success is usually measured by how many people work in a certain department. The departments keep increasing while the services do not keep pace.

Inflation has many causes, but one cause is the increased taxes necessary to support government at every level. We simply are not getting the kind of efficiency and productivity we need throughout the governmental bureaucracy.

Mr. President, to further answer the productivity question technology must be applied. Economic incentives must be developed. Better management at every level—especially in government—must occur. Investment capital must accelerate in this country for our capital replacement in new plants and equipment is not nearly as much as our competition in Western Europe and Japan. The Congress can play an immediate role in freeing investment capital by reducing the Federal deficit and the deficit financing that cuts so deeply into the capital available for private economic expansion.

A way must be found to deal with the workers displaced by technology. You cannot expect working people to cheer for technology when their jobs are going out the window. Our country should develop educational systems that do not end when a person graduates from high school. Our educational system must retrain people who are displaced by the very technology that is essential to increased productivity.

Basically, labor, management and government must begin to think of themselves as partners for the betterment of America instead of as competing forces.

This brings me to the third ingredient in the fight for a growing economy—the crude oil situation. Now that there are no long lines for gasoline, many Americans do not realize the incredible impact the great jump in the world price of crude oil has had.

For example, if you count all the investments of American businessmen in foreign plants and equipment over the 30 years from 1945 to 1974, the total is just under $100 billion dollars. In contrast to this, in the next 2 years alone, it is estimated that the oil rich nations of the Persian Gulf nations will earn about $100 billion dollars more than they can spend or invest at home.

So this means, very simply, that the Persian Gulf nations will have a surplus for investment purposes in the next 2 years which will equal the total American investment abroad for the last 30 years, from 1945 to 1974.

Project this trend over 5 or 10 years and you come up with a mind boggling total of surplus investment capital.

Where are the oil rich nations going to invest this money? If a sizeable amount does not flow back into this country, the dollar will be worth less and less as we continue to pay out more and more for overseas oil. This, in turn, would cause more inflation. But if sizeable oil capital does return to the United States, unchannelled and uncontrolled, we may well see vital industries and activities come under foreign domination.

Americans have generally scoffed at the fears of other countries at the "Dirty Yankee" investor threatening to take control of their resources. Now that the shoe is on the other foot, we are beginning to realize it squeezes. Our country has not even begun to cope with this issue.

If anyone questions why President Nixon and Secretary Kissinger are paying so much attention to the Middle East, the implications of the world price of crude oil should be the answer. Saudi Arabia and the other oil rich Arab States have emphasized that the price and available amounts of crude oil will be directly related to what the United States does to assist the stability of that region. We can be pleased with the progress the President and Secretary Kissinger have already made in restoring peace to the Middle East. Though some may think we are meddling in affairs which are none of our business, the oil situation should make clear to all that we have a vital stake of our own in the stability of the area. Saudi Arabia alone can drive down the price of crude oil. If America could influence the price to come down just 50 cents per barrel on the world market, this would translate into a $1 billion savings to the American people annually. If the price dropped from $10 to $7 per barrel, Americans would save $6 billion a year.

Although the situation is serious for America, it is really grave for the other industrialized countries which are much more dependent on oil imports and it is desperate indeed for the developing countries whose prospects for progress have simply been wiped out by the threefold price increase. In my opinion, unless the price of crude oil does come down in the near future, there is a grave danger of a world recession within the next 24 months to 3 years—perhaps even sooner.

These are the facts as I understand them. America cannot survive as an island of prosperity while Western Europe, Japan and the developing nations are experiencing a very severe recession. All Americans must be conscious of this. The many faces of the oil problem must be discussed and debated widely and candidly throughout America. Again, the Congress is ideally situated to lead this debate. All of us must share this responsibility.

It is not simply an executive responsibility; it is a governmental responsibility.

The critical economic problems of today call for prompt and decisive action and for determined and effective congressional leadership. We cannot afford to drift along as prices stay up and production down. We must act now to establish fiscal responsibility, to stimulate productivity and to bring overseas oil prices under better control to the extent of our ability.

But even if we do manage to act wisely and well in starting to put out these fires, that will not be enough. We cannot expect to get the economy running by knee-jerk reactions. How many wheat, oil, fertilizer, and steel crises do we need to drive home this lesson.

America no longer has the margin for error or omission that we could afford in decades past. The world of today is complex, competitive and interdependent as never before. And as never before, long range planning and coordination, at home and abroad, is indispensible if we are to put America firmly back on the path of economic stability and progress.

The budget reform bill is a giant step in the right direction. But it still treats our problems as if each year could be separated from the others. We in Congress must begin to think and plan in longer terms. We, in the Congress, must develop the processes and mechanisms and the climate of popular support to allow us to look beyond the current budget to long term solutions for building up our fundamental strengths.

Our forefathers had the foresight and dedication to establish a system of government which has kept America prosperous for 200 years and made us the paramount power in the world politically, militarily, and economically. Our place in the world and our very system of government is challenged today perhaps as never before. I believe that we in America can meet the challenges of today just as our forefathers met theirs in a distant time and a different age.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. NUNN. I am glad to yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just want to recall with the Senator from Georgia (Mr. NUNN) the first 4 or 5 months of our first year in the Senate. I think it is appropriate as a part of the Senator's concern today about budget reform and the economic situation in our country, that we recall that the Senator from Georgia and the Senator from New Mexico brought together the freshman Senators early in the first year of this Congress; that all of them joined with the Senator and me in a letter to our leadership in the Senate; and we said to them basically that we, as freshman Senators, are amazed at the lack of a budget procedure in Congress, and that it is absolutely unbelievable that we do not know what we are spending or what we are spending it on.

We did not believe the situation funding was unrelated to authorization bills. One spending measure was unrelated to another. We asked that before any appropriations came to the floor of the Senate that a new budget reform bill be adopted.

I think this had some effect and I compliment the distinguished Senator from Georgia for his efforts in that regard. We did not get our way, but before the Congress that precipitated our letter has come to an end we will have before us a new budget reform bill which most certainly will be signed by the

President of the United States. In that regard I compliment the Senator from Georgia, as a freshman Senator, for his efforts on that bill and on that subject.

I think the Senator shares with me concern for the intervening time, the time between today's economic problems and the appropriation process that is going on, and that point in time when the new budget bill will really become effective.

I think the Senator would also agree with me that even when we get the 15-member Senate Budget Committee there is going to have to be a will on the part of the people of this country and the Senators in this distinguished hall to live up to some basic ideas about budgeting and the entire process.

Mr. NUNN. Mr. President, will the Senator yield at that point?

Mr. DOMENICI. I yield.

Mr. NUNN. Mr. President, I think the Senator is exactly correct. There is nothing in that regard in the new budget procedure we have. It does not guarantee that we will have discipline in this body or that we will have discipline in Congress. But it does, for the first time, as the Senator so well pointed out, provide a focal point for those Americans who believe in fiscal responsibility, and those Americans who are tired of inflation, caused in large part by continuing deficits, will have an opportunity each year at the beginning of the appropriation process to write to their Representatives and Senators, to call them, to send them telegrams and to say, "We are looking at your vote and if you vote for a deficit, we are going to know about it for a change."

We are not going to be able to go back home and say we voted against all military bills and that, therefore, we are fiscally responsible. We will not be able to go back home and say that we are fiscally responsible because we voted against all HEW appropriations. That is not going to be acceptable once we have this procedure. I believe it will focus the spotlight on fiscal responsibility for the first time in my lifetime, and I assume in the lifetime of the Senator from New Mexico.

I do very well recall the Senator's efforts at the very beginning of the 93d Congress, shortly after being elected, to find out, first of all, what was wrong with the budgetary process, and then starting out in the most responsible way to correct it. I believe that his efforts, along with my efforts, and the efforts of other freshmen Senators and other Senators in this body, stimulated Congress and the Senate to make a rather dramatic change in the rather archaic way we do it here. I commend the Senator from New Mexico. I know his constituents back home appreciate his efforts in this regard. I think they will appreciate the responsible position he has taken in setting out a constructive and responsible method to correct the process.

Mr. DOMENICI. Mr. President, the Senator from Georgia has spoken of the need for some kind of discipline in this body and he also indicated that this new bill provides the operational mechanism for Congress and the people back home to know precisely who voted for more spending and it will be difficult to hide it in the multiplicity of bills and of people having the ability to be on all sides of all issues of spending.

I wish to add another point. It may bring discipline, when necessary to some of the American people, the special interest groups, because I am sure the Senator gets letters from home, as I do, which basically say, "Senator, we are for fiscal responsibility. We don't want you spending so much money. Very truly yours, Your Friend."

"P.S., When are you going to get the funding for the $3 million project in my city?"

Or, one group that needs some kind of new approach to funding will be saying: "We sure hope you don't vote for this new program in food stamps, it is an absolute waste. Your Good Constituent.

"P.S., When are you going to increase our veterans benefits by the 24 percent we are entitled to?"

Now, it seems to me that if this is the understanding—that without a strong American economy we will not have a strong military, we will not be a strong nation in the world, we will not be able to dream or accomplish our dreams for our people, or for anyone—if it is our basic belief that the economy of the United States is at the backbone of our strength, then the American people and the Congress that represents them had better be willing to take some forthright, stern, strong measures to get this economy back where it is productive, where it is predictable, where it is abundant, and get rid of the kind of chaos that besets us now.

We are not going to solve inflation so long as everyone wants all of their problems solved right now. We are not going to meet the dreams of those who are asking, not for now, but for the future, if the economy of the United States does not get back into the kind of orderly, predictable strong economy upon which both the present and future can rely.

I commend the Senator for going from budget reform to the economy and tying them together. They are tied together. They are not separate. Inflation and the economy are bigger than budget reform.

This Nation has no policy on its mineral resources. It has no policy on energy. It has no policy on inflation. So the first step is ours. We have budget reform going and if we cut the budget this year, indeed that will be a first step.

But it is time that we understand the full capacity of this country to think, to dream, and to understand. We should focus in on the domestic economy of the United States, all the needs of its people, all the needs of its industry, its need to remain a world economic power. If it is to remain a world military power, the need for a strong economy, so it can be a world leader, is uppermost and paramount to all others.

I commend the distinguished Senator from Georgia for bringing this into focus today. I am delighted to join him this morning on the floor.

Mr. NUNN. I thank my good friend and colleague from New Mexico.

On the point about the economy being the single most important ingredient, and everything else, I know the Senator from New Mexico recalls the conversation and the dialogue we had last night at a meeting with the Secretary of Defense, where it was pointed out on several occasions that the military strength and the national security effort we have in this country is really the cutting edge of our economy; that is to say, we cannot have national security and adequate military strength if at the same time our economy is collapsing around us.

I think that point needs to be realized by all those involved in the military and all those who do such a good job of protecting our Nation.

Our economic vitality is absolutely essential if we are going to continue the kind of national security effort that is indispensible to our own security and to the stability and peace in the world.

I do thank my colleague very much for his comments and I do commend him for his continuous efforts toward doing something about these problems that do exist.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mrs. GRIFFITHS, Mr. SCHNEEBELI, Mr. COLLIER, and Mr. BROYHILL of Virginia were appointed managers on the part of the House at the conference.

HOUSE BILL REFERRED

The bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

ORDER OF BUSINESS FOR MONDAY, JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, the order has been entered for the consideration of S. 424, a bill to provide for the management, protection, and development of natural resource lands, and for other purposes, upon the conclusion of routine morning business on the return of the Senate following the reconvening of the Senate following the recess on Monday, July 8.

Mr. President, I ask unanimous consent that upon the disposition of S. 424, on which there is a time limitation, the Senate proceed to the consideration of S. 3500, a bill to promote and coordinate amateur athletic activity in the United States, on which there is a time limitation; that, upon the disposition of that measure, the Senate will proceed to the consideration of S. 3355, a bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970; that, upon the disposition of that bill, the Senate proceed to the consideration of S. 2619, a bill to provide for access to all duly licensed psychologists and optometrists; that upon the disposition of that bill, the Senate take up H.R. 11537, an act to extend and expand the authority for carrying out conservation and rehabilitation programs; that upon the disposition of that bill, the Senate proceed to the consideration of S. 3164, a bill to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees; and that it be in order at any time for the majority leader, with the concurrence of the minority leader, to call up S. 3698, a bill to amend the Atomic Energy Act of 1954.

I have discussed with the assistant Republican leader and other Senators this chronology of measures to be taken up following the recess, and in order that all Senators may be notified well in advance of the scheduling of these various measures, it was thought by the joint leadership that we should proceed at this time to clock the measures in by objection, it is so ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING HOLIDAY ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over to Monday, July 8 at 12 o'clock noon, the Secretary of the Senate be authorized to receive messages from the House of Representatives and the President of the United States; and that the Vice President, the President of the Senate pro tempore, and the Acting President of the Senate pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS AT 4 O'CLOCK P.M.

Mr. ROBERT C. BYRD. Mr. President, while the Senate is awaiting action by the other body on the renegotiation measure, the Senate might very well stand in recess at this time, if no Senator wishes recognition.

I move that the Senate stand in recess, if no Senator wishes to seek recognition at this time, until the hour of 4 'oclock p.m. today.

The motion was agreed to; and, at 2:47 p.m., the Senate took a recess until 4 p.m.; whereupon, the Senate resumed when called to order by the Presiding Officer (Mr. ALLEN).

SENATE JOINT RESOLUTION 223—SMALL BUSINESS ADMINISTRATION AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from California (Mr. CRANSTON), I introduce a joint resolution to extend the authorization of the Small Business Administration from June 30, 1974, to August 16, 1974, pending House action on the small business authorization bill, S. 3331, and I ask for its immediate consideration, this having been cleared, as I am advised, on both sides.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S.J. RES. 223

Joint resolution extending the authority of the Small Business Administration

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 1 of the Act entitled "An Act to amend the Small Business Act" (Public Law 93-237) is amended by striking out "June 30, 1974" and inserting in lieu thereof "August 16, 1974".

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the joint resolution Senate Joint Resolution 223 which was read the first time by its title and the second time at length.

The joint resolution (S.J. Res. 223) was ordered to a third reading, was read the third time, and passed.

AMENDMENT OF ANADROMOUS FISH CONSERVATION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11295.

The PRESIDING OFFICER (Mr. DOMENICI) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. On behalf of the Senator from Washington (Mr. MAGNUSON), I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. DOMENICI) appointed Mr. MAGNUSON, Mr. HOLLINGS, and Mr. STEVENS conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the executive calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations on the executive calendar will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nominations in the Department of State as follows:

Robert Stephen Ingersoll, of Illinois, to be Deputy Secretary of State.

Carlyle E. Maw, of New York, to be Under Secretary of State for Coordinating Security Assistance Programs.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NATIONAL RAILROAD PASSENGER CORPORATION

The assistant legislative clerk proceeded to read sundry nominations in the National Railroad Passenger Corporation.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

U.S. RAILWAY ASSOCIATION

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Railway Association.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that these nominations be considered en bloc, with the exception of the nomination of Arthur D. Lewis, of Connecticut, to be Chairman of the Board of Directors of the U.S. Railway Association for a term of 6 years.

The PRESIDING OFFICER. Without objection, with the exception of the nomination of Arthur D. Lewis, of Connecticut, to be Chairman of the Board of Directors of the U.S. Railway Association for a term of 6 years, the nominations are considered and confirmed en bloc.

FEDERAL HOME LOAN BANK BOARD

The assistant legislative clerk read the nomination of Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board.

Mr. ROBERT C. BYRD. Mr. President, there is a hold on that nomination for the time being.

The PRESIDING OFFICER. The clerk will state the next nomination.

FEDERAL COMMUNICATIONS COMMISSION

The assistant legislative clerk proceeded to read sundry nominations in the Federal Communications Commission.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NOMINATION ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration, which had been placed on the Secretary's desk.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the nominations which were considered and confirmed on yesterday, concerning which I believe the President has not been notified, the President be so notified of the confirmation of those nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

SENATE RESOLUTION 354—TO AUTHORIZE SENATOR JAMES O. EASTLAND AS CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY, TO PROVIDE COPIES OF CERTAIN MATERIALS OF THE COMMITTEE WITH RESPECT TO THE CASE OF UNITED STATES AGAINST REINECKE

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished Senator from Mississippi (Mr. EASTLAND), the chairman of the Committee on the Judiciary, I submit an original resolution from the Committee on the Judiciary authorizing him, as chairman of the committee, as a result of a request made by Mr. Leon Jaworski, Special Prosecutor for the United States, in the case of the *United States* v. *Howard Edwin Reinecke* (Criminal No. 74–155), to furnish to the Special Prosecutor copies of the following materials:

First, minutes of the executive session of the Committee on the Judiciary held on January 26, 1972;

Second, minutes of the executive session of the Committee on the Judiciary at which the committee adopted the rules published in the CONGRESSIONAL RECORD on May 2, 1974; and

Third, any resolution of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard Kleindienst to be Attorney General of the United States.

On June 12, 1974, Senator EASTLAND reported an original resolution to the Senate at the request of the Special Prosecutor, authorizing Peter Stockett, Jr., chief counsel and staff director of the Committee on the Judiciary to provide an affidavit with respect to the Reinecke case. The Senate adopted this resolution on June 12 as Senate Resolution 338.

Pursuant to Senate Resolution 338, Mr. Stockett submitted an affidavit relating to the adoption of a rule by the Committee on the Judiciary on January 26, 1972, providing that for purposes of taking sworn testimony, one member of the committee shall constitute a quorum.

Mr. Jaworski has written Senator EASTLAND a letter dated June 24, requesting that the committee furnish additional materials relating to the trial of that case.

Mr. President, I ask unanimous consent that the text of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 24, 1974.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN EASTLAND: In connection with the case against Howard Edwin Reinecke, Criminal No. 74–155, the Judge has scheduled a hearing for July 1, 1974 to hear further arguments and evidence concerning the defendant's motion to dismiss the indictment. The principal issues are whether the Judiciary Committee validly adopted a one-Senator quorum rule and whether the Committee was acting within the scope of its authority when it questioned Mr. Reinecke.

While Peter Stockett has already submitted an affidavit relating to some of these issues, defense counsel has now raised certain additional matters which they would like him to clarify. Because the Court is hopeful of resolving these issues prior to trial, he has agreed to a defense request that Mr. Stockett be asked to testify at the July 1st hearing. At your suggestion, however, we have requested that defense counsel agree to stipulate as to any matter about which Mr. Stockett might testify. They have agreed to do so, if they are allowed access to the following materials in lieu of that testimony:

1. The minutes of the full executive session meeting of the Committee on the Judiciary held on January 26, 1972 at which the one-Senator quorum role was adopted;

2. The minutes of the executive session meeting of the Committee on the Jundiciary where the Committee adopted the rules published in the Congressional Record on May 2, 1974;

3. Any resolutions of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard G. Kleindienst to be Attorney General of the United States;

4. The minutes of any executive session meeting of the Committee on the Judiciary where the scope of the inquiry relating to the Kleindienst nomination was discussed. We have also agreed to stipulate that Mr. Stockett would testify that the one-Senator quorum rule adopted on January 26, 1972 was not recorded by the Committee in any other record and was not published in the Congressional Record.

We are thus hopeful that we can avoid having to call Mr. Stockett at the July 1, 1974 hearing. We have also requested that defense counsel stipulate to any testimony Mr. Stockett might be asked to give at the trial scheduled for July 15, 1974. We are hopeful that they will agree to do so, and will keep you informed about this matter.

Thanking you for your cooperation in this matter, I am,

Sincerely yours,

LEON JAWORSKI,
Special Prosecutor.

Mr. ROBERT C. BYRD. Mr. President, Mr. Jaworski has advised the distinguished Senator from Mississippi (Mr. EASTLAND) that with respect to the material requested in the fourth category of materials, being the minutes of any executive session meeting of the Committee on the Judiciary where the scope of the inquiry relating to the Kleindienst nomination was discussed, the attorneys representing the prosecution and defense have agreed to discuss this matter with the judge of the U.S. District Court hearing the case at a hearing to be held on July 1, 1974, and that the request for this material is temporarily deferred.

Mr. President, by the privilege of the Senate and rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents except by order of the Senate, and information secured by Senate staff employees pursuant to their official duties as employees of the Senate may not be revealed without the consent of the Senate.

This resolution would authorize Senator EASTLAND, as chairman of the Committee on the Judiciary, to furnish to the Special Prosecutor copies of the following materials:

First, minutes of the executive session of the Committee on the Judiciary held on January 26, 1972;

Second, minutes of the executive session of the Committee on the Judiciary at which the committee adopted the rules published in the CONGRESSIONAL RECORD on May 2, 1974; and

Third, any resolution of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard Kleindienst to be Attorney General of the United States.

Mr. President, at the request of the chairman of the committee, and as a member of the committee, I, acting on behalf of the chairman, Senator EASTLAND, offer this resolution.

May I state to the Senate that this has been cleared with the ranking member of the Judiciary Committee, the distinguished Senator from Nebraska (Mr. HRUSKA).

I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 354

Resolution to authorize Senator James O. Eastland as Chairman of the Committee on the Judiciary, to provide copies of certain materials of the Committee with respect to the case of United States against Reinecke

Whereas, in the case of United States v. Howard Edwin Reinecke (Criminal No. 74–

155), pending in the United States District Court for the District of Columbia, Senator James O. Eastland, as Chairman of the Committee on the Judiciary, has been requested to furnish copies of certain materials of the Committee: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession, but by its permission.

SEC. 2. By the privilege of the Senate and by rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents but by order of the Senate.

SEC. 3. Senator James O. Eastland, as Chairman of the Committee on the Judiciary, is authorized, as a result of a request made by the Special Prosecutor for the United States in the case of the United States v. Howard Edwin Reinecke (Criminal No. 74–155), to furnish to the Special Prosecutor copies of the following materials:

(1) minutes of the executive session of the Committee on the Judiciary held on January 26, 1972;

(2) minutes of the executive session of the Committee on the Judiciary at which the Committee adopted the rules published in the Congressional Record on May 2, 1974; and

(3) any resolution of the Committee on the Judiciary relating to the holding and scope of the hearings on the nomination of Richard G. Kleindienst to be Attorney General of the United States.

SEC. 4. A copy of this resolution shall be transmitted to the Special Prosecutor as an answer to his request.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRIFFIN. Mr. President, I shall not object, of course, to this resolution. But it might be useful to focus again on a point that I sought to make several days ago when I inserted in the RECORD that letter from the President of the United States in which he declined to provide to the House Judiciary Committee, in response to a subpena, certain documents under the claim of Executive privilege.

It is often said by some in Congress and some in the press, that there is no such thing as Executive privilege; that the President has no right to withhold anything from the scrutiny and examination of Congress.

As we move to adopt this particular resolution, I suggest it is noteworthy that the legislative branch of Government, the Senate in this case, claims a privilege as against the other branches with respect to the documents under control of the Senate, the minutes of a meeting of a committee of the Senate, for example.

Rule XXX of the Senate, to which the distinguished majority whip has referred, stakes out a claim of privilege on the part of Senate and specifically prohibits any Member or employee of the Senate from producing any Senate documents except by consent of the Senate.

I do not believe it is timely or appropriate to make any judgment at this time with respect to the existence or scope of executive privilege. But it is appropriate, I suggest, to take note of the fact that the legislative branch, as well as the executive branch, now and over the years, has asserted the claim of privilege.

The resolution we are about to adopt makes it very precise that no court, no ordinary court, can require the Senate to produce evidence or documents except by the consent of the Senate. Ordinarily, the Senate does give that consent, but there have been occasions when the Senate has not.

The judicial branch also maintains a privilege concerning its own deliberations. Before the Supreme Court decides cases, it has secret meetings of its members and discusses privately and candidly, among the members, how they will decide the case. The minutes and the proceedings of those secret meetings of the Justices of the Supreme Court are available to no one.

If the House Judiciary Committee were ever to investigate, for purposes of impeachment, a Justice of the Supreme Court and sought to subpena the minutes or proceedings of those secret deliberations of the Justices of the Supreme Court, I wonder what the response of that coequal branch of the Government would be.

Mr. ROBERT C. BYRD. Mr. President, I should like to add my own footnote to what the distinguished assistant Republican leader has said.

The point we should keep in mind in all this discussion concerning the executive branch is this: Is there privilege? Does the Executive, does the legislative branch, does the judicial branch have authority, under the Constitution, to claim privilege when it comes to withholding evidence that bears upon the possible commission of a crime?

I have never doubted that some form of executive privilege exists. But where there is evidence bearing upon possible criminality, I seriously doubt that the doctrine of executive privilege can be invoked by any body of the Government. So long as that evidence is relevant, so long as it bears upon the commission of a crime, so long as it does not involve the vital national security interests of this country, I doubt that any claim of executive privilege can validly be made by any branch of the Government.

Second, I also want to call attention to the fact that the House Judiciary Committee, in conducting an impeachment inquiry, is engaged in carrying out one of the highest constitutional functions mandated by the Constitution and incumbent upon any branch of the Government. It is the constitutional duty of that committee to seek all relevant evidence bearing upon possible impeachable offenses.

I think it is the duty of the President of the United States—as the Chief Executive of this country and as the officer who has the responsibility, under the Constitution, to take care that the laws are faithfully executed—to respond to the House Judiciary Committee's legitimate requests for any relevant evidence bearing upon the possible commission of a crime or bearing upon any possible impeachable offenses. If the doctrine of executive privilege can validly be invoked against the House Judiciary Committee in its legitimate and constitutional function of seekng all information so that it can make an objective and fair and reasoned judgment as to whether or not impeachable offenses exist, then indeed any President, by simply invoking the so-called doctrine of executive privilege, can stop all such inquiry and bring it to a halt. In that way, he could nullify or negate the clause of the Constitution which provides for impeachment of the Chief Executive of this country.

While I do not at this moment attempt to take any position with respect to specific requests on the part of the House Judiciary Committee, I do not think that a parallel can be drawn in respect to the House Judiciary Committee's constitutional function in this regard as against the rule that governs the submission of documents, and so forth, and the requiring of information on the part of Senate employees such as that embraced in the resolution I have submitted on behalf of Mr. EASTLAND. Nor would I, as a Senator, ever defend the Senate, nor do I think any Senator would defend the Senate, nor do I think the Senate as an institution would interpose the Senate rule, in resistance to the submission of valid, relevant evidence in the possession of the Senate, if that evidence bore upon the possible commission of a crime.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from West Virginia. He has given the Senate very helpful leadership in this regard. He is absolutely 100 percent right with respect to executive privilege.

I have in my hand a copy of the Constitution of the United States, and there is not one word in the Constitution about executive privilege. Indeed, one eminent historian has said that it was 1958 before the term was ever used. Raoul Berger, who is probably the most eminent expert in the world in this field, has argued that executive privilege is simply a matter of expedience. That makes sense.

The Senator from Michigan has made a good point. We should not be able to take from the President of the United States any papers that may disclose national security matters of secrets of that kind. But this is a matter of convenience, a matter of commonsense, a matter of logic, not of absolute constitutional right.

On the other hand, the House of Representatives has a constitutional responsibility with respect to impeachment. It is very clear in the Constitution. So for us to permit the Executive to interpose some new motion of executive privilege to frustrate the proper role of Congress to investigate, as we must do in order to fulfill our obligations, seems to me to be unconstitutional, unwise, and improper.

Mr. President, one of the most vital functions that the Senate and the House have is the function of investigation, and by the President using this notion of executive privilege, that function has been frustrated and frustrated badly.

I rise now because I am particularly indignant about the fact that the man who is the top economic adviser in our Government and who has great discretion with respect to our economic policies, and who has been given specific authority with respect to foreign economic policies, Mr. Kenneth Rush, agreed to come before the Joint Economic Committee, and then canceled his appearance and alibied his copout as justified by executive privilege, and on the far out notion that he is also adviser of the President.

The last thing we want to do is to inquire into his conferences and confidences with the President of the United States.

But our Economic Committee cannot function and is of no use if the top economic policymaker in the Government can take that position. Analyzing and investigating our economic policies is the responsibility of the Joint Economic Committee. That is why I rise to support the distinguished majority whip for taking the logical position he takes that the House should not be frustrated in acquiring whatever information it needs to prosecute criminal actions under the Constitution. I am delighted to support him.

Mr. GRIFFIN. Mr. President, if the majority whip will allow me to add a few more words, I wish to say that, of course, I have not suggested that we should debate or try to decide this very fundamental question which goes right to the heart of the doctrine of separation of powers.

I merely wish to point out, in passing—because it happens to be a convenient time to do so—that the legislative branch as well as the executive branch claims a privilege against producing evidence under its control. I would say to the distinguished Senator from Wisconsin that I do not think he can point to any provision in the Constitution which specifically gives the legislative branch the authority to invoke a legislative privilege.

I would say to the Senator from West Virginia that while I am sure he would not invoke rule XXX to prevent the Senate from granting its consent, the point is that the Senate must consent; that the Senate recognizes no right on the part of the judiciary to subpena or require delivery of Senate committee documents, minutes, or anything else—without the consent of the Senate. In most cases in which such evidence is sought, particularly in criminal proceedings, the consent is granted by the Senate by adopting a resolution such as this one.

There merely offers convenient opportunity to point out that there are three coequal branches of Government, and the Senate is just as jealous of its prerogatives as is the executive.

Mr. ROBERT C. BYRD. Mr. President, the Senator initiated the discussion; I did not initiate the discussion. I think he draws conclusions which are not legitimate, because I do not think the two situations are parallel at all.

The Senate is not obligated under the Constitution to "take care that the laws be faithfully executed." The President of the United States has that plain and unavoidable duty, and where the President of the United States is in possession of evidence that bears upon the possible commission of a crime, or evidence that bears upon possible impeachable offenses committed by the President—possible, I say—I think he has a duty as the President of the United States to cooperate with the House Judiciary Committee, to cooperate with the Special Prosecutor, whom he appointed; and to cooperate with the courts in providing such evidence. Otherwise, the laws will not be faithfully executed, and the constitutional oath will have been violated.

In cooperating or in failing to cooperate with the Special Prosecutor of the United States, may I say, he cooperates—or fails to cooperate—in fact with a Federal grand jury, because whatever information the Special Prosecutor seeks, he intends its use before a grand jury—which, by the way, is not made up of politicians, Democrats, Republicans, biased Members of Congress or biased members of the press. A grand jury is made up of Americans from all walks of life—private citizens who have no political ax to grind.

I do not see any similarity in the two examples the Senator set forth. I am not competent to pass judgment on the specific requests of the House Judiciary Committee. The votes on that committee have been, by and large, almost unanimous in the effort to seek further information from the President. In some instances there might have been four or five Members voting against, and in some instances some of the votes may have been closer, but in any event I am not trying to pass judgment on the actions and decisions of that committee. I think the less we say in the Senate about the House Judiciary Committee as it attempts to carry out its constitutional duty under the impeachment process, and the less we have to say regarding our viewpoints in passing judgment on the other body, we will comport ourselves all the more in conformity with our duties under the Constitution as a body which eventually may have to sit in judgment at a trial. It will be up to us when the time comes to weigh the evidence, if a trial does come, and I hope a trial will not come. I would look with dread upon any trial of impeachment of the President of the United States but while I would look with dread upon it, I would also not flinch nor would any other Senator flinch in meeting that responsibility, if meet it we must.

At that time I will form my own judgment based on the charges. I do not now know what the charges will be. At that time, I will base my judgment on the evidence—not on the weight of the mail, but on the weight of the evidence. At that time, I will reach my own conclusion and not be guided by someone else's as to how the impeachment clause is to be construed, but my judgment will be reached thoughtfully—as thoughtfully and fairly and as impartially as I can make it.

At that time, I would only say to the distinguished Republican leader, that, if the Senate requires additional evidence in its desire to reach an objective, fair, and just decision, if the Senate requests additional evidence from the President, which in the judgment of the Senate is needed in order to arrive at its decision—then, as far as this one Senator who has not made up his mind, as far as this Senator is concerned—who has not reached any premature judgment and who does not intend to reach any premature judgment, one Senator who does not intend for one moment to criticize the House Judiciary Committee in its work—as far as I am concerned, if such evidence is needed, I do not intend to see the Senate frustrated, in its legitimate attempts to secure it, by virtue of claims of executive privilege.

I am not a member of the House Judiciary Committee and I am not a Member of the other body. I am going to leave that body entirely alone until it reaches a decision. If it sees fit not to bring in articles of impeachment, I am not going to criticize it. But if it sees fit to bring in articles of impeachment, I am going to do my duty as a Senator. I know every other Senator will also. But here is one Senator who will not take lightly the refusal of any officer of this Government to produce whatever evidence the Senate may require in order to reach its final decision on a trial of impeachment, if articles of impeachment are brought to the bar of this Senate by the managers of the other body.

What the other body wants to do about refusal of the President to cooperate is its business, but here is 1 vote out of 100 Senators that may be swayed by any such refusal to produce requested, relevant evidence. I am not going to anticipate the refusal. We have seen resistance to subpenas issued by the other body, and that same resistance may be offered to subpenas for evidence if the Senate issues such subpenas in a future trial, but if the Senate meets with such resistance, if there is refusal to submit the kind of evidence this body may require, that fact in itself may be the determining factor for the junior Senator from West Virginia as to how he will come down on the final question of conviction or acquittal. In reaching my judgment, such a spurious claim of executive privilege would be perilous to the person impeached.

Mr. GRIFFIN. I would like to say that I wholeheartedly agree with the Senator from West Virginia. This is not the time, and certainly it would be not appropriate, to criticize the House Judiciary Committee. I do not believe, and I certainly did not intend, that any of my remarks were critical of the House Judicial Committee.

Mr. ROBERT C. BYRD. No. If I left that impression, I want to put the distinguished Senator at ease.

Mr. GRIFFIN. I am conscious, as I think most Senators are, that if there should be a bill of impeachment voted by the House and if it should come over to the Senate, the question of the scope and the existence of executive privilege might well be the crucial and most important issue to be decided. Like the

Senator from West Virginia, I am not ready to make my decision on that point.

At this time, I am merely suggesting; in passing, that notice be taken of the fact that there is such a thing as legislative privilege.

Let me read from the resolution that we are about to adopt:

> That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession, but by its permission.

I repeat—"but by its permission."

Similar language is contained in every resolution that we pass of this sort. This resolution pertains to a criminal proceeding. But as the resolution recites, the Senate recognizes no right of the judiciary to secure this evidence except by consent of the Senate.

I am suggesting only that we take notice of this fact as we prepare to pass judgment on the President and the executive branch of Government. That is my only point. I am not saying anything else.

Mr. ROBERT C. BYRD. Let us also recognize, Mr. President, that the Senate cannot invoke executive privilege to prevent the production of evidence bearing upon the possible commission of a crime by any Member of this body. And I repeat that the Senate is not, under the Constitution of the United States, required to take care that the laws be faithfully executed.

The Senator may say as many times as he wishes that he would like us to take recognition of this resolution, but we can take recognition of apples and we can take recognition of oranges. I am saying that the two are not really parallel on all fours.

Mr. GRIFFIN. If the Senator from West Virginia is saying that a Member of the Senate is subject to being indicted and prosecuted on a criminal charge, certainly that is true. But if, in attempting to prove that charge, another branch of the Government should seek to obtain from the Senate a transcript of the minutes of an executive session of a committee, for example, does the Senator not agree that it would take, under rule XXX and in view of the privilege claimed by the Senate, an action by the Senate indicating its consent before those minutes would be delivered?

Mr. ROBERT C. BYRD. I am saying, No. 1, that I cannot envision the Senate refusing evidence of criminality——

Mr. GRIFFIN. I do not think that is the point.

Mr. ROBERT C. BYRD. On the part of any of its Members.

No. 2, I am saying that the Senate is not the chief law enforcement officer of this Nation. I regard President Nixon as such, although we often have heard that the Attorney General is the chief law enforcement officer.

The President is bound, under the Constitution, to take care that the laws be properly executed. How can he take care that the laws are properly executed if the President withholds evidence in his possession bearing upon the possible commission of a crime?

And, third, no Member of this body can be impeached. A Senator can be expelled, but he cannot be impeached, or, at least, the precedents would appear to point in that direction. But the Constitution clearly subjects the President of the United States to the process of impeachment, and if he, by virtue of some vague, nebulous claim of executive privilege, can frustrate the House in its attempts to secure possible evidence of impeachable offenses, then he nullifies the Constitution, he negates it, he amends it without going through the amendatory process that is set forth in article V of the Constitution.

I do not see the two parallels at all, may I say to my friend.

Mr. GRIFFIN. Well, I do not imagine we are going to settle this issue today. Perhaps our discussion will contribute to the dialog on this subject.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House receded from its disagreement to the amendment of the Senate numbered 3 of the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months, and concurred therein, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 7, 8, and 9 to the bill; and that the House insisted upon its disagreement to the amendment of the Senate to the title of the bill.

ORDER OF BUSINESS

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Wisconsin if he would be willing at this time to have the Senate proceed to the consideration of a nomination which was passed over earlier, namely, that of Mr. Thomas R. Bomar to be a member of the Federal Home Loan Bank Board?

Mr. PROXMIRE. Yes. Mr. President, I have been very reluctant to proceed to this nomination because I am concerned about it. I wanted to hold it up for some time, but I understand—my staff has been in touch with the Agency—and they tell us that if we hold up the nomination until after today, say hold it up until July 8, Mr. Bomar will be out of a job. His salary will stop. The Agency will function, but it will function without him as chairman.

I certainly do not want to accomplish that, but I would want the opportunity to talk on it if I can have a few minutes to discuss it and express my reluctance about it.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978.

There being no objection, the Senate proceeded to consider executive business.

FEDERAL HOME LOAN BANK BOARD

The PRESIDING OFFICER. The clerk will state the nomination.

The assistant legislative clerk read the nomination of Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board.

RELUCTANT AGREEMENT TO THE BOMAR NOMINATION TODAY

Mr. PROXMIRE. I am reluctantly agreeing to the nomination of Mr. Bomar to a new term at the Federal Home Loan Bank Board today. Let me say why.

This nomination was not sent to the Senate until last Friday, June 21. The Banking, Housing, and Urban Development Committee did not receive it until Monday the 24th of June. The chairman held an expeditious hearing on Wednesday the 26th of June at which time I questioned the nominee extensively. Now we are told that unless we pass on this nomination today that Mr. Bomar's term will end on June 30 and that he will be out of a job until the Senate comes back into session and he is confirmed about July 8.

POWER TO ADVISE AND CONSENT HAS ATROPHIED

It was my intention to speak on this nomination. My view is that in far too many circumstances the Senate has allowed its power to advise and consent, granted to it by article 2, section 2 of the Constitution to atrophy.

The Congress and the Senate continue to lose power to the Executive. Sometimes that power is usurped, as in the declaration of war and the exercise of foreign aid.

Other times that power is lost because a single determined executive can have his way over a divided 435 Members of the House and 100 Members of the Senate.

But at other times that power has atrophied because the Senate has simply refused to exercise it. In my judgement that has happened to the right to advise and consent on nomination in far too many cases.

OLD BOYS CLUB

This power should be used by Congress as a means of reviewing the actions of members of the executive branch when their terms are renewed. Their competence should be examined. They should be examined for any possible conflicts of interest. Congress should use such occasions to express its will and to impress it view on the executive branch.

We should determine what kind of job they are doing, and if the job is inadequate, we should consider whether to approve the nomination or reject it. I think if we rejected some of these nominations, instead of approving them automatically, we would get better performance in the future and a far better accountability and respect for the Congress, and particularly of the Senate.

But instead, most of the time nominations are treated perfunctorily. The nominee, first of all, is brought around to the Senator's office where pleasantries are exchanged. It is usually not regarded as sporting or friendly to engage in adverse cross-examination of a man when you are conversing with him in the inner recesses of your private office upon first meeting. And, if it were, it would be doing the public business in private, with the public excluded.

At any rate, far too often with far too many Members, support for the nominee is asked and given at the end of such a meeting without the nominee ever having been examined either for his views or his possible conflicts of interest or for the performance for which he had been responsible on the job, if he were being reappointed in this case. In public session then it becomes perfunctory.

It becomes an old boys' club instead of the Senate of the United States.

HOME OWNERSHIP

The basic function of the Home Loan Bank Board of which Mr. Bomar is the head—according to its own statement in the Government Organization Manual ". . . to encourage thrift and economical home ownership."

The Federal Home Loan Bank Board is one of only two major agencies in the Government with such a charter. The other is the Department of Housing and Urban Development. And the FHLBB often serves in a tandem capacity with HUD in determining housing policy.

The fact is the FHLBB has failed, and failed miserably, in that function.

Since Mr. Bomar has been chairman, conventional housing starts in the United States have dropped from over 2 million a year to the 1.4 million annual level.

Since Mr. Bomar has been chairman, subsidized housing units started in this country have numbered only about 130,000 units, and most of those were carryover units from the programs frozen under the moratorium.

We have housing goals, Mr. President, that were set forth in the 1968 act, set forth after hearings, set forth after considering what we need in this country to provide the kind of housing that our Nation demands.

Instead of building 2.6 million units a year, as the housing goals call for, this year we are building about 1.4 million conventional and 130,000 subsidized units for something less than 1.6 million units. We are falling 1 million housing units short of our housing goals.

The trouble with this kind of a situation is that nobody seems responsible. They say, "Well, we are meeting our goals. It is too bad. There is nothing we can do about it."

Well, there is plenty to do about it. We could take action to meet these problems that the people responsible would take these actions. Mr. Bomar is one of the two persons most responsible for our housing programs.

And yet, due to the very late date at which this nomination was sent to the Senate by the President, we are being implored to agree to this nomination today instead of using the occasion of the nomination, as I say, of one of the two or three men in the Government whose job is most vital to the success of housing programs, for a major debate on housing policy and the lack of housing construction.

Now I do not say the lack of housing construction is entirely Mr. Bomar's fault. But I did ask him what he had done and what he had said about it. And I find from the result of the hearing on Wednesday that he has said nothing about it publicly and has done very little privately. It is true he has served only 13 months. But I think that on this occasion we should send him and the FHLBB and the Department of Housing a message, "Congress is unhappy that the housing goals are not being met." And the public is suffering greatly from that fact. We find now that over 65 percent—think of it, Mr. President, two-thirds of the families in America cannot afford to buy a house, cannot afford to buy a home. That is based on the median income and the income of the bottom two-thirds of our people with respect to income, and the cost, the average cost of buying a home and the minimum cost of building a new home. They simply cannot afford the costs, especially the interest rates and carrying charges.

CONVERSIONS

A second issue is the conversions of mutual savings and loan institutions into stock institutions. In the past, this has been a great ripoff. Insiders have essentially stolen the equity built up over years and years by the savers.

This is a tragedy and now the Board is proposing to allow at least one conversion per State as an experiment. Since they have found no way to protect the equity of the older shareholders, there is no reason why this should be done at all.

Once we start down this path, Mr. President, it is going to be extremely hard to stop it. I have talked to a number of savings and loan executives, and they tell me that, once the Congress authorizes this number of conversions, the pressure on them to convert on their stockholders is going to be almost irresistible.

OTHER ISSUES

There are other issues, too. There is the question of conflicts of interest in institutions regarding their insurance. There is the issue of escrow accounts and who should get the earnings from the funds. There is the issue of why branching policy should be in charge of the 12 regional boards who, since their head officers are elected by the local institutions, cannot resist, or find it very difficult to resist, efforts to branch, no matter whether they are good or bad.

These are the issues needing to be discussed and debated. But we are prevented from doing that adequately due to the late date on which the executive branch sent this nomination to the Senate.

SERVE NOTICE

Mr. President, let this Senator serve notice that in the future he intends to exercise the congressional right to advise and consent and let him serve notice on the President and the White House that in the future their nominations should be timely if they expect to have them voted on before the terms of officers have ended.

As I say, I have respect for Mr. Bomar's intelligence and his sincerity, but there is considerable question as to the job that his board is doing, and only because it probably would be unfair to hold up this nomination at the last minute under these circumstances do I make an exception in this case. But, as I say, in the future it seems to me that it would be incumbent upon me, where the nomination falls within the juridiction of our committee, to raise an objection and to do what I can to stop the nomination until the Senate has had an opportunity to consider it fully.

At any rate, Mr. President, I conclude by asking unanimous consent that the hearing record where I questioned Mr. Bomar be printed in full at this point in the RECORD.

I yield the floor.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

HEARING ON THOMAS R. BOMAR OF VIRGINIA TO BE A MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

The Committee met at 10:05 a.m. in Room 5302, Dirksen Senate Office Building, the Honorable John Sparkman, Chairman of the Committee, presiding.

Present: Senators John Sparkman, Proxmire, and Hathaway.

The CHAIRMAN. Let the Committee come to order, please.

The purpose of the meeting this morning is to consider the reappointment of Mr. Thomas R. Bomar of Virginia to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978.

Mr. Bomar, we are very glad to have you here, and of course—how long have you been on the Board?

Mr. BOMAR. Just about 13 months, Mr. Chairman.

The CHAIRMAN. Thirteen months?

Mr. BOMAR. Yes, sir.

The CHAIRMAN. You went on to fill out an unexpired term of another member?

Mr. BOMAR. Yes, sir, that is correct.

The CHAIRMAN. That was the man from Atlanta, was it?

Mr. BOMAR. No, Preston Martin from California was the Chairman. Hal Clark from Atlanta was replaced by Grady Perry.

The CHAIRMAN. Oh, yes. We are very glad to have you. As I say, you have been before us previously. We have a copy of your biographical sketch. That will be placed in the record.

(The biographical sketch follows:)

The CHAIRMAN. We have some formal questions that we always propound, as you know.

Mr. BOMAR. Yes, sir.

The CHAIRMAN. I should like to put them to you at this time.

You have filed a financial statement, we have it here. And, as you know, this statement is available to all members of the Committee here in the Committee room. Then it will be sealed, put in our safe, and kept there during the tenure of your office and for one year thereafter.

I see you have a letter from the General Counsel saying that you have no conflict of interest. And you tell us that you have no holdings or interests that would constitute a conflict of interest, should you be confirmed for reappointment?

Mr. BOMAR. Yes, sir. I am not aware of any holdings that I have that would constitute a conflict of interest.

The Chairman. If confirmed to this position, will you be ready and willing to respond to any invitation from this or any other appropriate committee of the Congress to appear and testify without reservation?

Mr. Bomar. Yes, sir, I certainly will.

The Chairman. Senator Proxmire?

Senator Proxmire. Mr. Bomar, the purpose of the Federal Home Loan Bank Board is not only to supervise the savings and loan institutions, as you know, but also—and I use the words your Institution wrote into the U.S. Government Organizational Manual—"to encourage thrift and economical home ownership."

You have a big role to play there in both conventional housing and in subsidized housing.

If that is true, and I believe it is true, haven't you failed in your purpose?

Mr. Bomar. Mr. Chairman, Senator, there are a number of inadequacies within the home financing system. I wouldn't characterize it as a failure. Americans are the best housed people in the world. Generally speaking mortgage rates, even though they are much higher than we would like—are higher than we would like them to be, they are lower than in most countries in the world.

So I certainly wouldn't characterize the accomplishments of the system as a failure.

But I certainly do acknowledge the inadequacies and the need for substantial change.

Senator Proxmire. Well, the housing goals are for 2.6 million units a year, 2 million conventional and 600,000 subsidized.

As you know, housing starts are down from 2 million in 1973, 2 million-plus, to 1.6 million now. In fiscal '74 there were only 130,000 or so starts for subsidized housing, and most of these were the tail end of the previously agreed to under the moritorium.

Incidentally, 118,000 proposed Section 23 units were not started, not a single one was started.

What specific steps have been taken to help meet the housing goals?

Mr. Bomar. Senator, the actual numbers in the latest reports are even more pessimistic than your report. The current start level annualizes 1.4, and even more discouraging, the permit level is slightly over a million, a million 55 thousand.

Most of our activities deal with the conventional sector, inasmuch as we deal with the savings and loan industry, which is primarily conventional lenders.

Our dealings with them in the subsidy programs generally speaking only involve ragulations authorizing them to participate and our encouragement of them to participate in these programs.

With regard to our efforts to bolster the supply of housing credit, they are at a maximum level, compared to any time in history I believe.

Senator Proxmire. What is the maximum level?

Mr. Bomar. The amount of support that the Federal Home Loan system has provided to the mortgage market.

We currently have what we call advances or loans to savings and loan associations outstanding of about 17——

Senator Proxmire. When you say it is at the maximum level, the support in dollars is high, but how about the support in terms of units? That is not as high.

Mr. Bomar. We don't have the capacity as a Board to supply that kind of support, we don't have subsidy funds or authorizations for housing units. What our capacity is, is via the Federal Home Loan Bank system, which is the reserve credit system for the savings and loan industry, to supply money via that vehicle into the mortgage market to support housing generally speaking.

And it is that level of support which is at an all time high.

Senator Proxmire. As I say, it is high in terms of dollars, but everything is costing more these days.

Mr. Bomar. That is correct.

Senator Proxmire. Interest rates are much, much higher. Are you criticizing the moritorium?

Mr. Bomar. Which moritorium is that, sir?

Senator Proxmire. The moritorium on Government-assisted housing that has been in effect since January 1973.

Mr. Bomar. No, I have not.

Senator Proxmire. Have you pressed for more public housing, Sections 235 or 236 housing, or starts under Section 23?

Mr. Bomar. No, I have not pressed for those specific programs. I think everyone recognizes the great need that exists for public housing and for housing generally speaking for all of the people.

The average house price is such now that only a small portion of the population can afford it. And that is a very inadequate kind of situation. And certainly we need to take a great many steps to help correct that.

Senator Proxmire. My problem is that you are in a key position, you occupy one of the most significant and important positions with respect to housing and with respect to financing housing. I don't think there is anybody that I can think of who is in a better position to provide not only direct assistance, but also policy leadership, and I know it is asking a lot to ask you to criticize the policy of the Executive Branch.

But I would hope in your capacity one way or another that you would find a way of making your concern and the sense of urgency you must feel about the failures of our housing program felt, so that we can get moving.

Mr. Bomar. Right. Senator, we do do that. I do not follow the policy of criticizing other departments within the Government. We think that is not an appropriate thing for us to do. However, I do have the opportunity with frequency to comment on Administration plans with regard to housing type activities, and as well as have an increasingly important working relationship with the Department of Housing and Urban Development and I have an opportunity to talk with the Secretary there frequently, and comment on their plans and to advise them with regard to things that might be done that would be beneficial.

So we do have an opportunity to play a part in this.

Senator Proxmire. What actions have you taken in conjunction with other housing agencies to see that the Federal Reserve Board doesn't make housing take all of the strain of tight money?

Mr. Bomar. Well, the Federal Reserve Board is very much aware of the problem that exists and the fact that these restricted monetary policies which are believed to be necessary have the greatest impact upon the housing sector and the inadequately, the unfairness that that burden levies.

And we have talked about that with frequency. I spoke with Dr. Burns yesterday on a number of matters affecting housing, the impact of the current monetary policies.

What we have done most recently that was most significant was to introduce two new programs via the Federal Home Loan banks and via our subsidiary, the Federal Home Loan Mortgage Corporation, to provide additional funds at attractive rates. These programs were part of the $10.3 billion announcement made by the President a couple of months ago.

Senator Proxmire. I read about that, and everyone was impressed by it, but I wonder about its effect.

Many people in the industry say it is going to have little, if any, effect. Dr. Burns does give a great deal of sympathy in this area, but he hasn't done anything concrete and specific that is likely to give housing much assistance.

Mr. Bomar. No, Senator, I couldn't say that this particular program is going to cure the problem. It is not. We hope it will soften the blow somewhat. But even there it is very uneven.

For instance, we are agreeing to buy mortgages in the Federal Home Loan Mortgage Corporation, backed up by a call on the Federal Home Loan Bank Treasury line for up to $3 million. Mortgages are at eight and three-quarter percent. This is a very attractive rate for mortgages, I am sorry to say, in today's market. But there are many states, I forget the current number, but approximately 15 or 16 still, that have usury limits at eight percent or less. Well, the people in those states are completely cut out of all of the funds. That is a great unfairness.

Similarly with the Federal Home Loan bank programs, we are subsidizing, out of the bank's own pocket, their own earnings and net worth, there are no tax dollars involved whatever, making $4 million available at a half point below the current cost of those funds.

The current advance rate for that particular program, which is five-year money, is 8.15 percent.

You have got the same kind of problem in that regard. You put the money out, granted it is substantially below the market, but still the cost is sufficiently high that there are people in various states that are cut out of it.

So we are very much aware of the inadequacies attendant to this particular program.

However, with the resources that we have available and the options we presently have available, we have tried to do the most we can with those. And I believe that they will be beneficial, but certainly would not purport or would not suggest that they are going to, you know, significantly increase the production of housing.

Senator Proxmire. I appreciate your sincerity, but I agree with the realism of your analysis here. It is not going to do any good, It might do a little, but not enough good. We will still be in a position of having housing dwarfed and stunted. It is hurting the economy, it is unfair to people who need homes, and should have homes now. And we just need some kind of recommendations from top experts—and you are certainly one of them, perhaps the top expert in many ways—that are going to help us do the job.

Mr. Bomar. Senator, we have made those suggestions on a number of occasions. We feel that the thrift industry, which is the primary support for housing financing, is in need of significant modification to allow it to compete for funds.

However, when there is a demand for funds larger than the supply, even if we have the financial structure modified to the extent that these institutions can compete for funds, and presently they cannot in this market. even if we have that, that is not going to stop money costs from accelerating dramatically in periods of heavy demand.

The only thing we can really do, if you want to shelter housing, given that kind of condition, is to step in with Federal tax dollars and subsidize it.

And there are certain instances in which that is the desirable thing to do, primarily for people of low income.

Senator Proxmire. That is not the only thing you can do. You can take action to provide for various incentives that would give housing money a differential advantage.

One I thought of, one which we have urged on the Federal Reserve without success, is that they discount housing instruments at the discount level, so that they could provide this kind of advantage.

Another is they provide lower reserve requirements for financial institutions that engage in home lending to a greater degree.

But they don't seem to like to do this. They say once you begin to do that, they have to do it in other ways, and they can't discriminate. They have all kinds of reasons for not helping housing.

You are right in focusing on the cost of money as being the problem. We had testimony before our Committee that while housing costs themselves had increased, they were still about two and a half times the average earnings. So that the cost of a house now is about $30,000, far above what it was a few years ago, but the median income is up a great deal too, and it is about two and a half times median income.

But the carrying and interest costs are so high, the families with median incomes can't afford to buy a house. Literally two-thirds, perhaps for the first time in our history, two-thirds of the people in this country can not afford to buy a new home.

Mr. BOMAR. Yes.

Senator PROXMIRE. It seems to me we must do something to reduce these interest costs for housing.

Mr. BOMAR. Yes.

Senator PROXMIRE. What do you think we can do that will be effective?

Mr. BOMAR. Senator, the primary villian is inflation, as we both know. And that is why I made the comment with regard to tax subsidies.

If we are going to have inflation at the rate we have been having it, we are going to have high interest rates, and if we are going to have high interest rates and recognizing the negative impact that has on the housing industry and the public's desire for housing, the only thing we can do is to step in and support it in some fashion.

Certainly we think the thing that needs to be done, not only for housing but for our entire economy, is to get hold of this inflation.

In fact the existence of thrift institutions is threatened when you have double digit inflation. The public is wise enough that it is going to begin to question saving at all, if their dollars are being eaten up at a rate faster than the accumulation of interest on them.

That is the root cause of all of the problems and the other things we are talking about are ways to circumvent those root problems.

Senator PROXMIRE. I think that is conventional wisdom, and it may be correct. But I think this is a counsel of despair because it is unlikely in my view that we will solve the inflation problem for some years. I hope we will. I would be willing to cut the budget by $10 million; I put in amendments to do that, and they passed the Senate.

We need drastic action, but I doubt if we will get it. It may well be we will have not double digit, but 7, 8, 9 percent inflation for some time. If we have that, it seems to me we can't say we have to wait until the end of it for this housing; we have to find some way of breaking through this situation, to provide housing in spite of the levels of inflation or we will have a serious and tragic problem here.

Mr. BOMAR. Yes, sir. That pessimistic view of our potentiality to control inflation seems to be the one generally held. I certainly hope that our potential is not that limited.

We know what has to be done to cure inflation, and that we should step up, bite the bullet, do what we have to do to cure it. Even at 7, 8 or 9 percent we know what that will mean in the long term, that they will be substantially higher than that, and that will frustrate the desire of the people for housing and our efforts in our economy generally speaking and then we will be left with the alternative of if we want to support housing we have to do it on a subsidized basis.

Senator PROXMIRE. Let me ask you about some of the other housing costs that you may have influence over.

What rules or regulations do you have about institutions you regulate also controlling or owning or getting a special break from the home insurance companies which insure loans they lend on?

Is there any arm's length regulation?

Mr. BOMAR. Yes, sir. We have some anti-conflict provisions or regulations that we prevent these tie-in agreements whereby officers of financial institutions can oblige home buyers to buy from specific companies, specific agencies, so as to feather their own nest. So we seek to deal with that via regulations and the prohibition of that kind of activity.

Senator PROXMIRE. Don't many of these institutions have some kind of a tie-in with insurance companies anyway?

Mr. BOMAR. No, not to my knowledge. There could be some I am not specifically aware of. There are some holding companies that own credit and life insurance companies. In the past there have been instances in which officers of savings and loan associations owned an insurance agency.

Senator PROXMIRE. That is what I am talking about. When a home owner borrows from a savings and loan, isn't he often put in a position where he feels if he is going to get the credit from the savings and loan, he has to take out insurance with the insurer that they favor or designate?

That is the kind of thing that concerns me.

Mr. BOMAR. Yes, that is a violation of the regulations we have in effect and if we find out about that, there is a cause for supervisory action.

Senator PROXMIRE. Should there be some kind of formal separation or legal separation of these activities, insuring on the one hand and lending on the other, to prevent conflicts of interest?

Mr. BOMAR. Yes, we felt that there should be. We have had applications for the underwriting of insurances other than credit life insurance, let's say underwriting mortgage insurance, life insurance, casualty insurance, by financial institutions, and we felt that that is something that should be separated and have not approved those kinds of tie-ins or go-togethers.

Senator PROXMIRE. Then there is the problem of escrow accounts. I wonder if home owners have a real choice in paying their own taxes and insurance.

Here you have a situation where interest rates are so high and they get use of the funds for about six months without payment of interest. How about that abuse?

Mr. BOMAR. That is a complicated question. There are many instances in which home buyers do not have the option to decide whether or not they pay their own taxes.

Take FHA mortgages and VA mortgages for instance. I believe it is a requirement of both of those mortgages that there be escrowing. This goes back to the '30s when so many people lost their houses on account of the taxes. So this was a provision that was built in at that time.

The question is one—and there are a great many lawsuits around this question—as to whether or not the financial institutions should pay interest on those funds that they are collecting from the individuals and holding them in anticipation of paying taxes and insurance.

I think the question resolves itself around what is of greatest benefit to the consumer, whether he is benefitted by leaving those monies there and having the financial institution take care of these things for him, or whether he would have a greater benefit by having the institution pay him some interest on those funds, and charge him a fee for the performance of those services.

Based upon what we have seen to date, our disposition has been to say that the collection of escrow funds must be reasonable and that is it should not exceed the amount that is going to be required, this over-estimating to get free money that is not justified.

On the other hand, for the small amount that is going to be paid on that compared to the charges that might be made for the service, the customer is probably benefitted if he is not over-collected upon by having the services performed without charge as opposed to getting the interest on the funds.

Senator PROXMIRE. I just have a couple other questions. These relate to conversions. We have been over the issue of conversions before, but let me raise it again.

When mutual S and Ls are converted to a stock institution, a fundamental issue is how to distribute the equity which has been built up over the years and which essentially belongs to the present and former savers in the institution.

In the early conversions, the insiders made a pile of money through conversions. They essentially sold the equity. It was a rip-off and scandalous.

Having recognized that problem, isn't it true you have not yet devised a method by which that equity can be fairly distributed?

I think the answer to that is no, and you therefore propose that we have a series of experiments with at least one allowed in each state to see if there is a way it can be done fairly.

Number one, isn't that really just a disguise for allowing more conversions and more people to be ripped-off, more insiders to make money and receive the unearned increments?

Mr. BOMAR. No, Senator, we do not think that it is a disguise or rip-off. If we thought that is what it was, we wouldn't have advocated the regulations in the first place.

There were evils attendant to earlier conversions, and for that reason the Board over ten years ago proposed a moritorium, which has now been converted to a statutory moritorium that runs out June 30, and we are anticipating that Congress will impose an additional moritorium period.

We have devised a formula or a means of allowing conversions, recognizing that it is impossible to sort out who in fact owns that net worth, developed perhaps over as much as 100 years, to sort out who is in fact entitled to it.

Therefore what we sought to do was produce a means that would benefit housing, benefit the communities involved, and be fair and equitable to all involved and to prevent unjust enrichment of management.

Therefore what we propose, and this was subject to hearings here in your Subcommittee, our proposal is that since we cannot determine who in fact should be entitled to it, the thing that would be more beneficial is to sell the institution at a market value to be determined by the institution with the approval of the Board, and have the proceeds of that sale, since we don't know who the owners might be, go into the institution itself, be used to increase the net worth and increase its capacity for growth.

But selling the stock at market, it is our feeling, and we provide in the regulations that the current account holders get first pass, get several passes before management gets a shot at it at all. Then the options they do have to purchase it are severely limited. When they do buy it, if they buy it under those limited restrictions, they have to hold it for a significant period of time before they can dispose of it.

So we think we have done everything that is reasonable and proper to protect against the earlier types of abuses, yet still provide an economic means to do this.

We feel very strongly that it is important to the savings and loans that they have the capacity to transfer into the stock forum in order to compete.

Senator PROXMIRE. The problem I have when I talk to people in the savings and loan industry, they say this is the beginning, and once they begin there is no way of stopping them, all the mutuals will get such pressure because there will be something to gain that there is going to be an avalanche of these things and there is no way to stand in their way.

I don't understand why it needs to be done at all. I know mutual institutions of all kinds where the leadership and management is as good, maybe better than stock or non-cooperative institutions. I don't believe in the old saw that the only way you can attract good management is to convert to stock.

So I don't understand why we can't stop it. It has been bad business in the past, most people feel it will be bad business in the future, so why not just stop it?

Mr. BOMAR. Senator, I think the answer to that is very simple, and that is a mutual institution can only fuel its capital account which limits its growth through retained earnings. In the kind of competitive environment we have today, that simply is not adequate to sustain the growth needs and capital needs of some of these institutions. If they can't fuel their capital account and can't grow adequately, they can't compete. Therefore they would be disadvantaged.

Take the State of Florida for instance as an example. They simply cannot allow themselves to grow at a rate that their potential allows because they don't have enough capital. If we are thus limiting our primary home financing institutions, we are limiting our supply of mortgage credit and that works to the disadvantage of the home-buying and savings public.

Therefore all would be benefitted by allowing these institutions that can so benefit that option.

So I think that is the only justification for it. If it were not for that, there wouldn't be any.

Senator PROXMIRE. I haven't seen a very clear record documenting that this is the best, the only way to provide more capital for the industry.

I want to thank you very much, Mr. Bomar. I have other questions which I would appreciate it if you would answer for the record, not many, but it would be very helpful if you would do that.

Mr. BOMAR. Yes, sir.

Senator PROXMIRE. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Bomar, let me ask you one question and that is with reference to the inflow of funds. Is it satisfactory or keeping you hanging on a cliff?

Mr. BOMAR. Mr. Chairman, the inflow of funds into the thrift institutions is not satisfactory. It is too low. It is so low that it does not meet the demands we have for funds.

However, it has not to this time reached disastrous proportions.

The CHAIRMAN. Well, thank you very much. We know something about the difficult task you fellows in the Home Loan Bank Board have, and the task that the individual savings and loan associations have, particularly in this time of high interest rates and the difficulty of maintaining a good flow of money, because if you don't get a good flow of money, you can't build homes.

Mr. BOMAR. Yes, sir.

The CHAIRMAN. By the way, it is the intention of the Housing Subcommittee to sometime later on hold hearings into this very problem that we have been talking about this morning, the housing situation generally, and in which the savings and loan industry plays a great part.

We thank you very much.

Mr. BOMAR. Thank you, Mr. Chairman.

The CHAIRMAN. And we wish you well in the continuation of your task.

Mr. BOMAR. Thank you, sir.

The CHAIRMAN. The Committee stands adjourned.

(Thereupon, at 10:35 a.m. the hearing was adjourned.)

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to this nomination?

The nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF RENEGOTIATION ACT OF 1951

Mr. LONG. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 14833.

The PRESIDING OFFICER laid before the Senate the following message from the House:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the bill (H.R. 14833) entitled "An Act to extend the Renegotiation Act of 1951 for eighteen months", and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 2. The last sentence of section 203 (e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking out "July 1, 1974" and inserting in lieu thereof "August 1, 1974".

Resolved, That the House insist upon its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 6, 7, 8, and 9 to the aforesaid bill.

Resolved, That the House insist upon its disagreement to the amendment of the Senate to the title of the bill.

Mr. LONG. Mr. President, there will not be sufficient time for the Senate and the House to conduct a conference on the renegotiation bill between now and the recess. I have done the best I could to try to arrange a conference but, unfortunately, that is impossible. Chairman MILLS is ill and unable to be with us at this moment. He was willing to do what he felt would be the minimum to continue the laws that are expiring between now and the time that Congress comes back.

The senior members of the Ways and Means Committee, Mr. ULLMAN and Mr. SCHNEEBELI, were willing to agree to accept for a 1-month period the Senate amendment which would extend the temporary unemployment insurance provisions because otherwise we would have a large number of unemployed people who are now getting benefits, I believe, well over 100,000 persons who would lose their unemployment insurance benefits and be taken off the rolls on July 1.

Under those circumstances, Mr. President, it seemed to the Senator from Louisiana that we would do best at this time to agree to extend for 30 days the expiring unemployment insurance provision.

If the Senate will permit me to do so, we have another revenue bill on the calendar to which I propose to add all of these Senate amendments and send them over to the House and request a conference so we can discuss the other Senate amendments which just have not had a chance to be discussed with the House.

The Renegotiation Act expires and the temporary unemployment insurance provisions expire this weekend, and I do not think anybody would want to see a great number of unemployed people have their unemployment insurance benefits cut off.

The Senator from Wisconsin (Mr. PROXMIRE) got Senate acceptance of his amendment that proposes: First, that we reduce the 18-month Renegotiation Act extension to 12 months; and second, that we have a study by the staff of the Joint Committee on Internal Revenue Taxation on how this act could be better administered.

As far as the study is concerned, I believe that as chairman of the Joint Tax Committee I have the authority to accept the Senate's judgment and direct the joint committee staff to initiate the study that was agreed to in the amendment.

We can add the other part of the Proxmire amendment, limiting the extension to 12 months, as an amendment to this other bill and take it back in conference with the House. I feel confident that we will have no difficulty arranging a conference to talk about it. Unfortunately, we do not have that kind of flexibility with regard to the unemployment provisions and if we do not act today, it would involve a great deal of doing, and amount to a great deal of confusion, ever to try to restore to these unemployed workers what they lose if they are taken off the rolls. I believe the 1-month extension of the unemployment provision involves about $50 million, made up of about $25 million of State funds and about $25 million of Federal funds. We hope, Mr. President, that we could simply extend the bill as is suggested here and then take all the original Senate amendments on back to conference with the House on the other bill I referred to.

Mr. PROXMIRE. May I ask the Senator from Louisiana if two matters are inseparable? I cannot understand why the unemployment compensation provision has any connection with the Renegotiation Board. I have no objection, of course, to the unemployment compensation. I want to do all I can to advance it. The Renegotiation Board is something else.

Mr. LONG. The unemployment insurance extension, from the point of view of the Senator from Louisiana, is the most urgent item of all.

Mr. PROXMIRE. I agree.

Mr. LONG. It has happened that we have had the Renegotiation Act expire before we have been able to put it back into business. I do not think it did any great deal of harm, even though it might have created some uncertainty during that brief period before the President signed a bill continuing the Board. But it will be difficult, I think, for these States, once having terminated all these people now getting unemployment insurance, to reopen their cases and put them back on the rolls. That would give us a problem, because some States might, having had the program terminated, just not be able to continue those benefits or go back and make them up.

Mr. PROXMIRE. My point is that the two can and should be separated. Unemployment insurance can be, it seems to me, put on the bill. I do not know of any Senator who would object to that. I have very strong feelings about the renegotiation bill.

Mr. LONG. The bill will not be agreed to before the recess, if we do it. That is the problem.

Mr. PROXMIRE. They would not agree to the unemployment compensation if it is not associated with the Renegotiation Board?

Mr. LONG. There is no way of getting the matter raised separately over in the House of Representatives before we recess. Just a half hour ago or so this matter was discussed in the House. There is objection in the House to continuing this extended unemployment insurance arrangement, and a 30-day extension was all they could get agreement on at this time.

As the Senator from Wisconsin knows, it does not affect his State, and it does not affect Louisiana. I think both of us can look at it from a detached point of view. But it does, of course, very much affect States like New York, Massachusetts, Maine, New Jersey, Pennsylvania, Rhode Island, and Washington State, which has had a chronic unemployment problem.

Of course, the Senator knows that any Senate unemployment amendment has to be attached to a House-passed revenue bill, and this was the bill that was chosen as a vehicle because it was the only one available at the time. The assurance that was given over on the House side was that before any further extension of the unemployment insurance provision is agreed to in the House the whole program should be looked at. The objection is made that the 37 States not drawing benefits contribute money to benefit 13 States. I can understand how they would feel that the formula should be changed or the matter should be reconsidered in various and sundry respects. But I do not believe that it is within our power to continue these unemployment insurance benefits now except by agreeing to accept the House's judgment at this particular point. I think that is the only thing we can hope to achieve.

Mr. PROXMIRE. What has happened, then, is that the House has rejected the Senate amendment to, in effect, limit the extension of the Renegotiation Board to 12 months, and they have gone to 18 months on the Renegotiation Board. Is that right?

Mr. LONG. Actually, Mr. President, they just have not considered any of the Senate amendments. We have not had a chance to confer with them. They did appoint conferees, and we were supposed to have a meeting at 1 o'clock this afternoon. Then I was informed that the House conferees would not be able to make it as they were conferring on another bill, a pension bill, and the conference happens to be headed by Chairman MILLS, who is not available because unfortunately he is suffering from a very severe cold at this moment.

Mr. PROXMIRE. Would there be the possibility of amending this and extending the Board for a month so that we would have a chance to reconsider when we come back in July?

Mr. LONG. If we do that, it is just not going to receive action in the House at this late point.

Here is what I would suggest: That we put the amendment involving the 12 months' duration for the Renegotiation Board on the revenue bill which is on the calendar, H.R. 8217. We will pass that bill with the Senator's amendment to extend the Renegotiation Board 12 months instead of 18 months, and add all the other Senate amendments, which are significant and, I think, extremely meritorious amendments, and ask that the House meet with us in conference on that bill.

I do not see any reason why they should not. They agreed to meet and confer about the same amendments on the Renegotiation bill, and I do not see any problem about arranging a conference after the recess and talking about the remainder of these measures. But we do have one amendment here which I think presents a serious time problem, namely, that if we adjourn without acting on this unemployment insurance matter, we have more than 100,000 unemployed people who would have to be removed from the unemployment insurance rolls during the recess. While I am sure that we could probably do something about this matter when we come back, there will be a lot of confusion, they will not receive their checks, and it will take an awful lot of bookkeeping to ever get those people back on the rolls.

Mr. PROXMIRE. The Senator from Louisiana must appreciate the position that the Senator from Wisconsin is put in. Just a minute ago I pointed out that because the administration sent Mr. Bomar's nomination as head of the Federal Home Loan Bank Board to us so late we had no opportunity to discuss it on the floor, really. It was either take it now or stop it, which means Mr. Bomar would not be paid, because we might have difficulty getting enough Senators to vote on it. We certainly do not have time to have an extensive debate of several hours. So I caved in on that, even though I thought that was bad policy to do so because of the timing. Now I am put in the position, because the House cannot arrange even to consider the amendment, that it will die. So, under these circumstances, it seems to me this is asking a lot of accommodation from the Senate.

We passed this in the Senate reducing the 18-month extension to 12-months, with a study. The Senator from Louisiana (Mr. LONG) can take care of that study in good style, and will. But in order to get expeditious action on this study, of an agency that has functioned so badly, we insisted on the 12-month limitation. Now we have to give this up——

Mr. LONG. Senator, we will have the opportunity to discuss the Senator's proposal for a 1-year extension rather than an 18-month extension. We can put it on this bill which I hold in my hand, H.R. 8217, and go to conference with it. Furthermore, I would be willing, in the event we cannot get satisfaction on that bill, to put the amendment on another bill, one that should and must pass the Senate, such as the trade bill.

During the next 12 months we will have plenty of opportunity to renew this issue. We have not had a chance to confer on it nor have we had a chance to debate the pros and cons of it. But that amendment does not present the urgency that we have with regard to these unemployed workers. In this case, these men will lose their benefits. We can make the decision of whether it should be 18 months or only 12 months sometime during the next 12 months. If the Senator is right about it, and so far I am concerned he is, then we will have the opportunity to act.

I point out also that we will have to act on this unemployment matter again within 30 days. That is why I propose to take the Senator's amendment and also the 1-year extension of the unemployment insurance provision and send them to the House as amendments to H.R. 8217.

Mr. PROXMIRE. Would there be a germaneness problem with the House if we put the Renegotiation Board on the unemployment insurance bill?

Mr. LONG. It is no more a germaneness problem than we have already.

Mr. PROXMIRE. The Renegotiation Board stood on its own feet. We had separate legislation on that. My amendment went right to the heart of it because it limited the life of the agency, so it was obviously germane. But the House has been so stubborn on the germaneness issue that I would not want to be wiped out on that.

Mr. LONG. I have never seen a germaneness problem with the House on any real problem if they thought any legislative measure was the right thing to do. If they did not think so, then there would be a problem, of course, but germaneness has never been a problem if they wanted to agree to an amendment. That is what happened on the Renegotiation Act. Every amendment except for the Proxmire amendment was not germane to that renegotiation bill that the House was willing to go to conference on.

So far as I know, there is no one in the House who is so unreasonable or on the Ways and Means Committee who is so unreasonable that they will not consider a meritorious proposal just because it is not germane to the revenue measure on which it comes to the House.

Mr. PROXMIRE. Mr. President, I understand the dilemma that the distinguished chairman of the Finance Committee is in, and I want to do all I can to cooperate with him.

Would it be his intention, as chairman of the Internal Revenue Taxation Committee, in directing the study, that the study he would direct to be made of the Renegotiation Board be made by the Internal Revenue Taxation Committee in consultation with the Renegotiation Board General Accounting Office, the Cost Accounting Standards Board and the staff of the Joint Economic Committee and that the study include a review of the entire act and how to improve its administration, the exemption criteria, the statutory factors for determining excessive profits, and the need to restructure the Renegotiation Board? That was part of the amendment which was adopted at the time the amendment was under consideration.

Mr. LONG. Mr. President, in view of the fact that the Senate has already passed an amendment to that effect, I think I would be justified in viewing that as the will of the Senate. As the chairman of the joint committee at this time, I think I have the right to direct the staff to initiate that study. I am sure that the Senators who serve on that joint committee would agree to that.

So the answer to the question as to whether I have the power to do so, I think I do have that power, and I will do it.

Mr. PROXMIRE. I thank the Senator. With that assurance, I am happy to agree with the distinguished chairman of the Finance Committee, and I have no objection to the adoption of the proposal.

Mr. LONG. I thank the distinguished Senator.

Mr. President, I move that the Senate recede from its amendments 1, 2, 4, 5, 6, 7, 8, and 9, and that the Senate recede and concur in the House amendment to Senate amendment 3.

The PRESIDING OFFICER. The question is on agreeing to the motions of the Senator from Louisiana.

The motions were agreed to.

Mr. LONG. Mr. President, if the leadership will permit, I would suggest that the Senate proceed to the consideration of H.R. 8217, and that we amend it with these various Senate-passed amendments so that they will be in conference when we return from the recess.

Mr. ROBERT C. BYRD. Mr. President, I ask the distinguished Senator this question: In the event some Senators had hoped to offer amendments to H.R. 8217, will another vehicle be available to them for the purpose of such amendments in the near future?

Mr. LONG. We have several bills that we have ordered reported from the committee, and we could bring some of those bills to the calendar almost immediately. So immediately upon the Senate's return, we could have those bills placed on the calendar, and Senators could offer amendments on those bills.

Mr. ROBERT C. BYRD. I have no objection.

Did the assistant Republican leader hear the request?

Mr. LONG. The request is that the Senate proceed to the consideration of H.R. 8217, to which there is no objection, so far as I am aware, and that we add these amendments, on which the House was unable to confer with the Senate because of the shortness of time, and simply ask for a conference on those amendments, so that Senators on both sides of the aisle may have the benefit of having their amendments considered in conference between the Senate and the House. Also included in this proposal is the understanding that, for the benefit of Senators who might want to offer other amendments on revenue bills, we have several revenue bills that have been ordered by the committee to be reported to the calendar, and those bills will be put on the calendar when the Senate returns.

Mr. GRIFFIN. With the assurance that other revenue measures will be brought up on the calendar very shortly—and that assurance already has been given—I have no objection.

Mr. LONG. I thank the distinguished Senator.

DUTY EXEMPTIONS FOR CERTAIN FOREIGN REPAIRS TO VESSELS

Mr. LONG. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 759, H.R. 8217.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 2, after line 5, insert a new section, as follows:

SEC. 3. (a) Section 37 of the Internal Revenue Code of 1954 (relating to retirement income) is amended to read as follows:

"SEC. 37. RETIREMENT INCOME.

"(a) GENERAL RULES.—

"(1) JOINT RETURNS.—In the case of a joint return—

"(A) if either spouse has attained the age of 65 before the close of the taxable year, or

"(B) if neither spouse has attained the age of 65 before the close of the taxable year but one or both spouses have public retirement system pension income for the taxable year,

there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the retirement income (as limited by subsection (b)) received by the husband and wife during the taxable year.

"(2) OTHER RETURNS.—In the case of a return by an unmarried individual and of a separate return by a married individual—

"(A) if the individual has attained the age of 65 before the close of the taxable year, or

"(B) if the individual has not attained the age of 65 before the close of the taxable year but has public retirement system pension income for the taxable year,

there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the retirement income (as limited by subsection (b)) received by the individual during the taxable year.

"(b) LIMITATION OF RETIREMENT INCOME.—

"(1) IN GENERAL.—The amount of retirement income which may be taken into account for purposes of subsection (a) shall not exceed the following amounts (reduced as provided in paragraph (2)):

"(A) $2,500, in the case of an unmarried individual,

"(B) $2,500, in the case of a joint return where only one spouse is an eligible individual,

"(C) $3,750, in the case of a joint return where both spouses are eligible individuals, or

"(D) $1,875, in the case of a separate return by a married individual.

"(2) REDUCTION.—Except as provided in paragraphs (3) and (4), the reduction under this paragraph in the case of any individual is—

"(A) any amount received by such individual as a pension or annuity—

"(i) under title II of the Social Security Act,

"(ii) under the Railroad Retirement Act of 1935 or 1937, or

"(iii) otherwise excluded from gross income, plus

"(B) in the case of any individual who has not attained age 72 before the close of the taxable year—

"(i) except as provided in clause (ii), one-half the amount of earned income received by such individual in the taxable year in excess of $2,100 or

"(ii) if such individual has not attained age 62 before the close of the taxable year, and if such individual (or his spouse under age 62) is an eligible individual as defined in subsection (d)(4)(B), any amount of earned income in excess of $1,200 received by such individual in the taxable year.

"(3) SPECIAL RULES FOR DETERMINING THE REDUCTION PROVIDED IN PARAGRAPH (2)

"(A) JOINT RETURNS.—In the case of a joint return, the reduction under paragraph (2) shall be the aggregate of the amounts resulting from applying paragraph (2) separately to each spouse.

"(B) SEPARATE RETURNS OF MARRIED INDIVIDUALS.—In the case of a separate return of a married individual, paragraph (2)(B)(i) shall be applied by substituting '$1,050' for '$2,100', and paragraph (2)(B)(ii) shall be applied by substituting '$600' for '$1,200'.

"(C) NO REDUCTION FOR CERTAIN AMOUNTS EXCLUDED FROM GROSS INCOME.—No reduction shall be made under paragraph (2)(A) for any amount excluded from gross income under section 72 (relating to annuities), 101 (relating to life insurance proceeds), 104 (relating to compensation for injuries or sickness), 105 (relating to amounts received under accident and health plans), 402 (relating to taxability of beneficiary of employees' trust), or 403 (relating to taxation of employee annuities).

"(4) SPECIAL RULE FOR CERTAIN INDIVIDUALS RECEIVING PUBLIC RETIREMENT SYSTEM PENSION INCOME.—In the case of a joint return where one spouse is an eligible individual as defined in subsection (d)(4)(A) and the other spouse is an eligible individual as defined in subsection (d) (4) (B), there shall be an additional reduction under paragraph (2) in an amount equal to the excess (if any) of $1,250 over the amount of the public retirement system pension income of the spouse who is an eligible individual as defined in subsection (d) (4) (B).

"(c) Retirement Income.—For purposes of this section—

"(1) In general.—Except as provided in paragraph (2), the term 'retirement income' means income from—

"(A) pensions and annuities (including public retirement system pension income and including, in the case of an individual who is, or has been, an employee within the meaning of section 401(c) (1), distributions by a trust described in section 401(a) which is exempt from tax under section 501(a)),

"(B) interest,

"(C) rents,

"(D) dividends, and

"(E) bonds described in section 405(b) (1) which are received under a qualified bond purchase plan described in section 405(a) or in a distribution from a trust described in section 401(a) which is exempt from tax under section 501(a),

to the extent included in gross income without reference to this section, but only to the extent such income does not represent compensation for personal services rendered during the taxable year.

"(2) Certain individuals under age 65.—In the case of—

"(A) a return by an unmarried individual who has not attained the age of 65 before the close of the taxable year,

"(B) a separate return by a married individual who has not attained the age of 65 before the close of the taxable year, and

"(C) a joint return if neither spouse has attained the age of 65 before the close of the taxable year,

the term 'retirement income' means only public retirement system pension income, and only so much of such income received by an individual during the taxable year as does not exceed $2,500.

"(d) Others Definitions and Special Rules.—For purposes of this section—

"(1) Public retirement system pension income.—The term 'public retirement system pension income' means income from pensions and annuities under a public retirement system for personal services performed by the taxpayer or his spouse, to the extent included in gross income without reference to this section, but only to the extent such income does not represent compensation for personal services rendered during the taxable year. For purposes of this paragraph, the term 'public retirement system' means a pension, annuity, retirement, or similar fund or system established by the United States, a State, a possession of the United States, any political subdivision of any of the foregoing, or the District of Columbia.

"(2) Earned income.—The term 'earned income' has the meaning assigned to such term in section 911(b) except that such term does not include any amount received as a pension or annuity.

"(3) Community property laws disregarded.—The determination of whether—

"(A) earned income, or

"(B) income from pensions and annuities for personal services (including public retirement system pension income and distributions to which subsection (c) (1) (A) applies),

is the income of a husband or wife shall be made without regard to community property laws.

"(4) Eligible individual.—The term 'eligible individual' means an individual who—

"(A) has attained the age of 65 before the close of the taxable year, or

"(B) has not attained such age but has public retirement system pension income for the taxable year.

"(5) Marital status.—Marital status shall be determined under section 153.

"(6) Joint return.—The term 'joint return' means the joint return of a husband and wife made under section 6013.

"(e) Nonresident Alien Ineligible for Credit.—No credit shall be allowed under this section to any nonresident alien."

(b) Section 904 of the Internal Revenue Code of 1954 (relating to limitation on foreign tax credit) is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) Coordination With Credit for Retirement Income.—In the case of an individual, for purposes of subsection (a) the tax against which the credit is taken is such tax reduced by the amount of the credit (if any) for the taxable year allowable under section 37 (relating to retirement income)."

(c) Section 6014(a) of such Code (relating to tax not computed by taxpayer) is amended by striking out the last sentence thereof.

(d) Section 6014(b) of such Code is amended—

(1) by striking out paragraph (4),

(2) by redesignating paragraph (5) as paragraph (4), and

(3) by inserting "or" at the end of paragraph (3).

(e) The amendments made by this Act shall apply to taxable years beginning after December 31, 1973.

Mr. LONG. Mr. President, the House bill would exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

The committee amendment would not change the text of the House bill. However, the committee added an amendment liberalizing and simplifying the retirement income credit for persons receiving annuity or other retirement income.

Under present law, a retirement income credit of up to $1,524 multiplied by 15 percent—$229—is allowed for single persons age 65 or over having "retirement income"—that is, income from pensions, dividends, interest, rents or other passive income sources. However, this credit is available only if the individual had 10 prior years of earned income above $600. The income eligible for this credit is reduced, however, by social security, railroad retirement or other tax-exempt pension income. It is also reduced by 50 percent of earnings over $1,200 and 100 percent of earnings over $1,700—This earnings limitation, however, does not apply to those age 72 and over. For married couples a credit equal to one and one-half times the credit referred to above is generally available under present law. However, in some cases where both can qualify for the credit a credit of up to twice that referred to above is available.

In addition, under present law, the retirement income credit determined substantially as indicated above is available for retirement income received from governmental units where the individual is under age 65, except that the credit is reduced on a dollar-for-dollar basis for earnings above $900—between age 62 and 65 the earnings test described above applies.

The committee has adopted a substitute retirement income credit which is both more liberal and also will be easier to compute on the return form. This credit for a single person will be based upon $2,500 instead of $1,524. It will not be necessary for the individual involved to have 10 years of prior earnings of $600 or more. However, as under present law, the $2,500 will be reduced for social security, railroad retirement and other tax-exempt pension income. Also, as under present law, it will be reduced for earned income above a specified level—if the individual is under age 72. However, the amount will only be reduced for 50 percent of earnings above $2,100 instead of 50 percent of earnings above $1,200 plus 100 percent of earnings above $1,700.

As under present law, the amount derived in this manner is multiplied by 15 percent in order to obtain the credit (the new figure gives a maximum credit of $375).

For a married couple, both over age 65, the retirement income credit is to be based upon $3,750 instead of the $2,500 applicable to a single person. Otherwise the credit is to be computed in the same manner indicated above except on the basis of the combined experience of the husband and wife.

For those below age 65 receiving Government pension income the $2,500 also becomes applicable but, as under present law, only with respect to Government pension income. The earnings test for these persons is raised from $900 to $1,200 if under age 62 but for those above that age, the $2,100 earnings test applies.

The revised credit is to apply for taxable years beginning after December 31, 1973.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. LONG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistance legislative clerk proceeded to read the amendment.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The amendment is as follows:

On page 10, line 13, strike out "act" and insert in lieu thereof "section".

At the end of the bill, add the following:

Sec. 4. Section 1631 of the Social Security Act is amended by adding the following at the end thereof:

"REIMBURSEMENT TO STATES FOR INTERIM ASSISTANCE PAYMENTS

"(g) (1) Notwithstanding subsection (d) (1) and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may, upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a Senate (or political subdivision thereof as may be agreed to by the Secretary and the State, from the benefits withheld an amount sufficient to reimburse the State (or political subdivision thereof) for interim assistance furnished on behalf of the individual by the State (or political subdivision thereof).

"(2) For purposes of this subsection, the term benefits means supplemental security income benefits under this title and any State supplementary payments under section 1616 or under section 212 of Public Law 93–66 which the Secretary makes on behalf of a State (or political subdivision thereof) that the Secretary has determined to be due with respect to the individual at the time the Secretary makes the first payment of benefis. A cash advance made pursuant to section 1631(a)(4)(A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

"(3) For purposes of this subsection, the term interim assistance means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

"(4) In order for a State to receive reimbursement under the provision of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(i) that if the Secretary makes payment to the State (or subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or subdivision of the State as provided for under the agreement) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

"(ii) such other rules as the Secretary finds necessary to achieve efficient and effective administration of this provision and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or subdivision of the State as provided for under the agreement) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or subdivision of the State as provided for under an agreement under paragraph (4)).

"(6) The provisions of this subsection shall expire on June 30, 1975. At least sixty days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequate of interim assistance provided and the efficiency and effectiveness of administration of such provisions. Such report may include such recommendations as the Secreatry deems appropriate.".

SEC. 5. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93–233 and amended by section 2 of Public Law 93–256 and by H.R. 14833, 93d Congress) is further amended by striking out "August 1, 1974" and inserting in lieu thereof "July 1, 1975".

SEC. 6. Section 204(b) of the Emergency Unemployment Compensation Act of 1971 is amended by striking out "903(b)(3)" and inserting in lieu thereof "905(d)".

SEC. 7. (a) Section 1611 of the Social Security Act (as enacted by section 301 of Public Law 92–603 and as in effect on July 1, 1974) is amended—

(1) in subsection (a)(1)(A), by inserting "(or if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined ununder section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of the Social Security Act (as enacted by section 301 of Public Law 92–603) is amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"SEC. 1617. (a) Whenever the Secretary, pursuant to section 215(i) makes a determination that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall determine and publish in the Federal Register (together with, and at the same time, as the material required by section 215(i)(2)(D) to be published therein by reason of such determination) the supplemental security benefit rate (as determined under subsection (b)) which shall be effective for the period beginning with the month following the first month that the increase (if any) in benefits payable under title II becomes effective under section 215(i) by reason of such determination by the Secretary.

"(b)(1) As used in this section, the term 'supplemental security benefit rate' means whichever of the following is the greater—

"(A) the dollar amounts (namely, $1,752 and $2,628, referred to in sections 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), and 1611(b)(2)), or

"(B) the dollar amounts (referred to in such sections which were in effect immediately prior to the most recent increase under this section.

"(2) The supplemental security benefit rate which shall be effective by reason of an increase brought about by the application of subsection (a) shall be such rate, as in effect immediately prior to such increase, plus a per centum thereof equal to the per centum of increase in benefits payable under title II brought about pursuant to section 215(i).".

(c) Section 211(a)(1)(A) of Public Law 93–66 (as in effect on July 1, 1974) is amended by striking "$876" and inserting in lieu thereof "an amount equal to 50 per centum of the amount specified in section 1611(a)(1)(A)".

(d) Title XVI of the Social Security Act is further amended by adding immediately after section 1617 (as added by subsection (b)) the following new section:

"OPERATION OF STATE SUPPLEMENTATION PROGRAMS

"SEC. 1618. (a) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) which has at any time after December 1973 had in effect a program of supplementation payments described in section 1616(a) to be eligible for payments pursuant to title XIX, with respect to expenditures for any calendar quarter which begins—

"(1) after June 30, 1975, or, if later,

"(2) after the calendar quarter in which supplementation payments are first made under such program, such State must have in effect an agreement with the Secretary whereby the State will—

"(3) continue to operate such program,

"(4) maintain, under such program, a level of benefits which (prior to application of the provisions of paragraph (5)) is not lower than the level of benefits under the program for the first month that the program was in effect, or (if later) January 1974, and

"(5) in determining eligibility for the amount of payment to which any applicant or recipient is entitled under the program disregard an amount of the income, including income in the form of benefits payable under section 1611, of such applicant or recipient equal to the amount, if any, by which—

"(A) the aggregate amount of the increases which have occurred in the level of supplemental security benefits payable under this title as a result of cost-of-living adjustments under section 1617 (as determined under regulations of the Secretary) since the first month with respect to which payments were made under the State program of supplementation, exceeds

"(B) the aggregate amount of the increases over the level specified in paragraph (4) which have occurred in the level of benefits under such State program.

"(b) The Secretary, in determining for purposes of subsection (a) the level of benefits provided under a State supplementation program and the aggregate amount of any increases in such level, shall (after reviewing the program as it affects the various classes and categories of beneficiaries covered thereunder) consider the program as it affects the vast majority of beneficiaries; and the Secretary shall not determine that a State has failed to meet the requirements imposed by paragraph (4) or (5) of such subsection solely because its supplementation program does not meet, in one or more respects or in the case of one or more classes or categories of beneficiaries, such requirements, if the Secretary finds that the level of benefits provided under such program to the beneficiaries thereunder, when such beneficiaries are viewed as a single group, is not significantly lower than the level which would obtain if such requirements were fully met in every respect and in the case of each and every class or category of beneficiaries.".

(e) Section 212(a)(3)(C)(i) of Public Law 93–66 is amended by inserting "(except that, there shall not be counted so much of any such benefit for any month as is attributable to any increase made in the level of supplemental security income benefits pursuant to section 1617 of such Act)" immediately after "Social Security Act".

(f) The limitation imposed by section 401(a) of the Social Security Amendments of 1972 on the amount payable to the Security of Health, Education, and Welfare by a State pursuant to its agreement or agreements under section 1616 of the Social Security Act shall be applied without regard to paragraph (2) of such section in the case of an amount equal to one-half of so much of the expenditures under the agreement or agreements as are necessary in order to enable the State to meet the requirements imposed by section 1618 of the Social Security Act or to meet the requirement imposed by the amendment made by subsection (e) of this section.

SEC. 8. Section 249B of the Social Security Amendments of 1972 is amended by striking out "June 30, 1974" and inserting "June 30, 1977" in lieu thereof.

SEC. 9. (a) Section 15(c)(2) of Public Law 93–233 is amended by striking out "December 1, 1974" and inserting in lieu thereof "March

1, 1975" and by striking out "July 1, 1975" and inserting in lieu thereof "March 1, 1976".

(b) Section 15(c)(5) of Public Law 93-233 is amended by striking out "March 1, 1975" and inserting in lieu thereof "June 1, 1975" and by striking out "October 1, 1975" and inserting in lieu thereof "June 1, 1976".

(c) Section 15(d) of Public Law 93-233 is amended by striking out "January 1, 1975, except that if the Secretary of Health, Education, and Welfare determines that additional time is required to prepare the report required by subsection (c), he may, by regulation, extend the applicability of the provisions of subsection (a) to cost accounting periods beginning after June 30, 1975" and inserting in lieu thereof "July 1, 1976".

SEC. 10. (a) Section 1902(a)(14) of the Social Security Act is amended to read as follows:

"(14) effective January 1, 1973, provide that—

"(A) in the case of individuals receiving aid or assistance under a State plan approved under title I, X, XIV, or XVI, or part A of title IV, or who meet the income and resources requirements of the one of such State plans which is appropriate—

"(i) no enrollment fee, premium, or similar charge, and no deduction, cost sharing, or similar charge with respect to the care and services listed in clauses (1) through (5) and (7) of section 1905(a), will be imposed under the plan, and

"(ii) any deduction, cost sharing, or similar charge imposed under the plan with respect to other care and services will be nominal in amount (as determined in accordance with standards approved by the Secretary and included in the plan), and

"(B) with respect to individuals who are not receiving aid or assistance under any such State plan and who do not meet the income and resources requirements of the one of such State plans which is appropriate or who, after December 31, 1973, are included under the State plan for medical assistance pursuant to section 1902(a)(10)(B) approved under title XIX—

"(i) there may be imposed an enrollment fee, premium, or similar charge which (as determined in accordance with standards prescribed by the Secretary) is related to the individual's income, and

"(ii) any deductible, cost-sharing, or similar charge imposed under the plan will be nominal;".

(b) The amendment made by subsection (a) shall be effective January 1, 1973 (or earlier if the State plan so provided).

SEC. 11. (a) The staff of the Joint Committee on Internal Revenue Taxation shall conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended, with a view to determining whether such Act should be extended beyond December 31, 1975, and, if so, how the administration of such Act can be improved. The Joint Committee staff shall specifically consider whether exemption criteria and the statutory factors for determining excessive profits should be changed to make the Act fairer and more effective and more objective. The Joint Committee staff shall also consider whether the Renegotiation Board should be restructured.

(b) In conducting such study and investigation the staff of the Joint Committee on Internal Revenue Taxation shall consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

(c) The staff of the Joint Committee on Internal Revenue Taxation shall submit the results of its study and investigation to the Committee on Ways and Means of the House of Representatives and to the Committee on Provides that an individual land owner who

1975, together with such recommendations as it deems appropriate.

SEC. 12. (a) Section 211(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such agreement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(b) Section 1402(a) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such arrangement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

SEC. 13. Section 102(c)(1) of the Renegotiation Act of 1951 is amended by striking out "December 31, 1975" and inserting in lieu thereof "June 30, 1975".

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the provisions of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF PROVISIONS OF LONG AMENDMENT TO H.R. 8217

Reimbursement to States for interim SSI payments.—Provides that, upon the authorization of an applicant for Supplemental Security Income, the Social Security Administration may withhold from his first SSI check and pay to the State an amount sufficient to reimburse the State for interim payments made by the State to meet the individual's basic needs while his claim for Federal SSI benefits was being processed. The amendment expires June 30, 1975 with the Secretary of Health, Education and Welfare being required to report to Congress by that date on his recommendations concerning this provision. (Taft floor amendment to H.R. 14833).

Extended unemployment benefits.—Extends for an additional 12 months the provision of Public Law 93-256 which permits States to participate in the extended unemployment compensation program if the rate of insured unemployment in the State is at least 4 percent, without regard to the requirement of permanent law that the insured unemployment rate must also have increased by 20 percent over the prior 2 years. The existing provision expires June 30, 1974, and this amendment would extend it through June 30, 1975. (Ribicoff floor amendment to H.R. 148333.)

Repayment of general fund advance for 1971 Emergency Unemployment Compensation Act benefits.—Under existing law advances which were made from the general fund to the extended unemployment compensation account in order to pay benefits during the first six months of 1972 under the Emergency Unemployment Compensation Act of 1971 are to be repaid to the general fund by withholding from any distributions which may otherwise become payable under the Reed Act to those States in which Emergency Unemployment benefits were paid. The amendment would provide instead that these advances are to be repaid to the general fund directly from the extended unemployment account whenever that account has an adequate balance to permit such repayment. (Ribicoff floor amendment to H.R. 14833).

Automatic cost-of-living increases in Federal and State Supplemental Security Income benefits.—Provides that, whenever Social Security benefits are increased through the automatic cost-of-living increase provisions, an identical percentage increase will take place in the level of income assured to aged, blind, and disabled persons under the Federal SSI program. Also provides that States may not offset such increases in Federal SSI benefits by reducing the amount payable under State supplemental benefit programs. One-half of additional State costs resulting from the amendment would be counted in determining the State's savings clause protection under Public Law 92-603 which assures that States will not have to increase expenditures for the aged, blind, and disabled over 1972 levels. (Mondale floor amendment to H.R. 14833)

Funding of inspections of long-term care institutions.—Extends until June 30, 1977 authority for 100 percent Federal financing of expenditures for training and compensation of inspectors of long-term care institutions under Medicaid. (Bennett floor amendment to H.R. 14833)

Supervisory physicians in teaching hospitals.—Extends period for study of appropriate and equitable reimbursement for physicians' services provided in teaching hospitals until March, 1976; defers until July, 1976 the implementation of the 1972 amendment which provided, in part, that charges would be paid only where teaching hospital patient is private patient. (Bentsen floor amendment to H.R. 14833)

Medically needy premium.—Removes Title XIX requirement that States must impose a premium or enrollment fee on the medically needy; changes provision from mandatory to optional. (Curtis floor amendment to H.R. 14833)

Renegotiation Act study.—Directs the staff of the Joint Committee on Internal Revenue Taxation to conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act, with the results of the study and recommendations reported to the Committee on Ways and Means and the Committee on Finance by May 31, 1975. (Modified version of Proxmire floor amendment to H.R. 14833)

Treatment of certain farm rental income.—Provides that an individual land owner who enters into an agreement with a person to manage his farm shall not have his rental income under the agreement counted as income for Social Security purposes, provided that the landowner does not personally participate in the management or production of the farmland. (Curtis floor amendment to H.R. 14833)

12-month extension of Renegotiation Act.—Extends Renegotiation Act for 12 months (through June 30, 1975), rather than for 18 months (Through December 31, 1975) as in H.R. 14833. (Proxmire floor amendment to H.R. 14833)

Mr. LONG. Mr. President, I would simply say that these are the same amendments as the Senate has agreed to on the renegotiation bill. The purpose of my amendment is simply to gain a conference on these matters, which was not possible on the renegotiation bill because time ran out.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An Act to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, and for other purposes."

Mr. LONG. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent that the Senate insist on its amendments, and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint the following Senators as conferees on behalf of the Senate: Messrs. Long, Talmadge, Hartke, Ribicoff, Bennett, Curtis, and Fannin.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Chair appoints those Senators as conferees on the part of the Senate.

U.S. NATIONAL COMMISSION FOR TIONAL, SCIENTIFIC, AND CULCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION — APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. Haskell). The Chair, on behalf of the Vice President, pursuant to Public Law 75–565, appoints the Senator from Texas (Mr. Bentsen) to the U.S. National Commission for the United Nations Educational, Scientific, and Cultural Organization.

SENATE CONCURRENT RESOLUTION 96 PROVIDING FOR ADJOURNMENT OF THE SENATE UNTIL MONDAY, JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House on Senate Concurrent Resolution 96.

The PRESIDING OFFICER laid bebefore the Senate a message from the House, which was read as follows:

S. Con. Res. 96

Resolved, That the resolution from the Senate (S. Con. Res. 96) entitled "Concurrent resolution adjourning the Senate from June 27, 1974, until noon July 8, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, which comes earlier", do pass the following

AMENDMENTS

Line 3, strike out "or" and insert: "and that when the House adjourns on Wednesday, July 3, 1974, it stand adjourned until 12 noon on Tuesday, July 9, 1974, or, with respect to both Houses.".

Amend the title so as to read: "Concurrent resolution adjourning the Senate from June 27, 1974, until noon July 8, 1974, and the House from July 3, 1974, until noon July 9, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, which comes earlier."

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendments of the House, and that they be considered en bloc.

The motion was agreed to.

Mr. SPARKMAN. Mr. President, what was the action taken?

Mr. ROBERT C. BYRD. The House will not adjourn until next Wednesday. And the Senate will reconvene at 12 o'clock noon on July 8, 1974.

Does the Senator from Alabama wish to extend the session of the Senate beyond today?

Mr. SPARKMAN. I am ready when the leaders are.

SENATE ACCOMPLISHMENTS, JUNE 26, 1974

Mr. MANSFIELD. Mr. President, before adjourning for a few days in celebration of the Fourth of July, I would like to review the progress made by the Senate this year. I make these remarks to point out just how much the Senate has done this year in spite of more newsworthy events coming from elsewhere.

The list of legislation the Senate has passed this year includes legal services corporation, private pension plan reform, housing and community development program, Federal Energy Administration, congressional budget reform and impoundment control, minimum wage increase—which had been vetoed in 1973, Indian self-determination, disaster relief, campaign reform, no-fault auto insurance, elementary and secondary education, energy appropriations, and Vietnam veterans educational assistance.

This record compares favorably with achievements at midyear in 1973, by which time the Senate had passed measures on flood control, veterans health care and drug and alcohol treatment, vocational rehabilitation, compensation for victims of crime, impoundment control, health maintenance organizations, emergency medical services, mandatory fuel allocation, agriculture and consumer protection, and land-use planning. A detailed comparison at midyear shows the following:

	1973	1974
Days in session	91	87
Hours in session	457:12	531:44
Total measures passed	274	325
Public Laws	49	75
Private laws	2	26
Treaties	5	3
Record votes	227	270

More important than a comparison of Senate progress in 1973 and 1974, however, is the overall level of achievement during the 93d Congress. As an indication, I would like to point out that the Senate has now passed all but 1 of the 12 measures which President Nixon pocket-vetoed in 1972. Ten of these twelve bills have become public law. A list of these bills follows:

1. Airport Development—Public Law 93–44.
2. National Cemeteries—Public Law 93–43.
3. Older Americans—Public Law 93–29.
4. Public Works-Economic Development—Public Law 93–46.
5. Veterans Medical Care—Public Law 93–82.
6. Vocational Rehabilitation—Public Law 93–102.
7. Labor-HEW Appropriations—Public Law 93–192.
8. Flood Control—Public Law 93–234.
9. National Institute on Aging—Public Law 93–296.
10. Mining Research Centers—Passed Senate as amendment to S. 425 (Strip Mining).
11. Environmental Data Centers—S. 1865 P/S 6/12/74.
12. Deputy U.S. Marshals Pay—Pending in Committee.

Of the 15 measures given priority by the Democratic conference in January 1973 and 1974, all but 4 have passed the Senate, 2 of which the House must act on first. Their status is as follows:

1. Campaign reform—S. 3044 and S. 372 passed Senate.
2. Budget reform and impoundment control—Public Law 93—.
3. Consumer protection agency—P/H; on Senate calendar.
4. Land Use Planning—P/S 6/21/73.
5. Health Insurance—House must act first.
6. Housing—in conference.
7. Education programs—in conference.
8. Strip Mining controls—P/S 9/9/73.
9. Pension plan reform—in conference.
10. Minimum Wage—Public Law 93–296.
11. No-Fault Auto Insurance—P/S 5/1/74.
12. Tax reform—House must act first.
13. Trade—P/H.
14. War Powers—Public Law 93–148.
15. Welfare reform—in conference.

Each Senator can take a measure of satisfaction from the record of this Congress to date and I take this moment to thank my colleagues for their cooperation with the leadership in making these accomplishments possible.

I ask unanimous consent that a further breakdown on the status of major legislation on the 93d Congress and a report prepared by the staff of the Democratic Policy Committee summarizing legislation passed by the Senate this year be inserted at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATUS OF MAJOR LEGISLATION OF THE 93D CONGRESS

ENACTED OR CLEARED FOR THE PRESIDENT

Agriculture and Consumer Protection—Public Law 93-86.

Alaska Pipeline—Public Law 93-153.

Congressional Budget Reform—Impoundment Control—Cleared for President.

D.C. Home Rule—Public Law 93-198.

Minimum Wage Increase—Public Law 93-259.

War Powers—Public Law 93-148.

IN CONFERENCE

Elementary and Secondary Education.

Housing and Urban Development.

Legal Services Corporation—House has adopted conference report.

Private Pension Plan Reform.

Toxic Substances Control.

Urban Mass Transit—Conference report has been filed.

Vietnam Veterans Education.

Welfare Reform.

PASSED SENATE ONLY

Campaign Reform (S. 3044 and S. 372).

Compensation for Victims of Crime.

Eastern Wilderness.

Energy Conservation.

Energy Research and Development Authorization.

Land Use Planning—House voted against rule to bring it to the floor.

No Fault Auto Insurance.

Safe Drinking Water.

Strip Mining Controls.

PASSED HOUSE ONLY

Consumer Protection Agency—on Senate calendar.

Deep Water Ports.

Foreign Trade.

MEASURES ON WHICH HOUSE MUST ACT FIRST

National Health Insurance.

Tax Reform.

SENATE LEGISLATIVE ACTIVITY INDEX

(93d Congress, 2d Session)

(By Senate Democratic Policy Committee)

AGRICULTURE

Animal Health Research (H.R. 11873).

Fertilizer (S. Res. 189).

Food Assistance Programs (S. 3458).

Food Stamps (H.R. 15124).

Forest Management (S. 2296).

Forest Pest Control (S. 3371).

Livestock Credit (S. 3679).

Poultry Indemnity Payments (S. 3231).

Rice Allotment Transfers (S. 3075).

Top Level Positions in the Department of Agriculture (S. 3031).

Wheat Supplies (S. Con. Res. 70).

APPROPRIATIONS

1974:

Supplemental (H.R. 14013).

Veterans' Administration Supplemental (H.J. Res. 941).

1975:

Continuing (H.J. Res. 1062).

Energy Research and Development (H.R. 14434).

Legislative (H.R. 14012).

Veterans' Administration Urgent Supplemental (H.J. Res. 1061).

CONGRESS

Budget Reform—Impoundment Control (H.R. 7130).

Congressional Record Postal Rates (S. 3373).

Office of Management and Budget (S. 37).

Senate Committee Employees Pay—Franked Mail (S. 2315).

CRIME-JUDICIARY

Canal Zone Marriage Licenses (S. 2348).

Commission on Revision of the Federal Appellate System (S. 3052).

"Cooly Trade" Laws (S. 2220).

Legal Services Corporation (H.R. 7824).

Mandatory Death Penalty (S. 1401).

Military Claims (H.R. 9800).

Narcotic Treatment (S. 1115).

DEFENSE

Aviation Crew Incentive Pay (H.R. 12670).

Coast Guard Laws (H.R. 9293).

Defense Production (S. 3270).

Enlistment and Reenlistment Bonuses (S. 2771).

Enlistment Qualifications (H.R. 3418).

Medical Officers' Pay (S. 2770).

Military Procurement Authorization (H.R. 14592).

Military Procurement Supplemental Authorization [H.R. 12565 (S. 2999)].

Service Academy Appointments (S.J. Res. 206).

DISTRICT OF COLUMBIA

Advisory Neighborhood Councils (H.R. 12109).

American University, Inc. (S. 3389).

Attorney's Fees (S. 3477).

Executive Protective Service (S. 3124).

Marriage Licenses (S. 3476).

Pennsylvania Avenue Development Corporation (S. 3301).

Sewell-Belmont House (S. 3188).

Smallpox Vaccination (H.R. 8747).

Taxability of Certain Dividends—D.C. Election (H.R. 6186).

Transportation Subsidies for Schoolchildren (S. 3703).

Unemployment Compensation (S. 3474).

ECONOMY-FINANCE

Abandoned Money Orders and Traveler's Checks (S. 2705).

Bow and Arrow Excise Tax (H.R. 10972).

Check Forgery Insurance (H.R. 6274).

Council on International Economic Policy (H.R. 13839).

Duty Exemptions—SSI Payments—Unemployment Compensation (H.R. 8217).

Duty Suspension—Shoe Lathes (H.R. 8215).

Export Administration (H.J. Res. 1057).

Export Expansion (S. 1486).

Export-Import Bank (S.J. Res. 218).

FDIC Insurance (H.R. 11221).

Foreign Investment in the United States Study (S. 2840).

Housing and Community Development (S. 3066).

National Commission on Supplies and Shortages (S. 3523).

National Securities Market System (S. 2519).

Pension Reform (H.R. 2 [H.R. 4200]).

Public Debt Limit (H.R. 14832).

Renegotiation Act Unemployment Compensation (H.R. 14833).

Securities and Exchange Commission (SEC) Paperwork Reduction (S. Res. 173).

Supplemental Security Income—Unemployment Compensation (H.R. 13025).

Educational Funding and Guaranteed Student Loans (H.R. 12253).

Elementary and Secondary Education (H.R. 69).

Legal Education Assistance (H.R. 15296).

EDUCATION

ELECTION REFORM

Campaign Reform (S. 3044).

Watergate Committee (S. Res. 287), (S. Res. 288), (S. Res. 286), (S. Res. 327), and (S. Res. 328).

ENERGY

Energy Allocation for Tourism Industry (S. Res. 281).

*Energy Emergency (S. 2589).

Energy Supply—Clean Air (H.R. 14368).

Federal Energy Administration (H.R. 11793 [S. 2776]).

Oil Price Increase (S. Res. 249).

Oil Shale Funds (S. 3009).

Solar Heating and Cooling (H.R. 11864).

Truck Fuel Prices (S.J. Res. 185).

Washington Energy Conference (S. Res. 279).

ENVIRONMENT

Environmental Data Centers (S. 1865).

Environmental Education (S. 1647).

Ocean Dumping (H.R. 5450).

Oil Pollution (S. 1070).

Weather Modification (S. 3320).

Woodsy Owl—Smokey Bear (S. 1585).

GENERAL GOVERNMENT

Atomic Energy Commission Authorization (S. 3292).

Blind and Handicapped Products Authorization (H.R. 11143).

Blind Vendor Operations (S. 2581).

Chester Bridge (S. 3546).

Commission on Productivity (S. 1752).

Disaster Relief (S. 3062).

Federal Procurement (S. 3311).

Federal Procurement Policy (S. 2510).

Fire Prevention and Control (S. 1769).

Flood Damage Claims—Louisiana (S. 2201).

Freedom of Information (H.R. 12471).

Historical and Archeological Data (S. 514).

Idaho Admission Act (S. 939).

Law Enforcement Officers' and Firefighters' Retirement (H.R. 9281).

NASA Authorization (H.R. 13998).

National Science Foundation Authorization (H.R. 13999).

No-Fault Motor Vehicle Insurance (S. 354).

Postal Rate Adjustments (S. 411).

Small Business Administration Authority (S. 3331).

Smithsonian Institution Authorization (S. 2137).

Vice Presidential Residence (S.J. Res. 202).

GOVERNMENT EMPLOYEES

Civil Service Retirement Annuities (S. 1866).

Civil Service Survivor Annuities (S. 628).

Civil Service Survivors Eligibility (S. 2174).

Executive, Legislative and Judicial Salaries Increase (S. Res. 293).

Postal Service Retirement Fund (H.R. 29).

Privacy and Rights of Federal Employees (S. 1688).

Withholding Taxes (H.R. 866).

HEALTH

Alcohol Abuse and Alcoholism Prevention (S. 1125).

Alcohol and Drug Abuse Education (H.R. 9456).

Biomedical Research (H.R. 7724).

Diabetes Mellitus (S. 2830).

Health Services (H.R. 11385).

Medical Devices (S. 2368).

National Cancer Program (S. 2893).

National Institute on Aging (S. 775).

Older Americans (H.R. 11105).

School Lunch and Child Nutrition (H.R. 14354).

Sudden Infant Death Syndrome (S. 1745).

INDIANS

Absentee Shawnee Tribe, Oklahoma (S. 3358).

American Indian Policy (S. Con. Res. 37).

Assistant Secretary for Indian Affairs (S. 2777).

Bridgeport Indian Colony, California (S. 283).

Cheyenne-Arapaho Tribes, Oklahoma (S. 521).

Chippewa Cree Tribe, Montana (H.R. 5525).

Citizen Band of Potawatomi Indians, Oklahoma (S. 3359).

Constitutional Rights of Indians (S. 969).

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* Vetoed 1974.

Indian Claims Commission (S. 3007).
Indian Financing (S. 1341).
Indian Self-Determination (S. 1017).
Kootenai Tribe, Idaho (S. 634).
Sisseton and Wahpeton Sioux Tribe, No. and So. Dakota (S. 1411) and (S. 1412).
Spokane Tribe, Washington (H.R. 5035).

INTERNATIONAL

American Hospital of Paris, Inc. (S. 1836).
Arms Control and Disarmament Agency (H.R. 12799).
China Indemnification Agreement (S. 3304).
Colorado River Basin Salinity Control (H.R. 12165).
Foreign Disaster Assistance (H.R. 12412).
Foreign Service Buildings (H.R. 12465).
IDA—Gold—Foreign Service Instructors Retirement (S. 2665).
International Court of Justice (S. Res. 74), (S. Res. 75), (S. Res. 76), (S. Res. 77), and (S. Res. 78).
International Ocean Exposition '75 (S. 2662).
International Wheat Agreement Conference (S. Res. 340).
Japan-United States Cultural Exchange (S. 649).
Middle East Terrorists (S. Res. 324).
Migratory Birds (H.R. 10942).
Military Assistance to Greece (S. 2745).
Missing in Indochina (S. Con. Res. 81).
Missing Newsmen (S. Res. 291).
National Olympic Commission (S. 1018).
Northwest Atlantic Fisheries (H.R. 14291).
Overseas Private Investment Corporation (OPIC) (S. 2957).
Peace Corps Authorization (H.R. 12920).
State Department—USIA Authorizations (S. 3473).
Treaties:
Customs Convention on the International Transit of Goods (Ex. P, 93d-1st).
Extradition Treaty with Denmark (Ex. U, 93d-1st).
Protocols for the Extension of the International Wheat Agreement, 1971 (Ex. C, 93d-2d).
1980 Winter Olympic Games (S. Con. Res. 72).

LABOR

Minimum Wage Increase (S. 2747).
Nonprofit Hospital Employees (S. 3203).

MEMORIALS, TRIBUTES AND MEDALS

B. Everett Jordan, Death of (S. Res. 298).
Chief Justice Earl Warren (S.J. Res. 123).
Georges Pompidou, Death of (S. Res. 304).
Hank Aaron Home Run Record (S. Res. 303) and (S. Res. 305).
J. Edgar Hoover Medals (H.R. 1817).
Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands (S. 2835).

NATURAL RESOURCES

Anadromous Fish Conservation (H.R. 11295).
Big Thicket National Preserve, Texas (H.R. 11546).
Chlorine Allocation (S. 2846).
Eastern Wilderness (S. 3433).
Egmont Key National Wildlife Refuge (H.R. 8977).
Fish and Wildlife Service (H.R. 13542).
Harpers Ferry National Monument (S. 605).
Indoor Recreation Facilities (S. 2661).
Lone Rock Lake Project (S. 1961).
National Ocean Policy Study (S. Res. 222).
Recreation Use Fees (S. 2844).
Rivers and Harbors—Public Works (H.R. 10203 [S. 2798]).
Rocky Mountain National Park, Colorado (S. 2394).
Saline Water Conversion Authorization (H.R. 13221).
Summer Dam and Lake (S. 2001).
Wild and Scenic Rivers—Chattooga River (H.R. 9492 [S. 921]).
Wild and Scenic Rivers—New River (S. 2439).
Wilderness Areas:
Weminuche Wilderness (S. 1863).

NOMINATIONS (ACTION BY ROLL CALL VOTE)

Brig. Gen. Charles A. Gabriel to Maj. Gen., USAF.
John C. Sawhill to be Administrator of the Federal Energy Administration.
Maj. Gen. Alton D. Slay to Maj. Gen., USAF.

PROCLAMATIONS

American Business Day (S.J. Res. 195).
First Continental Congress Anniversary (S. Con. Res. 85).
Honor America (H. Con. Res. 537).
National Agriculture Week (S.J. Res. 163).
National Amateur Radio Week (S.J. Res. 197).
National Historic Preservation Week (S.J. Res. 175).
National Volunteer Week (S.J. Res. 179).

TRANSPORTATION-COMMUNICATIONS

Aircraft Hijacking (S. 39).
Aircraft Piracy (S. 872).
Alien Radio Station Licenses (S. 2457).
Communications Common Carrier Charges (S. 1227).
Communications Common Carrier Service Applications (S. 1479).
Cumbres and Toltec Scenic Railroad (S. 2362).
FM Radios (S. 585).
Forest Highway Funds (S. 3490).
Maritime Supplemental Authorization (H.R. 12925).
SS "Guam Bear" and SS "Hawaii Bear" (H.R. 11223).
SS "Independence" (H.R. 11223).
Tariffs and Freight Rates (S. 1488).
Urban Mass Transit (S. 386).
Vessel Tonnage Deductions (S. 1353).

VETERANS

American War Mothers, Inc. (S. 2441).
Disability Compensation and Survivor Benefits (S. 3072).
GI Bill Benefits (S. 3398) and (S. 3705).
Life Insurance (H.R. 6574).
POW Families, Funeral Transportation for (S. 3228).
U.S. Flag Presentation (H.R. 5621).
Vietnam Veterans (H.R. 12628 [S. 2784]).

SENATE LEGISLATIVE ACTIVITY

(93d Congress, 2d Session)

(By Senate Democratic Policy Committee)

Days in Session	88
Hours in Session	539:25
Total Measures Passed	340
Private Laws	26
Public Laws	75
Treaties	3
Confirmations	31,747
Record Votes	271

Symbols: P/H—Passed House; P/S—Passed Senate; *—Vetoed 1974; (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

Animal health research

Authorizes $75 million annually to increase funding for animal health research at colleges of veterinary medicine, or, at institutions where there are no such colleges, the State agricultural experiment stations conducting animal health research; sets a formula for distribution of funds based on the value of and income generated by livestock and poultry in each State and on the animal health research capacity at the eligible institutions; provides for additional grants for research on specific national or regional animal health problems; and establishes an Advisory Board appointed by the Secretary of Agriculture to make recommendations on matters related to the administration of the Act. H.R. 11873. P/H Feb. 7, 1974; P/S amended Mar. 28, 1974; In conference. (VV)

Fertilizer

Expresses a sense of the Senate that: all Federal agencies should give the highest priority to the U.S. fertilizer industry in establishing allocation priorities for distribution; the U.S. fertilizer industry should distribute fertilizer supplies among farmers in a timely and equitable manner, and at reasonable prices; the Federal Power Commission, and appropriate State regulatory agencies, should establish priorities for the allocation of natural gas to nitrogen fertilizer producers sufficient to insure them of supply levels required to maintain maximum production levels; the Federal Energy Office should give the highest priority allocation to the fertilizer industry's needs for gasoline, middle-distillates, and other liquid fuels utilized in the production, distribution, and application of fertilizer; the Cost of Living Council and the Departments of Agriculture and Commerce should continue their monitoring and reporting of fertilizer supply availabilities, wholesale and retail prices, and export shipments; and the Cost of Living Council should establish a monitoring and investigatory program through the office of the IRS to determine the factual basis of any alleged price gouging involving either fertilizer wholesalers or retailers. S. Res. 289. Senate adopted Feb, 27, 1974. (VV)

Food assistance programs

Makes mandatory for a 3-year period the authority of the Secretary of Agriculture under Public Law 93-86 to purchase agricultural commodities that are not in surplus supply for donation to certain food programs; authorizes the Secretary to pay each State agency 50 percent of all of the State agency's costs in administering the Food Stamp Program instead of, as at present, 62.5 percent of only certain designated administrative costs; requires that States report from time to time at the request of the Secretary on the effectiveness of the administration of the Food Stamp Program; amends section 3 of the Child Nutrition Act of 1966 to establish a 5-cent minimum rate of reimbursement for each half-pint of milk served in the special milk program, with annual adjustment beginning with the 1976 fiscal year to reflect changes in costs; and contains other provisions. S. 3458. P/S May 2, 1974; P/H amended June 27, 1974; Senate adopted conference report June 27, 1974. (VV)

Food stamps

Extends for 1 year, until July 1, 1975, the period of eligibility wherein supplemental security income recipients may receive food stamps. H.R. 15124. Public Law 93- , approved 1974. (VV)

Forest management

Requires the Secretary of Agriculture to prepare a National Renewable Resource Assessment not later than December 31, 1974, and to update it during 1979 and each 10th year thereafter; expands the resource surveys under 16 USC 581h to include all renewable resources, and changes the authorization therefor from $5 million annually to the amount needed; requires the Secretary to prepare a Forest Service Renewable Resource Program not later than December 31, 1974, covering the five fiscal years beginning July 1, 1975, and at least each of the next 4 fiscal decades, and to update such program each five years thereafter; requires transmission of the Assessment and Program to Congress in 1975 and after each updating; requires expenditure of appropriated funds except to the extent the appropriation act provides for discretion, or events occurring after enactment of the appropriation prevent the accomplishment of its purpose; requires an annual progress report by the Secretary; requires national forest system management to be on a current basis by the year 2000; encourages the use of appropriated funds for forest road and trail construction; directs the Secretary to avoid use of purchaser road construction authority in a manner that would unduly affect forest revenues and payments to a particular county; and requires Forest Service offices to be located near Forest Service operations. S. 2296. P/S Feb. 21, 1974. (VV)

Forest pest control

Amends the Forest Pest Control Act to provide that funds appropriated to carry out the program of eradication and control of forest insect pests and diseases are to remain available until expended. S. 3371. P/S May 7, 1974. (VV)

Livestock credit

Establishes a temporary 1 year guaranteed loan program to assist farmers and ranchers, including operators of feedlots, who are primarily engaged in breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, chickens, turkeys, or their products; requires the Secretary of Agriculture to guarantee up to 90 percent of loans made by an approved lender at an interest rate to be determined, with a $350,000 limit to any individual; requires that the borrower must be unable to obtain financing without the guarantee; requires repayment in not more than 7 years with a possible renewal for not more than 5 additional years; and provides for a 6 month extension of the program if the Secretary so determines. S. 3679. P/S June 24, 1974. (262)

Poultry indemnity payments

Authorizes the Secretary of Agriculture until December 31, 1974, to pay compensation for contaminated poultry, eggs, and poultry and egg products, including the costs of disposing of such items, to producers, growers, and processors who have been advised after January 1, 1974, that their products contained unsafe residues of the pesticide dieldrin or other chemicals registered and approved for use by the Federal Government at the time of such use, and to compensate their employees for wages lost as a result of this condition, and to investigate and report to Congress within a year on the circumstances, which resulted in the economic loss. S. 3231. P/S Apr. 23, 1974. (141)

Rice allotment transfers

Permits rice growers who are unable to plant part or all of their farm acreage allotments because of floods or other natural disasters to transfer their allotments to other farms in the same or a near county on which they will have an interest in the particular commodity. S. 3075. P/S Mar. 13, 1974. (VV)

Top level positions in the Department of Agriculture

Upgrades the position of Under Secretary of Agriculture to Deputy Secretary of Agriculture; establishes two new positions of Assistant Secretary of Agriculture; changes the position of Administrator, Animal and Plant Health Inspection Service, from GS-18 to Executive Level V; increase the membership of the Board of Directors of the Commodity Credit Corporation from six to seven, in addition to the Secretary; and abolishes four existing positions. S. 3031. P/S May 8, 1974. (VV)

Wheat supplies

States a sense of the Senate that the Secretary of Agriculture should: immediately conduct a survey of all wheat milling firms and bakeries to determine their position with regard to wheat supplies and requirements during the remainder of the 1973–74 marketing year; conduct a county-by-county survey to determine the amount of uncommitted wheat stocks remaining in the ownership of all grain dealers and farmers; and work with the Interstate Commerce Commission to expedite transportation of existing wheat stocks to the millers and bakers in need of additional supplies. S. Con. Res. 70. Senate adopted Feb. 25, 1974. (VV)

APPROPRIATIONS

1974

Supplemental

Appropriates $9,301,474,398 to provide additional funding for the various departments and agencies for fiscal year 1974; includes: for the Department of Agriculture, $500 million for the Food Stamp Program, and $23,661,000 for the watershed and flood prevention programs; $2,139,312,000 for the Department of Defense, Military, to be considered as an "advance" on fiscal year 1975 appropriations; $133 million (termed "Middle East Pay-back") for replacement in the U.S. defense inventory of equipment sold to Israel which must be replaced at a current price higher than that received at the time of transfer to Israel; for foreign operations, $49 million for Indochina postwar reconstruction assistance; $250,000 for migration and refugee assistance upon enactment of authorizing legislation; reallocates funds appropriated under disaster relief, originally allocated for the Sahel region, for use in all the drought stricken nations of Africa; includes an additional $36.2 million for disaster relief in the United States caused by tornados during the spring; $2,265,584,000 for manpower assistance programs; $20 million for elementary and secondary education; $12.5 million for the Office of Economic Opportunity; $2 million to alleviate the present crisis in the District of Columbia criminal justice system caused by lack of funds to pay court-appointed counsel; $47 million for Amtrak for expansion and acquisition of stock; $3,874,791,595 to meet increased costs in Federal salaries and expenses; and contains other provisions. H.R. 14013. Public Law 93-305, approved June 8, 1974. (174)

Veterans' Administration supplemental

Appropriates $750 million to the Veterans' Administration to insure the availability of funds for financing Readjustment Benefits of the Nation's post-Korean conflict veterans, their sons and daughters, and their wives and widows. H.J. Res. 941. Public Law 93–261, approved Apr. 11, 1974. (VV)

1975

Continuing

Provides funds for continuing governmental functions to September 30, 1974, for programs for which fiscal year 1975 funds have not been appropriated at either its current operational level or the lesser level passed by either House, or if applicable legislation has passed neither Houses, at either the budget estimate or the current level, whichever is lower; includes provisions to guard against the reduction or termination of any specific Labor-HEW programs; provides for distribution of title I funds of the Elementary and Secondary Education Act as contained in H.R. 69, as passed the Senate; provides an annual rate of $1 billion for continued support of South Vietnamese military forces; and contains other provisions. H.J. Res. 1062. Public Law 93– , approved 1974. (266)

Energy research and development

Appropriates $2,236,089,000 to accelerate the Federal program of energy research and development, particularly in the fields of atomic energy and coal gasification and liquefactions, including funds for the Atomic Energy Commission; Interior Department; National Science Foundation; Environmental Protection Agency; National Oceanic and Atmospheric Administration; Federal Energy Office; National Aeronautics and Space Administration; and Department of Transportation. H.R. 14434. Public Law 93– , approved 1974. (244)

Legislative

Appropriates $718,389,511 for the legislative branch for fiscal year 1975, including $20.9 million for the restoration of the west Central Front of the Capitol without change of its location or its present architectural appearance; increases the salaries of the Senate's highest officials, the top position in each Senator's office and the two highest levels on all Senate committees; expands the service activities of the Sergeant at Arms by providing a developmental capability for the computer center, the establishment of a microfilm center, and additional Capitol Police; authorizes the Secretary of the Senate to withhold State income tax; restores 62 of the 95 positions disallowed by the House for the Library of Congress, including 24 for the Congressional Research Service; authorizes payment of witness fees for persons appearing before the Senate Majority and Minority Policy Committees; reinstates requirement for publishing congressional travel expenses in the Congressional Record; and contains other provisions. H.R. 14012. P/H Apr. 9, 1974; P/S amended June 20, 1974; Senate requested conference June 20, 1974. (259)

Veterans' Administration urgent supplemental

Appropriates a total of $179 million for the Veterans' Administration to cover the increased rates of disability, dependency, and indemnity compensation for disabled veterans and their survivors as provided for in Public Law 93-295, which became effective May 1, 1974, and the 30 day extension of education benefits under the GI bill, as well as for general operating expenses. H.J. Res. 1061. Public Law 93– , approved 1974. (268)

CONGRESS

Budget reform—impoundment control

Establishes a new congressional budget process;

Establishes Senate and House Committees on the Budget and also, a Congressional Budget Office (COB) which shall (1) provide the Budget and other committees of both Houses and information and assistance regarding matters relating to the budget, appropriation bills, other bills authorizing or providing budget authority, revenues, receipts, estimated future revenues and receipts, changing revenue conditions, and such other information as the committees may request; (2) issue a report as soon as possible after the beginning of the fiscal year which projects for 5 fiscal years total new budget authority and total budget outlays for each of the fiscal years, revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each of the fiscal years, (3) report by April 1 of each year to the Budget Committees, addressed to fiscal policy and national budget priorities, which will discuss the impact of alternative levels or revenues and outlays for the coming fiscal year on national growth and development;

Changes the Federal fiscal year from July 1–June 30 to October 1–September 30 beginning in 1976, with provisions for an interim transition period from July 1, 1976, to September 30, 1976, and establishes the following timetable for the budget process:

By November 10: The President submits the current services budget (a document showing programs and funding levels for the year just past), thus giving the Congress line-item information with which to begin analysis and preparation of the budget for the coming fiscal year prior to receipt of the President's budget;

Fifteen days after Congress meets: The President submits his budget;

By March 15: Committees and joint committees submit reports to the Budget Committees;

By April 1: COB submits report to Budget Committees;

By April 15: The Budget Committees report the first concurrent resolution on the budget to their Houses, setting forth (1) appropriate levels of total budget authority and outlays; (2) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, including contingencies and for undistributed intragoverument transactions; (3) appropriate surplus or deficit; (4) recommended level of Federal revenues and any recommended aggregate revenue-increase or decrease; (5) appropriate level of and recommended changes, if any, in the public debt, and (6) such other matters relating to the budget as may be appropriate;

By May 15: The appropriate committees report bills and resolutions authorizing new budget authority (with the exception of entitlement authority or omnibus social security legislation);

By May 15: Completion of all action on the first concurrent budget resolution;

Seventh Day After Labor Day: Completion of action on bills and resolutions providing new budget authority and new spending authority:

By September 15: Completion of action on the second required concurrent budget resolution;

By September 25: Completion of action on reconciliation bill or resolution containing provisions necessary to accomplish any change or changes in budget authority, revenues, or the statutory public debt directed by the second required budget resolution;

October 1: The fiscal year begins:

Provides that the first concurrent budget resolution must be adopted before any measures providing for new budget authority, entitlement authority, and changes in revenues or the public debt limit are to be considered on the floor, with the exception of advance appropriations or advance revenue changes; contains a procedure for waiver of the prohibition in the Senate;

Authorizes additional budget resolutions;

Requires that proposed legislation providing contract or borrowing authority must provide that such new spending authority is to be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation acts, thus subjecting such legislation to the appropriations process, with the exception of such authority now in effect and all existing social security trust funds, 90 percent self-financed trust funds, general revenue sharing (to the extent provided in the legislation), outlays of government corporations, and gifts to the United States;

Makes entitlement authority (entitles persons or governments who meet the requirements to receive payments from the Federal Government) subject to the reconciliation process, with social security and 90 percent self-financed trust funds and government corporations not subject to the referral process for amounts exceeding the budget allocation;

Provides that after the budget process for a fiscal year has been completed it shall not be in order to consider any new budget authority or entitlement measure for that year which would cause the level of budget authority or outlay to be exceeded or reduced;

Contemplates that in the future that authorization bills will be enacted a year or more in advance of the period for which appropriations are to be made;

Provides in title X, the Impoundment Control Act of 1974, that if the President determines that certain budget authority is not required to meet the objectives of a program or should be rescinded for fiscal purposes, or whenever all or part of budget authority provided for only one fiscal year is to be reserved from obligation for such fiscal year, he shall transmit a special message requesting a recission of the budget authority, and, unless both Houses complete action on a recission bill within 45 days, the budget authority shall be made available for obligation; also provides for a second type of message concerning deferral, which includes any withholding or delaying the availability for obligation of budget authority, and requires the President to obligate the funds if either House passes an "impoundment resolution" disapproving the proposed deferral at any time after receipt of the special message; amends the Anti-deficiency Act regarding the placing of funds in reserve by deleting an "other developments" clause, permitting reserves solely to provide for contingencies, or effect savings where possible by change in requirements or greater efficiency;

And contains other provisions, H.R. 7130, Public Law 93, approved 1974. (81,261).

Congressional Record postal rates

Provides that the Congressional Record be entitled to be mailed at the same rates of postage at which any newspaper or other periodical publication, with a legitimate list of paid subscribers, is entitled to be mailed. S. 3373. Public Law 93-314, approved June 8, 1974. (VV)

Office of Management and Budget

Amends the Budget and Accounting Act, 1921, to require Senate confirmation of future appointments to the offices of Director and Deputy Director of the Office of Management and Budget, effective in each case, immediately after the individual holding that office on the date of enactment ceases to hold the office and, effective immediately in the case of a vacancy in either position on the date of enactment. S. 37. Public Law 93-250, approved Mar. 2, 1974. (VV)

Senate committee employees pay—franked mail

Eliminates the statutory minimum rate of compensation for Senate committee employees and eliminates the requirement that the words "Postage paid by Congress" be printed on franked mail. S. 2315. Public Law 93-255, approved Mar. 27, 1974. (VV)

CRIME-JUDICIARY

Canal Zone marriage licenses

Transfers the duties for issuing and recording marriage licenses and related activities, from the United States District Court of the Canal Zone to the civil affairs director of the Canal Zone Government. S. 2348. P/S Mar. 29, 1974. (VV)

Commission on revision of the Federal Appellate System

Extends the final date for the report of the Commission on Revision of the Federal Court Appellate System from September 21, 1974, to June 21, 1975, and increases its authorization from $270,000 to $1 million. S. 3052. P/S Mar. 26, 1974. (VV)

"Cooly trade" laws

Repeals the "Cooly Trade" laws which prohibit the procuring, transportation, disposition, sale, or transfer of Oriental persons as servants or apprentices, or to be held to service or labor. S. 2220. P/S May 6, 1974. (VV)

Legal Services Corporation

Establishes a private nonprofit, federally funded legal services corporation (to which the duties and responsibilities of the current legal services program in the Office of Economic Opportunity will be transferred) for the purpose of providing high quality legal assistance to those who cannot afford adequate legal counsel; places the administration of the Corporation in a Board of Directors consisting of 11 members appointed by the President with the advice and consent of the Senate and provides that not more than six shall be of the same political party, that a majority be members of the bar of the highest court of any State, and that none be full-time employees of the United States; provides that the Chairman shall be selected from the Board members by the President for a 3-year term and thereafter the Board shall elect annually the Chairman from its members; provides that within 6 months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for the State which shall be charged with notifying the Corporation of any alleged violation of this Act; makes statury provision for a 15-member National Advisory Council (which shall be representative of the organized bar, legal education, project attorneys, eligible clients and the general public) to consult with the Board regarding the rules, regulations and activities of the Corporation;

Authorizes the Board to appoint a President of the Corporation, who shall be a member of the bar of the highest court of any State, and any other corporate officers; provides that no officer of the Corporation may receive any compensation from any source other than the Corporation during employment by the Corporation except as authorized by the Board;

Provides that all officers and employees of the Corporation are to be treated as private employees except for certain rights and benefits of employees of the Federal Government (work injuries, retirement, and health and life insurance); further provides that the Corporation shall be considered a private nonprofit entity for all statutory purposes, including those concerning labor relations, except as otherwise specified;

Authorizes the Corporation to make grants and contracts with individuals, partnerships, firms, and nonprofit organizations and corporations for the purpose of providing legal assistance to eligible clients; authorizes the Corporation, either directly or by grant or contract, to provide for research, recruitment, training, and information clearinghouse activities, to enhance the efficiency and effectiveness of legal services programs; authorizes technical assistance in connection with legal assistance activities; sets requirements and procedures for insuring compliance with the law, rules, regulations and guidelines under which the recipients of assistance, grants or contracts will operate; provides that the Canons of Ethics or the Disciplinary Rules of the Code of Professional Responsibility would be fully applicable to the actions and responsibilities of attorneys in the legal services program; prohibits an attorney from receiving compensation for providing legal assistance under this Act unless he or she is admitted to practice in the jurisdiction where such assistance is initiated; prohibits employees of the Corporation or any recipient from engaging in or encouraging any public demonstration or picketing, boycott, or strike; makes special provision for bilingual legal assistance; prohibits the Corporation from influencing the passage or defeat of any legislation—by the Congress or any State or local legislature; prohibits contributions of funds, equipment, or personnel to any political party or campaign or for use in influencing any ballot measures or referendums;

Provides that the Corporation, in consultation with the Director of the Office of Management and Budget and with the Governors of the States, establish maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance; prohibits the use of funds for legal assistance with respect to a criminal proceeding, or to make grants to, or contracts with, any public interest law firm which expends 50 percent or more of its resources litigating issues in the broad interests of a majority of the public; makes special provisions for legal assistance to persons 18 years of age; authorizes $71.5 million for fiscal year 1974, $90 million for fiscal year 1975 and $100 million for 1976 and thereafter;

And contains other provisions. H.R. 7824. P/H June 21, 1973; P/S amended Jan. 31, 1974; House adopted conference report May 16, 1974. (28)

Mandatory dealth penalty

Imposes by statute a mandatory death penalty for offenses for which the death penalty is available because death resulted, as follows where: (1) the offense involves flight by a prisoner from the custody of an officer or from an institution, gathering or delivering defense information to aid a foreign government, transportation of explosives in interstate commerce, destruction of government property, destruction of property in interstate commerce, kidnaping, treason, and aircraft piracy; (2) the defendant has been convicted of another offense, State or Federal, for which a sentence of life imprisonment or death was authorized by statute; (3) the defendant has previously been convicted of two or more offenses, State or Federal, which carried a penalty of more than 1 year's imprisonment and which involved the "infliction of serious bodily injury upon another person"(4) the defendant knowingly create a grave risk of death to another person in the commission of the offsene; (5) the offense was committed in an especially heinous, cruel, or depraved manner; (6) the defendant procured commission of the offense by payment or promise of payment; (7) the offense was committed for money or anything of pecuniary value; and (8) the offense was committed against the President, Vice President, President or Vice President elect, or if no Vice President, the officer next in order of succession, a chief of state of a foreign nation, certain foreign officials in the United States because of official duties, a Justice of the Supreme Court, a Federal law enforcement officer or an employee of a Federal prison;

Also provides in regard to offenses concerning defense information or treason that the sentence of death shall be imposed in cases where (a) the defendant has been convicted of another previous offense concerning defense information or treason, for which a sentence of life imprisonment or death was authorized by statute; or (b) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security and it is found that the offense directly concerned nuclear weaponry, or other major weapons system or major element of defense strategy; or (c) in the commission of the offense the defendant knowingly created a grave risk of death to another person;

Makes the following exceptions to the imposition of the death sentence where, at the time of the offense, (1) the defendant was under 18 years of age; (2) his or her capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired but not so much as to constitute a defense for prosecution; (3) he or she was under unusual and substantial duress, although not such as to constitute a defense for prosecution; (4) he or she was a principal in the offense, which was committed by another, but the participation was relatively minor, though not so minor as to constitute a defense; (5) he or she could not reasonably have forseen that his conduct in the course of the commission of the offense which resulted in the death for which he or she was convicted would cause, or would create a grave risk of causing, death to any person; or (6) as allowed by the court when hostages have been released by the defendant on the assurance of the Attorney General that their release would be a factor mitigating the application of the mandatory death sentence;

Establishes a procedure whereby a hearing shall be held after conviction or plea of guilty for the purposes of determining whether any of the exceptions apply; contains provisions concerning appeal from a sentence of death under this procedure; and contains other provisions. S. 1401. P-S Mar. 13, 1974. (69)

Military claims

Increases from $15,000 to $25,000 the limit for administrative settlement of claims against the United States arising from noncombat activity of the Armed Forces, and increases from $2,500 to $5,000 the limit for the delegation of authority to settle claims. H.R. 9800. Public Law 93- , approved 1974. (VV)

Narcotic treatment

Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91-513, commonly called the Controlled Substances Act, to provide new authority for the regulation of the use of narcotic drugs in the treatment of narcotic addicts; provides definitions of "maintenance treatment" to enable the Attorney General to establish more specific and comprehensive regulatory control over the handling of narcotic drugs used in the treatment of narcotic addicts; requires practitioners who dispense or administer narcotic drugs in the treatment of narcotic addicts to obtain a special registration predicated on the approval of treatment standards by the Secretary of Health, Education, and Welfare and the approval of security standards by the Attorney General; enables the Attorney General to deny, revoke, or suspend the special registration for failure to comply with the new standards; makes the full range of civil remedies and felony penalties available under the Controlled Substances Act applicable to practitioners who provide narcotic drugs without obtaining the special registration, in violation of the registration, or after revocation of the registration; and requires the special registered practioners to keep complete records of narcotic drugs directly administered to patients in their presence. S. 1115. Public Law 93-281, approved May 14, 1974.

DEFENSE

Aviation crew incentive pay

Restructures the flight-pay system of the uniformed services in order to achieve a more equitable distribution of flight pay and to increase the ability of the uniformed services to attract and retain officer aviator crewmembers in an all volunteer environment. H.R. 12670. Public Law 93-294, approved May 31, 1974. (VV)

Coast Guard laws

Changes the Coast Guard's authority relating to aids of navigation by extending its jurisdiction to additional water areas within and beyond the territorial waters of the United States and to non-navigable waters covered by the Federal Boat Safety Act of 1971; provides the authority necessary to carry funds over until the completion of projects for which funds were originally appropriated and provides continuing authorization for the payment of certain confidential investigative expenses; authorizes funds to provide for primary and secondary education for dependents of Coast Guard personnel stationed outside the continental United States whenever schools in the locality are unable to meet their educational needs; and makes changes in certain Coast Guard laws pertaining to personnel matters in the areas of housing, promotion, the Coast Guard Reserve, and the Coast Guard Auxiliary. H.R. 9293. Public Law 93-283, approved May 14, 1974. (VV)

Defense production

Extends the Defense Production Act of 1950 for 2 years, from June 30, 1974, to June 30, 1976. S. 3270. P/S June 13, 1974. (VV)

Extends the Defense Production Act of 1950, which would expire on June 30, 1974, for an additional 30 days. H.J. Res. 1056. Public Law 93- , approved ——— —, 1974. (VV)

Enlistment and reenlistment bonuses

Revises the special pay bonus structure relating to members of the Armed Forces to provide enlistment and reenlistment incentives designed to insure adequate manning in an all-volunteer environment; provides, through June 20, 1977, for a maximum reenlistment bonus of $15,000 with the understanding that this maximum would be limited to the nuclear field only; and provides a bonus of up to $3,000 for an enlistment of at least 4 years in any critical skill area in any service. S. 2771. Public Law 93-277, approved May 10, 1974. (VV)

Enlistment qualifications

Establishes uniform enlistment qualifications with regard to age, parental consent, and time of enlistment options for male and female persons in the armed services retaining however, the discretionary authority of the Secretary to set as a matter of policy a higher minimum age than seventeen or a lower maximum age than thirty-five for accepting enlistments. H.R. 3418. Public Law 93-290, approved May 24, 1974. (VV)

Medical officers' pay

Increases the special pay bonus for physicians (including physicians of the Public Health Services) for each year's extension of active duty to reduce the gap between the incomes of civilian and military physicians to insure a level of staffing in an all-volunteer environment; limits the new bonuses to officers in the pay grade O-6 (colonel) and below; provides a maximum bonus of $13,500 per year excluding those undergoing initial residency training and the first 4 years of obligated service; and contains other provisions. S. 2770. Public Law 93-274, approved May 6, 1974. (VV)

Military procurement authorization

Authorizes a total of $21.8 billion for fiscal year 1975 for military procurement, research and development, active duty, Selected Reserve and civilian personnel strengths, and student loads;

Includes $12.9 billion for procurement of aircraft, naval shipbuilding and conversion, tracked combat vehicles, torpedoes, and other weapons, and $8.9 billion for research and development;

Authorizes a year-end strength of 2,098,100 for active duty personnel; reduces by 20 percent personnel stationed in Europe, based on the June 30, 1974, level, with half of the reduction to be completed by June 30, 1975, and the full reduction completed by June 30, 1976; prohibits an increase in the total number of U.S. tactical nuclear warheads in Europe except in the event of hostilities;

Authorizes an average strength of 1,018,434 for the Selected Reserve component including the Coast Guard; authorizes a year-end strength of 982,700 for civilian personnel within the various military departments and agencies; authorizes an average military student training load of 276,287; prohibits the denial of educational assistance to any person because they are enrolled in a college or university that has terminated its ROTC program;

Authorizes $900 million, including $212.3 million for procurement of aircraft, missiles, tracked combat vehicles, and other weapons, to support South Vietnamese military forces; prohibits the use of any of these funds to provide military assistance to Cambodia or Laos;

Provides that nothing in this act shall be construed as authorizing the Central Intelligence Agency to carry out any internal security operation (with certain protective or routine exceptions) or to participate in any illegal activity within the United States;

Limits to 218 the number of enlisted personnel who may be temporarily assigned as a servant to an officer;

Prohibits the use of funds to carry out scientific research programs upon dogs;

Prohibits the use of funds after December 31, 1975, for naval training operations at Culebra Island;

Prohibits flight testing of the Minuteman missile from any place within the United States except Vandenberg Air Force Base;

Prohibits the use of funds for stockpiling war materials or equipment for use by Asian countries except as authorized under the Foreign Assistance Act of 1961 or the Foreign Military Sales Act;

Prohibits the Department of Defense from contracting for goods that are not American-made, with certain specified exceptions; requires that all medical purchases of items $2,500 or more be obtained by competitive bidding except when an extreme circumstance exists; requires agency heads to submit to Congress reports of contracts or purchases amounting to $1 million or more which were not obtained by competitive bidding; directs the Comptroller General to conduct a study of defense procurement policy with a view toward increasing competitive bidding and to submit the results of the study to Congress;

Authorizes the President to prohibit trade to an Eastern bloc country if he determines that it will significantly increase the military capability of the country;

Provides for a one-time recomputation of military retired pay at the January 1, 1972, basic rate of pay;

And contains other provisions. H.R. 14592. P/H May 22, 1974; P/S amended June 11, 1974; In conference. (239)

Military procurement supplemental authorization

Authorizes $769,049,000 in supplemental appropriations for fiscal year 1974 for procurement including replacement of and support items for aircraft and synthetic flight trainer simulators, naval vessels, missiles, tracked combat vehicles, and other weapons for the armed forces; provides, under the military family housing program, the necessary funding authority to cover pay increases already approved by law; reaffirms the $1.126 billion statutory ceiling enacted in 1974 for military aid to South Vietnam and provides that this amount shall not be circumvented by accounting adjustments; prohibits denial of enlistment to a volunteer on the basis of not having a high school diploma; and contains other provisions. H.R. 12565 (S. 2999). Public Law 93-307, approved June 8, 1974. (VV)

Service academy appointments

Authorizes the Secretary of the Army to permit one citizen of Laos to attend the United States Military Academy at no expense to the U.S. Government. S.J. Res. 206. Public Law 93-317, approved June 22, 1974. (VV)

DISTRICT OF COLUMBIA

Advisory neighborhood councils

Amends the District of Columbia Self-Government and Governmental Reorganizational Act (Public Law 93-198) to make clear that only a majority of voters voting on the issues in the May 7th referendum are needed to ratify the Advisory Neighborhood Council. H.R. 12109. Public Law 93-272, approved Apr. 24, 1974. (VV)

American University, Inc.

Amends the act of incorporation of American University to clarify the relationship of the university to the United Methodist Church, under whose auspices and control the university has existed. S. 3389. P/S June 21, 1974. (VV)

Attorney's fees

Makes the Federal Criminal Justice Act applicable to the District of Columbia and provides for a court-appointed counsel to represent defendents who are financially unable to obtain an adequate defense in criminal cases. S. 3703. P/S June 27, 1974. (VV)

Executive Protective Service

Increases the authorized size of the Executive Protective Service from 850 to 1,200 in order to expand protection for embassies and other diplomatic facilities in the D.C. area. S. 3124. P/S May 6, 1974. (VV)

Marriage licenses

Repeals provisions of present law requiring that the color of the applicants be included on the application for a marriage license. S. 3476. P/S June 19, 1974. (VV)

Pennsylvania Avenue Development Corporation

Amends the Pennsylvania Avenue Development Corporation's enabling act to enhance its capabilities to plan and redevelop the north side of Pennsylvania Avenue between the Capitol and the White House; provides limited authority for noncompetitive hiring of experts and consultants for specified periods of time without regard for advertising and at rates not in excess of the rate in effect for GS-18; reinstates the expired moratorium on construction within the development area, and continues it until such time as the plans have been fully reviewed by Congress; and increases the authorization therefor from $1 million to $1.75 million. S. 3301. P/S May 30, 1974. (VV)

Sewell-Belmont House

Designates the Sewell-Belmont House at 114 Constitution Avenue, N.E., in Washington, D.C. which is now the headquarters for the National Women's Party, as a national historic site and authorizes the Secretary of Interior to proceed cooperatively with its restoration. S. 3188. P/S June 19, 1974. (VV)

Smallpox vaccination

Repeals provisions in present law requiring compulsory vaccination against smallpox for public school students. H.R. 8747. Public Law 93- , approved 1974. (VV)

Taxability of certain dividends—D.C. election

Amends the existing District of Columbia tax laws to provide with respect to all taxable years ending after December 31, 1973, that dividends and interest received by a corporation from an insurance company, bank, and other savings institution subject to the 2 percent net premium tax imposed under present law shall not, when paid to the parent corporation, be considered as income from sources within the District, and thus shall not be subject to the District of Columbia income tax; provides that, upon ratification of the Charter by D.C. residents on May 7, 1974, employees shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman or member of the Council; provides that employees who are duly qualified candidates may take an active part in political management or political campaigns for such elections; and exempts the Mayor, and members of the city council or the Chairman of the Council from prohibitions against active participation in political management and political campaigns contained in the Hatch Act. H.R. 6186. Public Law 93-268, approved Apr. 17, 1974.

Transportation subsidies for school children

Extends for 3 years, to fiscal year 1977, the provisions subsidizing common carriers in order to provide reduced-rate transportation for school children to and from D.C. schools. S. 3477. P/S June 27, 1974. (VV)

Unemployment compensation

Amends the District of Columbia Unemployment Compensation Act to remove the maximum limitation of 2.7 percent of his payroll that an employer may make. S. 3474. P/S June 19, 1974. (VV)

ECONOMY-FINANCE

Abandoned money orders and traveler's checks

Permits the State in which a money order or traveler's check was purchased to claim the money in the event the money order or traveler's check becomes abandonded unless that State's law does not provide for escheat or there is no record of place of purchase, in which case the State in which the obligor has its principal place of business may claim the moneys. S. 2705. P/S Feb. 28, 1974. (VV) Note: These provisions are contained in the FDIC Insurance bill, H.R. 11221.

Bow and arrow excise tax

Delays for six months the date on which the new 11 percent excise tax on bows and arrows would be imposed by manufacturers and importers such tax to provide additional funds for certain wildlife restoration projects. H.R. 10972. Public Law 93-313, approved June 8, 1974. (VV)

Check forgery insurance

Extends the availability of Check Forgery Insurance Fund to permit payment to payees and special indorsees on forged checks drawn on United States dollars or foreign currencies on depositaries designated by the Secretary of the Treasury in the United States or abroad, by Government disbursing officers. H.R. 6274. P/H Sept. 17, 1973; P/S amended Mar. 25, 1974. (VV)

Council on international economic policy

Authorizes $1.8 million for fiscal year 1975 for the Council on International Economic Policy. H.R. 13839. Public Law 93-315, approved June 22, 1974. (VV)

Duty exemptions—SSI payments—unemployment compensation

Exempts from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971; liberalized and simplifies the retirement income credit for persons receiving annuity or other retirement income; amends the Social Security Act to provide reimbursement to State and local governments for any interim payments they make to an aged, blind, or disabled individual applying for Supplemental Security Income (SSI) benefits whose claim has been delayed through processing, by authorizing the Social Security Administration, upon authorization by the individual, to withhold from his first SSI check an amount sufficient to reimburse the State for any interim payment; provides for an automatic cost-of-living increase for SSI benefits at the same time and by the same percentage as social security benefits are increased and requires each State to raise the level or income assurance which it has established for SSI recipients by the dollar amount of the increase in the Federal SSI level; extends for 1 year the benefits under the Federal-State unemployment insurance program to provide an additional 13 weeks of unemployment benefits and continues the present temporary waiver of the requirement that a State's insured unemployment must be increasing by 20 percent over the past 2 years; extends for

3 years payments to States under medicaid plans for compensation or training of inspectors of long-term care institutions; extends for 1 year a study by the National Science Foundation on supervisory positions in teaching hospitals; continues the discretionary authority of States to impose a premium on the medically needy (persons with too much income to qualify for cash assistance but not enough to pay for their medical care); directs the Committee on Internal Revenue Taxation to study the Renegotiation Act to determine if it should be extended beyond fiscal year 1975; and clarifies the way in which certain farm rental income is treated for social security purposes. H.R. 8217. P/H Oct. 2, 1973; P/S amended June 27, 1974. (VV)

Duty suspensions—shoe lathes

Continues to June 30, 1976, the suspension of duty on copying shoe lathes used for making rough or finished shoe lasts from models of shoe lasts and capable of producing more than one sized shoe from a single model of shoe last. H.R. 8215. Public Law 93-310, approved June 8, 1974. (VV)

Export administration

Extends the Export Administration Act which would expire on June 30, 1974, for an additional 30 days. H.J. Res. 1057. Public Law 93 , approved 1974. (VV)

Export expansion

Establishes new export expansion programs to facilitate the entry of more American firms into export trade and to encourage certain American companies already exporting to increase their exports by: (1) authorizing a categorical grant program to States, regions, and municipalities for export promotion projects; (2) authorizing export training programs to be conducted under the aegis of the Department of Commerce; (3) authorizing establishment of regional export assistance centers (4) authorizing a program for the simplification of documentation, to be conducted by the Secretary of Transportation; (5) establishing a Federal Export Agency, with two export expansion programs, within the Department of Commerce; (6) requiring Federal agencies to prepare international economic assessment impact statements on any Federal action or proposal which would significantly affect the international economic relations, balance of payments, or balance of trade of the United States; (7) amending the Export Trade Act of 1918 to include within the scope of the Act the export of firms wishing to participate in export trade associations; and (8) establishing an international trade specialist program within the Department of Commerce to implement the purposes of this act. S. 1486. P/S June 13, 1974. (VV)

Export-Import Bank

Extends the operations of the Export-Import Bank for 30 days, to July 30, 1974. S.J. Res. 218. P/S June 26, 1974. (VV)

FDIC insurance

Increases Federal deposit insurance from the present rate of $20,000 to $25,000, changes the name of the Federal Savings and Loan Insurance Corporation to the Federal Savings Insurance Corporation; extends until June 30, 1976, the moratorium on conversion of savings and loan associations from mutual to stock form of ownership; extends until June 30, 1976, a moratorium on conversion of mutual savings banks to commercial banks; extends until December 31, 1975, the authority to set flexible interest or dividend rate maximums on time or savings deposits; increases the present limitation on Federal Reserve Branch bank building construction authority from $60 to $140 million; extends until October 31, 1975, the authority of the Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 million; extends and expands existing law to provide the Federal Reserve Board and the Federal Home Loan Bank Board with additional cease-and-desist powers over the operations of parent holding companies of bank and savings and loan holding companies; provides that no Government official may require the Securities and Exchange Commission or the independent banking regulatory agencies to submit for prior approval or review their legislative recommendations, testimony, or comments to Congress; increases by $2 billion the discretionary authority of the Secretary of the Treasury to purchase Federal Home Loan Bank obligations; specifies that federally chartered financial institutions are subject to certain State consumer protection laws; expands the authority of the Federal Home Loan Mortgage Corporation to purchase residential mortgages from State-insured institutions in certain cases; establishes a National Commission on Electronic Fund Transfers; provides for the equitable disposition of abandoned money orders and traveler's checks; adds a fair credit billing title to protect consumers against inaccurate and unfair billing practices, to prohibit credit card fraud transactions on account of sex or marital status; and sets a $295 billion budget ceiling on fiscal year 1975 expenditures. H.R. 11221. P/H Feb. 5, 1974; P/S amended June 13, 1974. In conference. (246)

Foreign Investment in the United States Study

Authorizes the Secretaries of Commerce and Treasury to undertake a comprehensive study of foreign direct and portfolio investment in the United States; requires an interim report to Congress within 18 months and a final report within two and one half years; and authorizes therefor $3 million. S. 2840. P/S June 13, 1974. (VV)

Housing and Community Development

Consolidates and simplifies existing programs and authorizes the development of several new programs, and authorizes appropriations for these new programs of $4,402,000,000 for fiscal year 1975 and $4,646,500,000 for fiscal year 1976, making a total of $9,048,500,000;

Consolidates and revises the FHA (Federal Housing Authority) mortgage insurance programs, presently under the National Housing Act, into a new Revised National Housing Act and the low-rent public housing program which originated under the United States Housing Act of 1937;

Contains, in the new Community Development Assistance Act of 1974, consolidation provisions for community development programs involving the urban renewal program authorized by the Housing Act of 1949 and rewritten by the Housing Act of 1954, the Model Cities program authorized by the Housing Act of 1966, and several community facility programs authorized by the Housing Acts of 1954, 1955, 1961, and 1965; authorizes a new block grant program to provide Federal assistance to localities for community development by consolidating and simplifying ten categorical urban development grant programs and replacing them with the new program, which includes provisions for the development of a 2-year Federal funding cycle at an assured and adequate level so that localities are always working with a known level of Federal grants for the next year as well as the current year subject only to the meeting of minimum Federal performance standards; provides funding under Federal supervision using an applications procedure requiring a summary of a 4-year plan for meeting the community's development needs, a description of proposed activities and expenditures, a certification that the applicant has met certain requirements, and a performance report, with an exception made for cities of under 25,000 population applying for a single activity other than an urban renewal activity;

Rewrites the comprehensive planning assistance program and provides a new Federally assisted State housing program;

Amends title V of the Housing Act of 1949 on rural housing to broaden or liberalize existing provisions to cover deficiencies relating to the authority of the Farmers Home Administration to provide assistance for lower income rural families;

Requires the Secretary of Housing and Urban Development (HUD) to establish Federal mobile home construction and safety standards which would supersede State standards not identical to the Federal standards;

Authorizes the establishment of a special financing association (the Housing Cooperative Finance Association in HUD to provide financing for consumer-oriented housing cooperatives;

And contains other provisions. S. 3066. P/S Mar. 11, 1974; P/H amended June 20, 1974; In conference. (59)

National commission on supplies and shortages

Establishes a one-year independent national commission to report to the President and Congress within 6 months specific recommendations with respect to institutional adjustments, including the advisability of establishing an independent agency, to provide for a comprehensive data collection and storage system to aid in the examination and analysis of the supplies and shortages in the economy of the United States and in relation to the rest of the world; provides for the appointment of 13 members—4 from the Executive branch, 4 from the Congress and 5 from the private sector; authorizes $75,000 for the establishment of an advisory committee to recommend possible policy-making processes and structure within the executive and legislative branches to coordinate efforts with appropriate multi-State, regional and State governmental jurisdictions; provides that the Commission make other reports and recommendations to the President and Congress by June 30, 1975; and authorizes therefor $500,000 for fiscal year 1975. P/S June 12, 1974. (VV)

National securities market system

Amends the Securities Exchange Act of 1934, as amended, to facilitate the development of a national securities market system for buying and selling stock in order to provide greater investor protection and maintain a strong capital raising and allocating system through the establishment of a uniform standard encompassing the various facets of the securities industry; vests in the Securities and Exchange Commission (SEC) the responsibility to take the steps necessary to establish a national securities system and broadens SEC regulatory authority over securities information processors; consolidates and expands SEC oversight powers with respect to self-regulatory organizations, their members, and officers; confers upon the District courts the jurisdiction to command compliance with this act; clarifies the rule-making powers of SEC; and provides for judicial review of SEC actions in an appropriate court of appeals. S. 2519. P/S May 28, 1974. (VV)

Pension reform

Seeks to strengthen and improve the protections and interests of participants and beneficiaries of private employee pension and welfare benefit plans by establishing minimum standards for participation in and funding of such plans and by making provision for vesting of rights, portability and plan termination insurance:

Office of Employee Plans and Exempt Organizations

Creates within the Internal Revenue Service a new office of Assistant Commissioner for Employee Plans and Exempt Organizations, which will have the responsibility within the Service for enforcing requirements pertaining to private pension plans and charitable and other exempt organizations; provides for a $1 audit fee excise tax on the employer for each plan participant to pay for the administrative costs of the new unit;

Participation

Sets minimum standards for participation in pension plans by employees; requires coverage of an employee the later of 1 year of service or the date the employee reaches age 30; permits an individual who has been working from age 25 to count years of service from age 25 for the purpose of the vesting rule when he or she reaches age 30; defines a year of service as employment for more than 5 months in a year for at least 80 hours in each of the 5 months; applies these standards in general for new plans beginning the year after the date of enactment and to existing plans for plan years beginning after December 31, 1975, or in the case of collective bargaining agreements the earlier of the date the agreement terminates or December 31, 1980;

Vesting

Sets minimum standards for vesting of benefit rights derived from employer contributions which in general provide for 25 percent vesting upon 5 years of service increased by 5 percent yearly through the 10th year and by 10 percent from the 10th to 15th year when 100 percent vesting is reached, with the effective date, generally, for the vesting rules to apply being plan years beginning after December 31, 1975.

Funding

Establishes minimum standards for funding of plans to insure adequate financing which are to be enforced through the tax laws; provides that "current service costs" shall be contributed on a current yearly basis by the employer; requires generally that initial past service costs (which occur where plans give a worker credit for service before the plan went into effect or improvements are made with respect to past service) be amortized by the employer over a period of not more than 30 years, with a 40-year period allowed for multiemployer plans; requires experience losses (where the estimates of funding requirements are too low) and experience gains (where they are too high) to be amortized over the shorter of 15 years or the average remaining service life of covered workers; authorizes waiver of minimum funding requirements in the case of a single employer plan upon a showing of substantial business hardship, with the waived amounts to be amortized over no more than 10 years, and in the case of multiemployer plans, extension of the 40-year amortization period for the past service costs for a period of up to 50 years; subjects an employer who fails to contribute the minimum amount required to an initial 5 percent tax on the funding deficiencies, and if the funding deficiencies are not corrected within the period allowed to a tax of 100 percent of the funding deficiency; makes these standards effective the same date as the vesting provisions;

Portability

Includes a voluntary portability program for both employers and employees; establishes a Pension Benefit Guaranty Corporation within the Department of Labor; provides that a Pension Benefit Portability Fund shall be established in the Treasury Department; provides that workers who change jobs may have their vested retirement credits transferred to an account in the Fund, with the Corporation to invest the Fund's assets and pay benefits upon the worker's retirement, or, alternatively, may have the amount transferred to a retirement plan of his or her new employer, which can be used to buy actuarially equivalent benefits in the new employer's retirement plan;

Plan termination insurance

Provides a plan termination insurance program to be managed by the Corporation and funded by a tax on the employers based on the number of participants in a plan, with, generally, premium taxes payable by employers beginning in 1975 and coverage to begin no later than 1977;

Disclosure and fiduciary standards

Divides enforcement of fiduciary responsibilities between the Department of Labor and the Internal Revenue Service; contains reporting and disclosure requirements; provides a declaratory judgment procedure whereby in certain situations employers or employees may appeal determination letters issued by the Internal Revenue Service to the U.S. Tax Court; requires, with respect to claims, that plans must contain arbitration procedures in accordance with regulations of the Department of Labor;

Retirement savings and limitation on employee contributions

Allows a deduction for retirement savings for persons not covered by a qualified plan or governmental plan of a minimum $1,000 a year and a maximum of 15 percent of earnings up to a maximum of $1,500; increases the present limitation on deductible contributions by self-employed individuals to a qualified plan from 10 percent of earnings up to $2,500 to 15 percent of earnings up to $7,500; places a limitation on deductions for contributions on behalf of all corporate employees, using a formula basing benefits on 75 percent of the highest 3 years of earnings of up to no more than $100,000 in any one year, thus placing a limitation of $75,000 a year on pensions for corporate employees from tax-free contributions; provides a new method of taxing lump-sum pension distributions;

Servicemen's benefits

Amends the Internal Revenue Code of 1954 for the purpose of continuing the same tax treatment for servicemen and former servicemen under the Survivor Benefit Plan, Public Law 92-425, as was formerly available for them under the Retired Serviceman's Family Protection Plan in the case of annuities for surviving spouses or certain child beneficiaries;

And contains other provisions. H.R. 2 (H.R. 4200). P/H Feb. 28, 1974; P/S amended Mar. 4, 1974; in conference. (VV)

Public debt limit

Increases, until March 31, 1975, the temporary debt limit to $95 billion, thereby providing for a $495 billion overall debt limit instead of the current $475.7 billion limit. H.R. 14832. Public Law 93- , approved 1974. (270)

Renegotiation Act—Unemployment Compensation

Extends the Renegotiation Act of 1951, as amended, which authorizes the Government to recapture excessive profits on certain Government contracts and subcontracts, for 12 months, until June 30, 1975; and extends for 30 days the benefits under the Federal-State unemployment insurance program to provide an additional 13 weeks of unemployment benefits and continues the present temporary waiver of the requirement that a State's insured unemployment must be increasing by 20 percent over the past 2 years. Public Law 93- , approved 1974. (VV)

Securities and Exchange Commission (SEC) paperwork reduction

States as a sense of the Senate that the SEC should immediately proceed to evaluate the role of the small broker-dealer in the U.S. securities markets and determine if their survival is being jeopardized by unnecessary, overlapping, and duplicative reporting requirements and urges the SEC to examine the paperwork burden of the small broker-dealer consistent with SEC's statutory mandate to protect the investor and, where possible, reduce and consolidate duplicative and excessive reporting requirements. S. Res. 173. Senate adopted Feb. 7, 1974. (VV)

Supplemental security income—unemployment compensation

Authorizes payment of supplemental security income (SSI) benefits on the basis of presumptive disability, for up to 12 months, to otherwise eligible individuals who were formerly on the rolls of State programs of aid to the blind and disabled in order to allow benefits to continue while the Social Security Administration, which administers SSI, completes its eligibility review; extends a temporary provision in Public Law 93-233, amending the Social Security Act, whereby a State can elect to come under the extended unemployment compensation program which provides for 13 weeks of extended benefits beyond the expiration of regular unemployment benefits, if the insured unemployment rate in the State is at least 4 percent without meeting the permanent law requirement that the rate also has increased by 20 percent over the prior 2 years; and provides a 1-year delay for the repayment by a State of funds it has received from the Federal government to pay unemployment compensation benefits. H.R. 13025. Public Law 93-256, approved Mar. 28, 1974. (70)

EDUCATION

Educational funding and guaranteed student loans

Provides that funds appropriated for fiscal years 1973 and 1974 for any program to which the General Education Act applies shall remain available for obligation and expenditure until June 30, 1975, and amends the Higher Education Act of 1965 to clarify congressional intent concerning the Guaranteed Student Loan Program so that students whose family incomes are less than $15,000 per year will be eligible for a $2,000 subsidized loan without a needs test and an additional $500 if they qualify under a needs test which is required for students whose family incomes are $15,000 or more to receive a subsidized loan up to $2,500. H.R. 12253. Public Law 93-269, approved Apr. 18, 1974. (VV)

Elementary and secondary education

Extends through fiscal year 1978, various educational programs; authorizes the President to call and conduct a White House Conference on Education in 1977 to stimulate a national assessment of educational conditions, needs, and goals;

Amends title I of the Elementary and Secondary Education Act to change the formula by which Federal funds are allocated through the States to local educational agencies in compensation for providing special educational programs and projects for educationally deprived children by providing that local educational agencies shall receive at least 85 percent of the amount it received in fiscal year 1974 plus any funds above that amount for which it may qualify by multiplying the number of eligible children by 40 percent of the State's average expenditure per pupil with the stipulation that no State will receive less than 80 percent or more than 120 percent of the national average expenditure; changes the present means of counting eligible children aged 5 to 17 so that the following are counted: (1) all children from families below the poverty level as defined by the Orshansky Index—which allows variations for family size, sex of head of household, and whether the family is farm or nonfarm; (2) two thirds of the children from families receiving AFDC (Aid to Families with Dependent Children) payments in excess of the Orshansky poverty level; and (3) children who live in institutions for delinquent of neglected children; provides, under part B of title I, an additional authorization of $75 million per year for incentive grants to States whose local financial support of schools is higher than the national average; provides under part C an additional authorization for grants to local educational agencies having a high concentration of disadvantaged children; revises the Bilingual Education Act;

Extends, under title II, through fiscal year 1978, the impacted areas programs whereby local school districts are reimbursed proportionally for the number of pupils whose parents live and/or work on Federal property to make up for revenue lost on tax-exempt Federal property; revises the present categories of A, B, and C to: "A" students whose parents live and work on Federal property (including all students on Indian lands and previously classified "C" students whose parents live in subsidized housing and work for the Federal Governments); and "B" students whose parents either live or work on Federal property (including those formerly classified as "C" whose parents live in subsidized housing but do not work for the Federal Government); provides that any school district where at least 25 percent of the total attendance is comprised of "A" students will receive 100 percent of the local cost of education and makes other percentage entitlements to school districts with fewer numbers; extends the Adult Education Act through 1978 and establishes a National Clearinghouse on Adult Education;

Makes, in title IV, three different consolidations: (1) State Application Consolidation allowing States to make one comprehensive application for Federal funds under ESEA titles I, II (libraries) and III (innovation) and under the National Defense Education Act (NDEA) and adult and vocational education programs; (2) State Administered Program Consolidation pulling together six categorical grants programs—ESEA titles II (libraries), III (innovation), and V (strengthening of education), and NDEA title III (equipment) and V (guidance, counseling and testing) and programs for attracting teachers under the Education Professions Development Act and sets minimum funding standards necessary before consolidation can occur; and (3) Commissioner's Consolidation of programs directly administered by the Commissioner of Education and authorizes the creation of seven new programs to be funded through the consolidation;

Contains miscellaneous provisions including: creating a National Center for Education Statistics, requiring a study of Federal property and its impact on schools, requiring an analysis of measures of poverty used by the Federal Government, and denying Federal funds to any educational institution that refuses parents access to their child's school records or that releases records without parental consent or a court order;

Extends and amends the Education for the Handicapped Act and contains provisions already passed by the Senate in S. 896;

Authorizes a national reading program including reading improvement demonstration projects and reading training on public television;

Contains a title VII.—General Provisions Relating to the Assignment or Transportation of Students which is essentially the same as contained in the 1972 education amendments:

Adds a title IX—Equal Educational Opportunities which states that equal educational opportunity may not be denied by segregation; states the findings of Congress that standards for busing have not been clear and uniform, and that it is necessary and proper for the Congress, pursuant to its powers under the Constitution, to specify appropriate remedies for the elimination of the vestiges of dual school systems, except to the extent such specification is inconsistent with the requirements of the 5th and 14th amendments to the Constitution with regard to the elimination of such vestiges of dual school systems; and provides that: failure to attain a numerical balance of students on the basis of race, color, sex or national origin does not constitute denial of equal educational opportunity; no court, department or agency of the United States shall order busing of any student to a school other than the school closest or next closest to home; and school district lines may not be ignored or altered unless they were drawn for, and had the effect of, segregating school children; provides that court orders may not be implemented until the beginning of a school year; changes the expiration date of present law prohibiting implementation of a court order until appeals or the time for appeals is ended from January 1, 1974, to June 30, 1978;

And contains other provisions. H.R. 69. P/H Mar. 27, 1974; P/S amended May 20, 1974; In conference. (204)

Legal education assistance

Authorizes the Commission of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession. H.R. 15296. Public Law 93– , approved 1974. (VV)

ELECTION REFORM

Campaign reform

Authorizes public financing from income tax revenues for primary and general elections for Federal office, effective January 1, 1976;

Source of public financing: Bases appropriations for public funding on amounts designated on Federal income tax returns for the Federal Election Campaign Fund established in the Treasury by this act; increases the present tax checkoff amount from $1 to $2 per person, with the designation now to be automatic unless the taxpayer elects not to make the designation; doubles present tax credit and deduction limits to $25 and $100 per person; authorizes gifts to the fund;

Public financing: Sets requirements for eligibility for candidates choosing public funding, including agreement to reporting requirements and the meeting of a threshold amount of money from private contributions before receiving public moneys, and limits private contributions, total permissible campaign expenditures by a candidate (both publicly and privately financed), and expenditures by a political party, with provision for cost-of-living adjustments in the amounts which may be spent, as follows:

Primaries: Defines a primary election to include a runoff election and a convention or caucus of a political party to nominate candidates or select delegates to a national nominating convention; authorizes partial public funding as follows: *Presidential* Threshold, $250,000 from first $250 of each contribution with $100,000 met by matchable contributions totaling $5,000 from legal residents of each of at least 20 States; public matching first $250 of a contribution; campaign spending limit, greater of 16 cents times voting age population (VAP) or $250,000 for each State subject to overall limit of 10 cents times VAP; *Senate* (and House where a State has only one Representative): Threshold, lesser of 20 percent of spending amount or $125,000 from first $100 of each contribution; public matching, first $100 of a contribution; spending limit, greater of 8 cents times VAP or $125,000; *House:* Threshold, $10,000 from first $100 of each contribution; public matching, first $100 of a contribution; spending limit, greater of 8 cents times VAP or $90,000:

General elections: Permits candidates to choose to receive all private contribtuions and no public funding, a blend of private and public funding within the limitations on expenditures for general elections, or, in the case of major party candidates, exclusively public funding; provides different funding for major and minor party candidates; defines a major party as one whose candidates for President and Vice President in the preceding election received at least 25 percent of the total number of popular votes cast in the United States for all candidates in the election;

Major party candidates, Presidential: Public funding up to 12 cents times VAP; Senate (and House in States entitled to only one Representative): up to the greater of 12 cents times VAP or $175,000; House: for candidates from States entitled to more than one Representative up to the greater of 12 cents times VAP or $90,000;

Minor party candidates: Defines a minor party to mean any political party whose candidates for President and Vice President in the preceding election received at least 5 percent but less than 25 percent of the total number of popular votes cast in the United States for all candidates in the election; provides for partial public funding up to an amount which is in the same ratio as (1) the average number of popular votes cast for all the candidates of the major party bears to (2) the total number of popular votes cast for the candidate of the minor party; provides that where only one party qualifies as a major party that the party whose candidate for election to a particular office at the preceding general election received the next greatest number of votes (but not less than 15 percent of the total votes cast, and also, if voters are registered by party, 15 percent of those registered) shall be treated as a major party; provides that a candidate who ran at the preceding election as a Democrat or Republican and received more than 25 percent of the votes cast and then runs at the following election as an independent must again qualify for public financing by receiving at least 5 percent of the votes at the current elections;

Unopposed candidates: Limits public funding in a general election to 10 percent of the otherwise applicable limit;

Post-election payments: Available (1) where a minor party or independent candidate entitled to payments before the election in an amount less than that payable to the major party candidate before the election receives a greater percentage of the votes than the candidate of his party received in the last election and (2) where a candidate who is not the nominee of a major party and who did not receive more than 5 percent of the votes in the most recent general election for the same office receives 5 percent or more of the votes in the current election;

Expenditures by a political party in a general election: Authorizes a national party committee in Presidential elections to spend up to a limit of 2 cents times VAP of the U.S., and a State committee for a candidate for the Senate or for the House where the candidate is required to run statewide up to the greater of 2 cents times VAP population of the State or $20,000, and for a House candidate in any other State, $10,000;

Contribution limits: Individual, $3,000, organization, $6,000, for the entire campaign of any particular candidate, $25,000 in the aggregate; independent expenditures on behalf of a candidate without his authorization by anyone other than the national State party committee, $1,000 per year per candidate; **prohibits contributions** over $100 other than by a written instrument identifying the contributor; candidates's personal and family funds, remains present limit of $50,000, Presidential and Vice Presidential, $35,000, State, $25,000, House;

Political broadcasting: Repeals the Campaign Communications Act, imposing spending limits for the use of broadcast and printed media; amends the Communications Act of 1934 (1) to permit automatic waiving of the equal time requirements for Presidential and Vice Presidential races, and for other elections, Federal, State or local, only if the broadcast station offers 5 minutes of free time to all candidates seeking the same office; (2) to require broadcasters to demand a certification by any Federal candidate, before charging him for broadcast time, indicating that the payment of charges for that time will not exceed his expenditure limit under title 18, United States Code, and to apply this provision to State and local candidates wherever similar limits are imposed on them by State law; and (3) to require broadcasters to make certain announcements and keep certain records in connection with political broadcasts;

Reporting, disclosure, and enforcement: Makes a general revision of title III of the Federal Election Campaign Act of 1971 (relating to the disclosure of Federal campaign funds); establishes a Federal Election Commission to enforce reporting and disclosure requirements; requires a candidate to designate a central campaign committee to serve as central reporting and disclosure agent, and campaign depositories for all contributions and public payments from which all expenditures other than petty cash must be made; increases criminal penalties; requires expenditures over $1,000 for a Presidential campaign to be approved by the national party committee; permits excess campaign contributions to be used by elected candidates for expenses or a charity; requires a 5-year audit of tax returns of Members of Congress and Federal employees earning over $20,000;

And contains other provisions. S. 3044. P/S Apr. 11, 1974. (138)

Watergate committee

Extends for 3 months from February 28, 1974, to May 28, 1974, the date for the Select Committee on Presidential Election Campaign Activities to make its final report to the Senate of the results of the investigation and study conducted by it togethter with its findings and recommendations for new congressional legislation. S. Res. 287. Senate adopted Feb. 19, 1974. (VV)

Authorizes the Committee to make available to the Internal Revenue Service (IRS) such information requested by that Agency and to investigate, receive, and inspect any data, documents, or other information held by the IRS directly related to the investigation being conducted by the IRS and the Committee. S. Res. 288. Senate adopted Feb. 21, 1974. (VV)

Increases the authorization for expenses of the Committee through May 28, 1974, from $1.5 million to $1.8 million, of which not to exceed $70,000 shall be available for the procurement of the services of individual consultants or organizations. S. Res. 286. Senate adopted Mar. 1, 1974. (VV)

Extends from May 28, 1974 to June 30, 1974, the date for the Select Committee to make its final report to the Senate of the results of the investigation and study conducted by it together with its findings and recommendations for new legislation and provides that the Committee may submit any interim reports it considers appropriate; terminates the Committee three months after the submission of its report provided however that if the judicial action brought by the Committee against the President for certain specified taped recordings of conversations between the President and his former counsel, John W. Dean, is not adjudicated, the Committee shall remain in existence until 30 days subsequent to a judicial determination; and empowers the Committee to report to the Senate an addendum to its final report based on what the taped recordings disclose in the event they are received pursuant to the final adjudication. S. Res. 327. Senate adopted May 22, 1974. (VV)

Increases the authorization for expenses of the committee from $1.8 million to $2 million of which not to exceed $70,000 shall be available for the procurement of the services of individual consultants or organizations. S. Res. 328. Senate adopted May 28, 1974. (VV)

ENERGY

Energy allocation for tourism industry

Expresses the sense of the Senate that in any allocation of energy supplies or other actions by Federal departments and agencies to alleviate the energy shortage, proper consideration should be given to the provision of adequate supplies of energy to all segments of the tourism industry. S. Res. 281. Senate adopted Apr. 29, 1974. (VV)

**Energy emergency*

Declares that current and imminent fuel shortages have created a nationwide energy emergency; calls for proposals for energy emergency rationing and conservation measures and authorizes specific temporary emergency actions to be exercised, subject to congressional review and right of approval or disapproval, to assure that the essential needs of the United States for fuels will be met;

Establishes a Federal Energy Emergency Administration (FEEA) until May 15, 1975, to be headed by an Administrator who will be appointed by the President with the advice and consent of the Senate; transfers certain powers and duties of the President under the Emergency Petroleum Allocation Act of 1973 to the FEEA Administrator; authorizes the promulgation of a rule to order priorities among users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment of rights entitling certain users to obtain products in precedence to others; requires the President to provide procedures by which any user may petition for review of priorities and entitlements;

Authorizes the FEEA Administrator to promulgate by regulation energy conservation plans to reduce energy consumption to a level which can be supplied by available energy resources through transportation controls, including highway speed limits, or other necessary and reasonable restrictions on the public or private use of energy, including limitations on energy consumption by businesses; provides that no energy conservation plan promulgated by regulation under this authority may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax; terminates any such energy conservation plan on May 15, 1975; requires transmission of any plan to each House of Congress, and makes any plan which would become effective before March 15, 1974, subject to congressional disapproval; provides that any energy plan which would become effective on March 15, 1974, and before September 1, 1974, shall go into effect 15 days after its transmission to Congress if neither House disapproves; provides that any energy plan which would become effective on or after September 1, 1974, must be approved by act of Congress; provides procedures for congressional review of the plans;

Directs the Administrator, to the extent practicable, to prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment, has the capability and necessary plant equipment to burn coal;

Directs the Administrator, within 30 days after enactment, to propose a contingency plan for allocation of supplies of materials and equipment for exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, implementation of such a plan to be subject to congressional approval by a means similar to that for any energy conservation plan;

Authorizes the Administrator, in order to supplement domestic energy supplies, to require production of oilfields to be designated by the Secretary of the Interior or the Secretary of the Navy at the maximum efficient rate of production and, in certain cases, in excess of the maximum rate;

Requires the President to specify equitable prices for domestic crude oil, all residual oil, and all refined petroleum products; provides that within 30 days of enactment the ceiling price for all crude oil be the price for that grade of oil in that field at 6:00 a.m., May 15, 1973, plus $1.35, making the average basic price $5.25 per barrel with savings from a price rollback to be passed on to consumers on a dollar-for-dollar basis; provides that the President may establish a higher ceiling price up to $7.09 per barrel, upon proper justification to Congress, that a higher price is necessary for a recovery of costs as in the case of crude oil produced from stripper wells or by secondary or tertiary recovery;

Contains provisions for the protection of franchised dealers; provides, in relation to antitrust provisions, for procedures to achieve the goals of this act while retaining the integrity of the antitrust laws; authorizes the appropriate agencies to take action for conserving energy consumption by regulated carriers; authorizes certain restrictions on exports; provides for employment impact and unemployment assistance to those adversely affected by the energy emergency; directs the Secretary of Transportation to encourage the use of carpools; prohibits the use of limousines by Federal officials in the executive branch below the level of a Cabinet officer except for the Federal Bureau of Investigation and the Department of State for diplomatic assignment; prohibits the use of funds for furnishing a chauffeur for individual use to any Federal official; provides for administrative procedures and judicial review; and contains enforcement provisions; authorizes to FEEA to carry out its functions and to make grants to States $75 million annually for fiscal years 1974 and 1975, with an additional $50 million for 1974 and $75 million for 1975 grants to States to carry out conservation measures and $500 million for fiscal year 1974 for grants to States for unemployment assistance;

Amends the Clean Air Act to permit the Administrator of the Environmental Protection Agency to suspend, until November 1, 1974, any stationary source fuel or emission limitation; provides for implementation plan revisions; extends the interim standards for motor vehicle emissions to 1977;

And contains other provisions. S. 2589. Vetoed Mar. 6, 1974. Senate sustained veto Mar. 6, 1974. (34, 53)

Energy supply—Clean air

Directs the Federal Energy Administration (FEA) to prohibit an electric powerplant from burning petroleum or natural gas if it has the capability to burn coal and authorizes, but does not require such prohibitions with respect to other major fuel-burning facilities aside from powerplants unless coal or coal transportation are not available or electrical service would be impaired; authorizes FEA to require that powerplants be designed to burn coal as well as other fuels; authorizes FEA to allocate coal to any facility that is prohibited from burning oil or natural gas;

Permits the Environmental Protection Agency (EPA) to suspend until June 30, 1975, any stationary source fuel or emission limitation as it applies to the Clean Air Act if (1) there is an unavailability of fuels to meet the act's requirements, (2) a plant converted to coal between September 15, 1973, and March 15, 1974, or was ordered to convert to coal by FEA, or (3) the suspensions would result in emissions that exceed the primary air quality standard for a particular region; permits EPA to delay a plant's compliance schedule until January 1, 1979, if (1) emission limits to maintain primary air quality standards could be met, (2) the suspension would not result in emissions that would exceed the primary standards in an air pollution control region, or (3) EPA approved an interim compliance plan; prohibits EPA from using parking surcharges to control air pollution:

Continues emission standards established for 1975 model year automobiles during the 1976 model year and delays until September 30, 1977, final automobile emission standards for carbon monoxide and hydro carbons and until September 30, 1978, final standards for nitrogen oxides; provides that after January 1, 1975, an automobile manufacturer may seek a 1-year suspension of the statutory standards for hydro-carbons and carbon monoxide applicable to the 1977 model year and requires EPA to establish interim standards for such a suspension; provides for allocation of low sulfur fuel to minimize adverse effects on the public health; clarifies the relationship between the National Environmental Policy Act and the Clean Air Act; extends the Clean Air Act authorizations for 1 year; and provides criminal penalties for willful violations of the act. H.R. 14368. Public Law 93- , approved ———, 1974. (VV)

Federal energy administration

Establishes the Federal Energy Administration (FEA) as an independent executive agency, to be headed by an Administrator to be appointed by the President with the advice and consent of the Senate; transfers to the Administration four existing agencies now in the Interior Department—the Offices of Petroleum Allocation, Energy Conservation, Energy Data and Analysis, and Oil and Gas; transfers the Energy Division of the Cost of Living Council into the new Administration; requires policy coordination with the Environmental Protection Agency; authorizes the Comptroller General to monitor FEA operations and make public its reports; authorizes the Government Accounting Office to issue subpenas to obtain information from companies engaged in any phase of energy supply or major consumption of energy; creates an Office of Private Redress and Grievances to handle complaints; requires the Administrator to prepare a comprehensive energy plan mapping out the Administration's proposed course of action for the next two years; and contains other provisions. H.R. 11793 (S. 2776). Public Law 93-275, approved May 7, 1974. (VV)

Oil price increase

States a sense of the Senate the urgency of communicating to the governments of Canada, Venezuela, and the Arab oil producing countries that the United States views with the utmost concern the recent oil price increase as detrimental to prices, real income and employment in the United States and that such actions should not be taken by these countries without regard for these effects on the life of the American people and for the possibility of reciprocal economic action by the United States which might adversely affect the economies of these countries. S. Res. 249. Senate adopted Jan. 29, 1974. (VV)

Oil shale funds

Amends the Mineral Leasing Act of 1920 to permit each State to use its share of oil shale revenues for purposes other than public roads and schools. S. 3009. P/S May 9, 1974. (VV)

Solar heating and cooling

Authorizes $5 million to NASA and $5 million to HUD for fiscal year 1975 and $10 million to HUD (which includes funds for transfer to the Department of Defense, the National Bureau of Standards, and the General Services Administration to carry out their respective functions) for each of fiscal years 1976 through 1979 for further development and testing for large scale commercial use of solar systems in heating and cooling residential and commercial building. H.R. 11864, P/H Feb. 13, 1974; P/S amended May 22, 1974; In conference. (VV)

Truck fuel prices

Provides that the Interstate Commerce Commission shall issue its final order in Docket No. MC 43 (Sub. No. 2) as soon as possible which shall become effective not later than February 15, 1974, in order to alleviate the threat of a national transportation crisis caused by the requirement that carriers reimburse their owner-operators for all increases in the price of fuel over the base period May 15, 1973. S.J. Res. 185. Public Law 93-249, approved Feb. 8, 1974. (VV)

Washington Energy Conference

States as the sense of the Senate that the Washington Energy Conference, called by the President to provide a forum for the discussion of the common problems faced by the oil consuming nations, should consider (1) conservation measures necessary to reduce demand; (2) procedures for the emergency sharing of oil resources; (3) guidelines for bilateral agreements between oil consuming and oil producing countries; (4) coordination of research efforts in developing conservation practices and alternative sources of energy; (5) the responsibility for and the means to help to alleviate the plight of the developing countries in the oil crisis; and (6) closer coordination of fiscal and monetary policies; and further states that the United States should continue to bring about conditions of peace and stability in the Middle East. S. Res. 279. Senate adopted Feb. 6, 1974; Reconsidered and adopted by Senate amended, Feb. 7, 1974. (VV)

ENVIRONMENT

Environmental data centers

Authorizes the Administrator of the Environmental Protection Agency to provide financial assistance for the establishment of a qualified environmental research and education center at a university in each State or, at the option of participating States, to establish one regional center to serve a group of States; requires that each center conduct research, training, and environmental activities utilizing the interdisciplinary and interinstitutional capabilities in its area and, where desirable, arrange for a consortium of institutions to conduct these activities; recommends that each center coordinate environmental activities in nonregulatory areas; and provides Federal funding on a State-by-State basis with additional funds available on a matching basis. S. 1865. P/S June 12, 1974. (VV)

Environmental education

Extends to July 1, 1977, the Environmental Education Act and reestablishes the Advisory Council on Environmental Education (which was terminated when on May 17, 1973, the Commissioner on Education published his intent to abolish the Council and Congress did not, within 90 days, disapprove of this action); authorizes therefor $5 million, $10 million, and $15 million for fiscal years 1975, 1976, and 1977 respectively; and permits the Commissioner to abolish the Council only after such intent is published in the Commissioner's annual report to Congress and only if either House of Congress does not disapprove of this action. S. 1647. Public Law 93-278, approved May 10, 1974. (VV)

Ocean dumping

Amends Public Law 92-352, relating to ocean dumping, in order to implement the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, signed by the United States on December 29, 1972, and ratified by the Senate on August 3, 1973; extends U.S. law to include regulation of the carriage and dumping of foreign-source waste material by U.S. vessels and aircraft; expands the definition of "material" to include oil taken on board a vessel or aircraft for the purpose of dumping at sea; seeks to give guidance to those administering the Act in instances where the standards of the Act differ from those of the Convention, particularly where the requirements of domestic law are stricter than those of the Convention; and contains other provisions of a technical or conforming nature. H.R. 5450. Public Law 93-254, approved Mar. 22, 1974. (VV)

Oil pollution

Incorporates into statutory law the rights, duties, and responsibilities of the United States under the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, signed November 29, 1969, at Brussels, which permits a coastal nation to take whatever action it deems necessary to prevent, mitigate, or eliminate a threat of oil pollution resulting from a maritime accident beyond that coastal nation's territorial limits by vesting such authority in the Secretary of the Department in which the Coast Guard is operating; gives the Secretary the authority to determine the extent of danger resulting from a collision, stranding, or other disablement of a vessel carrying oil, and to remove and, if necessary, destroy the ship and cargo which is the source of the danger; incorporates general guidelines for determining the permissible scope of intervention actions; authorizes actions against the United States in the Federal courts by persons claiming compensation; creates a mechanism for settling controversies between signatory nations, or between such nations and claimants relating to compensation for excessive measures; authorizes the Secretary to issue rules and regulations to carry out the purposes of this Act; imposes criminal penalties to insure full compliance with the legislation; and extends the right of intervention now inherent in the Federal Government for vessel incidents in territorial waters to incidents on the high seas involving potential oil pollution damage. S. 1070. Public Law 93-248, approved Feb. 5, 1974.

Weather modification

Extends the provisions of Public Law 92-205, which provides for the reporting of weather modification activities to the Federal Government, for an additional 3 years, to fiscal year 1977, at the yearly authorization of $200,000. S. 3320. P/S June 25, 1974. (VV)

Woodsey Owl—Smokey Bear

Authorizes the Secretary of Agriculture to license appropriate private use of "Woodsey Owl" and the associated slogan "Give a Hoot, Don't Pollute", originated by the Forest Service to improve environmental quality, in return for royalty fees, and creates criminal misdemeanor liability for the unauthorized use of "Smokey Bear", "Woodsey Owl", or "Give a Hoot, Don't Pollute". S. 1585. Public Law 93- , approved 1974.

GENERAL GOVERNMENT

Atomic Energy Commission authorization

Authorizes $3,677,433,000 for the Atomic Energy Commission for fiscal year 1975 of which $2,551,533,000 is for operating expenses and $1,125,900,000 is for plant and capital equipment. S. 3292. Public Law 93–276, approved May 10, 1974. (VV)

Blind and handicapped products authorization

Extends the authorization for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped; changes the name of the statutory committee to "Committee for Purchases from the Blind and Other Severely Handicapped"; increases committee membership from fourteen to fifteen in order to include a member who is knowledgeable about employment problems of other severely handicapped individuals; and clarifies the term "direct labor" so that it also includes work relating to the performance of a service. H.R. 11143. P/H Mar. 4, 1974; P/S amended June 13, 1974. (VV)

Blind vendor operations

Amends the Randolph-Sheppard Act in order to strengthen the provisions for the establishment and protection of blind vending operations on Federal property; requires the Secretary of Health, Education, and Welfare to prescribe regulations to assure the establishment of one or more blind vending facility on all Federal property, including work areas; establishes a grievance resolution procedure for blind licensees and State agencies; provides that vending machine income shall accrue first, to the blind licensee operating a vending facility and second, where there is no blind vendor, to the State agency in the State where the property is located, such income to be used for retirement, health, and leave purposes for blind licensees; and contains other provisions. S. 2581. P/S June 20, 1974. (VV)

Chester Bridge

Extends for 1 year, to June 1, 1974, the time available for the States of Illinois and Missouri to negotiate an agreement with the city of Chester, Illinois to take over joint operation of the Chester Bridge which connects the two States and has operated as a toll facility over the 30 year maximum set for such operations. S. 3546. P/S June 4, 1974. (VV)

Commission on Productivity

Renames the President's National Commission on productivity as the National Commission on Productivity and Work Quality; sets the promotion of the productivity of the American economy and improvement of worker morale and work quality as objectives of the Commission and defines its functions; requires the Commission, by July 1, 1974, to transmit to the President and Congress a report of its activities during fiscal year 1974; and authorizes not to exceed $2.5 million for fiscal year 1975. S. 1752. Public Law 93–311, approved June 8, 1974.

DISASTER RELIEF

Continues and expands the basic programs and mechanism established in the Disaster Relief Act of 1970; amends the definition of major disaster to create a new "emergency" category to make it more practicable to extend help during lesser emergencies which the President has not declared a major disaster (at present the President must declare an area a "major disaster" to "trigger" all benefits authorized by Federal disaster legislation); authorizes a one-time grant of $250,000 to each State to assist them in developing comprehensive plans and programs to combat major disasters; stipulates that publicly owned facilities must obtain insurance adequate to protect against future loss for any disaster-damaged property which has been replaced, restored, repaired or constructed with Federal disaster funds; provides for a fine of not more than $10,000 or 1 year's imprisonment, or both, for persons who willfully make fraudulent claims; provides that assistance for damaged or destroyed public facilities, including park and recreational facilities, can be provided under one of two plans: direct grants not to exceed 100 percent of cost for repair or reconstruction on a project-by-project basis or a Federal contribution based on 90 percent of the total estimated cost of restoring all damaged public facilities within its jurisdiction; authorizes the expenditure for "minirepairs" to make a damaged home habitable as a substitute for other temporary housing which the Federal Government might otherwise provide; authorizes grants to States on a 75 percent Federal–25 percent State matching basis of the actual cost of providing direct financial assistance to persons adversely affected by a major disaster to meet extraordinary disaster-related expenses up to $5,000 per family to be retroactive to April 20, 1973; authorizes the President to provide disaster unemployment compensation through agreements with States which, in his judgment, have adequate systems for administering the program; authorizes the President to provide professional counseling services to help relieve mental health problems caused by a disaster; provides loans to local governments suffering a substantial loss of tax and other revenues because of a major disaster for up to 25 percent of its annual operating budget and includes forgiveness provisions in specified situations; amends the Public Works and Economic Development Act of 1965 by adding a new title VII—Economic Recovery for Disaster Areas regarding long-range recovery; and contains other provisions. S. 3062. Public Law 93–288, approved May 22, 1974. (125)

Federal procurement

Amends the Revised Statutes of the United States, Federal Property and Administrative Services Act of 1949, Armed Services Procurement Act of 1947, Legislative Branch Appropriations Act of 1966, and the Tennessee Valley Authority Act of 1933 to permit the award of small procurements, without formal advertising, up to $10,000 instead of the $2,500 ceiling presently required by law. S. 3311. P/S June 6, 1974 (VV)

Federal procurement policy

Establishes an Office of Federal Procurement Policy within the Executive Office of the President to provide overall leadership and direction for the development of procurement policies and regulations for executive agencies in accordance with applicable laws in order to promote economy, efficiency and effectiveness in the procurement of goods, services, and facilities. S. 2510. P/S Mar. 1, 1974. (VV)

Fire prevention and control

Provides for the establishment, by the Secretary of Commerce, of a coordinated Program for Fire Prevention and Control, under the administration of a new Assistant Secretary of Commerce for Fire Prevention and Control, with the purpose of the program to be to reinforce and support the fire prevention and control activities of State and local governments and volunteer fire companies through a research and development program, an annual conference of professionals in fire prevention, fire control, and treatment of burn injuries, the establishment of a national FIREPAC Academy, a national data center, a technical assistance program for State, local, and private fire services, a master-plans demonstration project, citizens' participation programs, and relevant studies; and contains other provisions. S. 1769. P/S Nov. 2, 1973. P/H amended Apr. 29, 1974; In conference.

Flood damage claims—Louisiana

Provides for the relief of Louisiana oyster fishermen for damages which occurred when certain spillways were opened to avoid flooding populated areas in the spring of 1973. S. 2201. P/S June 18, 1974. (VV)

Freedom of information

Amends the Freedom of Information Act as follows: requires each agency of the Federal Government to maintain and publish quarterly or make available for public inspection upon request current indexes providing information pertaining to matters issued, adopted, or promulgated after July 4, 1967; requires the agency, upon a request that reasonably describes the records, to make such records available unless they are subject to the present exemptions; requires the Office of Management and Budget to set a uniform fee schedule limited to direct costs for document search and duplication; provides that the records and files compiled for law enforcement purposes must be disclosed unless disclosure would (1) interfere with enforcement proceedings, (2) deprive a person of a right to a fair trial, an impartial adjudication or constitute a clearly unwarranted invasion of personal privacy, (3) disclose the identity of an informer, or (4) disclose investigative techniques or procedures; provides that a Federal district court has jurisdiction to enjoin an agency from improperly withholding records, to order their production and to review such documents, including those withheld in the interest of national security or foreign policy, to determine if such action conforms with the stated exemptions; provides that the burden of proof rests with the agency; permits the assessment of attorney fees and litigation costs against the United States in cases where the claimant has substantially prevailed; authorizes, after an appropriate hearing, action against an employee withholding information without reasonable basis; requires agencies to respond to requests for records within 10 days and provides a 20-day time limit on administrative appeals; requires the release of segregable nonexempt portions of a requested file after deletion of exempt portions; requires agencies to submit annual reports to Congress concerning their operations under this act; and sets the effective date at 90 days following the date of enactment. H.R. 12471. P/H Mar. 14, 1974; P/S amended May 30, 1974; In conference. (213)

Historical and archeological data

Amends a 1960 law under which the Secretary of the Interior, through the National Park Service, conducts archeological salvage programs at reservoir construction to broaden the scope of activity to include all Federal or federally assisted or authorized construction projects which result in alteration of the terrain; authorizes the Secretary to conduct a survey and salvage program upon notification not only by the instigation agency but also by any other Federal or State agency or responsible private organizations or individuals except where recovery would impede a Federal or Federally assisted project undertaken as a result of an emergency in anticipation of, or as a result of, a natural disaster; authorizes construction agencies to use or transfer up to one percent of funds appropriated for a project to the Secretary for survey and salvage work; provides that the costs incurred in connection with public works projects for archeological work under this act would become non-reimbursable project costs; and contains other provisions. S. 514. Public Law 93–291, approved May 24, 1974.

Idaho Admission Act

Amends section 5 of the Admission Act for the State of Idaho to permit the State to exchange lands granted to it for educational purposes for other public or private lands of approximate value, or if the land values are equalized by payment of money; ratifies exchanges already made with the United States involving land granted for educational purposes; and adds exploration for and production of geothermal resources and by-products to the purposes for which the educational lands may be leased by the State for more than ten years. S. 939. P/S Mar. 26, 1974. (VV)

Law enforcement officers' and firefighters' retirement

Amends present law to make mandatory retirement of eligible law enforcement officials at age 55 or after 20 years of service, whichever occurs first, with certain exemptions; removes provisions which require that a retiree must have his employing agency recommendation and be approved by the Civil Service Commission; increases the computation factor from 2 to 2½ percent multiplied by the first 20 years plus 2 percent for all years over 20; provides for a $50,000 payment to the survivor of a covered individual who is killed in the line of duty; includes premium pay received for uncontrollable overtime as part of the base pay for retirement purposes; and increases the employee's deduction and the matching agency contribution from 7 to 7½ percent of both regular and premium pay. H.R. 9281. P/H Sept. 20, 1973; P/S amended June 24, 1974. (VV)

NASA authorization

Authorizes $3,266,929,000 to the National Aeronautics and Space Administration for fiscal year 1975 as follows: $2,372,815,000 for research and development including continued funding of the space shuttle and space station programs; $144,490,000 for construction of facilities; and $749,624,000 for research and program management. H.R. 13998. Public Law 93-316, approved June 22, 1974. (VV)

National Science Foundation authorization

Authorizes $829,800,000 to the National Science Foundation for fiscal year 1975 and $5 million in foreign currencies which the Treasury Department determines to be excess to the normal requiremnts of the United States. H.R. 13999. P/H Apr. 25, 1974; P/S amended May 16, 1974; In Conference. (VV)

No-fault motor vehicle insurance

Establishes a system of nationwide insurance for medical expenses and loss of wages of victims of motor vehicle accidents regardless of fault; supersedes present State law to the extent of the bill by the enactment of a no-fault plan in title III of the bill which applies unless a State adopts a non-fault plan which meets, at a minimum, the standards of the no-fault plan in title II of the bill;

Requires, under the title II plan, insurance which provides unlimited coverage for "allowable expenses" professional medical treatment and care, emergency medical services, and medical and vocational rehabilitation services, coverage for funeral expenses not to exceed $1,000, for work loss—income and reasonable expenses for hiring a substitute to perform self-employment services—with minimum coverage of the lessor of a monthly amount equal to $1,000 multiplied by State average per capita income over nationwide average per capita income or actual monthly earned income up to a total of $25,000 multiplied by the same formula or such total amount as may be determined by the State but not less than $15,000, and for replacement services and survivor's loss subject to reasonable limits and exclusions, and permits a deductible of not over $100 per individual and a maximum 1-week waiting period; permits the offering of greater basic work loss benefits or added benefits for work loss or for noneconomic detriment; requires that the no-fault insurer offer added insurance for collision and upset damage;

Sets other requirements that a State must meet which include making insurance available to all, and the authorizing of the State insurance commissioner to provide an accountability program for medical and vocational rehabilitation services and to take steps to assure the availability of emergency health services and medical and vocational rehabilitation services in the State; permits in section 204(f) entities providing benefits other than no-fault on account of an injury to coordinate such benefits with benefits payable by a no-fault insurer on account of the same injury if this would result in lower cost to the purchaser of such other benefits; makes health insurance the primary coverage for "allowable expenses" (by subtracting health insurance benefits from total loss for "allowable expenses" under no-fault insurance) if it provides unlimited coverage and meets the same obligations unless the State determines with the approval of the Secretary of Transportation that this would affect adversely or unreasonably discriminate against the interests of persons required to provide security covering motor vehicles in the State;

Requires, except as provided in the section on assigned claims, subtraction from net loss of any benefits and advantages from social security, workmen's compensation, any State-required temporary, nonoccupational disability insurance, and all other benefits except the proceeds of life insurance available from any government unless the law providing them makes them excess or secondary to the benefits under this act, and provides for subtraction of up to 15 percent of income tax saving in calculating net work loss where benefits are not taxable income;

Abolishes tort liability for injury under the title II no-fault plan with the following exceptions: (1) uninsured motorist; (2) manufacturer's products liability; (3) intentional injury to self or others; (4) for work loss over the maximum coverage for amounts excluded from work loss for replacement services loss or for survivor's loss; (5) for noneconomic detriment—pain, suffering, inconvenience, physical impairment, and other nonpecuniary damage recoverable under the applicable tort law—if the accident results in (a) death, serious and permanent disfigurement, or other serious and permanent injury or (b) more than 90 continuous days of total disability; (6) a person or government if such injury was caused or not corrected by an act or omission not connected with the maintenance or use of a motor vehicle; does not immunize an individual from liability to pay a fine on the basis of fault, and prohibits payment of any such fine by an insurer; permits the State to treat auto damage on a fault basis as it is presently done, or place it under a no-fault system;

Provides greater benefits in the title III plan, which places no limitation on the total benefits payable for allowable expenses, contains the same formula for monthly payments for work loss benefits but does not limit the total amount payable in all; provides benefits for replacement services loss and survivor's loss subject to a $200 per week ceiling, and abolishes tort liability for injury, including liability for non-economic detriment, except with regard to an uninsured motorist, manufacturer's products liability and intentional injury to self or others;

And contains other provisions. S. 354. P/S May 1, 1974. (156)

Postal rate adjustments

Increases the number of years before users of certain classes of mail have to pay higher postage rates as follows: (1) second-class regular (magazines and newspapers), special or book-rate fourth class (books or records), and controlled circulation publications phasing to be increased from the present five years to eight; (2) preferred second-class, non-profit class (circulars from charitable organizations), and the special fourth-class library rates phasing to be increased from the present 10 years to 16. (Under the Postal Reorganization Act, Public Law 91-375, all classes of mail are required to pay postal rates established by the Governors of the Postal Service. For those classes of mail which formerly received reduced preferential rates by law of practice, the impact of the rate increases is amortized—or phased—over a 5-year period which provides that Congress is to appropriate the revenue foregone by the Postal Service—the difference between the rate actually paid and the rate which would have been paid except for the phasing.) S. 411. Public Law 93- , approved —— 1974. (178)

Small business administration authority

Transfers to the Small Business Act the complete authority to provide financial assistance to socially or economically disadvantaged persons previously authorized under title IV of the Economic Opportunity Act of 1964, the economic opportunity loan program and the 406 management and technical assistance programs; amends the Small Business Act to increase the total amount of loans, guarantees, and other obligations or commitments outstanding by SBA as follows: (1) increases from $4.875 billion to $6 billion the amount which may be outstanding from the business loan and investment funds at any one time for direct, immediate participation and guaranteed loans under displaced business loans, trade adjustment loan program prime contract authority program, and economic opportunity loans, (2) increases from $556.25 million to $725 million SBA commitment authority to Small Business Investment companies, and (3) increases from $381.25 million to $540 million SBA commitment authority for loans to low-income individuals and for businesses located in areas of high unemployment or low income areas; authorizes SBA to increase its loan ceilings so that it may spend funds that it will obtain through the appropriation process or through repayment of prior loans; revises the interest rate language directing participating lenders to charge a legal and reasonable rate of interest as they do on all other loan programs; and elevates the position of Assistant Administrator for Minority Enterprise to that of an Associate Administrator. S. 3331. P/S May 2, 1974. (VV)

Smithsonian Institution authorization

Authorizes not to exceed $1 million for each of fiscal years 1975, 1976 and 1977 to the Smithsonian Institution for carrying out the purposes of the National Museum Act of 1966 and strengthens the Smithsonian's program in museum conservation techniques and training. S. 2137. P/S May 28, 1974. (VV)

Vice Presidential residence

Designates the premises occupied by the Chief of Naval Operations, consisting of approximately 12 acres located on the grounds of the Naval Observatory in the District of Columbia, as the official temporary residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; places the responsibility for the custody, control and maintenance of the residence and grounds with the Secretary of the Navy subject to the supervision and control of the Vice President; and contains other provisions. S.J. Res. 202. P/S May 16, 1974; P/H amended June 12, 1974; Senate agreed to House amendments with an amendment June 26, 1974. (VV)

GOVERNMENT EMPLOYEES

Civil service retirement annuities

Establishes a minimum civil service retirement annuity equal to the social security minimum primary insurance amount including any cost of living increase; provides minimum amounts to a surviving child in an amount not less than the minimum monthly amount allowed under social security or three times such amount divided by the number of surviving children, whichever is lesser; excludes any individual who receives Social Security benefits from receiving payments under a military or civilian retirement system; increases annuity payments to former Federal employees who retired prior to October 20, 1969, by $240 to an annuitant and $132 to the surviving spouse of an annuitant (resulting in monthly increases of $20 and $11 respectively); and contains other provisions. S. 1866. Public Law 93–273, approved April 26, 1974.

Civil service survivor annuities

Amends chapter 83, title 5, U.S.C. by eliminating the reduction in annuity that a retiree takes to provide survivor benefits for his spouse during periods of nonmarriage allowing in effect, full annuity to an annuitant during these periods. S. 628. P/S July 31, 1973; P/H amended Apr. 24, 1974; House requested conference June 18, 1974.

Civil service survivors eligibility

Amends the Civil Service Retirement Act to change the 2 year marriage requirement regarding eligibility for survivor benefits under the Federal retirement system to a 1 year requirement. S. 2174. Public Law 93–260, approved Apr. 9, 1974

Executive, legislative, and judicial salaries increase

Disapproves, in its entirety, the President's recommendations for pay raises of 7½ percent per year for 1974, 1975, and 1976, for Members of Congress, Federal judges, cabinet and subcabinent officers, agency heads, and certain other officials in the executive, legislative, and judicial branches. S. Res. 293. Senate adopted disapproval resolution Mar 6, 1974. (52)

Postal Service retirement fund

Requires the Postal Service to amortize, in thirty equal installments, any unfunded liability in the Civil Service Retirement Fund caused by collective bargaining agreements or administrative action since July 1, 1971, with the exceptions of the payments due as of June 30, 1972, June 30, 1973, and June 30, 1974, which would be made subject to appropriation by Congress; require the Postal Service to assume responsibility for past and future installments, other than those made contingent on appropriations, resulting from the first and second employee-management agreements made under title 39 as it was reenacted in Public Law 91–375; provides that the Postal Service will not be reponsible for unfunded liabilities created by Act of Congress; and repeals the requirement which results in dual payment for the costs of administration of the retirement program H.R. 29. P/H May 7, 1973; P/S amended June 21, 1974. (VV)

Privacy and rights of Federal employees

Prohibits indiscriminate executive branch requirements that employees and, in certain instances, applicants for Government employment: disclose their race, religion, or national origin; attend Government-sponsored meetings and lectures or participate in outside activities unrelated to their employment; report on their outside activities or undertakings unrelated to their work; submit to questioning about their moral beliefs, personal relationships or sexual attitudes through interviews, psychological tests, or polygraphs; or support political candidates or attend political meetings; makes it illegal to coerce an employee to buy bonds or make charitable contributions; prohibits officials from requiring an employee to disclose his own personal assets, liabilities, or expenditures, or those of any member of his family unless, in the case of certain specified employees, such items would tend to show a conflict of interest; provides a right to have counsel or other person present at an interview which may lead to disciplinary proceedings; accords the right to a civil action in a Federal court for violation or threatened violation of the Act; and establishes a Board on Employees' Rights to receive and conduct hearings on complaints of violations of the Act and to determine and administer remedies and penalties. S. 1688. P/S Mar. 7, 1974. (VV)

Withholding taxes

Requires the Secretary of the Treasury to enter into agreements with city governments in which 500 or more persons are Federally employed for the withholding of city wage or employment taxes, with voluntary coverage for employees residing outside the State in which the city is located. H.R. 8660. Public Law 93– , approved 1974. (VV)

HEALTH

Alcohol abuse and alcoholism prevention

Extends for 2 years, through fiscal year 1976, the State formula grant program originally authorized by the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, Public Law 91–616, maintaining the annual authorization level at $80 million; extends the contract and project grant authority of the Act of 1970 for an additional 3 years, through fiscal year 1976, and authorizes therefor appropriations of $90 million for fiscal year 1974, $100 million for fiscal year 1975, and $110 million for fiscal year 1976; adds a new special grant authority providing an additional allotment of $100,000 plus 10 percent of its formula allotment for each State which adopts the Uniform Alcoholism and Intoxication Treatment Act, or legislation substantially similar to that Act, which requires intoxication to be treated as a responsibility of the community's public health and social service agencies rather than of its criminal justice system; prohibits public or private general hospitals receiving funds from Federal agency sources from discriminating in their admissions or treatment policies against any person solely because of his alcohol abuse or alcoholism; deletes the language of the Act of 1970 placing the National Institute on Alcohol Abuse and Alcoholism within the National Institute of Mental Health and substitutes language placing it within the Department of Health, Education, and Welfare, thereby permitting, not requiring, the Secretary to place the Institute elsewhere within the Department; gives the National Institute on Alcohol Abuse and Alcoholism authority for eleven top level positions; places alcoholism project and contract authority under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act; eliminates duplication by deleting section 247 of the Community Mental Health Centers Act; and contains other provisions. S. 1125. Public Law 93–282, approved May 14, 1974.

Alcohol and drug abuse education

Extends through fiscal year 1977 the grant and contract authorities of the Drug Abuse Education Act of 1970, Public Law 91–527, and authorizes therefor $26 million, $30 million, and $34 million for fiscal years 1975, 1976, and 1977 respectively; amends the Act to include education on alcohol abuse emphasizing the need for prevention and early intervention programs and broadens the activities which would be eligible for funding; permits up to 10 percent of the funds appropriated yearly for grants to State educational agencies for assisting local educational agencies to carry out drug and alcohol abuse education programs; authorizes the Commissioner of Education to expend up to 1 percent of the funds appropriated yearly for program analysis and evaluation; and directs the Commissioner to submit an annual report to the Senate and House Appropriations Committees stating specific program objectives and legislative recommendations. H.R. 9456. P/H Oct. 30, 1973; P/S amended June 25, 1974. (VV)

Biomedical research

Authorizes the appropriation of $207,947,000 for the purposes of this Act for fiscal year 1975;

In title I, the National Research Act, repeals all existing biomedical and behavioral fellowship and training authority in the Public Health Service Act; provides for National Research Service Awards, for research and research-training in the National Institutes of Health (NIH) and the Alcohol, Drug Abuse and Mental Health Administration (created by Public Law 93–282) and grants for non-Federal public and nonprofit private institutions in order for those institutions to select and support their own trainees, using existing training grant programs of the NIH as the model for this provision; specifies that at least 25 percent of the sums appropriated shall be reserved for the direct provision of Awards to individuals;

Establishes, in title II, a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research for a period of 2 years whose duties include the undertaking of a comprehensive investigation and study to identify the basic ethical principles and develop guidelines which should underlie the conduct of biomedical and behavioral research involving human subjects, the identification of requirements for informed consent for participation in research by children, prisoners, and mentally infirm, determination whether a mechanism is needed for protection of human subjects not under regulation by HEW, the investigation and study of the nature and extent of research on living fetuses with a report in 4 months, and the investigation and study of the use of psychosurgery in the United States during the 5-year period ending in 1972, with a determination of the appropriateness of its use; establishes a permanent National Advisory Council for the Protection of Subjects of Biomedical and Behavioral Research, effective July 1, 1976;

Provides protection for individuals in institutions receiving biomedical or behavioral research grants in matters of religious beliefs or moral convictions; prohibits research and experimentation on human fetuses until such time after the Commission has made its recommendations with regard to the conduct of research on the living fetus or infant unless it is done to insure the survival of that fetus or infant;

Requires entities receiving grants or contracts under this Act to set up Institutional Review Boards to review research to protect the rights of the human subjects involved;

Calls for the Commission, in title III, the Special Study of Bio-Medical Research Act, to make a comprehensive investigation and study of the ethical, social, and legal implications of advances in biomedical research and technology, with a report to be sent to the President and the Congress at least every 2 years together with recommendations for needed legislation or appropriate action by public or private organizations or individuals;

And contains other provisions. H.R. 7724. Public Law 93– , approved 1974. (271)

Diabetes mellitus

Amends the Public Health Services Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus. S. 2830. P/S Dev. 20, 1973; P/H amended Mar. 19, 1974; Conference report filed.

Health services

Extends authority for the support of health services research and development, health statistical activities, and the program of assistance to medical libraries through

June 30, 1978, and authorizes $370.2 million, $120 million, and $77.5 million, for each program over the 4-year period; gives a statutory status to both the National Center for Health Services Research (NCHSR) and to the National Center for Health Statistics within the Department of Health, Education, and Welfare; gives broad legislative authority to NCHSR to design and conduct research aimed at the stimulation of an aggressive pursuit of activities in this area and consolidates and broadens present authorities for the collection, analysis, and publication of health statistics over a broad range of contemporary health topics; establishes two special emphasis centers: one the Health Care Technology Center, to focus on technology, including computers and electronic devices, and its applications in health care delivery, and the other the Health Care Management Center to focus on the improvement of management and/or organization in the health field, the training of health administrators, and the development of leaders, planners, and policy analysts in the field; and contains other provisions. H.R. 11385. P/H Jan. 21, 1974; P/S amended May 2, 1974; In conference. (170)

Medical devices

Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, such as heart valves or pacemakers, shall be subject to premarket scientific test ing; authorizes the Secretary of Health, Education, and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a life-supporting medical device for marketing; provides that medical devices for which experts agreed standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as tongue depressors, are exempted from either procedure; and contains other provisions. S. 2368. P/S Feb. 1, 1974. (VV)

National cancer program

Authorizes the extension of the National Cancer Act of 1971 with increased funding for the research program at $750 million for fiscal year 1975, $830 million for 1976 and $985 for 1977, with an additional $200 million for the cancer control program; removes the present ceiling on the number of comprehensive cancer centers and clarifies the present act with respect to training of cancer researchers and construction assistance; and establishes a President's biomedical research panel to oversee and monitor the biomedical research program of the National Institutes of Health, including the research programs of the National Institute of Mental Health. S. 2893. P/S Mar. 26, 1974; P/H amended May 2, 1974; In conference. (82)

National Institute on Aging

Amends title IV of the Public Health Service Act to provide for the establishment by the Secretary of Health, Education, and Welfare (HEW) of a National Institute on Aging (NIA) in the National Institutes of Health (NIH) for the conduct and support of biomedical, social, and behavioral research and training related to the aging process and the diseases and other special problems and needs of the aged, as authorized under section 301 of the Public Health Service Act and presently focused in the National Institute of Child Health and Human Development; provides that the Director of NIH shall assign functions to NIA or another institute when the activities overlap; directs the Secretary of HEW to (1) conduct scientific studies, through the Institute, for the purpose of measuring the impact on the biological, medical, and psychological aspects of aging, of all programs conducted or assisted by HEW to meet the needs of the aging in order to obtain data for assessment of the programs by the Institute, (2) carry out public information and education programs to disseminate information developed by the Institute which may aid in dealing with, and understanding, the problems associated with aging, and (3) prepare a comprehensive aging research plan within 1 year after enactment for presentation to the Congress and the President, along with a statement of the staffing and funding requirements necessary to implement the plan; and contains other provisions. S. 775. Public Law 93–296, approved May 31, 1974.

Older Americans

Extends for 3 additional years the nutrition programs for the elderly by authorizing $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977; restricts the Commissioner on Aging from delegating his functions to the Health, Education, and Welfare regional directors; authorizes $35 million for a new transportation program for the elderly; and imposes restrictions on the establishment of local share requirements for the retired senior volunteer program (RSVP) conducted by the ACTION Agency. H.R. 11105. Public Law 93– , approved 1974. (250)

School lunch and child nutrition

Requires the Secretary of Agriculture during fiscal year 1975, to use funds available under section 32 of Public Law 74–230 and the Commodity Credit Corporation to purchase agriculture commodities for donation to maintian the $290 million programmed level of assistance for programs authorized under the Child Nutrition Act and title VII of the Older Americans Act; requires a minimum 10 cent per meal level of donated food assistance for the school lunch program for fiscal year 1975 and subsequent fiscal years, or cash payments in lieu thereof; makes permanent the authority of States to serve reduced price school lunches to children from families with incomes up to 75 percent above those in the Secretary's income poverty guidelines; increases the authorization for school food service equipment assistance funding from $20 million to $40 million for fiscal year 1975 and for succeeding years; and increases the required expenditure for the special supplemental food program for women, infants, and children from $40 million to $100 million for fiscal year 1975 and provides that in addition to the $100 million authorized, any part of the fiscal 1974 amount not expended shall be carried over to fiscal 1975. H.R. 14354. Public Law 93– , approved 1974. (VV).

Sudden infant death syndrome

Directs the Natitonal Institute of Child Health and Human Development at the National Institutes of Health to carry out a research program to identify the causes and preventive measures needed to eliminate Sudden Infant Death Syndrome and provides for public information and counseling servives to families affected by Sudden Infant Death Syndrome and to personnel who come in contact with the victims or their families. S. 1745. Public Law 93–270, approved Apr. 22, 1974.

INDIANS

Absentee Shawnee Tribe, Oklahoma

Authorizes the tribal officials of the Absentee Shawnee Tribe of Oklahoma to convey a tract of land (approximately 33 acres) to the United States to be held in trust for the tribe. S. 3358. P/S May 28, 1974. (VV)

American Indian Policy

Replaces the national Indian policy set forth in H. Con. Res. 108, approved by the 83d Congress on August 1, 1953; embraces the principles of maximum Indian control and self-determination and seeks to strengthen and improve the delivery of services to Indian people wherever they may reside; places in the Federal Government the responsibility to assure that Indians receive their entitled share and participate fully in all Federal, State, and local social and economic development programs; and broadens the definition of "American Indian" or "Indian" to include "Alaska Natives". S. Con. Res. 37. Senate adopted May 29, 1974. (VV)

Assistant Secretary for Indian Affairs

Establishes an Assistant Secretary of the Interior who will be an additional Assistant Secretary only for Indian Affairs, and establishes, by amending the Alaska Native Claims Settlement, a thirteenth region for Alaska Natives who are not residents of Alaska. S. 2777. P/S Feb. 4, 1974 (VV)

Bridgeport Indian Colony, California

Declares that 40 acres of land in Mono County, California are to be held in trust for the Bridgeport Indian Colony subject to an easement to the Bridgeport Public Utility District for a sewer main. S. 283. P/S June 5, 1974. (VV)

Cheyenne-Arapaho Tribes, Oklahoma

Conveys to the Cheyenne-Arapaho Tribe of Oklahoma 5 acres of land to be held in trust by the United States. S. 521. P/S May 28, 1974. (VV)

Chippewa Cree Tribe, Montana

Declares that certain mineral interests are held by the United States in trust for the Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana. H.R. 5525. Public Law 93–285, approved May 21, 1974. (VV)

Citizen Band of Potawatomi Indians, Oklahoma

Authorizes the elected officials of the Citizen Band of Potawatomi Indians of Oklahoma to convey seven tracts of land (approximately 280 acres) to the United States to be held in trust for the tribe. S. 3359. P/S May 28, 1974. (VV)

Constitutional rights of Indians

Amends section 701(c) of title VII of the Civil Rights Act of 1968 to authorize the appropriation of funds for the printing of certain legal materials relating to the constitutional rights of American Indians. S. 969. Public Law 93–265, approved Apr. 12, 1974.

Indian Claims Commission

Authorizes such sums as may be necessary for fiscal year 1975 to continue the program of the Indian Claims Commissions. S. 3007. P/S May 28, 1974; P/H amended June 17, 1974; In conference. (VV)

Indian financing

Provides capital to Indian organizations and individual Indians in the form of loans and grants that is needed to promote their economic development; authorizes a $50 million increase for the Revolving Loan Fund; provides a Loan Guarantee and Insurance Program which could generate as much as $200 million in new private capital; authorizes an Interest Subsidy Program; and provides an Indian Business Development Grant Program. S. 1341. Public Law 93–262, approved Apr. 12, 1974.

Indian self-determination

Declares that a major goal shall be to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic wellbeing; provides basic authority for the Secretaries of the Interior and Health, Education and Welfare to enter into contracts with tribal organizations; amends the Intergovernmental Service Act of 1970 to bring "tribal governments" within the definition of "local government," to enable civil service personnel to be assigned to tribal organizations; exempts tribal contracts from Federal Procurement regulations which have served as obstacles to such contracting in the past; provides for a study of the Johnson-O'Malley Act (enrolling Indian children in public schools under contract) to be transmitted to Congress not later than October 1, 1974; amends the Johnson-O'Malley Act to provide criteria governing contracts between the Secretary of Interior and prospective contractors to assure that educational needs of Indian student beneficiaries of such contracts are met; provides criteria for the establishment of parental committees to insure funds expended in public school districts are in accordance with programs and plans developed by the Indian community; authorizes $65 million for each of the fiscal years 1975 and 1976 for education of Indians under the Johnson-O'Malley Act; and authorizes $35 million for assistance in the construction of school facilities serving Federally-recognized Indian children on or near reservations. S. 1017. P/S Apr. 1, 1974, (VV)

Kootenai Tribe, Idaho

Transfers 12.5 acres of Federal land into trust status for the Kootenai Tribe of Idaho. S. 634. P/S May 13, 1974. (VV)

Sisseton and Wahpeton Sioux Tribe, North and South Dakota

Authorizes the Sisseton and Wahpeton Sioux Tribe of North and South Dakota to acquire additional trust lands within its Lake Traverse Reservation, and enables the tribe to mortgage its land, subject to approval of the Secretary of the Interior, in order to consolidate land holdings, alleviate the problem of fractionated heirship of allotted lands, and acquire lands for tribal programs. S. 1411. P/S May 13, 1974. (VV)

Declares that all right of the United States to certain lands in the Lake Traverse Indian Reservation is to be held in trust for the Sisseton and Wahpeton Sioux Tribe, subject to all valid rights of way and subject to a condition that two tracts be utilized by the Secretary of the Interior for operating day schools. S. 1412. P/S June 13, 1974. (VV)

Spokane Tribe, Washington

Deletes the provision of present law which requires that the value of nontrust lands acquired by the Spokane Indian Reservation in any year shall not exceed the value of lands passed from trust status to tax free status in order to enable the Spokane Tribe to consolidate its land base. H.R. 5053. Public Law 93–286, approved May 21, 1974. (VV)

INTERNATIONAL

American Hospital of Paris, Inc.

Amends the Act incorporating the American Hospital of Paris by eliminating the maximum 20 member limitation on the Board of Governors. S. 1836. Public Law 93–266, approved Apr. 12, 1974.

Arms Control and Disarmament Agency

Authorizes $10.1 million for fiscal year 1975 to finance the operations of the Arms Control and Disarmament Agency, and changes the per diem limitation for the payment of consultants and experts from $100 a day to a maximum of $138 per day and extends their fiscal year employment limitation from 100 days to 130 days. H.R. 12799. Public Law 93– , approved 1974. (VV)

China Indemnification Agreement

Authorizes the Secretary of State to conclude an agreement with the Government of the People's Republic of China for indemnification for any loss or damage suffered by objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the United States. S. 3304. Public Law 93–287, approved May 21, 1974. (VV)

Colorado River Basin salinity control

Implements the agreement of August 30, 1973, with Mexico and authorizes the construction, operation, and maintenance of certain desalinization works in the Colorado River Basin to control the salinity of water delivery to users in the United States and Mexico. H.R. 12165. Public Law 93— , approved 1974. (VV)

Foreign disaster assistance

Authorizes $150 million for disaster relief and emergency recovery needs in Pakistan, Nicaragua, and the drought-stricken regions of Africa as follows: $65 million to Pakistan and Nicaragua, and $85 million to the African nations, of which not to exceed $10 million may be used for assistance to Ethiopia. H.R. 12412. Public Law 93– , approved 1974. (VV)

Foreign Service buildings

Authorizes additional appropriations for Foreign Service Buildings of $2,732,000 for fiscal years 1974 and 1975, made necessary in inflation and devaluation of the dollar. H.R. 12465. Public Law 93–263, approved Apr. 12, 1974. (VV)

IDA—Gold ownership—Foreign Service Instructors

Authorizes $1.5 billion (in four annual installments of $375 million each) as the U.S. contribution to the fourth replenishment of the resources of the International Development Association; amends Public Law 93–110 to make the provisions which legalized the private ownership of gold effective September 1, 1974, instead of when the President finds and reports to Congress that the elimination of this requirement would not adversely affect the U.S. international monetary position; and authorizes credit under the civil service retirement system to certain Foreign Service Institute language instructors erroneously employed under nonpersonnel service contracts between June 30, 1948, and July 1, 1960, when in fact functioning as Federal employees and provides that such employees will be required to deposit to the retirement fund amounts equal to the amounts they would have contributed had they been on the Federal rolls. S. 2665. P/S May 29, 1974. (210)

International Court of Justice

Calls on the Secretary of State to submit to the Court any outstanding territorial disputes involving the United States which cannot be resolved by negotiations, and specifically to consider submitting 28 such disputes over desolate and largely uninhabited islands in the Caribbean Sea and the Pacific Ocean. S. Res. 74. Senate adopted May 20, 1974 (VV)

Recommends the inclusion in all future treaties and other international agreements of clauses providing that any dispute arising from the interpretation or application of their provisions, not otherwise settled by agreement between the parties, shall be subject to the jurisdiction of the Court or other appropriate body. S. Res. 75. Senate adopted May 20, 1974. (VV)

Declares that the Secretary of State should give favorable consideration to making use of the various chambers of the Court; calls on the President to take all appropriate measures to attempt to expand the range of international bodies eligible to request advisory opinions of the Court; urges the President to seek to improve the process by which judges are nominated and elected; and advises the President to encourage the Court to exercise its functions outside of the Hague from time to time. S. Res. 76. Senate adopted May 20, 1974. (VV)

Urges the President to direct the Secretary of State to encourage the maximum use of the procedures for the specific settlement of international disputes as outlined in Chapter VI of the Charter of the United Nations, particularly those procedures providing for the reference of legal disputes to the Court. S. Res. 77. Senate adopted May 20, 1974. (VV)

Calls on the Secretary of State to undertake a study examining the various ways of granting direct and indirect access to the Court and other international tribunals to individuals, corporations, non-governmental organizations, intergovernmental organizations, regional organizations, and other natural or legal persons, including the feasibility of establishing a special committee of the United Nations General Assembly with authority to request from the Court advisory opinions on behalf of these groups. S. Res. 78. Senate adopted May 20, 1974. (VV)

International Ocean Exposition '75

Authorizes a supplemental appropriation to the United States Information Agency of $5.6 million, without fiscal year limitation, to fund U.S. participation in the International Ocean Exposition to be held in Okinawa, Japan in 1975. S. 2662. Public Law 93–304, approved June 8, 1974. (VV)

International Wheat Agreement Conference

Expresses the sense of the Senate that the President should call upon the International Wheat Council to request the Secretary-General of the United Nations Conference on Trade and Development to convene a negotiating conference on provisions relating to the prices of wheat and to the rights and obligations of members with respect to international trade in wheat. S. Res. 340. Senate adopted June 21, 1974. (VV)

Japan-United States cultural exchange

Creates a Japan-United States Friendship Trust Fund to promote scholarly, cultural, and artistic activities between Japan and the United States; authorizes therefor the transfer of $32 million from the proceeds of the Okinawa Reversion Agreement of which the interest and up to 5 percent of the principal may be spent annually to support these activities; and establishes a commission to administer the programs. S. 649. P/S June 7, 1974. (VV)

Middle East terrorists

Condemns the terrorist threat made against the lives of 90 Israeli school children as well as all acts of terrorism and urges the President and the Secretary of State to call upon all governments to condemn this inhumane act of violence against innocent victims, and the countries where these groups and individuals are found to take appropriate action to rid their countries of those who subvert the peace through terrorism and senseless violence. S. Res. 324. Senate adopted May 15, 1974. (VV)

Migratory birds

Implements the Convention with Japan concerning migratory birds (Ex. R, 92d–2d) which provides for the protection of certain species of birds common to both countries or which migrate between them; prohiibts the taking, sale, purchase or exchange of migratory birds, their eggs or products thereof with certain exceptions including special provisions for Eskimos, Indians, or inhabitants of the Trust Territory of the Pacific Islands; and requires each country to control the exportation or importation of migratory birds, and products thereof, to encourage their conservation, and to preserve and enhance their environment. H.R. 10942. Public Law 93–300, approved June 1, 1974. (VV)

Military assistance to Greece

Prohibits all military grant assistance, sales, credit sales, and guaranties to Greece until (1) the Executive Branch completes a review of United States policy toward Greece with specific attention to whether the Government of Greece is in a position to fulfill its political obligations under the preamble to the North Atlantic Treaty which states "The Parties to this Treaty * * * are determined to safe-guard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and rule of law."; (2) reports the results of such review to the Congress; and (3) the President finds that Greece is in full compliance with its obligations under NATO, except that the President may extend assistance to Greece if he finds that such action would be in the overriding national interest and gives Congress 30 days' advance notice. S. 2745. P/S Jan. 23, 1974. (VV)

Missing in Indochina

States as a sense of the Congress that new efforts should be made by the United States to persuade North and South Vietnam and Laos to comply with their obligations with respect to an accounting of personnel captured, killed or missing during the Vietnam conflict, and further states that every effort should be made to obtain the cooperation of the various parties in the conflict in Cambodia to provide information with respect to missing personnel. S. Con. Res. 81. Senate adopted Apr. 10, 1974; House adopted amended June 3, 1974. (VV)

Missing newsmen

States as the sense of the Senate that the President should make every possible diplomatic effort through the Department of State and other relevant agencies to ascertain the truth of the present whereabouts or fate of United States newsmen missing in Southeast Asia, and obtain the release of those still alive and an accounting of those who may be dead. S. Res. 291. Senate adopted Feb. 26, 1974. (VV)

National Olympic Commission

Establishes a National Commission on the Olympic Games composed of nine members appointed by the President; directs the Commission to (1) review continued U.S. participation in the quadrennial world Olympic Games, (2) conduct a review and oversight of the past performance of the United States Olympic Committee (USOC) in managing U.S. involvement in the Games, (3) examine ways to improve the management of U.S. involvement in the Games, and (4) submit a report of its recommendations to the President and Congress not later than December 31, 1974, or 180 days after the appointment of the ninth member of the Commission, whichever is later; and authorizes therefor $750,000. S. 1018. P/S May 20, 1974. (VV)

Northwest Atlantic Fisheries

Permits U.S. participation in international enforcement of fish conservation in additional geographic areas pursuant to the International Convention for the Northwest Atlantic Fisheries of 1949; requires payment for travel expenses and per diem incident to attendance at meetings of the International Commission for the Northwest Atlantic Fisheries for not more than five members of the industry advisory commission; and requires the Secretary of State to submit an annual report to Congress on the costs incurred to reimburse advisor's expenses. H.R. 14291. Public Law 93———, approved 1974. (VV).

Overseas Private Investment Corporation (OPIC)

Extends until December 31, 1976, the authority of the Overseas Private Investment Corporation to issue political risk insurance to protect private overseas investments against war, expropriation of property and inconvertibility of currency; seeks to promote the transference of OPIC's insurance functions to private insurance companies and multinational organizations by requiring OPIC to cease writing expropriation and inconvertibility insurance after December 31, 1979, and war risk insurance after December 31, 1980, and by authorizing OPIC to assume the role of reinsurer after these dates; and contains other provisions. S. 2957. P/S Feb. 26, 1974; P/H amended May 16, 1974; In conference. (40)

Peace Corps authorization

Authorizes $82,256,000 to finance operations of the Peace Corps during fiscal year 1975; authorizes an additional $1 million for increases in salary, retirement and other employee benefits; authorizes the transfer of $315,000 from any sums appropriated to the Peace Corps for fiscal year 1975 to ACTION'S readjustment allowance account at the Department of Treasury; and authorizes the waiver of claims resulting from the erroneous payments of readjustment allowances to Peace Corps volunteers between March 1, 1961, and February 28, 1973, and relieves the disbursing officers involved from liability for such erroneous payments. H.R. 12920. Public Law 93-302, approved June 1, 1974. (164)

State Department supplemental authorization

Increases the authorization level of the State Department Authorization Act of 1973 in three categories: administration of foreign affairs, international organizations and conferences, and pay raises; reduces the authorization level in four categories: international commissions, educational exchange, devaluation costs, and antiterrorism measures; and increases the permanent authorization for annual contributions to the International Committee of the Red Cross, from $50,000 to $500,000. H.R. 12466. Public Law 93-312, approved June 8, 1974. (VV)

State Department—USIA authorizations

Authorizes $741,915,000 to the Department of State and $238,009,000 to the United States Information Agency for fiscal year 1975 plus any additional funds that may be required for salary and employee benefit increases; reorganizes the annual foreign affairs authorizing legislation beginning in fiscal year 1976; places into law a delineation of the authority and responsibilities of ambassadors; requires Congressional approval of all significant executive agreements pertaining to U.S. military bases abroad and specifically requires such approval regarding the U.S. base on Diego Garcia; requires certain reductions in U.S. personnel stationed abroad under the jurisdiction of American ambassadors; requires that the Administration submit to Congress a detailed plan for future U.S. economic and military assistance to South Vietnam; calls for a review and reformulation of U.S. policy toward Cuba; creates in the State Department a new International Materials Bureau; establishes the requirement that a foreign Service officer's career include two years of non-State Department service in state or local government, public schools, or other public organizations; requires publication in the Congressional Record of political contributions of all ambassadorial nominees; repeals the Formosa Resolution of 1955 which authorizes the President to use the Armed Forces for the protection of Formosa and the Pescadores Islands; authorizes expenditures for an annual trip to and from schools in the United States for dependents of government employees assigned abroad; and contains other provisions. S. 3473. P/S May 20, 1974. (VV)

TREATIES

Customs Convention on the International Transit of Goods

Provides simplified customs control mechanisms and uniform documentation procedures for transport by bonded trailers, railway cars, vessels, and large containers, such carriers to have the option to use the International Transit of Goods procedures or another system if more advantageous. Ex. P, 93d-1st. Resolution of ratification agreed to Jan. 21, 1974. (2)

Extradition treaty with Denmark

Provides for the extradition of fugitives charged with any of 28 specific offenses, including offenses relating to narcotics and aircraft hijacking, as well as conspiracy to commit any of the specified offenses; defines territorial application to include territorial waters and airspace as well as registered aircraft in flight; provides for extradition for offenses committed outside the territory of either party if the offense is punishable under the laws of both parties; provides discretionary power to either party to extradite its own nationals, with the requested state to try the individual when the offense is punishable under its own laws; and permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense not punishable by death in the country from which extradiction is requested. Ex. U, 93d-1st. Resolution of ratification agreed to Mar. 29, 1974. (92)

Protocols for the extension of the International Wheat Agreement, 1971

Extends to June 30, 1975, the provisions of the International Wheat Agreement, 1971 constituting (1) the Wheat Trade Convention which provides for the continued operation of the International Wheat Council, an administrative body established for the purpose of providing a mechanism for international cooperation in matters relating to the production and sale of wheat, and (2) the Food Aid Convention which commits its parties to provide minimum annual quantities of food to developing countries. Ex. C, 93d-2d. Resolution of ratification agreed to June 21, 1974. (260)

1980 Winter Olympic Games

Extends an invitation to the International Olympic Committee to hold the 1980 winter games at Lake Placid, New York; expresses the hope that the United States will be selected as the site for these games; and pledges cooperation and support in their successful fulfillment. S. Con. Res. 72. Senate adopted Apr. 8, 1974 (VV)

LABOR

Minimum wage increase

Provides a statutory minimum wage of $2.30 an hour for all covered workers according to the following time schedule:

For those covered prior to 1966, $2.00 on the effective date of this act, $2.10 effective January 1, 1975, and $2.30 effective January 1, 1976;

For nonagricultural employees first covered by the 1966 and 1974 amendments, $1.90 on the effective date of this act, $2.00 effective January 1, 1975, $2.20 effective January 1, 1976, and $2.30 effective January 1, 1977;

For agricultural employees, $1.60 on the effective date of this act, $1.80 effective January 1, 1975, $2.00 effective January 1, 1976, $2.20 effective January 1, 1977, and $2.30 effective January 1, 1978;

Extension of coverage

Extends coverage of the act to employees of individual retail and service establishments (except "Mom and Pop" stores) which are part of enterprises with gross annual receipts of more than $250,000 (thus including individual establishments with gross receipts of less than $250,000 if they are part of a chain with annual receipts over $250,000) with the $250,000 establishment test for smaller stores of large covered chains to be phased out by July 1, 1976;

Brings under the minimum wage and overtime provisions of the Act all employees in private household domestic service earning "wages" ($50 per quarter) for purposes of the Social Security Act, but retains a minimum wage and overtime exemption for casual babysitters and companions and an overtime exemption for live-in domestic service employees;

Extends coverage of Federal employees to most employees including wage board employees, non-appropriated fund employees, certain employees in the Canal Zone and any other civilian employee working for the armed services; and extends coverage of State and local government employees;

Retains the present basis for coverage of agricultural employees, which requires at least 500 man-days (one-man-day being any day during which an employee performs any agricultural labor for not less than one hour) during the peak quarter of the preceding year, but alters the computation of man-days by adding to the definition of "employee" the previously excluded group of all local, seasonal hand-harvest laborers, with such employees and farmworkers under 16 working with a parent continuing to be exempt from the minimum wage if they are paid the adult piece rate;

Child Farm Labor: Amends the Fair Labor Standards Act by prohibiting the employment in agriculture of all children under the age of 12, except those working on farms owned or operated by their parents, or on farms not covered by the act under the 500 man-day test, or on conglomerate farms, with parental consent required for children on noncovered farms; permits children ages 12 through 15 to work only during hours school is not in session, provided that all 12 and 13 year olds must either receive written parental consent or work only on farms where their parents are employed;

Puerto Rico and the Virgin Islands: Provides for the gradual achievement of minimum wage parity for workers in Puerto Rico and the Virgin Islands with workers on the mainland as follows:

For certain hotel, motel, restaurant and food-service employees, as well as employees of the Federal and Virgin Islands Governments, the same as the minimum wage for counter-part mainland employees on the effective date;

For other covered workers, effective on the effective date of the legislation, presently covered employees are to receive: (A) an increase of 12 cents an hour if their wage order rates are less than $1.40 an hour, and (B) an increase of 15 cents an hour if their wage order rates are $1.40 an hour or higher;

For newly covered employees (including commonwealth and municipal employees), wage rates to be set by special industry committees which may not be less than 60 percent of the otherwise applicable rate under section 6(b) or $1.00 an hour, whichever is greater;

For all employees (other than commonwealth and municipal employees), yearly increases beginning one year after the effective date of this legislation as follows: (A) 12 cents an hour yearly if their wage order rates are less than $1.40 and (B) 15 cents an hour yearly if their wage order rates are $1.40 an hour, whichever is greater;

Exemptions: Repeals or modifies a number of present exemptions, including some of the complete minimum wage and overtime exemptions as well as some which apply only to the overtime standard, in relation to: motion picture theaters, small logging crews, shade-grown tobacco, agricultural processing industries, railroads, and pipelines, seafood processing, local transit, hotels, motels, and restaurants, tip allowance, nursing homes, salesmen, partsmen, and mechanics, cotton ginning and sugar processing, catering and food service employees, telegraphic message operations, bowling establishments, and house parents for orphans; sets a certain overtime exemption for police;

Youth Differential: Permits a lower minimum wage for full-time students as follows:

In retail and service establishments of not less than 85 percent of the applicable minimum wage of $1.60, whichever is higher for a period of up to 20 hours per week, and permits the hiring of up to 4 students without the need for the traditional precertification procedure;

In agriculture, the higher of 85 percent of the applicable rate or $1.30 an hour for the same period, and up to 4 students without certification;

And in higher education institutions, 85 percent of the applicable rate of $1.60 for the same period;

Provides that the Secretary of Labor, to the extent necessary to prevent curtailment of opportunities for employment, shall by regulation or orders provide for the employment of learners, apprentices, and for messengers employed primarily in delivering letters and messages, under special certificates at lower wages;

Age Discrimination: Amends the Age Discrimination in Employment Act of 1967 to include within its coverage Federal, State and local government employees (other than elected officials and certain aides not covered by civil service), and to expand coverage from employers with 25 or more employees to employers with 20 or more employees;

And contains other provisions. S. 2747. Public Law 93–259, approved Apr. 8, 1974. (58, 85)

Nonprofit hospital employees

Extends coverage under the National Labor Relations Act to employees of private nonprofit hospitals; establishes certain new procedures governing labor relations in health care institutions (which is defined to include hospitals, nursing homes, health maintenance organizations, extended care facilities, health and medical clinics and other similar institutions caring for the sick, infirm or aged); and contains several provisions designed to facilitate collective bargaining settlement and to provide advance notice of any strike or picketing involving a health care institution as follows: (1) the requirement for notice of termination or expiration of a contract will be 90 days; (2) the Federal Mediation and Conciliation Service (FMCS) must be given 60 days notice of such termination or expiration; (3) in initial contract negotiation a 30 day notice of a dispute to FMCS will be required; (4) the health care institution and labor organization will be required to participate in mediation at the direction of FMCS; and (5) the health care institutions must be given a 10 day notice by a labor organization before any picketing or strike (whether or not related to bargaining) can take place. S. 3203. P/S May 7, 1974; P/H amended May 30, 1974; In conference. (177)

MEMORIALS, TRIBUTES AND MEDALS

B. Everett Jordan, death of

Expresses the sorrow of the Senate in respect to the death of former Senator B. Everett Jordan (D., N.C.). S. Res. 298. Senate adopted Mar. 22, 1974. (VV)

Chief Justice Earl Warren

Authorizes $25,000 for an oil portrait and a marble bust of former Chief Justice Earl Warren to be placed in the United States Supreme Court Building. S.J. Res. 123. P/S June 5, 1974. (VV)

Georges Pompidou, death of

Expresses the congratulations of the Senspect to the death of Georges Pompidou, President of the Republic of France. S. Res. 304. Senate adopted Apr. 4, 1974. (VV)

Hank Aaron home run record

Expresses the congratulations of the Senate to Hank Aaron on hitting his 715th home baseball team, on hitting home run number 714 on April 4, 1974, thereby tying the home run record of Babe Ruth. S. Res. 303. Senate adopted Apr. 4, 1974. (VV)

Expresses the sorrow of the Senate in reate to Hank Aaron, of the Atlanta Braves run on the night of April 8, 1974, thereby surpassing the home run record set by Babe Ruth in 1935. S. Res. 305. Senate adopted Apr. 9, 1974. (VV)

J. Edgar Hoover medals

Directs the Secretary of the Treasury to strike and furnish to the general public national medals honoring the late J. Edgar Hoover who, for 48 years, served as Director of the Federal Bureau of Investigation. H.R. 1817. Public Law 93–309, approved June 8, 1974. (VV)

Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands

Renames the Arrowood Civilian Conservation Corps Center, near Franklin, North Carolina, and the Cross Timber National Grasslands, in Wise and Montague Counties, Texas, in honor of Lyndon B. Johnson. S. 2835. Public Law 93–298, approved June 1, 1974. (VV)

NATURAL RESOURCES

Anadromous Fish Conservation

Amends the Anadromous Fish Conservation Act to extend the program for conservation of fish which migrate upstream to spawn in the Great Lakes an additional 5 years, to June 30, 1979; broadens the act to allow for the control of the sea lamprey; increases Federal participation in projects undertaken by an individual State from 50 to 75 percent and in cooperative projects undertaken by two or more States from 60 to 80 percent; and authorizes therefor $20 million for each of fiscal years 1975–1979. H.R. 11295. P/H Jan. 22, 1974; P/S amended June 5, 1974; House requested conference June 18, 1974. (VV)

Big Thicket National Preserve, Tex.

Authorizes the Secretary of the Interior to acquire such lands, waters, and interest on a specified section of land in the state of Texas to consist of not more than 100,000 acres for the establishment of the Big Thicket National Preserve. H.R. 11546. P/H Dec. 3, 1973; P/S amended May 30, 1974. (VV)

Chlorine allocation

Gives the Secretary of Commerce stand-by allocation authority, on a case-by-case basis, to require producers to supply chlorine to meet priority uses of drinking water, waste water treatment systems, food processing and other public health purposes in order to prevent the possibility of a public health disaster caused by an inadequate supply; provides that an authorized applicant with an inadequate supply may apply to the Environmental Protection Agency for a prompt determination of need for chlorine and requires the Secretary, upon a favorable determination, to order that a specified amount of chlorine be supplied to the applicant; requires the Secretary to distribute such order equitably; and provides civil and criminal penalties for violations. S. 2846. P/S June 4, 1974. (VV)

Eastern wilderness

Designates 19 areas in 15 eastern states as wilderness areas within the National Wilderness Preservation System under the management of the Secretary of Agriculture; designates 40 areas in 18 States and Puerto Rico for study by the Secretary for possible inclusion in the wilderness system; amends the Wilderness Act of 1964 to facilitate the administration of the National Wilderness Preservation System, and promote uniformity of management of wilderness areas in the East and West. S. 3433. P/S May 31, 1974. (VV)

Egmont Key National Wildlife Refuge

Designates all of the land on Egmont Key, Florida, except for those lands under the jurisdiction of the Coast Guard and Hillsborough County, as the Egmont Key National Wildlife Refuge. H.R. 8977. P/H Feb. 4, 1974; P/S amended June 20, 1974. (VV)

Fish and Wildlife Service

Abolishes, within the Department of the Interior, the position of Commissioner of Fish and Wildlife, the Bureau of Sport Fisheries and Wildlife and its Office of Director and vests all such duties and responsibilities in the redesignated United States Fish and Wildlife Service to be headed by a Director at an increased level of pay. H.R. 13542. Public Law 93–271, approved Apr. 22, 1974. (VV)

Harpers Ferry National Monument

Authorizes $1.3 million for the acquisition of 430 additional acres to increase the size of the Harpers Ferry National Park and provide shuttle transportation service within the Park. S. 605. P/S May 28, 1974. (VV)

Indoor recreation facilities

Amends the Land and Water Conservation Fund Act by adding new authority which permits a State to use not more than 25 percent of its total annual allocation from the Fund for the planning and development of sheltered recreational facilities within specified areas thus permitting the enclosure of swimming pools, ice skating rinks, tennis courts, and similar outdoor facilities for year-round use where climate now controls the season or where there is a shortage of available land. S. 2661. P/S May 30, 1974. (VV)

Lone Rock Lake project

Provides for deauthorization of the Lone Rock Lake project on the Buffalo River, Ark., as a modification of the flood control program for the White River Basin, Missouri and Arkansas. S. 1961. P/S Jan. 23, 1974. (VV)

National ocean policy study

Authorizes the Committee on Commerce to make a full and complete National Ocean Policy Study to be undertaken with representative ex officio membership from other standing Committees of the Senate having a jurisdictional interest over the elements of the Study as well as six members from Coastal States to be selected by the President Pro Tempore without regard to Committee membership (such study to include, but not limited to, a thorough examination of the issues involved in the following areas: marine fisheries and other living resources; mineral resources of the seabed and subsoil; coastal zone management; ocean transportation; research and technology; law of the sea; government organization; pollution; Federal budget; and education), and to submit a report of its findings together with any legislative recommendations to the Senate. S. Res. 222. Senate adopted Feb. 19, 1974. (VV)

Recreation use fees

Amends the Land and Water Conservation Fund Act to detail those facilities on Federal recreation lands for which no use fee may be charged and retains general criteria for fee requirements for all other locations. S. 2844. Public Law 93–303, approved June 7, 1974. (VV)

Rivers and harbors—Public works

Authorizes, in title I, water resources development projects; and authorizes, in title II, the River Basin Monetary Authorization Act of 1974, a monetary increase for certain comprehensive river basin plans previously authorized by Congress, at an approximate cost of $1.33 billion, of which $550 million is for title I projects and $780 million is for title II river basins;

Establishes a new procedure for authorization of major water resources development projects of the Corps of Engineers which authorizes the Secretary of the Army, acting through the Chief of Engineers, to undertake the Phase I design memorandum stage of advanced engineering and design of certain named major water resources development projects, substantially in accordance with, and subject to conditions recommended by the Chief of Engineers, and authorizes the Secretary of the Army to undertake advanced engineering and design for the projects after completion of the Phase I stage only upon a finding by the Chief of Engineers, transmitted to the Committees on Public Works of the House and the Senate, that the project is without substantial controversy, is substantially in accordance with the conditions recommended by the Chief of Engineers or the Secretary of the Army, respectively, and that the advanced engineering and design will be compatible with any project modifications which may be under construction;

Provides for deauthorization of projects through the Chief of Engineers, and submission to Congress of a list of those authorized projects which have been authorized for at least 8 years without any congressional appropriations within the last 8 years and which he determines should no longer be authorized, which then become deauthorized unless either the House or Senate Committee on Public Works, within a certain time, adopts a resolution stating that the project shall continue to be an authorized project;

Enacts into law the discount rate of 5⅝ percent approved by the President May 29, 1962, as amended and published in the Federal Register December 24, 1968, and the pre-1968 discount rate for projects authorized prior to 1969 which have assurances as to non-Federal payment of project costs;

Authorizes a streambank erosion control demonstration program and a national shoreline erosion control development and demonstration program;

And contains other provisions. H.R. 10203 (S. 2798). Public Law 93–251, approved Mar. 7, 1974. (7, 35)

Rocky Mountain National Park, Colo.

Revises the western boundary of the Rocky Mountain National Park in the State of Colorado to include an additional 1,556.21 acres, consisting of several parcels in the Kawuneeche Valley. S. 2394. P/S Feb. 25, 1974. (VV)

Saline water conversion authorization

Authorizes $3,029,000 for fiscal year 1975 and maintains the 1974 activity level for the saline water conversion program conducted by the Secretary of the Interior. H.R. 13221. Public Law 93– , approved 1974. (VV)

Sumner Dam and Lake

Renames the Alamorgordo Dam and Reservoir on the Pecos River, New Mexico, as the Sumner Dam and Lake Sumner respectively. S. 2001. P/S June 26, 1974. (VV)

Wild and Scenic Rivers—Chattooga River

Extends for 5 years, to October 2, 1978, the protection period for water resource projects for the 27 rivers now under study for possible inclusion in the national wild and scenic rivers system; increases the funding authorization from $17 million to $37.6 million to permit completion of acquisitions for seven of the eight rivers designated as the first components of the system and establishes a deadline of June 30, 1979, for expenditure of authorized funds; authorizes the Secretaries of the Interior and Agriculture to acquire State land within the river corridors for components of the system not only by donation but also by exchange of Federal land in other areas; removes the authority of either Secretary, without ever reporting to Congress, to terminate a study of, and remove protection for, any river which Congress has designated for study; requires the President to report to Congress on each river study; designates a section of the Chattooga River, North Carolina, South Carolina and Georgia, as a part of the national Wild and Scenic River System and authorizes therefor $2 million for acquisition of lands and interests and $809,000 for development; and contains other provisions. *NOTE:* (The general amendments to the Wild and Scenic Rivers were contained in S. 921 which passed the Senate Sept. 24, 1973.) H.R. 9492. Public Law 93–279, approved May 10, 1974. (VV)

Wild and Scenic Rivers—New River

Amends the Wild and Scenic Rivers Act to designate an approximate 70 mile segment of the New River (which according to geologists is the oldest river in the United States and the only remaining segment of the North American continent's original prehistoric watershed) located in North Carolina and Virginia for study for possible inclusion in the national wild and scenic rivers system, such study not to extend beyond 2 years from the date of enactment of this act. S. 2439. P/S May 29, 1974. (208)

WILDERNESS AREAS

Weminuche Wilderness

Designates approximately 433,745 acres in the Rio Grande and San Juan National Forests, in Colorado, as the "Weminuche Wilderness". S. 1863. P/S Feb. 7, 1974. (VV)

NOMINATIONS

(Action by Rollcall Vote)

Brig. Gen. Charles A. Gabriel to the temporary rank of major general, U.S. Air Force: Nomination confirmed Apr. 24, 1974. (143)

John C. Sawhill, of Maryland, to be administrator of the Federal Energy Administration: Nomination confirmed June 18, 1974. (248)

Maj. Gen. Alton D. Slay to the permanent rank of major general, U.S. Air Force: Nomination confirmed Apr. 24, 1974. (142)

PROCLAMATIONS

American Business Day

Designates May 13, 1974, as "American Business Day". S.J. Res. 195. P/S May 2, 1974. (VV)

First Continental Congress Anniversary

Proclaims October 14, 1974, a day of national observance for the two hundredth anniversary of the First Continental Congress. S. Con. Res. 85. Senate adopted May 14, 1974; House adopted May 16, 1974. (VV)

Honor America

Declares the twenty-one days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America. H. Con. Res. 537. House adopted June 13, 1974; Senate adopted June 17, 1974. (VV)

National Agriculture Week

Designates the last full week of March of each year as "National Agriculture Week". S.J. Res. 163. P/S Mar. 19, 1974. (VV)

National Amateur Radio Week

Designates the week beginning June 17, 1974, as "National Amateur Radio Week". S.J. Res. 197. P/S May 2, 1974. (VV)

National Historic Preservation Week

Designates the week beginning May 6, 1974, as "National Historic Preservation Week". S.J. Res. 175. P/S May 2, 1974. (VV)

National Volunteer Week

Designates the week of April 21–27 as "National Volunteer Week". S.J. Res. 179. P/S Mar. 19, 1974. (VV)

TRANSPORTATION-COMMUNICATIONS

Aircraft hijacking

Amends the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy on both the international and domestic levels; implements, in Title I, the Convention for the Suppression of Unlawful Seizure of Aircraft (Hague Convention—Ex. A [92d–1st]) to which the United States is a party and which came into effect on October 4, 1971; provides the President authority to suspend air service between the United States and any foreign nation he determines is not acting consistently with the provisions of the Hague Convention, in effect imposing, unilaterally, a U.S. air transport boycott; permits the Secretary of Transportation, which the approval of the Secretary of State, to restrict, limit, or revoke the operating authority of any foreign air carrier failing to afford necessary security safeguards to the traveling public; provides, in Title II, for the screening of all passengers and carry on baggage by weapons detecting devices prior to their being boarded on the aircraft; establishes under the Administrator of the Federal Aviation Administration an Air Transportation Security Force to provide a Federal law enforcement presence at the nation's major airports; and contains other provisions. S. 39. P/S Feb. 21, 1973; P/H amended Mar. 13, 1974; in conference.

Aircraft piracy

Amends the Federal Aviation Act of 1958 to establish specific offenses for imparting or conveying threats to do certain proscribed acts and make more explicit the requisite intent for these felony sanctions; distinguishes "threats" from "false information" prosecutions; broadens current laws by making it a Federal crime for a person to knowingly carry aboard or place aboard an aircraft in air transportation a concealed explosive or other dangerous substance except for law officers and certain other purposes; and contains other provisions. S. 872. P/S Mar. 12, 1974. (VV)

Alien radio station licenses

Amends the Communications Act of 1934, as amended, to permit direct licensing of aliens and corporations with certain alien officers, directors, or stockholders rather than licensing them indirectly as a subsidiary corporation and deletes the requirement that the FCC follow certain prescribed procedures to make an intra-government security check on aliens who apply for permission to operate their amateur radio stations in the United States pursuant to a bilateral agreement extending such privileges to United States citizens on a reciprocal basis. S. 2457. P/S May 2, 1974. (VV)

Communications common carrier charges

Amends the Communications Act of 1934, as amended, to extend from one to two years the period of limitations applicable to proceedings against communications common carriers for the recovery of overcharges or damages not based on overcharges and for actions at law by such carriers for recovery of their lawful charges. S. 1227. P/S May 2, 1974. (VV)

Communications common carrier service applications

Amends the Communications Act of 1934, as amended, to designate (in addition to the Secretary of State) the Secretary of Defense rather than the Secretaries of the Army and Navy, as the person entitled to receive the required official notice whenever a communications common carrier files an application with the Federal Communications Commission for permission to extend its lines, discontinue or curtail existing services or effect certain mergers or consolidations and designates the Secretaries of Defense and State as the persons to whom such notices should be directed with respect to applications involving service to foreign points. S. 1479. P/S May 2, 1974. (VV)

Cumbres and Toltec Scenic Railroad

Grants consent to the Cumbres and Toltec Scenic Railroad Compact between the States of Colorado and New Mexico to provide for the joint operation of an interstate narrow guage scenic railroad which will preserve as a living museum a mode of transportation that helped in the development of the territories and states S. 2362. P/S Mar. 22, 1974. (VV)

FM radios

Authorizes the Federal Communications Commission to require that all AM and FM radios, retailing for $15 or more and being shipped in interstate commerce or imported into the United States, be capable of adequately receiving both AM and FM signals. S. 585. P/S June 13, 1974. (247)

Forest highway funds

Provides that the 1972 apportionments to States for forest highways not yet obligated, which would otherwise lapse on June 30, 1974, shall remain available until expended, S. 3490. Public Law 93, approved 1974. (VV)

Maritime supplemental authorization

Authorizes $23 million in supplemental appropriations for the operating-differential subsidy program of the Maritime Administration for fiscal year 1974. H.R. 12925. Public Law 93–308, approved June 8, 1974. (VV)

SS "Guam Bear" and SS "Hawaii Bear"

Authorizes the Secretary of Commerce through the Maritime Administration to remove all contracts made under the authority of Public Law 91–195 to permit the Pacific East Line, Inc. to sell the vessels SS Guam Bear and SS Hawaii Bear to a purchaser other than its successor in the trade between the West Coast and Guam, or to operate the vessels in some other trade. H.R. 11223. Public Law 93–306, approved June 8, 1974. (VV)

SS "Independence"

Permits the foreign sale of the laid-up United States-flag passenger vessel SS Independence and requires that the existing government mortgage on the ship be paid off in full and the net proceeds of the sale deposited in the owner's capital construction or reserve fund. H.R. 8586. Public Law 93– , approved 1974. (VV)

Tariffs and freight rates

Improves the ability of the Federal Maritime Commission to deal with freight rate disparities which discriminate against American shippers in the foreign trade of the United States by (1) requiring the Commission to develop and adopt a system of uniform commodity descriptions and codes to be used by all common carriers by water and all conferences of such carriers when filing any rate, charge, or tariff and (2) prohibiting common carriers and conferences from filing or maintaining an outbound or inbound rate or charge without including a statement of the applicable reciprocal rate or charge of the identical commodity between the same two points and gives the Commission the power to reject rate filings without the required statement and to suspend for no more than 180 days a filing which is being investigated. S. 1488. P/S Apr. 23, 1974. (VV)

Urban mass transit

Authorizes not to exceed $800 million ($400 million for fiscal year 1974, and an aggregate of not to exceed $800 million for fiscal year 1975) for fiscal years 1974 and 1975 for the Secretary of Transportation, on such terms and conditions as he may prescribe, to make grants or loans to State or local public bodies in order to assist them in maintaining adequate transportation services in urban areas by providing financial assistance (requiring one-third local contribution) to pay operating expenses incurred as a result of providing such services; provides for the establishment of a reasonable fare structure for each area according to its particular local needs; authorizes an additional $20 million for each of fiscal years 1974 and 1975 for research and development, establishment, and operation of demonstration projects to determine the feasibility of fare-free urban mass transportation systems; and contains other provisions. S. 386. P/S Sept. 10, 1973; P/H amended Oct. 3, 1973. Conference report filed.

Vessel tonnage deductions

Amends the present vessel admeasurement laws to allow as deductions from gross tonnage, in determining net or register tonnage, certain non-revenue earning spaces which are used in collecting, processing or carrying shipboard-generated waste materials. S. 1353. P/S Mar. 13, 1974. (VV)

VETERANS

American War Mothers, Inc.

Amends the Act incorporating the American War Mothers, Inc. to permit certain stepmothers and adoptive mothers to be members of that organization. S. 2441. Public Law 93–267, approved Apr. 12, 1974.

Disability compensation and survivor benefits

Provides cost-of-living increases in the rates of disability compensation for service-connected disabled veterans ranging from 15 to 18 percent; provides a 15-percent cost-of-living increase in the rates of additional compensation for dependents for veterans whose disability is rated 50 percent or more; provides a 17 percent cost-of-living increase in the rates payable for dependency and indemnity compensation (DIC), for widows and children, and for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance; extends longstanding presumption of service-connection for wartime veterans to those veterans who served between the end of World War II, December 31, 1946, and before June 25, 1950, the beginning of the Korean conflict thus according to Veterans of this period the same wartime presumption of service-connection; provides for the equalization of the rates of death compensation to the survivors of veterans of peacetime and wartime service where death occurred prior to January 1, 1957, thereby eliminating the distinction between the two periods of service; authorizes a study to be conducted by the Veterans' Administration and submitted to the Congress at the beginning of the 94th Congress of applications for DIC by widows of veterans who had a total and permanent disability at time of death; authorizes the Administrator to make monetary benefit payments to the beneficiary upon the determination that the interest of the beneficiary would be served thereby, notwithstanding that a fiduciary has been appointed and regardless of any legal disability on the part of the beneficiary; and provides that the increases in disability, dependency and indemnity compensation shall be retroactive to May 1, 1974. S. 3072. Public Law 93–295, approved May 31, 1974. (VV)

GI bill benefits

Extends for 30 days the 8 year delimiting date for which an eligible veteran discharged or released from active duty between January 31, 1955, and September 1, 1966, may utilize his educational assistance benefits. S. 3398. Public Law 93–293, approved May 31, 1974. (184)

Extends from 8 to 10 years the period of time following discharge or release from military service within which an eligible veteran may utilize his educational assistance benefits; excludes, in computing the delimiting date for those veteran-civilians held as prisoners of war, the period of time they were hospitalized immediately subsequent to their release; extends from 8 to 10 years the period for wives or widows to utilize their educational benefits under the GI bill; and amends the Vietnam Veterans Readjustment Assistance Act of 1972 (Public Law 92–540), to extend from 8 to 10 years the delimiting period for wives and widows eligible under the GI bill to utilize benefits first granted by the 1972 act. S. 3705. P/S June 26, 1974. (VV)

Life insurance

Provides full time coverage under Servicemen's Group Life Insurance (SGLI) for all members of the Ready Reserve, National Guard, and certain members of the Retired Reserves who are under 60 years of age and have completed at least 20 years of service; provides for the automatic conversion of SGLI to a non-renewable 5-year term policy, the Veterans' Group Life Insurance (VGLI), effective the day coverage under SGLI expires for the veteran (120 days after discharge) and provides coverage under VGLI for any person whose coverage under SGLI terminated less than four years prior to the date the VGLI program became effective for a period equal to five years less the time elapsing between the two policies; increases the maximum amount of coverage under both programs from $15,000 to $20,000, authorizes the return of excess premiums paid by Korean conflict veterans for Veterans' Special Term Life Insurance as a dividend to the insured; allows the Secretaries of the Army and Air Force to permit allotments from the pay of members of the Air Force, who are not on active duty, to make payment for group life insurance premiums of programs sponsored by the State military department or State associations of the National Guard; and contains other provisions. H.R. 6574. Public Law 93-289, approved May 24, 1974. (117)

POW families, funeral transportation for

Authorizes the Secretary of Defense to pay funeral transportation and living expenses for the families of prisoners of war who died while listed as a POW or MIA in Southeast Asia during the Vietnam conflict. S. 3228. Public Law 93-257, approved Mar. 29, 1974. (VV)

U.S. flag presentation

Authorizes the presentation of a flag to the person designated to direct the disposition of the remains of any member who dies under honorable conditions who was in a Ready Reserve status or who had completed all of their requirements for Reserve retirement but who were not eligible to receive retired pay because they had not reached age 60. H.R. 5621. Public Law 93-292, approved May 28, 1974. (VV)

Vietnam veterans

Increases, as of July 1, 1974, the rates for the monthly educational (or full time apprentice or on-job training) assistance allowance by 18.2 percent for eligible veterans and for eligible wives, widows, and children; increases the monthly allowance for a single veteran with no dependents from $220 to $260; establishes a partial tuition assistance allowance of up to $720 a school year for eligible veterans and persons under which the VA will pay according to the following formula: 80 percent of a school's yearly tuition charges up to $1,000 after excluding the first $100 of such tuition; liberalizes eligibility requirements for disabled Vietnam veterans to train under the vocational rehabilitation provisions to equalize them with those in effect for veterans of World War II and the post Korean conflict and so they may qualify for individualized tutorial assistance; extends the maximum entitlement of educational benefits to veterans from 36 to 45 months; extends to ten years the current 8-year delimiting date for veterans and eligible wives and widows to complete their programs of education; liberalizes the veteran-student service programs by raising the maximum work-study allowance from $250 to $625; liberalizes the tutorial assistance program; authorizes direct VA loans of up to $2,000 a year from the National Service Life Insurance Trust Fund to cover educational costs not otherwise provided for; establishes a veterans representative program to station a full time VA employee at each educational institution where at least 500 veterans are enrolled; and contains other provisions. H.R. 12628 (S. 2784). P/H Feb. 19, 1974; P/S amended June 19, 1974; House requested conference June 26, 1974. (252)

ORDER FOR RECOGNITION OF ASSISTANT REPUBLICAN LEADER AND ASSISTANT DEMOCRATIC LEADER ON MONDAY, JULY 8, 1974, AND FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, July 8, 1974, after the two leaders or their designees have been recognized under the standing order, the assistant Republican leader be recognized for not to exceed 15 minutes, to be followed by the assistant Democratic leader for not to exceed 15 minutes; and that upon the conclusion of the two orders there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL MONDAY, JULY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of Senate Concurrent Resolution 96, that the Senate stand in adjournment until 12 o'clock noon, on Monday, July 8, 1974.

The motion was agreed to; and at 5:22 p.m., the Senate adjourned until Monday, July 8, 1974, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 27, 1974:

DEPARTMENT OF STATE

Robert Stephen Ingersoll, of Illinois, to be Deputy Secretary of State.

Carlyle E. Maw, of New York, to be Under Secretary of State for Coordinating Security Assistance Programs.

NATIONAL RAILROAD PASSENGER CORPORATION

The following-named persons to be Members of the Board of Directors of the National Railroad Passenger Corporation for the terms indicated:

For a term of 2 years:
Charles Luna, of Texas.
Joseph V. MacDonald, of New York.
For a term of 3 years:
Frank S. Besson, Jr., of Virginia.
Mary J. Head, of Oklahoma.
For a term of 4 years:
Edward L. Ullman, of Washington.

The following-named persons to be members of the Board of Directors of the National Railroad Passenger Corporation for the terms indicated:

For a term of 3 years:
Donald P. Jacobs, of Illinois.
For a term of 4 years:
Robert Galbraith Dunlop, of Pennsylvania.

U.S. RAILWAY ASSOCIATION

The following-named persons to be members of the Board of Directors of the U.S. Railway Association for the terms indicated:

For a term of 2 years:
William W. Scranton, of Pennsylvania.
For a term of 4 years:
Gale B. Aydelott, of Colorado.
James E. Burke, of New Jersey.
For a term of 6 years:
Frank H. Blatz, Jr., of New Jersey.
Samuel B. Payne, of Massachusetts.
W. K. Smith, of Minnesota.

FEDERAL HOME LOAN BANK BOARD

Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978.

FEDERAL COMMUNICATIONS COMMISSION

The following-named persons to be members of the Federal Communications Commission for the terms indicated:

For the unexpired term of 7 years from July 1, 1968:

Abbott Washburn, of the District of Columbia.

For the unexpired term of 7 years from July 1, 1969:

Glen O. Robinson, of Minnesota.

For a term of 7 years from July 1, 1974:

Robert E. Lee, of the District of Columbia.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Paul M. Duernberger, to be lieutenant commander, and ending David R. McKenzie, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on June 21, 1974.

HOUSE OF REPRESENTATIVES—*Thursday, June 27, 1974*

The House met at 10 o'clock a.m.

Father James W. McMurtrie, principal, Bishop Dennis J. O'Connell High School, Arlington, Va., offered the following prayer:

Let us pray:

Father, as we gather here today help us to be mindful that You have entrusted the world and all that is in it to the minds and hands of man. Our task is to tend it and develop it. This is the work of no one man but of many. This day, as these leaders come together to consider and care for the needs and desires of their fellow citizens, help them to consider them in this spirit. Help them to be mindful of the visions and hopes, both separate and collected, which first brought us together and made this a nation of greatness. Help these leaders to be responsible to the people; examples of goodness to all they serve. Give them the courage to remember that all we have and are ultimately comes from You. Help them to treat their duties and lives that way and us to give the respect and support they need and deserve.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 7089. An act for the relief of Michael A. Korhonen;

H.R. 8660. An act to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances;

H.R. 13221. An act to authorize appropriations for the saline water program for fiscal year 1975, and for other purposes;

H.R. 14832. An act to provide for a temporary increase in the public debt limit; and

H.J. Res. 1061. Joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House with an amendment to a joint resolution of the Senate of the following title:

S.J. Res. 202. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2001. An act to designate the Alamogordo Dam and Reservoir, N. Mex., as Sumner Dam and Lake Sumner, respectively; and

S. 3705. An act to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows.

CALL OF THE HOUSE

Mr. MATSUNAGA. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 333]

Alexander
Andrews, N.C.
Armstrong
Badillo
Bafalis
Bell
Blatnik
Bolling
Brasco
Brinkley
Burke, Calif.
Byron
Carey, N.Y.
Chisholm
Clark
Clay
Conable
Conyers
Corman
Coughlin
Daniels, Dominick V.
Davis, Ga.
Dellums
Denholm
Dorn
Downing
Esch
Ford
Fraser
Gaydos
Gettys
Gray
Hanna
Hansen, Wash.
Hébert
Heckler, Mass.
Holifield
Holtzman
Horton
Howard
Jones, Tenn.
Karth
Kemp
Koch
Kuykendall
Kyros
Lagomarsino
Long, Md.
McCormack
McDade
Macdonald
Madigan
Mills
Minshall, Ohio
Mitchell, Md.
Nelsen
Nix
Pepper
Perkins
Pike
Powell, Ohio
Preyer
Quie
Rees
Reid
Robison, N.Y.
Rooney, N.Y.
Rousselot
St Germain
Satterfield
Shuster
Sikes
Steele
Stokes
Traxler
Vander Jagt
Wydler
Wyman
Yatron

The SPEAKER. On this rollcall 355 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMUNICATION FROM THE PARLIAMENTARIAN OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication from the Parliamentarian of the House of Representatives:

WASHINGTON, D.C.,
June 27, 1974.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby submit my resignation as Parliamentarian of the United States House of Representatives effective at the close of June 30, 1974.

I am in my fiftieth year of service for the House of Representatives, having come originally to this body as an employee in 1925. In 1927 I became Assistant Parliamentarian and in January, 1928, I began my service as Parliamentarian of the House of Representatives, service which has covered a period of more than forty-six years.

This has been a wonderful experience, and I consider it to be one of the great privileges which God has granted me that I have served with nine Speakers: Honorable Nicholas Longworth, Honorable John Garner, Honorable Henry Rainey, Honorable Joseph Byrns, Honorable William Bankhead, Honorable Sam Rayburn, Honorable Joseph Martin, Honorable John McCormack, Honorable Carl Albert.

No one ever becomes Speaker of the House of Representatives unless he has great intelligence and ability and high probity, and unless he commands the respect of his colleagues. All of these nine Speakers were eminently qualified to follow and enhance the traditions of the House of Representatives. Their wisdom, fairness, and nonpartisanship in filling the high post of Speaker is shown by the fact that from the beginning of the 70th Congress, in 1927, there have been only eight appeals from decisions of the Speaker, and in seven of these eight cases the decision of the Speaker was sustained by the House of Representatives. On the one occasion when the Speaker was overruled (on February 21, 1931), the House was actually following the wishes of Speaker Longworth, for he in effect appealed to the House to overrule him in order to correct what he regarded as an erroneous precedent.

The challenges presented by my work as Parliamentarian have been heightened by the caliber of the men and women who have served in the House of Representatives while I have been associated with it. Truly representing all parts of the country and all their constituents, their individual and collective wisdom and their unceasing dedication to this country and its Constitution have always been a source of inspiration to me. I shall always treasure the many deep and abiding friendships which have developed through my associations with the Members over these years.

Along the way too it has been a pleasure to associate with the talented and loyal officers and employees of this body, and I am deeply grateful for the close friendships and wonderful working relationships which we have had.

I shall cherish the firm and lasting friendships I have had, Mr. Speaker, with the ladies and gentlemen of the media. In my almost daily associations with them over many years, I have come to know and respect their diligent efforts to report the news. I am particularly grateful for the way in which they honored my requests to protect my anonymity on those many occasions when they discussed with me some of the complicated legislative problems which confronted us from time to time.

The time comes in each man's life when he must determine what his future may be under God's guidance and direction. I am approaching my seventieth year, and my doctors have strongly suggested that I retire from my duties as Parliamentarian. It is my hope, Mr. Speaker, that in your good judgment you will find a position where I may continue to advise and consult with you and with the new Parliamentarian, as well as continuing the important work in which I am presently engaged of compiling the Precedents of the House of Representatives.

I wish to thank you, Mr. Speaker, and through you all the Members of this great body present and past, for your many kindnesses and considerations.

Most respectfully submitted.

LEWIS DESCHLER,
Parliamentarian, U.S. House of Representatives.

RETIREMENT OF LEWIS DESCHLER AS PARLIAMENTARIAN

Mr. O'NEILL. Mr. Speaker, on behalf of the minority leader, the gentleman from Arizona (Mr. RHODES) and myself, I offer a resolution (H. Res. 1202) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1202

Resolved, That the House of Representatives hereby tenders its gratitude and expresses its abiding affection to Lewis Deschler upon his retirement after more than 46 years as its Parliamentarian, and recognizes that his unsurpassed service and dedication to the House, his impartial counsel to Speakers and Members, and his exceptional contribution to the operation of its rules have immeasurably benefited this institution of government.

The SPEAKER. If the Chair did not stop it, this applause and standing ovation would continue all day.

The Chair recognizes the majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I yield to the Speaker of the House.

Mr. ALBERT. Mr. Speaker, I rise, of course, in strong support of this resolution. I had the honor on the occasion of Lew Deschler's 58th birthday to offer a similar resolution commending him on 35 years of faithful service, and now he is in his 50th year of service in the House of Representatives.

Mr. Speaker, I ask unanimous consent that I may include with my remarks a copy of a letter from a distinguished former Member of this body, the Honorable GERALD R. FORD, Vice President of the United States, which is addressed to Mr. Deschler.

The SPEAKER pro tempore (Mr. MCFALL). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The letter is as follows:

THE VICE PRESIDENT,
Washington, June 27, 1974.

Hon. LEWIS DESCHLER,
Parliamentarian, House of Representatives, Washington, D.C.

DEAR LEW: It was with a sense of sadness that I learned you had decided to leave the place that has been a home to you for nearly half a century.

When I first came to the House you had already become a living legend in a sanctuary of great and noble men. It was not difficult, especially for a freshman Congressman, to learn why you were so highly regarded.

Suffice it to say, Lew, that you have served the House Members—from the most junior to the most senior—with a degree of professionalism and dignity that has been, and will continue to be, an inspiration to us all.

Warmest best wishes for many years of happiness.

Sincerely,

GERALD R. FORD.

Mr. ALBERT. Mr. Speaker, the resignation of Lew Deschler marks the end of a career of a man who has unquestionably been the most distinguished servant of the House of Representatives in all its history.

Lew Deschler has served the House for 49 years as employee and officer. He has worked closely with every Speaker, beginning with Nicholas Longworth. He is without any doubt, and is recognized to be, the preeminent authority on parliamentary law in the entire world. But he is more than a parliamentarian. He is and has been an adviser to me and to eight Speakers before me on every important issue affecting the House of Representatives for almost half a century. He has aided directly and indirectly just about every Member who has served in the House during his time, and certainly all the committees that have operated in this House during his time.

Wisdom—this is a word that epitomizes Lew Deschler. John McCormack used to call Lew Deschler "the man of wisdom," and he was correct. How correct he was.

Lew is also a man of great loyalty and devotion to the House and to its place in the American system, he is devoted to its leaders and its Members.

This man, it seems to me, was born with an innate ability to make wise and judicious decisions, to collect information, and consider the facts carefully and deliberately before deciding. Day after day, week after week, year after year, he has added layer upon layer of practical experience unmatched by anyone in the history of the House of Representatives—official, employee, Member, or leader.

Lew has been on the scene when every important decision has been made on every important question affecting the House of Representatives ever since he first became Parliamentarian of the House. He has learned to sense the traps and pitfalls which might affect the House, its committees, and its leaders. He must be considered, in my opinion, if we appraise his contributions by his labor, one of the great public figures of our time. He is never ostentatious, never pretentious. He is always conscientious.

His record is a monument built over time, with great modesty; it is a towering monument of accomplishment.

I have been a close friend and confidant of two predecessor Speakers and a good friend of a third: Speakers Rayburn, John McCormack, and Joe Martin. I know the esteem in which they held Lewis Deschler.

Since 1945 I have been a part of the leadership of this House: As whip, leader, and Speaker. Whenever any important matter has been considered during that time, whether parliamentary, legislative, administrative, or otherwise, Lewis Deschler has always been there.

Sam Rayburn once told me—and I think this is a bit of unrecorded history that I am glad to put in print—that John Garner, former Speaker and former Vice President, said that he considered Lew Deschler to be one of the wisest men he ever knew. John Garner, who served for 8 years as Vice President and, as Members know, was a candidate for President said, according to Sam Rayburn, that if he had become President, he would have appointed Lewis Deschler to be a Justice of the Supreme Court. That was the measure of John Garner's confidence in Lew Deschler, and this was very early in Lew's career. This is, I am sure, an accurate bit of unrecorded history from the early 1930's.

Had Lew Deschler become a Justice of the Supreme Court, his contributions would have been outstanding as have been his contributions to the House. But his great love is and always has been the House of Representatives. He has devoted his life to making its institutional role what the constitutional fathers envisioned it should be.

For my own part, Mr. Speaker, my association with Lew Deschler has been close over a long period of time. Our families have been friends. We have been together on social visits as well as on business occasions. We have one of the finest friendships I have ever made and one which I shall always treasure.

I can say—and this applies to Speakers who have preceded me in my time—that whenever I have had puzzling problems I have always felt better for having discussed them with Lew Deschler.

Our distinguished Parliamentarian has discussed the matter of his retirement at length with me. He has consulted with his family. He has much work to complete. For personal and professional reasons he needs to be relieved of the responsibilities of the Office of Parliamentarian. I have acceded to his request to lay down his resignation, but I have been able to convince him that we should retain him as a consultant in order that the leadership of the House may call upon him when his counsel is needed.

He expects, as he has said, to devote more of his time to the completion of his precedents which every Member knows will be a monumental contribution to the House. I am happy that Lew will not completely sever his ties with this body. I am sad that he will no longer be the Parliamentarian of the House but I know the important task before him will be expedited when he is relieved of the rigorous responsibilities which are attached to his office. I know that I express the sentiments of every Member of the House of Representatives when I say that we will miss Lewis Deschler as Parliamentarian. We wish for him and his wonderful wife, Virginia, and his children and grandchildren many happy and useful years in the days to come.

Mr. O'NEILL. Mr. Speaker, the Vice President has joined us today to honor Lew, and he has just had an emergency call that he must leave. We regret that he cannot be here.

I join in the remarks made by the Speaker to pay tribute to our distinguished Parliamentarian for 46 years, Lew Deschler.

He clearly merits high marks of excellence for an outstanding performance of dedicated service to the House of Representatives for nearly a half a century.

When Lew first came to the House in 1925, he was eager to learn everything about House procedures and enthusiastic about the task before him. He has brought to his position a keen legal mind and a remembrance for House precedents unparalleled in this institution.

Conscientious devotion to his duties, hard work, and a willingness to share his knowledge with others, have earned him the praise and gratitude, the respect, and admiration of all Members and House employees alike.

Whether he was presiding over monumental legislative business or counseling Members on the correct procedure to instruct conferees, or advising Speakers on the correct ruling on a point or order against a nongermane amendment—Lew took his job seriously and performed each succeeding task with equal diligence and resourcefulness.

I know that the Speaker has valued his counsel, and I, as majority leader, have often sought advice and received from Lew a very adroit and thorough response to my procedural inquiries. All of us who have served in the House with you, Lew, are deeply indebted to the excellence that you have brought to the parliamentary decisions governing this body. We wish you the very best in retirement and are all happy to learn that you will still be working with us as a special counsel until you finish the task of compiling the House precedents.

I take this time to extend to you, Lew, sincere gratitude and appreciation for a job well done.

I was talking with my good friend on the phone last night, our former, and beloved Speaker John McCormack. Were he here, he, too, would join in thanking you for your devotion to duty and undivided loyal service to him during his tenure as Speaker of the House.

Mr. Speaker, I yield at this time to the distinguished minority leader Mr. JOHN RHODES, of Arizona.

Mr. RHODES. Mr. Speaker, I thank my distinguished friend, the majority leader, for yielding.

I associate myself with the remarks of the distinguished Speaker and the distinguished majority leader on the subject of the resignation of one of the great public servants of all time, Lewis Deschler, Parliamentarian of the House of Representatives.

Mr. Lewis Deschler came to the Congress from the city of Chillicothe, Ohio, which I am told was the first capital of the State of Ohio, so he has been associated with government and places in which government has occurred for all of his life. He first came as a page of course and was appointed Parliamentarian under the great Speaker Nicholas Longworth.

Lewis Deschler has served as very few people are privileged to serve the Republic in general and the Congress in particular. His ability to analyze a problem and to do it quickly certainly has stood all of us in good stead for all the time he has been in service.

His integrity, his ability to decide matters in accordance with the precedents, no matter how those precedents might fall, has given him the respect of every Member who has ever served in the House. He is not only an adviser to the Speaker, but he also has been a valuable adviser to the minority. I suggest this is always and should be the role of the Parliamentarian. The rules of a legislative body must always be such as to allow the majority to work its will when the majority is inclined to work its will; but those rules also must allow the minority the privilege of speaking up and giving its reasons why the positions of the majority might not be correct in the particular instance.

The rulings of Mr. Deschler have always furthered those great principles.

It has been said that the minority is the anvil upon which the majority pounds out its legislative program. After 22 years, I have a few scars to prove that is true; but nevertheless, the fact that Lew Deschler has been Parliamentarian in every instance I know of made me, and the Members of the minority, feel that our rights have been fully protected.

So it is with great sorrow that I realize that we are ending an era on the floor of the House of Representatives; but we will have Lew's services available as a consultant as he finishes the great work "The Deschler Precedents" which certainly will be the most outstanding work to be compiled in our time, concerning the parliamentary precedents of the House of Representatives and parliamentary law in general.

Lew has been here through many crises. Can we imagine a career that spans the turbulent days of the New Deal, World War II, the Korean war, all the crises which have occurred since the time he has been in this position.

So certainly he is looking back, as he should, with great satisfaction on a great career and all of us who have known him and known him personally with a warm personal friendship, as has been my privilege, feel a great sorrow for his leaving, but a great gratitude for having been with him.

Mr. Speaker, the distinguished Vice President, Mr. Ford, who was on the floor just prior to this time and had to leave has asked me to associate himself with the remarks that have been made about Lew Deschler and to say that he always has appreciated the great work and the great services of Mr. Deschler and his personal friendship.

Mr. Deschler, in your retirement, we all join, I know, in wishing you and your dear wife, Virginia, the very best of everything, both now and in the future.

Mr. O'NEILL. Mr. Speaker, I want to thank the distinguished minority leader for his beautiful thoughts.

Mr. BROWN of Ohio. Mr. Speaker, Lew Deschler has been our Parliamentarian almost as long as I have been on this Earth. Since he came to this House from Chillicothe, Ohio, at the invitation of the last Speaker from Ohio, the Honorable Nicholas Longworth, he has conducted himself with honor and dignity which, in turn, has brought honor and dignity to this body.

As I have been privileged to escort constituent citizens through these halls, I have often pointed out the Parliamentarian as the most powerful person in the House of Representatives, but the least known.

While I am fully aware that Lew Deschler has served at the pleasure of the Speaker, he has served to the pleasure of the House itself. Without his rational stability, this body would not have been able to serve the people as well as it has for the last half century. He has fairly served seven Speakers in maintaining the logical order of the business of making laws. And he has served without partisanship, always at the pleasure of the majority, but with the interest of maintaining the two-party system and the rights of the minority and the rights of the individual Member.

It is for that reason that his compiled precedents will be much awaited, and studied as carefully and for an even longer period than those precedents have been in the preparation. The Deschler-written precedents can influence the future of the House where representative government serves our people as effectively as the Deschler decisions have influenced the House during the last 46 years.

Lew Deschler's retirement is particularly sad in that it comes immediately ahead of one of the least precedented acts which the House may be called upon to perform. For the House to consider the possibility of impeachment without the guidance of an experienced pilot to mark the depth of water and warn us away from the shoals, is indeed a grievous loss. If this moment comes, his loss as our pilot through difficult parliamentary waters will be deeply felt by us all.

I am sure he has trained his successor well. And I am sure no Member of this body is unaware of the training he has given us all in the importance of protecting the integrity of the rules of parliamentary procedure and practice. But there is no substitute for experience when we embark on largely unchartered waters.

I feel sure that Lew Deschler would not lay down at this critical time the considerable burden he has carried so effectively for so long if it were not absolutely necessary. We all wish him well and pray for his continued good health. He has served this body well. He has served his country with merit. And he is a worthy son of Ohio. A few years ago he was honored by the Ohio Newspaper Association with its coveted Governor's Award presented to Ohio natives of great personal accomplishment. All Ohioans and all Americans are proud of Lew Deschler.

Mr. ROSTENKOWSKI. Mr. Speaker, it was with very mixed emotions that I today heard of the retirement of our Parliamentarian, Lewis Deschler, after 50 years of service to the House of Representatives. Virtually no one has been more indispensable to the effective operation of the House, and no one is more deserving of the leisuretime that this retirement will now allow.

During my years in the House, I have come not only to respect the man immensely, but to rely unquestionably on his judgment as well.

When I started as chairman of the Democratic caucus in both the 90th and 91st Congresses, it was Lew Deschler who was my right arm. It was he who ably assisted me in those often controversial days when the caucus first began to reexert its power. After we reinstituted regular monthly meetings of the caucus, it was not uncommon for Lew to arrive at the Capitol quite early in the morning at my request in order that we could review any potentially difficult rulings. At these times, he was far more than a procedural expert. He was an experienced counselor and friend.

In my office hangs a gavel that he presented to me in 1967 upon my reelection as chairman of the caucus. My regard for this memento is only exceeded by my respect for the man who gave it to me.

There are many other ways in which Lew has assisted me since I first came to Congress 16 years ago. I have always had a strong suspicion that it was Lew's confidence in me that led Speaker John McCormack to first name me Chairman of the Committee of the Whole during the consideration of several difficult bills. I only hope that I have been worthy of the confidence that Speaker McCormack and his able Parliamentarian first placed in me.

As he departs from this Chamber for the final time, he most assuredly leaves a lasting legacy. In the many tributes that will be bestowed upon him, I only hope that his amazing length of service will not somehow overshadow the quality of that service. For, while it is true that he has served the House through a half of a century, it is also true that he has been far more than just a tireless public servant. He has been unquestionably fair to all who have sought his counsel. His unparalleled knowledge of the House has been muted only by his disdain for the public eye. In a city that craves the limelight, he has excelled in its shadow.

Mr. Speaker, in the last 50 years, I know Lew has seen many changes in the House that he has come to love. But, with all the changes, the strength and the quality of the House has remained constant. It has remained constant, because of the contributions and the influence of men like my good friend, Lew Deschler.

Mr. MILLER. Mr. Speaker, it is with a great deal of pleasure that I join in this salute to one of Capitol Hill's most distinguished public servants, Mr. Lewis Deschler. The resolution we have adopted today in the House underscores the feelings of this body that Lew Deschler has been a credit to his position as Parliamentarian of the House and an invaluable asset to the day-to-day legislative activities of the Congress.

Born in Chillicothe, Ohio—which is near my congressional district—Lew Deschler began his congressional service with his appointment in December 1925, as a Speaker's messenger. Two years later, he was named an Assistant Parliamentarian of the House and in 1928, Lew became the Parliamentarian.

His dedication to this job and his extensive knowledge of the duties of that post have not gone unrecognized. In 1970, he was named the recipient of the Ohio Governor's Award and, in the same year, he was the first to be honored by the John W. McCormack Award for House service.

His responsibilities in the House during the past 40 years have involved advising the Speaker, the majority leader, the minority leader as well as Members of the House on important parliamentary procedures. His advice and counsel on a wide range of subjects has been sought many times over and I know that we are all grateful for his cooperation and expertise.

Lew literally watched history in the making in this Chamber and he can take a great deal of pride in knowing that he was part of it.

It is an honor to join in this tribute to Lew Deschler and I commend him for his outstanding contributions to the House.

Mr. MINSHALL of Ohio. Mr. Speaker, we have learned today that our great friend and mentor, Lewis Deschler, the most skilled and knowledgeable Parliamentarian ever to serve the House, will be bringing to a close nearly a half century of service on Capitol Hill.

Appointed messenger at the Speaker's table as a youth in December 1925, his brilliance rapidly established itself. In January 1927, he became Assistant Parliamentarian and, in 1928, Parliamentarian, an office he has filled ever since with the greatest honor and ability.

Lew Deschler was admitted to the District of Columbia bar in 1934, the U.S. Supreme Court bar in 1937. His honors and awards and achievements are numberless, but among them are the Recipient Governor's Award, Ohio, 1970; Delta Tau Delta Distinguished Service Chapter, 1964; the first annual John W. McCormack Award, 1970; the Doormen's Society "Man of the Year Award," 1973. He served as assistant secretary of the American Group of Interparliamentary Union Convention in London in 1939.

But the greatest awards and tributes are those returned to Lew almost daily in the form of the often unspoken gratitude we feel to him for his wise counsel, his never-failing courtesy, his affability, his quick wit, his amiable ability to always find time in his spectacularly crowded schedule to help out a Member or a staff person.

Lew Deschler has made a lasting imprint on Capitol Hill as editor of the House Rules and Manual, from 1929 to 1973. He is leaving some mighty big boots to fill. I must say I feel, though I know good men will follow him, almost sorry for new Members in the next Congress who will not have the guidance and advice of this superb Parliamentarian, not know the warmth of the friendship of this great man.

I have always felt a particular bond with Lew, because he was born in Chillicothe, Ohio, which happens to be where my family put down its roots in public life more than a century ago.

It is an honor to join with a multitude of Lew Deschler's friends and admirers today to wish him Godspeed as he closes this long and distinguished chapter in his career. May health, happiness, and prosperity go with him always.

Mr. ANNUNZIO. Mr. Speaker, I rise to salute Lewis Deschler, the parliamentarian's parliamentarian, on the occasion of his retirement from the staff of the House.

Born March 3, 1905, in Chillicothe, Ohio, Lew graduated from George Washington University in 1925. While attending college, he was appointed as Timekeeper for the Speaker of the House by Speaker Nicholas Longworth. He was first appointed as Assistant Parliamentarian in 1927 by House Speaker Longworth and in January, 1928, he became the Parliamentarian. While serving, Lew earned his Doctor of Jurisprudence degree from National University, graduating in 1932.

Devoted to the traditions of the House of Representatives, Lew Deschler has served with dedication, wisdom, impartiality, and good sense. In his years of expert service to Members of Congress individually and collectively, he himself has deservedly become an honored institution, and he will doubtless go down in history as the "Great Parliamentarian" of the House of Representatives.

During the years he served, Lew Deschler has witnessed some of the greatest moments in the history of mankind, and he has experienced, in a very real sense, the triumphs and the tragedies of our Nation. Having given his best and having distinguished himself in a most exacting and difficult profession, Lew can be proud of his record and his accomplishments.

I join my colleagues in extending Lew Deschler my best wishes for abundant good health, good fortune, and much happiness in the years ahead and I am delighted that he will continue his life of service to the House as senior advisor in the Office of the Parliamentarian.

Mr. TEAGUE. Mr. Speaker, this body has had the distinguished advice of a man named Lewis Deschler for the past 50 years, and for those years of service all of us are thankful. He has given the U.S. House of Representatives and the Nation a lifetime of capable and dedicated service.

Lewis Deschler has served as Parliamentarian since the 70th Congress when the Honorable Nicholas Longworth was Speaker of the House. His years of admirable service have been keenly felt by former Speakers of the House: John Nance Garner, Henry T. Rainey, Joseph W. Byrns, William B. Bankhead, Sam Rayburn, Joseph W. Martin, Jr., John W. McCormack, and our present distinguished Speaker, CARL ALBERT. I only wish that those former Speakers could today insert their remarks about this outstanding man. I know their words would only reflect the highest praise for Lewis Deschler.

When I came to Congress, Lewis Deschler had already invested 2 decades as Parliamentarian. He was the first man I met in the opening days of my career as a Congressman, and from that day to this I have maintained the highest respect for him. During my years as chairman of the House Veterans' Affairs Committee and later as chairman of the Science and Astronautics Committee, Lew has aided me on numerous occasions that called for expertise that only he could offer. As chairman of the Democratic Caucus, I found his wisdom invaluable.

The House of Representatives is losing its most capable servant when Lewis Deschler leaves these chambers, but his impression on all of those who have served here shall never be forgotten. Those of us who have known him are better people because of our acquaintance with him.

Mr. MAHON. Mr. Speaker, I wish to join in paying tribute to my friend Lew Deschler, the Parliamentarian. The House of Representatives will not seem like the same place without him.

Mr. Speaker, as I sat and listened to your eloquent remarks about Mr. Deschler I thought about the history which Mr. Deschler has seen made over the 46-year period he has sat at the right hand of all the Speakers who have presided over the House. What a rich and incomparable experience. Nobody in the Nation has had such an experience.

Not only has Lew Deschler seen history made, he has made much history himself through his long and distinguished service as Parliamentarian.

Mr. Deschler has not only been indispensable to Speakers who have served the House during this time, he has been an invaluable adviser to committee chairmen, and indeed to innumerable Members of the House generally. The Nation owes him a debt of gratitude.

I must give a warm word of personal thanks to Mr. Deschler for his friendship and for the tremendous assistance he has given me and the staff of the Appropriations Committee. His help has allowed us to work under what have often been difficult circumstances, and to work in such a way as to insure that Members were treated fairly in having an opportunity to work their will in the House, under the rules of the House.

Good luck, Lew. We will be wishing you much happiness as you continue to serve your fellow man and your country.

Mr. ROGERS. Mr. Speaker, it is with mixed feelings that all Members view the retirement of Lewis Deschler who has been Parliamentarian of the House of Representatives since 1928. I regret the loss of the services and companionship of Lew in the House, although I am happy that he has the opportunity in retirement to take a rest and do the things his busy schedule prevented him from doing while serving as Parliamentarian. Retirement will afford Lew the opportunity to spend more time with his family, including his son, Lewis who lives in my congressional district in Boca Raton.

As a young man I heard my father, Dwight Rogers, Sr., speak very highly of his old friend, Lew Deschler, and after knowing him through the years, I have shared my father's opinion.

We will always remember Lew Deschler's fine contributions in the preparation of the House Rules and Manual. We will remember his professional objectivity in the proper committee referral of bills and his assistance in unraveling complex parliamentary nightmares on the floor of the House. In addition, Lew has spent many hours assisting individual Congressmen, including myself, in advice regarding the interpretation of the rules and the appropriate Parliamentary procedure governing our actions on the floor.

Mr. Speaker, I would like to again commend Lewis Deschler for his many contributions, in promoting the smooth and efficient conduct of business in the House of Representatives and for the zeal and competence which he exhibited in carrying out the duties of his office. I wish to extend my best wishes to Lew and his family on this occasion of his retirement and hope that he will visit us frequently.

Mr. EVINS of Tennessee. Mr. Speaker, certainly I want to join with Speaker ALBERT and other colleagues in commending and congratulating Lewis Deschler, the House Parliamentarian, on the occasion of his completion of almost a half-century of dedicated and highly skilled services to the Congress.

Regrettably, Mr. Deschler has recently announced his plans for retirement and he will be greatly missed—as a matter of fact, Vice President John Nance Garner once said that if he were President he would name Lewis Deschler to the U.S. Supreme Court because of his great wisdom and capacity to decide complicated questions of parliamentary law.

Lewis Deschler is indeed a wise man, infinitely knowledgeable on parliamentary matters and blessed with objective judgment and a keen and alert mind.

He came to the House in 1925 as an employee of Speaker Longworth. In 1927 he became Assistant Parliamentarian and in 1928 became official Parliamentarian of the House and he has served since that time with distinction.

Lew Deschler is not only able and skilled—he is genial, personable, and most cooperative. He is a friend.

We shall miss him but we wish Lew the very best of good luck, good health, and happiness in his retirement.

Mr. NATCHER. Mr. Speaker, today the greatest parliamentarian in the world, Lewis Deschler, has announced that he is retiring as Parliamentarian of the U.S. House of Representatives effective at the close of June 30, 1974.

My friend, Lewis Deschler, is in his 50th year of service in the House of Representatives. He has been the confidant and advisor to nine Speakers of the House and at all times has fairly and impartially carried out his duties as Parliamentarian. The record that he has established places him in the position of being the greatest Parliamentarian ever to serve in the House of Representatives.

Mr. Speaker, one of the nicest things that has hapepned to me since I have been a Member of Congress is my association with Lew Deschler. Shortly after being elected a Member of Congress, Mr. Rayburn called me up and said he wanted me to preside on the next bill up for consideration. Since that time I have served on a number of occasions as Chairman during general debate and with the advice that I have received from our Parliamentarian, Lew Deschler, I have learned how to preside over the House of Representatives. I knew that I could call upon him at any time and as our Parliamentarian he would advise me correctly and there would be no contest in the committee over any of my rulings.

At all times he has been instinctively warmhearted, generous, understanding, sympathetic, and considerate. He possesses outstanding moral and intellectual qualities necessary for the position he has held down through the years. New Members upon advising with our Parliamentarian have found him to be understanding and helpful at all times.

Mr. Speaker, Lew Deschler is endowed with a well stocked mind and a sympathetic heart of rugged integrity, deep humility and personal modesty. Down to earth in his personal relationships and impatient with pretense and sham he has always possessed a strength of character that stood out and marked him as an outstanding American. A fine gentleman in every sense of the word and a man who has the respect of every Member of the Congress. The House of Representatives and the Nation will miss Lew Deschler, but Mr. Speaker, his name will go down in history with everlasting luster and fame. Our country is stronger today because of his immense contributions, and we will all miss him in the House of Representatives.

We all hope that our friend, Lewis Deschler, comes back to visit us real often, and we wish for him and the members of his family the best of everything in the future.

Mr. ZABLOCKI. Mr. Speaker, it is with mixed emotions that I received the news about the impending retirement of our good friend and great Parliamentarian, Lew Deschler.

On the one hand Lew deserves retirement because he has served the House of Representatives and our Nation so well for almost 50 years. But he has been such a pillar of strength to all of us for so long that it is difficult to imagine this Chamber without his presence.

I personally owe him an immense amount of appreciation for the counsel and advice he has tendered me and my office over the quarter century I have served in this body. It is a privilege to join with you, Mr. Speaker, the majority leader, minority leader, and our other colleagues in paying tribute to Lew today.

My lasting, dominant impression of this outstanding public servant will always be his warmth and humility. From the time when I first came to the House and for years thereafter, I addressed him as Mr. Deschler or "Mr. Parliamentarian." Repeatedly he stated that he preferred and asked me to address him as "Lew." Although our ages are not so different, his service in Congress has been so much longer than mine and his distinction is so marked, that it has only been in the last few years that I have been truly comfortable in addressing him by his first name.

Lew Deschler has left his mark on the history of our country. His name does not appear on any piece of legislation yet the stamp of his integrity and ability is on every piece of legislation which this body has enacted for decades.

The quality of his work has enhanced the operations and prestige of the Congress. It is comforting to know that his expertise will be available as a consultant whenever this august body calls upon his services.

My wife joins me in wishing Lew, his wife, and his family the very choicest of God's blessings in the years to come as Lew reaps the benefits of a well-deserved retirement.

Mr. ADDABBO. Mr. Speaker, I would like to add my voice to those who wish our distinguished Parliamentarian well in his retirement which will occur at the end of this month.

All of us who have served in this chamber count ourselves fortunate to have been able to avail ourselves time and again of his counsel. It is typical of Lew Deschler that requests for counsel were treated equally whether they came from the senior and powerful Members of this Chamber or whether they came from the new and inexperienced Member.

In the 14 years I have served in the House, Lew Deschler has in many instances made available his time and expertise drawn over 50 years of service to this House.

He has served with nine Speakers of the House and has carved out for himself a niche in the history of this body that likely will never be equaled.

Many of the rights our citizens take for granted today are a matter of law because of the precedents arrived at in this Chamber, and always for the last

50 years, Lew Deschler was the man who researched the precedents.

There is perhaps no man alive today who is as knowledgeable as our esteemed Parliamentarian in the vital elements of our laws of procedure. Few men ever contribute as much to their country as has Mr. Deschler, and there is little that can be said after you commend his record. His accomplishments speak more eloquently than anything else.

Though all of us in this Chamber will be the poorer for his retirement, we wish him this well and Godspeed.

Mr. MORGAN. Mr. Speaker, the departure of Lew Deschler is going to be a great loss to this body. I wish to give tribute to his truly remarkable contribution to our beloved House of Representatives.

Lew Deschler has played what I consider to be an historic role in the development of House rules over the past decades.

And along with this, he has given his wise and valuable counsel to more Members of the House than I can count, over more years than I can remember.

He has been patient, courteous, cooperative—and always helpful.

I will miss him. We all will miss him.

I wish our great Parliamentarian all the best in his well-deserved retirement.

Mr. PRICE of Illinois. Mr. Speaker, it is with mixed emotions that I heard the announcement of the retirement of our distinguished, Parliamentarian, Lew Deschler.

For Lew's sake, I am extremely happy that he will enter into a period of semiretirement that he has so well earned.

Personally, I regret to see him leave this Chamber. He has been a sort of Father Confessor to many of us—advising us, helping us steer clear of legislative pitfalls and aiding us in every way.

When I came to Congress in 1945, I was told that Lew Deschler was one of the first men I should become acquainted with, that his counsel to freshmen Members would be sound and honest.

Since then, I have seen many of my colleagues leave the House and many new ones arrive. We have gone through many periods of change. But it has been a most comforting feeling to see Lew Deschler sitting at his post beside the Speaker, helping us avoid difficulties and helping us extract ourselves from them when they occurred.

It truly can be said that no one has added more than has Lew Deschler to the standing of the House of Representatives as the greatest deliberative body in the world. I wish him and his family happiness and the best of everything in the years ahead. We will sorely miss him.

It would be no overstatement to say that Lew Deschler has contributed more to the orderly functioning of the House of Representatives than any single man since Thomas Jefferson.

From his almost limitless storehouse of knowledge of the parliamentary process, he has counseled wisely and with uncommon professionalism those who have chaired this body and the Committee of the Whole House for half a century. I, among these, have known with gradtitude the assurance of having him at my side in times of difficult decisions.

All of us here and hundreds before us will remember Lew in many friendly ways, and I would predict that history may well speak of him as "the man behind the gavel."

Mr. FUQUA. Mr. Speaker, somehow it just will not be the same in the House Chamber without Lewis Deschler.

Everyone speaking here will pay tribute to his competence as the Parliamentarian of the House. That goes without saying.

I am more interested in saying something about a man who goes out of his way to assist new Members, who couples integrity and courage with an understanding of human nature, and who is simply a warm and friendly man.

As he retires, what memories he must have. From the time he joined the staff of the House in 1925, to his appointment as Assistant Parliamentarian in 1927, to being named Parliamentarian in 1928, he has seen and known the great and near-great of this land.

I am sure that he sometimes thinks back to the days when Sam Rayburn ran the House with an iron fist, that John W. McCormack was one of the kindest and most understanding gentlemen ever to serve in this body, and now as he ends his service, the brilliant orator from Oklahoma who occupies the Speaker's chair.

Yes, there were the John Kennedys, the Lyndon Johnsons, the Richard Nixons, and GERALD FORDS. But, there were a lot more who do not come readily to mind. They too would want to be remembered and express a note of appreciation to a gentleman who was, and is, a cherished friend.

I do so for them, and for myself.

GENERAL LEAVE

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the retirement of our great Parliamentarian.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REVEREND FATHER JAMES McMURTRIE

(Mr. ROONEY of Pennsylvania asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. ROONEY of Pennsylvania. Mr. Speaker, it is with a great deal of pride that I welcome the Reverend Father James McMurtrie, principal of Dennis J. O'Connell High School in Arlington, Va., who offered the opening prayer at today's session of the House of Representatives.

Although himself young in years, Father McMurtrie already has compiled a long and impressive record of achievements in working with youth. And because all of us in the Congress are vitally concerned with the welfare of young Americans, I would like to single out but a few of the achievements made possible through Father McMurtrie's endeavors for youth.

When he arrived at the Catholic high school in Arlington in 1970, its enrollment stood at 1,200 students from northern Virginia. This September O'Connell High School's enrollment will exceed 1,500, an increase of 25 percent accomplished while other private schools are experiencing decreases in enrollment.

Academically, Dennis J. O'Connell High School ranks high with 93 percent of its graduates going on to obtain a college education. Fully 10 percent of the current graduating class have received scholarships to major State and private colleges and universities, and five of these graduates are National Merit Scholarship finalists.

Under Father McMurtrie's guidance, O'Connell High has developed an outstanding sports program, and O'Connell athletes, well trained and disciplined by an excellent coaching staff, are sought after by colleges and universities.

Ordained in 1962 after completion of his studies at St. Mary's Seminary and University in Baltimore and Loyola College in Baltimore, Father McMurtrie's priestly career has been devoted to youth. While an assistant pastor at St. Luke's Catholic Church in nearby McLean from 1962 to 1966, he served as youth activities director for the Arlington Deanery and later the Richmond diocese of Virginia.

This brought him into contact with virtually all the youth programs of the area, including Boy Scouts, Boys Clubs, and other boys' and girls' organizations. In 1966 he was named principal of Archbishop Gibbons High School in Petersburg, Va., serving there until his appointment as principal at O'Connell in Arlington.

CALL OF THE HOUSE

Mr. BROOMFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 334]

Badillo
Blatnik
Brademas
Brasco
Brinkley
Burke, Calif.
Carey, N.Y.
Chappell
Chisholm
Clark
Clay
Collier
Conable
Conyers
Daniels,
  Dominick V.
Dorn
Downing
Drinan
Esch
Fisher
Ford
Frey
Gray
Griffiths
Gubser
Gude
Hansen, Wash.
Hébert
Helstoski
Holifield
Horton
Jones, Tenn.
Karth
Kyros
Landgrebe
McCormack
McSpadden
Macdonald
Madigan
Mills
Minshall, Ohio
Powell, Ohio
Preyer
Rees
Reid
Rodino
Rooney, N.Y.
Rousselot
St Germain
Sikes
Sisk
Stokes
Traxler
Vander Jagt
Whitten
Wydler
Yatron

The SPEAKER. On this rollcall 377 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

A QUESTION OF PRIVILEGES OF THE HOUSE

Mr. ANDERSON of Illinois. Mr. Speaker, I offer a resolution (H. Res. 1203) involving a question of privileges of the House, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1203

Whereas on January 31, 1973, the House of Representatives voted to establish a ten-member, bipartisan Select Committee on Committees charged with conducting a "thorough and complete study of rules X and XI of the Rules of the House of Representatives; and

Whereas the select committee was further "authorized and directed to report to the House by bill, resolution, or otherwise," with respect to matters within its jurisdiction; and

Whereas on March 21, 1974, the select committee reported House Resolution 988 in conformance with its mandate; and

Whereas the chairman of the select committee has failed to seek a rule making House Resolution 988 in order for consideration by the House; and

Whereas, clause 27(d)(1) of House Rule XI states, "It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote;" and

Whereas delay in the consideration of H. Res. 988 may be directly attributed to action taken by the House Democratic Caucus on May 9, 1974, including instructions to the Democratic Members of the House Committee on Rules to take no action on the resolution until so directed by the caucus; and

Whereas the House Democratic Caucus is not recognized under the Rules of the House as a standing or select committee to which legislation may be referred or as having authority to defer action on legislation in clear violation of clause 27(d)(1) of House Rule XI: Therefore be it

Resolved, That the chairman of the select committee be directed to forthwith seek a rule making in order for consideration by the House, House Resolution 988; and be it further

Resolved, That the House Committee on Rules be directed to give immediate consideration to such request.

POINT OF ORDER

Mr. O'NEILL. Mr. Speaker, I raise a point of order against the resolution offered by the gentleman from Illinois.

The SPEAKER. The gentleman will state his point of order.

Mr. O'NEILL. Mr. Speaker, I make the point of order that the resolution offered by the gentleman from Illinois does not raise the question of privilege. The question of privilege is contained in rule IX of the Rules of the House of Representatives wherein it states:

> Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members, individually, in their representative capacity only; and shall have precedence of all other questions, except motions to adjourn.

Mr. Speaker, the chairman of the select committee has certainly not been derelict in attempting to bring this resolution to a vote.

Also, Mr. Speaker, there are precedents, because other Speakers have ruled that the charge of committee inactivity in respect to a subject committed to it does not constitute a question of privilege of the House.

Consequently, Mr. Speaker, I raise the point of order that the gentleman's resolution is not rightly before us because he has raised a point of privilege, and it is clearly out of order.

The SPEAKER. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. ANDERSON of Illinois. Mr. Speaker, I desire to be heard on the point of order. My question of privilege arises under rule IX which provides that, and I quote:

> Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity and the integrity of its proceedings . . . .

Mr. Speaker, I rest my question of privilege on that clause which declares those questions privileged which relate to the integrity of the proceedings of the House. It is my contention that there has been a deliberate attempt to delay House consideration of House Resolution 988, the so-called Bolling-Martin Committee Reform Amendments of 1974, and that this intentional delay not only interferes with and flouts the integrity of the proceedings of this body, but is in clear violation of clause 27(d)(1) of rule XI of the Rules of the House.

Under that rule, and I quote:

> It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote.

This rule was first adopted as part of the Legislative Reorganization Act of 1946 and made a part of the standing rules on January 3, 1953. The legislative history of this rule makes it quite plain what was intended. To quote from the final report issued by the Joint Committee on the Organization of Congress, issued March 4, 1946:

> Each chairman, even though he is the executive of the committee, should be bound by the decisions of its members as expressed in the regular committee session. The withholding of legislation from the floor, through the failure to report it to the Chamber *or failure to obtain a rule making it in order for consideration by the Chamber,* is not consistent with the authority and rights of the committee as expressed by its action and status.

The joint committee report goes on, and again I quote:

> We therefore recommend that, in the revision of the rules governing the reorganized committees, a chairman be required to report promptly to the Chamber any bill approved by his committee and to take such steps as will give the Chamber a chance to vote on it.

Mr. Speaker, there can be no question that this rule is today being undermined with respect to House Resolution 988.

The Select Committee on Committees reported that resolution on March 21, 1974, over 3 months ago. And yet, to date, the chairman of the committee has not requested a rule on the resolution, a duty which is clearly his under clause 27(d)(1) of rule XI.

Mr. Speaker, I would further contend that this delay is deliberate. It is widely known that, instead of bringing this resolution to the Rules Committee for consideration, the chairman of the select committee took it to the House Democratic Caucus. And, despite the fact that the caucus is not recognized under the rules of the House for the purpose of referring legislation and clearly does not have authority, therefore, to defer action on legislation duly reported from a committee, the caucus nevertheless voted on May 9, 1974, by a 111 to 95 secret ballot vote, to refer the resolution to its so-called reform committee for further study. As if that alone were not enough to undermine the integrity of House proceedings, the caucus further directed the Democratic members of the Rules Committee, which includes the chairman of the select committee, to take no action on the resolution until further directed by the caucus—ostensibly sometime late in July, a full 4 months after the resolution had been reported from the select committee. It should be further noted, Mr. Speaker, that the House had taken special care, in establishing the select committee, to make it a completely bipartisan committee consisting of five Democrats and five Republicans. And yet, the integrity of the House has been subverted by allowing this bipartisan resolution to not only be delayed but presumably altered by a partisan organization in this body.

The SPEAKER. The Chair desires to state to the gentleman from Illinois that the point of order goes to the contention that the resolution is not a privileged resolution, and not to the operations of the Democratic caucus or any subcommittee thereof.

Mr. ANDERSON of Illinois. Mr. Speaker, if I may continue, I would hope to be able to convince the Speaker that the argument that I am making is germane with respect to the reason that I give that action on House Resolution 988 has been delayed in a manner that is not compatible with the Rules of the House of Representatives.

Mr. Speaker, volume XI of "Cannon's Precedents" lists approximately 600 precedents, divided into 55 categories, on questions of privilege. Category No. 22 on page 192 lists eight precedents under the heading, "Questions of Privilege of the House—As to Procedure—In Relation to Committees." The very first precedent reads, and I quote:

> A report having been ordered to be made by a committee, but not being made within a reasonable time, a resolution directing the report to be made was decided to be privileged.

The precedent cited is contained in volume III of "Hinds' Precedents" at section 2609. On January 23, 1891, Congressman George W. Cooper of Indiana submitted as involving a question of privilege the following resolution, and I quote:

> *Resolved*, That the select committee having in charge the investigation of certain charges against the Commissioner of Pensions, to whom was referred, on the 4th day of September last, a preamble and resolution reciting additional misconduct and corruption in office on the part of said commissioner, be directed to forthwith return said resolution to the House.

Mr. William McKinley, Jr., of Ohio, having made the point of order that the resolution did not present a question of privilege, the Speaker ruled as follows, and I quote:

> The statement made by the gentleman from Indiana, Mr. Cooper, is that a committee of this House adopted a resolution to report, for reference by the House under the twenty-second rule, resolutions which had been referred to that committee in regular order. He states that a considerable length of time has elapsed since that action was taken by the committee to which the original resolution was referred, and he claims that this is a question of privilege involving the rights of the House and its methods of doing business.

The Speaker then went on to rule, and I quote:

> *The chair thinks it plainly so;* that the committee having ordered a report of that kind, *it should have been made in a reasonable time,* and that the House has a right to make inquiry into the matter and to decide what ought to be done under the circumstances.

Mr. Speaker, while the situation under consideration today is not identical in every particular, I think the similarities are overwhelming and compelling in justifying the question of privilege I have raised.

In the first place, we are again dealing with a resolution of a select committee which that committee had ordered to be reported. While in the former instance, the chairman of the select committee had failed to abide by the instructions of the committee to report the resolution to the House, in the present instance the chairman of a select committee has failed to comply with his duty to "take or cause to be taken necessary steps to bring the matter to a vote," as required by rule XI, clause 27(d)(1).

Mr. Speaker, it should be noted that in the former instance, the Speaker recognized as a clear right of the House that the resolution in question should have been reported "in a reasonable time," even though in 1891 there was no House rule which required this. It was not until the Legislative Reorganization Act of 1946 that a rule was first adopted requiring a chairman to "promptly" report to the House a measure approved by the committee. And I think it is extremely significant to note that the very same clause, 27(d)(1) of rule XI, requires in the second part that a chairman take such other steps as are necessary to bring the matter to a vote. In other words, if such things were considered a matter of right of the House in 1891, and thus involved a question of privilege, surely they involve a question of privilege today when they are clearly explicitly defined in the rules of the House.

Another question which is relevant here is, "what should be considered a 'reasonable time' in which a matter should be reported by a chairman and in which the chairman should seek a rule?" In 1891 the Speaker ruled that a reasonable time had elapsed since the committee had ordered the chairman to report the resolution. The record reveals that the committee ordered the resolution reported on September 11, 1890. The first session of the 51st Congress adjourned on October 1, 1890, and the second session convened on December 1, 1890. It was on January 23, 1891, that Congressman Cooper raised his question of privilege. Therefore, the resolution had been in limbo only 73 calendar days while the House was actually in session, or approximately 2½ months. The committee reform resolution, on the other hand, was reported by the select committee on March 21, 1974, or over 3 months ago. If 73 days were considered more than a reasonable amount of time in 1891, thus raising a question of privilege, 95 days without seeking a rule today must surely be considered more than a reasonable time lapse, and thus makes this a question of highest privilege.

In conclusion, Mr. Speaker, "Cannon's Precedents" clearly indicate there are at least eight precedents in which the procedures of the House in relation to its committees involve a "question of privilege of the House," including the precedent I have cited from Hinds' which is most analogous to the present situation. There can be no question that the "integrity of the proceedings" of the House has clearly been interfered with, first, by the actions of the House Democratic caucus to sidetrack House Resolution 988 and instruct the Rules Committee's Democratic Members to take no action on that resolution; and secondly, by the refusal or inability of the chairman of the Select Committee on Committees to obtain a rule on the resolution reported by his committee, even though he is clearly required to "promptly" take such steps under clause 27(d)(1) of rule XI. I urge that the point of order be overruled.

I think therefore it is extremely significant to note that the very same clause 27(d)(1) of rule XI does require in the second part of that clause that a chairman take such other steps as are necessary to bring the matter to a vote. In other words, if such matters were considered a matter of right in this House in 1891 and thus involved a question of privilege and the Speaker so ruled, surely they involve a question of privilege today when they are very clearly and explicitly defined in the Rules of the House.

One further question which is relevant here is what should be considered a reasonable time in which a matter should be reported by a chairman and in which a chairman should seek a rule. In 1891 under the precedent case I have cited the Speaker ruled that a reasonable time had elapsed since the committee had ordered the chairman to report the resolution and the record reveals that the committee ordered the resolution reported on September 11, 1890. The first session of the 51st Congress adjourned on October 1, 1891, and the second session convened on December 1, 1891. It was on January 23 that Congressman Cooper raised his question of privilege. Therefore the resolution had been in limbo only 73 calendar days while the House was actually in session, or approximately 2½ months. House Resolution 988 on the other hand was reported by the Select Committee on Committees on March 21, 1974, or over 3 months ago. So if 73 days was considered more than a reasonable amount of time for a committee to report in 1891 and to have raised a question of privilege, it would seem clear beyond peradventure of doubt that 95 days without seeking a rule today, in 1974, ought to be considered more than a reasonable lapse of time and thus make this question of highest privilege.

In conclusion, Mr. Speaker, Cannon's Precedents clearly indicate that there are at least eight precedents in which the procedures of the House in relation to its committees involve a question of privilege of the House and that includes the precedent I have already cited from Hinds which is clearly the most analagous to the present situation. There can be no question therefore, I say in reply to the point made by the distinguished majority leader that the integrity of the proceedings of the House has been interfered with, first, by the actions of the caucus to sidetrack House Resolution 988 and to instruct the members of the Rules Committee to take no action on that resolution and, secondly, by the refusal or, better stated, the inability of the chairman of the Select Committee on Committees to obtain a rule on the resolution reported by his committee even though he is clearly required to do so under clause 27(d)(1) of rule XI.

Therefore, Mr. Speaker, I urge that the point of order of the gentleman from Massachusetts be overruled.

The **SPEAKER**. The Chair is ready to rule.

The gentleman from Illinois (Mr. ANDERSON) has submitted a resolution which he asserts involves a question of the privileges of the House under rule IX. Following the preamble of the resolution, the resolution provides that:

> *Resolved,* That the chairman of the Select Committee be directed to forthwith seek a rule making in order for consideration by the House, House Resolution 988, and be it further
>
> *Resolved,* That the House Committee on Rules be directed to give immediate consideration to such request.

As indicated in "Hinds Precedents," volume III, section 2678, Speakers are authorized to make a preliminary determination as to those questions presented which may involve privileges. As reaffirmed by Speaker McCormack on October 8, 1968 (RECORD p. 30214 to 30216) when a Member asserts that he rises to a question of the privileges of the House, the Speaker may hear the question and then, if the matter is not one admissible as a question of privilege of the House he can refuse recognition.

The Chair has listened to the arguments concerning the privileged status of this resolution and has examined the precedents of the House in this regard. It will be noted that the gentleman from Illinois has relied heavily on section 2609, volume III of "Hinds Precedents," in which it was held by Speaker Reed that a report having been ordered to be made by a select committee but not being made within a reasonable time. A resolution directing the report to be made raised a question of the privileges of the House.

That case is distinguishable from the present instance in that in this instance the chairman has made the report and the resolution is pending on the calendar of the House and it does not become privileged until the House has adopted a resolution reported from the Committee on Rules providing for the consideration of House Resolution 988. The Chair does not feel that a question of privilege of the House under rule IX should be used as a mechanism for giving privilege to a motion which would not otherwise be in order under the Rules of the House, in this case, namely, a motion to direct the Committee on Rules to take a certain action.

The Chair now would refer to Hinds' Precedents, volume III, section 2610, wherein Speaker Crisp ruled that a charge that a committee had been inactive in regard to a subject committed to it did not constitute a question of privilege of the House.

The precedent cited by the gentleman from Illinois (Hinds III, 2609) is clearly distinguishable from the instant case, as the Chair has previously stated.

The rules did not provide at the time of Speaker Reed's ruling, as is now the case in clause 27(d)(2) of Rule XI, for a mandatory filing of the reports within 7 calendar days after the measure has been ordered reported, upon signed request by a committee majority.

In the instant case, however, the Select Committee on Committees has filed its report and the Chair is not aware that the chairman of the Select Committee on Committees has in any sense violated the rule cited by the gentleman from Illinois. For these reasons, the Chair holds that the gentleman's resolution does not present a question of the privileges of the House under the IX and the reolution may not be considered.

The Chair sustains the point of order.

Mr. **ANDERSON** of Illinois. Mr. Speaker, I respectfully appeal the ruling of the Chair and I ask that I be heard on appeal under section 1 of the conduct of debate under the precedent' of volume 5, section 4978.

The **SPEAKER**. The gentleman from Illinois appeals from the decision and the ruling of the Chair.

MOTION OFFERED BY MR. O'NEILL

Mr. **O'NEILL**. Mr. Speaker, I move to lay that appeal on the table.

The **SPEAKER**. The question is on the motion offered by the gentleman from Massachusetts (Mr. O'NEILL).

Mr. **ANDERSON** of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 242, nays 163, not voting 29, as follows:

[Roll No. 335]

YEAS—242

Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Arends
Ashley
Aspin
Badillo
Barrett
Bennett
Bergland
Bevill
Biaggi
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brooks
Brown, Calif.
Broyhill, Va.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Camp
Carney, Ohio
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clark
Collier
Collins, Ill.
Conyers
Corman
Cotter
Daniel, Dan
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Diggs
Dingell
Donohue
Dulski
Duncan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Flowers
Flynt
Foley
Ford
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Guyer
Hamilton
Hanley
Hanna
Harsha
Hawkins
Hays
Hébert
Hechler, W. Va.
Henderson
Hinshaw
Holtzman
Howard
Hungate
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Landrum
Latta
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lott
Luken
McFall
McKay
McSpadden
Madden
Mahon
Mann
Martin, Nebr.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Passman
Patman
Patten
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Podell
Price, Ill.
Quillen
Randall
Rangel
Rarick
Rees
Reuss
Rhodes
Riegle
Roberts
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ryan
St Germain
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Sikes
Sisk
Slack
Smith, Iowa
Snyder
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson, N.J.
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
White
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wylie
Yates
Young, Ga.
Young, Tex.
Zablocki

NAYS—163

Abdnor
Adams
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bell
Biester
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Butler
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Cronin
Culver
Daniel, Robert W., Jr.
Davis, Wis.
Dellenback
Dennis
Devine
Dickinson
Drinan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fish
Forsythe
Frelinghuysen
Frenzel
Frey
Froehlich
Gilman
Gross
Grover
Gubser
Gude
Gunter
Hammerschmidt
Hanrahan
Hansen, Idaho
Harrington
Hastings
Heckler, Mass.
Heinz
Hicks
Hillis
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Johnson, Colo.
Johnson, Pa.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Lent
Lujan
McClory
McCloskey
McCollister
McDade
McEwen
McKinney
Mallary
Maraziti
Martin, N.C.
Mathias, Calif.
Mayne
Michel
Miller
Mitchell, N.Y.
Mizell
Moorhead, Calif.
Mosher
Nelsen
O'Brien
Owens
Parris
Peyser
Powell, Ohio
Price, Tex.
Pritchard
Quie
Railsback
Regula
Rinaldo
Robinson, Va.
Robison, N.Y.
Roncallo, N.Y.
Ruppe
Ruth
Sandman
Sarasin
Sebelius
Shoup
Shriver
Shuster
Skubitz
Smith, N.Y.
Spence
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Thomson, Wis.
Thone
Towell, Nev.
Treen
Vander Jagt
Veysey
Walsh
Wampler
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion
Zwach

NOT VOTING—29

Brasco
Brinkley
Burke, Calif.
Carey, N.Y.
Clay
Daniels, Dominick V.
Dorn
Downing
Esch
Goodling
Gray
Haley
Hansen, Wash.
Helstoski
Holifield
Horton
Jones, Tenn.
Karth
McCormack
Macdonald
Madigan
Mills
Minshall, Ohio
Preyer
Reid
Rooney, N.Y.
Rousselot
Wydler
Yatron

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PREFERENTIAL MOTION OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Speaker, under clause 1, rule XXVIII, I offer a preferential motion.

The Clerk read as follows:

Mr. Waggonner moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H.R. 69, be instructed to insist upon the provisions of the House relating to limitations on the transportation of students embodied in Title II, of the House bill.

The SPEAKER. The gentleman from Louisiana is recognized.

Mr. WAGGONNER. Mr. Speaker, earlier this year this House of Representatives during the consideration of H.R. 69, which is an act to extend and amend the Elementary and Secondary Education Act of 1965, voted overwhelmingly to insert language of an amendment offered by the gentleman from Michigan (Mr. Esch) to prohibit busing. Mr. Esch did this with the concurrence of the House in an effort to comply with the will of the people across this country and for the benefit of education and our youth.

On June 5, 1974, just 22 days ago, the gentleman from Kentucky (Mr. Perkins), the chairman of the Education and Labor Committee, moved to go to conference on this proposal, H.R. 69, that proposal then having been passed by the U.S. Senate.

Mr. Esch, under the rules of the House, at that point in time moved to instruct the House conferees to insist on the provisions of the House language relating to limitations on the transportation of students embodied in title II of the House bill, which was the Esch amendment.

On June 5, the conference was agreed to, and this House again voted overwhelmingly to instruct the conferees to insist upon the House language to prohibit busing.

Mr. Speaker, rule XXVIII authorizes that the House conferees be further instructed if within 20 calendar days they have as conferees not reported to the House of Representatives the results of that conference or come back for instructions.

Twenty days have expired. The conferees have agreed on every aspect of H.R. 69 except busing.

Mr. Speaker, you know and this House knows as well as I do that the Senate bill has absolutely useless language in this regard.

I think I am well advised when I point out that the Senate conferees want even weaker language than the Senate language contained in their bill.

So, Mr. Speaker, my motion is to again instruct the House conferees with exactly the same instructions and language as Mr. Esch utilized: to again stand by the House language contained in title II with regard to the transportation of students.

I would like to inquire at this time if the chairman of the committee, the gentleman from Kentucky (Mr. Perkins), would like to have me yield to him, for purposes of debate only, a limited amount of time, and that then we might dispose of this matter?

Mr. PERKINS. I do, Mr. Speaker.

Mr. WAGGONNER. Mr. Speaker, then I yield, for purposes of debate only, 2 minutes to the gentleman from Kentucky (Mr. Perkins), the chairman of the committee.

Mr. PERKINS. Mr. Speaker, I would say to the gentleman from Louisiana that I would like to have 5 minutes.

Mr. WAGGONNER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky, the chairman of the committee, for purposes of debate only.

Mr. PERKINS. Mr. Speaker, I would regret to see the House of Representatives again instructing the House conferees on the busing issue, especially since the House conferees are doing everything in their power to uphold the position of the House.

I need not make mention here today as to how the Senate conferees are constituted except to say there are many many who do not entertain the viewpoint of the majority of the Members of this House on the busing issue.

We have been discussing this issue on numerous occasions with the Senate conferees. We have worked diligently since we went to conference on June 8, trying to resolve the differences to the best of our ability. But I do not think that this House should lose sight of the fact that we are in the conference on one of the most important pieces of legislation that has ever come before the House Chamber, and that is the Elementary and Secondary Education Act, coupled with 75 other educational programs, and we need to get back here with this bill at the earliest possible date.

I could make mention of the fact that some members of this conference are really not concerned whether we bring back a bill or not.

We broke up this morning at 4 a.m. in disagreement on the busing issue. The House refused to recede to the Senate on the busing issue, and the Senate refused to recede to the House. So we broke up in disagreement on the busing issue.

We have discussed the busing issue for many hours in the conference, and when we meet again we will be discussing the issue. Hopefully we meet at 2 o'clock today, unless the HEW appropriation bill prevents us from meeting.

It had been my hope that we could bring a bill back or reach agreement or have a meeting of minds on this legislation. That is the reason we held an all-night session last night.

I do not believe that any good will flow from the instructions to the House to stand firm, because I do not know of any House Members who have not stood firm. We are doing our best. I might as well say to my good friends in this Chamber that the purpose of a conference is to compromise issues. To my way of thinking, unless this issue is compromised, I do not know how our differences will ever be resolved, but up to this point there has not been any disposition on the part of the Senate to give.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the ranking minority member, the gentleman from Minnesota, for an observation on this issue.

Mr. QUIE. I thank the gentleman for yielding.

I shall speak only for purposes of debate and not do anything that the gentleman from Louisiana does not want me to do on that, I assure him. But it just seems to me we ought to point out that there are two differences here. The Senate has the Scott-Mansfield amendment which, to me, says that the court has to abide by the Constitution. They have to abide by the Constitution anyway. We have got a reopener. The rest of the part, it seems to me, is the same between the two bodies. The Ashbrook amendment is not part of it, as I understand the gentleman from Louisiana.

The SPEAKER. The time of the gentleman has expired.

Mr. WAGGONNER. Mr. Speaker, the gentleman from Kentucky (Mr. Perkins) has just said to this House that the purpose of a conference is to compromise differences in legislation. This House feels strongly, I believe, as it has expressed itself on previous occasions, that in the instance of this amendment, this question, that there should be no compromise. The people of this country overwhelmingly feel that the House language should prevail. They are sick and tired of unnecessary busing and rightly so.

Mr. Speaker, I urge my colleagues in the House to support this preferential motion and I move the previous question on the motion.

Mr. FRENZEL. Mr. Speaker, there is no need to instruct the conference managers on H.R. 69 a second time. They know how strong the feelings of the House are against busing. They also know that they are only one of two parties at the bargaining table.

The conference report, in any case, will contain strong antibusing provisions. I am no busing fan, and I do not believe in vast, or cross-district busing plan. I am convinced that the conference report will prevent them.

What is most important here is that we need to pass an education bill promptly so our school districts will know what funds to expect. It is bad enough that we do not fund a year in advance, but it is impossible for local school boards to plan at all when we do not complete current year funding until after the school year begins.

I believe a vote to instruct conferees is a vote to slow down H.R. 69. It is terribly important that is be promptly passed. Therefore, I must vote against the motion.

The SPEAKER. The question is on the

preferential motion offered by the gentleman from Louisiana (Mr. WAGGONNER).

RECORDED VOTE

Mr. WAGGONNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 281, noes 128, not voting 25, as follows:

[Roll No. 336]

AYES—281

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Biaggi
Biester
Boggs
Boland
Bowen
Bray
Breaux
Brooks
Broomfield
Brotzman
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conlan
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dennis
Derwinski
Devine
Dickinson
Dingell
Donohue
Dulski
Duncan
du Pont
Edwards, Ala.
Eilberg
Eshleman
Evins, Tenn.
Fascell
Fisher
Flood
Flowers
Flynt
Ford
Fountain
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Grasso
Green, Oreg.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harsha
Hastings
Hays
Hébert
Heckler, Mass.
Heinz
Henderson
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kazen
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McCollister
McDade
McKay
McSpadden
Mahon
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mazzoli
Michel
Milford
Miller
Minish
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
O'Hara
Parris
Passman
Patman
Patten
Pepper
Pettis
Peyser
Pickle
Poage
Podell
Powell, Ohio
Price, Tex.
Quillen
Randall
Rarick
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Roush
Roy
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Ullman
Vander Jagt
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOES—128

Abzug
Adams
Addabbo
Anderson, Ill.
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Bingham
Blatnik
Bolling
Brademas
Breckinridge
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burton, John
Burton, Phillip
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Culver
Danielson
Dellenback
Dellums
Dent
Diggs
Drinan
Eckhardt
Edwards, Calif
Erlenborn
Evans, Colo.
Findley
Fish
Foley
Forsythe
Fraser
Frelinghuysen
Frenzel
Gonzalez
Green, Pa.
Hanna
Hansen, Idaho
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Hicks
Holtzman
Howard
Johnson, Calif.
Jordan
Kastenmeier
Kluczynski
Koch
Kyros
Leggett
Lehman
McClory
McCloskey
McCormack
McEwen
McFall
McKinney
Madden
Mallary
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Mink
Mitchell, Md.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Perkins
Pike
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Reuss
Riegle
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rosenthal
Rostenkowski
Roybal
Ruppe
Schroeder
Seiberling
Sisk
Smith, Iowa
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Thompson, N.J.
Udall
Van Deerlin
Vander Veen
Waldie
Whalen
Wilson, Charles H., Calif.
Yates
Young, Ga.
Zwach

NOT VOTING—25

Blackburn
Brasco
Brinkley
Burke, Calif.
Carey, N.Y.
Daniels, Dominick V.
Dorn
Downing
Esch
Goodling
Gray
Hansen, Wash.
Holifield
Horton
Jones, Tenn.
Karth
Macdonald
Madigan
Mills
Preyer
Reid
Rooney, N.Y.
Rousselot
Wydler
Yatron

So the preferential motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Macdonald for, with Mr. Reid against.

Mr. Dominick V. Daniels for, with Mrs. Burke of California against.

Mr. Jones of Tennessee for, with Mr. Karth against.

Mr. Yatron for, with Mr. Holifield against.

Mr. Esch for, with Mr. Horton against.

Mr. Rousselot for, with Mr. Madigan against.

Until further notice:

Mr. Brasco with Mr. Blackburn.

Mr. Rooney of New York with Mr. Dorn.

Mr. Brinkley with Mr. Downing.

Mr. Carey of New York with Mr. Gray.

Mrs. Hansen of Washington with Mr. Wydler.

Mr. Mills with Mr. Preyer.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAGGONNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the preferential motion just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORTS

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture have until midnight tonight to file a report on the bills, H.R. 15560 and H.R. 15283.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MOTION TO TABLE ANDERSON APPEAL OF SPEAKER'S RULING

Mr. RANDALL. Mr. Speaker, the vote on the motion of the gentleman from Massachusetts, our majority leader (Mr. O'NEILL, to table the appeal of the ruling of the Speaker from the gentleman from Illinois (Mr. ANDERSON) is purely a procedural matter. Here the issue is not reform of the House or reorganization of committees or whether or not the report of the so-called Bolling committee has been unduly delayed and improperly sidetracked to the so-called Hansen committee; rather the issue at this point is to uphold the integrity of the ruling by the Speaker of the House based upon precedents which he cited in contravention of and in rebuttal to the precedents cited by the gentleman from Illinois (Mr. ANDERSON).

All of the precedents cited in support of his privileged motion by the gentleman from Illinois (Mr. ANDERSON) related to instances back as far as 1891. They all pertained to situations wherein the report of a select committee has been prepared but not reported. Accordingly, there is a clear differentiation between the precedent cited and the instance here before us. The Bolling committee has submitted its report. It has been printed and is pending before the Rules Committee.

What, then, is it that has happened after the report was issued and while it was on its way to the Rules Committee? The answer is that the report was considered by the Democratic caucus and by a 111 to 95 vote of that caucus. It was agreed that the report be submitted to the so-called Hansen committee for recommendations as to amendments or modification. It is my firm understanding that the Hansen committee will act within the next week or two and that thereafter the caucus will take further action on the Bolling reorganization report.

As we come to a vote on the motion to table the appeal by the author of the privileged motion, the gentleman from

Illinois (Mr. ANDERSON) once again let me repeat and emphasize that the issue is not whether we are for congressional reorganization or against it.

Rather, there are two issues: one is whether or not those who are members of the caucus believe that they are bound by the vote of the caucus; and, second, whether or not the House will uphold the integrity of a ruling by its Speaker when it is supported by precedents equally as convincing and persuasive as those offered by the appellant (Mr. ANDERSON). For my part, I intend to support the integrity of our Speaker.

Now, Mr. Speaker, let me address myself to the merits of the matter of reorganization of the House committee system. In other words, to comment on the merits rather than the procedures. My credentials in support of the Bolling proposal are well documented and are as good as any Member's on this point. I spoke on behalf of the Bolling report in the Democratic caucus at the last meeting of the caucus prior to the vote to send it to the Hansen committee.

At the caucus meeting in which the vote was taken, I voted "for" an open vote, and "against" a secret ballot. I was not then, and I am not now, ashamed of the fact that I was for the Bolling reorganization plan. My colleague and neighbor to the west, the gentleman from Missouri (Mr. BOLLING), will bear witness to the fact that I discussed his proposal with him with approval. I pointed out to him that there were some provisions which I opposed, but, overall, I thought it was a good plan and should be adopted.

Of course, I could not support any kind of proposal that would eliminate the House Internal Security Committee nor a plan which would completely eliminate the Merchant Marine and Fisheries Committee. But in our discussion, it was agreed that the objectionable portions would be subject to an amendment under an open rule. I have always supported an open rule because it enables the House to work its will.

Mr. Speaker, for my part, I am convinced that in a very short time the Hansen committee will report back to the Democratic caucus some acceptable modifications in the Bolling report. I am convinced that amendments will be made which will result in satisfaction to those who objected to the original Bolling plan. I repeat: I am for the reorganizaion plan but I cannot slap the face of our Speaker on a procedural point that has nothing to do with the merits of the Bolling reorganization proposal.

PURCHASE OF U.S. BONDS BY ARABS

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker and Members, I take this minute, or less, just to say that I learned last night from what I believe to be a reliable source that for some time in the past now the Treasury Department has been negotiating with the Arab nations on a deal whereby they will buy from the United States, or rather will take from the United States, a certain limited number of Federal bonds.

They are stymied at this point because the Arabs are insisting that the bonds be repayable in gold.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED RESOLUTIONS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain privileged resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

VICE CHAIRMAN OF SELECT COMMITTEE ON COMMITTEES GIVEN INSUFFICIENT NOTICE

(Mr. MARTIN of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of Nebraska. Mr. Speaker, as the vice chairman of the Select Committee on Committees, I was not extended the courtesy by the gentleman from Illinois of telling me what he proposed to do this morning in offering his privileged resolution. I received a dear colleague letter, which was included in my mail.

As one who has criticized the action of the Democratic caucus in postponing consideration of the resolution reported out of the Select Committee on Committees, I believe it is well known that I wholeheartedly support the actions of our select committee. Yet this action of the gentleman from Illinois this morning was not in keeping nor did it have the support of the Republican leadership.

The minority leader has advised me that he was unaware of what was proposed until this morning. I feel that this was the wrong approach at the wrong time and should not have been considered by the House and presented by the gentleman from Illinois as he did this morning.

As a consequence, I voted to table the resolution, as offered by the gentleman from Massachusetts, although I support wholeheartedly the recommendations of the select committee.

ECONOMY A MAJOR ISSUE

(Mr. FREY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FREY. Mr. Speaker, after his speech here yesterday, I realize the distinguished majority leader feels some obligation to play politics with the economic issue, that being uppermost in the people's minds at this point. We have a troubled economy and no one will deny it. The majority party in Congress, however, is in a strange position if they try politically to exploit the very problems they have been so insistent on creating.

Is the Government spending too much? The Democrats wanted to spend more on almost every bill that has come down the pike recently, with the possible exception of the budget for OMB, the restraining, impounding, adviser of vetoes and watchdog of the Treasury.

Are shortages moving prices up? The Democrats wanted to roll prices back, harass and punish business, even though they knew it would insure more shortages and even higher prices in the end. If they had had their way on oil, for instance, we would still be in gaslines.

Is there too much stimulus in the economy? The Democratic leaders want to stimulate it more by a tax cut. Is defense too much of a burden? The Democratic answer is to belittle détente and to make it difficult, while tempting potential enemies with unilateral troop withdrawals and arms cuts.

Mr. Speaker, they cannot have it both ways. If they want to criticize administration economic policies, they had better support better policies rather than pushing for more of those very mistakes which many of us think have made the Government sometimes counterproductive in the economic sphere.

TROUBLED ECONOMY

(Mr. CONABLE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CONABLE. Mr. Speaker, one of the characteristics of the American voter is that he reflects more on economic results than on economic policies. Thus, a troubled election year economy is a happy hunting ground for politicians more interested in winning elections than in constructive contributions to the economic correctives of which the Government is capable.

In fact the Government is not responsible for everything in the economy. It is only a major influence among the many economic opportunities our free society offers us. Government policy can be good in a bad economy and bad in a good economy, and so our constituents should be asking us, "Are you supporting sound policy?" rather than, "Is the economy strong?"

Mr. Speaker, I would like to invite our friends of the majority party to join in a serious discussion of economic policy rather than pretending the administration is responsible for an inflation they helped create, a fiscal policy they tried to make worse and a stubborn unemployment rate which they apparently think can be cured by stimulation in a vacuum. More than that, I would like to urge our majority friends to start making the key fiscal question they ask themselves before voting, "How much should this program cost in relation to the others?" not "How much more can we put in it before the veto becomes sustainable?"

SENATOR ERNEST GRUENING

(Mr. DELLUMS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, America has lost one of its men of the century. The death of former Senator Ernest Gruening has taken from us one of the strongest voices for a true American spirit that has ever served amongst us.

There is little more I can say about what Ernest Gruening meant for me other than that he indeed was, a great man.

Yet, aside from the impressive achievements and from his distinguished political career, I believe we must honor the memory of a gentle and compassionate man. I knew him briefly and I felt very humble in his presence because it was so easy to sense his innate strengths and values. And though I knew him but briefly, I feel a supreme loss here today.

Were all of us capable of the dedication and courage of Ernest Gruening, this Congress and this Nation would be a much better place.

I will miss him deeply.

CONFERENCE REPORT ON H.J. RES. 1062, MAKING CONTINUING APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1975

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on June 25, 1974, I call up the conference report on the joint resolution H.J. Res. 1062 making continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 26, 1974.)

Mr. MAHON. Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, this, I believe, is a noncontroversial conference report. A week ago we passed the continuing resolution in the House, which is an essential action by the House. It has passed the other body. We have settled the differences, and they were not considerable, between the House and the Senate.

As I stated to the House when we passed the continuing resolution, there is nothing unusual in it—nothing that should arouse the concern of Members. The Senate passed the resolution on Monday with some amendments but we were able to reach agreement yesterday so that we might bring the conference report on this essential measure to the House today.

It is imperative that the essential functions of government be allowed to continue on July 1, the beginning of the new fiscal year, and until the applicable appropriation bills are enacted. This resolution accomplishes that objective. It is regrettable that we must have continuing resolutions but there is no alternative under the circumstances.

I wish to observe, Mr. Speaker, that I think the House has done a very respectable job of clearing the appropriation bills in the past 2 weeks or so. As of close of business tomorrow, we will have passed 9 of the 13 regular annual appropriation bills for the fiscal year which begins next Monday. We have also passed the second supplemental, two urgent appropriation measures for veterans, the special energy research and development bill, and this continuing resolution.

In mid-July we will bring the Interior bill to the House. The remaining three bills—Defense, Military Construction, and Foreign Aid—are awaiting authorizing legislation. The Committee on Appropriations is in a good position to report these bills soon after the authorization is available.

Mr. Speaker, I shall not take additional time as the House has a busy schedule today. The conference report is printed in the RECORD this morning and is available in the chamber. I urge its adoption.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that I be permitted to revise and extend my remarks, and insert tables and extraneous material, and that all Members may have 5 legislative days in which to revise and extend their remarks on the continuing resolution presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Speaker, I appreciate the gentleman's yielding.

May I ask, Mr. Speaker, whether, in relationship to our vote the other day, this involves expending any additional moneys over and above what we approved the other day in the continuing resolution?

Mr. MAHON. Mr. Speaker, overall this conference report is about the same as was presented originally to the House, although there are some up and down adjustments to various items which were added by the Senate.

Mr. GROSS. Mr. Speaker, will the gentleman yield.

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, is it not true that there is a provision for increasing the amount to the Cuban refugees by $40 million to a total of about $100 million?

Mr. MAHON. Yes, the gentleman is correct. There were some minor adjustments, but they were relatively mild. The other body changed the rate of operations for the Cuban refugee program from that of the budget estimate to the current rate, but we cut it back below the level the other body had provided.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Speaker, I would like to have a brief exchange with the ranking minority Member of the Foreign Operations Appropriation Subcommittee concerning the operations of the Agency for International Development under this continuing resolution. In light of the fact that both the Senate and the House of Representatives provided the full funding permissible under a continuing resolution for foreign assistance activities, would the gentleman agree that this alone indicates both bodies expect the Agency for International Development to carry out its loan and grant operations in a normal manner under this continuing resolution?

Mr. SHRIVER. I would certainly agree that is the intention of this continuing resolution as it has been in past continuing resolutions.

Mr. PASSMAN. This joint resolution continues all activities of AID at a rate of operations of the current rate or the budget estimate whichever is lower and this is exactly how the Agency has operated under a continuing resolution in past years and should continue to operate. In fact, the House Members feel the Agency should operate under this continuing resolution exactly how it has operated under past continuing resolutions, does the gentleman agree?

Mr. SHRIVER. I certainly agree with this statement and I might also point out that AID should operate under this resolution as every other U.S. Government agency is allowed to operate under a continuing resolution which also has been the past practice.

Mr. PASSMAN. I might point out that the format of this continuing resolution has not been changed, but contains the same language as past continuing resolutions. Does the gentleman agree that a report expresses the views of individuals concerned with particular legislation, but it is not part of the law itself?

Mr. SHRIVER. That is my understanding.

Mr. PASSMAN. Is it the gentleman's understanding that any AID activity that was funded in fiscal year 1974 and is contained in the budget estimates is eligible for funding under this continuing resolution?

Mr. SHRIVER. That is my understanding and the activity would be funded at the lower level of the two amounts.

Mr. PASSMAN. By the broadest interpretation of the language concerning the Agency for International Development contained in the Senate report on the continuing resolution, even though the report has no legal standing in relationship to this joint resolution and the House Members do not necessarily embrace this Senate language, does not the gentleman agree that AID would be able to finance a casket factory in fiscal year 1975 under the continuing resolution if the agency financed a casket factory in fiscal year 1974?

Mr. SHRIVER. I certainly agree with the statement, but I wish the chairman could have used a less morbid example.

Mr. PASSMAN. Let me repeat, under the Senate report language, the Agency could fund any program in fiscal year 1975 if they funded a like program in fiscal year 1974. Finally, the Senate language, if it had legal standing, has for its only purpose to prevent the funding of a fiscal year 1975 program where no such program was funded in fiscal year 1974. Since the appropriations for AID are provided on a broad activity basis and this continuing resolution places a limit of the current rate or the budget estimate whichever is lower on these broad activities, this joint resolution, just as past continuing resolutions, does not attempt to limit or to estimate what the funding detail should be under these broad activities. Of course, the Agency should justify this detail before proceeding with their obligation and these obligations should be consistent with existing legislation.

However, no specific action is taken with respect to these details on the continuing resolution because this detail, which includes specific project funding et cetera, is left up to AID for final determination as its administrative function. The Congress should not try to become the administrators of the various Government agencies and this is certainly consistent with past practices under the continuing resolution and regular appropriation measures, does the gentleman agree?

Mr. SHRIVER. That has been the procedure we have followed in the past and I agree we should continue with that method of operation under this resolution.

Mr. PASSMAN. Mr. Speaker, I thank the distinguished gentleman.

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from California.

Mr. HAWKINS. Mr. Speaker, I would like to ask a question of the distinguished chairman of the Appropriations Committee, Mr. MAHON, regarding the meaning of the term "rate" as it is contained in the continuing resolution.

It is my understanding that this resolution directs departments and agencies to continue expending funds for programs at a monthly or quarterly rate equal to a similar rate for the last year. The community action program under the Economic Opportunity Act was funded last fiscal year for 7 months permitting a monthly expenditure of approximately $27,500,000. Would this continuing resolution permit the Office of Economic Opportunity to continue funding community action programs at that rate this year for the duration of the resolution?

Mr. MAHON. Mr. Speaker, I will state that the answer to the gentleman's question is in the affirmative. It would permit the continuation of that rate for programs financed in fiscal year 1974 under the Economic Opportunity Act, as amended.

Mr. HAWKINS. Mr. Speaker, I thank the gentleman.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, will the gentleman explain what we have done with military assistance for South Vietnam, so that we can clearly understand the picture?

Mr. MAHON. Mr. Speaker, with respect to South Vietnam, the current rate of military assistance to South Vietnam is slightly in excess of $1 billion per year. The authorized rate was a higher figure, I believe.

In the conference we settled on an even $1 billion rate for the period, July 1 to September 30.

Mr. GIAIMO. Mr. Speaker, that is substantially the amount that was authorized for appropriation in 1974, minus, I believe, $18 million?

Mr. MAHON. I believe the gentleman is correct. The conference report provides $1 billion for military assistance to South Vietnam, which is $18 million below the current rate as provided in the 1974 Defense Appropriation Act when funds for Laos are excluded, as these funds are now provided for in the foreign assistance section of the continuing resolution.

Mr. GIAIMO. So that it was kept at the rate of last year pending final determination on the authorization legislation and the appropriation legislation?

Mr. MAHON. The gentleman is correct. There was however, as the gentleman knows, a reduction of $18 million.

I yield to the gentleman from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, I just want to say that the minority concurs in the statement of the chairman of the committee and they are in agreement on the conference report.

Mr. MAHON. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ZABLOCKI. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 337]

Andrews, N.C.
Blatnik
Brasco
Brinkley
Burke, Calif.
Butler
Carey, N.Y.
Clark
Clausen, Don H.
Cohen
Conyers
Daniels, Dominick V.
Dennis
Donohue
Dorn
Downing
Drinan
Edwards, Calif.
Esch
Fish
Fraser
Goodling
Gray
Griffiths
Hanna
Hansen, Wash.
Harsha
Hébert
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Hutchinson
Jones, Tenn.
Jordan
Karth
Kastenmeier
McClory
McFall
McKinney
Macdonald
Madigan
Mathias, Calif.
Mayne
Mezvinsky
Mills
Mitchell, Md.
Montgomery
Owens
Pettis
Preyer
Railsback
Rangel
Reid
Rodino
Rooney, N.Y.
Rousselot
Sandman
Seiberling
Smith, N.Y.
Teague
Thompson, N.J.
Thornton
Ullman
Vander Jagt
Vigorito
Waldie
Wiggins
Yatron

The SPEAKER. On this rollcall 363 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1975

Mr. FLOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House of the State of the Union for the consideration of the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Illinois (Mr. MICHEL) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15580, with Mr. WRIGHT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement the gentleman from Pennsylvania (Mr. FLOOD) will be recognized for 1½ hours, and the gentleman from Illinois (Mr. MICHEL) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before the House today, H.R. 15580, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and the related agencies is the second largest of the annual appropriation bills which are considered by the Congress. It is the second largest. Only the defense appropriation bill is larger. This bill includes a total of $32.8 billion in new budget authority for fiscal year 1975.

Now, it excludes budget requests totaling over $4,600 million, for which we do not have authorizing legislation. If these budget amounts were included in the bill, it would total at least $37,400 million.

The amount in the bill does not give the full picture of the magnitude of the programs administered by the agencies which are funded in this bill.

If we take a look at page 4 of the report, and that is a very important report, it indicates the total budget authority for all these agencies, including the trust funds that are in this bill, amounts to $121,600 million. That is more than 38 percent of the total Federal budget.

The appropriation bill for the Department of Labor, Health, Education, and Welfare, with the trust funds is bigger than the Department of Defense. Did we ever think we would be here long enough to hear that?

Now, Mr. Chairman, as I have often said, the programs funded by the Labor-HEW appropriation bill affect every man, woman and child, in this Nation, every one. I am sure every Member is aware of that fact. What could possibly be more important to us as Members of this House of Representatives than promoting the health, the education, and the welfare of the American people?

Now, no budget could be large enough to meet all of the needs of our children, our poor, our aged, and our sick people. Our job as members of the Committee on Appropriations is to try to do justice to all of these needs within the funds available to us.

Now, the needs in the field of health, education, and welfare, are unlimited; but the funds are limited.

We all know that inflation is the cruelest kind of tax, and that large deficits will only make life harder for the very people that we are trying to help.

Now, the bill which we bring to the floor today is the result of months and months of hearings. There are seven volumes of testimony, the result of very, very careful scrutiny of the budget estimates by the 11 members of the Labor-HEW Subcommittee. They are an extraordinarily hard-working group. They bring a great variety of points of view to bear on this task. They represent geographical areas as far apart as Oregon, Massachusetts, Texas, Iowa, New Jersey, and Virginia.

As always, this bill represents a consensus of diverse views. But I am sure that none of the members of this committee, including the chairman, is entirely happy with everything in this bill. As always, this bill is a compromise, but it is a good compromise; one which every Member of this House can vote for in good conscience, knowing that he can defend his vote before his constituents.

The amount of the bill represents an increase of just over $4 billion over the comparable appropriations for fiscal year 1974. The largest single increase is $2,600 million for the supplemental security income program. The Members are now getting to know that as the SSI program.

But this is the first full year of this program. The Members will recall that it went into effect back on last January 1. It is administered by the Social Security Administration, and it replaces the programs for the aged, the blind, and the disabled which were formerly administered by the States. After some initial difficulties, we can tell the Members that the program seems to be off to a pretty good start.

The other large increases from the 1974 appropriations are $230 million for the National Institutes of Health—the Members will hear it referred to as the NIH—of which $112 million is for the National Cancer Institute; $285 million for higher education for student assistance; and $740 million for public assistance.

I want the Members to mark that now, because later on I will have something to say about that which may alarm them, but there will be $740 million in here for public assistance, so do not break down and cry later on if you hear any talk about further cuts in public assistance.

And $235 million is for medicare payments under the social security trust funds.

Now, Mr. Chairman, many Members will be surprised to learn that the amount in the bill is $386,456,000 less than the budget request. We have made increases over the budget request totaling $574,102,000—that is over a half billion dollars—which are more than offset by decreases totaling $960,558,000.

Now, the large decrease is primarily due to what we believe is an overestimate in the budget of the amounts required for public assistance payments in fiscal year 1975. In fiscal year 1973, we appropriated $600 million more—more than was necessary for public assistance. In fiscal year 1974, we appropriated over a billion dollars too much.

When we found out about it, the House and later the Congress, rescinded the excess funds. Now, this year, out of an abundance of caution, we have had our staff take a very good, hard, close look at this estimate, and based upon what we found out, we believe that the public assistance estimate can be cut at least $877,906,000.

Mark this: but even with this reduction, the amount in the bill still provides an important program increase of $1,800 million for public assistance.

Mr. Chairman, I could not possibly cover all of the important programs in this bill in the time allotted. The report has been available to all the Members since Monday, and it contains a wealth of detail. I urge the Members to read it. They should read it to see what has been done. The highlights of the bill are printed on pages 4 through 6. If the Members do nothing else, they should mark pages 4 through 6 of this report for themselves and their staffs. In it they will find the most important issues.

I would like to use the remaining time for matters of importance; first of all, manpower training programs. We have included in this bill $2,150 million to carry out the new Comprehensive Employment and Training Act which became law last December.

The Second Supplemental Appropriation Act of 1974, enacted earlier this very month, also included an appropriation for these same programs, a large portion of which would actually be spent in fiscal year 1975.

The amount of the 1975 bill will, point 1, enable us to use a carryover from the 1974 appropriation bill; and point 2—wait until the Members hear this—will provide a program level of $2,750 million. That is an increase of $960 million over the 1974 level of $1,790 million.

Let me tell the Members now that almost $1 billion will be available for public service employment. The Labor Department plans to spend this money, of course, over the next 18 months. However, I believe that these expenditures should be accelerated, if necessary, to combat unemployment. Of course, they should.

The very highly respected Arthur Burns, Chairman of the Federal Reserve Board, has told the committee that he believes public employment is one of the quickest and most effective ways to combat unemployment.

Mr. Chairman, we are giving the administration a $1 billion weapon to use against that unemployment, quite a weapon. We expect them to use this weapon wisely, but if and when a larger amount is needed, the Members can be sure that it will be provided, the proper amount at the proper time, and make no mistake about that.

Now, as to occupational safety and health. This has been, to put it very mildly, one of our most controversial programs in the past few years. The committee has approved the full budget request for additional Federal compliance officers and Federal grants to those States which are taking over the enforcement responsibility from the Federal Government.

My own view is that a great deal of the dissatisfaction and misunderstanding surrounding this program would disappear if the Labor Department could provide consultation to small employers to help them to comply with the law.

I understand that such consultation is not permitted under the present law.

All right. What are we here for? We are the Congress; we are the House. If that is a fact, then I think we should stop that; we should change the law.

The committee has added funds over the budget request also in the same general area for the National Institute of Occupational Safety and Health under HEW. They are responsible for providing scientific advice to the Department of Labor and others in the development of occupational safety and health standards. They can also provide consultation and advice to private industry.

We hope that this increase in funds provided in this bill will permit them to realize that they should do more of this.

Mr. Chairman, this is something in which this committee has had great interest down through the years, especially the last 10 years: the National Institutes of Health, NIH. Over the years our subcommittee has taken a very, very special interest in medical research. In fact, it would not be inaccurate to say that the National Institutes of Health are the creation of the Committees on Appropriation of the House and the Senate.

This year again we felt that the budget request simply is not sufficient to maintain the momentum which has made our Nation the world's leader in medical research. So we have included in the bill almost $1.8 billion for the National Institutes of Health, representing an increase of over $230 million over the budget and $205 million over the amount available right now in the current fiscal year.

Although a large share of that increase does go to the National Cancer Institute, all of the other institutes without exception will receive substantial increases as well, and they should.

Now, I want the Members to mark this: It is important to recognize the fact that the National Cancer Institute supports a great deal of basic research which contributes to the investigation of many, many other diseases than cancer. I wish the Members would not forget that point.

As is our usual custom, we have indicated in the report areas of research in which we think there should be special attention. Mr. Chairman, I wish the Members would listen to this carefully. We have, however, refrained from earmarking funds. We do not earmark specific amounts of money for research on specific diseases. That we do not do. If we did that, we would open up a Pandora's box. Can the Members imagine what would happen? There would be no way for us to handle that.

The National Institutes of Health have a very well-established peer review system for reviewing research proposals for establishing scientific merit and for approving those which are the most promising. We do not think that Congress should attempt to make these scientific judgments on the basis of how many letters we received regarding this disease or that disease. We just cannot do that.

Mr. Chairman, let me turn to higher education and student assistance. This bill includes almost $1.9 billion for aid to students in institutions of higher learning. That represents an increase of $294 million over the amount available for 1974.

The budget again proposed the elimination of supplementary grants and direct student loans and a large increase for the basic opportunity grants. Congress has turned down similar proposals repeatedly. Time and time again you have done that, and the members of our subcommittee continue to have very strong views on this matter.

The total amount in this bill for student assistance is equal to the budget request. We have reduced the amount for the basic opportunity grants and provided an increased amount of funding for supplementary opportunity grants and work study and for the direct student loan, which is a great program; and a rapidly developing thing, the State student incentive grants.

There are programs lacking authorization. What do you think about that? This is the Committee on Appropriations. For heaven's sake, will you keep that in mind. All day until we finish this bill keep in mind that this is the Committee on Appropriations. We do not authorize these things and we do not write these laws. If you want to write a law, then go some place else and write it; not here.

Mr. Chairman, I would like to close with a cautionary note. As I pointed out earlier, we have deferred action on budget requests totaling $4.6 billion for programs which lack authorization for 1975. These include all programs authorized by the Elementary and Secondary Education Act, the Development Disabilities Act, the Library Services and Construction Act, and various expiring sections of the Public Health Service Act, the Economic Opportunity Act, and several others. There is no money in this bill for a number of programs whose authorizations expire and for which there has been no budget request or a cutback that may be proposed in the budget. These include such very popular programs as impacted area aid and mental health centers, the OEO community action agencies, aid to medical and dental and nursing schools. We have no law, so we cannot do anything about it.

I point this out for two reasons. First I want to emphasize that althought fiscal year 1975 is only 3 days away, we still do not have authorizing legislation for many of these important programs.

Second, I want to warn the Members that if these funds were included in this bill, it would be much, much larger in total and probably far in excess of the budget request.

Mr. Chairman, you and I know there will be a great temptation—as I say to the gentleman from Iowa, oh boy, there sure will be a great temptation—because this is an election year to vote for amendments adding funds for this or that or the other program. I urge the Members to resist that temptation and support this bill presented by the committee.

Mr. GROSS. Will the gentleman yield?

Mr. FLOOD. Certainly. I am glad to yield to my old and distinguished friend from the great State of Iowa.

Mr. GROSS. Mr. Chairman, I thank the gentleman for yielding.

Mr. FLOOD. It would have spoiled my day if the gentleman had not asked me to yield to him.

Mr. GROSS. I am sorry to say that I have to disagree with the gentleman in that I will be supporting some amendments to cut some of the expenditures in this bill. But I arose to ask the gentleman from Florida about the 165 positions that were allotted to the National Labor Relations Board last year by the committee. Those 165 positions have never been filled. I compliment the National Labor Relations Board for not having filled those positions, but I am wondering whether the committee had proper justification for alloting those positions or where the fault lies?

Mr. FLOOD. Let me say to the gentleman from Iowa that the gentleman should have been at the hearings. I know the gentleman has not had time to go through that mass of testimony contained in these seven volumes. But let me say this—the gentleman could not have done it better himself, if the gentleman can imagine that, because if you ever heard the Members, all of them, on both sides of the aisle, going after witnesses, when these people appeared before them. I regret that the gentleman was not there to see this, but we certainly took them apart on this very thing. And you can be sure that until they satisfied us that nothing like this would happen, that we did not let up on them, and we just went along so far with them.

Mr. GROSS. I will say to my friend, the gentleman from Pennsylvania, that I do not want to do this bill an injustice, but I think it would have been a favor to the committee if we had been able to cut that money out of the bill last year.

Mr. FLOOD. Thereby hangs a tale.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I am happy to yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate very much the distinguished chairman, the gentleman from Pennsylvania (Mr. FLOOD) yielding to me.

On page 13 of the committee report under the item lisited as Occupational Safety and Health Administration, there is a provision which says:

> Many of the occupational safety and health standards specify that safety equipment devices must be approved by an independent nationally recognized authority or testing organization. The additional 11 positions requested in the budget and approved by the Committee will provide the staff needed to evaluate and accredit testing organizations which would thereby be authorized to certify safety devices as meeting OSHA standards.

This came about as the result of the promulgation of a regulation in the Federal Register in September 1973. However, I would like to ask the gentleman from Pennsylvania, on the basis of the fact that the Department of Labor on June 3, 1974, revoked that initial laboratory accreditation standard, will the additional 11 positions be required?

Mr. FLOOD. Mr. Chairman, I want to assure the gentleman from Wisconsin—and I might add that I know that the gentleman has been working extremely hard in his committee, and that that committee worked until the wee hours of the morning today, and I appreciate the gentleman being present here.

Mr. STEIGER of Wisconsin. Mr. Chairman, I might add that I am deeply grateful for his enabling me to come in out of the rain.

Mr. FLOOD. I understand they went until 4 o'clock this morning.

However, on the matter to which the gentleman from Wisconsin alludes, and the gentleman is certainly justified in calling this to our attention, let me say that obviously if there is no laboratory accreditation program, if there is no such a thing, then these 11 positions the gentleman is talking about that are included in the bill for this purpose will certainly not be needed. As far as I am concerned, that will be the intention of this Committee, that is, that these positions should not then be filled, and that the funds, of course, appropriated for them should not be used until the regulations can show that they are needed.

Mr. STEIGER of Wisconsin. I very much appreciate the response of the Chairman on that question.

Mr. MICHEL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, and members of the Committee, in view of the number of people who are on the floor here, rather than continuing to talk to ourselves, it might very well serve a purpose to simply extend our remarks at this point in the Record. But I do not believe that would be altogether appropriate. As the gentleman from Pennsylvania (Mr. Flood) indicated, during the course of his remarks, he will be making a rather extensive extension of his remarks on certain specific items, as will this Member and, I am sure, other members of the subcommittee.

We have over 300 line items and to go over them item by item in detail I think would unduly take up the time of the Committee of the Whole. But if I might, I should like to address myself to some of the highlights, and several items that I am somewhat concerned about.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to my dear friend, the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

This is a bill which in all of its ramifications, as I understand the statement of the gentleman from Pennsylvania (Mr. Flood), entails the spending of about $121 billion. Would the gentleman suggest we get 5 or 10 more Members to add to the 15 or 20 now on the House floor? That is about all a quorum call will produce under the bobtailed procedure that we have indulged ourselves in this phony quorum call procedure in the Committee of the Whole.

Mr. MICHEL. I am not all that enthralled with my own voice, I will say to the gentleman from Iowa. We will try to make our case just as briefly as we can here.

There is no question but what the real nitty-gritty of the debate will follow during the course of reading the bill when there will be amendments offered. And the gentleman will, of course, I hope, oppose those to increase the bill, as I will, and he might very well be supporting some of those amendments that will be offered to cut the bill.

Mr. GROSS. If my friend, the gentleman from Illinois, will yield further, if he feels at any time that he needs more companionship, I will be glad to try to provide it.

Mr. MICHEL. I appreciate the gentleman's cooperative attitude. In this case it would be very cooperative if we could simply move ahead with discussion of the bill referring, as I said, to several of the highlights.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 101 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Illinois (Mr. Michel) had been recognized and at the time of the point of order had 8 minutes remaining.

Mr. MICHEL. Mr. Chairman, as I was about to say when we were interrupted by the suggestion of the absence of a quorum, there are a great many deferred items that will not show up in this bill, budgeted at $4.6 billion, and these items Members will find displayed on page 6 of our report. So, as our chairman has indicated to the Members, we bring to the floor a bill of $32.8 billion without $4.6 billion of deferred items, which suggests that if we have no increase in the future on these deferred items we would have something in the neighborhood of $37 to $38 billion of appropriated funds here to add to the $92.5 billion of trust funds.

My concern is the fact that we show a figure here of $386 million under the budget. This has got to be—and the chairman and I would have some difference as to how it would be characterized—for all intents and purposes a phony cut in the bill. It comes to the floor, as I said, showing a net reduction of $386 million below the President's budget, but the Members should be aware that the figure is achieved through a reduction of more than $878 million in estimates for public assistance. In other words, if the administration's estimates are right and the committee's estimates are wrong, the bill will be considerably above the President's budget—and the word "estimates" is very critical here and important.

Public assistance is not controllable by congressional action. By law the Federal Government must pay its share of any legitimate welfare costs incurred by the States. In the end we will have to appropriate the necessary amount to cover those legitimate costs. If the administration has overestimated them, the budget authority will revert to the Treasury. If the committee has underestimated them, we will have to provide a supplemental appropriation.

I see the gentleman from Iowa out here in front of me, who makes the point time and time again on the floor of this House, opposed to bringing in supplemental requests. This, of course, is one of those things that I would have to predict will happen on this particular item.

The question is, who is more right here or more wrong about the estimates? For years both the administration and the Congress have accepted the estimates of the 50 States which are made considerably in advance of the fiscal year. As the committee report notes, for 11 years in a row these State estimates were vastly underestimated and the Congress had to vote supplementals for those years. The fiscal year 1973 was a standoff year. The original estimates were reasonably accurate; however, the administration requested and the Congress passed a supplemental which proved to be unnecessary.

In the fiscal year 1974, for the first time the pendulum swung the other way and the estimates were vastly overstated. As a result, the administration recommended a rescission, a significant one, better than three-quarters of a billion dollars; but we in the Congress rescinded $1,188 million.

Mr. Chairman, I am concerned that in the fiscal year 1974 the rescission was too sharp. HEW has already had to borrow over $100 million from their fiscal year 1975 appropriation, which is not accounted for in our committee estimates.

Second, the fiscal year 1974 estimates are based on the November 1973 State estimates, reduced by the administration by more than $500 million. The May 1974 State estimates are nearly $700 million higher than the State requests. If these State estimates are more correct than the House estimates, there could be a deficit of more than $1.5 billion.

There is no certainty as to who is right about this thing. It is reasonably clear, however, that even if the trend is down, as it was in fiscal year 1974, our committee has cut too much. Members should assume that there is a due bill waiting in the wings in the form of a supplemental for public assistance which will almost certainly wipe out the margin shown in our committee report as being below the President's budget.

That is the point I want to make, that we do not get carried away and think that we are in such good shape that when these amendments are offered—in one item to increase public service employment by $300 million—we take the optimistic view that all is well, because it is not all well. It is pretty bad and we ought to face up to the music.

The supplemental security income item, which shows an increase here of $2.6 billion over last year in the bill now brings that item up to a total of $4.8 billion.

In this fiscal year we will have 5 million beneficiaries of this particular program.

Comprehensive manpower assistance: This is that item that I mentioned where we will undoubtedly have an amendment offered by several Members, cosponsored by several members of the subcommittee.

I would like to address myself, if I might, to several points here and leave the balance of our arguments for when the amendment is actually offered.

Let us keep in mind here we have a carryover of 1974 fiscal year funds which brings this program level in its entirety to $2.75 billion.

As our chairman so well pointed out, it is $960 million over fiscal year 1974. Now, several things ought to be kept in mind here. Transitional public service employment as provided for in some of our legislation was first launched by the Emergency Employment Act of 1971.

It is important to note that the EEA was passed as a countercyclical measure at a time when unemployment was hovering around the 6-percent mark and threatening to rocket even further up. In essence, EEA was an emergency program designed to cope with an emergency situation.

Currently, the unemployment rate is at the 5.2-percent level. This situation, while certainly not to be construed as full employment or in an ultimate sense an acceptable state of affairs, is not a crisis kind of situation. An example of the available data on unemployment rates for the first 4 months of this calendar year show that the bulk of the unemployment at this time is concentrated among youths from 16 to 19 years of age and among nonfarm laborers. In short, among those people least likely to benefit from a program of transitional public service employment.

I think we have got to keep this in mind—the young, the poorly educated, the unskilled.

The Department of Labor's experience with the PEP program, the public employment program, indicated that it was the skilled, the better-educated worker who benefited most from a transitional job. At the roughly 5-percent unemployment level which we have been experiencing over the last several months, this advantaged group of workers finds little difficulty in securing employment. It is the poorly educated, the unskilled worker who encounters the difficulty.

For the disadvantaged who comprise much of this latter group who lack the necessary skills and who are without the prerequisites for stable employment, subsidized public service employment is the wrong prescription under generally favorable economic conditions. Appropriate manpower training and related service programs have proven to be effective in enhancing the employment of these individuals when jobs were available. Moreover, I would note the bulk of unemployment is extremely short term in nature. Approximately half of those unemployed are so far for less than 5 weeks, and an average duration of unemployment in April was 9.8 weeks. Given the variety of reasons for which people leave jobs—many voluntarily—public service employment is not necessarily the prescription for success. Rather, improvements in the unemployment compensation system such as those proposed by the administration as far back as 1973 would go far in alleviating these short-term duration unemployment problems.

Now, in title II of the Comprehensive Employment and Training Act of 1973, adequate provision is made for serving areas of substantial unemployment; that is, 6½ percent or higher. Further, the Comprehensive Employment Training Act mandates at least $350 million to be spent for the fiscal year 1975 for title II programs. I point out the administration has shown its good faith in this area by accepting $620 million for public service employment programs in the recently enacted second supplemental appropriation for fiscal year 1974.

We have also been informed that, in addition to the $300 million being needed for public employment efforts, there is also need to restore funds to the 1974 levels which existed for two-thirds of the 400 prime sponsors who will administer manpower training programs.

When we compare what will be distributed by formula under State and local areas under title I provisions of the Comprehensive Manpower System Act and what was received last year, this claim appears to be true. However, what is being forgotten in this comparison is the remaining 20 percent of funds which we are also appropriating in relation to title I. Funds appropriated for this item amount to over $360 million, and these will also end up in the hands of the same State and local sponsors for such things as vocational education and for the forming of consortiums between two or more sponsors.

Today, right now, no one knows how much each sponsor will receive from this source of funds, but I think one can assume that once this occurs and we know its results, two-thirds of the sponsors will not be drastically below their 1974 funding levels, as is being claimed. How many will be below, whether the problem will be great or small, no one knows for certain as of today. For this reason, we must be logical. We should wait to see if we have a problem, discover the magnitude of it, and then take necessary action immediately rather than just throwing $300 million at it.

Later on in the day let us consider that particular item.

May I point out that we have $100.8 million in this bill for our good old friend, OSHA, the Occupational Safety and Health Act; $30.4 million of this is over last year's appropriation. It provides for 150 additional compliance officers and 11 additional people in the laboratory accreditation.

I suspect there are some who, later in the afternoon, may want to cut this item, and then there are several, as I understand it, who would like to see more money in this particular item. My own personal feeling is that if I had a choice between counseling and advice by Federal officials on how smaller business or industry particularly could be helped to comply with Federal standards, I would rather see the money go there than have Federal compliance officers simply coming in and citing and fining these people without adequate notice. That would be my choice.

I should point out here that in the health field we have significant increases, in all the National Institutes of Health, particularly in cancer. It should be noted that funds for cancer research since 1971 have tripled out at the National Institutes of Health. We certainly are not shortchanging the institutes, nor any of the others that are being so well provided for.

I would remind my fellow committee members here and those who might be within the sound of my voice how unfortunate it is that what we are offering the American people today for detection of uterine cancer, for example, and cancer of the cervix for women is so poorly utilized. At this time only 25 percent of the women in this country are availing themselves of a simple Pap test to make that finding. How can we have a substantial program if the ability is there to detect it and do something about it and 75 percent of our women turn the other way and do not even avail themselves of that opportunity?

How many more things do we want to do to find a cure for cancer if when we do and we get a good program only 25 percent of the people will avail themselves of the opportunity to find out whether they are susceptible to it?

I would encourage our women, too, within the sound of my voice, to take a mammography, which the Members can learn about if they read the morning newspaper, and it will be further disclosed later in the year what findings are occurring in that particular area.

Certainly, all of our women in this case would have a vital interest in whether or not they are susceptible to breast cancer and the prospect of not having to be afflicted with that, once detected.

As to vocational education, we have increased that item $100 million over 2 years. There is another education item, however, about which we should be raising a serious question. We leave a significant amount in the bill for the cost-of-instruction program for veterans. Frankly, that program is duplicative of what the Veterans' Administration is now doing by way of counseling and advising veterans in our institutions of higher learning. We have $24 million in the VA budget that will go for just that program. The Members know that the cost-of-instruction program for veterans does not provide one thin dime for the veteran himself. It is simply a subsidizing of the institution which he attends. Those who were doing a good job by recruiting veterans in the first place are shortchanged because of the institutions which did not make that effort, and then because they increased their veteran population by 10 percent by the gift of an additional Federal assist.

It does not make sense. It is ridiculous. The program was enacted with a handy name on it, something that had to do with veterans.

Mr. Chairman, we want to help the

veterans, but we are not helping the veterans one bit this way. All we are doing is helping the institutions the veterans may be attending for their higher education.

I will cover one further point before relinquishing the floor to other Members for whatever remarks they might wish to make during the course of general debate. This is concerning the field of higher education. The Members know that we embarked upon the basic opportunity grant program that, if fully funded, would conceivably provide for a maximum of assistance in the amount of $1,400 to a considerable number of our students who are attending institutions of higher learning.

In the budget there was an item for $1,300 million for the basic opportunity grant program. However, in this bill that amount has been cut to $650 million and then adjustments made in the other ongoing programs, the supplemental grants, the work study program, and the student loan program. We know of the conflict that exists not only in our subcommittee and in our full committee but in this House; we know the differences of opinion that prevail with respect to that subject matter.

Mr. Chairman, let me quickly sum up by saying that we have a problem here if that figure remains at that level, simply because when we started this, we provided for freshmen. Last year we included freshmen and sophomores to participate in the basic opportunity grant program. It would follow logically from my viewpoint that in this third year we would provide sufficient amounts of money for freshmen, sophomores, and juniors.

Because of the kind of reworking of those figures within the overall budget figure here, BOG grants under this appropriation may be appreciably smaller than those provided for in the fiscal 1974 appropriation.

However, my principal objective here is to stay within the budget figure. I can see that several Members, taking the arguments I have just made, might justify an increase in this bill for the basic opportunity grant program. However, I could not go along with that unless the bill at the same time called for reductions in several of the other programs in order to keep within that overall budget figure.

As our dear friend, the gentleman from Iowa, Mr. GROSS, has admonished us many times, unless we face the music and hold to these budget figures, we are going to end up the fiscal year much more in arrears than what we had originally planned.

So having made these remarks, Mr. Chairman, we will be glad to subject ourselves to questions from any of the Members, and I will be glad to yield time further in the general debate to those who might have something of significance to say. I would, however, like to include in the RECORD at this point a brief summary of the various programs and activities funded in this bill:

MANPOWER ADMINISTRATION

PROGRAM ADMINISTRATION

This particular program has responsibility for the following areas:

1. *Planning, evaluation, and research.*—Provides for the Federal administration of the planning, policy development, program analysis, evaluation and review, and research and development of the Manpower Administration.

2. *Manpower program administration.*—This activity has the primary responsibility for assisting States and localities in the development, direction, and delivery of the various manpower programs designed to increase the skills and employment opportunities of those in the work force.

3. *Apprenticeship services.*—Employers and unions are provided technical assistance and advisory services in developing and conducting programs of apprenticeship and allied industrial training. Assistance is provided to about 120,000 employees, with about 400,000 apprentices and other workers participating in training programs during the year.

4. *U.S. Employment Service.*—Provides direction of State employment service operations which include assessment, outreach, employability training, counseling, testing, job placement and followup.

5. *Unemployment insurance service.*—Provides leadership and technical assistance to States in the development and administration of their unemployment insurance laws.

6. *Investigation and compliance.*—This office was established by the Secretary of Labor to insure "that no person on the grounds of race, color, or national origin, be excluded from participation in * * * or be subjected to discrimination under any program or activity receiving Federal financial assistance," and to eliminate discrimination in manpower programs that may result from violations of the Age Discrimination in Employment Act of 1967, and discrimination based on sex. The staff is also responsible for reviewing audits of manpower activities.

7. *Executive direction and management.*—This activity is responsible for the overall supervision and direction of the U.S. Employment Service, the Unemployment Insurance Service, Job Corps, the apprenticeship service and the regional Manpower Administration offices; provides administrative and management services and property management; provides budgetary, fiscal management, audit, and contract services; and is responsible for data systems relating to program performance.

COMPREHENSIVE MANPOWER ASSISTANCE

Comprehensive manpower assistance, as authorized by the Comprehensive Employment and Training Act of 1973, includes work and training programs which were previously operated under the authority of the Manpower Development and Training Act of 1964, as amended, and the Emergency Employment Act of 1971. The Comprehensive Employment and Training Act of 1973 provides authority to State and local governments to design and operate manpower programs and to the Secretary for special programs.

1. *State and local programs.*—Provides financial assistance to State and local prime sponsors to enable them to provide comprehensive manpower services needed to enable individuals to secure and retain employment and meet the manpower needs of the State and local area. Included among these authorized services are programs such as institutional and on-the-job training, work experience, summer youth employment, vocational education and counseling, remedial education, job placement services, and transitional public service employment.

This activity also provides financial assistance for programs of transitional public service employment and training in areas which have a rate of unemployment of 6.5% or more. Priority is to be given to those unemployed persons who are most severely disadvantaged.

2. *National programs.*—Covers those programs and support activities which are administered on the national level. Programs included in this activity are:

(a) *National training programs.*—Provides special manpower services directed toward meeting the needs of the labor force which cannot be served as well through manpower programs available at the State or local level. Among groups served are older workers, criminal offenders, persons of limited English speaking ability, Indians, migrant and seasonal farmworkers, and through the Job Corps, severely disadvantaged youth in a residential setting.

(b) *Program support.*—This activity provides for technical assistance and training for Federal, State, and local personnel involved in the planning, administration, and direction of manpower programs. It provides a comprehensive system to develop labor market information; funds for research and demonstration of manpower programs.

(c) *Computerized job placement.*—In 1974, this activity was transferred to the grants to States for employment and unemployment insurance services accounts.

Federal unemployment benefits and allowances

This program has responsibilities in the following areas:

1, 2, and 3. *Payments to Federal employees, ex-Postal Service employees and ex-servicemen.*—Funds are allocated to the States for payment of unemployment compensation to eligible former Federal employees, ex-Postal Service employees and ex-servicemen.

PROGRAM STATISTICS

Year	Federal employees			Ex-servicemen			Total weeks compensated
	Weeks compensated	AWBA[1]	Percent increase in AWBA	Weeks compensated	AWBA[1]	Percent increase in AWBA	
1973	2,090,106	$58.86	9.0	4,312,521	$61.46	8.5	6,402,627
1974	2,289,500	$61.15	3.9	3,265,900	$63.75	3.7	5,555,400
1975	2,260,600	$64.85	6.0	3,118,200	$67.25	5.5	5,378,800

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[1] Average weekly benefit amount.

4. *Trade adjustment assistance.*—The Automotive Products Trade Act of 1965 and the Trade Expansion Act of 1962 authorize worker adjustment assistance allowances. The estimate for 1975 is based on recent activity under the Trade Expansion Act as a result of decisions by the Tariff Commission and the President.

Advances to the Extended Unemployment Compensation Account

This account was established by the Employment Security Amendments of 1970 for the purpose of making repayable advances to the Extended Unemployment Compensation Account, Unemployment trust fund. Amounts appropriated as repayable advances are repaid, without interest, to the general fund of the Treasury. Federal Unemployment Tax Act receipts are estimated to be sufficient to finance the Federal costs of the Federal-State Extended Unemployment Compensation Act during 1974 and 1975.

Grants to States for unemployment insurance and employment services

This item funds the following areas:

1. *Unemployment insurance services.*—State agencies pay unemployment compensation to eligible workers and collect State unemployment taxes from employers. These agencies also pay unemployment benefits to former Federal employees and ex-servicemen as well as trade adjustment benefits to eligible workers from funds provided under a separate Federal appropriation. Administrative support and executive leadership are provided to maintain and improve unemployment insurance operations.

PROGRAM STATISTICS

	1970 actual	1971 actual	1972 actual	1973 actual	1974 estimate	1975 estimate
Number of State positions	28,489	31,884	37,898	34,668	33,496	32,996
Basic workload (in thousands):						
Employer tax accounts	2,648	2,679	2,793	3,653	3,700	3,776
Employee-wage items recorded	177,242	180,000	175,173	205,000	208,500	215,000
Initial claims taken	12,701	15,695	15,586	13,317	16,200	15,691
Weeks claimed	71,604	110,512	136,232	100,041	101,800	96,697
Contested claims	4,515	6,020	6,849	6,747	7,100	6,684
Appeals	297	400	439	505	500	491
Covered workers	53,000	54,000	53,500	61,360	62,410	63,270
Weeks compensated—State	59,984	92,685	110,311	80,848	83,100	78,022
Weeks compensated—Federal	3,675	7,574	9,133	6,403	5,555	5,379

2. *Employment services.*—A nationwide network of more than 2,400 local employment offices financed by Federal grants provide a full range of manpower services to assist workers in obtaining suitable employment and to assist employers in resolving their manpower problems. Special emphasis is placed on providing services to veterans and disadvantaged applicants. Assistance to employers includes analyzing their manpower requirements, solving problems of recruitment and turnover, and developing labor market information. Communities are aided in developing employment opportunities, and employment services are provided to workers ment of full-time offices is not feasible. It is estimated that not less than $25 million will and employers in areas where the establish- be available for services to veterans.

3. *Contingency fund.*—This fund assures that funds will be available to meet unforeseen increases in the costs of administration resulting from changes in a State law, increases in the number of unemployment insurance claims filed and claims paid, or increased salary costs resulting from changes in State salary compensation plans.

4. *Other sources of funds.*—In addition to reimbursable programs, funds are also received from other Federal programs to provide recruitment and placement services, to operate training programs, and to pay allowances and benefits.

Advances to the Employment Security Administration Account

This fund, established by the Employment Security Act of 1960, received an original appropriation of $250 million. It makes advances without fiscal year limitation to the Employment Security Administration Account in the Unemployment trust fund. The purpose of this fund is to finance the Federal and State administrative costs of the employment security programs on a repayable basis from the beginning of the fiscal year until the Federal unemployment tax receipts become available, when advances are repaid with interest.

The financial transactions of the Federal-State and railroad unemployment insurance systems are made through the Unemployment trust fund. In the Federal-State system, benefit payments are made by each State, financed by State payroll taxes. These tax receipts are deposited in the Unemployment trust fund and invested in Government securities until needed for benefit payments. The expenses of State and Federal administration (including those of the Federal-State employment service), are paid from the fund out of revenue from the Federal unemployment tax, assessed on employers, of 0.5% of the first $4,200 of wages.

Both the benefit payments and administrative expenses of the separate unemployment insurance program for railroad employees are paid from the Unemployment trust fund and receipts from the tax on wages of railroad employees are deposited in the fund to meet expenses.

The total figure recommended for the Manpower Administration for fiscal 1975 is $2,657,159,000, which is $109,996,000 over the budget figure.

LABOR-MANAGEMENT SERVICES ADMINISTRATION

This Administration has the following areas of responsibility:

1. *Labor-management relations services.*—Provides assistance to unions, employers, employees, and State and local governments, including special studies and analyses, and technical assistance in planning for work force adjustments as they will affect labor-management relations; coordinates Federal action in particular labor-management disputes; and carries out the Department's responsibilities under the Urban Mass Transportation Act of 1964.

2. *Labor-management policy development.*—Develops recommendations on labor-management relations matters, and conducts studies of collective bargaining and programs pertaining to the Labor-Management Reporting and Disclosure Act (LMRDA), the Welfare and Pension Plans Disclosure Act (WPPDA), and Federal labor relations. In 1975 research will continue to include several of the many areas connected with labor-management relations as well as evaluation of present policies and programs.

3. *Administration of reporting and disclosure laws.*—Covers the administration and enforcement of the LMRDA, WPPDA, and section 18 of Executive Order 11491 which governs labor-management relations in the Federal service. Provides for the Department's participation in the President's program against organized crime.

WORKLOAD STATISTICS

	1973 actual	1974 estimate	1975 estimate
Reports received	152,329	272,500	180,100
Investigations conducted	6,380	7,200	7,900

4. *Veterans' reemployment rights.*—Provides assistance to veterans, reservists, and National Guardsmen on training duty, to secure reinstatement with their preservice employers and other employment advantages to which they may be entitled, based on seniority accrued while in military service. Compliance is advanced by informing employers and labor organizations of their reemployment responsibilities.

WORKLOAD STATISTICS

	1973 actual	1974 estimate	1975 estimate
Complaints processed	5,261	4,250	4,250
Veterans assisted	375,000	350,000	325,000

5. *Federal labor-management relations.*—Carries out the responsibilities of the Assistant Secretary of Labor under Executive Order 11491 dealing with labor-management relations within agencies of the Federal Government. Major responsibilities involve processing of petitions and complaints, including conduct of hearings and supervision of representation elections, and determining appropriate bargaining units, and eligibility for national consultation rights, and investigating and deciding on alleged unfair labor practices or violations of the standards of conduct for labor organizations.

WORKLOAD STATISTICS

	1973 actual	1974 estimate	1975 estimate
National office decisions	199	200	200
Field cases processed	773	945	1,085

6. *Executive direction and administrative services.*—Provides for policy planning and evaluation, direction, and coordination of the labor-management relations programs of the Department.

The Committee recommends $27,800,000, which is $3,492,000 over 1974 fiscal year.

Special benefits are the following:

1. *Federal civilian employees' benefits.*—Currently, long term compensation benefits are being paid to 29,000 Federal and eligible civilian employees (or their survivors) under the Federal Employees' Compensation Act who were injured or who died as a result of work-related incidents. Injury reports are checked for compensability and if found compensable, pertinent medical bills are paid. Claims for compensation benefits are filed when the injury causes loss of job time.

FEDERAL EMPLOYEES' COMPENSATION ACT WORKLOAD

	1972 actual	1973 actual	1974 estimate	1975 estimate
Long-term cases compensated	27,502	29,114	30,100	32,100
Compensation and medical payments	673,946	689,442	744,800	737,000
New claims received	26,774	28,321	30,000	32,000

2. *Black lung compensation benefits.*—Administration of the black lung benefits program, by the Department of Labor began July 1, 1973. Title IV of the Federal Coal Mine Health and Safety Act of 1969, as amended, provides that compensation benefits and (after Jan. 1, 1974) medical treatment costs be paid to those who have been totally disabled due to pneumoconiosis. The Department pays benefits directly when no responsible mine operator can be determined under the insurance provisions of the act. Both surface and underground miners are covered by the program. Survivors who meet the test for eligibility are entitled to compensation benefits when in the case of a deceased miner, it is shown that the death was attributable to pneumoconiosis. An estimated 55,600 claims will be filed in 1974 and 38,000 in 1975.

3. *Longshoremen's and Harbor Workers' Compensation benefits.*—Under the 1972 amendments to the Longshoremen's and Harbor Workers' Compensation Act, the Federal Government pays one-half of the increased benefits provided by the amendments from direct appropriation for persons on the rolls prior to enactment.

4. *Other benefits.*—Benefits are paid to eligible claimants under the War Claims Act of 1948 and the War Hazards Compensation Act; to reserve components of the Armed Forces prior to 1956; and to other small groups of employees.

Trust Funds

The trust funds consist of amounts received from employers for the death of an employee where no person is entitled to compensation for such death, and for fines and penalty payments.

Section 44 of the Longshoremen's and Harbor Workers' Compensation Act was amended in 1972 increasing the amount of payments made into the special fund by employers and providing for direct appropriation funds to be deposited into the special fund for the payment of the Federal portion of the increased compensation provided by the amendments.

These trust funds are available for payments of additional compensation for second injuries. When a second injury results in a permanent partial disability which, combined with a previous disability, results in permanent total disability or death, the employer provides compensation only for the disability caused by the subsequent injury.

In 1974 and 1975, the administrative costs relating to the administration of the District of Columbia Workmen's Compensation Act will be reflected as a reimbursement to the Employment Standards Administration's salaries and expenses account.

EMPLOYMENT STANDARDS ADMINISTRATION

This Administration handles the following:

1. *Improving and protecting wages.*—This program seeks to obtain compliance with the minimum wage, overtime, child labor, and other employment standards under the Fair Labor Standards Act, under the various Federal procurement acts, under the Farm Labor Contractor Registration Act, and under the wage garnishment provisions in title III of the Consumer Credit Protection Act. As a complement to the compliance program, regulations and interpretative materials are developed and special minimum wage standards are set. This program also includes determinations of prevailing wage rates and fringe benefits for all Federal and federally assisted contracts for construction subject to the Davis-Bacon Act and related acts. Prevailing wage rate and fringe benefit determinations are also made to protect service workers under the Service Contracts Act.

2. *Elimination of discrimination in employment.*—The major effort under this activity is to make equal opportunity an employment standard. Under Executive Order 11246, as amended to include sex discrimination, the Employment Standards Administration works to insure nondiscrimination in employment on Federal contracts. Under the Executive Order each contracting agency is responsible for obtaining compliance concerning those contracts entered into by the agency or its contractors. Employment Standards Administration is responsible for the direction, coordination, and evaluation of the contracting agencies' compliance programs. In various cities in 1975, increased employment opportunities will be provided to minorities in the construction industry through agreements among labor, management, and community groups under hometown, or where necessary, imposed plans. The program has been designated as a Presidential objective. Through its Women's Bureau, the Employment Standards Administration develops policies and programs to promote the welfare of wage-earning women and to encourage their fuller utilization in the work force. Enforcement of the equal pay provisions of the Fair Labor Standards Act and the Age Discrimination in Employment Act is also included in this activity.

3. *Workmen's compensation.*—Under this income maintenance activity, the Employment Standards Administration administers the Federal Employees' Compensation Act (FECA), Longshoremen's and Harbor Workers' Compensation Act, their various extensions, and the benefit provisions of the Federal Coal Mine Health and Safety Act. These programs insure that eligible injured workers or their survivors receive compensation and medical benefits and a range of services including rehabilitation, careful supervision of medical care, and technical and advisory counseling to which they are entitled. The black lung program administered by the Department since July 1, 1973, has been designated as a Presidential objective.

4. *Program development and administration.*—This activity provides for the direction and coordination of employment standards programs. Program planning, research, evaluation, budget, and other administrative activities of the Employment Standards Administration are carried out to insure effective and efficient program management and execution.

5. *Occupational safety and health.*—This activity since 1973 has been supported by a separate appropriation for the Occupational Safety and Health Administration.

The figure recommended for fiscal 1975 for Employment Standards Administration is $234,362,000.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

The Occupational Safety and Health Administration is responsible for performing the functions assigned to the Secretary of Labor by the Occupational Safety and Health Act of 1970.

1. *Safety and health standards.*—Mandatory standards are promulgated to protect the safety and health of workers. New and revised standards are proposed on the basis of criteria recommended by the National Institute for Occupational Safety and Health, special advisory committees appointed by the Secretary, Federal and State agencies with related responsibilities, and other interested parties and organizations. All new standards, except emergency temporary standards, are promulgated under procedures providing opportunity for public comment. Studies are undertaken to identify workplace hazards and the causes of occupational injuries and illnesses. Testing laboratories which test for and certify safety specified products, devices, systems, materials, or installations and which meet prescribed conditions, are accredited.

2. *Enforcement.*—Enforcement of the occupational safety and health standards is performed by the physical inspection of plants and facilities. States may provide for the coverage of one or more occupational safety and health issues under an approved plan with standards and a program of enforcement which have been determined to be as effective as the Federal program. Program operations are targeted to the investigation of fatal or catastrophic accidents, claims of imminent danger, and bona fide employee complaints and to inspections of industries or work processes with a high incidence and severity of work-related injuries or illnesses. Inspections of a cross-section of establishments in all industries are also conducted. Federal matching grants of up to 50% of the total costs are provided to States to assist them in administering and enforcing approved State programs of occupational safety and health and for administering approved State statistical programs. State programs are evaluated to insure that all elements of their approved plans are implemented effectively and that adequate funds and resources are provided. Federal and State enforcement efforts are integrated to provide a balanced national program of occupational safety and health. It is estimated that 75,000 inspections will be made under the Act in 1974 by Federal enforcement personnel and 150,000 inspections will be made by agencies in 30 States with approved programs. In 1975, Federal inspections are expected to increase to 105,000 and State inspections will increase to 250,000.

3. *Training, education, and information.*—Training courses, educational programs, and information are provided to employers, employees, trade associations, union representatives, State and local safety and health personnel, other interested members of the public and Federal departments and agencies to assist them in an understanding of the Act and of the actions necessary to assure so far as possible all workers a safe and healthful work place. Short-term technical and professional training is conducted to increase the number and competence of personnel engaged in the field of occupational safety and health. OSHA directed or approved training opportunities will be provided to more than 200,000 persons in 1975.

4. *Safety and health statistics.*—Statistics on occupational fatalities, injuries and illnesses are collected and published annually to aid in the identification of occupational safety and health problems and to facilitate improvements in the administration of the Act. Studies are conducted to identify circumstances and events associated with injuries and illnesses which may suggest causes and means of prevention.

5. *Executive direction and administration.*—Executive direction, planning and evaluation, and management support functions are structured to assure responsive administration and effective implementation of the Act. To a considerable degree, program responsibilities are decentralized to the field with the implementation of these programs as they affect the public, performed by a Federal field staff located in 10 regional offices, 61 area and district offices, and 28 field stations.

Salaries and Expenses for OSHA were $70,408,000 in fiscal 1974 and the Committee recommended $100,816,000 for fiscal 1975.

BUREAU OF LABOR STATISTICS

This Bureau is responsible for compiling all the labor statistics and their areas are:

1. *Manpower and employment.*—Monthly estimates are made of the U.S. labor force, employment and unemployment, as are studies of selected characteristics of the labor force. Monthly data are prepared and published on employment, hours of work, and earnings by industry for the United States and for each State. Projections are prepared of manpower requirements and supply, including detailed studies of the outlook for specific occupations.

WORKLOAD STATISTICS (MAJOR ITEMS)

	1973 actual	1974 estimate	1975 estimate
Manpower and employmet:			
Monthly labor force survey; households in monthly sample	47,000	47,000	47,000
Employment, hours, earnings, job vacancies and labor turnover; establishments reporting monthly	265,000	265,000	265,000
Occupational employment statistics; different establishments reporting during the year	165,000	125,000	130,000

2. *Prices and cost of living.*—The Consumer Price Index and the Wholesale Price Index are compiled and published monthly. Special analytical studies of price changes are undertaken, and family budget studies are prepared and priced.

WORKLOAD STATISTICS (MAJOR ITEMS)

	1973 actual	1974 estimate	1975 estimate
Prices and cost of living:			
Consumer prices:			
(a) Items reported	400	400	400
(b) Stores surveyed (monthly)[1]	8,275	9,175	10,400
(c) Households surveyed (monthly)[2]	6,500	6,500	10,100
Industrial prices:			
(a) Products and product groupings	2,675	2,775	2,775
(b) Establishments (monthly)	8,500	9,000	9,000
Industry sector price indexes: Industries	142	145	145
International price competitiveness:			
Major U.S. exporting companies interviewed for price information	75	200	350
Major U.S. importers interviewed for price information	125	250	500

[1] Some cities are surveyed on a quarterly cycle.

[2] Each individual household is only surveyed every 6 months but a sample is surveyed every month.

3. *Wages and industrial relations.*—Data are collected and analyzed on occupational wages and salaries in major labor markets and industries. Monthly information is compiled on work stoppages and wage developments. Reports and studies are issued on fringe benefits, expenditures, collective bargaining agreements, trade union organization, and private welfare and pension plans.

WORKLOAD STATISTICS (MAJOR ITEMS)

	1973 actual	1974 estimate	1975 estimate
Wages and industrial relations:			
Occupational wages; establishments reporting annually	30,500	30,500	32,800
Union wage scales; union reporting annually	3,800	4,000	3,800
General wage rate change statistics, units studied	5,100	5,100	5,100
Studies of provisions of labor-management agreements; establishments reporting annuayll	4,800	5,300	6,000
Work stoppages; employees and unions reporting annually	4,700	4,900	5,000
Wage index; establishments reporting		350	2,500

4. *Productivity and technology.*—Analyses are prepared on output per man-hour and unit-labor cost trends for both the entire U.S. economy and for specific industries. Studies are conducted on automation and other technological changes and the adjustments to such changes. Studies are made of labor requirements for selected types of construction. Analyses and international comparisons are made of prices, wages, employment, unemployment, and unit-labor costs. Research is conducted on the effects of international trade on U.S. employment.

5. *Economic research.*—Long-range projections of U.S. economic growth are prepared. Analytical studies of the impact of economic changes on employment are made. Information, reports, and advisory services for policy and program work are provided on labor conditions in foreign countries. Special economic and social studies are undertaken and special reports prepared for the Commissioner, the Secretary, the Council of Economic Advisors, and other Government agencies.

6. *Executive direction and staff services.*—Provides leadership in developing plans and policies for the Bureau's economic, statistical, and management programs. Program plans are coordinated and evaluated. Statistical and data processing systems are operated and maintained. Research and report activities are coordinated; publications and releases are planned and edited; and a central inquiry service is maintained.

7. *Revision of the Consumer Price Index.*—The Consumer Price Index measures average changes in the retail prices of selected goods, rents, and services. A revision to modernize the index is underway to meet the demands for its use in present-day domestic, economic, and industrial planning. The revision program, which was initiated in 1970, has been phased so that a revised index will be completed, tested, and published in 1977.

Reimbursable program.—Funds are advanced from sources outside the Federal Government to finance special statistical studies. During 1975, the Bureau will collect and analyze store inventory prices for the American Retail Federation, conduct surveys on compensation and labor cost studies for the State of New York, and will develop an index of cost of operating apartment houses for the City of New York.

Trust Funds

Special statistical work

Funds are advanced from sources outside the Federal Government to finance special statistical studies. The Bureau collects and Analyzes store inventory prices for the American Retail Federation, conduct surveys on compensation and labor cost studies for the State of New York and develops an index of cost of operating uncontrolled apartment houses for the City of New York. In 1975, these funds will be handled as a reimbursement to the Bureau of Labor Statistics, Salaries and expenses account.

Salaries and Expenses for the Bureau were $48,635,000 in fiscal 74 and it is recommended they receive $53,000,000 in fiscal 75.

Department Management handles:

1. *Executive direction.*—Formulates governmental policy in matters affecting labor and directs all programs and functions assigned to the Department.

2. *Legal services.*—Departmental legal activities include enforcement of Federal labor statutes and legal services related to the statutes administered by the Department. Legal advisory, legislative, and litigation services are also provided under the Labor-Management Reporting and Disclosure Act, the Welfare and Pension Plans Disclosure Act, Occupational Safety and Health Act, Executive Orders 11264 and 11491, and title VI of the Civil Rights Act of 1964.

3. *International labor affairs.*—Integrates all international labor programs and foreign economic policy within the Department, including activities concerned with trade adjustment assistance and with the Trade Expansion Act; coordinates with other agencies and organizations; gives Departmental guidance to the U.S. participation in the International Labor Organization and other international organizations concerned with labor and manpower problems; and provides for labor and manpower technical services to other Government and international agencies.

4. *Administration and management.*—Plans, manages, and evaluates administrative support operations and renders central services to all agencies of the Department.

5. *Appeals from determinations of Federal employee claims.*—The Employees' Compensation Appeals Board hears and decides appeals under the Federal Employees' Compensation Act.

6. *Promoting employment of the handicapped.*—The President's Committee on Employment of the Handicapped conducts a continuing program of public information and education to advance employment of the handicapped citizen and cooperates with all national groups interested in this field.

Special Foreign Currency Program

This activity utilizes foreign currencies available under Title I of the Agricultural Trade Development and Assistance Act of 1954, declared by the Treasury Department to be excess to the normal requirements of the United States.

Labor attaché conferences.—Overseas Regional Labor Attaché Conferences benefit the United States in providing a forum for discussion of regional problems among the attending labor officers and government officials; provide for the coordination and implemention of U.S. objectives in the labor and manpower areas; provide a forum for informing labor officers overseas of new developments in the United States; and provide opportunities for officials of the Departments of State and Labor to discuss general and specific reporting needs.

Departmental Management received $24,571,000 in 1974 and we have recommended $30,490,000 for fiscal 1975.

HEALTH SERVICES ADMINISTRATION

This appropriation includes activities which support the provision of personal health care services directly to Federal beneficiaries or indirectly through project and formula grants. This is accomplished through the following activities:

1. *Community health services.*—Community health centers project grants are a means of upgrading and expanding ambulatory health services, primarily in medically underserved areas.

In addition, there are 39 family health centers located in 31 States and the District of Columbia serving 105,000 people.

Comprehensive health grants to States are made to State health authorities to assist the States in establishing and maintaining adequate public health services in accord with priorities and goals established by the States.

The maternal and child health program has as its major goal the provision of health services to mothers and children, especially in rural and urban poverty areas. In 1975 approximately 520,000 women will receive prenatal and postpartum care in maternity clinics. Training grants are made for training personnel for health care and related services for mothers and children. Research grants are awarded to improve maternal and child health or crippled children's services and to study the effectiveness of such programs.

The family planning program supports project grants and contracts for family planning information and services.

The migrant health program provides access to primary health care services for migrant agricultural laborers and seasonal farmworkers and their families in order to improve and maintain the level of their health relative to that of the general population. In 1975, 355,000 persons are expected to receive services.

The Health Maintenance Organizations program is designed to promote the orderly development and expansion of HMO's through technical and financial assistance to demonstrate the value of this health care option. Grants and contracts will be available only to public or nonprofit HMO's.

The National Health Service Corps provides health professionals to communities which have been designated as critical health manpower shortage areas. In 1975, the program will support approximately 531 health professionals in about 245 communities, an increase of 45 communities over the 1974 level.

2. *Patient care and special health services.*—This program provides direct and contract health care to the 500,000 legal beneficiaries of the Public Health Service. Major beneficiary groups are American seamen, personnel and dependents of the Coast Guard and Public Health Service Commissioned Corps, Federal employees' compensation cases, persons with Hansen's disease, and participants and certain spouses and children of participants in the Public Health Service study of untreated syphilis initiated in 1932.

3. *Buildings and facilities.*—This activity includes all proposed direct construction items of the Health Services Administration except construction of Indian health facilities. The 1975 estimate provides for repair and improvement projects for PHS hospitals and outpatient clinics and the PHS National Leprosarium at Carville, La.

4. *Program management.*—This activity provides a central staff needed in planning, directing, and administering the programs and activities of the Health Services Administration.

The total amount recommended by the Committee for this item is $481,860,000.

CENTER FOR DISEASE CONTROL

The Center for Disease Control provides leadership and direction to programs and activities designed to improve the health of the people of the United States by preventing and controlling diseases, improving the performance of clinical and public health laboratories, and assuring safe and healthful working conditions for working people.

1. *Disease control.*—This activity supports a variety of functions which are vital to the prevention and suppression of diseases and illness.

(a) *Project grants.*—Project grants are awarded to States and localities to support health activities in three major areas: (1) the prevention and control of venereal and other infectious diseases; (2) control of rats in urban areas; and (3) prevention of lead-based paint poisoning in children.

(b) *Disease investigations, surveillance, and control.*—This activity: (1) maintains active surveillance of disease through epidemiologic and laboratory investigations; (2) controls importation or spread of communicable diseases from foreign countries into the United States; (3) provides assistance in the control and prevention of diseases through epidemic aid to States and communities; (4) maintains surveillance of the immunization status of the population; (5) develops new or improved standards and methods for the diagnosis, treatment, prevention, or control of communicable diseases or other preventable conditions and upgrades the performance of health workers engaged in prevention and control activities.

(c) *Laboratory improvement.*—The laboratory improvement program is designed to improve the diagnostic competence in 16,000 clinical and public health laboratories through the standardization of laboratory methodology, the provision of technical assistance, and the licensure of clinical laboratories in interstate commerce.

(d) *Health education.*—Leadership and direction are provided for a national health education program to improve health and prevent disease. The program will be directed toward both general and specific groups.

2. *Occupational health.*—The National Institute for Occupational Safety and Health plans, directs, and coordinates a national effort to assure safe and healthful working conditions.

3. *Buildings and facilities.*—This activity supports construction, alterations, repairs, and improvements of building and facilities, including preparation of plans and specifications. In 1975, obligations will be supported from funds previously appropriated and transferred to this account.

4. *Program management.*—This activity provides for overall executive direction, planning, evaluation, and administrative management of preventive health services programs.

The figure recommended by the Committee for this area of preventive health services is $134,910,000, which is $9,056,000 over the fiscal 74 figure.

NATIONAL INSTITUTES OF HEALTH

The National Cancer Institute is involved in the following areas:

1. *Research.*—(a) *Cause and prevention research.*—Research is conducted on ways to reduce the effectiveness of external agents for producing cancer, to minimize the risk of cancer development in individuals, to prevent transformation of normal cells to cancer cells, and to prevent the progression of the disease and its spread from primary sites.

(b) *Detection and diagnosis research.*—Research is conducted to develop the means to detect the presence, extent, and probable course of existing cancers; to assess the risk of developing cancer in groups and in individuals, including the development and clinical testing of sensitive detection and diagnosis procedures and epidemiological studies.

(c) *Treatment research.*—Research is conducted to develop the means to cure cancer patients and to control the progress of cancers. The range of research is from surgery, radiation, chemotherapy, immunotherapy, and combination therapies, to research on new sources of chemical agents for use in cancer treatment, to the refinement of patient followup to determine the most beneficial kinds of treatment.

(d) *Cancer biology.*—Cancer biology studies cover a broad range of basic research in cancer that is not identified with any one of the other research activities.

2. *Resource development.*—(a) *Cancer centers support.*—Exploratory projects and core grants are provided to cancer centers. Research conducted at centers is supported from the applicable research efforts in cause and prevention, detection and diagnosis, treatment, and cancer biology. Exploratory projects are designed to determine the feasibility of establishing cancer centers and to support planning efforts. Core grants support the administration, common services and collaborative activities of cancer centers.

(b) *Research manpower development.*—This activity supports research training and education in scientific fields related to cancer research.

(c) *Construction.*—In 1975 construction funds will be used only for modernization and renovation of existing space for cancer laboratory and clinical research purposes.

3. *Cancer control.*—This activity is to bridge the gap between discovery of effective research findings and their application in the practice of medicine and public health by supporting specialized demonstration activities, including education and training programs.

Their total figure for this fiscal year was $366,776,000 and the Committee recommends $425,000,000 for fiscal '75.

NATIONAL HEART AND LUNG INSTITUTE

This Institute has the following areas of responsibility:

1. *Heart and vascular diseases.*—Research is supported by grants and contracts on heart and vascular diseases, encompassing basic research, targeted research, clinical trials, and specialized centers. Research projects supported range from large-scale clinical trials, which focus on the etiology, diagnosis, and management of lipid (blood fat) disorders to research in instrumentation to make it possible to locate microscopic femoral lesions.

2. *Lung diseases.*—Pulmonary research grants and contracts include specialized centers and the establishment of two research and demonstration centers.

3. *Blood diseases and resources.*—Grant and contract programs in blood diseases and resources include sickle cell disease, hemophilia and other blood diseases, and the conduct of research and demonstrations to improve the national systems of blood procurement, management, and distribution.

4. *Intramural laboratory and clinical research.*—The Institute's directed research program seeks fundamental knowledge of cardiovascular and pulmonary disease processes.

The figure requested by the Committee for fiscal 75 is $321,196,000, which is $31,646,000 over fiscal 74.

NATIONAL INSTITUTE OF DENTAL RESEARCH

This Institute conducts research in the following areas:

1. *Caries.*—The national caries program is an organized research and development effort to develop methods to eliminate caries as a major health problem and includes both intramural and extramural activities.

2. *Periodontal and soft tissue diseases.* The periodontal and soft tissue diseases program develops new knowledge for the prevention and eradication of these diseases through grants and contracts.

3. *Restorative materials.*—Restorative materials research fosters the development of improved materials and methods to restore lost oral tissues to normal form and function through grants and contracts.

4. *Craniofacial anomalies.*—The craniofacial anomalies program supports grants and contracts to develop ways to prevent such developmental aberrations.

5. *Pain control and behavioral studies.*—The pain control program provides grants and contracts to stimulate investigations into the nature, etiology, pathophysiology, and treatment of the major pain problems associated with the oral-facial complex.

6. *Dental research institutes.*—The dental research institutes bring together resources of universities to focus them on the problems of oral health.

7. *Intramural laboratory and clinical research.*—Intramural laboratory and clinical research is concerned with the causes, treatment, control, and prevention of diseases and disorders of the oral cavity and facial region and includes basic and applied research, both in the laboratory and clinical facilities.

Recommended in this bill is $44,388,000 for fiscal 75.

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM AND DIGESTIVE DISEASES

The Research programs handled by this Institute are the following:

These programs, groups of interrelated diseases and disciplines, support biomedical research and training projects in over 400 non-Federal institutions through the use of grants and contracts. The vast majority of these awards are made to universities and medical schools. Approximately 93% of the funds in these categories are used for grant awards and 7% are used for contracts.

Intramural laboratory and clinical research.—The Institute intramural research programs, conducted at NIH and field stations in Arizona, include basic and applied laboratory and clinical research and epidemiological studies of the fundamental biological processes underlying the major diseases within the Institute's purview. Research is conducted in the fields of arthritis, rheumatism, digestive diseases, nutrition, diabetes, and other metabolic disorders, as well as studies in the major disciplines including pharmacology, physiology, biochemistry, chemistry, pathology, endocrinology physical biology, molecular biology, chemical biology, hematology, and biomathematics.

The Committee recommends $162,207,000 for this Institute.

NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND STROKE

In the following areas, this Institute handles the research:

1. *Communicative disorders.*—Research on improving the diagnosis, treatment, and prevention of diseases and disorders which affect the ear, hearing, language, and speech is supported through extramural, intramural laboratory, and contract-supported collaborative, clinical and applied research. Efforts are directed at improving understanding of the underlying functions involved in hearing, expressing ideas through speech, and in the central neural processing of language.

2. *Neurological disorders.*—Research is directed toward neurological diseases including epilepsy, brain tumor, muscular disorders, multiple sclerosis, neurological diseases of childhood, minimal brain dysfunction, neurological aspects of learning and behavior, slow virus infections of the CNS, and Parkinson's disease. Research emphasis in 1975 will be focused on: epilepsy including the initiation of a pilot program for the establishment of research and treatment of epilepsy; on multiple sclerosis; genetic and developmental disorders; on the further analysis of data collected from the collaborative perinatal project; and on virological and immunological aspects of infectious disorders.

3. *Stroke, nervous system, trauma.*—Research is directed toward cerebrovascular disease and stroke, head injury, spinal cord injury, and nerve growth and regeneration.

4. *Fundamental neurosciences.*—Research is supported in the fundamental neurosciences to elucidate the mechanisms responsible for normal functioning of the human nervous system and to understand the nature of its diseases and disorders.

5. *Intramural laboratory and clinical research.*—Intramural research emphasis will be directed toward genetic diseases, the slow viruses, neuro-immunology, and neurotology.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

The areas into which this Institute delves are:

1. *Allergic and immunologic diseases.*—Research is supported pertaining to the causes, characteristics, mechanisms of disease production, prevention, control and treatment of a wide variety of diseases believed to result from abnormalities, malfunctions, or inappropriate responses of the body's complicated immune mechanisms.

2. *Bacterial and fungal diseases.*—This research is focused on the causes, characteristics, mechanisms of disease production, prevention and control of diseases believed to be caused by bacteria, mycoplasma, fungi or the toxic products of their growth, or metabolism.

3. *Viral diseases.*—Research is supported on the causes, characteristics, mechanisms of disease production and control of diseases believed to result directly or indirectly from viral or rickettsial infections.

4. *Parasitic diseases.*—This activity supports research on the causes, characteristics, mechanisms of disease production, prevention and control of diseases produced or transmitted by parasites. Included are infections or infestations with a broad spectrum of infectious organisms (e.g. protozoa and worms) or arthropods (e.g. mosquitoes, flies, ticks).

5. *Intramural laboratory and clincial research.*—Intramural research efforts embrace both basic and applied research in allergic and immunological, bacterial and fungal, viral, and parasitic diseases.

The Committee recommends $105,843,000 for this Institute, which is $6,219,000 more than fiscal 74.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

The National Institute of General Medical Sciences conducts and supports research and development in the general or basic medical sciences and related natural and behavioral sciences through the use of research grants, training grants, fellowships, and contracts. The following programs are supported: Pharmacology-toxicology, biomedical engineering, clincial and physiological sciences, genetics, and cellular and molecular basis of disease. The vast majority of these awards are made to universities and medical schools. Approximately 97% of the funds in these programs are used for grant awards and 3% are used for contracts.

The Committee recommends $178,108,000 for this Institute for fiscal 75.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

This Institute investigates the following areas:

1. *Population.*—Population research encompasses four large and complex undertakings: (1) The development of improved methods of fertility regulation, including the improvement of contraceptive technology and control of infertility; (2) studies of biologic and genetic implications of contraceptive use; (3) investigations of the social and behavioral aspects of population problems and dynamics; and (4) basic biomedical research in the population sciences.

2. *Child health.*—The child health program encompasses research on the segment of the life span beginning with the moment of conception and extending through the later teenage years. The research is conducted within one of three child health program areas; perinatal biology and infant mortality, mental retardation, and growth and development.

3. *Aging.*—Aging research includes medical, biological, psychological, and social aspects of research relevant to the health of the elderly. The activity supports research on the multitude of biological changes that occur with aging and are major determinants of disease processes, studies of cognitive and emotional alterations that occur with increasing age, and investigations of societal aspects of aging.

4. *Intramural, laboratory and clinical research.*—Laboratories conduct research in three major program areas of child health and human development: population and reproduction; child health; and aging. This activity also supports studies dealing with the incidence, distribution, and control of health problems in certain populations. It collects and analyzes program statistics and executes statistical studies.

5. *Research management and program services.*—The activity supports administrative management, program planning and evaluation, research information, and research conferences.

Their level of spending for fiscal 74 was $106,199,000 and this year the Committee is recommending $120,232,000.

NATIONAL EYE INSTITUTE

This Institute supports research into all phases of the workings of the eye, and some of the areas include:

1. *Retinal and choroidal disease.*—Research is supported to acquire knowledge of how the retina responds to light and converts it into electrical signals that travel to the brain resulting in sight.

2. *Corneal diseases.*—Corneal disease research is aimed at reducing the impact of corneal diseases through improved methods of treatment, prevenion, and diagnosis.

3. *Cataract.*—Cataract research attempts to identify the causes of cataract and develop methods for its prevention and improved treatment.

4. *Glaucoma.*—Glaucoma research studies the cause of glaucoma, development of techniques for prevention and early detection of the disease, and improved methods of treatment.

5. *Sensory-motor disorders and rehabilitation.*—Sensory-motor laboratory and clinical investigations are focused on the development and function of those activities of the brain and the eye muscles which make vision possible.

6. *Intramural laboratory and clinical research.*—Laboratory and clinical research is focused on developing new and improved techniques for the prevention, diagnosis, and treatment of vision disorders.

7. *Research management and program services.*—This activity provides support for overall administrative management and scientific direction of Institute programs.

Their requested figure for fiscal 75 is $38,878,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

This Institute is involved in the area of the environment and how the human body is effected by various toxigens. Their areas of responsibility include:

1. *Environmental health sciences centers.*—These centers support research in several traditional disciplines to foster application of expertise across disciplinary lines to deal with environmental health problems associated with a wide variety of environmental agents and with the diverse biological effect on the human organism or appropriate models.

2. *Environmental mutagenesis and reproductive toxicology.*—This activity supports research to clarify the nature and structure activity relations of environmental agents that may affect the genetic makeup or reproductive capability and fidelity of man.

3. *Etiology of environmental diseases and disorders.*—This activity studies cause and effect relations between physical factors and chemical agents in the environment and the occurrence of human diseases and disorders in short-term and life-time exposure situations.

4. *Environmental pharmacology and toxicology.*—This activity supports research to identify factors in the external environment and in the body that act upon chemical agents and alter their toxicity; to determine the modes of absorption and transport within the body and to characterize the nature and sites of molecular cellular, and tissue interactions that lead to functional disorders.

5. *Environmental pathogenesis.*—This activity supports research to define in detail and in time sequence the molecular and cellular events that culminate in recognizable diseases and disorders, and to clarify the role of environmental agents as secondary contributors to degenerative diseases.

6. *Intramural laboratory and clinical research.*—Intramural research constitutes the in-house research effort in environmental health sciences. Research is directed toward the development of a reliable data base for

use in establishing standards and devising remedial methods in a variety of populations at risk from exposure to environmental and occupational chemicals and physical factors.

7. *Research management and program services.*—This program provides for the overall administration, coordination, and direction of the varied programs and activities of the Institute.

The Committee has recommended $32,594,000 for this Institute.

Research resources

The programs administered by the Division of Research Resources provide for the development and support of specialized research settings for use by the grantees and contractors of the NIH categorical programs in the generation of new knowledge to aid the progress of biomedical science in the treatment of human disease and disability.

1. *Clinical research.*—The clinical research activity provides support for general clinical research centers which are physically discrete research units located in university affiliated hospitals and provides clinical research opportunities and resources to large numbers of investigatory and research groups for the study of human disease.

2. *Biotechnology research.*—Support is provided to institutions for the conduct of multicategorical health-related research with emphasis on digital computation, mass spectrometry, nuclear magnetic resonance spectroscopy, and high voltage electron microscopy.

3. *Laboratory animal sciences and primate research.*—Support is provided for animal resources required for biomedical research. Grants are made to institutions for special animal colonies, research related to improving animal health and care, disease diagnosis and control, studies directed to enhancing the usefulness of animal models for research, and general improvement of management and accommodations for institutional animal resources. Primate centers provide a research environment where scientists from many disciplines can conduct biomedical and behavioral research using the nonhuman primate.

4. *Minority biomedical support.*—Support is provided to build and strengthen the health-related research capabilities of colleges, universities, and health professional schools in which student enrollments are drawn mainly from ethnic minority groups.

$124,370,000 has been recommended by the Committee for fiscal 75 which is $43,100,000 over that requested by the Administration.

JOHN E. FOGARTY INTERNATIONAL CENTER

The Fogarty International Center administers programs of advanced study and related international activities.

1. *Gorgas Memorial Institute.*—Funds will support the operation of the Gorgas Memorial Laboratory.

2. *Scholars.*—International scholars are supported.

3. *Research management and program services.*—Provides for the planning and coordinating of international activities including the executive direction of programs mentioned above, international seminars and conferences and special foreign currency programs.

$5,384,000 has been recommended by the Committee for fiscal 75.

NATIONAL LIBRARY OF MEDICINE

1. *Medical library assistance.*—This activity provides support to develop facilities and techniques for collecting, processing, storing, and retrieving biomedical information in the Nation's medical libraries.

2. *Direct operations.*—This includes the following activities:

a. *Lister Hill National Center for Biomedical Communications.*—The center is the research and development component of the library, charged with the responsibility of coordinating the development and application of communications technology to foster improvements in the transfer of biomedical information.

b. *National Medical Audiovisual Center.*—Audiovisual center activities attempt to improve the quality and use of audiovisual materials in the biomedical community.

c. *Library operations.*—The library acquires and maintains an archival and reference collection of biomedical literature and provides bibliographic, reference, and loan services through a network of regional and local medical libraries.

d. *Toxicology information program.*—A computer-based toxicology information storage and retrieval system relates information concerning the nature of poisons, their detection and treatment and subsequent effects on man and his environment.

e. *Research management and program services.*—This activity provides overall scientific and administrative management.

The Library of Medicine received last year the amount of $19,273,000 and we have recommended $21,768,000 for this year.

BUILDINGS AND FACILITIES

The NIH direct construction program provides for the design and construction of Federal laboratories, libraries, office buildings, and other facilities essential to carry out the mission of the National Institutes of Health.

OFFICE OF THE DIRECTOR

The Office of the Director provides overall executive and program direction, and supporting services relating to program planning and evaluation, scientific and public information, financial management, personnel management, management policy and review, and grant and contract management and analysis.

The total figure requested by the Committee for the entire National Institutes of Health is $1,732,822,000, which is $175,961,000 over that which they received in fiscal 74 and $150,613,000 over the budget figure.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

Alcohol, drug abuse, and mental health research is handled by this Administration as follows:

1. *General mental health.*—(a) *Research.*—This activity includes all of the National Institute of Mental Health's general mental health research efforts utilizing grants or carried out directly by the Institute staff in Government-owned facilities on the campuses of the National Institutes of Health and Saint Elizabeth Hospital (intramural research program) and the research career program.

(b) *Training.*—Beginning in 1973, emphasis was shifted away from categorical support of training mental health professionals in the core mental health disciplines toward the use of time-limited research and development projects in mental health manpower development for new training initiatives having an experimental, developmental, and technical assistance orientation.

(c) *Community programs.*—Grants in this activity are for the construction and staffing of community mental health centers, and to provide specialized treatment services to children in centers or other community facilities.

(d) *Management and information.*—This subactivity provides support to administer the general mental health research and training programs, and the Institute's headquarters staff who direct the community mental health center programs. This activity also supports the National Clearinghouse for Mental Health Information.

2. *Drug abuse.*—(a) *Research.*—New knowledge on the causes, diagnosis, treatment, control, and prevention of drug abuse is obtained extramurally through grant and contract support of basic, clinical, and applied research, and intramurally through research at the Institute's Addiction Research Center.

(b) *Training.*—Training grants and contracts provide qualified personnel to operate treatment and rehabilitation programs and improve the quality of manpower in the field of drug abuse.

(c) *Community programs.*—A full range of community-based drug abuse treatment and rehabilitation programs receive support through both project grants and contracts and State formula grants.

(d) *Management and information.*—Support is provided headquarters personnel to plan, coordinate, and analyze Federal drug abuse programs. The drug abuse information program provides information services as a resource for Federal and non-Federal program managers.

3. *Alcoholism*—(a) *Research.*—This activity includes all of the Institute's alcoholism-related research efforts utilizing grant and contract support, or research carried out by Institute staff located in laboratory facilities at Saint Elizabeths Hospital.

(b) *Training.*—This activity includes all of the Institute's alcohol-related training carried out through the grant mechanism.

(c) *Community programs.*—Community programs include funds for both project grants and formula grants to plan and develop alcoholism services in a particular area.

(d) *Management and information.*—This activity supports the Institute's staff who administer and coordinate the various alcoholism programs. Funds also support the National Clearinghouse on Alcohol Information and the National Center for Alcohol Education.

4. *Buildings and facilities.*—This activity includes funds for construction, alterations, and repairs and improvements of buildings and facilities of the National Institute of Mental Health including Saint Elizabeths Hospital.

5. *Program direction.*—This activity provides support for the overall direction and management of the agency, central office coordination of regional programs, and regional offices operating funds.

Their fiscal 74 figure was $738,149,000 and we have recommended $761,601,000 for fiscal 74. This is $23,452,000 over fiscal 74 and $69,439,000 over the budget request.

ST. ELIZABETHS HOSPITAL

Saint Elizabeths Hospital provides treatment and care for the mentally ill who are either beneficiaries of the Federal Government or residents of the District of Columbia. Legislation has been introduced to transfer program and fiscal control of the hospital from the Federal Government to the District of Columbia. Under the terms of the proposed legislation the District of Columbia will budget for and justify the operation of the hospital under its own appropriation.

Appropriations now made directly to the hospital will be reclassified as payments to the District of Columbia for treatment of Federal beneficiaries and partial support of hospital operating costs.

We have recommended $42,240,000 for St. Elizabeths.

The total figure recommended for Alcohol, Drug Abuse and Mental Health Administration for fiscal 75 is $803,941,000.

HEALTH RESOURCES ADMINISTRATION

The various areas of responsibility included in this Administration are as follows:

1. *Health statistics.*—The National Center for Health Statistics develops and maintains reliable, general purpose, health statistical data collection systems. The Center performs studies to improve health survey methods; provides technical advice and assistance on

the application of statistical methods in the health and medical fields; and, exerts leadership in the continued development of a national cooperative health statistics system with State and local agencies, directed toward producing comparable health data on a wide range of topics for use in the planning and evaluation of health care programs.

The major objective to be pursued during 1975 with the requested funding increase will be continued development of the Cooperative Health Statistics System. Contracts will be renewed with 31 State and local areas for the provision of comparable timely and quality data in machine-readable form; 15 existing contracts will be renewed and six new contracts will be negotiated for research and development in targeted problem areas determined to be impediments to progress in full implementation of the system; contracts will be negotiated with an additional eight States to develop their capacity and capability for induction into the cooperative system; and initial implementation of a data use laboratory responsive to data users' needs is planned. In addition, necessary expansion of technical training and technical assistance in support of the cooperative system will be attained.

2. *Health services research and evaluation.*—The Bureau of Health Services Research attempts to improve the organization, delivery, quality, and financing of health services by stimulating and supporting research, development, demonstration, and evaluation in this field.

The Bureau distributes its activities over such program areas as: Organization and management of health services, resource utilization and productivity, economic analysis and financing, and quality and outcome of health services. Projects supported deal with increasing the effectiveness of techniques for planning and managing health services and health services systems in communities, States, and regions; developing more effective and efficient ways of delivering health services; better understanding the financial structure of health services systems; and improving the quality of medical care and for measuring the long-term effects of medical care on the health of people.

In 1975, the Bureau will emphasize such areas as increasing productivity, analysis of national health insurance, reimbursement experiments, and the strengthening of health services planning in States and on an areawide basis. The Bureau will support research and demonstrations associated with PSRO's, and will undertake a series of research experiments and special studies which will support the implementation of section 222 of the Social Security Amendments of 1972. In addition an estimated $27 million will be used in 1975 to support improvements in the delivery of emergency medical services at the State and local level.

3. *Regional medical programs.*—Since 1966, the Federal Government, by means of grant awards and direct staff activities, has promoted and developed regional cooperative arrangements (RMP's) among the Nation's health care providers and institutions in order to improve access to and generally strengthen the health care delivery system In 1975, no funds are requested for this activity.

4. *Comprehensive health planning.*—In 1975, funds that otherwise would be requested for this program will be used to initiate a health resources planning program.

5. *Health manpower.*—Support is provided for education in the health professions to help maintain current output levels from U.S. schools, and to promote improved geographic and specialty distribution, training in primary care, minority group participation, and improved utilization of personnel.

(a) *Institutional assistance.*—This support is provided through several programs. Capitation grants are awarded on a formula basis to health professions schools in order to strength their base of financial support, while the schools expand their output and take other steps to improve the availability of health manpower. Special project grants supply broad-range assistance to schools and enable health manpower schools to experiment with programs designed to increase the quality of trained personnel. Startup grants are awarded to new medical, osteopathic, and dental schools which accelerate the date instruction begins or increases the number of students in the entering class. Conversion grants are awarded to 2-year schools that desire to become degree-granting institutions.

Family medicine grants are provided to public or private nonprofit hospitals to plan, develop, or operate training programs in family medicine. Dental health programs are directed toward increasing and improving the dental manpower supply, expediting the prevention and control of dental diseases and provision of high quality dental services through the improvement of delivery systems. Seventeen TEAM programs will be continued and five existing grants for continuing education systems will be funded in 1975.

Grant awards also support efforts to improve the distribution, supply, quality, utilization, and efficiency of health personnel. Awards are targeted toward achievement of special national health manpower goals, such as linking training efforts with service in the establishment of Area Health Education Centers (AHEC's), training of physicians' assistants, and other initiatives.

(b) *Student assistance.*—Loans and scholarships assist deserving but financially needy health professional and nursing students to pursue their education. Funds are awarded to students who in the judgment of the schools have exceptional financial need.

6. *Health facilities construction.*—Federal assistance is provided through grants, loans, and guaranteed and subsidized loans to States, other public agencies and nonprofit schools and organizations in the construction and modernization of hospitals, teaching facilities, and other health facilities. In 1975, the only funds being requested under this activity are to pay the interest on federally guaranteed loans for the construction or renovation of health manpower teaching facilities.

7. *Program management.*—This activity supports the staff and operating expenses related to the program direction and management of the several HRA programs, including the Office of the Administrator. Activities conducted under program management include program and administrative support, planning, as well as responsibility for the appraisal and evaluation of the effectiveness of health resources programs.

Total requested for this Administration, $4,000,000.

ASSISTANT SECRETARY FOR HEALTH

The Assistant Secretary for Health is responsible for formulating health policy and recommending to the Secretary of Health, Education, and Welfare the allocation of resources among the six health agencies of the Department. His responsibilities include Medicare, Medicaid, biomedical research, health manpower, health planning, disease control, health services delivery, food and drug safety, alcoholism, drug abuse, mental health, and the administration of the Department's decentralized health programs.

The Assistant Secretary for Health is also responsible for creation of a national network of physician-sponsored professional standards review organizations (PSRO's). The PSRO's will strive to assure appropriate and efficient utilization of health services received under Medicare, Medicaid, and the maternal and child health programs.

Retirement Pay and Medical Benefits for Commissioned Officers

In 1975, this activity will provide payments to retired PHS commissioned officers and survivors of retirees who received reduced retirement payments while alive. In addition, funds for medical care and related costs will be provided to retirees of and dependents of members and retirees of the Coast Guard, the Public Health Service Commissioned Corps, and the National Oceanographic and Atmospheric Administration Commissioned Corps.

Scientific Activities Overseas (Special Foreign Currency Program)

Scientific activities overseas (special foreign currency program) is supported entirely by foreign currencies in those countries where the supply of U.S.-owned currency exceeds normal U.S. Government needs for at least 2 years. Through this program, support is provided to the excess currency countries for scientific purposes that will benefit not only the host country but will also help fulfill the research and other program needs of the six health agencies of the Department. For 1975, the Treasury Department has designated Burma, the Arab Republic of Egypt, Guinea, India, Pakistan, Poland, and Tunisia as excess currency countries. Unobligated balances from prior year budget authority will be sufficient to support the program's efforts in 1975 and, therefore, no additional budget authority is requested for 1975. Authorization for the health research and research-related activities funded by this program is provided by the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480); and the International Health Research Act of 1960 (Public Law 86-610).

The Committee recommends $86,050,000 for fiscal 75, which is $52,600,000 over last year.

EDUCATION DIVISION—OFFICE OF EDUCATION

Elementary and secondary education

This appropriation contains several categorical assistance programs which will be incorporated into the consolidated education grants legislative program discussed under the legislative program below.

1. *Educationally deprived children.*—Grants are made to local educational agencies to provide supplemental services for children from low-income families. In addition, grants are made to State education agencies for handicapped children, dependent and neglected children, and orphans and juvenile delinquents in State institutions and for children of migratory workers. It is estimated that over 6 million children will receive benefits in 1974 with greatest emphasis being placed on preschool and elementary school children from attendance areas with high concentrations of children from low-income families. Beginning with a 1974 supplemental for school year 1974-75, this activity will be included as the disadvantaged priority in a new consolidated education grants legislative program.

2. *Supplementary services.*—Grants are made to States and local school districts for developing programs which serve as models for improving and supplementing the regular school curriculum and programs designed to improve testing and guidance and counseling services in public and private elementary and secondary schools. In 1974, over 1,800 projects aided over 8 million students. Beginning with a 1974 supplemental for school year 1974-75, this activity will be incorporated into a support services priority in a consolidated education grants legislative program.

3. *Strengthening State departments of education.*—Grants are made to stimulate and assist States in strengthening the leadership resources of their education agencies

and to assist them in the establishment and improvement of programs to identify and meet their educational needs. In 1974, all 56 State education agencies received basic grants and participated in multi-State projects. Additionally, grants were made to State and local educational agencies to improve their planning and evaluation capabilities. Beginning with a 1974 supplemental for school year 1974–75, this program will be incorporated into a support services priority in a consolidated education grants legislative program.

4. *Bilingual education.*—Grants are made under title VII, ESEA to local educational agencies to support demonstration projects designed to achieve comprehensive bilingual instructional reform in areas of high concentrations of non-English speaking children and to support pre-service and in-service training. In 1975, the program will continue 220 ongoing projects enrolling over 136,000 children. Grants will also be made to institutions of higher education to support training projects.

5. *Right to read.*—The purpose of this program is to provide facilitating services and resources to stimulate educational institutions, governmental agencies and private organizations to improve and expand their activities related to reading. The Right to Read Program is both an impetus to and component of a larger National Right to Read Effort whose goal is to eliminate functional illiteracy in this country to the extent that by 1980, 99% of the population over 16 years of age will be functionally literate. Eligible grantees include local and State education agencies, institutions of higher education, and other public and private agencies. 1975 plans include multiplier training in State education agencies and implementation of an adult literacy TV program.

6. *Educational broadcasting projects.*—This activity supports two separate programs, one which supports the establishment, expansion, and improvement of non-commercial broadcasting facilities; and one which supports special projects concerned with application of new technology-based systems to improve learning, provide individualized instruction, and to extend the educational opportunities and access to learning resources for groups presently outside and within formal educational systems. The educational television programs, "Sesame Street" and "The Electric Company," are among those supported under this activity.

7. Civil rights advisory services.—This program makes grants and contracts to render technical assistance in the preparation, adoption and implementation of plans for the desegregation of public schools and to provide services and training for people to deal effectively with special educational problems occasioned by desegregation.

8. Follow Through.—This is an experimental, compensatory education program designed to develop and test new ways to educate disadvantaged children in the early primary grades. The parents, the community, and the resources at the school are brought together in programs to meet the child's instructional, physical and psychosocial needs. In 1975, some 170 projects will enroll approximately 38,000 low-income children in grades 2 and 3. The program began phasing out in 1974 at the rate of one grade level each year.

9. Equipment and minor remodeling.—Grants are made to States on a matching basis for equipment and minor remodeling of laboratory or other space suitable for use in providing education in public elementary or secondary schools while loans are made to private nonprofit schools for similar uses, and funds are provided to State departments of education, to administer the program. Beginning with a 1974 supplemental for school year 1974–75, this program will be incorporated into a support-services activity in the consolidated education grants legislative program.

We have recommended $105,600,000 for this item, which is $52,600,000 over last year's appropriation.

Indian Education

1. *Payments to local educational agencies for Indian education.*—Grants are made to local educational agencies for elementary and secondary programs to meet the special educational needs of Indian children. During 1973, grants were awarded to 446 local educational agencies. It is anticipated that during 1974 over 2,000 grants will be made. No funds are requested for this program activity during 1975.

2. *Special projects.*—The 1975 estimate focuses Federal support on the special project authorities of parts B and C. These authorities will make it possible to target assistance on the areas of greatest need and avoid the overlap and duplication present in the part A formula. An amount of $32 million is requested for improving the educational opportunities of Indian children under part B and $8 million is requested for improving the educational opportunities of Indian adults under part C.

3. *Program administration.*—Under this activity, support is provided for the staff of the Office of Indian Education in the U.S. Office of Education, planning and evaluation activities, and expenses of the National Advisory Council on Indian Education. In 1974, appropriations for this purpose were made to the Salaries and expenses account of the Office of Education. In 1975, program administration is being consolidated with program support under this appropriation.

School assistance in federally affected areas

1. *Maintenance and Operations.*—Payments are made to assist in the operation of schools in areas where enrollments are affected by Federal activities. In 1974, payments were based on over 2 million federally connected children in 4,600 school districts. In addition, the full cost of education is provided for children residing on Federal property where no State or local educational agency is able, because of State law or for other reasons, to provide suitable free public education to such children. For 1975, appropriate language is proposed to concentrate payments on those school districts where the Federal impact is the greatest, i.e., those with the greater proportionate share of children for whom there is little or no local tax base. A hardship provision is also included to provide limited funding for those school districts whose payments are being phased out during the period of change.

2. *Construction.*—Payments are made to assist in the construction of schools in areas where enrollments are affected by Federal activities. From 1951 through 1974, over $1,450 million has been appropriated for this program aiding in the construction of over 69,000 classrooms to house about 2 million pupils in the 50 States, Puerto Rico, Guam, and Wake Island. In 1974 and 1975, appropriation language is proposed to fund local agencies that have been unfunded for a number of years, that have the most pressing construction needs largely as a result of increased military activity and housing, and that provide assistance to children residing on Indian lands. The $1 million increase proposed for 1975 is for construction needs of schools serving Indian children.

Emergency school aid

1. *Special projects.*—(a) *Metropolitan area projects.*—The purpose of this activity is to assist local educational agencies in: (1) establishing and maintaining integrated schools; (2) developing a plan to reduce minority group isolation in a standard metropolitan statistical area, taken as a whole; and (3) planning and constructing integrated education parks. In 1973, 14 metropolitan area projects were funded. No funds were provided in 1974 and none are requested in 1975.

(b) *Bilingual education projects.*—This activity assists local educational agencies and supporting organizations in meeting the needs of minority children who, because they are from an environment in which the dominant language is other than English, do not have equality of educational opportunity. In 1973, 39 projects were funded and in 1974, an estimated 44 projects will be funded. The majority of these projects were Spanish-speaking Americans. No funds are requested in 1975.

(c) *Educational television.*—This activity funds public or nonprofit private organizations to develop and produce children's television programs incorporating integrated children's activities of cognitive and affected educational value. The five grants made in 1973 will be considered, in 1974, for continuation.

(d) *Special programs and projects.*—This activity assists local educational agencies and supporting public organizations in conducting activities which: (1) are otherwise authorized by the Emergency School Aid Act, and (2) promise to make substantial progress toward achieving the purposes of the Emergency School Aid Act. In 1973: (1) 51 special reading project grants were awarded; (2) 5 special project grants, focused in the areas of multicultural language and basic skills development, were awarded, and (3) approximately $4.5 million of the funds were made available for the support of projects funded under the Educational television activity. In 1974, 52 special reading projects and 6 other special projects are scheduled for funding.

(e) *Evaluation.*—Grants are awarded to and contracts are made with public and private organizations for evaluations of programs and projects funded under the Emergency School Aid Act. In 1973, three evaluation projects were started. These projects will be continued in 1974, with emphasis on the large-scale longitudinal studies of the Emergency School Aid Act pilot programs, basic grants to local educational agencies, and a related study of exemplary desegregated schools. With the termination of the program in 1975, the evaluation efforts will be funded from the Office of Education's Salaries and expenses appropriation.

2. *State appointment.*—(a) *Pilot programs.*—This activity supports promising programs to overcome the adverse effects of minority group isolation by improving the academic achievement of children in one or more minority group isolated schools in districts which: (1) enroll at least 15,000 minority group children; or (2) have a minority group enrollment which is more than 50% of the enrollment. Ninety-five local educational agencies received grants under this activity in 1973 and about 162 local educational agencies are to be supported in 1974. No funds are requested in 1975.

(b) *Special programs and projects.*—This activity assists nonprofit organizations in conducting special programs which support local educational agency efforts to develop or implement a plan to meet special problems incident to desegregation, to encourage voluntary integration, or to aid school children in overcoming the educational disadvantages of minority group isolation. In 1973, 242 groups were supported and an estimated 240 groups will be supported by this activity in 1974. No funds are requested in 1975.

(c) *General grants to local educational agencies.*—This activity provides financial assistance to eligible local educational agencies to: (1) meet educational needs incident to elementary and/or secondary school desegregation; (2) encourage voluntary elimination of minority group isolation in elementary and secondary schools; and (3) overcome educational disadvantages of minority group isolation. Eligible local educational agencies are those which have implemented or will, if assistance is made available, adopt and implement a plan to eliminate, reduce, or prevent the isolation of minority group students in their schools. In 1973, 455 school districts received funds for basic projects and approximately 569 will be funded in 1974. No funds are requested in 1975.

3. *Training and advisory services (Civil Rights Act)*.—This activity renders technical assistance in the preparation, adoption, and implementation of plans for the public schools, and provides services and training for people to deal effectively with special educational problems occasioned by desegregation. In 1973, 131 projects (including 44 institutes, 27 desegregation assistance centers, 34 State educational agencies, and 26 local educational agencies) were funded. About 136 projects will be supported in 1974. In 1975, this activity is to be transferred to the Office of Education's Elementary and Secondary Education appropriation.

4. *Emergency school assistance activities*.—This activity carried out a program of assistance to desegregating local educational agencies and community groups to meet special emergency needs incident to the elimination of racial segregation and discrimination in elementary and secondary schools. Originally funded in 1971, and again in 1972, this program was continued at a minimal level in 1973 in order to maintain support for school districts and community groups which: (1) had been previously funded; and (2) were to be eligible for Emergency School Aid Act support, when available. In 1973, 388 local educational agencies and 111 community groups were funded. Since this activity was principally an interim program and, since the Emergency School Aid Act became law, no funds were requested in 1974 and none are requested in 1975.

5. *Proposed legislation*.—A new project grant authority will be proposed to focus aid on selected school districts facing critical problems as a result of either mandatory or voluntary desegregation. This program will provide grants and contracts to school districts and to nonprofit organizations engaged in cooperative, complementary activities with these districts.

Education for the handicapped

1. *State grant program*.—Grants are made to States to assist in the initiation, expansion, and improvement of programs and projects for education of handicapped children at the preschool, elementary, and secondary school levels. Beginning with a 1974 supplemental for school year 1974–75, this activity will be included as the handicapped priority in the consolidated education grants legislative program.

2. *Special target programs*.—(a) *Deaf-blind centers*.—Grants are made for model centers to provide diagnostic, educational, and related services to deaf-blind children. The centers also initiate whatever ancillary services are necessary to assure that these children can achieve their full potential for useful participation in society.

(b) *Early childhood projects*.—Model centers are supported to provide educational, diagnostic, and consultative services for preschool handicapped children and their parents. These centers are designed to stimulate and influence the development of additional services for preschool handicapped children.

(c) *Specific learning disabilities*.—Grants are made to operate centers for research, personnel training, and services for preschool and school-age children with specific learning disabilities.

(d) *Regional resource centers*.—Grants or contracts are awarded for the establishment and operation of regional resource centers to develop and apply the methods of appraising the special educational needs of handicapped children. Special target grants are also made to aid the severely handicapped.

	Number of projects		
	1973 actual	1974 estimate	1975 estimate
Deaf-blind centers	11	11	11
Early childhood education	100	100	100
Specific learning disabilities	30	30	30
Regional resource centers	10	10	10

3. *Innovation and development*.—Grants and contracts are awarded for the development of new curricular materials, teaching techniques, and other research and demonstration projects and for the support of R. & D. centers. Grants are also made for research in the field of physical education and recreation for handicapped children.

	Number of projects		
	1973 actual	1974 estimate	1975 estimate
Research and demonstration	65	85	85
Research in physical education and recreation	5	5	5

4. *Technology and communication*.—Contracts are made for the acquisition, captioning, production, and distribution of films and other educational media, for conducting research in the use of educational media, and the training of persons in the use of the materials for the handicapped. In 1975, funds are included for the National Educational Media Center for handicapped children.

5. *Special education and manpower development*.—Grants are awarded to support training of teachers, supervisors, speech correctionists, researchers, and other professional and subprofessional personnel in fields related to the education of the handicapped in regular and special classrooms.

	1973 actual	1974 estimate	1975 estimate
Number of individuals supported for full academic year	7,500	7,500	7,500
Number of individuals supported in summer and short-term programs	11,340	9,900	9,900
Number of grants to strengthen institutional training programs	132	132	132

Occupational, vocational, and adult education

In 1975, the vocational education programs previously funded under this appropriation will be consolidated under the vocational education priority of the consolidated education grants program. Under the proposed legislation, States and localities will have greater flexibility in the use of vocational education appropriations and will be able to continue projects and programs such as those previously budgeted for separately under this appropriation. The proposal will incorporate a wider variety of activities than the existing legislation and will be advance funded beginning with a supplemental in 1974 for school year 1974–75.

In 1975, the three adult education programs previously funded under this appropriation will be consolidated under the adult education priority of the consolidated education grants program. Under the proposed legislation the scope of coverage will be broadened and it will be advance funded beginning with a supplemental in 1974.

Support in 1975 for career education and personnel development will be carried under this appropriation.

Higher education

The 1975 budget estimate continues the high priority placed on student assistance and student choice in the pursuit of a postsecondary education.

1. *Student assistance*.—The principal forms of student assistance are basic educational opportunity grants and guaranteed student loans.

The $1,300 million request for basic educational opportunity grants will provide for full funding of this program. Any postsecondary student is eligible for a grant of $1,400 less the amount he or his parents are expected to contribute; but the grant may not exceed one-half of his cost of education. The expected family and student contribution is determined by a needs analysis system approved each year by the Congress. Grants range from $200 to $1,400. The $122,100 thousand appropriated in 1973 for the program was restricted to first year, full-time students. The 1974 appropriation of $475,000 thousand limits aid to full-time, first-year, and second-year students. The 1975 request for full funding of this program will provide grants to all eligible students, both part time and full time, at four levels of undergraduate instruction.

Since basic grants can pay no more than half of a student's expenses, other sources of aid, some of them Federal, will be needed. Therefore, funds are being requested to continue the work-study and the guaranteed loan programs. For work-study, $250 million is requested in 1975. To subsidize $1.25 billion in new guaranteed student loans, and to pay mandatory expenses of loans made in prior years, $315 million will be needed. These funds are used to pay interest benefits, the special allowance to lenders, and death and disability claims. The additional funds required to pay claims for defaulted loans are requested under the student loan insurance fund.

The request includes $10,750 thousand, the same as in 1974, to help institutions begin, expand, or improve programs of cooperative education in which employers pay students for periods of full-time work which are alternated with periods of full-time study.

No funds are requested for supplemental opportunity grants, State student incentive grants or for national direct student loan capital contributions and loans to institutions. However, in academic year 1975–76, student loans amounting to $165 million will be made under the direct loan program out of repayments into institutional revolving funds.

2. *Special programs for the disadvantaged*.—These programs identify youths with exceptional potential for postsecondary education, publicize available forms of financial aid, motivate high school students whose academic potential may not be obvious, and provide remedial and other services for postsecondary students to help them complete and benefit from their education. In addition to the existing talent search, upward bound, and special services programs, educational opportunity centers, geared to serve low-income areas, are being established.

	Academic year			
	1972–73	1973–74	1974–75	1975–76
Number of students receiving assistance:				
Basic opportunity grants		425,000	1,000,000	1,600,000
Supplemental opportunity grants (formerly educational opportunity grants)	297,300	304,000	304,000	
Work-study jobs	545,000	560,000	560,000	520,000
Direct loans	624,500	674,000	682,000	330,000
Subsidized insured loans	1,088,286	890,000	979,000	1,000,000

3. *Institutional assistance.*—The $120 million request for developing institutions includes a $20 million increase above 1974, directed primarily toward schools serving blacks and other minorities. The $135.5 million shown in 1974 includes $35.5 million brought forward from 1973. In 1975 the basic program would continue at $52 million, while advanced institutional development would increase to $68 million.

For foreign language and area studies, $10 million is requested in 1975, including $1,360 thousand for training overseas under the Fulbright-Hays program.

Several outmoded, inefficient or marginal programs are proposed for elimination. Legislation will be submitted to repeal the permanent land-grant program (Second Morrill Act) as well as the annual appropriation (Bankhead-Jones). No funds are requested for university community services (HEA–I), State postsecondary education commissions, or veterans cost of instruction programs. The amounts requested for construction subsidies are mandatory payments on prior year commitments.

4. *College personnel development.*—In 1975, funds under this activity include $4 million to permit veterans to resume college teacher fellowships interrupted by their service, $750 thousand for fellowships for the disadvantaged, and $500 thousand for Allen J. Ellender fellowships.

Library resources

Grants and payments are made to States, educational institutions, and other agencies for support of library programs under the Library Services and Construction Act, Elementary and Secondary Education Act, and the Higher Education Act.

Beginning with a 1974 supplemental for school year 1974–75, the school library resources program will be incorporated into a support services priority in the consolidated education grants program. Also, new legislation is requested to promote cooperative arrangements and demonstrations in libraries and information services. These proposals are shown under the Legislative Program below.

Educational development

1. *Education professions development.*—(a) *Teacher Corps.*—This activity is directed toward improving educational opportunities for children of low-income families by improving the quality of programs of teacher education for both certified teachers and inexperienced interns. In 1974, about 3,200 continuing participants and 1,600 new participants were supported. Support for this program is being requested under the Occupational, vocational and adult education appropriation in 1975.

(c) *Elementary and secondary development.*—These activities include teacher training programs concentrating on specific populations and subjects where teacher deficiencies are recognized. The urban-rural and career opportunities programs are targeted to low-income students and encourage meaningful participation of parents and communities in the educational process. In 1974 these programs will train over 13,000 participants. In 1975, funds for urban-rural and career opportunities are being requested under the Occupational, vocational and adult education appropriation. No funds are requested in 1975 for the other elementary and secondary education training programs.

(d) *Vocational education.*—This activity provides support to assist State and local education agencies and institutions of higher education. In 1974, this activity was concerned with personnel development in the installation of career education and the retraining of vocational education personnel. Federal support for this program will be terminated at the end of 1974.

(e) *New careers in education.*—This activity is used to identify and attract capable persons into educational areas where critical shortages are recognized. Workshops for qualified high school students and dissemination of recruitment materials on careers and volunteers in education are some of the methods used. Federal support for this program will be terminated at the end of 1974.

(f) *Higher education.*—College teachers, administrators and education specialists are trained at less than the doctoral level by this activity. In 1974, the program awarded 322 fellowships. No institutes were funded. Federal support for this program will be terminated at the end of 1974.

2. *National priority programs.*—(a) *Educational technology demonstrations.*—This activity supports (1) the establishment, expansion, and improvement of noncommercial broadcasting facilities; (2) special demonstration projects concerned with applications of new technology-based systems; and (3) the educational television programs "Sesame Street" and "The Electric Company." In 1974, the special technology demonstration projects were transferred to the National Institute of Education. The programs supporting noncommercial broadcasting facilities and educational television programing are being requested under the Elementary and secondary education appropriation in 1975.

(b) *Drug abuse education.*—This program supports grants aimed at developing drug education leadership teams at the State and local levels through a variety of training programs, and provides technical assistance to such teams to aid them in assessing local drug problems, developing programs to combat their causes, and to evaluate existing drug programs. Federal support for this program will be terminated at the end of 1974.

(c) *Right to read.*—The purpose of this program is to provide facilitating services and resources to stimulate educational institutions, governmental agencies and private organizations to improve and expand their activities relating to reading. Eligible grantees include State and local education agencies, institutions of higher education, and other public and private agencies. In 1975, funds for this program are being requested under the Elementary and secondary education appropriation.

(d) *Environmental education.*—This activity provides grants to nonprofit agencies, institutions, or organizations for the support of environmental education pilot and demonstration projects to develop an informed public that will understand the mutual dependencies between man and his environment. Beginning with a 1974 supplemental for 1974–75, this activity will be incorporated into the innovation priority in the consolidated education grants program.

(e) *Nutrition and health.*—This program demonstrates ways to organize local systems of child development services through more effective coordination of existing health and nutrition resources. Beginning with a 1974 supplemental for 1974–75, this activity will be incorporated into the innovation priority in the consolidated education grants program.

(f) *Dropout prevention.*—This grant program provides funds to local school districts to develop demonstration model programs to reduce the number of students who leave school before high school graduation. A total of 275,000 students were reached in the 5 years of this program. Beginning with a 1974 supplemental for 1974–75, this activity will be incorporated into the innovation priority in the consolidated education grants program.

(g) *Ethnic heritage studies.*—In 1974, grants will be made to nonprofit public or private educational agencies, institutions or organizations to develop and disseminate curriculum materials, encourage and promote activities related to ethnic heritage studies, and provide training for people using these materials. All grants will be fully funded for the duration of each project. No funds are being requested for this activity in 1975.

3. *Data systems improvement.*—(a) *Educational statistics.*—This activity includes surveys and special statistical studies used in planning new education programs, projecting educational needs and trends, and closing the data gap in areas of education. In 1975, support for this program will be requested under the Salaries and expenses appropriation.

(b) *National achievement study.*—This activity collects national data on changes in educational attainment over a period of 5 years. The data helps to measure the effectiveness of the Nation's investment in education. In 1975, support for this activity will be requested under the Salaries and expenses appropriation.

Educational Activities Overseas

U.S.-owned foreign currency which the Treasury Department determines to be in excess of normal requirements is used to strengthen American education through research and training abroad sponsored by American institutions. Projects focus on foreign langauges, area studies, world affairs, and intercultural understanding and are designed to update the professional competencies of American educators, to further research, and to develop improved curricula and effective instructional materials.

Salaries and Expenses

The Office of Education administers grants-in-aid and provides technical assistance and satistical services to State and local education agencies, institutions of higher education, libraries, and other organizations to establish and maintain efficient school systems, and otherwise promote the cause of education throughout the country. It also collects and disseminates statistics and facts showing the condition and progress of education in the United States. This appropriation provides for management, staff services, planning and evaluation of education programs, advisory committees, data systems improvement, and related expenses required in accomplishing the mission of the Office.

STUDENT LOAN INSURANCE FUND

Under the Higher Education Act of 1965 and the National Vocational Student Loan Insurance Act of 1965, the Office of Education received authority to insure loans to students in eligible institutions who do not have reasonable access to State or private nonprofit programs of student loan insurance.

The Higher Education Amendments of 1968 merged the National Vocational Student Loan Insurance Act into the Higher Education Act insured loan program, and in addition to extending the Federal insurance program, authorized the Office of Education to insure loans guaranteed by State and nonprofit private agencies at 80% of the principal amount of the loss incurred by the agency in meeting its obligation to lenders on guaranteed loans in default. The liability of the fund was further increased by the Education Amendments of 1972 which provides for payment of the unpaid balance of interest as well as principal in the case of defaulted federally insured loans, made under the provision of the amendments.

Upon default by the student borrowers, the Office of Education will pay to the beneficiary the amount of the loss sustained by the insured upon federally insured loans and 80% of the principal amount of the loss sustained on reinsured loans guaranteed by State and nonprofit private agencies. Data on federally insured loans and guaranteed loans follows:

DATA ON FEDERALLY INSURED AND GUARANTEED LOANS OUTSTANDING

[In thousands of dollars]

	1972 actual	1973 actual	1974 estimate	1975 estimate
Data on loans disbursed:				
Start of year:				
Federally insured, 100 percent	$1,086,000	$1,721,000	$2,211,000	$2,458,000
Guaranteed, 80 percent reinsured	1,462,000	1,738,940	1,919,740	2,012,240
Guaranteed, not insured	524,000	615,060	674,260	710,760
Loans disbursed and other adjustments:				
Federally insured, 100 percent	708,000	655,000	530,000	635,000
Guaranteed, 80 percent reinsured	450,000	414,000	395,000	471,000
Guaranteed, not reinsured	143,000	130,000	125,000	149,000
Deductions: Repayment, defaults and writeoff:				
Federally insured, 100 percent	−73,000	−165,000	−283,000	−393,000
Guaranteed, 80 percent reinsured	−173,060	−233,200	−302,500	−342,900
Guaranteed, not reinsured	−51,940	−70,800	−88,500	−102,100
End of year:				
Federally insured, 100 percent	1,721,000	2,211,000	2,458,000	2,700,000
Guaranteed, 80 percent reinsured	1,738,940	1,919,740	2,012,240	2,140,340
Guaranteed, not reinsured	615,060	674,260	710,760	757,660
Data on estimated future loss on outstanding loans:				
Federally insured		172,477	239,712	257,630
Guaranteed, 80 percent reinsured		130,150	112,347	103,658
Total estimated future loss		302,627	352,059	361,288

CUMULATIVE DATA ON CLAIMS PAID ON DEFAULTED LOANS INCLUDING AMOUNT TO BE SUPPORTED BY SUPPLEMENTAL APPROPRIATION REQUEST IN 1974

[Dollar amounts in thousands]

	1972 actual	1973 actual	1974 estimate	1975 estimate
Amount:				
Federally insured	$28,678	$70,002	$122,002	$202,002
Guaranteed—reinsured	$23,176	$46,035	$86,035	$140,035
Number of claims:				
Federally insured	30,685	73,730	125,730	201,920
Guaranteed—reinsured	27,370	46,907	78,907	120,445
Average:				
Federally insured	$960	$960	$1,000	$1,050
Guaranteed—reinsured	$858	$1,170	$1,250	$1,300

RECAPITULATION OF GROSS LOANS INSURED AND GUARANTEED (NOT TAKING INTO ACCOUNT CANCELLATIONS AND REPAYMENTS)

Amount:				
Federally insured	$1,830,013	$2,484,629	$3,014,629	$3,649,629
Guaranteed agencies	$2,803,674	$3,347,581	$3,867,581	$4,487,581
Number:				
Federally insured	1,875,435	2,474,520	2,934,520	3,440,520
Guaranteed agencies	3,065,381	3,554,582	3,984,582	4,457,582
Average:				
Federally insured	$1,023	$1,092	$1,152	$1,255
Guaranteed agencies	$1,051	$1,111	$1,209	$1,310

Operating results.—The fund takes over loans on which it pays insurance claims and seeks to collect on them. Claims which are deemed uncollectable are written off as "loss on insured loans." Loans deemed collectable, after allowing for loss, are as follows: 1973, $39,531 thousand; 1974, $75,312 thousand; and 1975, $125,311 thousand.

Deposits to the fund are derived from insurance premiums earned from direct Federal insurance, which is not to exceed one-fourth of 1% per annum of the unpaid principal amount (excluding interest added to principal), repayment of collectable loans, and interest payments on collectable loans. Special emphasis in collections on defaulted loans will result in increase in deposits as follows: 1973, $9,166 thousand; 1974, $13,900 thousand; and 1975, $22,900 thousand.

In 1973, $64,183 thousand was paid out for defaults. It is anticipated that default payments will amount to $92,000 thousand in 1974, and $134,000 thousands in 1975. Amounts required for the funds in 1973 consisted of appropriated funds, $46,640 thousand, and borrowing from the Treasury, $15,000 thousand. Budget authority in 1974 are estimated at $88,668 thousand (including a supplemental request of $30,785 thousand). In 1975, an appropriation of $115,000 thousand is requested.

HIGHER EDUCATION FACILITIES LOAN AND INSURANCE FUND

The Higher Education Facilities Act, as amended, authorizes the Commissioner to make loans to institutions of higher education and to higher education building agencies for the construction of academic facilities and to insure loans. Such loans may be made for up to 80% of a project's total development cost and must be repaid within 50 years.

The Participation Sales Act of 1966, as amended, established a revolving fund for these loans and loan insurance. Further, the act authorizes the sales of such loans to the private credit market, the proceeds of which are deposited into the fund to be used for new loans to colleges and universities. The Government National Mortgage Association is authorized to serve as trustee for these sales.

During 1970 and through 1973, loans under this program were displaced by the annual interest grant program under the higher education appropriation. However, new loans were made from the fund to the extent that such amounts were made available from withdrawals of earlier commitments. These amounts were used to fund those small institutions of higher education which were unable to obtain private loans necessary to participate in the annual interest grant program.

Although no new loans were funded in 1973, it is anticipated that additional funds available from commitments withdrawn prior to June 30, 1974, will support approximately 19 new projects totaling $11,000 thousand in 1974. It is estimated that in 1975, three new projects totaling $1,500 thousand will be funded from commitments withdrawn prior to July 1, 1975.

Interest is payable to the Treasury on the cumulative amount of appropriations paid out for loans under this title or available as capital to the fund less the average undisbursed cash balance in the fund during the year. The rate certified by the Secretary of the Treasury as of June 30, 1973 is 6%.

Appropriations for insufficiencies are used to fund the deficit resulting from the interest rate required to sell the participation and the interest rate paid by higher education institutions on facilities loans.

The total recommended figures for the Office of Education for fiscal 75 is $3,176,996,000, which is $337,416,000 over 1974 and $118,112,000 over the budget request.

NATIONAL INSTITUTE OF EDUCATION

The National Institute of Education was established to improve and reform education through research and development. The Institute's mission is an equal opportunity to receive a high quality education for all. Research and development projects focus on the priority areas of: (a) providing essential skills such as reading to all citizens, (b) improving the productivity of resources in education, (c) understanding and improving the relationship of education to work and careers, (d) improving the capability of State and local education systems to solve education problems, and (e) increasing diversity, pluralism, and opportunity in American education.

While the Institute will provide a leadership role in addressing these priorities, at least 90% of the program funds will be grant and contract awards to personnel outside the Federal establishment. Additionally, an in-house research program will be supported.

This Institute requested $130,000,000 for fiscal 75. The Committee has recommended $100,000,000.

OFFICE OF ASSISTANT SECRETARY FOR EDUCATION

The Assistant Secretary for Education is responsible for direction and supervision of the Education Division, provides leadership for the education activities of the Department, and serves as the key spokesman and advocate for assuring that the Department provides professional and financial assistance to strengthen education in accordance with the Federal laws and regulations. In addition, he serves as the principal advisor to the Secretary on education affairs. This appropriation provides for the administrative expenses associated with the Office of the Assistant Secretary for Education. The estimate includes support of 15 positions in 1974 and 21 positions in 1975 for administration of the postsecondary improvement program, $950 thousand for continued support of contractual analysis activities; and $750 thousand to initiate the bicentennial internship program in education.

The Education Amendments of 1972 authorized the Secretary of Health, Education, and Welfare to make grants to and contracts with institutions of postsecondary education and other public and private educational institutions and agencies to encourage reform and innovation at the postsecondary level. Authority for administration of this program has been delegated to the Assistant Secretary for Education. In 1973, the appropriation for this program is shown under the "Higher education" appropriation. Ninety projects were supported in 1973. In 1974, projects will be solicited under both comprehensive and special focus programs. The special focus objective will include new approaches to competency-based learning and the development of new incentive structures.

$13,937,000 is the figure recommended for this item by the Committee for fiscal 75. This is $2,091,000 over 1974.

SOCIAL AND REHABILITATION SERVICE

Public assistance

Grants to States for public assistance are made for the Federal share of State expenditures for maintenance assistance, medical assistance, social services, State and local training, and child welfare services. In addition, assistance is provided in this appropriation for repatriated U.S. nationals. Estimates of requirements for this appropriation are based primarily on estimates received from the States in November 1973, adjusted to take into consideration Federal management initiatives to improve the effectiveness of the management of the public assistance programs thereby reducing Federal cost.

New Federal initiatives are proposed for 1974 and 1975 to strengthen the Federal role in the management of public assistance programs with emphasis being placed on the control of costs in the aid to families with dependent children and Medicaid programs. These initiatives in program management including an increased Federal role in program control are an outgrowth of new activities started in 1972 which focused on improved Federal and State financial management. New regulations and technical modifications to legislation produced from the Federal initiatives will provide significant savings and increased management control of public assistance programs. These savings will result from:

1. Continued emphasis on quality control over eligibility determination, improving the Federal quality control system for validating State quality control activities and the disallowing of Federal financial participation in excessive overpayments and payments to maintenance assistance ineligible on the basis of quality control findings.

2. Changes in regulations to standardize the assistance payments process, technical legislative changes to standardize earnings expenses and income disregard that should result in maintenance assistance savings, and changes in regulations or legislation to encourage establishment of statewide flat grants for maintenance assistance to simplify payment processing.

3. Review of prior year maintenance assistance expenditures to recover amounts inappropriately claimed.

4. Improvement in the administration of the social services program.

5. Improved control of Medicaid costs through effective utilization review.

In 1975, public assistance research and evaluation has been included in the public assistance appropriation. This program will conduct research having a direct impact on policy decisions aimed at improving the management of public assistance programs.

1. *Maintenance assistance.*—Maintenance payments provide needy persons with income to supplement their own resources for the essential costs of food, shelter, clothing, and other necessary items of daily living.

MAINTENANCE ASSISTANCE RECIPIENT CASELOAD

	Average monthly number		
	1973	1974[1]	1975[1]
Old-age assistance	1,916,925	1,839,439	22,601
Aid to the blind	78,166	77,772	573
Aid to the permanently and totally disabled	1,163,690	1,229,994	18,540
Aid to families with dependent children	10,979,630	11,066,424	11,361,227
Emergency assistance	31,684	55,249	57,304
Total	14,170,095	14,268,878	11,460,245

[1] Cost reductions in 1974 and 1975 result from management initiatives to be placed in effect and from the transfer of the adult categories to the Social Security Administration effective Jan. 1, 1974. In 1974, caseload totals for the aged, blind, and disabled are the monthly average for July through December 1973.

The estimates for maintenance assistance reflect transfer of the adult categories of maintenance assistance to Federal administration effective January 1974, except for Guam, Puerto Rico, and the Virgin Islands. The transfer of the adult categories will reduce costs under this appropriation by about $1,200 million in 1974 and $2,100 million in 1975.

2. *Medical assistance.*—Federal grants for medical assistance under title XIX of the Social Security Act (Medicaid) are made to States with plans approved by the Department. States must provide medical assistance to all persons receiving AFDC assistance payments.

The federalization of the aged, blind, and disabled categories under the supplementary security income program (SSI) on January 1, 1974, will expand the number of participants in the Medicaid program and modify the eligibility criteria. States are not in all cases required to provide Medicaid to SSI cash recipients, if they opt to apply any eligibility criteria from the January 1, 1972, medical assistance standard which is more restrictive than the SSI requirements.

States retain options to provide Medicaid to cash assistance recipients, to persons receiving a State supplemental payment (subject to certain limitations), to medically needy persons who are eligible for help only with their medical bills but who are not eligible for maintenance payments, and to needy children under 21.

The increase in persons receiving medical assistance during 1974 results primarily from anticipated increases in the number of persons receiving maintenance payments as a result of the new supplemental security income program. Medicaid costs will be partially offset by savings from management initiatives, improved utilization review, preadmission certification, and proposed legislation.

3. *Social services.*—Grants are made to States to provide social services which will assist eligible persons to attain or maintain capability for self-care and self-support and strengthen family life and foster child development. Eligible persons include current recipients of and applicants for public assistance programs. A new title VI authority under the Social Security Act replaces titles I, X, XIV, and XVI to cover services for the adult categories whose assistance payments will be provided by the new Bureau of Supplemental Security Income in the Social Security Administration. The title IV program authorizing services to AFDC recipients as well as cash payments continues in effect. At the option of the State, eligibility for services can be extended to former and potential recipients of assistance under both of these programs.

To halt the escalating costs of Federal payments for social services, the Congress placed a limitation of $2.5 billion on Federal matching for social services. Funds are allocated to the States on the basis of a State's population as a percentage of the total U.S. population. Major efforts have been undertaken to strengthen the management of public assistance by instituting cost controls in the social services program. These controls have taken the form of more intensive expenditure review and more positive definitions of allowable services in the form of revised regulations. Regulations were issued on May 1, to be effective July 1, 1973.

4. *State and local training.*—Federal financial participation at the 75% rate is available to States for costs of training public assistance staff or persons preparing for employment in public assistance agencies. States are required to provide for the training and effective use of subprofessionals as community service aides and of volunteers.

5. *Child welfare services.*—Grants are made to States to enable the Federal Government to cooperate with State public welfare agencies outside of the framework of aid to families with dependent children in establishing, extending, and strengthening child welfare services. These services are defined as, public social services which supplement or substitute for parental care and supervision for the purpose of:

1. Preventing or remedying, or assisting in the solution of problems which may result in the neglect, abuse, exploitation or delinquency of children.

2. Protecting and caring for homeless, dependent, or neglected children.

3. Protecting and promoting the welfare of children of working mothers, and

4. Otherwise protecting and promoting the welfare of children, including the strengthening of their own homes where possible or, where needed, the provision of adequate care of children away from their homes in foster family homes or day care of other child care families. (Sec. 425, Social Security Act as amended through Dec. 28, 1971).

Child welfare services are extended to children in need of such services without regard to financial need, legal residence, race or religion. Each State receives a uniform grant of $70 thousand and an additional grant which varies directly with child population and inversely with average per capita income. The basic statute establishes a rate of between 33⅓ to 66⅔ percent Federal financial participation. On a national basis, this is essentially a State program because of the limited level of Federal funds when compared to the total resources.

States are encouraged to coordinate child welfare services program of AFDC and to use child welfare services to provide services to children in need of them who were ineligible to receive services as assistance recipients or former or potential recipients.

The Social and Rehabilitation Service is working with the Office of Human Development to develop more effective approaches to the prevention of child abuse and neglect and a national program to deal with runaway children.

CHILD WELFARE SERVICES

	1973	1974	1975
Recipients	850,000	800,000	920,000
Federal grants (thousands)	$45,888	$47,500	$46,000
Federal percent of total expenditures	8.8	8.9	7.4

6. *Research and evaluation.*—The public assistance research and demonstration program has two basic purposes: (1) To develop the analytic methodologies, the program data, and the programmatic knowledge needed to evaluate and implement major policy and program options; and (2) to develop the methodological and technological knowledge necessary to improve both the Federal, State, and local administration of and the local delivery of services for the current public assistance programs.

In order to begin these new initiatives, a major review of all ongoing R. & D. both for relevance and research quality will be undertaken in 1974.

The objective for the 1974/1975 time period is to initiate a major, new public assistance R. & D. effort. Included in this effort are R. & D. projects which address policy concepts aimed at increasing the employment opportunities of welfare recipients. Health care R. & D. will focus on fiscal control with emphasis on utilization review and alternative means of implementing utilization review will be conducted. Social service R. & D. will adress the overall management and delivery of services including an evaluation of services integration, needs and resources assessment methodologies, voucher systems, and special revenue sharing. A specific problem area, i.e., the prevention of child abuse/neglect and the prevention of unnecessary entry and utilization of foster care services will be given priority.

Work incentives

The work incentive (WIN) program is designed to encourage and assist individuals receiving support from the aid to families with dependent children (AFDC) program to achieve self-support through a program of employment, work experience, and training. Child care and other social services are provided to all who have been called up for certification and those who have been certified who need such care or services to permit them to accept training or employment. State expenditures are matched by Federal participation at the rate of 90%. Training and incentives are administered by the Department of Labor, child care and supportive services by the Department of Health, Education, and Welfare.

1. *Training and incentives.*—The program includes registration, callup for employability planning, counseling and job development, direct placement, followup of all employed participants and adjudication of the work test. When necessary, individuals are prepared for self-supporting employment through on-the-job training, public service employment, work experience, and institutional training. Program development, evaluation, and administration of the WIN program are included under this activity.

The table below shows workload data for WIN training and incentives:

	1973 actual	1974 estimate	1975 estimate
New registrants	1,235,000	816,000	816,000
Call-in for employability plans	500,700	550,000	550,000
Labor market exposure	354,000	385,000	385,000
Orientation	99,000	225,000	225,088
Average work and training participants	41,200	37,400	37,500
Work test cases adjudicated	11,800	4,900	4,900
Number placed in jobs	137,000	200,000	200,000

2. *Child care and supportive services.*—This activity provides for child care and other social services necessary to enable WIN participants to accept training or employment. In 1973, the objectives of the Department of Health, Education, and Welfare included the implementation of the changes in administration and organization of the program required by the 1971 amendments. In support of these objectives, HEW has established separate administrative units (SAU's) in all States; training and technical assistance have been provided to States; and a management information system has been developed and installed.

The HEW objectives for 1974 and 1975 include providing a sufficient number of child care years and man-years of supportive services to support the work and training programs.

The table below shows workload data for WIN child care and other supportive services:

	1973 actual	1974 estimate	1975 estimate
Average children receiving care	80,100	75,350	75,350
Children in care at end of year	81,568	76,600	76,600
Average individuals receiving other supportive services	95,000	100,300	100,300

In 1975, the Departments of Labor and Health, Education, and Welfare are planning the revision of basic WIN policies to insure that they are in conformance with new social service regulations, the revision of regulations and manuals to correct demonstrated shortcomings, the provision of additional technical assistance to local projects, a redesign of the management information system, and the design and implementation of a joint evaluation and research strategy with emphasis on cost effectiveness analysis of program activity. These revisions are aimed specifically at producing one joint set of regulations and manuals and correcting deficiencies in program operations that have surfaced during the first year of WIN-II activity. They are intended to enforce closer coordination of local employment service and social service operations. They will also provide closer management tracking and evaluation of projected program activities and necessary technical assistance on program operations and management.

Rehabilitation services

1. *Rehabilitation services and facilities.*—

SIGNIFICANT PROGRAM DATA

	1973 actual	1974 estimate	1975 estimate
Number served	1,176,445	1,290,000	1,326,000
Number rehabilitated	360,726	375,000	394,000

SELECTED DISABILITY CATEGORIES

	1973 actual	1974 estimate	1975 estimate
Mentally ill	106,900	119,000	131,900
Mentally retarded	40,800	43,000	45,400
Blind and visually handicapped	28,700	29,400	30,200
Deaf, hard of hearing and speech impaired	19,900	20,000	20,100
Heart, cancer, and stroke	10,500	11,600	13,900
Others	153,900	152,000	150,500

SELECTED DISABLED TARGET GROUPS

	1973 actual	1974 estimate	1975 estimate
Public assistance recipients served	247,000	288,000	321,800
Public assistance recipients rehabilitated	65,777	75,000	87,800
Severely disabled rehabilitated	110,000	130,000	142,000

The rehabilitation program provides services to mentally and physically handicapped people so that they may prepare for and engage in remunerative employment or employment in the home to the extent of their potential. Emphasis is placed on reducing clients' dependency to the greatest degree possible to enable them to live in dignity and self-sufficiency. Services may be extended to the families of clients, where this will contribute to the clients' rehabilitation. Services include medical and physical restoration, vocational training, counseling, and job placement.

The major portion of the vocational rehabilitation program is carried out under section 110 of the Rehabilitation Act of 1973 which provides for grants with an 80% Federal matching rate to States to rehabilitate handicapped individuals and place them in productive gainful employment. The funding level for section 110 grants in 1975 is $670 million within an allotment base of $670 million. The 1975 level represents an increase of $40 million over 1974 and $81 million over the 1973 level.

Rehabilitation service projects provide specialized programs over and above those possible by resources of the basic support programs. In 1975 $29 million of prior-year-service project (expansion grant) funds will be made available to the States under the basic State grants to provide greater flexibility at the State level in the use of these funds. Special projects include the National Center of Deaf/Blind Youths and Adults which will provide rehabilitation services to 150 resident deaf/blind persons. New projects will be funded to provide special services and demonstrations for the benefit of the severely disabled.

The research and evaluation program supports the service goals in rehabilitation by providing information on new and innovative methods of rehabilitation services through research and demonstration projects, research and training centers, and rehabilitation engineering research centers. In 1975 most of the new starts will focus on improved management techniques; upgrading VR support institutions; problems of the homebound; and improved client evaluation and service modalities for the severely handicapped. Emphasis will continue on technology and methodology development necessary to the rehabilitation of the spinal cord injuries and other severely disabled.

Rehabilitation training grants are made to increase the supply of and improve professional competence of personnel in a wide range of rehabilitation disciplines. In 1975 direct training grants will support long-term training in unique and specialized areas of rehabilitation study and short-term training in related staff development efforts in areas of priority interest to the public rehabilitation program.

2. *Grants for the developmentally disabled.*—Federal grants are made to States to assist in developing and administering a program of assistance for persons with mental retardation, epilepsy, cerebral palsy, and other neurological disabling conditions. In 1975, $30,875,000 will provide a wide range of direct services to over 64,000 developmentally disabled persons. The primary objective in 1975 is to complete the systematic implementation of the State plans to improve the quality of residential care and to reduce the institutional population.

Project grants are made to States and public and other nonprofit agencies to improve care in mental retardation institutions and to initiate and expand community programs.

Under the university-affiliated facilities program, 33 centers will receive support at a cost of $4,250,000 in 1975. These projects support the cost of operating demonstration facilities rendering specialized services to over 50,000 trainees from more than 60 disciplines.

3. *Special programs for the aging.*—This activity includes all aging-related programs, including research and training, previously funded in the Social and Rehabilitation Services account. Those activities have been transferred to the Office of Human Development in the Office of the Secretary.

4. *Youth development and delinquency prevention.*—This activity has been transferred to the Office of Human Development in the Office of the Secretary.

5. *Research.*—The funds in this activity have been transferred to the programs that benefit from the research performed. Rehabilitation research is now reported in the rehabilitation services and facilities activity in this account. Social services research has been transferred to the SRS account entitled "Grants to States for Public Assistance". Income maintenance has been transferred to Departmental Management in the Office of the Secretary.

6. *Training.*—Direct training grants for community services training are being reexamined based upon the 1974 appropriation. No new funds are requested for 1975.

Research and Training Activities Overseas (Special Foreign Currency Program)

The Agricultural Trade Development and Assistance Act of 1954, and the International Health Research Act of 1960 authorize the conduct of research and related activities abroad. Research, demonstrations, and research training programs which complement, supplement, and strengthen domestic research and service activities are supported with excess foreign currencies accruing to the United States through the sale of surplus agricultural commodities and through other sources. This program enables the United States to benefit from progress that other countries are making in dealing with social and rehabilitation and income maintenance problems and to utilize the talents of foreign scientists working in these fields.

No new budget authority is requested for this program in 1975. The program will be funded by using unobligated balances carried forward from prior years. It is estimated that these unobligated balances will be sufficient to continue to operate the program in 1975 at the 1974 level. In 1975 the major thrusts of the international research program will be to: (1) test innovative rehabilitation techniques and assistive devices developed by the Public Law 480 program and in research centers in the United States; (2) evaluate and assess programs in social services which could directly benefit the United States; (3) expand research information retrieval systems in all Public Law 480 countries; and (4) place emphasis on the utilization of research findings generated by the Public Law 480 program since 1962.

The major emphasis of the SRS foreign currency program in 1975 is in keeping with the overall U.S. domestic and/or foreign policy goals including self-support, self sufficiency and cost effectiveness. The proposed special foreign currency program level estimated at $3,700 thousand in 1975 could be compared to U.S. dollar supported research of approximately $12,000 thousand due to the difference in official exchange rates, in social-economic conditions relating to personnel, equipment and other direct and indirect cost items in the countries participating in the program.

In liaison with the Office of International Affairs, Department of Health, Education, and Welfare, there is continuous consultation between the Social and Rehabilitation Service and the Department of State, pursuant to 3 (b) and (c) of Executive Order 10900 with respect to: foreign policy aspects of the proposed budget; administrative support expected from the Department of State and respective American Embassies from different countries; and the availability of currencies for international travel. There has been no need for contracts with foreign governments and no new facilities or establishments are being proposed overseas under the Special Foreign Currency Program of the Social and Rehabilitation Service.

Salaries and Expenses

This appropriation finances administrative expenses for carrying out various grant and contract programs associated with the provision of social and rehabilitation services for the needy, disabled, and other disadvantaged persons nationwide. This appropriation provides for the operational costs related to Federal administration activities including salaries of Federal employees and related costs for travel, utilities, communication, printing, supplies and equipment.

The major objective for 1975 is to strengthen the Social and Rehabilitation Service's capacity to manage the public assistance programs more effectively. Organizational changes will be made which are intended to:

1. Coordinate policy through the Administrator to provide a unified approach to SRS program direction.

2. Strengthen objectives management and focus on key tasks like quality control and utilization review through special work teams.

3. Provide direction for regional activity and shift staff to the regions, consistent with the Department's plans for decentralization.

Assistance to Refugees in the United States

In 1961 the President established a program to assist Cuban refugees in the United States. On June 28, 1962, the Migration and Refugee Assistance Act of 1962 was enacted which now provides the legislative basis for assistance to Cuban refugees in the United States.

Refugees from Cuba were arriving in Miami at the rate of about 1,700 a week when the missile crisis occurred in October 1962 after which the number of arrivals decreased by about 90%. On October 3, 1965, the President of the United States announced that the United States would permit the orderly influx of refugees allowed to leave Cuba under a more liberal refugee policy adopted by the Cuban Government. In December 1965, a new influx of refugees started with the inauguration of freedom flights—the airlift operated by the U.S. as provided for in a United States-Cuban Memorandum of Understanding negotiated by the Swiss Government.

About 42 airlift flights brought approximately 3,500 refugees to Miami each month between December 1965 and August 1971 when the Cuban Government began a series of interruptions in airlift operations. A total of 76 airlift flights occurred between January 1972 and April 6, 1973, when the airlift was formally ended by the Cuban Government. Between 1961 and June 1973, 452,098 refugees had registered at the Cuban Refugee Center in Miami of whom 298,518 had been resettled to other locations in the United States. Refugees continue to enter the U.S. by means other than the airlift, however—primarily those who went from Cuba to Spain, many of whom had been there 2 years and longer while awaiting entry into the United States. The emigration from Cuba to Spain has drastically decreased since 1972.

In the fall of 1973 there were an estimated 25 thousand to 30 thousand Cuban refugees in other countries (primarily Spain) awaiting acceptance for entry into this country. In October 1973 the Department of Justice, acting on a recommendation from the Department of State, agreed to expand the use of parole authority under the immigration laws to bring to the United States within 1 year those Cuban refugees in refugee status (not permanent residents) in other countries as of the date of promulgation of the expansion in policy—October 26, 1973. Based on experience under the more limited parole policy that has been in effect for some time governing the flow of Cuban refugees from third countries into the United States—which has approximated 1,000 per month—it is anticipated that the funding impact on the Cuban refugee program of the more liberalized parole policy will be minimal and no special provisions are included in the budget for this purpose.

In light of the cessation of the airlift and the drastic decrease in the number of new refugees entering the United States, as well as the enactment of the Supplemental Security Income program which largely duplicates the welfare services of the Cuban refugee program, the Department of Health Education, and Welfare plans to phase out the Cuban refugee program, starting July 1974, with complete termination projected by June 30, 1977. These phase-out plans are reflected in the several services provided by the program for Cuban refugees which are discussed below.

1. *Welfare assistance and services.*—Since inception of the Cuban refugee program the Federal Government has provided 100% reimbursement to State and local welfare agencies for financial and medical assistance provided needy Cuban refugees. Beginning January 1, 1974, when the new Federal program of Supplemental Security Income for the Aged, Blind, and Disabled (SSI) becomes operative many Cuban refugees will be eligible for that new program since refugee status will not be a barrier. Those found eligible will receive their basic maintenance payments through the SSI program rather than the Cuban refugee program. The latter program will continue, however, to reimburse States on a 100 percent basis for medical care provided needy Cuban refugees during fiscal 1974. The phaseout policy on reimbursements to the States under this program for welfare assistance to needy Cuban refugees, originally planned to become effective July 1, 1973, has been postponed 1 year—until July 1, 1974. Commencing then, the policy will be to limit reimbursements to the States for welfare assistance on behalf of Cuban refugees to those refugees who have been in the United States less than 5 years; regular welfare programs—AFDC, general assistance, and Medicaid—would be utilized for those needy refugees who have been in the United States over 5 years. Because of the unique situation in Florida, where about one-half of the refugees in the United States reside, this program would continue to reimburse 100% for welfare assistance required by needy refugees not eligible for the federally matched program of AFDC or for SSI, regardless of their length of residency in the United States. A number of States are expected to supplement the basic maintenance payments provided under SSI with their own funds, but no funds would be available from this program for that purpose. Refugees receiving basic maintenance under SSI would continue, however, to be eligible to have their medical care met from this program if they have been in the United States less than 5 years.

In June 1973, approximately 88,000 needy refugees were receiving welfare assistance, including medical care, under this program. It is estimated some 85,000 refugees will be eligible for assistance with their basic maintenance and/or medical care needs under this program in June 1974 and about 47,000 in June 1975.

2. *Education.*—Selected training is provided to equip the refugees for employment through English and other types of training. Also, provision is made for Federal payments to help meet part of the added cost related to refugee children in the Dade County, Fla., public school system. In addition, needy college students for whom loans have been previously authorized may receive loans from this program to continue their studies.

3. *Other services.*—This activity provides for Federal direction and day-to-day operation of the program, including a variety of services for newly arriving refugees as well as those already in the United States. There are administrative contracts with voluntary resettlement agencies to help with the reception and planning for newly arriving refugees and with pre- and post-resettlement problems, such as the need for emergency assistance in locating housing, job finding, etc. Continuing emphasis is placed on training and employment in the Miami area and assuring that barriers to achieving self-support are dealt with as effectively as possible.

The Social and Rehabilitation Service would receive a total of $13,523,484,000 in the Committee bill.

SOCIAL SECURITY ADMINISTRATION

Payments to social security trust funds

This appropriation provides for payments from Federal funds to the social security trust funds for certain types of benefits and related administrative costs not financed by contributions from workers and employers. The 1975 appropriation request of $3,345,323 thousand covers the following types of payments:

1. *Federal payments for supplementary medical insurance.*—An estimated $2,327,000 thousand will be required in 1975 to finance the Government's contribution to the Federal supplementary medical insurance trust fund. The amount of funds required for Federal payments for supplementary medical insurance is dependent on the number of persons enrolled in the program and the premium rate which has been promulgated by the Secretary of Health, Education, and Welfare for the fiscal year for which funds are appropriated. The Federal payments, combined with premiums from the enrollees and interest earned by the supplementary medical insurance trust fund, must be sufficient to finance the estimated incurred cost

of benefits and administration. Disabled persons became covered under this program effective July 1973 as a result of enactment of the Social Security Amendments of 1972. Although the cost per capita for the disabled is estimated to be about 2½ times as much as that for the aged, both groups pay the same standard monthly premium, which will be $6.70 for 1975. The estimate for 1975 assumes that an average of about 21.6 million aged persons and 1.9 million disabled persons will be enrolled in the program during 1975 as compared with an average of about 20.8 million aged persons and 1.7 million disabled persons in 1974.

2. *Hospital insurance for the uninsured.*—A payment of $471,000 thousand to the Federal hospital insurance trust fund is budgeted for 1975 to cover the costs of hospital and related care for certain individuals age 65 and over who are not insured under the social security or railroad retirement systems. (Costs for the aged and disabled who are insured are financed by contributions on earnings by workers and by employers.) The estimate assumes that there will be an average of 1.1 million uninsured persons covered for hospital insurance benefits during 1975. The uninsured group covered by this provision includes persons who retired before their occupations were covered by social security (such as teachers and State and local employees) and widows whose husbands died prior to earning coverage under social security.

3. *Military service credits.*—The appropriation includes reimbursement of $240,000 thousand to the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund and the Federal hospital insurance trust fund for benefits paid on the basis of noncontributory military service credits of veterans of World War II and certain veterans of the post-World War II period. The basis for the computation of these payments is prescribed in sections 217(g) and 229(b) of the Social Security Act and includes reimbursement for administrative expenses and interest lost to the trust fund.

The payment to each trust fund is (in millions of dollars):

Old-age and survivors insurance	140
Disability insurance	52
Hospital insurance	48
Total	240

4. *Retirement benefits for certain uninsured persons.*—This appropriation provides for a payment of $307,323 thousand to the Federal old-age and survivors insurance trust fund as reimbursement for actual benefit payments made in 1973 to certain uninsured individuals aged 72 and over, related administrative expenses, and interest lost to the trust fund. These benefits were established to afford some protection for certain persons, or their surviving dependents, who retired before the enactment of social security legislation or before their occupations were covered by social security.

Individuals who had less than three quarters of coverage and who attained age 72 before 1968 were eligible for benefits under this provision in 1973. The benefits were reduced if the recipient also received another governmental pension. The amount of the reduction depended upon the amount of the other governmental pension. In addition, the benefits were withheld if an individual was receiving payments under a federally aided public assistance program.

Special benefits for disabled coal miners

The Federal Coal Mine Health and Safety Act of 1969 provides for the protection of the health and safety of persons working in the coal mining industry. Title IV of the act provides monthly benefits to living coal miners who are totally disabled from pneumoconiosis resulting from employment in coal mines and to surviving widows. Benefit payments to miners and surviving widows are increased for dependents (a spouse or child). Benefits are payable to orphans, and in certain circumstances, to totally dependent surviving parents, brothers, and sisters. The requirements for entitlement and the amounts of the benefits are stated in the law.

Under the law, the jurisdiction for payment of claims filed after June 1973 from miners shifted from the Department of Health, Education, and Welfare to the Department of Labor. Also, the responsibility for most survivor claims filed after December 1973 will be with the Department of Labor. However, the Social Security Administration will continue to pay benefits and maintain the beneficiary roll for persons who filed during the time that the Social Security Administration had jurisdiction and this will continue for many years into the future. The amount of these benefits and the number of miners, widows, and other dependents receiving them at the end of each fiscal year are as follows:

[Dollars in thousands]

	1973 actual	1974 estimate	1975 estimate
Benefit amount	$938,502	$972,000	$866,000
Beneficiaries:			
Miners	102,000	165,000	167,000
Widows	88,000	140,000	165,000
Other dependents	112,000	192,000	201,000
Total	302,000	497,000	533,000

The administrative costs for 1975 are estimated at $10,089 thousand. These costs are primarily related to processing 9,000 new claims filed under the jurisdiction of the Social Security Administration, processing 11,400 hearings and appeals and maintaining the beneficiary roll for persons who filed during the time the Social Security Administration had jurisdiction.

In addition, life claims and most survivor claims filed after December 31, 1973, will be filed in the district offices of the Social Security Administration and transferred to the Department of Labor. The district offices will complete the nondisaiblity development and refer the applicant for a medical appointment. The Social Security Administration will be reimbursed for these costs (estimated at $2,815 thousand in 1974 and $2,834 thousand in 1975) from funds appropriated to the Department of Labor.

Supplemental security income program

Title XVI of the Social Security Act, as amended by the Social Security Amendments of 1972, established a new Federal supplemental security income (SSI) program for the aged, blind, and disabled. This program, effective January 1, 1974, replaces State administered programs of assistance to the aged, blind, and disabled which were aided by Federal grants from the appropriations to the Social and Rehabilitation Service. Under provisions of Public Law 93-233, the supplemental security income program provides a minimum income of $410 per month for an eligible individual and $210 per month for a couple both of whom are eligible. These benefits will rise to $146 and $219 in July 1974. Further legislation will be proposed to provide automatic cost of living adjustments in the future in line with those provided in the social security cash benefit programs.

The program is administered by the Federal Government under uniform eligibility requirements and payment support levels applicable in all States. However, to be eligible for Federal matching funds for Medicaid, States are required to supplement the Federal benefit to assure that recipients of benefits under the former State administered programs for the aged, blind, and disabled suffer no loss of income under SSI. The States may make additional supplementary payments if they so desire. They may also enter into agreements with the Federal Government to administer their supplementary payments. Under such an agreement, the administrative costs are paid from Federal funds. In addition, under a "hold harmless" provision the Federal Government makes contributions toward State supplementation to assure that such supplementation of Federal benefits does not involve costs in excess of those incurred by each State in 1972 for assistance payments to the aged, blind, and disabled.

This appropriation request covers: (1) The Federal benefit payments to the aged, blind, and disabled beginning January 1, 1974, an estimated $3.871 billion to be paid to 5 million Federal program recipients by the end of 1975; (2) the amount of Federal contributions toward State supplementary payments, $452 million, which are required to protect States against increased costs under SSI; (3) the cost of vocational rehabilitation services, $53.8 million in 1975, provided by State agencies to blind and disabled SSI beneficiaries who have the potential for becoming more self-sufficient and possibly returning to work; and (4) reimbursement to the social security trust funds for the administration of the program by the Social Security Administration, $396.8 million in 1975. State supplementary payments which are financed by the States and administered by the Federal Government on behalf of the States for those electing Federal administration under the reimbursable program will come to $1.169 billion in 1975.

By the end of 1975, the total number of beneficiaries on the rolls is expected to be 5.6 million, including 0.6 million beneficiaries not entitled to a Federal benefit but who will be receiving a supplementary State payment.

Limitation on salaries and expenses and on construction

Salaries

The Social Security Administration is responsible for administering national programs of old-age, survivors, disability, and health insurance and the new supplemental security income program for the needy aged, blind, and disabled which was established by the Social Security Amendments of 1972. The principal costs for administration of these programs are financed by this appropriation; however, there are certain costs of other components of the Department of Health, Education, and Welfare and of the Treasury Department which relate to administration of these programs and are shown elsewhere in the budget.

Administrative costs are related to workloads generated by the statutory provisions of social security programs. The size of these loads depends upon objective factors such as population growth, level of employment, economic conditions, income levels, incidence of illness, and mortality rates.

1. *Old-age and survivors insurance.*—This program provides monthly benefits for retired workers and their dependents, survivors of deceased workers, including disabled widows and widowers age 50 and over, and certain uninsured persons age 72 and over.

The amount of benefit payments increases in 1974 and significantly in 1975 because of increases in benefits recently enacted (11% effective June 1974 with 7% of this amount payable for March through May 1974). Recent amendments also provided for a liberalization of the retirement test to permit earnings of $2,400 with no loss of benefits, and the contribution and benefit base was increased to $13,200.

Indicators of workload and program objectives for this activity are:

	1973 actual	1974 estimate	1975 estimate
OASI claims applications received	3,872,196	4,064,000	4,008,000
Persons on OASI benefit rolls (average for year)	26,653,000	27,603,000	28,709,000
OASI benefit payments (in millions)	$42,169	$48,118	$55,802

The administrative costs budgeted for this program provide for: Making the initial determination of eligibility for old-age and survivors benefits; reevaluating the initial determination when requested by the claimant; making changes in the beneficiary rolls to assure proper and correct payment of benefits; and investigating the beneficiary's continuing entitlement to benefits, including the evaluation of performance of representative payees.

2. *Disability insurance.*—This program provides monthly disability benefits for disabled workers and their dependents. In addition to normal increase in the number of persons receiving monthly benefits, the higher benefit rates mentioned previously will cause an increase in benefit payments in 1974 and a significant increase in 1975.

Indicators of workload and program objectives for this activity are:

	1973 actual	1974 estimate	1975 estimate
Disability claims applications received	1,480,541	1,808,000	1,668,000
Persons on disability benefit rolls (average for year)	3,314,000	3,618,000	3,971,000
Disability benefit payments (in millions)	$5,162	$6,180	$7,462

The administrative costs budgeted for this program cover the costs of processing initial disability determinations and reconsiderations and appeals of denied claims; making investigations and determinations of continuing disability of beneficiaries and servicing the beneficiary rolls; and making all changes due to deaths, changes of address, attainment of age 65, returns to employment and recoveries from disability. Determinations regarding the existence or continuation of a disability are made by State agencies and these costs are included in the budget estimates.

3. *Health insurance.*—This program includes the hospital insurance and the voluntary supplementary medical insurance programs which were established by the 1965 amendments and the 1972 amendments to the Social Security Act, commonly referred to as Medicare.

(a) *Hospital insurance.*—The hospital insurance program affords protection to persons age 65 and over against the cost of inpatient hospital services, posthospital home health services and posthospital extended care services. Hospital insurance also provides protection for those disabled beneficiaries who have been eligible for social security disability benefits for at least 2 years. Bills for services rendered under the hospital insurance program are generally submitted by hospitals, extended care facilities, home health agencies, and in some instances by individuals who have received emergency care in nonparticipating hospitals. In most instances, these bills are processed by the Blue Cross associations and private insurance companies acting as intermediaries for the Social Security Administration. The individual beneficiary records of utilization of hospital services are maintained in the central office of the Social Security Administration. The growth in beneficiaries who will be covered by the program as the population of age 65 and over increases, the addition of coverage for disabled beneficiaries in 1974, and rise in the utilization of available services causes and increase in the number of claims in both 1974 and 1975.

(b) *Supplementary medical insurance.*—Almost all persons age 65 and over are eligible to enroll in the supplementary medical insurance program, and in 1974 coverage was also extended to disability beneficiaries who have been eligible for benefits for at least 2 years. Supplementary medical insurance covers the cost of physician services and other medical costs within certain deductible and coinsurance requirements. Enrollees in the program pay a monthly premium and the rest of the program costs are paid for by the Federal Government by appropriations from Federal funds. Claims for services under the medical insurance program may be submitted by the physician or other suppliers of service or by the beneficiary to Blue Shield associations and private insurance companies who have been designated to act as carriers for the Social Security Administration in specific geographical areas.

The volume of claims will rise in 1974 and 1975 as a result of the normal growth in the age 65 and over population, the projected increase in utilization of medical services, and the addition of disability beneficiaries in 1974.

Indicators of workload and program objectives for this activity are:

	1973 actual	1974 estimate	1975 estimate
Claims received for services covered by hospital insurance	9,223,800	10,816,000	11,556,000
Claims received for services covered by medical insurance	69,297,100	84,876,000	92,892,000
Beneficiaries receiving reimbursed services:			
Hospital insurance	4,700,000	5,400,000	5,600,000
Medical insurance	10,500,000	11,600,000	12,200,000
Payments for services (in millions):			
Hospital insurance	$6,648	$8,465	$9,831
Medical insurance	$2,391	$2,966	$3,586

The administrative costs budgeted for this program cover the claim payment functions performed by the contractors, services performed by State agencies in certifying and consulting with providers of services, and all work performed by the Social Security Administration in directing the program, providing services to beneficiaries, maintaining records by individual beneficiary of utilization of hospital and medical services and processing claims to establish entitlement to hospital insurance for persons not insured for cash benefits under either the social security or railroad retirement program.

4. *Supplemental security income.*—This new Federal program authorized in the Social Security Amendments of 1972 and recently amended provides monthly benefits from Federal funds to needy aged persons 65 and over, and to the needy blind and totally disabled without regard to age. Mandatory State supplementary payments are required for certain persons on the State rolls in December 1973 to guarantee that no one will have a loss of income as a result of the new program. In addition, the States can further supplement the Federal payment if they so desire. Because the administration of this program will be integrated with that of the social security program, the costs of administration of both programs are carried in the same salaries and expenses appropriation. A separate appropriation from Federal funds provides for the Federal benefits paid under the supplemental security income program, and for repayment to the trust funds for moneys advanced for the administration of the new program.

The program became effective on January 1, 1974. Prior to that date, about 3 million recipients of the present State and local administered programs had to be converted to the Federal program so that monthly payments could be made beginning with January 1974. In addition, thousands of claims from newly eligible persons had to be processed before the effective date. Payments up to $140 per month for an individual and $210 for a couple effective January 1974 will be increased to $146 and $219 effective July 1974.

Indicators of workload and program objectives for this activity are:

	1973 actual	1974 estimate	1975 estimate
SSI claims applications received		3,272,800	3,078,200
SSI recipients at end of year		4,800,000	5,600,000
Basic Federal SSI benefit payments (in millions)		$1,644	$3,897
State supplementary payments administered by SSA[1] (in millions)		$818	$1,622

[1] Includes Federal contribution under "hold harmless" provision.

The administrative costs budgeted for this program provide for: Making initial determinations of eligibility for aged, blind, and disabled benefits; reevaluating the initial determination when requested by the claimant; processing appeals of denied claims; making changes in the recipient rolls to assure proper and correct payment of benefits; and investigating the beneficiary's continuing entitlement to benefits through periodic redeterminations. Determinations regarding the existence or continuation of a disability are made by the State agencies under contract with the Social Security Administration and these costs are included in the budget.

CONSTRUCTION

1. *Headquarters.*—The objective of construction at the headquarters complex in the Baltimore, Md., area is to provide adequate facilities to house personnel and equipment required to administer and support the social security program on a national scale. No new obligational authority is being requested for this account. Funds appropriated in prior years will be used in 1974 to build an access road from the headquarters site to Interstate Highway 70 as well as complete land purchases and initial design for new headquarters facilities. The Social Security Administration plans to construct, using the purchase contract method of financing, two additional buildings, one in downtown Baltimore and the other at the existing site in Woodlawn, Md. Completion of these facilities will allow, at a minimum, consolidation of scattered leased facilities and adequate housing for computer facilities.

2. *District offices.*—The overriding objective here is to bring the social security program to the American people through locating field offices in or near their community. Construction of new buildings to house Social Security district offices is planned only when such construction is determined to be more feasible than rental of commercial space or occupancy of existing Federal structures. In 1975, SSA plans to acquire sites and design 39 additional district offices using funds previously appropriated as well as requested budget authority of $4,500 thousand. Current plans also call for construction of 43 additional offices to be financed directly by trust funds or through purchase contract arrangements, whichever method is determined most economical. The 1975 budget request also includes payments of $132 thousand on four district offices which are scheduled to be constructed in 1974 under purchase contract arrangements. The annual payments assume a 30-year period for paying for the buildings.

3. *Program centers.*—The objective of con-

structing program center facilities is to provide adequate space adaptable to expansion and internal changes, in a structure specifically designed for program center operations. The program centers review claims, maintain beneficiary records, and take the necessary action on all changes which affect the amount or eligibility for payment of social security benefits. Sites have been acquired, major design completed, and construction has begun on four new centers in Birmingham, Ala., Philadelphia, Pa. Chicago, Ill., and Richmond, Calif. The Birmingham Center will be built by a private enterpreneur and leased to Social Security. The other three will be financed through purchase contract means and will require an approximate annual payment of $14,400 thousand for 30 years (a total of $3,600 thousand is budgeted for 1975 on the assumption of an April 1975 completion date) after which the trust funds will acquire full title to the properties.

The Committee has recommended the budget request of $8,995,412,000, an increase over FY 1974 of $2,659,670,000 for the Social Security Administration programs.

SPECIAL INSTITUTIONS

American Printing House for the Blind

1. *Educational materials.*—The American Printing House supplies educational materials and tangible apparatus for education of blind students of less than college grade. During 1974, 24,196 such pupils will be served. This is based on registration of pupils as of the first Monday in January 1973.

The 1975 budget estimate of $1,887 thousand will provide an estimated increase of 5% in per capita for an estimated 24,962 pupils to be registered and approximately a 3% increase in registration. The 5% increase in per capita is requested in order to supply approximately the same amount of educational material to blind children as provided during 1974.

The 3% increase in the number of children to be registered is in keeping with the usual increase in number of children during the past several years; however, during 1974 some 700 more children than anticipated were registered and will be served by the Printing House. With continued emphasis on reaching blind children at an early age, young blind children in formally organized nursery schools are being served. It is also expected there will be a greater variety of materials required and many new additional aids as a result of research, evaluation, and production.

2. *Advisory committees and field service.*—The American Printing House for the Blind has three Advisory Committees—Publications Committee, Educational Aids Committee, and Educational Research Committee.

These committees advise and approve materials and aids to be manufactured through the Federal appropriation. Also, field representatives for the Printing House travel to State departments of education, schools for the blind and public school classes for the blind and advise teachers on materials and facilities available to blind children. Additionally, the Printing House staff gives assistance to colleges and universities conducting training programs for teachers of the blind.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

The National Technical Institute for the Deaf (NTID) is a coeducational residential institution that provides postsecondary technical education for young deaf people to prepare them for successful employment; that prepares professional manpower to serve the Nation's deaf population; and that conducts applied research on educational, social and employment aspects of deafness.

1. *Operations.*—$7,838 thousand is requested for the continued development of NTID toward fully operational status. Significant objectives for 1975 include: Serving a planned growth in the full-time equivalent student body to 700; occupying, shaking down and operating new academic, residential and dining facilities; implementing research in the specially designed research and training laboratories; training new faculty and staff and other professional persons to work with the deaf, including their preparation for serving in community programs for the deaf; conducting research on vital parameters that critically describe needs of young deaf people in terms of preparing them to move forward socially, economically and educationally; showing how an institution with no previous experience in dealing with special needs of deaf people can begin serving these needs; and, in all phases of NTID operations, implementing a coordinated and active program of applied research directed toward improving economic assimilation of deaf citizens.

2. *Construction.*—$1,981 thousand is requested to complete furnishing and equipping the new facilities for deaf students and programs to support them. These facilities will be fully occupied in 1975 and include an academic complex, a residence hall and a dining hall/commons.

MODEL SECONDARY SCHOOL FOR THE DEAF

Model Secondary School for the Deaf.—As provided under Public Law 89-694, the Model Secondary School for the Deaf: (a) Serves as a laboratory for educational experimentation and development; (b) disseminates working models throughout the field of education of the deaf to programs serving more than 60,000 deaf students and 10,000 education professionals; (c) prepares deaf adolescents for postsecondary academic and/or vocational pursuits; and (d) provides deaf adolescents the skills necessary to become well-adjusted, contributing, and effective members of the society. For 1975, the Model Secondary School for the Deaf: will initiate the phased implementation of a management, planning and evaluation system; evaluate instructional materials currently in use; disseminate a minimum of 5 sets of instructional packages to other schools and programs; develop a visual training program; and expand and refine current curricular offerings.

GALLAUDET COLLEGE

1. *College.*—Gallaudet College is a private, nonprofit educational institution providing an undergraduate higher education program for the deaf, a tutorial school for deaf students who need such training to qualify for college admission, a graduate school program in fields related to deafness, and a continuing education program for deaf adults. The 1975 budget estimate will support the implementation of an experimental preparatory program, the upgrading of the preventive maintenance programs for the physical plant, and the improvement of management services.

2. *Kendall Demonstration Elementary School.*—By an act of Congress, Public Law 91-587, the college has the authority to operate Kendall School as a national demonstration elementary school for the deaf. The school will: (1) Develop an exemplary educational program for children from the age of onset of deafness through the age of 15; (2) develop a diagnostic center; (3) develop a parent education program; and (4) become a source of important research on learning problems of young deaf children. The 1975 operation estimates will provide for the maintenance of faculty salaries along with increases for the improvement of the library resources center, the replacement of media equipment, the expansion of the inservice training program, the initiation of a foster home placement program, the expansion of the media services, and the improvement and expansion of the research and development activities. These funds are necessary to insure a consistent growth and development of the total program toward its goals.

3. *Construction.*—The 1975 estimates for college construction will provide for equipping the new food and health service buildings and for the construction of the fourth dormitory. The 1975 estimate for MSSD construction includes two residence units to house 132 students and procurement of equipment for the facilities. The MSSD academic and physical education facilities will reach 50% completion in 1974.

TOTAL ENROLLMENT FOR FALL SEMESTER

[Full-time equivalent]

	1973 actual	1974 estimate	1975 estimate
College:			
Undergraduate	934	968	968
Graduate	105	137	175
Total	1,039	1,105	1,143
Model secondary school [1]	138	150	150
Preschool	38	40	
Continuing education [2]	85	110	180
Kendall Demonstration Elementary School	175	175	220
Total	1,475	1,580	1,693

[1] Full-time equivalent related to 12-month school year.

[2] Full-time equivalent in continuing education is computed in 10 enrollments per F.T.E.

In addition, Gallaudet provides a sign language program as a public service to the Washington metropolitan area. Instruction includes basic, intermediate, advanced, and interpreter-level sign language communication. A slight fee is charged in order to support the program. This program served 200 students in 1971–72, 325 in 1972–73, an estimated 350 in 1973–74, and an estimated 500 in 1974–75.

HOWARD UNIVERSITY

1. *Academic program.*—Howard University is a private nonprofit educational institution consisting of an undergraduate college, a graduate school offering the master's degree and the degree of doctor of philosophy (in African studies, biochemistry, English, government, history, pharmacology, physics, psychology, physiology, and zoology) and 13 professional schools. Federal funds provide 62.3% of the total operating costs for the academic program. Funds from non-Federal sources are realized from tuition and fees, gifts, grants, endowments, dormitory rents, cafeteria, and bookstore sales and hospital patients.

The 1975 estimate will allow the university to improve library services, to provide for faculty salary increases, and to undertake curriculum revisions in a limited number of schools.

As a major goal in 1975, the university proposes to establish a Development Fund for the purpose of providing additional resources for university activities.

	1972 actual	1973 actual	1974 estimate	1975 estimate
Full-time equivalent enrollment:				
Undergraduate (arts and sciences)	[1] 3,847	[2] 3,519	3,500	3,500
Graduate school (arts and sciences)	1,598	1,573	1,750	[4] 1,900
Professional schools	[1] 4,321	[2] 4,660	4,787	6,415
Freedmen's Hospital	249	[3] 226	184	202
Total	10,015	9,978	10,221	12,017

[1] Reduction in 1972 undergraduate enrollment due to transfers to School of Business and Public Administration.

[2] Reduction in 1973 arts and sciences enrollment due to transfers to School of Education, School of Communications, and a reduction in new undergraduate admissions.

[3] Reduction in Freedmen's Hospital in 1973 reflects phaseout of diploma-nursing program.

[4] Graduate students in Schools of Education, Engineering and Communications are reflected in the professional schools in 1975.

2. *Freedman's Hospital.*—The hospital furnishes inpatient and outpatient care and a facility for training of physicians and nurses and other professional and technical health personnel. Operation of the hospital is financed by Federal appropriation and patient revenue for medical services including medicare and contractural services from the District of Columbia Government and other local jurisdictions. Federal funds provide 60% of the total operating costs.

	1973 actual	1974 estimate	1975 estimate
Patient statistics:			
Admissions	10,600	10,750	12,000
Average daily patient load including newborns	330.7	335.0	376.0
Outpatient visits:			
Clinic	81,898	92,000	100,000
Emergency	59,888	65,000	70,000
Total outpatient visits	141,786	157,000	170,000

3. *Construction.*—The construction program at Howard University is largely financed by the Federal appropriation. The current program includes land acquisition, major repairs and renovations to existing buildings and the planning and construction of new buildings.

The 1975 request provides for the highest priority construction needs of the university including the university library extension and the medical-dental library.

The Special Institutions funded in this bill would receive an increase over the FY 74 budget of $32,994,000. The Committee recommends the budget figure of $118,456,000.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT

This office is responsible for the following areas:

1. *Child development.*—The child development program provides for activities and services designed to have a major impact on the development of young children. In 1975, the child development program will continue to focus attention on the improvement and innovation effort to convert Head Start into a more flexible system for delivering services that are both cost effective and responsive to the real needs of children, and to build and improve local capacity to plan and manage children's services. The $430,000 thousand requested for Head Start in 1975 represents an increase of $37,900 thousand over the 1974 level. The increase is necessary to continue serving 379,000 children in 1975 and to maintain the quality of Head Start services. Increased costs for needed goods and services will be covered in addition to indirect administrative costs of Head Start grantees previously paid from Office of Economic Opportunity funding. A funding level of $15,700 thousand will provide an additional $500 thousand for the Research and Demonstration programs in 1975 and will assure continuation of funding projects in the priority areas of day care, child development and family life, child abuse, education for parenthood, the effect of television on young children and programs which serve children with special needs.

2. *Youth development.*—The youth development program continues to provide financial assistance to State and local communities to encourage development of coordinated youth service delivery systems at the local level. This innovative approach, initiated in approximately 95 areas in 1973 and 1974, is intended to bring together available Federal, State, local, and private funds in an effective system of community-based juvenile delinquency prevention services and programs. An increase in funding from $10,000 thousand in 1974 to $15,000 thousand in 1975 will permit a significant expansion of support and evaluation of model service delivery systems which are flexible to the changing needs of youth. In 1975 these additional efforts will focus on the demonstration of coordinated services and programs directed toward meeting the critical needs of runaway youth.

3. *Program for the aging.*—Special programs for the aging will continue to pursue the national goals of securing and maintaining maximum independence and dignity in a home environment for older persons capable of self-care with appropriate supportive services, and removing individual and social barriers to economic and personal independence for older persons. Pursuant to these goals, the title III State and community programs will be primarily directed toward establishing and enhancing the capability of State agencies on aging to launch or strengthen action programs within planning and service areas for coordinating the delivery of existing services for older persons, and for the pooling of untapped resources in order to strengthen existing services or inaugurate new services for the elderly, $96,000 thousand is requested for the purpose of continuing to improve and foster the development of a comprehensive coordinated services delivery system for the elderly nationwide. The title IVB research and demonstration program will continue to focus on the development and validation of substantive information upon which reasoned policy and program decisions may be made. Emphasis will be placed on problems and issues related to achieving the goals of the program and methods of overcoming barriers to realizing these goals; $7,000 thousand is requested for this activity. The title VII nutrition program, which was implemented during 1974, will serve 200,000 meals per day, 5 days per week, affecting 450,000 older persons annually. In addition, it will endeavor to improve the capacity of State and local agencies to meet the nutritional and related social needs of the elderly; $99,600 thousand is requested for this activity.

4. *Special programs for Native Americans.*—The Native American program, previously administered through the Office of Economic Opportunity, utilizes new and innovative approaches to deal with the special needs of Indians and Alaska Natives. The 1975 objectives of the Native American program will be to advance the governmental capabilities of Indian tribes so that they can gain control over the programs on the reservation; to improve the quality of services to Indians living on and off the reservation; and to increase the potential for economic development on the reservation. The budget request of $32,000 thousand is an increase of $1,100 thousand over the 1974 level. The increase will be used to maintain the program expansion undertaken in 1974 and to expand the research effort. A thorough assessment will be carried out of the urban Indian population and their needs. During 1975, the program will continue to fund over 70 tribal government programs reaching approximately 150 reservations in 23 States in addition to special projects to serve off-reservation Indians and to meet research and demonstration requirements.

5. *Salaries and expenses.*—Provides funds for administrative expenses for carrying out programs within the Office of Human Development serving special population groups such as the aged, children and youth, and Native Americans. In addition, funds support the President's Council on Physical Fitness and Sports, the President's Committee on Mental Retardation, and the Secretary's Office of Mental Retardation Coordination. This activity includes development of policy and procedures, nationwide planning, financial management, and providing technical assistance to State and local governments, voluntary agencies, and nonprofit organizations involved in the planning and delivery of OHD program services. The $29,000 thousand to support 939 positions will assure continuation of these efforts in providing national leadership and coordination of programs which serve these special population groups. The requested increase of $3,900 thousand from the 1974 level of funding, including $722 thousand to annualize 1973 pay cost increases, and $600 thousand for the Aging Ombudsman program, will cover increased costs of GSA rentals, supplies, equipment and staff travel. During 1975, the Office of Human Development will place major emphasis on improving and strengthening its management and administrative structure. Special attention will be directed toward the selection and training of staff to increase the availability of management and administrative competence at both the headquarters and regional office level.

Subsequently, enforcement responsibilities in the field of civil rights were centralized in the Office for Civil Rights and are largely implemented through the regional offices. The Higher Education Amendments of 1972 widened the Department's civil rights charter adding two major responsibilities. Title VII of the amendments requires review of school districts for compliance with the terms of emergency school aid grants, and title IX prohibits sex discrimination in admission to educational institutions. The Comprehensive Health Manpower and Nurse Training Acts prohibit sex discrimination in admission to health professions schools.

Compliance enforcement.—Responsible for assuring that beneficiaries of approximately 200 major programs receive services on a nondiscriminatory basis. Federal assistance is provided through 250 State agencies and thousands of school districts, nursing homes, hospitals, colleges, and other similar entities.

Contract compliance.—Responsible for insuring compliance with Executive Orders on equal employment opportunity at universities, hospitals, and other institutions holding Government contracts.

The bill proposes to increase the budget request by $22,830,000 and recommends this item receive $170,530,000, or $145,510,000 over the 1974 budget.

OFFICE OF THE SECRETARY

The Office of the Secretary covers several activities:

The Office for Civil Rights was established in 1966 to direct and coordinate the responsibilities assigned to the Department under title VI of the Civil Rights Act of 1964. Subsequently, enforcement responsibilities in the field of civil rights were centralized in the Office for Civil Rights and are largely implemented through the regional offices. The Higher Education Amendments of 1972 widened the Department's civil rights charter adding two major responsibilities. Title VII of the amendments requires review of school districts for compliance with the terms of emergency school aid grants, and title IX prohibits sex discrimination in admission to educational institutions. The Comprehensive Health Manpower and Nurse Training Acts prohibit sex discrimination in admission to health professions schools.

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OFFICE OF THE SECRETARY

Departmental management

1. *Executive director.*—Broad policy direction is given to the various operating programs of the Department. Staff assistance is provided for the development of the Department's legislative program and for coordination and leadership in all areas of program operation. Staffing is provided for long-range program and policy planning.

2. *Public affairs.*—Overall guidance is given to the Department's relations with the public. Information is provided to the press, various public and private organizations, and to interested individuals.

3. *Field management.*—Supports the Office of the Under Secretary for Regional Affairs. Policy direction, coordination, and leadership for the Department's social programs are provided. This activity is also responsible for the organization, integration, evaluation, and coordination of the Department's field activities, and planning and coordination of programs designed to meet specific urban needs.

4. *Legal services.*—The Office of General Counsel acts as legal adviser to, and provides legal services for the Secretary, the operating agencies of the Department, and the staff of the regional offices.

5. *Financial management.*—(a) *Audit.*—The HEW Audit Agency is responsible for the policy and coordination of all Department audit activities, including liaison and coordination with the Defense Contract Audit Agency and other Government agencies. It performs internal and external audits of all Department activities to provide assurance that Federal funds are used for the purposes intended. The Audit Agency is administered on a decentralized basis with the central office in Washington, D.C. responsible for policy coordination and overall administration, and a regional staff in each of the HEW regional areas responsible for the performance of all audits within its respective geographical area.

(b) *Other.*—Staff assistance is provided to the Secretary in formulating policy in all areas of financial management, particularly budget, finance, and grants administration.

6. *Administrative management.*—(a) *Facilities engineering and property management.*—This activity provides a single point of contact for all HEW construction support services; standardization of facilities policies and procedures; surveillance of special purpose projects with regard to design, construction, and fund utilization; and the promotion of an effective facilities research and development program. In addition, this office will administer Departmental management funds for the GSA Federal buildings fund.

Under the Federal Property and Administrative Services Act of 1949, as amended, the Secretary: (1) Allocates needed surplus personal property to State agencies for educational, public health, and civil defense purposes; (2) transfers surplus real property for educational and public health purposes, incuding research; (3) protects the rights of the United States under the terms and conditions of such transfers; and (4) promulgates regulations governing the operation of the program, and enforces such regulations.

(b) *Other.*—Staff assistance is provided to the Secretary for formulating departmental administrative policy in general and in the specific areas of grant and procurement procurement programs, management information systems, and personnel policy. This activity also provides administrative management services for all units of the Office of the Secretary.

7. *Consumer affairs.*—This activity assures that the consumer's interest is reflected in Federal policies and programs, cooperates with State agencies and voluntary organizations in advancing the interests of consumers, promotes improved consumer education, and recommends legislation of benefit to consumers.

8. *Policy research.*—This activity, transferred from the Office of Economic Opportunity in 1974, supports research into the causes and cures of poverty. The research includes studies of income maintenance, alternative health insurance plans, varieties of human resources delivery systems, and other poverty related research. In addition, income maintenance experiments previously funded in the Social and Rehabilitation Service, have been transferred to this activity in Departmental management. The primary focus of this research is development of effective incentives.

Working capital fund

The Working capital fund provides a single means for consolidating financing and accounting of business-type operations involving the sale of services and commodities to customers.

The fund originally authorized by Public Law 82–452 (66 Stat. 369) to finance central services provided by the Office of the Secretary to itself and to the several operating agencies.

There are six program classifications: Data management services; common regional services; personnel data services; payrolling services; administrative services; and Parklawn personnel services. Combined, these activities rendered services or sold commodities to the Office of the Secretary and DHEW agencies at a $33,740 thousand level in 1973. It is expected that the level will be $41,947 thousand in 1974 and increase to $43,424 thousand in 1975.

During 1973 the major accounting type services were dropped from the fund. In 1974 the remaining segments of accounting type services were transferred to departmental management. The Parklawn personnel office services are scheduled to be transferred to the Service and supply fund during 1974, however, a firm date has not been decided upon.

The following activities are carried out under the fund:

1. *Data management services.*—This central facility provides data systems design and consultation, key punching, EAM processing, computer programing, and computer processing to the operating agencies.

2. *Common regional services.*—This activity provides departmentwide common regional administrative services, such as financial, personnel operations, and office services.

3. *Personnel data services.*—Through the maintenance of a centralized personnel data collection service, this activity provides automated personnel reports and data to all operating agencies and other Federal agencies.

4. *Payrolling services.*—Provides for centralized payrolling services for all employees, as well as leave and payroll accounting for the Department.

5. *Administrative services.*—This activity consists of centralized mail and messenger services and procurement and distribution of congressional materials; purchasing, supply and laborers' services; and for reproduction services which consists of offset printing, photographic, visual exhibits, collating and addressograph services, and procurement of printing from the Government Printing Office and other sources.

Operating results.—The activities financed under the fund operated at an income-expense ratio of 1.11 to 1 in 1973. The cash position of the fund is in a favorable position with the collection of receivables, in most instances, on a monthly basis. Rate changes were authorized in 1974, providing more equitable charges to the operating agencies.

The Total requested for the Office of the Secretary is $116,291,000.

ACTION

Action was established on July 1, 1971, under the authority of the President's Reorganization Plan No. 1. Legislative authority for the agency is provided by the Domestic Volunteer Service Act of 1973. The agency brings together a number of volunteer programs including the Peace Corps, Volunteers in Service to America (VISTA), Foster Grandparents (FGP), Retired Senior Volunteer Program (RSVP), and the Senior Corps of Retired Executives and Active Corps of Executives (SCORE/ACE).

This appropriation finances the Peace Corps, one of the component programs of Action. Major elements which will be funded are the recruitment and training of applicants, volunteer operations overseas, and the management and support staff, both in the United States and abroad, required to support the volunteers.

1. *Training and specialized recruitment.*—Each volunteer is given intensive training which is designed to develop language abilities, provide a knowledge of the country in which he will work and further develop required job skills. In 1975, all Peace Corps trainees will receive their training in the host countries where they will serve. In addition, several specialized recruiting activities are conducted in this activity.

2. *Volunteers.*—The 1975 budget is designed to support an increased number of volunteers and trainees in the field. They are engaged in education at all levels, in agricultural development, in business and public management, in health programs, in urban development and in public works projects and a variety of other programs.

3. *Program support.*—This activity includes salaries, travel, rents, and other costs associated with staff operations in the United States and abroad. It also includes a share of agencywide costs, such as the recruitment, selection, and placement of volunteers.

The 1975 request includes funds for continued emphasis on local innovation and conduct of volunteer programs, and funds for exploring new approaches to improving and expanding volunteer service opportunities for all Americans. The programs included are:

1. *Volunteers in Service to America.*—This full-time volunteer service program is primarily directed toward providing volunteers for local activities to alleviate the effects of poverty. In 1975, efforts to provide VISTA information specialists to identify community resources and volunteer service opportunities, and to encourage a greater degree of community participation in these activities, will be strengthened.

2. *Service learning programs.*—This activity is directed toward offering students opportunities to enhance their learning experiences in an educational environment by participating in volunteer service activities. In 1975, these coordinated service-learning approaches, such as University Year for Action, will continue to be a unique means of meeting locally identified social needs by utilizing the expertise, resources, and commitment to service of educational institutions and their students.

3. *Special volunteer programs.*—Efforts of these programs are concentrated on developing and demonstrating innovative means of providing volunteer services, encouraging wider praticipation in full-time, part-time, or short-term volunteer programs by all Americans and identifying community settings in which individuals and organizations combine to meet a variety of locally defined social service needs. Efforts will be continued in 1975 to encourage local involvement in exploring these volunteer service improvements.

4. *Older Americans volunteer programs.*—These part-time volunteer programs offer opportunities to individuals age 60 and over to

participate in meeting individual and community service needs through grant-funded projects developed, operated and controlled at the local level. In 1975, additional funding for these programs, which include Retired Senior Volunteer, Foster Grandparents, and Older American Community Service programs, will enlarge the varied meaningful service activities available to older persons.

5. *Service corps of retired executives and active corps of executives (SCORE/ACE).*—This program utilizes both retired and active executives to provide management expertise to small businesses, nonprofit organizations, and individuals living on fixed incomes who are in need of business and financial counseling.

6. *Program support.*—This activity includes the costs of operating regional offices within the United States, domestic programs staff in Washington, D.C., and a share of Action agencywide costs. In 1975, continued emphasis will be placed on decentralizing program and administrative responsibilities and on assuring effective coordination and integration of domestic volunteer programs.

Action's agencywide costs are financed jointly by the Operating expenses, domestic programs appropriation and by the Operating expenses, international programs appropriation as the preceding table illustrates.

These expenses include:

Recruitment, selection, and placement of volunteers conducted by the Office of Recruitment and Communications.

Planning, research, and evaluation conducted by the Office of Policy and Program Development.

Management and administration including legal counsel, legislative and minority affairs, internal audit, staff recruitment and training, and the immediate office of the agency Director. Also included are management analysis, financial, procurement and personnel management, accounting: and computer and administrative services.

Miscellaneous contributed funds received by gift, devise, bequest, or from foreign governments are used in furtherance of the program.

The bill includes $96,000,000 for these activities.

CORPORATION FOR PUBLIC BROADCASTING

The purpose of the Corporation is to develop and improve noncommercial radio and television broadcasting and assist in establishing a public broadcasting service more widely available throughout the Nation.

The Corporation is financed mainly by Federal funds, but also receives grants and contributions from non-Federal sources. In 1973, contributions from private sources totaled $5.2 million, and in 1974 are expected to total $5 million. In 1974 the Corporation estimates it will make community service grants to approximately 154 licensees operating 253 public television stations and to the licensees operating 162 public radio stations. The Corporation will also support production of quality public television and radio programs through grants to the Children's Television Workshop (for the production of "Sesame Street" and "The Electric Company",) to Family Communications Inc. (for production of "Mister Rogers Neighborhood"), and to National Public Radio. The Corporation also makes grants to radio and television stations throughout the country for the production of programs for national, regional, or local use.

In accordance with the Public Broadcasting Act of 1967, the Corporation provides financial support for national interconnection systems serving television and radio stations. By contract with the Public Broadcasting Service, the Corporation in 1974 will support interconnection of more than 253 television stations by yearend with interconnection origination service averaging 57 hours per week. By arrangement with National Public Radio, the Corporation in 1974 will provide an interconnection service for more than 160 radio stations with service averaging approximately 27 hours per week.

The bill provides the budget request of $60,000,000.

FEDERAL MEDIATION AND CONCILIATION SERVICE

The Service, under title II of the Labor Management Relations Act of 1947, assists labor and management in mediation and prevention of disputes affecting industries engaged in interstate commerce and defense production, other than rail and air transportation, whenever in its judgment such disputes threaten to cause a substantial interruption of commerce. Under the authority of Executive Order 11491 of October 29, 1969, as amended by Executive Order 11616, dated August 26, 1971, the Service also makes its mediation and conciliation facilities available to Federal agencies and organizations representing Federal employees in the resolution of negotiation disputes.

1. *Mediation Services.*—During 1973, dispute notices and other notifications affecting 117,884 employers were received by the Service. Cases totaling 21,745 were assigned for mediation, and 21,032 mediation assignments were closed during the year. About 89% of the mediation assignments closed which required the services of mediators were settled without work stoppages. A total of 26,973 mediation conferences were conducted by mediators during 1973. The workload shown above includes assignments closed in both the private and public sectors. Cases in process at the end of 1973 totaled 5,449; this is the normal carryover of open cases from month to month, with seasonal fluctuations. The following chart shows a 5-year comparison of workload data:

DISPUTE WORKLOAD DATA

	1969	1970	1971	1972	1973
Cases in process at the beginning of the year	5,260	5,113	5,020	4,889	4,736
Mediation assignments	21,839	19,769	21,727	19,308	21,745
Mediation assignments closed	21,986	19,862	21,858	19,461	21,032
Cases in process at end of year	5,113	5,020	4,889	4,736	5,449
Mediation conferences conducted	31,605	30,334	32,293	29,223	26,973

Service function in the Federal sector.—Executive Order 11491 of October 29, 1969, as amended by Executive Order 11616, dated August 26, 1971, places responsibility in the agency for providing mediation assistance to Federal agencies and labor organizations in the resolution of negotiation disputes. The Service was engaged in dispute mediation activities in 230 cases during 1973.

2. *Technical services.*—The primary functions of this program are preventive mediation, technical assistance, research, education, and training to create greater knowledge and more precise talent in the collective bargaining field to foster industrial peace.

Through its preventive activity program, the Service will continue to work with both contracting parties to bring about a better understanding of the collective bargaining process, and to improve their day-to-day working relationships. The table below shows the preventive activities workload for the past 5 fiscal years:

PREVENTIVE ACTIVITIES WORKLOAD DATA

	1969	1970	1971[1]	1972[1]	1973[1]
Preventive cases closed	1,321	1,218	851	523	515
Joint preventive conferences conducted	1,957	2,048	1,578	1,224	1,361
Separate preventive conferences conducted	5,491	5,510	2,390	1,557	1,630

[1] Decrease in workload is due to a redefinition of preventive activity established in March 1971.

3. *Arbitration services.*—The Service provides, through an automated arbitrator selection and reporting system, panels of arbitrators from its roster for the resolution of employee grievances or disputes in the private and public sectors involving the interpretation or application of existing agreements.

In 1973 the Service provided 15,121 panels of arbitrators, an increase of 56.2% over the past 5 years.

4. *Management and administrative support.*—This program provides for policy planning, evaluation, direction, coordination, management and administrative support for the programs of the Federal Mediation and Conciliation Service.

5. *Boards and panels.*—Provision is made for ad hoc employment of labor relations experts, individually or in panels, in support of the mediation function; and for boards of inquiry appointed by the President in emergency disputes.

The recommended appropriation for this item is $15,521,000.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The Commission, is responsible for developing plans for meeting the library and information needs of the Nation, for coordinating Federal, State, and local activities to meet these needs, and for advising the President and Congress on national library and information science policy.

The Committee recommends this agency be appropriated $409,000.

NATIONAL LABOR RELATIONS BOARD

The Board resolves representation disputes in industry and remedies and prevents specified unfair labor practices by employers or labor organizations. Case intake in 1973 was 26,487 unfair labor practice cases and 14,590 representation cases. 1974 and 1975 estimates for unfair labor practice cases are 29,405. Representation case estimates are 15,465 for 1974 and 16,395 for 1975.

1. *Field investigation.*—Charges of unfair labor practice and petitions for elections to resolve representation disputes are investigated by regional office personnel. About 88 percent of the unfair labor practice cases and about 83 percent of the representation cases are closed by settlement, dismissal, or withdrawal. The remainder are prepared for public hearing. The agency strives for the voluntary settlement of disputes, and the high incidence of informal settlements achieved thus far is expected to continue in 1975.

2. *Administrative law judge hearing.*—Administrative law judges conduct public hearings in unfair labor practice cases. Their findings and recommendations are set forth in their decisions. In 1973 there were 1,074 hearings closed, 17 proceedings adjusted after close of hearing, and 1,114 decisions issued. The estimate for 1974 is for 1,198 hearings to be closed, 32 adjusted after hearing and 1,156 decisions. The 1975 estimate is for 1,198 hearings closed, 32 adjusted after hearing and 1,156 decisions.

3. *Board adjudication.*—In an unfair labor practice case a judge's decision becomes a Board order if no exceptions are filed. About

30% of these decisions become automatic Board orders or are complied with voluntarily. The remainder with exceptions filed require contested Board decision. In 1973, 963 such Board decisions issued; the estimate for 1974 is 986 and for 1975, 986. In representation cases regional directors initially decide the issues by Board delegation. In 1973 regional directors issued 2,016 such decisions; and the estimate is 2,283 in 1974 and 2,421 in 1975. The Board itself decides representation issues on referral from regional directors or by granting a request for review of a regional director's decision. In 1973 the Board issued 144 representation decisions; and the estimates for 1974 and 1975 are 189 and 179 respectively. The Board also ruled on 313 objections and challenge questions in election cases in 1973; it is estimated that 295 and 313 such rulings will be required in 1974 and 1975.

4. *Security compliance with Board orders.*—If the parties do not voluntarily comply with the Board's order involving unfair labor practices, the Board must request the appellate courts to enforce its decisions. In 1973 a total of 287 Board decisions of all kinds required such litigation; the estimate for 1974 is 329 and the estimate for 1975 is 329.

For this item, the Committee has included $60,980,000.

NATIONAL MEDIATION BOARD

1. *Mediation.*—The Board mediates labor disputes and determines collective bargaining representatives for 700 carriers and the 1 million employees in the railroad and airline industries.

NMB CASELOAD

	1972 actual	1973 estimate	1974 estimate	1975 estimate
Pending, start of year	479	480	313	308
Received during year	283	324	325	325
Closed during year	282	491	330	330
Pending, end of year	480	[1] 313	308	303

[1] The reduction in cases includes cases closed pursuant to moratorium provisions contained in national railroad agreements.

2. *Voluntary arbitration and emergency disputes.*—When mediation fails, the parties are urged to submit their differences to arbitration. If neither mediation nor voluntary arbitration is successful, the President, when notified of disputes which threaten seriously to interrupt service, may appoint an emergency board to investigate and report on the disputes.

NUMBER OF BOARDS CONVENED

	1972 actual	1973 estimate	1974 estimate	1975 estimate
Arbitration boards	2	22	22	22
Emergency boards	2	2	4	4

3. *Adjustment of railroad grievances.*—Railroad employee grievances resulting from the interpretation of collective bargaining contracts may be brought for settlement to the National Railroad Adjustment Board. The divisions of the Board are composed of an equal number of carrier and union representatives compensated by the party or parties he represents. Administrative direction and guidance is provided by the Staff Director-Grievances, compensated by the National Mediation Board. The appropriation also provides for neutral referees to sit with the Board when they are deadlocked. An alternative forum to the National Railroad Adjustment Board is provided by Public Law 89-456, whereby either the carrier or the organization can request the establishment of a Public Law Board to dispose of disputes otherwise referable to the Board.

NUMBER OF BOARDS CONVENED

	1972 actual	1973 actual	1974 estimate	1975 estimate
Special boards of adjustment	63	56	60	60
Public law boards	318	348	350	355

PUBLIC LAW BOARD CASELOAD

	1973 actual	1974 estimate	1975 estimate
Pending, beginning of year	13,924	12,225	10,400
Received during year	5,162	5,000	4,500
Closed during year	6,861	6,825	6,900
Pending, end of year	12,225	10,400	8,000

Our bill proposes to give this agency $3,186,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

The Review Commission, established by the Occupational Safety and Health Act of 1970, is a forum for the adjudication of contested enforcement actions instituted by the Secretary of Labor. The Commission holds fact-finding hearings and issues orders affirming, modifying, or vacating the Secretary's enforcement actions.

SELECTED WORKLOAD DATA

	1972 actual	1973 actual	1974 estimate	1975 estimate
Adjudication activities:				
Cases pending, beginning of year		517	946	1,180
New cases received	1,085	2,415	3,000	3,100
Case dispositions:				
Prior to assignment to Judge	346	1,195	1,406	1,160
After assignment to Judge	133	366	800	780
Heard and decided by Judge	89	425	560	1,020

Note.—1975 includes only notice of contests; no petitions of abatement are included.

$5,512,000 is included in the Commitee's recommendation.

RAILROAD RETIREMENT BOARD

Railroad workers entering military service may have such service credited toward benefits under the railroad retirement system under certain conditions. The last of 10 yearly installments on the amount due the railroad retirement account for certain creditable military service through June 1963 was appropriated in 1974. The appropriation request of $3,516 thousand for 1975 covers the additional interest due the railroad retirement account because of delays in the enactment of the 10 appropriation installments.

Under the railroad retirement system, railroad workers and employers pay taxes on wages to finance the payment of annuities for age and disability and benefits for survivors and to finance the cost of hospital insurance benefits. These taxes are deposited in the Railroad retirement account and invested in Government securities. The portion of these taxes which finances hospital insurance benefits is transferred to the Federal hospital insurance trust fund under the financial interchange provisions governing the railroad retirement and social security systems.

Supplemental annuities also are paid to certain employees in addition to the regular annuities. This program is financed by a tax paid by employers on each man-hour of paid employment. These taxes are deposited in the Railroad retirement supplemental account and invested in Government securities.

Income.—The income of the Railroad retirement accounts consists of taxes paid by railroad employers and employees; interest on investments; appropriations for military service credits; and payments from the Federal old-age and survivors insurance trust fund and Federal disability insurance trust fund. The railroad retirement system has a reinsurance arrangement of annual financial interchanges with the social security system so as to place that system in the same position in which it would have been if railroad employment had been included in social security coverage.

Retirement, disability, and survivor benefit payments.—Payment estimates reflect the continuing growth in the beneficiary rolls and the increases in benefit rates provided by law. Three benefit increases enacted in 1970, 1971, and 1972 were temporary—due to expire on December 31, 1974. Legislation requires the railroad industry to recommend a plan for soundly financing these increases on a permanent basis. Accordingly, the temporary increases and the revenue for their financing are shown on separate schedules for later transmission, proposed legislation.

Administrative expenses.—Such expenses are subject to annual limitations in appropriation acts (see Limitation on salaries and expenses).

Transfers to and from Railroad unemployment insurance account.—The Railroad Unemployment Insurance Act provides that when the balance in the Railroad unemployment insurance account is insufficient to pay benefits due under that act, necessary amounts are to be borrowed from the Railroad retirement account. When the balance in the Railroad unemployment insurance account permits, borrowed amounts are to be repaid to the Railroad retirement account with interest. At the end of 1973 the fund had $6 million in loans outstanding, compared to $50 million a year ago.

Payment to Federal hospital insurance trust fund.—Portion of taxes which finances hospital insurance benefits is for payment to the Federal hospital insurance trust fund, since payments of hospital benefits for railroad retirement beneficiaries are made from that fund.

Payment to Railroad unemployment insurance account.—Under section 10(h) of the Railroad Unemployment Insurance Act as amended in 1968, the Board is required to reimburse the unemployment insurance account for certain sickness benefits paid to employees who could otherwise, under specified conditions, have received disability annuities under the Railroad Retirement Act for the same periods.

The Board administers an unemployment and sickness insurance system and an employment service for unemployed railroad workers. Administrative expenses are financed through a permanent authorization of 0.25% of taxable payroll. As of each June 30, the unobligated balance in this fund in excess of $6 million is transferred to the Railroad unemployment insurance account in the unemployment trust fund.

1. *Maintenance of earnings accounts.*—Insurance payments for unemployment and sickness benefits are based on individual records of earnings and daily wage rates; and the workload fluctuates according to such factors as level of employeemnt and rate of turnover in the railroad industry. The costs are shared on a measured basis with the retirement program. Accounts posted are estimated at 697,000 in 1975.

2. *Processing of unemployment insurance claims.*—Workers' claims for unemployment

compensation are filed locally and certified for payment through the headquarters office. Unemployment claims receipts are estimated to be $490,000 in 1975.

3. *Processing of sickness claims.*—These claims are filed by mail and certified for payment through the headquarters office of the Board. Sickness claims receipts are estimated to be 505,000 in 1975.

4. *Claimant placement services.*—The Board conducts an employment service for unemployment benefit claimants. This resulted in savings of benefit payments of approximately $758 thousand in 1973 as 4,200 placements were made. Placements are estimated to be the same in 1974 and 1975.

5. *Administration.*—The costs of administration are shared between this and the retirement program on a measured basis.

The Board administers the Railroad Retirement Act which provides a program for the payment of regular annuities for age and disability and benefits for survivors, financed by taxes paid equally by employers and employees. The Board also participates in the administration of the hospital and medical insurance programs for persons covered by the Railroad Retirement Act for which it is reimbursed in part by the Social Security Administration.

The Board also administers a program for the payment of supplemental annuities under certain conditions to career railroad workers awarded regular retirement annuities after June 1966, financed by a tax paid by employers based on the number of man-hours for which they pay compensation. The supplemental annuity paid to employees is in addition to the regular railroad retirement annuity.

1. *Maintenance of earnings accounts.*—Eligibility for retirement and the amount of benefits paid are based on individual records of earnings, and the workload fluctuates according to such factors as level of employment, and rate of turnover in the railroad industry. Accounts posted are estimated at 697,000 in 1975. The costs are shared on a measured basis with the railroad unemployment insurance program.

2. *Processing claims.*—This activity includes the work of processing annuity claims and establishing eligibility of persons for health and medical insurance benefits. New applications received are estimated to be 146,000 in 1975.

3. *Maintenance of beneficiary rolls.*—Benefit payments must be authorized each month for those persons on the rolls who continue to remain eligible. The number of persons on the rolls receiving monthly benefit payments will increase from 987,000 at the end of 1973 to an estimated 1,006,000 at the end of 1975. The number of persons also receiving supplemental annuities will increase to 118,000 at the end of 1975. The number of persons enrolled for Medicare will decrease to 854,000 in 1975.

4. *Administration.*—The cost of administration is shared between the retirement and the railroad unemployment insurance programs on a measured basis.

The Committee recommendation is $3,516,000. the amount of the budget request.

SOLDIERS' AND AIRMEN'S HOME

The Soldiers' and Airmen's Home provides medical and domiciliary care and other authorized benefits for the relief and support of certain old, invalid, or disabled soldiers of the Regular Army and airmen of the Air Force. Funds for operation and maintenance of the Home are appropriated from the Soldiers' and Airmen's Home Permanent Fund (Trust Fund) and not from the general funds of the Treasury.

The daily average number of members receiving domiciliary care, the daily average patient load in the Home hospital and in other hospitals are shown below:

	1973 actual	1974 estimate	1975 estimate
Members present	2,060	2,104	2,148
Patients in home hospital	422	431	440
Patients in other hospitals	27	27	27

Mrs. **HECKLER** of Massachusetts. Mr. Chairman, I would like to bring to the attention of the Congress the recommendations of the report of the National Advisory Commission on Multiple Sclerosis. It was a privilege for me to write the legislation which created the Commission. I was joined in my efforts by 90 Members of the House and Senate who signed as cosponsors.

The indepth recommendations of the Commission were released in mid-February—too late for inclusion in the administration's budget request for fiscal year 1975. I have, therefore, sought the support of my colleagues in having the monetary requests of the Commission report included in this appropriations bill. The support I have received has been most encouraging.

The committee report includes a request for nearly $22 million for the National Institute of Neurological Diseases and Stroke over and above the administration request. Of this amount, $14½ million has been designated for research grants. The Commission's report calls for an additional $3.8 million for research specifically relevant to multiple sclerosis for fiscal year 1975.

I am aware that it is not the practice of the Appropriations Committee to earmark funds for research on a particular disease. However, I would like to point out that it is the obvious intent of the committee that a major portion of these additional research funds be spent on multiple sclerosis research. I quote from the committee report's references to multiple sclerosis research:

> The Committee expects a significant increase in the level of research during 1975.

The intent of the Congress was clear in its creation of the National Advisory Commission on Multiple Sclerosis. The thrust of the committee report is just as clear.

Today's consideration of this appropriations bill provides a very appropriate opportunity for the Congress to reaffirm its determination to find a cause and cure for this dread disease so often referred to as the "great crippler of young adults." The research money is in this bill. It is now up to the National Institute of Neurological Diseases and Stroke to implement the intent of Congress and, by investing $3.8 million in multiple sclerosis research, hopefully hasten the day when a cure will become a reality.

I commend the dedicated and responsible members of the National Commission on Multiple Sclerosis whose excellent report justifies this appropriation.

Mr. **FLOOD**. Mr. Chairman, I have no requests for time.

Mr. **MICHEL**. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. SHRIVER).

Mr. **SHRIVER**. Mr. Chairman, we are today considering the bill which provides authority for more than one-third of the total Federal budget for the next fiscal year. Including trust fund spending, such as social security and unemployment benefits, this one bill calls for the spending of more than $121 billion.

But out of that $121 billion, only about 7 percent is considered controllable in terms of what we do here today. The spending levels for 93 percent of this bill were decided long ago in various authorizing bills. We can look at the programs—our subcommittee held exhaustive hearings from February 26 until the end of May on hundreds of items and heard scores of witnesses—but we can only have a measurable effect on 7 percent.

Where does this money go? Well, for one item, $20 billion goes for medicare and medicaid benefits. Federal health outlays now constitute approximately 25 percent of all spending in this country for health care, compared to 9 percent in 1965, prior to the enactment of medicare and medicaid.

The bulk of the increased outlays authorized in this bill are in such noncontrollable areas as social security benefits and the first full-year of the supplemental security income program. These two areas alone account for more than $12 billion in increased spending.

This growth is the result of larger beneficiary populations, substantially increased benefit levels and eligibility—all voted by Congress last year—and of higher medical costs, which can also be attributed to congressional action resulting in larger demand for health services.

What have we created? We have created a department down the street with more than 126,000 full-time, permanent employees by the time the money in this bill is spent. This is 12,000 more than were on board at the end of fiscal year 1973. Most of these are needed to administer the supplemental security income program and to implement the social security amendments. I do not point this out critically, I just want to make sure that we remember these figures whenever we consider further expansion of these programs.

Actually, I think commendations are in order for the Social Security Administration. Take a look someday at the administrative nightmare we have imposed on them. The same is true in the railroad retirement program. This Nation will never collapse because of foreign or domestic pressure, but I sometimes doubt we could survive a breakdown in our computers which make these programs possible.

HEW has about 43,600 grants and 23,000 contracts totaling over $7.5 billion with which it has to contend. They administer a large mix of programs. There are formula programs which run through States; there are project grants which are totally discretionary in some of the HEW agencies; there are different eligibility requirements; there are different audit requirements; and there are different local matching requirements.

One Governor spent 1 whole year just having his staff try to identify the Federal obstacles to the integration of the many categorical social services. He hasn't even started figuring out ways to overcome these obstacles, he has just identified them.

We are not going to change much of that here today, but to the credit of the present Secretary, Mr. Weinberger, I believe he is making a genuine attempt to bring better management concepts to this maze. There have been attempts to permit State and local agencies to have greater responsibility and flexibility to carry out broad national priorities.

The Secretary is trying the simplification and consolidation route to more effective and responsive delivery of services. I don't know if this can be accomplished in an organization with 126,000 civil servants, but every time you hear a scream, you'll know he has made another move.

Now, ironically, with all of these billions of dollars in this bill, it may appear just by looking at the tables in the report that serious reductions have been made in various programs. Technically, this is true. However, the department released during fiscal 1974 the fiscal 1973 funds which had been impounded. Congress, or rather the recipient groups, won the battle of the courts. The administration won the battle of delayed spending.

The release of these funds during fiscal 1974, along with the regular fiscal 1974 program levels, resulted in a very large "bulge" of funding in that year. It is unrealistic to expect these levels to continue.

So how does this bill break down. Nearly $100 billion of the total is for basic, supporting aid to families and individuals. Almost 90 percent of the total HEW budget is for financial assistance programs for people.

This, of course, includes both Federal funds and trust funds—as the two categories are called by accountants—but even when trust funds are removed, financial assistance programs make up more than half of the budget.

We should remember that the source of both types of these funds—trust funds and Federal funds—is the American taxpayer. If the social security trust fund did not exist, we would merely have to raise the money in Federal funds for the same, or similar, purposes.

Next comes aid to States and localities in the amount of about $10 billion. The aim of these programs of financial assistance to States, localities, and certain private organizations is to increase their ability to provide human services, especially for the disadvantaged. This category includes programs for elementary and secondary education, social services and a variety of health activities.

The other two categories in the bill fund developmental activities—such as health and education research and manpower training—and finally, expenditures to try to manage all of this.

This is, of course, a very general examination into what is included in this bill, but the chairman has given you many of the details. Our hearings, as I mentioned, were long and exhaustive. I recommend them for those who like to read, but for others, we have a fine committee report.

I might mention that again this year we asked for and received from HEW several special reports which would be of interest to the Members and their constituents. They appear in part 2 of the hearings. They contain concise reviews of Federal activities in such fields as mental retardation, drug abuse, cerebral palsy, juvenile delinquency, programs for the aging and for migrants, and other areas. Progress is being made in these areas, especially in drug abuse. And they make interesting reading.

There was one other subject that came up in the hearings which is of interest. That had to do with the professional standards review organizations—better, or at least more simply known as PSRO's. I believe Congress should take another look at this idea, and I have joined several of my colleagues in introducing corrective legislation.

During our hearings on this bill, Secretary Weinberger, in response to questions about the guidelines which have been proposed for this program, pointed out that the PSRO statute was not an administration request. It was adopted by the Congress in October of 1972 as a result of a conference committee discussion on a bill that was called H.R. 1 at that time. You remember that.

There were no hearings and no general congressional debate on the subject. The Secretary told us, and I quote:

> I would be less than candid if I did not express to you my feeling that there is potential danger of very substantial governmental interference in the practice of medicine by this kind of statute . . . this is a very large program, a major departure from previous governmental involvement in the practice of a profession . . . if the act should be repealed, that would be something that the Congress would propose.

Well, we cannot do it in this bill, but we should give it some consideration.

In closing, I would just mention that I know of several amendments which will be proposed later, amendments to increase the funding for some of the items in this bill. as a member of this subcommittee which sat for so long in these hearings and listened to all of those witnesses, I will oppose these amendments.

I joined this subcommittee nearly 10 years ago, and in those years this Labor-Health, Education, and Welfare appropriations bill has increased more than 500 percent. It has gone from $7 billion to more than $35 billion, if you include the deferred items for fiscal 1975. And that does not include the trust funds.

I realize that we could come out here with a bill 500 percent greater than this one, and we would still have amendments to increase it. There will always be needs, and there will always be those who place those needs above all other considerations.

We have seen these programs grow over the last decade, and the administrative staff has grown with them until it has become nearly unmanageable. Let us give them a breather, so that they might be able to bring some semblance of order to what we have created. Enough is enough.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to another distinguished member of our subcommittee, the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, the appropriations bill we have before us now is unlike any other bill we consider.

No other bill has the immediate impact of this one on the lives of every man, woman, and child in this country.

No other bill supports the range of programs and services of this one.

No other bill is as essential to the very young, the very old, the student, the worker, the sick, and the poor.

In one sense, this is an awesome bill. It carries budget authority of $121,640,539,000, of which $32,872,035,000 is new budget authority and the remainder is made up of trust fund and other permanent appropriations.

In another sense, this is a very restrained and responsible bill. There are many programs not funded at all in it that I think should be active programs. There are others funded at levels I consider less than adequate. Later, I will cosponsor an amendment to increase funds for one of these because of the human and economic import of our failing to support it adequately.

But, overall, the committee bill represents our best efforts to find a balance between needs, often competing, and resources, which we all have to recognize do have limits.

Last year, we had the goad, and the discipline, of two vetoed Labor-HEW appropriations bill behind us and the absolute necessity of producing a bill that could be enacted so that Congress could reassert its control of these programs.

This year, the necessity of a responsible budget is no less, but the discipline must be self-imposed. We are still a long way from having our own budget control machinery in place. Until then, restraint is more than ever essential. I think that this bill has been developed with that restraint.

We need to note that this is only a partial bill. Legislative authority for major health, education, and social programs expires at the end of this week and we have had to defer consideration of them until new legislation is enacted.

I want to call attention to a very few of the accomplishments of this bill, and to note one or two programs that in an ideal situation I would have liked to have had included in it.

We are providing for the implementation of the major part of our first special revenue sharing legislation, that for comprehensive manpower assistance. Under it, State and local governments will receive assistance to provide manpower programs that are right for local needs and conditions. We are also providing the second appropriation for the new public service employment programs. I consider the firm implementation of these programs so crucial, especially in the present economic situation, that I am cosponsoring an amendment to bring them to a level comparable to the programs they replace.

We have moved to strengthen the direction of apprentice training programs.

With shortages of skilled craftsmen in many trades, the continued attrition of the Bureau of Apprenticeship and Training cannot be allowed to continue.

We have also added $10 million to the Department of Labor's budget for part-time community service employment for our older Americans.

A small, but very important committee provision will implement the Sudden Infant Death Syndrome Act that was signed into law in April of this year. SIDS, or "crib death," is the leading cause of death in infants under 1 year old in this country. The sudden, unexplained, and unexplainable, loss of a seemingly healthy baby brings sorrow, shock, and sometimes guilt to families. Some parents have suffered the additional tragedy of accusations of child abuse. The $1 million provided in the bill will start educational and counseling programs for health care providers, families, and communities.

The committee bill directs both an overall increase in the program of the National Institute of Occupational Safety and Health and special attention to the hazards of occupational exposure to petrochemicals and new energy sources.

Once again, we have had to reassert the determination of Congress that special efforts against cancer and heart disease are not to be made at the expense of work on other diseases or on basic biological processes essential to our understanding of whole families of diseases. While providing special resources for the cancer and heart programs, we have tried to restore a balance among the NIH research institutes. And we are providing funds for and directing the institutes to retain their research training grant programs so that we can continue to attract to medical research some of our brightest and most committed young people.

The committee bill stops the proposed phaseout of the mental health programs it has taken us a quarter of a century to build. And we have added over $38 million to the request for programs to combat our No. 1 drug problem, alcoholism, so that we can at the very least maintain this effort at the same level as last year.

A balanced package of support to meet the varying needs of college students is absolutely essential. Once again, we have had to insist on this balance and reallocate funds among programs. The basic education opportunity grant program receives $650 million under our bill, compared to $475 million last year. But we have also provided $240.3 million for supplementary opportunity grants, $338.5 million for direct loans, and we have increased work-study programs to $300.2 million.

While our bill includes $182.5 million for assistance to higher education institutions, I think that we are going to have to give the most searching attention to their further needs. The plight of our colleges and universities, facing ever-rising costs, is becoming critical. Their survival cannot be made to depend on tuition increases that will preclude lower and middle-income students, even with help, from continuing their education. I hope that at some point soon, we can seriously consider the implementation of up-to-now unfunded legislation to aid community colleges.

I am also concerned at the decline in library assistance programs that are authorized. For example, neither last year nor this year have we been able to provide public library construction funds. While general revenue sharing and local and State funds are, and should be, the principal sources of support for library construction, we should not underestimate the impact of modest Federal resources used for leverage.

This summarizes only a few of the demands and choices that faced the subcommittee in the long weeks of hearings and work to produce this bill. That we do have a bill which the members of the subcommittee can say represents our best efforts, is due to the knowledge, skill, and humor of the distinguished gentlemen from Pennsylvania and Illinois, my colleagues and good friends, Mr. FLOOD and Mr. MICHEL. They deserve the thanks of all of those that these programs will serve and they have my personal appreciation and gratitude for their leadership and judgment.

Mr. FLOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee having had under consideration the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 15296. An act to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3458) entitled "An act to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 96. Concurrent resolution adjourning the Senate from June 27, 1974, until noon July 8, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, whichever comes earlier.

PROVIDING FOR ADJOURNMENT OF THE SENATE FROM JUNE 27, 1974, UNTIL JULY 8, 1974

The SPEAKER laid before the House the Senate concurrent resolution (S. Con. Res. 96) providing for the adjournment of the Senate from June 27, 1974, until July 8, 1974.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 96

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Thursday, June 27, 1974, it shall stand adjourned until 12 noon on July 8, 1974, or until 12 noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it, or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble.

AMENDMENT OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEILL: On line 3, after "1974," strike out "or" and insert the following: "and that when the House adjourns on Wednesday, July 3, 1974, it stand adjourned until 12 noon on Tuesday, July 9, 1974, or, with respect to both Houses,".

The amendment was agreed to.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, does consideration of this resolution require unanimous consent?

The SPEAKER. No. It is a privileged resolution.

The question is on the Senate concurrent resolution as amended.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 297, nays 84, answered "present" 2, not voting 51, as follows:

[Roll No. 338]

YEAS—297

Abdnor
Abzug
Adams
Addabbo
Alexander
Andrews, N.C.
Annunzio
Archer
Arends
Ashbrook
Ashley
Aspin
Badillo
Baker
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cochran
Collier
Collins, Ill.
Collins, Tex.
Conable
Corman
Cotter
Crane
Culver
Daniel, Dan
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Fraser
Frelinghuysen
Frey
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Goldwater
Gonzalez
Green, Oreg.
Green, Pa.
Grover
Gunter
Haley
Hamilton
Hanley
Hanrahan
Hansen, Idaho
Hastings
Hawkins
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Holtzman
Horton
Hosmer
Howard
Hungate
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Kluczynski
Koch
Lagomarsino
Landrum
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Madden
Mahon
Mallary
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Price, Ill.
Quie
Quillen
Railsback
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Ryan
Sandman
Sarbanes
Schneebeli
Shipley
Shoup
Shriver
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stratton
Stubblefield
Sullivan
Symington
Symms
Talcott
Taylor, N.C.
Thomson, Wis.
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Walsh
Ware
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wyman
Yates
Young, Ga.
Young, Tex.
Zablocki
Zwach

NAYS—84

Anderson, Calif.
Armstrong
Bafalis
Bauman
Beard
Biester
Blackburn
Bray
Broomfield
Broyhill, N.C.
Carter
Clancy
Cleveland
Cohen
Conlan
Conte
Cronin
Daniel, Robert W., Jr.
Duncan
Flynt
Forsythe
Fountain
Froehlich
Gilman
Ginn
Grasso
Gross
Gude
Guyer
Hammerschmidt
Harsha
Hays
Heinz
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Kemp
Ketchum
King
Kyros
Landgrebe
Latta
Luken
McClory
McCollister
McKinney
Mann
Maraziti
Mathis, Ga.
Miller
Mizell
Moorhead, Calif.
Parris
Powell, Ohio
Price, Tex.
Pritchard
Randall
Rinaldo
Rooney, Pa.
Roy
Ruth
Sarasin
Satterfield
Scherle
Sebelius
Skubitz
Steele
Steiger, Ariz.
Studds
Shuster
Taylor, Mo.
Teague
Thone
Veysey
Wampler
Wylie
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion

ANSWERED "PRESENT"—2

Harrington
St Germain

NOT VOTING—51

Anderson, Ill.
Andrews, N. Dak.
Bingham
Brasco
Brinkley
Burke, Calif.
Carey, N.Y.
Carney, Ohio
Conyers
Coughlin
Daniels, Dominick V.
Devine
Diggs
Dorn
Esch
Frenzel
Giaimo
Goodling
Gray
Griffiths
Gubser
Hanna
Hansen, Wash.
Hébert
Heckler, Mass.
Hogan
Holifield
Jones, Tenn.
Karth
Kuykendall
Leggett
Macdonald
Madigan
Martin, Nebr.
Michel
Mills
Passman
Preyer
Reid
Rodino
Rooney, N.Y.
Rousselot
Schroeder
Seiberling
Sikes
Stokes
Stuckey
Thompson, N.J.
Whalen
Widnall
Yatron

So the Senate concurrent resolution was concurred in.

The result of the vote was announecd as above recorded.

The title was amended so as to read: "Concurrent resolution adjourning the Senate from June 27, 1974, until noon July 8, 1974, and the House from July 3, 1974, until noon July 9, 1974, or until required to reassemble by the Speaker of the House and the "President pro tempore of the Senate, which comes earlier."

A motion to reconsider was laid on the table.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1975

Mr. FLOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 15580) with Mr. WRIGHT of Texas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose, the gentleman from Pennsylvania (Mr. FLOOD) had 1 hour remaining.

The gentleman from Illinois (Mr. MICHEL) had 1 hour and 5 minutes remaining.

The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I should like to ask a few questions concerning this bill which contains just about everything, including a cost tag of $121 billion. I should like to ask the chairman or the ranking minority member about the Volunteers in Service to America program. Is that money being used in any way to support Ralph Nader, as the hearings seem to indicate?

Mr. MICHEL. Mr. Chairman, would the gentleman repeat his question?

Mr. GROSS. Is the money for VISTA being used in any way to support the Ralph Nader operation?

Mr. MICHEL. Well, if the gentleman was reading the hearings, I am sure he came to the conclusion that there were, as a matter of fact, projects—and I will not name the State or particular States—funded which are closely akin to that kind of thing—so-called "public interest" research groups. We raised all kinds of objections to this in the subcommittee.

As a matter of fact, it provoked this Member to inquire whether or not this kind of thing was going on in his home State. If so, this Member would certainly have to oppose the program, and would propose a significant cut in the operation. We were given the assurances from those people downtown that these were isolated incidents.

They are not the kind of projects we had envisioned in this program. While they may have strayed from the fold, it will cease and desist.

Mr. GROSS. Are they going to continue to stray from the fold?

Mr. MICHEL. They had better not, or they are going to lose this Member's support on this floor, because it was not the intention for that program to support those kinds of projects. That is a totally inappropriate use of Federal funds. I want to see the volunteer agencies in this country encouraged and supported, but I think the gentlewoman from Oregon (Mrs. GREEN) several times has made the point "What kind of volunteers are we talking about when they are paid to the extent that some of them are?"

Pure volunteerism in my community means voluntary, for free, acts done out of good will by public spirited kinds of people. There is a danger of our having a federally supported program permitting the program to get out of hand and becoming something other than a voluntary program.

Mr. Chairman, I share the gentleman's concern.

Mr. SHRIVER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Kansas.

Mr. SHRIVER. Mr. Chairman, the gentleman will find on page 73 of the report very strong language which we submit in connection with this matter.

The report states:

> The Committee is disturbed over the fact that Action has funded activities in connection with what are commonly referred to as public interest research groups. In the opinion of the Committee, this is an entirely inappropriate use of Federal funds. The Committee directs the agency to conduct a thorough examination of its current grants and contracts in order to eliminate any possibility of such funding practices, and to be very diligent in this respect in the awarding of all future grants and contracts, to assure that Federally assisted volunteers are not being assigned to public interest research groups or other organizations of a similar character.
>
> The Committee believes that the intent of the law is to encourage volunteers to help children, the poor, the sick, the aged, the disabled, the handicapped and others who need assistance, and that the programs supported by Action should be limited to organizations which are specifically and directly oriented toward achieving these goals. The law very clearly prohibits the use of funds appropriated to Action for political activities.

Mr. GROSS. I thank the gentleman. These appropriation bills and reports are coming so thick and fast these days that I find it impossible to do a thorough job of trying to keep up with them.

Now, the Social and Rehabilatition Service. That is gobbledy-gook for welfare plans to spend $9,200,000 for "public assistance research." This is a planned increase of $832,000 over last year.

What sort of research is needed in the welfare field after all of these years of welfare in this country? What kind of research are we financing with this appropriation?

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, I think my friend will agree, and everybody agrees with my friend, that if there ever was a program that needs something done about it to improve it, it is public assistance. The research programs may be abused here or may be abused there—that is a matter of opinion—but if there is one place where we need research, that is public assistance.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MICHEL. Mr. Chairman, I yield 5 additional minutes to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for his yielding this additional time to me.

Mr. MICHEL. Mr. Chairman, if the gentleman will yield further, the gentleman will recall that in prior appropriation bills we had items for research, for direct cash payments in controlled family groups. This is follow-on research, hoping that we will be able to come to some conclusion here within the foreseeable future as to whether this is a preferable scheme of operation to handle our public assistance cases.

As the gentleman knows, we have a public assistance item here, something like $13 billion. The States, of course, match those funds.

Mr. GROSS. The Social and Rehabilitation Service requested an increase of $939,000 for travel. That was a 20-percent increase over last year, and the salaries of people in this welfare bureaucracy have gone up $10 million over last year.

Mr. MICHEL. Let me say to the gentleman that this has to do with monitoring and closer surveillance. Here is one item where the executive branch, frankly, has done a pretty good job, notwithstanding what the Congress has done, and that is closer monitoring of our public assistance rolls, forcing the States themselves to take a closer look. We all have read of some of the court cases where people have been stricken from the rolls and on good grounds but who heretofore were simply carried because nobody took the time to go back and check whether or not they were still eligible. After getting a look at the income bracket where we considered them to be disqualified, they were disqualified. It does take money to follow up and make sure that this kind of work will be carried on.

Mr. GROSS. In the report on page 73 the committee criticizes ACTION for its so-called community service fellowship program. This was described in the hearings as providing "something like GI benefits to a volunteer who has served full time for a year so that when he goes on to college he would receive tuition payments."

Is this going to be another innovation? Are we going to pay tuition for that purpose?

Mr. MICHEL. In this case I will say to the gentleman that this was news to me when it came out during the course of the hearings, and I personally expressed my own opposition to it. I feel the same way the gentleman does, that there is no reason for the development of some additional educational program that has no bearing on this program at all.

Mr. GROSS. Is there any prohibition in the bill against the use of these funds?

Mr. MICHEL. There is not, but I think we have made it clear.

Mr. SHRIVER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. SHRIVER. There is very strong language in the report concerning that request.

Mr. GROSS. The Committee on Appropriations has allowed the entire $60 million requested for public broadcasting, doubling the funds in just 2 years. It is interesting to note that only $5 million is contingent upon matching contributions from private sources. The top salary paid to the officers of the corporation is $41,000 a year; the average is $18,000.

According to information beginning on page 783, part I, of the hearings, the corporation as of June 30, 1973, had invested sufficient public and private funds to receive interest in the amount of $353,394 on securities that at one point amounted to nearly $10 million.

Is this not pretty good evidence of the overfunding of this Government agency?

Mr. MICHEL. If the gentleman will continue reading on page 783, he will see that this resulted not from overfunding but from the manner in which the CPB received its appropriated funds—in one lump sum. I will say to my friend that in the authorizing legislation we provided for additional add-on assistance to local stations, both radio and television, for programing. As a matter of fact, 45 percent of this amount in here will go for that particular purpose.

We have had our differences—I imagine each Member has in one form or another—with public broadcasting; but generally speaking, I think we are in accord that it is a good program and needs to be supported. We can argue about specific figures of subsidizing in particular, maybe about children's programing, although several of them are very popular ones, but we are particularly interested in increasing funding for programing at the local level.

My own personal feeling is that we ought not to have to rely on public television solely from a source in Boston or New York or Washington for good programing around the country. I submit that our own public television station in Peoria has some good people who can come up with good programing, if we will give them some of the support that is necessary.

Mr. GROSS. Mr. Chairman, I submit that when they have $10 million available for investment and do invest the money, including Federal funds, and collect interest on it, than they just have too much money.

Mr. Chairman, I raised the question awhile ago concerning the 165 unfilled positions in the National Labor Relations Board that were allotted to them last year.

Is there any money in this bill to provide for 165 positions which they did not use last year?

Mr. MICHEL. Mr. Chairman, I might respond to the gentleman by saying there is no money in here for additional personnel. Last year there were these additional jobs which the gentleman makes reference to, and there was a problem concerning the filling of some of these slots because these are particular professionals that we just do not come by every day in the week. There was a problem in filling the necessary slots, but we have made sure there is absolutely none provided for in here.

As a matter of fact, as I recall, the only increase has to do with pay costs and the rent increases that have come about as a result of inflationary increases.

Mr. GROSS. Mr. Chairman, I thank the gentleman.

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Mr. Chairman, I thank the gentleman for yielding time to me.

Before I comment on the bill in general, may I give just a brief word of commendation to the members of this committee, most particularly to the chairman, the gentleman from Pennsylvania (Mr. FLOOD), and the ranking Member, the gentleman from Illinois (Mr. MICHEL), for what I think has been very careful attention to the education provisions which are included within the bill and which provide for a great deal that should be included therein.

Mr. Chairman, may I ask whether the distinguished chairman, the gentleman from Pennsylvania, will answer a question for me?

Mr. FLOOD. Yes, of course.

Mr. DELLENBACK. Mr. Chairman, the committee's report states as follows, and I quote:

> The bill includes $3 million for the continued support of State postsecondary education commissions * * *.

Is my understanding correct that the committee's intention is that this amount is to be used for the new section 1202 State commissions to undertake comprehensive planning activities under authority of section 1203?

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, I will answer in this way:

Yes, the gentleman is correct. This bill includes the $3 million referred to for the postsecondary education commission itself.

On page 17, line 14 of the bill, the gentleman will find the legal citation of section 1203 of the Higher Education Act.

It would follow just as night follows day that the intent of the committee is that the Office of Education would make grants under that language in section 1203 to those States which had created the commissions under that very section.

Mr. DELLENBACK. Mr. Chairman, I thank the gentleman very much.

May I ask the ranking member of the subcommittee, the gentleman from Illinois (Mr. MICHEL), as I have just asked the chairman of the subcommittee, whether his interpretation is the same as that given by the subcommittee chairman, as to the utilization of this $3 million?

Mr. MICHEL. Mr. Chairman, if the gentleman will yield, I will say that it is too doggone bad that we have so many commissions down there that we have to take time out for a dialog at this time to make certain what we are talking about.

But to answer the gentleman's question, yes, I would concur wholeheartedly in what the chairman of the committee has just said. I suspect if they cannot get this thing nailed down in ironclad fashion, again next year when the bill is before us, the gentleman will be posing the same question so that we can understand what we are talking about.

I suggest that we have too many commissions. Perhaps we should get rid of 90 percent of them and save the taxpayers some money, too.

Mr. DELLENBACK. Mr. Chairman, I thank the gentleman for his comments.

The section 1202 commissions have proven extremely helpful, and we feel this should be made clear. It is for the purpose of establishing legislative history that I engage in this dialog this year again, as we did last year.

Mr. Chairman, I have asked for unanimous consent to revise and extend my remarks, and in that extension I will include specifically a description of the amendments which I will be offering under the 5-minute rule.

Let me just say as background for that, however, that as the ranking member of the Special Education Subcommittee of the House Committee on Education and Labor I have been involved in some 30 days of hearings with Mr. O'HARA's subcommittee on many of the programs involved in this bill. In addition to those particular days of hearings, largely devoted to student assistance, we have had incidental hearings and we will be having in the future further hearings on some of the new programs created by the Education Amendments of 1972. A number of these are just beginning to generate results.

At the time Mr. FLOOD's subcommittee had before it some of the requests for appropriations included in the bill before us today, some of the latest information was not available. It is because of some of that late information, in part, that the amendment I will offer later will be made.

Of the many valuable programs which deserve additional funds, even beyond the committee's recommendations, several of which are especially important, we have concern about four. At the appropriate time under the 5-minute rule we will have the opportunity to introduce a package of four amendments.

I would like to give a brief description of the four parts to my amendment.

STATE INCENTIVE GRANTS

First, my amendment would add $20 million to the $19 million recommendation in the committee bill for the State student incentive grant program. Just a year ago, only 28 States had State scholarship programs. With the help of last year's appropriation of $19 million for the SSIG program, 50 States and territories responded to the offer to match on a 50-to-50 basis Federal funds for this program. The States responded beyond our most optimistic expectations. As a result, 76,000 students will receive these Federal-State awards this fall.

I do not know anyone who does not support this program. Indeed, I think the Federal Government would be foolish not to support this program in a far bigger way than even my amendment suggests. And a State would surely be silly not to assist its students with grants supported with these Federal matching funds.

I commend the States who have participated so far and want to point out that these States entered the program this year and will be providing "initial year grants" with the full expectation that the Federal Government will continue to provide its 50 percent of these grants to students who continue in school beyond next year.

The authorizing legislation specifically calls for a distinction between "initial year grants" and "continuation grants." These are two separate authorizations. The committee fails to distinguish between these two in its bill.

The committee recommends $19 million. If the Commissioner—without any direction from Congress—decided to use this money to continue supporting the awards made with the first year's appropriation, there would be very little left as incentive to the States to come up with additional money for new "initial year grants."

My amendment would provide for sufficient funds to cover all continuation grants as well as provide approximately $20 to $23 million to match new "initial year grants."

The education commission of the States passed a resolution last week strongly endorsing this program and Governor Hall has recommended on behalf of ECS an appropriation of $50 million. I feel confident the States could easily match $50 million, but realizing the constraints on the budget this year, my amendment would provide a total of only $39 million.

COMPREHENSIVE PLANNING FOR POSTSECONDARY EDUCATION

The second part of my amendment will add $3 million to the committee's recommended $3 million for comprehensive State planning for postsecondary education. Even with approximately $1 million available for section 1203 planning in fiscal year 1974, 45 States and territories created or designated section 1202 commissions in order to qualify for some of this planning money. Each commission is receiving only $26,105 this year. That is not nearly enough to adequately support this important function.

These section 1202 commissions should be able to provide useful direction to both Federal and State policy planners and decisionmakers. Each commission which has been designated as the State's 1202 commission had to meet the requirement of being "broadly and equitably representative" of all segments of postsecondary education, both public and private, as well as the general public.

I would hope that these commissions look at such important issues as: Problems of access to postsecondary education for all citizens of the State; the status of private institutions within the State; the need for coordination in planning new programs; the impact of shifting and decreasing enrollments; and many other important issues.

This small Federal investment for these planning efforts should save taxpayers several millions of dollars in the long run. It will surely help everyone make more effective and efficient use of taxpayers money in striving for excellence in all aspects of postsecondary education.

FUND FOR IMPROVEMENT OF POSTSECONDARY EDUCATION

The third portion of my amendment adds $7 million to the committee's recommended $11.5 million for the Fund for the Improvement of Postsecondary Education. The budget request for fiscal year 1975 is $15 million.

This program has been underway for 2 years. Many of you are not aware of its many significant contributions already made to postsecondary education.

This year, over 2,800 applications were made requesting over $300 million. The fund had only $10 million and could support approximately 80 new projects. Approximately $8 million will be required in fiscal year 1975 just to meet obligations on some continuation grants.

Again, I see the fund has a unique and effective Federal program. The activities it supports will influence and contribute to many, many institutions of postsecondary education. I believe it is one of the most exciting new Federal efforts in postsecondary education.

Among the types of projects which the fund could support with this additional money are cooperative arrangements among various types of institutions, both educational and noneducational. I think many exciting projects involving the business and professional community, Government agencies, as well as consortium arrangements among different types of postsecondary institutions could be expected in this area. The fund would also support new ways of getting better information to students about the various options for postsecondary education and ways to assess the quality of different opportunities in terms of meeting their own needs. Projects to make more effective use of resources is still another category of activity within the scope of the fund.

NATIONAL INSTITUTE ON EDUCATION

The fourth and last part of my amendment would increase the appropriation for NIE from $100 million to $130 million, the amount recommended in the budget.

We need to give NIE a chance to develop its programs before we judge its efforts so harshly, as some have tended to do. With proper funding the Institute can move forward aggressively to address critical problems in American education. We need to support them so they can meet their legislative mandate which is "to provide every person an equal opportunity to receive an education of high quality regardless of his race, color, religion, sex, national origin, or social class."

Due to its low funding levels this year NIE had to defer many projects which had been initiated. These projects fall into the Institute's five priority areas; essential skills, productivity and efficiency, education and work, local problem solving, and diversity.

Let me outline the type of effort NIE wants to undertake in these areas and some of the costs that would be associated with such research.

It is known that 10 to 15 percent of the children in middle grades cannot understand simple written passages found in newspapers, cookbooks, or drivers license applications. NIE has proposed research that will lead to development of techniques, curriculums, and teacher training programs that will improve these comprehension skills. The total cost is $12 million.

NIE wants to look at successful local and State innovations and be able to help other local districts learn how they might adapt these improvements to their local needs. To do this, grants will be made to local districts to try new programs. NIE will help in collecting data and disseminating the results to other districts. The cost of this is $8.5 million.

School costs are rising one-third faster than inflation. NIE is committed to helping districts lower costs without diminishing educational quality. NIE hopes that they can help schools develop ways of using modern communication technologies including television, audio cassettes, video tapes, and even a communication satellite to help schools. The technology and efficiency program will cost $16.5 million.

In fiscal year 1975 NIE will explore ways that education can better prepare young people to assume the responsibilities of the world of work. NIE is also involved in finding ways to help the adult hardcore unemployed become productive adults. The whole range of research on work and careers is stated to cost $21.3 million.

Research is to be carried out to explore the diversity of ways that people learn. This task includes experimental schools, education vouchers, handicapped, and bilingual activities. The total cost of all these efforts is $20.3 million.

Congress gave NIE the responsibility to assure that the products of research and development are transmitted to teachers, students, local school boards, and policymakers who are dealing with the day-to-day problems of American education. NIE is requesting $12.9 million for this function.

Much of the research that NIE can do is an investment in the future. An example of this basic research is investigating the biases which lead to different life outcomes for boys and girls. Another example is teacher competency. Thirty-two States are adopting laws requiring that teacher certification be related to an applicant's competency to teach, yet little is known about the attributes of a "competent" teacher. NIE is thus focusing on this problem. These are examples of how NIE will use the $25.6 million in the area of basic research.

A strong Federal level education research effort is warranted for several reasons:

Duplication of local effort can be avoided;

Scarce human and financial resources can be aggregated;

Federal support offers university researchers an incentive to work on problems that are relevant to schools rather than those that are "publishable."

It is for these reasons that I think we should increase NIE's appropriation. These funds will be well spent for improving our country's educational effort.

I urge support of this amendment which I will offer. Each of its component parts represents a sound investment in the future.

Finally, Mr. Chairman, I want to express my deep disappointment in the committee's recommendation of only $650 million for basic education opportunity grants. This program is the most important Federal effort toward achieving our longtime goal of equal access to postsecondary education regardless of financial circumstances. The program got off to a slow start this past year for many reasons. It was given $122 million for first-year students. And even all of that was not spent.

The picture is much brighter for this coming fall. Already over 500,000 students have applied and approximately 300,000 of them have already been notified that they will receive an average of $600 this coming year. I have no doubt that the program is becoming well known and that the program will live up to our high expectations.

I am concerned because I would like to see the appropriation recommended in this bill used to assist students during their first 3 years of postsecondary education. If we want to do that and keep the maximum award at a level at least that of this year, which is $1,050, then the Congress must provide more than $650 million.

At the time the Appropriations Committee was holding its hearings, there were some who testified that $650 million would be sufficient to maintain this level of operation. But after the Office of Education published this year's payment schedule, the estimators have been upping their projections. A month ago, we felt that $750 million was the appropriate figure. In the last few days, based on new estimates of participation rates and numbers of eligible students, some are suggesting that a figure closer to $850 million will be necessary.

My sincere hope is that this question will be given the most careful consideration by the Senate Appropriations Committee; that the Senate will provide sufficient funds to maintain and hopefully increase to the full $1,400 entitlement, the maximum grants available this coming year; and that our House conferees will be openminded about the data that is now being generated for this rapidly growing new Federal initiative.

I believe that the major Federal role in postsecondary education is to adequately fund student assistance programs. The BOG program is the cornerstone of the total Federal effort in this regard.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MICHEL. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. DELLENBACK. Mr. Chairman, in summary, I am limiting my amendments to only four programs. The thread that runs through these four amendments, Mr. Chairman, is the thread of investment in the future; investment in the future of programs which will yield in our opinion returns far beyond the dollars invested here. Investment in the future of young people; investment in the future for information available to help education.

These are a relatively few number of dollars in toto. They amount to $60 million in toto, which will be $26.5 million over the budget. Our feeling is—and we will discuss them in more detail at the time the amendments are proposed—without question these additional dollars will yield benefits far beyond the particular dollars themselves.

Mr. CONTE. Will the gentleman yield?

Mr. DELLENBACK. Of course I yield to the gentleman.

Mr. CONTE. The gentleman referred to the 30 days of hearings he had on higher education. I worked very closely with the gentleman from Iowa (Mr. SMITH) and the gentlewoman from Oregon (Mrs. GREEN) with regard to working out a fairly good formula on higher education.

One of the things that troubles me is that your committee is not directing itself to the problem of helping middle-income people.

When I go home to my district, and I discuss what we are doing here in the appropriation process in the BOG, EOG, the National Defense loan law, I have a large number of students coming up to me and saying, "Look, we are from families of the middle-income bracket, and they cannot afford to send us to college." We know that the private institutions are suffering greatly because of this. My question to the gentleman is what is your committee doing about bringing out legislation to help students from the middle-income bracket, if anything?

Mr. DELLENBACK. I appreciate the question asked by the gentleman from Massachusetts. It is a good question. Let me say that part of what we have done just within the last 6 months is to deal with the question of family support information under the BOG program.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MICHEL. I yield 2 additional minutes to the gentleman from Oregon.

Mr. DELLENBACK. Then under the BOG program we are dealing with the question of family contribution with the very goal in mind that the gentleman from Massachusetts speaks to, the question of making sure that however desirable it is—and quite frankly I think it is extremely desirable that we help young people with disadvantaged backgrounds, that we cannot make these programs closed to those who fit within the middle-income bracket.

I wish the gentleman from Massachusetts had had the occasion to listen to much of the testimony that we had, as I say, over the last 30 different days of hearings during the last several months. While the issue that the gentleman from Massachusetts alludes to has been dealt with at quite some length, it is our hope, quite frankly, that still in this year we can bring out of the Special Education Subcommittee—and I think this was announced earlier by the chairman of that subcommittee—a comprehensive revision of a student-aid package which will deal with grants, work study, and loans, blended together in a more effective and efficient way than has been done in the past.

I would intend to make certain that the gentleman from Massachusetts, who I know to be seriously interested in not only the problem the gentleman now alludes to, but in the whole question of aid to students, will be kept informed. I will make it my business to deal with the gentleman specifically about the suggestions we will be making in that new package.

Mr. CONTE. I thank the gentleman.

Mr. FLOOD. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I would like to ask the gentleman from Pennsylvania a question concerning the Center for Disease Control with respect to clinical laboratories. The request was for 10 positions, but the committee determined that there should be a total of 40. I would like to have the chairman, the gentleman from Pennsylvania (Mr. FLOOD) explain why that substantial increase was necessary in the judgment of the committee.

Mr. FLOOD. The Center for Disease Control administers a comprehensive national laboratory improvement program that was specifically authorized by the Clinical Laboratory Improvement Act of 1967.

We spent considerable time on this matter in the hearings. The gentleman will recall that the intent of the basic law was to improve the performance of clinical laboratories all over the country.

Let us think a little bit about that. The committee heard a great deal of testimony having to do with the proficiency of these laboratories. We received a great deal of information as to what should be done to bring these laboratories up to par.

This program has considerable importance, and you realize this if you are in the hospital, or if you have friends in the hospital, and you realize how much depends upon these laboratories, and how much danger can result if laboratory tests are not properly handled.

Not only must they be done, but the patient lies there in bed and worries what the report will show when they come down the hall from the laboratory.

We want to know all about these laboratories, because with the right sort of a laboratory program with very high quality controls we can impact upon controlling medical care costs and improving the quality of medical care delivered throughout the Nation.

So we considered this matter very closely, and so we added funds for additional jobs, additional positions over and above the budget request, because we wanted to accelerate the efforts of the Center for Disease Control. We also thought that this increase was necessary, because of the added responsibility given to the Center for Disease Control to establish laboratory quality standards under medicare.

I think that this is a mighty good investment of the taxpayers' dollars.

Mr. FASCELL. Will the gentleman yield further?

Mr. FLOOD. Certainly.

Mr. FASCELL. I thank the gentleman for that very thorough response. I compliment the chairman of the committee and the committee itself. I thoroughly agree with the rationale of the committee. I think that what the committee has done is absolutely essential in a very important area. I am glad that the committee was so thorough in the analysis of the bill and the programs to make this kind of decision.

Mr. MICHEL. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. THOMSON) such time as he may consume.

Mr. THOMSON of Wisconsin. Mr. Chairman, I had intended to offer an amendment at this time providing funds for the Department of Labor to simplify OSHA regulations and publish where appropriate relevant standards by industrial and business classification. Fortunately, this amendment may not be necessary. The Department has advised me it has sent to the printer an alphabetical digest to OSHA standards.

This digest will be a booklet about one-half inch thick and should fit into a shirt pocket. I have been told the language of the regulations contained in the booklet is simplified for a layman's understanding. The regulations on "ladders," for example, were read to me. As advertised, they were easily understood and did not require a mathematician's training as do the official regulations published in the Federal Register. Being alphabetical, it is possible to readily go through the booklet and read only those regulations relevant to the individual's business. Those not applicable can be easily passed over. I have been further advised the booklet should cover about 96 percent of the situations affecting small businessmen.

It would appear the Department of Labor has responded to recommendations of the House Small Business Committee's Subcommittee on Environmental Problems Affecting Small Business. The subcommittee issued a report in 1972 following hearings on which it recommends among other things that the Department of Labor:

> Revise existing occupational safety and health standards (including national consensus standards incorporated by reference) to make them clear, concise, and comprehensible so that small businessmen can know what the law and standards require of them.

And—

> Issue publications containing all relevant standards pertaining to distinct industries or businesses, and categories therein, where they may be appropriately classified as such.

The Department is to be commended for this initiative. I am anxiously awaiting publication of the digest and reports from my small business constituents on its usefulness.

Mr. ALEXANDER. Mr. Chairman, as we consider H.R. 15580 today we are considering a bill which probably touches more of our Nation's citizens directly than any other single bill we deal with each year. In providing funds for labor, health, education, and welfare programs the bill influences efforts at every level of government in almost all these areas.

A number of legislative developments since the last appropriation bill was considered, and particularly during recent months, has made it virtually impossible to make comparison of the distribution of the funds in certain areas. But, as has been my practice during our current consideration of these bills, I have attempted to acquire some comparison analyses of at least some of the agency function areas and the funds which they will be using.

As before, these studies and projected divisions of funds are based on the percentage of outlays in fiscal year 1973 that went to nonmetropolitan counties. I would point out that this bill deferred decisions on appropriations for Elementary and Secondary Act until such time as the authorization for those programs is extended. The study follows:

[Figures given in millions]

Programs	1975 committee recommendation	1975 amount for nonmetropolitan areas	1974 appropriations	Percentage of fiscal year 1973 ou lays going to nonmetropolitan areas
DEPARTMENT OF LABOR				
Unemployment trust funds	$6,887.6	$1,363.7	$6,887.8	19.8
Comprehensive manpower assistance	2,150.0	578.3	2,100.8	26.9
Labor, subtotal	9,037.6	1,363.7	8,988.6	
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
Health Services Administration: Health [1]	481.8	99.2	457.1	24.2
Alcohol, Drug Abuse and Mental Health Administration:				
Drug abuse: Community programs	57.0	.5	175.7	3.2
Mental health: Community mental health centers	172.0	34.2	155.5	19.9
Alcoholism: Community programs	110.9	11.0	10o.3	10.0
Education Division: Follow Through	53.0	13.8	53.0	26.0
Social and Rehabilitation Service:				
Public assistance: maintenance assistance	$4,312.8	$1,082.5	$5,200.0	25.1
Public assistance: Social services	6,300.0	1,430.1	5,000.0	22.7
Social services	1,700.0	428.4	1,362.0	25.2
Child welfare services	47.5	17.6	47.5	37.0
Work incentives	280.0	15.9	219.5	5.7
Social Security Administration:				
Supplemental medical insurance for the aged	2,327.0	6,399.2	2,008.0	27.5
Hospital insurance for the aged	471.0	132.8	450.8	28.2
Special benefits for disabled coal miners	876.0	501.0	1,013.9	57.2
HEW, subtotal	17,189.0	10,132.0	16,096.8	
Total	26,226.6	12,074.0	25,085.4	

[1] The percentage figure in col. 5 is based on outlays in 15 programs in fiscal year 1973.

Mr. FRENZEL. Mr. Chairman, I shall, of course, support H.R. 15580, the Labor-HEW appropriation, but I believe it can be strengthened by amendments.

It is a $33 billion bill, slightly less than requested in the budget, but $4 billion, or 14 percent more than last year. In fact, when social security, medicare and unemployment compensation trust funds are added, the bill totals $122 billion, up $12 billion from last year.

This year, because of inflation, I have been voting against appropriations that include such increases over last year's figures. In this case, however, I cannot vote against manpower, health, and education programs. The increase here fits my personal sense of priorities. I shall look elsewhere for cuts.

I expect to oppose the Obey amendment to increase manpower programs by $300 million. Because we funded last year's manpower programs under a continuing resolution, carryover funds from last year increase the dollar total available for fiscal 1975 to $2.75 billion, an increase of $960 million over this year's spending. The bill, and the carryover, provide half again what we spent last year. It would seem to be an adequate figure at this time, and there is always the possibility of a supplemental appropriation if needed.

I also expect to support the Steiger OSHA amendment. It costs an extra $5 million, but providing counseling instead of red tags on the first visit, is worth every penny. It should increase confidence throughout the country in OSHA, and improve industrial safety.

I shall also support the Dellenback higher education amendments. The extra funding, to be matched by States, is desparately needed.

There is a lot of taxpayers' money in this bill, but it does continue our commitment to increase that part of our budget dedicated to human services. Despite the vast increases, I support it strongly.

Mr. SEIBERLING. Mr. Chairman, I rise in support of the bill, H.R. 15580. I particularly want to commend the committee for their action with respect to the National Institute for Occupational Health and Safety—NIOSH.

NIOSH is the underpinning of the Occupational Health and Safety Act of 1970. The millions of workers covered by that law are dependent to a large extent on the work of NIOSH to assure them a safe and healthful working environment.

NIOSH has been underfunded ever since it was first authorized. Based on budgets presented for NIOSH in recent years, one can only conclude that this administration has no real concern about implementing the law.

But the law remains the best tool we have to protect the health and safety of our workers.

It is appropriate that this issue should come before us today because this week the Department of Labor is holding public hearings on their proposed standard for occupational exposure to vinyl chloride. And probably few other issues in recent times have so dramatically underscored the need for a greatly increased NIOSH budget.

Vinyl chloride has been produced in this country since 1939. But it wasn't until after Dr. Maltoni's experiments in 1972 and the transmittal of his evidence to NIOSH in January 1974—34 years after VC was first introduced—that we became aware of the health hazard posed by this substance. If Dr. Maltoni's experiments had been conducted in 1940 instead of 1972, we undoubtedly would have averted the vinyl chloride crisis.

The problem, unfortunately, is not limited to vinyl chloride. In addition to the many thousands of chemicals already in the workplace about which we know little or nothing, every year an additional 10,000 new and untested chemicals are put into the workplace. Like vinyl chloride, some of these most certainly will turn out to be hazardous or fatal to workers. And as the vinyl chloride incident has shown, because of the long latency period of many cancers, we can proceed in ignorance for years before discovering the devastating impact of some of these chemicals on man.

In order to adequately protect the workforce from the hazardous effect of chemicals like vinly chloride and others, Congress must act quickly to substantially increase the budget of NIOSH and to require pretesting of all new chemicals before they are put into the workplace.

I am very pleased that the committee has increased the administration's budget request for NIOSH by more than $6 million. I urge my colleagues to support that request.

But the overall budget is just a little more than $30 million. According to testimony by Dr. Marcus Key, Director of NIOSH, it would take NIOSH approximately 20 years to develop criteria standards for only 1,000 of the many thousands of chemicals in the environment—if they were able to produce 50 criteria a year. But under the 1974 budget presented by this administration, Dr. Key testified that they would realistically be able to produce only about nine new criteria standards. The increased moneys voted by the Appropriations Committee will permit NIOSH to accelerate their activities slightly. But overall, the budget makes a farce of the law.

I want to commend NIOSH for the excellent job they have done under the most severe financial constraints. They acted immediately and responsibly on the vinyl chloride issue as soon as it was brought to their attention. But as Dr. Joseph Wagoner, head of NIOSH's field studies, pointed out, the vinyl chloride investigation amounts to "stealing from Peter to pay Paul." There is no telling what the impact of NIOSH's crash program on vinyl chloride will be on the many other crisis areas they are investigating.

If Congress is serious about meeting the intent of the Occupational Health and Safety Act—namely to "assure as far as possible every working man and woman in the Nation safe and healthful working conditions"—then the budget for NIOSH for research and for OSHA to enforce the law must be greatly increased.

Mr. PODELL. Mr. Chairman, the appropriations bill before us for Health, Education, and Welfare is of the utmost importance and urgency. There is money already appropriated, that is being held back by the Agency.

As a Congressman from New York, this problem concerns me a great deal. For New York, perhaps more than any other city, finds itself with its youth suffering injustices because of this administration's refusal to release appropriated funds.

As one who has never given up the quest for equity, I would like to relate an injustice that has occurred to one of my younger constituents. This student applied for financial aid for her education in June 1973, asking an award of $549 for which she was eligible. After months of fighting and bureaucratic redtape, she received word that she would be awarded $113, 20 percent of the amount that she was entitled to receive under the Federal standards. As of today, an entire year later, this student has received no money whatsoever and is in danger of being unable to continue her education.

Denying the aid to this young person to which she is entitled under law is criminal. This is but one of the many cases I have seen.

This bill must be passed in full and with all speed if the young people of my district and yours are to have an equitable chance at higher education.

Mr. BINGHAM. Mr. Chairman, there has been a great deal of discussion about changing our national priorities in the last several years. The general thrust of these discussions has been to cut back our spending on military programs and target more of our national resources on domestic human needs. The progress of this debate can be measured better in this bill than in any other. To the degree that the funds appropriated in the Labor-HEW bill increase from year to year, we are making progress in changing our priorities. This bill provides funds for an impressive array of programs, from student assistance to unemployment insurance, from job safety programs to drug abuse treatment. The $32.82 billion provided in this bill for these and many other programs is $4 billion larger than the same appropriation last year, and thus represents some real progress in the effort to "humanize" the national budget.

However, this bill still falls short in a number of areas.

VETERANS COST OF INSTRUCTION PROGRAM

I am disappointed to note that the committee did not recommend an increase in funds for the veterans cost of instruction—VCI—program. Perhaps the $23,750,080 which the committee recommended, a slight decrease from the $25,000,000 appropriated last year, is the most we can expect since the administration once again opposed any funding at all. The VCI program was established in 1972 to provide financial incentives for colleges and universities to seek out and enroll Vietnam-era veterans and give them counseling, remedial training, and other supportive services they need to succeed in higher education. More than 1,000 schools have received grants under this program, and I know many thousands of veterans have climbed back onto the education ladder through VCI assistance. Since the program has only been in operation for 1 year, the committee did not have evaluations of the program's success in hand and could not justify increased funding. This is unfortunate, since this reduced funding level will make successful VCI programs less likely. Only a few colleges will receive large enough grants to operate the full range of services necessary and thereby insure that many of the several million veterans who have previously failed to return to school on the GI bill will do so. I hope that the committee will examine the VCI program carefully in the coming months and, that, when its potential impact is fully documented, its funding will be sharply increased.

COMMUNITY SERVICE EMPLOYMENT PROGRAM

Another area in which increased funding should be available is the Community Service Employment Program for Older Americans. It utilizes the skills and energies of our senior citizens and gives an added boost to their lives by renewing their community involvement. Such programs are essential if the elderly are to remain active participants in our society.

In 1966 I sponsored legislation to establish a National Community Service Corps for Older Americans. Since that time various demonstration projects have begun, administered originally under authority granted in the Economic Opportunity Act but finally established with separate statutory authorization in title IX of the Older Americans Act. Projects such as Green Thumb, operated in rural areas by the National Farmers Union, and Senior Aides, administered by the National Council of Senior Citizens, have demonstrated that Older Americans can make valuable contributions in health, education, and community services while improving their meager incomes. Additionally, the national contractors administering the programs demonstrated their ability to operate programs effectively. Clearly without their expertise and knowledge the Community Services Employment program would not be able to operate well. Operation Mainstream, for instance, operated in part by the National Council of Senior Citizens, has had considerable success in New York and across the country in employing senior citizens. This program for low-income persons, 55 years of age or older, involves senior citizens who want to become active in community services. It prepares them for regular employment, refreshes their job skills, and provides them with a modest stipend. During the first year of operation in New York approximately 100 seniors were enrolled in the program, of whom some 60 were placed in regular employment. Across the Nation some 2,000 elderly poor are employed by the National Council of Senior Citizens in 25 different States. It would be a great disservice to the senior citizens of this Nation if programs such as these were not expanded or administered by the same national contractors. I commend the Committee on Appropriations for insuring that the current national contractors continue to administer these programs.

The Department of Labor has finally allocated $10 million for fiscal year 1974 for the continuation of these senior citizen employment programs, this represents only one-sixth of the amount suggested by the Congress in the original legislation. The Appropriations Committee has now appropriated that same $10 million for fiscal year 1975. Though this represents a 100-percent increase over the President's budget request for the programs, in light of the 11-percent increase in the cost of living, this level of funding cannot lead to expansion or improvement of the Community Service Employment programs, not to mention the difficulty in maintaining the same level of achievement it has had in the past. Certainly a program as worthwhile as this should be given the opportunity to flourish, as Congress intended by their increased authorizations for fiscal year 1975. Congress authorized $100 million understandably so that the Community Service Employment programs would not suffer from the effects of our tremendous inflation.

When we passed the Older Americans Act in 1965 Congress made a commitment to the elderly of this Nation to help solve some of the basic problems of old age. We must not renege on this promise, but rather go ahead and give those who desire to play a constructive role in our society the chance to serve their communities through gainful employment.

SOCIAL SERVICES

Mr. Chairman, there is a third appropriations category to which I would like to draw the attention of the House. This bill appropriates $1.7 billion for social services administered by the Social and Rehabilitation Service of HEW under the Social Security Act. The administration had requested $2 billion for these programs, still less than the $2.5-billion ceiling enacted by the Congress in 1972. These funds are used by a wide variety of State and local institutions to provide supporting services such as day care, mental health, family planning, and foster homes to move people off the welfare rolls or to help them stay off welfare. Each State is allowed a portion of the $2.5 billion ceiling equal to its portion of the national population.

Because of a still boiling controversy about the kinds of programs these funds can be used for and how they should operate, many States have not requested their full allocations. Only 13 States—Alabama, California, Colorado, Delaware, Georgia, Idaho, Maryland, New Mexico, New York, Oklahoma, South Carolina, Washington, and Wisconsin—are expected to apply for and receive their full entitlements for fiscal year 1975. Since the other 37 States will not be using their full share, the committee has only appropriated a portion of the full $2.5 billion allowed for these important social services.

The painful irony here is that not only is less being spent than Congress intended, but these 13 States are being unfairly penalized. In New York, for example, HEW provided $566 million for these social services in fiscal year 1972, before the ceiling went into effect. In fiscal year 1973, the ceiling went into effect in the second quarter, and New York's payments were reduced to $320.4 million, thus cutting off many successful programs. In fiscal year 1974, New York has only received $220.5 million, less than half what it had received 2 years before. This fiscal year will bring no increase in New York's allocation, despite the fact that $800 million could be available for additional social services within the $2.5 billion ceiling. Those programs throughout the State which have not been shut down will now be slowly strangled as inflation drastically reduces the buying power of their already reduced grants.

The solution to this problem lies in legislation to allow portions of the $2.5 billion allotted for these programs to be reallocated to those States which need additional services but which have used up their allotments. Such legislation has passed the Senate as an amendment to H.R. 3153, but that bill has been stalled in conference. I intend to press for action to solve this problem, and I hope the Appropriations Committee will make additional funds available as soon as reallocation has been authorized.

Mr. HANSEN of Idaho. Mr. Chairman, I want to commend the House Appropriations Committee, and especially the Labor-HEW Subcommittee, for its diligent and responsible efforts in developing sound legislation. This bill will provide the needed funds to continue our commitment to improving the quality of life for all citizens.

One particular area of this legislation deserves special praise, Mr. Chairman, because it puts the committee on record in support of one of the most worthwhile research efforts I can imagine—that directed toward finding a cure for paraplegia. I applaud the committee's decision to increase the appropriation for the National Institute of Neurological Diseases and Stroke so it can continue the great work it is doing under the able leadership of an outstanding administrator, Dr. Donald Tower. More importantly, however, I am gratified by the language in the committee report stating that:

> This is an area long overdue for special emphasis and should receive every possible consideration.

Only recently have we found that regeneration of the central nervous system is possible. I have been associated for the past few years with a group of physicians, public officials—including some of my distinguished colleagues in this body—and others in periodic meetings to review developments and to discuss the next steps that can be taken to promote the needed research.

I am pleased that the committee has now provided national leadership by lending its support to efforts to achieve the goal of liberating paraplegics from their wheelchairs. I cannot imagine any problem where the payoff can be greater when the problem is solved, both in terms of dollars and in terms of human values. The committee should be commended for giving high priority to this goal.

Mr. ANDERSON of Illinois. Mr. Chairman, I will oppose the amendment to be offered by the gentleman from Wisconsin. Knowing the appetite of this body for spending, and the $100 billion worth of deficits that proclivity has generated in the last 5 years, and having observed for some 14 years now the recurrent attempts to add little extras here and there to this appropriations bill, I have set for myself a very hard and fast rule: In the case of appropriations bills, the burden of proof is on the amendment.

If a convincing case can be made that the Appropriations Committee has not made a wise decision on any particular line item in the budget, I am prepared, of course, to support an amendment to increase the authorized spending level. But it was not out of mere fascination with accounting that the subcommittee chaired by the distinguished gentleman from Pennsylvania (Mr. FLOOD) labored over this bill for months and published a hearing record that covers more than 7,000 pages. That record clearly indicates that the subcommittee gave the request very careful scrutiny in this instance, and that the $2.15 billion appropriated represents a reasoned judgment as to the optimal balance between requirements for manpower training funds and our ability to meet them.

I have therefore listened to the gentleman's arguments very carefully and must frankly say he has not convinced me that the decision of the subcommittee should be overruled.

First, the entire amendment seems to be premised on the assumption that the unemployment rate will rise to 6 percent or more by this fall. I certainly do not claim to be an infallible economic prognosticator, but I nevertheless find it hard to share the gentleman's certainty about that prospect. After all, we have been through the worst of the economic havoc occasioned by the oil embargo; yet the unemployment rate is still just above 5 percent. I can recall dire warnings made last October and November that we would have 7 or 8 percent unemployment by spring. The record indicates, however, that the unemployment rate has hardly budged during the intervening months. Indeed, total civilian employment has increased by more than one-half million since the time that the prophets of doom were predicting the worst depression since the 1930's.

The gentleman has also argued that the appropriations level provided by this bill will result in reduced funding for many cities and local communities around the country. I am certainly prepared to concede that in some limited instances there may be a cutback, because that inevitably accompanies a major program reform such as that we adopted with the Comprehensive Employment and Training Act. But when I examine the total amounts that will be available nationally for manpower training, I find it difficult to believe that this problem will be very widespread. According to page 199 of the committee hearings, the total amount of budget authority for public employment and State and local manpower training programs in fiscal year 1974 was $1.408 billion; this bill provides $1.769 billion. Moreover, because the supplemental was enacted only 22 days before the end of the fiscal year, almost all of the funds provided in that bill for titles I and II will be available for obligation during fiscal year 1975. In short, this bill provides for substantially higher overall funding levels than last year, and in light of that I do not see how very many areas of the country can possibly end up with a reduction in funding.

The gentleman has argued, of course, that the relevant standard of comparison is fiscal year 1973, when the public employment program was fully operative; and that if you add together the total amounts that were available under the old manpower training program and the public employment program, these sums substantially exceed the amounts provided for titles I and II during fiscal year 1975.

Well, I am prepared to concede that the gentleman's numbers are correct, but I do not think the same can be said for his premises and reasoning. I think we should recall that when the public employment program was adopted in 1971, the unemployment rate was in excess of 6 percent. I think we should also remember that general revenue sharing had not yet been enacted. And we should not ignore the fact that the present $12 to $15 billion surplus being experienced by State and local governments at present had not yet appeared.

Mr. Chairman, when you add all of these factors together I think you get a far different picture than that portrayed by the sponsor of this amendment. Conditions today on both the economic side and the State and local fiscal side are far different than they were 2 and 3 years ago. If the purpose of this amendment is merely to "hold-harmless" local area funding during the transition to the CETA program, then I do not think the $300 million is necessary because this year's budget clearly provides for a substantial increase over funding available last year. And if, to the contrary, the underlying intent of this amendment is to reinstate a large-scale public employment program, then I think the gentleman has simply misread the evidence.

If there is any single overriding priority in national economic policy at this moment, it is to cool what has become the most ravaging period of inflation in our national history. That objective, I hardly need remind you, will not be furthered by increasing what is already an inflationary $305 billion budget. If the gentleman wishes to attempt to cope with that problem—which is our real economic problem at present—let him find an economist who will argue that reviving a large scale public employment program is the answer; and let him take his case to the House Education and Labor Committee and urge that the 1971 act be reauthorized. But for today, let us vote down this amendment so that we can get on with finding solutions to the economic difficulties of 1974, not those of 1971.

Mr. RANGEL. Mr. Chairman, I rise in support of Mr. BIAGGI's amendment which would add $2.9 million to the Labor-HEW appropriations bill for research programs on drug antagonists. As you know Mr. Chairman, I represent a district in the heart of New York City where over half of the Nation's heroin addicts reside, a city that has been called the capital of the drug market, and a city that estimates that over 60 percent of all of its crime is drug related. Consequently, I am aware firsthand, of the destructive impact of drugs and particularly heroin on a community. I am also aware of the success and failures of our rehabilitation programs.

Mr. Chairman, when we think of heroin rehabilitation, we immediately refer to the so-called success of methadone. Unfortunately, many of the people of this country consider methadone treatment a panacea.

Unfortunately, these people are primarily concerned about reducing crime and reducing the threat to material security generally associated with the drug problem. To them, rehabilitation is synonymous with control. I submit, Mr. Chairman, that methadone should be viewed as only a step toward a drug that would truly suppress the desire for and the action of heroin. A drug that would truly reduce dependence. Methadone is not the panacea to heroin addiction.

Methadone, being a narcotic, produces both psychological and physiological dependences very rapidly. In our quest for rehabilitation we are indeed rapidly converting heroin addicts to methadone addicts, and thus producing some of the same human misery that is generally associated with heroin. In fact Mr. Chairman, in my city of New York, during the last half of 1973, 390 deaths and 532 injuries were associated with methadone. During that same period 170 deaths and 383 injuries were associated with heroin. One could easily conclude, that in terms of human destruction, methadone has become a much greater problem than heroin.

I would hope that our society has not reached the point that we place a higher value on material security than on human welfare. I hope that we do not accept control for rehabilitation and reduction in material crime as a reduction in human misery. I hope that this Congress will not accept methadone as the panacea, but see fit to provide the necessary resources to the scientific community for research toward an effective and long-lasting antagonist.

Mr. ROSTENKOWSKI. Mr. Chairman, public service employment programs are some of the most useful and effective tools the Congress has given the States and local governments to combat the consequences of high unemployment. Funds from these programs are used to train and locate job opportunities for the unemployed. This assistance is vitally needed, especially in the inner cities, where chronic employment problems cause social instability.

This year, if the predictions of many noted economists are accurate, the unemployment rate is expected to increase a full percentage point. Congress must deal with this rise by attempting to compensate for the loss of work and jobs. Certainly we are not on the right track in trimming funds from one of the most effective means of dealing with an escalating unemployment rate. If Congress passes this bill in its present form more than half of the communities in this country will have to withstand a drastic reduction in public service jobs.

The amount appropriated in this bill for these programs is roughly $300 million short of the funding level for fiscal year 1973, when the unemployment rate was lower than what it will be for the next year. The communities which will be affected by this cut have been informed that they might compensate for this by using money from the Comprehensive Employment Training Act. But, in a large majority of cases, those same communities will be receiving even less money in the coming year than they did for training programs in the last year.

The amendment offered by my colleague, the gentleman from Wisconsin (Mr. OBEY) resolves both these difficulties by increasing the amount of funds to be distributed under title I of the CETA by $300 million. Thus, the communities experiencing these debilitating reductions will at least be funded at last year's level. By increasing the allocation of these funds, spending for public employment will be maintained at about last year's level. This is one of the best ways in which we can deal with rising unemployment, while maintaining our anti-inflationary policies.

I urge all members to support this amendment in order to better combat the twin problems of inflation and unemployment.

Mr. MICHEL. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COMPREHENSIVE MANPOWER ASSISTANCE

For expenses necessary to carry into effect the Comprehensive Employment and Training Act of 1973, and sections 326 and 328 of the Trade Expansion Act of 1962 (19 U.S.C. 1951 and 1961) $2,150,000,000, plus reimbursments, to remain available until June 30, 1976: *Provided*, That this appropriation shall be available for the purchase and hire of passenger motor vehicles, and for construction, alteration, and repair of buildings and other facilities and for the purchase of real property for training centers as authorized by the Comprehensive Employment and Training Act of 1973.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY: On page 2, line 14, strike out "$2,150,000,000" and insert "$2,450,000,000".

Mr. OBEY. Mr. Chairman, this amendment involves one thing: Jobs.

One year ago Congress was funding 140,000 public service jobs under the old PEP program. This bill, according to the committee report, will fund only 104,000 public service jobs.

I do not think that is enough. Here is why: Last year when we were funding 140,000 public service jobs, unemployment was slightly above 5 percent. This fall, unemployment is expected to rise—even by administration spokesmen such as Mr. Rush, the President's new Counsel on Domestic Affairs—to 5.8 percent.

That means there will be 5,229,000 people unemployed by this fall at the time when you and I are up for reelection. In plain English, that means that there are 120,000 more people out of work now than were out of work in fiscal year 1973, and by this fall there will be 520,000 more—the highest number since World War II.

This amendment is simple. It adds $300 million to title I of the New Manpower Act and it will add enough money to create 40,000 new jobs—bringing us up to last year's level.

That is all this amendment does. Let me give you some of the figures involved. In this bill you have $350 million for public service jobs. That is all. But none of that $350 million can be spent to create jobs in areas which have less than 6.5 percent unemployment. That is half the country? Together with carryover funds, there will be a total of a little over $970 million available for public service jobs and $70 million has already been spent.

In 1973 we appropriated $1 billion, 250 million—$350 million more than will be available for next year under the bill, and unemployment was significantly lower than the administration expects it to be even by the end of this year. We are simply trying to bring the dollar level up to about the same amount and give all areas of the country which have unemployment a chance to participate in the program.

Public service employment is the least inflationary way which the Congress can combat high unemployment. Federal Reserve Board Member Andrew Brimmer noted the low inflationary character of public service job expenditures on May 26, when he advocated tough monetary and fiscal policies coupled with more generous funds for public service employment to fight unemployment which he says will come as a byproduct of the fight against inflation. The committee will tell you that they have taken care of the problem by adding $100 million to title I and that if communities need more for public employment they can take it out of title I.

But the fact is that with the $100 million added by the committee, there is still more than $50 million less for manpower training programs than was available this year. The committee position is so weak that a vote to raise the amount in the committee bill by $200 million lost on a 6 to 5 vote. Even the subcommittee which dealt with this bill and claims to know the most about it was divided virtually 50–50.

The fact is simple. We have passed a new manpower bill which is supposed to give State and local governments more ability to attack manpower training programs and job-creating programs in their own way. But if we do not pass this amendment, two-thirds of the prime sponsors in the country will receive less money for title I—to deal with both training and job-creating programs—than they received last year just to deal with training programs.

I do not think that's enough. I do not think the American people will think that is enough, and I hope you do not either.

The question is simple. If you think you can go back home and explain to your mayors, county boards, city councils, police departments, and your unemployed that you thought the public service jobs program could be funded at a level that would provide x percent less jobs than it did a year ago, you vote against my amendment. If you do not think that is a very good argument and if you think you should be providing the same number of jobs that we provided last October, you will vote for my amendment.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, I rise in strong support of the gentleman's amendment. I think this amendment is very much needed at this time.

I want to compliment the Committee on the basis of indicating they are fundamentally in sympathy with the philosophy of the Comprehensive Employment Training Act, I think this Comprehensive Employment Training Act is something which is very much needed today. It gives these boys and girls employment who are now unemployed and who do not have an employment they have a chance to be trained for. I would like to point out the OIC of Philadelphia originated this.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(On request of Mr. BARRETT, and by unanimous consent, Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. OBEY. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, this is an opportunity for training more boys and girls not only in Philadelphia but throughout the country. If this country is to be strong from without, it must primarily be strong from within. In order to be strong we must give these boys and girls adequate training so they may have adequate income.

Mr. OBEY. I thank the gentleman for his comments.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to approach this amendment from two different perspectives. If Members will just bear with me, I think I can make it very clear why this amendment should be supported.

My brother Clarence Mitchell, Jr., whom many of the Members know, was recently attacked on the way into his home. He was shot, and even after he was shot, he fought off his attackers. Finally two young men were apprehended and arrested. Neither has any prior criminal record. When they were asked why they were not working, they pointed out they had been trying to find jobs. They also pointed out they had made the rounds of every manpower program existing in my city, only to be advised that the manpower programs could not take on anyone else simply because there was not any more money.

Now, let me approach it from the other perspective. After this Congress enacted the Safe Streets Act, providing LEAA money, we have consistently given more money for LEAA, but, despite the fact that we have consistently increased the budget for LEAA, we have seen a constant rise in crime.

So it is fairly obvious to me that the increased funding for LEAA is not going to appreciably diminish the amount of crime in this country. I think my colleague, the gentleman from Wisconsin (Mr. OBEY) has focused in on the crucial issue. We resolve this problem of crime in our cities and our counties—and by the way, crime is constantly rising in the suburbs—we resolve this difficult problem by giving jobs to people.

I see no reason why anyone should oppose the Obey amendment. Just consider the high rate of unemployment, that is predicted to go even higher, which impacts heavily in minority communities. I see no reason why we should not take this opportunity to support the amendment. We have the chance to address ourselves to the very fundamental and critical problem that LEAA will not solve and that speeches will not solve.

I urge support for this amendment. It is needed. It is necessary. It is critical if we are going to do the right thing on behalf of people who really want to work, and want to contribute to society and want to be a meaningful part of society.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Illinois.

Mr. MICHEL. I wonder if the gentleman could tell me in the two references he made how they would be employed under the particular kind of amendment provided for here today?

Mr. MITCHELL of Maryland. To the extent that either of those two young men could get into a meaningful training program their pursuit of criminal activity may have been deterred.

May I continue?

Mr. MICHEL. Yes. We are not against the manpower training program. This amendment does not help those people out in their particular training program. It calls for public service employment and these people are not in that category.

Mr. MITCHELL of Maryland. I am trying to answer that question, if the gentleman will give me a little more time.

One of the better aspects of the manpower training programs is that they go through the process of grooming people, giving them additional training so that they can enter into public service jobs. That is the method by which many of the manpower training programs operate. That would be a way we could perhaps help these young men who did this atrocious thing.

Mr. MICHEL. I just say to the gentleman that the record and the statistics would show that it is really the unskilled and the untrained that the gentleman lists here that do not benefit from this program at all. It is those that have skills as public service employees——

Mr. MITCHELL of Maryland. Unfortunately. I am not a member of the committee, and therefore do not have the same information as my colleague, but I would indicate to him that in traveling around this country, I have found many, many public service programs that do not exclude the unskilled and the untrained.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us not kid the troops. It is all very well to come here and break down and cry about what this problem is. Nobody in this House, including anybody who speaks to this amendment, is more concerned, and everybody in this House knows it, than this subcommittee. Who in the world has been carrying the ball on these programs for years and years but this committee on these bills? Who in the world knows more about unemployment than I do personally in my district in the coal fields?

When I came here, we had unemployment case loads—this is 30 years ago when I first stood in this well—of 19.7 percent. We know about unemployment.

Have we heard of the Agnes disaster 2 years ago?

Two years ago, the 22d of June. How would you like to be named FLOOD and come from Wilkes-Barre, Pa. If you saw that in the movies, you would walk out. I know about unemployment, but I rise in opposition to the amendment.

This is the Appropriations Committee—the Appropriations Committee. I sympathize with the Member offering this amendment—you know very well I do; of course I do; we all do. That has got nothing to do with the case here.

As the members of this subcommittee know, I personally would have been very willing to include a somewhat larger amount for public service employment—of course.

However, as I stated in my opening remarks, this bill represents a consensus. The toughest law in the world is the law of inflation. This is a compromise. Legislation is the art of compromise. I am not arguing the merits. This is the wrong committee, the wrong place, and the wrong time.

In this case, what was the consensus? The consensus of the subcommittee was to increase by $100 million over the budget. The President asked for a certain figure. We agreed to an over-the-budget figure of $100 million. Now, wait until you hear this: Then, together with the funds that we provided in the second Supplemental Appropriations Act, which became law on June 8, just a couple of weeks ago—remember? We voted a respectable and a very defensible amount of money for the employment and training under the current economic conditions. Let me quote from the committee report. This is the committee report we filed on this:

> The bill includes $350 million, the amount of the budget request—

Watch this—

> For carrying out title II of the act, which provides for programs of transitional public service employment in areas with an unemployment rate of 6½ percent or more for 3 consecutive months.

Now, listen to this; do not get carried away; watch—just try and handle this:

> Together with funds appropriated earlier this month in the second Supplemental Appropriation Act for 1974, the amount in the bill provides a total of $970 million—

Nearly a billion dollars. Wow, what do you want, diamonds? For public service employment? We are not for this? We are chiselers? We are not for this program—a billion dollars—wow.

Well, according to the Department of Labor statistics, this bill will support the public service employment programs through December 1975.

The CHAIRMAN. The time of the

gentleman from Pennsylvania has expired.

(By unanimous consent Mr. Flood was allowed to proceed for 1 additional minute.)

Mr. FLOOD. In the event of a sharp rise in unemployment, the expenditure of these funds could and should be accelerated to bring more unemployed people under the public service. Of course, it should be if it happens. If it happens, yes.

Under the law sponsors may also use funds that they receive under title I of this same law to provide public service jobs if this seems desirable.

Think about your own backyard. If this seems desirable in light of local circumstances, this can be done by your own people with the money under title I.

If you need it, there it is.

I would like to make two additional points, Mr. Chairman. The first is this: If it is a fact, as the proponents of this amendment allege, that two-thirds of the prime sponsors in this country will receive less money under title I in the committee bill than they received for training purposes alone, last year that that situation—now, listen—that situation, if it is so as a fact, is not due to the shortage of funds. It has nothing to do with the money. Do you understand that?

That is not the problem. It is due to the formula for distributing the funds—which you wrote into the Comprehensive Employment and Training Act which became law just 6 months ago, and you voted for it. You said so.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent Mr. Flood was allowed to proceed for 1 additional minute.)

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. Flood was allowed to proceed for 3 additional minutes.)

Mr. FLOOD. Mr. Chairman, I believe the authors of this law, if they do not like this, must see that their problem is the distribution formula in the law. What should they do? Change the law. That is what you are here for. Change the law that you voted for. Do that instead of appropriating an additional $300 million.

Mr. Chairman, if we are going to appropriate these additional funds, why not appropriate this money under title II rather than title I? The title I funds are targeted to the area of the higher rate of unemployment of 6.5. The gentleman's amendment has additional funds in title I, but those funds do not go, in this amendment, into the areas where there is high unemployment.

Furthermore, it will not help a bit.

The decision to use these funds is entirely up to the prime sponsors so that—watch this—there is absolutely no assurance whatsoever that one dime of that $300 million my friend is talking about will be used for public service employment, no assurance that they will spend a dime for it. That is what you are doing.

Mr. Chairman, I certainly would hope that the Members defeat this amendment.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Yes, certainly.

Mr. OBEY. If unemployment rises, as the administration expects it to, does the gentleman not think that any mayor not using it for public service jobs would be an idiot?

Mr. FLOOD. That is a matter of opinion. That is why we are here.

Mr. OBEY. You are willing to take the money for jobs out of the training.

Mr. FLOOD. Certainly, if and when it becomes necessary. You know very well that this money can be used at the source itself under the authority of the title that we are talking about. There is no way in the world that you can say one penny of the $300 million for the thing you are talking about should be spent otherwise, not at all. You cannot tell this House that.

Mr. OBEY. Where would we get it from to do otherwise?

Mr. FLOOD. There is no need to do it now.

Mr. CONTE. I move to strike the necessary number of words and rise in support of the amendment.

Mr. Chairman, I am pleased to cosponsor this amendment with my good friend and distinguished colleague, the gentleman from Wisconsin (Mr. Obey).

The chairman made a very eloquent plea against this amendment. He says that this committee has been carrying the ball for a long time in this particular area, and no doubt they have, but they have not been carrying the ball long and hard enough.

What we want is a touchdown here. We do not want to be short of a first down.

Then the gentleman asks, "What do you want. Do you want diamonds? Do you want diamonds? Do you want diamonds?"

I will answer the gentleman from Pennsylvania in this way: We do not want diamonds; we want jobs. We want bread on the table—bread on the table—bread on the table. That is what we want: jobs, not diamonds.

Mr. Chairman, I am pleased to cosponsor this amendment with my distinguished colleague, the gentleman from Wisconsin (Mr. Obey).

There are compelling reasons for our offering this amendment.

We are now changing over from our traditional, nationally directed manpower programs to a modified form of special revenue sharing. We are placing extraordinarily heavy responsibilities for this new program on State and local governments. At the same time, inflation and the minimum wage increase are raising program costs. And, there are strong indications that we face an increase in unemployment in the next 12 months.

I have been, and am, a strong supporter of the concept of revenue sharing. But when we are asking State and local governments to take over the responsibility for special programs, as we are with the manpower programs, we must make sure that adequate resources accompany that responsibility.

The committee bill does not provide those resources. As we pointed out in our additional views to the committee's report, even with the anticipated carryover funds from the supplemental fiscal year 1974 appropriation, there will be a substantial reduction in job programs next year. Two-thirds of the prime sponsors in the country will, we calculate, receive less money for title I under the committee's bill than they had for training programs last year.

At the same time, title I is going to have to provide supplementary resources for public service employment. In many areas, title I funds will be the only source of funds for public employment.

We have predictions from economists in and outside of the Federal Government that unemployment will reach 6 percent in this coming fiscal year. I might add that in Massachusetts it is already 7.7 percent. With the June graduating class now entering the job market, we can anticipate higher unemployment by the end of the summer and belt-tightening to fight inflation will add its toll in joblessness.

No one claims that public service employment is the long-term solution to our unemployment problem. But it is the least inflationary way we can meet the immediate situation and, in human terms, it is far and away the best course.

With the $350 million in the committee's bill for title II, and a carryover of about $550 million from the fiscal year 1974 supplemental, there will be about $900 million available for public service jobs. That is about $350 million below what the Congress approved in fiscal year 1973 when the unemployment rate was almost a percentage point below what economists now project for the next year.

Aside from the level of funding, many high unemployment communities do not qualify for title II. In some cases we know that this is because of requirements written into the implementing regulations or the lack of uniformity in the Bureau of Labor Statistics' computation of local unemployment rates. In our additional views to the committee report, my colleagues and I noted that the Manpower Administration's region IV, which contains 13 percent of the unemployed in the country, receives only 4.5 percent of funds to be allocated under title II. Ironically, in my own district in western Massachusetts, the town with the highest unemployment rate is not eligible for title II.

We cannot impose on title I the weight of making up the overall reduction in public employment funds, of providing the only resources for public employment in other communities not eligible for title II, and still expect State and local governments to maintain the basic training programs that are the only long-term solution to our unemployment and under employment problems.

Our passage of the Comprehensive Employment and Training Act carried with it the commitment to provide the resources to make it work. The present and projected economic situation only deepens that commitment. I urge all of my colleagues, most strongly, to support this amendment.

This amendment has been offered by me, Congressman OBEY, and Congressman PATMAN.

I might mention here that I have received word from many reliable sources today—and I have not been able to verify it—that the Department of Labor sent down to OMB a supplemental request for $280 million for the very thing we are asking for here on the floor of the House of Representatives today. I hope we will see the wisdom of passing this amendment.

Mrs. GREEN of Oregon. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, let me start where the gentleman from Massachusetts left off.

I think the rumors are more than rumors. It is my understanding that the recommendation is going to come up requesting $280 million more for jobs.

It seems to me today that the House could take some leadership and we could act in the light of what the problems are. In 1973 we had an unemployment rate of 5.2 percent and we appropriated $1.2 billion. In 1975 the estimates are that we are going to have at least 5.8 percent unemployment, and perhaps higher, and we are appropriating in the bill $970 million. I really do not understand the logic of this.

We heard eloquently about diamonds. Mr. Chairman, I know of nothing that is sadder in the country than the man who is without a job, because that man has been robbed not of diamonds but he has been robbed of his dignity and of his self-respect; and he may lose the respect of his children at home when he is not the breadwinner and cannot bring home money to supply the family needs.

May I also suggest, as I see it, that the amendment offered by the gentleman from Wisconsin is actually an amendment which would save money in the total HEW budget. Why do I say that? Because if you do not have a job and if there is no money to buy the necessities of life, under our system there is one great alternative: go on welfare.

About 4 years ago I asked the Library of Congress to do a study for me of what a family of four could receive if they went on welfare and if that family were able to take advantage of all the programs we provide in addition to the ADC cash payments such as free medical care, food, stamps, free legal aid, housing subsidies, and so forth, and so forth. The Library of Congress reported to me—and I use Portland, Oreg., as an example because the welfare figures differ in different areas. A family of four in Portland, Oreg., if they are on welfare and take advantage of all the programs available could get over $11,000 in cash and in kind and there would not be one day of work done and they would not pay back 1 cent of income taxes to the Federal Government.

Then I asked about a hypothetical family of nine on welfare; if that family took advantage of all the programs in addition to the ADC, if they took advantage of all the other programs, they might receive in cash and kind of $21,000. I have to advise that we do not have enough housing or enough Head Start programs for everybody, so I am not saying everyone on welfare receives it, but if a family of nine on welfare takes advantage of all of the programs, that family could have I repeat an income in cash and in kind of over $21,000; and not one member of that family would have to work one single day and they would not pay back to the Government a single dime in income taxes.

When we have unemployment that is at the present rate and may go over 6 percent, as the gentleman from Wisconsin and the gentleman from Massachusetts have both said, if you do not supply a job which will give the families money, dignity and self-respect and help the family unit stay together, then the alternative is welfare. Welfare is nothing but a paying-out program with nothing being paid back in income taxes to the Federal Government.

The gentlewoman from Michigan, MARTHA GRIFFITHS, I think has done a superb job in the study of our welfare program. Her report is about to be released. And when that hits the fan, when that hits the House and hits the press, I suggest to the chairman of my committee there may be welfare families who can buy diamonds, but the unemployed family and too proud to go on welfare will not have the bread.

So I regard the amendment that is being offered by the gentleman from Wisconsin a humane and compassionate step that will help to allow a family unit to stay together, to allow them to retain dignity and self-respect, and at the same time that family would be paying back income taxes to the Federal Government; therefore the Government itself would be better off in terms of total budget.

So, Mr. Chairman, I urge the support of the Members for the amendment which has been offered by the gentleman from Wisconsin, and was cosponsored by the gentleman from Massachusetts, and also the gentleman from New Jersey (Mr. PATTEN).

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is with some reluctance and with diffidence, of course, that one rises in opposition to the chairman, the gentleman from Pennsylvania (Mr. FLOOD) in whom we have great respect and great admiration, but I rise in strong support of the amendment as offered by the gentleman from Wisconsin (Mr. OBEY) the so-called Obey-Conte-Patten amendment, to increase by $300 million the appropriation for the Comprehensive Employment and Training Act.

This money will be used primarily for public service jobs, and is necessary in order to allow the States and the local governments to operate their manpower training programs.

The truth of the matter is that if we do not have this program, the public employment program will be cut back by as much as two-thirds in about half of the communities in this country.

I would particularly like to say to those Members who are on my side of the aisle, that rarely on a Monday do I come in and not hear certain complaints. The complaints mostly are about inflation, about the frustration at home, about the economy, about what has happened, and is there not a way that we can put a legislative package together whereby we can help the economy?

The Speaker has been keenly aware of this, and everybody else has been aware of it, and right at this particular time we have had a group of some of the finest and greatest economists in the world downstairs, and the Democratic Members have been listening to their arguments for some 2 or 3 hours.

They have been hearing from such people as:

Dr. Otto Eckstein, president of Data Resources, Inc.; former member of the President's Council of Economic Advisers.

Dr. John Kenneth Galbraith, professor of economics, Harvard University; noted author.

Dr. Walter W. Heller, professor of economics, University of Minnesota; former Chairman of the President's Council of Economic Advisers.

Dr. Leon Keyserling, consulting economist; former Chairman of the President's Council of Economic Advisers.

Dr. Robert Lekachman, professor of economics, City University of New York.

Dr. Arthur Okun, economist, Brookings Institution; former Chairman of the President's Council of Economic Advisers.

Dr. Paul Samuelson, professor of economics, Massachusetts Institute of Technology; Nobel Prize winner.

Dr. Charles L. Schultze, economist, Brookings Institution; former Director, U.S. Bureau of the Budget.

Dr. James Tobin, professor of economics, Yale University; former member of the President's Council of Economic Advisers.

We realize that most everybody has a pessimistic view of our economy.

I think we can ill afford at this particular time to inadequately fund the PEP program. This issue is being discussed downstairs.

We have asked them if they can recommend any kind of a package that we can put together, and the first thing that they have said about this is, yes, of course there is a package. The first thing is that there should be more public service jobs. They are all in agreement on that, and they also recommend a tax cut for the lower income people, and a closing of the existing tax loopholes.

And in speaking of such a package, these prominent economists agree that we should put more funds into job training programs such as suggested by the amendment offered by the gentleman from Wisconsin (Mr. OBEY) which, makes adequate funds available for public service employment. These economists point out that this is the least inflationary way in which the Congress can combat unemployment. But interestingly, a member of the Federal Reserve Board, Mr. Andrew Brimmer, noted that monetary and fiscal policies coupled with more generous funds for public service jobs are the primary means to fight unemployment. It will stimulate the economy and moderate a further rise in unemployment while acting, at the same time, as a by-product against inflation.

I agree with the gentlewoman from Oregon. She is positively right. We know how many families would be working for a minimum wage. There are four or five children, or four or five in the family, and they cannot get by, so a husband runs away or leaves his job so the family can go on welfare. If we had a program like this, a PEP program to augment the salary of the father, it would unite the family and it would keep the family together. We need a program of this type, and it is not funded in an adequate manner. We must add at least $300 million onto this at the present time.

I speak strongly because I have a type of a district that is an in-town area, which is also a tenement district, and which is an area in which people at this time of the year, students particularly who are fresh out of school, are looking for jobs. I just cannot stress too strongly to the Members the need for a program of this type.

We have bipartisan support, the gentleman from Wisconsin, the gentleman from Massachusetts, and the gentleman from New Jersey who are all coauthors of the amendment.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from New Jersey.

Mr. PATTEN. I thank the gentleman for yielding.

Within the month, in my district, RCA at Woodbridge, N.J., told 600 people to look for other work because the market is gone with the new solid state TV tubes, that they would be laid off.

A week ago Tuesday, the Phelps-Dodge plant in South Brunswick laid off 1,700 people, and as far as I can find out, I think it is due to inflationary factors. This was the leading factory in the world for making long tubes. No plant can make a longer copper tube than this plant. So I want to associate myself with the remarks of the gentleman. I know this amendment is good, and this is the way we should go.

Mr. O'NEILL. Mr. Chairman, I appreciate the gentleman's remarks. May I just say the recent statistics compiled on those who benefited from the program speak for themselves. Twenty percent of those who participated in the public employment program were teenagers; 27 percent were Vietnam veterans; 85 percent of all those who participated were not receiving any unemployment compensation.

Mr. Chairman, if it were not for these programs, 85 percent of the people who are on the program would have been on welfare. I believe in the amendment. I think it is a worthwhile amendment, and I urge that we adopt it.

Mr. McKINNEY. Mr. Chairman, I move to strike the necessary number of words and I rise in support of the amendment. Mr. Chairman, without a doubt, the top priority facing us today is jobs. Rarely in recent history have there been such an abundance of questions and an absence of answers to what ails us. The experts are stumped. The economists are bewildered. And the average guy on the street is confused and frustrated. At a time when the key themes are uncertainty and doubt, conventional textbook solutions seem almost a quaint relic of a simpler, bygone era.

Almost every solution under the sun, from cutting taxes to creating recession, has been put forward. Yet, as we struggle to make sense out of a confused picture, I think that it is vitally important not to lose sight of the practical effects of our current woes: People are being thrown out of work, and all too often, we do not have adequate resources to take care of them. As we stand here in Congress, debating abstract economic theory, this one fact keeps coming through loud and clear. The need for congressional action should be so apparent by now that I am shocked we have to debate it every year as if it were some fresh, new revelation.

In that light, Mr. Chairman, I think that the amendment offered by my colleagues, Congressmen OBEY, CONTE, and PATTEN, is of critical importance. It would be a mockery of the Comprehensive Employment and Training Act of 1973 not to add $300 million in title I appropriations for the coming fiscal year. The rationale for this amendment—as well as the program in general—is quite sound.

Under title I, the public employment programs provide State and local governments with both the opportunity and the means to hire people for public service employment. Title I money has not been used exclusively for public service employment in the past, but with the projected increase in the unemployment rate, I think local governments should have this flexibility to deal with problems as they occur in their particular areas. Title I is the vehicle for channeling this money directly where it can do the most good and ease some of the unemployment crunch we will be feeling in the next few months. And, as Mr. OBEY has noted, unless we can pass this amendment, two-thirds of the prime sponsors in this country will receive less title I money than they received for training programs last year.

The $300 million is not a whopping giveaway. It is, in fact, roughly $50 million below what Congress approved for fiscal year 1973, and I only wish that even more money could be made available. I do not consider this money inflationary, either, so long as we maintain tight fiscal and monetary policies. Funding public employment programs is not inconsistent with sound fiscal management. It is only when Congress abdicates its responsibility to keep the lid on Federal spending that we are confronted with the untenable position of rampant inflation and galloping unemployment. Maintaining funding for local employment opportunity while holding the line elsewhere is a totally responsible and sound way of dealing with the problem of unemployment.

For these reasons, Mr. Chairman, I intend to vote for the Obey amendment to the Labor-HEW appropriations bill. But our responsibility to the workingman should not end there. Of vital and perhaps even more importance is the strengthening of our present unemployment compensation programs. Let's face it. Even with another $300 million to hire people for public service employment, a lot of people are either out of work right now or will be out of work in the very near future, barring some unforeseen dramatic shift in our economic picture.

Let me take this opportunity to emphasize once again the importance of passing H.R. 14691, the Special Unemployment Compensation Act of 1974, and passing it now. That bill, which I cosponsored with Congressman ESCH, would represent a tremendous step forward in providing money to people who are out of work at the time they need it most. More importantly, it would come directly to those areas where unemployment is highest at a time when those areas need it rather than wait for the rest of the State to catch up. Let me illustrate. In Connecticut, unemployment was 5.6 percent in May of this year. In January 1971, when I first took office, it was 8.5 percent. In Bridgeport, unemployment is currently 7.6 percent. While that is a reduction from 11.7 percent when I took office, it is still far from the healthy economic picture I'd like to see. The same fact of life applies to Stamford and Norwalk as well. Unemployment in Stamford is currently 5 percent, down from 7.2 percent, and Norwalk is currently 5.2 percent, down from 7.1 percent in January 1971.

The figures have improved somewhat since 1971, but they are still far from encouraging. They do underscore the need to trigger money into these areas as soon as the need arises and to make that money reflect the actual unemployment rate in the particular local region, not some unrelated statewide total.

Under H.R. 14691, the benefits will begin flowing as soon as the particular labor market area exceeds a 4.5 percent rate of unemployment. The bill would extend an additional 13 weeks of Federal unemployment compensation where the insured unemployment rate was either 4.5 percent for the previous 13 weeks or 4 percent for the previous 13 weeks, and equaling or exceeding 120 percent of the base period of October 1, 1972 through September 29, 1973. It will also extend benefits an additional 13 weeks over and above all existing programs, thus stretching possible maximum benefits to 52 weeks of unemployment insurance.

When I took office in 1971, the people of my district were hamstrung by the existing program, which did not really reflect the wrenching unemployment of our area because some other parts of Connecticut were not as hard hit. Had H.R. 14691 been in effect at that time, it would have made the shift from wartime to peacetime less devastating than it actually was. Sad to say, the need for such an approach to unemployment did not end with our involvement in Vietnam. Even though the war is now behind us, the energy crisis has brought on another unemployment crunch in just an unrelenting and oppressive a manner as before. It will not be enough merely to plan for the future and talk of self-sufficiency some 15 years from now. What we have to do is to make sure that the people who are bearing the brunt of the energy shortage are compensated now. I can think of no better way of doing it than through H.R. 14691.

I was encouraged that the Ways and Means Committee held hearings on unemployment compensation legislation in April, but so far nothing has come out of that committee. I hope that the committee does not decide to shelve this bill just because the most dramatic part of last winter's energy shortage is now behind us. For 1974 to go by with no reform of the unemployment compensation system would be an absolute crime. I hope that the committee will work promptly on this bill in the near future and report out some solid legislation for the full House to pass. The day for contemplation and consideration is over. The time for action is now.

Mr. MICHEL. Mr. Chairman, I move to strike the necessary number of words and I rise in opposition to the amendment.

May I first address myself to the prospect of a budget amendment that was alluded to here earlier. Let me just talk to the Members about the politics on both sides of the aisle, about busting the budget. If there is the prospect some time down the road in the next few months of beefing up this program, let us force them downtown to come up with a budget amendment and make ourselves look good. We do not need that right at this particular time. I would say to the Members, frankly, on both sides, in a political sense, why go busting the budget? Why do we not force the folks downtown, if it is really that bad, to come up here with a budget amendment? We will honor it, and I am convinced, as wedded as my administration is to this concept, that if it is that bad, they will be up here with one of those things.

We are drawing to the close of the current fiscal year 1974. The chairman just made reference to the second supplemental that was signed 20 days ago, and of all that money in there that obviously was not spent in fiscal year 1974—we are just beginning the fiscal year 1975 July 1—how much do we have available?

For fiscal year 1975, roughly the same amount of money as was actually spent in 1973 is available for public employment. In the second supplemental for fiscal year 1974 passed just 2½ weeks ago, we appropriated $370 million under title II of CETA, plus $250 million for the continuation of the PEP program, for a total of $620 million. Now, in this 1975 bill, there is an additional $350 for title II public employment program. With the recent enactment of the 1974 supplemental and the additional funds in this bill, a total of $970 million is available during 1975 for public employment programs, a level equal to the amount spent as opposed to funds obligated in 1973.

In terms of the funds actually spent by local communities in 1973, expenditures were one billion dollars, not the $1,250,000,000 appropriated and obligated.

How much have we got available? I am not going to repeat these amounts time after time, but we do have a good portion in here. Let me give the Members a couple of figures on man-years and employment and training, from two tables I will insert in the RECORD.

ACTUAL USE OF FUNDS

[Dollar amounts in millions]

	1973		1974		1975	
	Man-years	Amount	Man-years	Amount	Man-years	Amount
ACTUAL USE OF FUNDS						
Training programs	563,000	$1,359	643,000	$1,746	658,000	$1,419
State and local	332,000	702	378,000	1,010	378,000	1,019
Summer	141,000	239	190,000	397	190,000	400
National	90,000	418	75,000	339	90,000	381
Public employment	145,000	1,014	86,000	600	139,000	970
EEA	145,000	1,014	86,000	600	36,000	250
CETA, title II					103,000	720
Grand total	708,000	2,373	729,000	2,346	797,000	2,389

	1973		1974		1975	
	Man-years	Amount	Man-years	Amount	Man-years	Amount
APPROPRIATIONS						
Training Programs	606,000	$1,549	568,000		568,000	$1,419
State and local	356,000	890	378,000	$1,010	(378,000)	(1,019)
Summer	150,000	239	190,000	397	(190,000)	(400)
National	100,000	420	75,000	339	90,000	381
Public employment	180,000	1,250	89,000	620	50,000	350
EEA			36,000	250		
Title II, CETA			53,000	370	50,000	350
Grand total	786,000	2,799	732,000	2,356	708,000	2,150

My friend, the gentleman from Maryland (Mr. PARREN MITCHELL) was asking about an increase in State and local training programs. In 1975 we have 378,000 man-years for State and local people who can be trained; in summer employment, 190,000—remember, that each summer job is one-fourth of a man-year; in funds provided for by the committee in the national training program, another 90,000; in public employment, 139,000; and in the EEA there are 36,000; and in title II, there are 103,000. So we have 797,000 man-years of training and employment for 1975 as against 708,000 man-years in 1973. That is a significant increase.

My dear friend, the gentleman from Massachusetts, made the point of needing to restore the funds to the 1974 level that existed for two-thirds of 400 prime sponsors who are administering manpower training programs. However, the gentleman neglects to say that in his comparison there is the remaining 20 percent of funds we are also appropriating in relation to title I of the Comprehensive Employment and Training Act. Funds for this item, in this bill, amount to $360 million that those same people he is concerned about, our mayors and our city officials and our State officials are going to be able to use for these different programs that we have authorized in that 20 percent. It is broken down into several specific categories—5 percent for this and 6 percent for another category and 4 percent for another, but that is right in here.

Right now no one knows for sure how much each sponsor will receive from this source of funds. I checked this morning to try to get some figures. Yesterday my Governor sent me an urgent telegram saying that it means $15 million for Illinois and I should support it. I fired back a telegram asking him to tell me where that money will be spent and how many people he will have on the rolls. I am waiting for a response. He does not know and those people who are urging our Governors to wire us do not know what is in this bill and they do not know how many who are going to be in employment are going to be stricken from the rolls. All they know is there was a big hump out because the money could not be all spent in 1974.

We cannot compare apples and oranges. It is the number of people actually in the training programs and how many people are actually working that is what counts. It cannot just be on the basis of the appropriation figures for fiscal year 1973 or 1974 or 1975 and the apparent levels of the funds. It is when those funds can be spent, and how many people are on the rolls. I submit we will have 797,000 man-years in public service employment and training programs as against 708,000 in 1973.

Even if we have to do something down the road, I would point out we have not even begun the fiscal year. Can we not give them until September or October sometime to determine whether or not we really are going to have to beef up this program? Beyond that time, when we go home for election we will have had at least one more supplemental before that time, I suspect, unless something tragic and different altogether happens. I urge the Members to stick with the committee and then they can go home in good conscience and tell their people we have appropriated a sufficient amount of money to cover this problem.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, under our legislative system we work largely through the various committees of the House. We assign tax legislation to one committee and appropriations to another, and so forth. The budget was assigned to the Appropriations Committee. When the record $304 billion spending budget was submitted by the President in February, there was a hue and cry from throughout the country that this was too much, that it was highly inflationary, and that it ought to be reduced.

Some of the leaders in the Congress on both sides of the aisle said we must cut the budget, they said the Committee on Appropriations must cut the budget. We said we have to get spending under control, and we proceeded to enact a budget control bill. We claim that we are serious about monitoring the spending in the budget. We said we must use some restraint and not vote for every popular sounding budget-busting amendment that is offered.

All the legislation in the world, budget control or otherwise, is not going to be effective unless we have the will to hold the line on spending. Well, here we have a test of whether or not we have the will to vote down this amendment and hold the line on spending. If the amendment were twice as much or three times as much, there are many Members of the House who would feel compelled to vote for it. Of course, I understand that; but I would hope that the majority of the Members of the House would be like the majority of the members of the Committee on Appropriations and would feel that what has been recommended is a fairly reasonable solution to the problem.

As the gentleman from Illinois just said, if a budget amendment is submitted later and if the situations worsens and it becomes imperative that we spend more and more in this field for this purpose, then that can be considered at that time.

So what total does the budget call for? Many of us objected that it was quite high. There is $304 billion in spending requested—$304 billion in spending—what is that money for? A large portion of it is really for jobs. We have a $304 billion budget and much of it is for jobs.

The total Federal spending for jobs is not by a long shot just the $300 million being talked about today. A big chunk of the whole budget of $304 billion is related to jobs. It provides jobs, jobs, jobs, and more jobs.

Now, is this enough under all the circumstances? Including amounts already in this bill something like $970 million will have been provided since June 8 for public service jobs.

Have we entirely forgotten revenue sharing, the $6 billion a year that is being poured out to the communities and States and the cities? Have we forgotten that? What is that money? It is jobs, jobs, jobs. Have we forgotten all the other manpower programs and all the other Government programs that have the effect of providing jobs?

I would hope that we would show some restraint at this time and if the situation worsens and we need to supplement what is already being provided, we could consider it at a later date; but let us show restraint at this time and let us vote down the amendment which is pending.

Let us adopt a bill that has been worked out so painstakingly over a period of about 5 months. It would seem that with a $304 billion budget, much of which is for jobs, there is reasonably adequate provision made. With all the money for people programs, it would seem that the bill as recommended by the committee is reasonably good in view of the fact that the national debt is skyrocketing, and that the deficit for this year is about $18 billion, and the estimated deficit for next year is about $20 billion.

The good that the amendment might do might be outweighed by the overall inflationary effect it and similar, well motivated, but fiscally unwise, amendments will have. I hope the amendment will be defeated.

Mr. BADILLO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, today more than 4,700,000 fellow citizens are out of work and millions more are significantly underemployed and are earning less than a living wage. Economists and others predict that this situation will worsen before the end of the year and we face the distinct possibility of seeing more than 5 million unemployed men and women in just a few short months. This figure does not include the additional millions who have despaired of finding gainful employment and are not actively seeking work.

Tragically, the legislation before us this afternoon barely touches the surface of this long-standing and pernicious unemployment crisis. The funds appropriated by this measure will fall far short of providing relief for those millions of Americans who are not working and offers little hope or encouragement for the future. This administration's callous disregard for the plight of the unemployed and underemployed has been amply demonstrated by its request of the absolute minimum under title II of the Comprehensive Employment and Training Act—$350 million. The authorization is open ended and the administration could have requested funds to at least attempt some meaningful effort to provide work opportunities through public service employment.

By playing the numbers game and including those funds appropriated in the second supplemental appropriations bill, the administration has attempted to picture the allocation of almost a billion dollars for public service employment under CETA's title II. As the Appropriations Committee report notes, however, this figure—$970 million—

> will support public service employment programs through December of 1975, with a *peak* enrollment of 104,000 persons in March and April of 1975." (emphasis added).

In my opinion this is nothing more than a cruel hoax being perpetrated on the unemployed and underemployed as CETA and the Emergency Employment Act seemed to provide some small degree of hope and relief for those seeking work.

While it is quite true that local communities and other CETA prime sponsors can utilize title I funds also for public service employment, they have other priorities they are attempting to meet under the program. Even with some additional carryover funds from the second supplemental it is reported that many areas throughout the Nation will have less funds during fiscal year 1975 for public service employment and job training than they had for job training alone in fiscal year 1974. Furthermore, it is imperative that we consider the fact that during much of fiscal year 1974 the unemployment rate hovered around 5 percent. The level of public service jobs will decrease by about 30 percent with the funds appropriated under this legislation while there will be an increase over last year of some 15 percent in the number of unemployed based on the predictions of a 6-percent unemployment rate during fiscal year 1975.

Our distinguished and able colleague from Wisconsin (Mr. OBEY) has offered a timely and urgently required amendment. By adding some $300 million to title I the prime sponsors will have the wherewithall to carry out larger or additional public service employment programs. This is not an especially generous amount as, coupled with funds already appropriated under the second supplemental, the amendment will bring the level of funding for public service employment back to about what it was for fiscal year 1973. Without this modest increase communities throughout the country will be forced to attempt to offset the decrease in public employment in their locations with training moneys which have also been reduced. I fear that this will be an impossible task and that both the CETA prime sponsors as well as those individuals who could benefit from the public service employment program will suffer irreparable harm. We cannot let this occur and we must move promptly and decisively to enact the Obey amendment to add $300 million to title I.

Although I am certainly hopeful that these additional funds will be utilized to expand and increase public service employment opportunities, I also want to encourage the prime sponsors and the Labor Department to use some of these moneys to fully and effectively implement the congressional mandate to focus attention on the unique and special needs of those persons of limited English-speaking ability as outlined in section 301(b) of CETA. I commend the distinguished gentleman from Pennsylvania (Mr. FLOOD) and his colleagues on the Appropriations Committee for calling attention to this particular feature of CETA in its committee report.

As the committee has so clearly indicated, it "expects the Secretary to give this responsibility (section 301(b)) immediate and serious attention and to allocate sufficient funds to carry it out effectively, giving due consideration to those community-based organizations which are experienced in dealing with the problems of Americans with limited English-speaking ability."

This language, coupled with previous language during House and Senate consideration of CETA, should leave no doubt in the minds of Labor Department officials that the Congress fully intends and directs that not only is 301(b) to be completely carried out but that significant efforts must be made to meet the needs of those fellow Americans who do not speak English as their mother tongue—whether they be the Spanish-speaking in the Northeast and Southwest, French-speaking in Maine or Louisiana, Oriental languages in the West or numerous other tongues which are used as the lingua franca of a particular ethnic group or community. It is particularly important that this close attention be given to the limited English-speaking as there is little question that they account for a very large percentage of the unemployed and underemployed and are greatly in need of the assistance provided by CETA.

Mr. Chairman, the measure before us today has great significance for the victims of the administration's inept economic policies and the persistent unemployment dilemma which they have so seriously exacerbated. It has been the blacks, the Spanish-speaking, women, youth, Vietnam veterans, older Americans, the impoverished and disadvantaged who have been forced to bear the brunt of the high levels of unemployment and who have suffered on account of the lack of sufficient job training and manpower programs. Their plight has certainly been further aggravated by soaring inflation and the failure of Mr. Nixon and his advisers to effectively come to grips with these and related problems. Thus, we must take affirmative steps to enable State and local governments to meaningfully carry out those programs we authorized under CETA. We must give them the ammunition with which to cope with the unemployment crisis, particularly in those areas where the jobless level surpasses certain rates, including those communities which fail to meet the 6.5 percent unemployment requirement of title II but nevertheless are experiencing significant manpower needs.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from Wisconsin.

Mr. OBEY. Let me make a few points, in closing, in response to the gentleman from Texas, the chairman of the committee on Appropriations. No. 1, the subcommittee which dealt with this issue voted on a 6-to-5 vote against an amendment very similar to the amendment I am offering today.

In fact, a majority of the Members who served on the subcommittee who were present voted for it, and it was only because the ranking minority member and the chairman of the full committee have a right to vote in subcommittee that the amendment failed at that time.

No. 2, as has been already suggested, the OMB has already received a request from the Labor Department, we are informed, for $280 million in additional funds for title I. Why should we not provide the money when we know it is necessary? Why should we wait for their official recommendation when we know they have already sent that down to OMB.

No. 3, Region No. 4, which includes every State east of the Mississippi and south of Kentucky, has 15 percent of the unemployment in the country. Under title II, they only get 4 percent of the funds. This will help correct that.

No. 4, remember that the unemployment estimate upon which the President's budget was built was 5.3 percent. The administration itself expects unemployment now to rise to 5.8 percent. The facts are there. We need the money. I think we recognize it and I hope we support it.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I would like to commend the gentleman from Wisconsin and associate myself with his remarks.

Furthermore, I would pay a lot more attention to the chairman of the Appropriations Committee if, when he was in the well, he showed the same feeling for holding the budget in line when it came to items affecting cotton. Last week we tried to save millions of dollars out of the budget on Cotton, Inc. He was up there battling me tooth and nail.

I felt that if he feels this way all the way across the budget, except when it affects his own backyard. This is a good amendment. It puts bread on the table and gives people the dignity they require. That is what people want—jobs.

Mr. PERKINS. Mr. Chairman, I rise in support of the Obey amendment. I think it is important for all Members to understand that by adopting this amendment we are not adding more funds for manpower and employment programs than we have had to date; we are just getting even with where we were 2 years ago.

The new Comprehensive Manpower Act—CETA—is a combination of the old manpower training programs and the public service employment programs funded by the Emergency Employment Act of 1971. The combined funding level for these programs 2 years ago today was $2.9 billion. As you can see by referring to page 82 of the committee's own report, the current and projected funding levels are $2.26 billion and $2 billion respectively. Anyone who can perform simple arithmetic can figure out that you cannot run programs at the same levels with $700 million fewer dollars. When you add to this the fact that the formula in the CETA Act causes a major redistribution of the available funds you are faced with the situation of having to cut way back on good programs like Mainstream and public service employment, because there just is not enough money to sustain them at past levels.

This is particularly true in the Southeastern States which were adversely affected by the formula. Even if we had the same amount of money as before, the South would lose money, because of the shifts in distribution under the formula. This makes the impact of the cuts particularly severe in that region. The only way we can ease the situation is to pony up some more money—at least as much as we had 2 years ago.

It is so important to keep people employed and here is the one program everyone agrees is absolutely noninflationary that does just that. I hope the Congress will agree that we should at least get these employment programs that have done so much good back to the same levels they were operating at 2 years ago.

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. CONTE. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that he was in doubt.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes 171, not voting 32, as follows:

[Roll No. 339]

AYES—231

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brooks
Brown, Calif.
Buchanan
Burke, Mass.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clark
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Cronin
Culver
Danielson
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fish
Flowers
Foley
Ford
Fraser
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Gunter
Hamilton
Hammerschmidt
Hanley
Hanna
Harrington
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holtzman
Horton
Howard
Hungate
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jordan
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Lagomarsino
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Mallary
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pike
Podell
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Reid
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Sisk
Slack
Smith, Iowa
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Thomson, Wis.
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Wampler
Whalen
White
Whitten

Widnall
Wilson, Charles H., Calif.
Wolff
Wright
Wyman
Yates
Young, Ga.
Young, Tex.
Zablocki

NOES—171

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Blackburn
Bray
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clawson, Del
Cleveland
Collier
Collins, Tex.
Conable
Conlan
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Erlenborn
Eshleman
Evins, Tenn.
Findley
Fisher
Flood
Flynt
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Gettys
Goldwater
Gross
Grover
Gubser
Guyer
Haley
Hanrahan
Harsha
Hastings
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, Okla.
Kemp
Ketchum
King
Kuykendall
Landgrebe
Landrum
Latta
Lott
Lujan
McClory
McCollister
McEwen
McSpadden
Mahon
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mizell
Montgomery
Moorhead, Calif.
Myers
Nelsen
O'Brien
Parris
Passman
Pettis
Pickle
Poage
Powell, Ohio
Price, Tex.
Quillen
Rarick
Regula
Rhodes
Robinson, Va.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Runnels
Ruppe
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Steed
Steelman
Steiger, Ariz.
Stubblefield
Symms
Talcott
Taylor, Mo.
Teague
Thone
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Ware
Whitehurst
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion
Zwach

NOT VOTING—32

Brasco
Brinkley
Burke, Calif.
Carey, N.Y.
Coughlin
Crane
Daniels, Dominick V.
Diggs
Dorn
Esch
Goodling
Griffiths
Hansen, Idaho
Hansen, Wash.
Hébert
Holifield
Johnson, Colo.
Jones, Tenn.
Karth
Macdonald
Madden
Madigan
Mills
Minshall, Ohio
Preyer
Roberts
Rooney, N.Y.
Rousselot
Shoup
Taylor, N.C.
Thompson, N.J.
Yatron

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. FLOOD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes, had come to no resolution thereon.

PERSONAL EXPLANATION

Mr. TAYLOR of North Carolina. Mr. Speaker, on rollcall No. 339 on June 27, 1974, I was recorded as not voting. I was present for this rollcall and voted "no." I do not know why the vote was not tabulated by the electronic equipment.

I ask unanimous consent that this statement be placed right after this rollcall in the permanent CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DISCHARGING CONFEREES FROM FURTHER CONSIDERATION OF H.R. 14833, AND CONSIDERING SENATE AMENDMENTS THERETO

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House be discharged from further consideration of the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months; and I ask unanimous consent to take from the Speaker's table the bill H.R. 14833, together with the Senate amendments thereto, and consider the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "December 31, 1975". and insert: "June 30, 1975".

Page 1, after line 6, insert:

SEC. 2. Section 1631 of the Social Security Act is amended by adding the following at the end thereof:

"REIMBURSEMENT TO STATES FOR INTERIM ASSISTANCE PAYMENTS

"(g) (1) Notwithstanding subsection (d) (1) and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a State (or political subdivision thereof as may be agreed to by the Secretary and the State from the benefits withheld an amount sufficient to reimburse the State (or political subdivision thereof) for interim assistance furnished on behalf of the individual by the State (or political subdivision thereof).

"(2) For purposes of this subsection, the term benefits means supplemental security income benefits under this title and any State supplementary payments under section 1616 or under section 212 of Public Law 93–66 which the Secretary makes on behalf of a State (or political subdivision thereof) that the Secretary has determined to be due with respect to the individual at the time the Secretary makes the first payment of benefits. A cash advance made pursuant to section 1631 (a) (4) (A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

"(3) For purposes of this subsection, the term 'interim assistance' means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

"(4) In order for a State to receive reimbursement under the provision of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(i) that if the Secretary makes payment to the State (or subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or subdivision of the State as provided for under the agreement) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

"(ii) such other rules as the Secretary finds necessary to achieve efficient and effective administration of this provision and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or subdivision of the State as provided for under the agreement) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or subdivision of the State as provided for under an agreement under paragraph (4)).

"(6) The provisions of this subsection shall expire on June 30, 1975. At least sixty days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequacy of interim assistance provided and the efficiency and effectiveness of administration of such provisions. Such report may include such recommendations as the Secretary deems appropriate.".

Page 1, after line 6, insert:

SEC. 3. The last sentence of section 203 (e) (2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93–233 and amended by section 2 of Public Law 93–256) is further amended by striking out "1974" and inserting in lieu thereof "1975".

SEC. 4. Section 204(b) of the Emergency Unemployment Compensation Act of 1971 is amended by striking out "903(b) (3)" and inserting in lieu thereof "905(d)".

Page 1, after line 6, insert:

SEC. 5. (a) Section 1611 of the Social Security Act (as enacted by section 301 of Public Law 92–603 and as in effect on July 1, 1974) is amended—

(1) in subsection (a) (1) (A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a) (2) (A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628";

(3) in subsection (b) (1), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752"; and

(4) in subsection (b) (2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of the Social Security Act (as enacted by section 301 of Public Law 92–603) is amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"SEC. 1617. (a) Whenever the Secretary, pursuant to section 215(i) makes a determination that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall determine and publish in the Federal Register (together with, and at the same time, as the material required by section 215(i)(2)(D) to be published therein by reason of such determination) the supplemental security benefit rate (as determined under subsection (b)) which shall be effective for the period beginning with the month following the first month that the increase (if any) in benefits payable under title II becomes effective under section 215(i) by reason of such determination by the Secretary.

"(b)(1) As used in this section, the term 'supplemental security benefit rate' means whichever of the following is the greater—

"(A) the dollar amounts (namely, $1,752 and $2,628, referred to in sections 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), and 1611(b)(2)), or

"(B) the dollar amounts (referred to in such sections) which were in effect immediately prior to the most recent increase under this section.

"(2) The supplemental security benefit rate which shall be effective by reason of an increase brought about by the application of subsection (a) shall be such rate, as in effect immediately prior to such increase, plus a per centum thereof equal to the per centum of increase in benefits payable under title II brought about pursuant to section 215(i).".

(c) Section 211(a)(1)(A) of Public Law 93-66 (as in effect on July 1, 1974) is amended by striking "$876" and inserting in lieu thereof "an amount equal to 50 per centum of the amount specified in section 1611(a)(1)(A)".

(d) Title XVI of the Social Security Act is further amended by adding immediately after section 1617 (as added by subsection (b)) the following new section:

"OPERATION OF STATE SUPPLEMENTATION PROGRAMS

"SEC. 1618. (a) In order for any State (other than the Commonwealth of Puerto Rico, Guam, or the Virgin Islands) which has at any time after December 1973 had in effect a program of supplementation payments described in section 1616(a) to be eligible for payments pursuant to title XIX, with respect to expenditures for any calendar quarter which begins—

"(1) after June 30, 1975, or, if later,

"(2) after the calendar quarter in which supplementation payments are first made under such program,

such State must have in effect an agreement with the Secretary whereby the State will—

"(3) continue to operate such program,

"(4) maintain, under such program, a level of benefits which (prior to application of the provisions of paragraph (5)) is not lower than the level of benefits under the program for the first month that the program was in effect, or (if later) January 1974, and

"(5) in determining eligibility for and the amount of payment to which any applicant or recipient is entitled under the program disregard an amount of the income, including income in the form of benefits payable under section 1611, of such applicant or recipient equal to the amount, if any, by which—

"(A) The aggregate amount of the increases which have occurred in the level of supplemental security benefits payable under this title as a result of cost-of-living adjustments under section 1617 (as determined under regulations of the Secretary) since the first month with respect to which payments were made under the State program of supplementation, exceeds

"(B) the aggregate amounts of the increases over the level specified in paragraph (4) which have occurred in the level of benefits under such State program.

"(b) The Secretary, in determining for purposes of subsection (a) the level of benefits provided under a State supplementation program and the aggregate amount of any increases in such level, shall (after reviewing the program as it affects the various classes and categories of beneficiaries covered thereunder) consider the program as it affects the vast majority of beneficiaries; and the Secretary shall not determine that a State has failed to meet the requirements imposed by paragraph (4) or (5) of such subsection solely because its supplementation program does not meet, in one or more respects or in the case of one or more classes or categories of beneficiaries, such requirements, if the Secretary finds that the level of benefits provided under such program to the beneficiaries thereunder, when such beneficiaries are viewed as a single group, is not significantly lower than the level which would obtain if such requirements were fully met in every respect and in the case of each and every class or category of beneficiaries.".

(e) Section 212(a)(3)(C)(i) of Public Law 93-66 is amended by inserting "(except that, there shall not be counted so much of any such benefit for any month as is attributable to any increase made in the level of supplemental security income benefits pursuant to section 1617 of such Act)" immediately after "Social Security Act".

(f) The limitation imposed by section 401 (a) of the Social Security Amendments of 1972 on the amount payable to the Secretary of Health, Education, and Welfare by a State pursuant to its agreement or agreements under section 1616 of the Social Security Act shall be applied without regard to paragraph (2) of such section in the case of an amount equal to one half of so much of the expenditures under the agreement or agreements as are necessary in order to enable the State to meet the requirements imposed by section 1618 of the Social Security Act or to meet the requirement imposed by the amendment made by subsection (e) of this section.

Page 1, after line 6, insert:

SEC. 6. Section 249B of the Social Security Amendments of 1972 is amended by striking out "June 30, 1974" and inserting "June 30, 1977" in lieu thereof.

Page 1, after line 6, insert:

SEC. 7. (a) Section 15(c)(2) of Public Law 93-233 is amended by striking out "December 1, 1974" and inserting in lieu thereof "March 1, 1975" and by striking out "July 1, 1975" and inserting in lieu thereof "March 1, 1976".

(b) Section 15(c)(5) of Public Law 93-233 is amended by striking out "March 1, 1975" and inserting in lieu thereof "June 1, 1975" and by striking out "October 1, 1975" and inserting in lieu thereof "June 1, 1976".

(c) Section 15(d) of Public Law 93-233 is amended by striking out "January 1, 1975, except that if the Secretary of Health, Education, and Welfare determines that additional time is required to prepare the report required by subsection (c), he may, by regulation, extend the applicability of the provisions of subsection (a) to cost accounting periods beginning after June 30, 1975" and inserting in lieu thereof "July 1, 1976".

Page 1, after line 6, insert:

SEC. 8. (a) Section 1902(a)(14) of the Social Security Act is amended to read as follows:

"(14) effective January 1, 1973, provides that—

"(A) in the case of individuals receiving aid or assistance under a State plan approved under title I, X, XIV, or XVI, or part A of title IV, or who meet the income and resources requirements of the one of such State plans which is appropriate—

"(i) no enrollment fee, premium, or similar charge, and no deduction, cost sharing, or similar charge with respect to the care and services listed in clauses (1) through (5) and (7) of section 1905(a), will be imposed under the plan, and

"(ii) any deduction, cost sharing, or similar charge imposed under the plan with respect to other care and services will be nominal in amount (as determined in accordance with standards approved by the Secretary and included in the plan), and

"(B) with respect to individuals who are not receiving aid or assistance under any such State plan and who do not meet the income and resources requirements of the one of such State plans which is appropriate or who, after December 31, 1973, are included under the State plan for medical assistance pursuant to section 1902(a)(10)(B) approved under title XIX—

"(i) there may be imposed an enrollment fee, premium, or similar charge which (as determined in accordance with standards prescribed by the Secretary) is related to the individual's income, and

"(ii) any deductible, cost-sharing, or similar charge imposed under the plan will be nominal;".

(b) The amendment made by subsection (a) shall be effective January 1, 1973 (or earlier if the State plan so provided).

Page 1, after line 6, insert:

SEC. 9. (a) The staff of the Joint Committee on Internal Revenue Taxation shall conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended, with a view to determining whether such Act should be extended beyond June 30, 1975, and, if so, how the administration of such Act can be improved. The Joint Committee staff shall specifically consider whether exemption criteria and the statutory factors for determining excessive profits should be changed to make the Act fairer and more effective and more objective. The Joint Committee staff shall also consider whether the Renegotiation Board should be restructured.

(b) In conducting such study and investigation the staff of the Joint Committee on Internal Revenue Taxation shall consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

(c) The staff of the Joint Committee on Internal Revenue Taxation shall submit the results of its study and investigation to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on or before May 31, 1975, together with such recommendations as it deems appropriate.

Page 1, after line 6, insert:

SEC. 10. (a) Section 211(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such agreement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(b) Section 1402(a) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by adding at the end thereof the following new paragraph:

"An agreement between an owner or tenant of land and another person under which such other person is to manage and supervise the production of agricultural or horticultural commodities on such land shall not be considered to be an arrangement (described in paragraph (1)(A) of the first sentence of this subsection) which provides for material participation by the owner or tenant in production or management, if under such arrangement it is the responsibility and duty of such other person, as the agent of such owner or tenant, to manage and supervise such production (including the selection of the tenants or other personnel whose services will be utilized in such production) without personal participation therein by such owner or tenant, and if, in fact, there is no personal participation by such owner or tenant in such production or management.".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

Amend the title so as to read: "An Act to extend the Renegotiation Act of 1951 for twelve months, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would ask the gentleman from Oregon, since it was almost impossible to hear the amendments when they were read, whether this deals exclusively with the Renegotiation Act extension?

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Of course, I will yield to the gentleman.

Mr. ULLMAN. Mr. Speaker, in response to the inquiry of the gentleman from Iowa, I would say that the bill that the House passed is the extension of the Renegotiation Act. The Senate added eight amendments. It is the purpose of this Member to request that seven of the amendments be rejected, and that the other amendment dealing with a 1-year extension of the present authority for certain States to make payments under the Extended Unemployment Compensation Act, be accepted with an amendment, which would merely extend that authority for 1 month. It expires as of the 1st of July this year, and we would merely ask that it be extended to the 1st of August.

Mr. GROSS. Mr. Speaker, further reserving the right to object to the unanimous-consent request of the gentleman from Oregon, I would ask the gentleman whether this extension deals exclusively with the Renegotiation Act, and whether all amendments to this act, as read by the Clerk, are germane to the bill?

Mr. ULLMAN. It is our purpose to pass the Renegotiation Act amendment exactly the way we passed it in the House, but we would add one amendment, that was added by the Senate, having to do with the extension of the Extended Unemployment Compensation Act, and make that a 1-month extension.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mr. SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. PICKLE. Mr. Speaker, reserving the right to object, does the gentleman from Oregon have a further explanation of the measure before us, or has the gentleman concluded his statement?

Mr. ULLMAN. Mr. Speaker, if the gentleman will yield, I have concluded my statement, but I would be happy to respond to any questions the gentleman may have.

Mr. PICKLE. The reason I asked for this reservation is because I understood the gentleman's proposal that the committee was simply extending the unemployment benefit program, that is, the extended program, for 30 days' time, until August 1, 1974.

Mr. ULLMAN. The gentleman is correct.

Mr. PICKLE This does not affect the formula or the triggering mechanism that is in the law at this time?

Mr. ULLMAN. It does not affect the permanent provisions.

Mr. PICKLE. It does not affect that?

Mr. ULLMAN. This is a simple extension of the existing law for 1 month.

Mr. PICKLE. If it is extended for 30 days' time, as I understand it, it would probably cost some $25 million on the part of the Federal Government and approximately $25 million on the part of the States?

Mr. ULLMAN. That figure is a maximum total of $50 million divided between the States and the Federal Government, of which a maximum of $25 million would be Federal expenses.

Mr. PICKLE. Yes, but $25 million from the States.

Mr. ULLMAN. Yes That would be a maximum figure.

Mr. PICKLE. The gentleman said it would be a total of approximately $50 million?

Mr. ULLMAN. State and Federal.

Mr. PICKLE. Mr. Speaker, the House should remember that when we extend these benefits, under the program 37 States are paying for the unemployment extended benefits of 13 other States basically. We have extended this program three and four times, always with the assurance that the committee was going to come forth with some kind of proposal that would reach for more equity, because 37 States should not have to pay indefinitely for the unemployment benefits of the other 13 States. What is the intent of the committee 30 days from now, by August 1?

Mr. ULLMAN. It is our hope that within this 30-day period we will be able to take a look at the whole program and, if need be, change the formula and bring it back within that period in a permanent form.

Mr. PICKLE. Then it is the gentleman's hope that he can actually present us some kind of a new formula within this 30-day extension time?

Mr. ULLMAN. That is correct.

Mr. PICKLE. And that this will not be extended on and on, but we will reach some conclusion on it?

Mr. ULLMAN. I certainly hope so.

Mr. PICKLE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, this request has been cleared with the people on this side of the aisle.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

MOTION OFFERED BY MR. ULLMAN

Mr. ULLMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ULLMAN moves that the House insist on its disagreement to Senate amendments Nos. 1, 2, 4, 5, 6, 7, 8, and 9, and to the Senate amendment to the title of the bill.

The motion was agreed to.

MOTION OFFERED BY MR. ULLMAN

Mr. ULLMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ULLMAN moves that the House recede from its disagreement to Senate Amendment numbered 3 and concur therein with an amendment as follows: In lieu of the matter proposed to be added by the Senate amendment, add the following (on page 1, after line 6):

SEC. 2. The last sentence of section 203 (e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking out "July 1, 1974" and inserting in lieu thereof "August 1, 1974".

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered by the House.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

SENATE JOINT RESOLUTION 218, TO PROVIDE FOR EXTENSION OF THE EXPORT-IMPORT BANK ACT OF 1945

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 218) to extend by 30 days the expiration date of the Export-Import Bank Act of 1945.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Speaker, I categorically object.

The SPEAKER. Objection is heard.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1975

Mr. FLOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 15580, with Mr. WRIGHT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $100,816,000.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: On page 6, line 17, strike the figure "$100,816,000" and insert the figure "$70,400,000".

Mr. SYMMS. Mr. Chairman, I will be very brief. My amendment very simply would put the OSHA appropriation back to where it was last year, back to $70.4 million. This amendment is not an antisafety amendment, but a stop harassment amendment. There are countless bills before the Education and Labor Committee, to amend OSHA; there is one before the Education and Labor Committee calling for the outright repeal of the act which has over 50 sponsors on it. There is nothing in our country today that is causing any more complaints by the American people than OSHA, with the exception of inflation. I think this would not disband OSHA completely but at least it would put them on record that the American people are dissatisfied. Certainly they can live with $70.4 million. They have money even for TV programs to tell the people how wonderful OSHA is. It would seem to me that this amendment is proper more than fair and would be a good place to save money for the hard-working American taxpayer.

Mr. FLOOD. Mr. Chairman, I had no advance warning that this amendment would be offered. It is a very bad amendment, and I urge all Members to vote against it. If we do not like the Occupational Health and Safety Act, we should repeal it, rather than cutting the appropriations necessary to carry it out. What this amendment would do is to cut back the funds for grants to States which have elected to operate their own occupational safety and health programs. It would deny them the funds they need to carry out the law. It would discourage other States from entering the program. I hope that Members will be wise enough to realize that this amendment would not be in the best interests of the American people.

Mr. Chairman, we do not even have a copy of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

Mr. PATTEN. Mr. Chairman, I would like to speak against the amendment. We did not even know what it was.

The CHAIRMAN. The Chair will advise the gentleman that the Chair is attempting to protect the rights of all Members and if there is a Member who desires to be heard, the Chair will recognize that Member. Does the gentleman from New Jersey desire to be heard?

Mr. PATTEN. I would like to tell the Members that this is no increase. OSHA was never financed for a year.

The CHAIRMAN. Is any Member seeking recognition?

If not, the question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 179, noes 218, not voting 37, as follows:

[Roll No. 340]

AYES—179

Abdnor
Alexander
Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bowen
Bray
Breaux
Broomfield
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Camp
Carter
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conable
Conlan
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Denholm
Dennis
Devine
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Eshleman
Evins, Tenn.
Findley
Fish
Fisher
Flynt
Fountain
Frey
Froehlich
Gettys
Gilman
Ginn
Goldwater
Green, Oreg.
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hammerschmidt
Hanrahan
Harsha
Hastings
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kazen
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lent
Lott
Lujan
McClory
McCollister
McEwen
McSpadden
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Myers
Nelsen
O'Brien
Parris
Passman
Pettis
Poage
Powell, Ohio
Price, Tex.
Quillen
Randall
Rarick
Rhodes
Robinson, Va.
Rogers
Roncallo, N.Y.
Rose
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shriver
Shuster
Sikes
Skubitz
Snyder
Spence
Steed
Steelman
Stephens
Stubblefield
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wylie
Wyman
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zion

NOES—218

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Ohio
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Casey, Tex.
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Cronin
Culver
Danielson
Delaney
Dellenback
Dellums
Dent
Dingell
Donohue
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Hamilton
Hanley
Hanna
Hansen, Idaho
Harrington
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holtzman
Horton
Hungate
Johnson, Calif.
Jones, Ala.
Jordan
Kastenmeier
Kluczynski
Koch
Kyros
Leggett
Lehman
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Madden
Mahon
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Minish
Mink
Mitchell, Md.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nichols
Nix
Obey
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Podell
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Whalen
Widnall
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Ga.
Zablocki
Zwach

NOT VOTING—37

Blackburn
Brasco
Brinkley
Burke, Calif.
Carey, N.Y.
Clark
Coughlin
Crane
Daniels, Dominick V.
Derwinski
Diggs
Dorn
Esch
Goodling
Griffiths
Hansen, Wash.
Hébert

Holifield
Howard
Johnson, Colo.
Jones, Tenn.
Karth
Landrum
Macdonald
Madigan
Mills
Minshall, Ohio
Moakley
Preyer
Roberts
Rooney, N.Y.
Rousselot
St Germain
Shoup
Steiger, Ariz.
Thompson, N.J.
Yatron

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STEIGER OF WISCONSIN

Mr. STEIGER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. STEIGER of Wisconsin: Page 6, line 17, insert the following immediately before the period: ", together with $5,000,000 to be available for reimbursement to States under section 7(c)(1) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 656(c)(1)) for the furnishing of consultation services to employers under section 21(c) of such Act (29 U.S.C. 670(c))".

Mr. STEIGER of Wisconsin. Mr. Chairman, if there has ever been a thread of what people talk about in terms of the Occupational Safety and Health Act, it is the complaint that legitimately is made, particularly by small business employers, that they do not have safety professionals, that they do not have a staff, and that they are not able to secure information concerning how the act affects their particular operation.

This amendment is designed to provide $5 million to enable the Department of Labor to enter into agreements, under section 7(c)(1) of the Occupational Safety and Health Act of 1970, for State personnel to furnish consultant services to employers under section 21(c) of the act. In yesterday's RECORD on page 21296 I have clearly delineated my intent as to purpose, intent, history, and expected approach.

Mr. Chairman, I well understand the very deep feelings that have been generated across the United States and reflected fairly accurately on the vote on the amendment that was just defeated. Thus, I have sought for the last 2½ years to find a way to enable the Congress to respond responsibly to the needs of small employers.

The distinguished chairman of the Subcommittee on Environmental Problems Affecting Small Business of the Select Committee on Small Business, the gentleman from Missouri (Mr. HUNGATE) has been one of those Members who has been most in the forefront of this effort. There are many Members in the Chamber who have joined in sponsoring the bill that I introduced to provide for consultant services.

Mr. Chairman, this amendment is a very simple amendment. It provides $5 million to meet the needs of employers who want to find out how the Occupational Safety and Health Act applies to their operations.

Mr. Chairman, the amendment I am offering this afternoon on behalf of myself and the gentleman from Missouri (Mr. HUNGATE) is endorsed by the National Small Business Association, the Men's Retailers of America, the American Retailer Federation, and the National Association of Manufacturers and, last but not least, by the Secretary of Labor and by the Office of Management and Budget. At this point, Mr. Chairman, I want to include the full text of all supporting messages:

WASHINGTON, D.C.,
June 26, 1974.

Congressman WILLIAM STEIGER,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN STEIGER, the American Retail Federation which represents thousands of small retailers through its 50 States and 32 national association affiliates highly endorses your small business OSHA consultation amendment to the Labor HEW appropriations bill. The Federation believes that this amendment with the proper type of administration will not only help to alleviate the burden of this law for small businesses, but will further the basic premise of OSHA in promoting the safety and health of employees.

EUGENE A. KEENEY,
President, American Retail Federation.

WASHINGTON, D.C.,
June 26, 1974.

Congressman WILLIAM STEIGER,
Capitol, D.C.:

Menswear Retailers of America, the National Trade Association representing 8,000 menswear specialty stores supports small business OSHA amendment seeking consultative visits. Our small business members fully support the congressional intent of OSHA but realistically it must be recognized that retail stores are among the least vulnerable in subjecting employees to "imminent work hazards." We believe that a consultative inspection provision would remove potential harassment of small retailers while at the same time the intent of the law would be complied with in full.

MENSWEAR RETAILERS OF AMERICA.

JUNE 26, 1974.

Hon. WILLIAM A. STEIGER,
House Office Building,
Washington, D.C.

Representative William A. Steiger has indicated he will offer an amendment to the labor-HEW appropriations bill Thursday, June 27, Rep. Steiger's amendment would appropriate an additional $5 million for States to provide on-site consultative services to assist employers in meeting their OSHA requirements. NAM strongly believes additional assistance is needed if employers are to further comply with OSHA. Onsite consultation is particularly needed by small employers. This provision in no way would weaken OSHA enforcement, at least 21 States presently provide on-site consultation as part of their OSHA-approved State plan. This amendment would broaden coverage to all States.

NAM strongly urges you to support Rep. Steiger's efforts to enhance safety in the workplace, a concern in which we all share.

E. DOUGLAS KENNA,
President, National Association of Manufacturers.

NATIONAL SMALL BUSINESS ASSOCIATION,
Washington, D.C., June 24, 1974.

Hon. WILLIAM STEIGER
Longworth House Office Building,
Washington, D.C.

DEAR MR. STEIGER: We have been apprised of your intention to offer an amendment to the Labor-HEW appropriation bill designed to provide on-site consultation services for business. It is our understanding that the amendment will call for a five million dollar appropriation to be administered by the Department of Labor, which in turn will make grants to the states for the purpose of establishing on-site consultative services.

This approach would certainly seem to answer the needs of the millions of small businesses who are in desperate need of help in their compliance efforts. NSB feels that this will alleviate any need for directly amending the Act to accomplish the same purpose. Furthermore, we understand that by allowing the states to do this, the consultation will not be limited to firms employing 25 or less. There are a great many medium-sized businesses who are in need of this service.

We are informed that amendments may also be introduced to exempt smaller firms from compliance. While on the surface this action would seem to take care of the problem for small business, we found, in effect that the exemption, as voted during the preceding Congress was so limited and so narrow that only the smallest of the smalls would have benefited. A the same time, any outright exemption would tend to counter the stated purpose of the Act itself, mainly to provide the safest possible work-place. NSB certainly has no desire to take such a position. Our problem, and that of our membership, with the Act has always been in the administration thereof.

Once again to the extent that your proposed amendment will supply the needed consultation services and will further assist small business in coming into compliance, the National Small Business Association wholeheartedly supports your effort.

Sincerely,

MILTON D. STEWART,
Vice-President.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., June 27, 1974.

Hon. WILLIAM A. STEIGER,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN STEIGER: I understand that you intend to introduce on the Floor of the House of Representatives an amendment to H.R. 15580, the HEW-Labor appropriations bill, which would provide additional funds to enable the Labor Department to enter into agreements with the States under the authority of section 7(c)(1) of the Williams-Steiger Occupational Safety and Health Act of 1970. Under these agreements, State personnel would furnish consultation services to employers under section 21(c) of the Act on occupational safety and health matters.

I firmly believe that consulting with employers, particularly smaller employers, is highly desirable not only as a means of disseminating needed information on matters related to worker safety and health but also as a means of facilitating compliance by employers with their legal obligation under the Act.

The Department is already engaged in extensive efforts to advise and consult with employers as to effective means of preventing occupational injuries and illnesses. Your amendment would make additional funds available for augmenting this important activity and would also permit this Department to make maximum use of existing State capabilities and expertise in safety and health matters.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

The letter from the Secretary of Labor says, and I would like to quote just a part of it:

> I understand that you intend to introduce on the Floor of the House of Representatives an amendment to H.R. 15580, the HEW-Labor appropriations bill, which would provide additional funds to enable the Labor Department to enter into agreements with the

States under the authority of section 7(c)(1) of the Williams-Steiger Occupational Safety and Health Act of 1970. Under these agreements, State personnel would furnish consultation services to employers under section 21(c) of the Act on occupational safety and health matters.

I firmly believe that consulting with employers, particularly smaller employers, is highly desirable not only as a means of disseminating needed information on matters related to worker safety and health but also as a means of facilitating compliance by employers with their legal obligation under the Act.

Mr. Chairman, I call the attention of the members of the committee to the fact that in yesterday's RECORD on page 21296 I inserted a lengthy discussion of what was involved in this effort. I hope the committee will be willing to accept this amendment. I think it would responsibly deal with the problems that small employers have with the act and enable us to get out from under the biggest problem, which is a fear of the unknown.

Mr. FRASER. Will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman.

Mr. FRASER. If I understand the gentleman's amendment correctly, he is providing $5 million to establish a program of counseling small business in their efforts to comply with the regulations. Is that right?

Mr. STEIGER of Wisconsin. That is correct.

Mr. FRASER. Mr. Chairman, based on my understanding of the amendment, I am inclined to support it. I think it is a helpful and desirable measure to assist small business.

Mr. STEIGER of Wisconsin. I thank the gentleman.

I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman for offering this amendment. I think it would have been very effective and helpful if we could have had an amendment such as this when we considered this appropriation a year ago. I strongly support the gentleman's amendment.

Mr. STEIGER of Wisconsin. I thank the gentleman from Pennsylvania deeply for that statement.

I now yield to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I want to ask him this question. Is the $5 million an additional amount to that already appropriated?

Mr. STEIGER of Wisconsin. It is an additional $5 million in addition to that found in the committee bill.

I urge support of the amendment.

Mrs. GREEN of Oregon. Mr. Chairman, I rise in support of the amendment.

I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Chairman, I thank the gentlewoman for yielding.

As the gentleman from Wisconsin stated, we are both supporting this amendment.

The purpose of the amendment is to provide an additional $5 million for consultation. We held hearings in the Small Business Committee on this matter all around the country a year ago and we also held some this year. We are not seeking any loopholes or taking anybody out from under this act. We find that the small businessman wants to comply with the act. What they see they need is they need to find out if they are able to get funds and what the obstacles are. They have to be able to call someone who can tell them how they can act so that they will not incur a fine. Or perhaps a man has a machine which may be a $100,000 machine which no longer meets the compliance standards of the health and safety standards. Under this amendment that small businessman can call up and ask if the new machine will comply with the standards. At present they will not tell him. We think he has a right to that educational service.

I certainly urge all Members to support this amendment which in no way weakens the act.

Mrs. GREEN of Oregon. Mr. Chairman, I yield to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. I thank the gentlelady for yielding. Mr. Chairman, I rise in strong support of this amendment and commend the gentleman from Wisconsin for offering the amendment.

Mr. Chairman, we are talking, as our colleague just finished saying, about small business. We are talking about the little fellows who have maybe 2, 3, 4 or 5 or as many as 10 or 15 or 20 employees.

It was heartrending for me to see some small businesses closed up which I observed during the period from January 1, 1974, until January 21 when we returned to open the session. I visited one small business they had just threatened to put out of business.

Well, with this kind of amendment the businessman can ask what it is they may have to do in order to comply with the requirements in order that they will not be closed up.

I went to one place of business and there observed all of the guardrails and heavy screens that they had put around a piece of heavy machinery. Nobody could have possibly come close enough to that piece of machinery to be hurt even if he had tried. It was simply ridiculous for OSHA inspectors to say this piece of machinery had to be scrapped because I saw with my own eyes—there was simply no way for an operator to be hurt.

This sort of an amendment makes sense. It makes sense for small business. All of the Members supported OSHA but we are for OSHA for big industry. We are all aware of accidents where employees have fallen into molten metal vats, never to be recovered, or terrible injuries where they are chewed up by assembly lines. I had in mind accidents such as these in big industry—and also the mining industry. Here we are talking about small businesses. That is what this is all about. I believe this amendment deserves the support of all of us.

Mrs. GREEN of Oregon. It seems to me this would reduce a great deal of the opposition to OSHA because OSHA at the present time does, as the two gentlemen have said, just go in and close down businesses, or impose fines. I think this is a violation of the judicial process. If we can give more help in counseling, advice, I would think OSHA would be a much stronger agency with far less hostile opposition.

Mr. McKINNEY. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I rise in support of the amendment to provide for a program of grants to States for onsite consultation services to assist businesses for compliance with the Occupational Safety and Health Act.

While I support the concept and aim of OSHA, I have long believed that the legislation as presently constituted lacks any incentive or emphasis on assisting employers to comply with its terms. And indeed an interpreter is needed to decipher the OSHA regulations. Because of this, we have incurred a climate of hostility, fear, and frustration between employers and the Department of Labor. What we must strive to achieve in reform of OSHA is the restoration of cooperation in attaining on-the-job safety for employees. In this respect I have advocated a two-step inspection procedure as far more equitable than that which is currently in effect. The first visit would provide onsite consultation and advice to employers on the interpretation and application of safety standards. The second visit would then follow, at which time the actual inspection would occur.

And this, gentlemen, would be largely accomplished by Mr. STEIGER's amendment. Onsite consultative services would provide employers with the necessary information to maintain a safe and healthy environment for their workers without the past confusion surrounding OSHA inspections. We must accept that employers, especially small ones, require assistance in understanding and complying with the complex and all too often monolithic standards of OSHA.

I would like to bring to the attention of my colleagues a proposal for reform of OSHA developed by the Stamford Area Commerce and Industry Association, whose membership of 300 include the national and multinational corporations headquartered in southwest Fairfield County, Conn., as well as the area's local business organizations. The membership vitally affected by OSHA both as employers of several hundred thousand persons in the United States and as producers of products used by millions of other employers covered by OSHA, support the act as an appropriate expression of the Federal Government's interest in the safety and health of the American worker. However, on the basis of their experience with their own company-directed occupational safety and health programs, their experience in operating for many years under various State programs, and their experience with OSHA, the members of SACIA believe modifications of OSHA would improve the act's effectiveness as a vehicle for improved occupational safety and health while at the same time reducing some of the unnecessary burdens on employers who are attempting to comply with all of its requirements.

The SACIA proposal has direct bearing on the amendment before us, that is, they recommend that the Secretary of Labor should provide "consultative inspections" or "advisory evaluations," and that such assistance should be available to all employers subject to the act. At this point I insert in the RECORD the background statement of SACIA in support of their recommendation and, by extension, the amendment before us:

> Considerably greater training, education, and assistance is required if OSHA's goal of creating a safer work environment is to be achieved in a smooth, orderly, and reasonably economic manner. The scope, depth, and complexity of OSHA requirements make them difficult if not impossible to interpret and implement without such guidance. It is imperative that OSHA involvement with organizations seeking to conform their operations to its requirements be broadened beyond the current, essentially punitive approach. Many companies proceeding in good faith to upgrade their operations are doing so with little or no assurance that the steps they are taking are necessary, desirable, or will, in fact, lead to compliance. This problem exists for large as well as small companies, and it is important that they be able to avail themselves of sound OSHA guidance to ensure that the steps they contemplate are appropriate, since in many cases the expenditures required are considerable.
>
> It had proposed that the present inspection system be continued but that, independently, a mechanism be created through which companies can seek and obtain guidance, including on-site inspection and consultation, that will enable them to move forward with safety measures with certitude that these measures will be productive. This will maximize the benefits to be derived from the safety-related expenditures being made and, at the same time, will have long-term beneficial effects as an educational program that will upgrade the professionalism of safety personnel and speed full compliance with OSHA regulations.

Mr. ROUSH. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Chairman, I rise today to support the amendment that will provide for consultative inspections, onsite consultation for businesses seeking compliance with the regulations of the Occupational Safety and Health Act.

Without attorneys on retainer, safety professionals, or industrial hygienists on their staffs, many employers, small businessmen in particular, have had great difficulty in complying with the often complex and highly technical health, safety standards, despite their desire and intent to do so.

The goals of the Occupational Safety and Health Act, a safe and healthy working place for every American worker, are universally accepted. What I found objected to in the many letters I receive is the administration of the act. Often businessmen have questions about the regulations, they are confused as to whether they are violating the act, uncertain as to the meaning of the new rules. Yet, if they invite an OSHA inspector to visit they are liable to be found in noncompliance and fined. Thus there is no way, short of hiring expensive technical assistance, which many cannot afford, that the small business can readily and rapidly bring itself into compliance. Accordingly some have protested the law itself.

However, the general consensus today is that OSHA is working. Not as it should, but the idea has gained acceptance. The National Small Business Association wrote the chairman of the Select Small Business Subcommittee indicating their support for the amendment that we are considering today. This amendment would provide funding through the Department of Labor by means and grants to the States for the purpose of establishing onsite consultative services. I believe this amendment has broad support. The National Small Business Association in indicating their support for this amendment made clear their commitment to the idea of assistance in carrying out the law versus legislation to exempt businesses from it.

Mr. HANSEN of Idaho. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Idaho.

Mr. HANSEN of Idaho. Mr. Chairman, I fully support the amendment offered by my colleague from Wisconsin (Mr. STEIGER). The adoption of this amendment would help break down the wall of resistance and hostility to the Occupational Safety and Health Act that has been built in the small business sector. The heavy emphasis on the enforcement functions of the law has far outweighed the minimal efforts applied to the educative functions of the law, and the resulting imbalance in priority emphasis has resulted in a proportional distortion of perception on the law in the small business sector. This distorted perception has been engendered by fear of the unknown. Fear is a powerful motivator—and it has been used to secure OSHA compliance. However, in the long run, fear is a debilitating influence. I can understand why this motivational force has been employed to date, given the small number of inspectors compared with the target population. However, fear is a positive motivator only when a clearly defined course of action to avoid punishment is available. In the absence of such a clearly defined course of action, tension and anxiety build up. And it is this tension and anxiety that have been exploited by those who seek to eviscerate the law or wipe it off the books entirely.

We can remove this fear and anxiety by providing an opportunity for the small businessman to obtain consultation on potential problem areas in his business, on the site where his business activities take place.

Offsite consultation is simply not adequate to meet the special needs of the small business sector. Can we expect the small businessman to bring his machinery to some neutral territory for inspection? Can we realistically expect him to memorize every detail of his business, the machinery in his shop, the work habits of his employees, and relate these to an offsite counselor? Requiring him to seek advice in such a manner is not unlike arranging the terms of a duel on some neutral ground. How can we expect any businessman to develop a positive perception on the merits of voluntary compliance under such conditions? There is a vast difference between the capabilities, the capital and the legal resources that are available to the small and large business sectors. This onsite consultation amendment seeks to restore a balance between the comparative advantages held by either sector.

This is a positive step in the right direction to encourage voluntary compliance. Further, this amendment indicates the good faith of the Congress to the thousands of small businessmen around the Nation who look to us for meaningful reforms in the law to help them comply with this important national program.

Mr. STEIGER's amendment has been designed to overcome the objections of those who envision a potential problem in investing both the enforcement and the educative function within a single agency. There are concerns that an agency so charged with this dual function might well emphasize one aspect over the other. Possibly, the educative function could outweigh the enforcement function. Although I see little likelihood of this possibility, I recognize the sincerity that generates this concern in some sectors. On the other hand, we cannot ignore the fact that the educative functions of the law must be exercised to their full potential if the ultimate goal of voluntary compliance is to be achieved. Mr. STEIGER's amendment separates the educative/consultative function from the enforcement function, and vests the consultative authority within the States. This is a proper role for the States to assume, and it will do much to encourage the adoption of the larger scope of the program on the State level.

There are, of course, other areas in the law that continue to cause some problem in the small business sector. I believe that many of these problem areas can be corrected administratively, and we will not need to develop legislative approaches if the Department of Labor is responsive to these needs. I believe a greater emphasis should be placed on the issuance of specific advice on compliance at the time a citation is issued. Too often, the advice is nonspecific, causing uncertainties and accompanying delays because the businessman is not sure that the action he is taking will put him in compliance with the law. This problem is further complicated if the small businessman seeks Small Business Administration funding under the terms of the law to finance needed modifications to gain compliance status. At the present time, SBA OSHA loan programs have not been administered with vigor, because even the SBA is unsure that such loans will result in compliance status. Specificity of advice could solve this problem, and this correction could be accomplished through administrative channels.

Also, I would urge consideration of the extension of the time allotted to the businessman to file an appeal on a citation and/or penalty. The law currently requires him to file such notice within 15 days after receipt of citation. Because of the limited access to engineering counseling and legal advice in many areas of our country, on which a businessman might base a decision on whether or not to appeal a citation, I believe this time limit should be extended to 30 days. This extension would not adversely affect the concept of the law, but it would allow the businessman a little more time in which to make what could be a most important decision.

I know that many of my colleagues are aware that there are areas in the law that require review and possible reform. The Select Labor Subcommittee oversight hearings on OSHA currently being conducted are a testimony to this recognition of problem areas in the law. However, the reform efforts of this Congress must proceed at a pace that will satisfy the businessmen of this Nation that we are in earnest about seeking fair changes that will encourage voluntary compliance. In my own congressional district, onsite consultation is viewed as a top priority in the small business sector. A recent questionnaire survey I conducted on OSHA indicated overwhelming support for the onsite consultation idea.

This amendment does not eviscerate the law. It seeks to strengthen the law by encouraging a more favorable attitude—a receptivity—in an economic sector that employs most of the workers covered under the law. We cannot ignore the rights of American workers for a safe and healthful working environment. But also, we cannot ignore the legitimate needs of the small businessmen of this Nation who support the concepts of the law but who are having trouble in understanding the exact application of the law to their individual businesses. These businessmen are not seeking to escape their responsibilities to their workers—they are trying to find out exactly what these responsibilities are and how they can go about implementing safety and health programs. We need to meet small business halfway in this effort. Onsite consultation is one of the keys to greater understanding, and ultimately acceptance, of the needs to promote a safe and healthy work environment.

I urge my colleagues to support this worthy and very much needed amendment to the Occupational Safety and Health Act.

Mr. MAYNE. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, I rise in support of the amendment offered by the distinguished member of the House Select Subcommittee on Labor from Wisconsin (Mr. STEIGER), and thank my good friend, the gentlewoman from Oregon (Mrs. GREEN), for her generosity and graciousness in yielding me this time.

In the last Congress, I appeared before the House Select Subcommittee on Labor in its oversight hearings with regard to the Occupational Safety and Health Act and its administration, and testified with regard to the folly of strict application of the act and the regulations which had promulgated to the small farmer and small business. Some of the regulations since have been modified, having been proved to be impractical if not ridiculous, but there is still further need for revision of the regulations toward more commonsense approaches.

However, the greatest folly still remains in the act and any strict application of it—the fact that the law provides for mandatory fines and penalties upon the Occupational Safety and Health Administration inspector first coming upon the jobsite and finding conditions which he determines are not in strict conformity with the prescribed standards.

It is difficult enough for the giant corporation to keep up with the many laws and regulations affecting its operations, including OSHA, but at least through its corporate network it has some chance of keeping informed and making the requisite modifications in its plants and work rules so as to be compatible with the latest rulings in Washington or the regional OSHA office. But how is a small farmer or the entrepreneur of a small family business to keep track of these complex regulations and rulings?

I must confess my amazement that farmers and independent businesses are able to keep up as well as they do with the myriad regulations affecting them, but surely it can be no real surprise to find that the "word" does not always get around, or that small store owner, the dirt farmer, the family doctor or corner druggist, or the owner-operator of the rural gasoline station may be somewhat confused on just how a complicated regulation designed for larger operations might be applied in his particular situation.

These employers do not wish to maintain unsafe conditions, but they are often not really aware that their working conditions might somehow be considered hazardous to the health and safety of their employees. Once they are apprised fully of where allegedly dangerous conditions exist and how those conditions might be improved to meet the standards promulgated for their type of operation, I believe you will find most of these employers willing to do what they can to make the changes sought.

But they have found they cannot under the law ask the Federal OSHA inspector to look over their plant or operation and advise them where they might be deficient so that they can comply with the law and regulations, for it appears the law requires a mandatory fine to be imposed, as well as other action which often would impose hardship as well as inconvenience upon the employer, whenever an inspector determines that the site does not perfectly meet the uniform standards set in Washington.

As I stated in the hearings in the last Congress, there is an urgent need to amend the Occupational Safety and Health Act to permit employers to ask the OSHA inspector to come to the site and advise just where conditions are substandard and how the employer might correct the conditions, without running the risk of being subjected to mandatory penalties on that first visit. Onsite consultation should be expressly authorized for in the act and in the regulations. If, after having been informed that the worksite is unsafe or unhealthy, the employer does not make any good-faith effort to bring the worksite up to standard within a reasonable period of time, then imposition of sanctions might be considered in order to bring about compliance—but not before then.

The intent of the act after all was not to see how much could be collected in fines, or to harass employers and drive them out of business, but to obtain, basically through education and cooperation, the improved conditions necessary to assure that employees are not unnecessarily subjected to hazards to health and safety which could have been avoided by use of reasonable care and precautions on the part of the employer.

I have introduced or cosponsored legislation in the last Congress and again in this Congress which would amend the Occupational Safety and Health Act to provide for onsite consultation and advice. It is ridiculous and intolerable for inspectors to be required to issue citations when violations are found on the first visit, especially for small firms and farmers which cannot afford to hire their own OSHA compliance specialists. I am grateful that the Select Subcommittee on Labor has been holding oversight hearings this spring in which it has considered these and other amendments, but must regret that the subcommittee has not yet reported such urgently needed amendments for early enactment.

In the meantime, however, at least 21 States presently provide onsite consultation as part of their OSHA-approved State plan. The amendment proposed by the Member from Wisconsin (Mr. STEIGER) would appropriate an additional $5 million to the OSHA for grants to States for the provision of onsite consultative services to assist employers in meeting their OSHA requirements, thus providing incentive to the rest of the States to join in providing onsite consultation as part of their respective State plans.

There appears to be ample authority in sections 21(c) and 7(c)(1) of the Occupational Safety and Health Act to carry out such a program through State plans. Until such time as we are able to achieve enactment of an amendment to the act specifically providing for onsite consultation, whether by Federal OSHA or State OSHA inspectors—an amendment I would urge be given top priority by the leadership of the Education and Labor Committee and by the House leadership—the Steiger amendment to the present bill will provide urgently needed interim relief making it possible to continue efforts to enhance safety in the workplace. I respectfully request all in this House to support this amendment.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment obviously is worth while. I think it is a good one. It is good because it recognizes the problem but, in my opinion, it does not solve the problem.

It recognizes the problem because under present circumstances and in most States of the Union a business firm cannot be entered by an inspector from OSHA for the first time without facing the likelihood of a citation for violations. There are only about 20 of the States of the Union which are under State agency enforcement of OSHA.

As I understand the amendment offered by the gentleman from Wisconsin, it would only go to States where the State agency is the enforcement agency, not to the other States where Federal enforcement is the rule. The basic flaw lies in the Federal law which was passed in 1970 which denies the privilege of any Federal inspector under OSHA entering into premises first for the benefit of advice and counsel only. He simply cannot legally enter into these premises except to enforce the law.

I submit that the amendment offered by the gentleman from Wisconsin (Mr. STEIGER), while a good amendment, does not correct that basic problem.

Mr. Chairman, I would like to ask the gentleman from Wisconsin this question: How many States would be affected by the gentleman's amendment?

Mr. STEIGER of Wisconsin. Fifty States.

Mr. FINDLEY. Would all of them assuredly participate? There is no way to know, is there?

Mr. STEIGER of Wisconsin. No, there is not.

Mr. FINDLEY. How can you tell? They all now have the option to be a State agency for enforcement of OSHA, but they all have not wanted to do so.

So how can $5 million more bring all the State agencies into the act so that they will then enforce OSHA and have consultation service?

Mr. STEIGER of Wisconsin. I believe that there are 21 States, if my memory is correct—and I will correct the record if I am wrong—which have State-approved plans that do authorize onsite consultation.

Mr. FINDLEY. That is all to the good.

Mr. STEIGER of Wisconsin. So that the fact situation is such, in my view, that in those approved State-plan States employers are able to get that kind of consultation.

Mr. FINDLEY. That is right.

Mr. STEIGER of Wisconsin. The purport of my amendment is to give all of the 50 States, and the territories, an opportunity with the Labor Department and the State agency to come in for this service. I cannot put forth any assurances—and I do not think that anybody can—that every State will want to do this. But I think clearly it is in the fundamental interest of, and I think it is important to enable, the States to do this job.

Mr. FINDLEY. But every State should have recognized this fundamental principle of equity a long time ago, but most of them have not done so.

Mr. STEIGER of Wisconsin. I do not think the gentleman from Illinois should be comparing apples with oranges, because there is a very different issue involved here politically, both in terms of manufacturers and labor about the State-approved plan concept, and my amendment does not get into that problem. It does provide an inducement to the States.

Mr. FINDLEY. May I ask one further question? How soon would the gentleman from Wisconsin expect this to be effective in a State that elects to go along?

Mr. STEIGER of Wisconsin. As soon as there is a contract approved and trained personnel available to provide the service.

Mr. FINDLEY. It may be months, then?

Mr. STEIGER of Wisconsin. I do not see that, frankly, as a lengthy period of time. I do see it as being important in terms of providing consultant officers who are trained and who know the standards. I am sure the gentleman from Illinois would want that.

Mr. FINDLEY. Let me ask the gentleman one further question. Let us assume a State elects not to go the route of being the enforcement agency for OSHA, but, nevertheless, wants to cooperate under the terms of the gentleman's amendment. Can it do so?

Mr. STEIGER of Wisconsin. Yes, sir, it can, and the gentleman will see in my statement yesterday the legal opinion of the Department of Labor, which speaks to that very question.

Mr. FINDLEY. And the advice of counsel given by such State agency inspectors would be accepted in full faith by the Federal agency—am I correct?

Mr. STEIGER of Wisconsin. It would clearly be an important ingredient in terms of good faith.

Mr. FINDLEY. That is not much of an assurance, though. How does this really help the small manufacturing firm that has to shoot in the dark and can have no assurance that when that fateful day comes that a Federal OSHA inspector enters he has complied with regulations and will not be faced with 15 or 20 or 25 citations, even though he conscientiously and at great expense has tried to interpret the regulations properly?

Mr. STEIGER of Wisconsin. May I say to the distinguished gentleman in the well that same problem would arise if we had a Federal law consultant separate from a compliance officer.

Mr. FINDLEY. They ought to be one and the same thing.

Mr. STEIGER of Wisconsin. No. Even then the gentleman is as familiar as I am with the problem that I have seen rise in the State of Wisconsin from the Department of Agriculture inspectors, one of whom came along one week and the next one came along the second week, and they gave differing interpretations to the poor guy who ran the meat market in terms of what he was supposed to do to comply.

My amendment, in my view, clearly enables the employer to seek and gain the kind of consultant advice that makes sense.

Mr. FINDLEY. Mr. Chairman, while I support the amendment as a step forward, it is only a recognition, not a solution of the problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

At the outset I should like to direct these remarks to the gentleman from Wisconsin (Mr. STEIGER). The record shows, as of this time, 26 States of the 50 States have approved plans by OSHA. Of these 26 States, 21 States are authorized to provide onsite consultant services, and of these authorized States only 5 States are providing the services. That is the situation as it exists as of this time.

That is in response to the gentleman's inquiry to Mr. STEIGER. It may appear that this is easy legislation which we should immediately approve, and many did do just that. I want to give the other side of the argument, and I ask my colleagues to give close attention for the simple reason that they are dealing with a very important substantive change, although on the surface it appears to be a procedural change.

Let me give my colleagues some facts. The gentleman from Wisconsin (Mr. STEIGER) suggested that many of the national organizations are supporting his amendment, and they may well be. Let me give the Members a list of those that are not supporting the amendment which he proposes in its present form. They are organizations such as the National Chamber of Commerce, Associated General Contractors of the United States of America, the American Institute of Industrial Engineers, the American Society for Quality Control, the Society of Manufacturing Engineers, the National Society of Professional Engineers, and many others.

Let me try, hopefully, in the limited time that I have, to explain the practical situation as it exists.

Congressman DANIELS is now unavoidably detained in Switzerland. He is attending an ILO meeting which is very important to our Committee on Education and Labor. He did authorize oversight hearings and legislative hearings on this very matter. In fact, we just completed two hearings this week during which I substituted as the chairman.

My good friend, the gentleman from Wisconsin (Mr. STEIGER), and he is my friend, appeared and had the opportunity to question the witnesses who testified. At these hearings we found most of the controversy centered about, in, and around this amendment. Should the States furnish the proper agencies to provide these inspection services as distinguished from the parent organization which is OSHA? As of this time only five States have made an attempt to do this, to actually go onto the premises and to give advice, to help the many complaints we have heard.

The committee generally feels a change must be made in this area. We have a consensus as far as that item is concerned. Changes must be made, but this is so complex and I am going to endeavor to explain why it is so complex and why we are hesitating. We know a change must be made and there must be an enlargement in this area because there have been so many complaints. I say this with sincere respect for my colleague; however, the amendment is premature and he has jumped the gun. He is too early with this position. Are we going to have a committee procedure in this House or are we not? The chairman is holding these hearings. As I mentioned two of them have been held this week and one of them was held yesterday. Now we have this premature amendment at this time and under these circumstances.

Let me go into some of the ramifications of all the mischief this amendment causes. It raises many questions. For instance, what kinds of services would be provided by the States? There is the crux of the question. What kinds will be furnished? Will they include engineering services or highly technical services? And when they do provide these services, are there not going to be questions as to whether or not the employees should have the right to ask for consultative services? Why should not a group of people, if there is no collective bargaining organization, if they so desire, have the privilege or prerogative of asking for these consultative services? The gentleman's premature amendment does not cover this possible problem area.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 2 additional minutes.)

Mr. HUNT. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding.

I agree with the gentleman's remarks in substance. I think we do need some corrective measures on this and perhaps this is the time when we should be considering them very strongly. I have had so many complaints about the enforcement of this and I am certain the gentleman from Pennsylvania has likewise, where inspectors who come in on the job are the inspectors and then they get to be the policemen and then they get to be the judge and then they get to be the jury and finally they get to be the executioner. It is about time we have some commonsense injected whereby the man would not be required to issue a citation. The inspectors oftentimes do not want to issue the citations but they are compelled to.

I know the gentleman is sympathetic and understands this. I hope we can do something to help the little man who has today no option except to accept the citation and pay the fine. He should have an opportunity to consult somebody and the inspectors should have some leeway as to whether or not they must issue citations.

Mr. GAYDOS. Mr. Chairman, there is some merit to the amendment. I tried to make that clear, but I explained that we are looking into this and my chairman, who cannot be here today, as I stated, is holding these hearings and I believe that there is evidence that he is going to recommend changes.

This is a mischievous amendment, although the intent might be very proper. I submit for the consideration of my colleagues that we must preserve the committee system. We are going to come out with some recommendations. Many committees are going to find themselves in the same boat someday if they do not today heed my warning.

Mr. HUNGATE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are told that this amendment is premature. What kind of consultation service will there be?

I will tell you what kind there is now. There is none, 24, 26, 50 States or any number you want. There is none.

This, at least, will be that much improvement. They agree a change should be made, but it is premature. The committee structure should be followed.

The Small Business Committee held hearings on this, after hearing from many businessmen a year ago.

We would like somebody to consult with small businessmen to give them these consultative educational services. We think they deserve that.

After numerous Members had introduced resolutions and amendments to change this act, and there were no hearings, then the Small Business Committee held hearings and highlighted this problem; but it must have been premature. The hearings were a year and a half ago to take action to solve the problem.

Again, this year, we found administrative improvement. They are doing better in administering OSHA, but we still found a crying need for consultation and educational services.

We have discussed this in meetings before the distinguished committee, and it is a distinguished committee, it has far more learning in this field than other committees of Congress, but it still insists legislation here is premature.

If we vote down this amendment of the gentleman from Wisconsin (Mr. STEIGER) it would be premature for another year.

They are giving hay to the dog and bones to the donkey.

As chairman of the Subcommittee of the House Select Committee on Small Business which has held two sets of hearings on the impact of the Occupational Safety and Health Act on small business, I am most interested in Labor Department's appropriation bill, which is scheduled to be before us today. I am particularly interested in the amendment proposed by my colleague from Wisconsin (Mr. STEIGER) who sponsored the original bill, which will authorize the Secretary of Labor to spend up to $5 million on contracts with the States to provide free OSHA consultation services to business. I support this amendment and I shall vote in favor of it.

Our hearings have established that small business objection to this act is their inability to determine what is expected of them. OSHA's regulations are voluminous, technical and complex, and small businesses do not have the resources to daily monitor the Federal Register or hire engineers to interpret the technical language contained in these regulations. The issue for these businessmen is not opposition to the concept of occupational safety or health, but rather their difficulty, indeed their inability, to properly implement the act. Small businessmen want to provide their employees with a safe and healthy working environment and what they need is assistance. As it stands now, if they invite an OSHA inspector to their establishment to assist them, he must cite any violation he observes. This has deterred such requests and, thereby, hindered the full and rapid implementation of this act.

Others have suggested that small business should be exempt from the act, and that any business with less than 50 or 25 or 15 or 10 employees should be exempt. But there is nothing inherently safe in being small. Indeed, some of the most hazardous occupations, such as logging, have only 5 employees. Additionally, when we asked one of the representatives of the construction industry who appeared before us in our February hearings what he thought of an exemption for small business with less than 15 employees, he said that:

> The large firms would be deorganizing to the point where the carpenters will be one company called AB, and the next one will be CD and everyone will have less than 15 employees so that on a construction site with 500 men, you would not have any employer on that job with more than 15 employees.

Therefore, I oppose any exemption for small business because I fear that it would create a loophole that could be misused. More importantly, my subcommittee's hearings have convinced me that small businessmen support the concept of occupational safety and health and sincerely want to comply with the act and I further believe that their employees are entitled to the same protection as those who work for large companies and that the best way to accomplish this is to provide small businessmen with the technical assistance, free of charge, that they need so that every working American can be insured of working in a safe and healthy environment.

Mr. RANDALL. Mr. Chairman, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from Missouri.

Mr. RANDALL. I thank the gentleman for yielding. We have heard that same old story that was heard 2 years ago, maybe as much as 3 years ago. It seems we are always going to have hearings but they never happen. There have been no hearings, or at least no results or report.

The opportunity we have today is to do something about the situation. If the Subcommittee of Labor and Education comes up with some recommendations and passes out a bill, then that is another chapter, but right here today we are talking about consulting services, and that is all—to help employers and employees—have consulting services to avoid fines and penalties.

The gentleman in the well, the gentleman from Pennsylvania a moment ago said employees would be denied consultation. There is nothing in this amendment to deny labor consultation. It might be a good idea to have some consultation.

Suppose there is a recalcitrant worker that refuses to wear a hard hat, after he is warned again and again. Well, you know the employer would be fined for that. Maybe the employee needs some consulting service, or perhaps counseling services as well as management needs this service. But there is nothing in this amendment that denies labor the benefit of consultation just as much as management.

But let us return our attention to those hearings. For 2 or 3 years we have heard there are going to be hearings; just you wait. Now we hear that song again. But I predict all we may have is promises and more promises but no action. Let us pass this amendment. To do so will be a big step in the right direction.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. I would like to respond hurriedly to the gentleman. This is a complicated legislative field we are entering. We have 74 bills before this committee being introduced and being considered in these combination hearings, which are both legislative and oversight. Of the bills pertaining to the area the amendment pertains to, we have no less than 16 bills with a total signature of 80 Members, so we can see how complicated the subject matter is.

Mr. HUNGATE. I thank the gentleman for his contribution. There have been hearings on this, because I have testified at such hearings. What we seek now is legislation.

AMENDMENT OFFERED BY MR. MICHEL TO THE AMENDMENT OFFERED BY MR. STEIGER OF WISCONSIN

Mr. MICHEL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL to the amendment offered by Mr. STEIGER of Wisconsin: At the beginning of the Steiger amendment strike out the words "together with $5,000,000 to" and insert "of which not to exceed $5,000,000 shall".

Mr. MICHEL. Mr. Chairman, I will be very brief. We ought to move along here. Until the gentleman from Pennsylvania took to his feet I was going to say I could not argue against anything that had been said by any Member rising in support of the Steiger amendment, because what the gentleman has said is correct. Everyone of us has a good point to make.

My only argument is rather than adding $5 million to the bill, let us do it within the amount already provided in the bill. We have added $30.4 million to the bill over last year. Let us do what he says we ought to do within that framework of what we have appropriated, and we do not bust the budget again on another item to satisfy everyone. It allows more discretion and I think it is a rational means of breaching this inflation.

I would urge that we adopt my amendment.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I would like to respond in this fashion: The reason why this is such a problem area is because at the present time we have a considerable number of these. We do not have enough money, and the reason some of these problems are borne within the industry is because we do not have sufficient funds. I think it would be worse than the amendment is in its present form.

Mr. MICHEL. Well, I submit that I can sense the temper of the House here and generally what most of the Members would like to have. There is here practically a 40-percent increase over last year's expenditures in the appropriations.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to my colleague from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I simply rise in support of the amendment of the gentleman from Wisconsin (Mr. STEIGER).

Mr. Chairman, I rise in support of the amendment offered by Mr. STEIGER of Wisconsin because it addresses itself to one of the critical problems that has arisen out of the administration of the Occupational Safety and Health Act of 1970. Hardly a week goes by that I do not receive a letter from a small businessman in the 16th District of Illinois who does not urge me to support legislation that would repeal OSHA. These small retailers and manufacturers do not write and express disdain for the goals of the program, nor do they write out of callous disregard for the safety and health of their employees. Rather, they complain that the absence of onsite consultation with OSHA examiners, designed to inform employers of existing or possible violations of OSHA regulations, places them in the position of unjustified jeopardy. These businessmen complain that the first time they see an examiner is the day of an actual inspection that may easily involve penalties amounting to many thousands of dollars.

Moreover, these businessmen contend that this OSHA showdown, and the resulting penalties, could be easily eliminated and would probably have a beneficial effect in terms of the safety of their employers. In capsule form their argument, which I find compelling, is the following: On May 29, 1971, soon after the act took effect, the Occupational Safety and Health Administration of the Department of Labor published standards which the Federal Register needed 248 pages to print. Indeed, it has been estimated that at the present time OSHA regulations and documents piled on top of each other already form a stack 17 feet high. Now what is the small employer without attorneys on retainer or safety professionals on their staff to do? Clearly as the law now reads it is his obligation to know what those regulations state and to make certain that his establishment is in compliance.

Mr. Chairman, I am convinced that without professional guidance, this goal and this order which we in Congress have given the small businessman is largely impracticable and unworkable. First of all it is unreasonable to expect most small businessmen to wade through the necessary documents or to know exactly what to do even if they did. If this is correct, then, good faith, voluntary compliance is just about impossible. And as a result, many small businessmen comply as well as they know how and sit in dread of a visit from the compliance officer, a visit which, as I have said, can easily mean costly penalties.

This approach can be best described as all stick and no carrot, and one of the most harmful side effects is the likelihood that many small businesses, who would comply if they adequately understood how to do so, hesitate or falter in this regard placing their employees in unnecessary danger.

The amendment offered by Mr. STEIGER would provide a solid framework from which we can begin to alleviate both the jeopardy to the employer and the employee. The amendment as amended proposes that out of the increase of $30.4 million for OSHA in fiscal year 1975, appropriate funding be found for a program of grants to the States for onsite consultation service to employers. I supported the original provisions of the amendment that would have provided an additional $5 million for this purpose. And I am fearful that in the absence of these additional funds this very worthwhile consultation program will be relegated to a stepsister status. I sincerely hope that these misgivings prove unfounded, because I am certain that to the extent that the OSHA program is perceived to be applying unreasonable standards its very worthwhile goals, and perhaps its long-term existence, are undermined.

Mr. MICHEL. Mr. Chairman, I urge the adoption of my amendment to the amendment.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois to the amendment offered by the gentleman from Wisconsin.

Mr. Chairman, I think the gentleman from Wisconsin (Mr. STEIGER) has performed a useful service for all of us and for a good part of the country this afternoon by offering his amendment. I have heard complaints for a long time, and I have heard concerns expressed for a long time by small business people in my district, who say that what they want is the opportunity to consult with somebody without getting hit over the head by OSHA inspectors.

That is what the amendment of the gentleman from Wisconsin tries to do. I will vote for it unless the Michel amendment to the amendment is adopted. I would urge others on this side of the aisle to vote for the Steiger amendment unless the Michel amendment to the amendment is adopted.

If the Michel amendment to the amendment is adopted, I will vote against it for this simple reason: The hearings show that at the present rate of inspection, it would take 50 years to inspect every plant in the country—50 years.

I think the amount of money which the committee put in this bill for Federal inspectors is a responsible amount. I think it would be foolish to take $5 million out of that amount and apply it to the gentleman's amendment. I think his amendment, as originally offered, is a decent compromise between all interests and will depolarize this entire issue. That is what we ought to be for.

Mr. Chairman, I urge the Members to vote against the amendment to the amendent offered by the gentleman from Illinois and for the amendment offered by the gentleman from Wisconsin.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I purposely sat back and managed to keep my mouth shut for this long, and I guess the Members know why. I can smell a can of worms when I see one and smell one, and this, let me tell the Members, is certainly that.

We are dealing with a very delicate subject, a very important subject. This committee has conducted hearings on this at great length. As I said in reply to my friend from Iowa (Mr. GROSS) in my original statement, this committee heard this. Every member of this subcommittee examined these witnesses on this very point. If the Members doubt that, take a look at the committee record. It is an extensive record, a very careful record, and about as thorough a record on a specific point as the Members will see in appropriation bills this year.

As chairman of that subcommittee, having gone through all those and having listened and listened and waited here for nearly an hour and heard the emotions rise, and in an abundance of caution, if for no other reason, I would find myself constrained and advised to urge the Members to sustain the position of the committee on this thing and to view both the amendment to the amendment and the amendment very carefully.

Mr. DENT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not going to take the time of the committee except to state that we are deliberating legislation in the proper form, in the proper shape, and in the proper manner with the processes of this House in our Subcommittee on Labor with this jurisdiction.

Everybody proposing to legislate under an appropriation bill has little or no information gained by our committee in over a year's hearings, consultations, and negotiations.

I do not think any of the Members know fully just what they are doing in this matter. I say that advisedly because I do not know either at this point. I think I am as well acquainted with this legislation as any man on this floor but the effect of these pending amendments cannot be assessed by debate.

What we have to do is to program in the legislation itself the manner in which we will treat minor infractions, nonserious minor infractions of the law on safety. But one does not do it by setting up an agency foreign to this piece of legislation inasmuch as every State in the Union has its own safety laws which are not anywhere near the same as this legislation is.

We have it. We are hearing it. We are consulting with the people that have this great problem of the so-called minor infraction.

As it is now, one of the great faults in the legislation is the way it is being administered. In our legislative attempt, we have to give direction to the Secretary of Labor to use the authority that we gave him and the right of discretion which we gave him in the act, but what is being done is that they are deliberately putting a penalty on every little infraction of the act without even having a clear-cut criterion that they can hand out or give out to the employer in this country so that he knows when he is violating.

Under the Coal Mine Safety Act, we had many, many tortuous years because of the way the first Coal Mine Safety Act was administered, not because of what Congress intended or wanted. I know what is needed because I have gone through that whole 37 years of mine-safety legislation. The bill was not perfect. No piece of legislation that is landmark is ever perfect. I have told the Members that so many times on this floor, that we have to come back and redo much of the legislation when it is landmark legislation.

We might be back here with pension legislation. I might be back here within 2 weeks on the minimum wage again, to undo something that we might have done wrong.

Therefore, all I ask the Members to do is to give this committee an opportunity to do the job that they have been given to do.

DOMINICK DANIELS, the Member from New Jersey, who is the chairman, is now on an official errand for this House of Representatives. While he is there, the Members are knocking out his attempt to write this legislation so that it will be understood by everybody.

I do not want to have a penalty for the first infraction. I want to have them go in, as they do in the mines, and say, "This is where you are violating the safety law. You have so long in which to correct it."

If it is a matter of such a serious violation that it could mean the death of a mineworker or an employee, of course they must then go immediately at that point and cease using the piece of machinery if it is dangerous, or tighten their bolts in the ceiling if the roof bolts are faulty or the construction of the tunnelways and the workways are contrary to the safety law.

That is all we are asking you. Give Mr. DANIELS and his subcommittee an opportunity to work with this legislation.

Mr. BEARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Steiger amendment. I must say once again, as I am just completing my first term, that I have become thoroughly convinced that one of the most legitimate, appropriate phrases I have ever heard, the "silent majority" is really in existence.

I do not see how in the world we can sit back and not at least show some type of attempt to move in a direction to correct the situation that is driving the small businessman out of business.

Every day I get correspondence, every day I get phone calls, and I know that every single Member in this room is going through the same thing. And yet we fail to react.

I know a man in Dickson, Tenn.; he has a foundry; he is charged with two minor violations, and the fine is $130. There are two pieces of equipment he has to replace as a result of that, and they cost over $500,000. He is not going to pay for it. He says, "I am passing that on to the consumer." This is inflation.

Yet we sit here and demagog about licking inflation. We say, "Look at the administration." It is we—Congress—who are causing it.

Mr. Chairman, it is time we go to work and show the small businessman that we care, and that we are going to work for him.

This may not be a perfect amendment. There may be problems with it, but, for crying out loud, the bill is not perfect, either.

We must move. We must show some support for the businessman in this legislation.

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Chairman, we have heard discussions concerning coal mine safety, and these discussions have had some impact in the small business hearings. We heard from some small businessmen who were engaged in mining.

The first thing they had to tell us was that they, of course, have to meet the coal mine safety regulations. Then the use of dynamite, and the next thing they have to do is to comply with the Treasury regulations, and then they also have to meet the OSHA regulations. But the three sets of regulations are not the same.

This one man we talked with was perfectly frank. He said, "We have a radio on top of our equipment, and any time the Treasury man comes we will just change the sign for dynamite, because what satisfies one agency does not comply with the two others. The regulations conflict.

Mr. Chairman, we need the amendment which the gentleman proposes, and I thank the gentleman for his amendment and his contribution.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I commend the gentleman for what he said in support of the Steiger amendment, particularly in what he said in support of the stand against busting the budget.

If that is true, I suggest the gentleman should support my amendment to the amendment, and under those circumstances the gentleman would give me that support, would he not?

Mr. BEARD. Mr. Chairman, I would come very close to supporting it.

Let me conclude by saying that we have in the past often seen a partnership between business, labor, and government. However, today we do not have that partnership.

Mr. Chairman, I urge the Members to vote for the Steiger amendment.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BEARD. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I thank my colleague, the gentleman from Tennessee, for his support. I am grateful for that.

We have an awful dilemma on our hands. I feel very strongly that this House ought to respond to the needs of the employers, who have beseeched, begged, implored, and pleaded legitimately to be given some assistance.

Now, having said that, I will point out that the effort that I have tried to make today, along with the gentleman from Missouri, is to find a way to meet that need.

My dilemma is simple. There are those who feel the Michel amendment ought to be adopted because that will save $5 million, and then they might be willing to vote for my amendment, as amended. There are those on the other side, as reflected by the remarks of my friend, the gentleman from Wisconsin (Mr. OBEY) who says, "If you vote for the Michel amendment, I will vote against the Steiger amendment, as amended."

On balance, I am persuaded the needs of small business would be met by voting down the Michel amendment and voting for my amendment as offered, and I hope the Members will do that.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to make one observation. I think it is only fair that I remind the Members before they vote on this very salient point that the gentleman from Wisconsin (Mr. STEIGER) by his amendment, has now preempted any activity on the part of the committee. If we accept the gentleman's amendment, he is telling the States, "You have a right in a limited area to now provide consultant services." That is what he is saying.

We in the committee, based upon the hearings which we are still conducting, have repeatedly said that that is not what we should do. It may well be we will do it. It may be enlarged.

We do not want to handcuff the States. We may, ultimately, give them many more areas of jurisdiction. Along with the suggestion made by my colleague concerning the SBA, I remind the Members that we have 82 SBA stations throughout the country. We have trained personnel. This is where we ultimately place the onsite consultative services.

Mr. Chairman, I am simply admonishing the Members to give this their most thorough consideration.

Mr. BROWN OF Michigan. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

I would suggest that the gentleman has probably made the strongest argument possible in favor of the Steiger amendment: if it is adopted and the committee does not like it, the members of the committee will be prompted to do something about it and we will get the needed legislation.

Mr. GAYDOS. Mr. Chairman, I would like to respond to the gentleman.

We cannot amend this bill at this time under the circumstances, because much mischief may well occur before we got around to getting that final report and reporting out proper legislation.

Mr. STEIGER of Arizona. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I beg my colleagues' indulgence on a very personal basis. I will tell my colleagues I am probably as much aware of the political significance of OSHA as anybody in this House. I have the misfortune to spell my name in the same way as the principal author of this amendment. I will tell you the reaction I get not only from my people but I feel in the country I am permitted to travel now that this bill is passed. Everywhere I go I meet with genuine dismay.

My good friend and neighbor, the gentleman from Tennessee told you we must pass the Steiger amendment in order to heed the pleas of the little folks. I am telling you he is dead wrong, and I am telling you this not out of any parochial interest in the committee's authority because, my friends, I will tell you the committee that produced this bill ought never to be listened to again on the same matter, in my opinion. That is only my opinion.

So I ask that you support the Michel amendment on the off chance that we have taken leave of our senses and are going to endorse the Steiger amendment, because at least we will not have increased the total outlay.

But make no mistake about it. You will not solve the basic problem with OSHA, the bottom line of which, my friends, is that industrial accidents have risen in the 22 months of OSHA's life. I suspect that ought to be of some concern to all of us.

If you add one dime to OSHA's function, whatever you say that dime is for, you are saying it is a good and appropriate program. OSHA is a failure. At what point in time we will come to recognize that I do not know, but I will tell you that labor thinks it is a failure. I am talking about labor at home and not labor downtown here. Industry thinks it is a failure, and the consumer thinks it is, too. Hospitals may like it, but they are the only ones, and this is not a hospital vote.

I urge you to support the Michel amendment and then defeat them both.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL) to the amendment offered by the gentleman from Wisconsin (Mr. STEIGER).

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. OBEY. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. STEIGER) as amended.

The question was taken, and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. HUNGATE. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 301, noes 100, not voting 33, as follows:

[Roll No. 341]

AYES—301

Abdnor
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bergland
Biester
Blackburn
Boggs
Boland
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collier
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Crane
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Denholm
Dennis
Derwinski
Devine
Dickinson
Dingell
Downing
Drinan
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fuqua
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Grasso
Green, Oreg.
Gross
Grover
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kemp
King
Kuykendall
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKay
McKinney
McSpadden
Mahon
Mallary
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mink
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Murtha
Myers
Nedzi
Nelsen
Nichols
O'Brien
Owens
Parris
Passman

Patman
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rarick
Regula
Rhodes
Riegle
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rose
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli

Sebelius
Seiberling
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton

Towell, Nev.
Traxler
Treen
Van Deerlin
Vander Jagt
Vander Veen
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NOES—100

Abzug
Addabbo
Annunzio
Badillo
Barrett
Bevill
Biaggi
Bingham
Blatnik
Bolling
Brademas
Brown, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Cotter
Cronin
Danielson
Delaney
Dellums
Dent
Donohue
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Fascell
Flood
Ford

Gaydos
Gonzalez
Gray
Green, Pa.
Gubser
Gude
Helstoski
Holtzman
Johnson, Calif.
Jordan
Ketchum
Kluczynski
Koch
Kyros
Landgrebe
Lehman
McFall
Madden
Maraziti
Martin, Nebr.
Metcalfe
Minish
Mitchell, Md.
Mollohan
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nix
Obey
O'Hara
O'Neill
Patten
Pepper

Podell
Price, Ill.
Rangel
Rees
Reuss
Rinaldo
Rodino
Roe
Rooney, Pa.
Rosenthal
Rostenkowski
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Slack
Staggers
Stanton, James V.
Stokes
Tiernan
Udall
Ullman
Vanik
Waldie
Wilson, Charles H., Calif.
Yates
Young, Ga.
Young, S.C.
Zion

NOT VOTING—33

Brasco
Burke, Calif.
Carey, N.Y.
Clark
Cochran
Daniels, Dominick V.
Diggs
Dorn
Esch
Fulton
Goodling

Griffiths
Gunter
Hansen, Wash.
Hawkins
Hébert
Holifield
Howard
Johnson, Colo.
Jones, Tenn.
Karth
Macdonald
Madigan

Mills
Minshall, Ohio
Moakley
Quillen
Reid
Roberts
Rooney, N.Y.
Shoup
Thompson, N.J.
Yatron

So the amendment as amended was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On Page 6, after line 17, add the following:

"None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who inspect firms employing twenty-five or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970."

POINT OF ORDER

Mr. GAYDOS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GAYDOS. Mr. Chairman, I have to raise a point of order for the reason it is a limitation on an appropriation bill.

Very hurriedly, let me state that a limitation on an appropriation bill is legitimate if and only if:

First, it is worded so that it limits the use of money, rather than limiting the discretion of an Executive officer to carry out his duties;

Second, it applies only to the use of the present appropriation rather than attempting to legislate a permanent restraint on the spending authority of an Executive officer.

An amendment which forbids the Secretary of the Treasury from paying the salary of OSHA inspectors out of the current DOL appropriation for the inspections of premises of employers with 25 or fewer employees, would seem to meet these criteria. There are, however, three arguments which seem to indicate that this limitation is in fact legislation and therefore not appropriate under House rule 21, clause 2.

First, section 8(f) of the act provides that an employee in any size business may file a complaint with the Secretary of Labor, and the Secretary must respond to such complaint. Further, this employee right is protected by the anti-discrimination clause of section 11(c) of the act. Failure to provide the Secretary with the funds to respond to these employee complaints leaves these employees with a protected right but without a remedy, a situation abhored by the law. It effectively amends OSHA to remove the right for a group of employees, and there is no rational basis for this sort of discrimination. While it is well established that the Congress may pass a law creating a Government authority or function and then withhold funds from it, it is questionable whether there is any precedent for using a limitation to delete the remedy for a legislatively established right vested in an individual. The mover of the amendment should be asked to provide such a precedent.

Second, the inspectors used by the Secretary of Labor to carry out all investigations are assigned to regions at the present time on the basis of the concentration of businesses in each region—all businesses. The vast majority of businesses do employ under 25 persons, and following the terms of the amendment, these could no longer be counted in the computation by the Secretary of Labor used in allocating inspection personnel. This means that a huge reallocation of present personnel has to take place.

Further, it may mean extra training of the inspectors currently operating in regions where there are mostly small businesses, so that they can be used to double up in those regions where there are more large businesses. In short, the amendment imposes a substantial burden upon the Secretary of Labor, and the precedents are clear that a limitation may not impose any additional duties upon an executive officer.

Finally, OSHA is a carefully developed law which was the result of deliberate balancing of employee and employer rights by the appropriate committees of the Congress, and any change in that balance effectively constitutes legislation. Since the amendment would change the rights of some employees, it should, therefore, not be attached to an appropriations bill.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. Yes, Mr. Chairman.

Mr. Chairman, in fact this language is so close to being identical to a number of other similar amendments offered and sustained by rulings of the chair, that I am surprised that any point of order would be raised. It is clearly within the rule that it is retrenchment on its face. It establishes no obligation on the part of the executive branch for additional duties. It requires no determination. It does not go beyond the fiscal year involved, and it simply withholds the salaries for a specified purpose.

So, I see no valid basis for a point of order.

The CHAIRMAN (Mr. WRIGHT). The Chair is prepared to rule.

The gentleman from Pennsylvania makes a point of order that the amendment offered by the gentleman from Illinois constitutes legislation on an appropriation bill, as distinguished from an authorization, and therefore it would be in violation of clause 2, rule XXI.

The Chair has examined the amendment and the provisions of the Occupational Safety and Health Act, Public Law 91-596. The amendment would prohibit the use of funds in the bill for the payment of the salaries of Federal employees who inspect firms employing 25 or fewer persons with respect to compliance under that act.

Clearly, as the gentleman from Pennsylvania acknowledges, and as all the precedents would attest, the House could refuse to appropriate any sums whatever for the administration of the act in question. Or, it could prohibit the appropriation of any funds to pay the salaries of any inspecting officers under the act. This particular amendment merely limits the use of funds in the bill for a certain described category of such employees.

The gentleman from Pennsylvania suggests that this fact would render the burden upon the executive branch and the administrators to make precise determinations, and that it would have a discriminatory effect.

The Chair has examined several precedents which relate to restrictions on the payment of appropriations for certain salaries or expenses. On June 6, 1963, Chairman Keogh ruled that to a bill appropriating funds for the Department of Agriculture, an amendment providing that—

> None of the funds herein shall be used to pay the salary of any . . . employee who . . . performs duties . . . incidental to supporting

the price of . . . cotton at a level in excess of 30 cents a pound.

Was a proper limitation, and admissible under the rules of the House.

On June 6, 1941, Chairman Lanham ruled that an amendment to a military appropriation bill providing that no funds therein shall be paid as compensation to any person employed in the manufacture of defense articles who stops work in excess of 10 days on a strike, or who fails to resume work within 3 days after the Government takes over such a plant, was a valid limitation.

The Chair would also simply call attention to Cannon's volume 7, paragraphs 1663 and 1689, which were cited by Chairman GIBBONS on the agriculture and environmental consumer appropriation bill on Friday last, when that chairman overruled a point of order that a limitation therein on the payment of salaries or funds in the bill constituted legislation.

The Chair feels that the amendment offered by the gentleman from Illinois is a valid limitation on the use of funds appropriated in this bill, and therefore overrules the point of order.

Mr. FINDLEY. Mr. Chairman, it is very plain from almost everything that has been said here today that there is a grave injustice in the OSHA law, and I think it is equally plain that what we have done up to now has not really provided much relief at all from that injustice.

This amendment provides us with the opportunity to give relief to the small employer, to give him relief from this unfortunate injustice until the Congress can finally change the basic law.

The gentleman from Pennsylvania (Mr. GAYDOS), who is certainly familiar with the problem here, stated, and I think I have his words correctly, "We know a change has to be made." In effect, he pleaded with the Congress to give the Committee on Education and Labor time to bring forward a change in the basic law. Our friend, the gentleman from Pennsylvania (Mr. DENT), said that he does not want to be hit with a fine the first time an inspector would come into his plant. Who would? Yet that is the fact of the law today, and that is the fact of the enforcement every day from now on until the basic law is changed. The Steiger amendment is not going to change that one bit.

I think the gentleman from Pennsylvania (Mr. GAYDOS) pointed out that even though 26 States have approved a State agency enforcement of OSHA and 21 of these have approved on-site consultation service within their State, only 5 of the 21 have seen fit to implement this.

I asked the gentleman from Wisconsin (Mr. STEIGER), "How long is it going to be until we have the assurance that on-site consultation and advice will be available throughout all the States of the Union under your amendment?" Of course, he could not answer.

The $5 million is not going to go very far, and based on the past record of the State agencies, it is not going to go very far at any time.

What is needed today is relief for the employer of, let us say, 25 workers or less to relieve him of this injustice, this harassment, for the fiscal year we are now in, which would give ample time to the Committee on Education and Labor and the other institutions of the Congress to bring forth the needed reform in the basic OSHA law. That is the only way we are going to get the law changed, to lift this injustice from the small businessman. Otherwise they are going to be afflicted with this injustice until that distant day when the Congress finally gets around to amending the basic law. If we suspend the enforcement of OSHA as to these small firms, I think we give a desirable incentive to the institutions of the Congress to deal forthrightly with this problem and to come up with a desirable adjustment in the basic law in a short period of time.

My amendment, of course, does not suspend all enforcement. The largest firms have the staff and other resources to provide their own experts on OSHA enforcement, but the little fellow who has a staff of 25 or less can hardly be expected to provide in house or to have the resources to hire competent specialists whose word would be adequate authority for compliance.

I talked with one of the Members of this body yesterday about his own experience as a small employer in trying to comply with the regulations of OSHA. He said, "Even though I am on a committee that has studied this, I was flying in the dark. We looked around the plant. We made all kinds of changes at great expense. We spent thousands of dollars. And then the day the OSHA inspector entered the plant he found about 25 violations."

Of course, the OSHA inspector, under the existing law, could not give a warning. He could not say, "Make these changes and I will come back in 30 days, and they had better be done or you will be fined." No. Under the law the OSHA inspector had to issue a citation of violation that instant.

I say that is injustice, and I say we ought to relieve the small employers throughout the Nation regardless of where they operate from this injustice until such time as this unfortunate flaw in the basic law is changed.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Kansas.

Mr. SEBELIUS. We have heard there is not enough money to hire these inspectors. If they had the inhouse rescurces, could they then be used to inspect the larger plants?

Mr. FINDLEY. It would certainly relieve some resources for that purpose, and I think they could well be directed to that end.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

I believe we need consultation service. As a matter of fact, I am coauthor of the bill with the gentleman from Wisconsin (Mr. STEIGER) to provide it. I think the committee has been negligent in not reporting such a bill a couple of years ago.

However, this amendment seeks to exempt based upon a smaller number of employees, but smallness is not synonymous with safety. I do not think anyone will claim it is. We are not going to solve this problem by exempting employers with 25 employees or less. The highest accident rates are with employers who have 5 to 15 employees. Some industries with a $50 million investment have less than 25 employees.

Let us look at what we have done here today. It is true that some States do not now have consultation service. But by providing the money that has been provided here today, the 5 that have an operative service could get improved action immediately and the rest of the 21 will be encouraged to do so very soon. And with this carrot, others will be encouraged to provide such service soon.

Mr. Chairman, I do not in any way excuse the committee for not having reported prior to this time the amendments that are needed in this law. However, I say to the Members that we have done what is necessary today to encourage a movement in the direction that we want to go, and it would be a mistake at this time to exempt employers with less than 25 employees when they in fact have the highest rate of accidents.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I thank the gentleman for yielding.

It has been my privilege to serve as a member of the Subcommittee on Small Business which is chaired by the gentleman from Missouri (Mr. HUNGATE). We have held extensive hearings on this matter, and employers have called our attention to a problem that would arise in the event the amendment offered by the gentleman from Illinois was adopted.

We have been told that a contractor on a construction site, frequently has subcontractors. Some of those subcontractors have more than 25 employees, some have fewer than 25 employees. The administration of safety regulations in that set of circumstances would be impossible.

Mr. Chairman, I submit the gentleman from Iowa is absolutely correct. The record of the Department of Labor reported on May 2 of this year that employers with fewer than 19 employees in the construction industry have a rate of injury of 14.3 per hundred. That is a higher rate of accidents than the transportation industry, insurance, banking, retailing, and service industries.

I believe these programs and these exemptions should be based upon the hazards, not upon the size of the establishment and urge defeat of this amendment offered by the gentleman from Illinois.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I wish to join with my friend, the gentleman from Iowa, in opposing this amendment.

We need some effort to come together on this problem. There is one other point which I do not think the gentleman brought out.

This is discriminatory. Why did the

gentleman pick the figure, 25? Why not 30? How about the employer who has 40, 50, or 60 employees?

Mr. Chairman, I think the amendment is discriminatory. Furthermore with the adoption of the Steiger amendment which will provide consultation service, we are going after the weakness in the present law and hopefully which can reinstate the $5 million for enforcement.

Mr. Chairman, I hope the amendment is defeated.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I thank the gentleman for yielding.

I share the gentleman's view. I oppose the amendment very much. However, let me clarify for the members of this committee what is, in fact, happening to the State plans. The figure, 5, is frankly leading.

There are a number of States, 21 States, which have onsite consultation authorized as part of their State plans. The problem there is their plan is not operational for enforcement or consultation.

So I would not want any Member to find himself in the position of arguing that the States are not doing their job, simply because the number is only five, when there are so many that are not operational for enforcement or consultation in any way.

Mr. SMITH of Iowa. Mr. Chairman, they will have approximately $100,000, and they can get some consultation services started with that amount of money.

Mr. McCOLLISTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am a part of that same subcommittee of the Select Committee on Small Business to which the gentleman from Iowa and the gentleman from Minnesota belong. I heard the same testimony that they did, and I agree with them.

I agree with them that the great urgent need of the OSHA law is to provide for consultation and inspection. The difficulty, though, is that the legislative committee having jurisdiction has had that opportunity for too long now to convince me of their real sincerity of purpose in holding those hearings and providing some legislation on the subject. I think the adoption of the amendment offered by the gentleman from Illinois would serve as a real stimulus to that committee to remedy the problem in such a way that it does address itself to the problem of providing those consultation services. Therefore I think the committee would do itself a great service in speeding along the legislative processes by adopting the amendment offered by the gentleman from Illinois, and therefore I support it.

Mr. FINDLEY. Will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for his support.

The question was raised as to why the level was put at 25 employees or less. It could be 50, 100, or 10. The figure went up and down during the course of consideration of a similar amendment a couple of years ago in the HEW bill. I think 25 seems to me to be a logical place to draw the line, but if somebody wants to put it up higher, I will not object.

Mr. McCOLLISTER. To supplement the gentleman's remarks, the need here is to adopt the amendment offered by the gentleman from Illinois to spur action by the committee having legislative jurisdiction in order that we can approach the problem in the right way.

I quite agree that the safety record of small business is something that needs to be improved as well as that of big business. However, to do it in this fashion now where they do not have the consultation services is an almost impossible task for small business.

Mr. FINDLEY. Mr. Chairman, this amendment is not a threat to the health and safety of employees. Everyone favors health and safety standards, and I certainly accept the concept of Federal standards.

This amendment, rather, will suspend OSHA enforcement for small firms until a very outrageous procedure is changed.

OSHA was enacted with the best of intentions but the basic law has one very glaring defect. It does not permit OSHA inspectors to enter the premises of a business firm and give consultation and advice on what changes need to be made to comply with regulations. On the first call inspectors have no choice. They must issue citations for any violations.

This is outrageous. It puts small firms in special difficulty. They cannot afford to hire specialists on OSHA compliance. They have to make their own best guess on what is required by regulations—regulations which all admit are vague and difficult to interpret.

Then they face the possibility of heavy fines for innumerable violations even after they have completed a costly and conscientious effort to comply with regulations.

It is a matter of simple justice to let small employers have the advantage of official consultation and advice in advance of enforcement inspections.

But the law presently does not allow such on-site consultation and inspection in States where the Federal Government is the enforcement agency. And that affects most of the States of the Union.

Now of course the law cannot be changed in an appropriation bill. All that can be done to give adequate relief from this outrageous situation at this stage is to suspend the enforcement of OSHA for small firms. The moratorium on enforcement which would be the result of this amendment, will give the Congress time to change the basic law to permit onsite consultation and inspection.

The amendment which Mr. STEIGER of Wisconsin will offer is a step in the right direction. But it is only a small step and it does not go far enough or fast enough. It is limited to States which elect to carry out OSHA through their own agencies. Only 21 States are presently in that category. His amendment provides $5 million to help such States with onsite consultation and advice, but it carries no certainty that this will establish his reasonable procedure even to the 21 States, much less any assurance that it will reach all 50 States. And when will it be effective? How many small firms, conscientiously trying to comply with safety and health standards, will be bludgeoned by OSHA citations before relief will come by means of the Steiger amendment.

The fair and reasonable step is to suspend the enforcement of OSHA for small firms for this fiscal year. That will give Congress time to change the law—change procedures for all States—no matter what agency does the enforcement.

Mr. RANDALL. Will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, the question has been raised whether there is something magic about the number of 25. I do not know why the gentleman from Illinois picked that figure to put in his amendment. But it should be recalled that the House adopted at least on one and perhaps two occasions over the past few years while we were waiting for these OSHA hearings to be held that we hear so much about—something very similar to the amendment we are considering today. Maybe the gentleman would know best why he chose the figure of 25, because if my memory is accurate the other body cut it from 25 to 15 a few years ago. For 1 year we had the welcome spectacle of those who employed fewer than 15 being relieved from the harassment of continual inspections day after day after day by OSHA inspectors. Once again there is nothing magic about the figure of 25. If we set it at 15, the other body will raise most likely to 25. If we set at 10 the other body will raise to 15 or 20.

I hope the amendment will be adopted. It has been once, when that happened a few years ago it was accepted with acclaim and was welcomed by all small businessmen, as a relief from harassment by OSHA inspectors.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the amendment.

I will be very short and hopefully not use all of my time.

The Special Subcommittee on Education is really taking a beating today. It seems we are being accused of dilatory tactics and are not receiving any credit for putting together after 200 years in this country legislation affecting every working man, woman, and child. This covers 80 to 90 million people who are presently employed.

Everybody says this amendment is so very simple we should not have many problems. I believe we should take a little extra time and a little more effort to make sure when we make a change that it is meaningful and necessary and one which we all fully support.

I tried during the last amendment to point out the mischief that would occur as a result of that amendment, but I did not have the time to do so. The latest available statistics in 1971 from OSHA show that if you used the suggested 25-employee cutoff figure, you affect 90 percent of all business and manufacturing establishments.

The percentage of the total work force affected is 30 percent.

So it is obvious this amendment has grave implications.

Again, as I tried to convey earlier, you must proceed with caution because this amendment is all a very bad amendment.

We only recently found out about things like vinyl chloride, a very dangerous substance which all of us use. We are just finding out about asbestosis and fribrosis. These are new medical discoveries. So we are in a very complicated field, and therefore this is in reality complicated legislation. We are trying to look into these areas and meet our responsibility. I think that the Members should remember this when voting on the present amendment. When we talk about chemical and allied products, everybody thinks that great, huge giants, and big producers are involved. But that is not the truth. If you will look at the statistics you will find the truth. And you will find out that this amendment would cut off—and I am talking now of a figure of 19 rather than 25, that you will be affecting 63 percent of the establishments. You also are talking about 5 percent of the people employed in that industry.

Going to lumber and wood products, a real good area of comparison. When you talk about 19 employees or less you are talking about 84 percent of those establishments, 84 percent of the establishments located in that industry, and you are talking about 21 percent of the total employees in that industry.

Then I go down the line and point out all industries generally, the statistics show—and these are the latest statistics as of 1971 from the 1967 original census of manufacturers, that 65 percent of all of the establishments would be stripped from coverage under the existing act now in existence.

Mr. Chairman, the impact of this amendment is quite clear. It would exclude from the coverage of the Occupational Safety and Health Act approximately 90 percent of the employers and 30 percent of the employees presently covered by the act.

It would further mean the exclusion from coverage of employees in the high-hazard industries where the number of employees per employer is small.

But why should the health and safety of an employee depend on the size of the company which employs him? This was certainly not the intent of Congress when the original act was passed, and there has been no testimony at any of the oversight and legislative hearings which have been conducted by the Select Subcommittee on Labor that employees of employers with 25 or less employees do not suffer occupational injuries or incur occupational diseases.

The amendment before us which seeks to provide a moratorium on OSHA activities with respect to the so-called small employer is nothing more than a request that the Congress state loud and clear that it is not concerned with the working conditions of a very large number of American workers who are exposed to occupational injuries and diseases.

I submit that if this Congress is genuinely concerned with the safety and health of the American worker, the size of his employer should make no difference as to whether or not he is entitled to the protection provided by OSHA.

I urge the defeat of this amendment.

EFFECT OF AN EXCLUSION FROM ENFORCEMENT ACTIVITY BASED ON NUMBER OF EMPLOYEES

[In percent]

	Establishments excluded	Employees excluded
Cutoff:		
3 or less	52	6
4	63	8
5	68	10
6	72	12
7	76	14
8	79	16
9	81	18
10	83	20
11	84	22
12	85	23
13	85	24
14	86	25
15	86	25
20	89	28
25	90	30
50	95	43
100	97	53

Source: OSHA Division of Statistics (based on 1971 coverage estimates.)

EFFECT OF EXCLUSION BASED ON NUMBER OF EMPLOYEES—SELECTED INDUSTRIES

[In percent]

Cutoff	Establishments excluded	Employees excluded
Chemicals and allied products (SIC 28):		
4 or less	35	1
9 or less	49	2
19 or less	63	5
49 or less	80	12
Lumber and wood products (SIC 24):		
4 or less	62	6
9 or less	75	12
19 or less	84	21
49 or less	93	39
Miscellaneous manufacturing (SIC 39):		
4	45	2
9	59	6
19	73	12
49	87	27
All industries:		
4	38	1
9	51	2
19	65	6
49	81	14

Percentage derived from figures published in "1967 Census of Manufacturers" (issued 1971).

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Illinois, briefly.

Mr. FINDLEY. The gentleman from Pennsylvania makes a sound point that it is a complicated problem rewriting the OSHA law. My amendment will give the committee a full year to do this, and if that is not long enough we can adopt another amendment like this in the appropriation bill next year. We want to give the committee adequate time. We do not want to rush the committee.

Mr. GAYDOS. Mr. Chairman, my information is based on the evidence that we are receiving daily, as late as yesterday and the day before, and the point is that the number of original complaints and the intensity of those complaints have substantially diminished. I think that business is learning to live with the act. Manufacturers are finally concluding even if they have only four, five or six employees, that they should comply and must comply.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Gaydos was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Mr. Chairman, I will yield to my colleague, the gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I should like to say that we should tread very carefully in this matter of the coverage of this act because without any national safety law do the Members realize that we will be going right back to the serious number of fatal injuries, maimed and crippled workers all over this country, as used to be the case?

Do the Members realize that the small plants with 25 or under employees at the most are the most dangerous? That is because today, with the kind of machinery and equipment that we have in our production facilities, 25 men and women will turn out as much in volume of a product with this sophisticated equipment as 150 did 20 years ago.

In the coal mining industry we had two titles, title I and title II. One title covers the mines with 15 or more workers, and the other title covers the mines with 14 or under workers. In the 14 and under workers in the mines, 4½ times as many fatalities and injuries occur as in the large mines. The large industries do have safety teams; they do have safety meetings; they have safety schools. They do have on their premises trained medical personnel. They are able to give first aid, and they are able to give serious attention to injuries immediately after they happen.

But in the smaller industry, in the smaller plants in areas like mine, when they are injured, they might have to be taken 45 or 60 miles to the first place where they can get medical aid in a hospital. It is in these areas where we need a chance to write the kind of law that will not need to be restricted as to number. We will make it work.

As the gentleman said, where were all of the Members who have been here 40 or 50 or 35 years, and those who have been in this Congress almost 200 years, while all of this carnage was going on in our plants and in our mines and in our operations? Now they come around here and say we are not doing it fast enough, and the way they want to do it is to remove 90 percent of the coverage of the act.

All I want to say is, the blood will not be on my hands.

Mr. GAYDOS. The House in its wisdom accepted the last amendment. Please give this one a second thought. This amendment would be devastating in effect and most improper and premature.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this is not the first time that we have had this amendment. One would think from the debate thus far that this was a brand new pigeon that my friend flew out here today, but that is not so. He presented this amendment before, some time ago last year, and I opposed it, and this House defeated the amendment. A rose by any other name—here it is.

It seems that I have heard this song before, and I have. The Members seem to have forgotten. There is nothing new here.

I recall we first started out with 25 or less. As a matter of fact, we stood here and debated this, I remember very well, where we had this down to three employees. Do the Members remember? Some of them will not. We had it down to three, and they were serious. What a fight we had!

We are also familiar with this kind of argument in some certain quarters. The Members know the quarters. The opponents that we have heard here now are very noble and they are very easy to hear. All we know is that there are certain weaknesses in the law itself. We are not debating that.

Will my colleagues please remember they are sitting here listening to an appropriations bill. How tired can we get of having the Committee on Education and Labor come down here time and again and use this Committee on Appropriations to try and work out this labor bill.

I have suggested to the leadership that we merge the Committee on Education and Labor with the Committee on Banking and Currency. This would be a great idea. Do the Members see what I mean?

Here they are again.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

I can appreciate the gentleman's suggestion about merging the Committee on Education and Labor with the Committee on Banking and Currency. But in all fairness to them, I must say as a member of the Committee on Appropriations, with the number of amendments and the time that we have been taking this year, I think we also have joined their ranks.

Mr. FLOOD. Here is the catch in this. It is very difficult to determine what is a small employer. What is a small employer?

However we may define that term, should he be exempt from the requirements? From what? From having a safe and healthful place to work? What is the matter with that? This thing just defies all reason. What do they want, a license to kill? Do they want a license to kill somebody? If they have 25, they cannot do it. If they have 24, kill them all. You have a license to kill if you are under 25. One cannot believe it.

We had the Administrator for Occupational Safety and Health before our committee. We spent hours and days on this. This is what he said and this is what happened and let me read it for the Members:

> Mr. Flood. Is the administration supporting or proposing any changes in this legislation at all, particularly relating to the small business coverage of the act?
>
> Mr. Stender. I don't think so, and I don't think it really is an area that should be differentiated in regard to the hazards. It doesn't matter, as far as I see it, whether an unsafe condition exists in a workplace with 5 people or 5,000. If a person is killed because of it he is just as dead in either instance. To have restrictions means you establish those kinds of quotas. Letting certain companies off would probably tend to have them relax in their surveillance of their own workplace in relation to eliminating work hazards. It seems to me it would be out of context with what we are trying to do, to allow killing and injuries in workplaces with less than so many employees, using any number you want. Experience over many years in dealing with employers is that they all want to keep a safe workplace.

Now there is no clear indication here that the jobs in the small establishments are less hazardous than in the larger firms.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Flood was allowed to proceed for 1 additional minute.)

Mr. FLOOD. Mr. Chairman, I would like to point out that the people, in this Nation are becoming very aware of these requirements of the law and a fine educational process is now going on. And education and awareness are the answers to getting compliance, not this kind of debate.

Mr. Chairman, I urge now that the Members be rational. I urge them not to try to change the basic law in an appropriation bill, and most importantly I urge the Members to consider the right of those employees in the small businesses to have a safe and healthful work place.

Now I want to answer the argument here. These people are just as human as someone who works for General Motors or United States Steel, and I ask the Members not to forget it.

Mr. BROOMFIELD. Mr. Chairman, I rise in strong support of the amendment.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for yielding.

The last thing I would want to do to my esteemed colleague, the gentleman from Pennsylvania (Mr. Flood), is to accuse him of a failing memory because that would not be a nice thing to say, so I will not say it. I just want to refresh his recollection by inviting attention to the Congressional Record of June 15, 1972, which carries this report, that the House agreed to an amendment that exempts firms employing 25 persons or less from compliance with OSHA by a recorded teller vote of 213 ayes to 154 noes.

I want to add further that in the strong endorsement of this amendment in this Chamber on that date, this Chamber was reflecting the sentiment throughout the United States, not a sentiment against safety and health for employees. Quite the contrary, I do not know of a small employer any place in the Nation who is not concerned and anxious to provide proper safety and health measures for every employee. What this amendment goes to is the great injustice that is inflicted upon the employer and not the employee. The injustice is a flaw in the act, a flaw which is the responsibility of the Congress itself. I think it is simple justice for us to delay further enforcement of this act against the smaller employer until the Congress itself corrects the flaw.

I thank the gentleman for yielding.

Mr. STEIGER of Wisconsin. Mr. Chairman, I rise in strong opposition to the Findley amendment. Any effort to exempt from coverage on the basis is irrational, unwarranted, and nonsensical.

Let me share with my colleagues the view of the National Small Business Association when they state in a letter to me from Milton D. Stewart, vice president:

> We are informed that amendments may also be introduced to exempt smaller firms from compliance. While on the surface this action would seem to take care of the problem for small business, we found, in effect, that the exemption, as voted during the preceding Congress was so limited and so narrow that only the smallest of the smalls would have benefited. At the same time, any outright exemption would tend to counter the stated purpose of the Act itself, mainly to provide the safest possible work-place. NSB certainly has no desire to take such a position. Our problem, and that of our membership, with the Act has always been in the administration thereof.
>
> Sincerely,
>
> Milton D. Stewart,
> *Vice-President.*

The Associated General Contractors of America testified on June 25 before the Select Subcommittee on Labor and said:

> We have reviewed all of the bills pending before the House. Those which would discriminate in the application of the Act based on size of firm regardless if it be 15, 25, or 250 or less, are objectionable to the AGC. We have continuously maintained that the law should apply to all.
>
> The National Safety Council and the administration have also strongly opposed exemption.

The evidence, Mr. Chairman, is overwhelming. To exempt from OSHA by number is mischievous and damaging. It would create havoc. No matter how strongly you feel about OSHA the size of the establishment is not the criteria on which you exempt. A small sawmill or foundry is just as hazardous as a large one.

I appreciate the support given to consultation and now that my amendment was adopted I urge all Members to oppose this amendment.

The CHAIRMAN. The question is on

the amendment of the gentleman from Illinois (Mr. FINDLEY).

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 194, not voting 39, as follows:

[Roll No. 342]

AYES—201

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Blackburn
Bowen
Bray
Breaux
Brinkley
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, S.C.
de la Garza
Denholm
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Eshleman
Findley
Fish
Fisher
Flowers
Flynt
Fountain
Frey
Froehlich
Fuqua
Gettys
Gilman
Ginn
Goldwater
Gross
Grover
Gubser
Guyer
Haley
Hamilton
Hammerschmidt
Hanrahan
Harsha
Hastings
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kazen
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Long, La.
Lott
Lujan
McClory
McCollister
McEwen
McSpadden
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Milford
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Myers
Nichols
O'Brien
Parris
Pettis
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Tex.
Randall
Rarick
Regula
Rhodes
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rose
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Treen
Vander Jagt
Veysey
Waggonner
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Winn
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zion
Zwach

NOES—194

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Breckinridge
Brooks
Brown, Calif.
Brown, Ohio
Burke, Mass.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clay
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Danielson
Davis, Wis.
Delaney
Dellenback
Dellums
Dent
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Flood
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Fulton
Gaydos
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Hanley
Hanna
Hansen, Idaho
Harrington
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holtzman
Horton
Hungate
Johnson, Calif.
Jordan
Kastenmeier
Kemp
Kluczynski
Koch
Kyros
Leggett
Lehman
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Madden
Maraziti
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Minish
Mink
Mitchell, Md.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Peyser
Podell
Price, Ill.
Pritchard
Quie
Railsback
Rees
Reid
Reuss
Riegle
Rinaldo
Rodino
Roe
Rooney, Pa.
Rosenthal
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steiger, Wis.
Stratton
Studds
Sullivan
Tiernan
Traxler
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yates
Young, Ga.
Zablocki

NOT VOTING—39

Brasco
Burke, Calif.
Carey, N.Y.
Clark
Cochran
Daniels, Dominick V.
Diggs
Dorn
Esch
Evins, Tenn.
Goodling
Griffiths
Gunter
Hansen, Wash.
Hawkins
Hébert
Holifield
Howard
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Karth
Macdonald
Madigan
Mills
Minshall, Ohio
Moakley
Nelsen
Quillen
Rangel
Roberts
Rooney, N.Y.
Rostenkowski
Shoup
Stokes
Thompson, N.J.
Towell, Nev.
Udall
Yatron

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CAMP

Mr. CAMP. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAMP: On page 6, line 17, strike out the figure, "$100,816,000."

Mr. CAMP. Mr. Chairman, we have heard a lot of rhetoric this afternoon, both pro and con, as far as OSHA is concerned. I will ask the Members to vote for this amendment which I have offered. This amendment will cure all of these problems.

I am sure that the Members have all had the same experience that I have had. If the Members will bear with me for a minute, I would like to give them a personal instance or two which has happened in my district since we created OSHA some years back.

I have as a constituent a man who runs a laundry in western Oklahoma; it is the only laundry in the town. Because of OSHA, it has resulted that the inspectors who represent that organization have told him that if he does not make certain renovations to his laundry, he will have to close down.

In effect, it would be impossible for him to spend the money to comply with the rules and regulations of the inspector. This would put some 35 to 40 people out of work and would leave the town without a laundry.

I have another instance where a man has a chemical and fertilizer operation and an inspector came in and told him he would have to put steel toes in the shoes of his employees.

I have another instance where I have a contractor who does no work underground or above ground and he has had to put hard hats on all his employees. When the inspector comes along he tells him that they are the wrong kind and he has to buy another kind costing three times as much.

I think we have all had the same experience. When we passed the law creating OSHA we put a chain around the necks of the business people of these United States. There is only one way we can take that chain off their necks, and that is by the action of this body. Let us take that chain off and set these people free.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Well, now, Mr. Chairman, you see what is happening? I point out to you that this is the Committee on Appropriations again and not the legislative committee. You just heard what my friend said. You passed the law, and when you passed the law it provided for enforcement. When you enact a law and establish a law calling for enforcement you expect it to be enforced. That is why you are here.

We are just as worried as you are about complaints. Of course there are complaints. They come from all places. There is no question about it. What in the world is new about that in any law calling for enforcement? I come from the coal fields. Who would be better aware of the problems of law enforcement in the field of safety than I, coming from the coal fields? Still you expect laws to be enforced within the rule of reason. Not this way. There are 5 million places of employment in this country. Try to imagine that. There are 5 million places of employment in this country.

In the Department of Labor, there are 920 compliance officers to handle 5 million places of employment, which means that each compliance officer is trying to handle 5,500 places of employment. You want the law enforced.

We have not had one single one of these items above the budget; not one. We have not done that. You can believe me that we gave this group the kind of drilling that you want us to give them when they appeared on the question of enforcing the law that you passed. The Congress passed the law. We drilled the enforcement section of the Department of Labor. We could not go half way on this responsibility. The Congress passed this law and, Mr. Chairman, unless this law is repealed by the Congress, it must be enforced by the Congress. How much plainer can it be? The Committee on Appropriations has the responsibility of providing funds to enforce the law. That is the way we see it.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Chairman, the theory presented by the gentleman from Pennsylvania (Mr. FLOOD) is correct, but if the Committee on Education and Labor would ever do something about the 25 or 30 bills that are before it to amend this law we might not get this type of an amendment.

Mr. FLOOD. I will agree with my friend, the gentleman from Indiana, but do you realize before the face of this Nation this is the House of Representatives of the Congress of the United States? This is the Committee on Appropriations. We must be responsible, and provide the funds to enforce the law that you passed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. CAMP).

The question was taken.

RECORDED VOTE

Mr. CAMP. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 97, noes 295, not voting 42, as follows:

[Roll No. 343]

AYES—97

Abdnor
Alexander
Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Blackburn
Bowen
Brinkley
Broomfield
Broyhill, Va.
Burgener
Burleson, Tex.
Byron
Camp
Carter
Clancy
Clawson, Del
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Derwinski
Dickinson
Downing
Duncan
Eshleman
Fisher
Flynt
Froehlich
Gettys
Goldwater
Gross
Grover
Gubser
Guyer
Haley
Hanrahan
Henderson
Hogan
Holt
Hosmer
Huber
Hutchinson
Ichord
Jarman
Jones, N.C.
Ketchum
King
Lagomarsino
Landgrebe
Latta
Lott
Lujan
Martin, N.C.
Mathis, Ga.
Mizell
Montgomery
Moorhead, Calif.
Parris
Powell, Ohio
Price, Tex.
Rarick
Roncallo, N.Y.
Rousselot
Runnels
Ruth
Ryan
Satterfield
Scherle
Shuster
Snyder
Spence
Steed
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Treen
Waggonner
Whitehurst
Whitten
Wyman
Young, S.C.
Zion

NOES—295

Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Bray
Breaux
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney, Ohio
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Devine
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Hamilton
Hanley
Hanna
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Holtzman
Horton
Hudnut
Hunt
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Mahon
Mallary
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Passman
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Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roush
Roy
Roybal
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NOT VOTING—42

Blatnik
Brasco
Burke, Calif.
Carey, N.Y.
Clark
Cochran
Daniels, Dominick V.
Diggs
Dorn
Esch
Evins, Tenn.
Fulton
Goodling
Griffiths
Gunter
Hammerschmidt
Hansen, Wash.
Hébert
Holifield
Howard
Hungate
Johnson, Colo.
Jones, Tenn.
Karth
Macdonald
Madigan
Martin, Nebr.
Mills
Minshall, Ohio
Moakley
Nelsen
Quillen
Roberts
Rooney, N.Y.
Rostenkowski
Shoup
Thompson, N.J.
Towell, Nev.
Udall
Ullman
Widnall
Yatron

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to this section of the bill? If not, the Clerk will read.

The Clerk read as follows:

CENTER FOR DISEASE CONTROL

PREVENTIVE HEALTH SERVICES

To carry out, to the extent not otherwise provided, title III of the Public Health Service Act, the Lead-Based Paint Poisoning Prevention Act, the Federal Coal Mine Health and Safety Act of 1969, and the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and purchase, hire, maintenance, and operation of aircraft: $134,910,000: *Provided*, That training of employees of Federal State, and local governments and of private agencies, shall be made subject to reimbursement or advances to this appropriation for the full costs of such training.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: On page 10, line 9, strike "$134,910,000" and insert in lieu thereof "$137,910,000".

Mr. BIAGGI. Mr. Chairman, I do not expect to consume 5 minutes. I sincerely hope that the chairman of the committee will be sympathetic toward the suggestion. It is in line with the committee's thinking and reasoning, as included in the report.

Mr. Chairman, this amendment will add $3 million to the appropriations for the Center for Disease Control. I am seeking this increase for the purpose of expanding the efforts of the center to deal with the screening and treatment of lead-based paint poisoning cases.

Although the problem of lead-based paint poisoning is receiving the close attention of the Department of Health, Education, and Welfare, the existing programs are both fragmented and not clearly defined. Numerous other programs within HEW such as neighborhood health centers, maternal and child health programs, and medicaid, handle some aspect of lead-based paint poisoning treatment and prevention.

There is a distinct lack of unity and coherence in the important areas of diagnosis and treatment of lead-based paint poisoning. In an effort to improve the quality of programs available to treat this problem, the committee in their report strongly recommended that the Center for Disease Control—and I quote from the report—

> Take the initiative in fiscal year 1975 to assist all other service-oriented programs to incorporate routine lead screening as an integral part of the delivery of health care.

I applaud the committee's directive, but I am concerned as to how the center can take this initiative without an increase in appropriations. The incidence of lead-based paint poisoning is approaching epidemic proportions in this Nation. In the first 3 months of 1974, both the number of screened and confirmed cases of lead-based paint poisoning have already surpassed the total for all of 1973.

Therefore, in an effort to both adhere to the committee's recommendation for the center, and to better respond to the growing incidence of lead-based paint poisoning, I am calling for a $3-million increase in the appropriation for the Center for Disease Control. This is a realistic figure without which we cannot expect to make any significant progress in controlling this serious national health problem. I urge my colleagues to support this amendment.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, here is the classic example of what we have been talking about all day. This is exhibit A. This committee and the Members of the House established this lead-based paint poisoning provision. There is $9 million in this bill for the lead-based paint poison problem.

But all you see is really the tip of the iceberg. There are many other Federal programs which impact directly on this same problem: The maternal and child health program, No. 1; the neighborhood health centers, No. 2; the Head Start program, the big program, No. 3; the family health centers which the Congress set up 2 years ago, No. 4; the medicaid program, the great big medicaid program which the Congress created, No. 5.

There is a special section in there for the early periodic screening, diagnosis, and treatment program which the Congress insisted upon. There are five programs for which we have appropriated funds which can do the precise thing the $9 million in this bill right now can do—exactly the same thing.

There is no need for additional funds here. Let me tell the Members, there is plenty of money in here. Do the Members know what is needed? Do they know what is wrong here?

What is needed is to have those people downtown get off their bottoms and develop a coordinated attack on this problem through the means which the Congress has already provided; plus this $9 million. That is the thing here.

All the necessary money is available, so the means to the end is there, directed toward solving this very, very single problem. This is not a question of adding more money. Let us use all the tools we have provided, plus the money we now have. That will do it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health and, except as otherwise provided, the Community Mental Health Centers Act (42 U.S.C. 2681, et seq.), the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, the Narcotic Addict Rehabilitation Act of 1966, and the Drug Abuse Office and Treatment Act of 1972, $761,601,000.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: On page 14, line 5, strike "$761,601,000" and insert in lieu thereof "$764,578,000".

Mr. BIAGGI. Mr. Chairman, this amendment will increase by $2.9 million the appropriation for drug abuse prevention research as conducted by the National Institute on Drug Abuse.

The appropriation figure contained in this legislation, $34,000,000 represents a reduction of $2.9 million over the fiscal year 1974 amount. Therefore, what I am really seeking is to bring the funding level for this information agency back up to last year's level.

One of the most important aspects of drug abuse research are the efforts aimed at developing effective drug antagonists. The committee itself in the report stressed the importance of this program when they said—and I quote:

> The Committee is encouraged by testimony that current research offers the possibility for the development of more effective narcotic antagonists.

A drug antagonist is a compound which suppresses in whole or in part—the actions of a particular class of drugs. These antagonists have characteristics which give them critical importance as tools in the clinical treatment of drug addiction, and as therapeutic agents which reduce drug dependence, particularly in the case of heroin addiction.

The development of an effective and long-lasting drug antagonist could serve as a milestone in the fight to rid this Nation of the evil scourge of drug abuse. Antagonists hit at the heart of the drug problem—dependence—and offer a realistic and viable alternative to drug abuse.

In addition, with proper development of drug antagonists, it may be possible to actually immunize children against the disease of drug abuse just as we now immunize them against polio or smallpox.

As important as the drug antagonist program is for this Nation, it is consistently underfunded. The appropriation level contained in this bill for overall drug research represents the most pitiful figure yet. How can we hesitate to provide the adequate funds to combat drug abuse? The incidence of this dread disease continues to rise at unprecedented levels, knowing no social, economic, or geographic boundaries.

What I am proposing this afternoon is the continuation of a commitment, a commitment to treat the victims of drug abuse and reduce the numbers of victims who might fall prey to it.

The drug antagonist program could offer a bright future for this Nation—one rid of drug abuse. We cannot hope to achieve this dream without adequate funding. My amendment does just that and I urge my colleagues to support it.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

This is exactly the same kind of situation, exactly the same kind of argument we went through.

We are simply talking about drugs. Imagine now raising the question that you and this subcommittee of which I am chairman are not aware of the drug problem, and what we have done down through the years. I am somewhat appalled at the people who suggested doing this, knowing what we have done already. I wish they would come and appear before this subcommittee to talk about the drug problem.

We went into this matter, believe me, in great depth during these hearings. We wanted to be absolutely sure that we were providing adequate funding to fight this serious problem.

This is the Subcommittee on Appropriations for the Department of Health, Education, and Welfare. Do not think for a minute that we did not consider this.

Let me tell the Members that provided here—just listen to this—is $34 million. This will provide $6,641,000 in new research projects that we talked to them about. There are also funds for the continuation of the ongoing program. We insisted on this.

With regard to this question of drug antagonists, let me ask this: What is a "drug antagonist"? It is that thing which is used against a drug. We are informed they are very expensive. They are used in the current effort against drugs.

I myself examined Dr. Egbert at some length on this. He is the expert. He told us of the current research of two institute grantees which we know about, and they did very well. They offer us exciting possibilities. I believe Dr. Egbert when he speaks on this very thing, this effort to develop very effective narcotic antagonists. I am sure they will do the job. We have provided $34 million here.

Let me say, Mr. Chairman, that as the Members look upon the subcommittee from both sides of the aisle, if we thought for one minute that more money was needed in this area, we would have made it available long before we got here. But $34 million is sufficient to do this job and do it well.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words, and I rise very briefly in opposition to the amendment.

Mr. Chairman, to supplement what our good committee chairman has said, ofttimes it is a little bit difficult to understand this, just from seeing some of those hard-core figures, without going back into the hearing record. There is ample justification here for what was done, because with the figure we have in here, this actually provides for an increase in research in this amount of $4,355,000.

The problem with the overall figure being what it was for 1974 is this: We had an offset of a built-in decrease resulting primarily from the transfer of funds from the Lexington Clinical Center to the Bureau of Prisons.

So, frankly, it is natural for the gentleman to be concerned about that reduced figure as it is shown here, but if we look deeply into the record, contained on page 500 of volume 3 of our hearings, it is more than adequately explained, with relation to the transfer of our funds. The gentleman can rightfully go back to his people and say that there is in this bill an increase provided for the item about which he has expressed his concern.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I believe it is very critical that we get more money for this item, because what we have done in this country is to create a brand-new drug problem, a problem which we are glossing over.

In our attempt to deal with heroin and the other addictive drugs, we have started the extensive use of methadone. Now it is being revealed that there is an increasing number of people who have become addicted to methadone. There is relatively little or no treatment available to the methadone addict.

I believe we need the increase, because the drug problem is being continued, only now under a new guise.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I would like to respond to the chairman of the committee, who amazed me in what he had to say. He said he was appalled at the introduction of this amendment.

The amendment I have introduced deals with the sum of $2.9 million, a relatively small amount. If the gentleman is appalled at that, then I am frankly amazed at his judgment.

If the gentleman listened carefully to my presentation he would have noted that I complimented the committee and used the very reports which the committee issued to bolster my position. The gentleman said that the research executives stated that in the areas of drug antagonism there are exciting possibilities.

Now, we should consider the amount of money we are spending in this areas, as contrasted to the billions of dollars we have spent on the law enforcement side, all to no avail.

You could line the borders of this Nation trying to stop the importation of drugs and fail. And we have. We have spent billions of dollars and tried every trick in the book and every program. The one program that provides the possibility for putting an end to drug abuse is the program of drug antagonism.

You may vote this up or down, but to be appalled at such a modest request to improve or increase the appropriation in the area of drug antagonism in light of the gravity of the issue is astounding.

I thank the gentleman for yielding to me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Biaggi).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: Page 14, line 5, strike out "$761,601,000," and insert "$723,467,000".

Mr. GROSS. Mr. Chairman, the purpose of this amendment is to bring the figure of $138 million for alcoholism down to the budget request of $99.866 million, in other words, a reduction of $38.134 million.

We have alcoholism programs operating, I think, in every State in the United States. We are spending money in other funds for alcoholism.

Mr. Chairman, the eagerness with which Members of the House stumbled over each other earlier this year to provide millions in Federal funds for those who have let themselves become victims of booze, leaves me wondering why—if the taxpayers are going to pick up that tab—they should not do likewise for other unfortunates in our society.

For example, why not take equal pity on those addicted to nicotine? And what about kleptomaniacs?

Then there are hundreds of thousands—perhaps millions of Americans addicted to the numbers game and to other forms of betting and gambling, including the "horse parlors." They are certainly deserving of Federal help.

In all justice, the Federal Government ought to be providing help for those citizens suffering from golf—that addictive crippling disease that has broken up untold homes and families. We should establish without delay a National Institute for Golf Widows.

I am told that in the South, millions of people are addicted to grits and it is plainly time these unfortunates receive Federal treatment and rehabilitation.

I have also heard reports that a number of once virile men now complain they are suffering from impotency brought on by Women's Liberation. Federal treatment centers should be available for these poor fellows. It is their right.

All these ills I have discussed are serious national problems and it is obvious the Federal Government is the only answer.

If the Federal Government and its bureaucracy does not step in—if Congress does not provide the help these other people so urgently need—they may well be driven to drink and then we will be right back where we were when we solved that problem with millions from the Federal Treasury.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa (Mr. Gross).

Coming from the good, dry State that I do, we have an economy built upon thoroughbred race horses, good bourbon whiskey, and an awful lot of Burley tobacco. They are habit-forming, and we want to keep it that way.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa (Mr. Gross).

Mr. Chairman, I would advise the Members to keep this fact in mind, and I do not think that all of the people realize that this is a fact: just last year this Congress established, as a fact, that alcohol is a drug. Most people do not know that alcohol is a drug, and they do not think about it that way. The No. 1 drug abuse problem in America today is not heroin, not marihuana, the No. 1 drug abuse problem is alcohol. There are over 9 million Americans that we have classified as problem drinkers. And these affect, on the average, four other people, every time. So you have about 36 million victims of the drug alcohol.

We are making extraordinary progress in this country in the treatment and rehabilitation of the alcoholic. Progress in the rehabilitation of these people has been simply marvelous, the Members should know that, simply marvelous all over the country. You would not have believed it 5 or 10 years ago. It is a great performance.

You ought to hear this—and let me read this for you—before you go and get a drink, listen to this:

I questioned Dr. Chafetz, who is the Administrator of the National Institute of Alcohol Abuse and Alcoholism. He is in charge of this whole program having to do with alcohol.

I said:

> Doctor, will you give whatever statistics you have. You gave some attention to it in your statement. Will you give us whatever statistics you have which indicate the extent that alcoholism still exists, how many alcoholics in the United States, is the problem getting better, is it getting worse?

Now, hear this, and this is Dr. Chafetz:

> As a matter of fact, there is increasing evidence that the reason perhaps that young people are no longer using heroin, and not increasing their use of marihuana, is because they switched to our drug, alcohol; there is increasing evidence that along with the increasing use there are increasing problems.

Then he goes on, and this is on page 413 of our volume No. 3 of the hearings on that Institute. It is an amazing expose and report on the great work that these people are doing on the No. 1 drug addiction problem in this country.

So we cannot stop this momentum. We cannot stop this drive. I am just telling you I just think of my Uncle Tom, poor Uncle Tom. During the Spanish War he never got any farther than Chickamauga, but he went up and down that hill more times than Teddy Roosevelt knew there was a hill to the day that he died. He went down San Juan Hill. It was a joke then, not today, not today.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Does the gentleman's authority say that drug addiction is on the decline?

Mr. FLOOD. Drug addiction. All right. The gentleman from Iowa must have seen the book. Here is the first sentence. Here is what Dr. Chafetz said to me.

Mr. GROSS. Who is this Dr. Chafetz?

Mr. FLOOD. He is in charge of the National Institute of Alcohol and Alcoholism, a topflight mind. Here is what he said:

> I was struck with your questioning—

Meaning my questioning—

> of Dr. DuPont about the apparent decrease in heroin in this country as well as the apparent stabilization of the rate of increase of marihuana use. That is not the case with alcohol today. The No. 1 drug problem is alcoholism.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Gross).

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 23, noes 91.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, titles I, III, IV, section 745 of title VII, and parts A, B, C, and D of title IX, and section 1203 of the Higher Education Act, the Emergency Insured Student Loan Act of 1969 as amended, section 207 and title VI of the National Defense Education Act, as amended, the Mutual Educational and Cultural Exchange Act of 1961, section 22 of the Act of June 29, 1935, as amended (7 U.S.C. 329), section 421 of the General Education Provisions Act, and Public Law 92-506 of October 19, 1972, $2,145,271,000, of which $240,300,000 for supplemental educational opportunity grants and amounts reallotted for work-study shall remain available through June 30, 1976, $23,750,000 shall be for veterans cost-of-instruction payments to institutions of higher education, and $650,000,000 shall be for basic opportunity grants (including not to exceed $11,500,000 for administrative expenses), of which $638,500,000 shall remain available through June 30, 1977, $315,000,000 for subsidies on guaranteed student loans shall remain available until expended: *Provided*, That amounts for basic opportunity grants shall be available only for full-time students at institutions of higher education who are not enrolled as regular students (as defined by the Commissioner of Education) at such institutions prior to April 1, 1973.

POINT OF ORDER

Mrs. GREEN of Oregon. Mr. Chairman, I make a point of order on the language found on page 18, line 4, beginning with the words "of which" through line 5 through "1977,"

So the language I would make a point of order against, Mr. Chairman, would read: "of which $638,500,000 shall remain available through June 30, 1977,". My point of order, Mr. Chairman, is that this appropriates funds for the basic opportunity grants through June 30, 1977. The law requires, and I cite, Mr. Chairman, in the Education Amendments Acts of 1972 this language.

> No payments may be made on the basis of entitlements—

Which is the basic opportunity grants—

> established under this subpart during any fiscal year unless—

And then the language continues—

> funds have been appropriated for economic opportunity grants, work study, and National Defense Education Act.

This language was very carefully drawn to protect those three student aid programs. The language which we find in the bill in effect provides payments for the entitlements for a year, the year ending June 30, 1977, the school year 1976-77, a year in which no funds are appropriated for the three other student financial aid programs which are required under the law.

Mr. FLOOD. Mr. Chairman, we will concede that point of order.

The CHAIRMAN. The point of order is sustained.

POINT OF ORDER

Mrs. GREEN of Oregon. Mr. Chairman, I make a point of order against the language which occurs on page 18, beginning on line 7 and continuing through line 11 as legislation on an appropriation bill. The law at the present time, the general law says that the basic opportunity grants should be available to all students in freshman, sophomore, junior, and senior years and students in the 5th year, part-time students, and last year we had restricted it to apply to freshmen and sophomores. This language further changes the law by saying basic opportunity grants shall be available only to freshmen, sophomores, and juniors, and therefore it is legislation on an appropriation bill changing the intent of the original law.

Mr. FLOOD. Mr. Chairman, this is much, much different. I believe this language in question is clearly conditioned on the use of funds in the bill and therefore not subject to a point of order.

It is a well-established principle and I quote:

> The House in the Committee of the Whole has the right to refuse to appropriate for any object either in whole or in part even though the object is authorized by law.

Mr. Chairman, in this case we are very simply eliminating the payments for these basic opportunity grants to students who are enrolled at institutions of higher learning after April 1, 1973, and excluding, expressly excluding students who were enrolled prior to April 1, 1973.

Mr. Chairman, this type and kind of limitation has been upheld here by the Chair on many, many previous occasions.

The CHAIRMAN. Does the gentlewoman from Oregon desire to be heard further?

Mrs. GREEN of Oregon. While I did not care to use the additional argument, I would point out that if a portion of a paragraph is subject to a point of order, then the entire paragraph is subject to a point of order and I cite Cannon's Precedents on page 246.

PARLIAMENTARY INQUIRY

Mr. DELLENBACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DELLENBACK. Mr. Chairman, although the chairman of the subcommittee indicated his willingness to concede the first point of order made by my colleague, the gentlewoman from Oregon, did I understand the Chair had not ruled on the first point of order?

The CHAIRMAN. The Chair has sustained the first point of order.

Mr. DELLENBACK. The Chair did sustain it?

The CHAIRMAN (Mr. Wright). The Chair did sustain the first point of order.

The gentlewoman from Oregon raises a second point of order against the proviso beginning on line 7 of page 18. The gentlewoman contends that this proviso constitutes legislation in an appropriation bill rather than a strict limitation upon the funds appropriated in this bill.

The gentleman from Pennsylvania makes some interesting and indeed some valid points with respect to what has been in the past and is uniformly accepted as a limitation on an appropriation bill.

The Chair must observe, however, that there is one distinguishing characteristic with regard to this proviso as it is presently written which differentiates it from valid limitations. The proviso as presently written does not specify that it is a limitation upon amounts appropriated in this bill. This, indeed, may have been the intention of those who drafted the bill, but the proviso is not drafted negatively and the Chair observes that the proviso as presently drafted would stipulate that amounts for basic opportunity grants shall be made available only to certain students.

If the Chair is correctly advised, the Chair believes that the language, literally read, could subject this proviso to the interpretation of being a limitation upon amounts previously appropriated under other acts in that it does not stipulate that its application would be intended specifically to funds provided in this bill or in this paragraph.

For that reason, the Chair sustains the point of order of the gentlewoman from Oregon.

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair has sustained the point of order against the proviso, as earlier the Chair had sustained the point of order against the language objected to on lines 4 and 5.

AMENDMENT OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Flood: Page 18, line 7, insert ": *Provided*, That none of the funds in this Act shall be used to pay any amount for basic opportunity grants for full-time students at institutions of higher education who were enrolled as regular students at such institutions prior to April 1, 1973."

POINT OF ORDER

Mrs. GREEN of Oregon. Mr. Chairman, a point of order.

The CHAIRMAN. The gentlewoman will state her point of order.

Mrs. GREEN of Oregon. Mr. Chairman, I make a point of order against this amendment. The point of order is what I cited a moment ago, Cannon's Procedure in the House of Representatives, on page 246:

> If a part of a paragraph . . . is out of order, all is out of order and a point of order may be raised against the portion out of order or against the entire paragraph.

Mr. FLOOD. Mr. Chairman, the purpose of the amendment is to precisely meet the ruling made by the Chair in connection with the language of the act to which an objection was made and the amendment simply restores the language:

> *Provided*, That amounts for basic opportunity grants shall be limited to first, second and third year students.

It is a question of form limitation and applies only to the funds in this bill.

The CHAIRMAN (Mr. Wright). The Chair is prepared to rule.

The amendment offered by the gentleman from Pennsylvania (Mr. Flood), does appear to meet the tests of a limitation on an appropriation bill. It limits the funds in this specific bill and it is negatively stated. For these reasons it would clearly appear to be admissible as a limitation, distinguishable from that language which was stricken in the proviso that had appeared in the original bill.

The Chair does not understand that the gentlewoman had raised a point of order against the entire paragraph. The gentlewoman raised two specific points of order on which the Chair ruled.

If the gentlewoman had at that time intended to make a point of order against the entire paragraph she should so have stated, and the Chair believes that a point of order at this moment on those grounds would be untimely made since an amendment to the paragraph is now pending.

Mrs. GREEN of Oregon. Mr. Chairman, I did raise a point of order before the gentleman from Pennsylvania offered the new language. I raised the point of order that if a part of a paragraph is out of order, then the entire paragraph is. I stated that.

The CHAIRMAN. The Chair would observe that at the moment the gentlewoman made the observation with respect to rulings making a point of order valid or admissible on the ground that any portion of a section being held out of order would render the entire section subject to a point of order, the Chair had already ruled with specificity on the point of order that the gentlewoman had raised; it being a narrow one, a specific one. So, the Chair is prepared at this point to hold the amendment offered by the gentleman from Pennsylvania to be in order.

Mr. GIAIMO. Mr. Chairman, may I be heard on the point of order?

Mr. Chairman, the situation, as I understand it, is that when the Chair ruled in favor of the gentlewoman on her second point of order, the one which relates to the proviso, at that moment that portion of the paragraph was deleted from the bill. At that moment, an amendment was offered by the gentleman from Pennsylvania.

As I observed, at that moment the gentlewoman from Oregon rose and presented a further point of order based on the new material inserted into the bill, and based solely on the proposition that it was defective because a portion of the paragraph had been deleted, and therefore the entire paragraph was.

It seems to me she did it properly at the only possible moment she could, because that is when she first learned of the new material being offered. Therefore, it was the first opportunity she had to preserve her rights to a point of order. She based it solely on those grounds which are within the rule.

The CHAIRMAN. The Chair did not so understand it at that time. Let the Chair simply observe that if the gentlewoman had desired to make the point of order against the entire paragraph, she could have done so, and the paragraph could have then be ruled out of order and stricken from the bill.

That having been done, the gentleman from Pennsylvania would have been at perfect liberty to offer a new paragraph with the language so perfected as to meet the tests of the rules of the House. It occurs to the Chair that we are right where we would have been in any event.

Mr. FLOOD. Mr. Chairman, I might say, having listened to the Chair for the last 2 or 3 minutes, I could not have done it better myself. It is crazy procedure, and the Chairman has heard me say it before.

The amendment simply restores the language as it should be in the bill on the basis of the point of order.

PARLIAMENTARY INQUIRY

Mr. DELLENBACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DELLENBACK. Mr. Chairman, I have a further proposed amendment to the higher education paragraph beginning on page 17, line 12, and continuing on to page 18, line 11.

Should it be at this time as an amendment to the amendment of the gentleman from Pennsylvania, or after we have acted on his amendment, am I in a position then to make a further amendment to that paragraph?

The CHAIRMAN. The Chair will respond that further amendments would indeed be in order if the gentleman has any that he desires to offer, and unless his amendment were offered as a substitute for or an amendment to the amendment offered by the gentleman from Pennsylvania now pending, there would be no purpose in his offering an amendment at this point. The Chair will protect the gentleman's rights.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. FLOOD).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. DELLENBACK

Mr. DELLENBACK. Mr. Chairman, I offer four amendments and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. DELLENBACK: On page 17, line 21, strike "$2,145,271,000" and insert in lieu thereof "$2,168,271,000".

On page 18, line 7, insert before the word *"Provided"* the following: ", $39,000,000 shall be for making payments to states for grants to students under the state student incentive grant program, of which any amount not require for continuation grants shall be used for initial year grants, and $6,000,000 shall be for comprehensive statewide planning by state postsecondary education commissions".

On page 20, line 11, strike "$100,000,000" and insert in lieu thereof "$130,000,000".

On page 20, line 20, strike "$11,500,000" and insert in lieu thereof "$18,500,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

Mr. OBEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. DELLENBACK

Mr. DELLENBACK. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. DELLENBACK: On page 17, line 21, strike "$2,145,271,000" and insert in lieu thereof "$2,168,271,000".

On page 18, line 7, before the word "Provided" insert the following: ", $39,000,000 shall be for making payments to states for grants to students under the state student incentive grant program, of which any amount not required for continuation grants shall be used for initial year grants, and $6,000,000 shall be for comprehensive statewide planning by state postsecondary education commissions".

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. DELLENBACK. Mr. Chairman, the hour grows late, and some of us have been waiting now for 9½ hours to deal with this particular amendment.

May I say simply what it is that the amendment proposes. It proposes to do two things. One, it proposes to deal with the States student incentive grant program which was created under the education amendments of 1972. Two, it proposes to increase the appropriation for statewide planning for post-secondary education.

Mr. Chairman, those are the two things that this amendment proposes.

On the first point, in the 1972 amendments, we, the Congress, created the first student incentive grant program. It is a program whereby for each Federal dollar that goes into the program, under the terms and conditions that we then created, there is to be a match of $1 from the State involved. Last year we had the first appropriation for this program. It was an appropriation that ended up with $19 million going out in the form of such grants.

I call to the attention of my colleagues the fact that 50 States and territories have indicated that they would match their share of that appropriation for initial year grants.

The bill that is before us, before the adoption of my amendment, proposes that $19 million be appropriated this year. However, I call to the attention of my colleagues the fact that there is no word in the bill as to whether the money is to be used for continuing grants, continuation of what has been done in prior years, or whether the money is for initial year grants.

The first part of the amendment which I have offered first makes clear that we are increasing the amount by $20 million, and then we are making clear that the amounts paid to the States for grants to students under the State student incentive grant program are to be used for initial year grants over and above any amount not required for continuation grants.

So we are making clear both that there will be money to continue what 50 States have begun and that we add thereto $20 million.

Mr. Chairman, I call to the attention of my colleagues the fact that this is an incentive to the States; that, by appropriating this $20 million, we have clearly the indication that the States have enthusiastically seized upon this program and will appropriate another $20 million, and we will end up with $40 million going into a badly needed addition to student aid.

So far as the second portion of this amendment is concerned, I call to the attention of my colleagues the fact that 47 States and territories have designated new State commissions to deal with comprehensive planning. May I call to the Members' attention that we are not here dealing with operating programs; we are talking about giving the States the economic aid they need to plan comprehensively.

Last year, with the moneys that were appropriated, each State received only approximately $26,000. That is not enough to plan comprehensively with any degree of capacity, and yet these States so badly need this particular type of aid that they went forward, I think in the confident hope and expectation that this year we would increase the appropriation for this purpose.

Mr. Chairman, this amendment would add $3 million for these State commissions to the $3 million recommended by the committee, giving us some capacity to pass out to States enough funds to plan intelligently, comprehensively, and with real dedication, so that we can look to the future. That is all this amendment proposes.

Mr. YOUNG of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I will be glad to yield to my colleague, the gentleman from Illinois.

Mr. YOUNG of Illinois. Mr. Chairman, is it our understanding that the funds which are to be disbursed to the students, with these State student incentive grants, are to be disbursed under the criterion that they will be disbursed by the States, and under that criterion will the discretion of the States be sufficiently broad to permit middle-income families to have students who can qualify for these scholarships?

Mr. DELLENBACK. Mr. Chairman, the thread that runs through both of these amendments, I will state for the benefit of the gentleman from Illinois (Mr. Young), is that this gives to the States great flexibility, but not complete flexibility. When we talk about planning for postsecondary education, we set up certain criteria in the law, but the planning is to be done by the State.

So it is also in this student incentive grant program. We have in the law created certain requirements that must be met, but there is great flexibility in the individual States. The States must pay attention to substantial financial need, but they have great flexibility as to how to determine on an individual basis what is substantial financial need.

Mr. YOUNG of Illinois. Mr. Chairman, I thank the gentleman.

Mr. DELLENBACK. Mr. Chairman, I thank the gentleman for his interest.

The time is late. I urge that we make this investment of dollars in badly needed areas. It will pay off, without any question, for higher education.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. Dellenback) has expired.

(By unanimous consent, Mr. Dellenback was allowed to proceed for 1 additional minute.)

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oregon (Mr. Dellenback) which would add $20 million for scholarships to needy students given through the States, and to add $3 million for State postsecondary education planning commissions.

The State student incentive grants, authorized in the Education Amendments of 1972, are designed to encourage States to set up their own scholarship funds for needy students who wish to further their education after high school.

While some States had such programs, this Federal program was enacted to set up an incentive fund to match each dollar that States would themselves appropriate, to spur the creation and expansion of programs in more States. Each State dollar is matched by a Federal dollar, so that our Federal appropriations have double leverage.

The States responded magnificently to this new measure. But although 30 States in 1974 had scholarship programs which qualified for the Federal matching funds, and 47 have signified they will participate in 1975, the administration failed to request even the $19 million necessary to keep the fund operating at its present level.

The committee wisely restored the $19 million for 1975, but even so, there would at this level be very few new scholarships awarded, as most of this sum would have to go to continuing the awards for second-year students.

Thus, I am pleased to associate myself with the suggestion to add an additional appropriation for 1975, of $20 million, to allow for a new round of initial grants to students participating in the State programs, subject, of course, to the same matching requirement in the States, which would bring the total new moneys available up to $40 million.

This seems an excellent way to gain a larger return on our Federal investment.

POSTSECONDARY EDUCATION PLANNING COMMISSIONS

The second addition to the committee's reported bill, Mr. Chairman, concerns State postsecondary education planning commissions. Again a new effort authorized by the Education Amendments of 1972, these commissions were to be established in any State that wished to be eligible for certain postsecondary planning grants.

For, Mr. Chairman, as we look at the spectrum of institutions in postsecondary education, we can see a tremendous variety of institutions with little mutual dialog. The new commissions were to be broadly representative of this diversity, to include both public and private, nonprofit and proprietary institutions, and may include teachers, administrators, students, and representatives of other concerned groups and the public.

In fiscal year 1974, $3 million was available for grants to these commissions to enable them to take up their role as planning bodies for postsecondary education in each State.

Yet, for 1975, the President's budget asks nothing for these commissions. Perhaps in the mistaken notion that they were only to review academic facility construction programs, for which Federal support was also being terminated, the administration apparently thought there was nothing left for the commission to do.

Mr. Chairman, nothing could be further from the truth.

While the commission could, by law, serve that review purpose, there is far more significant work that they should be doing, to study and document the full spectrum of postsecondary education needs and resources in each State. The committee must be supported in restoring the $3 million, and I am suggesting that a serious program of grants to these commissions will require another $3 million beyond the committee's recommended amount—for a total of $6 million.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman.

Mr. BIAGGI. Mr. Chairman, I rise in support of the amendment offered by the gentleman. Mr. Chairman, I rise to urge every Member of the House to carefully consider the amendments to the higher education section of the Labor-HEW appropriation bill, and to vote favorably on them when they come to a vote.

We in the Education and Labor Committee, and particularly those of us sponsoring these amendments who sit on the Special Subcommittee on Education which deals with higher education matters generally, have taken a long and careful look at this year's appropriation bill. As usual with those who sit on authorization committees, we always can and do find some program is not receiving the appropriation we think it should. We also recognize there are budgetary limitations and we respect them. Thus, when we offer these particular amendments they represent, in our judgment, absolutely necessary corrections. Let me detail why.

The first amendment is to the State student incentive grant appropriation. The current appropriation is $19 million. We are proposing to add an additional $20 million. Most of the $19 million will fund the continuing education—through matching of State scholarships—of those students funded for the first time last year, the beginning of the program. This is right, but it leaves virtually no money for new students. Without the $20 million, and the like amount it will generate in matching State scholarships, we will be funding a one-time-only group on its way through school. This was not the intent of the program, and it is not fair, and it should not be allowed to happen. I strongly urge the House to make this program make sense, and make it equitable by passing this amendment.

Two, we propose to provide $6 instead of $3 million for new postsecondary education planning commissions. The current figure is not enough because many more States signed up for it than we expected. More money is needed to get the program moving. Make no mistake, this is not just another study commission. Planning commissions will study several important questions. Perhaps the most notable is the question of support for middle-income students who are being priced out of the college market and who are not eligible for most Federal aid because of present family income limits on much of our Federal assistance. Not less important will be the study of the development of occupational programs, much needed in today's tight job market, and needed for the handicapped, whom we have so long neglected. In sum, I strongly urge this amendment be adopted.

Three, we propose to provide $7 million in addition to the recommended $11.5 million for the fund for the improvement of postsecondary education. This program is the primary vehicle for funding innovative programs designed to not only make our education more relevant, but also more productive in the face of enrollment problems and the increased cost 4 years at a residential college. This is the program which underwrites some of the costs of the famous "University Without Walls" program. Last year, the fund received over 2,800 applications, and was able to fund only 70 of them. Of the $11.5 million in the bill, $8 million is necessary to support existing programs, leaving a paltry $3.5 million for new programs. We propose to make that $10 million in new money by raising the total amount to $18.5 million. Again, I urge the House to make this program make sense, and adopt this amendment.

Finally, we propose to add $30 million to the $100 million budget for the National Institute for Education. This would bring them up to the figure they asked for. The Institute is the primary Federal effort in education research and will not receive State support. We should fund it fully and generously. If they say they need this money, I think they ought to have it. Too often the Higher Education Subcommittee has dealt with problems without enough information. We want to be sure that enough is being done to remedy that defect so that we may more intelligently legislate in the area of education. Mr. Chairman, these are sensible amendments and necessary ones. I urge prompt passage.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, after all that has gone on here today I would certainly be disappointed at not having an opportunity to discuss an appropriation bill with the distinguished members of the Committee on Education and Labor. I did not think I would last that long, but I am glad for the opportunity.

Let me point this out to you: What would the gentleman's amendment do? It would increase the student incentive grants and the State commissions—hear this—these are two programs which were not even in the President's budget. The committee recommended holding these programs to last year's funding. We agreed to that and we did it. The student incentive grant program was funded for the first time in fiscal year 1974. It is so new that the regulations were issued just 3 weeks ago. Imagine that. At this time, 14 States are not participating at all. There is no question but that this is a good student program. We appropriated the money for it. We are not quarreling about that at all. That is not the point here. The bill already includes $1.9 billion for student aid. And what is that? That is an increase of $300 million over last year. There is just no reason to add more money for student aid.

Now for the State commission part of it. This bill includes $3 million, which is the amount they had last year. The gentleman for no apparent reason at all wants to double that amount. Just like that. Three lousy million dollars. There was nothing at all in the budget for these commissions. There is no need to double the program.

Mr. MICHEL. Mr. Chairman, I rise in opposition to the amendment, and I will be very brief.

I have a difficult time really finding out how valuable this kind of a program is. If our States were not doing one tinker's damn worth of work of this field, I would say there might be some justification for it. But, the States themselves are putting up $400 million in scholarship assistance now. We have $1.9 billion in this bill for student assistance now.

The budget requested no funds for State student incentive grants and the committee restored funding to the fiscal 1974 level of $19 million. This is a brand new program so let's not jump in any deeper until we see how it does.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oregon (Mr. Dellenback). I will just address myself to the State student incentive grant program.

When this was enacted in the education amendments of 1972 I really did not think very much of it at that time. I thought we were just going to be rewarding the States who had programs already.

There were 28 States that had programs when we started out. I believe the committee on their own initiative put in the $19 million last year, rather than the administration requesting it, and the effect of that has caused 50 States and territories to take part in the program.

What you have is $19 million for the initial year program, That, conceivably then, with just the $19 million, would follow those students, and have very little for the next initial year students.

So what the gentleman from Oregon proposes to do is about the same thing as the committee did last year, put in a chunk of money for another initial year. So there is money that you have in the bill that takes care of those you helped last year, there will be a little bit more because of students who dropped out, and you will be able to take care of the next year's students with this amendment.

Therefore, Mr. Chairman, I urge my colleagues to support the amendment.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment; in fact, both of these amendments.

Mr. PEYSER. Mr. Chairman, I think these amendments do serve a real purpose, because the educational community is in constant need of help and increased support.

Mr. DELLENBACK. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to my colleague, the gentleman from Oregon (Mr. Dellenback).

Mr. DELLENBACK. Mr. Chairman, may I just say insofar as these amounts are concerned—and I do hate to disagree with my friend and colleague, the gentleman from Illinois (Mr. Michel)—but this is not an insignificant amount with which we are dealing.

The State of California is estimated to get for this initial year $2,800,000-plus.

The State of New York is estimated to get $1,740,000-plus.

The State of Texas is estimated to get $998,000.

The State of Michigan is estimated to get $832,000—and so on down the line.

When one measures this in terms of the numbers of students who will be helped, and in terms of the number of students who might very well not otherwise be able to continue on and get a higher education, this is anything but an insignificant program.

This program has shown itself to be possessed of the catalytic ability that we were hoping it would have. Instead of just being there, it has served as a spur to get States to do things they were not otherwise willing to do. This is not matching dollars that were not otherwise being spent, this is based on what they did before. They get their matching dollars only if they go beyond what they were doing before.

So, Mr. Chairman, I urge the adoption of this very important and valuable amendment.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Michigan.

Mr. O'HARA. Mr. Chairman, I want to concur in the remarks made by the gentleman from Oregon (Mr. Dellenback). This is a good program. Every dollar we put in produces much more than that in terms of State effort. I think it is one of the wisest expenditures we will make. I hope we will agree to the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Oregon (Mr. Dellenback).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. DELLENBACK. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendments were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

LIBRARY RESOURCES

For carrying out, to the extent not otherwise provided, titles I ($44,155,000) and III ($2,594,000) of the Library Services and Construction Act (20 U.S.C. ch. 16); and title II (except section 231) and title VI ($5,000,000) of the Higher Education Act; $63,724,000.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Biaggi: On page 18, line 14, directly following "($44,-

155,000)" insert a comma and the following language: "II,"

On page 18, line 17, strike "$63,724,000." and add the following language: "$78,724,000, of which $15,000,000, to remain available through June 30, 1976, shall be for grants for public library construction under title II of the Library Services and Construction Act."

Mr. BIAGGI. Mr. Chairman, I rise in support of my amendment to provide $15 million for grants for public library construction under title II of the Library Services and Construction Act.

In fiscal year 1973, the administration impounded the $15 million appropriated for library construction by Congress. In December 1973, the funds were finally released and obligated this past year. No new funds were appropriated in fiscal 1974 since the impounded 1973 funds had still not been fully distributed. Now $13 million of the $15 million of fiscal 1973 funds have been obligated. Therefore, if we are to continue this program in operation it is essential that new funds be appropriated in fiscal 1975. My amendment will retain the same funding level as fiscal 1973, a reasonable amount.

There is a great deal of talk these days about personal freedom and individual rights. Basic among these is the right to gain knowledge and the freedom to read what we choose in our democratic society. However, for many Americans, knowledge and reading materials are denied them, because of the lack of library facilities in their area. The Library Services and Construction Act has done much to see more and more Americans have access to a good community library. But much more must be done. It has been estimated that as many as 1,500 library construction projects must be undertaken in the next 5 years. Many of them will not be undertaken without Federal support.

These facilities in the neighborhood help poor and middle-class residents who very often cannot afford the luxury of traveling to major metropolitan libraries Little children who are learning to read find a neighborhood library essential.

In my own district, for example, we are planning a new Belmont Community Library and Cultural Center. As a member of the Advisory Committee for the library, I am anxious to see this project completed. It is in the final design stages and we hope to begin construction in the next few months.

However, that construction may not take place without the $350,000 in matching funds from the Federal Government that would be available if my amendment is passed. The children of the Belmont community in the Bronx will be denied easy access to knowledge and reading materials. The elderly of the Belmont community will be denied a center for meeting with friends and a friendly place in which to relax and keep their minds active. And those of all ages will be denied the ready availability of the great works of man for their personal knowledge and enrichment.

In addition, this library facility will serve as a cultural center for the Italo-American community in the area. Children of Italian ancestry would be able to read and learn about their rich cultural background and heritage. Italian-American social and cultural groups in the area will have a place for holding meetings and events. Such activities help preserve the cultural plurality that is America.

I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL INSTITUTE OF EDUCATION

For carrying out section 405 of the General Education Provisions Act, including rental of conference rooms in the District of Columbia, $100,000,000.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am surprised that the committee would put $100 million in this bill for the National Institute of Education. In view of what I read in the hearings last year and information obtained since, I asked the General Accounting Office to take a look at the NIE operation, and the GAO provided a preliminary report a few days ago.

The National Institute of Education, on March 5 of this year, spent $67,000 on one conference at a Northern Virginia motel.

Last April the NIE sent 43 employees to Chicago to attend a conference at a cost of $8,750. Why 43 employees would be sent to a conference in Chicago is beyond me.

NIE also admits holding "Thank God It's Friday" parties at headquarters, complete with spirits appropriate to the occasion.

The General Accounting Office says the average salary of this outfit, on the basis of 385 employees, is $18,638. In addition to these employees, NIE employs innumerable consultants, and I have a list of them.

I am not prepared to offer an amendment to cut this appropriation. The committee has looked at this program and yet it has come in with $100 million for the operation of the National Institute of Education. I am convinced, under the circumstances such an amendment would be unavailing.

Mr. Chairman, I yield back the balance of my time.

Mrs. GREEN of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased that my colleague, the gentleman from Oregon, is not offering the amendment to which he referred earlier and which was included in the package to increase funds for N.I.E.

I want to support the statements made by the gentleman from Iowa (Mr. GROSS). I did not intend to offer an amendment, but if there is one thing it seems to me that this House ought to look at it is the $18 billion in research, contracts, and grants in the Department of Health, Education, and Welfare in 1971—and I suppose more now.

When Commissioner Marland of the Office of Education was before the committee I asked him how many contracts and grants there were; I asked him to define the difference between contracts and grants; he and I agreed it was a distinction without a difference. He said there were some 50,000 contracts and grants that require some degree of monitoring. You and I know there is absolutely no possibility of monitoring 50,000 contracts and grants.

As we go on, we find there were 9,000 contracts and grants in the Office of Education that were never closed out. Let me say first of all that this was before the time of Secretary Weinberger and Under Secretary Carlucci, and I think those men are to be commended for their efforts to bring some order out of the chaos. There were 9,000 contracts or grants which had never been closed out and therefore no one ever knew if the money was spent wisely, if they spent the money for the purposes for which it was appropriated, or if there were good results or bad results, and if there were good results whether the good results were disseminated across the country.

Then in the regional offices there were 3,000 contracts and grants never closed out at all. Nobody obviously had ever monitored to see if the funds had been spent as they should have been spent.

In addition, there were 6,000 contracts and grants that were lost and never closed out. They were filed in some box and no one could ever find them, nor ever totaled up to see if they expended the money for the purposes in the application or if any beneficial results were obtained.

During the testimony I suggested to Secretary Weinberger that we might well have a moratorium on all contracts and grants for 2 years. Weinberger replied:

> I think that you and I would be in rather full agreement about that but some of the U.S. District Courts and some of your colleagues were not receptive to the basic idea of slowing down or stopping things for a while. It is a continuing source of great alarm because as you are aware there are substantial additions to this number made each year. It is nothing that can be defended. It does have to be handled in a better way.

Mr. BROWN of Ohio. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I appreciate the gentlewoman yielding.

Before the gentlewoman leaves this body I would like to ask her advice on a particular point she has raised in her remarks here. I realize the hour is late, but it has been my understanding for some time that no one does operate an oversight function with reference to some of these programs in Health, Education, and Welfare.

The gentlewoman served on the Committee on Education and Labor of this

Congress at one time. I wonder why the Committee on Education and Labor in some oversight way does not look into some of the functions that it authorizes and for which we appropriate money, so that we can find out whether or not these programs are worthy which are presented to us to be enacted as having social merit, as having functional merit, in terms of getting more productivity out of education—and why these programs never get any oversight.

Mrs. GREEN of Oregon. If I may reply to the gentleman from Ohio, I think the most scandalous thing about the operations of the House of Representatives and the entire Congress is that we never do follow up and see if the money is spent wisely.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent Mrs. GREEN of Oregon was allowed to proceed for an additional 4 minutes.)

Mrs. GREEN of Oregon. Mr. Chairman, the most scandalously neglected thing of all is that we never pay any attention after we appropriate millions and millions of dollars. In my judgment there are hundreds of millions of dollars that are absolutely wasted. They are going down the drain. There are no results. While the average classroom is crying for funds, we go on with these contracts and grants to the tune of billions of dollars. As I see it—much of this is simply a new form of patronage.

This new form of patronage—a new form of rewarding one's friends, by both those in the legislature and the executive branch, is a story that needs to be recorded—but would take hours.

I will say to the gentleman that when I was on the Committee on Education and Labor and in my subcommittee I wanted to have investigations of this and I was blocked by members of my own subcommittee. A few did not want any critical question raised. I had an Ad Hoc Subcommittee on Discrimination on the Basis of Sex, and as some of my colleagues know, I used this as a circuitous route so we could look at some of these contracts and investigate them, because those who wanted to block any investigation were not members of that subcommittee. These hearings have been printed and if anyone wants to take the time to read them, they can see we should stop this nonsense of spending hundreds of millions of dollars and seldom finding out what happened.

Mr. BROWN of Ohio. If the gentlewoman will yield further, as the ranking Republican member of the Subcommittee on Intergovernmental Relations, I have pleaded for some time on that committee for some oversight study on these educational grants. We never seem to be able to look at them after we authorize and appropriate the money.

Because she is in the majority, the gentlewoman discourages me, as one of the Members of the minority, when the gentlewoman tells me she had difficulty getting oversight even though she holds a senior position in the majority in this Congress.

Perhaps the way to do it is for there to be an ad hoc study of this outside of Congress or within the Congress by some of the Members that are concerned. Perhaps we can urge the administration to conduct a study of its own function. But, that never seems to have worked in the past.

I think there is a need for this oversight. I think the gentlewoman has put her finger on it as a new form of patronage.

One of the unfortunate things that is happening this year is that the gentlewoman from Oregon is leaving the Congress, but I hope she will write some things about this concern of hers, so that the public will be alerted to it, because it does not get the attention it needs here in Congress.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Iowa.

Mr. GROSS. I deeply regret that the gentlewoman from Oregon is leaving Congress, and this is one of the reasons. She is a member of the Appropriations Committee and she would, I am sure, do an excellent job in probing some of these programs and this one in particular.

The answer to the question, as she has suggested, as to why there is no effective oversight of these programs, is because too many committees, and too many members of too many committees are devising new ways and means of spending more money instead of trying to save some money for the people of this country.

Mrs. GREEN of Oregon. Well, I thank my colleagues very much for these comments.

Let me say also that the situation is a little more complex. One of the agencies that we are going to fund, the Director said to his advisory committee of public members that their purpose was to self-destruct. This is the Action program, but they had, at the same time, people going around the country, even to Oregon, to see ways they could expand their programs.

We start a program and it is almost impossible to terminate it because first we build up a constituency within the Congress. We build up a constituency within the executive department and we build a constituency in the academic community, and build up a constituency across the country. Then, we can hardly ever bring a program to a stop after we have once started it.

While I am on my feet, Mr. Chairman, I would say that I think maybe it may come as a surprise to some of my colleagues to know that for the last few years we have been funding Nader's Raiders groups. How do the Members like that? We have been appropriating funds and we have been assigning so-called volunteers to Ralph Nader's Public Interest Research Groups.

PIRG's are organized in 32 States, and mine is one of them. They do research, lobby, raise funds, recruit new members. They do various things which some people approve of and perhaps some of us do not, but in this great program called Volunteers, in ACTION, the full-time people are just as much volunteers as everyone of us here. Everyone of us volunteered for our jobs, and we are being paid for them. Every full-time person in ACTION is being paid with Federal tax dollars, including the people that were assigned to Ralph Nader's offspring groups.

Mr. Chairman, I suggest we look more closely at a lot of programs and perhaps then save a few billion dollars of taxpayers' money.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 20, line 11, strike "$100 million" and insert "$10 million."

Mr. ASHBROOK. Mr. Chairman, because my amendment is short, I need not take more than 30 seconds. There is a line from "1776" which says, "Is anyone listening? Does anyone care?"

Mr. Chairman, I would like to offer this amendment as a tribute to the gentlewoman from Oregon, EDITH GREEN. We can cut $90 million out of this and let them squawk over at the Institute. I think it would be great for them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that he was in doubt.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 44, noes 331, not voting 59, as follows:

[Roll No. 344]

AYES—44

Archer
Ashbrook
Baker
Bauman
Beard
Brinkley
Burleson, Tex.
Camp
Clancy
Clawson, Del
Collier
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Flynt
Fulton
Ginn
Gross
Gubser
Henderson
Hogan
Huber
Ichord
Ketchum
Kuykendall
Landgrebe
Landrum
Martin, Nebr.
Mathis, Ga.
Miller
Poage
Powell, Ohio
Price, Tex.
Rarick
Satterfield
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Treen
Waggonner
Zwach

NOES—331

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bowen
Brademas
Bray
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.

Cederberg
Chamberlain
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Gude
Guyer
Haley
Hamilton
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Holt
Holtzman
Horton
Hosmer
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Kemp
King
Koch
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reid
Reuss
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOT VOTING—59

Arends
Blatnik
Bolling
Brasco
Broyhill, Va.
Buchanan
Burke, Calif.
Carey, N.Y.
Clark
Clausen, Don H.
Cochran
Conable
Daniels, Dominick V.
Devine
Diggs
Dorn
Edwards, Ala.
Esch
Evins, Tenn.
Frelinghuysen
Fuqua
Goodling
Gray
Griffiths
Grover
Gunter
Hammerschmidt
Hansen, Wash.
Hébert
Holifield
Howard
Hungate
Johnson, Colo.
Jones, Tenn.
Karth
Kluczynski
Macdonald
Madigan
Mills
Minshall, Ohio
Moakley
Murphy, N.Y.
Nelsen
Parris
Passman
Quillen
Rees
Rhodes
Roberts
Rooney, N.Y.
Rostenkowski
Rousselot
Ryan
Shoup
Sikes
Steiger, Wis.
Thompson, N.J.
Udall
Yatron

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. GREEN OF OREGON

Mrs. GREEN of Oregon. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon: Page 20, line 11, after "District of Columbia", strike out "$100,000,000" and insert "$80,000,000."

Mrs. GREEN of Oregon. Mr. Chairman, what I would have to say about research and grants and National Institute of Education and Office of Education may be repetitious in a few instances, because some of the people who are not on the floor now were not on the floor a few moments ago.

With some reluctance I voted against the amendment which was offered by the gentleman from Ohio which would have cut the $100 million in research at NIE to $10 million, because it seemed to me that was a little bit too strong, although I would not in any sense try to argue that, because I do not think I could produce the evidence.

But I am offering this amendment to cut $20 million out of research for the National Institute of Education.

Mr. Chairman, there will undoubtedly be attempts made to say that some of the things I am citing are in the Office of Education, and that they are not in the National Institute of Education.

My studies—that my own congressional office has done research on contracts and grants covering a period of more than 3 years, show that the American people are not getting their moneys' worth. I say to my colleagues in the House that there has been nothing that I have observed in the 20 years that I have been in the Congress that I think is such an appalling waste of money as the billions of dollars which this Congress votes for research, for contracts and grants, for studies, for evaluations for reports that are never read.

The NIE was established in 1972 in the Higher Education Act. I accepted that, not because I liked it at all, but because it was one of those compromises that I thought would help to get out a decent bill. I must add, as you know, that I voted against the conference report finally on that 1972 Higher Education Act because I thought it was so bad.

If we cut $20 million out of the National Institute of Education they will still have $5 million more than they had last year. Last year $75 million was appropriated. It seems to me that $5 million is pretty generous in terms of inflation.

In addition to this, nobody knows, because we cannot get an answer, how many hundreds of millions of dollars are being spent not only in the Office of Education, but in the regional offices of education, and by States and cities with Federal, State, and local matching funds on all kinds of research. Nobody has been able to give me an answer as to the total amount. In addition, foundations, private organizations are spending millions.

A few moments ago when some of the Members were not here, I said that in the Office of Education there are—and these were Commissioner Marland's words—50,000 live contracts or grants that require some degree of monitoring.

The GAO has done several investigations and studies for me; in their studies of the Office of Education on the research and on the contracts their report was the contracts and grants department is in absolute chaos. No one knows to whom the funds are going, for what purposes they are spent, or what the results are.

When I asked them to find a particular contract and grant, the Office of Education assured me that they did not give this corporation any money.

Then it was a very interesting coincidence that the president of that company came to my office later that week. How he happened to know I was interested in their particular contracts, I leave to the imagination of my colleagues.

In the course of the conversation I said, "By the way, do you have any Federal funds?" He immediately listed three allocations that he had. Then the OE said, "Oh, we made a mistake. We could not find it."

I said, "You could keep a card catalog with a cross reference, if you know what the man's name is and you know the title and subject matter. It seems to me you would be able to get some order out of it."

I suggest to the Members that the NIE is not one single bit different from the Office of Education except in name. In fact when many contracts and grants were moved over to NIE, the Director of it complained, because he was required to take a lot of the personnel and a lot of the contracts and grants from OE over to NIE.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent, Mrs. GREEN of Oregon was allowed to proceed for 5 additional minutes.)

Mrs. GREEN of Oregon. Mr. Chairman, let me also suggest that in the RECORD this last year there were 9,000 grants or contracts that had never been closed out. Therefore, no one knew whether the money was spent for the purposes for which they applied or if the results were good or bad, or if somebody else was duplicating the same kind of research. At the regional offices there were 3,000 contracts or grants that were never closed out, and there were 6,000 additional contracts and grants that were never closed out, because they were lost. They were put in some box, and nobody could find the box, so they never knew whether the millions of dollars that were given to various people had spent those moneys for the purposes for which they applied, or whether they had been spent wisely or foolishly.

Mr. Chairman, let me give the Members about three instances. Let me repeat what I said a moment ago that in my judgment the two people who are trying their best to bring some order out of that impossible situation are Mr. Weinberger and Mr. Carlucci. I say that as a Democrat. In my judgment, they are the first Secretary and Under Secretary who have tried to do anything about it, and I think as Democrats we ought to give them our support in trying to straighten out the mess that is down there.

Let me give the Members some examples. There is one contract which was on a competitive bid to begin with, and they estimated it would cost $540,000. They funded it at $900,000. There was a $90,000 overrun, the same as in the military. They disallowed almost $300,000 in a GAO study and also in an HEW internal audit.

Then this corporation had the intestinal fortitude to go to Secretary Richardson—and say, "We would like to have this contract renewed for the next year even before the final HEW audit is completed."

So Secretary Richardson made the commitment to them that they would get the contract on a sole-source basis for the next year. What was the purpose of it? To send out undergraduate and graduate students to see if they could collect accurate information. That was stated in Mr. Richardson's first press conference. That was the purpose of the $900,000.

I told them at the time that I could have told them the answer for $1.50. Some kids can and some cannot. They did not need to spend $900,000.

Another example was a contract that was given; almost $300,000 was disallowed, and part of it was the salary of $50,000 to the director. They disallowed in both the OE and in the GAO audit $10,000 in salary. And what does OE do? They hire that director at a salary of $4,250 a month so that he could make up the $20,000 which had been disallowed, and part of it was the salary of Education in 2 years salaries.

I asked him what he was doing as a consultant. We never got an answer on that.

Then there is another contract. At OE, they are not supposed to have a sole source if it is over $25,000. I will refrain from going into the story of E. Howard Hunt's involvement, but, believe me, I can document it if the Members want to come to my office.

Mr. E. Howard Hunt was the chief program officer, and there was an objection at the sole source board meeting, because he was involved in the Watergate break-in. He was also a $100-a-day consultant at the White House. Even though there were objections to that contract being extended on a sole-source basis, it was granted.

Let me give the Members one more example, and then I will stop.

There was recently a contract which was given for $2.5 million to produce some films. They were supposed to produce eight films and they produced one, and it was of such low quality that they actually rejected it and said they would not show it. So then, on some kind of basis, they gave this company because of their wonderful past performance $3.5 million more to produce 65 films.

This is the kind of stuff we are financing and that the taxpayers in the Members' districts are paying for and that my taxpayers are paying for, when our schools and our classrooms do not have enough money to keep their doors open for the 180 days; our schools do not have enough money to pay teachers decent salaries and they do not have enough money for basic essentials, but we can pay out millions and millions and say, oh, yes, there is an unlimited amount the Federal Treasury can give out in research, some of it for esoteric research but some of it just plain nonsense, and we ought to stop it.

Mr. RANDALL. Mr. Chairman, the RECORD will show that I voted against the amendment to delete about $90 million in funding from the National Institute of Education leaving only about 10 million in funding.

But, Mr. Chairman, I supported enthusiastically the amendment of the gentlelady from Oregon (Mrs. GREEN) to reduce National Institute of Education funding by approximately $20 million or to bring it down to substantially the figure of last year's appropriation.

There have been many accounts written about the research programs undertaken under this authorization. I must say that not all of them have been praiseworthy. Some have. Some have not. Some projects deserve to be continued. There is no use to gut the entire program and take away as much as 90 percent of all funding. But there is strong merit in the sensible approach of the gentlelady from Oregon to reduce by $20 million and thereby hold this appropriation in line with the funding of former years.

There was a rollcall vote on the rather unreasonable reduction of $90 million. There should have been a demand for a rollcall vote on the more reasonable and meritorious amendment of the gentlelady from Oregon. It was approved by a loud voice vote, but if there had been a record vote by our electronic process, I am sure there would have been only a tiny handful voting against her amendment.

Mr. FLOOD. Mr. Chairman, it is 25 minutes to 9 and we just heard my admired and beloved friend, the gentlewoman from Oregon, talking about the Department of Education. Much of what she said is true. I have been dealing with it for many years and I have little trouble quarreling with the gentlewoman at all. But now she had 5 minutes and then she had some more time after that, but what is before us, Mr. Chairman, is an amendment on NIE. With the exception of the first sentence, recognizing the amendment, the gentlewoman said nothing about the amendment at all but talked about what went on for many, many years at the Department of Education, and all of that was true. I went through it, too. I said the same thing and so have many of the Members.

What we were applauding, and so did I, what we were standing for and so did I, was respect for the gentlewoman of course, but not for the argument, because it has nothing to do with the case at all, nothing at all to do with this amendment, not a word about the amendment.

Now fun is fun, but may I suggest that this committee cut the NIE $30 million. We cut it $30 million.

Just because you hear this in this guise and in this light—and let me add this, my friend, spoke about Caspar Weinberger and Frank Carlucci from my home town of Pittsburgh. What a great job Carlucci and Weinberger are doing, they are both marvelous men, so she said. These are the two men who have strongly supported the NIE. These were the men that testified before the committee urging us to have this done. Secretary Weinberger and Under Secretary Carlucci are the men who espoused the cause of NIE.

Now, do not make a farce out of something for which you voted and appropriated millions of dollars.

This is a proposal to do exactly the opposite of what the Congress originally intended in creating the NIE. It was espoused by the administration and proposed in the budget. But it was cut back by your committee by $30 million. It is my hope that this National Institute of Education will do the things needed to benefit your kids, to teach them new ways to learn. These are things that you insist back home that you want done at every parent-teacher meeting you have attended—every one of you. That is what NIE is supposed to be all about. You asked for it.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Oh, yes, of course.

Mrs. GREEN of Oregon. I want to preface this by saying that I love men, too.

But the gentleman from Pennsylvania is not suggesting that NIE was a creation of Secretary Weinberger.

Mr. FLOOD. Oh, no, no.

Mrs. GREEN of Oregon. I just wanted to make that clear, because it was something that they inherited. This came into being before Mr. Weinberger was ever appointed Secretary and before Mr. Carlucci was Under Secretary.

Mr. FLOOD. The gentlewoman does know that Frank Carlucci did everything he could about the NIE. That was the thing he wanted more than anything else. I respect his opinion. I thought you did, too.

Mrs. GREEN of Oregon. That must

have been a day when I was absent, because I did not see him crying.

Mr. Chairman, will the gentleman yield further?

Mr. FLOOD. I yield to the gentlewoman.

Mrs. GREEN of Oregon. The point I tried to make was that there is no difference in the research being done in the Office of Education and that being done or proposed to be done in the National Institute of Education. If you put them side by side, you could not tell a bit of difference between them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the chairman of the subcommittee indicated, the subcommittee has cut $30 million from the administration's request.

Now, what are we talking about on research? Let us look at some other areas. Those of us who come from agricultural America recognize what the Federal Government has done to enable us to produce more crops. If we only produced what we did 25 years ago, we could not feed our own people. We are feeding not only our own people, but about 1 acre in every 4 goes overseas. Why? One of the reasons is because the Federal Government put money into research.

This Nation is a powerful nation militarily. Why? Because it puts money into research and this Congress has put money into research for the military.

Some time ago we were concerned because we did not have adequate health in the Nation. We have put a tremendous amount of money into research on health in the National Institutes of Health.

Now, the small proportion of what we spend for education goes for research. What has happened in education? The costs have gone up dramatically.

Yes, some of the costs come from increased enrollment. Some come from increases in the cost of living, but a tremendous amount just has been a mushrooming cost in education. It has been projected that if the gross national product and the increase in education continue at their present increases, we will have a higher expenditure for education about the year 2030 than we have of gross national product.

We need to do something in research to provide an adequate education at a price we can afford, and we also have to make certain that those children who in the educational system used to just leave and go someplace else, and that we could ignore and who are now living in the ghettos of the cities or in some of the hollows of rural America, we need to learn the skills and how to reach them so that they can live the kind of life that the men and women of this Congress are able to enjoy.

That is what it is all about. There are going to be mistakes made. There were mistakes in the military; mistakes in the expenditure for health research; mistakes made in agricultural research, and there are going to be mistakes here.

The gentlewoman from Oregon is absolutely correct in what she says about the way research grants many times have been handed out contracts. I think we ought to listen to her on that, but that does not mean that we then cut out the money to get the research done. We need this research. We ought to do the oversight to make certain that those contracts are put out in a way in which we get the greatest amount of good for the dollars expended. That is our responsibility, and that is the responsibility of the Secretary of HEW.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I believe in research also, and I think oversight is a form of research.

I would like to ask the gentleman from Minnesota, as I asked the gentlewoman from Oregon, if the Education and Labor Committee ever has done any oversight on all these programs for which they authorize the grant money?

Mr. QUIE. I would say to the gentleman that we have, as the Education and Labor Committee, done a very poor job of oversight.

Mr. BROWN of Ohio. I concur in that.

Mr. QUIE. Let me then add that the Education and Labor Committee has geared itself up in the last few years to where now it is doing a far superior job of oversight than we have ever done before. When we passed the Education Act of 1972, we began to do a good oversight job, first, as OE wrote the regulations, and then what is happening to expenditures of money, such as we have never done before. I believe the committee is now moving in the good and responsible way it should have before.

Mr. BROWN of Ohio. If the gentleman will yield further, I am not sure I can agree about how responsible it is now.

The gentleman's admission inspires me to admit, as a member of the Government Operations Committee that, on that committee, we do not do the oversight either which should be done in this particular area, and that is why the gentleman would like to cut $20 million out of it, and that is why I support it.

Mr. QUIE. I do not believe just cutting the amount of money is then going to enable us to get the changes in the contracts. Let us not lose sight of the research in education which is necessary.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, I thank the gentleman for yielding to me, because I think everybody shares my high regard for the gentleman, and it distresses a lot of us to see him on the wrong side of an issue.

I will tell my friend that I think his comment about agricultural research is not a valid one, because I think my friend knows better than, or as well as, anybody in this Chamber, that agricultural research has not increased production in this country. It was economic incentive, perhaps federally inspired; certainly not research.

Mr. QUIE. I disagree.

Mr. STEIGER of Arizona. I will not debate that with the gentleman. I will tell the gentleman that I think the genleman's observation and his candor in recognizing that oversight has been deficient, even though it is now improved upon, is like saying that when you are laying on the floor, you cannot fall out of bed. So, I suggest to the gentleman that until we cut back, we cannot experience this particular process.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last three words.

Mr. Chairman, I ask the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. FLOOD) who insisted this money is necessary for the education of children, if it is education on the part of NIE, the National Institute of Education, to spend $67,000 on one meeting at a motel in Arlington, Va., in March of this year?

Is it educating children to send 43 employees of NIE to Chicago in April, at a cost of more than $8,000, to a conference? Is it educating children to stage "Thank God It's Friday" parties, accompanied with the spirits that go with it at National Institute of Education headquarters in Washington?

Mr. Chairman, I could repeat the additional information obtained by the General Accounting Office, which I gave to the House earlier today concerning the NIE operation, but I will not take the time.

The amendment by the gentlewoman from Oregon is the minimum cut that should be made in this extravagant and wasteful operation in fact this outfit ought to be abolished.

In all reason and sanity the gentlewoman's amendment must be supported.

Mr. MICHEL. Mr. Chairman, I move to strike the last three or four words or whatever is necessary.

I never thought I would come to this point where I would be here making any kind of comment with respect to an amendment to cut an appropriation bill. I obviously will not and do not have the heart in the argument I make here that I had earlier in the day, where I really felt strongly about it, because I know particularly of these things which Mr. GROSS alludes to and Mrs. GREEN does likewise. But it points up several things.

No. 1, as I recall, this was a program that was authorized for $550 million over 3 years. That is how wise we were when we struck that magic authorizing figure some time ago, $550 million over 3 years.

The gentleman from Pennsylvania (Mr. FLOOD), our chairman, said that we do not like what we have been hearing and seeing about it. Therefore, we cut it $30 million, from $130 million to $100 million.

We were told in the hearing record that we have obligations of $91 million. There was a request in the supplemental for which no money at all was provided.

We ran into a real bust on the other

side of the Capitol, so there was no money in the supplemental. I think if we go into cutting this beyond the $100 million mark, we are going to run into some real trouble with respect to the $91 million of obligations that they tell us they have.

I would like to make an appeal to the Members that our committee has done the best job we thought we could by cutting the $30 million, and I would appreciate the Members standing by the committee on this particular amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon (Mrs. GREEN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

SALARIES AND EXPENSES

For necessary expenses to carry out section 402 of the General Education Provisions Act, not to exceed $1,000 for official reception and representation expenses, $2,437,000.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SYMMS. Mr. Chairman, the point of order is against the language found on page 20, lines 13 through 16, specifically reading "not to exceed $1,000 for official reception and representation expenses." I make the point of order that that part is not authorized by law. Therefore, the paragraph is out of order.

The CHAIRMAN. Does the gentleman make a point of order against the entire paragraph or against the language contained on the lines mentioned?

Mr. SYMMS. Page 20, lines 13 through 16.

The CHAIRMAN. The gentleman's point of order is made against the entire paragraph?

Mr. SYMMS. Yes, sir.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. FLOOD. Yes, of course. I am still not clear. I understood the point of order would be made against that part of the section which did not have authorization. That would be "not to exceed $1,000 for official reception and representation expenses." That, of course, would be very properly subject to a point of order, since it is not authorized.

But, of course, under no circumstances is that the fact with reference to the title, "Salaries and Expenses," and "to carry out section 402 of the General Education Provisions Act," and then the total. That was my understanding.

The CHAIRMAN (Mr. WRIGHT). The Chair will observe that the gentleman from Idaho (Mr. SYMMS) made a point of order against the entire paragraph, and under the rules of the House, if a part of a paragraph is invalid and a point of order is made against the paragraph in its entirety by reason of its invalidity, then the paragraph must be stricken.

The gentleman from Pennsylvania (Mr. FLOOD) as the Chair understands it, has conceded that the language, referring to "$1,000 for official reception and representation expenses," is not authorized in law, and if that is the case, then obviously the Chair will sustain the point of order.

Mr. FLOOD. Mr. Chairman, has the Chair ruled?

The CHAIRMAN. The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD: On page 20, line 12, insert the following:

OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

SALARIES AND EXPENSES

For necessary expenses to carry out section 402 of the General Education Provisions Act, $2,437,000.

Mr. FLOOD. Mr. Chairman, I think under the circumstances, in view of the previous ruling of the Chair, the Chair understands exactly what I have done. By offering this amendment, I have restored the language in the bill without the limitation.

Mr. Chairman, I believe this amendment will speak for itself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. FLOOD).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 207. Appropriations in this Act for the Health Services Administration, the National Institutes of Health, the Center for Disease Control, the Alcohol, Drug Abuse, and Mental Health Administration, the Health Resources Administration and the Office of the Secretary shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed two thousand eight hundred commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; rental or lease of living quarters (for periods not exceeding 5 years), and provision of heat, fuel, and light, and maintenance, improvement, and repair of such quarters, and advance payments therefor, for civilian officers and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country; not to exceed $9,500 for official reception and representation expenses when specifically approved by the Assistant Secretary for Health; purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Assistant Secretary for Health, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the rate for GS-18.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I make a point of order against section 207 on page 32, lines 2 through line 5, the language "not to exceed $9,500 for official reception and representation expenses."

Mr. FLOOD. Mr. Chairman, obviously this is not in order. We passed this. The Clerk read it, let me assure you.

The CHAIRMAN. The Chair will state we had not completed the reading of that paragraph, and for that reason a point of order would be timely made if the point of order were to lie.

Mr. FLOOD. Does not the Chair believe me? I did not do this out of pique. I waited and watched it very carefully. Section 208 was announced, and the gentlewoman from Oregon was about to present an amendment on section 208. We had passed that point.

The CHAIRMAN. The Chair will advise the gentleman that the Clerk had not read section 208. He had not read it, and therefore the point of order was timely made against language in section 207.

The gentleman will state his point of order.

Mr. SYMMS. The language to be found on page 32, lines 2 and 3 and the first word on line 4, reading "not to exceed $9,500 for official reception and representation expenses," is not authorized by law.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on that?

Mr. FLOOD. Mr. Chairman, do I understand now, in view of the obvious confusion as to what I thought was going on, although I may have been the only one who was confused, is the gentleman making a point of order against the entire section or part of the section, or just what is this?

Mr. SYMMS. Mr. Chairman, the point of order is against page 32, the language to be found on lines 2, 3, and 4, reading "not to exceed $9,500 for official reception and representation expenses." That part is not specifically approved by law and the point of order is specific as to that point taken.

The CHAIRMAN. The gentleman from Idaho makes a point of order, as the Chair understands it, against the language beginning with the word "not" at the end of line 2 on page 32 and concluding with the semicolon following the word "Health" on line 5.

Mr. SYMMS. That is right, Mr. Chairman. On line 5.

The CHAIRMAN. Does the Chair correctly interpret the gentleman's point of order?

Mr. SYMMS. That is right, Mr. Chairman.

Mr. FLOOD. Following the semicolon on line 2 and ending with the first semicolon on line 5 after the word "Health."

The CHAIRMAN. The Chair understands that is the language to which the gentleman from Idaho lodged a point of order.

Mr. FLOOD. Oh, yes.

The CHAIRMAN. If indeed the amount is not authorized by law, and no authorization has been cited, the Chair sustains the point of order.

The CHAIRMAN The Clerk will read.

The Clerk read as follows:

SEC. 208. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed, or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

AMENDMENT OFFERED BY MRS. GREEN OF OREGON

Mrs. GREEN of Oregon. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon: On page 32, delete the words beginning on line 14, "which is", through words "Public Law 88-352," on line 16; and on line 18, delete words "so desegregated", and on line 20, delete words "so desegregated".

Mr. WHITTEN. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, may I say that I have discussed this amendment with the gentlewoman from Oregon since I was the author of the provisions which she would amend. These sections were approved by the Congress several years ago. The language which is proposed to be stricken was written at the time when we thought it well to point out that schools had been desegregated by a statute which defined desegregation. Then with time and in view of decisions of the Federal courts the references to the statute or the definitions set out in the statute seem to no longer be necessary.

I agree with the gentlewoman from Oregon that there is no necessity to keep this language in the bill.

Again having personally been the author of these sections of the law and having urged the Congress to adopt them, I will now support the gentlewoman from Oregon in striking out the words she proposes. This action will not weaken the law but could strengthen it.

Mr. FLOOD. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, I might say that the gentlewoman from Oregon has spoken to me about this amendment, and also the gentleman from Mississippi (Mr. WHITTEN) who was the author of the amendment originally, and of course that being the case, we would accept the amendment offered by the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Chairman, I would hope it would not be necessary to take the time of the Committee to discuss this, because the amendment simply clarifies the language that is in the present law.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 209. No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed, or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district, or school.

Mrs. GREEN of Oregon. Mr. Chairman, the language in my next amendment which I seek to delete is identical to the amendment which we have just agreed to, and this amendment would delete the words, "which is" on page 32 in line 24, and the word "desegregated" on line 1, page 33, and on line 4, the words "so desegregated" and on line 6 the words "so desegregated", these appearing on page 33, so that this would conform to the deleted language in the amendment which we just adopted in section 208.

This amendment has again been discussed with the gentleman from Mississippi (Mr. WHITTEN) and also with the distinguished Chairman, the gentleman from Pennsylvania (Mr. FLOOD).

The CHAIRMAN, The Chair will state that the Clerk had not read the amendment, and that perhaps the Clerk should now read the amendment at this point, so that the Members may fully understand what is in the amendment proposed by the gentlewoman from Oregon.

AMENDMENT OFFERED BY MRS. GREEN OF OREGON

Mrs. GREEN of Oregon. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon: On page 32 delete the words beginning on line 24 "which is" through the words "Public Law 88-352," on line 2, page 33.

Delete the words "so desegregated" on page 33, lines 4 and 6.

Mr. FLOOD. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I thank the gentlewoman for yielding.

For the same reasons, Mr. Chairman, as cited by the gentleman from Mississippi, the author of the original amendment, we, of course, agree.

Mr. YATES. Mr. Chairman, will the gentlewoman yield for a question?

Mrs. GREEN of Oregon. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentlewoman for yielding.

Under the terms of the language as amended, supposing a court orders a community to engage in a busing operation. Does the gentlewoman's amendment mean that none of the funds may be used to carry out the order of the court?

Mrs. GREEN of Oregon. This is the same language that has been in the bill for 5 or 6 years. It means that no funds in this title may be used to force the busing of students to achieve a particular racial balance.

Mr. YATES. It does mean that?

Mrs. GREEN of Oregon. Yes.

Mr. YATES. If the gentlewoman will yield further, to all intents and purposes then the Department of Health, Education, and Welfare could not follow a court order?

Mrs. GREEN of Oregon. The funds in this title shall not be used for the purposes of forced busing of students.

Mr. YATES. Even though ordered by a court?

Mrs. GREEN of Oregon. The funds in this title shall not be used to force schools or school district to force the busing of students.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think there may be some misunderstanding, and I would like to point out a couple of things about sections 208 and 209 that have been carried in this bill. For a number of years we had a great deal of difficulty, a great deal of controversy, on these antibusing sections. But the controversy had finally been settled and not argued on this bill the past couple of years. No questions have been raised about the provisions in the bill for the last couple of years because, apparently, people on both sides were pretty well satisfied with the language in the act.

Clearly, in my judgment, these sections do not say that the local school district cannot use funds for busing. What they say is that the Federal Government cannot tell the local school district that they shall use that particular tool. It does not relieve them of the obligation to overcome segregation, but it also says the Federal Government will not tell them which of the various tools available they must use. We have been over this argument a number of times and I thought we had finally settled it. I hope we do not open it back up this year. For the last 2 years, it seemed to satisfy everyone so well that no one raised a question and I hope we will not reopen it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

Does the gentleman have the same interpretation of the sections as the gentlewoman, namely, that if a court were to order a community to provide busing of students to the schools, that the funds could not be used for that purpose?

Mr. SMITH of Iowa. It says money in this bill which is distributed by the Department of Education cannot be used to force them to use busing as the tool to overcome desegregation. In other words, they can use whatever tool they want to.

Mr. YATES. Even though ordered by a court?

Mr. SMITH of Iowa. Yes.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Unfortunately, I was out ill when we first debated the Elementary and Secondary Education Act, and embarked on this rampage against busing. I did not have an opportunity, nor did many of the Members have an opportunity, to speak on this issue when Mr. ESCH moved to instruct the conferees. It was a quick motion. It was rammed through, and no one had an opportunity to speak. Nor did we have an opportunity to speak this morning when my colleague, the gentleman from Louisiana, made a similar motion to instruct conferees. It was rammed through with no opportunity to speak.

I must have an opportunity to speak. I think my colleagues ought to stop and realize what they are doing, not so much in terms of the busing issue, but what we are doing to polarize the Nation again. Here is the reality. It is an ugly reality, and I do not like it. But, nevertheless, here is the reality. We have a percentage of people in our black community who hate whites simply because they are white. The Members know it and I know it. We get manifestations of this hatred all the time. I hate it, I deplore it, I think it is the wrong thing to do, but every time we fan the flames of this busing issue we enable that percentage to gain a psychological advantage. That is what we are doing. I think we ought to deal with reality.

I have heard so many of the rabid antibusing fans stand up and say, "The black population in my district does not want to be bused." I am sure there is a percentage that does not want to be bused; however, I think I can explain to the Members why they do not want to be bused. If indeed the Members were black and, since 1954, had struggled and fought to see a Supreme Court decision finally implemented, but time after time, and year after year, in one piece of legislation or another, had been kicked in the teeth, the Members also would say, "I do not care to bother with whites. I do not want any part of white America."

Every time we fan the flames of this issue, every time we do it, we are simply adding to the polarization that is already in this country.

There is one other point about this amendment that absolutely confounds me and amazes me: That this body will consider a motion which will enable a local school district or a local political subdivision to defy a Federal court decision. It is incredible that this body which makes the law would attempt to pass an amendment which enables defiance of law.

I do not want to be the one down here saying these things. I do not want to be the bad guy in the well saying these things, but why do we not wake up? It is not a matter of busing any longer. It is a question of whether or not 22 million-plus black Americans in this country are going to be further shoved away from the body politic of the Nation because this Congress seizes every opportunity to fan the flames of racism.

Maybe we do it directly, maybe we do it indirectly, that does not matter, but we do it nevertheless. I tell the Members right now that when we take these actions in 1970 and 1972 and 1974, all we are doing is setting a stage for a prolonged, protracted antagonism between the races in 1984 and in 1994 and in the year 2024. That is what we are doing.

I have no hope at all that this amendment will be defeated. The House has made it so clear what its intention is that I have no hope at all that this and the other amendments that will be brought forth on antibusing will be defeated. I have no hope whatsoever, but I hope that somebody in this House, I do hope that some Members in this House will stop to examine our actions in terms of the legacy that we are leaving for another generation to come.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Chairman, I thank my colleague for yielding.

I had not intended to go into the arguments. It seems to me we have argued it so many times for so many years that I do not imagine what anybody says will make any difference.

I have said before in regard to polarization which my colleague from Maryland has just referred to that I think there is nothing that has increased polarization so much as the forced busing. The communities are against it, most schools are against it, most children are against it, and most parents are against it.

The real problem in this country is that we are trying to cross two barriers at the same time. I say this to my colleague, the gentleman from Maryland. I think we are trying to cross, desperately, as a country the racial barrier and the class barrier. In my judgment we have more problems as a result of trying to cross the class barrier than we have as a result of trying to cross the racial barrier, but we always place it on the basis of race, a black and white issue, when in my judgment it is not and it should not be talked about in those terms. This is what is increasing the polarization within the country.

I suggest also to my colleagues that the deterioration of the schools we are witnessing across the land, and most especially in our urban schools, causes me to wonder what this generation of students is going to think a few years hence. In many many hundreds of schools, today, policemen are just as essential as teachers. What a sad commentary.

I suspect that there will be greater polarization than we have ever seen. I suggest that some of our present students, maybe 10 or 15 years from now, are going to look back on this period of time as a period when their elders practiced easy virtue, and at what cost to the quality of education in this country, it would be impossible to predict. To try to settle all the racial problems and all of the class problems, to try to force one institution in our society—the schools to assume the major responsibility for social reform, I think is a major error and is doomed to failure. The problems of our schools are the problems of our society.

In addition, I remind you, that in the Black Caucus in Gary, Ind., 2 or 3 years ago, the resolution was passed by the Black Caucus in opposition to forced busing of students.

I also remind you that the National Congress of Parents and Teachers that historically had taken the position in favor of forced busing, in their last convention, maybe two conventions ago, reversed their position and came out with a resolution opposed to the forced busing of students. This is now before the various State PTA's, as I understand it, for ratification.

We are not discussing busing to achieve an educational goal. We are talking about forced busing based on a very, very superficial consideration, and that is the pigmentation of the skin. What utter nonsense to put anybody in any classroom solely on the basis of the pigmentation of the skin.

We cannot have superficial answers to very complex problems and hope to reduce polarization. If we could just once and for all get this busing issue behind us, then we could go ahead and talk about the quality of education and do those things that are going to make a difference 10 and 20 years from now to boys and girls who are in the classrooms today and who are receiving a most inferior education.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. It is exceedingly difficult for me, being a relatively new Member in the House, who does not command the respect that my distinguished colleague from Oregon commands, and does not have the skills she has, to engage in debate with her.

It is difficult for me to answer her, but let me try.

She spoke about what transpired at the National Black Convention in Gary, Ind. What she said did indeed transpire. Some of the people who were there—unfortunately, I was not there when that vote took place—some of the people there were those who in 1954 and as late as 1958 were saying, "Yes, we believe in the concept of integrated education."

But by her statement the gentlewoman makes the precise point for me. By the actions of this House, and the actions of other groups all over this country, we have forced them into another position, that is, the position taken at Gary, Ind.

We talk about quality education. I want that. You want that? There is nobody in this House who does not want it. I do not think there is any Member of this House, if he honestly examined the schools in his particular area would be able to say that the predominantly black schools are equal in terms of curriculum, in terms of facilities, in terms of books or anything else that we want to name. Until that equality develops, until we have that kind of equality, I want that black kid bused to the place where he is going to get quality education.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

I wish I might have the attention of the gentleman from Maryland.

May I say that the discussions which have been held here do exist in some places. We read and hear of them. I happen to come from a district that is about 50–50. My county is about 50–50. I sent the sections which would be amended here to the people of my county by mail. My support was overwhelming. The provisions adopted by the Congress and signed by the President 5 or 6 years ago read as follows:

SEC. 208. No part of the funds contained in this title may be used to force any school or school district (which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88–352) to take any action to force the busing of students; to force on account of race, creed, or color the abolishment of any school (so desegregated); or to force the transfer or assignment of any student attending any elementary or secondary school (so desegregated) to or from a particular school over the protests of his or her parents or parent.

SEC. 209. No part of the funds contained in this title shall be used to force any school or school district (which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88–352) to take any action to force the busing of students; to require the abolishment of any school (so desegregated); or to force on account of race, creed, or color the transfer of students to or from a particular school (so desegregated) as a condition precedent to obtaining Federal funds otherwise available to any State, school district, or school.

The words which would be stricken from the law are in parentheses.

The provision means that the money we appropriate for education cannot be used to force busing against the wishes of parents. It does not say the court cannot for such a provision would be subject to a point of order; it does not say others cannot for that too would not be permissible here; again, it does say the money we provide here for education shall not be available to use force to make the child go to a school against the wishes of his or her parents, whatever color they may be. Nor shall a school be abolished. That is all that is here. That is all that is permissible.

The issue which has been discussed by my colleagues is a very emotional one, but it is not and should not be involved in the bill before us. The money in this bill shall go for education, as it is intended. It does not say it cannot be used to help a child go to a school that a court may decide though you and I may disagree with such court action. It does say the education department cannot force him or her to go to a particular school against the protests of his or her parent or parents.

The provisions are sound. I wish they had been better enforced. The gentlewoman would strike out the reference which I made to the statutory provision. She believes it will help the legislation. The statute to which reference is made is no longer the basis for segregation. Now such actions are the result of court orders. The pending amendments do not have the effect some of my colleagues fear nor do they bring about or prevent changes many would like to see. The sections have been the law for 5 or 6 years and if enforced would do lots of good. The changes suggested will do no damage. Enforcement would help.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I am happy to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, may I respond to the gentleman? Point No. 1, in response to the question by my colleague from New York as to whether or not this will enable a local school district to defy the Federal court; the response was "Yes," from some Member. That is point No. 1.

Point No. 2, I hope the Members realize that when they have many black people in their districts—the gentleman from Mississippi said 50–50—they still want to give the answer, many of them, which they think will satisfy you.

The third thing is, whether we play around with the language, whether it is done by statute or by court order, inferentially—even beyond inferentially—what we are really doing is establishing a concept that segregated schools could be necessary, ought to be necessary and are necessary. That is what we are inferentially doing, whether we read it that way or not.

Mr. WHITTEN. Mr. Chairman, I beg to differ with the gentleman. These sections have been on the statute books 5 or 6 years, and in my judgment do not touch the issue the gentleman is describing, and in no way do they stop any court from doing what it has been doing all along. It does prevent the use of the personnel of the Department of Education and the money in this bill "to force," a child or children to go to a particular school over the protest of the childs parent or parents.

Mr. MITCHELL of Maryland. I heard that in 1954. The gentleman is right here.

Mr. WHITTEN. I have been right on these sections of the law since they were adopted 5 or 6 years ago. All education could be better if they were carried out.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Oregon (Mrs. GREEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 33, after line 8, insert the following:

"SEC. 210. No funds appropriated for the purpose of carrying out any applicable program may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system."

Mr. ASHBROOK. Mr. Chairman, it will not be necessary for me to take 5 minutes. The House voted on this on two occasions previously.

This is the identical language of my antibusing amendment to H.R. 69, adopted overwhelmingly by this body, which is now in conference. I offer this because there is a possibility that H.R. 69 will reach an impasse. The House has spoken on a number of occasions, and I feel it appropriate to have this amendment adopted in the appropriation bill at this time.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the colloquy which preceded the offering of this amendment, I think it was made clear that the provisions which have been carried in this bill for a number of years prohibit the Department of Education from using its funds to force a local district to use busing as the one of several alternatives to overcome a desegregation problem.

With that the committee and the House has been in agreement. The House has been in agreement for a number of years that local choice should not be denied, but I would like to point out that this amendment does just the opposite. It denies the local educational institution the opportunity to choose to use busing if it chooses to do so.

I think one who is for local school districts, or local government having some independence and freedom of choice to make their own decisions as to how they want to overcome their problems should be against this amendment.

The proponents are attacking it from a different end. This is an appropriation bill. This is not the authorization bill. We are going to fight this out on the authorization bill anyway, but when we finally settled this in this appropriation bill, we thought everybody was satisfied and carried identical language. But this amendment would deny the use of the funds by a local district as a tool it may want to use.

Mr. Chairman, I urge the Members to reject this amendment to keep the two amendments in the bill that have been in it for several years and to which everyone seems to agree.

I want to say this in closing: A vote on the authorization bill for a similar amendment does not mean that the Members need to vote for putting it on this bill. We already have provisions in this bill upon which we previously agreed. Therefore, I would urge that we leave the bill the way it is and not place this additional prohibition upon local school districts against choosing the tool they may want to use.

Mr. FLOOD. Mr. Chairman, I rise in opposition to the amendment.

There is little I can add to what the distinguished gentleman from Iowa, a member of the committee for many years, has said. This, again, is an attempt to use the appropriation bill to resolve this busing issue.

The legislative committee, as many people have said here, has been at this for months and years. I remind Members that these provisions were in this very bill; in this very same spot, for several years.

You all agree that the use of these funds by HEW has been effective just the way you wanted it. These provisions here have been effective against the busing problem that has been raised by everyone.

Let us not tie this bill down again here by attempting to reopen the busing question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 70, noes 78.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes 137, not voting 66, as follows:

[Roll No. 345]

AYES—231

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Biaggi
Blackburn
Bowen
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collins, Tex.
Conlan
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dennis
Derwinski
Devine
Dickinson
Dingell
Downing
Dulski
Duncan
du Pont
Eilberg
Eshleman
Fisher
Flowers
Flynt
Ford
Forsythe
Fountain
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Grasso
Green, Oreg.
Gross
Gubser
Guyer
Haley
Hanley
Hanrahan
Harsha
Hastings
Hays
Heckler, Mass.
Henderson
Hillis
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McCollister
Mahon
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mazzoli
Michel
Milford
Miller
Minish
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Murtha
Myers
Natcher
Nedzi
Nichols
O'Hara
Parris
Passman
Patman
Patten
Pettis
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Tex.
Randall
Rarick
Regula
Rhodes
Rinaldo
Robinson, Va.
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Roy
Runnels
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Snyder
Spence
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Tiernan
Towell, Nev.
Traxler
Treen
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Veysey
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki

NOES—137

Abzug
Adams
Anderson, Ill.
Ashley
Badillo
Barrett
Bell
Bergland
Biester
Bingham
Boland
Brademas
Breckinridge
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burton, John
Burton, Phillip
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Danielson
Dellenback
Dellums
Dent
Donohue
Drinan
Eckhardt
Edwards, Calif.
Erlenborn
Evans, Colo.
Fascell
Findley
Fish
Flood
Foley
Fraser
Frelinghuysen
Frenzel
Gonzalez
Green, Pa.
Gude
Hamilton
Hanna
Hansen, Idaho
Hawkins
Hechler, W. Va.
Heinz
Helstoski
Hicks
Holtzman
Horton
Johnson, Calif.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Koch
Kyros
Leggett
Lehman
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
Madden
Mallary
Martin, N.C.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Mink
Mitchell, Md.
Mollohan
Morgan
Mosher
Moss
Murphy, Ill.
Nix
Obey
O'Brien
O'Neill
Owens
Pepper
Perkins
Price, Ill.
Pritchard
Quie
Rangel
Rees
Reuss
Riegle
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rose
Roush
Roybal
Ruppe
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Stratton
Studds
Symington
Thomson, Wis.
Ullman
Van Deerlin
Vander Veen
Waldie
Whalen
Widnall
Wiggins
Wilson, Charles H., Calif.
Yates
Young, Ga.

NOT VOTING—66

Addabbo
Aspin
Blatnik
Boggs
Bolling
Brasco
Broyhill, Va.
Burke, Calif.
Carey, N.Y.
Clark
Cochran
Collier
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Edwards, Ala.
Esch
Evins, Tenn.
Fulton
Fuqua
Goodling
Gray
Griffiths
Grover
Gunter
Hammerschmidt
Hansen, Wash.
Harrington
Hébert
Holifield
Howard
Hungate
Johnson, Colo.
Jones, Tenn.
Karth
Kluczynski
McKinney
McSpadden
Macdonald
Madigan
Mills
Minshall, Ohio
Moakley
Moorhead, Pa.
Murphy, N.Y.
Nelsen
Peyser
Podell
Quillen
Railsback
Reid
Roberts
Rooney, N.Y.
Rosenthal
Rostenkowski
Rousselot
Sandman
Shoup
Thompson, N.J.
Thornton
Udall
Zion
Zwach

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171–180, 182), including expenses of the Labor-Management Panel and boards of inquiry appointed by the President; hire of passenger motor vehicles; not to exceed $1,000 for official reception and representation expenses; and rental of conference rooms in the District of Columbia; $15,521,000.

POINT OF ORDER

Mr. GROSS. Mr. Chairman, I make a point of order against the language to be found on page 34, in lines 16 and 17, the language in point being: "not to exceed $1,000 for official reception and representation expenses;".

Mr. Chairman, I make a point of order on the basis that this is an appropriation not authorized by law.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. FLOOD. Mr. Chairman, what I should like to know, as I inquired before on the other amendment, is whether the point of order is being made just against that part of the section.

The CHAIRMAN. The Chair would advise the gentleman that the point of order raised by the gentleman from Iowa is made against language on page 34, lines 16 and 17: "not to exceed $1,000 for official reception and representation expenses;".

Mr. FLOOD. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. WRIGHT). The gentleman from Pennsylvania concedes the point of order, and the point of order is sustained.

The Clerk will read.

Interrupting the reading.

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time, first of all, to commend the Members of the House for their deportment in the consideration of this HEW bill, and second, to inform the Members that I will have a motion to recommit, a simple motion to recommit, because of what I consider to be the phony cut of some $878 million in the public assistance item and the $300 million added on to the $100 million already over the budget on the public employment item.

And then finally I should like to say that I am not sure whether we have run our course here this evening on amendments. We can, of course, wrap this up in short order if we will simply permit those who have any more amendments to have their say and hopefully dispose of them with voice votes in view of the good number of Members on the floor.

Mr. McFALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have some information which I put before the Committee which I intend to place in the Record at this point:

I would like to take this opportunity to bring to your attention some information that my office has developed with respect to the Federally funded Migrant Health Program.

While I understand that the bill under consideration today does not contain funds for migrant health programs, since new authorization is pending, I nevertheless wanted to bring this information to your attention. I hope it may be helpful during your funding deliberations later this year.

As you know, during your hearings on this bill, a number of questions dealing primarily with the cost of migrant health programs were submitted to the Department. In my opinion, HEW's answers, appearing in Part III of your hearings, were less than satisfactory. I was particularly interested in the fact that the statistics on the migrant health project in my district was listed as being "not available." It just so happens that the cost to the Federal government for each patient treated by the Agricultural Workers Health Project of the San Joaquin County Medical Society is one of the lowest in the nation. I am also proud of the society's program from the standpoint of the quality of the care that it provides.

My concern, Mr. Chairman, is that this exemplary project is not receiving the level of Federal support that it deserves in order to administer to the migrant health population.

By way of background, it is apparent that there has been a conflict between the San Joaquin project and the Department of Health, Education, and Welfare. This conflict centers around the philosophy of health care delivery to migrants.

In meeting with members of the San Joaquin Migrant Health Program, they advised me that HEW has been insistent with respect to the construction of a permanent facility for the care of migrants as a quid pro quo for additional money. But it has been demonstrated again and again that medical care must be taken to migrants at their campsites and to take care of more serious problems subsequently at the hospital or a physician's office.

I believe too, Mr. Chairman, that there is a desire on the part of certain individuals in the Migrant Health Program to discriminate against medical health programs initiated and closely related to medical societies. I would point out, however, that the San Joaquin project does have a board made up of consumers who can see the value of a responsive and responsible migrant health program. They have no desire to mix politics and medicine but to merely make sure their compatriots in the field have adequate health care. These consumer board members are mystified by HEW's refusal to increase the scope of the San Joaquin project.

I would add, to alleviate apparent HEW concerns about Medical Society involvement, that this particular medical society in the 1950's initiated the concept of peer review as part of a union sponsored health insurance program. It is a society of highly progressive physicians, and many of the decisions we make today in this chamber with respect to government involvement in the medical field, is because of the innovative spirit of the San Joaquin Medical Society.

Mr. Chairman, I am placing in the record now a copy of the migrant health projects funding-fiscal year 1974—and service characteristics. These are essentially the same statistics that were provided to your subcommittee. However, we have added one additional element. We have equated out the costs per patient/physician encounter by dividing this number into the amount of the Federal grant.

HEW claims without explanation that this is not a fair way to judge cost effectiveness of a program. However, while there may be some extenuating circumstances, it seems to me that one of the easiest ways to find out whether or not a program is cost effective, as in this case, is to take the number of patient/doctor meetings and divide them into the size of the grant. As you will note, Mr. Chairman, the results are startling. In one California project every time a doctor sees a patient it costs the Federal taxpayers $177.39. As you will note, the San Joaquin County Medical Society costs were $17.29. In comparing the two projects further, the San Joaquin County Project had half as much money and saw 4½ times as many patients.

Also I am providing a chart which illustrates the percentage of migrant clinics with their patient/physician encounter cost factors broken down by $10 increments. As you will note, Mr. Chairman, as provided to your committee, the Department did not have statistics for 27 percent of the projects it funds. In dollars and cents this amount is $5.2 million or approximately one-sixth of the total appropriation. Eight percent of their projects have a patient/physician cost factor of $100 and over. This accounts for $2.4 million in Federal funds to treat 18,561 patients.

I hope, Mr. Chairman, that you will find this information of value in your continuing deliberations about migrant health programs.

Cost per patient/physician encounter	Percent of migrant clinics with this cost factor	Migrant health dollars invested in this category	Number
$100 (and over) per encounter	8	$2,487,606	18,561
$90 to $100 per encounter	2	575,613	6,089
$80 to $90 per encounter	1	172,000	2,021
$70 to $80 per encounter	1	25,077	357
$60 to $70 per encounter	7	1,611,477	26,146
$50 to $60 per encounter	4	390,791	6,984
$40 to $50 per encounter	4	$787,246	18,642
$30 to $40 per encounter	15	4,269,510	129,001
$20 to $30 per encounter	14	3,439,662	149,687
$10 to $20 per encounter [1]	11	1,379,258	106,288
0 to $10 per encounter	3	146,842	17,893
No data available	27	5,225,418	

[1] San Joaquin agricultural workers' health project, $17.29 per encounter.

MIGRANT HEALTH PROJECTS—FUNDING FISCAL YEAR 1974 AND SERVICE CHARACTERISTICS

Region: Grantee, location	Size of grant	Number of physician encounter	Size of target population	Cost per patient/physician encounter	Comments
Region I:					
New England Farm Workers Council, Springfield, Mass	$145,050	NA			
Shade Tobacco Growers Association, Windsor, Conn	145,050	2,221		$65.30	
Region II:					
School of P.H., University of Puerto Rico, San Juan, P.R	215,000	8,512		25.25	
University of Rochester, Rochester, N.Y	89,573	2,261		39.61	
Board of Chosen Freeholders, Bridgeton, N.J	53,646	4,621		11.60	
Ulster County Department of Health, Kingston, N.J	25,077	357		70.24	
Salem County D.H. Board of Chosen Freeholders, Woodstown, N.J	29,336	1,007		29.13	
Department of Health, Commonwealth of Puerto Rico, San Juan, P.R	296,500	7,084		41.85	
Suffolk County Department of Health, Riverhead, N.Y	160,937	1,568		102.63	
Rochester General Hospital, Rochester, N.Y	274,471	6,538		41.98	
Project Reach, Inc., Perkinsville, N.Y	94,263	2,320		40.63	
St. Anthony Community Hospital, Warwick, N.Y	112,731	6,436		17.51	
Visiting Nurse Association Middlesex County, Inc., North Brunswick, N.J	35,000	NA			
Oak Orchard, Inc., Rochester, N.Y	275,530	NA			
Gloucester County, N.J., Gloucester, N.J	137,536	NA			
Region III:					
Pennsylvania Department of Health, Harrisburg, Pa	211,939	NA			
Virginia State Department of Health, Richmond, Va	122,012	2,700		45.18	
District No. 6 Health Department, Martinsburg, W. Va	63,528	3,028		20.98	
National Migrant Workers Council, Washington, D.C	185,797	NA			
Delaware State Health Department	30,624	NA			

MIGRANT HEALTH PROJECTS—FUNDING FISCAL YEAR 1974 AND SERVICE CHARACTERISTICS—Continued

Region: Grantee, location	Size of grant	Number of physician encounter	Size of target population	Cost per patient/physician encounter	Comments
Region IV:					
South Carolina State Board of Health, Columbia, S.C	76,871	2,855		26.92	
Department of Health & Rehabilitation Services, Jacksonville, Fla	1,555,145	74,519		20.86	
Henderson County Migrant Council, Inc., Hendersonville, N.C	24,629	1,472		16.73	
N.C. Department of Human Resources, Raleigh, N.C	101,671	927		109.67	
Sampson County Health Department, Clinton, N.C	27,700	422		65.63	
South Carolina State Board of Health, Columbia, S.C	36,190	982		36.85	
Wilson County Health Department, Wilson, N.C	[1]0	3,900			
Johnson County Health Department, Smithfield, N.C	21,500	3,308		6.49	
Community Health of South Dade, Inc., Miami, Fla	843,000	13,906		60.62	
Avon-Park-Frostproff-Wauchula Community Development Corp., Frostproff, Fla	223,586	NA			
West Orange Farm Workers Health Association, Apopka, Fla	161,508	NA			
Region V:					
Ohio Department of Health, Columbus, Ohio	229,957	19,836		11.59	
Northwest Michigan Health Services, Inc., Traverse City, Mich	183,075	1,773		103.25	
Amos, Inc., Indianapolis, Ind	150,500	170		85.29	
Health Delivery, Inc., Saginaw, Mich	395,227	4,144		95.37	
Illinois Migrant Council, Chicago, Ill	180,386	1,945		92.74	
La Clinica de Los Campesinos, Wautoma, Wis	170,000	NA			
Minnesota Migrant Health Services, Moorehead, Minn	172,000	2,021		85.10	
Darka-Mercer-Shelby Regional Service, Inc., Greenville, Ohio	85,500	NA			
B.C.V. Health Services, Inc., St. Joseph, Mich	455,000	NA			
Clinicas Migrantes Regional, Tiffin, Ohio	90,000	NA			
Hartville, Migrant Council, Inc., Hartville, Ohio	50,000	NA			
S.O.L. Regional Health Services, Inc., Fremont, Ohio	385,255	NA			
Region VI:					
Zapata County Texas Commissioners Center, Zapata Tex	60,469	5,085		11.89	
Cameron County Health Department, San Benito, Tex	134,777	4,340		31.05	
Jim Wells County Commissioner's Center, Alice, Tex	51,803	1,614		32.09	
Gonzales County Medical Society, Gonzales, Tex	140,800	5,504		25.58	
Community Action Council of South Texas, Rio Grande City, Tex	100,212	3,683		27.20	
Catholic Charities, Inc., Harlingen, Tex	723,284	21,622		33.45	
La Salle County Commissioner's Court, Cotulla, Tex	65,118	6,985		9.32	
Las Cruces Committee on Migrant Health, Las Cruces, N. Mex	36,720	3,289		11.16	
Jim Hogg County Commissioner's Court, Hebbronville, Tex	26,398	1,299		20.32	
Laredo-Webb County Health Department, Laredo, Tex	318,749	9,258		34.42	
Southwest Migrant Association, San Antonio, Tex	184,731	NA			
Del Rio-Val Verde County Health Department, Del Rio, Tex	60,224	7,600		7.92	
Deaf Smith County Public Health Clinic, Inc., Hereford, Tex	86,494	1,371		63.08	
Oklahoma State Department of Health, Oklahoma City, Okla	85,126	1,341		63.47	
De Leon Municipal Hospital, De Leon, Tex	74,992	NA			
San Marcos-Hays County Health Department, San Marcos, Tex	50,764	1,387		96.59	
South Mutual Help Association, Inc., Abbeville, La	341,570	NA			
Home Education Livlihood Program, Albuquerque, N. Mex	404,895	NA			
Hidalgo County Health Care Corp., Edinburg, Tex	657,944	19,830		33.17	
San Patico Company Commission on Youth Education, Sinton, Tex	427,372	14,632		29.20	
Coastal Bend Migrant Council, Corpus Christi, Tex	234,959	7,551		31.11	
Region VII:					
Demlo Housing Corp., Lilbourn, Mo	81,605	NA			
Nebraska State Health Department, Lincoln, Nebr	115,903	3,050		38,00	
Kansas State Department of Health, Topeka, Kans	189,529	1,224		154.84	
Muscatine Migrant Committee, Muscatine, Iowa	68,500	1,229		55.73	
Migrant Action Program Inc., Mason City, Iowa	62,563	1,200		52.13	
Los Cincos Pueblos, Inc., Bonner Springs, Kans	73,000	3,156		23.13	
Region VIII:					
Colorado Department of Health, Denver, Colo	255,107	4,250		60.02	
Montana SDH and Environmental Sciences, Helena, Mont	45,000	870		51.72	
Plan de Salud Del Valle, Inc., Fort Lupton, Colo	400,000	12,971		30.83	
Weld County Opportunity Agency, Greeley, Colo	142,565	3,694		38.59	
Utah Migrant Council, Inc., Salt Lake City, Utah	214,728	3,685		58.27	
Northwestern Community Action Program of Wyoming, Inc., Thermopolis, Wyo	30,000	NA			
Minnesota Migrant Health Service	20,000	NA			
South Dakota	10,000	NA			
Region IX:					
Maricopa County Health Department, Phoenix, Ariz	295,000	28,520		10.34	
Yuma County Health Department, Yuma, Ariz	169,000	2,635		64.13	
San Joaquin Medical Society, Stockton, Calif	322,000	18,621		17.29	
Stanislaus Medical Society, Modesto, Calif	141,000	6,039		23.34	
Kern County Health Committee, Lamont, Calif	588,000	NA			
Orange Cove Family Health Center, Orange Cove, Calif	767,894	7,525		102.04	
Clinica De Salubridad de Campesino's, Brawley, Calif	719,000	4,053		177.39	
Arizona Job Colleges, Inc., Casa Grande, Ariz	286,000	12,971		22.04	
Merced General Hospital, Merced, Calif	230,000	6,996		32.87	
Riverside County Department of Public Health, Riverside, Calif	59,703	4,503		13.25	
San Luis Obispo County Health Department, San Luis Obispo, Calif	141,000	6,637		21.24	
Sutter County General Hospital, Yuba City, Calif	77,403	6,005		12.88	
Santa Cruz County Health Department, Santa Cruz, Calif	164,000	5,915		27.72	
Regional Rural Health Program, Woodland, Calif	365,000	NA			
Region X:					
Oregon Department of Human Resources, Salem, Oreg	$30,000	NA			
Farm Workers Family Health Center, Toppenish, Wash	700,000	21,325		$32.82	
Idaho Migrant Council, Inc., Boise, Idaho	383,000	12,120		31.60	
North Central Washington Migrant Health, Wenatchee, Wash	215,000	1,321		174.65	
Whatcom Skagit Rural Opportunity Project, Mount Vernon, Wash	107,000	7,900		13.54	
Valley Migrant League, Salem, Oreg	452,300	NA			
Region III: Virginia State Department of Health, Richmond, Va	122,012	2,700		45.18	
Region IV: North Carolina Department of Human Resources, Raleigh, N.C	101,671	927		109.67	
Region V: La Clinica de Los Campesinos, Wautoma, Wis	170,000	NA			
Region VI:					
Community Action Council of South Texas, Rio Grande City, Tex	100,212	3,683		27.20	
San Patico County Commission on Youth Education, Sinton	427,372	14,632		29.20	
Region IX:					
Maricopa County Health Department, Phoenix, Ariz	295,000	28,520		10.34	
Yuma County Health Department, Yuma, Ariz	169,000	2,635		64.13	
San Joaquin Medical Society, Stockton, Calif	322,000	18,621		17.29	
Region X:					
Farm Workers Family Health Center, Toppenish, Wash	700,000	21,325		32.82	
North Central Washington Migrant Health, Wenatchee, Wash	215,000	1,321		174.65	

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 404. The Secretary of Labor and the Secretary of Health, Education, and Welfare are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I and II, respectively, for official reception and representation expenses.

POINT OF ORDER

Mr. GROSS. Mr. Chairman, I make a point of order against the language to be found on page 37, beginning with line 21 and running through line 25 as being appropriation not authorized by law.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. FLOOD. Mr. Chairman, I understand this is the entire paragraph this time?

The CHAIRMAN. The gentleman raises a point of order against the entire section.

Mr. GROSS. Mr. Chairman, I am just trying to strike some more booze money.

Mr. FLOOD. It is the entire section 404?

Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

SEC. 411. No part of any appropriation contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 percent of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services.

AMENDMENT OFFERED BY MR. RONCALLO OF NEW YORK

Mr. RONCALLO of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RONCALLO of New York: Amend H.R. 15580 by adding a new section 412 on page 39 of the bill as follows:

SEC. 412. No part of the funds appropriated under this Act shall be used in any manner directly or indirectly to pay for abortions or abortion referral services, abortifacient drugs or devices, the promotion or encouragement of abortion, or the support of research designed to develop methods of abortion, or to force any State, school or school district or any other recipient of Federal funds to provide abortions or health or disability insurance abortion benefits. As used in this section, abortion means the intentional destruction of unborn human life, which life begins at the moment of fertilization.

POINT OF ORDER

Mr. YATES. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. YATES. Mr. Chairman, I make a point of order against the amendment on the ground that this is legislation in an appropriation bill and it requires the imposition of new duties upon members of the executive branch, upon other officers of the Federal Government in order to determine when life begins. When does fertilization occur?

As part of this amendment, the Chair will note that abortion means the intentional destruction of unborn human life, which life begins at the moment of fertilization. That imposes duties upon somebody to determine as of what point, as of what moment in time that occurs.

For these reasons, Mr. Chairman, and also it restricts the definition of the term and it imposes new duties on outside officials in determining whether the definition has been complied with.

Therefore, Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. RONCALLO of New York. Mr. Chairman, in order to conform, I have stricken the last sentence from the amendment.

The CHAIRMAN. The Chair would advise the gentleman that he cannot withdraw or modify his amendment, except by unanimous consent.

Mr. RONCALLO of New York. Mr. Chairman, I am conceding the point of order and offering another amendment.

The CHAIRMAN. The gentleman concedes the point of order and the Chair sustains the point of order. The amendment is ruled out.

AMENDMENT OFFERED BY MR. RONCALLO OF NEW YORK

Mr. RONCALLO of New York. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. RONCALLO of New York:

Amend H.R. 15580 by adding a new section 412 on page 39 of the bill as follows:

SEC. 412. No. part of the funds appropriated under this Act shall be used in any manner directly or indirectly to pay for abortions or abortion referral services, abortifacient drugs or devices, the promotion or encouragement of abortion, or the support of research designed to develop methods of abortion, or to force any State, school or school district or any other recipient of Federal funds to provide abortions or health or disability insurance abortion benefits.

POINT OF ORDER

Mr. YATES. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it

Mr. YATES. Mr. Chairman, I make a point of order against the second amendment proposed by the gentleman from New York.

My grounds are the same as to the previous amendment, Mr. Chairman; namely, that this is legislation on an appropriation bill.

Second, that it requires new duties on the part of officials in connection with the operation of this amendment.

I particularly call the attention of the Chair to the use of the term "promotion or encouragement of abortion."

This phrase will require additional duties on the part of the outside officials. Therefore, it goes beyond the scope of an appropriation provision.

Therefore, Mr. Chairman, I press my point of order.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. RONCALLO of New York. Merely that the duties do not call for more or less duties than the administration must invoke at the present time.

Mr. ECKHARDT. Mr. Chairman, I should like to be heard on the point of order.

The language of the revised section 412 necessarily requires a definition of what constitutes the moment of fertilization, in that the term abortifacient drug or devices is used.

Now, the question of whether or not a drug or device is abortifacient depends on the moment of fertilization. If it is to be not abortifacient, it prevents fertilization. If it comes under the language of this act, the moment of fertilization must occur before the drug or the device acts upon the inseminated egg.

Therefore, there is an absolutely necessary determination by the agency of the moment of fertilization.

Furthermore, there is the term abortion, the term abortion must necessarily determine the definition as contained in the last line and, therefore, requires affirmative duties on the part of the agency.

Mr. BAUMAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman from Maryland is recognized.

Mr. BAUMAN. Mr. Chairman, as originally offered, the amendment of the gentleman from New York definitely did require some sort of action on the part of the Government officials, but I heartily disagree with the statements that have been made here.

There are no additional duties imposed whatsoever. In fact, like the antibusing amendment in the two other sections, it is a limitation on the expenditure of funds in this bill just as the rules provide. No new duties and no directions are allowed. Abortion is a well understood term, and is found in any dictionary. It is perfectly admissible under the rules of the House.

The CHAIRMAN (Mr. WRIGHT). The Chair is prepared to rule.

As originally offered, the amendment contained a definition of abortion which would have defined that term as being the intentional destruction of unborn human life, which subjected the amendment to a successful challenge on the ground that it would have imposed upon an administrator the responsibility of determining a question of another person's intent.

There have been precedents under which that type of a requirement has been held to be legislation on an appropriation bill.

As presently constituted, the amendment secondly offered by the gentleman from New York, in the opinion of the Chair, contains no direction nor immediately discernible new duty encumbent upon its administrator beyond the fact that every limitation is a compilation of words if it is written into a law, and it always would devolve upon an administrator to interpret the meaning of the words therein contained. It would be, of course, manifestly contrary to the main thrust of the rulings of the Chair if limitations were to be construed as legislation merely because their enactment would require some statutory interpretation.

Under the circumstances, the Chair, its present occupant having carefully examined the amendment and carefully listened to the arguments, is constrained to overrule the point of order.

Mr. RONCALLO of New York. Mr. Chairman, this session of Congress, the House and the Senate, as you know, on numerous occasions has voted overwhelmingly for amendments to prohibit various Federal agencies from using tax funds for promoting abortion.

Congress has never authorized a single dollar to be expended for abortion, and yet millions of taxpayers' funds are being used to pay for killing the unborn. In the Family Planning and Population Service Act of 1970, Congress even explicitly prohibited the use of Federal funds where abortion is a method of family planning. Title X, section 1008 provides:

> None of the funds appropriated under this title shall be used in programs where abortion is a method of family planning.

Under these circumstances, one would think that the Department of Health, Education, and Welfare would not use taxpayers' funds for abortion, but this is not the case. From April 1971 to August 1972, the Department of Health, Education, and Welfare paid 2.7 million Federal dollars for 27,000 abortions in New York State.

More than 10 percent of the 214,000 abortions performed in New York State during its first year of abortion on demand were paid for by medicaid funds. Twenty-five thousand abortions were paid for in 1 year in California with medicaid funds at an average cost of $450. The California State Legislature has reported that 6,000 of the so-called free abortions were given to persons who had ample income to pay for abortion. The Department of Health, Education, and Welfare is attempting to force all States to provide abortion under their medicaid programs.

The April 1974 issue of Clearinghouse Review, and Office of Economic Opportunity financed publication, states in an article entitled, "The Right to Abortion Under Medicaid":

> One can argue that Congress intended the term "family planning services" in the medicaid legislation to include abortion as part of a well-balanced family planning program.

It is absurd to conclude, in light of Congress over 100-year old opposition to abortion, that Congress is requiring abortion programs under the title XIX medicaid program because Congress has not adopted a specific denunciation of abortion under that section as well as under the Family Planning Act. My amendment is necessary because the Department of Health, Education, and Welfare is misconstruing congressional intent, just as the author of this article does.

The amendment does not seek to change any substantive legislative policy because there is no legislative authorization or policy providing for Federal abortion funding. The amendment prevents the misuse of Federal funds under existing programs. It would not prohibit any State or private organization or person from using its own funds for abortion but would prohibit the use of Federal funds appropriated under this act for abortion.

Federal funds under this act could not be used in any manner directly or indirectly to encourage abortion. The Department of Health, Education, and Welfare could not in any way perform abortions, fund abortion programs, or force States, school districts, or other subdivisions of the State to provide abortion benefits as a condition for receiving Federal funds. Likewise, the Labor Department could not use funds received under this act to force Government contractors to provide abortion insurance or other abortion benefits to its employees as a condition for receiving Government contracts.

The Department of Health, Education, and Welfare has issued proposed regulations to force public and private schools to pay for abortion insurance coverage, and other abortion benefits, and the Labor Department has proposed regulations to force Government contractors to provide insurance for abortion as a condition for Federal Government support or participation in Federal contracts. The absurd theory for such Federal bureaucratic dictatorship is that it is sex discrimination to provide any type of health insurance which does not pay for killing unborn children by abortion.

Abortion is defined in the amendment as the intentional destruction of unborn human life, which life begins at the moment of fertilization. The amendment would prohibit the use of Federal funds appropriated under this act for all medical procedures performed or drugs used for the purpose of killing an unborn child or directly attacking an unborn child, even if it is alleged that the abortion is necessary to save the life of the mother; however, the amendment would allow the use of Federal funds to remove a cancerous womb or a damaged Fallopian tube, which procedures result indirectly in the death of the unborn child, since the purpose of these procedures is not the intentional destruction of the unborn child and is not an attack on the unborn child.

The law in this country has never regarded such operations as abortions and neither does my amendment. The amendment would not prohibit the use of Federal funds for any necessary and proper medical treatment which attacks a disease and is performed to attack a disease even if it indirectly results in the death of an unborn child, but it would halt the use of these Federal funds to directly destroy an unborn child for any reason.

Mr. Chairman, the committee has recommended that $6.3 billion be appropriated for medicaid programs. It would be totally irresponsible on our part to close our eyes and duck our duty, as an enormous number of human lives will be destroyed by these moneys under this appropriation bill unless this amendment is adopted now. Let the public funds be used for truly helping the poor rather than killing their unborn children. Mr. Chairman, I ask for the yeas and nays on the amendment and for permission to insert the following material in the RECORD.

THE EARLY BIOGRAPHY OF EVERYMAN

(By Bart T. Heffernan, M.D.)

We have seen in recent years a strange but sad to say not a new phenomenon in the affairs of men. The data of science has been manipulated, denied or distorted to fit a political or sociologic posture. Like the German doctors of the recent past and the late Mr. T. D. Lysenko in Russia, the abortionists have propagandized our citizens with pseudo science in order to protect the theories and humanitarian claims of their cause. The blob theory, the main tenant of the tissue-of-the-mother school of embryology, has been advanced for public scrutiny without so much as a note of public criticism from the intellectual community or the medical profession.

Our society, because of the failures and rationalizations of its intellectuals, stares at the wall of the abortarium and fails to see that it is no different from the barbed inclosures of another time. It is clean, aseptic and run by well dressed efficient men in white. The victims are anonymous and unseen. Pseudo science has redefined them in order to rob them of their rights.

It is in response to this tragedy that the following data has been assembled. We should read it with interest and some fascination for it represents a biography of everyman during those moments of his greatest potential and most rapid development.

THE UNBORN OFFSPRING OF HUMAN PARENTS IS AN AUTONOMOUS HUMAN BEING

Even before implantation in the wall of the uterus the unborn child may be responsible for the maintenance of the pregnant state in the maternal metabolism. The child whose tissue is antigenically different from the mother sets up protective mechanisms to prevent maternal immunologic responses from causing fetal distress. The newly formed child has a remarkable degree of metabolic autonomy. For example, the fetal endocrinie system functions autonomously.

The recent recognition of this autonomy has led to the development of new medical specialties concerning the unborn child from the earliest stages of the pregnancy, i.e., fetology and perinatology.

Modern obstetrics has discarded as unscientific the concept that the child in the womb is but tissue of the mother. As Dr. H. M. I. Liley, the New Zealand pediatrician, and research assistant to her famous husband, Dr. Albert Liley who perfected the intrauterine transfusion, has said:

"Another medical fallacy that modern obstetrics discards is the idea that the pregnant woman can be treated as a patient alone. No problem in fetal health or disease can any longer be considered in isolation. At the very least two people are involved, the mother and her child."

From conception the child is a complex, dynamic, rapidly growing individual. By a natural and continuous process the single fertilized ovum, will, over approximately nine months, develop into the trillions of cells of the newborn. The natural end of the sperm and ovum is death unless fertilization occurs. At fertilization a new and unique individual is created which, although receiving one-half of its chromosomes from each parent, is really unlike either.

The moment of fertilization is to the individual as the spark of divine light was to the creation of the world. The events that follow are self-generated by the new individual under the guidance of his new and absolutely unique hereditary plan. The new combination of chromosomes sets in motion the individual's life controlled by his own individual code (genes) with its fantastic library of information projected from the past or the helix of Desoxyribonucleic acid or DNA. A single thread of DNA from a human cell contains information equivalent to six hundred thousand printed pages with five hundred words on a page, or a library of one thousand volumes. The stored knowledge at conception in the new individual's library of instructions is fifty times more than that contained in the Encyclopedia Britannica. These unique and individual instructions are operative over the whole of the individual's life and form a continuum of human existence even into succeeding generations. Dr. Hymie Gordon, Chief Geneticist at the Mayo Clinic, states it thus:

". . . from the moment of fertilization, when the deoxyribose nuclsic acids from the spermatozoon and the ovum come together to form the zygote, the pattern of the individual's constitutional development is irrevocably determined; his future health, his future intellectual potential, even his future criminal proclivities are all dependent on the sequence of the purine and pyrimidine bases in the original set of DNA molecules of the unicellular individual. True, environmental influences both during the intra-uterine period and after birth modify the individual's constitution and continue to do so right until his death, but it is at the moment of conception that the individual's capacity to respond to these exogenous influences is established. Even at that early stage, the complexity of the living cell is so great that it is beyond our comprehension. It is a privilege to be allowed to protect and nurture it."

About seven to nine days after conception, when there are already several hundred cells of the new individual formed, contact with the uterus is made and implantation begins. Blood cells are formed by 17 days and a heart as early as 18 days. This embryonic heart which begins as a simple tube starts irregular pulsations at 24 days which, in about one week, smooth into a rhythmic contraction and expansion.

Straus, et al. have shown that the Electrocardiogram (ECG) on a 23 mm embryo (7.5 weeks) presents the existence of a functionally complete cardiac system and the possible existence of a Myoneural or humoral regulatory mechanism. All the classic elements of the adult ECG were seen. Marcel and Exchaquet observed occasional contractions of the heart in a 6 mm (2 week) embryo. They also obtained tracings exhibiting the classical elements of the ECG tracing of an adult in a 15 mm embryo (5 weeks).

One commentator has indicated that about 4 days postconception under a special microscope the prospective sex can already be determined.

Commencing at 18 days the developmental emphasis is on the nervous system even though other vital organs, such as the heart, are commencing development at the same time. Such early development is necessary since the nervous system integrates the action of all other systems. By the end of the 20th day the foundation of the child's brain, spinal cord and entire nervous system will have been established. By the 6th week after conception this system will have developed so well that it is controlling movements of the baby's muscles, even though the woman may not be aware that she is pregnant. By the 33rd day the cerebral cortex, that part of the central nervous system that governs motor activity as well as intellect may be seen.

The baby's eyes begin to form at 19 days. By the end of the first month the foundation of the brain, spinal cord, nerves and sense organs is completely formed. By 28 days the embryo has the building blocks for 40 pairs of muscles situated from the base of its skull to the lower end of its spinal column. By the end of the first month the child has completed the period of relatively greatest size increase and the greatest physical change of a lifetime. He or she is ten thousand times larger than the fertilized egg and will increase its weight six billion times by birth, having in only the first month gone from the one cell state to millions of cells.

Shettles and Rugh describe this first month of development as follows:

"This, then, is the great planning period, when out of apparently nothing comes evidence of a well integrated individual, who will form along certain well-tried patterns, but who will, in the end, be distinguishable from every other human being by virtue of ultra microscopic chromosomal differences."

By the beginning of the second month the unborn child, small as it is, looks distinctly human. Yet, by this time the child's mother may not be aware that she is pregnant.

As Shettles and Rugh state:

"And as for the question, 'when does the embryo become human?' the answer is that it *always* had human potential, and *no other*, from the instant the sperm and the egg come together because of its chromosomes." (Emphasis in original.)

At the end of the first month the child is about ¼ of an inch in length. At 30 days the primary brain is present and the eyes, ears and nasal organs have started to form. Although the heart is still incomplete, it is beating regularly and pumping blood cells through a closed vascular system. The child and mother do not exchange blood, the child having from a very early point in its development its own and complete vascular system. Even at 5½ weeks the fetal heartbeat is essentially similar to that of an adult in general configuration. The energy output is about 20% that of the adult, but the fetal heart is functionally complete and normal by 7 weeks.

By the end of the seventh week we see a well proportioned small scale baby. In its seventh week, it bears the familiar external features and all the internal organs of the adult, even though it is less than an inch long and weighs only 1/30th of an ounce. The body has become nicely rounded, padded with muscles and covered by a thin skin. The arms are only as long as printed exclamation marks, and have hands with fingers and thumbs. The slower growing legs have recognizable knees, ankles and toes. Shettles and Rugh describe the child at this point of its development as a 1-inch miniature doll with a large head, but gracefully formed arms and legs and an unmistakably human face.

The new body not only exists, it also functions. The brain in configuration is already like the adult brain and sends out impulses that coordinate the function of the other organs. Reflex responses are present as early as 42 days. The brain waves have been noted at 43 days. The heart beats sturdily. The stomach produces digestive juices. The liver manufactures blood cells and the kidneys begin to function by extracting uric acid from the child's blood. The muscles of the arms and body can already be set in motion.

After the eighth week no further primordia will form; *everything* is already present that will be found in the full term baby. As one author describes this period:

"A human face with eyelids half closed as they are in someone who is about to fall asleep. Hands that soon will begin to grip, feet trying their first gentle kicks."

From this point until adulthood, when full growth is achieved somewhere between 25 and 27 years, the changes in the body will be mainly in dimension and in gradual refinement of the working parts.

The development of the child, while very rapid, is also very specific. The geneic pattern set down in the first day of life instructs the development of a specific anatomy. The ears are formed by seven weeks and are specific, and may resemble a family pattern. The lines in the hands and fingerprints start to be engraved by eight weeks and remain a distinctive feature of the individual.

The primitive skeletel system has completely developed by the end of six weeks. This marks the end of the child's embyonic (from Greek, to swell or teem within) period. From this point, the child will be called a fetus (Latin, young one or offspring).

In the third month, the child becomes very active. By the end of the month he can kick his legs, turn his feet, curl and fan his toes, make a fist, move his thumb, bend his wrist, turn his head, squint, frown, open his mouth, press his lips tightly together. He can swallow and drinks the amniotic fluid that surrounds him. Thumb sucking is first noted at this age. The first respiratory motions more fluid in and out of his lungs with inhaling and exhaling respiratory movements.

The movement of the child has been recorded at this early stage by placing delicate shock recording devices on the mother's abdomen and direct observations have been made by the famous embryologist, Davenport Hooker, M.D. Over the last thirty years, Dr. Hooker has recorded the movement of the child on film, some as early as six weeks of age. His films show that prenatal behavior develops in an orderly progression.

The prerequisites for motion are muscles and nerves. In the sixth to seventh weeks, nerves and muscles work together for the first time. If the area of the lips, the first to become sensitive to touch, is gently stroked, the child responds by bending the upper body to one side and making a quick backward motion with his arms. This is called a total pattern response because it involves most of the body, rather than a local part. Localized and more appropriate reactions such as swallowing follow in the third month. By the beginning of the ninth week, the baby moves spontaneously without being touched. Sometimes his whole body swings back and forth for a few moments. By eight and a half weeks the eyelids and the palms of the hands become sensitive to touch. If the eyelid is stroked, the child squints. On stroking the palm, the fingers close into a small fist.

In the ninth and tenth weeks, the child's activity leaps ahead. Now if the forehead is touched, he may turn his head away and pucker up his brow and frown. He now has full use of his arms and can bend the elbow and wrist independently. In the same week, the entire body becomes sensitive to touch.

The twelfth week brings a whole new range of responses. The baby can now move his thumb in opposition to his fingers. He now swallows regularly. He can pull up his upper lip; the initial step in the development of the sucking reflex. By the end of the twelfth week, the quality of muscular response is altered. It is no longer marionette-like or mechanical—the movements are now graceful and fluid, as they are in the newborn. The child is active and the reflexes are becoming more vigorous. *All this is before the mother feels any movement.*

The phenomenon of "quickening" reflects maternal sensitivity and not fetal competence. Dr. Hooker states that fetal activity occurs at a very early age normally in utero and some women may feel it as early as thirteen weeks. Others feel very little as late as twenty weeks and some are always anxious because they do not perceive movement.

Dr. Liley states:

"Historically 'quickening' was supposed to delineate the time when the fetus became an independent human being possessed of a soul. Now, however, we know that while he may have been too small to make his motions felt, the unborn baby is active and independent long before his mother feels him. Quickening is a maternal sensitivity and depends on the mother's own fat, the position of the placenta and the size and strength of the unborn child."

Every child shows a distinct individuality in his behavior by the end of the third month. This is because the actual structure of the muscles varies from baby to baby. The alignment of the muscles of the face, for example, follow an inherited pattern. The facial expressions of the baby in his third month are already similar to the facial expression of his parents.

Dr. Arnold Gesell states that: "By the end of the first trimester (12th week) the fetus is a sentient moving being. We need not pause to speculate as to the nature of his psychic attributes but we may assert that the organization of his psychosomatic self is now well under way."

Further refinements are noted in the third month. The fingernails appear. The child's face becomes much prettier. His eyes, previously far apart, now move closer together. The eyelids close over the eyes. Sexual differentiation is apparent in both internal and external sex organs, and primitive eggs and sperm are formed. The vocal cords are completed. In the absence of air they cannot produce sound; the child cannot cry aloud until birth, although he is capable of crying long before.

Dr. Liley relates the experience of a doctor who injected an air bubble into a unborn baby's (eight months) amniotic sac in an attempt to locate the placenta on x-ray. It so happened that the air bubble covered the unborn baby's face. The moment the unborn child had air to inhale, his vocal cords became operative and his crying became audible to all present, including the physician and technical help. The mother telephoned the doctor later to report that whenever she lay down to sleep, the air bubble got over the unborn baby's face and he was crying so loudly he was keeping both her and her husband awake.

The taste buds and salivary glands develop in this month, as do the digestive glands in the stomach. When the baby swallows amniotic fluid, its contents are utilized by the child. The child starts to urinate.

From the twelfth to the sixteenth week, the child grows very rapidly. His weight increases six times, and he grows to eight to ten inches in height. For this incredible growth spurt the child needs oxygen and food. This he receives from his mother through the placental attachment—much like he receives food from her after he is born. His dependence does not end with expulsion into the external environment. We now know that the placenta belongs to the baby, not the mother, as was long thought.

In the fifth month, the baby gains two inches in height and ten ounces in weight. By the end of the month he will be about one foot tall and will weigh one pound. Fine baby hair begins to grow on his eyebrows and on his head and a fringe of eyelashes appear. Most of the skeleton hardens. The baby's muscles become much stronger, and as the child becomes larger his mother finally perceives his many activities. The child's mother comes to recognize the movement and can feel the baby's head, arms and legs. She may even perceive a rhythmic jolting movement—fifteen to thirty per minute. This is due to the child hiccoughing. Dr. Keith Russell of the University of California at Los Angeles reports clicking sounds from the pregnant woman's uterus are fetal hiccoughs stimulated by swallowing amniotic fluid. The doctor can already hear the heartbeat with his stethoscope.

The baby sleeps and wakes just as it will after birth. When he sleeps he invariably settles into his favorite position called his "lie." Each baby has a characteristic lie. Dr. Liley states that fetal comfort determines fetal position. When he awakens he moves about freely in the buoyant fluid turning from side to side, and frequently head over heel. Sometimes his head will be up and sometimes it will be down. He may sometimes be aroused from sleep by external vibrations. He may wake up from a loud tap on the tub when his mother is taking a bath. A loud concert or the vibrations of a washing machine may also stir him into activity. The child hears and recognizes his mother's voice before birth. Movements of the mother, whether locomotive, cardiac or respiratory are communicated to the child. Emotional distress in the mother is communicated to the child and is manifest by a marked increase in activity.

In the sixth month, the baby will grow about two more inches, to become fourteen inches tall. He will also begin to accumulate a little fat under his skin and will increase his weight to a pound and three-quarters. This month the permanent teeth buds come in high in the gums behind the milk teeth. Now his closed eyelids will open and close, and his eyes look up, down and sideways. Dr. Liley feels that the child may perceive light through the abdominal wall. *Dr. Still has noted that electroencephalographic waves have been obtained in forty-three to forty-five day old fetuses, and so conscious experience is possible after this date.*

The electrophysiologic rhythm develops early. Detailed EEG tracings have been taken directly from the head end of the 16mm (crown rump) human embryo at 40-odd days of gestation in Japan.

As one writer said:

"Thus at an early prenatal stage of life the EEG reflects a distinctly individual pattern that soon becomes truly personalized."

In the sixth month, the child develops a strong muscular grip with his hands. He also starts to breathe regularly and can maintain respiratory response for twenty-four hours if born prematurely. He may even have a slim chance of surviving in an incubator. The youngest children known to survive were between twenty to twenty-five weeks old. The concept of viability is not a static one. Dr. Andre Hellegers of Georgetown University states that 10% of children born between twenty weeks and twenty-four weeks gestation will survive. Modern medical intensive therapy has salvaged many children that would have been considered non-viable only a few years ago. The concept of an artificial placenta may be a reality in the near future and will push the date of viability back even further, and perhaps to the earliest stages of gestation. After twenty-four to twenty-eight weeks the child's chances of survival are much greater.

This review has covered the first six months of life. The individuality of the unborn human being is clear to all unbiased observers. Dr. Arnold Gesell has said:

"Our own repeated observation of a large group of fetal infants (an individual born and living at any time prior to forty weeks gestation) left us with no doubt that psychologically they were individuals. Just as no two looked alike, so no two behaved precisely alike. One was impassive when another was alert. Even among the youngest there were discernable differences in vividness, reactivity and responsiveness. There were genuine individual differences, already prophetic of the diversity which distinguishes the human family."

When one views the present state of medical science, we find that the artificial distinction between born and unborn has vanished. As Dr. Liley says:

"In assessing fetal health, the doctor now watches changes in maternal function very carefully, for he has learned that it is actually the mother who is a passive carrier, while the fetus is very largely in charge of the pregnancy."

The new specialty of fetology is being replaced by a newer specialty called perinatology which cares for its patients from conception to about one year of extrauterine existence. The Cumulative Index Medicus for 1969 contains over 1400 separate articles in fetology. For the physician, the life process is a continuous one, and observation of the patient must start at the earliest period of life.

A large number of sophisticated tools have been developed that now allow the physician to observe and measure the child's reactions from as early as ten weeks. This has been termed fetal interrogation by Dr. C. Norman Smith of the University of London. At ten weeks it is possible to obtain the electrocardiogram of the unborn child. At this stage also the heart sounds can be detected with new ultrasonic techniques. The heart has already been pumping large volumes of blood to the fast growing child for six weeks. With present day technology, the heart of the child is now monitored during critical periods of the pregnancy by special electronic devices, including radiotelemetry. Computer analysis of the child's ECG has been devised and promises more accurate monitoring and evaluation of fetal distress. A number of abnormal electrocardiographic patterns have been found before birth. These patterns forewarn the physician of trouble after delivery. Analysis of heart sounds through phonocardiography is also being done. A further check on intrauterine conditions is afforded by a telemetering system based on the MRC radio pill. This is a miniature transistor transmitter sealed Perspex which is introduced into the uterus through the cervix to lie outside the membranes above the presenting part of the child. The signal is picked up by a receiver and allows continuous observation of maternal and fetal heart-beat and uterine contraction.

With the new optical equipment, a physician can now look at the amniotic fluid through the cervical canal and predict life-threatening problems that are reflected by a change in the fluid's color and turbidity. In the future, the physician will undoubtedly be able to look directly at the growing child using new fiber optic devices (through a small puncture in the uterus) and thereby diagnose and prescribe specific treatment to heal or prevent illness of deformity.

For the child with severe anemia, the physician now gives blood, using an unusual technique developed by Dr. A. Liley of New Zealand. This life saving measure is carried out by using new image intensifier X-ray equipment. A needle is placed through the abdominal wall of the mother and into the abdominal cavity of the child. A special catheter has been developed for simultaneous intrauterine transfusion and fetal electrocardiography. For this procedure the child must be sedated (via maternal circulation) and given pain relieving medication, since it experiences pain from the puncture and would move away from the needle if not premedicated. As Dr. H. M. I. Liley states:

"When doctors first began invading the sanctuary of the womb, they did not know that the unborn baby would react to pain in the same fashion as a child would. But they soon learned that he would. By no means a 'vegetable' as he has so often been pictured, the unborn knows perfectly well when he has been hurt, and he will protest it just as violently as would a baby lying in a crib."

The gastro-intestinal tract of the child is outlined by a contrast media that was previously placed in the amniotic fluid and then swallowed by the child. We know that the child starts to swallow as early as fourteen weeks; estimates about 1 liter a day. The child drinks more if the fluid is artificially sweetened and less if it is given an unpleasant taste. When the gastro-intestinal tract is outlined by contrast media pathologic conditions can be diagnosed just as they are in the adult patient, i.e., diaphragmatic hernia.

Some children fail to get adequate nutrition when in utero. This problem can be predicted by measuring the amount of estradiol in the urine of the mother and the amount of PSP excreted after it is injected into the child. Recent work indicates that these nutritional problems may be solved by feeding the child more directly by introducing nutrients into the amniotic fluid which the child normally swallows (250 to 700 cc a day). In a sense, we well may be able to offer the child that is starving because of a placental defect a nipple to use before birth.

The amniotic fluid surrounding the unborn child offers the physician a convenient and assessable fluid that he can now test in order to diagnose a long list of diseases, just as he tests the urine and blood of his adult patients. The doctor observes the color and volume of amniotic fluid and tests it for cellular element, enzymes and other chemicals. He can tell the sex of his patient and gets a more precise idea of the exact age of the child from this fluid. He can diagnose conditions such as the adrenogenital syndrome, hemolytic anemia, adrenal insufficiency, congenital hyperanemia and glycogen storage disease. Intrauterine convulsive disorders have been diagnosed in utero. Some of these, and hopefully in the future all of these, can be treated before birth.

At the time of labor, the child's blood can be obtained from scalp veins and the exact chemical balance determined before birth. These determinations have saved many children who would not have been considered in need of therapy had these tests not been done. The fetal EEG has also been monitored during delivery.

A great deal of work has been done to elucidate the endocrinology of the unborn child. Growth hormone is elaborated by the child at seventy-one days, and ACTH has been isolated at eleven weeks gestation. The thyroid gland has been shown to function at ten and a half weeks, and the adrenal glands also at about this age. The sex hormones—estrogen and androgen—are also found as early as nine weeks.

Surgical procedures performed on the unborn child are few. However, surgical cannulation of the blood vessels in an extremity of the child has been carried out in order to administer blood. Techniques are now being developed on animals that will be applicable to human problems involving the unborn child. Fetal surgery is now a reality in the animal laboratory, and will soon offer help to unborn patients.

Dr. Ronald E. Meyers, Chief of the National Institutes of Health Laboratory of Perinatal Physiology in San Juan, states that with more experience the human fetologist will be able to look forward to a survival rate of at least 60%. Fetologists at Columbia University and Yale University hope to operate on certain heart and blood vessel defects, diaphragmatic hernia, fetal tumors, hearing defects and hydrocephalus

The whole thrust of medicine is in support of the notion that the child in its mother is a distinct individual in need of the most diligent study and care, and that he is also a patient whom science and medicine treats just as it does any other person.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I find it interesting that an amendment of this kind is offered, and that the Members of this House are prepared to vote without any consideration or discussion. I think it is very important that we deal with what this amendment means, even as amended.

We should be aware of the consequences of approving such a blunderbuss restriction. A young girl or any woman who is raped could be denied anticonception drug treatment under this amendment. Family planning would be prohibited. The morning-after pill would be proscribed. Five to 8 million women who use the intrauterine device as a contraceptive would be denied access to this method of birth control.

There was no effort made here previously to describe what an abortifacient device is. For example an intrauterine device is an abortifacient device. In the opinion of doctors and according to the Gould Medical Dictionary an intrauterine device—IUD—is "a mechanical device which is placed in the uterine cavity to prevent implantation or growth of the embryo."

That is prohibited here. Yet, it is a simple contraceptive used widely in this country.

We are not only voting on abortion. We are not voting our religious or conscientious view. The Members will be voting to deny access to what are acceptable methods of birth control, what are acceptable methods of family planning which we have enacted into law in this Congress. This appropriation bill contains sums of money authorized for family planning.

This amendment makes absolutely no sense. We cannot attempt to write medical definitions into appropriation legislation. The House merely creates endless mischief if it does so.

The rules of this House permit amendments which limit appropriations, but to use these rules to write medical definitions into an appropriations bill is mindless legislation.

We are all entitled to our points of view. We are all concerned with the right to life, but we should also be concerned with preserving the essence of our democratic society, which allows all viewpoints to flourish and compete for support.

Those who are personally opposed to abortion are free to model their own lives on that precept. They are also free to state their views publicly, to argue, to seek to persuade other Americans of the rightness of their morality or dogma. But they have no right to demand that all Americans conform to their particular beliefs. They have no right to punish women who disagree with them. They have no right to meddle in the personal lives of women.

I believe that those Members who vote here tonight must make it very clear to themselves that they are not only voting for or against abortion. Words of abortion, yes, are used in this amendment but the issues involved here do not refer solely to abortion. They refer also to family planning. They refer to other matters, such as research, disability, insurance and States rights. It seems to me that we cannot continue to allow this kind of amendment to clutter up our normal and proper legislative process.

The Supreme Court has held that there is a right to an abortion. We have a right to discuss the pros and cons of that in its proper place. This is not the proper place.

Mr. Chairman, I would urge the Members of this body to vote down this amendment, wherever we stand on the issue of abortion. This issue is being used in an improper way at a late hour of night, 10:15. It is being used to inflame all of us here, to make Members feel that unless they vote for this word "abortion" as it happens to appear in this amendment, somehow or other their political lives will be affected.

The fact is that there is an entire sex of women who do have a constitutional right to abortion under a right of privacy. The Supreme Court has decided it, and it ill behooves this body to take it away in this mindless fashion.

Mr. DU PONT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not going to take anywhere close to the 5 minutes allotted. I think we have had enough of this bill, but I do want to register my very strong disagreement with the statement that the gentleman from New York has offered, and not on the question of abortion.

It is very simply on the question of family planning services, which many of us in this House of Representatives have fought for a good number of years.

I do not know how the Members of this House, added up in numbers, feel concerning the question of abortion. Some feel quite strongly, to be sure. However, I do know that a majority of the Members of this House, a substantial majority of the Members, have year after year approved funds for research in family planning, for research in contraception, and for family planning programs. That is true in this bill, it is true in the Foreign Aid bill, and it is true in many kinds of appropriation bills.

I think to take this amendment and, in the guise of dealing with the emotional question of abortion, to throw out the years of work—that go back all the way to 1960—and the progress we have made toward fulfilling the most basic civil right of all—and that is the basic right of whether or not to have children—to throw all of that out the window, I think, would be a tragedy.

Mr. Chairman, I urge the defeat of this amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have voted against most amendments limiting abortion which have been offered on this floor; I have voted for some of them. I voted, for instance, for the amendment offered by the gentleman from Wisconsin (Mr. FROEHLICH) 2 weeks ago.

I do not like abortion. It personally disgusts me. I am a Catholic. I do not believe in it. However, I also do not believe in this amendment.

We have approximately $287 million in family planning money in this bill which would be affected by this amendment and the way I understand this amendment—and I am not a lawyer; every time somebody stands up and accuses me of being one, I stand up and defend my character—and the way I read this amendment, it would prevent, for instance, the use of the morning-after pill. I doubt seriously if there are very many people who want to prevent the use of that device.

I believe as a Catholic, and I believe as a person who is opposed to abortion personally, that the best way that we can discourage abortion is to promote family planning. This amendment discourages family planning, and we ought to vote it down.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am just as impatient as the rest of the Members, and I would like to quit as much as any of the other Members.

Somewhere around 46 years ago a man I know was married. In 6 years he will celebrate his 50th wedding anniversary, if God allows him to live that long. Early in life, after the birth of two children, he was blessed as we were with our two children, he was told that if his wife had any more children it would probably cost her her life.

I am a Catholic. That has nothing to do with this, except this point: I think the gentleman who offered this amendment probably could belong to the same religion. We have in our religion a method by which, if we practice it, without the use of devices, just certain restraints, we could save lives. He did save his wife's life until this moment. That method is known as the rhythm method. It is no different than any of these other methods that are used to prevent conception.

Believe me when I tell all of you tonight we are treading on dangerous ground. Men and women have to have the right to decide that which they must use in times when it is necessary. I disbelieve at this moment that this Congress will interfere in these things between man and wife that are their own personal deep-rooted rights as human beings.

This amendment has no business on this floor tonight; it has no right even to be talked about. We are getting to the point where if the public in the United States is losing faith in Congress, this will add to it.

Defeat this amendment.

Mr. HOGAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I was going to avoid getting involved in this debate tonight, but there have been so many erroneous things said and so many misstatements made that I feel compelled to speak. There has been so much misinformation spread about what this amendment does and does not do that I must speak.

The only thing this amendment does is to prohibit spending money under this bill for abortion. Period. It says it only prohibits those drugs and devices which by definition are abortifacient. In other words, those drugs and devices which cause abortion. They are the only ones prohibited.

So when someone says that this amendment in any way constrains family planning or birth control it is simply in error. It only prohibits those drugs which are abortifacient, which by its very definition means something that causes an abortion.

So if you are opposed to abortion, you will support the Roncallo amendment and if you are in favor of it, you will vote against it.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I apologize to the members of the committee for taking their time at this late stage, but I do think that this is a serious matter.

I disagree completely with what the gentleman from Maryland said. This does not prevent abortion. This prevents family planning and/or abortion for people who are not of wealthy means. The fact of the matter is that whether you are for or against abortion, it is not going to be determined here tonight.

As I understand it—and I believe we all do—abortion is legal under the Constitution as interpreted by the Supreme Court of the United States. If we want to do something about that, so be it; let us do it in the proper way and in the proper procedure. However, the fact of the matter is that this is a limitation of funds for the Government not to use any of these moneys for the means and in the manners specified. That means those who can afford the drugs or the devices or the abortion itself can continue to do so under the law as it is presently in existence in the United States.

So to adopt this amendment would mean that only those who do not have the means and the wherewithal shall be deprived of something which is legal in this Nation of ours for all who can pay.

I know of the great lobby and the great pressures which are being put on Members in this entire area of the right to life. All that one has to do is to recall the original amendment that was introduced by the gentleman from New York which had a definition of when life begins at the instant of fertilization. And the Congress of the United States, in its great and infinite wisdom, is going to determine tonight when life begins, when theologians, scientists, and philosophers have disagreed for centuries and cannot obtain agreement even today why they have disagreed for thousands of years, as to when life begins.

But this noble Congress of ours in its infinite wisdom is going to determine it tonight.

This is a mischievous amendment, designed to try to terrify us into doing what we really know to be wrong.

Abortion at the present time is legal in this Nation, and, therefore, we should allow the Federal Government to provide funds for family planning and for all of those things which people who have the money to take care of themselves and provide for themselves can do. All we are doing here tonight is to deprive only those poor people from the services which you and I and everyone else in these United States can enjoy.

Take the popular cause, or the safe cause, and vote for this amendment, or do what is right and stand up and vote down this amendment, and give the lie to what so many citizens in this Nation are saying about us, that we as a Congress do not have the courage to do what is necessary and what is right in this Congress.

I oppose this amendment, and urge its defeat.

AMENDMENT OFFERED BY MR. FROEHLICH AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. RONCALLO OF NEW YORK

Mr. FROEHLICH. Mr. Chairman, I offer a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FROEHLICH as a substitute for the amendment offered by Mr. RONCALLO of New York:

SEC. 412. No part of the funds appropriated under this Act should be used in any manner to pay for abortions, except to save the life of the mother.

Mr. FROEHLICH. Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered as a substitute by the gentleman from Wisconsin (Mr. FROEHLICH) for the amendment offered by the gentleman from New York (Mr. RONCALLO).

The substitute amendment for the amendment was rejected.

Mr. ROY. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, I personally feel that the State should not be in the position of either favoring or opposing abortion, and I do not feel that we should be paying for abortions. Perhaps in that sense I would differ from a number who have spoken before. I have voted for a number of so-called antiabortion amendments in the House in the past. But I do feel, as the only obstetrician and gynecologist in the House, that I should give my interpretation of the term "abortifacient drugs or devices". Certainly the interuterine device acts by not allowing the fertilized egg to implant.

The effect of morning-after pills, or any large doses of estrogen which might be given in anticipation of fertilization, if that fertilization indeed occurs, prevents the endometrium from developing satisfactorily for the fertilized ovum to implant.

By the same token the recognized birth control pills, which are most commonly used at times act by not permitting the fertilized ovum to implant. The majority of the time, they are contraceptive because they inhibit ovulation and preclude subsequent fertilization. By any reasonable interpretation of the language of this amendment we are knocking out $237 million for present ongoing programs of family planning. I do not think the House wishes to do that.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

Mr. Chairman, it seems to me that somehow we miss the point. Some here are apparently for abortion, and some are against it. I happen to be against it, but I think that is beside the point. I just do not see where the Federal Government should be paying for it.

The question, I think, here is whether the Federal Government wants to pay for any family planning and thereby prevent abortion.

Mr. ROY. I agree with the gentleman from Kentucky that a great number of people find abortion repugnant. I personally would like to prevent abortion, but I think if we pass this particular amendment we are going to be encouraging abortion. I do not think there is any question but that this amendment eliminates all family planning money.

Mr. RONCALLO of New York. Mr. Chairman, will the gentleman yield?

Mr. ROY. I yield to the gentleman from New York.

Mr. RONCALLO of New York. I thank the gentleman for yielding.

I just want to clear up the legislative intent that there was no effort in my amendment to limit family planning, or eliminating family planning funds.

Mr. ROY. I would say to the gentleman that the language is unequivocal. It prevents the payment for common family planning drugs and devices.

Mr. Chairman, I yield back the remainder of my time.

Mr. CARTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I must in all fairness say that this amendment is very poorly drawn. It would prevent, in my opinion, an operation to save the life of a mother. I cannot go with that. I do not believe in abortion except in three cases, and they are incest, rape, or to save the life of the mother. I do believe in that.

As far as the real family planning goes, when that bill was passed it contained no money for abortions. Mr. ROGERS, the gentleman from Florida, and I had to go up there where the distinguished Chairman is right now and promise John McCormack, the Speaker at that time, that there would be no money in there for abortions in the family planning bill.

In its present form I do think that this amendment is certainly not good. It is not well drawn. It would go much further than it should go. When a bill of the right nature, of the right sort, that is well written is brought up, then the House could consider it, but certainly I oppose this.

Mr. DEVINE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask for this time merely to help clarify the issues before the House. I would request the Chair to order the Clerk to reread the amendment.

The CHAIRMAN. Without objection, the Clerk will reread the amendment.

There was no objection.

The Clerk reread the amendment.

Mr. DEVINE. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. WHITE TO THE AMENDMENT OFFERED BY MR. RONCALLO OF NEW YORK

Mr. WHITE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE to the amendment offered by Mr. RONCALLO of New York: Strike the words "abortifacient drugs or devices"

Mr. WHITE. Mr. Chairman, this amendment merely seeks to clarify the confusion and remove any possibility of family planning obstructions. I might point out that the language I seek to remove is not necessary to the gentleman's objective, because the amendment he presented already says funds cannot be used in any manner directly or indirectly to pay for the promotion or encouragement of abortion. We do not want to disturb family planning, and will not if my amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT) to the amendment offered by the gentleman from New York (Mr. RONCALLO).

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 106, noes 140.

So the amendment to the amendment was rejected.

AMENDMENT OFFERED BY MR. FROEHLICH TO THE AMENDMENT OFFERED BY MR. RONCALLO OF NEW YORK

Mr. FROEHLICH. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FROEHLICH to the amendment offered by Mr. RONCALLO of New York: In the Roncallo amendment strike out all after the word "abortions" in line 2.

Mr. FROEHLICH. Mr. Chairman, if this amendment to the Roncallo amendment is adopted, the amendment as amended will read as follows:

SEC. 412. No part of the funds appropriated under this Act shall be used in any manner directly or indirectly to pay for abortions.

Mr. Chairman, on this I demand a recorded vote.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will take exactly 1 minute. It has been asserted that it does not matter whether we vote for or against this amendment. That is not true. I wish it were, but the fact is that what this amendment does is to prohibit even therapeutic abortion under medicaid, if any jurisdiction pays for that, and some do.

I will be damned if I a male legislator, will vote to prohibit a woman from having a therapeutic abortion necessary to save her life by any action I take tonight. I am going to vote against this and you should too.

Mr. WYDLER. Mr. Chairman, I move to strike the last word.

I want to make a different point to this House tonight, a different point than is being made. I think it is an important point and I hope that this exercise we have gone through here will cause us to take an action that should have been taken long ago.

Now, the point has been made, and I think rightly so, that this procedure is no way for this House to consider the problem of abortion; but we are forced to this because we are not treating the problem the way we should be. We should be considering the question of a constitutional amendment on this issue; but the House has been denied that right. That would be the proper way to handle this issue of great importance to our Nation and the people we represent.

I hope as a result of what we are going through tonight that the leadership of this House and those with the responsibility for doing so will finally and at last begin some hearings before the Committee on the Judiciary on the constitutional amendments on abortion, so that we can treat this question with the deliberation, consideration, and the respect it deserves.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield.

Mr. McKINNEY. Mr. Chairman, I would hope that some day we would recognize that the human beings of this country, whether they are on welfare, State aid or Federal aid, are every bit as equal as someone who is not.

I would also hope someday that we will realize that those mature adults that sent us to the House and to the Senate have the right to determine what they do with their bodies, what they do with their sex lives and how they live, within the limits of their own lives.

Mr. DELLUMS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, several people have indicated that we should not give antiabortion statements or pro-abortion statements. That is a game, and I did not come here to play games, Mr. Chairman.

We have given speeches that maybe this will not quite deal with the question of abortion. Maybe we are simply talking about family planning. That is a game, and I did not come here to play games.

Some of us on the floor have said, "Let us play this little parliamentary game where so many speeches do not deal with this critical question." Every single Member of this House, all 435 Members, know that whatever we do, we are voting a choice. Many of us feel that we would take home in a primary or general election our remarks on abortion. Let us have guts enough to face this question.

I want to face it, and I have a statement to make. If we have to be here all night, Mr. Chairman, I just want to have my 5 minutes to make my statement.

This is my statement:

Mr. Chairman, I take this, another opportunity to express how deeply concerned I am that abortion be available to all women without restriction by State or Federal law. I am disturbed by this amendment. I thought that the Supreme Court had appropriately decided this issue in January 1973. It disturbs me that we are again being asked despite that decision to remove a woman's basic human right to decide when to have her own children.

It disturbs me that the leaders of a pluralistic society are being asked to support an amendment addressing the religious views of some. It disturbs me further, Mr. Chairman, that Congress has already made a number of attempts through antiabortion provisions attached to other legislation, to limit the access of women to abortion.

The impact of these provisions and this amendment is to make abortion less available to the poor women of this country who cannot afford either to have an abortion, or to go to another community when the only hospital in their area will not perform abortions.

Finally, Mr. Chairman, it disturbs me that some of our colleagues would force so many of our young, poor, and nonwhite women seek abortions from unskilled quacks or by some self-induced means.

Passage of this amendment would mean a return to the deplorable conditions of illegal abortions. A study in New York reported by Dr. Christopher Tietze, indicates that if abortion were not legally available, of every 10 women now having legal abortions, 7 would resort to illegal abortion rather than be forced to bear an unwanted child. The medical profession estimates that 1 million illegal abortions were performed annually in the 1960's with 5,000 abortion related deaths per year and hundreds of thousands of medical complications. Most of those who died were poor women or women of minority groups. The affluent of our country have always had access to safe abortions—the hardship of forcing women to back-alley abortionists is experienced mostly by the poor and nonwhite.

I would agree, of course, that any person or group of people has the right to explain a point of view and to try to convince this body to concur. Perhaps that is the function of this debate. The question of abortion, however, is, and always has been, a matter of individual conscience. Regardless of the law, abortion has always been a question which women themselves have resolved.

The large number of abortions performed while they were illegal substantiated this fact. Any attempt to directly or indirectly amend the constitution to meet the religious requirements of some is a blatant contradiction of the freedom guaranteed by the Bill of Rights.

An extraordinary amount of facts and emotional considerations were available to the justices when they ruled by a strong 7 to 2 majority to legalize abortion. That should have laid this issue to rest. Mr. Chairman, I urge defeat of this amendment.

MOTION OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer a motion.

The Clerk read as follows:

> Mr. Michel moves that all debate on the bill conclude in 5 minutes.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for approximately one-third minute each.

The Chair recognizes the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, some of the people who oppose abortion today opposed contraception 20 years ago because of their personal conscience or religious beliefs.

State legislatures and the Supreme Court struck down the restrictions imposed by statute on contraception. The Supreme Court about a year ago struck down the limitation on abortion and said it was a constitutionally protected right.

No one demands that anybody have an abortion. Whatever our own personal conscience or religious beliefs are, let us not impose them on others. We must respect each other's personal beliefs. We must not permit the state to impose itself into the most private lives of our citizens and interfere with their personal consciences and the decision of a woman in consultation with her physician to determine whether or not she will have an abortion. Let us defeat the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Hanley).

Mr. HANLEY. Mr. Chairman, I have just one question I wish to ask of the chairman of the subcommittee.

Is it the intent of the committee that the Educational Research Policy Centers be funded at the level of last year?

Mr. FLOOD. Yes. That is so, yes.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. McCormack).

Mr. McCORMACK. Mr. Chairman, I urge that all Members vote "No" on the amendment and on the amendment to the amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from Oregon (Mrs. Green).

Mrs. GREEN of Oregon. Mr. Chairman, I wish to state that I oppose this amendment.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Froehlich) to the amendment offered by the gentleman from New York (Mr. Roncallo).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FROEHLICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Roncallo).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RONCALLO of New York. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

PARLIAMENTARY INQUIRY

Mr. McCORMACK. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. McCORMACK. Mr. Chairman, may we, for the sake of clarity, have the amendment reread so we will all know exactly what we are voting on?

The CHAIRMAN. Without objection, the amendment will be reread. The Clerk will proceed to reread the amendment.

The Clerk proceeded to reread the amendment.

Mr. ANNUNZIO. Mr. Chairman, I object.

Mr. MOSS. Mr. Chairman, I object.

The CHAIRMAN. The Chair has ordered the Clerk to reread the amendment, and the Clerk is in the process of doing so.

Mr. MOSS. Mr. Chairman, the Chair had an objection before it before the Chair ordered the rereading.

The CHAIRMAN. The objection was not timely received by the Chair. The rereading by the Clerk had begun.

Mr. MOSS. Mr. Chairman, the objection was timely stated.

The CHAIRMAN. The gentleman would save time, in the interest of timeliness, if he were to permit the rereading of the amendment.

Mr. MOSS. And I submit, Mr. Chairman, we would save time if the Chair would observe the rules of the House.

The CHAIRMAN. The Chair is attempting, under somewhat difficult conditions, to observe the rules of the House.

It is the opinion of the Chair that the Clerk has been ordered to read the amendment, and the Chair can see no harm in that. The Chair suggests that some Members might glean some good from listening to the rereading.

The Clerk will read.

The Clerk reread the amendment, as follows:

> Amendment offered by Mr. Roncallo of New York: Amend H.R. 15580 by adding a new Section 412 on page 39 of the bill as follows:
>
> Sec. 412. No part of the funds appropriated under this Act shall be used in any manner directly or indirectly to pay for abortions or abortion referral services, abortifacient drugs or devices, the promotion or encouraging of abortion, or the support of research designed to develop methods of abortion, or to force any State, school or school district or any other recipient of Federal funds to provide abortions or health or disability insurance abortion benefits.

RECORDED VOTE

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Roncallo).

A recorded vote has been ordered.

The vote was taken by electronic device, and there were—ayes 123, noes 247, not voting 64, as follows:

[Roll No. 346]

AYES—123

Abdnor
Andrews, N. Dak.
Annunzio
Archer
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Bergland
Biaggi
Boggs
Bray
Breaux
Brinkley
Burke, Mass.
Camp
Carney, Ohio
Casey, Tex.
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conlan
Crane
de la Garza
Delaney
Denholm
Derwinski
Devine
Donohue
Dulski
Eilberg
Erlenborn
Flynt
Froehlich
Gaydos
Ginn
Goldwater
Gray
Green, Pa.
Gross
Gubser
Guyer
Hanley
Hanrahan
Harsha
Hechler, W. Va.
Hogan
Huber
Hudnut
Hunt
Ichord
Kazen
Kemp
King
Lagomarsino
Landgrebe
Latta
Lent
Long, La.
Lujan
McEwen
McKay
Maraziti
Mathis, Ga.
Mazzoli
Melcher
Miller
Minish
Mitchell, N.Y.
Mizell
Moorhead, Calif.
Murtha
Natcher
Nedzi
Nichols
O'Brien
O'Hara
Patten
Perkins
Pettis
Powell, Ohio
Price, Ill.
Quie
Randall
Rarick
Regula
Rinaldo
Rodino
Roe
Roncallo, N.Y.
Roush
Rousselot
Runnels
Ruth
Ryan
Sandman
Scherle
Sebelius
Skubitz
Snyder
Spence
Stanton, J. William
Steele
Stubblefield
Sullivan
Symms
Taylor, Mo.
Thone
Traxler
Treen
Vanik
Walsh
Wilson, Bob
Wydler
Wylie
Young, Alaska
Young, S.C.
Young, Tex.
Zablocki
Zion

NOES—247

Abzug
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bell
Bevill
Biester
Bingham
Blackburn
Boland
Bowen
Brademas
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carter
Cederberg
Chamberlain
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
Dellenback
Dellums
Dennis
Dent
Dickinson
Dingell
Downing
Drinan
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Gettys
Giaimo
Gibbons
Gilman
Gonzalez
Green, Oreg.
Gude
Haley
Hamilton
Hanna
Hastings
Hawkins
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Holtzman
Horton
Hosmer
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Ketchum
Koch
Kuykendall
Kyros
Landrum
Leggett
Lehman
Litton
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKinney
Madden
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.

Mathias, Calif.
Matsunaga
Mayne
Meeds
Metcalfe
Mezvinsky
Michel
Milford
Mink
Mitchell, Md.
Mollohan
Montgomery
Morgan
Mosher
Moss
Murphy, Ill.
Myers
Nix
Obey
O'Neill
Owens
Parris
Passman
Patman
Pepper
Pickle
Pike
Poage
Preyer
Price, Tex.
Pritchard
Railsback
Rangel
Rees
Reuss
Rhodes
Riegle
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Roy
Roybal
Ruppe
St Germain
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Seiberling
Shipley
Shriver
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, N.C.
Teague
Thomson, Wis.
Tiernan
Towell, Nev.
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Veysey
Vigorito
Waggonner
Waldie
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.

NOT VOTING—64

Addabbo
Aspin
Blatnik
Bolling
Brasco
Brown, Mich.
Burke, Calif.
Carey, N.Y.
Clark
Cochran
Collier
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Edwards, Ala.
Esch
Evins, Tenn.
Fulton
Fuqua
Goodling
Grasso
Griffiths
Grover
Gunter
Hammerschmidt
Hansen, Idaho
Hansen, Wash.
Harrington
Hays
Hébert
Holifield
Howard
Hungate
Hutchinson
Johnson, Colo.
Jones, Tenn.
Karth
Kluczynski
McSpadden
Macdonald
Madigan
Mills
Minshall, Ohio
Moakley
Moorhead, Pa.
Murphy, N.Y.
Nelsen
Peyser
Podell
Quillen
Reid
Roberts
Rooney, N.Y.
Rosenthal
Rostenkowski
Shoup
Thompson, N.J.
Thornton
Udall
Wyman
Zwach

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. FLOOD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'NEILL) having assumed the chair (Mr. WRIGHT), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendations that the amendments be agreed to and that the bill as amended do pass.

Mr. FLOOD. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. STEIGER of Wisconsin. Mr. Speaker, I demand a separate vote on the amendment on page 6 regarding exemption for employees under the Occupation Safety and Health Act, known as the Findley amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

> On page 6, after line 17, add the following: "None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who inspect firms employing twenty-five or fewer persons to enforce compliance with the Occupational Safety and Health Act of 1970."

The SPEAKER pro tempore. The question is on the amendment.

RECORDED VOTE

Mr. FINDLEY. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The question was taken, and there were—ayes 190, noes 182, not voting 62, as follows:

[Roll No. 347]

AYES—190

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Blackburn
Bowen
Bray
Breaux
Brinkley
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
de la Garza
Denholm
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan
Eshleman
Findley
Fisher
Flowers
Flynt
Fountain
Frey
Froehlich
Gettys
Gilman
Ginn
Goldwater
Gross
Gubser
Guyer
Haley
Hamilton
Hanrahan
Harsha
Hastings
Henderson
Hinshaw
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Ichord
Jarman
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Kazen
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Long, La.
Lott
Lujan
McClory
McCollister
McEwen
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Milford
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Myers
Nichols
O'Brien
Parris
Passman
Pettis
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Tex.
Randall
Rarick
Regula
Rhodes
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Roush
Rousselot
Roy
Runnels
Ruppe
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Stephens
Stubblefield
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Winn
Wylie
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion

NOES—182

Abzug
Adams
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Badillo
Barrett
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Brademas
Breckinridge
Brooks
Brown, Calif.
Brown, Ohio
Burke, Mass.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clay
Collins, Ill.
Conable
Conte
Conyers
Corman
Coughlin
Cronin
Danielson
Davis, Wis.
Delaney
Dellenback
Dellums
Dent
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Flood
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Gaydos
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Hanley
Hanna
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holtzman
Horton
Johnson, Calif.
Jones, Ala.
Jordan
Kastenmeier
Kemp
Koch
Kyros
Leggett
Lehman
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Madden
Maraziti
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Minish
Mink
Mitchell, Md.
Mollohan
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Reuss
Riegle
Rinaldo
Rodino
Roe
Rooney, Pa.
Rostenkowski
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Tiernan
Traxler
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Whalen
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—62

Addabbo
Aspin
Blatnik
Bolling
Brasco
Burke, Calif.
Carey, N.Y.
Clark
Cochran
Collier
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Edwards, Ala.
Esch
Evins, Tenn.
Fish
Fulton
Fuqua
Goodling
Griffiths
Grover
Gunter
Hammerschmidt
Hansen, Idaho
Hansen, Wash.
Harrington
Hébert
Holifield
Howard
Hungate
Hutchinson
Johnson, Colo.
Jones, Tenn.
Karth
Kluczynski
McSpadden
Macdonald
Madigan
Mills
Minshall, Ohio
Moakley
Moorhead, Pa.
Murphy, N.Y.
Nelsen
Peyser
Podell
Quillen
Reid
Roberts
Rooney, N.Y.
Rose
Rosenthal
Shoup
Thompson, N.J.
Thornton
Udall
Wyman
Zwach

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Davis of Georgia for, with Mr. Addabbo against.

Mr. Fish for, with Mr. Thompson of New Jersey against.

Mr. Fuqua for, with Mr. Cotter against.

Mr. Grover for, with Mr. Fulton against.

Mr. Hammerschmidt for, with Mr. Harrington against.

Mr. Hutchinson for, with Mr. Kluczynski against.

Mr. McSpadden for, with Mr. Moorhead of Pennsylvania against.

Mr. Rose for, with Mr. Murphy of New York against.

Mr. Thornton for, with Mr. Podell against.

Mr. Wyman for, with Mr. Rosenthal against.

Mr. Zwach for, with Mr. Reid of New York against.

Mr. Collier for, with Mr. Brasco against.

Mr. Hébert for, with Mr. Carey of New York against.

Mr. Dorn for, with Mr. Dominick V. Daniels against.

Mr. Roberts for, with Mr. Clark against.

Until further notice:

Mr. Moakley with Mr. Diggs.

Mr. Howard with Mrs. Burke of California.

Mr. Holifield with Mr. Gunter.

Mr. Culver with Mr. Udall.

Mr. Evins of Tennessee with Mr. Aspin.

Mr. Jones of Tennessee with Mrs. Griffiths.

Mr. Karth with Mrs. Hansen of Washington.

Mr. Macdonald with Mr. Mills.

Mr. Hungate with Mr. Esch.

Mr. Blatnik with Mr. Shoup.

Mr. Cochran with Mr. Minshall of Ohio.

Mr. Edwards of Alabama with Mr. Nelsen.

Mr. Quillen with Mr. Rooney of New York.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MICHEL. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MICHEL moves to recommit the bill H.R. 15580 to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken.

RECORDED VOTE

Mr. FLOOD. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 329, noes 43, not voting 62, as follows:

[Roll No. 348]

AYES—329

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Coughlin
Cronin
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Fascell
Findley
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gubser
Gude
Guyer
Haley
Hamilton
Hanley
Hanna
Hanrahan
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Huber
Hudnut
Hunt
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Kemp
King
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McFall
McKay
McKinney
Madden
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thomson, Wis.
Thone
Tiernan
Towell, Nev.
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOES—43

Archer
Arends
Ashbrook
Baker
Bauman
Beard
Brown, Mich.
Burleson, Tex.
Butler
Camp
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Davis, Wis.
Dennis
Flynt
Goldwater
Gross
Hosmer
Ketchum
Lagomarsino
Landgrebe
McCollister
McEwen
Martin, Nebr.
Mathis, Ga.
Michel
Miller
Powell, Ohio
Rarick
Robinson, Va.
Rousselot
Satterfield
Schneebeli
Shuster
Steiger, Ariz.
Symms
Taylor, Mo.
Teague
Treen

NOT VOTING—62

Addabbo
Aspin
Blatnik
Bolling
Brasco
Burke, Calif.
Carey, N.Y.
Clark
Cochran
Collier
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Edwards, Ala.
Esch
Evins, Tenn.
Fish
Fulton
Fuqua
Goodling
Griffiths
Grover
Gunter
Hammerschmidt
Hansen, Idaho
Hansen, Wash.
Harrington
Hébert
Holifield
Howard
Hungate
Hutchinson
Johnson, Colo.
Jones, Tenn.
Karth
Kluczynski
McSpadden
Macdonald
Madigan
Mills
Minshall, Ohio
Moakley
Moorhead, Pa.
Murphy, N.Y.
Nelsen
Peyser
Podell
Quillen
Reid
Roberts
Rooney, N.Y.
Rosenthal
Rostenkowski
Shoup
Thompson, N.J.
Thornton
Udall
Wyman
Zwach

Mr. Thompson of New Jersey with Mr. Jones of Tennessee.

Mr. Addabbo with Mr. Macdonald.

Mr. Roberts with Mr. Blatnik.

Mr. Rooney of New York with Mr. Aspin.

Mr. Hébert with Mr. Culver.

Mr. Holifield with Mr. Reid.

Mr. Rosenthal with Mrs. Griffiths.

Mr. Murphy of New York with Mrs. Hansen of Washington.

Mr. Moorhead of Pennsylvania with Mr. Collier.

Mr. Brasco with Mr. Minshall of Ohio.

Mr. Dominick V. Daniels with Mr. Madigan.

Mr. Diggs with Mr. Dorn.

Mr. Fulton with Mr. Nelsen.

Mr. Fuqua with Mr. Cochran.

Mr. Howard with Mr. Grover.

Mr. Kluczynski with Mr. Zwach.

Mr. Karth with Mr. Fish.

Mr. Moakley with Mr. Hutchinson.

Mr. Podell with Mr. Esch.

Mr. Udall with Mr. Hammerschmidt.

Mr. Carey of New York with Mr. Goodling.

Mrs. Burke of California with Mr. Gunter.

Mr. Cotter with Mr. Quillen.

Mr. Davis of Georgia with Mr. Shoup.

Mr. Evins of Tennessee with Mr. Wyman.

Mr. Hungate with Mr. Mills.

Mr. Rostenkowski with Mr. McSpadden.

Mr. Thornton with Mr. Harrington.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 15580, the bill just passed, and to include extraneous matter along with tables and charts.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

ANNOUNCEMENT OF CHANGE IN LEGISLATIVE PROGRAM

Mr. McFALL. Mr. Speaker, I take this time to announce that on tomorrow we will call up by unanimous consent the conference report on the Senate bill, S. 3458, the Domestic Food Assistance Act. We will also call up the conference report on the bill, H.R. 7724, on biomedical research.

CONFERENCE REPORT ON S. 2893, PUBLIC HEALTH SERVICE ACT

Mr. STAGGERS submitted the following conference report and statement on the bill (S. 2893) to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years:

CONFERENCE REPORT (H. REPT. No. 1164)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2893) to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—EXTENSION OF CANCER PROGRAM

SEC. 101. This title may be cited as the "National Cancer Act Amendments of 1974".

SEC. 102. Section 402(b) of the Public Health Service Act is amended—

(1) by striking out "in amounts not to exceed $35,000" in paragraph (1) and inserting in lieu thereof "if the direct costs of such research and training do not exceed $35,000, but only"; and

(2) by striking out "in amounts exceeding $35,000" in paragraph (2) and inserting in lieu thereof "if the direct costs of such research and training exceed $35,000, but only".

SEC. 103. Section 407(b)(4) of the Public Health Service Act is amended by striking out "all data" and inserting in lieu thereof "information (including information respecting nutrition programs for cancer patients and the relationship between nutrition and cancer)".

SEC. 104. Section 407(b)(7) of the Public Health Service Act is amended by striking out "where appropriate".

SEC. 105. Section 407(b)(9)(A) of the Public Health Service Act is amended by inserting "(including an estimate of the number and type of personnel needed for the National Cancer Program)" after "budget estimate".

SEC. 106. Section 408(a) of the Public Health Service Act is amended by striking out "fifteen".

SEC. 107. (a) Subsection (a) of section 409 of the Public Health Service Act is amended by inserting before the period at the end thereof a comma and the following: "including programs to provide appropriate trials of programs of routine exfoliative cytology tests conducted for the diagnosis of uterine cancer".

(b) Subsection (b) of such section is amended by striking out "and" before "$40,000,000" and by inserting before the period at the end thereof a comma and the following: "$53,500,000 for the fiscal year ending June 30, 1975, $68,500,000 for the fiscal year ending June 30, 1976, and $88,500,000 for the fiscal year ending June 30, 1977".

SEC. 108. Section 410 of the Public Health Service Act is amended—

(1) by striking out "fifty" in paragraph (1) and inserting in lieu thereof "one hundred";

(2) by striking out "and" at the end of paragraph (7);

(3) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and";

(4) by adding after paragraph (8) the following new paragraph:

"(9) to award grants for new construction as well as alterations and renovations for improvement of basic research laboratory facilities, including those related to biohazard control, as deemed necessary for the National Cancer Program."; and

(5) by inserting "(a)" after "410." and by adding after paragraph (9) the following new subsection:

"(b)(1) The Director of the National Cancer Institute shall provide and contract for a program to disseminate and interpret, on a current basis, for practitioners and other health professionals, scientists, and the general public scientific and other information respecting the cause, prevention, diagnosis, and treatment of cancer.

"(2) The Director of the National Cancer Institute shall include in the annual report required by section 410A(b) a report on the progress, activities, and accomplishments of, and expenditures for, the information services of the National Cancer Program."

SEC. 109. Section 410C of the Public Health Service Act is amended by striking out "and" before "$600,000,000" and by inserting before the period at the end thereof a semicolon and the following: "$750,000,000 for the fiscal year ending June 30, 1975; $830,000,000 for the fiscal year ending June 30, 1976; and $985,000,000 for the fiscal year ending June 30, 1977".

SEC. 110. The part H of the Public Health Service Act relating to the appointment of the Directors of the National Institutes of Health and the National Cancer Institute is redesignated as part I, section 461 of such part is redesignated as section 471, and such part is amended by adding at the end the following new section:

"PEER REVIEW OF GRANT APPLICATIONS AND CONTRACT PROJECTS

"SEC. 472. (a) The Secretary, after consultation with the Director of the National Institutes of Health, and, where appropriate, the Directors of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse, shall by regulation require appropriate scientific peer review of—

"(1) applications made after the effective date of such regulations for grants under this Act for biomedical and behavioral research; and

"(2) biomedical and behavioral research and development contract projects to be administered after such effective date through an institute established under this title, the National Institute on Alcohol Abuse and Alcoholism, or the National Institute on Drug Abuse.

"(b) Regulations promulgated under subsection (a) shall, to the extent practical, require that the review of grant applications required by the regulations be conducted—

"(1) in a manner consistent with the system for scientific peer review applicable on the date of the enactment of this section to applications for grants under this Act for biomedical and behavioral research, and

"(2) by peer review groups performing such review on or before such date.

"(c) The members of any peer review group established under such regulations shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of the group and not more than one-fourth of the members of any peer review group established under such regulations shall be officers or employees of the United States."

SEC. 111. Section 301(h) of the Public Health Service Act is amended by striking out "during the fiscal year ending June 30, 1966, and each of the eight succeeding fiscal years".

SEC. 112. (a) The first sentence of section 471 of the Public Health Service Act (as so redesignated by section 110) is amended to read as follows: "The Director of the National Institutes of Health shall be appointed by the President by and with the advice and consent of the Senate; and the Director of the National Cancer Institute shall be appointed by the President."

(b) The amendment made by subsection (a) shall apply with respect to appointments to the office of Director of the National Institutes of Health made after the date of the enactment of this Act.

SEC. 113. Section 601 of the Medical Facilities Construction and Modernization Amendments of 1970 is amended by striking out "ending prior to July 1, 1974,".

TITLE II—BIOMEDICAL RESEARCH

SEC. 201. (a)(1) There is established the President's Biomedical Research Panel (hereinafter in this section referred to as the "Panel") which shall be composed of (A) the Chairman of the President's Cancer Panel (established under section 407(c) of the Public Health Service Act); and (B) six members appointed by the President who by virtue of their training, experience, and background are exceptionally qualified to carry out the duties of the Panel. At least five of the members of the Panel shall be distinguished scientists or physicians. The appointed members of the Panel shall be appointed for the life of the Panel.

(2) The President shall designate one of the appointed members to serve as Chairman of the Panel.

(3) Appointed members of the Panel shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Panel; and while away from their homes or regular places of business in the performance of services for the Panel, all members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(4) The Panel may appoint and fix the pay of such personnel as it deems necessary to carry out its duties.

(b) The Panel shall—

(1) review and assess,

(2) identify and make recommendations with respect to policy issues concerning the subject and content of, and

(3) identify and make recommendations with respect to policy issues concerning the organization and operation of,

biomedical and behavioral research conducted and supported under programs of the National Institutes of Health and the National Institute of Mental Health.

(c)(1) Not later than the expiration of the 15-month period beginning on the first day of the first month that follows the date on which all of the appointed members of the Panel have taken office, the Panel shall submit simultaneously to the President and to the Congress a comprehensive report of (A) its findings made on the basis of the review and assessment conducted under clause (1) of subsection (b), and (B) the policy issues identified under clauses (2) and (3) of such subsection and the Panel's recommendations with respect to such issues.

(2) The Panel shall terminate upon the expiration of the 18-month period beginning on the first day of the first month that follows the date on which all of the appointed members of the Panel have taken office.

And the House agree to the same.

Harley O. Staggers,
Paul G. Rogers,
David E. Satterfield III,
Peter N. Kyros,
Richardson Preyer,
James W. Symington,
William R. Roy,
Samuel L. Devine,
Ancher Nelsen,
Tim Lee Carter,
James F. Hastings,
H. John Heinz III,
William H. Hudnut,
Managers on the Part of the House.

Edward M. Kennedy,
Harrison A. Williams,
Gaylord Nelson,
Thomas F. Eagleton,
Alan Cranston,
Harold E. Hughes,
Claiborne Pell,
Walter F. Mondale,
William D. Hathaway,
Richard S. Schweiker,
Jacob K. Javits,
Peter H. Dominick,
J. Glenn Beall, Jr.,
Robert Taft, Jr.,
Robert T. Stafford,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2893) to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such program for the next 3 fiscal years, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

INFORMATION RESPECTING NUTRITION AND CANCER

The Senate bill required the national cancer program in collecting, analyzing, and disseminating data to include, where appropriate, nutritional programs for cancer patients.

The House amendment changed the requirement that the cancer program collect, analyze, and disseminate "all data" useful with respect to cancer to a requirement that the program collect, analyze, and disseminate "information" useful with respect to cancer programs for cancer patients and the relationship between nutrition and cancer.

The conference substitute adopts the provision in the House amendment.

PERSONNEL FOR THE NATIONAL CANCER PROGRAM

The Senate bill required the President and the Office of Management and Budget to allocate to the National Cancer Institute all personnel requested by it to carry out the national cancer program.

The House amendment contained no comparable provision.

The conference substitute follows the House amendment. However, the conference committee noted its concern that the national cancer program and, particularly, the clinical center of the NIH have been inadequately staffed; its desire that this be corrected in the future; and its expectation that, when the President, the Office of Management and Budget, or the Department of Health, Education, and Welfare do not make available to the cancer program the personnel which it has requested, they will offer justification for such a failure to provide needed personnel.

PROGRAMS OF ROUTINE EXFOLIATIVE CYTOLOGY TESTS

The Senate bill contained a requirement that the national cancer control program include programs to provide routine exfoliative cytology tests (Papanicolaou or Pap tests) conducted for the diagnosis of uterine cancer, and authorized for the cancer control program $7 million for this purpose for each of the fiscal years 1975 through 1977.

The House amendment contained no comparable provision.

The conference substitute requires programs to provide appropriate trials of such programs of routine exfoliative cytology tests conducted for the diagnosis of uterine cancer. The conferees intend that of the sums authorized to be appropriated for each fiscal year for cancer control programs $3.5 million is to be considered as authorized to be appropriated for each fiscal year for trials of such programs.

Since controversy exists as to how routine exfoliative cytology tests in mass screening programs can be made effective, efficient and cost-beneficial, the conference committee felt that it would be appropriate to require appropriate trials of such programs before finally authorizing additional amounts of Federal money for them. There is genuine uncertainty as to the frequency with which such tests should be conducted, which parts of the female population should be included in screening programs utilizing such tests, the settings in which the programs will be most effective, and the nature of follow-up of each positive or possibly positive smear which should be required. It is these questions which the conference committee is hopeful will be answered by large scale trials of the relative merits of various types of screening programs.

INFORMATION PROGRAMS OF THE NATIONAL CANCER INSTITUTE

The Senate bill contained a requirement that the Director of the NCI conduct or contract for programs to disseminate and interpret on a current basis, for practitioners and other health professionals, scientists and the general public, scientific and other information respecting the cause, prevention, diagnosis and treatment of the disease or other health problems to which the activities of the Institute are directed. The director of the NCI was required to issue such regulations as proved necessary to carry out the requirement.

The House amendment contained a similar provision except that it was permissive rather than a requirement, applied only to new information rather than existing, did not require the director of the NCI to issue regulations, and did require the director to include in his annual report a report on the progress, activities and accomplishments of, and expenditures for the information services.

The conference substitute follows the House provision except that it is made a requirement rather than a permissive provision and to apply to both new and existing information.

PEER REVIEW OF GRANT APPLICATIONS AND CONTRACT PROJECTS

The Senate bill contained a requirement that the director of the NCI provide for proper scientific peer review of research contracts using, to the extent possible, appropriate peer review groups established within the NIH and composed principally of nonfederal scientists and other experts in the scientific and disease fields.

The House amendment contained a similar provision except that it applied to grants as well as contracts and to all Institutes of the NIH, the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse.

The conference substitute follows the House provision.

SENATE ADVICE AND CONSENT ON APPOINTMENT OF THE DIRECTOR OF THE NIH

The Senate bill contained a requirement that the Senate advise and consent to the appointment of the Director of the NIH.

The House amendment contained no comparable provision.

The conference substitute follows the Senate bill with the addition of language making it clear that the requirement applies only to appointments occurring after the date of enactment of the Act.

AVAILABILITY OF APPROPRIATIONS

The Senate bill contained a provision stating that notwithstanding any other provision of law, unless enacted after the date of enactment of the provision expressly in limitation of its requirements, funds appropriated for any fiscal year to carry out any program for which appropriations are authorized by the Public Health Service Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act were to remain available for obligation and expenditure until the end of such fiscal year.

The House amendment contained no comparable provision.

The conference substitute achieves the Senate policy by deleting from section 601 of the Medical Facilities Construction and Modernization Amendments of 1970 the expiration date, thereby making it a permanent provision of law.

PRESIDENT'S BIOMEDICAL RESEARCH PANEL

The Senate bill contained a requirement that there be established a President's Biomedical Research Panel with the following provisions:

(1) Composition—Five men including the Chairman of the President's Cancer Panel, four members appointed by the President, and at least three members who were distinguished scientists or physicians. The members were to be appointed with staggered terms and one of the appointed members was to serve as Chairman of the panel for a year at a time.

(2) Pay—Members of the panel were to be paid the daily equivalent of the rate for grade GS–18, and appropriate travel expenses.

(3) Meetings—The panel was to meet at the call of the chairman not less often than 12 times a year, with a transcript kept of the proceedings of each meeting and available to the public.

(4) Responsibilities and reports—The panel was to monitor the development and execution of the biomedical and behavioral

research programs of the NIH and related institutes, report immediately on any delays or blockages in rapid execution of the programs, submit periodic progress reports and an annual evaluation of the programs' efficacy with suggestions for improvements to the President, and, at the request of the President, submit for his consideration names for consideration for appointment as Director of the NIH.

(5) Term—The panel was to continue in office permanently.

The House amendment contained no comparable provision.

The conference substitute requires the establishment of a President's Biomedical Research Panel with the following provisions:

(1) Composition—Similar to the Senate bill except that members will serve for the life of the Panel and one member, designated by the President, will serve throughout its life as its Chairman.

(2) Pay—Same as the Senate bill.

(3) Meetings—At the discretion of the Panel.

(4) Responsibilities—The Panel is to:

(a) review and assess,

(b) identify and make recommendations with respect to policy issues concerning the subject and content of, and

(c) identify and make recommendations with respect to policy issues concerning the organization and operation of,

biomedical and behavioral research conducted and supported under the programs of the National Institutes of Health, the National Institute of Mental Health, the National Institute of Alcohol Abuse and Alcoholism, and the National Institute of Drug Abuse.

(5) Report—Not later than 15 months after the appointment of the Panel, it is to submit a report to the President and the Congress of its findings made on the basis of its review and assessment of the biomedical research programs, the policy issues which it has identified, and its recommendations with respect to these issues.

(6) Term—The Panel is to terminate 18 months after the appointment of its members.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD III,
PETER N. KYROS,
RICHARDSON PREYER,
JAMES W. SYMINGTON,
WILLIAM R. ROY,
SAMUEL L. DEVINE,
ANCHER NELSEN,
TIM LEE CARTER,
JAMES F. HASTINGS,
H. JOHN HEINZ III,
WILLIAM H. HUDNUT,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HARRISON A. WILLIAMS,
GAYLORD NELSON,
THOMAS F. EAGLETON,
ALAN CRANSTON,
HAROLD E. HUGHES,
CLAIBORNE PELL,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
RICHARD S. SCHWEIKER,
JACOB K. JAVITS,
PETER H. DOMINICK,
J. GLENN BEALL, Jr.,
ROBERT TAFT, Jr.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

EDUCATIONAL PROGRAMS FOR VETERANS, WIVES, AND WIDOWS

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 3705) to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. O'NEILL). Is there objection to the request of the gentleman from Texas?

Mrs. HECKLER of Massachusetts. Mr. Speaker, reserving the right to object, and I will not object, I should like to ask the chairman to explain the contents of the bill and the report on the bill.

Mr. TEAGUE. Mr. Speaker, I hope the Members will listen carefully to what this is. The gentlewoman from Massachusetts (Mrs. HECKLER) knows exactly what it is and she is for it 100 percent. We have passed a bill in the House and it has passed the Senate. As of today a veteran has 8 years to take advantage of his GI bill of rights. All this does is to extend that to 2 years. This part of our two bills has passed both Houses. We all agree on it. There are 200,000 veterans whose entitlement will expire on June 30 and this bill is to protect them. It is necessary for us to pass it today and get it to the White House so we can protect the 200,000 veterans. It has already passed both Houses and there is no controversy in the Veterans' Committee of the Senate or the Veterans' Committee of the House.

Mrs. HECKLER of Massachusetts. Will the gentleman from Texas explain what the situation is with respect to the larger veterans' bill?

Mr. TEAGUE. On that there are 28 points in disagreement. The House accepts 26 of the Senate's 28 but there are 2 we cannot agree on and we are going to go into conference on that as soon as we come back after the July 4 recess, but this is something which needs to be done, which needs to be passed now because those 200,000 veterans will lose their entitlement on June 30. That is the reason why this bill needs to be passed today.

Mrs. HECKLER of Massachusetts. I withdraw my objection, Mr. Speaker, and urge this body to unanimously support this legislation. Extension of the eligibility period from 8 to 10 years during which Vietnam veterans may take advantage of their GI educational benefits is the single most necessary legislative act which these veterans have sought and deserve. The men and women who served in Vietnam deserve complete equality and equity vis-a-vis educational and other benefits received by veterans of other wars.

The conference committee on which I am privileged to serve will deal in depth with redressing the inequities which these veterans face and will resolve the differences between House and Senate versions of Vietnam veterans' educational assistance. Unless we act tonight on this segment of the total legislative package, many veterans will not be able to continue in college. For many veterans, benefits will expire tomorrow on June 30, 1974. I urge the Members of this House to reassure the Vietnam veterans that these essential benefits will not lapse or expire by acting tonight to approve this 2-year extension of eligibility as a necessary first step in responding to the unique educational problems of veterans of the Vietnam era.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ARMSTRONG. Mr. Speaker, reserving the right to object, I wonder if I can inquire of the chairman why this has to be done tonight at midnight rather than tomorrow morning in the regular course of business?

Mr. TEAGUE. The Senate is going out as of tonight. The chairman of the Veterans' Affairs Committee of the Senate asked me to do this, and I went to the Speaker at 9 o'clock this morning and asked him to recognize me for this purpose and he said he would. With the President in Russia I do not know how we can get this to him for signature, but we must pass it tonight.

Mr. ARMSTRONG. Mr. Speaker, if the Speaker was aware of this at 9 o'clock this morning, can the gentleman explain why this has come to the attention of the House so late tonight, in fact after it was understood the business of this body had been completed and many Members have departed and when a quorum may not be present? Why is the gentleman proceeding in this fashion?

Mr. TEAGUE. The gentleman from Arkansas (Mr. HAMMERSCHMIDT) told me he would inform that side of the House about it.

In fact, I went to the gentleman from Iowa and told him about it. I think the gentleman will testify to that.

Mr. Speaker, if I may say to the gentleman, this is noncontroversial. It did not pass the Senate until late this afternoon, so it came up as early as we could possibly do it.

Mr. ARMSTRONG. I thank the gentleman for his explanation.

Mr. Speaker, if this is in order, I would like to say I think this is a very poor procedure, as I think the procedure under which we adopted the legislation so late tonight is not a procedure which reflects credit on this body either, but nonetheless on the basis of the explanation I will withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. DERWINSKI. Mr. Speaker, reserving the right to object, at the risk of oversimplification, I wish to be corrected by the gentleman from Texas if I have not stated the case properly. What we are about to do is to pass a necessary but slightly imperfect piece of legislation. We have no alternative because the Senate has already adjourned for its recess.

Mr. TEAGUE. Mr. Speaker, this piece of legislation is perfect. The 28 disagreements we could not agree on. This part of it everybody is agreed on. It passed the House here unanimously and it passed the Senate unanimously and the conferees agree completely on this, so on this piece of legislation there is nothing wrong with it.

Mr. DERWINSKI. But there is a further legislative process that must be adopted on behalf of our veterans on the other points.

Mr. TEAGUE. That is true and that will come up after the July recess, but this piece of legislation is so important to the 200,000 veterans whose entitlement expires on June 30 and we are doing this so their entitlement will not run out.

Mr. DORN. Mr. Speaker, I strongly support S. 3705, a bill that would increase the period of time during which veterans must complete their educational training from the present 8 to 10 years.

You will recall on May 31, 1974, the President signed into law a bill that provided for a 30-day emergency extension. This action was necessary since the eligibility period for many veterans would have expired on May 31. We felt the 30-day extension would allow the House and Senate time in which to reach agreement on a comprehensive education bill that would have included not only a 2-year eligibility extension provision, but also a much needed cost-of-living rate increase in monthly benefits as well as other amendments that would greatly benefit veterans. I continue to feel that a rate increase in monthly benefits is just as important as the 2-year extension provision in that veterans are losing millions of dollars every month that goes by without such increase. However, since it appears a comprehensive bill cannot be agreed to by June 30, I urge the House to accept the 2-year extension provision in S. 3705 and send it to the President. This will assure those veterans now enrolled in summer school that they can continue and make plans now for the fall school term.

Mr. DERWINSKI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1662 of title 38, United States Code, is amended—

(1) by deleting "eight" in subsection (a) and inserting in lieu thereof "10";

(2) by deleting "8-year" in subsection (b) and inserting in lieu thereof "10-year";

(3) by deleting "8-year" and "eight-year" in subsection (c) and inserting in lieu thereof "10-year", respectively; and

(4) by adding at the end thereof the following new subsection:

"(d) In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing his 10-year period of eligibility for educational assistance, any period during which he was so detained and any period immediately following his release from such detention during which he was hospitalized at a military, civilian, or Veterans' Administration medical facility.".

SEC. 2. Section 1712 of title 38, United States Code, is amended—

(1) by deleting "eight" in subsection (b) and inserting in lieu thereof "10"; and

(2) by deleting "eight" in subsection (f) and inserting in lieu thereof "10".

SEC. 3. Section 604 (a) and (b) of Public Law 92–540 (82 Stat. 1333, October 24, 1972) is amended by deleting "eight" and inserting in lieu thereof "10".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OBEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Obey amendment on the Labor-HEW bill just passed.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISCLOSURE OF FINANCES OF TENO RONCALIO

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Speaker, today I am placing in the RECORD a complete listing of my personal finances including my net worth as of June 24, 1974, and information on the income taxes I have paid for the past 9 years.

To the best of my knowledge, no previous Congressman from Wyoming has taken this step. I feel that the public has a right to know whether their Representative in Congress is working for their best interests or for his own, and I think these figures should lay aside any doubts in my case.

This disclosure also exceeds the disclosure plank of the Wyoming State Democratic Party which states:

> We feel that any public official or person running for public office who expects to enjoy the confidence of the people and the Democratic Party, will be expected to disclose his income and property holdings in a reasonable way to allow the public to determine the possibility of conflicts of interest, especially conflicts with the public interest.

The following figures will be available to the public for review in my Washington, D.C., Cheyenne, and Casper offices:

Financial statement of Congressman Teno Roncalio as of June 24, 1974

Assets

Cash in banks	$35,110
Checking accounts	20,110
Certificate of deposits	15,000
Stocks and bonds	136,325
100 UP Corporation	7,325
400 First National Bank of Gillette	40,000
800 C.I. mortgage group	4,600
900 Portland General Electric	14,000
U.S. Treasury bond	70,000
Life insurance, cash value	2,376
Prudential (face value, $5,000)	1,028
Prudential (face value, $5,000)	551
Equitable (face value, $1,000)	797
U.S. House of Representatives (face value, $45,000)	0
Real estate	700,000
Five acres unimproved commercial property in McLean, Va., with home	$600,000
Cheyenne, Wyo., home	60,000
Cheyenne Law Center, two commercial buildings (50% ownership)	40,000
Automobiles	1,600
1965 Oldsmobile	700
1968 Volkswagen	900
Other assets:	
Two units, Jasmin Groves	2,000
Five-eighths interest in 23 miles gold claims, Snake River	1
Total assets	877,412

Liabilities

Notes payable to banks	73,482
First National Bank of Gillette	60,000
American National Bank, Cheyenne	13,482
Real estate mortgages	167,974
Mortgage on McLean acreage and home	145,000
Mortgage on Cheyenne Law Center (50% ownership)	22,974
Total liabilities	241,456
Net worth	635,956

Year	Gross income	Net taxable income	Income taxes paid	Percent of gross income
1965	$49,720	$26,747	$6,649	13.4
1966	46,366	24,534	5,815	12.5
1967	53,239	36,758	9,980	18.7
1968	520,603	238,887	[1] 127,993	24.6
1969	61,372	7,708	971	1.6
1970	31,499	18,082	3,843	12.2
1971	53,915	16,486	2,144	4.0
1972	58,139	24,302	5,769	9.9
1973	64,031	32,126	6,660	10.4
Averages	104,320	47,292	18,869	11.9

[1] $8,798 of this figure actually paid as part of 1969 taxes.

LONG SOUGHT AMTRAK RAIL PASSENGER SERVICE FROM BOSTON TO CHICAGO, THROUGH BUFFALO, APPROVED BY SECRETARY BRINEGAR AND ANNOUNCED BY REPESENTATIVE JACK KEMP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

Mr. KEMP. Mr. Speaker, I am pleased and gratified to bring to the attention of the House the Secretary of Transportation's formal approval this morning of Amtrak rail passenger service from Boston to and from Chicago, through Buffalo. This badly needed passenger service will run west from Buffalo to Cleveland and Chicago and east from Buffalo to Albany, New York City, and Boston.

Secretary Brinegar's decision—which he released this morning marks the beginning of a new era in efficient, environmentally sound and economically-stimulating surface transportation, further linking the growing Niagara Frontier of western New York with major cities along the Great Lakes and the eastern seaboard.

Today's announcement is the culmination of never-give-up, bipartisan efforts at every level of government, by labor and civic groups, business and trade associations, and thousands of citizens with whom I have had the privilege to work since I first introduced an amendment to the Rail Passenger Service Act—to provide for this service—only a month after I came to the Congress.

I am deeply aware of the many difficulties—technical and financial—that Secretary Brinegar and his able staff had to overcome to arrive at the decisions he announced today. All of us who have worked so long for this service are deeply appreciative of his efforts and those of others in the administration who have been responsive to our requests for this tremendous stride toward a truly great, balanced transportation system for this corridor.

My colleague, Congressman TED DULSKI, Buffalo Mayor Stanley Makowski, Senator BOB TAFT, JR., of Ohio, Erie County, N.Y., County Executive Ned Regan, New York Gov. Malcolm Wilson, and some 85 of my colleagues in the Congress are among those who must be given credit for their untiring help to provide this long-sought rail passenger service for 20 million Americans who live along the rail corridor.

Together with Senator TAFT—who ably handled coordination among Senators on this project—we—handling the House side—formed a Great Lakes Committee of Members on this matter. I think the "turning point" which led to today's announcement was last March 20 when 70 House and 15 Senate Members of that committee met personally with Secretary Brinegar on the need for the restoration of this rail passenger service. Along with Mayor Makowski of Buffalo, New York State Transportation Commissioner Raymond Schular, Cleveland Mayor Ralph Perk, and officials of other cities and States along the route, we were able to present convincing evidence why the Department of Transportation should approve this service.

Our first task was to win approval of the beginning of service—a service which by all indices promises to be successful and to expand in immediate years and decades ahead.

Amtrak's growth in patronage, supporting services, experience and ability to maintain schedules have made impressive improvements in the past year, especially in the Northeast. In contrast to the abortive service which was cut off between Buffalo and Chicago in January of 1972, innovations in train operations, the availability of improved equipment and aggressive marketing and advertising all promise to make this long-sought mode of transportation both efficient and successful.

The first experiment—from June 1, 1971, to January 5, 1972—was doomed from the outset because of the lack of adequate equipment, marketing and financing now available and in the offing to make this newest service a growing success.

Together with my colleague, Congressman BOB STEELE, of Connecticut, I have asked the Secretary to approve, as soon as possible, Amtrak's request to purchase an additional 14 turbine-powered trains, in addition to 6 such trains already approved, to service this and other rail corridors. Such an acquisition would help further modernize rail passenger service in the corridor throughout the Northeast and Midwest. This acquisition is imperative if we are to meet the current economic, energy, transportation and environmental needs of the region.

Commensurate with that request for additional equipment to the Secretary and his announcement of the service today, I have assured him, in return, that we will work with local and State officials to secure the most modern, convenient stations and other supporting facilities.

Mr. Speaker, I cannot emphasize too much how important this service is to those areas along its route. It is not only a decision which will make life easier for the millions who live along the route and will use these trains, but it also means a big boost—a needed shot in the arm—for the economy of these areas. It will mean new jobs for our work force, it will mean new commerce for our businesses. The cooperative efforts of labor and business in helping get this route approved stands out as an example of the successes which can be won through the attainment of mutual labor-business goals.

It is now up to Amtrak to announce a specific starting date for the service and the schedules for it. I hope this will be done at the earliest date, particularly in light of the heavy summer travel season.

As I indicated at the outset, the insuring of this important service marks a beginning of a new era in transportation for the Northeast and Midwest. It may well mark such a renewal for the Nation.

It is gratifying when Government responds to the wishes and needs of its people in such a responsible manner.

PROPOSED AMENDMENT TO SOCIAL SECURITY AMENDMENTS OF 1965

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. SCHNEEBELI) is recognized for 5 minutes.

Mr. SCHNEEBELI. Mr. Speaker, when Congress passed the Social Security Amendments of 1965, it recognized that a child beneficiary over the age of 18 who is attending school full time is as much dependent as before he reached that age. A child who cannot look to a father for support, because his father has died or is disabled or retired, is at a disadvantage in completing his education as compared with the child who receives parental support. Accordingly, Congress determined that benefits should be continued for full-time students until the age of 22, in order that they might complete a 4-year college course.

All eligible students attending bona fide academic or vocational schools were to be covered by the 1965 amendment. In addition, both the Ways and Means and Senate Finance Committees expressly stipulated that benefits would be paid during normal vacation periods, as well as during the school year.

When House and Senate conferees set about defining the term "normal vacation periods," they based their decision on the school schedules as they existed in 1965. Since those schedules generally anticipated a summer vacation of about 4 months' duration, from May to September, they adopted a standard whereby students would be covered during vacation periods not exceeding 4 months.

This 4-consecutive-month standard for nonattendance created no special problems until recently, when a number of schools responded to various innovative developments in American education by altering the traditional patterns of attendance and nonattendance. In order to accommodate larger student bodies with diverse educational interests, some schools have opted for a year-round operational program, instead of the traditional 9-month school year which was the norm in 1965.

In a typical year-round operation, the traditional two-semester system is replaced with four 3-month terms. To graduate, a student must complete 11 of 15 quarterly terms and must attend one or more summer sessions. A year-round program in no way reduces a student's overall attendance obligations during a 4-year course of studies. But it does afford a student a greater measure of flexibility in arranging his schedule. For example, most programs permit students to take a full year of concentrated courses, and then to take two consecutive 3-month terms of leave.

This innovation enables students to weave their own special needs and interests into their college life. It is also an important financial step for the school: in a year-round program, a school can enlarge its enrollment, in some cases by going coeducational, without major capital expense.

Valuable as these progressive programs are, they raise a special problem for those students who are entitled to social security benefits. If such students elect to take two consecutive 3-month terms of leave, they will be deemed not to be full-time students during the period of nonattendance. This would cause a temporary denial of benefits to them.

Such a result was clearly not intended by Congress when it adopted the 4-month standard in 1965. Congress was merely attempting to define a "normal vacation period," given the prevalent scheduling practices of the day.

Since events have brought changes in those scheduling practices at some institutions, Congress should keep pace and redefine the term "normal vacation period" to encompass the programs of those institutions. The amendment which I offer today would permit the Secretary of HEW to consider the standards and practices of these institutions as he determines whether otherwise eligible students should be denied benefits during periods of nonattendance of up to 6 months' duration. Under my amendment, a full-time student at an institution of the type I have described would be permitted to take advantage of his school's progressive program without sacrificing the benefits to which he is entitled.

Mr. Speaker, this amendment is entirely in keeping with the purposes Congress sought to achieve in its 1965 socia security amendments, and I urge its speedy enactment into law in order that many deserving young men and women may be assured of their continuing entitlement to survivor benefits.

McKINNEY POSES ALTERNATIVE TO IRS STATE LOTTERY RULING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, all I can say is "Here we go again." As you will recall, last week I took to the floor to speak out against a Department of the Treasury proposal which would impose a 20-percent withholding tax on individual State lottery winnings. That, in my view, was bad enough. Now it appears, however, that the Internal Revenue Service has found, and intends to implement, an antiquated statutory provision which places a 10-percent excise tax on the gross receipts of all lottery revenues, except those derived from horse racing. Today, I am introducing legislation to erase this provision from the books.

The implementation of this ruling would be totally inconsistent with the major thrust of this Congress; a Congress which has attempted to assist States in their efforts to hold the line on taxes while providing needed services. Revenue sharing, Mr. Speaker, is the cornerstone of this concept giving our cities and States the wherewithal and initiative to chart their own future, a course they know best. Several States have supplemented this concept with lotteries, and now the IRS finds itself in the position of possibly having to nullify these efforts.

A Federal excise tax on lottery operations would be devastating. First, the tax would be retroactive. For Connecticut this means an estimated $8,100,000 would be due in back taxes. And Connecticut's lottery is only 2 years old. What about New York, New Jersey, Massachusetts, Michigan, Pennsylvania and Maryland?

I would ask my colleagues from those States:

Can New York come up with $54,026,509 tomorrow?

Can New Jersey come up with $32,295,243 tomorrow?

Can Massachusetts come up with $16,550,000 tomorrow?

Can Pennsylvania come up with $31,600,000 tomorrow?

Can Michigan come up with $22,000,000 tomorrow?

Can Maryland come up with $3,771,175 tomorrow?

This is the price we must pay if we do not pass legislation which would eliminate the 10-percent excise tax on the gross income from all State lotteries. And where is this money going to come from? From the taxpayers in Connecticut, New York, New Jersey, Massachusetts, Pennsylvania, Michigan, and Maryland. For no good reason.

A tax on the gross income of State lotteries would be self-defeating. It would not only take needed income from the State, and therefore the taxpayer, it would also demand added administrative costs, again accountable to the taxpayer. This makes no sense.

Compounding this whole situation, the pending IRS ruling imposes a $50 per year occupation tax on all lottery vendors which, noting the return which the seller commands from lottery sales, makes selling tickets less than worthwhile. Further, I can only conclude that with fewer outlets there will be a diminishing effect on sales and therefore, a similar effect on revenues.

Connecticut's lottery in its 2-year history has grossed $81,000,000 and netted $36,150,000. This money was not spent frivolously. It was added to the Connecticut general fund, and helped the State balance the budget, and provide needed educational and medical services without new taxation.

Connecticut is not alone. Seven other States have instituted lotteries since 1964, all with similarly beneficial results.

The New Hampshire lottery has been operating for 10 years and has netted an estimated $20,000,000 which has been used for education. Pennsylvania has had a lottery for 2 years, netting $140,000,000 to provide property tax assistance to the elderly. Massachusetts has calculated their $72,547,029 net lottery profit on a per capita basis and distributes its funds to towns and cities. New York State netted $258,472,154 which has been used for education. New Jersey gained $152,197,548 which has also been used for education. Michigan's estimated $100,000,000 and Maryland's $16,116,200 have supplemented State revenues by being added to their State treasuries. Can these funds be taxed in good conscience?

The Connecticut lottery has been a lucrative venture for the State. I am not about to allow it to be dissolved by some outdated law that overlooks not only the facts, but what is essentially good business.

The taxpayer has paid his dues, and it is about time he was accorded the rights that go along with them. Thus, I urge my colleagues to support H.R. 15595, a bill which I have introduced, aimed at correcting the absurdities of the present IRS code.

Mr. Speaker, the Internal Revenue Service and lottery directors have been meeting in an attempt to avert a final ruling on this issue. Though there are differences of opinion, all parties agree that swift congressional action can solve this problem and avoid the establishment of an administrative nightmare which will only have to be dismantled. The Internal Revenue Service can continue to postpone a final ruling for only a few more months. I would repeat my request that all of my colleagues from States presently operating State lotteries and those Members from States contemplating lotteries join with me in seeing this enacted as quickly as possible.

Finally, I think it is about time that the lottery is recognized as a beneficial source of income for our State.

VETERANS' EDUCATION AND REHABILITATION ACT AMENDMENTS OF 1974

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. WALSH) is recognized for 5 minutes.

Mr. WALSH. Mr. Speaker, both the House and the Senate have now passed very different versions of the Veterans' Education and Rehabilitation Act Amendments of 1974. As yet, these differences have not been resolved and I sincerely urge that all due speed be exercised in reaching final agreement.

The House bill increased education benefits some 13.6 percent. The Senate bill is far more comprehensive and increases these same benefits about 18 percent. In addition, a loan program is set up, the total number of months eligibility is increased from 36 to 45 months, and a program of tuition assistance is instituted.

All of these additional ideas have some merit, but I feel the tuition assistance program or tuition equalizer, is an important omission from the House bill. This is a concept which I originated in the House last October and which now has nearly 70 cosponsors. Hearings have been held and completed by the Subcommittee on Education and Training of the Veterans' Affairs Committee.

I felt, Mr. Speaker, that it is unfortunate that the Senate has assumed leadership in the area of the tuition equalizer since it did originate on the House side. That, however, does not make adoption of the proposal any less important.

The House has now requested a formal conference on this legislation and the conferees have been appointed. I applaud this action because I feel that informal attempts to resolve the differences would be unfair to the millions of veterans who would benefit from the resulting legislation.

I sincerely urge the House conferees to agree with the Senate version of the bill concerning the tuition equalizer. The entire Senate, and I feel the vast majority of the House membership, backs this proposal and would vote overwhelmingly to institute it if given the opportunity.

Every veterans organization in the country, and certainly every veteran, is behind this concept and overall support from other areas is astounding. Support from the academic community has been unanimous.

Mr. Speaker, we now have the chance to give the Vietnam veteran a part of what we owe him. He has served his nation and risked his life for it. My proposal will give this country the opportunity to help him achieve a quality education and thus equip him to better carry on his responsibilities. I sincerely feel that this proposal is needed and vitally necessary and urge that the House conferees adopt it in the near future.

NATIONAL SAFE BOATING WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CHAMBERLAIN) is recognized for 5 minutes.

Mr. CHAMBERLAIN. Mr. Speaker, during my first term in Congress, back in June 1957, I introduced House Joint Resolution 378 which later became Public Law 85-455. This act sought to encourage public awareness of the need for boating safety and established the annual observance of National Safe Boating Week during the week of July 4. Since the enactment of this legislation, I have reported, at this time of year, on the progress that has been made in promoting safe boating practices.

In the realm of recreational boating, where some 47 million Americans comprise the annual boating public, and where the number of leisure-time dollars devoted to the activity is in excess of $4 billion, Congress has, in fact, observed and acted. And, of necessity. With over 1,750 recreational boating facilities last year, boating safety is now a major cause of concern to those of us who strive to maintain a balance between the enjoyment inherent to any recreational activity, and the requirements necessary to keep fun-seeking Americans safe.

On several occasions, Congress has acted to insure that pleasure boating and safe boating are one and the same. In 1971 we saw the enactment of Public Law 92–75, the Federal Boat Safety Act of 1971, a major step in promoting boating safety, going well beyond the limited requirements of the Motorboat Act of 1940, and the Federal Boating Act of 1958. This year I have again introduced a small boat operators' licensing bill, H.R. 10417, to urge a concerted national effort to raise the boating practices of Americans to a uniformly high safety standard.

In accordance with Public Law 85–455, the President of the United States recently issued the following proclamation for National Safe Boating Week, 1974:

A PROCLAMATION

For many Americans, boating has become a major source of leisure-time pleasure. To avoid turning pleasure into tragedy, however, we must always be mindful of our shared responsibility to use our waterways in a safe manner. Furthermore, with the pressures of the energy crisis forcing a reduction in available fuel supplies, Americans who utilize our waterways should be mindful of the need to conserve fuel to aid in meeting our energy needs.

Aware of the need for boating safety, the Congress enacted the joint resolution of June 4, 1953 (72 Stat. 179), which requests that the President proclaim annually the week which includes July 4 as National Safe Boating Week.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning June 30, 1974, as National Safe Boating Week.

All Americans who utilize our waterways for recreation should possess at least a minimum knowledge of safety afloat for their own protection and for the protection of their passengers and craft. I urge all Americans who engage in recreational boating to take advantage of the numerous safe boating courses sponsored by governmental and private organizations and I particularly urge inexperienced operators of small boats to enroll in educational programs designed to teach the fundamentals of safe boating since they seem more prone to boating accidents or tragedies.

I also invite the Governors of the States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and the Commissioner of the District of Columbia to provide for observance of this week.

In witness whereof, I have hereunto set my hand this twenty-sixth day of February, in the year of our Lord nineteen hundred seventy-four, and of the Independence of the United States of America the one hundred ninety-eighth.

THE PROBLEM

If we examine the record for the past year, we can easily see why there is a concern for the safety of our Nation's boatmen. In compliance with the Federal Boat Safety Act of 1971, the Coast Guard has collected, anlyzed, and published statistical information obtained from various recreational boat numbering and casualty reporting systems. This is a continuation of the reports the Coast Guard has previously published under the mandate of the Federal Boating Act of 1958.

What did the most recent statistics reveal? First, and most important, there were seventeen hundred and fifty-four fatalities in boating accidents in 1973. This is three hundred and seventeen more fatalities than the previous year, and increase of over twenty-two percent. As in past years, the greatest single cause of these boating deaths was capsizings, followed by falls overboard. A total of sixteen hundred and four drownings resulted, accounting for over ninty-one percent of all boating fatalities. In over seventy percent of these cases, lifesaving devices were available, but of those who did have access to such devices, two thirds either did not use them properly, or did not use them at all.

In terms of property damage, the five thousand, three hundred and twenty-two reported recreational boating accidents resulted in a loss of over eleven and one third million dollars—an increase of over four million dollars over the previous years.

The Coast Guard, the States, and many fine volunteer organizations are dedicated to reversing the trend. And, with tools such as provided in the recent Federal Boat Safety Act of 1971, the task of protecting life and property of America's boatmen has been greatly assisted. In keeping with its mission to make pleasure boating safe, the Coast Guard is continuing to mount a four-pronged effort on boating safety.

NATIONAL CONSTRUCTION STANDARDS, ENFORCEMENT, EDUCATION, AND STATE LIAISON

National construction standards

Looking first at construction standards, the Federal Boat Safety Act of 1971 authorizes the Secretary of Transportation through the Coast Guard to issue regulations which establish minimum safety standards for recreational boats and boating-associated equipment. In addition, the Act gives the Coast Guard a mandate to conduct tests and establish procedures as necessary in order to insure manufacturers' compliance with the standards as they are established.

The first of these standards of which I speak involves such areas as: Displaying information regarding the maximum number of persons and weight which can be safely carried in a given boat; Establishing safe horsepower limits for specific hulls; Requiring that boats will continue to float even when full of water. These initial manufacturers' standards for boats under twenty feet in length have been promulgated.

Other standards and regulations are being developed to meet problems in such areas as navigation lights, emergency signaling devices, carriage of safety equipment, and prevention of fires and explosions.

Another section of the new law deals with defect notification responsibilities and is perhaps the most important aspect of the recent legislation. For the first time in any law, there is a requirement that if a manufacturer sells a product with a defect which creates a substantial risk of personal injury to the public, or is not in compliance with a standard, he must correct it at his sole cost and expense. With over eighteen hundred different boat manufacturers, it was felt that this law must specifically state the manufacturers' obligations to the public in order to provide for a sufficient degree of consumer protection.

Enforcement

It is the Coast Guard's responsibility to implement the laws and regulations covering the various aspects of recreational boating on waters under Federal control. The individual states are responsible for the enforcement of their state boating rules on waters where they have jurisdiction. For the Coast Guard's part, fifty-four Boating Safety Detachments around the country bear the major burden of enforcement. The four boarding officers attached to each Boating Safety Detachment, perform routine inspections of pleasure craft underway. As necessary, a boatman will be issued a warning and/or citation in the event that his boat is operated in some condition that is in violation of the safety requirements. In more severe cases, under the authority of the law, a Coast Guard boarding officer can require the correction of an especially hazardous condition, including ordering the operator of a recreational boat to return to the nearest safe mooring, should he, the Boarding Officer, consider that continued operation creates an especially hazardous condition. For example, use of a boat could be terminated if there is a lack of sufficient Coast Guard approved lifesaving or firefighting devices, or if the boat is being operated in an overloaded condition. However, a boarding officer cannot exercise this authority for mere failure to carry the required items. The Coast Guardsman must make a judgment determination that continued use creates an especially hazardous condition to the occupants. This places quite a burden on the boarding officers, but we are assured by extensive experience are behind every decision to require the correction of an especially hazardous condition.

Education

In the realm of education, the Coast Guard has undertaken a two-phased program. One phase is that of educating boating officials in various aspects of law enforcement, equipment operation, seamanship, and first aid. Such training is being made available not only to active duty Coast Guardsmen, but to other Federal, State, and municipal officials who are able to take advantage of the Regional Boating Safety Seminars, and the National Boating Safety School at Yorktown, Virginia.

The other phase of education is carried out not only by the Coast Guard, but also by the states, by the Coast Guard Auxiliary, by the U.S. Power Squadrons, by the Red Cross, by the National Safety Council, and by many other organizations who have undertaken to teach boating fundamentals to the public. By means of boating films, safety publications, classroom courses, and homestudy courses, every effort is being made to make the American boatman an educated boatman.

It is unfortunate, though, that in spite of the vast efforts being made toward that end, the majority of boatmen have yet to avail themselves of the many educational opportunities. Rear Admiral Thompson, Chief of the Coast Guard Office of Boating Safety recently noted, "We must strive harder to educate the boating population through voluntary means. In a survey, we found that only one in five boat operators had any form of safety training. And even more seriously, that most of the others were not even aware that such training was available . . . More than ever, we are concentrating on the problem of insuring that the average person who goes boating learns at least something of the hazards he might meet on the water, and what he should do about them when he does. . . . Our Coast Guard Auxiliary educates over two hundred thousand boatmen a year. But, since we estimate that some seven hundred and fifty thousand new boatmen appear on our waters each year, our level must increase. We will continue to work with the states and the voluntary groups in increasing their total teaching capabilities."

It seems to me that to meet the challenge, the Coast Guard has undertaken a significant educational program, using a variety of approaches, they are attempting to reach a substantial percentage of the boating public with a basic safety message. I share their hope that this expanded voluntary approach can reach an acceptable goal. But I am so convinced that there is this vital need for education that I will urge the Coast Guard to seek authority for a mandatory educational requirement if that appears to be the only effective means. The problem we face certainly is not new. It has been with us for many years and has been getting progressively worse. In fact, to call attention to the situation back in 1962, I introduced legislation, H.R. 11703, to require the licensing of operators of certain vessels on the navigable waters of the United States.

Because of the dramatic increase in recreational boating and the growing urgency to maintain the highest possible level of safety on our waterways, I have re-introduced a similar bill in each succeeding Congress, the 88th, 89th, 90th, and 91st. Currently pending before the House Merchant Marine and Fisheries Committee is my bill, H.R. 10417 to require the licensing by the states or the Federal Government of operators of certain vessels on navigable waters of the United States. I realize that there is a reluctance to force further regulations on what is really a form of recreation, and I share that reluctance. But, I cannot help but feel it is no favor to allow people to unwittingly place themselves and their families in dangerous situations they could easily avoid if only they were aware of their existence. If some form of licensing is the only way, the various interest groups should be more concerned that any program is accompanied by a meaningful education element, rather than opposing it on the grounds that there is no need—the fact that more than seventeen hundred and fifty Americans died in boating accidents last year speaks clearly that there *is*, in fact, a need.

State programs

The various States and jurisdictions in conjunction with the Coast Guard have the responsibility to ensure safe boating for the public. Through the grant-in-aid program a number of states have developed enlightened programs, however, the surface has been only slightly more than scratched, and much more needs to be accomplished to insure the safety of the participants in recreational boating.

COOPERATION: A MUST

National Safe Boating Week, itself, is the culmination of a cooperative effort on the part of twenty-one separate organizations devoted to focusing attention upon the necessity for pleasure boatmen to know and to comply with safe boating practices. In addition to those twenty-five organizations, there are over two thousand local groups such as Coast Guard Auxiliary flotillas, U.S. Power Squadrons, Boating Clubs, and other safety-minded organizations who have contributed their efforts toward publicizing National Safe Boating Week, toward making recreational boating safer. . . . more enjoyable.

To all of those national and local committees actively participating in the promotion of boating safety, I extend my thanks. . . . and congratulations. I urge all others interested in boating safety to join them in making this an even more effective National Safe Boating Week in terms of public awareness.

Certainly, the safe practices established during this commemorative week can be carried out during this boating season . . . and throughout the year.

REGULATION OF SPIRITS AND WINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. SNYDER) is recognized for 3 minutes.

Mr. SNYDER. Mr. Speaker, I am pleased to join with my distinguished colleagues, Mr. DERWINSKI, Mr. HASTINGS, Mr. KING, and Mr. WALSH, in introducing a concurrent resolution calling for a congressional study to determine whether additional regulatory requirements should be imposed on packages of distilled spirits and wine.

For the past 40 years, the production and distribution of distilled spirits and wine have been subject to a much higher degree of governmental supervision than any other consumer product. All standards of identity are prescribed by the Government; all ingredients, formulas, and labels are submitted to the Government for approval; and all production processes are inspected and supervised by the Government. These safeguards adequately protect the public against the use of any harmful ingredients or processees.

And yet, the Bureau of Alcohol, Tobacco, and Firearms now proposes to broaden its supervision over these highly regulated industries by requiring that all ingredients be listed on each label. There are some 300,000 active distilled spirits and wine labels. To require a separate listing of ingredients for each of these labels would impose a heavy and costly burden on Government as well as on industry, which costs ultimately must be borne by the consuming public, and there is serious doubt that it would serve any useful purpose.

No country in the world requires ingredient labeling of Government-standardized distilled spirits of wines. Such a unilateral action by the United States would generate serious problems in international trade.

Before our country adopts such a requirement, Congress should consider its broad implications and determine whether it truly is needed in the public interest. This is particularly important at this time, when we are attempting to reduce the costs of Government by eliminating unnecessary Federal programs. Meanwhile, until all relevant facts are assembled and carefully studied, the proposed administrative action by the Bureau of Alcohol, Tobacco, and Firearms should be deferred—not necessarily canceled, but merely postponed during a reasonable study period.

FINANCIAL DISCLOSURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 10 minutes.

Mr. FISH. Mr. Speaker, I welcome the opportunity to join with my colleagues in the New York congressional delegation in submitting for the public record a financial disclosure statement.

My statement goes beyond the disclosure mandated by the House rules because I believe the public desires and deserves assurance that as an individual privileged to serve in elective office, I am not subject to any potential or actual conflicts of interest.

The New York congressional delegation established a special Committee on Financial Disclosures to give this matter the very careful consideration it deserved.

The committee, with my complete endorsement, reached the following conclusions with respect to the financial information that should be disclosed:

First. The sources of all noncongressional income whether for services rendered or not;

Second. The identity of the creditor of all indebtedness which is unsecured;

Third. The sources of all reimbursements for expenditures—other than from the U.S. Government;

Fourth. The identity of all stocks, bonds, and other securities owned outright or beneficially;

Fifth. The identity of all business entities—including partnerships, corporations, trusts, and sole proprietorships—professional organizations—of a noneleemosynary nature—and foundations in which the Member is a director, officer, partner, or serves in an advisory or managerial capacity, and the position held in each instance.

Further, the committee concluded, again with my strong endorsement, that the public is entitled to know whether the members of the New York congressional delegation have paid appropriate 1973 Federal, State, and local income taxes.

My statement follows:

FINANCIAL STATEMENT

1973 Sources of Income: U.S. Government—Congressional Salary, Dividends, Interest, Honorariums, Trustees Commissions, Capital gains, Income from interest in rental property.

Non-Secured Indebtedness: Note: Elizabeth S. Pyne (sister) $20,000.

Sources of Reimbursement for Expenditures over $100 (other than Government and other reported as campaign contributions): None.

Stocks and Bonds Ownership: 6/20/74—None.

Business or Professional entities in which I hold a leadership (Director, Manager, Partner) position: None.

1973 income taxes paid:

Federal	$5, 522. 95
State	2, 630. 80
Local	4, 040. 26
Total	12, 194.01

Mr. Speaker, the New York congressional delegation's Committee on Financial Disclosure has addressed itself in a forthright manner to the financial disclosure question. I commend the committee for its conscientious work and I am pleased to be identified with this public reporting.

WHY ISRAEL MUST STRIKE BACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, two related events took place in the Middle East in the last 2 days. The Palestinian terrorists who killed three Western diplomats in the Sudan about a year ago were sentenced to 7 years in jail. Immediately after sentencing, they were released to a Palestinian terrorists group. While this judicial farce took place, another Israeli village, Nahariya, was attacked by Palestinian terrorists.

I wonder, Mr. Speaker, when the nations of the world will realize that the only way to curb terrorism is to be as merciless and ruthless with them as they are with their victims? The Sudanese Government, by its action in releasing convicted murderers to safety in the Palestinian terrorist organization, has disgraced itself. Because she refused to deal firmly with the terrorists, Sudan can accept responsibility for the attack on Nahariya and other such attacks in the future.

The terrorists who invaded Nahariya had originally planned to go to the town's school and wait there for the children to arrive. Apparently, they wanted to reenact the Ma'alot massacre. They were discovered before they could carry out this insane scheme, but they still managed to kill a young woman and her two children. This is the sort of people the Israelis are fighting against—lunatics who think there is a political point to be made in murdering mothers and children.

I cannot blame Prime Minister Rabin and his government for retaliating against the Palestinian terrorists. What else can they do? If they ignore these acts of aggression, more innocent civilians will be killed. They must strike back swiftly and severely, to show the Palestinians that such murders will not go unpunished.

It is regrettable that innocent civilians have been killed in these retaliatory raids. Every death represents another step farther away from the goal of peace. The Palestinian terrorists must take the blame not only for the deaths of Israeli women and children, but for their own women and children. After attacking Israeli towns, they run and hide among Palestinian civilians, hoping to use them as a shield of human bodies when the expected retaliation comes. They turn around and blame Israel for firing on civilians.

There will never be peace until the Lebanese Government demonstrates to the world that it has the courage and responsibility to control Palestinian terrorist activity. Lebanon has offered safe haven to the Palestinians. Lebanon must therefore expect to be the target of Israeli retaliation so long as the Palestinians are permitted to roam free and unhindered.

Unquestionably, the Israeli Government would rather direct its energies toward peace. But until Lebanon, the Sudan, and other Arab Governments stand up to the terrorists, Israel must continue her lonely fight to protect her people from these assassins.

The Israelis are doing the only thing possible in continuing their air raids over Lebanon. Those who criticize these raids miss the point. Why have they never raised their voices when the Palestinians attack Israeli civilians?

The responsibility for these attacks lies with Lebanon, the Sudan, and the other nations who foster and harbor terrorists. This encourages them to keep on fighting and killing. So long as this happens, there will never be peace in the Middle East. One day, and I fear it is coming soon, Israel will say, "Enough," and refuse to deal with the Arabs in any way. And I, for one, could not blame them. The way to peace must include a commitment by the Arab States to take a firm stand against terrorist activities, and to respect Israel's sovereignty and right to exist.

I hope that each raid, such as the one on Nahariya, will be the last. But until the world speaks out against Palestinian terrorism, and until the Arab States realize that they, too, have a responsibility in this matter, these attacks will continue, and more innocent civilians will die. Israel will not give up. She will not cave in to Palestinian terrorist pressure. She will continue to fight until the Arab States admit that the only true hope for peace depends on controlling the depredations of the Palestinian murderers.

FOOD SHORTAGE PRODUCES TRADE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, this week the U.S. Department of Commerce reported a trade deficit for May at $776.9 million, a swing deeply into the red as import costs remained high and farm exports fell dramatically.

Imports outran exports by $776.9 million, the second largest monthly deficit on record, surpassed only in October 1971, when the trade was stilled by a dock strike.

For the first time this century, the United States had its first full year trade deficits in 1971 and 1972. It is true that devaluations of the dollar helped to win back a surplus back in 1973. But this year, the increased cost of importing oil has produced a deficit again.

One solution to reestablishing a favorable balance of trade is to produce and export more food products. H.R. 15263, the 1974 Rice Act, is a step in that direction. The bill, if enacted into law, would unshackle the American rice farmer and permit him to produce more rice to meet the world market demand. I urge my colleagues to consider this as a viable alternative to a balance-of-trade deficit. Those Members who are interested in this approach are urged to contact Phil Moery in my office immediately—extension 5-4076—in order that you may be included in this effort.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. HENDERSON) is recognized for 5 minutes.

Mr. HENDERSON. Mr. Speaker, on rollcall 331, final passage of H.R. 15572, on June 26, 1974, I was in the Chamber, placed my card in the box, but was not recorded.

Had I been recorded, I would have been shown as voting "yea."

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, on June 25, I missed roll No. 328. Had I been present, I would have cast my vote "aye."

HAWAII NATIVE CLAIMS SETTLEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 30 minutes.

Mr. MATSUNAGA. Mr. Speaker, as cosponsors, my distinguished colleague from Hawaii (Mrs. MINK) and I today introduced a bill to redress one of the most longstanding grievances held by any group of people. The people to whom I refer are the native Hawaiians, and the bill is the proposed "Hawaii Native Claims Settlement Act," H.R. 15666.

To most of my colleagues, the word "Hawaiian," may simply mean residents of my beautiful state. But the term "Hawaiian" carries a more specific meaning; it refers to those Polynesians who inhabited the Hawaiian Islands prior to their "discovery" by Captain Cook in 1778. To be "Hawaiian" in this sense is to be the bearer of an ancient and distinguished ethnic heritage which has shaped the character of the State of Hawaii as surely as its island geography. As each succeeding wave of newcomers arrived in the Islands, the Hawaiians imbued them with what has come to be called the "Aloha Spirit"—an indefinable, yet irresistible, spirit of openness and friendliness, a willingness to share with all the sense of community, which remains, to this day, Hawaii's most important resource.

This very openness and friendliness which characterized the Hawaiians has led to the need for the legislation we introduced today, Newcomers in the mid-nineteenth century brought with them European ideas of personal ownership of land for personal profit. The Hawaiians until that time considered the land as the "Sacred Hearth of the Gods," to be used by all for sustenance. Under the stewardship of the alii, or nobles, the land was to benefit all of the people. When the new system took hold, few Hawaiians were able to come to grips with it. Even those who received land during a general distribution in 1848, under the great mahele, acording to a 1970 Library of Congress study:

> Naive in matters of real estate value, sold their land soon after purchasing them . . . Many tenants failed to claim the lands . . . they occupied and to which they were entitled . . .

Nonetheless, thousands of acres of land remained available, in principle, for the benefit of Hawaiians in the form of Government and "crown" lands which were under the practical control of the monarch.

But in 1893, when the Hawaiian people were regaining a sense of strength and identity under the powerful leadership of Queen Liliuokalani, outside forces intervened again.

A small group of non-Hawaiians found ready allies in the U.S. Minister to

Hawaii and American gunboats offshore, and overthrew the legitimate native government of Hawaii. Almost immediately, a treaty providing for American annexation was "negotiated" with the new government, but that treaty was withdrawn from Senate consideration by President Grover Cleveland just after he took office. President Cleveland then sent a special envoy, the Honorable James H. Blount, to investigate the circumstances surrounding the so-called "revolution" which overthrew the monarchy. Mr. Blount, a longtime Georgia Congressman and former chairman of the House Foreign Affairs Committee, flatly concluded that the revolution was the result of a conspiracy between the U.S. Minister to Hawaii and revolutionary non-Hawaiian leaders in Hawaii.

In an official communication to the Congress about the affair, President Cleveland himself stated that—

> But for the lawless occupation of Honolulu under false pretenses by the United States Forces. . . .

Hawaii would have remained a kingdom under Queen Liliuokalani.

The legislation which my colleague and I introduced today is to correct this historic wrongdoing. H.R. 15666 is the product of months and months of open, sometimes difficult efforts on the part of an organization known as Aboriginal Lands of Hawaiian Ancestry. The acronym for that name brings new meaning to the word "ALOHA." From the crucible of hearings on the various islands in Hawaii, discussions within the organization's leadership and membership, came legislation which would provide a degree of compensation to the descendants of the native Hawaiians for the lands of which they were deprived so long ago.

The bill calls for the creation of an independent corporation to manage the amounts to be paid by the Federal Government, $100 million annually for 10 years for a total of $1 billion. There is also a provision giving the corporation first rights on any land in Hawaii declared to be excess of its use by the Federal Government.

It is unfortunate that there is no practical way, in effect, to return the land to the Hawaiians. The sad fact is that there are only about 6,000 square miles in the entire State of Hawaii, compared with about 570,000 square miles in Alaska. Thus, there can be no large-scale return of land in settlement of these claims, as there was in the case of the Alaska Native Claims. In fact, the land returned to the Alaska Natives by itself is equal to about 10 times the total area of Hawaii. That is why the bill being introduced today focuses on money damages.

Mr. Speaker, I well realize—and the Hawaiian people realize—that this legislation will not be easy to enact. It involves a large amount of money, and is intended to redress a grievance which most Americans probably do not yet even know occurred. It is my hope, however, that the bill being introduced today will serve as a vehicle for discussion, a way to facts which more than justify this legis- focus public attention on the historical lation. The members of ALOHA, and the members of the Hawaii congressional delegation, will be very active in educating all Americans to the justness of the cause represented by the bill.

I trust that early hearings will be possible to further raise the public consciousness on this matter.

In this connection I wish to congratulate Mr. Kekoa Kaapu, president of ALOHA Association, Mrs. Louisa Rice, its founder and director and members of the board of directors, who have been in Washington for nearly a week on a special mission which they have accomplished beyond all expectations.

I include in the RECORD the text of the bill at this point:

H.R. 15666

A bill to provide for the settlement of historic claims of the Hawaiian Natives, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Hawaiian Native Claims Settlement Act.

DECLARATIONS

SEC. 2. Congress finds and declares that—

(a) It is necessary that a fair and just settlement now be made of all claims by Natives and Native Groups of Hawaii, which claims are based on the lawless, fraudulent and forceful acts of agents of the United States, by which acts the lawful and sovereign government of the Kingdom of Hawaii was overthrown, dominion and domain over the people and lands of Hawaii was ultimately assumed by the United States, and thus the independence and sovereignty of the Hawaiian people as a collective social, political, and economic entity was permanently terminated;

(b) The settlement should be accomplished rapidly, with finality and certainty, without litigation, in conformity with the existing economic and social needs of Hawaiian Natives, with maximum participation by Hawaiian Natives in decisions affecting their rights and property, and without creating a wardship or trusteeship on the part of the United States Government; and

(c) All claims against the United States, the State of Hawaii, and all other persons, that are based on acts of agents, agencies or instrumentalities of the United States which contributed to the overthrow of the government of the Kingdom of Hawaii and enabled the United States to establish dominion and domain over the people and lands of Hawaii, including all claims of aboriginal right, title, use, or occupancy of land or water areas in Hawaii, or that are based on any Statute or Treaty of the United States relating to annexation of Hawaii by the United States, or that are based on the laws of any other nation, including any such claims that are pending before any Federal or State tribunal, are hereby extinguished.

DEFINITIONS

SEC. 3. As used in this Act the term—

(a) "Hawaiian Native" means a citizen of the United States possessed of the blood of ancestors who were living on the Hawaiian Islands prior to 1778;

(b) "Hawaiian Islands" means the territory now included in the State of Hawaii;

(c) "Secretary" means the Secretary of the Interior;

(d) "Minor" means a person under the age of 18 years;

(e) "the Corporation" means the Hawaiian Native Corporation established by Section 6 of this Act;

(f) "ALOHA" means the A.L.O.H.A. Association, Inc., its successors and assigns.

(g) "person" means and includes an individual, firm, corporation, association, partnership, or other legal entity;

(h) "he" and "his" mean and include he, she, they and it, and his, hers, their and its.

HAWAIIAN NATIVE ROLL

SEC. 4. The Secretary shall prepare a roll of Hawaiian Natives within two years of the date of this Act and shall maintain such roll thereafter by eliminating the names of deceased Natives and by adding the names of after born Natives and, with the approval of the board of directors of the Corporation, of other persons previously omitted subsequently shown to qualify. The right to participate in the benefits of this Act shall belong to the living Hawaiian Natives listed on the roll from time to time and shall not be transferable *inter vivos* or upon death. In the absence of a sufficient genealogy to establish that an applicant for enrollment is an Hawaiian Native, he may nevertheless be enrolled, if he is generally acknowledged by Hawaiian Natives acquainted with him to be an Hawaiian Native.

HAWAIIAN NATIVE FUND

SEC. 5. (a) There is established in the Treasury of the United States the Hawaiian Native Fund into which the following shall be deposited:

(1) $1,000,000,000 from the general fund of the Treasury, hereby authorized to be appropriated as follows:

(A) $100 million during the fiscal year in which this Act becomes effective; and

(B) $100 million during each of the next nine fiscal years following.

(2) Interest at the rate of 5 per centum per annum, hereby authorized to be appropriated, on any amount authorized to be appropriated under section 5(a)(1) of this Act that is not deposited in the fund within six months after the end of the fiscal year in which due.

(b) Such fund shall be a trust fund and money on deposit therein shall earn interest and be invested and administered by the Secretary in the same manner as trust funds of Indian tribes.

(c) Upon completion of the organization of the Corporation, and the election of a board of directors by the members, all money in the fund from time to time shall be held subject to, and distributed to such corporation in accordance with, the orders of the board of directors.

HAWAIIAN NATIVE CORPORATION

SEC. 6. (a) There is hereby established a body corporate named the Hawaiian Native Corporation, whose principal place of business shall be located in the State of Hawaii. The corporation shall not be an instrumentality of the United States. The members of the Corporation shall be the Hawaiian Natives listed on the Hawaiian Native Roll from time to time.

(b) Within two and a half years from the date of this Act, the Secretary shall issue a certificate of membership in the Corporation to each Hawaiian Native listed on the roll as of the date of issue. Thereafter, he shall issue such a certificate to each Native added to the roll.

(c) Certificates of minors shall be issued in accordance with the Hawaii gifts to minors act.

(d) Certificates issued pursuant to this section, and rights and benefits appertaining thereto, shall not be sold, assigned, hypothecated, subject to liens or executions, or otherwise alienated. Upon the death of a member, his certificate shall be cancelled, but any benefits accrued to the time of his death shall be distributed in his name to his representatives.

(e) The purposes of the Corporation are to receive and administer the benefits provided by this Act for the Hawaiian Natives, and to engage in any and all enterprises, businesses, undertakings and activities that the board of directors deems promotive of their interests and welfare, whether or not directed to the making of monetary profits.

(f) The Corporation shall have all rights, powers, privileges and immunities usually possessed by business for profit corporations and by charitable institutions. Without limitation of the foregoing, the corporation shall have the following specific rights, powers, privileges and immunities:

(1) to adopt and amend bylaws providing for the structure and governance of the Corporation; provided that, for a period of 20 years from the date of this Act, such bylaws and amendments shall be subject to the approval of the Secretary;

(2) to adopt a corporate seal, which shall be judicially recognized;

(3) to sue and be sued in its corporate name;

(4) to engage in businesses and activities for profit and, without restriction, to pay dividends and make other distributions of money and property to members out of capital and earnings;

(5) to acquire, own, hold, manage, invest, hypothecate, and dispose of property, and interests therein, of every kind and description, real, personal and mixed, tangible and intangible;

(6) to provide professional and technical assistance to members and to groups and organizations in which members have substantial interests;

(7) to finance and conduct programs, and to aid others in financing and conducting programs, for the purposes, without limitation, of providing housing, education, and relief from distress to members and their families, and of promoting the economic and social advancement of members and their families and of groups and organizations in which members have substantial interests;

(8) to engage generally in programs and activities designed to enhance the health, wealth, welfare and education of members and their families;

(9) to be deemed a charitable, tax exempt, institution for the purpose of receiving donations of money and property from others;

(10) to be deemed a public instrumentality and body politic for the purpose of qualifying under acts of Congress authorizing loans, grants in aid, or other assistance to qualified entities for the purpose of carrying out various projects and programs, including, without limitation, housing, education, health and economic development.

(11) to be exempt for a period of 20 years from the date of this Act from the payment of any and all local, state and federal taxes;

(12) to make distributions of money and property to members exempt from any and all forms of taxation until the total of such distributions equals the amount authorized to be appropriated by section 5(a)(1) of this Act, after which members shall be subject to tax on distributions to the same extent as would the shareholders of any business corporation receiving distributions of like kinds.

(13) to be exempt for a period of 20 years from the date of this Act from all local, state and federal laws regulating corporations; provided that the Secretary shall require the Corporation to include in its bylaws such provisions for audits, reports, proxy solicitations, and other disclosures and controls as he deems necessary to inform and protect members, and others interested in the Corporation.

(14) to assume and discharge, in accordance with Section 8 of this Act, all fair and reasonable unpaid obligations incurred by ALOHA, under lawful written contracts with third persons for the purposes of preparing, presenting, or advocating or securing the enactment of legislation to settle the historic claims of, the Hawaiian Natives, including, without limitation, loans and advances of money or other things of value, and fees and expenses of attorneys and other consultants.

(g) The management of the Corporation shall be vested in a board of directors. Except for the initial board, which shall be constituted as provided in section 6(h) of this Act, the number, terms, qualifications and method of election of directors by the members shall be as prescribed in the bylaws of the Corporation.

(h) The initial board shall consist of 17 directors.

(1) At the time he first issues certificates of membership under section 6(b) of this Act, the Secretary shall call for the election of the initial board. Any member, except a minor, who shall submit to the Secretary a written nomination signed by not less than 100 adult members shall be a candidate for director. The Secretary shall prepare a ballot including the names of all persons so nominated.

(2) Such ballot shall be supplied each member, except a minor member for whom no custodian has been designated under the Hawaii Gifts to Minors Act, who shall be entitled to 17 votes, which he may distribute, as he sees fit, in whole votes, among any one or more of the candidates on the ballot, not to exceed 17.

(3) Candidates shall be declared elected in the following order:

(A) The candidate, if any, who is a resident of the Island of Hawaii, who receives more votes than any other candidates, if any, who are also residents of the Island of Hawaii.

(B) The candidate, if any, who is a resident of Maui, who receives more votes than any other candidates, if any, who are also residents of Maui.

(C) The candidate, if any, who is a resident of Lanai, who receives more votes than any other candidates, if any, who are also residents of Lanai.

(D) The candidate, if any, who is a resident of Molokai, who receives more votes than any other candidates, if any, who are also residents of Molokai.

(E) The candidate, if any, who is a resident of Oahu, who receives more votes than any other candidates, if any, who are also residents of Oahu.

(F) The candidate, if any, who is a resident of Kauai, who receives more votes than any other candidates, if any, who are also residents of Kauai.

(G) The candidate, if any, who is not a resident of the State of Hawaii, who receives more votes than any other candidates, if any, who are also not residents of the State of Hawaii.

(H) The remaining candidates receiving the most votes, without regard to residence, in number necessary, with those elected pursuant to paragraphs (A) through (G) above, to equal 17.

(i) The members of the initial board shall serve for a term of one year and until their successors are elected and qualified.

(j) (1) The initial board shall prepare and adopt bylaws subject to approval of the Secretary.

(2) Such bylaws, among other things, shall:

(A) Designate an office and agent of the Corporation for the receipt of process and other legal purposes;

(B) Provide for the composition and election of the board of directors subsequent to the initial board; and

(C) Designate and prescribe the duties of the officers of the Corporation, who shall be elected by the board and serve at its pleasure.

SURPLUS LANDS

SEC. 7. Any provision of law to the contrary not withstanding, the Administrator of the General Services Administration is hereby directed to give to the Corporation the first and prior right to acquire any Federal lands located within the State of Hawaii which have been determined by the Administrator, in accordance with law, to be "surplus" and not required for the needs and the discharge of the responsibilities of all Federal agencies. If the Corporation elects to exercise its right to acquire any surplus federal lands, the Administrator shall convey such surplus Federal lands to the Corporation unconditionally and without compensation therefor.

OBLIGATIONS INCURRED BY ALOHA

SEC. 8. (a) Within six months of the date of this Act, any person that claims that ALOHA is indebted to him on an unpaid written contractual obligation incurred by ALOHA for the purposes of preparing, presenting, or advocating or securing the enactment of, legislation to settle the historic claims of the Hawaii Natives, shall present his claim, together with appropriate documentation to ALOHA and the Corporation. In consultation with ALOHA, the Corporation shall review and prepare a schedule of all such claims, noting thereon which claims, if any, it questions or disputes, in whole or in part, together with the reasons therefor, which schedule, together with copies of the claims and supporting documents supplied by the claimants, it shall submit to the Secretary within nine months of the date of this Act. Claims not questioned or disputed by the Corporation, to which the Secretary takes no exception within one year from the date of this Act, shall thereafter be due and payable by the Corporation. In the event the Corporation, the claimant, and the Secretary, cannot agree on the settlement of a claim questioned or disputed by the Corporation, or to which the Secretary has taken an exception, the same may, upon the application of either the Corporation, the claimant or the Secretary, be determined by arbitration under Chapter 658 of the Hawaii Revised Statutes.

REPORTS TO CONGRESS

SEC. 9. During a period of 20 years from the date of this Act, the Secretary shall prepare and submit reports annually to Congress on the state of the Hawaiian Natives and the execution and effects of this Act. During the session of Congress next convened after the end of such period, the Secretary shall submit, through the President, a final report on the state of the Hawaiian Natives, which shall include a summary of actions taken and results achieved under this Act, together with such recommendations to Congress as he deems appropriate.

APPROPRIATIONS

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

REGULATIONS

SEC. 11. The Secretary is authorized to issue and publish such regulations as may be necessary to carry out the provisions and purposes of this Act.

MISCELLANEOUS

SEC. 12. (a) No provision of this Act shall derogate from or diminish any right, privilege, or obligation of Hawaiian Natives as citizens of the United States, or of the State of Hawaii, or relieve, replace, or diminish any obligation of the United States or of the State of Hawaii to protect and promote the rights and welfare of Hawaiian Natives as citizens of the United States or of Hawaii;

(b) No provision of this Act shall be construed to constitute a jurisdictional act to confer jurisdiction to sue, nor to grant implied consent to Hawaiian Natives to sue the United States or any of its officers with respect to the claims extinguished by the operation of this Act.

SUPREMACY AND SEPARABILITY

SEC. 13. In the event of conflict between this Act and any other acts of Congress or other laws, the provisions of this Act shall control. If any provision of this Act is authoritatively determined to be invalid on its face or as applied, such holding shall not be deemed to invalidate or affect any other provisions of this Act.

Mrs. MINK. Mr. Speaker, at the request of the ALOHA Association, today I am introducing the Hawaiian Native Claims Act.

The purpose of this bill is to seek reparations for the native Hawaiians for the loss of their land when the Hawaiian Islands became part of the United States.

The ALOHA—Aboriginal Lands of Hawaiian Ancestry—Association is composed of representatives of the native Hawaiian people who inhabited the Hawaiian islands before their discovery by Western man in the 18th century. A delegation of ALOHA members is in Washington this week for the historic occasion of the introduction of this legislation in the Congress.

Under the bill, $1 billion would be appropriated over a 10-year period. A corporation owned by all part-Hawaiian persons would be created by the bill, and all funds received would be used in perpetuity for the benefit of Hawaiian people in such areas as education, economic development, and housing. The bill would extinguish all future claims against the United States.

I am introducing this important legislation at the request of the ALOHA Association so that the process of congressional consideration of Hawaiian native claims can begin. While a considerable period of time may be required for completion of such action, I am hopeful that hearings can be scheduled in Hawaii by the House Committee on Interior of which I am a member, and the Hawaiian people can be offered an opportunity to testify as to the need and justification for adoption of this legislation as soon as possible.

The issue of native claims for the Hawaiian people is similar in some respect to the claims of Alaska natives. Congress enacted legislation granting $1 billion and a large amount of land to Alaskan Natives in satisfaction of their claims against the United States. I feel that the native inhabitants of both States originally lost their land under similar, but not identical circumstances.

Because of the loss of their land, native Hawaiians have suffered greatly, and collectively they have been deprived of their birthright. Although once the only inhabitants of the islands, their numbers as full blooded Hawaiians now constitute only a small percentage of the population.

The ALOHA Association states their claim on the forcible overthrow in 1893 of their last monarch, Queen Liliuokalani. I believe it is incumbent on the Congress to delve deeply into this subject and examine all the facts concerning their claim. The legislation introduced today will help furnish a vehicle for such consideration.

With utmost respect for the Hawaiian people and in hopes that their right to restitution for losses will receive all due attention by the Congress, I am joining in their quest by the introduction of this bill.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I will be happy to yield to the gentleman from California.

Mr. STARK. Mr. Speaker, I would like to commend my distinguished colleague, the distinguished deputy whip, the gentleman from Hawaii (Mr. Matsunaga) for his brilliant presentation of this worthy legislation, and I wish to commend his colleague, the gentlewoman from Hawaii (Mrs. Mink).

I am sure that the gentleman's constituents and the native American-Hawaiians will be in good hands. I am equally sure the gentleman will guide this legislation speedily through the seas of legislation with the same care and distinction with which he has sponsored the 93d Club on this side of the aisle. I can only assure the gentleman's constituents that their interests are in the hands of two of the most able Members of the House of Representatives.

Mr. Speaker, I am moved to support the legislation that the gentleman has described this evening.

Mr. Speaker, I thank the gentleman for yielding.

Mr. MATSUNAGA. Mr. Speaker, I thank the gentleman for his kind remarks, and I shall look forward to working with him, with his full understanding and assistance.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding.

I wish to compliment the gentleman on his presentation here this morning.

I know that were it not for the prohibition in the rules of the house against such practice, the gentleman would like to recognize the presence of many of his friends who are here this morning.

Mr. MATSUNAGA. Mr. Speaker, I thank the gentleman from Florida. I shall look forward to his understanding and his cooperation in enacting the legislation which my colleague and I introduced today.

BILL TO ALLOW UNITED STATES TO BARTER FOREIGN AID FOR RAW MATERIALS

(Mr. MILLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, yesterday I had the privilege of testifying before the House Foreign Affairs Committee on a bill I have sponsored that would allow the United States to barter its foreign aid. This proposal currently has 54 cosponsors in the House. Because of the great interest shown in this legislation, I would like to insert the testimony in the Congressional Record:

Testimony of Congressman Clarence Miller on H.R. 14041, H.R. 14561, H.R. 15397

Mr. Chairman and members of the committee, I appreciate this opportunity to testify before you today on a proposal which I believe deserves a place in our foreign aid program. This concept is the "barter bill," H.R. 14041. Basically, it would allow the United States to exchange or barter its foreign aid for raw materials which we lack in this country or which are in short supply. I would like to take a few minutes explaining why I feel this barter idea is necessary; then a little about the bill itself, and finally direct myself to some of the obvious questions and criticism that the bill raises.

Since the end of World War II the United States has contributed over $158 billion in foreign aid and assistance. During the period immediately after the war up through the mid-60's an attitude prevailed in this country that since we were the richest country in the world we could give away large portions of our wealth to help the poorer nations. Today, however, this is no longer the case. We cannot afford to continue to give away our wealth with no strings attached. Our wealth is limited; our resources are limited. If we are to maintain and improve the quality of life in the United States, we must receive something in return for our foreign aid.

Our foreign assistance program has certainly not made the rest of the world love us. Many aid recipients gladly take foreign aid with one hand while slapping us with the other through the promotion of anti-U.S. policies. For example, Ecuador has received $340 million since 1964. They have returned our generosity by seizing U.S. fishing boats that come within 200 miles of their shores. Jamaica has received $86 million during that same period. Just last month the Jamaican government announced that it intends to increase the royalties and taxes it levies on bauxite by more than 500%. Presently Jamaica is the major source of bauxite ores for the U.S. aluminum industry. There are, of course, other examples: Peru, Uganda, India, and others. They all serve to illustrate the point that in many instances our aid has not brought stability to some parts of the world. It has not bought friendship for the United States. It has not, in many cases, filtered down to the poor man in the recipient countries. Often it has been wasted on showy office buildings or other extravagant trappings that are monuments to the waste of the American taxpayers' dollars.

While the United States has spent these billions of dollars in foreign assistance over the past 28 years we have been ignoring the crisis that we are heading for with regard to our own economic stability. Each year the Congress is called upon to raise the debt ceiling. Much of that debt is generated by borrowing to meet foreign aid outlays. Our balance of payments picture continues to look bleak for the future. At the same time that our national economy is saddled with these burdens American industry faces an uncertain future as the critical raw materials necessary to progress become more and more scarce. Of the 13 so-called "basic" materials vital to manufacturing, the United States must import all or part of its requirements for eleven of them. Unfortunately this picture will not get any better. There are almost no known large reserves of these minerals left in the United States—and they have been prospected for almost everywhere in the country. So as far as our ability to be mineral self-sufficient, we have reached our limits, barring the discovery in the distant future of substitutes. Of course, it is not just these eleven basic minerals that we are forced to import. There are many others that may be equally important such as platinum, cobalt, mica, magnesium—and the petroleum that we all know about now. Even assuming that our demand for these materials does *not* increase—an unlikely event—the United States will be out of most of these by the year 2000.

If we want to insure that our children and grandchildren are not brought to their knees by the type of economic blackmail that we have seen in the past year we must take steps now to provide mineral resources for the years ahead. Without such security American industry will be permanently crippled, jobs will be lost and our standard of living will drop sharply. The longer we wait to take preventive action the closer to economic disaster we move. Just over the past six months we have seen the chaotic effect that spot shortages of certain critical raw materials can have on U.S. industry. Imagine what it could be like if industry had to be at the mercy of foreign mineral cartels for all of its crucial needs.

At the same time that the United States is running out of these strategic minerals, many of our aid recipients are sitting on mountains of untapped or partially developed natural wealth. Looking at a list of the known or speculative mineral reserves in the world you won't find nations such as the United States, France, Japan, or Germany on that list. Instead you will find nations such as Brazil with zinc, Indonesia with copper, Peru with lead, and Jamaica with bauxite. These are the same countries that in most instances receive U.S. aid in one form or another. With this situation in mind, it seems only right that the United States should begin to receive something in return for its aid. Twenty years ago it was a case of the "developed" nation giving aid to the "under-developed". As we run out of our strategic minerals it is time to barter our aid for these minerals we need. The position of "developed" and "under-developed" is being reversed.

I feel that the barter bill I have proposed would be that first necessary step to mineral security. In addition, the American people would begin to get something back for the billions of dollars of foreign aid we dispense. What I am proposing here is a fair exchange for mutual benefit. Last December, the Appropriations Committee stated in its report on foreign assistance that "some consideration should be given to the possibility of establishing certain arrangements with the underdeveloped countries receiving U.S. foreign aid concerning the exchange or barter of strategic or critical raw materials in their possession."

As the bill is worded the barter aspect of the foreign aid program would be discretionary. It would be used whenever the President "deems it to be in the national interest." This nonmandatory approach would enable us to continue aid to an especially needy area even when that particular country may be completely without any raw materials that we need. On the other hand, it is my feeling that under present circumstances the President should be encouraged to use his barter power at all other times. Whenever he would find that a nation receiving U.S. aid does in fact possess a strategic or critical raw material he should exercise the barter option and obtain something in return for our aid.

The second aspect of the bill concerns just what the United States would do with the raw material once it had successfully bartered for it. As I see it, there are two ways to approach it. The mineral could be stockpiled by the government and then sold at a time in the future when the shortages become more acute. As with the Commodity Credit Corporation, this sale would be done in a manner which did not disrupt the market or cause problems for U.S. industries. The other avenue of approach is to put the rights to the raw material up for bid. The successful bidder would then mine the raw material and sell it, subject only to the stipulation that the mineral must be sold to this country. The barter idea is broad enough in scope to cover either approach or even some third method.

I frankly admit that I do not have all of the answers as to how the specifics of the program would work in detail. However, with the expertise of this committee and its staff I am confident that the details can be worked out.

Those critical of the barter concept have mentioned several areas of concern. On criticism has been the idea that the program is unworkable. I don't think so. As I have mentioned, all of the details may not have been worked out but the thirty years of experience in foreign assistance of this committee and the executive departments can surely provide the guidance and answers that are needed. If we sit around and wait until every single contingency is covered, the idea will never be put into action. We must take that first step now. When the United States began its aid program no one could predict for sure where it would lead—and yet the U.S. took that first step because it was considered necessary. It is time now to head back up that road. To delay any longer will continue this needless expense of taxpayer's money and jeopardize our industrial future.

A second question on the barter approach has been that it allows the United States to prey on the poorer countries of the underdeveloped world. I cannot buy that argument. What we are proposing here is a fair exchange. We are not robbing anyone. These nations will also profit as development of their resources leads to increased employment and a stronger economy for them. If we do not follow the barter course we will pay dearly in 10 or 20 years, even as we are beginning to pay now. We have already seen the beginning of the formation of cartels by these mineral-rich nations. The longer we postpone facing these facts, the more difficult we will make our future. Admittedly this is a carrot-and-stick approach to the problem, but it is the most effective.

I think the time is right to incorporate the barter idea into our foreign aid program. The American public and the Congress are vigorously questioning the giveaway of aid. This sentiment was reflected in the House last January when the IDA authorization was voted down. I feel there is strong support for the barter idea in the House as evidenced by the 54 co-sponsors of this bill.

The barter proposal is not a plan for continuing the Foreign assistance program because my votes of not supporting the program strongly reflect that I would much prefer we stop giving away the taxpayers' dollars. But each year we find that the program continues so if it must continue then we should take the necessary steps to receive material of equal value.

Once again I would like to express my appreciation to the committee for this opportunity to testify. I think the barter concept is an extremely valid idea. I urge its careful consideration and inclusion as part of our foreign aid program.

Raw material	Percent metal needs imported by United States	Approximate current price	Aid recipient possessing metal	Aid received 1973 (millions)	Total aid since World War II (thousands)
1. Chrome (ore)	100	$50/LT	Philippines	$161.7	$2,274,700
2. Cobalt	98	$3.40/lb	Zaire	15.6	498,900
3. Aluminum (ore and metal)	96	$0.48/lb	Jamaica	8.4	127,800
4. Manganese	95	$0.38/lb	Gabon	1.9	7,600
5. Tin	78	$4.70/lb	Bolivia	31.4	602,100
6. Nickel	74	$1.62/lb	Columbia	107.2	1,342,600
7. Zinc	55	$0.35/lb	Brazil	71.5	2,959,900
8. Silver	44	$5.09/tr oz	Peru	9.8	507,600
9. Tungsten (ore)	43	$89/STU	Thailand	81.3	1,739,700
0. Beryllium	39	$30/STU	Brazil	71.5	2,959,900
1. Iron	30	$14/LT	Venezuela	12.0	316,800
2. Lead	27	$0.21/lb	Peru	9.8	507,600
3. Copper	17	$1.08/lb	Indonesia	358.0	1,783,600

COMMITTEE REFORM BILL

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, earlier today the gentleman from Illinois (Mr. ANDERSON) offered a privileged resolution which would have had, if it had prevailed, the effect of forcing the Select Committee on Committees, chaired by the gentleman from Missouri (Mr. BOLLING) to seek a rule on the committee reform bill reported by the Select Committee.

The Speaker, following the precedents of the House, ruled that the resolution offered by my colleague did not in fact have the status of being privileged. Mr. ANDERSON appealed the ruling of the Chair. This was a most unusual move. A motion to table the motion was made. Mr. Speaker, I voted "aye" on the motion to table. As was pointed out earlier in today's proceedings there have been only eight such appeals from the ruling of the Chair in almost 50 years. In every instance but one, the ruling of the Chair was sustained.

The integrity of the Chair and the authority of his rulings are important to the orderly conduct of the business of the House. I was pleased, and not at all surprised, to see the Republican leadership, except for Mr. ANDERSON, vote to table the appeal. I hasten to point out, Mr. Speaker, had Mr. ANDERSON's resolution been in order, I would have supported it. I have carefully considered the Select Committee's recommendations and find them not only desirable and acceptable but imperative. They represent the kind of reform in the House which is needed to meet the ever changing and increasing responsibilities of the House.

I share my colleague's disappointment that House action on the report and recommendations has been delayed but I am more optimistic than he is in my belief that the House will act during this session on this far reaching reform measure.

H. ELDRED WILSON

(Mr. ALBERT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, at the end of this month one of our finest House employees, H. Eldred Wilson, assistant operation's officer in the House of Representatives bank, will retire.

I came to the House of Representatives in the 80th Congress, which convened in January of 1947 and El Wilson came to the House bank in the same year. We have shared a lot of history and we share a particular love for this great institution.

I am sure that all the Members and staff of the House join me in thanking El for his service, dedication, and hard work over the years, and wishing him the best on the occasion of his retirement.

I would like to include at this point in the Record the text of some very appropriate comments broadcast by Joe McCaffrey on Tuesday in tribute to Eldred Wilson:

Joseph McCaffrey News Broadcast—ABC News, Friday, June 21, 1974

Many years ago, young H. Eldred Wilson was tagged by drama critics hereabouts as an actor with a glowing future. He was offered jobs by Arthur Godfrey, by Ethel Barrymore, and he participated in Lee DeForest's first successful telecast in 1927.

Family circumstances kept Wilson from accepting the alluring Godfrey and Barrymore offers. Instead, he entered the banking business with the old Lincoln National in Washington. Now 44 years later—17 with Lincoln, 27 on Capitol Hill, El Wilson is retiring as assistant cashier of the members' banking facility in the Office of the House Sergeant-at-Arms.

Wilson was drafted in early 1947 to reorganize and establish procedural routine in the House bank, at that time operated largely by non-professionals. His first move—insisting on periodic General Accounting Office audits of the facility—eliminated the frequent deficits existing in the bank's accounts before the auditing routine was set up.

Wilson since has become the confidante of scores of House members and staffers, a raconteur of distinction serving as a clearing house for humor from all parts of the nation, but still a professional insisting on professional operations of the House bank. He is retiring, reluctantly, on advice of his physicians.

Did Wilson's early experience as an actor benefit him in his Capitol Hill duties? "Sure did," Wilson says. "It made it possible for me to keep a straight face no matter how many ridiculous things I ran into, no matter how many weird problems I was called on to solve. If this place didn't exist, it couldn't have been invented."

ELVAN GEORGE WAS MORE THAN A COACH

(Mr. ALBERT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, Oklahoma lost one of its greatest coaches and teachers when Mr. Elvan George of Ada, Okla., died of an apparent heart attack at his home at Ada on Friday, June 21, 1974. During 21 years of high school coaching, Mr. George's football teams won 174 games, lost 52 and tied 9. His Ada High School teams won 6 State championships during the 7-year-period from 1951 through 1957. His East Central State College football teams notched a 93–36–5 record winning 4 straight Oklahoma Collegiate Conference titles from 1965 to 1968.

But, as Ray Soldan, reporter for the Oklahoma City Daily Oklahoman, pointed out in an article June 22, 1974, Elvan George was more than a coach. A copy of Mr. Soldan's article follows:

Quoting Napoleon, Elvan George dedicated a history he wrote about Ada High School football with the words: "Battles are usually won by the soldiers but the generals take the credit."

It was a dedication you just knew a man like Elvan George would write. He knew what it took to win. He knew how to prepare a team to win. But once that victory was achieved, he gave the credit to the players themselves.

Elvan George died Friday at the age of 62 of an apparent heart attack. Death was almost instantaneous, coming at his long-time home near his beloved Ada High School at 5:30 a.m. He had just completed his morning ritual of a 5 o'clock jog around the neighborhood.

George was not a complex man. Everything he did, he did enthusiastically and with as thorough preparation as could be mustered.

"Not many ministers could teach religion in college as well as he could," said long-time friend and fellow-coach Craig McBroom in giving an example of his dedication. "He was a Bible scholar. When he went at something, he went all the way."

Nor was George an outgoing man. For a coach, he was remarkably quiet spoken.

"I tried the hollering and ranting style when I first started coaching," George once said. "But it wasn't me. I couldn't tongue-lash effectively. I had to be myself."

"He expected so much and he didn't make any bones about it," said Pat O'Neal, who both played and coached under George and succeeded Elvan as head coach at East Central State College. "He was a disciplinarian who demanded respect."

His coaching record clearly shows that he got that respect. During 21 years of high school coaching (two at Colgate and 19 at Ada), his teams won 174 games, lost 52 and tied nine. His Ada teams won six state championships during a seven-year period from 1951 through 1957.

Moving to East Central in 1959, George coached the Tigers 13 years and notched a 93–36–5 record, winning four straight Collegiate Conference titles from 1965 to 1968.

He retired from coaching following the 1971 season, but remained on the East Central faculty.

George was refreshingly honest in assessing his team's capabilities.

"I didn't see anyone last year who had a line like we think we'll have this year," he said at the outset of the 1955 season. The line literally carried the Cougars to another state title with the inexperienced backfield unable to generate more than two touchdowns a game until the season was eight weeks old.

In August of 1957 he said: "The boys should be able to do about what they want to do. We were fortunate to win the state the last two years, but honestly, we should be better this year." Only one team came within 20 points of Ada, which won all 13 of its games, outscoring three playoff foes, 174–33.

George spoke candidly about all things. "I really made a mistake in leaving Ada High," he said on several occasions while East Central coach. "It's just not nearly as rewarding to me. I enjoyed working with high school kids so much."

Ernest Thompson, who covered sports for the Ada Evening News through much of George's coaching career, has never considered him as merely a coach.

"I don't call him a coach," Thompson said. "I call him a teacher. I've taken several classes under him at East Central in several subjects. He's the greatest teacher I've ever known."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Young of Florida) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 20 minutes, today.

Mr. Schneebeli, for 5 minutes, today.

Mr. Whalen, for 10 minutes, today.

Mr. Don Clausen, for 15 minutes, today.

Mr. McKinney, for 5 minutes, today.

Mr. Walsh, for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Chamberlain, for 30 minutes, today.

Mr. Snyder, for 3 minutes, today.

Mr. Fish, for 10 minutes, today.

(The following Members (at the request of Mr. Stark) to revise and extend their remarks and include extraneous matter:)

Mr. Podell, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Alexander, for 5 minutes, today.

Mr. Henderson, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Aspin, for 5 minutes, today.

Mr. Matsunaga, for 3 minutes, today.

Mr. Reuss, for 30 minutes, on June 28.

Mr. Flood, for 60 minutes, on July 17.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Flood, to revise and extend his remarks immediately preceding the vote on the Symms amendment.

Mrs. Heckler of Massachusetts to revise and extend her remarks during general debate following the remarks of Mr. Michel.

Mr. Steiger of Wisconsin to include extraneous matter in his remarks during the debate on the appropriations bill.

Mr. Randall following the vote of the motion of Mr. O'Neill to table the appeal on the point of order of Mr. Anderson of Illinois, and to revise and extend his remarks.

Mr. Randall, to insert his remarks at that point in the Record after the vote on the amendment of amendment of Mrs. Green of Oregon to reduce the National Institute of Health funding.

Mrs. Heckler of Massachusetts to revise and extend her remarks following the comments of Mr. Teague.

Mr. Albert to extend his own remarks in the body of the Record in two instances and to include extraneous matter.

(The following Members (at the request of Mr. Young of Florida) and to include extraneous material:)

Mr. Roncallo of New York.

Mr. Bell.

Mr. Hunt in two instances.

Mr. Thomson of Wisconsin.

Mr. Sebelius.

Mr. SHRIVER.
Mr. PETTIS.
Mr. HORTON in two instances.
Mr. HOSMER in two instances.
Mr. WYMAN in two instances.
Mr. HEINZ in two instances.
Mr. YOUNG of Alaska.
Mr. BIESTER.
Mr. MIZELL in five instances.
Mr. WYDLER.
Mr. REGULA.
Mr. BOB WILSON.
Mr. YOUNG of Illinois.
Mr. WALSH.
Mr. ANDERSON of Illinois.
Mr. DERWINSKI in three instances.
Mr. MCKINNEY.
Mr. CHAMBERLAIN.
Mr. FRELINGHUYSEN.
Mr. LOTT.
Mr. LANDGREBE.
Mr. GILMAN in two instances.
Mr. HUDNUT.
Mr. MCCLORY.

(The following Members (at the request of Mr. STARK) and to include extraneous material:)

Mr. HUNGATE in three instances.
Mr. EDWARDS of California in two instances.
Mr. ASPIN in 10 instances.
Mr. HÉBERT in two instances.
Mr. GONZALEZ in three instances.
Mr. RARICK in five instances.
Mr. TIERNAN in two instances.
Mr. REID in two instances.
Mr. HAWKINS.
Mr. BADILLO in two instances.
Mrs. GRIFFITHS.
Mr. EVINS of Tennessee.
Mr. ANDERSON of California in two instances.
Mr. VANIK in three instances.
Mr. MURPHY of Illinois.
Mr. MURTHA.
Mr. BURKE of Massachusetts.
Mr. JAMES V. STANTON in two instances.
Mr. DAVIS of Georgia.
Mr. SYMINGTON.
Mr. MCCORMACK in 10 instances.
Mr. NIX.
Mr. ROGERS in five instances.
Mr. MEEDS.
Mrs. MINK.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2001. An act to redesignate the Alamogordo Dam and Reservoir, New Mexico, as Sumner Dam and Lake Sumner, respectively; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. STARK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 18 minutes a.m.) the House adjourned until today, Friday, June 28, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2497. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit persons from countries friendly to the United States to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, and for other purposes; to the Committee on Armed Services.

2498. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 49, *the Fort Sill Apache Tribe of the State of Oklahoma; the Warm Spring Band of Apaches, ex rel. Sam Haozous; the Chiricahua Band of Apaches, ex rel. James Kayaykla, Sr.; the Fort Sill Apaches, ex rel. Benedict Johze, Plaintiffs, v. The United States of America,* Defendant, pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

RECEIVED FROM THE COMPTROLLER GENERAL

2499. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office in May 1974, pursuant to 31 U.S.C. 1174; to the Committee on Government Operations.

2500. A letter from the Comptroller General of the United States, transmitting a report on the use of the economic order quantity principle by selected civil agenices and the Department of Defense; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Omitted from the Record of June 26, 1974*]

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 86. Concurrent resolution authorizing the printing of additional copies of the hearings and final report of the Senate Select Committee on Presidential Campaign Activities (Rept. No. 93–1159). Ordered to be printed.

[*Submitted June 27, 1974*]

Mr. EILBERG: Committee on the Judiciary. H.R. 14597. A bill to increase the limit on dues for U.S. membership in the International Criminal Police Organization (Rept. No. 93–1160). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 14214. A bill to amend the Public Health Service Act and related laws to revise and extend programs of health revenue sharing and health services, and for other purposes; with amendment (Rept. No. 93–1161). Referred to the Committee of the Whole House on the State of the Union.

Mr. NEDZI: Committee on House Administration. S. 2137. An act to amend the act of October 15, 1966 (80 Stat. 953, 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act. (Rept. No. 93–1162). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 15283. A bill to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the productivity and environmental values of certain of the Nation's lands and resources, and for other purposes; with amendment (Rept. No. 93–1163). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee of conference. Conference report on S. 2893 (Rept. No. 93–1164). Ordered to be printed.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1208. Resolution providing for the consideration of H.R. 15427. A bill to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes. (Rept. No. 93–1165). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1209. Resolution providing for the consideration of H.R. 15465. A bill to provide for increased participation by the United States in the International Development Association and to permit U.S. citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad. (Rept. No. 93–1166). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS of Texas:

H.R. 15654. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 15655. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIS of Georgia:

H.R. 15656. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. DENT (for himself, Mr. BLACKBURN, Mrs. BURKE of California, Mr. CARNEY of Ohio, Mr. CONLAN, Mr. CRANE, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. DICKINSON, Mr. DULSKI, Mr. FROEHLICH, Mr. GAYDOS, Mr. HUBER, Mr. ICHORD, Mr. KEMP, Mr. KETCHUM, Mr. MANN, Mr. ROE, Mr. ROUSSELOT, Mr. SHOUP, Mr. SPENCE, Mr. SYMMS, and Mr. ZION):

H.R. 15657. A bill to amend the Export Administration Act of 1969 to prevent the exportation and reexportation of American products, including technology, capital equipment, scientific accomplishments, and agricultural commodities to nonmarket economy countries and unfriendly nations, and to prevent the exportation of such products by American subsidiaries operating abroad to nonmarket economy countries and unfriendly nations; to the Committee on Banking and Currency.

By Mr. FRASER (for himself and Mr. UDALL):

H.R. 15658. A bill to establish the Potomac River National Historical Park in the Commonwealth of Virginia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GUDE (for himself, Mr. DRINAN, Mr. GILMAN, Ms. HOLTZMAN, Mr. BURGENER, Mr. ADAMS, and Mr. MAYNE):

H.R. 15659. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GUNTER:

H.R. 15660. A bill to amend the Internal Revenue Code of 1954 to allow for a temporary period of deduction equal to the increase in residential electricity expenses after January 1, 1973; to the Committee on Ways and Means.

H.R. 15661. A bill to amend the Internal Revenue Code of 1954 to allow for a temporary period a tax credit equal to one-half of the increase in residential electricity expenses occurring after January 1, 1973; to the Committee on Ways and Means.

By Mr. KEMP:

H.R. 15662. A bill to require a vote in both Houses of Congress before any proposed agreement on the transfer of nuclear material or technology to any foreign entity by the United States, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. LEHMAN:

H.R. 15663. A bill to amend the National Housing Act to prohibit FHA insurance of blanket mortgages in condominium projects, and FNMA purchases of conventional condominium mortgages, where the developer retains or will retain a leasehold interest in the common areas and facilities of the project involved; to the Committee on Banking and Currency.

By Mr. LONG of Maryland (for himself, Mr. Koch, Mr. Nix, Mr. Roe, Mr. Hechler of West Virginia, Mr. Denholm, Ms. Abzug, Mr. Stubblefield, Mr. Gaydos, Mr. Charles H. Wilson of California, Mr. Badillo, Mr. Duncan, Mr. Podell, Mr. du Pont, Mr. Tiernan, Mr. Bennett, Mr. Stark, Ms. Grasso, Mr. Bell, Mr. Sarbanes, Mr. Rose, and Mr. Huber):

H.R. 15664. A bill to prohibit the transfer of atomic technology to foreign powers without the express approval of the Congress; to the Joint Committee on Atomic Energy.

By Mr. MOAKLEY (for himself and Mr. Gunter):

H.R. 15665. A bill to amend the Internal Revenue Code of 1954 to allow for a temporary period a tax credit equal to one-half of the increase in residential electricity expenses occurring after January 1, 1973; to the Committee on Ways and Means.

By Mr. MATSUNAGA (for himself and Mrs. Mink):

H.R. 15666. A bill to provide for the settlement of historic claims of the Hawaiian Natives, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. QUILLEN:

H.R. 15667. A bill to amend the Internal Revenue Code of 1954 to provide a limited exclusion of capital gains realized by taxpayers other than corporations on securities; to the Committee on Ways and Means.

By Mr. SHRIVER:

H.R. 15668. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. STEIGER of Wisconsin (for himself, Mr. Regula, Mr. Obey, Mr. Murtha, Mr. Hechler of West Virginia, Mr. Meeds, Mr. Frenzel, Mr. Cohen, Mr. Foley, Mr. Fraser, and Mr. White):

H.R. 15669. A bill to amend section 210 of the Federal Property and Administrative Services Act of 1949 by repealing the authority of the Administrator of General Services and of certain executive agencies to charge an occupant of a Federal building for the use of such building; to the Committee on Government Operations.

By Mr. TIERNAN:

H.R. 15670. A bill to provide for the reimbursement of regulated public utility companies engaged in the sale of electric power at the retail level for any amount expended for residual fuel oil which is more than $7.50 a barrel; to the Committee on Interstate and Foreign Commerce.

By Mr. VEYSEY (for himself, and Mr. Don H. Clausen):

H.R. 15671. A bill to amend the Urban Mass Transportation Act of 1964 to insure that transportation facilities manufactured, constructed, or renovated with Federal funds will comply with minimum standards of accessibility and safety for the elderly and the handicapped; to the Committee on Banking and Currency.

By Mr. BOB WILSON:

H.R. 15672. A bill to amend title 10 of the United States Code in order to provide for the reduction in survivor annuities under the survivor benefit plan by reason of social security benefits based on military service only if such benefits are in fact received by the survivor; to the Committee on Armed Services.

By Mr. BOB WILSON (for himself, Mr. Lujan, Mr. Walsh, Mr. Cohen, Mr. Lagomarsino, Mr. Symms, Mrs. Collins of Illinois, Mr. Buchanan, Mr. Murphy of New York, Mr. Thompson of New Jersey, Mr. Burke of Florida, Mr. Hanna, Mr. Fish, Mr. Gilman, and Mr. Gunter):

H.R. 15673. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. BOB WILSON (for himself, Mr. Sandman, Mr. Bafalis, Mr. Reuss, Mr. Hicks, Mr. Collins of Texas, Mr. Yatron, Mr. Tiernan, Mr. Pepper, Mr. Wydler, Mr. Forsythe, Mr. Frelinghuysen, Mr. Duncan, Mr. Moakley, Mr. Randall, Mr. Rodino, Mr. Won Pat, and Mr. Rose):

H.R. 15674. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. BOB WILSON:

H.R. 15675. A bill to amend section 105(d) of the Internal Revenue Code of 1954 (which relates to wage continuation plans) to provide that the excludability from gross income of disability pension payments to an individual shall be continued when said individual reaches statutory retirement age; to the Committee on Ways and Means.

By Mr. ASPIN (for himself, Mr. Tiernan and Mr. Roncallo of New York):

H.R. 15676. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. BURKE of Massachusetts:

H.R. 15677. A bill exempting State lotteries from certain Federal prohibitions and for other purposes; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 15678. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. GIAIMO (for himself, Mr. Cotter, Mrs. Grasso, Mr. McKinney, Mr. Sarasin, and Mr. Steele):

H.R. 15679. A bill to provide one additional permanent district judgeship; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 15680. A bill to facilitate the transfer of science and technology and increase cooperation between the United States and other nations through the full utilization of global telecommunication services; to the Committee on Science and Astronautics.

By Mr. JOHNSON of Pennsylvania:

H.R. 15681. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. LANDRUM:

H.R. 15682. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gains in certain exchanges involving foreign corporations; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 15683. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. RANDALL for himself, Ms. Abzug, Mr. Adams, Mr. Addabbo, Mr. Anderson of California, Mr. Arends, Mr. Bennett, Mr. Bingham, Mrs. Boggs, Mr. Brasco, Mr. Byron, Mr. Carey of New York, Mrs. Chisholm, Mrs. Collins of Illinois, and Mr. Conte):

H.R. 15684. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. RANDALL (for himself, Mr. Corman, Mr. Dominick V. Daniels, Mr. Davis of South Carolina, Mr. de Lugo, Mr. Denholm, Mr. Dent, Mr. Derwinski, Mr. Dulski, Mr. Eilberg, Mr. Fascell, Mr. Fauntroy, Mr. Fisher, Mr. Flood, and Mr. Foley):

H.R. 15685. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. RANDALL (for himself, Mr. Ford, Mr. Fraser, Mr. Gettys, Mr. Gonzalez, Mrs. Grasso, Mr. Gray, Mrs. Green of Oregon, Mr. Green of Pennsylvania, Mrs. Griffiths, Mr. Gunter, Mr. Hanna, Mr. Harrington, Mr. Hawkins, and Mr. Hechler of West Virginia):

H.R. 15686. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. RANDALL (for himself, Mr. Helstoski, Mr. Hogan, Mr. Holifield, Mrs. Holt, Mr. Horton, Mr. Johnson of California, Miss Jordan, Mr. Leggett, Mr. Luken, Mr. McCormack, Mr. Madden, Mr. Mathis of Georgia, Mr. Matsunaga, Mr. Meeds, and Mr. Melcher):

H.R. 15687. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. RANDALL (for himself, Mr. Metcalfe, Mr. Mills, Mr. Moakley, Mr. Montgomery, Mr. Moorhead of Pennsylvania, Mr. Murphy of Illinois, Mr. Murphy of New York, Mr. O'Brien, Mr. O'Neill, Mr. Passman, Mr. Perkins, Mr. Pickle, Mr. Poage, Mr. Podell, Mr. Rangel and Mr. Rees):

H.R. 15688. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. RANDALL (for himself, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roy, Mr. Roybal, Mr. Ryan, Mr. Sarbanes, Mr. Sebelius, Mr. James V. Stanton, Mr. Stokes, Mr. Stratton, Mr. Stubblefield, Mr. Thompson of New Jersey, Mr. Thornton, and Mr. Tiernan):

H.R. 15689. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. RANDALL (for himself, Mr. VAN DEERLIN, Mr. WALDIE, Mr. WARE, Mr. WHITE, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, Mr. WON PAT, and Mr. YOUNG of Georgia):

H.R. 15690. A bill to establish the Harry S. Truman memorial scholarships, and for other purposes; to the Committee on Education and Labor.

By Mr. SCHNEEBELI:

H.R. 15691. A bill to amend section 402 of title 42, United States Code; to the Committee on Ways and Means.

By Ms. ABZUG (for herself and Mr. KOCH):

H.R. 15692. A bill to prohibit discrimination on the basis of sex, marital status, and sexual orientation, and for other purposes; to the Committee on the Judiciary.

By Mr. LEHMAN (for himself and Ms. SCHROEDER):

H.R. 15693. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for cooperative housing corporations and condominium housing associations; to the Committee on Ways and Means.

By Mr. SYMINGTON (for himself, Mr. ROGERS, Mr. CARTER, and Mr. SEIBERLING):

H.J. Res. 1080. Joint resolution to authorize and request the President to issue annually a proclamation designating January of each year as March of Dimes Birth Defects Prevention Month; to the Committee on the Judiciary.

By Mr. SNYDER (for himself, Mr. DERWINSKI, Mr. HASTINGS, Mr. KING, and Mr. WALSH):

H. Con. Res. 553. Concurrent resolution expressing the sense of Congress that regulations, requiring statement of ingredients on bottles of distilled spirits and wine, be not promulgated until Congress has considered the matter fully; to the Committee on Ways and Means.

By Mr. ANDERSON of Illinois:

H. Res. 1203. Resolution directing the Chairman of the Select Committee on Committees to seek a rule making in order for consideration by the House, House Resolution 988; to the Committee on Rules.

By Mr. ASPIN:

H. Res. 1204. Resolution expressing the sense of the House of Representatives with respect to the completion of negotiations between the United States and Canada for the construction of a natural gas pipeline from Alaska to the continental United States through Canada; to the Committee on Foreign Affairs.

By Mr. GONZALEZ:

H. Res. 1205. Resolution creating a special committee to conduct an investigation and study into the legal, political, and diplomatic status of lands which were the subject of grants from the King of Spain and from the Government of Mexico prior to the acquisition of the American Southwest as a result of the Treaty of Guadalupe-Hidalgo concluding the Mexican-American War in 1848; to the Committee on Rules.

By Mr. KETCHUM (for himself, Mr. SARASIN, and Mr. GILMAN):

H. Res. 1206. Resolution expressing the sense of the House regarding the reclassification of servicemen listed as missing in action in Southeast Asia to presumptive finding of death status; to the Committee on Armed Services.

By Mr. MURPHY of New York:

H. Res. 1207. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ:

H.R. 15694. A bill for the relief of Angela Barnett; to the Committee on the Judiciary.

By Mr. EILBERG:

H.J. Res. 1081. Joint resolution granting the status of permanent residence to certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

453. The SPEAKER presented a petition of the Administration Committee, Board of Governors, American Bar Association, Chicago, Ill., relative to the confidentiality of the Federal Trade Commission's annual line of business reports; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

LASER FUSION

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. TIERNAN. Mr. Speaker, it is generally accepted that the thermonuclear fusion is the ultimate solution to the world's energy problems. In the past few years there have been tremendous advances in the field, primarily in the areas of laser fusion, as opposed to the older theory of magnetic containment fusion. Researchers hit upon the idea of using intense laser beams to blast frozen pellets of hydrogen instantly to thermonuclear temperatures, with a potentially vast release of nuclear energy. Laser fusion eliminates the problems of magnetic containment fusion that scientists have been wrestling with for decades. Numerous problems must be overcome before it can be demonstrated that the laser technique is a practical source of energy. But these problems are somewhat smaller than those confronting magnetic containment.

From its inception, however, laser fusion development has been controlled by the Atomic Energy Commission—AEC—Division of Military Applications, where the tightest security reigns. In effect, the AEC has placed laser fusion in two compartments: one, the dominant military, is hermetically sealed, while the other, civilian, has been allowed a varying degree of flexibility. Under the terms of a 1958 international agreement, initiated by the Soviet Union, six nations agreed to end secrecy about controlled fusion in the interests of solving its problems faster. But when the possibility of laser fusion appeared, the United States tightened its security measures. Such details as the most powerful laser energies achieved and even the names of the new lasers themselves became state secrets.

Naturally, this administrative schizophrenia has inhibited the free flow of information that nourishes research and development. In preventing publication of the work of its own scientists, the United States has slowed its own progress several years. By sealing off information about the development of high-powered lasers, the AEC also excluded all independent researchers who lack security credentials. Yet history shows that new ideas in science most often come from brash youngsters, mavericks, or rank outsiders. It is all but impossible to keep independent minds from getting ideas, but the laser fusion program is studded with futile, harassing attempts to do so.

Last year the prestigious Physical Review Letters, the Journal in which physicists air new ideas and report discoveries, ran a notable editorial denouncing the treatment given laser fusion. "We don't know why it is so secret," wrote the Review Letters' editor, Samuel A. Goudsmit, a distinguished World War II physicist on the staff of Brookhaven National Laboratory. He also said:

> All that we know about fusion is what we read in newspapers and journals. It is heralded as the energy source which will solve all the world's problems . . . keeping work toward this goal secret sounds like hiding progress in cancer research . . . Isn't it silly?

Should laser fusion be so classified? In an area with such vast potential for contributing to the benefit of all mankind, and with much intelligent discussion both for and against, there should at least be a full accounting of AEC action. We must adhere to the admonition of Edward H. Teller, a primary developer of the hydrogen bomb, that:

> Secrecy, once accepted, becomes an addiction . . . difficult to kick.

Fusion research must not be allowed to suffocate in a vault of false secrecy. I am today calling upon the AEC to explain its classification of laser fusion research before Congress and the American people. It is only after a full accounting and review of the aforementioned that we can intelligently tackle the enormous problems and rewards of thermonuclear fusion.

CHARLES MILLARD ENGLISH

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. MURTHA. Mr. Speaker, I want to thank Mrs. Beatrice Burns of Johnstown, Pa., for bringing to my attention the outstanding example set by Mr. Charles Millard English.

Mr. English was recently in Washington as the National Goodwill Worker of the Year. Mr. English is from Columbus, Ga., and my distinguished colleague the Honorable JACK BRINKLEY rolled out a very deserved red carpet for Mr. English and his wife Gloria.

I certainly want to add my congratulations and sincere best wishes to Mr. English. His life following a crippling automobile injury serves as a reminder to us all of how brave the human character can be when it is possessed by a man of vision and courage. Mr. English is certainly such a man.

Mr. English is also a proper symbol for the outstanding work being done in communities all across America by the Goodwill Industries of America. The Goodwill has been doing such good work for so many years, that it is one of those American institutions we have come to take somewhat for granted. But we should take time to remember the outstanding contribution this organization has made to millions of lives in the United States. Mr. English is but one of those lives, but his aid with the Goodwill is a story that has been repeated with a million different variations across this Nation.

Mr. English will be honored at the Goodwill Industries' annual delegate assembly July 9–12 in New York City. He will address the assembly as the official representative of all handicapped people in the Goodwill program. His choice as speaker is an excellent one. And I am certain his remarks will be an inspiration not only to the delegates but to all of us.

I am proud to add my personal best wishes to the many being deservedly received by Mr. English and Goodwill Industries.

RAIL SERVICE FOR NEW YORK STATE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. WALSH. Mr. Speaker, yesterday's decision by a three-judge Federal court in Philadelphia that parts of the Regional Rail Reorganization Act are unconstitutional has added more confusion and chaos to what is already a confusing situation.

Eventually all the problems will be straightened out and a viable system, I am sure, will begin operation. In the meantime, however, the confusion will continue.

What we have to be most careful of is that, in this confusion, the freight and passenger needs of individual States and communities are not overlooked.

New York accounts for a hefty chunk of this Nation's rail freight and passenger traffic and so the opinions and findings of local officials must be taken into consideration if the final system is to realistically reflect what the State needs in the way of rail service.

Along that line, I would like to share with my colleagues the following resolution which was recently passed by the New York Conference of Mayors and Municipal Officials at its annual meeting:

RESOLUTION

Whereas, the members of the New York State Conference of Mayors are deeply concerned that the residents and industries of their particular communities be provided with the best, the most efficient and the most economical passenger and freight train service possible; and

Whereas, the members of the New York State Conference of Mayors are concerned that the planning process authorized by the Regional Rail Reorganization Act of 1973 be so conducted as to produce the optimum rail system; and

Whereas, the officers and Counsel of the New York State Conference of Mayors have coordinated their efforts in this regard with the Commissioner of Transportation of the State of New York and the staff of the New York State Department of Transportation, which coordination included conferences at the Department of Transportation in Albany, testimony at Interstate Commerce Commission hearings in Washington, D.C., and testimony at Interstate Commerce Commission hearings in the City of Albany; and

Whereas, the officers of the New York State Conference of Mayors do agree with and approve the presentations made by the Department of Transportation to the Interstate Commerce Commission Rail Services Planning Office with respect to the report issued by the Secretary of Transportation on or about February 2, 1974 and with the Department of Transportation comments to the Rail Services Planning Office on its proposed standards for determining "Revenue Attributable to the Rail Properties", Avoidable costs of Providing Service" and the "Reasonable Return on the Value"; and

Whereas, the Secretary of Transportation of the United States did promulgate in the Federal Register of April 5, 1974, certain rules and regulations defining procedures for the acquisition of subsidy funds available under § 402 of the Regional Rail Reorganization Act of 1973; and comments being required on those proposed rules on or about June 4, 1974; and copies of the comments on those proposed rules submitted by the Transportation Department of the State of New York having been made available for the inspection of the members of this Conference; and

Whereas, the Counsel of this Conference having recommended that the Conference adopt a Resolution approving and supporting the Commissioner of Transportation in his efforts to insure preservation of the best possible rail system, and in particular, approving and endorsing the comments of the Department of Transportation with respect to the rules and regulations issued by the Secretary of Transportation pursuant to § 402 of the Regional Rail Reorganization Act;

Now, therefore, be it resolved that the members of the New York State Conference of Mayors, in annual convention assembled, do hereby approve the efforts of the Commissioner of Transportation to preserve for the State of New York the best possible rail system, and

The members of the New York State Conference of Mayors, in annual convention assembled, do hereby endorse, approve and adopt the comments of the Department of Transportation of the State of New York in a document dated May 31, 1974 entitled "Comments of the New York State Department of Transportation" in Part 255—Assistance to States and Local and Regional Transportation Authorities in the Region for the Continuation of Local Rail Services Pursuant to § 402 of Title IV of the Regional Rail Reorganization Act of 1973, and

Each member of this Conference be requested to apprise the member of the United States House of Representatives representing his district of this action and request the support of that Congressman; and

The Secretary of the New York State Conference of Mayors, be directed to apprise the two United States Senators from the State of New York of this action and request their assistance; and

The Secretary of the New York State Conference of Mayors, in annual convention assembled, be directed to forward a copy of this resolution to the National League of Cities, Conference of Mayors, with the request that it be considered and adopted at the annual convention to be held in the month of June, 1974, in San Diego, California.

DAIRY FARMERS HAVE GRADE A PROBLEMS

HON. VERNON W. THOMSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. THOMSON of Wisconsin. Mr. Speaker, farmers of every type have a common problem: lack of consumer understanding of the economics of food production. Housewives recognize that food prices in the supermarkets have increased. They have the natural human tendency to overlook the fact that the family paycheck has grown, too.

But, on the farm, the family paycheck is not growing; it is getting smaller. Farm prices are falling, even, though these lower prices are not being passed through to the consumer. Dairy prices, for example, have fallen by about one-fourth within the past several months. What blue-collar worker or office executive has taken a 25 percent pay reduction?

On the other hand, farmers are super consumers themselves. And the prices they are paying for the barbed wire, baling twine, gasoline, and other costs of producing our food is steadily and steeply increasing.

I should like to call the attention of the Members to the following article from the Farmers Union Herald, which describes this situation in the dairy industry. The same situation exists in other farm industries.

[From Farmers Union Herald, June 17, 1974]

DAIRY FARMERS UP AGAINST SOME GRADE A PROBLEMS

Cows are still contented in the lush, green pastures of Wisconsin and Minnesota.

It's their owners who aren't.

The cows have it made with luxuries like milking parlors and good-tasting protein supplements to their diets.

Their benefactors, meanwhile, are faced with a bewildering set of economic facts of life. For one thing, the law of supply and demand isn't working.

Milk prices are dropping, even though U.S. production is decreasing and the nation's consumption is increasing. Costs, on the other hand, continue to skyrocket.

Bob Betzel, River Falls, Wisconsin, dairy farmer, says one reason is imports. "Last calendar year the Secretary of Agriculture and the President failed to enforce a bill which requires countervailing subsidies on imports. We're supposed to collect from the company shipping into the U.S. equivalent to subsidies they've paid to farmers over there," he explains.

"Last year that would have amounted to $26 million, according to the finding of Senator Proxmire. Not one penny was collected."

The imports "depressed our markets here in the United States," he says. Now, there's "more cheese than the people can consume and we have a surplus on our hands. It may go as low as $2 less per hundredweight paid to the dairy farmer." That would bring his last check of $8.22 per hundred down to $6.22.

"It's hard for us to meet the competition," Betzel says. "In some of these foreign countries, milk isn't produced under the same standards we have to meet here. We have a Grade A milkhouse that has to be so far from our septic tanks, no other livestock is allowed in the barn and we have electric bulk coolers that range from $5,000 to $6,000.

"I've seen pictures," he says, taken in Europe "and they've got milk sitting in cans out by the road waiting to be picked up like it was here 30 years ago."

Imports, says Jim Green, Ellsworth, Wis., dairy farmer, "are equal to what the state of Wisconsin produces in milk products. Wisconsin is the number-one dairy state in the Union so there is a problem."

The majority of milk in the Ellsworth creamery where he markets, is sold as cheese. "We got $8.50 a hundred for 3.5 test in March," he says. "April milk we got $8.00 and they tell me May milk is going down another 60 cents."

According to dairy association reports, quality of imports is none too good. "Their health and sanitation doesn't come near up to ours," says Lauren Sorg, Hastings, Minn. "They tell me they ship from countries that have hoof and mouth disease. They've got a warning on it not to feed it to animals here, but they'll give it to humans.

The imported cheese is a "very inferior quality," adds Betzel. "It's mixed with processed cheese here and sold that way. Very little of it is sold on its own merit as a special brand."

Lower milk prices led to more culling of cattle than usual this spring. Lately, though, beef prices have plunged and dairy farmers are tapering off selling for slaughter.

"Farmers were culling quite heavily up till about a month ago," Betzel said. "But now the cow market is dropping to where 24 cents would be a pretty good cow. A month ago they were 34 cents."

Then there are the prices the farmer has to pay.

They've "almost doubled in the last ten months" for Green. "We fill silos with hay for our cattle," he says. "But the price of fuel has jumped about 25–30 cents a gallon and we burn all the way up to 10 gallons an hour filling silo.

"The cost of parts has doubled, if you can get them. And baler twine—in 1973, we were paying $7 a bale. In January, 1974, I paid $18.50.

Betzel agrees that the "cost of production is where the real pinch comes to the farmer." Twine, for him, cost "$6.85–$7.25 a bale and now it's running from $21–24 a bale if you can find it. Barbed wire for our pasture fence—we have rumors occasionally that you can find some at $32 to $40 a roll. You could buy it for $7 to $12 a year ago."

Then there's feed prices. Robert Stegmaier, Farmington, Minn., farmer, attended the Minnesota Farmers Union-sponsored Food Policy Conference the beginning of June. One of the topics for discussion was grain reserves—"so the consumer doesn't get caught with high prices. Of course, farmers are almost as much consumers as the regular consumer-factory worker. Sure, we produce," he says, "but we also consume. High prices hurt us as much as the city person."

Another high-priced item in his area just south of St. Paul, is land rent. "In some instances it's doubled. Rent was relatively reasonable until this last year and then everybody had to get part of the action."

Attrition of farms has been gradual. There's only one farm between his 1,100 acres and St. Paul. And, "you go quite a ways between dairy farms from here on south.

One of the reasons, he says is that "you have a hard time finding anybody who wants to milk cows twice a day. The last I heard, the average age of a dairy farmer now is 58. A guy gets that old and he doesn't feel like getting under a cow too often."

Green says it another way: "A dairy farmer is married to his cows. Recreation—whatever we do—we do around the cow's schedule. We're tied to these cattle seven days a week."

There's more—take equipment, for instance. Standing in his milk house, Green observed, "Take all this stainless steel equipment—you don't pick that up for nothing. There's many, many thousands of dollars involved before you can sell your first dollar of milk.

"We have a bulk tank that automatically washes. We have a pipeline milker that automatically washes, but it takes maintenance. It all costs money.

"They always told us that we should mechanize to be more efficient, but yet you can have all the mechanization in the world and it still takes a person to operate and maintain it. One man can only go so far.

"We sell as much milk here now in one month as we sold in a whole year when I was a kid with my Dad," Green said. "And we're doing it with the same amount of help. They tell me now that we're down to about 5 per cent of the population in farming. I think that's about as efficient as you're going to be able to get in any business."

Green thinks if "this price keeps dropping on milk during the next two to four months—if it doesn't make a turn-around, I think we're going to see a lot less milk production in years to come."

Weather hasn't hurt Green's hay yet, he thinks. "But the corn and small grains are quite a ways behind. The only thing ahead this year is weeds and the chemicals aren't working because it's too cold.

"The farmer's the biggest gambler in the world. When he puts his crop in, he just lays his cards on the table. If Mother Nature doesn't cooperate we just don't get a thing.

"But you look at it another way—1973 was a tremendous year and maybe we got a little too spoiled. I look at it this way," Green said, "probably the rest of my life I'll say I'm going to shoot for that year of 1973 because our cost of production was down in comparison to what we received. This year, our income is down and the cost of production is up. We'll play it by ear, I guess."

It's still the good life, though, Betzel says. "That's why we're here, I guess. I'm living on a homestead that's been in the family over a hundred years. I have a grandson I hope will continue it."

The economy's the key.

Besides solving the problems of imports and all the rest, the farmers agreed, as Green put it, that "we should do a little better job of telling the public our problems. Of course, people in this country have been fed so much like dollar-loaf bread and milk shortages, that they don't believe anything anymore. Still, I think we have to do more educating."

John H. Doornick, Baldwin, Wis., dairy farmer agrees. "Consumer education is a part of it, I think. They've been misled on a lot of it like the cholesterol scare."

If Sorg could tell American consumers his side, he'd tell them "they've never had it so good." For instance, he says, "butter now is 50–60 cents. That's no high price. Butter was always 40 cents a pound, even during the Depression when people made 30 cents an hour. Sure, milk is high compared to what it's been, but consumers don't have any idea what the inputs are. If they compare it with their salary, it's still cheap."

MICHENER ON KISSINGER

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. BIESTER. Mr. Speaker, Secretary Kissinger has found himself in the midst of controversy in the wake of his masterful peace-seeking mission in the Middle East. The accusations against the Secretary center around the nature of his involvement in national security wiretaps, and the criticisms which have been leveled against him have occasioned a strong response from many quarters.

My fellow Bucks Countian James Michener, who is most generally known for his successes in the literary field, is also a keen and respected observer of the political scene, both nationally and internationally. He has expressed some very thoughtful opinions on the Secretary's current predicament, and I would like to share his thoughts with my colleagues.

[From the Philadelphia Inquirer, June 19, 1974]

WE NEED KISSINGER, WARTS AND ALL

(By James A. Michener)

Secretary of State Henry Kissinger's extraordinary behavior in Austria can be understood only if three factors are kept in mind.

Personal. He was exhausted after weeks of exquisite negotiation with the Jews and Arabs. He had pulled off one of the diplomatic miracles of this decade. And he expected, like the Harvard professor he is, to be treated deferentially by the press as he explained modestly how he had done it.

He had every reason to believe that he would be cosseted and coddled. Instead a police-reporter type asked if he had retained counsel to defend himself against perjury.

This was more than he could take. Wounded by the unfairness of such a question, he brooded, felt increasingly sorry for himself, then blew his stack. Sen. George D. Aiken (R., Vt.) called him a damned fool. Former Secretary of State Dean Rusk must have smiled indulgently when he told reporters that perhaps Dr. Kissinger had overreacted.

And yet, as we all review Watergate, of which this is a peripheral part, how often we find ourselves wishing that one or the other of those young men had stood up and asserted their honest feelings. For Kissinger to do it is refreshing. It bespeaks an honest conscience and a will to defend himself against slander.

Tactical. That a Secretary of State should have waited till he reached a foreign country to sound off was an appalling lapse of proper deportment. That he should have done so while on a delicate national mission was indefensible. And that he should have risked imperiling the very peace he had obtained a few days before was irresponsible. It is difficult to imagine a worse breach of diplomatic behavior in our lifetime and lesser men have been fired for lesser breaches.

One suspects that Dr. Kissinger may have put on his act in a calculated effort to help President Nixon, and that he chose a friendly country for the setting, with a captive news corps in attendance, in order to achieve a maximum effect. Certainly, he was aware that his explosion would divert attention from the President and that his anger could serve as surrogate for Mr. Nixon's.

And yet, if we keep our eye on the main problems affecting the Presidency right now, and hence the secretary of state and all the rest of the cabinet, the main problem is to gain time, to defuse public dismay over the tapes, to diminish the demand for impeachment and to erode the strength of the opposition. Mr. Kissinger's outburst helped in all these areas, and while it would be too cynical to say that he had planned it that way, as a super-diplomat he must have been aware that his Austrian outburst could not damage the foreign mission too much, while it aided the stateside mission of subduing Watergate immensely.

Factual. It must be remembered that the resuscitated charges against Dr. Kissinger are in effect trivial. They focus upon semantic definitions and incredibly carefully worded responses to vaguely formed questions. They rely principally upon memos written by men who were never present at the actual exchange of directives and who could not possibly have known precisely what was said. They rely upon implication.

It is fairly well established that someone close to Dr. Kissinger, or perhaps he himself, ordered a series of wiretaps and designated the men to be placed under surveillance. This is openly acknowledged by everyone. But who did exactly what? And how important was the action?

Dr. Kissinger has testified under oath, and has reiterated twice in public, that he did not originate these taps. One suspects that in making this disclaimer he is urging his words with great precision and that he defining the word *originate* in his own way. He is careful, nay meticulous, to state exactly what the facts were, without necessarily giving us all the facts.

Technically, one supposes, he cannot be tripped up. Technically, things will be found to be pretty much as he has described them. But that he was somehow involved no sensible man can deny. It is the precise quality of the involvement that concerns us.

Therefore it seems futile to try to pin some criminal error on this able man. For even if it can be proved technically that he did originate the taps, what would that prove? Our nation was in a time of crisis. Leaks of the most damaging kind has erupted all over the place.

If the administration, and Henry Kissinger in particular, were not apprehensive they should have been. And a series of perfectly legal wiretaps was initiated.

The only question here is one of possible perjury on Dr. Kissinger's part, and as I have indicated, I doubt most seriously that this can be proved. The secretary defines things too accurately to be caught in that trap.

I am not being nice-nelly on this point. A year ago I expressed in public print my disgust over the fact that Dr. Kissinger's close intimates and newspaper friends had been wiretapped, and he rebuked me for my comments, for he is a most sensitive man.

As a long-time hand in the difficult areas of Jew-Arab confrontation, I can attest that his stubborn negotiation with the various nations of the Near East, his patient attention to detail and his obvious good will in dealing with both sides was a major accomplishment. That he was able to convince the Israelis and Syrians to reach a cease fire was miraculous, and he deserves the acclaim he has received.

I am aware that all the warring nations wanted peace and were casting about frantically for someone to act as negotiator, and I am also aware that great historical pressures demanded a settlement, whether Kissinger were on the scene or not, but the fact that he handled negotiations so well, with such good humor, and with such abiding intelligence is to his credit.

We can not afford to lose his further efforts in this field. We must not be like the Athenians who, when they had a notable leader in Aristides, voted to ostracize him on the grounds that everyone praised him too much . . . he was too popular. One Athenian, unable to write, actually asked the great leader to write on the oyster shell the name "Aristides."

"Has Aristides ever harmed you?" the leader asked.

"No," the voter replied. "And I do not even know him. But it irritates me to hear everyone referring to him as The Just."

A lot of people are gunning for Kissinger because he has become too popular, too fawned over. And to harass a man out of office on such grounds is insanity.

Granted that Dr. Kissinger is an arrogant man, granted that he is vain and sometimes even pompous. He is still the brightest political operative on the horizon, and we need him more than ever.

JOHN "LIVER-EATING" JOHNSON

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. KETCHUM. Mr. Speaker, I would like to share with my colleagues an account of a recent event which illustrates the character and spirit of America's youth.

In 1900, John "Liver-Eating" Johnson, the subject of a current film "Jeremiah Johnson," was buried in the Los Angeles National Cemetery.

But it was his wish, according to his descendants, to be buried in the area what is now southern Wyoming and Montana, the land where he had lived most of his life as a mountainman, an Indian fighter, a trapper, and a scout.

Mr. Franklin Robinson's seventh-grade class at Park View School in Lancaster, Calif., thought the legendary Johnson should have his wish fulfilled and began a letterwriting campaign about 6 months ago for his reinterment.

On June 9, Johnson was returned to his beloved mountains, thanks to the untiring efforts of the students. The reinterment ceremony was attended by students from Mr. Robinson's class, relatives of Johnson, and the people of Trail Town, Cody, Wyo.

I know my colleagues join me in commending Mr. Robinson and his students for the integral role they played in the reburial of Jeremiah Johnson. It reflects pride in our Nation's heritage.

I am honored to submit their names for your information with deep appreciation for a job well done on behalf of Jeremiah Johnson.

Julia Aden, Danette Appier, Becky Carey, Kelly Daugherty, Tami Downing, Kirk Dowsett, Mark Endures, Jerry Fields, and Ron Flores.

Monica Garza, Russell Gilliam, Nancy Goldsworthy, Kevin Jennings, Paul Kiyono, Ron Langley, Keith Marshall, Pat McIver, and Lia Miller.

Robert Miller, Karen Moeller, Eric Radzik, Jackie Riley, Kim Seyler, Ben Stewart, John Terry, Sally Westphall, and Ann Willie.

THE HEALTH AND EDUCATIONAL SERVICES INSTITUTE

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HAWKINS. Mr. Speaker, the Health and Educational Services Institute is a landmark in the minority community of south-central Los Angeles. The institute is a minority firm, and is an inner-city-based, nonprofit organization, incorporated in 1971 under article 501(c)(3) of the tax code. It represents an extension of Mr. and Mrs. Nelson Bates and family enterprises initiated in Los Angeles over 22 years ago with the operation of a restaurant. In the intervening two decades, there has been constant improvement and expansion of facilities, and family interests have moved into new areas.

An equal employment opportunity firm with a multiracial staff, HESI has maintained offices on both the west and east coasts. The organization's headquarters in Los Angeles is housed in part of the commercial, family owned complex of more than 11,650 square feet. In addition to the family restaurant, there is an administrative building, a research center, facilities for the profit corporation, conference rooms and workrooms, a technical library, dining areas, and kitchen and storage facilities, all directly related to the business of the nonprofit corporation.

The expansion and improvement of company facilities, all without funding assistance from any governmental or private source, has had a positive impact on the surrounding community to the extent that community-generated "urban renewal" is a visible force.

CONTRACT EXPERIENCE THAT HAS CONTRIBUTED TO THE ACCOMPLISHMENTS OF THE INSTITUTE

The Institute has completed the following projects under contract to the Federal Government or to private groups:

First. Youth, ethnicity, and drugs: Reports from the Job Corps; U.S. Department of Labor, Manpower Administration. This was a survey that was a 2-year effort, and was one of the most comprehensive explorations in existence of drug phenomena among minority young people. The information was gathered through a survey research approach using individual interview questionnaires developed by members of the project staff. More than 1,700 individual interviews were conducted with staff and Corps members at 19 Job Corps Centers in 17 States.

Second. Evaluation of program elements and impact of Federal and local lead-based paint poisoning grant programs; Bureau of Community Environmental Management, U.S. Department of Health, Education, and Welfare. The Bureau of Community Environmental Management awarded grants to 40 cities and counties for childhood lead-poisoning control and prevention programs.

The purpose of the evaluation contract is to establish baseline data on the prevalence of lead-based paint poisoning among children between the ages of 1 to 6 in two urban areas, and to establish evaluation criteria for measuring grant program effectiveness.

Third. Hughes alcoholism study: A study of alcoholism in a black community; Avalon-Carver Community Center, Los Angeles, Calif. The purpose of this effort was to research and plan a comprehensive alcoholism program with emphasis on education, treatment, and rehabilitation directed to ethnic and minority groups. A comprehensive survey was performed to measure the extent and attitudes toward alcoholism in a designated area of the black community in South Central Los Angeles.

Fourth. Data collection and analysis of urban health facilities and manpower; California Committee on Regional Medical Programs; Oakland, Calif. The purpose of this effort was to develop a comprehensive data base on the availability of personal health services, both facilities and manpower, in the State of California.

Fifth. Evaluation of the Job Corps health education program; U.S. Department of Labor, Manpower Administration. The purpose of the evaluation was to identify major strengths and weaknesses of health education curriculums, course formats and instructional competence, and methodologies at a judgment sample of 11 Job Corps centers.

Sixth. Development, production and national distribution of Job Corps health notes newsletter; U.S. Department of Labor, Manpower Administration. The Institute published a series of newsletters to serve as an instrument in the effort to improve the quality of health education at the Job Corps centers. Purpose was to broaden the health knowledge of the instructor while sensitizing him to the impact of culture on health, especially as it relates to the Job Corps population, which includes Indians, blacks, Appalachians, Mexican-Americans, and Puerto Ricans.

Seventh. Revision and conceptual modification of the Job Corps health education program—HEP—instructors' manual PM 400-8(a); U.S. Department of Labor, Manpower Administration. The purpose of this effort was to revise and expand conceptually the Job Corps health education instructors' manual, which is utilized in health education courses at each Job Corps center. The manual explored many health areas, and included such subject headings as: venereal disease; drug use and abuse; emotional first aid (mental health); love, sex, and the family; special health problems of females, black-Americans, Spanish-speaking Americans, and Indians.

Eighth. High-risk health education consultation and support to Job Corps; U.S. Department of Labor, Manpower Administration. Continuing consultation and support to the Job Corps health staff and health education staff at selected Job Corps centers.

PRESENT EFFORTS OF THE INSTITUTE

At present, the Health and Educational Services Institute is approaching Federal agencies with responsibility in the national and international spheres. The institute is especially seeking a working contractual relationship with ACTION to further strengthen other minority and small businesses. The institute is considering this effort in small business assistance as a forerunner of international small business development that has always been a top priority in terms of its goals.

TIME IS SHORT

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. SHRIVER. Mr. Speaker, it has become increasingly apparent in the past few weeks that the cattle industry in this country is facing a major crisis. Fed cattle prices have declined severely since February while feeding costs continue to rise. The resulting loss to the feeders is worsening daily, and is already in excess of $125 a head, with the industry as a whole sustaining losses which amount to over a quarter of a million dollars a month. It is time now for decisive action to protect this industry which is so vital to Kansas and the Nation.

It is my opinion that the situation has become so severe that Congress should insist that meat importation should be stopped immediately and remain stopped until domestic supplies more realistically coincide with demand. Because of the severity of the present situation, an FHA-administered insured loan fund for cattlemen may be necessary as well. Finally, as the needed legislation is drafted, the Nation's food retailers can assume an important role, by encouraging increased sales of beef with retail prices that more closely resemble the low wholesale prices.

The following editorial from the Wichita Eagle and Beacon accurately conveys the urgency with which the situation must be handled:

[From the Wichita (Kans.) Eagle and Beacon, June 23, 1974]

TIME IS SHORT

The Nixon administration announced with considerable fanfare the other day that it was going to buy $100 million worth of beef and pork for the school lunch program, to bolster the faltering livestock industry.

That would be laughable if the situation weren't so grave.

Claire Robinson, president of the Kansas Livestock Association, was quick to point out that this amount would represent only 2½ days slaughter in the nation's packing plants and offers no real assistance at all.

The beef industry, especially, is caught in a price squeeze, and unless some substantial kind of help is forthcoming before long many feeders and producers could be wiped out.

Prices of beef on the hoof have slumped recently, and costs have remained high. At the other end of the food chain, the housewife has noticed that meat prices have gone down considerably.

Why, one might ask, when there are so many more consumers than producers, is that bad? Isn't it better to have lower prices at the supermarket than higher ones at the stockyards?

The answer, unhappily for the majority, must be no. For the stockman cannot afford to raise cattle unless the tremendous investment he has in them is repaid with at least a reasonable profit. Disaster for him in the livestock market can lead only to short supplies and resulting high prices in the stores. So while the present situation may give the consumer a momentary advantage, it cannot in the long run lead to anything but trouble for him as well as for the producer.

What to do about it? That's a harder question. The beef industry and both Kansas senators, among other members of Congress, want to limit or perhaps even eliminate beef imports, which can be produced, shipped and marketed in the United States at less cost than homegrown meat.

To be sure, much of the imported meat is "baloney beef," the less tender, less desirable kind that usually ends up in prepared luncheon meat or wieners. To curtail or bar the import of such beef wouldn't be a complete solution. It probably would help some, though.

Sen. James B. Pearson of Kansas has said that "it simply makes no economic sense to allow foreign countries to substantially increase their shipment of meat into this country" at a time when the domestic industry is in grave trouble.

Probably the best answer lies in a combination of import curbs, federal buying of beef for schools and the military, and perhaps in emergency credit programs for beef producers. But something needs to be done, and quickly. Only Congress can do it, and its time is running out.

I. W. ABEL CALLS FOR CONTINUITY OF PRODUCTION

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. REGULA. Mr. Speaker, the distinguished president of the United Steelworkers of America, I. W. Abel, has called upon every American to join in an effort to improve lagging U.S. productivity.

In an historic agreement, the United Steelworkers of America has agreed with the Nation's major steel companies to resolve bargaining issues without industry-wide strikes in order to achieve continuity of production.

I. W. Abel was born in the portion of the village of Magnolia located about the length of a football field from the 16th District of Ohio. On July 27, 1972, the village of Magnolia most of which is in the 16th District, celebrated "I. W. Abel Day." The 3-day homecoming festival was highlighted by Mr. Abel's remark:

> I was always proud of Magnolia—I have talked about the place on many occasions because, to me, it is the garden spot of the world. My grandmother always said, "as a twig is bent, the tree will grow." I had the counsel and advice of the seniors of those days and I'm sure it helped form my policies and views. I think it was here that I decided to do all I could for my fellow workingman and the labor movement. I will try to warrant your faith—I am deeply grateful.

That concern and dedication has been the hallmark of Mr. Abel's leadership. The statesmanship of this national leader is abundantly evident in his statement on productivity which appeared in many national periodicals which I insert at this point in the RECORD for all to read:

I. W. ABEL CALLS FOR CONTINUITY OF PRODUCTION

I call upon every American to enlist in the crucial battle to improve our lagging productivity.

Nothing less is at stake than our jobs, the prices we pay, the very quality of our lives.

Ominous signs have appeared that all is not well. Between 1960 and 1972, the average annual productivity rise in the U.S. was 3.1%. In comparison, the growth rate in a number of foreign countries was double, in some cases even higher!

By last year, 18% of all the steel sold in this country was being produced elsewhere. Statistics are sometimes dull, but these leap to life when we think of all the businesses that have shrunk, jobs gone down the drain and families have suffered lower living standards as a result.

What happened? Things have been so good for so long that we've become wasteful and inefficient. So wasteful that, incredibly enough, many firms nowadays actually expect to scrap 20% of what they produce!

Let me be blunt: I believe we are standing at a pivotal point in our history. If we adopt a don't-give-a-damn attitude, we risk becoming a second-class economic power.

How can we improve? In these ways:

By stepping up the efficiency of each worker. Does this mean work speedups, job eliminations? Hardly. It does mean cutting down on excessive absenteeism, tardiness, turnover and overtime. It does mean improvings the morale of workers, more effective work incentives—and really listening to the man at the workbench. I've always believed that all the brains in the great American economy weren't in the executive suite!

By improving our technology and really using the technology we already possess. Let's put our brainpower to work to create more efficient manufacturing processes and better equipment. But then let's use them.

Important steps are being taken to help solve the problem. For example, the steel industry and the United Steelworkers of America have established joint advisory committees on productivity at each plant. This co-operative venture is a recognition that workers and employers share a common problem.

Like Oliver Twist, labor has always sought "more"—more wages and benefits. But labor also knows that to obtain more, we must produce more.

Together we face a great challenge. Together, I am confident we will succeed.

GOLDEN ANNIVERSARY OF THE FBI IDENTIFICATION DIVISION

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HUNT. Mr. Speaker, any experienced law enforcement officer will agree that one of the most valuable aids in the fight against crime is fingerprint identification. I know from firsthand knowledge that the cause of justice would suffer and untold numbers of lawbreakers would go free if it were not for the infallible science of fingerprint identification. The significance of fingerprint identification in the fight against crime is well established.

We would be remiss, therefore, if we failed to pay tribute to the FBI's Identification Division on its 50th anniversary, July 1, 1974. The FBI Identification Division through its efficient expertise and cost-free cooperative services has been the guiding force in upgrading the science of fingerprints to an honorable, dependable tool of law enforcement. I am proud to salute the dedicated men and women of the FBI who have given so much of their time and talent over the years to the progress and growth of this great service—fingerprint identification—which means so much to law enforcement and to our country.

I urge my colleagues to join in the recognition of this most noteworthy event and to hail the accomplishments of all members of law enforcement—local, State, and Federal—on the occasion of the golden anniversary of the FBI Identification Division.

I am pleased to set forth below a brief résumé on the estabilshment and development of this great branch of the FBI which has been made possible by the hard work and dediction of the policeman and policewomen of every community of the country.

On the morning of February 22, 1974, minutes before the scheduled 7:15 a.m. departure of Delta Airlines Flight 523, from Baltimore-Washington International Airport, as its 49 passengers were passing through a security checkpoint, a lone male hijacker armed with a .22-caliber revolver appeared from behind a wall. He shot an airport security guard in the back, killing him instantly. Clutching a gasoline incendiary device hidden in a suitcase, the hijacker jumped a security gate and ran onto the plane.

Once inside the aircraft, the hijacker entered the cockpit and ordered the pilot and copilot, "Fly this plane out of here." When the pilot protested that the plane's wheels were blocked and exit doors were open, the hijacker fired into the cockpit killing the copilot and wounding the pilot. After being shot through a porthole of the cockpit door by a police officer, the hijacker killed himself with a shot in the head.

According to letters and tape recordings sent to various news agencies, the hijacker's motive was to force the pilot to fly to Washington, D.C., and to crash the plane into the White House.

The hijacker carried no identification. National news media immediately afforded this matter nationwide coverage; however, the hijacker remained unidentified until his fingerprints were delivered to the FBI Identification Division where a search resulted in a positive identification with fingerprints of Samuel Joseph Byck. A military fingerprint card revealed Byck was fingerprinted April 27, 1954, when he entered the U.S. Army.

The identification of this hijacker by fingerprints is illustrative and typical of the work performed around the clock in the FBI Identification Division. Over the years, hundreds and hundreds of crimes have been solved through fingerprints on file in the Identification Division. Through the FBI Identification Division, fugitives have been brought to justice, military deserters caught, missing persons found and reunited with families; and in many instances, the innocence of suspects established. This is not to mention the part fingerprints have played in the identification of victims in airplane crashes, explosions, ship accidents, and other disasters.

On July 1, 1974, the FBI Identification Division celebrates its 50th anniversary of service to law enforcement. This occasion once again points up the significance and value of a central clearinghouse of fingerprints available to authorities throughout the United States.

The great forward strides made in professional law enforcement during this century must be attributed to a combination of many important developments. These include the adoption of scientific methods, computer development, the growth of modern communications facilities, the use of improved and new equipment, and the dedication of trained career police officers.

No one factor can be singled out as being individually responsible for the progress achieved; however, to list them in the order of their dramatic and far-reaching impact, a prominent place would have to be given to the science of fingerprint identification.

Being especially adapted to the field of criminal identification, fingerprints have come to be closely associated in the minds of the American public with the problems of locating and identifying offenders. Thousands of lawbreakers each year are made to face the consequences of their crimes because of fingerprints left behind. The fleeing fugitive is tied inescapably to his past by the ridge and valley detail on his fingertips.

In addition to its effectiveness in criminal identification, the fingerprint has become increasingly helpful through its humanitarian uses. It reunites joyful families with loved ones who have been long missing; it provides a name and past for the unfortunate tormented by amnesia; and in times of tragedy, it resolves anguished uncertainty by establishing the identity of disaster victims.

The FBI Identification Division in its first half century has become one of the strongest links in the chain of cooperation between Federal and local law enforcement officers, and it has become a mighty force in fighting crime. There is a never-ending drama in the FBI Identification Division's work of matching fingerprints with people. Each identification has its own story. No matter how impressive are the statistics recited or the splendid record of accomplishments by the teamwork efforts of employees in the FBI Identification Division, nothing tells the story of success like cases actually solved by fingerprints.

An unusual request was received at the FBI Identification Division in February 1971. An unsigned letter from Charleston, W. Va., contained three fingerprints of the correspondent with the request, "Please identify me." Without question, these fingerprints were found to be identical with fingerprints of an individual who had visited FBI Headquarters on a tour in 1937, some 24 years earlier, at which time he was fingerprinted for personal identification. Other civil fingerprints indicated this individual applied for Government employment in

November of that same year. On February 26, 1971, the Charleston Daily Mail afforded front page coverage to an article concerning this case entitled, "Who Am I?" In part the article read:

> I didn't think J. Edgar Hoover knew me. But he does. . . . He knows me by the lines on my fingers . . . I'm proud that J. Edgar and his FBI know me.

Recently, the sheriff's office, Galveston, Tex., sent the FBI fingerprints of a deceased male found without identification in the Gulf of Mexico near where a tanker had recently gone down in a violent storm. These fingerprints were identified with those from the civil file of a seaman who was fingerprinted in 1944 as a member of the U.S. Naval Reserve.

In another instance, police authorities in Weiden, West Germany, recovered the body of an unknown adult male found floating in a creek. When local efforts to identify the body were unsuccessful, fingerprints of the deceased were forwarded by Interpol to the FBI Identification Division. Although the finger impressions were of extremely poor quality, they were identified in the civil file with U.S. Army fingerprints of a serviceman stationed in Augsburg, West Germany.

In yet another instance, authorities in McComb, Miss., submitted the fingerprints of an amnesia victim who had been tentatively identified. However, search of his fingerprints in the FBI Identification Division resulted in a positive identification with fingerprints on file of a different individual who was in fact in an AWOL status from the U.S. Army.

Recently, the FBI Identification Division received the fingerprints of a tavern owner arrested in Chicago, Ill., and charged with employing a minor. A search of these fingerprints revealed the subject was in fact a fugitive from justice, having escaped from a prison farm in Ohio some 28 years ago.

The cases are endless and each day brings new ones.

As the FBI Identification Division embarks on its second 50 years, it stands at the threshold of a new era in the science of fingerprint identification. For years the FBI Identification Division has pioneered for a means of using electronic technology to classify, search, store, and retrieve positive fingerprint information. A giant step was recently taken toward the realization of a dream long held by law enforcement—the dream of harnessing the speed and accuracy of the computer in the complex task of identifying criminals by their fingerprints.

In the fall of 1972, the FBI Identification Division accepted delivery of a prototype automatic fingerprint reader system which reads and records fingerprints through the use of computerized optical scanning equipment. The system called "FINDER," a contraction of FINgerprint reaDER, was developed by Calspan Corp.—formerly Cornell Aeronautical Laboratory, Inc.—of Buffalo, N.Y., and represents years of research effort. FINDER incorporates the latest advances in electronic technology and can read a fingerprint in one-half second.

Although new methods of personal identification are constantly being suggested, it is hard to conceive of a system which can improve upon the combination of facility, practicality, and infallibility which is characteristic of fingerprint identification.

The role of the FBI Identification Division as a cost-free service agency is important in the smoothly functioning cooperative efforts of local, State, and Federal law enforcement agencies. The Identification Division's success to enlist the assistance of the Nation's law enforcement community may be seen in the magnitude of its size and operation—truly staggering. Having a file of almost 160 million fingerprint cards and some 3,000 employees, the FBI Identification Division, in the past year, processed over 6 million fingerprint cards, identified over 40,000 fugitives, handled over 4 million pieces of correspondence, and made over 2 million fingerprint identifications. Some 22,000 current fingerprint cards are received and processed daily for the 8,000 contributing agencies. Not even the most optimistic visionary could have foreseen the growth of the FBI Identification Division over the past 50 years.

It has been said that the bumble bee, by all laws of physics and aerodynamics, should not be able to fly. However, we know he does and quite successfully. The same analogy could be made of the FBI Identification Division, considering its magnitude and volume of daily operation. The remarkable and efficient processing system in the Identification Division is a testimony to its dedicated personnel. Innovations and improvements are constantly being made in the smoothly functioning sections and units which make up this important branch of FBI operation. Contributing law enforcement agencies deserve a large share of credit because of their splendid cooperation and accuracy in reporting identification data.

The golden anniversary of the FBI Identification Division is a significant milestone to take note of the splendid service which this branch of the FBI has rendered to law enforcement and the American public. From a meager beginning in 1924, the FBI Identification Division has risen to a preeminent position in the identification field.

Ahead lies its greatest challenge—the sucessful development of a fully automated fingerprint processing system, not only one to process 10-finger fingerprint cards, but one that will also have the capability of searching single latent fingerprints found at the scenes of a crime. To this goal and the continued improvement in identification services, the dedicated personnel of the FBI Identification Division pledge themselves.

CANCER

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. TIERNAN. Mr. Speaker, the most dreadful of all diseases is cancer. The U.S. Government has made a commitment to eliminate this killer disease, which takes the lives of 1,000 Americans every day. It is my strong contention that we must fulfill this commitment, since only the Federal Government has the necessary resources to fund and oversee a task of such widescope magnitude.

As a Member of the House Committee on Appropriations, I have carefully reviewed the proposed appropriation and would like to express my full support for this most justified expenditure. I am pleased to note that over the past 5 years the committee has approximately tripled the annual authorization of funds to the National Cancer Institute, which has admirably administered and coordinated the Federal initiative.

The Institute allocates the Federal funds to 12 comprehensive and 54 specialized cancer centers throughout the country. It is expected that over 100 million Americans will be within 60 miles of these institutions by 1976. These centers will receive most of the $479 million Government-authorized appropriation in order to conduct both research and clinical studies in the fields of cancer prevention, treatment, and rehabilitation. Furthermore, the NCI also collects and disseminates current information on the most recent scientific developments. This information is made available to all 66 centers and thousands of other private medical institutions.

The hearings before the House Subcommittee on Appropriations revealed the noteworthy progress of our federally sponsored program. Improved methods of efficient cancer detection have been developed for some of the most common cancer types. Since early detection is almost always essential in order to effectively treat a cancer victim, these new test and diagnostic techniques have been greatly responsible for saving the lives of 2½ million Americans. An example of this achievement is demonstrated by the 27 new breast cancer clinics, which have been established over the past year. These clinics have already provided free mammograph tests to 300,000 women throughout the Nation. Other easily administered tests, such as the pap test, which detects cancer of the cervix and the CEA blood test which detects cancer of the colon, are now being successfully used in most of our national cancer-care institutions. A new sputum test is also being researched which could efficiently detect early signs of lung cancer.

Moreover, combination therapy, which utilizes various surgical, radiological, chemical, as well as immunological therapy, has led to the great rise in the cure rate of 15 of the 100 known cancer types. It is now possible to successfully treat a high percentage of patients who might have otherwise died from common cancer types such as lymphocytic leukemia, breast cancer, primary Hodgkin's disease and choriocarcinoma. The percentage cure rate of these and other cancer types range between 50 to 90 percent fully curable.

Another rapidly developing facet in our fight against cancer has been in the area of new preventative techniques. In addition to research revelations, which found and classified 32 cancer causing chemicals, the NCI now conducts a cancer screening program. This SEER program utilizes new statistical methods in order to determine the likelihood of cancer among various population groups. In this way, cancer prone persons can be easily sorted and tested based upon their inheritable history. Because of these and other medical advancements, cancer is no longer considered a totally incurable and fatal disease.

Although we have not yet won the battle against this insidious disease, we have finally faced our responsibility and launched a concerted attack against cancer. With continuous full Government support, I remain optimistic that we will be able to conquer this mysterious killer within the not so distant future.

"SORRY?" FOR WHAT?

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HUNT. Mr. Speaker, I am enclosing for the RECORD the following article taken from this morning's edition of the Washington Post. The attitude of judges like Judge Richey can only encourage that fringe element of society who would prey on women. We are almost to the point now where society has more to fear from some judges than it does from criminals. It has to stop.

JUDGE "SORRY" IN JAILING ATTACKER OF D.C. WOMAN

(By Timothy S. Robinson)

U.S. District Judge Charles R. Richey yesterday sentenced a 25-year-old Seat Pleasant man to 3 to 9 years in prison in connection with the 1971 rape and pistol-whipping of a D.C. woman and then apologized to the man for the sentence. The judge's action came after the victim had told him the attack was "something I haven't gotten over yet."

The suspect, Joe P. Morgan Jr. of 7280 George Palmer Hwy., had been a fugitive for the last three years before pleading guilty on June 4 to a charge of assault with intent to rape.

Yesterday's sentencing was made unusual by the rare appearance of the victim before the judge at the time the penalty is imposed in a crime.

The woman previously had been unable to relate her story to the judge since there had not been a trial, so the prosecution asked that she be allowed to speak during the sentencing.

In imposing the sentence, Judge Richey, who has been highly critical of penal facilities in the past, told Morgan: "I'm sorry I have to do this. I wish there were some alternative that were available to you and to this community."

Richey, in an interview later, said that he "had great sympathy for the victim" as well as being sorry in having to send the defendant to jail.

He said he dislikes "the concept of incarceration" and that he is reluctant to send anyone to jail "because I have come to the conclusion that prisons do not rehabilitate prisoners—they are a warehouse or a holding operation."

At the time of the sentencing, he had told Morgan that "I am not satisfied that our penal system satisfies one of its so-called objectives, rehabilitation."

The woman had been raped at 3 a.m. in a car near her home in Northwest Washington, and then fled the car to avoid another attack, according to assistant U.S. attorney Eugene Propper. Her attacker chased her down the street and pistol-whipped her severely, threatening to kill her if she didn't go back to the car, the prosecutor added.

The victim said she had been beaten on the head and face, pushed to the ground and kicked.

"I pleaded with him to stop . . . I got two black eyes. My head had to be shaved (for treatment for cuts and bruises). My legs and feet were bruised," she said. Prosecutors said that doctors would have testified during any trial that the beating she had received was one of the most severe they had ever examined.

She began crying loudly as she told the judge that she had been forced to take leave from her job without pay for a year, and paid her hospital bills herself out of her life savings.

"I suffered a nervous condition. I'm very sympathetic to anyone who has to go through what I've gone through," she told the judge.

Morgan's attorney, Leroy Nesbitt, said he "obviously had nothing but sympathy for this young lady," but indicated that the court should not give undue weight to her statement.

"There will be no gain to this community at this time to place Mr. Morgan in a penal institution," Nesbitt said. He suggested that if Morgan were placed on strictly supervised probation "he would be a walking example to the community" that such activity is being deterred.

Prosecutor Propper said, however, "The city doesn't need a walking example, it needs protection." He pointed out that Morgan had fled to escape trial on the charge three years ago and returned only after an arrest warrant had been issued for him.

Judge Richey told Morgan that although he has been critical of prisons in the past, there "does come a time" when prison is necessary. He told Morgan to use the minimum three years in prison to "reflect on your life . . . I wish you good luck and I hope you will think about the victim."

THE POSTSECONDARY EDUCATION BLUES—OR—THE SCHOOL'S GONE UNDER, BUT THE LOAN PAYMENTS LINGER ON

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. PETTIS. Mr. Speaker, yesterday, my good friend and distinguished colleague (Mr. BELL) brought to the attention of this Chamber the first of a series of articles being run in the Washington Post. The series, written by Eric Wentworth, is a factual report on the victimization of postsecondary education students being carried out by unscrupulous institutions throughout this Nation with the tacit consent of the Federal Government.

Mr. BELL and I have introduced legislation designed to put a halt to such practices. H.R. 11927, the Postsecondary Education Consumer Protection Act, is before the House Subcommittee on Special Education and, hopefully, will receive hearings and positive action in the near future.

Today, I would like to insert the second of Mr. Wentworth's articles and urge all of my colleagues' attention to the problems it reveals:

[From the Washington Post, June 24, 1974]

FOLDING SCHOOLS INCREASE LOAN DEFAULTS—II

(By Eric Wentworth)

When Technical Education Corp. of St. Louis abruptly folded last fall Judy Rodriguez of Ottawa, Ill., was one of thousands of students taken by surprise—or, she later suspected, simply taken.

Like students at a number of other profit-seeking schools which exploited federally insured student loans in recruiting, she wound up a victim rather than a beneficiary of the government program.

Miss Rodriguez, a 22-year-old drug store clerk, signed up in October, 1972, for Technical Education's correspondence course in data processing. She made a $100 downpayment, and applied for an $890 federal insured loan to pay the balance.

She had completed about 60 lessons last October when Technical Education ran out of money and its creditor, EDCO Financial Services of Los Angeles, foreclosed.

EDCO set up a new school in Phoenix, Ariz., and said it would finish training Technical Education's stranded students.

But there was a catch. The now defunct St. Louis school had spent all the tuition revenue from Miss Rodriguez and as many as 3,000 others who had paid in full with insured loans when they first enrolled. Hence, EDCO said, it would have to charge them extra for its own services.

Anxious to finish the course and get a certificate, Miss Rodriguez reluctantly took EDCO up on its offer and has spent an extra $100 so far—at $3 for each lesson she submits for grading.

Her original contract with Technical Education, she said, also covered tuition, travel and living costs for two weeks of classroom training in St. Louis. EDCO would provide that training in faraway Phoenix—but it would cost her an additional several hundred dollars which she can't afford.

Nor, Miss Rodriguez said, can she afford, on a drugstore clerk's salary, to repay the $890 federally insured loan which is supposed to come due this summer. (She assumes a bank or finance company will start dunning her, though she has no idea who—if anyone—holds her loan note.)

"I don't feel I owe anybody anything," she complained. She could refuse to pay the note-holder, who could then file a default claim and collect the federal insurance. But then the federal government itself would try to collect from her.

SORRY EXPERIENCE

Ideally, Miss Rodriguez would like to get her money back and put the whole sorry experience behind her. She has written letters about a refund without success. Technical Education, of course, is insolvent, and EDCO says it isn't responsible for Technical Education's liabilities. The government, under existing law, can neither pay refunds nor forgive student debts.

Malcolm H. Harris, EDCO chairman, said he understood that possibly 3,000 young students who had enrolled in Technical Education's courses with insured loans were owed anywhere from $300,000 to $3 million in unpaid—and apparently unpayable—refunds. (Nobody seemed sure of this figure.)

"Unfortunately and unjustly," Harris said, "I think they have really had the course. They're up the creek without a paddle."

The plight of Judy Rodriguez and other former students of Technical Education in the same boat—one U.S. Office of Education official called it a "horrible, lousy, stinking situation"—would be serious enough in itself.

In fact, it is only one of many problems that have cropped up in the past two or three years where profit-seeking schools were exploiting the insured-loan program to boost their enrollment revenues. In case after case, the students, whom the program was intended by Congress to benefit, have been the ones to suffer most.

School owners, some of them using misleading ads and hordes of glib salesmen, have lured thousands of young Americans into debt for training opportunities that turned out to be dead ends rather than promising paths to high-paid jobs. For many victims, these were debts and disillusionments they could ill afford.

The sorry scenario goes as follows:

The salesman signs up his young customers to an enrollment contract and insured loan application. He may gloss over the fact that they will be going into debt. He may imply that they will only have to pay off the loan after landing that lucrative job after training, or that Uncle Sam will pick up the tab if necessary.

In any event, the salesman gets his commission or adds to his sales-quota body count. The school owner himself gets ready front-end cash, since the loan proceeds usually provide him with the full tuition revenue before the young borrowers even enter the classroom.

The prospective students meanwhile, are caught up for the moment in heady dreams of a new life as computer programmers, executive secretaries or other skilled and well-paid jobholders.

Then the dreams start going sour.

Many students start their training but soon drop out. They may have found inferior lesson materials, inadequate equipment, unqualified instructors, overcrowded classes, indifferent administrators or other shortcomings they hadn't expected. Conversely, despite the salesman's assurances, they may have found the course too difficult for students with limited prior education.

UNEXPECTEDLY STRANDED

Others stay with their courses but then are unexpectedly stranded when the school's owner—for financial or other reasons played close to the vest—suddently decides to shut down.

Students elsewhere who are able to finish their courses often discover the school's placement service is less than promised, or that their costly training carries little weight in any event when they go hunting for jobs themselves.

All these unfortunate individuals, however—like all the luckier student borrowers at other institutions—wind up with insured loans to repay.

It doesn't matter whether the ones who dropped out or were stranded got whatever refunds they had coming to them. And it doesn't matter whether those who finished the course got their money's worth.

Victims of this scenario and its many variations have turned up all over the country.

Barbara Rice, trying to support three children on a secretary's salary in California, was faced with a $1,500 insured-loan debt she couldn't afford for a court-reporting course. She never finished the course because the school, technically nonprofit Riverside University, was driven out of business when the state sued it for fraud.

In Hartford, Conn., Terry Allen and other former students of Atlantic School's airline personnel course have charged the school with fraud in their own lawsuit. Allen was angry when the school fell far short of the salesman's rosy description, and angry, too, when he couldn't get an airline job afterward. Then he was angry all over again when a savings and loan association in the Dakotas demanded repayment of his $600 insured loan—which he has refused to do.

It's hardly surprising that thousands of young borrowers who have had experiences of this sort at the hands of a number of profit-seeking schools have been angrily or desperately defaulting on their loans.

The Office of Education doesn't know for certain how many defaulters have legitimate if unavailing complaints against such schools—as opposed to deadbeats and ordinary hardship cases throughout the $6.7 billion loan program.

Hence, it doesn't know how much they are contributing to the total default volume for students who attended all types of private and public institutions.

CONTROVERSIAL LEVELS

It does know, however, that the overall volume of defaults is reaching costly and controversial levels.

By January of this year, the government had paid nearly $76.3 million in federal insurance to private lenders for 81,200 defaults, plus another $62.9 million to state and private loan-guarantee agencies whose default payments it partially reinsures.

Federal officials do have some indications, however, that borrowers enrolled by profit-seeking schools have been producing at least their share of defaults. One limited analysis, in fact, showed students enrolled by such schools accounting for 10 to 15 per cent of total federally-insured loan volume and later, at repayment time, for about 75 per cent of the defaults.

Moreover, the government agency's files contain a growing number of cases in which particular profit-seeking schools have short-changed their insured-loan students by one means or another—including failure to pay refunds to disillusioned dropouts.

Though students like Judy Rodriguez didn't know it, Technical Education Corp. had repeatedly been in trouble with the government before it folded. In a July, 1969, Federal Trade Commission consent order the company agreed to cease and desist from a number of alleged sales deceptions.

Then, in October, 1971, the Office of Education suspended Technical Education's authority to make its own federally insured loans on grounds it had been signing up ineligible high school students.

In March, 1973, the Office of Education also stopped insuring loans for Technical Education students from other lenders—which effectively barred its use of the program altogether.

A federal auditors' report, released subsequently, estimated that as much as 60 percent of some $3 million in insured loans to Technical Education students were in fact uninsurable because the borrowers had still been in high school, had enrolled but never started training, or had started but dropped out.

The auditors added that Technical Education had been "extremely slow, in most cases," in making refunds to those borrowers.

Finally, a month after Technical Education went broke, Judith Roman of the Greater St. Louis Better Business Bureau disclosed in a confidential report that there had been many complaints about the school's advertising, sales tactics, instructional services and failure to make refunds. "Letters promising still undelivered refunds to students go back as far as January, 1973," she reported.

For his part, Charles R. Johnson, Technical Education's president, said he was "a little bitter" about the whole experience. He said his school had taken advantage of the insured loan program to compete with larger rivals but found it "the worst thing that ever happened to me."

SOME $900,000 IN LOANS

Johnson said the Office of Education "broke us" after March, 1973, when it held up insuring some $900,000 in loans for new students until refunds to former students were paid.

He said he vainly asked the federal agency to assure the lender that insurance would be forthcoming once the refund obligations were met. Then came the auditors' report, which he called "ridiculous . . . unreal."

Johnson said his school went ahead with educating the new students even without tuition revenue from their still-uninsured loans. The Office of Education kept stringing him along while the company's cast pinch tightened, he said, and finally, "We just ran out of money."

How many Technical Education students with loans insured earlier will ultimately default won't be known for a while. But federal officials have repeatedly found high default rates from schools which didn't make the refunds they were supposed to—either to dropouts or students they had stranded. Students who feel a school owes them money are less likely to pay their own debts.

Two years ago, for example, federal officials looked at the records of Marsh Draughon Business College in Atlanta, one of nearly 40 small schools throughout the South which LTV Corp. had bought a few years earlier when education seemed a rich new frontier for American business.

The officials were concerned because former Marsh Draughon students were defaulting on their loans at a high rate—later analysis showed nearly 62 per cent of them weren't making repayments. Their investigation disclosed that among 113 individual defaulters, 95 were owed a total of nearly $60,000 in unpaid refunds.

LTV executives, alarmed, sent their own audit team to check the books of all LTV schools. The results produced a shock in LTV Tower, corporate headquarters in Dallas. According to the auditors, the school chain owed former students who had dropped out at least $5 million in unpaid refunds—more than wiping out the supposed profits previously on the books.

The former LTV students, it turned out, were relatively lucky. The big conglomerate, 21st last year on Fortune magazine's roster of the 500 largest industrial corporations, decided it would, belatedly, make good on the refunds. (Faced with operational problems as well as unexpected red ink, it has also sold off all of its schools.)

Other school owners, faced with financial problems or threatened investigations, have simply shut down their schools.

Last June, the Office of Education wrote one industry accrediting group, the Association of Independent Colleges and Schools. Thirteen of the group's schools, the Office of Education complained, had closed within eight months "without delivering the educational services for which a large number of student borrowers have paid in advance from proceeds of federally insured student loans . . ."

"Questionable recruitment and admissions practices have usually resulted in an alarmingly high dropout rate by these institutions prior to their closure," wrote John R. Proffitt, director of the Office of Education's accreditation and institutional eligibility staff. "Accordingly, many of these institutions lacked the financial capability to meet required student refund liabilities because of apparent mismanagement."

Questionable at best were practices which the accrediting association had already uncovered at one of the 13 schools. Community College in San Antonio, Tex., had been recruiting 80 to 85 per cent of its students under the insured loan program, and by the summer of 1972 had run up a total loan volume of some $3.5 million. More than 55 per cent of some 1,755 recruits had dropped out.

Jack H. Jones, Florida school owner and association leader who was sent to investigate the school in September 1972, found its salesmen had been recruiting large numbers of welfare recipients—three salesmen, in fact, had been assigned to a local welfare office where people came to get food stamps.

"A very high percentage of these welfare recipients," Jones wrote in his confidential report, "were migratory farm workers who could be expected to remain in the area only short periods of time before moving on to another part of the country, automatically producing a dropout that would be very profitable to the institution under a strict interpretation of the [association's] refund policy, but a windfall under the distorted policies administered by the institution."

SOME $500,000 OWED

All told, Jones reckoned, Community College owned its former students some $500,000.

Hardly less callous was the attitude Jones and a colleague had encountered a few months earlier when they investigated another of the 13 schools—Delta School of Commerce in Shreveport, La.

"Although instructors appeared dedicated to a job of educating the young people," they reported, "management appears to have no interest in the welfare of the student body.

"Top management," they continued, "apparently had devoted itself to the collection of substantial sums of tuition in advance and the utilization of its capital in acquiring or opening other institutions for the purpose of obtaining additional windfalls."

A new owner acquired Delta School of Commerce in the late summer of 1972, according to Louisiana authorities. Then, in February, 1973, the Louisiana attorney general's consumer protection unit in Shreveport began investigating a student's complaint about an unpaid refund. A few days later, Delta School of Commerce announced an "early spring vacation," closed its doors and has never reopened.

A federal official's confidential memo, based on an investigation of school problems in the South, describes a blatant pattern of loan-program exploitation:

A school owner makes a deal with a bank, which agrees to pay his school a specified sum, say $150,000.

The school owner then sends salesmen to recruit 100 students and sign them up for $1,500 loans to cover tuition. The salesmen also get the students to sign papers authorizing the bank to turn over the loan proceeds directly to the school.

The bank then pays the school the $150,000 as agreed, frequently without contacting the borrowers or making sure they show up for classes.

This way the school owner has his cash. The bank gets federal interest subsidies on the loans while the borrowers are supposedly in school, and the protection of federal insurance if they default.

Only the unwitting students, faced with repaying their loans to the government if not to the bank, regardless of whether they get an education, stand to lose.

CALIFORNIA CASE

Student borrowers are left holding the bag even if a school shuts down as a result of illegal activities. This happened three years ago in California, where the state attorney general's office filed a civil fraud suit against self-promoting though technically nonprofit Riverside University. The school, swiftly forced into receivership, was charged among other things with certifying numerous ineligible students for insured loans.

Some had signed up for insured loans but hadn't yet started classes when Riverside folded. Since the school had received and spent their loan proceeds, however, the prospective students had to repay the loans despite receiving neither educations nor refunds.

Aroused by what happened at Riverside, California Congressmen Jerry L. Pettis and Alphonzo Bell introduced a bill last December aimed at better controlling school eligibility for student aid programs.

"A fine industry which is fulfilling an ever increasing need for good post-secondary education," Pettis asserted, "is being discredited by con men, hustlers and run-of-the-mill incompetents."

To protect students, their bill would relieve insured-loan borrowers of their debts if it was found the schools which short-changed them should never have been eligible for the program in the first place.

HOUSE OF REPRESENTATIVES—*Friday, June 28, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Thou art my rock and my fortress; therefore for Thy name's sake lead me and guide me.—Psalms 31: 3.

O Thou Ruler of Nations and Lord of Life who dost seek to lead Thy children into the paths of peace, guide our President in his journey to Russia that out of his endeavors there may come the good news of a closer cooperation between our nations. Grant unto all who participate in the conferences wisdom, understanding, and an eagerness to work together for the highest good of the people of this planet.

Bless the Members of this House of Representatives. Strengthen them with the assurance that Thou art with them leading them in the ways of wisdom, by the paths of peace toward the goal of a good and a genuine living for all. May we have the courage to walk with Thee in Thy wholesome ways.

God bless Lew Deschler as he retires and grant him and Virginia joy and peace and health in their retirement.

In Thy holy name we pray. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3534. An act for the relief of Lester H. Kroll;

H.R. 5266. An act for the relief of Ursula E. Moore;

H.R. 7128. An act for the relief of Mrs. Rita Petermann Brown;

H.R. 7397. An act for the relief of Viola Burroughs;

H.R. 8823. An act for the relief of James A. Wentz; and

H.R. 9800. An act to amend sections 2733 and 2734 of title 10, United States Code, and section 715 of title 32, United States Code, to increase the maximum amount of a claim against the United States that may be paid administratively under those sections and to allow increased delegation of authority to settle and pay certain of those claims.

The message also announced that the Senate receded from its amendments numbered 1, 2, 4, 5, 6, 7, 8, 9, and the amendment to the title and agreed to the amendment of the House to the amendment of the Senate numbered 3 to the bill of the House (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to a bill of the House of the following title:

H.R. 11105. An act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill and concurrent resolution of the Senate of the following titles:

S. 3490. An act providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended; and

S. Con. Res. 96. Concurrent resolution adjourning the Senate from June 27, 1974, until noon, July 8, 1974, or until required to reassemble by the Speaker of the House and the President pro tempore of the Senate, whichever comes earlier.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7724) entitled "An act to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) entitled "Joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes".

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8217. An act to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971; and

H.R. 15074. An act to regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8217) entitled "An act to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Long, Mr. Talmadge, Mr. Hartke, Mr. Ribicoff, Mr. Bennett, Mr. Curtis, and Mr. Fannin to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11295) entitled "An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HOLLINGS, and Mr. STEVENS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1193. An act for the relief of Oscar H. Barnett;

S. 2838. An act for the relief of Michael D. Manemann;

S. 3477. An act to amend the Act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia;

S. 3703. An act to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes; and

S.J. Res. 223. Joint resolution extending the authority of the Small Business Administration.

The message also announced that the Vice President, pursuant to Public Law 79-565, appointed Mr. BENTSEN to the United States National Commission for the United Nations Educational, Scientific, and Cultural Organization.

ANNOUNCEMENT BY THE SPEAKER CONCERNING SUMMONSES SERVED UPON CERTAIN MEMBERS AND OFFICERS OF THE HOUSE

The SPEAKER. The Chair advises the House that the Clerk of the House, the Sergeant at Arms of the House, the minority leader, the chairman of the Committee on Ways and Means, and the chairman of the Committee on Rules have been served with summons and complaint in an action against the House filed in the U.S. District Court for the District of Columbia.

The Chair will place in the record copies of the Clerk's letter to the Attorney General and to the U.S. attorney for the District of Columbia requesting that appropriate action be taken pursuant to 2 U.S.C. 118 in defense of this action.

Copies of letters from the Clerk, the Sergeant at Arms, the minority leader, the chairman of the Committee on Ways and Means, and the chairman of the Committee on Rules—all addressed to the Speaker—will be placed in the record along with a copy of the summons immediately following this statement by the Chair:

[U.S. District Court for the District of Columbia, Civil Action File No. 74-928]

ROBIN FICKER, PLAINTIFF, *v.* U.S. HOUSE OF REPRESENTATIVES, DEFENDANT

SUMMONS

To the above named Defendant:

You are hereby summoned and required to serve upon U.S. House of Representatives, U.S. Capitol, person authorized to receive service, plaintiff Robin Ficker, whose address is 9008 Flower Ave., Silver Spring, Md., an answer to the complaint which is herewith served upon you, within 60 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

JAMES F. DAVEY,
Clerk of Court.

Date: June 18, 1974.

WASHINGTON, D.C.,
June 21, 1974.

Hon. CARL ALBERT,
The Speaker, House of Representatives.

DEAR MR. SPEAKER: On June 20, 1974, I was served two separate Summons and Complaint by the United States Marshal that was issued by the U.S. District Court for the District of Columbia. This summons and complaint are in connection with Robin Ficker, et al., v. The United States House of Representatives, Honorable W. Pat Jennings, Clerk of the U.S. House of Representatives, various chairmen of House committees and another House Officer, in Civil Action No. 74-928.

The summons requires the defendants to answer the complaint within sixty days after service.

Both of the summons and complaint in question are herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, D.C.,
June 21, 1974.

Hon. CARL ALBERT,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On June 20, 1974, I was served two separate Summons and Complaint by the U.S. Marshal which were issued by the U.S. District Court for the District of Columbia. This Summons and Complaint are in connection with Robin Ficker, et al., v. The United States House of Representatives, Kenneth R. Harding, Sergeant at Arms, U.S. House of Representatives, various Chairmen of House Committees, and another House Officer, in Civil Action No. 74-928.

The Summons requires the defendants to answer the Complaint within sixty days after service.

Both the Summons and Complaint are attached, and the matter is presented to you for such action as the House deems necessary to take.

Sincerely,

KENNETH R. HARDING,
Sergeant at Arms.

WASHINGTON, D.C., *June 26, 1974.*

The Honorable the SPEAKER,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On June 25, 1974, I was served with a Summons and Complaint in Civil Action No. 74-928, in the United States District Court for the District of Columbia.

It is my purpose by this letter to inform you that it is my desire to be covered in the same arrangements for defense as provided for the Clerk of the House, Sergeant-at-Arms, and the Chairman of the Ways and Means Committee.

The Summons and Complaint in question are herewith attached so that the matter may be presented for such action as the House in its wisdom might see fit to take.

Sincerely,

JOHN J. RHODES,
Member of Congress, Minority Leader.

COMMITTEE ON WAYS AND MEANS,
Washington, D.C., June 28, 1974.

Hon. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have been served with a summons and complaint in civil action No. 74-928 in the United States District Court for the District of Columbia.

It is my purpose by this letter to inform you that it is my desire to be covered in the same arrangements for defense as provided for the Clerk of the House, the Sergeant at Arms of the House, and the Minority Leader of the House.

The summons and complaint in question are herewith attached so that the matter may be presented for such action as the House in its wisdom might see fit to take.

Sincerely,

WILBUR D. MILLS,
Chairman.

COMMITTEE ON RULES,
Washington, D.C., June 27, 1974.

Hon. CARL ALBERT,
Speaker of the House,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: On June 20, 1974, I was served a Summons and Complain by the U.S. Marshall which was issued by the U.S. District Court for the District of Columbia. This Summons and Complaint are in connection with Robin Ficket, et al., v. The United States House of Representatives, Ray J. Madden, Chairman, Rules Committee, U.S. House of Representatives, and another House Officer, in Civil Action No. 74-928.

The Summons requires the defendants to answer the Complaint within sixty days after service.

Both the Summons and Complaint are attached, and the matter is presented to you for such action as the House deems necessary to take.

Sincerely,

RAY J. MADDEN,
Chairman.

WASHINGTON, D.C.,
June 28, 1974.

Hon. WILLIAM B. SAXBE,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. SAXBE: On June 20, 1974, I was served the attached two separate Summons and Complaint by the United States Marshall that were issued by the U.S. District Court for the District of Columbia. This constituted service on the United States House of Representatives and on the Honorable W. Pat Jennings, Clerk of the U.S. House of Representatives. The Honorable Kenneth Harding, Sergeant at Arms of the House of Representatives, the Honorable Wilbur Mills, Chairman of the Democratic Committee on Committees, the Honorable John Rhodes, Chairman of the Republican Committee on Committees, and the Honorable Ray Madden, Chairman of the House Rules Committee were also served with a similar summons and complaint in Civil Action No. 74-928.

In accordance with 2 U.S.C. 118 I have sent a copy of the summons and complaint in this action to the U.S. District Attorney for the District of Columbia requesting that he take appropriate action under the supervision and direction of the Attorney General. I am also sending you a copy of the letter I forwarded this date to the U.S. Attorney.

With kind regards, I am,

Sincerely yours,

W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, D.C.,
June 28, 1974.

Hon. EARL J. SILBERT,
U.S. Attorney for the District of Columbia, U.S. Courthouse, Washington, D.C.

DEAR MR. SILBERT: On June 20, 1974, I was served the attached two separate Summons and Complaint by the United States Marshal that were issued by the U.S. District Court for the District of Columbia. This constituted service on the United States House of Representatives and on the Honorable W. Pat Jennings, Clerk of the U.S. House of Representatives. The Honorable Kenneth Harding, Sergeant at Arms of the House of Representatives, the Honorable Wilbur Mills, Chairman of the Democratic Committee on Committees, the Honorable John Rhodes, Chairman of the Republican Committee on Committees, and the Honorable Ray Madden, Chairman of the House Rules Committee were also served with a similar summons and complaint in Civil Action #74-928.

In accordance with 2 U.S.C. 118 I respectfully request that you take appropriate action, as deemed necessary, under the "supervision and direction of the Attorney General" of the United States in defense of this suit against the U.S. House of Representatives and all the other listed defendants therein.

I am also sending you a copy of the letter that I forwarded this date to the Attorney General of the United States.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.

CALL OF THE HOUSE

Mr. DAVIS of South Carolina. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 349]

Addabbo
Archer
Armstrong
Aspin
Biaggi
Bolling
Brasco
Burke, Calif.
Carey, N.Y.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Cochran
Cohen
Collier
Conyers
Cotter
Crane
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Dellums
Dennis
Diggs
Donohue
Dorn
Downing
Drinan
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Fish
Fisher
Foley
Fulton
Fuqua
Giaimo
Gibbons
Goodling
Grasso
Gray
Griffiths
Grover
Gubser
Gunter
Hammerschmidt
Hansen, Wash.
Harrington
Harsha
Hébert
Heckler, Mass.
Henderson
Holifield
Holtzman
Howard
Hungate
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Karth
Kluczynski
Kuykendall
Kyros
Landrum
Lujan
McClory
McCormack
McKay
McKinney
McSpadden
Macdonald
Madigan
Martin, Nebr.
Mayne
Meeds
Metcalfe
Mezvinsky
Milford
Minshall, Ohio
Moakley
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Nelsen
Owens
Pepper
Peyser
Podell
Powell, Ohio
Quie
Quillen
Railsback
Rangel
Reid
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rooney, N.Y.
Rose
Roy
Seiberling
Shoup
Shriver
Shuster
Sikes
Sisk
Smith, N.Y.
Spence
Stokes
Stuckey
Studds
Talcott
Thomson, Wis.
Thornton
Udall
Vigorito
Waldie
Ware
Whitten
Wiggins
Williams
Wilson, Charles H., Calif.
Winn
Wylie
Wyman
Yatron
Young, Ga.
Young, Tex.

The SPEAKER. On this rollcall 298 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PREFERENTIAL MOTION OFFERED BY MRS. MINK

Mrs. MINK. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mrs. MINK moves that the managers on the part of the House on the disagreeing votes of the two Houses on the bill H.R. 69 be instructed to insist on the provisions of title IV of the House bill with respect to Federal assistance provided to school districts enrolling children whose parents work or live on Federal property.

PARLIAMENTARY INQUIRY

Mr. PERKINS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Will the gentlewoman yield for a parliamentary inquiry?

Mrs. MINK. No, I do not, Mr. Speaker. I insist upon being able to present to the House my privileged motion.

The SPEAKER. The gentlewoman, of course, has the privilege against everything but a point of order.

POINT OF ORDER

Mr. PERKINS. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. PERKINS. Mr. Speaker, I am wondering how much time I will have, as Chairman of the Committee, on the motion to instruct.

The SPEAKER. The Chair will advise the gentleman from Kentucky that is not a point of order.

The gentlewoman has 1 hour which she can yield as she desires. That is as far as the Chair can go.

Mr. PERKINS. Mr. Speaker, I would like to ask about how much time the gentlewoman intends to allocate to the opposition.

Mrs. MINK. Mr. Speaker, I will not yield at this time. I would like an opportunity first, Mr. Speaker, to present my case, and I will assure this House that in deference to the chairman of the conference; that I will yield time to him as Chairman of the full Committee, and I will also yield time to the gentleman from Wisconsin (Mr. STEIGER) to speak for the minority.

Mr. Speaker, the issue is quite clear. It is the old question of impact aid. I do not believe we need an hour to debate the issue this afternoon. Most of us are acquainted with the intricacies of the impact law, Public Law 874, as it currently exists, and most of us recognize the inequities which have been debated in this House on many occasions in the past.

The purpose of my rising to offer this privileged motion is to ask the House to sustain the action which the House took when it reported H.R. 69, the Elementary-Secondary Education Act. In that legislation, we made no substantive changes with regard to the impact law. We extended it for the regular term of that bill. We made several changes with regard to entitlements for Indian children, but we included in our impact provisions a study which would have required the GAO to report back within 1 year suggested changes to our respective committees.

There was a great deal of discussion in our committee before we reported out H.R. 69 about possible changes with regard to category B, to devise a way in which we could fund B-in children differently from B-outs; to wit, those who were going to school in the districts where their parents worked as distinguished from those children who were going to school in districts where the parents did not work. The difficulty with such a formula change was clearly brought out in our committee deliberations that the Office of Education—no office in the entire executive branch, for that matter—had the necessary data to give us the effect of any changes we were considering.

Therefore, we came to the House and asked for a 1-year study in order that the statistics might be gathered for the use of the committee so that a careful analysis could be made. The Senate, however, went ahead and made widescale changes with respect to category B which cut the entitlements of category B children as well as the funding levels.

I have charts there at the desk for those who are interested in seeing the effect of the two basic changes, which amounts to an overall average 20-percent cut in category B.

In our conference deliberations the other morning, the House conferees moved to accept a Senate proposal which, in effect, would have adopted in entirety all of the recommended changes that the Senate bill had proposed with regard to category B children.

Let me run through these changes as they will affect each of the categories.

With respect to A children, which are the children who live on base or on Federal land, whose parents work for the Federal Government, with regard to the civilian A's, the Senate bill cut the entitlement from 100 percent in the current law to 90 percent. Where the local contribution rate is $700, the Senate version would have cut the entitlement by 10 percent for these A children, making the contribution rate not $700 but $630 which is the reduced dollar figure that you multiply against the number of civilian A's. A loss of $70 in entitlement for every A civilian child.

In addition to that, the Senate not only cut entitlements of A children, who are the priority children which this House and Congress has said over and over again deserve the highest priority of funding, but they even cut back in their payment allotment from a current 90 percent down to 88 percent. Therefore, the across-the-board cut in civilian A children in the Senate bill is an aggregate figure of 11 percent.

Each Member knows how much of his funds under impact aid come under category A, and I tell you that you will suffer an 11-percent across-the-board cut in the A civilian category under the Senate proposal.

As for the B children, under current law, the B's are funded at one-half of the local contribution rate. That is the current law.

The Senate cut that entitlement from 50 to 45 percent for the children, whose parents work on property inside the county.

These civilian B's, which we call B-ins, would have an entitlement figure of 45 percent, a 5-percent cut in their entitlement.

As for the children whose parents work outside the county, their entitlements would be cut back from 50 to 40 percent. For those children whose parents work outside the State as in metropolitan Washington, D.C., the Senate provides absolutely no entitlement whatsoever.

In addition to the cuts in entitlement, there were also cuts in the payment level. Under the current appropriation limitation, all of us with B children are now receiving 68 percent funding. The Senate cut even the premium B, which are the military B's. They would be cut back to a 60-percent payment level, making an across-the-board cut of 8 percent. The B-in children would be cut to 57 percent from the current 68. The civilian B-outs would be cut to 53 percent from the current 68 percent.

This is an extremely complicated provision. If some Members do not believe how complicated it is let me show you. I asked the Library of Congress to give me a sketch of exactly what the Senate changes amounted to and how they were developed.

This is what they called a simplified chart; this is what the Library of Congress presented me. And yet the Senate and House conferees on the education bill were expected to make a decision which affected some 5,000 school districts in a matter of minutes.

Mr. Speaker, I would like also to cover another very interesting point. The Senate recommendations with regard to the impact aid changes provided that they were not to take effect in this coming fiscal year anyway. They were not to go into effect in fiscal year 1975; they postponed the effective date of fiscal year 1976.

So what was the necessity of forcing a change upon our school districts which meant millions of dollars to most of our areas which are affected when it was to be delayed for 1 year, anyhow. The House provision called for a 1-year study, to give us the statistics and information necessary to make an intelligent decision. In exchange for the cuts that all of us are being asked to suffer, because they said, reform was necessary in the impact aid program, the Senate proposal added a new category of mandatory funding, and that new category of mandatory funding was in the public housing children area, the category that we refer to as "Category C."

Because of the trigger mechanism in the way the payments are listed in the Senate proposal in category C, public housing children would be counted the moment a single school district received impact aid funding. The net effect of funding the category C public housing children under the Senate proposal amounts to an additional requirement of $59 million.

Mr. Speaker, most of us are willing to allot this money, I am sure, and to count these children in determining school allotments.

I am trying my utmost to explain the complicated changes which were made under the Senate proposal, in the interest of time, so that all Members will know what they are being asked to vote upon this afternoon.

The Senate proposal recommended a mandatory funding of public housing children. This mandatory funding is at the level of 25 percent of 45 percent of the local contribution rate. This addition requires $59 million of additional funding.

Mr. Speaker, most Members of this House, faced with the Senate's adamant demand for funds under category C, would have acceded to this demand. However, what the Senate did, in offering its proposal which a majority of House conferees accepted, was to take $59 million out of category B children to pay for the added cost of adding category C. They reduced the funding, national funding, of category B from $319 million down to $250 million, representing a $69 million across-the-board cut for all category B children throughout the country. This is a 20-percent cut.

This is what I objected to. In order to counter the Senate proposal, during the conference deliberations I offered a counterproposal which would not have changed one iota the current law regarding entitlement and payments under category B, but would have added the funds needed to pay for the public housing category.

Mr. Speaker, outside in the halls I have heard people lobbying against my resolution on the ground that I sought to take away funds from public housing. That is absolutely untrue.

The proposal, which I offered to the House conferees which was rejected, sought to preserve category B funding, and placed in an even higher participation percentage in tier two the category C public housing children. As a matter of fact, every one of the cities and major metropolitan areas would have substantially benefited if my amendment had been agreed to by the House conferees. I feel absolutely certain had I been given an opportunity to make this counterproposal to the Senate that they would have accepted it.

Let me explain one other very important feature of the Senate proposal. and I address this remark specifically to those Members who come from the big cities who have expressed concern about my motion and have questioned my intentions with regard to my actions.

The current bill as agreed to by the conferees has a provision for funding of part C, title I. Part C, title I are funds which are directed to those areas which have high concentrations of poor children. This means the big city metropolitan areas would have received a very large and substantial portion of the funds authorized for the part C, title I funding.

Let me give the Members an example: Philadelphia under part C, title I funding, would have received $3.2 million each year for the life of the bill.

Chicago would have received $6,163,000.

Detroit would have received $3,320,000.

Baltimore would have received $1,353,000.

Los Angeles would have received $4,228,000 for the life of the bill, which happens to be 4 years.

What was traded for part C, title I funding was the public housing alternative. When the Senate proposal was offered, they said give us title I, part C funding for 1 year, and from the second year substitute in lieu of this, funding for public housing category C children under impact aid. And everybody said oh, without having the facts and figures before them, this must be a better deal for the big cities, because we must have more public housing children than we do children whose parents work for the Federal Government.

But let me give Members the figures which I requested of staff from the Library of Congress which illustrate the exact implications of what that exchange for the public housing funds means in lost dollars for the big cities.

For Philadelphia, this would have meant a cut of $1.4 million, because under public housing they get only $1.8 million, but under part C they would have gotten $3.2 million.

Chicago under public housing, with all their public housing children would be receiving only $3,770,000, whereas under part C they would have received $6,163,000 for each of the 4 years—an annual loss of $2,393,000.

Look at Detroit. I have heard people from Detroit argue against my resolution because of the funds they were going to get under public housing category C. The Senate proposal with part C, title I funding would give them each year $3,320,000. Had they persisted on insisting upon part C funding, for heavy concentrations of poor children, instead of accepting the exchange for public housing which amounts to only $320,000 they would have been ahead by $3 million. All that the city of Detroit will receive each year under the public housing part C funding is $320,000.

Los Angeles—and I have had many Members from the Los Angeles area tell me how category C public housing funding is going to help them and, therefore, they get a good break under the Senate proposal. Part C, title I for Los Angeles means $4 million each year for 4 years. Instead, they bought a package in the public housing funding which brings to the Los Angeles County area only $890,000 each year. A tremendous loss. And so what I am asking the Members to do today is to give the House conferees instructions to go back to the conference and to deal with the facts as they actually exist, and to insist upon the House provision in order to give us an opportunity to reopen this matter, and to negotiate a basis on which equitable funding can be provided for the public housing children, and at the same time not sacrifice category B.

CALL OF THE HOUSE

Mr. STARK. Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER.** Evidently a quorum is not present.

Mr. **ZABLOCKI.** Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 350]

Adams
Addabbo
Andrews, N. Dak.
Armstrong
Bell
Biaggi
Bolling
Brasco
Burke, Calif.
Carey, N.Y.
Chamberlain
Chisholm
Clancy
Clark
Cleveland
Cochran
Collier
Conyers
Corman
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Dellums
Dennis
Diggs
Dorn
Downing
Drinan
Edwards, Ala.
Edwards, Calif.
Esch
Eshleman
Evins, Tenn.
Foley
Fulton
Fuqua
Gibbons
Goodling
Grasso
Gray
Griffiths
Grover
Gubser
Gunter
Hammerschmidt
Hanna
Hansen, Wash.
Harrington
Hawkins
Hébert
Heckler, Mass.
Henderson
Holifield
Holtzman
Howard
Hungate
Ichord
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kluczynski
Landrum
Long, La.
Lujan
McCormack
McKay
McKinney
McSpadden
Macdonald
Madigan
Martin, Nebr.
Mathis, Ga.
Mayne
Meeds
Metcalfe
Mezvinsky
Milford
Minshall, Ohio
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Nelsen
Owens
Pepper
Peyser
Podell
Powell, Ohio
Quie
Quillen
Rangel
Reid
Rhodes
Roberts
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rooney, N.Y.
Rose
Roy
Ruth
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Smith, N.Y.
Spence
Stokes
Stuckey
Studds
Talcott
Thomson, Wis.
Tiernan
Udall
Vander Jagt
Vigorito
Waldie
Ware
Whitten
Williams
Winn
Wylie
Wyman
Yatron
Young, Ga.
Young, Tex.

The **SPEAKER.** On this rollcall, 303 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PRIVILEGED MOTION OFFERED BY MRS. MINK TO INSTRUCT CONFEREES

Mrs. **MINK.** Mr. Speaker, I will not take much more time. I believe the issues are, if not thoroughly understood, at least they have been drawn.

The question is whether the House desires to instruct the conferees to hold the House position on the question of impact aid. The net effect of voting for my resolution of instruction is to give the conferees an opportunity to go back to the conference to restore $69 million.

The simple effect of my resolution this morning is simply to give the conferees an opportunity to go back to that conference and to insist that the category B children not be sacrificed, because of the addition of public housing children. I have no objection to the funding of public housing children. I have heard Members come up to me during the interim of the quorum call and say that because I was going to seek funds for public housing they could not support me.

Let me tell the Members, that has already been done by the conference committee. They added the $59 million for public housing. That has already been accomplished. I am saying that that was accomplished at the expense of category B children to the tune of $69 million.

Why do we take education funds from school districts, which desperately need this money, to fund other children? Surely, this country is rich enough, if we must meet the crushing needs of the big cities, to find this extra $60 million to give to these big cities, but certainly not to take it away from the children who deserve it in the category B areas. That is the only purpose of my resolution; to give us an opportunity to reopen this matter.

It will be extremely difficult to do so without the support and encouragement of this House, so I would hope that the House would agree with me.

Mr. Speaker, I have nothing further to say. If the chairman of the full Committee of Education and Labor would like to have a few minutes, I would be glad to yield to him for purposes of debate only.

Mr. Speaker, I will yield 5 minutes to the chairman of the full committee.

Mr. **PERKINS.** Mr. Speaker, I certainly hope the gentlewoman will decide to yield an additional 5 minutes at least, since she has spoken more than 20 minutes.

First, let me state to the membership of the House that on all occasions during this conference, that CARL PERKINS has tried to uphold the position of the House.

I first asked the Senate to accept the House position on impact aid. We got nowhere with that. We had more than a half dozen proposals and counterproposals, and the Senate kept arguing that the country was losing interest in impact aid. They showed their figures. By 1972 the limitation was 73 percent of the amount of entitlements for B children and $5 million reverted to the Treasury.

In 1973 the limitation was 67 percent, and $49.4 million reverted to the Treasury. Last year the limitation was 63 percent, and $48.7 million reverted or will revert on Sunday night, even though it was appropriated for our schools for B children.

Let me tell the Members about the proposals of the gentlewoman from Hawaii to the House and Senate conferees. She proposed in the conference to eliminate payments for out-of-State B's, and also part of that proposal was to cut back on payments for out-of-county B's, and she would have included public housing children for funds at $100 million and she also would not have held any school districts harmless because of the inclusion of public housing children.

The proposal of the gentlewoman from Hawaii (Mrs. MINK) was to cut out of county B's more than is proposed in the Senate proposal that was adopted by the House and Senate conferees, because she proposed to cut back from 28 to 25 percent.

But we disregarded that and set these requirements in the bill. I agree with the gentlewoman from Hawaii that the A children in 1973 amounted to $190,244,000. For this next fiscal year, under the mandatory minimal requirements of the new proposal, the A children will be $193,469,000. And, the heavily impacted districts with more than 25 percent of A children will be funded 100 percent in the A category, and Indian children will be funded at 100 percent.

The Senate amendment, which we adopted in conference, proposes a schedule of payments, minimum payments. Paragraph 1 provides that all school districts shall be paid 25 percent of their entitlements; in other words, all the way across the board, A children, B children, and C children—for the first time in public housing—would be funded to the extent of 25 percent of their entitlements. Above that, B children will receive a minimum requirement by this proposal of 60 percent of their entitlement. Then the Committee on Appropriations could go on above the 60 percent and 25 percent if they wanted to, up to 100 percent.

Therefore, I say that the proposal adopted by the House conferees was much better and straighter than the Mink proposal that was rejected by the House and Senate conferees.

The **SPEAKER.** The time of the gentleman from Kentucky has expired.

Mr. **PERKINS.** Mr. Speaker, I ask unanimous consent for an additional 5 minutes.

The **SPEAKER.** The Chair does not have control of the time.

Mr. **PERKINS.** Mr. Speaker, will the gentlelady from Hawaii (Mrs. MINK) yield an additional 5 minutes to me?

Mrs. **MINK.** Mr. Speaker, I regret that I had assured the Speaker that this debate would take no more than 10 minutes. I yield 5 minutes to my fellow conferee, the gentleman from Michigan (Mr. FORD).

Mr. **FORD.** Mr. Speaker, I would like, first, to commend the chairman of the committee, the gentleman from Kentucky (Mr. PERKINS), and the ranking Republican member on the committee, the gentleman from Minnesota (Mr. QUIE), who is not here today, for the long, hard hours during which they have worked together.

I simply do not feel that we are at this moment involved in a kangaroo court proceeding. I really think we have been trying to work together in a spirit of cooperation in order to get a bill that is fair to both urban America and to rural America. We were not able to do that, in the opinion of many of us in the House bill, with regard to title I, which very clearly, in the minds of many Members, resulted in a very strong evidence of rural bias at the expense of the large city. Therefore, when the Senate was deliberating on what to do, they inserted in their legislation a couple of provisions which they thought would help to relieve the sting of the title I formula that discriminated, in their opinion, against urban America and the big cities in particular.

One of those provisions was the extension of part C of title I, the money that goes where the greatest concentration of poor children visits. That would have meant a one-shot $75 million program to help offset what the big cities were losing in the formula of H.R. 69.

During the course of the conference proceedings the gentleman from Minnesota (Mr. Quie) and the gentleman from Kentucky, Carl Perkins, the chairman of the committee, entered into negotiations with the senior Senator from New York, and I am afraid that the Senator from New York was taught how to make horse-and-rabbit stew, because during the horse trading they were putting horses into the stew and he was putting rabbits in. That is about the extent of equality which resulted.

The Senator from New York first traded off $75 million for their $53 million, and then they decided that it would be better to trade impact dollars than to try to get additional dollars for poor children in the cities. What we are being told, very cynically, here is that if we take the money away from impact school districts, whether to the cities or to small towns, and give it to the cities which have a high proportion of public housing in relation to the number of poor people, somehow that will be more acceptable and politically salable and it will cause less trouble.

I submit to the Members that once we look at the figures, we are going to discover that is not true. No one from the State of Michigan could accept this, because we have a lot more poor people in Michigan than we have public housing to take care of them.

There is only one city on the tradeoff here that comes off with more money, not this year but starting in 1976, than they would have received if they had not accepted the proposal of the House, and that is New York City. Immediately when we get to the smaller towns, towns like Philadelphia, Chicago, Detroit, and Los Angeles, we discover that they really get clobbered.

Los Angeles is an appropriate example. Los Angeles trades $4,228,000 of B money for $890,000 of public housing money. That is a perfect example of what I call a horse-and-rabbit trade. That follows all the way down. So if there are Members here who believe a vote against the position of the gentlewoman from Hawaii (Mrs. Mink) is a vote in favor of urban America getting equity in this legislation, I want to tell them they are wrong.

The way for urban America and rural America to get equity in this legislation is for us to get a resounding vote in this House so that we can say to the conferees and so that we can say to the Senators, "This matter must be reopened for further negotiation." On its face, in its present form, this is so patently unfair and unreasonable that the House is not likely to accept a conference agreement which includes this kind of a settlement.

Mr. Speaker, we are not asking this House to dictate to the other body; we are asking the Members to give the distinguished gentlewoman from Hawaii (Mrs. Mink) a vote in order to let us go back to the bargaining table and try to get legislation that is fair and equitable to everybody—something which is more fair than that which is about to be delivered to us in the package which has been agreed upon by the conferees.

Mr. GILMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. MINK. I yield 1 minute to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman from Hawaii for yielding to me.

Mr. Speaker, I first want to compliment the gentlewoman from Hawaii for focusing the attention of the House on the need to preserve impact aid for those school districts who have the added burdens of educating children for our military personnel.

The House has previously wholeheartedly endorsed continuing this sorely needed educational aid for our impacted school districts.

In the interest of providing equitable aid to "B" school districts, I urge my colleagues to support the proposal made by the gentlewoman from Hawaii (Mrs. Mink) to instruct the House conferees to insist upon the provisions of impact aid as set forth in the House version of H.R. 69.

Mr. PARRIS. Mr. Speaker, will the gentlewoman yield?

Mrs. MINK. I yield briefly to the gentleman from Virginia.

Mr. PARRIS. Mr. Speaker, I wish to congratulate the gentlewoman from Hawaii in her leadership in bringing this matter before the House, and I wish to associate myself with her remarks.

I would also like to suggest that the category B out-of-State provision now being considered in the conference committee would be devastating to the quality of education in northern Virginia. Any suggestion that would eliminate payments for out-of-State "B's" students for assistance, would fly in the face of simple equity on which the current impact aid program is based. The termination of that assistance without notice, even without any consideration for a phaseout period in the future, would be unconscionable. I sincerely hope and trust that the House conferees will not seriously consider or accept such a proposal.

Mrs. MINK. Mr. Speaker, I thank the gentleman from Virginia for his comments.

Mr. Speaker, I do hate to disagree with the chairman of the full committee, the gentleman from Kentucky (Mr. Perkins) but my proposal to the conferees was to hold everybody harmless at 90 percent of the current level of funding for all B category out-of-State children which were cut. The Senate proposal was only 80 percent hold harmless.

Another point that I would like to clarify which the chairman of the full committee states was that there would be adequate funding at 60 percent of payments for category B children—military.

Let me remind the Members that the level of payment now is 68 percent. Right off the top, for these premium-B's that heretofore no one challenged the Senate proposal cut by 8 percent.

Mr. HEINZ. Mr. Speaker, will the gentlewoman yield?

Mrs. MINK. I yield briefly to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Speaker, I rise in strong opposition to the motion by the gentlewoman from Hawaii and in support of a conference report on H.R. 69 that will change the current and grossly inequitable funding of impact aid and embody the principles of the proposed Senate language in the pending education bill.

This is by no means the first time that I have advocated a shifting of this Nation's educational priorities to share with less fortunate school districts the benefits we now accord a few others—others that are often extremely wealthy school districts.

The issue before the House is one of fairness and equity—consider the facts. One of the wealthiest school districts in the Nation, Montgomery County, Md., receives hundreds of thousands of dollars every year of "impact aid" simply because that school district has children whose parents have chosen to work outside that State or county. On the other hand we deny even one penny of impact aid to the Stone-McKees Rocks, Pa., School District where approximately 30 percent of the pupils are children whose families reside on tax exempt property for low rent housing within that school district. Can this possibly be fair? The answer is no.

I strongly urge a change in the present unfair laws, and therefore I vigorously oppose the motion of the gentlewoman from Hawaii.

Mr. LEHMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. MINK. I yield 1 minute to the gentleman from Florida (Mr. Lehman).

Mr. LEHMAN. Mr. Speaker, I thank the gentlewoman from Hawaii for yielding to me.

Mr. Speaker, what concerns me is that after working until 4:15 in the morning and after such a lengthy conference, is that the agreement between the House and Senate conferees may be jeopardized. Between the South and the North, and urban and rural areas, the conference report distributes the money under title I on a much more equitable basis. My State of Florida will receive almost double under title I compared to the preceding year.

However, the Senate conferees themselves are mainly from the big cities, and I have very serious reservations, after sweating this thing out for so many hours, if we reopen this they will really not have the motivation to continue to support this bill, and we will probably lose the conference report entirely. So this vote is a very important vote.

So Mr. Speaker, I implore the Members to support the chairman of the full committee, the gentleman from Kentucky (Mr. Perkins) in his efforts to get out a good bill this year.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentlewoman yield?

Mrs. MINK. I yield 2 minutes to the gentleman from Wisconsin (Mr. Steiger) for the purpose of debate only.

Mr. STEIGER of Wisconsin. Mr. Speaker, I am grateful to the gentlewoman from Hawaii for her very generous allotment of time to enable the House to have a better understanding on what we are doing. Let us be blunt about it. What happens this afternoon on this floor in large measure is going to determine whether or not there is any capability on the part of either the House or the other body to get an elementary and secondary education bill out of conference and enacted this year. Let us not kid ourselves about the importance of this vote this afternoon.

There are many of those in the other body who would be happy to have no bill at all, and who have made no bones about that. I would not want to see this House find itself in the position, based on its decision this afternoon, of completely blowing up in the water the Elementary and Secondary Education Act amendments of 1974. That is the risk we run.

The issues involved are complicated and complex, but I think there are some simple issues about which no Member in this House ought to have a misunderstanding.

No. 1, are we ending impact aid? Obviously not. No. 2, what happens to military impact aid children? Basically no change. I think that ought to be clear to the Members that when we talk about the military impact aid children who are affected by the decision of the conference, we ought to understand that for the last several years in Appropriations Committee language most of the military A children in the less than heavily impacted districts have been limited to 90 percent. They are not getting a cut; they are being retained at exactly the same level that the Committee on Appropriations in both the House and the Senate have mandated.

Third, are we making changes in the impact aid program? Yes, we are. I think changes are in fact necessary. I find it very difficult to defend to my constituency or to the constituency of any Member in this House that we ought to leave intact the impact aid program. Over all it does require changes. But with the hold-harmless provisions, with the inclusion of public housing children, I think we move in the direction of trying to create a greater degree of equity. Why should we include public housing children under category B? I think the answer is simple. It is because we have accepted the title I formula in the House bill. The McClellan amendment which included the House title I formula was adopted in the Senate, and there are those in major metropolitan areas who do not like that decision.

The Members have instructed us on busing. I accept that. But if the Members instruct us on this, if they make it so impossible to bring back a conference report under any circumstances, then they must answer to their school districts, they must answer to the young people in their districts about the fact that they totally collapsed the conference on a $20 billion education bill.

I hope the House will not do that. I urge the Members, implore them, beg them to vote no on the request of the gentlewoman from Hawaii.

Mrs. MINK. The gentleman from Wisconsin has hit upon the precise issue which is confronting this House today. That is whether children in the school districts in our areas are to be traded off like some commodity in a conference committee. That is the issue here that we must face. It is not a question of helping someone else get additional money for their schools and for their school districts. It is a question of taking $69 million away from existing programs without an iota of evidence that the Senate in offering this proposal knew the traumatic impact that it would have on our districts.

The effect of the Senate changes are postponed for 1 year. What is the difference in this position from ours? We provided for a 1-year study. We would then come back after 1 year and know precisely the effect of what we are doing.

I believe that the House has had ample time to consider my resolution. The question is very clear. I beg this House not to take funds away from school districts. I urge you to give the House conferees a chance to go back, negotiate this issue, put back the category B money, and go along with the Senate conference recommendation with regard to the public housing children.

Mr. HOGAN. Mr. Speaker, I rise in strong support of the motion by the distinguished gentlewoman from Hawaii (Mrs. Mink) to instruct the House conferees on H.R. 69, the Elementary and Secondary Education Act amendments, to retain the House language on impact aid programs.

When we passed Mrs. Mink's impact aid amendment on March 27 of this year, we did so by an overwhelming margin of 276 to 129, and that solid victory for extension of impact aid programs through 1977 was well deserved.

The Committee on Education and Labor had recommended phasing out the impact aid programs at the end of fiscal 1975, despite the fact that other programs under ESEA were granted an extension to 1977. The basic unfairness of this proposal was obvious to a sizable majority of the House membership in March, and it should remain so today.

The basis for the committee's opposition to a longer extension for impact aid was a belief that these programs were providing unfair advantages for some school systems that were not afforded to other school systems, and that the impact aid programs might be outmoded.

But the committee further called for a study of these allegations to determine what the future of impact aid should be, and 1 year is simply not enough time to conduct the extensive and definitive study that should be made of this matter.

The issue before us today is the same one that we faced in March, and that is the question of whether or not the Congress wants to study impact aid programs or kill them. I want to study these programs with a view toward making them more equitable and more effective in the future, and Mrs. Mink's amendment would give us this opportunity with sufficient time to do the job properly.

Therefore, Mr. Speaker, I urge my colleagues to join me in support of this motion to instruct our conferees to hold fast to the overwhelmingly approved House language in this matter, and demand that it be included in the final conference report version.

Mr. TALCOTT. Mr. Speaker, I cannot voice too strongly my objections to the action taken by the conferees with respect to the impacted aid provisions in H.R. 69.

The provisions of the Senate version of H.R. 69 relating to impacted aid which were accepted by the conference committee would change the existing Public Law 874 program to the detriment of nearly all school districts now receiving impacted aid funds.

If this action is allowed to stand it will raise havoc with the school budgets in those affected school districts. It is unconscionable to ask our school administrators to wait until June, July, or perhaps August to learn how much Federal assistance they can expect for the upcoming school year which begins in September.

I urge my colleagues therefore to reflect on the consequences of this action and move to instruct our conferees to insist on the impacted aid provisions adopted by the House.

Mrs. MINK. Mr. Speaker, I requested the Library of Congress to provide estimates of effects of the tradeoff which was agreed to in the House-Senate conference as they affect certain districts, cities, and States.

The table below illustrates the effect of the tradeoff, based upon the most current data available, regarding the number of children, the number of public housing units with school age children, local contribution rates as used in the current fiscal year's calculations of entitlements, and allotments under part C of title I based upon full appropriations level of $75 million for fiscal year 1975.

The tradeoff was reductions of impact aid funding at both the entitlement end ranging from 5 to 10 percent and the payment end from 8 to 15 percent below the current 68 percent—in exchange for counting public housing children as "B-in's" at the payment rate of 25 percent, beginning in fiscal year 1976 in lieu of whatever the schools received under part C of title I.

As in all of these cases, most Members were deeply concerned about the loss or gain of funds for their districts. Regrettably no exact figures are obtainable. No one can know what the local contribution rate will be in fiscal year 1976, or the average daily attendance, or the number of children in public housing units, or the number of children whose parents will work for the military or for the Federal Government who live outside the county, and all the other variables which the new formula requires as new data, before an actual calculation can be made.

This was a major reason for the House providing for a 1-year mandated study so that these data could be obtained and the exact impact of all changes known in advance.

Be that as it may, those who were arguing against my motion who would be wise to study carefully the tables that were prepared from the best available data by the Library of Congress. It shows what the effect would be on the major cities and States if the conference draft were to become law today. You could draw a straight line correlation from that to what it will be like in fiscal year 1976 when it does go into effect. Certainly in 1 year you are not going to have massive new public housing units built, or huge shifts in poor children into the cities to affect the results in any material way.

So the following chart, I believe, has reasonable applicability to what the picture will look like in fiscal year 1976 when these major changes will become effective under the conference bill.

Further, I am assuming that part C, title I funds will be fully funded in fiscal year 1975 at the level of $75 million primarily because of the changes made in the funding mechanism. Part C, title I is for special grants for urban and rural schools with the highest concentration of poor children. In this current fiscal year 1974, $47,239,237 was allotted.

The tradeoff in the conference bill was that part C, title I funds will cease at the end of fiscal year 1975 and in place thereof the "public housing" children will begin to be counted as "B" category impact aid children but with a limited payment of 25 percent of—45 percent of the local contribution rate.

The question therefore is whether this tradeoff:

Loss of category B funds because of the revised formula and entitlement; plus

Loss of part C, title I funds is less than whatever gain your district might make from counting public housing children as "B" category at 25 percent of—45 percent of local contribution rate.

For example, as I said before, if you will look at Detroit: If you add the loss of $930,000 of part C, title I funds, and the loss of category "B" funds because of the change of the formula, it totals $1,010,000. Yet under the addition of public housing children counted as "B" children Detroit only will get $330,000. Thus the net loss for Detroit will be $680,000.

If you take Philadelphia: The loss under part C, title I funding when that is repealed at the end of fiscal year 1975 at full funding is $3,280,000; its further loss under the new category "B" formula is estimated at $550,000; yet the additional funds it will receive on account of counting public housing children as category "B" children is only $1,820,000. So in Philadelphia, the loss will amount to $2,010,000 under the conference agreement.

In Los Angeles County, the loss under part C, title I funding when that is repealed in favor of category C impact aid, again assuming part C, title I, will be fully funded is $4,230,000; the city of Los Angeles loses under the new category "B" formula $590,000; the additional funds it will receive on account of counting public housing children as category "B" is only $890,000. The city of Los Angeles has only an estimated 16,040 children living in its public housing units. Its loss under this conference tradeoff is likely to be $3,900,000.

The chart referred to follows:

State, county, and school district	Conference authorization for ESEA title I, part C (fiscal year 1975)	Estimated loss, section 3(B), over current law by Senate provisions paid at 2 tiers without low rent housing (fiscal year 1973 data)	Estimated public housing, Senate proposal at 25 percent of 45 percent LCR (fiscal year 1973 data)	Estimated low rent housing children in ADA (fiscal year 1973 data)
National	$75,000,000	$69,000,000	$53,000,000	883,000
California	9,000,000		3,830,000	69,200
Los Angeles County	4,230,000			
Los Angeles City		590,000	890,000	16,040
San Francisco	370,000	150,000	210,000	3,810
Colorado	790,000		300,000	5,280
Denver	370,000	230,000	250,000	3,000
District of Columbia	1,190,000	770,000	640,000	10,120
Florida	1,990,000		1,530,000	31,600
Dade County	500,000	40,000	200,000	4,080
Illinois	6,650,000		4,850,000	72,640
Cook County	6,160,000			
Chicago		600,000	3,630,000	53,330
Maryland	1,580,000		1,230,000	21,040
Baltimore City	1,350,000	190,000	1,080,000	14,960
Michigan	$5,250,000		$870,000	20,640
Wayne	3,320,000			
Detroit		$80,000	330,000	6,070
Missouri	1,060,000		660,000	12,800
St. Louis City	480,000	80,000	340,000	5,520
Jackson	230,000			
Kansas City		140,000	90,000	1,420
New York	9,000,000		8,420,000	91,360
New York City	7,160,000	990,000	7,860,000	71,290
Pennsylvania	4,700,000		3,390,000	58,720
Allegheny	1,120,000			
Pittsburgh		70,000	630,000	7,730
Philadelphia City	3,280,000	550,000	1,820,000	26,610
South Carolina	570,000		390,000	8,050
Charleston County	170,000	320,000	90,000	1,940
Virginia	1,210,000		1,230,000	21,120
Norfolk City	300,000	460,000	330,000	5,520
Alexandria City	0	260,000	110,000	1,040

Mrs. MINK. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the preferential motion offered by the gentlewoman from Hawaii (Mrs. MINK).

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MINK. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 144, noes 187, not voting 103, as follows:

[Roll No. 351]

AYES—144

Abdnor
Adams
Alexander
Anderson, Calif.
Ashbrook
Baker
Bauman
Beard
Bevill
Biester
Blackburn
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brotzman
Brown, Ohio
Broyhill, Va.
Burgener
Byron
Camp
Carter
Clausen, Don H.
Clawson, Del
Cohen
Conlan
Coughlin
Crane
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Denholm
Dickinson
Dingell
Drinan
Duncan
Edwards, Calif.
Evans, Colo.
Fisher
Flowers
Flynt
Ford
Gettys
Gilman
Ginn
Goldwater
Gonzalez
Green, Oreg.
Gross
Gubser
Gude
Guyer
Hamilton
Hanley
Hanrahan
Harsha
Hébert
Hicks
Hinshaw
Hogan
Holt
Hosmer
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Kastenmeier
Kazen
Ketchum
King
Kuykendall
Kyros
Lagomarsino
Leggett
Long, La.
Lott
McClory
McFall
Mahon
Mathias, Calif.
Mathis, Ga.
Matsunaga
Melcher
Mezvinsky
Miller
Mink
Mitchell, N.Y.
Montgomery
Moss
Murphy, N.Y.
Natcher
Nedzi
Nichols
O'Brien
O'Hara
Owens
Parris
Passman
Patman
Pettis
Pickle
Pike
Poage
Price, Tex.
Pritchard
Randall
Rees
Rooney, Pa.
Rousselot
Runnels
Ruppe
Ryan
Scherle
Sebelius
Skubitz
Snyder
Spence
Steed
Steele
Steiger, Ariz.
Stephens
Stratton
Stubblefield
Taylor, Mo.
Thornton
Traxler
Udall
Van Deerlin
Vander Veen
Veysey
Waggonner
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Wilson, Bob
Wilson, Charles H., Calif.
Wright
Young, Alaska
Young, S.C.

NOES—187

Abzug
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Arends
Ashley
Aspin
Badillo
Bafalis
Barrett
Bell
Bennett
Bergland
Bingham
Brademas
Bray
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney, Ohio
Casey, Tex.
Cederberg
Chappell
Clay
Cleveland
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cronin
Daniel, Dan
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Dent
Derwinski
Devine
Donohue
Dulski
du Pont
Eckhardt
Eilberg
Erlenborn
Fascell
Findley
Fish
Flood
Forsythe
Fountain
Fraser

Frelinghuysen
Frenzel
Frey
Froehlich
Gaydos
Giaimo
Green, Pa.
Haley
Hansen, Idaho
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hillis
Holtzman
Horton
Huber
Hudnut
Hunt
Hutchinson
Johnson, Pa.
Jordan
Kemp
Koch
Landgrebe
Latta
Lehman
Lent
Litton
Long, Md.
Luken
McCloskey
McCollister
McDade
McEwen
Madden
Mallary
Mann
Maraziti
Martin, N.C.
Mayne
Mazzoli
Michel
Mills
Minish
Mitchell, Md.
Mizell
Moorhead, Calif.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers
Nix
Obey
O'Neill
Patten
Perkins
Preyer
Price, Ill.
Railsback
Rangel
Rarick
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Roe
Rogers
Roncallo, N.Y.
Rosenthal
Rostenkowski
Roush
Roybal
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Seiberling
Shipley
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Wis.
Sullivan
Symington
Symms
Taylor, N.C.
Teague
Thompson, N.J.
Thone
Tiernan
Towell, Nev.
Treen
Vander Jagt
Vanik
Widnall
Wiggins
Wilson, Charles, Tex.
Wolff
Wyatt
Wydler
Yates
Young, Fla.
Young, Ill.
Zablocki
Zion
Zwach

NOT VOTING—103

Addabbo
Andrews, N. Dak.
Armstrong
Biaggi
Blatnik
Boland
Bolling
Brasco
Burke, Calif.
Carey, N.Y.
Chamberlain
Chisholm
Clancy
Clark
Cochran
Collier
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Downing
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Foley
Fulton
Fuqua
Gibbons
Goodling
Grasso
Gray
Griffiths
Grover
Gunter
Hammerschmidt
Hanna
Hansen, Wash.
Harrington
Henderson
Holifield
Howard
Hungate
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Karth
Kluczynski
Landrum
Lujan
McCormack
McKay
McKinney
McSpadden
Macdonald
Madigan
Martin, Nebr.
Meeds
Metcalfe
Milford
Minshall, Ohio
Moakley
Mollohan
Moorhead, Pa.
Nelsen
Pepper
Peyser
Podell
Powell, Ohio
Quie
Quillen
Reid
Roberts
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rooney, N.Y.
Rose
Roy
Shoup
Shriver
Shuster
Sikes
Sisk
Smith, N.Y.
Stokes
Stuckey
Studds
Talcott
Thomson, Wis.
Ullman
Vigorito
Ware
Whitten
Williams
Winn
Wylie
Wyman
Yatron
Young, Ga.
Young, Tex.

So the preferential motion was rejected.

The Clerk announced the following pairs:

Mr. Blatnik with Mr. Addabbo.
Mr. Clark with Mr. Kluczynski.
Mr. Hungate with Mr. Dominick V. Daniels.
Mr. Hanna with Mr. Stokes.
Mr. Jones of Tennessee with Mr. Holifield.
Mr. Fuqua with Mr. Macdonald.
Mr. Evins of Tennessee with Mr. Moakley.
Mr. Milford with Mrs. Chisholm.
Mr. Pepper with Mr. Moorhead of Pennsylvania.
Mr. Vigorito with Mr. Diggs.
Mr. Studds with Mr. Young of Georgia.
Mr. Sikes with Mr. Rooney of New York.
Mr. Roberts with Mr. Biaggi.
Mr. Culver with Mr. Reid.
Mr. Davis of Georgia with Mr. Carey of New York.
Mr. Landrum with Mr. Brasco.
Mr. McKay with Mr. Fulton.
Mr. Meeds with Mr. Metcalfe.
Mr. Gibbons with Mrs. Grasso.
Mr. Gray with Mrs. Burke of California.
Mr. Henderson with Mr. Cotter.
Mr. Gunter with Mr. Howard.
Mr. Rose with Mr. Harrington.
Mr. Roy with Mr. Anderson of North Dakota.
Mr. Stuckey with Mr. Clancy.
Mr. Ullman with Mr. Collier.
Mr. Whitten with Mr. Esch.
Mr. Dorn with Mr. Cochran.
Mr. Foley with Mr. Grover.
Mrs. Griffiths with Mr. Eshleman.
Mr. Karth with Mr. Hammerschmidt.
Mr. Jones of North Carolina with Mr. Edwards of Alabama.
Mr. Downing with Mr. Lujan.
Mr. Rodino with Mr. Goodling.
Mr. Sisk with Mr. Madigan.
Mr. McCormack with Mr. Martin of Nebraska.
Mr. McSpadden with Mr. McKinney.
Mr. Mollohan with Mr. Minshall of Ohio.
Mr. Powell of Ohio with Mr. Peyser.
Mr. Quillen with Mr. Podell.
Mr. Robison of New York with Mr. Quie.
Mr. Roncalio of Wyoming with Mr. Shuster.
Mr. Shoup with Mr. Talcott.
Mr. Shriver with Mr. Thomson of Wisconsin.
Mr. Smith of New York with Mr. Ware.
Mr. Winn with Mr. Williams.
Mr. Wyman with Mr. Wylie.
Mr. Young of Texas with Mr. Yatron.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. MINK. Mr. Speaker, I ask that all Members may have five legislative days in which to revise and extend their remarks on the preferential motion just voted on.

The **SPEAKER**. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

ESTABLISHING EGMONT KEY NATIONAL WILDLIFE REFUGE IN THE STATE ON FLORIDA

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8977) to establish in the State of Florida the Egmont Key National Wildlife Refuge, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, strike lines 1, 2, and 3.

The **SPEAKER**. Is there objection to the request of the gentleman from Michigan?

Mr. **GROSS**. Mr. Speaker, reserving the right to object, would the gentleman explain briefly the conference report?

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. **GROSS**. I will be glad to yield to the gentleman.

Mr. DINGELL. I say to the Members that the Senate amendment is a very small change, not a substantive amendment. It strikes out about the last four lines of the bill which authorize the expenditure of funds to carry out the purposes of the act. The language which was stricken by the Senate is unimportant because there is other statutory authorization for precisely the same expenditure of funds. It makes no real change in the bill and no change whatsoever in existing law with regard to expenditure of funds to implement the act. It removes swift usage.

If my good friend, the gentleman from Iowa, will recall, the legislation passed the House earlier without opposition and passed the Senate more recently without opposition. It is sponsored by our good friend and colleague, the gentleman from Florida (Mr. GIBBONS), who has worked very hard on this fine wildlife refuge bill. It will set up a very fine wildlife refuge.

Mr. **GROSS**. Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DESIGNATING PREMISES OCCUPIED BY CHIEF OF NAVAL OPERATIONS AS OFFICIAL RESIDENCE OF VICE PRESIDENT

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate joint resolution (S.J. Res. 202) designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the Senate joint resolution.

The Clerk read the Senate amendment to the House amendment, as follows:

SEC. 3. The Secretary of the Navy shall, subject to the supervision and control of the Vice President, provide for the staffing, care, maintenance, repair, improvement, alteration, and furnishing of the official residence and grounds of the Vice President.

The **SPEAKER**. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, on June 12, 1974 by a vote of 380 ayes to 23 nays the House passed Senate Joint Resolution 202 designating the premises presently occupied by the Chief of Naval Operations as the "temporary" official residence for the Vice President of the United States.

The House version, which was in the form of an amendment, struck all after the enacting clause of the Senate joint resolution and inserted the House language. Section 3 of the House version authorized the Administrator of General Services to provide for the care, maintenance, repair, improvement, alteration, and furnishing of the official residence and grounds including heating, lighting, and air conditioning, such services to be provided at the expense of the United States.

The Senate, on June 26, 1974, by voice vote, agreed to concur in the House amendment, with an amendment. The Senate amendment to the House version struck out section 3 set forth above, and inserted the following language:

> Section 3. The Secretary of the Navy shall, subject to the supervision and control of the Vice President, provide for the staffing, care, maintenance, repair, improvement, alteration, and furnishing of the official residence and grounds of the Vice President.

The Senate position was that the Navy had the care, custody, and control of this house for the last 40 years and could adequately maintain it for the Vice President rather than turning it over to the General Services Administration. This is in line with the language in the House report which stated the committee position that when the Vice President moved into a permanent residence and vacates the official "temporary" residence that it should revert to the Navy Department for its further use as determined by the Secretary of the Navy.

Therefore, Mr. Speaker, I ask unanimous consent that the House accept the Senate amendment to the House version of Senate Joint Resolution 202, and pass the resolution as amended by the Senate.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

PAYMENTS BY THE POSTAL SERVICE TO THE CIVIL SERVICE RETIREMENT FUND

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 29) to provide for payments by the Postal Service to the civil service retirement fund for increases in the unfunded liability of the fund due to increases in benefits for Postal Service employees, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

> Strike out all after the enacting clause and insert: That section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:
>
> "(h) (1) Notwithstanding any other statute, the United States Postal Service shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to active and retired Postal Service officers and employees, and to their survivors, when the increase results from an employee-management agreement under title 39, or any administrative action by the Postal Service taken pursuant to law, which authorizes in pay on which benefits are computed.
>
> "(2) The estimated increase in the unfunded liability, referred to in paragraph (1) of this subsection, shall be determined by the Civil Service Commission. The United States Postal Service shall pay the amount so determined to the Commission in thirty equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System, with the first payment thereof due at the end of the fiscal year in which an increase in pay becomes effective.".
>
> Sec. 2. (a) The last sentence of section 1005(d) of title 39, United States Code, is repealed.
>
> (b) Section 1005(d) of title 39, United States Code, is amended by adding at the end thereof the following new sentence: "The Postal Service shall pay into the Civil Service Retirement and Disability Fund the amounts determined by the Civil Service Commission under section 8348(h) of title 5.".
>
> Sec. 3. The effective date of this Act shall be July 1, 1971, except that the Postal Service shall not be required to make (1) the payments due June 30, 1972, June 30, 1973, and June 30, 1974, attributable to pay increases granted by the Postal Service prior to July 1, 1973, until such time as funds are appropriated to the Postal Service or that purpose, and (2) the transfer to the Civil Service Retirement and Disability Fund required by title II of the Treasury, Postal Service, and General Government Appropriation Act, 1974, Public Law 93-143.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, the Senate amendment to H.R. 29 strikes out all of the provisions of the House bill and substitutes an entirely new text.

However, there are only two significant differences between the House and Senate versions of the bill.

The House bill makes the Postal Service liable for any increases in the unfunded liability of the civil service retirement fund resulting from collective-bargaining agreements or administrative actions which authorize: First, new or liberalized benefits, second, extension of coverage of the retirement provisions, or third, increases in pay.

The Senate amendment, however, makes the Postal Service liable only for increases in the unfunded liability which result from increases in pay.

The Senate Committee deleted the references to "new or liberalized benefits" and "extension of coverage" on the basis that the Postal Service has no authority under either the Postal Reorganization Act or under the civil service retirement provisions to grant new or liberalized benefits or extend coverage of the retirement provisions.

Upon further consideration of the matter we now agree with the Senate's determination and believe that the change proposed by the Senate amendment is justified.

The other significant difference between the two versions of the bill relates to the effective date of the legislation.

The House bill would be effective upon date of enactment and would make the Postal Service liable only for increases in the unfunded liability which result from pay increases which become effective on or after the date of enactment. Under the House bill, the Postal Service would not be liable for any increases in the unfunded liability resulting from the pay increases authorized under the first collective-bargaining agreement of July 20, 1971.

Under the Senate amendment, the provisions of the bill would be effective July 1, 1971. However, the Postal Service would not be required to make the first three unfunded liability payments for fiscal years 1972, 1973, and 1974, attributable to pay increases prior to July 1, 1973, amounting to $284.6 million, until funds have been appropriated to the Postal Service for that specific purpose.

The 1974 Appropriation Act, Public Law 93-143, provided that $142.3 million of the appropriation contained in that act shall be available only for transfer to the civil service retirement fund.

The 1975 fiscal year appropriation (H.R. 15544), which passed the House on June 25, 1974, contains a similar provision requiring $414.4 million to be transferred for this purpose.

The authority of the 1974 act to transfer the $142.3 million to the civil service retirement fund is voided by section 3 of the Senate amendment. The Senate amendment contemplates that specific dollar amounts must be appropriated before the transfers are required for the payments due for 1972, 1973, and 1974.

Questions have been raised as to whether or not the Senate amendment could be considered as an authorization for amounts to be appropriated to the Postal Service for the amounts required to be transferred to the civil service retirement fund. We want the Record to show that section 3 of the bill is intended to be considered as an authorization for appropriations for the amounts due June 30, 1972, June 30, 1973, and June 30, 1974, attributable to pay increases prior to July 1, 1973. There is no other provision in the Senate amendment that is to be considered as authorizing appropriations for amounts due after June 30, 1974. The Postal Service concurs with this interpretation. I ask that a letter I have received from the Postal Service, dated June 25, 1974, confirming this interpretation, be inserted at the end of my remarks.

Upon passage of H.R. 29 by the House on May 7, 1973, it was estimated that the amount for which the Postal Service should be obligated as of June 30, 1974, was $284,667,000. This amount represented retirement amortization payments, including interest, attributable to pay increases granted postal employees prior to July 1, 1973.

While the Senate report on H.R. 29 uses such figure, it fails to take into account an additional $69,200,000 due on June 30, 1974, as the initial payment due as a result of an additional pay increase granted after July 1, 1973—in fiscal year 1974. Thus, the total amount due the fund, attributable to all intervening pay increases, is $353,867,000 as of June 30, 1974.

The Postal Service Appropriation Act for fiscal year 1974 directed that $142,333,500, representing one-half of the previously estimated obligation, be transferred to the retirement fund. It was contemplated that the remaining balance would be covered in the fiscal year 1975 appropriation bill. Such funds have not yet been transferred by the Postal Service and, upon enactment of H.R. 29, the requirement to make the transfer will be canceled.

Recap (*in millions*)

Amount due June 30, 1974, for pre-FY 1974 actions	$284,667,000
Amount due June 30, 1974, for FY 1974 actions	69,200,000
Amount due June 30, 1974 (arrearage)	353,867,000
Amount due in FY 1975	202,885,000
Total	556,752,000

The letter follows:

LAW DEPARTMENT,
Washington, D.C., June 25, 1974.

Hon. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that some question has arisen in respect to H.R. 29, a bill relating to payments on unfunded liability by the U.S. Postal Service to the Civil Service Retirement Fund, as it passed the Senate. The question has to do with whether section 1 of the bill, which would amend 5 U.S.C. § 8348 by adding a new subsection (h), could be construed or interpreted as authorizing future appropriations to the Postal Service in respect to the obligations of the Postal Service which would be created by the new subsection (h). That is, the question runs to whether the Postal Service might at some future time request appropriations under that subsection to enable it to make payments of all or any part of the thirty equal annual installments (with interest) envisioned by subsection (h)(2).

The Postal Service has no intention of ever making such a request and could not properly do so. In our opinion, it is entirely clear that the provisions in question would not authorize any appropriation to the Postal Service. Similarly, we see no reasonable way to interpret section 2 of the bill (which would amend 39 U.S.C. § 1005(d)) as conceivably authorizing appropriations. If H.R. 29 is enacted in the form in which it passed the Senate, the Postal Service would be obliged to assume the responsibility for the remaining 27 installments on the liability created by the postal pay increases instituted in July, 1971, by the Postal Service and for all 30 installments on the liabilities arising out of all other pay increases that have been or may be instituted by the Postal Service under the Postal Reorganization Act. The only language in H.R. 29 which could be reasonably interpreted as contemplating authorization of appropriations is to be found in section 3 of the bill, regarding the payments for fiscal years 1972 through 1974 attributable to pay increases created by the Postal Service prior to July 1, 1973.

Sincerely,

LOUIS A. COX,
General Counsel.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RETIREMENT OF CERTAIN LAW ENFORCEMENT AND FIREFIGHTER PERSONNEL

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9281) to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighter personnel, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 5, strike out "sections" and insert "section".

Page 2, strike out line 21 and insert "amended—

"(1) by striking out 'and' at the end of paragraph (18);

"(2) by striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon and the word 'and'; and

"(3) by adding at the end thereof the following:"

Page 4, line 2, strike out "rehabilitation." and insert "rehabilitation; and".

Page 4, in the eighth line following line 16, strike out "1973" and insert "1974".

Page 4, in the ninth line following line 16, strike out "1973" and insert "1974".

Page 5, line 2, strike out "fifty-five" and insert "55".

Page 5, line 3, strike out "twenty" and insert "20".

Page 5, line 7, strike out "sixty" and insert "60".

Page 5, line 9, strike out "sixty" and insert "60".

Page 5, line 12, strike out "sixty-day" and insert "60-day".

Page 5, line 16, strike out "fifty" and insert "50".

Page 5, line 16, strike out "twenty" and insert "20".

Page 5, line 18, strike out "twenty" and insert "20".

Page 5, line 4, strike out "per centum" and insert "percent".

Page 5, line 25, strike out "twenty" and insert "20".

Page 6, line 1, strike out "per centum" and insert "percent".

Page 6, line 2, strike out "twenty" and insert "20".

Page 6, line 9, strike out "1973" and insert "1974".

Page 6, line 10, strike out "1977" and insert "1978".

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, the substantive differences between the provisions of H.R. 9281 as passed by the House and the Senate amendments thereto relate only to the effective dates of certain provisions of the bill.

Under the House-passed bill, the inclusion of premium pay for uncontrollable overtime as a part of basic pay and the 7½ percent retirement deduction rate for employees covered under the bill would take effect at the beginning of the first pay period after December 31, 1973. Under the Senate amendment the two provisions would take effect the first pay period after December 31, 1974.

The mandatory retirement provision would take effect on January 1, 1977, under the House bill and on January 1, 1978, under the Senate amendment.

The Senate amendments are necessary and proper in view of the 9-month time differential between passage of H.R. 9281 by the House—September 20, 1973—and passage by the Senate—June 24, 1974.

All of the other Senate amendments are purely technical changes in order to conform the language of the bill to the style of title 5 of the United States Code.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DICKINSON. Mr. Speaker, I would like to make a personal statement. On roll call No. 319, the vote on final passage on H.R. 15472, the agriculture-environmental and consumer protection appropriations bill, fiscal year 1975, the RECORD shows I am recorded as not voting. Mr. Speaker, I was here and I voted "yea."

PERSONAL EXPLANATION

Mr. PREYER. Mr. Speaker, I was in High Point, N.C., at noon yesterday keeping an important, and long standing, speaking engagement. I had arranged to be back in Washington the same afternoon—in time for important votes. Of course, the House met early and I was not present to vote on the motion of the gentleman from Louisiana (Mr. WAGGONNER), instructing the conferees on H.R. 69 to support the House language on busing. Had I been here, I would have voted for the Waggonner motion. I support the House language and will continue to do so.

CONFERENCE REPORT ON S. 3458, DOMESTIC ASSISTANCE PROGRAMS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the Senate bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, and that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 26, 1974.)

Mr. POAGE (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the minutes be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Speaker, the bill of the conferees is within the broad general purpose of H.R. 14992, "to continue the domestic food assistance programs, and for other purposes." In summary, H.R. 14992 would have provided the Secretary of Agriculture the authority until June 30, 1975, to purchase agricultural commodities of the types customarily purchased under section 32 of Public Law 320 and section 416 of the Agricultural Act of 1949 notwithstanding other provisions of law to maintain "the level of assistance required" by the domestic food assistance programs authorized by law—except child nutrition and title VII of the Older American Act of 1965 programs.

This amounted to a 1-year, permissive extension of the authority provided in section 4(a) of Public Law 93–86, the Agriculture and Consumer Protection Act of 1973. Section 1 of the Senate bill, S. 3458, would have provided a permanent, mandatory extension of section 4(a) authority to provide "the traditional level of assistance" to all the domestic food assistance programs. S. 3458 contained additional sections regarding the food stamp and special milk programs not contained in H.R. 14992.

Section 2 of the Senate bill amended section 3 of the Food Stamp Act of 1964, which contains definitions of terms used in the act. This section defines terms appearing in section 3 of this bill, which provides for administering the food stamp program on Indian reservations. Section 2 would include, in the term "State agency," the Secretary of the Interior whenever he has responsibility to administer the program for an Indian tribe, as well as the official governing body of any tribe and any State which has responsibility for such administration. Section 2 also defines the terms "tribe" and "Indian reservation."

Section 3 of S. 3458 added a new subsection to section 4 of the Food Stamp Act of 1964. This new subsection authorizes Indian tribes to administer the food stamp program on behalf of their members who live on Indian reservations. It also authorizes the Secretary of the Interior or any State, pursuant to agreement with the tribe, to administer the program on behalf of any tribe on an Indian reservation. While section 3 authorizes operation of the food stamp program on reservations of Indian tribes which desire the program, under section 1 of the bill, tribes may, until July 1, 1976, elect to operate the family food distribution program on their reservations.

Section 3 of S. 3458 also provided that the Secretary of Agriculture may issue no regulation which pertains only to the administration of the food stamp program on Indian reservations without prior consultation with the Secretary of the Interior and authorized representatives of the tribes affected.

Section 4 of the Senate bill amended section 15 of the Food Stamp Act of 1964 to authorize the Secretary of Agriculture to pay each State agency 62½ percent of all of the State agency's costs in administering the food stamp program. At present, the Food Stamp Act authorizes the Secretary to pay each State 62½ percent of only certain designated administrative costs.

Section 4 of the Senate bill also directed the Secretary to pay any Indian tribe, the Department of the Interior, or any State, 100 percent of all the costs of administering the food stamp program on any Indian reservation pursuant to the provisions in section 3 of the bill.

Section 4 of the Senate bill also required that each State report at least annually on the effectiveness of the administration of the program. No payment of administrative costs shall be made unless the Secretary is satisfied that the State is employing enough qualified personnel to administer the program efficiently and effectively.

Section 5 of S. 3458 also requires the Child Nutrition Act of 1966 to establish a 5-cent minimum rate of reimbursement for each half-pint of milk served in the special milk program. The minimum rate of reimbursement is to be adjusted annually, beginning with the 1976 fiscal year, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Adjustments are to be computed to the nearest one-fourth cent. Also, in lieu of a stated amount, appropriations of such sums as may be necessary to carry out the program are authorized.

The conference agreement adopted the House title "to continue the domestic food assistance programs and for other purposes." The conference agreement on section 1 will provide the "traditional level of assistance" to the domestic food assistance programs included in the House bill for 3 years ending June 30, 1977. Section 32 funds are authorized for use in fiscal year 1975 only. The next 2 years' moneys must be appropriated from the general revenue fund to carry out this authorized extension of section 4(a) of Public Law 93–86.

The conferees provided that the 3-year extension of the Department of Agriculture's authority to purchase and donate commodities would benefit, among other programs, supplemental feeding. The supplemental feeding program in fiscal year 1974 was intended to provide free nutritious foodstuffs to a population of 137,000 pregnant and lactating low-income women and their infants and children below the age of 5 in some 200 project areas. The conferees expect that the Department of Agriculture will continue to donate commodities to these programs wherever they may be located and will not attempt to terminate them simply because the commodity distribution program to needy families will be phased out of all of the counties in which the supplemental feeding programs operate and be replaced by food stamps during the course of the next few months in accordance with the mandate of Public Law 93–86, the Agriculture and Consumer Protection Act of 1973. The conferees further assume that, if the Department of Agriculture has announced the termination of such programs during 1974 or in fact closed them down, it will reopen them and provide them with necessary foodstuffs in accordance with the provisions of this bill.

Sections 2 and 3 of S. 3458 were not included in the conference agreement. The conferees agreed to section 4, with the exception of the Indian provision, which will substantially revise the cost-sharing mechanism pursuant to which the Department of Agriculture reimburses the States for administering the food stamp program. Since 1970, the Department has provided 62.5 percent of certain State expenses limited to the direct salary, travel, and travel-related costs—including fringe benefits—of personnel during the time that they are employed in certifying nonpublic assistance households, performing Outreach, and conducting fair hearings. The new formula would reduce the Department share of State—and county, where the State passes these on to its political subdivisions—costs to 50 percent, but would expend the items of expense covered to encompass all program-related administrative costs, some of which are specified in the law on a nonexclusive basis. This expansion means that States could be reimbursed in the future for one-half of their expenditures in, among other things, issuing food coupons—including the cost of contracting out of that function to private and public organizations and agencies—administering the program throughout the State—including the cost of all supervisory and clerical personnel and the rental, furnishing, and supplying of officers—investigating fraud and protecting against theft, utilizing automatic data processing—including equipment costs—and undertaking effective outreach to insure the participation of all eligible households that wish to benefit from the program—including the cost of mobile units and of contracting with private and public organizations and agencies to supply manpower to perform this function. The conferees understood that the cost share would not, however, extend to any expenses involved in certifying public assistance households for food stamps, since those expenses are already covered by Federal reimbursement under the public assistance program.

The conferees accepted section 5 of the Senate bill as written, which will have the effects I have previously explained.

Mr. WAMPLER. Mr. Speaker, I rise in support of the conference report on S. 3458.

It is important that this bill be quickly enacted in order to keep the pipeline of donated food flowing to needy people throughout the Nation. The present authority expires Sunday, June 30, and I hope the House will act expeditiously to prevent any gap occurring in this Department of Agriculture food donation program.

The conference report modifies the House companion legislation in three major respects.

First, it mandates the commodity distribution program for 3 more years. The House bill provided authority for 1 additional year. The conference bill, however, would require specific annual appropriations for the second and third year rather than permitting the Secretary to use "section 32" funds as he presently does and as the bill provides for the first year of its life.

I would also point out that the conference substitute retains the amendment I offered to permit the distribution of seafood and seafood products under the program. These nutritious foods can go a long way to improving the diets of those who participate in the program.

Second, it removes the annual authorization ceiling of $120 million on the present school milk law and permits such sums as Congress may appropriate in future years. It also raises the half-pint reimbursement rate by 1 penny and ties future reimbursements—starting in fiscal year 1976—to the cost of living index maintained by the Department of Labor.

Third, it increases and simplifies the Federal share of administrative expenses on the food stamp program that is run jointly with the States by adopting a "50–50" cost-sharing formula.

This legislation is needed, Mr. Speaker, to both keep and expand food assistance to many people who, without this bill, would face many hungry days.

The SPEAKER. Without objection, the previous question on the conference report is ordered

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 325, nays 0, not voting 109, as follows:

[Roll No. 352]

YEAS—325

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Archer
Arends
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Donohue
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Green, Oreg.
Green, Pa.
Gross
Gude
Guyer
Haley
Hamilton
Hanley
Hanrahan
Hansen, Idaho
Harsha
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kastenmeier
Kazen
Kemp
Ketchum
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McDade
McEwen
McFall
Madden
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Mezvinsky
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Sullivan
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Waggonner
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zablocki
Zion
Zwach

NAYS—0

NOT VOTING—109

Addabbo
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Biaggi
Bolling
Brasco
Burke, Calif.
Carey, N.Y.
Chamberlain
Chisholm
Clancy
Clark
Cochran
Collier
Conlan
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Diggs
Dingell
Dorn
Downing
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Foley
Frelinghuysen
Fulton
Fuqua
Gibbons
Goodling
Grasso
Gray
Griffiths
Grover
Gubser
Gunter
Hammerschmidt
Hanna
Hansen, Wash.
Harrington
Hastings
Henderson
Holifield
Howard
Hungate
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Karth
King
Kluczynski
Landrum
Lujan
McCormack
McKay
McKinney
McSpadden
Macdonald
Madigan
Martin, Nebr.
Meeds
Metcalfe
Michel
Milford
Minshall, Ohio
Moakley
Mollohan
Moorhead, Pa.
Nelsen
Pepper
Peyser
Podell
Powell, Ohio
Quie
Quillen
Reid
Roberts
Robison, N.Y.
Roncalio, Wyo.
Rooney, N.Y.
Rose
Roy
Shoup
Shriver
Shuster
Sikes
Sisk
Stokes
Stratton
Stuckey
Studds
Talcott
Thomson, Wis.
Traxler
Vander Veen
Vigorito
Ware
Whitten
Williams
Winn
Wylie
Wyman
Yatron
Young, Ga.
Young, Tex.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Davis of Georgia.
Mr. Sikes with Mr. Dorn.
Mr. Clark with Mrs. Griffiths.
Mr. Brasco with Mr. Hanna.
Mr. Roberts with Mrs. Hansen of Washington.
Mr. Macdonald with Mr. Landrum.
Mr. Kluczynski with Mr. Shoup.
Mr. Fulton with Mr. Anderson of Illinois.
Mr. Jones of Tennessee with Mr. Powell of Ohio.
Mr. Henderson with Mr. Peyser.
Mr. Holifield with Mr. Nelsen.
Mr. Biaggi with Mr. Minshall of Ohio.
Mr. Cotter with Mr. Chamberlain.
Mr. Dominick V. Daniels with Mr. Hammerschmidt.
Mr. Diggs with Mr. Foley.
Mr. Dingell with Mr. Grover.
Mr. Evins of Tennessee with Mr. Clancy.
Mr. Fuqua with Mr. Edwards of Alabama.
Mr. Podell with Mr. Frelinghuysen.
Mr. Harrington with Mr. Gubser.
Mr. Howard with Mr. Cochran.
Mr. Roncalio of Wyoming with Mr. Hastings.
Mr. Moakley with Mr. Esch.
Mr. Moorhead of Pennsylvania with Mr. Collier.
Mr. Vigoroto with Mr. King.
Mr. Studds with Mr. Eshleman.
Mr. Stokes with Mr. Gray.
Mr. Reid with Mr. Lujan.
Mr. Carey of New York with Mr. Conlan.
Mrs. Burke of California with Mr. Stratton.
Mrs. Chisholm with Mr. Culver.
Mr. Downing with Mr. Madigan.
Mr. Gibbons with Mr. Goodling.
Mrs. Grasso with Mr. Martin of Nebraska.
Mr. Metcalfe with Mr. McSpadden.
Mr. Sisk with Mr. McKinney.
Mr. Gunter with Mr. Hungate.
Mr. Jones of North Carolina with Mr. Karth.
Mr. McCormack with Mr. McKay.
Mr. Meeds with Mr. Milford.
Mr. Mollohan with Mr. Pepper.
Mr. Rose with Mr. Quie.
Mr. Rooney of New York with Mr. Quillen.
Mr. Shriver with Mr. Robison of New York.
Mr. Yatron with Mr. Talcott.
Mr. Stuckey with Mr. Thomson of Wisconsin.
Mr. Wylie with Mr. Roy.
Mr. Whitten with Mr. Williams.
Mr. Winn with Mr. Traxler.
Mr. Young of Georgia with Mr. Vander Veen.
Mr. Wyman with Mr. Young of Texas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 7724, NATIONAL RESEARCH ACT

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mrs. HECKLER of Massachusetts. Mr. Speaker, reserving the right to object, I would like to address a question to our distinguished chairman of the Committee on Interstate and Foreign Commerce (Mr. STAGGERS).

I notice on page 14 of this conference report that the protection of individual rights of conscience in cases of abortion has been retained by the conference committee, but the protection of religious hospitals has not been retained by the conference committee.

I would like to know why the protection of religious hospitals, which was included in the report last year, has been suddenly omitted?

Mr. STAGGERS. Mr. Speaker, if the gentlewoman will yield, there has been a misapprehension.

Let me read what the existing law says. We did not change the law. There has been a misunderstanding, because there was some language in the Senate version which was in their bill and which we took out. I will read section 401 of the Health Programs Extension Act of 1973 (P.L. 93–45) which is the provision we are all interested in.

SEC. 401. (a) Section 601 of the Medical Facilities Construction and Modernization Amendments of 1970 is amended by striking out "1973" and inserting in lieu thereof "1974".

(b) The receipt of any grant, contract, loan, or loan guarantee under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Services and Facilities Construction Act by any individual or entity does not authorize any court or any public official or other public authority to require—

(1) such individual to perform or assist in the performance of any sterilization procedure or abortion if his performance or assistance in the performance of such procedure or abortion would be contrary to his religious beliefs or moral convictions; or

(2) such entity to—

(A) make its facilities available for the performance of any sterilization procedure or abortion if the performance of such procedure or abortion in such facilities is prohibited by the entity on the basis of religious beliefs or moral convictions, or

(B) provide any personnel for the performance or assistance in the performance of any sterilization procedure or abortion if the performance or assistance in the performance of such procedure or abortion by such personnel would be contrary to the religious beliefs or moral convictions of such personnel.

(c) No entity which receives a grant, contract, loan, or loan guarantee under the Public Health Service Act, the Community Mental Health Center Act, or the Developmental Disabilities Services and Facilities Construction Act after the date of enactment of this Act may—

(1) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or

(2) discriminate in the extension of staff or other privileges to any physician or other health care personnel,

because he performed or assisted in the performance of a lawful sterilization procedure or abortion, because he refused to perform or assist in the performance of such a procedure or abortion on the grounds that his performance or assistance in the performance of the procedure or abortion would be contrary to his religious beliefs or moral convictions, or because of his religious beliefs or moral convictions respecting sterilization procedures or abortions.

Approved June 18, 1973.

Mr. DELANEY. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER of Massachusetts. I yield to the gentleman from New York.

Mr. DELANEY. I want to make inquiry of the chairman. I received a telegram that reads as follows:

Representative JAMES J. DELANEY,
U.S. House of Representatives, Washington, D.C.:

National Conference of Catholic Bishops urge you oppose conference report on H.R. 7724, as passed the Senate H.R. 7724 protected religious convictions of church related institution and all individuals. This was in keeping with decision of Congress last year in the amendment of Senator Church to the Health act. The conference deleted protection for religious institutions and presents a threat to religious freedom. I urge you oppose the conference or support a motion to recommit.

JAMES ROBINSON,
Director, Government Liaison U.S. Catholic Conference.

Will the chairman comment on that?

Mr. STAGGERS. I will be happy to. In the Senate bill, they had language which was essentially redundant with the existing law. This is the law of the land, and we did not touch it in any way. We took out the Senate provision because it was just not necessary.

Let me read the law again.

Mr. DELANEY. Is this merely repetition?

Mr. STAGGERS. It is merely repetition.

Mr. DELANEY. Is this the basic law as it stands now?

Mr. STAGGERS. That is right.

Mr. DELANEY. The gentleman can assure me of that?

Mr. STAGGERS. That is right. I can assure the gentleman and all the Members of the House.

Mr. DELANEY. I thank the gentleman very much.

Mr. CARTER. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER of Massachusetts. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I feel that the fears of some of the Members here in this House are unfounded. It is clearly written in the law that no hospital, no institution, no person is required by receipt of funds under the PHS Act to give an abortion. I regret that information has been disseminated which would disturb our friends, but it is simply not true. Personally I, want to thank the distinguished gentleman from New York (Mr. DELANEY) and the gentlewoman from Massachusetts (Mrs. HECKLER), for their contribution and to assure them that their fears are unfounded.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I wish to advance a further question.

According to my understanding, Public Law 93-45 does protect the rights of religious oriented hospitals and does not require that they perform abortions; and this conference report will not alter the basic standing of that law.

My further question, however, is that since this conference report relates to research funding by the omission of protection for the Catholic hospitals or other religious hospitals, will there be ramifications in terms of research funding? Will they be required in research to support abortions or research related to it in order to receive such funds?

Mr. STAGGERS. Mr. Speaker, let me say to the gentlewoman that all medical research is done under the Public Health Service Act. That act is covered in its entirety under the law which I have just quoted a few moments ago, and they are thus protected.

Mrs. HECKLER of Massachusetts. Could the gentleman explain how it is that the individual rights are specifically protected and the rights of religious hospitals are not mentioned? How did that omission take place?

Mr. STAGGERS. Let me say to the gentlewoman again that part of the Senate version was essentially identical to the law of the land as it is now, and was thus stricken from the Senate bill. Let me assure the gentlewoman that it is the law of the land. It is written in Public Law 93-45 and carried on the books and is in effect now and will be at all times.

Mrs. HECKLER of Massachusetts. Mr. Speaker, in view of the fact that this has been omitted, and even though the opinions of the chairman are somewhat reassuring, yet an open question remains in my mind as to what are the actual consequences of this.

Therefore, Mr. Speaker, I object.

The SPEAKER. The Clerk will read the report.

The Clerk proceeded to read the conference report.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, I understood the gentlewoman from Massachusetts to object to the consideration of the conference report.

The SPEAKER. The gentlewoman did not make any such objection. The request was that the statement be read in lieu of the conference report and there was objection, so we are reading the report.

Mr. BAUMAN. Mr. Speaker, I distinctly heard the gentlewoman's statement, and she just reaffirmed to me that she objected to the consideration.

The SPEAKER. The gentlewoman has no right to object to the consideration. It is a privileged conference report. It has been on file the requisite time.

The Clerk will continue to read the report.

The Clerk proceeded to read the conference report.

Mrs. HECKLER of Massachusetts. Mr. Speaker, in view of the pressing business of this House, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 25, 1974.)

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The gentleman from West Virginia (Mr. STAGGERS) is recognized for 30 minutes.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I take this time to address myself to a press report which states that the chairman of the House Committee on the Judiciary has said that all the Democratic members——

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, is the gentleman speaking out of order?

Mr. RODINO. I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, the press report to which I refer reads that the chairman of the House Judiciary Committee has stated that all the Democratic members of the committee will support the impeachment of President Nixon.

I want to state unequivocally and categorically that this statement is not true. There is no basis in fact for it, none whatsoever.

The chairman of the Committee on the Judiciary has, ever since the inception of this inquiry, consistently been solicitous of the need to be careful, deliberate, and altogether fair. I have stated this position, not just rhetorically, but because I feel it deep within me, and I have so expressed myself to each and every member of the committee. I am sure that no member of the committee can say other than just that. Nor have I ever inquired of any member of the committee as to how he or she will vote. I do not know how anyone will vote, nor could I presume to know.

During the course of this inquiry, I have at every press briefing, at every opportunity to express myself by public statement and otherwise, stated the need to proceed only on the basis of fairness, and only when there has been a complete presentation, only then, should members draw a conclusion. This is the way it must be because the American public and history will judge us.

For this report, this unfortunate, regrettable press report, to reflect on the committee and the committee's proceedings is, in my judgment, tremendously unfortunate and regrettable.

The gentleman from Alabama, who just left here, Mr. WALTER FLOWERS, permitted me to use his name. He had a discussion with me this morning, before I learned of this report, and again just prior to my coming to the floor.

Mr. Speaker, we discussed on a very heart-to-heart basis the questions involved and how deeply rooted they are in conscience and conviction as we continue our search for the truth. And, the gentleman from Alabama, Mr. WALTER FLOWERS, who just had to catch a plane, stated that he would be denying this report, and any statement such as this, attributed to me. He said he could deny it from here to Alabama and back.

I know that any Member of this House who knows me can state without equivocation that in any discussion he or she has had with me, that this has been the attitude of the committee chairman. Were it otherwise, I want to assure the House that I would not be sitting as chairman of the committee; I would withdraw myself from that capacity.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

I wish to commend the gentleman for the statement he has made here today. I appreciate the fact that the gentleman is making it for the purpose of repudiating this charge, which was reported just recently in the press. I do want to say that from my observations, and I think, with perhaps some encouragement and some cooperation from our side, there has been a definite intention on the part of the Members not to prejudge.

I say that with some exceptions, but I know the chairman of the committee has tenaciously endeavored to avoid statements which would indicate any prejudging of the case.

Mr. Speaker, I just want to add this also: I think during these coming weeks it will be extremely incumbent upon us to avoid positions of partisanship which could, it seems to me, adversely affect our proceedings at this stage. I am hopeful that the chairman of the committee will not take a partisan position, for instance, with regard to opening the hearing, and will avoid actions which would result in dividing the committee along partisan lines.

The SPEAKER. The time of the gentleman from New Jersey (Mr. RODINO) has expired.

Mr. STAGGERS. Mr. Speaker, I yield 3 additional minutes to the gentleman from New Jersey.

Mr. THORNTON. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Arkansas.

Mr. THORNTON. Mr. Speaker, I thank the gentleman for yielding.

I would like to take this opportunity to say that in my view the chairman of the committee has conducted himself in a way that is in the highest tradition of fairness and honorable action throughout this long and difficult proceeding which, as all of us know, must be far beyond any considerations of partisan politics. It is a question that goes to the heart of our constitutional system of Government, and as one Member of that committee, I wish to say that I believe our committee chairman has approached the matter with that thought in mind.

Mr. Speaker, I would like to commend the chairman for his statement and for his demeanor and character in these proceedings.

I thank the gentleman for yielding.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr RODINO. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, I, just as my colleague, the gentleman from Illinois, am gratified that the gentleman from New Jersey has taken the floor to discuss his position in the matter.

Certainly the gentleman must understand that when we read his remarks off the ticker tape this morning, we felt this was one of the most disturbing matters we have seen since this entire impeachment matter started. It is understandable that there was created here on the floor of the House an atmosphere which was, to say the least, upsetting.

So once again it seems to me, that if the gentleman did not make the statement attributed to him, one might refer to the whole question as "shoddy reporting" or "bad reporting," whatever you care to call it. Here again we are hearing such statements as "It has been heard," "It has been rumored," and "It is reported," "we heard". We have had enough of that kind of practice.

Mr. Speaker, I am glad for that reason that the gentleman has set forth his position this afternoon.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from South Carolina.

Mr. MANN. Mr. Speaker, the reports that have heretofore been published concerning the impartiality and fairness of the chairman of the committee are well-deserved. I can report to this Congress and to the American people that in private, in caucus, in committee, and in public I have yet to hear the chairman of the committee express any prejudgment, or attempt to influence others to prejudge this case.

I know the statement attributed to him is absolutely uncharacteristic and untrue, and I share his outrage. I wish to emphasize and reemphasize that these proceedings are going forward in accordance with the highest traditions of justice and fair play, and pursuant to the serious responsibilities entrusted to this House by the Constitution. The system imposes upon us the responsibility of determining this matter in accordance with the facts and the law, and nothing else, and the system is working, outside reports or pressures to the contrary notwithstanding.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Speaker, I consider this incident unusual, and very vicious reporting on somebody's part, or possibly a very vicious spreading of rumors on the part of some of your visitors.

The thing that concerns me, Mr. Chairman, and I wish the gentleman would clear it up, and that is that one reason the story is unusual is not coming from informed sources as we usually hear about, but coming through your visitors.

Could the gentleman tell us who these visitors were who spread this story of your statement?

Mr. RODINO. I have many visitors who come to me.

Mr. WYDLER. These were visitors at your noon break on Thursday, yesterday noon.

Mr. RODINO. I say that I have many visitors in my office.

The SPEAKER. The time of the gentleman has again expired.

Mr. YOUNG of Florida. Mr. Speaker, would the gentleman from West Virginia yield 8 minutes to this side?

Mr. STAGGERS. I will yield 2 minutes, because I think we had better get along with the business of the House. I have yielded to several Members on your side of the aisle who have already spoken.

Mr. BENNETT. Mr. Speaker, I have tremendous confidence in the objective and nonpartisan attitude of Chairman RODINO and his committee. I feel they and he are trying to the best of their ability to do their job in a proper manner.

The press makes mistakes from time to time, like everyone else does, but in such a vital area as impeachment there should be extreme caution and care, it seems to me.

Mr. Speaker, there recently came to my attention a misleading article in the Jack Anderson column and I had thought that I had set it straight, at least privately; but now I hear that a national television chain is going to reproduce and expand the error that was made. In the June 4 Jack Anderson column the following was said:

NIXON WOOS CONSERVATIVE LEGISLATORS

(By Jack Anderson)

White House aides have taken pains to remind members of Congress that they are sitting on the impeachment jury and, therefore, that it is improper for them to discuss the case against President Nixon.

It would seem to be even more improper, however, for Mr. Nixon as the defendant to court members of the jury. Yet he has taken key senators and representatives on dinner cruises down the Potomac. He has made White House planes, limousines and other privileges available to them. He has pampered them with sudden attention.

The President is even tailoring his legislative program, at least in part, to appeal to the conservatives whose votes he is counting upon to keep him in office. The politics of impeachment, rather than the merits of the legislation, now seem to determine what bills he will support.

For example, the President had halted the construction of a cross-Florida barge canal to preserve the beauty of northern Florida's Oklawaha River. As recently as six weeks ago, the White House reassured Florida conservationists of the President's support.

But the promises are forgotten after a contingent of conservative congressmen called upon the White House to go ahead with the barge canal. The President hastily withdrew his opposition.

Mr. Speaker on June 4 I wrote Jack Anderson as shown below:

JUNE 4, 1974.

Mr. JACK ANDERSON,
1612 K Street, N.W.,
Washington, D.C.

DEAR JACK: You were misinformed in what you said in your June 4 column about the Florida Canal. The President has not told any Congressman that he has withdrawn his opposition to this canal; because if that were true, I would have known of it since the canal goes through my district, which overwhelmingly supports the canal. Although I am a fairly conservative Congressman I have not been invited to supper aboard the Sequoia and I am not expecting an invitation to do so.

The President is no longer impounding funds which Congress appropriated to make an ecological study of the canal, but that is because the U.S. District Court ordered him to go ahead with the ecological study because of the provisions of the U.S. Constitution.

Sincerely and with kindest regards, I am
CHARLIE.

Then I received the following June 6 letter from Jack Anderson:

JUNE 6, 1974.

DEAR CHARLES: You and I both know that in Washington officials speak a cautious language, which often says one thing and means another.

Although the White House is still publicly affirming its opposition to the cross-Florida barge canal, it has been taking actions to the contrary.

Specifically, the White House had earlier agreed to restore the Oklawaha River by "lowering the impoundment" of its banks. This lowering, as you know, would restore the river and is an essential element in the opposition to the canal.

But after President Nixon's meeting with the contingent of Florida Congressmen last month, he backed off from lowering the impoundment of the river and thus restoring it. A White House letter on the issue stated: "Pending a final decision, the Administration has sought to keep all its options open."

You must admit that this equivocation is a serious retreat from the President's earlier unqualified support for restoring the river. It was his way of reassuring the Florida conservatives.

I am sure you will agree that the last two years have shown us that White House public relations announcements are usually a far cry from the reality of the situation.

With best wishes,
Cordially,
JACK ANDERSON.

Then I replied by the following June 7 letter:

JUNE 7, 1974.

Mr. JACK ANDERSON,
1612 K Street, NW.,
Washington, D.C.

DEAR JACK: Thank you for your June 6 letter. When I received it I called you and finding you out talked with someone else in your office and told them that I do not know much about the question of the lowering impoundment issue addressed in your third paragraph; because I never thought that this was an issue which controlled the matter of the canal being built or not. I know of no one who suggests lowering the water to the original banks of the Oklawaha River in a limited area of the lake which now exists. Perhaps there are some who wish this, but I do not have in my files any letters from anyone who has suggested that, as a logical thing to do to require the canal to be built.

In any event I have not been active in that controversy. I have vigorously supported the idea of having an environmental study made of the canal since the President proported to kill the canal on the basis of environment but never had an environmental study made that was adverse to the canal. The courts have required that the President have an environmental study made and use federally appropriated funds for this purpose.

With specific reference to your fourth paragraph, I do not believe that President Nixon ever had a meeting with Florida Congressmen last month, or at any other time, to discuss the merits of the canal. I believe that if any such meetings had occurred I would have heard of it; and I never heard of it. The Congressmen who are most interested in the canal, those through whose districts the canal runs, have denied that any such meeting has occurred as far as they know.

With kindest regards, I am
Sincerely,
CHARLES.

P.S. I can't find a copy of the letter mentioned in your fourth paragraph and have never heard of it. Can I have a copy?

Mr. Speaker, the reply to that was a telephone call from Mr. Howie Kurtz, who works for Mr. Anderson. In order to put the conclusion of this matter in writing I wrote the following June 13 letter:

JUNE 13, 1974.

Mr. JACK ANDERSON,
1612 K Street, NW.,
Washington, D.C.

DEAR JACK: I had the pleasure of talking with Howie Kurtz today about the column that I wrote you about on the President and the Canal. It is my understanding that from his conversation that he did not mean to imply that the President had personally withdrawn his opposition to the Canal; but only that Nat Reed or somebody in the Department of the Interior has the impression that the President has withdrawn his opposition to the Canal. It is not my impression that the President has withdrawn his opposition to the Canal. Because I would feel that the President would notify me, either through Nat Reed or someone else, that he has withdrawn his opposition to the Canal. As far as I know, no member of the Florida Delegation has been notified that the President has withdrawn his opposition to the Canal.

I appreciate your office and Mr. Kurtz being willing to talk with me and corresponding with me on this subject. There is no need for any further action in the matter at all. I am glad that we had an opportunity to clear the record and find out what the understandings were. I still feel that the original article was misleading at least to me; and that it seems to me to imply that the President had withdrawn his opposition to the Canal, and I do not think that this is in fact true. I know that I have never had the opportunity to discuss the merits of the Canal with the President since he has been President.

With kindest regards, I am
Sincerely,
CHARLIE.

Mr. Speaker, I would not be laboring this matter at this point if I were not certain that these inaccuracies are about to be repeated on television. Therefore, I feel forced to make these comments in the public record, so that anyone who has been misled will be advised of the truth. I ascribe no bad motives to anyone in this. Everybody makes mistakes; but they ought not to be repeated.

Mr. YOUNG of Florida. Will the gentleman yield 5 minutes?

Mr. STAGGERS. I will yield 3 minutes to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman very much, but I will get my time under another process.

Mr. STAGGERS. Mr. Speaker, the conference report that is before us today is on a bill that came out of our Subcommittee on Public Health and Environment unanimously and the full committee unanimously. It passed this House by a vote of 361 to 5. It passed the Senate unanimously. The Senate agreed to the conference report yesterday, 72 to 14, and the conference report is now before the House.

This is a bill which our committee wrote last year when the administration proposed to discontinue programs for training medical researchers. The original House bill was designed to continue these programs as they had existed in the past. In the Senate some revisions were made in the training provisions and a completely new title was added to the bill calling for the creation of a permanent commission for the protection of human subjects of biomedical and behavioral research. This Commission was to make policies and regulations which the Secretary of HEW would have had to follow in his research programs.

The conference report which we now bring for your consideration contains a reasonable set of compromises on the original training provisions with a 1-year authorization of $208 million. The original House bill had authorized $208 million for fiscal 1975. The original Senate bill authorized $208 million for training for fiscal 1975. With respect to the Senate's proposal for a permanent commission for the protection of human subjects: the conference report would substitute a requirement that a commission be established to study during a 2-year period the need for the protection of human subjects. After it has made its study it will make recommendations to the Secretary of HEW who we hope will follow its recommendations but would not be bound by them. However, I should note that if he decides not to follow the recommendations in any particular, he will be required to publish his reasons for not doing so. The Commission which makes the study would then be disbanded, and a new committee formed to advise the Secretary on an ongoing basis on the same subjects.

The original House bill also contained a ban on the performance of research on fetuses. The Senate bill contained a somewhat more specific provision which banned such research until the subject had been studied by the Commission created by the Senate bill. Since the conference report does require the creation of a commission to study such issues as that of fetal research, the conference report also follows in substance the Senate provision on fetal research.

The Senate bill contained a provision which would increase by $5 million the money authorized for assisting medical schools in financial distress. Since this provision was intended to assist the Georgetown and George Washington Schools of Medicine here in the District of Columbia and since the conferees were aware of their genuine need for such assistance, the conference report retains this provision.

The Senate bill also contained a provision, which was not included in the House bill, prohibiting individuals and entities from being required to perform services or research under our authorities if such performance would be contrary to their religious beliefs or moral convictions. This provision is similar to one which we debated in connection with the Health Programs Extension Act of 1973, Public Law 93–45. The conference report contains a partial version of the Senate provisions which is added to the provision in the Health Programs Extension Act of 1973, so that that provision will not be changed by the addition.

The conference committee has spent an enormous amount of time working out this bill which contains a variety of controversial provisions. We are pleased that we have been able to reach agreement on reasonable compromises on every issue. I would urge each of the Members to support it today in the House.

Mr. Speaker, I must say that there has been some misunderstanding, as has already been established on the floor. With every assurance that I can give—and this has the agreement of every member of the committee, especially the conference committee, and I am sure the subcommittee chairman will, when I yield time to him, agree with what I have said, and other Members who were on the conference—that the part of the conscience amendment we have mentioned should not be on the House floor at all because an almost identical provision is already law. It is the law of the land. We are trying to continue a very needed program.

When the bill passed the House there was $416 million in the bill. That has been cut to $213 million because it only carries through fiscal 1975. Thus, it is $203 million less than when it passed the House in its original form.

Mr. Speaker, at this time I would like to yield 5 minutes to the gentleman from Florida (Mr. ROGERS), the chairman of the subcommittee.

Mr. ROGERS. Mr. Speaker, I am pleased to support the conference report, National Research Act, presently before us for consideration. As the chairman has stated, the bill has two essential purposes:

First, it would restore and modify the program which provides training and fellowships for biomedical and behavioral research which has been an ongoing and integral part of this Nation's research effort since 1930.

Second, it would create a temporary study commission to assist the Secretary of Health, Education, and Welfare in determining basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects.

Mr. Speaker, following World War II this Nation embarked on a substantial effort through which medical research could, and, in fact, has, evolved from a limited, private endeavor to a major national commitment commanding substantial support from the Federal Government. For the past 20 years a cornerstone of that effort has been the national program of biomedical research fellowships, traineeships, and training, whereby students and their parent institutions receive support for research and training in the biomedical sciences. As a direct result of this program, the United States now supports the finest biomedical research program in the world.

For reasons never made clear to the members of the Subcommittee on Public Health and Environment, the fiscal year 1974 budget request for HEW proposed a rapid phaseout of the entire program by requesting no moneys for new awards. Eight of the members of the subcommittee responded on March 14, 1974, by introducing legislation which would mandate the continuation of these training programs to assure the continued excellence of biomedical and behavioral research in the United States.

In the course of subcommittee hearings and deliberations on this measure, we were impressed by the overwhelming evidence from well esteemed scientists and researchers, including several Nobel laureates, that these training programs are essential to the continued excellence of the U.S. research effort. We were equally impressed by the inability of HEW representatives to present any evidence to the contrary. In face, less than 6 months later, HEW had retreated from its original position and announced that a limited number of new awards would be funded. The subcommittee, however, remained concerned that these training programs were essentially discretionary and maintained its commitment to mandate the continuation of these awards. The House agreed when it overwhelmingly passed H.R. 7724 on May 31, 1973, and sent the bill to the Senate.

The Senate passed a similar measure on September 11, 1973, with a second title which would have established a permanent regulatory commission designed to foster and implement ethical guidelines pertaining to research involving human subjects.

After a long and difficult conference, the conferees emerged with a workable report to continue the program of research training support and authorize a 2-year study commission designed to assist the Secretary in identifying basic ethical principles which should underlie the conduct of research with human subjects, to make recommendations to the Secretary for administrative and legislative action, and which would cease to exist following submission of its final report.

The Secretary is required to respond in writing to these recommendations, but he is not required to implement them.

The report contains two other significant provisions. An amendment to H.R. 7724 was adopted by the House which would have prohibited the Secretary from conducting or supporting research on a human fetus which is outside the uterus of its mother and which has a beating heart. The Senate would have placed a moratorium on fetal research until the regulatory commission contemplated by the Senate promulgated guidelines with respect to such research. The conference agreement combines the two approaches. It provides that until the temporary commission established pursuant to the conference substitute has made recommendations to the Secretary with respect to fetal research, the Secretary may not conduct or support research in the United States or abroad on a living human fetus, before or after the induced abortion of such fetus, unless such research is done for the purpose of assuring the survival of such infant.

In addition, the Senate bill woud have authorized an increase in the fiscal year 1974 appropriation for financial distress grants for medical schools. The House agreed to this provision. A supplemental appropriation has already been enacted which included an additional $5 million for this purpose.

Mr. Speaker, this legislation reaffirms our commitment to maintaining and enchancing the excellence of the U.S. biomedical and behavioral research effort by restoring the Federal research training effort and by affording the Secretary of HEW the advice of a broad range of experts on the important and intricate implications of keying research efforts to ethical principles. I strongly urge adoption of the conference report.

Mr. Speaker, there has been some misunderstanding with respect to a provision in the Senate amendment which was dropped in conference. I think now the misunderstanding has been straightened out.

Each Member of this body apparently was sent a telegram signed by the Government Liaison of the U.S. Catholic Conference which some have construed as stating that the deletion of the Senate amendment would remove protection of religious convictions of church related institutions. This is not the case. The

Senate amendment was duplicative of provisions of Public Law 93-45 which clearly states that receipt of financial assistance under the Public Health Service Act and other Health Acts does not authorize a court or public official to require an entity to make its facilities available for abortion or sterilization procedures. The deletion of the redundant Senate provision in no way affects the provisions of this law. Somebody simply did not do a thorough job in advising the Catholic bishops as to what existing law states.

So there is no problem in this regard, and I would urge that the House accept the conference report.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, title I, biomedical and behavioral research training, increases the capability of the institutes within the National Institutes of Health to carry out their responsibility of maintaining a high level national program of research into the physical and mental diseases and impairments of man. This is carried out through biomedical and behavioral research training, national research service awards, and studies respecting biomedical and behavioral research personnel.

Title II, protection of human subjects of biomedical and behavioral research, establishes a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, composed of 11 members selected by the Secretary. Members shall be distinguished in the fields of law, medicine, ethics, theology, the biological, physical, behavioral and social sciences, philosophy, humanities, health administration, government, and public affairs. Five members shall have been engaged in biomedical or behavioral research involving human subjects. The Commission shall conduct an extensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving humans. The Commission shall make guidelines and recommendations to the Secretary. The Commission shall also examine the ethical, social, and legal implications of advances in research technology.

Establishes National Advisory Council for the protection of human subjects of biomedical and behavioral research to provide recommendations to the Secretary concerning all matters pertaining to the protection of human subjects. Also, the Council will undertake periodic review of the changes in scope, purpose, and types of biomedical research, and may disseminate to the public such information relating to this subject that it deems appropriate.

Until the Commission has made its recommendations, the Secretary may not conduct or support research in the United States or abroad on living human fetus, before or after the induced abortion of such fetus, unless such research is done for the purpose of assuring the survival of such fetus.

The conference report authorizes an appropriation of $207,947,000 for the fiscal year ending June 30, 1975, subject to the requirement that not less than 25 percent of the appropriation shall be used for the direct provision by the Secretary of National Research Service Awards to individuals.

Mr. STAGGERS. Mr. Speaker, I have no further requests for time.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point or order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 311, nays 10, not voting 113, as follows:

[Roll No. 353]

YEAS—311

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Archer
Arends
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flynt
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Gude
Guyer
Haley
Hamilton
Hanley
Hanna
Hansen, Idaho
Harsha
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kastenmeier
Kemp
Ketchum
Koch
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McClory
McCloskey
McDade
McEwen
McFall
Madden
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Robinson, Va.
Rodino
Roe
Rogers
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stratton
Stubblefield
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zablocki
Zion
Zwach

NAYS—10

Conlan
Crane
Gross
Hanrahan
Landgrebe
Rarick
Roncallo, N.Y.
Rousselot
Steiger, Ariz.
Symms

NOT VOTING—113

Addabbo
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Biaggi
Bolling
Brasco
Brooks
Burke, Calif.
Carey, N.Y.
Chamberlain
Chisholm
Clancy
Clark
Cochran
Collier
Cotter
Culver
Daniels, Dominick V.
Davis, Ga.
Dorn
Downing
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Flowers
Foley
Ford
Frelinghuysen
Fulton
Fuqua
Gibbons
Goodling
Grasso
Griffiths
Grover
Gubser
Gunter
Hammerschmidt
Hansen, Wash.
Harrington
Hastings
Hawkins
Holifield
Howard
Hungate
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Karth
Kazen
King
Kluczynski
Kuykendall
Landrum
Lehman
Lujan
McCollister
McCormack
McKay
McKinney
McSpadden
Macdonald
Madigan
Martin, Nebr.
Meeds
Metcalfe
Milford
Minshall, Ohio
Moakley
Mollohan
Moorhead, Pa.
Moss
Nelsen
Pepper
Peyser
Podell
Powell, Ohio
Quie
Quillen
Reid
Rhodes
Roberts
Robison, N.Y.
Roncalio, Wyo.
Rooney, N.Y.
Rose
Roy
St Germain
Shoup
Shriver
Shuster
Sikes
Sisk
Stokes
Stuckey
Studds
Talcott
Thomson, Wis.
Tiernan
Van Deerlin
Vigorito
Ware
Whitten
Williams
Wilson, Charles H., Calif.
Winn
Wylie
Wyman
Yatron
Young, Ga.
Young, Tex.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Dorn.

Mr. Roncalio of Wyoming with Mr. Van Deerlin.

Mr. Sikes with Mr. Rose.

Mr. Clark with Mr. Whitten.

Mr. Brasco with Mrs. Griffiths.

Mr. Roberts with Mrs. Hansen of Washington.

Mr. Dominick V. Daniels with Mr. Landrum.
Mr. Fulton with Mr. Powell of Ohio.
Mr. Kluczynski with Mr. Quie.
Mr. Jones of Tennessee with Mr. Peyser.
Mr. Holifield with Mr. Nelsen.
Mr. Biaggi with Mr. Minshall of Ohio.
Mrs. Grasso with Mr. McCollister.
Mr. Cotter with Mr. Anderson of Illinois.
Mr. Evins of Tennessee with Mr. Martin of Nebraska.
Mr. Fuqua with Mr. Madigan.
Mr. Podell with Mr. Chamberlain.
Mr. Howard with Mr. Lujan.
Mr. Harrington with Mr. Frelinghuysen.
Mr. Mollohan with Mr. Goodling.
Mr. Moorhead of Pennsylvania with Mr. Clancy.
Mr. Vigorito with Mr. Grover.
Mr. Studds with Mr. Eshleman.
Mr. Stokes with Mr. Roy.
Mr. Carey of New York with Mr. Gubser.
Mr. Reid with Mr. Collier.
Mrs. Burke of California with Mr. Gunter.
Mrs. Chisholm with Mr. Culver.
Mr. Sisk with Mr. Hammerschmidt.
Mr. Metcalfe with Mr. Foley.
Mr. Downing with Mr. Cochran.
Mr. Gibbons with Mr. Hastings.
Mr. Karth with Mr. Edwards of Alabama.
Mr. Kazen with Mr. King.
Mr. Tiernan with Mr. Esch.
Mr. Charles H. Wilson of California with Mr. Kuykendall.
Mr. Hawkins with Mr. Milford.
Mr. Brooks with Mr. Andrews of North Dakota.
Mr. Ford with Mr. Davis of Georgia.
Mr. Moss with Mr. Flowers.
Mr. Stuckey with Mr. McKay.
Mr. Yatron with Mr. Jones of North Carolina.
Mr. Young of Georgia with Mr. McSpadden.
Mr. Hungate with Mr. Shoup.
Mr. Lehman with Mr. Shriver.
Mr. Macdonald with Mr. Shuster.
Mr. St Germain with Mr. Talcott.
Mr. Meeds with Mr. McKinney.
Mr. McCormack with Mr. Ware.
Mr. Moakley with Mr. Williams.
Mr. Pepper with Mr. Thomson of Wisconsin.
Mr. Robison of New York with Mr. Winn.
Mr. Wylie with Mr. Young of Texas.
Mr. Wyman with Mr. Quillen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1975

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15581), making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 1½ hours, the time to be equally divided and controlled by the gentleman from Indiana (Mr. MYERS), and myself.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. Is there objection to motion offered by the gentleman from Kentucky.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15581, with Mr. FASCELL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. By unanimous consent, the gentleman from Kentucky (Mr. NATCHER) will be recognized for 45 minutes, and the gentleman from Indiana (Mr. MYERS) will be recognized for 45 minutes.

The Chair recognizes the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at this time we submit for your approval the annual District of Columbia appropriation bill for fiscal year 1975.

As chairman of the subcommittee on the District of Columbia Budget it is a distinct honor for me to serve with all of the members of this subcommittee. On our subcommittee we have Mr. STOKES of Ohio, Mr. MYERS of Indiana, Mr. TIERNAN of Rhode Island, Mr. MCEWEN of New York, Mr. CHAPPELL of Florida, Mr. COUGHLIN of Pennsylvania, Mr. BURLISON of Missouri, Mr. YOUNG of Florida, Mr. MCKAY of Utah, and Mr. ROUSH of Indiana. Mr. Chairman, all of these Members are outstanding Members of the House of Representatives and are good members of the Committee on Appropriations. Mr. Chairman, Mr. MYERS of Indiana is now the ranking minority member of our subcommittee and has performed yeoman service in carrying out the duties of this assignment.

For the 11th consecutive year the Congress has been presented a budget for the District of Columbia that is out of balance. We submit to the House of Representatives a balanced budget.

The District of Columbia under this bill will have the total sum of $1,382,937,000 for fiscal year 1975: $724,078,500 of this amount will come from Federal funds. The Federal payment including sewer and water charges totals $226,800,000. Federal loans for capital outlay total $162,600,000. The District of Columbia will receive in fiscal year 1975 the sum of $30,969,000 for revenue sharing, and for Federal grants the District will receive $303,709,500.

In the District of Columbia at this time we have about 746,000 people. When you compare the amount of the District budget for fiscal year 1975 with the budgets of the 50 States you will find that here in our Nation's Capital we have a per capita expenditure that is considerably higher than in most of the States.

The Federal payment in the bill totals $221,200,000. The authorized Federal payment, as you know, Mr. Chairman, which is provided for under the new home rule legislation, totals $230 million.

The budget as submitted to our committee contained a deficit of $5,661,000 in the general fund.

The Mayor and the City Council submitted a budget that carried no proposals for new taxes and can be considered an election year budget because increases were demanded in Federal funds but the District government was not willing to increase taxes to pay any part of the increased cost of operating our Nation's Capital.

Mr. Chairman, 67 percent of increased costs requested for the operation of our city government in 1975 falls in the mandatory category.

We recommend a reduction in the Federal payment of $8,800,000 and a reduction in loans for capital outlay of $7,800,000. We recommend a reduction in operating expenses of $17,185,000. We recommend a reduction in capital outlay of $22,785,000.

We recommend that the House continue the restriction on the maximum number of positions authorized for any one month to the total of 39,619. Appropriations recommended for personnel compensation are based on a lapse rate of 8½ percent which will restrict actual employment to 38,238.

Mr. Chairman, I would like to discuss briefly at this time a number of matters that are of great importance to our Nation's Capital. As I pointed out, we recommend a Federal payment to the general fund of $221,200,000. This is 40.2 percent of the local general fund collections which total $550,710,000. When the Federal payment is considered in relation to the general fund of the District of Columbia, which totals $800,857,600, the U.S. share of $221,200,000 is 27.62 percent.

The committee recommends a total of $76,878,000 for general operating expenses for the various departments, agencies, and activities. This allowance is $1,182,000 above the 1974 appropriations and $6,380,000 below the amount requested.

Our committee recommends a total of $211,529,000 for public safety activities during the fiscal year 1975. This allowance is $424,000 more than current year appropriations and $1,219,000 less than the amount requested.

For the Metropolitan Police Force, we recommend $111,675,800. This is the amount requested by the Metropolitan Police Department and, Mr. Chairman, you will be interested to know that as I pointed out during the hearings, at no time in the past 10 years has any request for personnel been denied by the committee because in every instance, the crime situation here in the District of Columbia justified the increases proposed and approved. The uniform officer strength was built up to 5,100 and in arriving at the adjusted base for 1975 the Mayor and the City Council have reduced that strength to 4,750.

Mr. Chairman, this reduction is a serious mistake and in the opinion of the committee, the crime statistics today do not justify that reduction. Overall, the number of authorized positions, including both uniform and civilian has been reduced by 251. Our committee recommends approval of the increase of $1,196,300 for police pension and relief payments.

The crime situation in the District of Columbia certainly does not justify a reduction in the Metropolitan Police force and in my opinion, the future will hold that this proposal is a mistake.

Mr. Chairman, we recommend $36,732,700 for the Fire Department. This is an increase of $473,900 over the 1974 appropriations and $266,000 under the 1975 estimates.

We recommend $31,165,000 for the courts; $31,683,800 for the Department of Corrections and $271,700 for the National Guard.

This bill contains the sum of $1,923,000 for payments to attorneys representing indigent criminal defendants in the superior court and the District of Columbia Court of Appeals and $177,000 to cover the cost of administering the program which provides a total of $2,100,000 for 1975.

An appropriation of $1,718,200 is recommended for 1975 for the Public Defender Service.

A total of $206,939,000 is recommended for the operation of the elementary, secondary and higher educational programs of the District of Columbia.

For public schools, we recommend $173,218,200. This is $4,298,900 more than 1974 appropriations and $3,664,600 less than 1975 estimates. For the Board of Higher Education, we recommend $149,800; for the District of Columbia Teachers College, $4,088,900; for the Federal City College, $19,389,700 and for the Washington Technical Institute, $10,092,400.

Mr. Chairman, this is the largest amount that we have ever recommended for the District of Columbia public school system. In addition to the $173,218,200 the public school system receives $32,279,700 in Federal grants.

The enrollment in our public school system continues to decrease about 4,000 each year. In 1968 we had 149,300 students and in 1975 it is estimated that we will have 131,300. The per pupil expenditure is $1,506 and this is one of the highest in the country.

Mr. Chairman, money alone will not teach the students in the District of Columbia schools how to read and write. This bill contains more than enough money for the public school system and I do hope that as one member of this committee, our new Superintendent and the School Board will spend this money more wisely than it has been spent in the past.

During 1973, 46,810 window panes were installed in our public school buildings; 30,080 were broken by rocks being thrown at the buildings and the total cost of restoring the window panes is $621,660. You will be interested to know, Mr. Chairman, that in our community school program which we set up a number of years ago, very few window panes are broken out by rocks being thrown at the buildings that are operated under this program. When the buildings are used after school is out and especially for meetings and programs at night, the boys and girls respect that particular building and they do not throw rocks at the windows.

Mr. Chairman, we recommend $14,852,000 for recreation.

We recommend a total of $224,482,000 for the operation of the Department of Human Resources in the fiscal year 1975. Welfare payment assistance will total $77,445,300. This is $913,100 less than 1974 and $1,767,300 less than 1975 budget requests. We have 746,000 people living in the District of Columbia and it is estimated that we will have 107,000 people on welfare during the fiscal year 1975. In 1973, we had 117,211 on welfare. By virtue of a change in the system concerning inspections and the use of personnel serving in this capacity, the number on welfare has been reduced. Mr. Yeldell is making every effort to get off of the welfare rolls, those who are there illegally.

For highways and traffic, we recommend $24,180,000 and for environmental services, the sum of $48,258,000.

A total of $204,918,000 is recommended for the fiscal year 1975 capital improvements program. This allowance is $73,162,600 more than was provided in 1974 due to the inclusion of $41,092,500 for the construction of the new court house and $57,906,500 for the development of the new campuses for the Federal City College and the Washington Technical Institute. The overall request has been decreased $22,785,000.

For public schools we had 25 capital outlay requests and we recommend 16. For recreation, 24 requests and we recommend 11. For the Metropolitan Police Department we had three requests and we recommend three. For the Fire Department, we had four requests and we recommend four. For the Department of Human Resources, we had nine requests and we recommend seven. For the Department of General Services, we had six requests and we recommend five. For the Department of Highways, we had 23 requests and we recommend 22. For the Department of Environmental Services, we had five requests from the general fund and we recommend five; from the sanitary sewerage works fund, we had three requests and we recommend three; and from the water fund we had four requests and we recommend four. For the Washington Aqueduct we had one request and we recommend this one.

Mr. Chairman, we recommend this bill to the committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. Mr. Chairman, before yielding to my distinguished friend, the gentleman from Iowa, I would like to make this statement for the Record:

I have served in the Congress for 20 years; I have served on the Committee on Appropriations for 19 years, and I have been chairman of the District of Columbia Subcommittee for 12 years.

The distinguished gentleman from the State of Iowa (Mr. Gross) who is standing to my left, has every year since I have been a member of the Committee on Appropriations clearly shown an interest, not only in this bill but in every appropriation bill that has been brought to the floor.

If I were to be asked, I would say that the distinguished gentleman from Iowa has saved this country a minimum of $5 billion since he has been a Member of the House.

The gentleman has decided to retire and we certainly will miss him.

Mr. Chairman, I want the gentleman to know that as one Member of Congress, I appreciate the service he has rendered, not only to his constituents but to the people in the 50 States.

At this time, I yield to the gentleman from Iowa (Mr. Gross).

Mr. GROSS. Mr. Chairman, I thank my friend, the gentleman from Kentucky, for yielding.

I am most grateful for his more than generous remarks, and I want him to know that it has been my privilege and pleasure to serve with him in Congress for so many years.

Mr. Chairman, I am concerned about the employment in the District of Columbia of so many municipal employees.

I have been provided with a listing of the employees in GS-15 level and above, that is, GS-15 and the supergrades.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NATCHER. Mr. Chairman, I yield myself 5 additional minutes.

Mr. GROSS. If the gentleman will yield further, this listing which I have in hand provides job descriptions and names of the GS-12's through GS-15's. I am sure that all Members of the House are well aware that those are far from being the lowest grades, the GS-12's through the GS-15's, and the supergrades. I wish that these might have been printed in the hearing record so that some Members would have knowledge of the numbers and pay of the employees in the District of Columbia government. But I understand the committee did not have them printed by reason of the tremendous printing costs that would be necessary

I notice, for instance, that there are 165 psychiatrists and psychologists employed in the District of Columbia municipal government. I wonder if the distinguished gentleman from Kentucky can give us an estimate of the cost of these head-shrinkers?

Mr. NATCHER. Mr. Chairman, I should like to say to my friend, the gentleman from Iowa, that as far as the overall costs for the psychiatrists, I do not have that figure right here with me at this point, but I certainly will submit it to the gentleman. I think the matter that the gentleman called attention to is one of the most important matters that we have in this bill each year.

As the gentleman has pointed out to the House, the number of supergrade positions beginning with GS-16 up through 18 in the District of Columbia government, totals 160. In the category of GS-12 and up to GS-18, there are 4,752, of which 3,703 are financed by D.C. funds and 1,049 are financed by Federal grants and other sources. In this category there are 1,200 policemen, firemen, and teachers in the public schools, and faculty of the institutions of higher learning.

As far as the supergrades are concerned—GS 16–18—I should like to say to my friend, the gentleman from Iowa, they must be approved by the U.S. Civil

Service Commission on a case-by-case basis. The District government is in competition with the Federal Government for employees and conforms with the U.S. Civil Service standard classification system. As far as the total of 4,752 employees in the GS–12 category and above, I certainly agree with my friend that that is considerably too many.

Mr. GROSS. I commend the gentleman and the members of his committee in making some reduction in the total payroll of the District of Columbia in this bill, but I think it is outrageous that there are so many employees in these high grades. While it may be that there is strong competition for the services of psychiatrists and psychologists in the District of Columbia, they ought to be able to cut the number to a reasonable level.

I repeat that it seems to me that this is outrageous—165 of these people feeding off the payroll.

I have other questions that I will reserve until later, but I do want to commend the gentleman, and the members of his committee, particularly the gentleman from Kentucky, for the excellent hearings that are available to all Members on this bill.

Mr. NATCHER. I thank my friend, the gentleman from Iowa.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, could we find out what these psychologists and psychiatrists do? I did not know city governments needed them, or is it just this government?

Mr. NATCHER. As the gentleman knows we have in the District of Columbia a number of clinics and institutions where we have to have psychiatrists and those are the places where these people are placed. We have a jail and we have a reformatory and we have all the institutions in the District of Columbia, similar to those that States have, and as far as numbers are concerned it is comparable. Forest Haven is a large institution for the care of the mentally retarded. The city of Washington has to take care of these people. As far as St. Elizabeths Hospital is concerned, the cost of maintaining that institution is a matter we handle between two subcommittees, but these people are assigned, in the different institutions we have in the city operated by the District of Columbia government.

Mr. ROUSSELOT. Are the majority of those people at St. Elizabeths?

Mr. NATCHER. I would say the majority of the psychiatrists the gentleman inquires about are located in the mental health clinics, Forest Haven and the other institutions operated by the city. A majority of them are located in these facilities.

Mr. ROUSSELOT. Is that an abnormal number for a city of this size?

Mr. NATCHER. I would not say so considering the number of institutions that the city has to maintain.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Ohio.

Mr. MILLER. Mr. Chairman, I thank the gentleman for yielding.

A few minutes ago the gentleman from Kentucky mentioned to the gentleman from Iowa that possibly he had saved $5 billion, and according to my judgment that is a correct version for this calendar year.

Mr. NATCHER. Mr. Chairman, I recommend this bill to the committee.

Mr. MYERS. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, the chairman of our committee, the gentleman from Kentucky (Mr. NATCHER), has done his usual outstanding job in presenting the District of Columbia appropriation bill.

I want first to give my thanks to the newest member of our committee on the minority side, the gentleman from Florida (BILL YOUNG) who has done an outstanding job on this. He is the only new member who has not previously been serving with us, but he has done an outstanding job and he has constributed much toward making this an even better bill.

Mr. Chairman, the bill we are considering today does not really do justice to this committee or its chairman, or the members of the staff nor even to the Congress. In fact, it does not do justice to the people of the District of Columbia, as most of the other appropriations which have been brought to the District of Columbia Subcommittee in recent years have not.

My hat goes off to our chairman for chairing this subcommittee for a number of years and it certainly is not an easy job. I know several in this Chamber have served on this subcommittee and realize the tremendous task it is to go through this budget and try to make meaningful and needed cuts in this important budget. Certainly it is not an easy job. This year it was not an easy job either. In fact it was complicated somewhat by the home rule bill that Congress passed which has now been enacted into law, so on January 2 next year the District of Columbia will be coming under a type of home rule.

This budget is practically full funding although there will be some modifications hopefully next year when the District of Columbia under home rule gets running fullfledged. But the chairman has been most patient. I thank him for the patience he has shown not only to witnesses, giving them every opportunity to present their case, but also as well to the members of the subcommittee in allowing them to question the witnesses who come before the committee.

But, as the chairman has said, H.R. 15581 as it came to the subcommittee was out of budget approximately $5 million. On May 28 the District of Columbia came to us and advised us that their anticipated revenue would be about $3.5 million less than they had expected, thereby further complicating the deficiencies in balancing the budget.

Also the District of Columbia was asking for the $2,550,000 that this Congress reduced in the Federal payment last year. The District of Columbia government had asked for that increase in the supplemental and once again asked it to be increased in this budget; so we can see that the task of the subcommittee was not an easy one to try to balance that budget.

The request for the operating budget this year that was given to us by the District government was up 7.3 percent from last year yet the District is asking for an increase in Federal funds of 12.5 percent over last year. They asked for no property tax increases. They are not anticipating increasing any tax revenue from the taxpayers of the District of Columbia. All the increase to be paid for by the Nation's taxpayers, 67 percent of the increases that were asked for in this bill are mandatory, thereby making our job even more difficult, mandated by acts of this Congress, 67 percent of the increases.

So as we looked for places to cut, we ran into a wall of mandated expenditures by this Congress and it was impossible to make the cuts this committee would like to have made. I am sure a great many citizens and taxpayers of the District of Columbia would like to have seen more cuts made.

It is important to recognize that the District government asked and anticipates not collecting any more taxes from its taxpayers, but expects to collect it from your taxpayers.

The total contribution by the Federal Government, including the Federal payment, water fund and sewer fund, this Federal payment will amount to $226,800,000 and the revenue sharing will be $30,969,000. This is for the operating funds, and add to that the borrowing authority outlay $162,600,000 which they must borrow from the U.S. Treasury, we arrive to the total of $1,300 million; $724,078,500-plus is coming from the taxpayers of the Nation, not just the taxpayers of the District of Columbia. Fifty-five percent of this budget will not be paid for by the taxpayers of the District of Columbia, but by your taxpayers.

There is not a Member here who has a single community that would come close to reaching as much.

The District of Columbia does occupy about a third of the buildings that could be assessed for taxes. This is the biggest convention city in the world. Right this day we have two or three conventions, by population, that are coming to the District of Columbia and spending their money, so the District has a great benefit in the fact that the Federal Government is here.

I think it is worth noting that 52 percent of the operating budget comes from the taxpayers outside the District of Columbia and 55 percent of the total budget, including the capital outlay.

Mr. Chairman, one of the items that is growing the most rapidly in this budget is the repayment of loans and interest. This year in this budget it is $49,067,000 allocated for the repayment of loans and interest. Just a little over $10 million of that is retiring the principal. The remainder of $38,641,000 is paying interest. This year in the capital outlay, and much of it is necessary for new school buildings, new capital outlays required by a big government, we find we will be increasing this more and more.

That is exactly the same thing we find in the U.S. Treasury. One of the biggest things growing is the interest on borrowed funds.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MYERS. Mr. Chairman, I yield myself 5 more minutes.

Mr. MYERS. Mr. Chairman, this is something that only this Congress can do something about. The District of Columbia is going to request lots of new buildings and the chairman has said, they have asked for lots of new recreation facilities that in the wisdom of this committee we felt we could wait awhile for.

If we had granted all the wishes of the District of Columbia government, we would not see the figure of $49 million next year, but we would see a doubling in just a year or so. It is one we have to be aware of or conscious of, that we are increasing the capital outlay and, thereby, increasing this figure. One of the most rapidly increasing figures this year increased over last year's appropriation for just this one account, repayment of loans and interest, a 25-percent increase.

Mr. Chairman, there is not another city in the United States which spends the per capita general expenditures that the District of Columbia government is spending; $1,473.96 is the per capita general expenditure by the District of Columbia. New York is the next closest, and it is a long shot from being there. One can throw in Oregon, Minnesota, or Alabama in this difference between what New York and the District of Columbia spends on per capita expenditures.

On per capita general revenue, the District of Columbia is $1,290.49 per each individual living here. The per capita debt is reaching over $900 now. Compare this to some of the other cities of comparable size.

As the Chairman has said, our appropriations this year total for the District of Columbia is $1,382,937,000. Another city which happens to lie in the State of which I represent a part is within about 2,000 of the population of the District of Columbia—within 2,000 of the population—the city of Indianapolis. There, the expenditures are less than one-fourth as much as the District of Columbia.

Of course the proponents of this big budget say, "Yes, but we have State obligations also." The District of Columbia receives the State share of general revenue sharing that other cities do not receive. The U.S. Government provides a lot of services here which the Government does not provide for the communities that Members of this House represent.

I will mention my own State of Indiana. If we added all the employees for the entire State of Indiana—92 counties, 600 times the size in land mass as the District of Columbia and about eight times in population greater than the District of Columbia—add all the employees of the State of Indiana and all the employees of the city of Indianapolis, a city of comparable size, we still do not have the same number of employees which the city of Washington has. Washington does not have the 39,619 authorized here. It does not count the grants and all these other aid programs. The total reaches close to 50,000 employees for this city of 746,000 people.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I doubt that Indianapolis would support 24 chauffeur-driven automobiles, as apparently occurs in the District of Columbia. And I doubt that $650,000 worth of windowpanes in the schools in Indianapolis are deliberately smashed each year and workmen are paid hazardous duty pay to replace them.

Mr. MYERS. This is exactly to the point. This is a problem I do not know how to reach. This Committee has considered this problem of motivation, or lack of motivation, of concern of the citizenry. It really is not the responsibility of this Congress, but it is a problem the District of Columbia has.

That is a part of the problem, I say to my friend from Iowa. I do not think the District of Columbia is completely without responsibility; they have done everything they could do to prevent these outbreaks of vandalism or the lack of concern for public property.

Mr. GROSS. Certainly, that is not the responsibility of the committee. I am saying that there is not the civic responsibility in the District of Columbia. The money comes so easily that they do these things.

Mr. MYERS. I think the gentleman has hit the nail right on the head.

Let me take a couple of cities. Cleveland, Ohio—we have a gentleman on the committee from Cleveland—is a city with a population slightly more than Indianapolis. The city of Cleveland spends slightly more than Indianapolis, but a far cry from that of what the District of Columbia spends. Their total municipal employees are 11,500 employees.

Dallas, Tex., is a larger size, much larger than Washington. It spends only $301 million in total budget and has a total of 19,000 employees. San Diego, Calif., has a population of slightly less than 700,000 people and a budget of $202,000. It has 5,943 municipal employees.

The list goes on and on of the number of employees the District has in comparison, the outlay for budget expenses and so forth. I do not think we are really doing the District any favor by continually letting this figure of employees climb, continually expanding the budget and giving them more money.

There are certain hard things that we have to provide the District of Columbia: schools, police protection, recreation facilities, fire protection. These are things that we cannot ignore, but as to some of the frills, and in this budget we have seen one or two new ones, where the Federal programs are being phased out, we have assumed the responsibility for the District of Columbia. However, I think that next year we have to see how many of those we can phase out because it is not easy to change the situation when they have been at the Federal trough for so long. It is a most difficult task to try to get this budget reduced.

I again think the committee did a good job, not the best job, not the kind of job any one of us would like to have done, but considering the mandate that this Congress already has given us, we did the best of all possible jobs in reducing this budget.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield 8 minutes to the member of the committee, the gentleman from Florida (Mr. YOUNG).

Mr. WYDLER. Mr Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

Mr. YOUNG of Florida. Mr. Chairman, it is my intention to speak out of order at this time. I regret that I must use this procedure to continue a debate that was begun earlier, but the 2 minutes that were offered to me at that time were just not sufficient to cover the material.

POINT OF ORDER

Mr. BURLISON of Missouri. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Missouri will state it.

Mr. BURLISON of Missouri. I do not believe the gentleman is speaking on the matter under consideration.

The CHAIRMAN (Mr. FASCELL). The Chair is prepared to rule. Uner the precedents and under present unanimous-consent agreement governing the general debate on the pending bill, there is no limitation on matters which may be discussed in the Committee of the Whole. If the Committee of the Whole, operating under a rule from the Committee on Rules which limited debate to consideration of the subject matter of the bill, the gentleman's point of order would be in order.

The point of order at this time is not in order, and the Chair overrules the point of order.

Mr. YOUNG of Florida. Mr. Chairman, I rise as one Member of this House, one of a very few, in fact, maybe the only one who has ever been personally involved in an impeachment procedure from the time that it was first initiated in a State House of Representatives until the time that it was disposed of in the State Senate.

I also rise, Mr. Chairman, as a Member of this House who has repeatedly told even the most outspoken supporters of the President that a decision on impeachment was one of the gravest that a responsible Member of Congress would ever be called upon to make, and that decision should not be made on the basis of emotion or on the basis of partisanship, but should only be made on the basis of truth and on fact.

Mr. Chairman, I rise today as a spokesman for the millions of Americans in this Nation who believe in fair play, people who want the truth and the whole truth, and people who believe that 2 years and $8 million worth of investigation are enough to bring out that truth so that we can make that fair decision.

Mr. Chairman, today United Press International reported a statement by the chairman of the House Committee on the Judiciary—and I have a copy of the story as it appeared in a newspaper in Los Angeles—and I want to read just two statements from this story in case the Members did not hear it earlier.

> The Chairman of the House Judiciary Committee has said that all the Democratic Members will support the impeachment of President Nixon, enough to recommend impeachment to the full House, the Los Angeles Times reported today.
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> The Times said Rodino "commented at length in the presence of visitors . . . upon returning to his office Thursday" during a noon break in the committee's proceedings.

Mr. Chairman, I am very happy to hear that Chairman Rodino has denied this and stated that he could not say whom those people were that he discussed it with. I would say that I know whom I had lunch with yesterday, and I know the constituents with whom I met yesterday; but, of course, each of us must speak for ourselves.

I also know what the reaction would be if someone from the White House were to claim this same lapse of memory.

Mr. Chairman, I take this time today to state that what we have seen in this news item this morning seems to prove what some people have been suspecting for a long time: that maybe prejudgments have been made. Maybe a scenario has been worked out in advance. Some of the things that we have seen unfold and some of the drama that has been played seems to bear out the suspicion that a scenario has been established in advance.

Many of us are very curious to know who is the phantom director of this impeachment scenario.

Mr. Chairman, when we reconvene as the House I will ask unanimous consent to include with my remarks a copy of the Los Angeles Times story under discussion as well as a copy of a further UPI wire story identifying Mr. Sam Donaldson, a reporter for the American Broadcasting Co., as one of those present in Chairman Rodino's office and quoting him as confirming the statement attributed to Chairman Rodino.

[From the Los Angeles Times, June 28, 1974]

ANTI-NIXON VOTE BY 21 DEMOCRATS SEEN

(By Jack Nelson)

WASHINGTON.—Chairman Peter W. Rodino Jr. (D-N.J.), was quoted Thursday as saying that, all 21 Democrats on the House Judiciary Committee are prepared to vote to impeach President Nixon, but that at least five Republican votes are needed to make a strong case for endorsement by the full House.

Rodino has no indication of how the committee's 17 Republicans will vote. Only a simple majority is needed for a committee recommendation to impeach. However, Rodino and other committee Democrats have said that any articles of impeachment voted by the committee would stand little chance of House approval unless supported by several committee Republicans.

With the exception of limited testimony by a few witnesses, which begins next week, the committee already has heard its staff's full presentation of all available evidence.

Rodino was quoted as saying that the evidence, despite arguments to the contrary by James D. St. Clair, Mr. Nixon's chief impeachment counsel, is sufficient for a Senate trial of the President.

Rodino commented at length in the presence of visitors on the impeachment inquiry upon returning to his office Thursday during a noon break in St. Clair's presentation. That is what transpired:

He appeared irritated that St. Clair, in presenting his case, had stated conclusions based on the evidence, rather than citing factual information as required by committee rules.

"Some of the members are quite upset," Rodino said. "I've even talked to Republicans who felt it was wrong for Mr. St. Clair to state conclusions."

Rodino said Republican members who believe the evidence is strong and may vote for impeachment are "agonizing" over how they can justify voting to impeach a President who is a member of their own party.

He said he was not sure whether as many as five Republicans would support the articles, but added that if any Republicans were "waiting for another bombshell, I guess about the only thing left is the Supreme Court decision on the tapes."

Now pending before the court is the case of special Watergate prosecutor Leon Jaworski's subpoena for tapes of 64 presidential conversations. Arguments on the case will be heard on July 8.

Rodino said he did not know whether the Supreme Court would rule on the case in time for it to be a factor in the committee's deliberations. He said he was determined to stick to a committee schedule that calls for an impeachment vote by July 23.

Several Republicans on the committee have indicated they would consider it grounds for impeachment if Mr. Nixon defied a court order upholding the validity of the subpoena. St. Clair has declined to say whether the President would obey such a court order.

Mr. Nixon has rejected four committee subpoenas and has been served with four other committee subpoenas that he has indicated he will ignore. Most Republicans on the committee have indicated they do not consider noncompliance with the committee subpoenas an impeachable offense.

Rodino believes Republican members most likely to vote for impeachment include Reps. William S. Cohen (Me.), M. Caldwell Butler (Va.), Hamilton Fish Jr. (N.Y.), Thomas F. Railsback (Ill.), Robert McClory (Ill.), and Henry P. Smith III (N.Y.).

Other Republicans who have been cited as possible supporters of impeachment include Rep. Charles W. Sandman, Jr. of New Jersey, who is engaged in a close race for reelection and Rep. Lawrence J. Hogan, who Thursday announced his candidacy for the Republican nomination for governor of Maryland.

Rodino has a better feel for how the Democrats will vote because he meets with them frequently in closed-door caucuses.

On his attempts to keep some Democrats in line on procedural matters, Rodino said, "Some of them just don't look down the road for the long haul."

"As of now," he said, all Democrats appear convinced that the evidence is sufficient to impeach and that all will vote for impeachment.

Only two Democrats, Reps. James R. Mann (S.C.) and Walter Flowers (Ala.), both from Southern districts that are strongly pro-Nixon, have been considered as possible anti-impeachment votes.

On other matters Rodino said:

—Public opinion is ahead of the committee. "Their minds are made up," in wanting to see the impeachment issue resolved in a Senate trial.

—Special counsel John M. Doar and minority counsel Albert E. Jenner Jr. will give the committee their theory of an impeachment case after all witnesses have been heard. But they will not recommend that the committee vote one way or the other. Both attorneys will adopt prosecutorial roles, however, immediately after any committee vote for impeachment.

—Mr. Nixon has realized some gains in the impeachment battle in the public arena with his trip to the Middle East and his current trip to Moscow. Later, Sam Donaldson, a reporter for the American Broadcasting Co., said he was one of the visitors in Rodino's office and described the Los Angeles Times story by Jack Nelson as "absolutely accurate to my recollection."

Donaldson said he had not reported Rodino's remarks on the air because he considered them "in the nature of a guidance, background session" in which Rodino, responding to questions, gave his assessment of the likely outcome of next month's scheduled committee vote on whether to recommend impeachment.

Mr. HOGAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Chairman, I thank the gentleman from Florida for yielding.

I share the gentleman's concern about the UPI story which quoted a Los Angeles Times story indicating, as the gentleman from Florida has said, that the chairman of the Judiciary Committee (Mr. Rodino) had stated yesterday during the noon break with a group of visitors in his office that all 21 Democrats would vote for impeachment. This troubled me very much because we had only just begun to hear the presentation of evidence from the President's counsel and we have not yet begun to hear from the witnesses.

I was very pleased to hear the chairman of the Judiciary Committee, to me personally and to the House as a whole, indicate that this story was not true. I was disappointed, however, that he failed to reveal the identity of those with whom he met yesterday during the noon hour.

Certainly, he must recall who they were and I think it might be appropriate if some of our investigative reporters would try to ascertain this. I think it is an important matter to resolve.

One of the things that troubles me more than anything else and it has troubled me a number of times during this impeachment inquiry, is that it seems to be the "in" thing to say that this impeachment inquiry has been objective and fair and totally unbiased. A number of those on this side of the aisle have so indicated. But I want to indicate to my colleagues that I do not share that view. I think it has been biased and I think it has been unfair. It is regrettable that a myth has been created that the contrary is true, that it has been fair and unbiased.

During the evolving weeks of this inquiry, every time some element of fairness has been conceded to the President or his counsel it has taken place only after an agonizing partisan squabble. With great reluctance on the part of the majority, such concessions to fairness have been made. Finally the majority conceded that the President's counsel can participate, and then they conceded that he can make a presentation, and then they conceded that he can call witnesses. But when they finally did decide after great reluctance to call witnesses, they did not even accord the President's counsel the right to call six witnesses. Is that fair? To not allow him to just call six witnesses after we have been active in hearing material against the President for 6 weeks, is certainly not fair. If it is, I do not know what fairness is.

I want to call something else to the attention of my colleagues. During our debate in the committee the other day on this matter of calling witnesses, there was an amendment before the committee, I offered an amendment to that amendment which would have accorded to the President's counsel the witnesses that he desired to call. We called for a vote on this amendment of mine and it prevailed by a 21-to-17 vote.

Immediately upon the announcement of the result of that vote the chairman of the committee, Mr. RODINO, banged the gavel and called a recess and announced that there would be an immediate Democratic caucus. We Republicans cooled our heels and waited until the Democrats came back in. When they did everything was arranged. From that point on, every amendment offered by the Republicans to add witnesses to the list were rejected. But the most astounding thing of all is that we had a rerun on the exact language of the Hogan amendment, the precise, same language, and whereas before the Democratic caucus it prevailed by a 21 to 17 vote, after the Democratic caucus it was defeated by a 22 to 16 vote. The exact, same language.

So, when we hear talk about fairness we really ought not to be deluded into believing that is true.

This morning we had another development which disturbed me very much. The President's counsel was presenting his perception of the factual material before the committee on the various possible impeachable offenses. He presented some excerpts from some U.S. district court testimony, which is in the public domain, and which was also in the hands of our committee staff. The testimony of various witnesses which was excerpted and presented by Mr. St. Clair, the President's counsel, was exonerating to the President on various matters under consideration. It was exculpatory material. I asked the staff during that deliberation, why this had not been presented to us earlier. I asked, "If this is not an adversary proceeding, as we have been assured for weeks and weeks and weeks by the chairman, why did the staff not present this exculpatory material to us as well as the inculpatory material?" They had access to this material but they did not call it to our attention. I really think——

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOGAN. Mr. Chairman, I ask unanimous consent that the gentleman in the well be accorded 3 additional minutes.

The CHAIRMAN. The request of the gentleman is out of order. The time is controlled by the gentleman from Indiana.

Mr. NATCHER. Mr. Chairman, I would like to make this statement to the members of the committee. We have no additional requests for time on this side. It is the desire of the Members on this side, Mr. Chairman, that immediately following this speaker or any other speakers that the gentleman on the other side has, to move that the bill be considered as read and open for amendment at any point.

Mr. MYERS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I yield to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Chairman, I thank the gentleman from Iowa for yielding. As I was saying before I was interrupted, during the factual presentation this morning the President's Council presented U.S. district court testimony of witnesses which was exculpatory of the President.

I asked the staff why this material was not presented to us while they were presenting factual material in a supposedly objective and fair and unbiased manner in a so-called nonadversary proceeding.

The answer was a very weak, "Well, perhaps we made a mistake. Perhaps we should have included it."

Now, I am not here to say that the Democratic majority does not have the right to be partisan. All I am objecting to is the myth that has been created that they are not partisan. That is the thing that troubles me very much, so when some members of the Committee on the Judiciary say that the inquiry has been fair and objective, I want my colleagues to know they do not speak for all of us on the committee.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. In these few minutes it is difficult to try to respond to the many leaks and biased information that comes from the very committee which imposed a rule of confidentiality on itself; but I think this refusal to open the meetings to public view, the refusal to allow certain witnesses to be called, determinations being made by political party caucus, rather than being made by the committee itself, that on top of the statement of the chairman on how the Democratic members are going to vote creates a further problem of credibility, in my opinion.

I think the people want to know whose credibility is in doubt. Is it Jack Nelson of the Los Angeles Times, or the few people that meet in Chairman RODINO's office, or is it the chairman himself?

I think the people deserve an answer to this question. I think it is time to take the lid off of this coverup committee.

Let us quit playing games. Let us get back to the question of trying to fairly determine the guilt or innocence of the accused.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. LATTA. I want to thank the gentleman for yielding and say it is a very interesting discussion; but in the light of the discussion I would like to point out that I have heard from very reliable sources that the Democratic leadership already has its time schedule laid out. When the committee shall stop its deliberations, when the resolution is to be brought to the floor of the House, when we are to vote, and when we are to have the 2 weeks recess at the end of August and the first week of September.

It seems to me they are getting the cart before the horse. We ought to permit the committee to act based on the evidence. That is what we are supposed to make a determination on and not by what the Democratic caucus dictates.

This idea of trying to compress our work into some time frame is something to which I object, and object to very strenuously, and I mentioned this the other day in the Committee. I would hope, in fairness to the President of the United States, regardless of who occupies that high office, now or in the future, that we will treat him fairly as the President of the United States. If this terrible burden ever falls upon this body in the future—and I hope it never does—that it will not compress the work of the Judiciary Committee or whatever committee might undertake this awesome responsibility into some preconceived time frame; that they will let the evidence come out; that they will let that respondent, whoever he might be in the future, have his witnesses, have his day before the committee and before this House. Yes, and in full view of the American people. We should not deny him a witness, or 2 witnesses, or 5 witnesses, or 6 witnesses, or 60 witnesses.

Think of it. Think of it. A vote along party lines in that committee on whether or not President's counsel should have the right to call a mere six witnesses. Unthinkable, I could hardly believe this committee would take such an action on so important a matter.

Mr. NATCHER. Mr. Chairman, I have one additional speaker on this side for 3 minutes only. Following this speaker, Mr. Chairman, I would like to move that the bill be considered as read and open to amendment at any point.

Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman, I do not wish to prolong this matter, but I think there have been a couple of things said that call at least for some response in order to set this record straight. I deeply regret the perception that a few of my colleagues on the committee apparently have of its work. I do not believe that perception is shared by the overwhelming majority of the members of the Judiciary Committee, who I believe feel strongly that this work has been carried forward in a fair and objective manner.

The chairman earlier today responded to the story to which the gentleman from Florida alluded, and I do not intend to recount that, but I do want to underscore particularly one thing which the Chairman said and its interrelationship with the attitude and the work of the members of the committee.

He stated:

> During the course of these hearings, I have at every opportunity to express myself stated the need to proceed only on the basis of fairness and to insure, when there has been a complete presentation, only then should the Members draw their conclusion.

I can state to the Members that this is exactly the attitude that the chairman has communicated to the members of the committee in public, in caucus, in private talks. There is a need for the Members of this House and the people of this country to appreciate the process that is taking place in the Judiciary Committee. We have not come to predeterminations, and there is a commitment on the part of the members of the committee that the presentation should be made and that the Members at the conclusion of it should have the opportunity to render their judgment.

That is how this job is being done, and we have been working at that job week in and week out. We intend to make a fair and objective judgment on behalf of the American people, a judgment we can take to the people, defend to the people, and explain to the people.

There is no scenario, to use the word the gentleman from Florida invoked earlier. There is no script director. There is an effort to move this inquiry forward.

There is an effort to do it in a fair and objective manner, and the chairman above all has striven to the utmost to maintain this attitude and to impress it upon the members of the committee. I deeply regret this press story. The chairman has explained it earlier in the day. I deeply regret the perception that certain Members have expressed about the committee. I do not believe it is an accurate perception. I do not believe it is a fair perception.

I do not think it does justice to the efforts which most of the Members of the Judiciary Committee have been making in order to see that this very grave matter is carried forth in the manner that is called for by the Constitution and by our traditions and by our heritage.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NATCHER. Mr. Chairman, we have no additional requests for time on this side.

Mr. MYERS. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. YOUNG), a member of the committee.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

I want to say to the gentleman from Maryland who just left the well that I believe he is very sincere in what he has said and in what he believes.

My question is if, as he says, that is the firm feeling of the Committee, why is the committee proceeding in private, away from the full view of the public except for the leaks of certain stories? Why are witnesses who are suggested being refused and why are decisions being made in a political caucus rather than in the full Committee? If there is no scenario, how has the schedule and timetable already been established?

Mr. SARBANES. Mr. Chairman, if the gentleman will yield, I would assume that the gentleman would concede that there is a necessity to establish some sort of tentative time schedule. Someone made a reference to the fact that the time period for witnesses has been firmly established. That is not completely correct. The gentleman from Illinois (Mr. McCLORY), acting as the ranking Republican member of the committee, offered an amendment making it very clear that that time period could be amended, if necessary; and that amendment was supported by an overwhelming vote in the Committee, and the subsequent motion was supported by an overwhelming vote.

Mr. DIGGS. Mr. Chairman, I rise in strong support of H.R. 15581 to appropriate 1975 funds for the District of Columbia. This coming fiscal year the city's budget totals $1.074 billion, a generous budget, but a balanced budget.

The fiscal planning process for this budget has been extensive. As I indicated in a statement to Members last September, the budget's planning began with a thorough review of the impact of 5- to 10-percent reductions or increases in each Government program as a method of examining a full range of funding choices. The Mayor's initial budget released in early January then went through a month-long intensive review by the local City Council which resulted in a number of important changes in funding for higher education and the new home rule functions. The next step was an analysis by the President's Office of Management and Budget, and finally submission to the Congressional Appropriations Committees.

I take this opportunity to point out that the budgeting provisions of the Home Rule Act passed by this body last October and approved overwhelmingly by the local voters in their May 7 referendum would preserve this budget planning process and strengthen it through a series of requirements that better fiscal information be provided to both the Congress and the City Council.

I again commend the untiring efforts of my colleague from Kentucky, Congressman BILL NATCHER, whose subcommittee has successfully shepherded this legislation through its congressional review process and has brought to the floor today a budget which maintains the major components of the city's fiscal program that begins on July 1. This budget contains nearly all the funds necessary to maintain a vigorous capital expenditure program as we rapidly approach our Bicentennial celebration.

The budget includes moneys for local community service programs to the needy—programs which previously were funded by the Federal Office of Economic Opportunity and would have terminated on June 20 if these moneys had been denied. H.R. 15581 contains, for the first time, $2.1 million in funds for attorney fees for indigent defendants so that our legal doctrines of proper representation before the courts can be preserved for all, regardless of their financial status. Most importantly, the budget before us today looks ahead to future funding needs and sets aside adequate moneys to pay forthcoming salary increases.

Finally, in recognition of the unique status of the District as the Nation's Capital, this legislation includes nearly all the authorized Federal payment contained in the Home Rule Act. For more than 75 years Congress has recognized its special responsibility to the financial well-being of the Nation's Capital by regularly appropriating a share of the funds needed for the operation of the Government of the District. I am encouraged to see this responsibility strongly reaffirmed in H.R. 15581.

I must point out, however, there still are questions about adequate funds for a number of critical local programs. No. 1 involves funding of the new responsibilities and operations transferred to the local government in Public Law 93-198: The Home Rule Act. This legislation provided for a larger locally elected City Council to undertake the many additional functions of a new local government. Sufficient funds are not included in the 1975 amounts to cover the larger staffing needs and additional expenses that will be encountered by the Council.

There is also a question that $432,000 are not provided to cover the new municipal planning functions which the city will receive from the National Capital Planning Commission on July 1. These functions are being transferred pursuant to title I of the Home Rule Act in recognition of the importance of undertaking on a comprehensive basis local planning for local needs.

Staffing and other resources must also be provided for implementing the new responsibilities of the city's rent control program and for a new office of business development. I am further hopeful that the $1.5 million reduction on special education funds will be reexamined.

Finally, only $6 million has been appropriated to cover the mandatory payments by the District of its share of the Metrobus operating expenses. The 1975 District's share is already estimated to be $16.9 million and as Mr. NATCHER has correctly predicted, will probably go even higher. I share the concerns expressed by my colleagues at the expenses of our public transit system. However, the District's payments are required by law, cannot be reduced by the District alone, and—per an agreement of the transit board—if these costs are not paid each half year, the District must pay an interest penalty thus increasing the total amount that will be due. I am hopeful that a solution to this complicated funding problem will be found this year.

I recognized the importance of retaining a balanced budget for the District of Columbia. However, in some quarters it is believed that a balanced budget could be preserved, even with the restoration of up to $8 million to the amounts proposed in H.R. 15581. It is my hope that some way can be found to restore some of the funds for these important District programs.

Mr. NATCHER. Mr. Chairman, we have no additional requests for time on this side.

Mr. MYERS. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL OPERATING EXPENSES

> General operating expenses, $76,878,000, of which $7,355,600 shall be payable from the revenue sharing trust fund, $660,100 from the highway fund (including $79,200 from the motor vehicle parking account), $107,700 from the water fund, and $71,800 from the sanitary sewage works fund: *Provided*, That not to exceed $2,500 for the Commissioner and $2,500 for the Chairman of the District of Columbia Council shall be available from this appropriation for expenditures for official purposes: *Provided further*, That, for the purpose of assessing and reassessing real property in the District of Columbia, $5,000 of the appropriation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not in excess of $100 per diem: *Provided further*, That not to exceed $7,500 of this appropriation shall be available for test borings and soil investigations: *Provided further*, That $2,375,000 of this appropriation payable from the revenue sharing trust fund (to remain available until expended) shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That not to exceed $125,000 of this appropriation shall be available for settlement of property damage claims not in excess of $500 each and personal injury claims not in excess of $1,000 each: *Provided further*, That not to exceed $50,000 of any appropriations available to the District of Columbia may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Civil Defense for the purchase of civil defense equipment and supplies approved by the Department of Defense, when authorized by the Commissioner.

Mr. NATCHER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, and open to amendment and points of order at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SYMMS. Mr. Chairman, I make a point of order on the language to be found on page 3 of the bill, lines 7 through 10, specifically reading:

> *Provided*, That not to exceed $2,500 for the Commissioner and $2,500 for the Chairman of the District of Columbia Council shall be available from this appropriation for expenditures for official purposes:

That is not authorized by law.

The CHAIRMAN. Would the gentleman from Kentucky like to be heard on the point of order?

Mr. NATCHER. Mr. Chairman, I would like to be heard on the point of order.

Under Public Law 93-140, approved October 26, 1973, we have section 26, which provides as follows:

> The Commissioner of the District of Columbia, the Chairman of the District of Columbia Council, the Superintendent of Schools, the President of the Federal City College, the President of the Washington Technical Institute, and the President of the District of Columbia Teachers College are hereby authorized to provide for the expenditure, within the limits of specified annual appropriations, of funds for appropriate purposes related to their official capacity as they may respectively deem necessary. Their determination thereof shall be final and conclusive, and their certificate shall be sufficient voucher for the expenditure of appropriations made pursuant to this section.

This is authorized, Mr. Chairman, and the point of order should be overruled.

The CHAIRMAN (Mr. Fascell). The Chair is prepared to rule.

The language to which the gentleman from Idaho objects, on page 3 of the bill, lines 7 through 10, is clearly authorized within the law cited, Public Law 93-140, section 26. Therefore, the Chair is constrained to overrule the point of order.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SYMMS. Mr. Chairman, I make another point of order on the language to be found on page 5, lines 12 to 17, specifically reading:

> *Provided further*, That not to exceed $1,000 for the Superintendent of Schools, $1,000 for the President of Federal City College, and $1,000 for the President of Washington Technical Institute shall be available from this appropriation for expenditures for official purposes.

Mr. Chairman, that language is not authorized by law.

Mr. NATCHER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. NATCHER. Mr. Chairman, I again would like to cite to the Chairman of the Committee of the Whole section 26 of Public Law 93-140, which clearly shows that this is authorized.

The CHAIRMAN (Mr. Fascell). The Chair is prepared to rule.

The language to which the gentleman from Idaho (Mr. Symms) objects, appearing on page 5, at lines 12 through 17, is clearly authorized within the language of section 26 of Public Law 93-140.

The Chair, therefore, overules the point of order.

AMENDMENT OFFERED BY MR. GRAY

Mr. GRAY. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

> SEC. 1. Except as otherwise provided herein, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designating disbursing official.

The Clerk read as follows:

> Amendment offered by Mr. Gray: On page 10, immediately below line 13, insert the following:
>
> SEC. 1A. Notwithstanding any other provision of law, the design, plans, and specifications, including detailed cost estimates, of the civic center to be constructed under the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act (Public Law 92-520) shall be deemed approved by the Senate and House Committees on Appropriations for purposes of section 3(d)(4) of such Act.

Mr. NATCHER. Mr. Chairman, I reserve a point of order to the amendment offered by the gentleman from Illinois (Mr. Gray).

The CHAIRMAN. The gentleman from Kentucky (Mr. Natcher) reserves a point of order against the amendment.

The Chair recognizes the gentleman from Illinois (Mr. Gray).

(By unanimous consent, Mr. Gray was allowed to proceed for 3 additional minutes.)

Mr. GRAY. Mr. Chairman, first I wish to apologize to the Members for taking this time. I realize this is Friday, and I know we all want to get away from here. However, I hope the Members will indulge me for a few minutes, because I believe this is a very important subject, one that touches the pocketbook of every taxpayer in this great country.

I also wish to thank my distinguished friend, the chairman of the subcommittee, the gentleman from Kentucky (Mr. Natcher) for reserving his point of order so that I can explain this proposition.

I might say parenthetically that if the Chair sustains the point of order I do plan to introduce general legislation today that will accomplish the same purpose about which I intend to make these remarks.

Mr. Chairman, over 180 years ago George Washington stood where the Naval Observatory is located at 34th Street and Massachusetts Avenue NW., and he looked down upon what is now the City of Washington, and he laid this out as a central gathering point for what he knew would become a great and fast growing country. During the ensuing 180 years we have tried to build a facility in this great Capital—I say, "we"; I mean the various Congresses and the City Fathers and other people who have preceded me in public life in this city—a place where our constituents could come and could gather and could talk about their business and our business the Government of the United States, a place where we could hold inaugurations inside, a place where we could have inaugural balls without having them scattered all over the city, a place where our national nominating conventions can be held, schoolchildren, educators, and people from all walks of life could come and sit and break bread and discuss their business.

Unfortunately, up until this very day, this is the only city in the world with a population of over 250,000 that does not have some type of a convention center, a civic center, or a meeting hall to accommodate large groups.

We on the Committee on Public Works labored for 4 long, hard years; we held five separate hearings; we even held hearings in the center of the city, which was an unprecedented act, I will say to my colleagues, and we allowed every single person who wanted to be heard a chance to speak up in behalf of the need for building a civic center in our Nation's Capital.

It was almost unanimous. The Mayor, the City Council they voted 8 to 1, Delegate Fountroy and yes, this Congress over 20 months ago by more than a 40-vote majority and unanimously by the other body, and on two occasions the President of the United States has sent special messages agreeing to the need for a civic center in our Nation's Capital.

I want to say that there is no one whom I hold in greater regard in this House than I do my friend, the gentleman from Kentucky, Mr. NATCHER. He is a handsome, erudite, able chairman who works hard. But, for some reason known only to the gentleman and to God he has sat on legislation approved 20 months ago by this House that merely called upon him to approve the plans and specifications and the cost estimates for this much needed facility.

Now, my friends, it would take all day to tell you about the great benefits to be derived from this particular project. Let me summarize it very briefly:

Since Congress passed the authorization for the District of Columbia to build a civic center—several private entrepreneurs have pledged over $200 million in new hotels, in new restaurants, and in new facilities in this worn-out area known as Mt. Vernon Square; I repeat, over $200 million. The cost of the Eisenhower Center would be $5 million a year with 5.5 percent rate on the bonds. That is much cheaper than the Government can borrow money.

The real estate taxes alone—forget about the sales taxes, forget about the bed taxes now being charged—the real estate taxes alone collected from these private entrepreneurs would more than pay for the entire cost of this facility if the city never took in a nickel at the front door, from spectator events and from conventions.

But I am more concerned, my friends, as I leave the Congress. I am more concerned about what is happening to this city. I am concerned about the collision course we are on with fiscal disaster in this city.

My distinguished friend, the gentleman from Kentucky (Mr. NATCHER), gave an eloquent speech in his opening remarks and he told the Members that out of the $1,382,000,000 carried in this bill today that $724 million of that is coming from your taxpayers and from mine. I represent the fourth largest taxpaying State in the Nation.

The gentleman also told you there were 4,000 less schoolchildren in the schools in the District.

The gentleman did not tell you that since I have been in the Congress that we have lost over 55,000 people in Washington, D.C. The gentleman did not tell you that there are only 748,000 people residing in the District of Columbia. The gentleman did not tell you that just in the past 10 years we have increased the direct Federal payment from $37 million per year to $221 million today, a 600-percent increase in 10 short years.

The gentleman did not tell you that just the increase—and I repeat—just the increase in the Federal payment in the past 3 years alone would have paid cash, lock, stock and barrel for everything you see here on this drawing.

Yes, we are heading for a fiscal disaster in the District of Columbia. And I do not mean to cast any aspersions on my friend Mayor Washington and the distinguished City Council, but the facts are that the inner city around Mt. Vernon Square is dying.

I flew over the city recently in a helicopter and you see very few cranes going up over new buildings except Federal buildings to serve Bureaucracy. But, go out in the environs and that is all that you see, new housing projects, new high-rise buildings, new shopping centers.

Who is paying for this regression in the Nation's Capital? My taxpayers and yours.

Here is an opportunity for private entrepreneurs to come in and build the hotels and the restaurants to give this city some new jobs, new spirit and some new lifeblood.

Is it not ironic, my friends, we are spending $3.5 billion to $4 billion to put in a subway system for who to ride on? You can walk the streets after dark in the Mt. Vernon Square where we propose to put this project and you will see very few people. We need to build in more vitality. We are now building the Visitors' Center at Union Station. The Civic Center will be only 8 blocks away. We will have ample parking at the Union Station. We will have a connection there with the subway. We will have minibus services back and forth, and you will see a whole new corridor from Union Station down to Mt. Vernon Square with new hotels, restaurants, yes, new lifeblood for the District of Columbia. If the Appropriations Committee will only act.

It is already public law. The Members are not going to be voting on the Eisenhower Center. It is a public law. It has been since October 1972. We are only asking the Committee on Appropriations to follow the mandate of this House, of this Congress, and of the President in reviewing the plans and approving them. If they do not like these plans, they have an obligation to say what they do not like about them. If it is parking, we can resolve that. If they do not like the design, we will have the architects redesign it.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GRAY was allowed to proceed for 1 additional minute.)

Mr. GRAY. The city of Washington and the bankers of this city have put up $600,000 to draw these plans. We have not put up a dime for this civic center. We can build all types of facilities in Cambodia, Laos, and South Vietnam and 128 million for such projects as the FBI Building in Washington but for the Nation's capital, not a dime has gone into this center. They had to go to the local banks and borrow $600,000—the city did—in order to draw these plans that we see here before us. Is that not a national disgrace? Billions for bureaucracy but nothing for a facility that the taxpayers will use and enjoy.

If the Committee on Appropriations continues to sit on its constitutional obligation, we will lose $600,000 for a set of plans. We will lose $200 million committed in writing by private entrepreneurs who want to see this city go and want to see it develop. Further, it is costing $700,000 every month this project is held up.

Mr. Chairman, as I said earlier, if I receive an adverse ruling on the point of order the gentleman from Kentucky has raised, I intend to offer general legislation today that will allow the project to move forward now. Mr. Chairman, I want to see the day come when we can be self-sustaining. I want to see the day come when we will not have to increase this Federal payment by $30 or $40 million every single year, and that is the case today. The increase today is over $33 million plus other taxpayer funds in loans and public works.

The CHAIRMAN. Does the gentleman from Kentucky wish to be heard further on his point of order?

Mr. NATCHER. Mr. Chairman, I insist on my point of order, and I should like to be heard on the point of order.

Mr. Chairman, the amendment offered by my distinguished friend, the gentleman from Illinois, is clearly legislation on an appropriation bill. The provision of the basic legislation, the organic legislation, Public Law 92-520 of October 21, 1972, provides in part as follows:

> No purchase contract for the construction of such civic center shall be entered into pursuant to the authority of this section until 30 legislative days following submittal to and approval by the Senate and House Committees for the District of Columbia and the Senate and House Committees on Appropriations, of the design, plans, and specifications, including detailed cost estimates, of such civic center.

Mr. Chairman, section 1(a) as set forth in the amendment offered by the gentleman from Illinois provides in part as follows:

"Notwithstanding any other provision of law"—and that clearly, there at that point, Mr. Chairman, makes it legislation on an appropriation bill, and I insist on my point of order.

In closing, Mr. Chairman, I think in all fairness to the members of the Subcommittee on District of Columbia Appropriations, and in fairness to the Committee on Appropriations, I should say just a word to my distinguished friend, the gentleman from Illinois, about this center.

Mr. Chairman, as the Members will recall at the time this matter was submitted to the Congress by the distinguished gentleman from Illinois, he and other members of his Subcommittee on Public Works stated to the House of Representatives that this civic center would not cost the taxpayers of the District of Columbia one dime. He said on this floor that every dollar of this money would be used and would be obtained from private entrepreneurs downtown to construct this center, and it would not cost a dime.

He also said, Mr. Chairman, that the bill as presented contained $14 million of Federal money. Other than that money, they would go downtown and get a contractor, a private entrepreneur, and construct this civic center and turn it over to the District of Columbia.

Mr. Chairman, when they appeared before our subcommittee with their fixed cost estimate and with plans and specifications, we said, "Who is going to build it?" They said, "Mr. Chairman, we cannot get anyone downtown to build this civic center. We cannot get anyone to contract for it. We cannot get an entrepreneur to build it. We now ask you Mr. Chairman, to let us issue $81 million worth of bonds payable by the District of Columbia to be issued by the District of Columbia to build this civic center." Their proposal was not that this be done by private entrepreneurs and not under a contract where somebody else would build it and then turn it over to the District of Columbia.

Mr. Chairman, a word or two and I will conclude. When they said that they wanted $81 million worth of bonds, we said, "Why do you want them?" The House of Representatives was informed that the civic center would cost not to exceed $65 million." "Mr. Chairman," they said, "we need $81 million of bonds because we have to pay for the cost of the bond issue but the structure itself will cost only $72.1 million, and amortized over a period of 30 years it would cost the District of Columbia $165 million."

Then, Mr. Chairman, here is what we on our subcommittee said to them. We said that we do not have the right on this subcommittee to violate the provisions of the law and to violate what they said to the House when they came in and said it would cost $65 million. That is why the bill was passed. We do not have the right to change the provisions of that law and say that we are going to let the bonds be issued and that we are going to let it cost $165 million over a 30-year period.

Mr. Chairman, as long as I am a Member of this Congress, and I say this to you frankly, I do not have that right and I do not intend to come into this Committee and say we have changed the law. It was not presented that way. We cannot say: "We are going to change it for you and let it cost $165 million."

I voted for home rule. I thought the District of Columbia people should have the right to vote for and elect their Mayor and City Council, and I think, yes, the people in Washington should have the right to decide whether they want this $165 million project saddled on their backs, when it was presented to this Congress as $65 million and not to cost the taxpayers a dime.

Mr. Chairman, the Chair has been good enough to let me make this statement. I appreciate it, Mr. Chairman, but in all fairness to the Members of this House I had to make that statement.

Mr. Chairman, I now insist on my point of order.

Mr. GRAY. Mr. Chairman, may I be heard on this point of order? I hope the Members will indulge me as they indulged my friend, the gentleman from Kentucky, while he made his statement.

The CHAIRMAN. Now that the Chairman has been enlightened as to the facts on both sides of this situation he would be delighted to hear the gentleman on the point of order.

Mr. GRAY. Mr. Chairman, since my friend, the gentleman from Kentucky, got carried away, I hope I can be indulged while I explain why we are here. It does revolve around the point of order.

Mr. Chairman, the gentleman from Kentucky stated we were asking for something in this amendment that was not authorized by law. I think I could put it in proper perspective by pointing out that it reminds me of the little old lady who told her daughter that she might go swimming but that she must not get near the water.

Mr. Chairman, the chairman of the committee has stated we are asking for something that was not authorized by law and he could not possibly violate the law, but I would like to point out the basic language before the Chairman rules on the point of order.

> No purchase contract for the construction of such Center shall be entered into pursuant to the authority of this section until the Appropriations Committees of the House and the Senate have had the plans and they have been approved.

My friend, the gentleman from Kentucky, said the District was unable to get a private entrepreneur to build this private facility. The District of Columbia is prohibited by law from engaging an entrepreneur, on the amendment offered by the gentleman from Kentucky (Mr. SNYDER). How can they engage an entrepreneur until a plan has been approved which is required by law? So all my amendment, which is pending, does, Mr. Chairman, is to say that the Appropriations Committee does hereby approve the plans and specifications. That is the first thing.

That is the first thing. The second thing, Mr. Chairman, it requires the approval of the District of Columbia Committee, which is the authorizing committee. The very distinguished chairman is sitting here, the gentleman from Michigan (Mr. DIGGS). He can tell us that the District of Columbia Committee has approved the plans and cost estimates and the specifications for this project. So it is only the Committee on Appropriations that is holding back.

Third, Mr. Chairman, and this is very, very important, the reason the District of Columbia is talking about bonds is to save money.

Mr. ROUSH. Mr. Chairman, the gentleman in the well is not addressing himself to the point of order.

The CHAIRMAN. The gentleman from Illinois will address himself to the point of order.

Mr. GRAY. Mr. Chairman, the distinguished gentleman from Kentucky certainly did not speak to the point of order.

I will let the ruling stand and move to strike the last word. I do not think the record should stand on the remarks of the gentleman from Kentucky.

I know he is proceeding in good faith, but I know he is inaccurate. I ask for a ruling and if I am ruled out, I move to strike the last word.

The CHAIRMAN. The Chair is prepared to rule. The amendment of the gentleman from Illinois, which would concern a new section in the bill, recites:

> SEC. 1A. Notwithstanding any other provision of law, the design, plans, and specifications, including detailed cost estimates, of the civic center to be constructed under the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act (Public Law 92-520) shall be deemed approved by the Senate and House Committees on Appropriations for purposes of section 3(d)(4) of such Act.

When one refers to the language of the act which was read by the gentleman from Kentucky in his discussion on the point of order, that language being contained in Public Law 92-520 of the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act and section 3 of that act, it is quite clear there that the act requires approval of the Senate and House Committees on Appropriations, in addition to other matters, and that the language of the amendment very clearly seeks to change existing law by legislating such approval.

It is not a question of whether or not any funds in the amendment have been authorized, but whether or not the pending amendment seeks to change existing law, and it obviously and clearly seeks to do that. Therefore, the Chair sustains the point of order.

Mr. GRAY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I again apologize to my colleagues, but I do not want the record to stand as it is right now and I know the gentleman from Kentucky did not intend to impugn my integrity when he said that I stated on this floor in 1972, that this project would not cost the taxpayers a dime and then he went on to say that it now will. Mr. Chairman, this is absolutely not true.

What happened is very simple.

We are building new buildings in Kentucky, Illinois and other places, public buildings with private entrepreneurs and the interest rate is running from 8 to 10 percent; so I take my hat off to the mayor and the council. Here is what they did. They formed a private entrepreneurs corporation as a legal entity and that legal government entity was able to go to the bond market. They have a statement in writing and the bond market said, "We will buy your bonds at 5 or 5½ percent."

Why would my friend from Kentucky and his subcommittee be opposed to the city saving $8 million over the life of the contract on this project? That is what it amounts to. If he wants the city to go ahead and go out on the market with the high interest rate prevailing today and pay 10, 11, 12 percent, he should say so;

but the mayor and the council devised a way of selling bonds at 5 or 5½ percent and the testimony is replete from the mayor and the council that this project will not cost the residents of Washington or the taxpayers one dime, because this is seed money and with the issuance of these bonds, will go many contracts with these entrepreneurs to build the hotels, to build the restaurants and build the other facilities that more than guarantee them the $5 million a year to amortize the bonds.

We have not changed the law one iota. Private entrepreneur financing means just what it says. They can get it from a bank, the city can get it from a savings and loan association, or they can get it from an individual or group. Bonds paid back from revenues and borrowed by a private corporation formed by the city is in full compliance with the law and what we told the House in 1972. The city must guarantee the contract either way. The only difference here is a more favorable interest rate which should please the Appropriations Committee.

The distinguished gentleman from Michigan (Mr. DIGGS) can tell the members of the committee that he and his committee heard the testimony on this. He was satisfied with the method of financing and satisfied with the cost, and by a majority vote the District of Columbia Committee, which is the authorizing committee, approved the plans, specifications, and cost estimates.

So, I say to my friend from Kentucky that if his argument is right, then the District Committee is wrong; if the Appropriations Committee is right, then the District of Columbia Committee is wrong, because they have approved precisely what I am trying to do here today with the proposed amendment. There is no difference.

I think the gentleman ought to appreciate the fact that the District is trying to save some money instead of continuing to catapult this Federal payment into the city. The Members of Congress should not be required to go to their taxpayers in Iowa and California and Kentucky and other States and ask them to continue to shell out all this money within this city when the city could be self-sustaining for a pittance of $5 million per year seed money, which will bring phenomenal growth to the city.

I emphatically state we have not misled the House. We said it would be privately financed. We say that today, June 28, 1974. The District of Columbia Committee agrees and I hope when we bring out legislation from the Public Works Committee that the House and Congress will agree with us. Thank you.

Mr. MYERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not expect to take the full 5 minutes because I realize the hour is late, but I would like to say that every member of this subcommittee heard every witness from the District of Columbia, whether that witness be part of the government or a resident of the Community affected or just a taxpayer. I say "just a taxpayer" because when we talk about seed money, the taxpayers of the District of Columbia would eventually probably have to pay for this.

We heard every witness and examined the recommendations made by the gentleman from Illinois, who also appeared before the committee and testified. We heard every witness, examined them, and unanimously this committee decided that this was not a wise investment for the District of Columbia government.

Mr. Chairman, I do want to be very clear that the chairman of the subcommittee did not act singularly, but the subcommittee voted unanimously no.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. MYERS. I yield to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I appreciate my friend yielding to me. Is it not a fact that the Mayor testified himself; the Budget Director testified before the gentleman's committee that this project would not cost a cent in increased taxes? Is that not a fact?

Mr. MYERS. A great many people testified; the neighborhood, the Board of Trade appeared.

Mr. GRAY. I ask my friend if the Mayor, who represents the city, did not testify before the House and Senate to the fact that this would not cost a dime of increased taxes, but would in fact bring in millions of dollars of additional revenue? I can get out the record if the gentleman wishes to read it.

Mr. MYERS. This is true. The Mayor did give this testimony, but I might also say that a great many witnesses questioned the figures presented by the Mayor, such as increased taxation that would be required.

The plan provided for taxation on the gentleman's and my constituents who come to visit, not the city civic center, but to visit the government and see the gentleman and myself, will pay one dollar at least per day more taxes on their hotel rooms and also higher taxes on their food and everything else. Other testimony came in also.

Mr. GRAY. Could the gentleman tell me who those expert witnesses were? I am relying on the Mayor and City Council, on the people who are in the District every day; not somebody who jumps up and is running for City Council and wants to make a political argument out of this. It is very sad that this project has been embroiled in local politics, because it is so important to the whole Nation.

Would the gentleman please tell me any expert witness who told him that this would cause increased taxes?

Mr. MYERS. If the gentleman would define "expert", I will try to answer his question.

Mr. Chairman, I would say this: There were a number of members of City Council who appeared before our committee and said that at the time they first acted, they were not given all the information. They would like to reconsider, but never had the opportunity.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I would like to ask the gentleman from Kentucky a question or two concerning this project which the gentleman from Illinois is so bothered about.

Why does the District of Columbia not, if this convention center is such an excellent project, go right ahead and build it? If it will do so much for the city, why do they not go right ahead, either with private financing or funds provided by the taxpayers of the District of Columbia?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to my friend from Kentucky.

Mr. NATCHER. I would like to say to my distinguished friend, the gentleman from Iowa, that when we say to him that the people of the District of Columbia should have a right to vote on this project, they do not want that to take place. The reason why they do not is because they know that the people in the city of Washington will vote it down. They do not want it.

As to why do they not go ahead and build it, the distinguished gentleman knows the history of the District of Columbia Stadium. When the gentleman asked the question, "How much is it going to cost?" the gentleman on the other committee rose and said, "It will be between $5 and $6 million."

The gentleman from Iowa said, "I do not believe it."

What the gentleman said was true. It cost $20 million, and not one bond has been retired. We have had to provide the District authority to borrow $831,000 each year just to pay the interest on those bonds.

That is one of the main reasons why the people of the city of Washington do not want another white elephant, and I say that to the gentleman frankly.

Mr. GROSS. The stadium was not to cost us a dime.

Mr. NATCHER. That is correct. The stadium was not to cost a dime. The bonds were to be retired out of the income of the stadium. I remember the question and the answer.

Mr. GROSS. Not a dime of expense to the taxpayers of the rest of the country.

Mr. NATCHER. That is correct.

Mr. GROSS. I am sure that my friend, the gentleman from Kentucky, is aware of the fact that there are already rumblings of legislation to be brought to the House floor with respect to the Federal Government paying for a substantial part of the stadium cost. Has the gentleman heard of this?

Mr. NATCHER. No, though I have seen one or two stories in the newspapers concerning the stadium. There was a request for a $1.5 million Federal payment for a sinking fund to retire the bonds which we did not consider as it was not authorized.

But let me say this, Mr. Chairman: I think the distinguished gentleman from Michigan, the chairman of the District of Columbia legislative committee, will do the right thing as far as the stadium is concerned. I think that.

Mr. GROSS. By way of conclusion—and I do not want to take more time of the House on this particular subject—but by way of conclusion, this is the first time that I have heard that $5 million was just a pittance.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. MYERS. In response to the gentleman's question as to why a private investor does not invest these funds in the civic center, a private investor would have to make the project pay, and there is not one of these civic centers in the United States that will pay for itself. So we voted $800,000 for interest on the bonds this year.

No private investor is going to make any money. The Government is the only one which takes the risk, and we did not feel like pushing these people, the taxpayers in the District of Columbia.

Mr. NATCHER. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. NATCHER. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 236, nays 36, not voting 162, as follows:

[Roll No. 354]

YEAS—236

Abdnor
Adams
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Arends
Ashley
Aspin
Badillo
Bafalis
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blatnik
Bowen
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Coughlin
Cronin
Danielson
Davis, S.C.
de la Garza
Dellenback
Dellums
Denholm
Dennis
Derwinski
Dickinson
Diggs
Dingell
Drinan
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Findley
Fish
Fisher
Flood
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Gaydos
Gettys
Giaimo
Goldwater
Gonzalez
Gray
Green, Oreg.
Green, Pa.
Gubser
Guyer
Hansen, Idaho
Harsha
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Okla.
Kemp
Kyros
Lagomarsino
Latta
Leggett
Long, La.
Long, Md.
McCloskey
McDade
McEwen
McFall
Madden
Mahon
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Melcher
Mezvinsky
Michel
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Rangel
Rees
Regula
Reuss
Riegle
Rodino
Roe
Rogers
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Ryan
Sarasin
Sarbanes
Schneebeli
Sebelius
Seiberling
Shipley
Skubitz
Slack
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Steed
Steele
Steelman
Steiger, Wis.
Stratton
Stubblefield
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thone
Thornton
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waldie
Walsh
Whalen
White
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yates
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zablocki

NAYS—36

Archer
Ashbrook
Baker
Bauman
Byron
Camp
Clawson, Del
Collins, Tex.
Conlan
Daniel, Dan
Davis, Wis.
Fascell
Flynt
Gilman
Gross
Haley
Hanrahan
Landgrebe
Lott
Martin, N.C.
Mayne
Miller
Mizell
Montgomery
Moorhead, Calif.
Murtha
Randall
Rarick
Rousselot
Runnels
Ruth
Satterfield
Scherle
Symms
Waggonner
Zion

NOT VOTING—162

Abzug
Addabbo
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Barrett
Beard
Biaggi
Blackburn
Boggs
Boland
Bolling
Brasco
Breaux
Brown, Calif.
Brown, Ohio
Burke, Calif.
Carey, N.Y.
Chamberlain
Chisholm
Clancy
Clark
Cochran
Collier
Corman
Cotter
Crane
Culver
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Delaney
Dent
Devine
Donohue
Dorn
Downing
Dulski
Edwards, Ala.
Esch
Eshleman
Evins, Tenn.
Flowers
Foley
Fulton
Fuqua
Gibbons
Ginn
Goodling
Grasso
Griffiths
Grover
Gude
Gunter
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Wash.
Harrington
Hastings
Hawkins
Hays
Holifield
Howard
Huber
Hudnut
Hungate
Ichord
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Ketchum
King
Kluczynski
Koch
Kuykendall
Landrum
Lehman
Lent
Litton
Lujan
Luken
McClory
McCollister
McCormack
McKay
McKinney
McSpadden
Macdonald
Madigan
Mallary
Martin, Nebr.
Mathis, Ga.
Meeds
Metcalfe
Milford
Minshall, Ohio
Moakley
Mollohan
Moorhead, Pa.
Mosher
Nelsen
Nix
Pepper
Peyser
Podell
Powell, Ohio
Quie
Quillen
Reid
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rose
Roy
St Germain
Sandman
Schroeder
Shoup
Shriver
Shuster
Sikes
Sisk
Smith, Iowa
Spence
Stanton, James V.
Stark
Steiger, Ariz.
Stephens
Stokes
Stuckey
Studds
Talcott
Teague
Thomson, Wis.
Tiernan
Treen
Vigorito
Wampler
Ware
Whitehurst
Whitten
Williams
Wilson, Charles H., Calif.
Winn
Wylie
Wyman
Yatron
Young, Ga.
Young, Tex.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Dent.
Mr. Addabbo with Mr. Donohue.
Mr. Roncalio of Wyoming with Mr. Dorn.
Mr. Sikes with Mrs. Griffiths.
Mr. Clark with Mrs. Hansen of Washington.
Mr. Dominick V. Daniels with Mr. McClory.
Mr. Brasco with Mr. Martin of Nebraska.
Mr. Rooney of New York with Mr. Mallary.
Mr. Hays with Mr. Madigan.
Mr. Fulton with Mr. Lujan.
Mr. Kluczynski with Mr. Kuykendall.
Mr. Jones of Tennessee with Mr. Lent.
Mr. Holifield with Mr. Blackburn.
Mr. Biaggi with Mr. Goodling.
Mrs. Grasso with Mr. Edwards of Alabama.
Mr. Cotter with Mr. Brown of Ohio.
Mr. Macdonald with Mr. Esch.
Mr. Evins of Tennessee with Mr. Collier.
Mr. Fuqua with Mr. Chamberlain.
Mr. Podell with Mr. Eshleman.
Mr. Howard with Mr. Devine.
Mr. Moorhead of Pennsylvania with Mr. Clancy.
Mr. Harrington with Mr. Grover.
Mr. Stokes with Mr. Roy.
Mr. Mollohan with Mr. Gude.
Mr. Studds with Mr. Crane.
Mr. Vigorito with Mr. Hammerschmidt.
Mr. Carey of New York with Mr. Robert W. Daniel, Jr.
Mrs. Burke of California with Mr. Gunter.
Mrs. Chisholm with Mr. Culver.
Mr. Sisk with Mr. Hastings.
Mr. Metcalfe with Mr. Foley.
Mr. Downing with Mr. Huber.
Mr. Gibbons with Mr. Cochran.
Mr. Delaney with Mr. Hudnut.
Mr. Kazen with Mr. King.
Mr. Charles H. Wilson of California with Mr. Anderson of Illinois.
Mr. Hawkins with Mr. Lehman.
Mr. Yatron with Mr. Beard.
Mr. Young of Georgia with Mr. Corman.
Mr. Hungate with Mr. Hanna.
Mr. Meeds with Mr. Jones of Alabama.
Mr. McCormack with Mr. Landrum.
Mr. Moakley with Mr. Talcott.
Mr. Pepper with Mr. McKinney.
Mr. Davis of Georgia with Mr. Minshall of Ohio.
Mr. Jones of North Carolina with Mr. Nelsen.
Mr. Flowers with Mr. Mosher.
Mr. McKay with Mr. Quie.
Mr. Roberts with Mr. Robinson of Virginia.
Mr. Barrett with Mr. Karth.
Mr. Boland with Mr. Quillen.
Mr. Breaux with Mr. Shriver.
Mr. Brown of California with Mr. Rinaldo.
Mr. Kastenmeier with Mr. Powell of Ohio.

Mr. Koch with Mr. McSpadden.
Mr. Stephens with Mr. Shoup.
Mr. Teague with Mr. Robison of New York.
Mr. Tiernan with Mr. Sandman.
Mr. Reid with Mr. Ichord.
Mr. Smith of Iowa with Mr. Roncallo of New York.
Mr. St Germain with Mr. Shuster.
Mr. Stark with Mr. Milford.
Mr. James V. Stanton with Mr. Spence.
Mr. Stuckey with Mr. Rose.
Mr. Mathis of Georgia with Mr. Steiger of Arizona.
Mr. Litton with Mr. Thomson of Wisconsin.
Ms. Abzug with Mr. Luken.
Mr. Dulski with Mr. Andrews of North Dakota.
Mr. Ginn with Mr. Treen.
Mr. Hanley with Mr. Wampler.
Mr. Hamilton with Mr. Ware.
Mrs. Jordan with Mr. Zwach.
Mr. Nix with Mr. Young of Texas.
Mr. Whitehurst with Mr. McCollister.
Mrs. Schroeder with Mr. Williams.
Mr. Whitten with Mr. Winn.
Mr. Wylie with Mr. Wyman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill (H.R. 15581) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PROPOSAL TO EXTEND EXPORT-IMPORT BANK AUTHORITY FOR 30 DAYS

(Mr. BROWN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Michigan. Mr. Speaker, the chairman of the Banking and Currency Committee, the gentleman from Texas (Mr. PATMAN), intends to ask unanimous consent to take up a resolution to extend the authority of the Export-Import Bank for 30 days.

Several Members heretofore have expressed their concern about the extension of credits and guarantees to Soviet Russia and I think their concern is well founded and should be dealt with in the bill which will soon be before us. However, the authority of the Bank expires on June 30 and we will not be able to take up this matter before the House in usual order until the Suspension Calendar on Monday. There is a time gap and I certainly hope objections will not be raised to the chairman's request.

To assure those who have been concerned about this matter, the president of the Bank, Mr. Casey, wrote to the gentleman from California (Mr. ROUSSELOT), a member of our committee, and he said:

JUNE 27, 1974.

Hon. JOHN R. ROUSSELOT,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. ROUSSELOT: If the extension of the Bank's charter is not voted in the House until next week, it will be necessary for us to send telegrams to some 300 odd banks temporarily withdrawing their discretionary commitment authority which the Bank has delegated to them, and also to suspend our credit insurance program. This would be expensive, confusing and damaging to the Bank's reputation and the public impression of the effectiveness of the Congress.

Senator Byrd had the same concern on the Senate resolution to extend the Bank's charter for 30 days as you have. However, on my assurance that the Bank would not act on Soviet credits during the period of extension he withdrew his objections and I hope you will do the same. For your information I would like to point out that I have not authorized any new commitments to the Soviet Union since coming to the Bank and will not until the Congress has acted on the terms of the Bank's authority in this area. I am enclosing a letter similar to the one I sent to Senator Byrd.

Sincerely,

WILLIAM J. CASEY.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I would say to the gentleman from Michigan I think the concern of some of us goes much beyond that to the way in which these matters are handled. A few of us are getting tired of this brinkmanship, whether the subject concerns the railroad strike or the continuing resolution or the Export-Import Bank. If orderly processes are not observed, then the very last minute is reached and we are told that on a crisis basis we have to go along with it or chaos will result. I for one would object not only to the conduct of the Export-Import Bank but also to the procedures which put us into this position at this time.

Mr. BROWN of Michigan. I for one would substantially agree with the gentleman, but we cannot avoid the situation before us; even though the matter can go on the Suspension Calendar on Monday.

The Members will have the opportunity at that time to express their dissent, if that is their will; but it just seems to me that to require the Bank to go through this procedure of notifying its banking associates is totally unnecessary, serves no useful purpose and is unjustified, even irresponsible at the present time, since we will probably authorize the extension on Monday, anyway.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHLEY. I would like to ask the gentleman, I am on the Subcommittee on International Trade of the Committee on Banking and Currency. I have jurisdiction over the authorizing of the Export-Import Bank. I am sure that the gentleman would be sympathetic with the fact that the committee on which I serve and on which a number of others serve has had an unusual amount of legislation. We have just finished a $10 billion housing bill. We have had the Export Administration Act, the Export-Import Bank Act, and others before us.

I am a hardworking Member of this body, as the gentleman knows, and I can tell him there have been a number of measures that have been put in a time frame that have put us in a difficult position, indeed. It is for that reason may I suggest that we proceed on the continuing resolution, not only to allow the committee more properly to do its work, but to allow this body, and the gentleman included, who I know has an intense interest in the matter of this bank, and as the gentleman from Michigan (Mr. BROWN) said, and it is true and I am sure it is not the intention of the gentleman from Ohio or the gentleman from California or elsewhere to disrupt the normal activities of the Export-Import Bank. This is an institution that for many years has been a major arm in the export effort of this country.

There is concern on the part of my colleagues from Ohio and others with respect to the proposed credits with regard to goods and commodities in trade with the Soviet Union.

Now, I would say to the gentleman that what we had from Mr. Casey, Chairman of the Export-Import Bank, is an absolute assurance that there would be no such credits extended during the period of the next 30 days or until, as a matter of fact, until the current legislation is in place; in other words, until this body has had an opportunity to work its will.

That seems to me to be imminently reasonable on the part of the Chairman of the Export-Import Bank.

The plea that I make is not to interrupt and to disrupt the legitimate activities of this very important lending institution upon which we rely so extensively for so many of our domestic concerns in their efforts to participate in international markets.

It is on the basis of my word and the word of the gentleman from Michigan (Mr. BROWN) that I would urge that the unanimous-consent request of the gentleman from Texas not be objected to.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. Certainly, I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman yielding, in view of the fact the letter refers to my name.

Mr. BROWN of Michigan. I wish to thank the gentleman for loaning me a copy of the letter.

Mr. ROUSSELOT. Well, I am not as convinced as is my colleague from Michigan that all this disruption will occur. Obviously, the commitments made will be continued. I do not know what the mandate is that the chairman of the Export-Import Bank, the President, has to send out all these telegrams telling everybody to stop everything, since he has made the promise anyway that no new commitments will be made and no deals will be consummated. Since he has made that commitment, I am grateful that the gentleman from Michigan put the letter in the RECORD. I do not know what all the whoop-de-doo is about, that he has to send out all these telegrams and carry out all this pressure, even if this commitment is not made.

Mr. BROWN of Michigan. But the gentleman is entirely wrong.

Mr. ROUSSELOT. Let me finish my

statement. Even if we were to terminate this agency today, which we are not going to do, because we realize its importance to overseas plane sales and everything else, it would take at least 6 or 7 months to phase this all out.

So, to try to bring the positions of this body together at this late hour, that everything is going to terminate and go down the drain, I think, is an unfair tactic.

Mr. BROWN of Michigan. The gentleman is entirely wrong, and he knows he is wrong. What the letter says is that there will be no commitments entered into during this 30-day period to Russia.

Under the functioning of the bank, as with any bank, there is committed a sort of line of credit. If we do not extend the bank's authority during this period, these commitments remain extended, but if the bank's authority to honor those commitments terminates, there is no way—there is no way that the commitments could be honored. I think it would give us as a nation, a terrible black eye if that happened.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, is the gentleman saying the $180 million loan through the Export-Import Bank to Russia would be jeopardized at this point?

Mr. BROWN of Michigan. No, clearly the Russia question is not involved, as stated in the Casey letter, rather we are talking about exporters using the Bank under credit or continuing arrangements, even manufacturers in the gentleman's district, who are relying upon a line of credit, which ongoing line of credit must be terminated.

The Ex-Im Bank will now have to say, "Don't rely upon Ex-Im Bank financing assistance because we do not know if the Export-Import Bank will be in business." And, it will not be in business if we do not adopt this resolution since the authority ceases before the House meets again. I do not blame the gentleman for his criticism; he does not seem to be asking an awful lot. But, we are going to have the main legislation before us soon. I certainly would hope the gentleman would be a little forebearing. I understand his concern and his criticism, and he ought to have his day on the floor of the House, but I am saying he should not object to this limited extension at this time. That is the thing I am concerned about.

Mr. PATMAN. Mr. Speaker, the Chairman of the Export-Import Bank has been very fair. Now, this act will terminate Sunday. That is the 30th. We cannot possibly get anything done before it terminates unless we do it by unanimous consent today.

This agency is very important to our Government. Not only does the foreign country borrow from the Ex-Im to buy their goods here in the United States but our people profit in addition. They profit on the interest of the money that they pay and other charges, and also they must buy the goods with that money here in the United States of America, and we make the profit on that.

We do not have a more desirable agency in our Government than this agency. Now, if we do not do something today, the Chairman of the SEC will send out more than 300 telegrams to agencies all over the United States which have contracts with the SEC to get money under these conditions, and he would have to terminate that immediately and have to do it before midnight tomorrow night. That is what we are up against.

The country cannot lose by this action; we cannot possibly lose by it. Then, we can take the bill up, if we get this done today, on Monday under suspension.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, how did the SEC, the Securities and Exchange Commission, get into this act?

Mr. PATMAN. Well, they pass on everything relating to it.

Mr. GROSS. Is the SEC going to send out the notices?

Mr. PATMAN. Naturally, they are, because they are consultant and adviser and they have to do with it, so there is no doubt about that. We cannot afford to lose this agency. We cannot afford to handicap it nor can we afford to cripple it. We cannot afford to terminate its contracts which are signed and sealed and everything ready for delivery.

Mr. RUTH. Mr. Speaker, will the gentleman yield for a correction?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. RUTH. Mr. Speaker, I think the gentleman has referred to the SEC.

Mr. PATMAN. I mean the Export-Import Bank; Mr. Casey, was the head of the SEC, now he is head of Eximbank.

Yes. We have to pass this resolution today.

Mr. RUTH. The gentleman said we gain two ways on the money. Would the gentleman tell me what interest rate we get?

Mr. PATMAN. The interest rate is lower, and our people are pleased with it.

The SPEAKER. The time of the gentleman has expired.

Mr. RUTH. Mr. Speaker, I ask unanimous consent that the gentleman have 30 seconds to answer my question.

The SPEAKER. The Chair will recognize the gentleman from North Carolina for 1 minute and the gentleman from Maryland for 1 minute.

Mr. PATMAN. Mr. Speaker, may I make my request?

The SPEAKER. If they desire to speak on this, the Chair will recognize the gentlemen.

Mr. RUTH. Mr. Speaker, I merely repeat my question: What interest rate do we get on the money? The distinguished chairman said that we gain in two ways. Do we get interest on the money?

Mr. PATMAN. There is no requirement, but it says they will not make a move until this is approved. This gives him guidance for the year immediately following. That could include the interest rate. There is interest paid to Ex-Im.

Mr. RUTH. Does the chairman refuse to answer my question on what the interest rate is?

Mr. PATMAN. No; I do not refuse. Nobody can answer until the act passes here. Then he will be guided by what we say, and that includes interest rates and everything else.

Mr. RUTH. The distinguished chairman plainly stated that we gained in two days: We sold our products and we drew interest on the money. I have asked a very simple question.

The SPEAKER. The time of the gentleman from North Carolina has expired.

The gentleman from Maryland is now recognized.

Mr. LONG of Maryland. Mr. Speaker, the Export-Import Bank has been making large-scale loans to a great many countries at lower rates of interest than the average businessman can borrow money on in this country. We are giving more favorable terms abroad than we are here at home.

The Export-Import Bank has exported billions of dollars of capital with the result that this country is capital-starved, and interest rates have been forced up as a consequence.

Even worse, the Export-Import Bank has made about 50 loans to more than 14 countries for nuclear reactors and technology. Some of these can be counted on to result in nuclear weapons in the future.

Furthermore, we have been subsidizing the economy of Russia, which has been spending billions of dollars on an arms race and forcing us to spend billions of dollars on national defense, with resulting heavy taxes and inflation here at home.

A well-written editorial in today's Wall Street Journal presents superbly the case against the Export-Import Bank. I include it here for the RECORD:

A LONG LOOK AT THE EXIMBANK

The authority of the Export-Import Bank expires today, which simply means that until Congress renews its authority the bank cannot make new loan commitments. How nice it would be if Congress took its time, say a year or two, before acting one way or another. It might even find that U.S. economic interests would be served by liquidation of the bank, which by our reckoning stays in business by sleight of hand and covert use of the taxpayers' money.

After all, the only thing the bank really does is subsidize exports. No matter how you slice it, it is a subsidy to provide 7% money to finance sale of a widget or an airplane to Ruritania or a computer to the Soviet Union, when an American businessman can't finance purchase of either for less than 11¾%. The bank gets privileged rates in the private capital market because the United States puts its full faith and credit behind the loans. Why the U.S. government should give the Ruritanian businessman a sweetheart deal that it won't give an American, save those at Lockheed, is beyond us.

The alleged economic justification for the bank's operation, which Ex-Im Bank Chairman William J. Casey pushes with great fervor, is that it improves the U.S. balance of trade. Granted, an export is an export. But Mr. Casey would have us look at only one side of the transaction. There's no way he could persuade us that wresting capital away from Americans, then forcing it abroad through the subsidy mechanism, does anything but distort relative prices, misallocate resources and diminish revenues, with zero effect, at best, on the trade balance.

Sen. Lloyd Bentsen of Texas sees part of the economics when both sides of the transaction are analyzed. He has an amendment that "would prevent Ex-Im financing of those exports involving the financing of foreign industrial capacity whenever the production resulting from that capacity would significantly displace like or directly competitive production by U.S. manufacturers." He has in mind Ex-Im's subsidizing of a foreign textile or steel plant that competes with its U.S. counterpart, to the detriment of our balance of trade.

Senator Bentsen thinks it's okay to subsidize finished products, like airplanes, which the Ex-Im Bank does plenty of. But Charles Tillinghast, Jr., chairman of TWA, doesn't like the idea. He says TWA is losing piles of money flying the North Atlantic against foreign competitors who bought Boeing 747s and such with subsidized Ex-Im's loans. If TWA got the same deal, it would save $11 million a year in finance charges. Mr. Tillinghast is currently pleading for a government subsidy so he can continue flying the North Atlantic and providing revenues in support of, ahem, our balance of trade.

Even if Ex-Im Bank subsidized only exports of goods and services which could not conceivably come back to haunt us directly, we see adverse economic effects. Subsidizing the export of yo-yos to the Ruritanians gives them a balance of trade problem that they correct by subsidizing the export of pogo sticks to us. Taxpayers both here and in Ruritania are thereby conned by this hocus pocus into supporting lower prices for yo-yos and pogo sticks than the market will support. In fact, all our trading partners have their own Ex-Im Bank to achieve exactly this end.

Two and three decades ago, when the Ex-Im Bank was a modest affair, its impact was relatively trivial. Now, it has $20 billion of lending authority and is asking Congress to bump this to $30 billion. By 1971, its impact on federal budget deficits had grown so large that Congress pased a special act taking the bank's net transactions out of the federal budget, so the deficit would look smaller. But the transactions have the same fiscal effect as a deficit, and the same drain on the private capital market. In the fiscal year just ending, the bank took $1.1 billion out of the capital market. In the next fiscal year, it expects to take $1,250,000,000 out of it.

There being no economic justification for the bank, Congress should feel no qualms about letting its authority lapse for a few years to watch what happens. The Russians, eager to continue getting something for nothing through the Ex-Im Bank, would be mildly unhappy. But they'd adjust by getting into the private capital markets with the under-privileged. We'd be surprised, too, if our trading partners didn't follow suit by scrapping these nonsensical subsidies. And, if they don't, why should we complain about their taxpayers sending us subsidized pogo sticks?

Mr. Speaker, I am going to object to the consideration of this extension legislation.

The SPEAKER. The time of the gentleman has expired.

The gentleman from Texas is recognized.

REQUEST TO CONSIDER SENATE JOINT RESOLUTION 218, 30-DAY EXTENSION OF EXPORT-IMPORT BANK ACT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 218) to extend by 30 days the expiration date of the Export-Import Bank Act of 1945, which is on the Speaker's desk.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. LONG of Maryland. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

CONFERENCE REPORT ON H.R. 11873, ANIMAL HEALTH RESEARCH ACT

Mr. MELCHER filed the following conference report and statement on H.R. 11873, Animal Health Research Act:

CONFERENCE REPORT (H. REPT. No. 93-1167)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11873) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendments insert the following:

That this Act shall be known as the Animal Health Research Act.

SECTION 1. PURPOSE.—It is the purpose of this Act to promote the general welfare through improved health and productivity of fresh water fish and shellfish, domestic livestock, poultry, and other income-producing animals so essential to the Nation's food supply and the welfare of producers and consumers of animal products; to prevent disease epidemics that would be disastrous to the American livestock and poultry industries and our food supply; to minimize losses due to sicknesses and diseases of livestock and poultry; to minimize losses of livestock and poultry due to transportation and handling; to protect human health through control of animal diseases transmissible to humans; to improve the health of companion animals which support an industry of major economic importance and which contribute significantly to the quality of family life; to improve methods of controlling the births of predators and other animals; and otherwise to promote the general welfare through expanded programs of research to improve animal health. It is recognized that the total animal health research efforts of the several State colleges and universities and of the Federal Government are more fully effective if there is a close coordination between such programs, and it is further recognized that colleges of veterinary medicine and departments of veterinary sciences and animal pathology, and similar units conducting animal health research in the agricultural experiment stations, are especially vital in the training of research workers in animal health.

SEC. 2. In order to carry out the purposes of this Act, the Secretary of Agriculture is hereby authorized to cooperate with the several States for the purpose of encouraging and assisting them in carrying out programs of animal health research at eligible institutions.

SEC. 3. DEFINITIONS.—As used in this Act:

(a) "Eligible institutions" shall include all accredited colleges of veterinary medicine and at institutions where there is no college of veterinary medicine, agricultural experiment stations eligible to receive assistance under the Hatch Act, as amended in 1955 (69 Stat. 671), which have departments of veterinary science or animal pathology, or similar units conducting animal health research: *Provided, however*, That when a new college of veterinary medicine is formed, the Secretary, after consultation with the Advisory Board, shall provide for the orderly transfer of support from the agricultural experiment station to the college of veterinary medicine in that institution.

(b) "Dean" shall mean the dean of a college of veterinary medicine. "Director" shall mean director of an agricultural experiment station at institutions where there is no college of veterinary medicine.

(c) "State" shall mean all States, Guam, Puerto Rico, and the Virgin Islands.

(d) "Secretary" shall mean the Secretary of Agriculture.

(e) "Advisory Board" shall mean a Veterinary Medical Science Research Board appointed by the Secretary of Agriculture which shall be constituted of not less than nine nor more than twelve members selected from individuals nominated by and selected so as to give equal representation to respectively: (1) accredited colleges of veterinary medicine, (2) veterinary science or animal pathology departments or similar units conducting animal health research at other eligible institutions, and (3) to representatives of national livestock and poultry organizations.

(f) "Animal health research capacity" shall mean the capacity of an eligible institution to conduct research on animal diseases as measured by a formula to be developed and applied by the Secretary with the advice of the Advisory Board. The Secretary's formula will provide a figure for each eligible institution which will be used in determining that institution's relative capacity to perform such research as a percentage of the total national capacity of all such institutions to conduct animal health research.

SEC. 4. (a) To support continuing research programs at eligible institutions, the Congress is hereby authorized to appropriate such funds, not to exceed $21,125,000 annually during each of the three fiscal years beginning June 30, 1974, and ending July 1, 1977, and $20,000,000 annually for each fiscal year thereafter, as it may determine to be necessary. Funds appropriated under this section shall be used to meet expenses of conducting research, publishing and disseminating the results of such research, of contributing to retirement of employees subject to the provisions of an Act approved March 4, 1940 (54 Stat. 39), of administrative planning and direction, and for the purchase of needed equipment and supplies and the alteration or renovation of buildings necessary for conducting research and for carrying out the provisions of subsection (f).

(b) Except as provided in subsection (f) of this section, funds appropriated under this section shall be apportioned as follows:

(1) Four per centum shall be retained by the United States Department of Agriculture for administration, program assistance to the States, and program coordination.

(2) Forty-eight per centum shall be distributed to eligible institutions in the proportion that the value and income of domestic livestock and poultry in each State where such institution is located, bears to the total value and income of domestic livestock and poultry in the United States according to the latest published United States De-

partment of Agriculture statistics. The Secretary will determine the total value and income and the proportionate value and income of domestic livestock and poultry for each State with guidance of the Advisory Board from the latest inventory of all cattle, sheep, swine, horses, and poultry published by the United States Department of Agriculture.

(3) Forty-eight per centum shall be distributed among the eligible institutions of the States in proportion to the animal health research capacity of the eligible institution or institutions in each State.

(c) When the amount available under this section for allotment to any eligible institution on the basis of livestock values and income exceeds the amount for which such institution is eligible on the basis of animal health research capacity, the excess may be used for remodeling of old facilities, construction of new facilities, or to increase staffing proportionate to the need for added research capacity.

(d) When a State has two or more eligible institutions, the funds available for such institutions in that State under this section shall be apportioned between or among those institutions in proportion to their animal health research capacity as defined in section 3(f).

(e) The sums distributed on the basis of proportionate value and income of domestic livestock and poultry (b) (2) above and proportionate animal health research capacity (b) (3) above in the first appropriation under this Act and like sums appropriated in subsequent years shall be based on the latest available data on National and State livestock values and income and research capacities, and any sums in addition to the initial appropriation level appropriated in subsequent years shall be distributed on the basis of domestic livestock and poultry values and income and animal health research capacities in the years those additional sums are first appropriated: *Provided*, That sums available to an eligible institution will not be decreased because of subsequent changes in the proportionate distribution of domestic livestock and poultry values and income and animal health research capacities.

(f) The Secretary is authorized to conduct an inventory of all horses in the United States during each of the three fiscal years beginning July 1, 1974, and ending June 30, 1977: *Provided*, That of the amount authorized by subsection (a) of this section, there are hereby authorized to be appropriated not to exceed $1,250,000 annually for the purposes of carrying out the provisions of this subsection.

SEC. 5. (a) To support research on specific national or regional animal health problems, the Congress is hereby authorized to appropriate such funds, not to exceed $15,000,000 annually, as it shall determine to be necessary. Funds appropriated under this section shall be used to pay costs of conducting research and other costs provided for in section 4(a).

(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done as mutually agreed upon between the Secretary and the eligible institutions. In developing plans for the use of these funds, the Secretary shall consult the Advisory Board.

SEC. 6. (a) To support cost of providing veterinary medical science research facilities, the Congress is hereby authorized to appropriate such sums, not to exceed $12,000,000 annually, as it determines to be necessary. Funds provided under this section shall be used to purchase land, construct or remodel buildings, and to buy and install necessary research and research-related equipment.

(b) Funds appropriated under this section shall be apportioned among eligible institutions in the same manner as funds apportioned under section 4(b), except that, to meet specific national or regional animal health research needs, additional funds may be appropriated to provide animal health research facilities at one or more eligible institutions as mutually agreed upon in each case between the Secretary and the eligible institution: *Provided*, That, in developing plans for the use of these additional funds, the Secretary shall consult the Advisory Board.

SEC. 7. Sums available for allotment under the terms of this Act shall be paid to each eligible institution at such times and in such amounts as shall be determined by the Secretary. Funds shall remain available for payment of unliquidated obligations for one additional fiscal year following the year of appropriation, except that funds appropriated under section 6 shall remain available for payment, at the option of an eligible institution, for a period of not more than two fiscal years following the fiscal year of appropriation plus the one additional year for payment of unliquidated obligations.

SEC. 8. When the Secretary determines that an eligible institution is not eligible to receive its allotment of funds because of a failure to satisfy requirements of this Act or regulations issued under it, the Secretary shall withhold such amounts; the facts and reasons therefor shall be reported to the President and the amount involved shall be kept separate in the Treasury until the close of the next Congress. If the next Congress shall not direct such sum to be paid it shall be carried to surplus.

SEC. 9. (a) The dean or director of each eligible institution will have prepared local project proposals for research on priority problems of animal health which comply with the purpose in section 1 and for use as specified in section 4(a) and with general guidelines for project eligibility to be provided by the Secretary with the advice of the Advisory Board. Research proposals approved by the dean or director will be submitted to the Secretary with a brief outline abstract summary which will reveal compliance with the purpose of this Act and the Secretary's general guidelines.

(b) Each dean or director shall also submit a brief annual report of research accomplishments on a project-by-project basis and he shall account for all funds allotted to his institution under the provisions of this Act at such times and on such forms as the Secretary shall prescribe. If any portion of the allotted moneys received shall by any action or contingency be diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced, no subsequent appropriation shall be allotted or paid to said college or university.

SEC. 10. (a) The Secretary is authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this Act and to furnish such advice and assistance as will best promote the purposes of this Act. The Secretary is further directed to appoint the Advisory Board.

(b) The Advisory Board, in addition to providing consultation and advice to the Secretary as provided elsewhere in this Act, shall meet at least annually to advise the Secretary with respect to administration and implementation of this Act and to recommend priorities for conduct of research programs authorized under this Act. The Advisory Board shall continue for the duration of this Act.

(c) Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts, loans, or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(d) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (c) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, loans, or other arrangements referred to in subsection (c).

SEC. 11. The amount paid by the Federal Government to any eligible institution for assistance under this Act, exclusive of the funds paid for research on specific national or regional animal health problems authorized by sections 5 and 6, shall be in an amount not to exceed $100,000 in addition to an amount not to exceed during any fiscal year the amount available to and budgeted for expenditure by such institution during the same fiscal year for animal health research from non-Federal sources. The Secretary is authorized to make such expenditures on the certificate of the appropriate official of the institution having charge of the animal health research for which the expenditures as herein provided are to be made. If any of the institutions certified for receipt of funds under this Act fails to make available and budget for expenditure for animal health research in any fiscal year sums at least as much as the amount for which it would be eligible for such year under this Act, the difference between the Federal funds available and the funds made available and budgeted for expenditure by the institution shall be reapportioned by the Secretary to other eligible institutions of the same State if there be any which qualify therefor and, if there be none, the Secretary shall reapportion such differences to the qualifying institutions of other States participating in the animal health research program.

And the Senate agree to the same.

W. R. POAGE,
FRANK A. STUBBLEFIELD,
THOMAS S. FOLEY,
JOHN MELCHER,
GEORGE A. GOODLING,
ROBERT B. MATHIAS,
JOHN M. ZWACH,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
JAMES B. ALLEN,
DICK CLARK,
MILTON R. YOUNG,
ROBERT DOLE,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11873) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the acompanying Conference Report.

The House recedes from its disagreement to the amendments of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendments.

The differences between the House bill and the Senate amendments and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying and technical changes.

(1) The Conference substitute adopts the Senate provision to include fresh water fish and shellfish as animals for which research is to be carried out under the bill.

(2) The Conference substitute adopts the Senate provision to authorize research to minimize losses of livestock and poultry due to transportation and handling.

(3) The Conference substitute adopts the Senate provision authorizing the Secretary of Agriculture to conduct an inventory on horses with an amendment limiting the inventory to the three fiscal years beginning July 1, 1974, and ending June 30, 1977.

(4) The House bill authorized appropriations not to exceed $20,000,000 annually to support continuing research programs at eligible institutions. The Senate amendment increased the authorization to $40,000,000.

The Conference substitute adopts the House provision with an amendment increasing the authorization to $21,125,000 annually during each of the three fiscal years beginning June 30, 1974, and ending July 1, 1977, with $20,000,000 authorized annually for each fiscal year thereafter. The Conference substitute provides that of the total amount authorized for the first three fiscal years, an amount not to exceed $1,250,000 annually is authorized to be appropriated to conduct the horse inventory authorized by the bill.

(5) The House bill authorized appropriations not to exceed $15,000,000 annually to support research on specific national or regional animal health problems. The Senate amendment increased the authorization to $20,000,000.

The Conference substitute adopts the House provision.

(6) The House bill authorized not to exceed $10,000,000 annually to support the cost of providing veterinary medical science research facilities. The Senate amendment increased the authorization to $15,000,000.

The Conference substitute authorizes not to exceed $12,000,000 for such purpose.

(7) The Conference substitute adopts the Senate amendment eliminating local review committees. Such committees, under the House bill, would have reviewed local project proposals for research on priority problems of animal health.

Under the Conference substitute (and the Senate amendments), such review authority is vested in the dean or director of each college of veterinary medicine or eligible institution conducting animal health research.

(8) The Conference substitute adopts the Senate provision requiring the keeping of records by grant recipients and requiring that the Secretary of Agriculture and the Comptroller General be given access to the reports.

W. R. Poage,
Frank A. Stubblefield,
Thomas S. Foley,
John Melcher,
George A. Goodling,
Robert B. Mathias,
John M. Zwach,
Managers on the Part of the House.

Herman E. Talmadge,
George McGovern,
James B. Allen,
Dick Clark,
Milton R. Young,
Robert Dole,
Henry Bellmon,
Managers on the Part of the Senate.

LEGISLATIVE PROGRAM FOR THE WEEK OF JULY 1, 1974

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I have asked for this time in order that I might request the distinguished majority leader to advise us as to the program for next week.

Mr. O'NEILL. Mr. Speaker, will the distinguished minority whip yield?

Mr. ARENDS. I yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of July 1, 1974, is as follows:

On Monday, we will call the Consent Calendar, and we will consider legislation under suspension of the rules as follows:

An unnumbered House resolution, authorizing suspension of 5-minute rule (clause 27(f)(4) of rule XI) for the impeachment inquiry;

H.R. 15461, Federal Rules of Criminal Procedure 1-year delay;

H.R. 14597, International Criminal Police Crganization dues;

Senate Joint Resolution 218, Export-Import Bank Act 30-day extension;

H.R. 15283, Forest and Related Resources Planning Act;

S. 2137, Smithsonian Institution additional appropriations; and

H.R. 15406, refining procedures for adjustment in military compensation.

We will then consider H.R. 15276, Juvenile Delinquency Prevention Act, under an open rule, with 1 hour of debate; and

H.R. 15247. Amtrak authorization, under an open rule, with 1 hour of debate.

For Tuesday and Wednesday, the schedule is as follows:

First, we will call the Private Calendar. Under suspension of the rules, we have no bills scheduled.

Then we will consider H.R. 15465, International Development Association fourth replenishment, under an open rule, with 1 hour of debate.

Conference reports may be brought up at any time. Any further program will be announced later.

Mr. Speaker, I wish to remind the Members of the House that the House will be in adjournment for observance of Independence Day from the close of business on July 3, until noon, Tuesday, July 9.

Mr. ARENDS. Mr. Speaker, I thank the gentleman.

ADJOURNMENT TO MONDAY, JULY 1, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet on Monday, July 1, 1974.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. Steelman) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, quite possibly one of the most telling votes of the 93d Congress was cast yesterday when the Democrats withheld from the American people the opportunity for public debate and a vote on the Committee Reform Amendments of 1974. The vote to table the appeal of the Speaker's ruling against bringing the Committee Reform Resolution before the Rules Committee not only demonstrated the Democrat's opposition to reform but, even worse, their disregard for the public's right to know.

The very act of hiding reform of Congress from the public and not allowing their representatives to publicly comment or vote on this proposal is the very reason that the confidence of the public is reaching an all-time low. And what has been our response? While many felt forming a bipartisan Reform Committee was a sincere response to public concern with the legislative branch, the Democratic leadership's attempt to bury their very positive report—delivered after 14 months of extensive hearings and compromise—is evidence that this was obviously part of a charade. Apparently, the Democratic leadership is satisfied with the state of affairs in the House that has led to this level of public disdain.

Mr. Speaker, once again ironclad party discipline, special interests, and power politics have denied the public the right to know and denied this House the opportunity to function effectively. As President John Kennedy said, "Sometimes party loyalty asks too much." This was definitely one of those times. It is most unfortunate that many Democrats ostensibly so committed to reform have blindly followed this path.

Mr. Speaker, this is not only a question of committee reform but of reform in general and openness in the legislative process. The day is long gone when the Congress can hide their activities in Washington from constituents. How much lower must the confidence level sink before there will be a response by the Democratic leadership. Apparently, condemnation of their administration of the House by 80 percent of the citizenry is not enough. But, it is for me and every Member of this body who goes door to door listening to the concerns of their constituents. They want a change. They deserve a change. And no rationalization citing parliamentary procedure is going to fool them. They know what this vote meant.

Mr. Speaker, the people deserve better.

CRISIS IN THE AMERICAN DAIRY INDUSTRY—A CALL FOR ACTION

The SPEAKER. Under a previous order of the House, the gentleman from

Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, no group of Americans is more important to the well-being of the Nation than our dairy farmers. They contribute an abundance of wholesome food products that give Americans a nutritious and balanced diet that help to make them among the best fed and healthiest people in the world. The dairy industry has also created millions of jobs, added billions of dollars to our national income and added strength and vitality to our private enterprise, free market economy. All Americans, therefore, have a vital stake in maintaining a strong and healthy domestic dairy industry.

Unfortunately, however, our dairy farmers are facing a serious financial crisis. Prices they receive for their milk have lagged far behind skyrocketing production costs. If positive steps are not taken soon to reverse these trends the harmful consequences to the entire Nation will be far-reaching.

IDAHO—A DAIRY STATE

Idaho is an agricultural State and the dairy industry is a cornerstone of the farm economy. It is estimated that the dairy industry contributes more than one-half billion dollars each year to the economy of Idaho and it has created thousands of jobs. About 5,000 farm families in the State depend to some degree on income from their milk cows.

Having grown up on a farm in Idaho with a herd of milk cows, I know from experience the problems our dairy farmers are now facing. It was my job during the early 1940's to feed and care for our dairy cows, including milking all of them by hand. Our dairy herd was small by present standards, averaging about 12 head. It was greatly expanded after I returned from service in the Navy during World War II because of the advantages that greater mechanization offered.

The milk check was important for our family. Because it was almost the only regular and dependable source of income from farming operation it was needed to help pay the monthly household bills. For thousands of farm families across the land the milk check is still one of the principal means of paying for the groceries, clothing and other necessities.

But now, the milk check does not even pay the cost of producing the milk. The reason for the crisis facing the dairy farmer is not difficult to discover. He is caught in a squeeze between rapidly rising production costs and milk prices that are far too low to permit him to break even. The cost of hay, grain and feed supplements has jumped sharply in recent months. The dairy farmer is also paying more for labor, electricity, supplies and services needed to keep him in business. Because milk prices have not caught up with prices, the dairy farmer is slipping farther behind each month.

RISING IMPORTS DEPRESS DOMESTIC PRICES

Among the contributing causes of low prices is the rising volume of imports of dairy products. In seven separate actions in 1973 and 1974 the U.S. Department of Agriculture increased imports of dairy products. First quarter imports this year were equivalent to 1.4 billion pounds of milk, up from 0.4 billion pounds during the same period last year. Dairy farmers have also complained that the USDA has failed to collect countervailing duties on imports as required by law.

While imports have been rising, domestic production has dropped. Total milk production in the United States this year will likely reach the lowest level since 1948. Contributing to this decline is the liquidation of dairy herds and for the first time in 30 years a drop in production per cow. This is largely due to the cutback in the use of high protein concentrate in feeds because of higher costs.

DECLINING DAIRY PRODUCTION HURTS THE NATION

If these trends continue—if more dairy herds are liquidated and overall production continues to decline—the Nation will feel the adverse impact in three major ways: First, the national economy will suffer directly from the loss of jobs and income. The dairy farmers and their families will be hardest hit, of course, as they sell out their operation and turn to other means to earn a livelihood. The small towns and rural communities that depend on the income from dairy farms will also suffer.

Second, the American consumer will suffer by becoming increasingly dependent on foreign producers. Supplies from overseas are much less dependable than our own dairy industry. It would be a mistake to look to foreign countries for an important element in the diet of our people. And, we have learned from recent bitter experience with the oil embargo what can happen when we become too dependent on other countries for essential goods. We could face shortages and much higher prices. To rebuild our own dairy industry to expand production could take years.

Third, any increase in dairy imports will weaken our position in international trade and make it more difficult for us to achieve a favorable balance of payments. We should limit imports to goods we can produce ourselves so that we can pay for the products we must import such as oil and certain other minerals and metals.

The slaughter of dairy cattle that will result from the liquidation and thinning of herds will also have a depressing effect on beef prices. The livestock industry is already having a tough time, due partly to the rising level of meat imports.

FOUR WAYS TO HELP THE DAIRY INDUSTRY

Mr. Speaker, four positive steps can and should be taken without delay to restore the American dairy industry to a level of prosperity that will permit it to survive and to continue to serve our people: First, imports of dairy products should be limited to amounts that will not depress prices paid to American producers. Second, the USDA should expand its purchases to help relieve buildups of manufactured dairy products. Third, price support should be raised to realistic levels that will keep pace with the dairy farmers rapidly rising production costs. Fourth, the American producer should be protected from what is in effect unfair competition resulting from the failure to require foreign producers selling in the U.S. market to comply with the inspection standards and procedures that our dairy farmers must meet.

I am today introducing legislation that will require the same inspection for both United States and foreign producers from whom we import dairy products. Passage of this legislation will benefit both the dairy farmer and the consumer. It will help to assure fair competition for our producers. And it will help to assure the consumer that imported dairy products will be wholesome and of high quality.

INSPECT FOREIGN SUPPLIERS TO U.S. STANDARDS

I include as a part of my remarks the text of my bill, H.R. 15699:

H.R. 15699

A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Dairy Quality Act of 1973".

SEC. 2. For the purposes of this Act:

(1) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(2) The term "person" means any individual, partnership, corporation, association, or any other business unit.

(3) The terms "dairy products" and "milk products" mean those food products derived from milk, including milk, such as butter; cheese (whether natural or processed); dry, evaporated, stabilized, condensed, or otherwise processed milk, cream, whey, and buttermilk; edible casein; frozen desserts; and any other food product which is prepared in whole or in part from any of the aforesaid products as the Secretary may hereafter designate.

(4) The term "wholesome" means sound, healthful, clean, and otherwise fit for human food.

(5) The term "labeling" means labels and other written, printed, or graphic matter on or attached to the container of any dairy product.

(6) The term "purity" means free from poisonous or deleterious substances which may render the product injurious to health.

(7) The term "quality" means the minimum quality standards defined by the Secretary in accordance with this Act.

(8) The term "administration and supervision" means the administrative review of foreign country laws, regulations, and enforcement procedures offered as being comparable to United States laws, regulations, and enforcement procedures, under the provisions of this Act, and the supervision of inspection personnel both here and abroad.

(9) The term "inspection" means the official service rendered by the Department of Health, Education, and Welfare, under the administration and supervision of the Secretary, for the purposes of carrying out the provisions of this Act.

SEC. 3. (a) No dairy product shall be imported into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced, manufactured, or processed comply with all the inspection, grading, and other standards prescribed by the Secretary pursuant to the provisions of this Act. The standards prescribed by the Secretary shall include standards for sanitation procedures in the production, cooling, storage, transportation, and handling of milk, and in the manufacture of dairy products, as well as standards concerning the quality and purity of the final product.

(b) The standards established by the Secretary for any imported dairy product, for the farms on which the milk used in such product is produced, and for the establishments in which such imported dairy product is produced, manufactured, or processed shall be comparable to those standards prescribed by the Secretary for the same kind of dairy product produced, manufactured, or processed in the United States and for establishments in the United States in which the same kind of product is produced, manufactured, or processed whenever the Secretary, in connection with any dairy product program carried out by the Department of Health, Education, and Welfare has established standards for such product and for the establishments in which such product is produced, manufactured, or processed. The Secretary shall establish standards with respect to those kinds of imported dairy products (and the establishments in which they are produced, manufactured, or processed) for which no Federal standards have been established, and such standards shall be equivalent to those standards heretofore established for other kinds of dairy products and the establishments in which such other kinds of dairy products are produced, manufactured, or processed.

(c) The labeling of imported dairy products shall comply with the requirements of the Fair Packaging and Labeling Act and shall be otherwise marked as the Secretary may require.

SEC. 4. (a) For the purpose of establishing comparable inspection requirements and preventing the importation of dairy products produced, manufactured, or processed in foreign dairy farms or plants not meeting the minimum standards prescribed by the Secretary pursuant to the provisions of this Act, the Secretary shall, where and to the extent necessary, require such products to be accompanied by a certificate of compliance issued by the exporting country in accordance with rules and regulations prescribed by the Secretary establishing minimum standards as to the quality of the milk farm, plant facilities, equipment, and procedures used in the production and transportation of milk, and the production, manufacture, and processing of such imported dairy products. Further, the Secretary shall, where and to the extent necessary, establish inspection procedures to insure that the certificates of compliance issued by foreign governments signify full compliance with the provisions of this Act.

(b) The Secretary shall cause to be inspected, in accordance with such rules and regulations as he may prescribe, all dairy products imported into the United States.

SEC. 5. (a) All imported dairy products shall, after entry into the United States, be subject to the Federal Food, Drug, and Cosmetic Act, and other Acts providing for the inspection, testing, or grading of dairy products to insure their purity and to insure that they are wholesome in the same manner and to the same extent as if such products were produced in the United States.

(b) The Secretary is authorized to prescribe rules and regulations to carry out the purposes of this Act, and such rules and regulations shall provide for the destruction of dairy products offered for entry and refused admission into the United States, unless such dairy products are reexported or brought into compliance within the time fixed therefor in such rules and regulations.

(c) All charges for storage, cartage, and labor with respect to any article which is imported contrary to this Act shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against such article and any other article thereafter imported under this Act by or for such owner or consignee.

SEC. 6. In carrying out the provisions of this Act, the Secretary may cooperate with foreign governments, other departments and agencies of the Federal Government, and with appropriate State agencies, and may conduct such examinations, investigations, and inspections as he determines necessary or appropriate through any officer or employee of the United States, of any State, or of any foreign government, who is licensed by the Secretary for such purpose.

SEC. 7. (a) The Secretary may prescribe such assessments and collect such fees as he determines necessary to cover the cost of the inspection services rendered under the provisions of this Act.

(b) Except as provided in subsection (a) of this section, the cost of administering and supervising the provisions of this Act shall be borne by the United States.

SEC. 8. There is hereby authorized to be appropriated such sums as are necessary to carry out the administration and supervision of the provisions of this Act.

SEC. 9. Any person who knowingly violates the provisions of this Act shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 and imprisoned not more than one year, or both.

SEC. 10. If any provisions of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 11. This Act shall take effect one hundred and eighty days after enactment.

UNDER THE ALASKA NATIVE CLAIMS SETTLEMENT ACT—AMENDMENT

The SPEAKER. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, the Alaska Native Claims Settlement Act, Public Law 92–203, directed the Secretary of the Interior to make a study of all Federal programs primarily designed to benefit Native people and to report back to the Congress with his recommendations for the future management and operation of these programs within 3 years of the date of enactment of the law. The 3-year deadline will expire on December 18 of this year.

Mr. Speaker, the bill I am offering today would authorize and direct the Secretary of the Interior to conduct a comprehensive study of all Federal programs designed to benefit Alaskan Native people—not just the 20 programs which will be selected by the contractor for the 2(c) study. The Secretary is further charged with the responsibility of assessing changes in Native lifestyle, health status, income levels, and a range of other socioeconomic variables which may be altered as a result of the land claims settlement. This study would use the present 2(c) study as a starting point. Under my bill the final study would be submitted to Congress along with the recommendations for the future direction of Federal programs for Alaskan Natives on June 20, 1977.

The Alaska Native Claims Settlement Act made history by being the first legislated aboriginal claims settlement in our Nation's history. I feel that Congress acquitted itself well in this task. It is my intention that the will of Congress in mandating the 2(c) study be fulfilled. The major point in section 2(c) is that a study be submitted to Congress by December 18, 1974. I do not feel that the 3-year time frame provided in the Land Claims Act is sufficient. But we can use the 2(c) study as a base—and complete the task if this bill is enacted. The point is that we wish an accurate, complete evaluation of any changed Federal responsibilities toward Alaskan Native people as a result of the settlement. The text of the bill follows:

A bill to amend the Alaska Native Claims Settlement Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Sec. 2(c) of the Alaska Native Claims Settlement Act is amended by adding at the end thereof the following new language:

"; upon completion of the study required pursuant to section 2(c) of the Alaska Native Claims Settlement Act (85 Stat. 688) (hereinafter referred to as the "Settlement Act"), the Secretary of the Interior (hereinafter referred to as the "Secretary") shall submit such study to each of the Alaska Native Regional Corporations established under that Act and to the State of Alaska. Each such Corporation and the State of Alaska may review such study and submit its comments to the Secretary prior to June 30, 1975. The study, together with the comments and any response the Secretary may wish to make to such comments, shall be submitted anew to the Congress on or before July 30, 1976; the Secretary is authorized and directed to make a study of (i) any changes in Alaska Native life style, health status and needs, income distribution and holdings, economic pursuits, housing, means and patterns of transportation, modes of communication, and social and cultural patterns which may result from the implementation of the Settlement Act, and (ii) all Federal programs designed to benefit Alaska Native people. The study shall include recommendations of the Secretary for the future management and operation of these Federal programs and any other Federal programs which may be required to serve the Alaska Native community during the remaining period of, and after, the implementation of the Settlement Act; in making the second study the Secretary shall give full consideration to the initial study and to the comments thereon by Alaska Native Regional Corporations and the State of Alaska pursuant to this section; the Secretary shall provide the opportunity for participation of Alaska Natives and the State of Alaska in the conduct of the second study; the second study shall be submitted to the Congress on June 30, 1977; there are hereby authorized to be appropriated to the Secretary such sums as are necessary to conduct the second study."

ALLEDGED STATEMENT BY CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Florida. Mr. Speaker, to sort of put together some of the things we have been talking about throughout the day today, I want to make the RECORD complete, and I am talking about the earlier discussion of a newspaper story in the Los Angeles Times reporting statements attributed to the chairman of the House Committee on the Judiciary.

In a comment on the floor, the chairman of that committee denied having made the statement attributed to him in the Los Angeles Times story.

To follow that up, a wire story came over the machine, and I want to read several sentences from that—

> Rodino denied a report published in the Los Angeles Times that he had told visitors to his office that all 21 Democrats on the committee planned to vote for impeachment. The paper also quoted the Chairman as telling the visitors he was hopeful of getting five Republican votes as well.
>
> "I am stating that it is not true," said the Chairman. Asked if he might have said anything close to what was reported, he replied, "No, I did not."

Then, Mr. Speaker, I want to read another wire story that came from the United Press International, as a follow-up to the earlier story respecting the alleged comments of Chairman Rodino. And this UPI story says:

> Later, Sam Donaldson, a reporter for the American Broadcasting Company, said he was one of the visitors in Rodino's office and described the Los Angeles Times story by Jack Nelson as "absolutely accurate to my recollection."
>
> Donaldson said he had not reported RODINO's remarks on the air because he considered them "in the nature of a guidance, background session" in which RODINO, responding to questions, gave his assessment of the likely outcome of next month's scheduled committee vote on whether to recommend impeachment.

In my earlier remarks, Mr. Speaker, I raised the point that the people of America must now have several questions. They must be questioning the credibility either of Jack Nelson of the Los Angeles Times, or they must be questioning the credibility of those people who were visitors in Chairman Rodino's office, or they must be questioning the credibility of Chairman Rodino himself, and now with this statement by Mr. Donaldson, they must also be questioning the credibility of Sam Donaldson, a reporter for the American Broadcasting Co. It is going to be interesting to find out just where the credibility lies.

BIOMEDICAL RESEARCH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. Heckler) is recognized for 10 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I withdraw my objections because I am satisfied after a colloquy with the distinguished chairman of the Commerce Committee, Congressman Staggers, and conversations with the distinguished chairman of the Health Subcommittee, Congressman Rogers, and the distinguished doctor from Kentucky, Congressman Carter, that the basic protections contained in title IV of the Health Service Act Extension of 1973 are preserved under this legislation. I have been reassured that the original intent of the Congress remains intact.

As provided in title IV by amendments which I authored in the House, an individual, a hospital, or any other medical entity may follow the dictates of religious or moral conviction when faced with the issue of abortion or sterilization. The law states that Federal moneys cannot be used as a means of compelling individuals or instiutions who are opposed to such acts to perform them. The basic right to the individual's religious and moral beliefs is recognized and endorsed.

The bill does not change the intent of title IV. The individual's right of conscience continues to hold the supreme place it deserves in our society. This conference report combines this right with the use of Federal moneys in an impressive recognition of the importance of an individual's religious and moral beliefs.

Mr. Speaker, the conference report on biomedical research will provide essential Federal funding for fellowships, traineeships, and training at various types of hospitals and research institutions throughout the country. The Federal funding provided in this legislation is crucial to our Nation's health. I recognize the desperate need for adequately funded biomedical research and therefore strongly endorse this legislation.

A BILL TO PERMIT THE FEDERAL RESERVE TO ALLOCATE CREDIT TO NATIONAL PRIORITY NEEDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, I introduce for appropriate reference H.R. 15709, a bill to amend the Federal Reserve Act to give the Board of Governors power to influence the allocation of bank credit.

By using these powers, the Board could induce banks to increase loans and investments in high-priority sectors of the economy, with offsetting decreases in the remaining sectors to avoid inflationary pressures.

Such a power to allocate credit, rather than simply to rely on meat-axe, undifferentiated, money-aggregate policy, is needed on a continuing basis. It is particularly needed at a time, like today, when the credit crunch is badly hurting interest-sensitive sectors like capital investment, housing and the thrift institutions, State and local governments, and small businesses, and is intensifying inflationary pressures in such sectors as inventories, supplies of scarce materials, and real estate.

An intractable inflation has reached an annual rate of almost 13 percent during the first quarter of this year. Curbing this inflation is obviously going to require responsible monetary restraint. In fact, I have argued for quite some time that the Fed's restraint on monetary growth has not been tight enough.

But indiscriminate credit restraint, reckless of its side-effects, is surely irresponsible. The Fed must be given the means to allocate scarce credit so that more is available, at lower interest rates, for priority uses, and that accordingly less is available, at higher interest rates, for nonpriority uses.

We can see all about us today how meat-ax, undifferentiated, money-aggregate policy is starving priority sectors of the economy.

Take housing, for example. In 1966 and again in 1969, high, short-term interest rates resulting from tight money caused heavy outflows of funds from savings and loan associations and other thrift institutions. This led to precipitous drops in housing starts.

The experience of 1974 is no different. With prime commercial paper bringing more than 10 percent, and U.S. Treasury notes going for more than 8 percent, disintermediation caused savings and loan associations to suffer a net outflow of $335 million in deposits in April. Housing starts for this May, as reported by the Department of Commerce, were at an annual rate of 1.45 million units, off almost 40 percent from the 2.33 million rate of last May. Much of this drop occurred in low- and middle-income housing, where we can least afford it.

Small businesses have also suffered. Recently the maximum interest rate on SBA-guaranteed bank loans to small businesses has been as high as 11 percent, a rate few small businesses can afford. Small business failures have risen to 190 per week, compared to about 170 a year ago. The total debt of small businesses going bankrupt is up to $200 million per month, 50 percent over 1973.

New capital investment in plant and equipment, despite a vast variety of tax incentives, is likewise hampered by tight money. Less production capacity spells future inflationary increases. Further, with long-term borrowing rates at record highs, incentives to invest in pollution-control and environment-enhancing equipment diminish. The cost of this will surely be with us for years to come.

At the same time that high interest rates are chilling worthwhile activities, the meat-axe, undifferentiated, money aggregate policy sees credit wasted on non-priority objectives (like Bahamas gambling casinos); diverted into conglomerate takeovers that bid up the prices of existing assets—like Mobil Oil using $350 million that should be used for oil exploration to buy up Montgomery-Ward; or channeled into inflation-inducing overexpenditures—such as inventories and supplies "that will cost more later on."

The time has come to make the Board of Governors of the Federal Reserve responsible for the allocation implications of monetary policy. With their 14-year terms and their independence, the Governors must not shrink from responsibility. We must develop a new set of tools which the Fed can combine with its control of monetary aggregates to allocate the supply of credit to priority areas.

A number of knowledgeable people have urged that the Fed act as credit-allocator as well as credit-creator.

Federal Reserve Governor Andrew Brimmer has repeatedly advocated allocative powers for the Fed since 1969. In testimony before the Senate Committee on Banking, Housing and Urban Affairs on April 7, 1971, Governor Brimmer urged implementation of supplemental asset reserves to avoid "unwanted and disproportionate effects of monetary restraint in particular sectors of the economy" and "to encourage banks to modify their . . . lending behavior to conform more to the objectives of monetary policy."

Federal Reserve Bank of Philadelphia President David P. Eastburn in the May 1974, Business Review envisaged the Fed's developing "market-oriented means to induce lenders to allocate their funds in particular directions for social purposes."

John R. Bunting, chairman of the First Pennsylvania Bank, in a May 19 speech reported in the Philadelphia Evening Bulletin "assailed the Federal Reserve's 'fixation solely on control of the size of the money supply' as a tool of dampening inflation." Instead, he said:

> The monetary authorities should encourage banks to channel loans into industries whose products are in short supply and whose production is pushing close to capacity.

In an April 10 speech, Albert T. Sommers, senior vice president and chief economist of the conference board, asked "whether the Federal Reserve should not be equipped with additional powers affecting the direction of credit, and not simply the aggregate volume of credit supply."

And Business Week, in an editorial on June 1, called upon the Fed "to start thinking about a more selective approach to credit control. It could, for instance, call upon the member banks to give preference to temporary financing of new industrial capacity. Or it could ask for legislation to give it the power to establish a priority system for borrowers."

All agree that the meat-axe aggregate approach to monetary policy hopelessly misallocates credit.

Other countries successfully direct the allocation of credit through a variety of mechanisms. A December 1970 study by the Joint Economic Committee, "Activities by Various Central Banks to Promote Economic and Social Welfare Programs," lists numerous examples. The Bank of France uses direct credit controls to stimulate financing of agriculture. The central banks of Germany, India, Italy, and Mexico, as well as the Bank of France, provide direct loans to state and local governments or to public agencies. Central bank funds are lent directly to private companies in France, and are lent indirectly through private banks in Japan. Other instruments have also been widely used—special rediscounting privileges, special reserve requirements and credit ceilings, and approval over individual loans. Such far-reaching controls do not appear necessary in this country, at present, but the experience of foreign central banks with comprehensive controls is instructive.

Tax incentives and subsidies are often suggested as an alternative way of redirecting resources to priority uses. Nonpriority uses of the economy's resources, as for Bahama gambling casinos, can be discouraged by taxing them very heavily. Priority uses such as low income nursing could be expanded if the Federal Government were to pay part of the cost through a subsidy.

Taxes and subsidies, however, involve real problems. First, though most priority sectors of the economy have been given vast subsidies, periodic crises still appear with tight credit and high interest rates. Second, imposing high taxes on nonpriority uses of the economy's resources is a time-consuming and complex process; tax schemes are inflexible and are very difficult to change as the economy's needs change. Finally, increasing the subsidies going to priority sectors would further erode the tax base and open new loopholes. America's taxpayers don't need a more loophole-ridden tax code.

H.R. 15709 gives the Board of Governors of the Federal Reserve a new and powerful monetary tool for credit allocation purposes. By vigorously employing its new power, the Fed could significantly increase the share of the Nation's bank credit going to priority sectors of the economy, and by the same token reduce the amount going to nonpriority uses.

H.R. 15709 establishes a new category of national priority loans and investments. This provision specifically gives priority in loans and investments to four important sectors of the economy: First, new capital investments that increase productive capacity, lower costs, control pollution, or conserve energy; second, low- and middle-income housing; third, State and local government investments; and forth, small businesses. The Fed may also establish other priority areas as the investment needs of the Nation change provided that it informs Congress at least 60 days in advance so that Congress may disapprove by concurrent resolutions if it wishes. This mirrors the present power of Congress to disapprove changes in the organization of the executive branch, under the Reorganization Act of 1949.

To redirect the allocation of bank credit to national priority needs, H.R. 15709 establishes a new category of supplemental reserves and credits against bank assets. First, the Board of Governors may require each member bank to hold supplemental reserves against nonpriority loans and investments, in addition to the required reserves currently held against deposits. Second, the Board would allow each bank to credit against its supplemental reserve a percentage of its national priority loans and investments. The combined effect of supplemental reserves and credits is to increase bank earnings from national priority loans and investments and to reduce earnings on nonpriority loans and investments. This gives banks a powerful incentive to make more national priority loans and investments.

The text of H.R. 15709 follows:

H.R. 15709

A bill to amend the Federal Reserve Act to permit the Federal Reserve Board to allocate credit to national priority needs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Credit Allocation Incentive Act of 1974".

SEC. 2. (a) Section 19 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(k)(1) For purposes of this subsection, the term 'National Priority Loans and Investments' means any loan or investment which the Board determines is used for, or made to, any of the following:

"(A) useful capital investments, particularly if capacity-adding, energy-conserving, environment-enhancing, or productivity-increasing,

"(B) low- or middle-income housing,

"(C) State or local government facilities,

"(D) small businesses, or

"(E) any other category or loan or investment which the Board determines to be a 'National Priority Loan and Investment'.

"(2) National Priority Loans and Investments in a category established under paragraph (1)(E) shall be made only if—

"(A) the Board notifies both Houses of Congress on the same day of a proposed category it desires to establish under such paragraph (1)(E), and

"(B) both Houses of Congress do not adopt resolutions disapproving establishment of such category within a sixty-day period of of continuous session of Congress which commences on the date the Board notifies both Houses of Congress under subparagraph (A).

For purposes of this paragraph—

"(i) continuity of session is broken only by an adjournment of Congress sine die, and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

"(3)(A) In addition to any reserve requirement under subsection (b), the Board may require each member bank to maintain a supplemental reserve consisting of a percentage, determined by the Board, of its total loans and investments other than National Priority Loans and Investments minus a credit equal to a percentage, determined by the Board, of such bank's total National Priority Loans and Investments. The total credit of any bank may not exceed its supplemental reserve.

"(B) Under subparagraph (A) with respect to supplemental reserves and under subsection (b) with respect to reserves against deposits, the Board shall take and time its actions in order to promote efficiency and mitigate hardship.

"(C) In order to offset any undesirable money supply effects resulting from its actions under this subsection, the Board shall employ open market operations."

(b) Section 19(c) of the Federal Reserve Act is amended by inserting "or (k)" immediately after "subsection (b)".

To see how H.R. 15709 would end the undiscriminating credit effects of aggregate monetary policies, consider the following illustration.

Based on data published in the latest Federal Reserve Bulletin, member banks in the Federal Reserve System currently hold about $600 million in loans and investments. It is difficult to determine from these figures the exact uses to which these loans and investments are put, but the most generous criteria would classify about one-third, or $200 million, as national priority uses, such as residential mortgages, State and local government securities, and some commercial and industrial loans. The remaining $400 million is classified as nonpriority uses, such as nonresidential real estate, inventories, brokerage loans, and loans to finance companies.

Supplemental reserve requirements on the nonpriority assets, combined with credits for national priority assets, could induce banks to improve this allocation of credit. Assume the Fed requires each member bank to hold as little as 2 percent of its nonpriority loans and investments in a supplemental reserve, against which it allows a 3-percent credit for national priority loans and investments. The supplemental reserve would be $8 billion—2 percent of $400 billion of nonpriority assets—and the credit would be $6 billion—3 percent of $200 billion of national priority assets. With their current portfolios, banks overall would have to keep $2 billion in their supplemental reserves. Although this is not very large in comparison with the $35 billion reserve they currently keep on demand and time deposits, it still represents significant foregone earnings—about $200 million at current interest rates.

Banks could reduce their supplemental reserve requirements by devoting more of their loans and investments to national priority needs. For every $10 billion shifted from nonpriority uses to national priority uses, banks would free up $500 million, since their supplemental reserve requirement would fall by $200 million—2 percent of the $10 billion reduction in nonpriority loans and investment—while their credits would rise by $300 million—3 percent of the added $10 billion in national prirority uses. A shift of $40 billion more into national priority uses from the current figures—to $240 billion in national priority assets and $360 billion in nonpriority assets—would eliminate the $2 billion supplemental reserve in the illustration altoghether. The potential of this for shifting credit into national priority uses, even with low reserve requirements, is thus substantial.

The supplemental reserve requirement for individual banks would very according to the proportion of assets devoted to national priority uses. The average bank with one-third of its assets in national priority areas would, in the above example, have to keep only one-third of 1 percent of its total assets in the supplemental reserve. A bank with more than 40 percent of its loans and investments in national priority areas would escape the reserve requirement.

The Fed should choose the combination of supplemental reserve requirements and credits necessary to channel the proper amount of credit to national priority uses. It can make the incentive to invest in national priority areas more powerful by raising the reserve requirement and reducing earnings on nonpriority assets, and by increasing the credit and raising earnings on national priority assets. It should be possible, however, to use fairly low reserve requirements, as in the illustration, to attain the goals of this bill without unduly burdening the Nation's banks.

The Fed should pay close attention to the effect which supplemental reserves might have on bank liquidity. If adding supplemental reserves to existing required reserves on deposits squeezes bank liquidity, the Fed should by all means reduce existing reserve requirements, or engage in open market operations to offset the squeeze. Furthermore, to minimize potential hardships on individual banks, the Fed should introduce supplemental reserve requirements gradually and give adequate leadtime before promulgating changes. After all, the purpose of this bill is to end the meat-ax effects of money aggregate policies, not to crunch down on banks.

The Fed has a long and promising history of adapting its monetary tools to the changing needs of the American economy. At an aggregate level, reserve requirements have often been changed to alter the liquidity positions of banks and to expand or contract the money supply. But, as Governor Brimmer points out, the Federal Reserve has "been moving more and more into the use of reserve requirements to achieve certain specialized purposes with respect to monetary policy." For example, in 1969 the Fed imposed supplemental reserve requirements on Eurodollar borrowings by domestic banks, in order to inhibit monetary growth from this source. In July 1966 and again in July 1973, the Fed increased reserve requirements on time deposits, other than savings accounts, to as high as 11 percent on July 4, 1973, in order to inhibit the flow of funds from savings and loan associations to bank certificates of deposit. Supplemental reserves and credits on assets would be in line with this tradition.

Although H.R. 15709 would materially improve the Nation's ability to allocate credit, it admittedly is not a complete panacea.

First, it does not give the Board of Governors powers of allocation over the lending and investments of nonmember commercial banks. Legislation pending before Congress to give the Fed power over the reserve requirements of most nonmember banks would readily remedy this.

Second, H.R. 15709 does not give the Board allocative power over nonbank financial institutions, such as savings and loan associations, credit unions, or pension funds. At the moment, however, it does not seem necessary to give this power to the Board. Nonbank financial institutions are restricted, either by law or the nature of their liabilities, as to the kinds of loans and investments they carry in their portfolios, thus limiting their ability to counteract Fed policies. Further, some of these institutions, such as savings and loan associations and mutual savings banks, already invest heavily in national priority areas.

Finally, H.R. 15709 contains no controls over the uses to which corporations put their internally generated funds, amounting to more than $150 billion in 1973. It is possible that large corporations could obtain resources for nonpriority uses from their internal funds or going into other credit markets, such as commercial paper or Eurodollars. There is certainly the risk that this and other escape hatches could impair the Fed's ability to direct more credit to national priority areas.

If experience shows that Fed control should go beyond commercial banks, further legislation could be enacted extending reserve requirements and credits against assets to other financial institutions. Congress could also consider establishing in the Fed mandatory credit allocation powers. Making the Fed a credit allocation agency would not be unprecedented. In fact, during the Korean war, the Fed undertook an extremely successful voluntary credit restraint program under the Defense Production Act of 1950—to "curtail the use of credit for speculative purposes and to divert funds from nonessential to essential uses." Directed by a committee of Fed Governors and business leaders, the success of the program is attested to by a massive shift in credit from retail trade, commodity dealers, and finance companies to defense production and investment by utilities during 1951. The end of the Korean war brought an end to the program, but there is no reason why we should not resurrect it if needed.

While the purpose of H.R. 15709 is to improve credit allocation, it will also affect the ability of the Fed to control monetary aggregates. Supplemental reserves and credits on assets will be a new variable in Fed calculations. They introduce a new uncertainty, since banks would be able to change their average reserve requirements by changing their asset portfolios.

The new reserve requirements, however, should not impose insurmountable problems for Fed monetary policy. Day-to-day control of monetary aggregates, which would be most vulnerable to reserve uncertainty, is not as important as is longterm control, where adaptation to new variables is easier. Secondly, the relationship between movements in monetary aggregates and the performance of the economy is not so precise that this amendment would significantly alter it. Finally, with its current level of professional expertness, it should not take the Board of Governors or its staff very long to incorporate supplemental reserve requirements and credits into their money supply calculus. The benefits of assuring that credit is available for national priority needs far outweigh any possible difficulties in short-run control of money supply.

In light of the damage done by meat-ax aggregate money policies to national priority sectors of the economy, like business investment in plant and equipment, low- and middle-income housing, and State and local governments, a new approach to credit allocation is needed. H.R. 15709 fills this need by transforming the Federal Reserve into a credit-allocating, as well as a credit-creating, institution.

The importance and complexity of this issue requires that a full discussion and exchange of ideas about it take place. I hope that H.R. 15709 will lead to this much-needed discussion.

TRIBUTE TO LAWRENCE R. PIERCE, JR., CHAIRMAN, BOARD OF VETERANS APPEALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. BEVILL) is recognized for 20 minutes.

Mr. BEVILL. Mr. Speaker, it is a special privilege for me to pay tribute to Lawrence R. Pierce, Jr., Esq., who is retiring from the Government after 33 years of dedicated public service.

A native of Mobile, Ala., Mr. Pierce attended the University of Arkansas and received his LL. B. degree from Woodrow Wilson College of Law, Atlanta, Ga.

He is a member of the Georgia Bar. After Army service in World War II, he joined the Board of Veterans Appeals as an attorney. He advanced rapidly and is the only official in the Board's 40-year history to have appointments to positions of increasing responsibility and stature approved by three Presidents. In 1952 he was appointed associate member by the then Administrator of Veterans' Affairs and approved by President Truman; in 1957 his appointment to Vice Chairman of the Board was approved by President Eisenhower; and in 1971, Mr. Pierce was appointed to Chairman of the Board by the Honorable Donald E. Johnson, Administrator of Veterans' Affairs and approved by President Nixon. He has served under all eight of the Administrators of Veterans' Affairs except General Hines.

The Board of Veterans Appeals, a statutory appellate body, provides independent and objective appellate review of all questions on claims for benefits under laws administered by the Veterans' Administration, and finally decides all issues of fact and law involved therein. During Mr. Pierce's 17 years as a top official in the Board of Veterans' Appeals more than 500,000 appeals were decided here in Washington and another 246,000 were disposed of in field offices.

Larry Pierce's sustained contribution to the successful conduct of the VA mission has been outstanding. He has earned the respect and esteem of officials, both in and outside of the VA for maintaining the highest possible standards in administering the appellate program. He has earned the highest honor awards that the VA can give including the Exceptional Service Award and the Meritorious Service Award. Mr. Pierce has also received many honor awards and commendations from veterans national service organizations such as the VFW, AL, DAV, AMVETS, and their service officers at the grassroot State and county levels.

Mr. Pierce's efforts were always directed toward excellence in service to veterans and quality of appellate decisions. The improvement and innovations made in the appellate program during his tenure are too numerous to mention here. I would be remiss, however, if I did not mention several of the more important actions.

First. Shortly after taking over as Vice Chairman in 1957, Mr. Pierce set out to improve the quality of decisions as well as procedural due process. This he felt was necessary in view of the statutory finality of the Board's decisions.

Second. As a first step, he sent travel sections of the Board of Veterans' Administration offices in the several States to conduct formal hearings for claimants who had initiated appeals to the Board of Veterans' Appeals. This gave veterans, service organization case advocates, and local attorneys the opportunity to appear before panels of the Board without the necessity for, and the expense of, traveling to Washington for a hearing. This brought the Board closer to claimants who desired hearings but were unable or unwilling to travel to Washington. Thus, many veterans, case advocates, and attorneys, for the first time, had an opportunity to evaluate the methods, attitudes, and effectiveness on the basis of first-hand experience. This has and continues to contribute greatly to the Board's national image of fairness and objectivity.

Third. As vice chairman, Mr. Pierce had primary overall responsibility for operation of the professional quasi-judicial activities of the Board. He detected what seemed to him two weaknesses in the appellate and decisional processes. These can be roughly cataloged as deficiencies in "due process" and deficiencies in quality, format, and comprehensiveness of its final decisions. This he set about to correct, to the extent possible under the existing law, and with recommendations for legislative change. Stemming from extensive studies of the Board's statutory concept, the Congress passed a law which revolutionalized the appellate process. This law provided for better "notice" to appellants, made the appeal right more meaningful, and permitted the appellant to effectively prosecute his appeal. It was Mr. Pierce's responsibility to develop and implement operating guidelines on adequacy of due process for Veterans' Administration-wide compliance. The compliance which has been achieved results in a degree of due process beyond that contemplated when the law was first implemented.

Fourth. Mr. Pierce's first innovation was to establish a quality review system for the Board's appellate decisions. A quality review committee was established to independently measure and evaluate the quality of decisions of all sections on a sampling basis. This system resulted in immediate improvement in overall quality of decisions. It has been continuously in effect since inception, and has made a substantial contribution to the quality of decisions—now at the highest level in the Board's 40 years of existence.

Fifth. The next thrust by Mr. Pierce toward improvements in the appellate system was development of a more organized format for decisions viewed toward achieving greater comprehensiveness. The British tribunal system and other systems were studied, and a wholly new format was developed. This format was designed to dispose of appealed issues in a more orderly and reasoned manner.

It provided a special section devoted to a summary of the applicable laws and regulations, and for the first time decisions included separately stated findings of facts and conclusions of law. After observing the success of these innovations, Mr. Pierce urged support for enactment of a law requiring such separately stated findings and conclusions. This was ultimately accomplished. The Board's decisional process and its final decisions have received high public acceptance, and have been the subject of study by other administrative appellate bodies, in an effort to improve their decisions.

Sixth. The Board has statutory authority to reconsider an appellate decision upon allegation of error of fact or law. Since inception of the Board in 1933, it had been the policy for reconsideration to be by the Members signatory to the decision being reconsidered. Mr. Pierce felt that it would enhance real objectivity to institute a modified en banc approach providing for the assignment of one or more additional sections of the Board to the reconsideration panel. At Mr. Pierce's direction, a change to the Board's rule of practice was proposed. This change was approved and promulgated by the Administrator of Veterans' Affairs. This procedure has been acclaimed by all major veterans' organizations engaged in representing claimants in prosecuting appeals to the Board of Veterans' Appeals.

Seventh. Mr. Pierce developed and put into practice a code of ethics for the conduct of hearings on appeal. These standards and principles have improved the hearing process in adjudication of claims in Veterans' Administration offices in the several States. It has been said by many case advocates that win or lose most appellants feel satisfied that they have had their day in court.

Eighth. Since its inception, the Board not only served its statutory quasi-judicial function, but also participated in the agency's policymaking as it related to administration of the many benefit programs. All regulations proposed by the Veterans' Administration departments governing the adjudication of claims for benefits were reviewed for concurrence or recommendation prior to referral to the Administrator for approval. Mr. Pierce viewed this as inconsistent with the quasi-judicial role of any appellate body.

He was active redefining the Board's role to exclude original policy formulation, leaving the Board uncommitted on any issue of interpretation of law, regulations or other controlling criteria which may arise in appealed cases. Removal from policy participation has added to the independence and objectivity of the appellate review of cases. With this change in role, rulemaking was divorced from the quasi-judicial function of the Board.

Ninth. On taking office as Chairman of the Board, Mr. Pierce established a personal goal—that of "more concern for the people we serve." In other words, "humanizing" appellate decisions. This involved a massive effort on his part to instill in all professional personnel involved in the decision process dedication to "adjudicate with a heart and with empathy" and to be "completely unbiased and fair to all who come before the Board," to quote him directly. He further stated,

> Let us . . . prove that we are not only procedurally fair, but eminently fair in judging the merits of every case.

It is this leadership and his philosophy "to do real justice in all cases" that has brought the Board of Veterans' Appeals to the highest level of public acceptance and acclaim in its 40 years of public service. These and the other accomplishments during Mr. Pierce's tenure as Vice Chairman and Chairman of the Board, coupled with his integrity, objectivity and effectiveness, have made a substantial contribution in the field of veterans' law.

Larry Pierce was an outstanding Chairman with profound and sympathetic concern for the welfare of the veterans of our great Nation. Through his judicial temperament, dedication to equity and justice and dynamic leadership he motivated and inspired his staff to decide appeals with sympathetic understanding so as to reflect the generous intent of the law. On his retirement he can be proud of his accomplishments and of the organization that he led for so long.

PRESIDENT NIXON'S OFFER OF NUCLEAR AID TO EGYPT AND ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. TIERNAN) is recognized for 15 minutes.

Mr. TIERNAN. Mr. Speaker, I was surprised and shocked to read of President Nixon's offer of nuclear aid to Egypt and Israel. In my opinion, it was a grave mistake, one which we could regret for generations to come. At a time when the United States is engaged in the promotion of world peace, there simply is no justification for introducing an element as potentially destructive as nuclear power into a volatile area of the world such as the Middle East.

The promise made by Mr. Nixon was one made in secrecy during the course of diplomatic negotiations. It was made in a vacuum as a concession to one or both opposing countries to entice them into agreement. The administration should not be using nuclear power, the most destructive force man has ever created, as a bargaining chip in any negotiation, nor should it be used as an economic weapon to gain the friendship of previously hostile nations. There are far too many risks and uncertainties connected with nuclear reactors to warrant this kind of "stick and carrot" diplomacy.

To begin with there is the experience of the past which shows us that plutonium, a waste generated by nuclear reactors, can be used to create nuclear weapons. Witness India's first nuclear explosion last month in which plutonium was the nuclear element triggering the explosion. India proved conclusively that nuclear wastes can be siphoned off from the reactor, accumulated, converted into a nuclear explosive devise and detonated. Once a reactor is constructed there is no certainty that this will not happen, regardless of the safeguards installed in the system. Nothing is 100-percent foolproof.

The fact that highly secured U.S. Government weapons and property are often stolen should have made an impression upon us a long time ago. The absolute control and protection of the plutonium wastes from nuclear reactors cannot be guaranteed, and likewise the administration cannot guarantee that neither Egypt nor Israel will not at some future date use the plutonium to create a nuclear weapon. Nor is there any guarantee that some other organization, possibly a terrorist organization, will not get hold of this plutonium and use it to their advantage. Are we willing to risk the possibility of these things happening? Are we willing to chance the tremendous loss of life that the explosion of one of these devices represents? Do we want to add fuel to the fires of destruction already burning throughout the world? I think not.

Aside from the potential misuse of nuclear reactor wastes, there is the additional question of the safety of these plants and the disposal of their wastes. The Atomic Energy Commission has expressed complete confidence in the safety of nuclear reactors, however, other prominent organizations such as the Sierra Club, the Friends of the Earth, and the Union of Concerned Scientists, do not share their confidence. In fact, the Atomic Energy Commission has underway what it considers the most complete study of nuclear reactor safety ever conducted. The study, headed by Dr. Norman Rasmussen of the Massachusetts Institute of Technology, is expected to be completed this summer, and according to the Atomic Energy Commission the report "will provide a more precise quantification of the probabilities and implications nuclear accidents."

But in the meantime, the AEC has announced the signing of contracts with Egypt and Israel to supply them with $78 million worth of uranium fuel for the atomic powerplants Mr. Nixon promised them on his Mideast tour. These contracts are for a 10-year supply of uranium enriched with U^{235}, the isotope of uranium that fissions and sustains the reaction. According to a June 27, 1974, Washington Post article entitled "Uranium Fuel Pacts Signed," the "Commissioners of the AEC learned about the plan to supply nuclear power to the two countries only a month before the President left on his tour." Why was Congress not informed of Mr. Nixon's plans to offer nuclear aid to Egypt and Israel? Why was this deal kept secret? Was the administration fearful that the Congress would reject this offer as irresponsible, or did Mr. Nixon think that this whole matter was none of Congress' business, that it was within his prerogative to offer nuclear technology and fuel to these countries like he capriciously gave away a U.S. helicopter to President Sadat? As much as Mr. Nixon and the AEC seem to think, this offer is not a fait accompli which Congress will rubberstamp.

Mr. Speaker, the Congress must restore some sanity and responsibility to promises of nuclear aid to foreign nations. We cannot allow diplomatic success to be achieved at the cost of national integrity and world safety. I have therefore cosponsored legislation, H.R. 15664, which would prohibit the transfer by the United States of nuclear materials of technology, for peaceful or other purposes, to any foreign nation without specific congressional approval. The Nixon administration has demonstrated an astounding and frightening lack of responsibility to the U.S. Government by assuming control over any transfer of nuclear materials or technology to foreign nations.

A RICH MAN'S TAX CUT IS AN ECONOMIC OUTRAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL), is recognized for 20 minutes.

Mr. O'NEILL. Mr. Speaker, the Nixon administration is proposing a further economic outrage.

The Secretary of the Treasury has revealed that the administration is thinking about a tax cut after all—another rich man's tax cut intended to benefit big business.

There was no word at all about a tax cut for the people who really need it—the middle and lower incomes groups and those living on fixed incomes. These are the people who are suffering most from inflation. These are the ones who need the tax cut.

Instead, the Nixon administration wants to regress to the old trickle-down theory—make the rich richer and they just might let some of it trickle down to the workers and the farmers and the little people.

Secretary Simon is at this business with a vengeance. He says that not only should big business be forgiven more of its taxes, but that business should also be encouraged to increase its profit margins. Last year's sky-high profits were not enough, he says.

And to top it off, he wants only a minimal reduction in unemployment so that business will have a good supply of labor available at bargain basement prices.

I have never heard a more coldblooded, antihuman and misconceived assessment of our economic difficulties. There seems to be no form of economic injustice that this administration is not ready to perpetrate upon the people.

ROBERT B. HEINEY

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the RECORD).

Mr. WAMPLER. Mr. Speaker, the canned foods industry and, in fact, the democratic process, of the United States is losing a valuable servant this year. Robert B. Heiney will be retiring from the National Canners Association, September 30, 1974, after 44 years of faithful service to the canning industry. Bob's primary assignment at NCA has been directing the government-industry relations division. This brought him in contact with many congressional offices as well as executive agencies. Many other programs and committees at NCA prospered because of his guidance.

Mr. Heiney is being honored by his friends Wednesday evening, June 17. Many of you have indicated you will attend this tribute to Bob.

Let me tell you of this man. His lifetime endeavor is an illustration of what Walt Whitman said about Abraham Lincoln:

> Political democracy as it exists and practically works in America—with all of its threatening evils—supplies a training school for making first-class men.

Bob's early history was a forecast of tenacity, dedication, and achievement.

Born in Indiana, the youngest of four children, he worked during high school as a department store stockboy, as a bank messenger, and then as a bank clerk. He labored also in the manufacture of heavy industrial equipment.

He arrived in Washington to continue his education in 1929. Almost immediately, the first chief executive of the National Canners Association spotted the potential of the young Bob Heiney. In effect then, Bob carries into retirement an unmatched insight, and a working knowledge of the development of the canned foods industry from the formation of its national trade association in 1906 to its present day condition.

He worked, and he learned. On the job he handled mail and provided duplicating and messenger services. He handled the central files and worked the switchboard. He became the legman and news gatherer for industry publications.

With the employment at NCA came the long years of arduously gathering college and law degrees at night school. In 1935, he received his LL.B. degree, and a year later, was admitted to the practice of law in the District of Columbia. He received a Certificate of Merit in Advance Management Studies from the Institute for Organization Management in 1966 from Michigan State University and the U.S. Chamber of Commerce.

It was in 1935 also that he married Margaret Laura Roth of New Philadelphia, Ohio. His devoted wife, Rex, will be at his side July 17.

Bob is one of those rare individuals who has earned my full confidence and that of many of my colleagues. In today's complex society, Government has become so powerful and its interests so broad that individual representatives, both Federal and State, cannot possibly visualize the many ramifications of proposed legislation on which they are asked to vote every day—legislation that often materially affects the economic health of the entire Nation. The obvious recourse for a representative who desires to be well informed is to consult experts of proven reliability and integrity.

Bob has been consulted often. But his contributions do not end in the halls of Congress.

In these times of questioning the conduct of public servants, there are some critics who may remind us of what Jonathan Swift said in "Gulliver's Travels":

> Whoever could make two ears of corn, or two blades of grass, grow upon a spot of ground where only one grew before, would deserve better of mankind, and do more essential service to his country, than the whole race of politicians put together.

But those who would concur with Jonathan Swift, must be unaware of what has happened in the United States the last half century.

No industry has become more regulated than food processing, or has had to adjust to agricultural programs, governmental marketing controls, farm and factory labor regulations, environmental controls, food and drug laws, packaging controls, and hundreds of other Federal and State laws controlling production, processing, distribution and marketing.

Bob Heiney has lived through it all.

It is perhaps impossible to catalog his service and contributions. But allow me to provide some examples.

Serving canning industry committees, he has dealt expertly in the complicated areas of government procurement, simplification of container sizes, and coordinating a broad-spectrum of industry policies.

He has provided key leadership to groups involving hundreds of trade associations and thousands of businesses—Food Industry Committee on Packaging and Labeling, Information Committee on Federal Food Regulations, The Food Group, Agricultural Labor Committee, National Industrial Council, National Council of Agricultural Employers—and many others.

Yes, those who pay tribute to Bob Heiney on July 17 will recognize a capable lawyer, a competent administrator, and a patriot who commanded a naval gun crew in the Southwest Pacific. Perhaps any one of these achievements would justly satisfy most men, but not Bob Heiney.

FOREIGN POLICY IMPLICATIONS OF ATOM AGREEMENTS

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, along with many other Members of the Congress, I am deeply concerned about President Nixon's decision to provide nuclear power reactors to Egypt and Israel.

It is clear from testimony submitted to two subcommittees of the Foreign Affairs Committee, which are considering the matter jointly, that there are grave risks involved, and that, in spite of the administration's assertion that all possible safeguards will be incorporated in the agreements to be signed, various proposed safeguards may not be included.

The Congress was not consulted before the President made these commitments. Now it is essential that the Congress be fully involved in the process of finalizing these agreements, if indeed they are to be finalized.

I am gratified that the Joint Atomic Energy Committee has reported out legislation which would require that agreements of the type proposed be submitted to the Congress, subject to disapproval within a 60-day period by concurrent resolution. However, the Joint Committee's bill contemplates that the agreement be referred only to the Joint Committee and that only the latter committee be instructed to report its views to the House and Senate.

It seems clear to me that in matters of this kind, which so gravely affect the foreign relations of the United States, the views of the Senate Foreign Relations Committee and of the House Foreign Affairs Committee also be solicited. I am accordingly today introducing a version of the Joint Committee's bill which accomplished that result. The text of the bill follows:

H.R. 15696

A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 123 d. of the Atomic Energy Act of 1954, as amended, is revised to read as follows:

"d. The proposed agreement for cooperation, together with the approval and determination of the President, if arranged pursuant to subsection 91 c., 144 b., or 144 c., or if entailing implementation of sections 53, 54, 103, or 104 in relation to a reactor that may be capable of producing more than five thermal megawatts or special nuclear material for use in connection therewith, has been submitted to the Congress and referred to the Joint Committee, the House Committee on Foreign Affairs, and the Senate Foreign Relations Committee and a period of sixty days has elapsed while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days), but any such proposed agreement for cooperation shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed agreement for cooperation: *Provided, however,* That prior to the elapse of the first thirty days of any such sixty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the proposed agreement and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed agreement for cooperation. Prior to the expiration of the first thirty days of any such sixty-day period the House Foreign Affairs Committee and the Senate Foreign Relations Committee shall each submit to its respective House of Congress a report stating its views and recommendations respecting the proposed agreement.

SEC. 2. This Act shall apply to proposed agreements for cooperation and to proposed amendments to agreements for cooperation hereafter submitted to the Congress.

TAXPAYERS AND THE NEEDY MUST STILL PAY FOR WASTEFUL SET-ASIDE PAYMENTS

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, on June 21, the House passed H.R. 15472, a bill making appropriations for agriculture-environmental and consumer protection programs. During the debate very little attention was paid to the huge funding for the Commodity Credit Corporation included in this bill. During this time of worldwide food shortages, it is shocking that over $3.5 billion was appropriated to reimburse the CCC for set-aside payments made to farmers for not growing crops. The fact that these payments were made to farmers in fiscal year 1973 does not make it any less intolerable that American taxpayers should have to pay such huge sums to prevent the growing of food.

Set-aside payments have always benefited a few while ignoring the needs of many. Over the past 4 years, the following payments were made to farmers not to grow wheat, cotton, and feed grains: Fiscal year 1971, $2.374 billion; fiscal year 1972, $1.873 billion; fiscal year 1973, $2.787 billion; fiscal year 1974—estimated—$1.954 billion. I cite these figures to call attention to a serious myopia which has plagued past Congresses. Set-aside payments contributed to the food shortages and sharply rising inflation of the past several years. Although new laws limit payments to individual farmers to $20,000 annually, and despite the prediction that no such payments will be made during fiscal year 1975, the Government is discouragingly late in cutting back this program. Taxpayers will be paying these costs for at least 2 more years, and the billions of dollars worth of foregone food supplies can never be recovered.

GRIGORENKO: A DISSIDENT AND A HERO

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was gratified to read in yesterday's New York Times that Pyotr G. Grigorenko, one of the Soviet Union's most influential spokesmen for human rights, has been released by Soviet authorities after 5 years in a mental hospital. Mr. Grigorenko, a Ukrainian and former major general in the Red Army who held the Order of Lenin and two orders of the Red Banner, was arrested and ruled insane in May 1969, after he had publicly defended a group of Crimean Tatars on trial for anti-Soviet activity. He spent the next 4½ years in virtual solitary confinement in prison hospitals. Last month, his wife Zinaida indicated that he had consistently refused to retract his dissident views during interviews with psychiatrists. He emerged from the hospital tired, but completely rational. That Grigorenko retained his intellectual integrity and his mental stability after 5 years in the environment of an asylum testifies to the remarkable strength of this man.

Needless to say, the timing of the Grigorenko release holds its real significance for the welfare of other Soviet dissidents. Its occurrence on the eve of President Nixon's Soviet summit meeting marks it as an attempt by Moscow to defuse the issue of Soviet dissidents to promote the success of the upcoming negotiations. The Soviet Government regards its imprisoned dissidents as a valuable resource to be manipulated as a tool of foreign policy. The intent is to give the appearance of liberalization to encourage a more favorable U.S. response to suggestions of economic concessions to the Soviets. The task of the President is to distinguish appearance from reality in Soviet internal affairs.

The pattern in the past has been for the release of a prominent dissident to be accompanied by an intensification of repressive activity far from the public eye. The Grigorenko case is no exception.

The day of his release, plainclothesmen arrested a Jewish cyberneticist, Mikhail Agursky, only a few hours after he had been warned against taking part in an unofficial seminar planned for next week by Jewish scientists who have lost their posts after applying for emigration. In addition, when scientist Bella Palatnik refused to sign a paper disavowing the seminar, she was assured that "appropriate measures" would be taken if the seminar were conducted as planned. A half-dozen scientists already involved in the seminar have been jailed to forestall possible demonstrations during Mr. Nixon's visit.

In view of this escalation of the campaign against dissidents, Grigorenko's release must be seen for what it is: a taken gesture made in isolation from the brutal realities of Soviet life. If Mr. Nixon makes concessions to the Soviet Union while exacting no more than the appearance of liberalization, the hopes of Soviet dissidents will be dealt an unforgivable blow. That the Soviets are sensitive to American demands for liberalization is beyond doubt. That Mr. Nixon is willing to make such demands is less clear. At this point, the decision is his alone. As he surely must know by now, he holds with him in Moscow the hopes of millions of Soviet citizens whose appetite for freedom has roused the ire of the Soviet regime and inspire the admiration of those of us who live in safety and comfort.

Regardless of the outcome of the Moscow summit, the need for reform of American policy toward the Soviet Union will remain. Until our policy formally makes economic concessions to Moscow contingent upon the guarantee of free emigration, as provided in the Jackson-Vanik amendment, our commitment to the liberty of the Soviet people will have little meaning. Jackson-Vanik is not designed to aid Soviet Jews alone. It represents the dreams of million of Armenians, Estonians, Ukrainians like Pyotr Grigorenko, and others who today struggle for tolerance of cultural and religious diversity in the Soviet Union.

FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE HOUSE OF REPRESENTATIVES AT THE EXPENSE OF FOREIGN GOVERNMENTS

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, I take this time to inform my colleagues that the Committee on Standards of Official Conduct has approved an advisory opinion dealing with the propriety of accepting expense-paid trips as guests of foreign governments. Copies of the opinion have been sent to all Members' offices.

The committee took this action because of many requests for clarification of provisions in the Constitution and in the statutes dealing with acceptance of gifts from foreign governments.

Mr. Speaker, I insert the advisory opinion at this point in the RECORD, along with supporting documents from the Comptroller General and the Department of State cited in the opinion:

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, U.S. HOUSE OF REPRESENTATIVES—ADVISORY OPINION NO. 3

ON THE SUBJECT OF FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE HOUSE OF REPRESENTATIVES AT THE EXPENSE OF FOREIGN GOVERNMENTS

Reason for issuance

The Committee has received a number of requests from Members and employees of the House for guidance and advice regarding acceptance of trips to foreign countries, the expenses of which are borne by the host country or some agent or instrumentality of it.

The Committee is advised that similar inquiries recently have been put to the Department of State with respect to other Federal employees.

In order to provide widest possible dissemination to views expressed in response to the requests, and to coordinate with statements likely to be forthcoming from other areas of the Federal government in this regard, this general advisory opinion is respectfully offered.

Background

The United States Constitution, at Article I, Section 9, Clause 8, holds that:

"No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State."

This provision, described as stemming from a "just jealousy of foreign influence of every sort," is extremely broad as to whom it covers, as well as to the "presents" or "emoluments" it prohibits—speaking of the latter as *of any kind whatever*. (emphasis provided)

It is narrow only in the sense that the framers, aware that social or diplomatic protocols could compel some less than absolute observance of a prohibition on the receipt or exchange of gifts, provided for specific exceptions with the "consent of the Congress."

Congress dealt from time to time with these exceptions through public and private bills addressed to specific situations, and dealt generally, commencing in 1881, with the overall question of management of foreign gifts.

In 1966 Congress passed the latest and the existing Public Law 89–673, "an Act to grant the consent of Congress to the acceptance of certain gifts and decorations from foreign governments." That law is presently codified at title 5, United States Code, section 7342, a copy of which is attached.

The law is quite explicit in virtually all particulars, save whether the expense of a trip paid for by a foreign government is a ". . . present or thing, other than a decoration, tendered by or received from a foreign government; . . ."

It is on this point that this Opinion lies.

Basis of authority for opinion

Since this matter impinges equally on all Federal employees, the Committee sought advice from the Comptroller General as legal advisor to the Congress, and from the Secretary of State as the implementing authority over 5 U.S.C. 7342.

Copies of their official responses are attached to this Opinion.

Summary opinion

It is the opinion of this Committee, on its own initiative and with the advice of the Comptroller General and the Assistant Secretary of State, that acceptance of travel or living expenses in specie or in kind by a Member or employee of the House of Representatives from any foreign government, official agent or representative thereof is not consented to in 5 U.S.C. 7342, and is, therefore, prohibited. This prohibition applies also to the family and household of Members and employees of the House of Representatives.

UNITED STATES CODE, TITLE 5

§ 7342. Receipt and disposition of foreign gifts and decorations

(a) For the purpose of this section—

(1) "employee" means—

(A) an employee as defined by section 2105 of this title;

(B) an individual employed by, or occupying an office or position in, the government of a territory or possession of the United States or of the District of Columbia;

(C) a member of a uniformed service;

(D) the President;

(E) a Member of Congress as defined by section 2106 of this title; and

(F) a member of the family and household of an individual described in subparagraphs (A)–(E) of this paragraph;

(2) "foreign government" means a foreign government and an official agent, or representative thereof;

(3) "gift" means a present or thing, other than a decoration, tendered by or received from a foreign government; and

(4) "decoration" means an order, device, medal, badge, insignia, or emblem tendered by or received from a foreign government.

(b) An employee may not request or otherwise encourage the tender of a gift or decoration.

(c) Congress consents to—

(1) the accepting and retaining by an employee of a gift of minimal value tendered or received as a souvenir or mark of courtesy; and

(2) the accepting by an employee of a gift of more than minimal value when it appears that to refuse the gift would be likely to cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States.

However, a gift of more than minimal value is deemed to have been accepted on behalf of the United States and shall be deposited by the donee for use and disposal as the property of the United States under regulations prescribed under this section.

(d) Congress consents to the accepting, retaining, and wearing by an employee of a decoration tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance, subject to the approval of the agency, office or other entity in which the employee is employed and the concurrence of the Secretary of State. Without this approval and concurrence, the decoration shall be deposited by the donee for use and disposal as the property of the United States under regulations prescribed under this section.

(e) The President may prescribe regulations to carry out the purpose of this section. Added Pub.L. 90–83 § 1(45) (C), Sept. 11, 1967, 81 Stat. 208.

DEPARTMENT OF STATE,
Washington, D.C., May 9, 1974.

Hon. MELVIN PRICE,
Chairman, Committee on Standards of Official Conduct, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am replying to your letter of April 17 to Mr. Hampton Davis, of the Office of the Chief of Protocol, requesting comment on Congressman Kemp's suggestion that your Committee issue a briefing paper on the propriety of acceptance by Congressional Members and staff of trips offered them at the expense of foreign governments.

Various Federal agencies have put similar questions to the Department of State on a number of occasions in behalf of their employees who have received but not yet acted on offers of such trips. It has been the Department's consistent position that the offer of an expenses-paid trip is an offer of a gift and that, therefore, if tendered by a foreign government or any representative thereof to a Federal employee, the Foreign Gifts and Decorations Act of 1966 would require its refusal. A trip cannot qualify under the special provision permitting acceptance of a gift of more than minimal value on the ground that to refuse it would appear likely to "cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States". This follows from the requirement that the donee, being deemed to have accepted such a gift on behalf of the United States, deposit it for use and disposal as property of the United States in accordance with the implementing regulations, since the recipient of a trip could not fulfill that requirement.

Precisely because of the impossibility of surrendering the gift of a trip once it has been accepted and taken, we believe it would be highly advisable for your Committee to issue the briefing paper on the subject which Congressman Kemp has suggested. In this connection the Committee may be interested to know that the Department is planning a new informational program designed to improve understanding and compliance with the Foreign Gifts and Decorations Act and the implementing regulations. The program will be aimed not only at those within the Federal establishment who might become donees or who may have responsibility for briefing potential donees, but also at the foreign governments that appear to be less than fully aware of the stringent legal restrictions that we operate under in this area. We shall be happy to see that the Committee is included in the distribution of the material being developed.

I hope that we have been helpful in this matter and that you will feel free to call upon us at any time you think we can be of assistance.

Sincerely yours,
LINWOOD HOLTON,
Assistant Secretary for Congressional Relations.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., May 9, 1974.

Hon. MELVIN PRICE,
Chairman, Committee on Standards of Official Conduct, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of April 17, 1974, with attachments, requests our comments on the advisability of issuing a briefing paper on the legal ramifications of the acceptance by Members of Congress, or staff, of trips abroad that are paid for by foreign governments.

We are not aware of any decision by any forum as to the legality of such trips. The question arises because of the prohibition contained in article I, section 9, clause 8, of the United States Constitution, which reads as follows:

"No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State."

In connection with this provision, we have viewed the term "present" as "synonymous with the term 'gift'," denoting "something voluntarily given, free from legal compulsion or obligation." 34 Comp. Gen. 331, 334 (1955); 37 Comp. Gen. 138, 140 (1957). "Emolument" has been defined as profit, gain, or compensation received for services rendered. 49 Comp. Gen. 819, 820 (1970); B–180472, March 4, 1974. Accordingly, and in view of the emphatic language of the Constitution (i.e., present or emolument "of any kind whatever"), we see no basis whereby trips paid for by foreign governments may be accepted by Members of Congress or members of their staffs without the consent of the Congress. If payment of the cost of a trip in a particular case be considered as an emolument for services to be rendered acceptance thereof would be categorically prohibited by the above-cited constitutional provision unless consented to by the Congress.

If on the other hand the payment of travel costs in a particular circumstance constitutes a gift, by enactment of section 7342 of title 5, United States Code, entitled "Receipt and disposition of foreign gifts and decorations," the Congress has given its consent to (quoting the Code provision in part)—

"(1) the accepting and retaining by an employee of a gift of minimal value tendered or received as a souvenir or mark of courtesy; and

"(2) the accepting by an employee of a gift of more than minimal value when it appears that to refuse the gift would be likely to cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States.

"However, a gift of more than minimal value is deemed to have been accepted on behalf of the United States and shall be deposited by the donee for use and disposal as the property of the United States under regulations prescribed under this section."

The term "employee" is defined in section 7342 as including Members of Congress.

By Executive Order 11320, the President delegated to the Secretary of State the authority to issue regulations implementing this statute. These regulations are contained in part 3 of title 22, Code of Federal Regulations (C.F.R.) A "gift of minimal value" is defined as "any present or other thing, other than a decoration, which has a retail value not in excess of $50 in the United States." 22 C.F.R. § 3.3(e). The statute and regulations do not specificially cover trips, and the legislative history of the Foreign Gifts and Decorations Act of 1966, of which section 7342 is a part, indicates that the statute contemplated gifts of tangible items. In any event, the intent seems clear that, although a gift of more than minimal value may be "accepted" in the limited situations indicated, the value of such gift is not to inure to the benefit of the individual recipient. Accordingly, it is our view that section 7342 would not permit the acceptance of gifts of trips abroad by Members of Congress or member of their staffs that are paid for by foreign governments.

We see no objection to the issuance of a briefing paper, setting forth the above views of our Office, in order to provide guidance to Members of the Congress regarding this matter.

Sincerely yours,
R. F. KELLER,
Acting Comptroller General of the United States.

TRIBUTE TO ERNEST GRUENING

(Ms. ABZUG asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. ABZUG. Mr. Speaker, it is with very deep sadness and regret that I rise to pay tribute to a good man and great peacemaker, former Senator Ernest Gruening. His passing is a truly great loss to all Americans and I join my colleagues in the House of Representatives in paying tribute to his memory.

Ernest Gruening was a friend and colleague of mine from the peace movement. He has been foremost an activist and advocate of peace in our world. He cast one of only two votes in Congress in 1964 opposing the Gulf of Tonkin Resolution. This vote was an act of great courage. In 1965 he wrote an article for the Associated Press in which he declared,

> The United States intervention in the South Vietnamese civil war cannot, and will not, be won on the battlefield. It is a political struggle which can only be settled at the conference table.

During President Nixon's first term, Ernest Gruening carried his campaigns against the war to his former colleagues in Congress by helping to read the 50,000 signatures to the 1971 Peoples Peace Treaty on the steps of the Capitol. His wisdom and perspective will be sorely missed.

Mr. Gruening's service to his country has been extensive. In 1934 he was named director of the division of territories and island possessions in the Interior Department by President Roosevelt. He was appointed governor of the Territory of Alaska in 1939. He was elected to the Senate in 1956 and in 1959 was sworn in for a 4-year term.

Ernest Gruening is known for his support of civil rights causes and a pioneer champion for birth control. He was a leading advocate of the impeachment of President Nixon. His causes were not always the popular stand of the day, but time has proved him right as well as courageous. His deep convictions and activism will long be remembered. A fierce fighter, I hope the causes he worked for will continue to be fought with even half his vigor and conviction.

I extend my deepest sympathy to his widow and son. Their loss is America's great loss as well.

ABORTION VICTORY

(Ms. ABZUG asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. ABZUG. Mr. Speaker, I congratulate my colleagues for joining me last night in rejecting by a 2-to-1 vote the Roncallo amendment to the HEW appropriation bill.

This was a highly significant turning point in the public stance the House has taken previously on the right to abortion. The abortion issue is so enmeshed in controversy and emotion that until now it has been difficult for House Members to vote objectively on restrictive amendments.

Last night a majority recognized at last that by successively going along, albeit reluctantly, with discriminatory antiabortion legislation, they were being led into an untenable position.

In view of the Supreme Court decision upholding the right to abortion, the Roncallo amendment was patently unconstitutional. If passed, it would have embroiled the Government in endless lawsuits by women whose constitutional rights would be impeded. It would have penalized women who could not afford private abortions. Most ominous was the sweeping nature of this latest proposal, so faulty in its knowledge of the process of conception and so clumsy in its attempt to define what even the Supreme Court, physicians, biologists, religionists, moralists and philosophers have hesitated to define.

The effect of this amendment, and particularly its ban on abortifacient drugs and devices, would have been to restrict contraceptive methods short of abortion. We should realize that many of those who so strongly oppose the right to abortion under any circumstances * * * are also opposed to family planning and contraceptive techniques. If the right to abortion is denied, the next step will be to encroach on programs for family planning.

By its vote last night, the House has now at last taken the position that it would no longer be pushed into hasty, ill-considered action and that the right to abortion is a private matter sustained by the individual's rights under the Constitution. It leaves it up to the individual woman to decide on the basis of all the factors which only she and her physician can know whether she should have an abortion.

It is never an easy decision for a woman. Abortion is generally regarded as a method of last resort. It is expected that there will be fewer abortions as family planning programs give women and men more familiarity with and access to contraceptives, which once also were outlawed and are still restricted in some States. But safe and legal abortion must be available to any woman who finds herself pregnant against her will.

The Supreme Court has held that the Constitution liberates women from the indignities, terrors, and dangers to their health of illegal abortions. The House in its vote last night has at last conceded the wisdom of the Court's decision.

NUCLEAR PROLIFERATION

(Mr. ROUSH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROUSH. Mr. Speaker, somehow it seems strange that the United States, until now one of the most vehement opponents of nuclear proliferation, should be concluding negotiations with countries in one of the most unstable regions of the world for the sale of nuclear reactors, fuels, and technology. Strange is an understatement; shocking more closely describes the situation.

In the last weeks we have agreed to sell nuclear reactors and fuels to both Egypt and Israel, both agreements being made without congressional consultation or notification, yet both agreements being anticipated a month before the President's visit to the Middle East. Only yesterday, before the House Foreign Affairs Subcommittee on the Near East, Mr. Alfred Atherton, Assistant Secretary of State for Middle Eastern Affairs, admitted that the administration is now concluding a similar pact with yet another nation, oil-rich Iran.

Amidst it all, the administration persists in its claims that these pacts are for peaceful nuclear purposes. Yet, experts testifying before this same Near East Subcommittee admit that the provision of technology is sufficient to allow a nation to develop a nuclear explosion with the fuels provided. And there is no such thing as a peaceful nuclear explosion.

In addition, the world is faced, due to nuclear proliferation, with the dangers of the spread of plutonium, one of the fuel byproducts of the uranium reaction. This plutonium can be used not only to build nuclear bombs but also to threaten the international community with blackmail. Imagine, if you have the courage, a terrorist group, even without the weapons technology to develop a bomb, possessing a chemical such as plutonium which if inhaled causes immediate lung damage and which, according to findings published in the June 23 Washington Post, causes death by suffocation within minutes if inhaled in large doses.

And there seem to be no sure safeguards against the theft of plutonium. Dr. Theodore Taylor, in a study completed for the Ford Foundation, indicates that even the most secure safeguards employed in this country still leave room for possible theft.

All this, and the reactors now being sold are to be built in one of the most insecure regions of the world, an area even now suffering a continuing war between radical Palestinian guerrillas and the states of the region.

All this and the number of nations in that area gaining nuclear assistance from the United States grows day by day.

No, strange does not seem to adequately describe the process. Shocking even falls short. Outrageous may be more appropriate.

FIVE GROUNDS FOR IMPEACHING THE PRESIDENT

(Mr. JAMES V. STANTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JAMES V. STANTON. Mr. Speaker, the noted American historian, Henry Steele Commager, has presented an excellent article on impeachment which is worthy of consideration by the Members of the House:

FIVE GROUNDS FOR IMPEACHING THE PRESIDENT

(By Henry Steele Commager)

Opinion in the Nixon and the anti-Nixon camps has come around to supporting impeachment rather than resignation as the proper solution for the Watergate crisis, and for the soundest of reasons: impeachment will answer fundamental questions about Presidential power and the nature of the American constitutional system, whereas resignation will leave these questions forever unanswered.

But Presidential tactics, together with Congressional timidity and confusion, may forfeit the advantages of impeachment. For if Richard M. Nixon has his way, his guilt or innocence will be judged almost wholly on technical issues of complicity in ordinary crimes and will therefore neither solve nor illuminate the great questions that confront us.

The President has so far won two strategic victories in the realm of public, and perhaps even of Congressional, opinion. First, he has succeeded in concentrating attention on Watergate and its associated chicaneries to the exclusion of most of the great constitutional issues that his conduct has raised. Second, he has won widespread, if uncritical, support for the wholly erroneous argument that impeachment is a "criminal" trial and that the Senate must find him guilty of some ordinary "criminal" act in order to remove him from office.

This argument finds no support in law or in history. It was contradicted by the three men who contributed most to writing the Constitution: James Madison, Alexander Hamilton and James Wilson. It was specifically rejected in the Federalist Papers—still the best explanation of what the authors of the Constitution meant.

If the House Judiciary Committee accepts the Richard M. Nixon-James D. St. Clair interpretation of impeachment, the consequence will be to make the whole process irrelevant and faintly absurd and to deny to the country an opportunity to clarify once and for all the great constitutional issues that are in controversy.

For we do not, after all, need a Congressional verdict to know that Watergate was a crime, that the break-in at the office of Dr. Daniel Ellsberg's former psychiatrist was a crime, and that payoffs to burglars are a crime. Nor do we need further evidence to prove that Mr. Nixon is totally unfit to be President. The character of the men he chose as his associates and as instruments of his will and the transcripts of his conversations with them amply demonstrate this.

The real crimes for which Mr. Nixon should be tried by the Senate fall into five major categories:

First is the usurpation of war power in the secret war against Cambodia. The Constitution lodges the power to declare war in the Congress. President Nixon had no more right to bomb Cambodia without Congressional authority than he would have had to bomb China or France.

Second is the denial to the Congress of those powers that are confined to it by the Constitution—a denial particularly dangerous in the realm of foreign relations.

How is the Congress to fulfill its constitutional function to declare war, to advise and consent to treaties and to vote appropriations if it is not allowed to know when the President makes war, or against whom; not allowed to know the contents of secret agreements with foreign powers; not allowed to know what the Central Intelligence Agency—which is a quasi-war agency and a quasi-foreign affairs agency—is up to, and not allowed to know how its money is being spent.

Third is the effective nullification of the legislative power over the purse, the most important weapon in the arsenal of Congressional independence and the most important instrument of democracy.

By "impounding" some $15 billion appropriated by the Congress, Mr. Nixon has not only usurped a basic Congressional function and denied to the people the right to spend their money as they see fit, he has gone far to destroy the delicate mechanisms set up to control Presidential vetoes. If he is vindicated here, Presidents will no longer need to pay any attention to a two-thirds vote overriding their veto; they can simply refuse to execute Congressional laws.

Fourth is the nullification of the guarantees of the Bill of Rights in the effort to apply prior censorship over the press; in the intimidation of the television media; in the illegal arrest of 12,000 Americans exercising their constitutional rights of assembly and petition; in the use of that most-hated device of the police state, the *agent provocateur;* in the use of electronic surveillance in the face of Supreme Court prohibitions; in the wholesale invasion of privacy.

Fifth is the corruption of the democratic political processes by the readiness to resort to "dirty tricks" against political opponents and to undermine elections by violating laws regulating campaign gifts and expenditures; by character assassination of political enemies; by using the instrumentalities of the Government such as the Federal Bureau of Investigation, the Central Intelligence Agency, the Secret Service, the Internal Revenue Service and even administrative agencies for political harassment or profit; and by endorsing Tom Charles Huston's plan for a police state.

These are the "high crimes and misdemeanors" that the Founding Fathers had in mind when they wrote the impeachment clauses into the Constitution. These are the issues we must clarify if we are to avoid a recurrence of them in the future. These are the grounds for impeaching Mr. Nixon.

RESULTS OF QUESTIONNAIRE

(Mr. MANN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MANN. Mr. Speaker, shortly after the 2d session of the 93d Congress convened, I mailed out more than 130,000 questionnaires to households in the Fourth Congressional District of South Carolina. The questionnaire contained 12 questions on subjects which I believed to be of concern and importance to the American people and to the deliberations of the 93d Congress.

The responses to the questionnaire have now been tabulated and I would like to share with my colleagues the views of my constituents on these issues. I feel that these questionnaire results represent an excellent sampling of the opinions of the people of the fourth district on some of the more controversial issues before the Congress.

The questions and the tabulated results are as follows:

QUESTIONNAIRE

1. Of the following issues, which do you consider to be the most important (number from 1 to 10 in order of preference): Cost of living, 1; energy crisis, 2; election reform, 6; consumer protection, 5; health care, 7; tax reform, 4; impeachment, 8; crime, 3; housing, 9; others, 10.

2. With respect to the national economy, do you favor or oppose continuation of wage-price controls? Favor, 35.4%; Oppose, 53.3%; undecided, 11.3%.

3. Do you think the problem of fuel prices and shortages has become so unmanageable that the government should:

(a) Continue to allow the existing free market supply and demand system to operate but subject to stringent antitrust surveillance so as to guard against monopolistic control, 48.3%.

(b) Limit the profits of the oil companies in such a way as to guard against exploitation of the consumer, 17.2%.

(c) Enter into direct competition with the oil industry by developing government production facilities in the vast federally-owned oil reserves, 8.0%.

(d) Regulate the production, prices, and profits of the oil companies in the same way it now controls certain other essential industries such as public utilities, 26.5%.

4. In order to deal with the broader and longer range energy problem do you support the idea of a multi-billion dollar government-financed program for research and development of alternative sources of energy? Yes, 59.1%; no, 30.9%; undecided, 10.0%.

5. It appears that Congress will be addressing itself to the question of legislating some type of national health insurance program. If given a choice between the following approaches, which would you prefer:

(a) Compulsory program of comprehensive health insurance coverage for all, operated by the government and financed from general revenue sources, 17.1%.

(b) An employer-provided comprehensive health insurance program financed by employer-employee contributions, with special provisions for government assistance to the aged and/or poor, 52.7%.

(c) A limited tax-supported system for the relief of the extraordinary financial burdens of catastrophic illness, 30.2%.

6. To eliminate abuses in elections one of the reforms being proposed is to finance campaigns from public funds rather than from voluntary contributions. Assuming that strict spending limits were imposed in either case, which method would you prefer?

(a) Public funds, 27.6%.

(b) Voluntary contributions, 48.7%.

(c) Combination of both, 23.7%.

7. Should newsmen be permitted to keep their sources of information confidential?

(a) Under all circumstances, 20.5%.

(b) Under no circumstances, 13.6%.

(c) Under all circumstances except when deemed by a judge to be essential to justice in a court of law, 65.9%.

8. Do you support efforts to increase trade and expand diplomatic relations with the Soviet Union and Mainland China? Yes, 56.0%; no, 33.2%; undecided, 10.8%.

9. Should automobile insurance be regulated by:

(a) Each individual State, 70.5%.

(b) The Federal Government, 29.5%.

10. Do you feel that a system of Post Card Voter Registration would be preferable to the present personal appearance method? Yes, 24.2%; no, 72.4%; undecided, 3.4%.

11. Would you favor the substitution of a government guaranteed minimum family income plan for the variety of categorical welfare programs that are now in existence? Yes, 28.6%; no, 55.1%; undecided, 16.3%.

12. The President's budget for fiscal 1975 projects a $9.4 billion deficit. Should Congress:

(a) Accept the budget level, but raise taxes so as to balance the budget, 5.3%.

(b) Reduce the budget, and federal spending, by this amount even if it means curtailing various government programs, 77.3%.

(c) Tolerate deficit spending as a means of stimulating the economy and/or preventing increased unemployment, 17.4%.

WHY DOESN'T CONGRESS DO SOMETHING?

(Mr. FRASER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, our colleague from Wisconsin, Les Aspin, has contributed a very perceptive piece to the summer 1974 issue of Foreign Policy. The thesis of this essay, "Why Doesn't Congress Do Something," is that "Congress acts reluctantly if at all," and that "when it comes into conflict with the executive branch, Congress all too often caves in." Our colleague's statement that "The Pentagon gets everything it wants and sometimes more," accurately describes the situation here in the House and confirms Aspin's thesis.

Les Aspin gives his view of why Congress is the way it is, and it comes down to this: Congressmen are political animals and only the most secure—or foolhardy—choose to meet head-on tough issues, the resolution of which inevitably offends some important segment of a Congressman's constituency. Second, Congressmen are seldom experts in defense systems and foreign policy and tend to defer to what they see as executive expertise.

Aspin has no facile answer to our failure to exercise our power. We can inhibit the arms race, we can stop the tendency to aid with arms most of the right wing dictators now oppressing their peoples. But we will not do this, or, at least, not directly. Aspin suggests that the most likely approach that may successfully curb some of the executive's excesses in military and foreign policy is to exercise Congress ability to dictate the rules of the game—the procedures the executive must follow as it makes decisions. Our colleague from southern Wisconsin has made a sound analysis of the problem. His suggestions about what the remedy may be are equally good. I commend his foreign policy article to this House:

Why Does Not Congress Do Something?

(By Les Aspin)

(In Foreign Policy 11 (Summer 1973) Les Aspin, a Democratic congressman from Wisconsin, presented a lucid explanation of the "Games The Pentagon Plays" to get what it wants from Congress. Aspin, who worked in the Pentagon under Robert McNamara, is in a good position to observe the problem: he is a junior member of the powerful House Armed Services Committee.

Having explained the problem in Foreign Policy 11, Congressman Aspin now suggests ways Congress can reassert (some might say assert) itself vis-a-vis the executive branch. In the article which follows, he dismisses the potential importance of congressional self-reform and suggests that Congress has more of a chance to influence events if it uses its power to shape process than if it tries to deal with specific budgetary or policy questions.)

As most students of government will acknowledge, Congress acts reluctantly if at all. Furthermore, when it comes into conflict with the executive branch, Congress all too often caves in. At a time of increasing concern over the concentration of power in the Presidency, the apparent incapacity of Congress to act as a check on the President has become a serious problem. This is especially true in the areas of defense and foreign policy.

Congress could have ended American participation in the Southeast Asia war any time during the last decade simply by refusing to appropriate money for it. However, it wasn't until 1972 that the Senate finally got a slim 49-47 majority vote against funding the war. The House never voted "no" on the Vietnam war. Even on the question of whether to stop bombing Cambodia, after all our troops had been withdrawn from Southeast Asia and the irrelevance of our actions there had become apparent to all, the House was unable to override a veto by President Nixon. The end, when it finally came, was the result of a compromise between the executive and legislative branches—hardly the result of some decisive congressional action.

Military spending is no exception to the general rule. It is obvious to anyone who is acquainted with defense that Congress could check our runaway military budget by making any one of a hundred possible cuts in the Pentagon's budget each year. However, this hardly ever happens. Every year we offer a dozen or so amendments to cut money for fancy new weapons, and every year these amendments go down—usually to crushing defeats. The Pentagon gets everything it wants and sometimes more. This year, the Administration is asking for a big increase in the military budget. Perhaps this is the year for Congress to begin digging in its heels. But there is no cause for excessive optimism at this point. Last year's military budget—the largest peacetime military budget ever—passed without any essential changes.

I could go on endlessly with examples of what Congress hasn't done. However, the proposition hardly needs proving. Congress' reputation for its ability to duck the tough issues—and the most important issues, as it turns out, are tough—is well established.

CONGRESSIONAL REFORM

Most people assume that if only Congress can reform itself, it will reassert itself and take its rightful place in the formulation of public policy. It is also assumed that policies thus arrived at will be more enlightened than those possible under the present system. Unfortunately, this is unlikely on both counts. The first hope, that Congress will increase its power through internal reorganization, is almost a non sequitur. Congressional reform is not likely to affect Congress' position in relation to the executive branch. As a matter of fact, in the past Congress has exercised its greatest power at times when it was least reformed—that is, most autocratic. It is only slightly more realistic to suppose that congressional reform will lead to more enlightened public policy. Public campaign financing, for example, which is the current rage, could go a long way toward decreasing the influence of special interests. It's a worthwhile idea, and by all means it should be adopted. However, public financing would have little or no effect on how Congress handles many important issues. Impeachment is a perfect example—or the military budget or the war in Vietnam. The truth is that the basic problem goes much deeper.

Many proposals for congressional reform seem to be based on a misconception of what Congress is or can become. Judging from these proposals, many of the advocates for reform would like to see Congress become more "rational." The line of thinking seems to be that if only Congress were freed of such constraints as, for example, the seniority system, it would begin gathering information, and making rational decisions on the basis of that information, just as our high school civics books and government texts said it should. If this oversimplified version of an eighteenth century conceptual model of a legislature had any validity, it has lost it by now. Yet, this is what seems to underlie many of the proposals for congressional reform. What it fails to take into account is that Congress is unalterably political.

THE REASONS FOR RELUCTANCE

The reason Congress is so slow to take a stand on so many important issues has a lot to do with the essentially political nature of a congressman's job. It is often said that a congressman represents the will of his constituents: however, it is rarely noted how diverse that will usually is. A typical congressman represents a wide variety of constituent interests on practically every question. Therefore, no matter what actions he takes, he is going to offend someone. Since only the most politically secure congressman can afford to offend constituents—and since there are so many ways to offend them—natural survival instincts dictate that a congressman will duck any tough issues that he can. Politically, it is often much safer to let the Executive do the leading.

There is another important reason for congressional reluctance to act or to stand up to the Executive. Congressmen are rarely experts on anything except how their constituents are reacting to the current political, social, and economic state of affairs. Sometimes, as a result of this, congressmen develop a passing expertise on domestic matters. Rarely, however, does a member of Congress turn into an expert on defense or foreign policy, much of which is either highly technical or exotic or both. On these subjects, particularly, the congressman is painfully aware that the "experts" (scientists, economists, generals) are working for the executive branch. For Congress to stand up to the Executive on a major issue requires that over half of the congressmen are confident enough to declare, in effect, that they know more about a particular issue than the so-called experts. But probably no more than a relative handful of members of the House of Representatives knows enough about any given weapons system, for example, to vote for or against it on its merits. No wonder the Pentagon hardly ever loses.

Two prominent exceptions to the rule—the SST and ABM fights (the second, ending in a tie vote in the Senate, was a moral victory of sorts)—have served only to obscure the overriding fact that Congress does not stand up to the Administration's top experts on complicated questions of technology. Few defense issues before or since have called forth such broad-based opposition. The coalition of citizen groups that formed against these two programs would be almost impossible to duplicate, either by design or chance. It was this lobbying effort that overcame not only congressional reluctance to knock heads with the Executive but, with an intensive educational campaign, Congress' timidity before the experts. Ordinarily, ignorance prevails. Even if a congressman is inclined to become knowledgeable on a particular issue, there is usually not enough time.

It is clear that, at least for now, Congress is not about to develop meaningful alternatives to our foreign or military programs. This is not to say that Congress shouldn't or even can't—just that it won't. It is one thing to say that Congress has the legal power to do something. Everyone knows that Congress has the "power of the purse" with which it could stop any program in its tracks—the Southeast Asia war, aid to Greece, the Trident submarine, you name it. This is certainly true, but it doesn't help much, especially if you are trying to accomplish something in Congress. Of course, we should not cease to measure Congress against what it might be; but at the same time we should not allow our expectations to blind us to what Congress, flawed as it is, can realistically be expected to accomplish.

What Congress can do is, not surprisingly, the converse of what it can't. Congress is afraid to match its knowledge of technical details with that of the experts; it prefers to deal in generalities. Congress is reluctant to meet issues head-on, especially when this involves contravening the executive branch; it will, if forced, dispose of issues indirectly. The two examples used earlier to demonstrate congressional inaction are also instructive in this regard. Last year on the Defense Authorization Bill, the House of Representatives rejected every amendment to cut or reduce manpower or weapons programs, usually by overwhelming margins. It adopted by a fairly comfortable margin, however, an amendment to place a ceiling on the defense procurement bill. Congress never took a decisive stand against the Vietnam war. However, last year, after our military involvement had been ended, Congress was able to override a Presidential veto on the war powers resolution, setting up procedures by which another such war might be ended. If this seems slightly hypocritical, as well it might (especially to the more issue-oriented), it is nevertheless consistent with what Congress itself thinks it should be.

THE THREE BASIC FUNCTIONS

As I see it, Congress performs three basic roles, which it more or less consciously set for itself. The first and most obvious of these is as a conduit for constituent interests. Congress is, in fact, the only place where the wishes of the people are fed directly into the system on a priority basis. It is, for example, an important sounding board for how our Federal programs are being accepted. To be sure, it is not a perfect sounding board. Special interests are overrepresented and the votes in Congress are sometimes not indicative of the general will of the country. However, what is said in debates on the floor of the Congress is important, and the mood of Congress, as represented in these statements, is rarely far from the mood of the country.

The second role of Congress is that of a general overseer of government policies and resource allocations. In this role it acts not unlike a board of trustees. Because congressmen rarely have the time or inclination to become expert on the details of specific programs, they are most confident when they concern themselves with legislation that determines general priorities. This has the dual advantage of avoiding a direct confrontation with the executive branch and of meeting the Executive on ground where Congress is the ranking expert and holds the upper hand. In national security matters, for example, rather than deal with technologically complex weapons and the mysteries of foreign policy, congressmen much prefer to approach the defense budget indirectly, which they do by using such ploys as thresholds, ceilings, and cutoff dates.

Congress' third role is to act as guardian of the processes of government—the rules of the game by which government business is conducted. In a word, Congress is the guardian of procedure. In many ways, this is the most intriguing of the three roles.

Often by establishing new procedures, which are, of course, ostensibly neutral. Congress is able to effect quite substantive changes.

Once again, the War Powers Bill is a good example. In passing the War Powers Bill, Congress did not say the country should not go to war, but rather established a procedure by which the decision could be made. The War Powers Bill said that if the administration sends troops into foreign combat it must report to Congress within 48 hours and within 60 days submit its action to a vote of Congress. In establishing this procedure, Congress changed, or rather, set the rules of the game by which this country goes to war. One way of looking at Congress' failure to end the Vietnam war is that it was reluctant to change what was effectively the status quo. Reversing the status quo always exposes oneself to more pressures than does just going along. But in enacting the war powers resolution, Congress established a status quo. In common language, Congress put the ball in the President's court, and in the future it will be up to the President to play—either to comply with the new rules or, at his peril, to disobey them.

This year the Department of Defense has decided to push for major changes, including increased accuracy and payload of our arsenal of nuclear missiles. Their strategy, which is fairly straightforward, may succeed simply because most congressmen are not prepared to debate the Pentagon on what seems to be its home ground. The issues involved are, of course, not all that complicated, but most congressmen will be unwilling to match their wits or expertise with the well-prepared Pentagon spokesmen. Hopefully, this new spiral in the arms race can be averted. But if it can't, it will be because the Pentagon learned a lesson about Congress and procedure.

Late in 1972, after the SALT agreement was signed, Secretary of Defense Melvin Laird tried to sneak an authorization for a hard target re-entry vehicle into a supplemental budget. Undoubtedly, the request was made in this way in order to bypass the expected opposition in the Senate. The House Armed Services Committee was reconvened and the entire package of "SALT add-ons" was approved. However, the Senate Armed Services Committee, which had also finished hearings, declared that since the request had arrived too late for hearings, the hard target re-entry vehicle would have to be omitted from the bill. Later, the Conference Committee dropped the item on the grounds that the Senate had not considered it. So in the end the hard target re-entry vehicle was turned down, not just on the merits of the case—although the principal people involved understood what these were—but on procedural grounds as well. Many congressmen undoubtedly felt the executive branch was infringing upon their prerogatives.

One of the advantages of procedure is that it allows congressmen to disguise the real effects of their votes. It offers them a measure of protection from the conflicting pressures of their constituents. More positively, however, it offers Congress, with its highly divergent membership, the opportunity to arrive at a consensus—and this, after all, is the real business of the legislative branch. Procedural votes, because they generalize issues, often make for surprising allies.

PROCEDURAL DEVICES

There are a number of procedural devices that Congress has used to establish the rules of the game in its favor. Structural change is one of them. Congress can establish organizations or it can abolish them; it can give them more influence by having them report directly to the President, or less influence by having them report to someone else. If Congress does not think that arms control is being given enough consideration by the executive branch, it can create an agency with independent access to the White House—as it did with the Arms Control and Disarmament Agency. In the field of foreign policy and military affairs there are any number of examples of how Congress has done this, from the National Security Council to the Central Intelligence Agency to the Office of the Secretary of Defense.

A second possibility is for Congress to require certain factual findings before specific action can be carried out. The outstanding example of this is the Walsh Act of 1935, which required that before the administration could transfer destroyers to another country, it first had to get the Navy to certify that it did not need them. Of course, the purpose of the Act was to prevent President Roosevelt from giving the destroyers to Britain. But Congress followed a much more comfortable policy of indirection. To no one's surprise, the Navy was very reluctant to declare that it had too many destroyers.

A third procedural device available to Congress is to designate the person who must make certain types of decisions. Placing the responsibility for a decision on a person with predictable political or organizational interests naturally tends to affect the decision in a predictable way. The person designated may be the President or another official. There are many examples of laws into which procedural requirements like this have been written with specific ends in mind. The act that established the Naval Petroleum Reserve, for example, requires that any decision to release the reserves must be approved by the Secretary of the Navy. Needless to say, the Secretary of the Navy, whoever he may be, is not likely to make such a determination.

A fourth possibility, which has been largely overlooked, is the confirmation process. Congress could take much greater advantage of this opportunity (perhaps the only one it has) to place conditions on Presidential appointees. It is here, before an official has been confirmed, that he is attempting to be most agreeable and conciliatory to the Senate and therefore is as likely as he will ever be to accept conditions laid down by the Senate. While candidates for confirmation would have an understandable reluctance to be pinned down on specific issues, they would have less justification to refuse to make pledges on procedures.

In a series of well known events. Elliot Richardson resigned his position as Attorney General over a difference in policy with the President. He did it, or he said he did it, because in his confirmation hearings he had promised that the Watergate Special Prosecutor, Archibald Cox, would have a free hand, and he couldn't fire Cox as ordered without violating that pledge. Of course, it is problematical whether this was Richardson's only reason, but the point is that this is the reason he used. The pledge he made to the Senate Judiciary Committee provided him with a legitimate reason to stand up to the President. The Richardson case suggests a broader use of this leverage.

Suppose, for example, the problem is secrecy in government, and a newly designated Secretary of Defense is appearing for confirmation before the Senate Armed Services Committee. As a condition of his confirmation, the Secretary-designate would be asked to observe a few basic procedures that are requisite to any open administration. A sample list might be: (1) appear when requested by congressional committees; (2) respond candidly; (3) volunteer information; and (4) express differences of opinion with the administration. Such a procedure obviously would not work in the case of an inveterate liar. But it is bound to have some impact on any decent person, especially if he is reminded of it by a senator who uses it as a prelude to asking his question. Moreover, it may give a good person an excuse to do something he may want to do anyway. He can tell the President that his loyalty is unbounded, but those so-and-so's in the Senate made him take an oath in order to get confirmed, and if he now gives answers that the President thinks are disloyal, he is doing it because he has no choice.

Fifth, Congress can involve already existing groups in government decisions from which they have been excluded by making them a party to new procedures. This might be a citizen group—such as the environmentalists, who were brought in on decisions on new construction through the National Environmental Policy Act—it might be an already existing agency of government, or it might even be Congress itself (e.g., once again, the War Powers Bill).

The real impact of procedural changes such as these is that they change the decision-making procedure within the executive branch and, thereby, potentially change the decision itself. They bring new people in on the decision or indicate to people who are outside the decision-making process how that decision is going to be made and whom they should try to influence.

Of course, the way Congress involves itself in new procedures depends on what it wants to accomplish. If Congress wants an advocate for a particular point of view, it can create, for example, an arms control agency or a consumer protection agency. In bureaucracies, an organization develops a "protective" interest in the subject it deals with, and it is fair to assume that if a group is established to address certain kinds of concerns, those concerns will be favorably addressed.

If Congress wants to bring a more objective group in on a government decision it can also create a procedure for that. Those in government most likely to be impartial are those who have a professional commitment outside the government. The Council of Economic Advisors, the President's Scientific Advisory Council (if there is one), and the antitrust division at Justice are examples of this approach. The professional standing of such people depends to a large extent on the judgment of their peers outside of government. That being the case, there is a limit to the amount of politically expedient but professionally unsound orders that they will abide, even at the cost of their jobs. They are therefore good groups to be included in government decisions.

Congress might also have far-reaching effects on decisions by including agencies that are competitors for another agency's funds in that agency's budgeting process. To be a candidate for this role, groups should not only be rivals for the same funds but should possess, in addition, some professional standing that would make their objections credible. This would be particularly desirable for the defense budget, which is currently a product of a fairly closed decision-making apparatus. The problem is finding a governmental entity that fulfills both criteria. There are many groups that compete with the Pentagon for money and that might, if they submitted their views on the defense budget, serve to create a better balance in the final bill. But few such groups have the necessary professional standing. The Department of Health, Education, and Welfare has the budgetary interest but no standing. The State Department, with its small and relatively fixed budget, has standing but no real budgetary interest. Quite likely, the only groups in government with both budgetary interest and standing are to be found in the Pentagon itself. Why not, then, promote a little interservice rivalry without reverting completely to the pre-McNamara days? Certainly, as budget squeezes become more painful, the services will have more incentive than ever to make critical evaluations of their sister services' major weapons systems. This strategy might well lead to some interesting comments on the B-1, the CVAN 70, and the Main Battle Tank. It would very likely lead to less wasteful allocation of the defense budget.

This is not to say that it would be impossible for the Executive to subvert any of these procedures once they are set up. It wouldn't. However, procedures would be effective for a time, at least, because subverting them could be accomplished only at a certain political cost. Nor does setting up a new procedure for the executive branch ensure that the right decisions will be made. All anyone can seek to guarantee is that the right kinds of people will have an input and a chance to affect the outcome. But that has always been both the aim and method of democracies. Influencing decision-making through procedural change may seem to be influencing decision-making at the margin; certainly, it operates at a degree removed from the actual issues involved. But since that is the way Congress works, when it works at all, it may be Congress' best hope of recapturing the power it has lost to the Executive.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Jones of North Carolina (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Roncalio of Wyoming, for Friday, on account of official business.

Mr. Sisk (at the request of Mr. O'Neill), for today and Monday, July 1, on account of death in the family.

Mr. Smith of Iowa, for July 1 and 2, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Young of Florida) to revise and extend their remarks and include extraneous material:)

Mr. Young of Alaska, for 1 hour, July 22.

Mr. Wydler, for 1 hour, August 23.

Mr. Skubitz, for 5 minutes, today.

Mr. Steelman, for 5 minutes, today.

Mr. Hansen of Idaho, for 5 minutes, today.

Mr. Young of Alaska, for 5 minutes, today.

Mr. Young of Florida, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mrs. Heckler of Massachusetts, for 10 minutes, today.

Mr. Myers, for 30 minutes, today.

(The following Members (at the request of Mr. Vander Veen) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Bevill, for 20 minutes, today.

Mr. Tiernan, for 15 minutes, today.

Mr. O'Neill, for 20 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fraser, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $522.50.

Mr. Madden to revise and extend his remarks.

Mr. Bennett, to follow the remarks of the gentleman from New Jersey (Mr. Rodino) and to include extraneous material.

Mr. Gray to include extraneous matter with the remarks made by him today in the Committee of the Whole on H.R. 15581.

Mrs. Heckler of Massachusetts to revise and extend her remarks, and include extraneous matter, during her colloquy with Mr. Staggers in the House today, on the conference report on H.R. 7724, National Research Act.

Mr. Young of Florida to include extraneous matter with his remarks made today in the Committee of the Whole on H.R. 15581.

Mr. Blatnik to revise and extend his remarks today in the Extensions of Remarks.

(The following Members (at the request of Mr. Young of Florida) and to include extraneous matter:)

Mr. Hosmer in three instances.

Mr. Brown of Michigan.

Mr. Skubitz in two instances.

Mr. Sarasin.

Mr. Collins of Texas in five instances.

Mr. Guyer.

Mr. Huber.

Mr. Harsha in two instances.

Mr. Derwinski in three instances.

Mr. Lott.

Mr. Young of Illinois in two instances.

Mr. Young of South Carolina.

Mr. Kuykendall.

Mr. Price of Texas.

Mr. Young of Florida.

Mr. Findley in five instances.

Mr. Kemp in three instances.

(The following Members (at the request of Mr. Vander Veen) and to include extraneous matter:

Mr. McFall.

Mr. Anderson of California in two instances.

Mr. Rarick in three instances.

Mr. Gonzalez in three instances.

Mr. Dent.

Mr. Tiernan in 10 instances.

Mr. Stephens.

Mr. Koch in five instances.

Mr. Fraser in five instances.

Mr. Blatnik in 10 instances.

Mr. Minish.

Mr. Mahon.

Mr. Gaydos.

Mr. Traxler.

Mr. Hamilton.

Mr. Vander Veen.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1193. An act for the relief of Oscar H. Barnett; to the Committee on Interior and Insular Affairs.

S. 2838. An act for the relief of Michael D. Manemann; to the Committee on the Judiciary.

S. 3477. An act to amend the act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia; to the Committee on the District of Columbia.

S. 3703. An act to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S.J. Res. 223. Joint resolution extending the authority of the Small Business Administration; to the Committee on Banking and Currency.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3534. An act for the relief of Lester H. Kroll;

H.R. 5266. An act for the relief of Ursula E. Moore;

H.R. 7089. An act for the relief of Michael A. Korhonen;

H.R. 7128. An act for the relief of Mrs. Rita Petermann Brown;

H.R. 7397. An act for the relief of Viola Burroughs;

H.R. 7724. An act to amend the Public Health Service Act to establish a program of National Research Service Awards to assure the continued excellence of biomedical and behavioral research and to provide for the protection of human subjects involved in biomedical and behavioral research and for other purposes;

H.R. 8660. An act to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances;

H.R. 8747. An act to repeal section 274 of the Revised Statutes of the United States relating to the District of Columbia, requiring compulsory vaccination against smallpox for public school students;

H.R. 8823. An act for the relief of James A. Wentz;

H.R. 9800. An act to amend sections 2733 and 2734 of title 10, United States Code, and section 715 of title 32, United States Code, to increase the maximum amount of a claim against the United States that may be paid administratively under those sections and to allow increased delegation of authority to settle and pay certain of those claims;

H.R. 11105. An act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes;

H.R. 12412. An act to amend the Foreign Assistance Act of 1961 to authorize appropriations to provide disaster and other relief to Pakistan, Nicaragua, and the drought-stricken nations of Africa, and for other purposes;

H.R. 12799. An act to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes;

H.R. 13221. An act to authorize appropriations for the saline water program for fiscal year 1975, and for other purposes;

H.R. 14291. An act to amend the Northwest Atlantic Fisheries Act of 1950 to permit U.S. participation in international enforcement of fish conservation in additional geographic areas, pursuant to the International Convention for the Northwest Atlantic Fisheries, 1949, and for other purposes.

H.R. 14434. An act making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 14832. An act to provide for a temporary increase in the public debt limit;

H.R. 14833. An act to extend the Renegotiation Act of 1951 for 18 months;

H.R. 15296. An act to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession;

H.J. Res. 1056. Joint resolution to extend by 30 days the expiration date of the Defense Production Act of 1950;

H.J. Res. 1057. Joint resolution to extend by 30 days the expiration date of the Export Administration Act of 1969;

H.J. Res. 1061 Joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes; and

H.J. Res. 1062. Joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolution of the Senate of the following titles:

S. 3458. An act to continue domestic food assistance programs, and for other purposes;

S. 3490. An act providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended;

S. 3705. An act to amend title 38, United States Code, to provide for a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows; and

S. J. Res. 202. A joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on June 28, 1974, present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 14832. An act to provide for a temporary increase in the public debt limit;

H.R. 14833. An act to extend the Renegotiation Act of 1951 for 18 months;

H.R. 14434. An act making appropriations for emergency research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes;

H.J. Res. 1056. A joint resolution to extend by 30 days the expiration date of the Defense Production Act of 1950;

H.J. Res. 1057. A joint resolution to extend by 30 days the expiration date of the Export Administration Act of 1969.

H.J. Res. 1061. A joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes; and

H. J. Res. 1062. A joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes.

ADJOURNMENT

Mr. VANDER VEEN. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, July 1, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2501. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a supplemental report on operational testing and evaluation of two weapons systems, the procurement schedules of which the House has previously been notified, pursuant to 10 United States Code 139(a); to the Committee on Armed Services.

2502. A letter from the Acting Secretary of the Interior, transmitting a proposed plan for the use and distribution of funds awarded to the Three Affiliated Tribes by the Indian Claims Commission in dockets No. 350–A, E, and H, pursuant to section 2(a) of Public Law 93–134 (87 Stat. 466); to the Committee on Interior and Insular Affairs.

2503. A letter from the Secretary of Transportation, transmitting an annual report on the financial condition of the Penn Central Transportation Company, pursuant to section 10 of Public Law 91–663; to the Committee on Interstate and Foreign Commerce.

2504. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of May 31, 1974, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2505. A letter from the Administrator of General Services, transmitting an amendment to the approved prospectus for the Consolidated Federal Law Enforcement Training Center, Beltsville, Md.; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. POAGE: Committee of conference. Conference report on H.R. 11873 (Rept. No. 93–1167). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 15695. A bill to amend the Export-Import Bank Act of 1945 to strengthen the oversight role of Congress with respect to extension of credit by the Bank, and for other purposes; to the Committee on Banking and Currency.

By Mr. BINGHAM:

H.R. 15696. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology; to the Joint Committee on Atomic Energy.

By Mr. BREAUX:

H.R. 15697. A bill to provide for the disposition, by the Secretary of the Army, of certain easements which are no longer necessary for Federal navigation projects; to the Committee on Public Works.

By Mr. BURLESON of Texas:

H.R. 15698. A bill to exempt from Federal taxation the obligations of certain nonprofit corporations organized to finance student loans and to provide that incentive payments to lenders of those student loans shall not be regarded as yield from the student loans for the purpose of determining whether bonds issued by such nonprofit organizations are arbitrage bonds; to the Committee on Ways and Means.

By Mr. HANSEN of Idaho:

H.R. 15699. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

By Mr. HECHLER of West Virginia:

H.R. 15700. A bill to assist the States in raising revenues by making more uniform the incidence and rate of tax imposed by States on the severance of coal, and to impose a countervailing duty on imported coal; to the Committee on Ways and Means.

By Mr. HECHLER of West Virginia (for himself, Mr. Brademas, Mr. Burke of Massachusetts, Mr. Eckhardt, Mr. Edwards of California, Mr. Metcalfe, Mr. Podell, Mr. Rangel, Mr. Roe, Mr. Studds, and Mr. Young of Georgia):

H.R. 15701. A bill to provide for the orderly phasing out of surface coal mining operations, and to control those underground coal mining practices which adversely affect the quality of the environment, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HELSTOSKI:

H.R. 15702. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. LOTT:

H.R. 15703. A bill to incorporate the U.S. submarine veterans of World War II; to the Committee on the Judiciary.

By Mr. MARTIN of North Carolina:

H.R. 15704. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committe on Armed Services.

By Mrs. MINK (for herself and Ms. Holtzman):

H.R. 15705. A bill to amend the Mineral Lands Leasing Act to provide for a more efficient and equitable method for the exploration for and development of oil shale resources on Federal lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURTHA:

H.R. 15706. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating a portion of the Allegheny River, Pa., for potential addition to the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. RANDALL:

H.R. 15707. A bill to provide emergency financing for livestock producers; to the Committee on Agriculture.

H.R. 15708. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of professional standards review of health care services, to expand the professional standards review organization activity to include review of services performed by or in federally-operated health care institutions, and to protect the confidentiality of medical records; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 15709. A bill to amend the Federal Reserve Act to permit the Federal Reserve Board to allocate credit to national priority needs; to the Committee on Banking and Currency.

By Mr. ST GERMAIN:

H.R. 15710. A bill to provide for the reimbursement of regulated public utility companies engaged in the sale of electric power at the retail level for any amount expended for residual fuel oil which is more than $7.50 a barrel; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE:

H.R. 15711. A bill to amend the National Aeronautics and Space Act of 1958 to provide for the coordinated application of technology to civilian needs in the area of Earth resources survey systems, to establish within the National Aeronautics and Space Administration an Office of Earth Resources Survey Systems, and for other purposes; to the Committee on Science and Astronautics.

By Mr. TIERNAN:

H.R. 15712. A bill to amend the Federal Power Act to prohibit public utilities from increasing any rate or charge for electric energy, by means of any fuel adjustment clause in a wholesale rate schedule, in order to reflect any increased fuel cost; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHBROOK:

H.R. 15713. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. BOWEN:

H.R. 15714. A bill to amend the Consolidated Farm and Rural Development Act to provide for emergency loans to certain producers and processors whose livestock and poultry have been condemned because of chemical contamination; to the Committee on Agriculture.

By Mr. CLEVELAND (for himself and Mr. Tiernan):

H.R. 15715. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to permit donations of surplus supplies and equipment to older Americans; to the Committee on Government Operations.

By Mr. CONTE:

H.R. 15716. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology; to the Joint Committee on Atomic Energy.

By Mr. DANIELSON:

H.R. 15717. A bill to establish the Relocation Benefits Commission to provide assistance to citizens of the United States who were relocated under the authority of Executive Order No. 9066, dated February 19, 1942, and for other purposes; to the Committee on the Judiciary.

By Mr. FINDLEY (for himself, Mr. Dent, Mrs. Heckler of Massachusetts, and Mr. Price of Illinois):

H.R. 15718. A bill to amend title 18 of the United States Code to permit the mailing, broadcasting, or televising of lottery information and the transportation, mailing, and advertising of lottery tickets in interstate commerce but only concerning lotteries which are lawful; to the Committee on the Judiciary.

By Mr. FREY:

H.R. 15719. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of certain increases in monthly benefits under the Social Security Act and other Federal retirement programs; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. Conte, and Mr. Maraziti):

H.R. 15720. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. GRAY:

H.R. 15721. A bill relating to approval of certain matters pertaining to the Dwight D. Eisenhower Memorial Bicentennial Civic Center; to the Committee on Public Works.

By Mr. HEINZ:

H.R. 15722. A bill to amend the Internal Revenue Code of 1954 to allow an individual to elect a tax credit for 50 percent of his charitable contributions in lieu of the deductions allowed for such contributions; to the Committee on Ways and Means.

By Mr. JONES of Tennessee:

H.R. 15723. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. MARAZITI:

H.R. 15724. A bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the authority of the Secretary of Health, Education, and Welfare with respect to foods for special dietary use; to the Committee on Interstate and Foreign Commerce.

By Mr. MINISH:

H.R. 15725. A bill to provide property tax relief to low-income elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. Jones of North Carolina, Mr. Powell of Ohio, Mr. Hunt, Mr. Johnson of Pennsylvania, Mr. Stubblefield, Mr. Burleson of Texas, Mr. Stuckey, Mr. Bafalis, Mr. Huber, and Mr. Myers):

H.R. 15726. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 15727. A bill to amend title IV of the Social Security Act to provide means of enforcing the support obligations of parents of children who are receiving assistance under such title, and for other purposes; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 15728. A bill to amend the Alaska Native Claims Settlement Act; to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK (for himself, Mr. Quie, Mr. Moss, Mr. Cleveland, Mr. Downing, Mr. Madigan, and Mr. Gilman):

H.J. Res. 1082. Joint resolution to prevent the abandonment of railroad lines; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL (for himself, Mr. White, Mr. Edwards of California, Ms. Schroeder, and Mr. Stark):

H.J. Res. 1083. Joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BROYHILL of Virginia introduced a bill (H.R. 15729) for the relief of Arthur Carlson, which was referred to the Committee on Armed Services.

EXTENSIONS OF REMARKS

ENERGY AND THE ENVIRONMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the Record, I include my Washington Report entitled "Energy and the Environment":

Energy and the Environment

The objectives for an energy policy in this country are a reliable supply of energy, at reasonable cost, without undue dependence upon foreign sources, and with safeguards for the quality of the environment. As with many questions of social policy, the difficulty is in achieving all of those objectives simultaneously. The conflict between two of these objectives—protecting the environment and expanding the supply of energy—has arisen often in the Congress during the past year, and will be a common problem for energy policy in the years ahead. Energy enhances the quality of life in countless ways, but it also pollutes. Offshore oil drilling risks spillage on beaches, coal strip mining defaces the land, burning coal produces sulfur oxides and particulate matter in the air, and cars burning gasoline produce carbon monoxides and other air pollutants.

A tendency exists to pose an unavoidable choice between sufficient energy supply or protection of the environment. This choice is, in my view, misleading. The single-minded pursuit of any sole objective will lead us astray. The task of government policy is to strike an appropriate balance between these objectives. Energy policy must take action to increase the supply of energy, but also guard against procedures which would seriously damage the environment for decades to come.

The Congress has tried to strike that balance in several instances in recent months. Automobile emission standards and stationary source (any source of pollution other than vehicles) emission standards have been postponed. In other legislation, the Congress has shown a willingness to waive or defer the environmental impact statement on federal actions affecting the environment in order to accomodate the demand for energy, as in the legislation approving the trans-Alaskan pipeline.

Despite these instances of accommodation by the Congress on the conflict between energy supply and a safe environment, it is essential to recognize, as Russell Train, the Administrator of the EPA, has reminded us, that the energy shortage and the threat to the environment stem from a common source: patterns of growth which waste our energy and lay waste our environment. It is not required that the nation abandon either its search for new energy sources or its efforts to improve the quality of the environment, because the solution to the energy shortage is basically compatible with the efforts to enhance the quality of the environment.

Several illustrations of this fundamental compatibility are apparent. Recycling is a constructive way of coping with the mounting piles of solid waste building at the rate of 300 million tons each year, and it is also a good way to conserve energy. The Council on Environmental Quality has determined that the use of recycled materials can reduce air emissions, the quantity of waste, and the amount of energy consumed as compared to the use of virgin materials. Already several cities are benefitting from recovery processes which separate paper, glass, and metals from municipal trash and convert waste to energy in the form of stream, electricity, or fuel.

Mass transit systems can reduce the use of the automobile, which is at once the number one polluter of air and consumer of gasoline. Shifting to bus and rail systems would improve the quality of the air and conserve energy. Auto emission controls, which now increase the consumption of gasoline and cause a ⅔ mile per gallon loss, will soon be improved to actually increase gas mileage.

With the pressures of industrial development, population growth, and rapid urbanization, land has become the nation's most important and valuable resource, and careful choices in its use in locating housing, schools, industry, recreational, and commercial areas will protect the environment and save energy, too.

Both goals—an adequate supply of energy and a clean environment—require two further steps: (1) The conservation of energy must be encouraged. Despite the recent relief from the gas shortage with the resumption of Arab oil imports, the energy shortage is here to stay for the next several years. Energy consumption continues to outstrip production, and with the difficulty of increasing supplies substantially, lower consumption through conservation is necessary. (2) The search for alternative sources of clean energy must go forward. Geothermal energy, coal gasification and liquification, nuclear fusion, and solar energy hold much promise in the long term as solutions to the energy shortage which are compatible with efforts to safeguard the environment.

RURAL BANKING SERVICE

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. SEBELIUS. Mr. Speaker, I am sure we would all like to go back to the days of the penny postcard, nickel cup of coffee, and when two bits could be used for some other purpose than to be gobbled up by an automatic vending machine.

It has not been too long ago that a businessman could get a loan from his friendly hometown banker at a prime interest rate that did not go into two figures. I would like to inform my colleagues that contrary to popular opinion, those days are not gone forever. What with our U.S. Postal Corporation calling the shots, the penny postcard has gone the way of the buffalo but you can still get a cup of coffee in some places in western Kansas for a dime with no charge for a smile. Most important, the prime rate is 8 percent in Ulysses, Kans., at the Grant County Bank, and Floyd Pinnick is in fact the epitome of your friendly and helpful hometown banker.

In the recent July issue of the respected Forbes magazine, there is an article concerning the Grant County State Bank and how this community bank serves the surrounding community. More important, in this day of inflation and uncertainty, the article points out how in rural and smalltown America, community bankers are providing a traditional service to their citizens despite adverse economic trends nationally. I commend this article to the attention of my colleagues. As Floyd Pinnick states:

> My bread and butter depends on how I serve my customers.

He is serving them very well indeed and that means he, and many men like him throughout our rural areas, are providing a valuable service to agriculture and to our Nation's consumers.

The article follows:

SMALLTOWN, U.S.A.

Ulysses is a farm town in southwestern Kansas, county seat of Grant County, midway between Wichita and Denver. It has, among other things, 4,379 people, 20 churches, three new-car dealers, one (nontopless) go-go dancer and a local bank with assets of $26 million. On a per capita basis—excluding the go-go dancer, a nonresident based in Oklahoma City—Ulysses' Grant County State Bank has more money than New York's First National City Bank, which has $46 billion in assets.

There is, of course, a flaw in the comparison. Citibank, though the largest, is just one of 28 banks in New York City, while Grant County State Bank is the only bank in Ulysses. In fact, it's the only bank in all of Grant County, an area half the size of Rhode Island. The nearest competitor is some 22 miles west in neighboring Johnson.

The average New Yorker probably has never heard of Citibank Chairman Walter Wriston, but it's nearly impossible to find anyone in Ulysses who does't know Floyd Pinnick. As president of Grant County Bank, Pinnick sits in a small, glass-enclosed office, just behind the four tellers on the main banking floor. He is visible to all, and usually ready to accommodate customers who want to turn a visit to the bank into a social occasion.

Floyd Pinnick is out of the mainstream of U.S. banking, but he is hardly an anachronism. Nearly half of all banks in the U.S. are in towns like Ulysses with populations less than 5,000. These 7,000 small banks have combined assets of $40 billion, only 5% of the nation's total. The majority of them are still a major force in their communities.

In many ways Floyd Pinnick is a typical country banker. He is a Republican, community activist, pillar in the Methodist Church. He graduated from Kansas State University in 1935 with a major in rural banking. He married the daughter of the town banker, and eventually became the bank's major stockholder. Pinnick, now 60, has been president of Grant County Bank since 1957.

Contrary to what you might expect, Floyd Pinnick's house isn't the biggest in town—that honor goes to a local contractor. Pinnick is involved in no area businesses besides the bank. Over the past few years he has given up his majority ownership of bank stock by parceling out shares to his sons and to three young officers whom he has elevated to the board of directors. But many a high-powered big city banker could envy Pinnick's 15-minute walk to work and his position in the community.

"We have the responsibility for allocating resources here," he says. And he points with pride to the results. The area, once the center of the Dust Bowl, is now dotted with prosperous farms and a miniature industrial boomtown. "We made a lot of the initial loans for pumps and motors get irrigation started," explains Pinnick. His bank also helped the county's biggest employers get going. These include a locally owned tractor cab company, Ansel Manufacturing, an irrigation pipe company (whose owners, Pinnick is unhappy to say, sold out to U.S. Industries) and the largest cattle feedlot in Kansas.

"Around here, people can see what we're doing with their money," explains Sam Forrer, a bank vice president. "If they don't like it they can come in and complain to the folks who make the decisions. If they're really mad, they can withdraw their money and take it to another bank or even start a new one here." That last alternative, of course, is easier said than done. New bank openings in Kansas average only three a year.

Even though he runs the only bank for miles around, Floyd Pinnick feels it's unfair to label him a local monopolist. "Seven or eight nearby banks are strong competitors," he says. "To all our country customers, where they bank is just a matter of which way they turn the pickup when they go out the driveway."

Gone are the days when farmers and bankers were bitter enemies. The current prosperity of Ulysses' farmers makes it hard to find critics of the local lender. "Floyd has always run a good bank; he cooperates with everybody," says Fred Maxwell, a farmer, and one of the town's few Democrats. "Of course, he and I never talk politics in the bank."

One of Pinnick's pet peeves is branch banking, which is forbidden by Kansas law. "That's one of the reasons you've got ghettos in New York City" says Pinnick. "The fundamental financial institutions aren't run by people who live in those neighborhoods. All a branch manager cares about is moving to the main office, but my bread and butter depends on how I serve my customers."

The rule of thumb among small bankers is that no more than 60% of total assets should be on loan at any time. The rest of a bank's money is invested in cash, municipal bonds or low-risk government securities. That gives Pinnick about $16 million to use, and—as usual—he's loaned to the limit. Over half the money is out on operating loans to farmers; most of the rest goes to businessmen. The bank avoids long-term home loans.

Pinnick doesn't have to worry about Penn Centrals or Lockheeds, but the business is not without risk.

"The higher our loan percentage gets, the more restless I am at night," he says. "This is risky country." A big-time farmer can borrow near the bank's $240,000 lending limit, and hail or a bad wheat market can wipe him out. New business ventures aren't as safe as conventional loans, but Pinnick knows he can't walk away from them. Examples: a group of farmers who've begun a natural-food canning plant and an Indiana-based popcorn processing operation the bank helped finance.

HOMEGROWN MILLIONAIRE

Despite some loan losses, of late Grant County Bank has earned good money—thanks partly to top commodity prices. "We figure a small bank ought to net 1% after taxes on its total assets," says George Sisler, a Chicago-based consultant specializing in bank acquisitions. Pinnick's bank just about made it: It earned $241,000 in 1973—a 12% return on equity. Sisler estimates that a controlling interest in the typical country bank is worth about 1.5 times book value. On this basis, with Grant County's book of nearly $2 million, Pinnick's near majority stock interest makes him a home-grown millionaire, even though he doesn't live like one.

One reason that Pinnick's near monopoly does not yield monopoly-style profits is that he does not charge borrowers what the market would bear. "Our prime rate here is 8%," he says. "You'll get it if we don't think we'll have to worry too much about you. Interest is one of a farmer's biggest expenses, and our people don't like to see it bobbing up and down after we've set up a deal. We only change the rate from year to year.

"We can stay pretty removed from the money markets because our main industry—agriculture—develops its own capital," he explains. "And remember, we're tapping a little different source of funds." His bank attracts about 25% of its assets with time deposits, including 5% passbook accounts. Pinnick has pulled in another $2 million in cash from his more affluent customers by selling them participations in the bank's government-backed Small Business Administration and Farmers Home Administration loans. These pay savers up to 8%.

Meanwhile, Grant County State Bank goes on loaning money profitably at 8%. Farmers in Ulysses are reaping the benefits of two prosperous years in a row—though some vow they could use a little more rain right now. And Floyd Pinnick eagerly awaits the completion of a new $800,000 building—with four drive-in windows—that is under construction.

"It might just be," he says, leaning back in his swivel chair, "that we've got the best little bank in the whole world."

RESULTS OF PUBLIC OPINION POLL OF OHIO'S 17TH DISTRICT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. ASHBROOK. Mr. Speaker, tabulation of my 14th annual opinion poll of the residents of the 17th Congressional District of Ohio has just been completed. Once again the response was excellent. Hundreds of letters, notes and marginal comments were included with the completed polls. I appreciate my constituents' response to the questionnaire as it is one more method of getting their views on a number of this issues facing this country.

The poll once again attempted to cover a wide range of domestic and foreign policy issues. As I have often said before, representing the people of the 17th Congressional District is a two-way street. Having the benefit of their views on the issues covered by this opinion poll, as well as thousands of comments on a variety of other topics, works to our mutual advantage.

The results of the opinion poll follow:

1974 PUBLIC OPINION POLL OF 17TH OHIO DISTRICT

	Percent	Yes	No
1. Do you believe the energy crisis is:			
(a) An artificial crisis, falsely created by the oil companies to increase their profits	42		
(b) A genuine crisis, for which the oil companies should not be blamed	2		
(c) A genuine crisis, caused by misguided governmental policies	4		
(d) A genuine crisis, caused by a combination of factors including international and political as well as mistakes of Government and the oil companies	52		
2. In face of the current and impending energy shortages, do you favor these possible courses of action?			
(a) Reduced Environmental Protection Agency air quality standards to allow increased burning of coal and/or atomic energy	41		
(b) Increase the domestic oil depletion allowance as an incentive for oil exploration	16		
(c) Deregulate the price of natural gas	7		
(d) Reduce new car emission standards	29		
(e) Ration gasoline by issuing Federal coupons	4		
(f) Control retail prices in the petroleum field	30		
(g) Roll back gasoline prices by law	35		
3. Wage and price control legislation will expire on Apr. 30. Should the Congress:			
(a) Extend the present legislation	12		
(b) Make wage and price controls tougher	22		
(c) Not extend because wage and price controls have failed to halt inflation	62		
4. A national health program for all citizens:			
(a) Should be established and operated solely by the Federal Government	26		
(b) Should be established by the Government but operated through private insurance and medical organizations	39		
(c) Should not be established	30		
5. Would you favor a reduction of Government services and a corresponding tax decrease?		76	18
6. In 1973, the Supreme Court ruled that abortion was legal in most circumstances when the woman and doctor approve. What is your opinion?			
(a) I agree with the Supreme Court decision	49		
(b) I favor a constitutional amendment outlawing abortion except in cases of extreme potential danger to the mother	36		
(c) I favor outlawing all abortion	7		
(d) I favor a constitutional amendment which will allow each State to decide on the abortion issue	8		
7. Legislation has been considered at all levels of government to regulate land use. Which policy would you prefer?			
(a) Strong Federal restrictions on use of all land	9		
(b) Federal guidelines with control at State level	34		
(c) Local and State government control only	50		
8. Should Congress restore the death penalty for the most severe crimes?		80	17
9. Should the United States convert to the metric system?		30	61
10. Should action be taken on a Federal level to comply with the report issued by the President's Commission on Marihuana and Drug Abuse calling for decriminalization of marihuana possession, but keeping penalties for sale of the substance?		44	48
11. Should a newsman be required to testify in Federal court and disclose his sources of information on matters that jeopardize national security?		52	45
12. Do you approve of the "voucher concept" for educational assistance whereby a voucher representing the average per capita cost of educating each child may be spent by the parent at any public or private school?		40	47
13. In 1970, under the Postal Reorganization Act, the U.S. Postal Service became an independent establishment, and daily operations were, for all intents and purposes, removed from Federal or congressional control. How would you rate your postal service?			
(a) Improved service	11		
(b) Same service	49		
(c) Worse service	40		
14. Should amnesty be granted to those who left the country during the course of the Vietnam conflict to avoid the draft and, if so, under what circumstances?			
(a) Amnesty if he returns and completes his military service	22		
(b) Amnesty if he returns and completes a period of alternate service	30		
(c) Unconditional amnesty should be granted	6		
(d) No amnesty under any circumstances	40		
15. Do you think that governmental officials in Washington, D.C., have the right to inspect doctor's medical records of their patients?		17	
16. Should the United States continue to give economic and military aid and support to South Vietnam?		29	
17. Should the United States attempt to maintain military superiority over the Soviet Union?		78	
18. Should the United States maintain its perpetual sovereignty and control over the Panama Canal and the Canal Zone?		79	
19. What do you consider the 3 major issues facing our country?			
(a) High prices	65		
(b) National defense	27		
(c) Energy problems	33		
(d) Shortages	20		
(e) Unemployment	16		
(f) Watergate	20		
(g) Excessive governmental spending	55		
(h) Expanding governmental regulation	18		
(i) Tax reform	20		
(j) Foreign policy	7		
(k) Other	5		

CONFLICTS OF INTEREST AT THE DEPARTMENT OF TREASURY

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. VANIK. Mr. Speaker, in recent months, I have been shocked by the callous indifference of the administration to conflict-of-interest problems which have arisen in Treasury and other agencies which critically affect vital policies of the United States.

It has recently come to my attention that William Johnson, formerly Assistant Administrator of the Federal Energy Office and presently in the office of the Secretary of the Treasury, will resign his post on July 9, 1974. It is my further understanding that Mr. Johnson will assume the post of "intermittent consultant" to the Secretary of the Treasury on July 15, 1974, at the highest allowable rate of over $138 per day.

However, on June 6, 1974, Mr. Johnson was apparently hired on contract by the American Enterprise Institute, a private research group in Washington, to produce a paper for the institute on fuel allocation, a subject in which he and his FEO office have been deeply involved.

Of further interest, is the fact that Mr. Johnson was the person in charge of Mr. Robert Bowen, who was on leave of absence from the Phillips Petroleum Co. while working for the Federal Energy Office. It was Mr. Johnson who assured the FEO and the Treasury General Counsel that Mr. Bowen was not in conflict of interest in any way in connection with his work. Repeatedly, I have been assured by FEO's administrator, Mr. Sawhill, that Mr. Johnson assured him and Mr. Simon, that Mr. Bowen was not in conflict. The GAO, in its study of the Bowen case, saw fit to render it to the Justice Department for determination of whether conflict of interest violations have in fact occurred.

It now appears, from the facts of the Johnson activities both on the Federal payroll and with the American Enterprise Institute, that further conflict questions now exist of a most serious nature.

It is my hope that both the Justice Department and the Treasury Department will proceed with dispatch to resolve these two cases and others which might exist in FEO and Treasury to assure the American people that their Federal agencies are in fact working in the public interest free of apparent or real conflicts of interest.

I intend to continue my efforts to insist that the laws dealing with conflict of interest are adhered to, particularly in these sensitive agencies.

JAPANESE AMBASSADOR SPEAKS AT UNIVERSITY OF PITTSBURGH

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the University of Pittsburgh recently had the honor of hosting Takeshi Yasukawa, the Japanese Ambassador to the United States.

Mr. Yasukawa delivered a wide-ranging and frank address on Japanese-American relations, as well as the current state of the Japanese economy.

The Ambassador spoke directly to some issues that steel industry giants in our area viewed with alarm.

I know each of my colleagues, concerned with the problems facing all industrialized nations today, will profit from reading Mr. Yasukawa's remarks. I include them in the RECORD at this time:

JAPANESE-AMERICAN RELATIONS IN WORLD PERSPECTIVE

(By His Excellency Takeshi Yasukawa)

You were kind to ask me to join you today. I welcome the opportunity to refresh my perspective by getting away from Washington from time to time, and hearing the views of business and academic leaders such as yourselves. It is the first lesson a diplomat should learn on coming to the United States—that this vast and diverse country has, not one, but many capitals, and you cannot get to know America until you know its Pittsburghs and other great regional metropolises.

I appreciate this opportunity for another reason. Pittsburgh, whose steel industry is vital to this region's economy, has had a chronic concern about competition from the Japanese steel industry. You are entitled, therefore, to a candid report on this important aspect of Japanese-American trade—the current situation in the trade, and the future outlook. I shall return to these specific questions in a moment. First, however, I should like to give you a broader report on the Japanese economic prospect, and Japanese-American relations, in light of recent international developments, including the phenomenon of rising world prices for fuel, food and other raw materials.

Through the last decade, the high-growth performance of the Japanese economy was one of the world's notable success stories, a kind of Horatio Alger tale in postwar economic literature. No other advanced industrial economy had ever before been able to sustain a real annual growth in GNP of more than 10 percent. This was a source of wonder and also, perhaps, of fear. There was apprehension in particular about Japan's rapidly expanding share of world trade—both its growing demand for fuel and raw materials and its rising volume of exports, which this resource-poor country had to sell in order to pay for its essential imports. There was concern in some quarters that the world economy might suffer from indigestion in response to Japan's rapid growth.

I think it is safe to say that those fears, whether they were valid or not, are now academic. First, last fall's cutback in world energy supplies, and more recently, the quadrupling of crude oil prices and the general upswing in prices for a variety of essential commodities, have hit Japan harder than any other industrial economy. Indeed, the new concern is whether, under these drastically changed world market conditions, Japan will be able to maintain a viable economy. When I was in Japan last November, at the onset of the oil embargo, the public mood verged on panic, and there were gloomy predictions of zero or even minus economic growth in 1974.

The fear was of course based on recognition of Japan's extreme vulnerability in its dependence on imports. For example, Japan relies on oil for 70 percent of its total energy consumption, and is virtually 100 percent dependent on imports for its oil supply. We are also wholly dependent on imports for nearly all industrial minerals, and we must import a substantial share of our food and fibres. The United States, as a case in point, furnished us with over 90 percent of our consumption of soybeans, one of the most important staples of the Japanese diet.

As a result of higher prices, Japan's oil import costs will jump from $7 billion last year to between $15 and $18 billion in 1974. Prices for various industrial raw materials and food imports have also been rising. The combined impact on Japan's balance of payments position this year is obviously going to be severe, not only because of the much higher import costs, but also because our export growth will be limited as an indirect result of costlier imports. Higher fuel and raw materials costs, reflected in higher manufacturing costs, coupled with wage increases of up to 30 percent in the labor contracts negotiated this spring, are pushing up the prices of our exports, making them less competitive in world markets. Japanese automobiles and TV, to cite two examples, are now considerably more expensive than their American competition, and the results are apparent in a flatter sales curve.

In light of these adverse developments, what are Japan's economic prospects?

First, I am happy to report that the gloom and near panic of last fall have disappeared. The worst possible situation, a prolonged cut back in energy supplies, did not happen, although the pricing problem—for other raw materials, as well as oil—is still with us. The era of abundant cheap fuel and raw materials is no doubt permanently ended. The new terms of trade are a great hardship, but the Japanese people are confident they can cope with this. Indeed, there is no alternative.

Second, the era of sustained Japanese growth rates of 10 or 12 percent annually, in real GNP, is also over. Japan's rise in real GNP in 1974 will be the smallest since postwar reconstruction—probably around 5 percent. Over the longer run, possibly the next 20 years, some experts believe that average annual growth will not exceed 6 or 6½ percent. I realize that this may sound high by North American or Western European standards, but it is very low for Japan. And it certainly means a postponing of the time when Japan catches up with North America in the full measure of living standards.

Third, there is also a bright side to these stringent new conditions. Domestically, the need to conserve our future consumption of fuel and industrial raw materials has actually been welcomed by a Japanese public deeply concerned about the hazards and nuisances of recent rapid growth in resource-consuming industries. Japan's high growth has meant excessive urban crowding, soaring land costs, dangerous levels of air and water pollution in some areas, and other noxious by-products. It has also meant a deferral of many of the proper rewards of growth—adequate housing and sewerage, sufficient parks and recreational facilities, adequate highways, and modern social welfare services and facilities. Some slowing of the rate of industrial growth—especially in those industries which consume large quantities of energy and other polluting resources—would make it possible to shift more resources, both public and private, into quality-of-life activities, such as pollution abatement, housing and social welfare services. Indeed, on the basis of a growing national consensus over the past several years, this shift in priorities had already begun before we were hit by the energy crisis of last fall.

There are also important international benefits to be gained by this modification of Japan's economic-growth priorities. A slower growth in Japan's import requirements, especially for oil and other raw materials that are in finite supply, should be welcomed by the rest of the world economy. At least it will mean less Japanese pressure on world supplies and prices. However, that would be only a temporary relief unless we all cooperate in the development of alternative energy sources, and are also able to reach worldwide agreement on equal access to raw materials at tolerable prices.

Another international benefit of Japan's changed situation should be increased Japanese support for industrial development in the third world. For example, instead of building new steel and petrochemical plants in already overcrowded and polluted Japan, it would make very good sense for Japan to provide the capital, technology and managerial knowhow to construct such plants in developing countries, closer to the sources of raw materials supply. Thus those countries would have the benefit of greater value added to their natural resources, and thus higher earnings from exporting them. Japan would have to pay more for processed and semi-finished goods than for the original raw materials, but the prices would tend to be regulated by a supply and demand situation that would be more competitive than the current world market for these materials. In addition, normal returns on those overseas investments should help offset, for balance-of-payments purposes, the higher costs.

Japanese industrialists have been making these kinds of investments, involving a high degree of technical cooperation, for a number of years in Asia, Africa and Latin America. Now these efforts are being intensified, including in the Middle East.

There will be problems, however, and the most serious immediate problem is the deficit in Japan's international payments. The deficit in 1973, primarily because of the sudden rise in import costs, was $13 billion. This year the forecast deficit is around $7 or $8 billion. Obviously Japan's international payments will have to be brought into nearer balance if we are to maintain—let alone increase—our levels of foreign direct investment and foreign economic and technical assistance.

Now what do these shifts and trends mean for the Japanese-American economic relationship?

This relationship, which involves the largest volume of two-way trade between any two overseas trading partners in the world, has had its stormy moments in recent years—as those of you who are in the steel business, or textiles, know very well. Yet for all practical purposes we have managed to work out every one of these recent problems. This includes the most disruptive problem of all, the $4.1 billion U.S. deficit in 1972 in your trade with Japan. As I am sure you are aware, that deficit was slashed to a manageable $1.3 billion last year, and in the first quarter of this year the United States earned a $290 million surplus in its trade with Japan.

Japan and the United States, in other words, have reached a stage in our relationship where there are almost no irritating economic problems between us. This has come about because, with mutual goodwill, we have adjusted our policies and practices in order to insure maximum mutual benefit from the relationship. Japan, for example, has not only reduced its import barriers below the levels of most industrialized countries, it has also been actively promoting U.S. imports in order to achieve the trade turnaround we now have.

In this same spirit let me take this opportunity to assure you that despite the serious balance-of-payments problem which Japan now faces, we are determined to seek no short-term solution to this problem. That is, Japan will not resort to any unilateral measures to improve its payments position at the expense of any other country. Above all, I assure you the Japanese Government will not mount any new export drive, or adopt any measures designed to promote higher levels of exports.

I shall be very specific, in terms of Pittsburgh's own proper interests. I understand there is a rumor going around that the Japanese Government is now providing—or is about to provide—special, low-interest loans to our steel producers to facilitate exports. There is no truth whatsoever to this rumor. Loans of this kind were available from the Bank of Japan up until two years ago—for all exports. Export incentives of various types are in fact common to most exporting countries, including the United States. Japan, however, abolished this practice in order to help restore equilibrium to its trade with the United States and other industrial trading partners. We have no intention of resuming the practice.

In fact, Japan has for some time been applying voluntary restraints on its steel exports to the United States, in response to appeals from the American steel industry. Recently our actual steel exports to this country have not even reached these voluntary ceilings. Today, Japan's steel-export capacity is not even capable of meeting U.S. demand.

We take great satisfaction from the extraordinary progress Japan and the United States have made in recent years in bringing our close economic partnership to its present state of maturity. We are confident that whatever bilateral problems may arise in the future—and there are sure to be some in such a diverse and dynamic partnership—we have learned how to work them out before they reach crisis proportions. This is very important, because the most serious problems we are likely to encounter in the years ahead will not be bilateral problems at all. They will be multilateral.

Restructuring the world trading system on a more open and fairer basis for all nations is one such problem requiring multilateral cooperation. Reforming the world monetary system, to insure adequate liquidity and stability in financing world economic expansion, is another. Other difficult challenges include long-term solutions to world energy shortages and costs, stimulating adequate food production to meet rising world demand, better management of global environmental problems, and speeding economic development in the poorer two thirds of the world's population.

Fortunately Japan and the United States have parallel interests in each of these multilateral problem areas, and share similar views on what needs to be done. Our approaches may differ on specifics, which is only natural because of differences in our perspectives and our capabilities. But in all the essentials our objectives are the same. The real challenge is to work together effectively to achieve those objectives on a global scale, to join forces in helping to create a more open and more stable world economy in which all nations have fair access to each other's markets and raw materials.

This is especially important in this period of difficult economic transitions, while the old order is fading and a new economic order has yet to be put in place. In times like these there are very real dangers of a rise in economic nationalism, protectionism, other beggar-my-neighbor policies, and a fragmentation or even collapse of the international economic system. As two powerful champions of free trade, Japan and the United States must combine efforts to resist such dangerous trends.

I should like to conclude with a similar though on current political-security problems. Here, as in the economic realm, the only viable solutions are multilateral. Just as world prosperity is indivisible, so is world peace. We are all now engaged in a difficult but vital errand of transforming the old cold war confrontations into stable and peaceful cooperation, regardless of differences in ideology. Once again, Japan and the United States share the same objectives, although our specific interests and capacities assign us distinct roles on such matters as expanding relations with China and the Soviet Union, or contributing in our own ways to international peace and security.

I mention this because I believe that recent developments in the nuclear field require a reaffirmation of Japan's firm and irreversible commitment to a nonmilitary, non-nuclear role in world politics. We do recognize that world peace depends on maintenance of the balance of power, on effective deterrence, and on continuing cooperation among the democratic powers on political and security affairs. It is for this reason that the Japan-U.S. Security Treaty forms one of the most important pillars of my country's foreign policy.

As Foreign Minister Ohira said in New York just last week, "For its ultimate security, Japan will continue to rely on the U.S. deterrent, while limiting the mission of the self-defense forces to protection of its own territory against conventional attack. I restate these policies," the Foreign Minister continued, "to emphasize how groundless is the speculation . . . that Japan, especially in the wake of the energy crisis, may be contemplating substantial rearmament and possibly even the development of nuclear weapons.

"I cannot state too forcefully," Mr. Ohira added, "that these options are not being considered by any responsible political leader or policy-maker in Japan. Indeed, it is fanciful to pretend that small, crowded and vulnerable Japan could defend itself against a determined aggressor, or that Japan could send its military forces overseas to secure sources of raw materials for its industry."

No, he concluded, "Japan is irreversibly committed to a non-military role in world politics."

In my earlier remarks I hope I have conveyed the nature of that role as we Japanese see it. Japan's world role, first of all, is to be true to the aspirations of its own people—to their fulfillment in freedom and dignity, with tolerance and respect for the aspirations of all other peoples. Second, our goal is to strengthen and enrich the bonds of common values and interests which bind us to the international community of democratic societies, and especially to our close partner and ally, the United States. Finally, Japan's mission is to be a good citizen of the entire world community, seeking more normal and flexible relations with our communist neighbors, and providing a helping hand and mutual benefits in our relations with the developing nations.

It sounds like a simple agenda, but I am sure you agree it will take fortitude and delicacy to carry out such a role. Fortunately, as we have demonstrated in the last few months, the Japanese are a resilient people, able to adapt to changing circumstances, and eager to get on with the important business before us. Fortunately, too, our two countries—the two most productive societies in the democratic community—are embarked on this great enterprise together. This is a cause for great reassurance among my people. I trust it is also reassuring to our great friends, the American people.

RESEARCH AND DEVELOPMENT AND THE PUBLIC-PRIVATE PARTNERSHIP

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. McKINNEY. Mr. Speaker, as you know, many times in the past, I have taken the floor of the House of Representatives to voice what I feel to be the importance of continued research and development and its interrelationship with the public-private partnership. Inasmuch as I have persistently stressed this concept as a projected goal, I felt it incumbent upon me to report to my colleagues on a specific instance of this type of combined progress.

I am moved to comment on this today for I have just learned that the Union Trust Co., headquartered in Stamford and New Haven, Conn., has announced that it has installed for permanent use a novel electronic telecommunication system developed by a federally funded project; a system which has as its goals the conservation of gasoline resources and executive traveltime.

The system, which uses telecommunications techniques to conduct meetings between distant facilities without the need for travel, was developed by the national pilot New Rural Society project underway in northeastern Connecticut. The New Rural Society project is funded under a $462,000 grant from the U.S. Department of Housing and Urban Development to Fairfield University to explore the applications of electronic communications to help improve the quality of life in rural America. The NRS project is being directed by Dr. Peter C. Goldmark, president of Goldmark Communications Corp.

Union Trust executives have been experimenting with the two-way teleconferencing system for the past several months to hold meetings between the bank's major facilities 40 miles apart in Stamford and New Haven.

The teleconferencing system is being used to link electronically its two major offices for many policy and other management meetings involving bank officials.

The system enables executives to carry on joint sessions without requiring any of the participants to travel from one city to the other. The system uses special stereophonic telecommunications technology to draw "sound images" to substitute for face-to-face meetings.

Commenting on the system's potential in conserving natural resources Michael H. Moskow, HUD assistant secretary for Policy Development and Research, said:

> HUD is pleased to have made possible this demonstration of the substantial benefits which can result from innovative applications of existing technology. The teleconferencing development carried out as part of the New Rural Society project is a significant milestone in the effort to conserve our natural resources. We are particularly pleased to see private sector institutions investing their money in systems developed through HUD's research programs.

The acquisition of the teleconferencing system by Union Trust is an example of how Government-funded research can be applied to refine technology to the point where it can be put directly to commercial use with resulting additional revenue for a specific project.

Mr. Thomas F. Richardson, president of Union Trust Co., said the bank's experience during system field-testing has shown that teleconferencing not only saves gas and travel time, but has helped increase efficiency by shortening the length of meetings.

"There is a definite inclination to stick to the prepared agenda and to relevant discussion. Also, we estimate conservatively that over the next 12 months 1,000 executive man-hours in traveltime will be saved, as will 11,000 auto miles," Mr. Richardson said regarding the bank's decision to retain the equipment for permanent use.

The system uses special acoustic technology to substitute for face-to-face meetings. Leased telephone lines link the communications terminals at both locations with specially connected microphones for each participant in a teleconference. The electronic linkage provides discrete sound images at each location for each conferee. As a participant talks at one location, his associates at the other location are able to identify him through the sound-imaging techniques and the stereophonic qualities of the system.

The system is the result of extensive laboratory research by the New Rural Society task force to develop imaginative techniques in telecommunications for attracting business and government operations to rural communities to provide people for the first time with a choice of living and working in an urban or rural environment.

In my view, the New Rural Society project is a superb example of the benefits gained through Federal funding for research to the tax-paying citizen. The Union Trust Co., of course, benefits from the discovery of the teleconferencing system thereby increasing its own effectiveness and prosperity and the resultant effect on the overall economy. The money received from Union Trust's purchase is reinvested solely for research on the part of the New Rural Society projects and with that, the beneficial cycle is renewed. The overriding asset of such research is progress toward a more constructive means of energy conservation; vital to society's survival.

In all efforts of this nature strengthen and sustain the basis need for cooperation at all levels in research for technolocical advancement and the progress of civilization.

WOMEN'S RIGHTS LEGISLATION

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mrs. GRIFFITHS. Mr. Speaker, this week the Library of Congress released a comprehensive report on women's rights legislation enacted by or pending in the 93d Congress. Prepared by Morrigene Holcomb, analyst in the Library's Congressional Research Service, the report documents a broad range of congressional activity of special interest to women.

Among women's rights measures already enacted by the 93d Congress are provisions extending minimum wage coverage to domestic workers; providing for the equal enlistment and commissioning of women in the regular U.S. Coast Guard Reserve; and prohibiting sex discrimination in various federally funded programs. The report describes these and other measures and traces the legislative history of each.

In addition to enacted legislation, pending legislation is reviewed. The report examines bills of special interest to women in areas such as abortion, child care, credit, education, employment, family planning, insurance, rape, private pensions, social security, and taxes. About 100 representative bills are identified with sponsors and committee referral. The report also provides background information on the issues and summarizes legislative action to date. I commend the Library of Congress for sponsoring the preparation of this report and I recommend the report to all who are concerned about the law's treatment of women.

ORANGE JUICE INDUSTRY KEEPING PRICES REASONABLE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. VANIK. Mr. Speaker, in these days of skyrocketing prices, the American family is suffering marketplace disasters day after day as food costs make eating nutritionally balanced meals almost impossible. We see high costs of beef, pork, and lamb pricing these items out of reach of the average American diet, except, possibly on very special occasions.

At the same time we see the incredible sight of the Congress passing subsidy plans for the beef industry when it is the consumer who needs this subsidy just to put a decent meal on the table.

Yet, throughout this tumultuous time in the marketplaces of our Nation, the people who grow and process orange juice and other citrus products have continued to produce delicious, nutritious concentrates at prices Americans can still afford.

Orange juice at current prices constitutes one of the most desirable and nutritious foods available to Americans today at fair and reasonable prices.

I want to commend the citrus concentrate industry for policies which have increased consumption and which have added immeasurably to the health of the people.

The other producers of food an fibers have yet to learn that the domestic market is still the best and that any product that prices itself out of the reach of the consumer may price itself out of the American diet.

THE DISMAL SCIENCE LIVES UP TO ITS NAME

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. BADILLO. Mr. Speaker, for the past many months this Nation has been saddled with soaring inflation, a steadily rising rate of unemployment, rising taxes, the lack of real economic growth, and a variety of other severe economic dislocations, many of which have been seriously exacerbated by the so-called energy crisis. Throughout this period we have witnessed the administration's inept attempts to come to grips with this situation and the various unsuccessful devices employed to halt rising prices and stabilize the economy. We have also, it seems, become more conscious about general economics and we have seen and read a great deal about numerous economic theories—many of which have been proven inoperable in the present economic crisis.

Yesterday's New York Times carried a very timely article on the subject of economic theories and how so many of them have gone awry in trying to predict the future of the national and international economy and to effectively cope with the problems facing us. Because of the importance of the issue I commend this well-written article to our colleagues' attention and insert it herewith for inclusion in the RECORD:

[From the New York Times, June 26, 1974]

ECONOMIC THEORY GOES AWRY

(By Leonard Silk)

Among the casualties of the present inflation, economic stagnation, soaring interest rates and slumping stock and bond markets are major elements of modern economic theory. The economists, never the jolliest of men, are feeling even more dismal than usual—and guilt-ridden to boot.

Clearly they are in the White House doghouse.

President Nixon has boxed the compass of contemporary economic theory. He has successively been a disciple of Prof. Milton Friedman's monetarism, of the late John Maynard Keynes's fiscalism, of Prof. John Kenneth Galbraith's wage-price controls, of Prof. Paul A. Samuelson's dollar devaluation, of Professor Friedman's floating exchange rates, and finally back to Prof. Adam Smith's laissez faire and the old-time religion of cutting Government spending and balancing budgets.

Has the fault been in the execution of national policy or in the economic theories on which policy was based?

At every turn different economists—depending on which theory was currently receiving a workout at the White House—have put the blame on the politicians, especially for not holding to a line long enough.

That was the argument of the disciples of Professor Friedman who claimed that slow monetary growth was on the way to stopping inflation with only a modest increase in unemployment when the President switched to his new economic policy of Aug. 15, 1971, mixing price controls with fiscal stimulus.

Likewise, the fans of Professor Galbraith criticized the Administration for weakening controls when the 1972 election was out of the way—and just when controls were most needed.

THEORIES ARE FLAWED

Presumably, all economic theories are perfect and only political man is vile. In fact, however, all the currently contending economic theories are seriously flawed.

The first of these is the Keynesian fiscal doctrine, which was designed to give statesmen a means, in times of slump, for increasing total demand by cutting taxes or increasing expenditures enough to create full employment, and, in times of boom, to do the reverse—to reduce total demand enough to close the inflationary gap.

Admittedly, at high employment levels, a Government would have to decide between a little less unemployment or a little more inflation. But basically the problem of economic stability was held to have been solved.

The intended counterstroke to the Keynesian revolution was Professor Friedman's monetarist theory that a Federal Reserve policy of regulating the annual growth of the money supply to 3 to 5 per cent would assure reasonable price stability, high employment and fairly steady growth over time.

Automating monetary expansion would also obviate the need for detailed Government intervention in the economy and would permit steady tax reduction to reduce the bulkings of government. This appealed strongly first to the conservative Senator Barry M. Goldwater, Republican of Arizona, then to Mr. Nixon.

The third major economic doctrine, most prominently urged by Professor Friedman, but also supported by a broad range of international economists without regard to political ideology, was the idea that floating exchange rates, free to move up or down in relation to changing national balance-of-payments surpluses or deficits, would restore equilibrium to the world monetary system.

Floating exchange rates would also liberate national economic policy from external pressures—for instance to pressure to deflate the economy and accept higher unemployment to support too high a fixed currency rate, or to suffer inflation as a consequence of holding to too low a fixed currency rate.

But all three of these doctrines, far from being symmetrical as advertised, have proved to be highly asymetrical—that is, biased toward inflation.

Professor Samuelson, the Nobel Prize-winning economist whose economic textbook made Lord Keynes's theory accessible to millions of students all over the world, now recognizes that Keynesian doctrines, when combined with the normal political demands of electorates, are often an inflationary brew.

AGE AFTER KEYNES

Writing in the current issue of the Morgan Guaranty Survey, Professor Samuelson says: "We live in the Age After Keynes. Electorates all over the world have eaten of the fruit of the tree of modern economic knowledge, and there is no going back to an earlier age."

He himself does not want to go back, because he regards unemployment and depression worse evils than inflation. But he recognizes that "for anyone nostalgic for an era in which prices are reasonably stable and in which the purchasing power of money might even rise under the impact of cost-reducing technical change, the present general diagnosis may be profoundly pessimistic."

Friedmanism has done even worse in the marketplace of ideas and in the corridors of power, according to some observers. Henry Kaufman, a conservative economist who is a partner of Salomon Brothers, the big New York securities firm, has just attacked monetarist theory on grounds that, in the real world it works poorly—leads to an over expansion of credit, soaring interest rates, and disintermediation of funds from thrift institutions to commercial banks—and thereby worsens inflation.

Mr. Kaufman said at a conference sponsored by The Financial Times of London in New York earlier this month that "attempts at monetarism were a convenient vehicle for our central bank to shift to a technical approach as a way of escaping some of its basic responsibilities as the inflation took hold in recent years."

Mr. Kaufman favors intervention by the Fed to keep credit expansion reasonable. He would have the Fed use moral suasion, open letters of warning of disciplinary action, interest-rate ceilings, limits on housing and consumer financing and other forms of credit rationing, as it formerly did.

He said the removal of the Regulation Q ceiling on commercial banks' negotiable Certificates of Deposit, which was strongly supported by monetarists, had helped push interest rates sky high, had permitted commercial banks to increase their borrowings unduly and had increased the flow of money out of thrift institutions to commercial banks, jeopardizing the strength both of the savings institutions and of the housing industry.

Nor have floating exchange rates yet displayed a symmetrical effect in checking both inflation and deflation. Conceivably, in the long run, they will slow inflation by checking the tidal flows of dollars out of the United States. For the time being, however, many economists now believe that a depreciating currency in a time of inflation intensifies inflation in countries with payments deficits.

AMERICAN BEEF BOUGHT

Prof. Randall Hinshaw of the Claremont Graduate School in California noted that, following last year's dollar devaluation, United States beef was a "terrific bargain" for foreigners. Meat brokers rushed in and bought American beef until the price rose to the level of beef prices elsewhere.

But now that the price of beef is dropping, as higher prices have resulted in greater supplies, the Nixon Administration wants to buy surplus beef to help the American cattle industry. That is an example of how the modern "ratchet effect" works, to keep prices from falling, but not from rising.

Thus, as James Thurber might have said, we have seen beautiful theories slain by sordid political facts.

What is the lesson for economists? It might be, "All theory is gray and flawed; eat reality sandwiches, man."

* * * * *

This week President Nixon said, "We do not see a quick end" to inflation. With his Administration's forecasting record, this may be the best news in a long time.

HOUSE COMMITTEE REORGANIZATION

HON. JOHN C. CULVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. CULVER. Mr. Speaker, the privileged motion presented to the House today by the chairman of the Republican Conference (Mr. ANDERSON) deserved to be considered on its clear merits rather than as a matter of party prerogative.

The report and proposed reforms of the Bolling committee were addressed to the institution as a whole and seek to improve the working of this representative body over a long cycle of time. They are not intended to be fastened on the will of a single party, or a single faction, or a particular constellation of personalities.

The motion of Mr. ANDERSON gained added justification by the action of the Democratic caucus which routed the report into a subcommittee of no legislative standing, invisible to the rest of the membership and the public, without guidelines, and with the evident intention to foreclose consideration of at least major parts of the select committee report.

It is not easy to be one of only seven Democrats to vote against the leadership ruling. But in good conscience—with my membership in the select committee and with my long espousal of congressional reform, I could not fail to support the Anderson motion which would require immediate consideration by the Rules Committee of the Bolling report.

It would be inconceivable to abort the painstaking and good faith work made over a year and a half by a genuinely bipartisan committee proceeding.

IRISH FREEDOM WEEK

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. REID. Mr. Speaker, I commend to the attention of the Members some brief remarks made earlier this week by our former colleague, Richard L. Ottinger, on the occasion of Irish Freedom Week.

He speaks with strength when he describes, with a good deal of accuracy, how the United States has turned its back on Ireland, and how the cause of Irish freedom merits the attention of Secretary Kissinger and others who can lend their talents to a solution of one of the most pressing, and most violent, struggles in the world today.

I insert in the RECORD Mr. Ottinger's statement:

REMARKS OF RICHARD L. OTTINGER

I am for Irish freedom! It is long overdue. What a tragedy it is that after all these years we should still have to be fighting the same battle, still rallying to the same cause, while our brothers and sisters in Ireland suffer and die.

It is long past time for the United States to use its good offices to restore peace, justice and freedom to Ireland. If the United States, wisely or unwisely, can send troops to fight in Korea and Vietnam, spending billions of our treasure and gallons of our blood, then surely we can at least speak up for freedom from British oppression in Ireland—which is all the Irish ask.

If Henry Kissinger can go around the world making peace with China and Russia, then surely he can spare the time to go to Ireland. If his genius can bring settlement among the Arabs and Israelis, surely he can at least direct his efforts to end the suffering and oppression in Ireland.

Yet, the United States has turned its back on Ireland. Nary a word has been heard from this Administration or any other protesting British injustices, from the Acts of Suppression to the current internment without trial. It is long past time for us to act.

Ever since I entered public life some ten years ago, I have been at your side, pleading the just cause of Irish freedom. I can't count how many of these rallies I have attended, how many resolutions I introduced during my six years in Congress, how many speeches I have made asking that our country concern itself with the fundamental deprivation of basic human and civil rights in Ireland. While in Congress I was able to place the history of the Irish cause in the Congressional Record.

I was proud to help in the effort to free our own Ken Tierney and his fellow prisoners from their unlawful confinement at the behest of the British government in the jails of Texas.

And I am proud to stand with you today, at this time of greatest anguish and crisis, to call once again for compassion, humanitarian standards, and action for liberty in Ireland by the government of the United States.

Historically, if the United States has stood for anything, it has stood for freedom. It has stood for justice. It has stood for the rights of all people to free expression and freedom to select their own governments. It is sad that we have, in recent years, failed these fundamental ideals, supporting repressive governments from Vietnam to Greece and Spain in the name of expediency.

I call upon the President. I call upon our brilliant Secretary of State. I call upon them to speak up for the cause of civil rights in Ireland and to use their good offices to end the bloodshed that derives from injustice.

Until the United States acts for freedom in Ireland, freedom won't be secure in any corner of the earth.

ELECTRONIC SURVEILLANCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. KOCH. Mr. Speaker, Prof. Herman Schwartz, professor of law at the State University of New York at Buffalo, has written an excellent report entitled "A Report on the Costs and Benefits of Electronic Surveillance—1972." I would like to append material from this report for the information of our colleagues.

1971

1. Federal surveillance.

a. Authorizations and installations.

Federal wiretapping jumped sharply once again, this time to 285 authorizations and 281 installations; 56 extensions were granted. No applications were denied.

b. Offenses.

	Gambling	Drugs	Homicide	Kidnap	Other
Authorizations	251	22	0	0	12
Installations	248	21	—	—	12

The percentage of gambling jumped once more, this time to 87%, with drugs dropping to 7% and the Other accounting for only 4%. This drop seems inconsistent with the step-up in drug law enforcement and with the alleged value of electronic eavesdropping to that effort, see p. 79 below.

c. Place.

In 1971, as earlier, a few states accounted for the bulk of the eavesdropping, though the spread was much greater: New York (43), California (40), Michigan (35), and New Jersey (32), together accounted for over half.

d. Persons.

The total derived from the Appendix is 15,099, which is very close to the Admin. Off. Rep. figure of 14,893. The breakdown per offense, and the averages per installation by offense are:

	Gambling	Drugs	Other	All
Total	12,833	1,368	898	15,099
Average	52	65	75	54

These averages are again widely divergent from the earlier years. No ready explanation for these wide divergences comes to mind. The overall average of 54 is very close to the Admin. Off. Rep. figure of 53.

e. Conversations.

The Appendix and the Admin. Off. Report figures are very close: 256,720 for the Appendix and 257,396 for the Admin. Off. Rep. The offense breakdown and averages are:

	Gambling	Drugs	Other	All
Total	238,477	13,608	4,635	256,720
Average	962	648	914	914

f. Duration.

Again, the overwhelming number of installations were less than 20 days, with 14 on for 30-or-more days.

2. State surveillance.

a. Authorizations and installations.

Although the number of states with wiretap legislation increased by only one (to 19 from 18), with the number of states using the authority also rising by one (to 13 from 12) the number of authorizations and installations rose over 25% to 531 authorizations and 511 installations from the 1970 figures of 414 and 410 respectively.

b. Offenses.

The offense pattern showed a very sharp shift from the early surveillance in the first few years. Apparently following the federal example, whether consciously or otherwise, the states began to concentrate their wiretapping and bugging on gambling and, to a far less degree, on drugs. The 1971 figures for installations are:

Gambling	304
Drug	104
Homicide	18
Kidnap	1
Other	84

Fifteen additional gambling authorizations were not installed, swelling the gambling proportion even more. Thus, some 60% of the overall state tapping was for gambling, and 21% for drugs (including marijuana). This compares with a 1968 allocation of only 16% for gambling, and 42% for drugs.

c. Place.

As usual, New York and New Jersey accounted for most of the authorizations and installations: New York State prosecutors obtained 254 court orders, and New Jersey prosecutors obtained 187—a total of 441 out of the 531 total or 83%. This is a slight decline from the 85% and 88% in 1970 and 1969, respectively.

d. People overheard.

The average number of people overheard on these installations declined substantially so that the total number overheard did not increase as much as the 25% increase in installations might have been expected to produce. The overall average per installation was 34, (the 1970 figure was 43) and the total number of persons overheard rose to 17,410. This figure is also 723 more than the Admin. Rep. indicates (16,787).

The breakdown per offense (and the average number of people overheard per installation) are:

	Gambling	Drugs	Homicide	Other	All
Total	8, 332	5, 718	1, 410	1, 950	17, 410
Average number per installation	27	45	78	23	34

e. Conversations.

The number of conversations overheard also rose very little, as the average number of conversations also declined—from 665 to 470. The total number overheard in 1971 was 239,909, as against 230,255 in 1970.

The breakdown per offense is again interesting:

	Gambling	Drugs	Homicide	Other	All
Total	150, 269	43, 773	5, 150	40, 717	239, 909
Average number per installation	494	421	286	485	470

The great decline was in homicide interceptions, which in 1970 totalled 23,974. Otherwise, the averages did not decline so much and, where gambling is concerned, rose from 408 to 494.

f. Duration.

The sharp decline in average number of persons and conversations overheard is somewhat suspect for another reason: the actual number of days that electronic surveillance was employed rose almost exactly proportionately with the 25% increase in installations: from 8,837 in 1970, to 10,892 in 1971 (see Table 2 in Admin. Off. Rep.).

Again, there were some very lengthly installations among 445 reported (out of 511)—four of 200 days and over; five from 100–199 days; 25 from 60–99; and 88 from 30–59 days.

The mystery as to the proportionately low number of people overheard gets deeper, if one considers that not only did the number of days of surveillance increase, but the number of conversations did not proportionately decline, except with respect to the relatively few homicide installations—indeed, the average number of conversations involved in the single largest and sharply increasing gambling category rose by about 25%, from 408 to 494, and the proportionate share of gambling installations rose from 50% to 60%.

The great decline was of course, in the "Other" category but it is hard to understand why. In any event, that category declined in numbers and proportion—from 95 and 23% to 84 and 16%.

Moreover, why should the state gambling average number of people come to only 27 while the federal average is almost *double*—52.

All in all, the figures seem quite mysterious and—at least where persons are overheard—quite understated.

SUMMARY TABLES—AUTHORIZATIONS AND INSTALLATIONS TOTALS: FEDERAL AND STATE

	Orders			Installations			People			Conversations		
	Federal	State	Total	Federal	State	Total	Federal	State	Total	Federal	State	Total
1968		174	174		167	167		4, 250	4, 250		62, 291	62, 292
1969	33	269	302	30	260	290	4, 256	10, 400	14, 656	41, 929	144, 300	186, 229
1970	183	414	597	180	410	590	10, 158	15, 654	25, 812	143, 508	230, 255	373, 763
1971	285	531	816	281	511	792	15, 099	17, 410	32, 509	256, 720	239, 909	496, 629
1968–71 total	501	1, 388	1, 889	491	1, 348	1, 839	29, 513	47, 714	77, 227	442, 157	676, 755	1, 118, 911

INSTALLATIONS BY OFFENSE

	Gambling	Drugs	Homicide	Kidnap	Other	Total
1968:						
Federal						
State	18	68	20	1	60	167
Total	18	68	20	1	60	167
1969:						
Federal	20	4	0	1	5	30
State	78	80	19	1	82	260
Total	98	84	19	2	87	290
1970:						
Federal	120	39	0	0	21	180
State	204	84	20	0	95	[1] 403
Total	324	123	20	0	116	[1] 583
1971:						
Federal	248	21	0	0	12	281
State	304	104	18	1	84	511
Total	552	125	18	1	96	792
Totals:						
Federal	388	64	0	1	38	491
State	604	336	77	3	321	[1] 1, 341
Both	992	400	77	4	359	[1] 1, 832
Plus						[1] 7
Grand total						1, 839

[1] Plus 7 not indicated as to offense, totaling 410 and 590.

AVERAGE NUMBER OF PERSONS OVERHEARD PER INSTALLATION, BY OFFENSE

	Gambling	Drugs	Homicide	Kidnap	Other	All offenses
1968:						
Federal						
State	59	23	20	22	21	25
1969:						
Federal	101	145		(1)	332	147
State	48	27	16	19	54	40
1970:						
Federal	56	57			56	56
State	29	53	11		82	43
1971:						
Federal	52	65			75	54
State	27	45	78		23	34

(1) Not indicated.

AVERAGE NUMBER OF CONVERSATIONS OVERHEARD PER INSTALLATION, BY OFFENSE

	Gambling	Drugs	Homicide	Kidnap	Other	All offenses
1968:						
Federal						
State	551	369	363	24	332	373
1969:						
Federal	1, 512	1, 778		(1)	921	1, 446
State	524	405	1, 100	21	615	555
1970:						
Federal	1, 006	448			271	797
State	408	476	1, 351	(1)	566	665
1971:						
Federal	962	648			914	914
State	494	421	286		485	470

RHODESIAN BISHOP DESCRIBES PLIGHT OF BLACKS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. FRASER. Mr. Speaker, a few weeks ago I had the privilege of meeting a Catholic bishop from Rhodesia, the Reverend Donal Lamont, who also serves as chairman of the Justice and Peace Commission of the Rhodesian Bishops' Conference. Bishop Lamont, who is white and a native of Northern Ireland, described the deplorable conditions under which Rhodesian blacks are forced to live by the white minority regime of Ian Smith.

In a recent press release, Bishop Lamont stated that—

> The brutal treatment of blacks in Rhodesia "differs not in essence, but only in degree, from the persecution of the Jews by the Nazis. Blacks are subjected to torture, denial of due process when arrested, and discriminated against in educations and wages.

As the House considers the bill to repeal the Rhodesian chrome amendment, which was reported favorably by the Committee on Foreign Affairs this week, I urge our colleagues to take note of what Bishop Lamont has to say about the United Nations sanctions against the Smith regime:

> Sanctions are the alternative to physical force. They are a civilized manner of imposing a penalty on those who violate the human condition. They are not a punishment for Rhodesia's declaration of independence, but for Rhodesia's violation of the most fundamental human rights.
>
> We are told that sanctions hurt Africans more than Rhodesian whites. That's rubbish. They may reduce the possibilities of employment for the small number of blacks in industry but even those in industry, who are paid slave wages, want the sanctions in the hope of getting rid of the government.

Giving instances of the plight of the blacks, the bishop said further:

> Because elementary education is compulsory for white children but not for blacks, the government is required to support education for whites, but not for blacks. Two percent of the gross national product, the total value of goods and services produced by the national economy, goes into the education of Africans, who are 22 times more numerous than whites.
>
> Wages are 10 times higher for whites than for blacks and in many trades there are no apprenticeships for blacks.
>
> The per capita income of those living on the peasant economy, 60 percent of the population, is $29 a year.
>
> The Tribal Trust land assigned to Africans comprises 47 percent of the land area, but only 18 percent is suitable for cash cropping. Africans are 94 percent of the population.
>
> Of African children in school in 1972, 105,000 were not in school in 1973 because of the percentage control exercised by the government on those who can proceed further.

As long as the Rhodesian chrome amendment—or Byrd amendment—is in force, the United States will be contributing to the continuation of these gross violations of fundamental human dignity and rights.

FEA ADMINISTRATOR SAWHILL ENDORSES NUCLEAR POWER DEVELOPMENT

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. McCORMACK. Mr. Speaker, on June 26, 1974, John Sawhill, the Administrator of the Federal Energy Administration, addressed the American Nuclear Society.

I believe that Mr. Sawhill's comments are very well taken, and that they project policies for the nuclear industry which should be considered by all Members of Congress.

Mr. Sawhill's address is as follows:

VALIDATING THE NUCLEAR OPTION

Thank you for your invitation to address the American Nuclear Society, a prospect that I find both stimulating and intimidating.

It is intimidating in the sense that I am, as you know, a businessman and an economist; as such, I lack the technical background in nuclear energy to which so many of you have devoted your careers with such distinction.

Yet the task assigned to me as Administrator of the Federal Energy Office is vastly more intimidating. By November I must offer the President a plan by which the United States can achieve a capacity for energy self-sufficiency in the 1980s.

For the first time in our national history, an agency has been created by Congress at a President's request with this formidable mandate: to spell out a comprehensive national energy policy that has so far defied articulation, and to propose how it shall be implemented.

This, in brief, is the thrust of the Blueprint we are preparing for Project Independence.

But if this is an intimidating, almost overwhelming assignment, it is enormously stimulating. As Administrator, I must seek the best and broadest advice that is available, and for that reason I am delighted to be among you, to become personally known to you as my mentors in the times ahead.

Our energy needs today exceed our domestic capacity to meet them because of what we did, or failed to do, yesterday—we in Government, in industry, in the scientific community, or as private citizens.

I borrowed the title for this talk from the AEC's report, The Nation's Energy Future, which made the point—under the heading "Validate the Nuclear Option"—that "a self-sufficiency based on fossil fuels can only be temporary".

Certainly, if our sorry record of mismanaging fossil fuels is any warning, we cannot afford to lose any time in validating the nuclear option.

Today, when petroleum supplies most of the fuel for our nation's energy, we find ourselves importing 35 percent of the petroleum we need. And a rising share of that comes from the Middle East, where the flow has been interrupted by fighting four times since World War II.

A few producing nations grew to dominate 85 percent of the world oil export trade, and we drifted into a predictable crisis of overdrawn energy accounts at home, and an intolerable supply situation from abroad.

At least the October embargo and the unprecedented price increase for oil has shocked us into a sense of realism about our energy situation. And it has brought the Federal Energy Office into being.

So far, our efforts on Project Independence have focused on organizing teams of experts and contractors to assess the technical options for increased fuel supplies, and for fuel conservation, and to determine the physical or policy limits to their implementation.

Now the first results of this massive interagency effort are coming in. We have detailed estimates of the individual fuel supplies that may be available in the future, based on different policy and economic assumptions.

All these data are being analyzed to determine what is possible, given real world constraints, and what the cost may be.

This will give us a general approach to energy self-sufficiency, and particularly an assessment of the total cost to the nation of Project Independence. The costs will be economic, environmental and social, and one of the aims of energy R & D must be to reduce those costs.

This evening, however, the main thrust of my talk is nuclear energy and its relation to the overall picture. I cannot emphasize too strongly how impressed I am with the impact that nuclear energy *can*, indeed *must* make to our energy supply.

Even though everything feasible is done to increase our domestic supplies of other energy sources, nuclear energy will play an important role in the next 10 years, and a critical role in the decades that lie beyond the 1980s.

Our best and most recent projection suggests that by 1985, nuclear energy will contribute about 15 percent of the total energy used, and as much as 25 to 40 percent of our electrical energy.

With this deepening reliance on nuclear energy, I believe it is imperative that we discuss the topic in the context of three central issues: public acceptance of nuclear energy, uranium ore supplies, and siting of nuclear power plants and subsystems.

First, public acceptance. This is a sensitive issue since it involves concern over the technical problems of safety; concern stemming from a lack of knowledge and understanding of the issues; and the moral question of "how safe is safe enough?"

In viewing the risks of nuclear energy, I am struck by the fact that all acceptable methods for generating energy carry with them some public risks and environmental insults.

Therefore, we must be careful not to condemn any given energy option without considering the alternatives, and the associated risks.

Nuclear energy carries such a risk. A group headed by Professor Norman Rasmussen of MIT is just completing a study of the personal and property damage that could result from accidents to pressurized water reactor plants. This study involves an elaborate analysis of all the possible ways an accident could occur, with their probabilities and consequences.

The results are generally reassuring when they are compared with other risks to which people are exposed. For example, it is estimated that accidents which would be expected to lead to 100 or more fatalities have a probability of less than one in a million per reactor year.

The basic strategy of those in the business is to continue to reduce this risk, whatever it may be, commensurate with the overall costs to society. There are various ways in which this is being done:

Designing and constructing nuclear reactors to exacting standards and specifications;

Enforcing extreme quality assurance;

Standardizing components to increase the reliability and minimize chances of mistakes or failures;

Reviewing plans and designs at various stages of licensing and construction.

These all are familiar to this audience. While you may differ on how well these functions are performed, they are part of the pattern developed by the Atomic Energy Commission and industry to reduce the overall risks associated with nuclear energy.

What should be the role of FEA in this matter? We recognize that the public is concerned about the safety of nuclear reactors, the safeguarding of nuclear materials, and the management, treatment and disposal of radioactive wastes.

Since we have been charged with the responsibility for developing a national energy policy, we will examine these questions from the point of view of their impact on Project Independence, and we will support measures that will alleviate these concerns.

And we will work with the AEC to insure that the American people are as well informed as possible on this issue.

As we uncover new measures that will help confirm the validity of the nuclear option, we shall exert our influence to see that these measures are taken seriously.

Second, there is a question about our uranium resources—a disturbing question, because we are moving toward a heavy reliance on uranium without knowing how much is available to us.

The United States is already committed to facilities with the capacity to generate about 200,000 electric megawatts (MWe) of nuclear power. The projects we have made in connection with Project Independence indicate that by 1985, nuclear power capacity in burner reactors is expected to be 275,000 or more megawatts.

This amount of nuclear energy is almost equivalent to our 1973 domestic oil production. By the year 2000, nuclear energy may increase to upward of 1,200,000 electric megawatts; this could represent over 60 percent of the country's electric generating capacity.

Thus, our nation is committed to nuclear reactors as a primary element in our overall energy system. Even though a strong and vigorous effort is being devoted to breeder reactors, they will not have a strong influence on the industry until sometime after the year 2000. So we must look in the interim to burner reactors and to the uranium resources needed to fuel these reactors.

The average cumulative uranium requirements based on these projections will be about 500,000 tons of U_3O_8 for 1985, and 2,700,000 tons of U_30_8 for the year 2000. These figures, however, do not include the forward reserves needed to support the industry.

The conventional extractive industries usually count on a forward reserve of eight to ten years. However, these are mature industries backed by years of experience and competence, which assures us that these reserves can be made available when needed.

The uranium industry is different: it is relatively young, about thirty years old, and it supports nuclear industry growing so fast that today's ten-year reserve becomes by the mid-1980's only a one to two year forward reserve.

Thus, a prudent policy for the rapidly growing nuclear power industry would dictate at least a twenty-year forward reserve; many advocate up to thirty years reserves. Allowing for this provision would increase the 1985 and 2000 requirements plus reserves to more than 2 and 7 million tons of U_3O_8, respectively.

The supply of uranium is a function of price, which in turn is strongly dependent on the richness of the ore. And, to be sure, the cost of nuclear power is rather insensitive to the cost of U_3O_8, in the sense that a sharp increase in the cost of uranium results in only slight increase in the cost of power.

However, for those ores from which the U_3O_8 is estimated to cost $30 per pound, the uranium concentration is so low that even the richest ores require processing 20 to 25 thousand tons of ore for each ton of uranium oxide.

For example, mining the Chattanooga shales at costs in excess of $100 per pound of U_3O_8 might be economically acceptable, but would devastate vast areas of Appalachia's most beautiful hills. So we must examine alternatives which will avoid these

* * *

The AEC estimates of potential uranium reserves at up to $30 per pound are about 2.4 million tons of U_3O_8. Looking at these reserves in the context of projected requirements, remembering that we are only eleven years away from 1985, it is clear that between 1985 and 2000 we could be in deep trouble unless we take immediate and aggressive actions to guard against a potential uranium crunch.

In truth, the amount of our uranium resources in *any* price range is not really known. U.S. Geological Survey estimates that on the basis of the abundance of uranium in the earth's crust, the potential resources could be much greater than known reserves.

However, they are also concerned about the adequacy of uranium resources for meeting requirements. Others place the amount of uranium resources not far above the AEC's current estimates.

In view of these uncertainties and considering the marginal situation between estimated reserves and requirements, I consider that assurance of our uranium supply is a matter of vital importance.

Therefore, we must:

Determine domestic uranium resources as accurately as possible;

Provide incentives for private industry to develop these resources in a way to assure that U_3 0_8 will be available when needed by the nuclear industry;

Develop methods for maximum recovery of ores in an environmentally acceptable manner;

Establish a prudent policy for the import and utilization of foreign sources or uranium;

Finally, the question of nuclear energy centers. I wish to discuss a strategy which I believe would reduce the small risks associated with nuclear energy, and—perhaps more important—increase public confidence in and acceptance of nuclear energy.

Moreover, we have reason to believe that the concept of nuclear energy centers may lead to significant economies of scale.

As I indicated earlier, the nation is committed to a nuclear power economy for a very long time, using reactors that impose a slight burden upon the environment and carry with them a small risk.

Frankly, I do not believe that the very small routine emissions from reactors and their associated systems account for the public expressions of worry about nuclear energy.

I think it is rather the other three issues—safety, diversion of nuclear materials, and waste disposal—that bother people.

The present reactor siting practice has resulted in 120 dispersed reactor sites throughout the country. As many as four to six reactors are planned for a few of these sites, but the average number of reactors per site will be small for a prolonged period unless something is done to alter the trend.

One development now underway that moves in the direction I have in mind is the concept of clusters of barge-mounted reactors anchored offshore. This concept appears to have considerable promise in some areas, but clearly it cannot be the total solution to the nuclear siting problem.

If we continue our practice of small dispersed sites, we may have about 500 sites by the year 2000, with the number continuing to increase thereafter.

This raises the question whether we should continue the proliferation of nuclear reactors over hundreds of sites throughout the country within the next 40 to 50 years. Each site would be in some degree encumbered with a problem of safety, diversion, waste disposal and public acceptance.

Is there some way of directing our country's nuclear development so as to minimize these concerns?

The strategy I have in mind would involve the establishment of nuclear energy centers where we could concentrate, in large packages, the production of nuclear power and its associated subsystems of fuel recycle and radioactive waste disposal.

If each site could tolerate 10,000 to 30,000 electric megawatts of power, the number of sites needed by the year 2000 would be on the order of 100 to 150 sites instead of four to five times that number.

Where such centers are feasible, the advantages they offer are compelling.

First, the centers would have good security at less cost, and there would be significantly less external transport of radioactive materials. Thus, the diversion of fissile material would be made even more difficult than it is now.

Second, the centers would be built over a long period of time; the construction force would be stable, and the reactors would be even safer, and would be built faster and probably cheaper.

Third, the centers would have larger cadres of experts on hand with sophisticated equipment. They would greatly reduce the possibility of accidents, and they would cope better with any that might occur.

Finally, the confinement of radioactive operations to relatively few spots on our planet would surely reduce the amount of land that fission could ever conceivably affect. For example, new reactors would simply be built next to old, decommissioned reactors.

Just how feasible are such large centers? Would the local climate be changed to an intolerable degree by such concentrations of energy production? Would the energy system be unacceptably vulnerable to the loss of a single such center?

Would the licensing of such centers be easier or more difficult than for dispersed sites?

Could blocks of electrical energy as large as 10,000 to 30,000 electric megawatts be transmitted? Could the utility industry, fragmented as it is, accommodate to such centers?

Could legislative restraints and social patterns be altered to permit these arrangements which will involve profound institutional and social adjustments?

These questions are now being studied. Indeed, Congressman Mike McCormack has submitted legislation to the House of Representatives formally proposing such studies, and Senator Henry Bellmon has introduced a bill in the Senate which would provide for a nuclear power park site survey.

We are by no means alone in this area of interest.

Two Japanese electric power companies have bought land for a 20,000 electric megawatt nuclear energy center, with construction to start around 1977. And the U.S.S.R. is building two fossil fuel energy centers of 16,000 and 22,000 electric megawatts, respectively, to be on-line in the mid-1980's.

So, if we assume that the technical problems with energy centers and with transmission are soluble, how do we proceed from the current situation—with our nuclear systems widely scattered—to the clustering of facilities that seems so sensible?

Because of the way in which the light water reactor (LWR) industry has developed, it is not practical to incorporate all existing reactors into such centers. However, by beginning *now*, and moving positively in this direction, I believe we could establish an acceptable pattern under which most reactors constructed after 1990 could be placed in nuclear energy centers.

With breeder reactors, the opportunity may exist to do something before they increase in large numbers. In the United States, the fission breeders built or planned are on sites that are already nuclear centers. I'm speaking of the AEC facilities at Idaho Falls, at Hanford in Washington and at Oak Ridge in Tennessee.

So it ought to be relatively simple to locate liquid metal fast breeder reactors in a nuclear energy center environment from the beginning.

I do not wish to minimize the difficulties involved in developing these centers. Nuclear energy centers are not all-embracing, and do not give answers to all the problems.

Also, there are uncertainties to be resolved before the full extent of the application can be determined. The technical restraints are tough, and in areas such as transmission and climatological effects we still do not have all the answers. Furthermore, we have not yet thought through the social and institutional implications of such a change.

But, since nuclear energy centers could help resolve many of the issues that now threaten the viability of the nuclear option, an option which is in turn essential to meet future energy demands, I believe it is in our long-range interests to begin moving seriously in this direction.

Therefore, I urge this course of action:

First, we should carry out aggressively the studies that would resolve the remaining uncertainties about our siting policy.

And here I would call on you as members of the nuclear community to participate in the rigorous analysis that would be needed.

Second, if the studies show that there are no insuperable barriers to creating such centers—and I believe this will be the finding—then we should establish a firm national policy to locate nuclear facilities in energy centers beginning around 1990.

I recognize that these proposals are controversial, and that this talk is perhaps somewhat unusual for an ANS meeting.

Usually your speakers are people who have been closely associated with the nuclear community, and the nuclear community in some ways has been a closely knit, rather self-contained group.

Yet I feel that as Administrator of FEO charged with the responsibility for energy policy and implementation, it is important for me to raise critical questions about nuclear energy—question of public acceptance, of uranium resources, of nuclear centers.

The answers to these questions are crucial to the policy decisions which must carry Project Independence forward.

There seem to be impressive arguments in favor of the concept of nuclear energy centers.

Because this is so, I urge you to give these issues your immediate attention, and to work with us and with the AEC and others for their early resolution.

We need your best judgment on all the aspects that are involved, and we need it with the least possible delay.

Time is short, and the tasks are too complex for anything but the fullest cooperation of the nuclear community, industry, and government.

For the sake of our nation's future, we must validate the nuclear option.

You are the men and the women who can and who must spearhead this tremendous effort—and I feel enormously proud that I can join with you.

Thank you.

WHAT MY FLAG MEANS TO ME

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, I was very honored and pleased to receive a poem written by a 10-year-old girl, Kathy Carney, who is a constituent of mine from Whitman, Mass. Her poem expresses what the flag means to Kathy.

In a 1917 Flag Day message, President Wilson said:

> This flag, which we honor and under which we serve, is the emblem of our unity, our power, our thought and purpose as a nation. It has no other character than that which we give it from generation to generation. The choices are ours. It floats in majestic silence above the hosts that execute those choices, whether in peace or in war.

It is a pleasure for me to insert this poem in the CONGRESSIONAL RECORD as a tribute to the flag from one of our American youths who expresses what the American flag means to her generation.

Kathy shows in her poem how the character of the flag instilled by previous generations has not diminished to this day.

Kathy's poem is as follows:

WHAT MY FLAG MEANS TO ME

The flag is very brave
It looks so beautiful when it waves.

The stars are bright.
So pretty and white.

The stripes of red.
Are beautiful I said.

The background of blue.
To me means I love you.

The American flag
Will never be a drag.

REVENUE SHARING

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. CHAMBERLAIN. Mr. Speaker, in view of the great controversy regarding the merits of the revenue sharing program before its enactment, I found a letter just received from Roy E. Trim, city manager of Howell, Mich., outlining what that community had done with the funds allocated to it of particular interest. I include his communication in the CONGRESSIONAL RECORD so that it may be noted how advantageously this small city of about 5,200, a county seat located in a rural area in the heart of Michigan, used its funds:

JUNE 18, 1974.

Hon. CHARLES CHAMBERLAIN,
House of Representatives

DEAR CONGRESSMAN CHAMBERLAIN: In some news articles I have read there were implications that congress is questioning the value of Federal Revenue Sharing.

Revenue Sharing has been a big help to the City of Howell. The first $100,000 was used to help finance the present construction of a much needed sanitary interceptor sewer. The total cost of the project will be approx. $550,000. This project was delayed over 10 years because of a lack of financing.

The next $100,000 will be used to help finance the completion of a 12" watermain loop around the city to improve water pressure for fire protection. This project will cost approximately $510,000. The first half of this watermain loop was completed more than 10 years ago but the City has been unable to finance the remainder.

By June 30, 1975, the City will have received approximately $279,000 in its Revenue Sharing Fund, including interest received on the money until it is spent. The remaining $79,000 is budgeted for construction of a new fire station. Purchase of a suitable site and construction of the station will cost at least $250,000.

These three projects are only a small part of the City's capital improvement program for the future which is more than $14,000,000. Future Street improvements is estimated at $8,000,000. Many streets in Howell are in very poor condition.

The City has filed for a Federal and State grant to finance enlargement and improvements to the Sewage Treatment Plant estimated to cost $3,000,000. The City's share of the cost will be approximately $600,000. The City will have to sell bonds to finance the city's share of the cost.

The City tax rate on property owners is presently 18 mills on the State Equalized Valuation. This rate is higher than most cities in Michigan.

As you can see, the City of Howell's needs are great and Federal Revenue Sharing is a big help to us. We hope that the program will be continued in the future.

Sincerely,

ROY F. TRIM,
City Manager.

WILLIAM W. BELCHER, SR., OCTOBER 25, 1889–JUNE 23, 1974

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. NIX. Mr. Speaker, William W. Belcher, Sr., was born in Augusta, Ga., October 25, 1889, to Maggie Martin and Lucius Clinton Belcher. He was brought to Washington, D.C., at an early age and was educated in the public schools of the District of Columbia.

He lived a vibrant, colorful, dedicated life with strong feelings about work, friendship, family, religion, and life in general. Seldom was one in doubt about what he believed or where he stood.

In May 1938, William served as foreman to the jury for the Arlington County Circuit Court which upset a precedent set in 1779 barring the showing of movies on Sunday in Arlington County, Va., which for the first time presented a new interpretation on an old "blue law" enacted 3 years after the U.S. Constitution was signed.

Wilfred A. Peterson, in the "Art of Living," said that the art of work is making it "a reflection of your faith, your integrity, your ideals." These qualities were demonstrated by William first, when employed by the Federal Works Agency, Public Buildings Administration. He greatly reduced the seriousness of a fire by rushing to the scene and fighting it till overcome by smoke and fumes.

William again demonstrated his integrity and ideals at an assassination attempt by four Puerto Rican Nationalists at the Capitol Building on March 1, 1954, in which five members of Congress were wounded. William, the beloved and highly respected doorman, rushed to the gallery and there seized and disarmed the would-be assassins.

Tributes appeared in the CONGRESSIONAL RECORD, volume 115, Thursday, November 6, 1969, No. 182, with lavish praise and devotion to him upon his retirement as doorman. It was reported by one Congressman that he was an outstanding gentleman. "Always courteous and gracious in the conduct of his duties adding significantly to the luster of the House and its traditions."

He was a member of the 19th Street Baptist Church and belonged to several clubs of the church. He served on the usher board with typical zest, dignity, and fervor. His visits and service to the sick shall always be remembered.

For over 53 years he was married to the former Annie Perkins and was the loving father of four children, Clara Belcher Rhone, Edith Belcher Tate, both deceased; William W. Belcher, Jr., and Harold P. Belcher, Sr. In addition he is survived by nine grandchildren and three great grandchildren.

William lived in Arlington, Va., at 2021 South Fillmore Street.

On June 23, 1974, at 11:15 p.m., in George Washington Hospital he slipped quietly into eternal life. Though we deeply mourn his passing we find solace in the words of the hymnist:

Here bring your wounded hearts
Here tell your anguish
Earth has no sorrow that heaven cannot heal.

A BAD DAY FOR THE AMERICAN TAXPAYER

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. VANIK. Mr. Speaker, the other body defeated a series of amendments which would have terminated the depletion allowance and other tax loopholes and provided some small measure of tax relief for the individual American taxpayer.

Yesterday, Treasury Secretary Simon said that the Nixon administration is "taking a careful look at the idea" of tax cuts for business as a way of stimulating new investment. Once again, as in 1971, the administration is seeking to solve the problems of inflation by reducing the taxes of large corporations and letting the individual taxpayer bear the brunt of inflation and taxes.

The American taxpayer should ask Secretary Simon why new tax breaks are needed for business investment? Would new tax breaks help Mobil Oil—which is planning to buy Montgomery Ward and the Container Corp. of America—instead of making new and needed energy investments? According to Tax Analysts and Advocates, a public interest tax research group, the effective Federal tax rate of ITT last year was 4.2 percent. Gulf Oil paid 1.6 percent, and Texaco paid 1.5 percent. Do these companies need more tax breaks? Does American business need new tax breaks when business profits went up an average of 27 percent last year—while the take-home pay of most Americans declined?

The Congress should squash Secretary Simon's plan before it goes any further.

WHY PUNISH THE VETERANS OF AN UNPOPULAR WAR?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. BINGHAM. Mr. Speaker, because most Americans hated the Vietnam war, they seem to want to forget that to fight that war we levied an unfair draft, forcing tens of thousands of young men with the least economic opportunity to interrupt their lives and fight in the jungles of Vietnam. They did this while millions of their more fortunate peers "deferred" their obligations and preserved their lives on college campuses. Those with the least education slogged through the rice paddies, ran the highest risks, and lived the most unpleasant lives of any in their generation.

The military draft itself has been abolished, but the veterans who served in our Armed Forces, many of them because of that draft, have been nearly forgotten by many people both in and out of Government. Budget bureaucrats try to cut back on costs of veterans programs, and a weary, confused people would like to put Vietnam and all its consequences out of mind.

Rather than concern we have neglect. Unemployment for veterans is substantially higher than that of their nonveteran contemporaries, and part of the problem is lack of an adequate education. Ironically, one reason that lack is so damaging today is that the spectacular success of the World War II GI bill converted a college education from an elite experience to a requirement for almost any white-collar career. Yet so far the Vietnam veteran has been denied the same kind of benefits for a postsecondary education that his World War II and Korean war predecessors had.

In the late 1940's the Veterans' Administration paid for tuition, fees, and books at any college or university in the United States the veteran chose to attend, up to a maximum of $500 a year. In addition, the veteran was given a monthly living allowance of $75 a month.

Today's educational benefits for veterans are substantially higher in dollar terms—$220 a month, in toto, for a single person—but they fail to take account of the much higher increase in tuition costs. Since World War II the increase is fivefold at private colleges and universities.

Under the current GI bill, the entitlement is supposed to include the cost of tuition, based on a supposed national average of $419 a year, but this is far below the cost of tuition at most private colleges and at many State institutions. At Penn State, for example, the tuition for the year 1972–73 was $855, to which would have to be added some $216 for books and supplies.

What all this means is that all but the most ideally geographically situated of our ex-soldiers find it quite expensive to use the GI bill. The State with the most famous system of high quality, State-supported, postsecondary education is California, and 39.5 percent of the Vietnam-era veterans there have used their GI bill educational benefits for training at a college or junior college. Their rate of participation is the highest in the country. In Vermont the utilization rate is only 13.5 percent. Vermont is also the State with the highest tuition charges for public postsecondary education. The remaining States fall in between, depending on what the going rate is for a college education.

This is the cost in justice and effectiveness of providing educational assistance to veterans on the basis of an average. It is as if once a soldier arrived in Oakland from his tour in Vietnam he were given the average price of an airplane ticket home. Those who lived in California would have money to spare; some would barely make it; and half would not.

Veterans flying home on "freedom birds" to "the Land of the Big PX" thought they had earned some help, something already paid for, through the GI bill. That is what history and the American experience had led them to believe would be theirs. For some, those expectations have been fulfilled. For others, they have proven a disappointing hoax; Uncle Sam has turned out to be a skinny, empty-handed Santa Claus.

It is not as if we did not have the financial ability to supply our veterans with an education. Rather we are in the reverse position of having well-equipped schools on the brink of crisis and in some cases collapse, because they do not have enough students.

To correct this shameful situation, only marginal adjustments are required: a tuition equalizer should be worked into the GI bill, together with a cost-of-living increase. Legislation to do this has passed the Senate and is pending before the House Veterans' Affairs Committee and a conference committee considering amendments to the GI bill. If it is enacted, not only will the quality of opportunity offered to veterans have improved and become more equitable but we will have taken an important step toward making more productive use of our educational resources.

If we now forget these ex-soldiers, we will be like Tom and Daisy in "The Great Gatsby," F. Scott Fitzgerald's symbols of amoral wealth.

He wrote:

> They were careless people. They smashed up things and creatures and then retreated into their money or their vast carelessness, or whatever . . .

That is an image of life and of ourselves which we must reject as forcefully as we can. We can begin by refusing to forget the Vietnam veteran; by refusing to treat him as a statistical average instead of an individual faced with real and individual problems; and by doing as much as Government ought to do. If we do this, we will build lasting memorials to the dead of the Vietnam war not in marble but in the lives of their comrades.

Mr. Speaker, at this point in my remarks I would like to include several editorials from newspapers across the country which endorse the concept of direct tuition payments for our Nation's veterans:

[From the Miami Herald, June 21, 1974]

Vietnam Vets Deserve Better

The Senate has passed but leaders in the House Veterans Affairs Committee and the Nixon administration are opposing a bill which would give college tuition loans and grants to Vietnam veterans, just as veterans of World War II received. The Senate bill provides up to $720 a year for tuition costs and makes available $2,000 a year in loans.

We are well aware of the "educational" abuses of the GI bill in World War II. With billions in federal money up for grabs, phony trade schools flourished to a scandalous degree.

The Senate Vietnam bill, however, has safeguards and controls which its sponsors say will work, for it also has the benefit of experiences learned 30 years ago when the nation's heart and purse went out to its war veterans. Are the young men of today any less deserving? Of course not.

[From the Philadelphia Bulletin, Oct. 30, 1973]

Tuition for Veterans

It's time that Congress and the Nixon Administration faced up to the fact that education benefits under today's GI Bill are simply not the equivalent of those granted World War II veterans.

While individual monthly allowances are higher today, $220 for single veterans as compared to $75, this is no real gain. Both amounts, because of inflation, work out to roughly 35 percent of average U.S. monthly earnings for the corresponding periods.

The Veteran of 25 years ago, however, also got his college tuition paid. Thus he was more inclined and able to carry on his education than the Vietnam veteran who must pay for tuition, books and fees, as well as food and shelter, from his grant.

About 20 percent of Vietnam-era veterans had less than a high school education when they entered service. Of these, only about 3 percent eventually became college enrollees.

The answer, quite obviously, is to equalize educational opportunities throughout the nation by granting tuition payments direct to universities in addition to individual allowances to student-veterans.

The Education and Training subcommittee of the House Veterans Affairs Committee last week recommended increased monthly grants to veterans enrolled for education, plus certain other improvements in the GI Bill. It also determined to look into the idea of paying direct tuition which the Administration, unfortunately, opposes.

In fairness to today's veterans and the nation, the Vietnam GI Bill should at least match that of World War II.

[From the Detroit Free Press, April 28, 1974]

As We See It: Vietnam Veterans Deserve a Better Deal From the United States

Vietnam-era veterans have been folded, multilated and spindled by the war and redtape artists back home in ways different from, and possibly greater than, veterans of the nation's earlier wars. Yet these youngest in a nation of veterans come home to find their government less willing than in the past to compensate them for lost time and opportunities. They are getting short rations in education, jobs and medical care to a degree that is clearly a national shame.

Promises by the Congress and by the Nixon Administration have proved hollow, and the bitterness that is developing threatens the health and well-being not only of the veterans but also of the Nation.

There are more than six million of them. To a greater degree than in previous wars. they are mostly the sons of poor people who could not afford to place them in the sanctuary of the nation's colleges and universities. They have little clout, and their parents have little clout.

And never before has there been such a high percentage of returning veterans with such a lack of motivation and preparation for university entrance.

President Nixon's recent promises are hard to take very seriously in view of his impoundment last year of funds intended to improve veteran's health, job and school benefits.

The Vietnam veteran had plenty of reasons to be cynical when he was bundled off to the war while the sons of more prosperous families drew draft deferments. Now he is under suspicion of being a dope addict, of having participated in atrocities, and, in some circles, of being a coward for not resisting service.

He is wary of red tape and unwilling to join veterans' organizations that have in the past been effective in lobbying for veterans' benefits. He has to be located and convinced somebody cares about him.

Those who can qualify and are still young enough to be interested should have enough money to live on during their schooling, and a separate tuition grant, as did the veterans of World War II.

Those who cannot qualify or are not interested must have jobs, and their unemployment rate is high, particularly for minorities. The veterans of the early phases of Vietnam are now crowding 30. Real attempts to place them in jobs are not very visible, and the big campaign of a year ago to induce private employers to hire them was a fizzle.

With education and jobs, thousands of veterans can yet move into the main stream of American life. They must obtain real assistance or they are a danger to themselves and to the nation. They are getting a raw deal, and they know it.

[From the American Legion magazine, June 1974]

The Sorry State of Vietnam Vets' Education—And What To Do About It

(By Robert E. L. Eaton)

The chief difference between the WW2 GI Bill education program and the Vietnam benefits is that in addition to a subsistence allowance, the WW2 veteran got up to $500 toward his tuition, books, etc. In those days, this covered the entire cost of tuition and books at most colleges.

The American Legion estimates that a similar allowance, not to exceed the actual cost of tuition, fees, books, etc., and with a ceiling of $1,000, would serve fairly well under today's soaring education costs.

But Vietnam veterans get no such allowance at all. Their subsistence allowance is their entire GI benefit. If they can't pay for their tuition, books, fees, etc. out of their $55 a week "subsistence" they can forget about school unless they have ample means from other sources.

The average cost for books and miscellaneous fees at most colleges today is put at about $216, or just about one month's Vietnam GI "subsistence." Tuition fees range all up and down the scale, and are going up. some state universities, tuition is free for veterans of that state, which is a real break for as many resident veterans as they'll accept. In others, it is as high as $890 for residents and $1,000 or more for non-residents. Private colleges and universities may charge up to $5,000 or more with no break for state residents. Some purely technical schools below college level charge over $2,000 in tuition. Tuition in the neighborhood of $700, which is quite common and due for a further raise next fall, would take every cent of 13 weeks subsistence allowance.

Nevertheless, the program has worked "well" enough to permit a large number of rosy statements from government sources citing its "success." Large numbers of Vietnam veterans have been able to use their GI benefits. But citing the raw numbers hides the discrimination against the neediest veterans that is built into the meagerness of the Vietnam education program to date.

The $55 a week has been of great value to those veterans who have enough money of their own to make up for its inadequacy, or whose parents can afford them substantial help, or who have been able to qualify for substantial scholarships or loans, or who are lucky enough to live in those states with the most progressive state university programs for their young citizens.

State aid seems to account for a large percentage of college attendance by Vietnam veterans for which the federal government has tended to credit the Vietnam veteran's GI benefits. California, with an excellent state university program, seems to have a veteran enrollment of about 37%. Vermont, whose state program is no match for California's, shows about 14.2% veteran enrollment. West Virginia, Indiana and quite a few others don't show a great deal more. This situation has been continuous since the first substantial number of Vietnam veterans began to be discharged nearly ten years ago.

Many borderline Vietnam veterans (financially) are going to college but can hardly be considered a success for the GI program. They have made it by shopping around for the cheapest course in the cheapest college, often abandoning the course of study they preferred because it wasn't offered in the schools they could afford to attend.

The worst situation by far, however, is the plight of the Vietnam veteran without other resources, who simply cannot go to school at all.

The Legion has been seeking improvement for some years but without much support from other segments of the public. Two years ago the Harris poll took an interest. It reported, after a survey, that 59% of Vietnam veterans didn't apply for GI school benefits, and as many as 83% of these indicated that there was no point in applying because there was no way they could afford college even with their GI benefits.

The nub of the problem is quite simple. Vietnam veterans need a tuition and book allowance on top of their subsistence payments. Only the Congress and the President can provide it. Neither President Johnson nor President Nixon ever gave Administration support for GI tuition and book allowances. News programs sometimes blame the Veterans Administration. The VA has consistently opposed tuition payments while issuing statistics about the success of the present benefits. It does this as an arm of an Administration which is opposed to tuition aid. But the VA cannot grant tuition allowances until the Congress enacts authorization, and if it does, the VA then must pay the allowances. The Congress has never approved tuition allowances and has rejected the appeals of Vietnam students and the Legion, working together.

What we were able to get was a gradual increase in the subsistence allowance to the $55 a week in effect last year. The House of Representatives has recently approved a 13% increase for next year, bringing the weekly allowance for a single, full-time student to about $62. Though any increase would help, this would hardly solve the problem. In fact, its chief effect would be to keep the present situation from getting worse in the face of mounting educational costs, every aspect of which is rising faster than the cost of living.

It is ironical to think that it was the sins of the colleges and universities a generation ago which have been invoked to deny an education to the Vietnam veterans who need help the most—and not the nature of the Vietnam war, as many **have said.**

It is entirely possible for Congress to devise a program granting tuition which the colleges could not so easily abuse, and I am happy to report that the Senate Veterans Affairs Committee is now considering several bills to provide a tuition allowance to Vietnam vets.

Since there is no such provision in the House bill—while the President and the Veterans Administration actively oppose tuition—I hope that the public will now get in the act and write vigorous letters to their Representatives and Senators to support such a measure. I hope the media will keep it up, too, and will do more to spell out what their audiences can do to help. It isn't very hard to do. Demand reasonable tuition and book allowances for Vietnam veterans, so that the neediest veterans can benefit as much as those with more ample resources.

THE REPUBLIC OF CHINA SUPPORTED BY LOUISIANA

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. RARICK. Mr. Speaker, the Legislature of the State of Louisiana has enacted a resolution showing strong support and friendship for the Republic of China and its people.

I ask that the Louisiana House of Representatives Concurrent Resolution No. 2 follow at this point:

HOUSE CONCURRENT RESOLUTION NO. 2

A concurrent resolution to urge the Government of the United States to do nothing to compromise the freedom or security of the Republic of China

Whereas, the United Nations has expelled the representatives of the Republic of China from membership and seated in their place a delegation from the Communist government which occupies mainland China; and

Whereas, the United States Government has in recent years established contact with the leaders of said Communist government; and

Whereas, rumors persist that the United States Government intends to extend diplomatic recognition to the Chinese Communists; and

Whereas, the Republic of China was a founding member of the United Nations and has always been a law-abiding member of the community of nations; and

Whereas, the people of the Republic of China have built a successful, prosperous, free economy out of the ashes of a half-century of revolution, invasion and civil war and now serve as an important trading partner of the American people; and

Whereas, the Republic of China is of great strategic importance in the defense of East Asia and the Pacific and has always utilized its military power in the interests of the free world; and

Whereas, the people of the Republic of China have been among the most trusted friends and allies of the people of the United States since the founding of the Chinese Republic sixty-two years ago. Therefore, be it

Resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the government of the United States of America is hereby strongly urged to do nothing which would compromise the freedom or security of the Republic of China or its people. Be it further

Resolved that a copy of this resolution shall be sent to the President and the Secretary of State of the United States of America, the members of Congress from the state of Louisiana and the Ambassador of the Republic of China to the United States.

DR. THOMAS OWEN LEAVES NATIONAL SCIENCE FOUNDATION

HON. JOHN W. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. DAVIS of Georgia. Mr. Speaker, the House Subcommittee on Science, Research, and Development, which has oversight responsibility for the National Science Foundation, has learned with regret of the resignation of Dr. Thomas B. Owen as the Foundation's Assistant Director for National and International Programs, a post he has held for the past 4 years. Dr. Owen, in leaving the Foundation to accept an administrative position with American University beginning July 15, ends a long and distinguished career of Federal service.

Appointed by President Nixon in June 1970, Dr. Owen became NSF's first Assistant Director for National and International Programs. Before that he served for three decades in the U.S. Navy, holding the important scientific posts of Chief of Naval Research; Director, Naval Research Laboratory; Director of Applied Sciences Divisions; and Director, Research and Development, Planning Division, Navy Bureau of Ships.

A native of Seattle, Dr. Owen was graduated cum laude with a B.S. degree in chemical engineering from the University of Washington in 1940. This was followed by 5 years of combat duty with the Pacific Fleet. He remained with the Navy at the end of World War II and served continuously as a Naval officer—achieving the rank of rear admiral—until he accepted the civilian post with the NSF in 1970. His graduate training included work in electronics at the U.S. Naval Postgraduate School—1946–47—and in the Navy Advanced Science Program, Cornell University, where he received the Ph. D. degree in chemistry in 1950. The following year—1950–51—he pursued postdoctoral work at the University of Amsterdam. In later years, he attended the Industrial College of the Armed Forces and the Harvard Graduate School of Business Administration.

With this background, Dr. Owen came to NSF eminently qualified to administer its national and international programs. During his 4 years at the Foundation he established, in the words of Guy Stever, the NSF Director, his abilities as "a superb administrator and manager." Under Tom Owen's direction, outstanding accomplishments have been made in major national and international scientific programs, to which he points with pride in submitting his resignation to the President. The International Decade of Ocean Exploration, the multi-institutional and world renowned program, has been developed. Polar research is underway in both Arctic and the Antarctic regions. A major extension of research important to resource recovery and the environment in the Alaskan Arctic has been effected, and the NSF has assumed complete responsibility for planning and managing the entire United States program for Antarctica. Upgrading of the world's largest radio telescope in Arecibo, Puerto Rico, is nearing completion. Initial construction has begun and plans are well-laid for the completion of the very large array, near Socorro, N. Mex., which will be the most sophisticated radio telescope array in the world. A program has been started to improve the management of research programs at institutions that receive substantial Federal research support. The NSF international science programs have grown steadily and now include cooperative programs with a number of nations.

The Subcommittee on Science, Research, and Development expresses its appreciation also to Dr. Owen for his long and distinguished record of service in the U.S. Government and, in particular, for his contribution to scientific research and to the Federal Government's role in the support of science. It has been a privilege to know him and to have the benefit of his wise counsel in the conduct of our committee responsibilities, particularly as they relate to oversight of the NSF programs. We are glad to know that he will continue to be in Washington where we can call on him if we need him, and we wish for him and his family great happiness and satisfaction in his new assignment.

CORRECTION OF REMARKS REGARDING ACTIVIST GROUPS AND THE FEDERAL JUDICIAL SYSTEM

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HUDNUT. Mr. Speaker, on April 8, 1974, I called the attention of this House to the fact that Legal Services Organizations appeared to be derogating their original purpose of serving the legal needs of the poor and disadvantaged, citing as an example statements taken from a radio interview program called the "Manion Forum." Some of the data upon which my remarks were based appears to be in error.

With reference to the case in Alabama mentioned in my statement, it has been called to my attention that the suit was brought originally by two private attorneys from the State of Alabama and it was in the middle district of Alabama rather than the northern. ACLU lawyers from New York appeared only as amicus curiae and Legal Services attorneys were not involved in the case. It has also been called to my attention that the Federal judge ordered 300 "resident care workers" to be employed in Partlow State School in Alabama, and not 300 psychiatrists. The resident care workers are employees of the institution whose duties require regular contact with or supervision of residents, and they are not highly qualified medical personnel.

I offer this information to correct any misinterpretation which might have been derived from my remarks with regard to the activities of LSO attorneys insofar as their participation in this Alabama case is concerned.

THRIVING COMMUNITY MENTAL HEALTH CENTER PROGRAM AT MARYMOUNT HOSPITAL

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. JAMES V. STANTON. Mr. Speaker, recently the Neighborhood News, one of the fine weekly newspapers in Cleveland, Ohio, published an article describing the work being done at Cleveland's Marymount Hospital through the Community Mental Health Center program. I commend this article to the attention of my colleagues, for it shows how institutions such as Marymount are taking advantage of this program to the end of providing much-needed mental health services that are accessible to all. The job it has done affirms the wisdom of Congress' commitment to continue the Community Mental Health Center program.

The article follows.

MARYMOUNT'S MENTAL HEALTH CENTER NOW OVER 2 YEARS OLD

When the Mental Health Center of Marymount Hospital was formally dedicated over two years ago on January 12, 1972, it held forth the promise of a "new day of hope for mental health."

Today, after the initial opening and a gradual phasing in of increased staff and programming, services offered by the Center have broadened to provide comprehensive mental health care in five areas: inpatient, outpatient, emergency, partial hospitalization and education and consultation.

The Center admitted its first patients in March, 1972, when those receiving treatment in the original psychiatric wing in the Main Building were transferred to the 40-bed facility for full hospitalization at the Center. Here, short-term intensive treatment with strong emphasis on patient activity is available for people with distressful and disabling problems. Patients are involved in such activities as group discussions, exercise clinics, beauty clinics and family nights. Rate of occupancy has remained near the 90% mark throughout the Center's two-year history.

From November, 1972, to October, 1973, there were 552 admissions to the Center. The opening of the Center has provided staff and facilities for increased group effort, discussion and therapy to promote a total therapeutic atmosphere for patients.

Emergency service was instituted shortly after the Center's official opening. This service continues to be provided on a 24-hour-a-day basis with treatment available at the Center during the day and through the hospital's Emergency Room at night in consultation with the Center's staff. This help is designed to deal with crisis situations and is readily accessible to people with problems. Emergency service may be either walk-in or consist simply of a telephone call. Quick intervention in a crisis can frequently prevent long-term, chronic disability. This is especially true for deep depression and potential suicide—the largest group of mental illness emergencies.

With the careful selection of additional trained and experienced mental health professionals, services to out-patients (those who receive treatment on a come-and-go basis) where phased into operation on July, 1972. The Outpatient staff currently consists of two psychiatrists, a psychologist and two social workers who work closely with one another in offering joint treatment to the patient. A special treatment team from the Cleveland Child Guidance Center is available for children and adolescents. Total Outpatient services amounted to 2,995 visits last year. Largest age group receiving outpatient services is between 15 to 19 years of age.

Outpatient services consist of both diagnostic and treatment services emphasizing a short-term program of care to help individuals and families cope with their problems. These services available for children, adolescents and adults, include individual and group therapy, marital counseling, family counseling or crisis intervention. Latest innovation is a medication program for those patients who need to be on a maintenance program. Former patients of the Center receive follow-up care through outpatient services and within the environment of home and family.

Some educational programs carried through the Center are joint ventures with our community agencies. They include those at University Settlement, Broadway Extension, which involve discussion with young mothers on child-rearing and family living; the Well-Baby Clinic, with the Center providing sessions between the mothers and a psychologist from the Center as an informal educational program; the County Nurses' Workshop, where seminars on mental health are held for nursing school faculty and the county nurses; and the Marymount Rehabilitation Services, with the Center providing examination and evaluation of clients, counseling services for these clients and a training program for the teaching staff.

This June, the Center began its fifth service—partial hospitalization. This program can best be described as on-the-job training for daily living. These people do not need full hospitalization but stay at the Center for only a part of each day. They use the experiences they gain in the Center to function more fully as individuals when they return to home and job situations. The purpose of the present program is to provide an alternate to complete hospitalization. For some partial hospitalization may help with the transition from 24 hours to a return to home, family and job. For others partial hospitalization can help those with a limited life style to develop new interests or make better use of community resources. The day treatment program is centered around group activities.

Activities therapists at the Center provide a diversity of prescribed programs for patients receiving inpatient care, outpatient care and those under partial hospitalization. Group programs are centered on six basic activities to cover the full scope of patient needs. Social activities such as square dancing and craft demonstrations provide fun and relaxation with other people. Stimulating diversions through music or gym periods are scheduled on a regular basis. Work-type therapy is used to help those who may have experienced job difficulty from lack of confidence or difficulty in accepting authority. Volunteer efforts encourage patients to do something for others and creative work in writing or crafts allows them self-expression. Spiritual services are also held for the patients and conducted by members of the pastoral counseling program as well as by clergymen visiting patients here.

Service can be obtained by simply phoning Marymount (581-0500) and asking for the Mental Health Center or by merely walking into the Center during the day.

What about fees at the Center? Payment of the Center's services can come from the patient himself or from third party payers such as insurance companies, Medicare or Medicaid. Additionally, a grant from the Cuyahoga County Mental Health and Retardation Board enables services to be rendered to people who are unable to pay. The ability to pay or not pay is never a condition for receiving the Center's services.

For detailed information on any of the programs, contact the administrative director's office at the Center. The Mental Health Center is located at 12300 McCracken Rd., Garfield Hts.

THIRD WORLD CINEMA OPENS DOORS FOR MINORITIES IN THE MOVIES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. RANGEL. Mr. Speaker, some weeks ago I thoroughly enjoyed a film entitled "Claudine." It was a film which very truthfully portrayed the problems of a welfare mother who was trying to cope simultaneously with a new boyfriend, five very active children, and the omnipresent oppressive welfare system.

I enjoyed the film not only because it so clearly portrayed the truth and because it was filmed in my home community, but also because it was filmed by a group which was formed by my good friend, actor-director Ossie Davis, called Third World Cinema. Third World Cinema has been attempting to provide training opportunities for blacks and Puerto Ricans in the making of films. These skilled lucrative careers have been in the past denied to minorities, because of lack of training and opportunities. Ossie Davis, however, and those who have worked with him in Third World Cinema, have determined that the best way to break open the closed doors is through providing alternate opportunities for training. Third World Cinema has done this and in the process has produced a film that is not only successful artistically but is doing very well at the box office.

The story of Third World Cinema is a heartening one which I will now share with my colleagues through inserting in the RECORD a recent column in the New York Post by Jose Torres entitled "Movie-Makers":

MOVIEMAKERS

(By Jose Torres)

Blacks and Puerto Ricans alike have been victimized by films about them ever since the inception of movie-making. They were painted always as servants and chauffeurs, dumbbells and clowns. Their parts were always stereotyped.

During the '60s, when "West Side Story" was shown, we Puerto Ricans enjoyed it. Then came the black cultural revolution and things began to change. The black protest reverberated throughout the country and its impact affected Hispanics as well.

Today Miami Beach is officially a bilingual city; bilingual teaching in some New York City schools is compulsory. Slowly but firmly, things are changing for blacks and Puerto Ricans and other Hispanics in this nation.

The change is not without its complications. Last year Pete Hamill's "Badge 373" made some Puerto Ricans here furious. He was called racist, anti-Puerto Rican. Most of the Puerto Rican protesters blamed the film on the author's color. He was stereo-typing the Puerto Rican because he was white.

I disagree with this accusation. One goes to any Spanish-language movie house here at any time to see a film about Puerto Ricans made by Puerto Ricans and in scene after scene we are stereotyped. But we accept that. We can make fun of ourselves among ourselves but not in front of "others."

On television now, we can see black programs. And soon there will be a Puerto Rican series a la "All in the Family." For several years now, blacks have been producing and directing black films. This has created a tremendous psychological impact among all minority groups here.

Out of all this ferment has emerged something I think will top anything done before: Third World Cinema Productions, Inc. TWC is composed of responsible, dedicated people whose purpose it is to open avenues for blacks, Puerto Ricans, Indians and Asians to meaningful employment in the motion picture industry and related fields.

TWC was created by the noted black actor, Ossie Davis, and Hannah Weinstein. Its thrust has been toward the training of individuals in cooperation with companies providing on-the-job training sites. Of approximately 150 individuals who have found work through the efforts of TWC, over 40 have been placed in unionized jobs. The training program has been funded by the Dept. of Employment/Manpower Community Development Agency.

TWC's first motion picture achievement, "Claudine," has not only received critical acclaim, it has in a one-month period grossed over $500,000 in only six cities.

Now TWC is working on the preparation of a movie about Puerto Rico. Author Piri Thomas, a Puerto Rican who several years ago wrote the best seller, "Down These Mean Streets," is TWC's vice president and his later book, "Seven Long Times," will be made into TWC's next film. Its director will be Jose Garcia, another Puerto Rican who directed Channel 13's only Hispanic series, "Realiades."

"In producing a film with a Puerto Rican theme," said Clifford Frazier, TWC administrator and the man most responsible for its success, "TWC is in keeping with its purpose to provide meaningful vehicles through which blacks and Hispanics are given the opportunities to portray themselves truthfully and thus not present stereotyped images to this predominantly white society."

But more important, according to Frazier, "Puerto Ricans and blacks, by their presenting a clearer, truer-to-life image of themselves and their cultures in the media, will help strengthen their personal identity as a race and collectively as a people united toward contributing a more meaningful role for mankind."

Today, TWC people are struggling around the country in search of help to acquire a major motion picture studio. Said Frazier: "With the acquisition of a film studio, TWC will be able to attract additional productions into New York City, resulting in increased revenue training opportunities and employment."

* * * * *

This is not only good news for blacks and Hispanics, it is good news for all Americans, regardless of origin. For truthful and artistic depictions of long-maligned minorities will not only enrich our national cultural life and add to our enjoyment. They will also in the long run contribute toward ending hostilities born of ignorance and fear and bias, and strengthen an American democracy whose only salvation is a unity which exists side by side with racial and ethnic diversity.

CALIFORNIA VOTES FOR POLLUTION-FREE AUTOMOBILE ENGINE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. BROWN of California. Mr. Speaker, the need for clean air is not disputed. However the concern of the public is frequently underestimated by Government officials, both elected and appointed, here in Washington. In recent days I have been attempting to convey to the Congress the necessity for the Federal Government to guide the development of a clean and efficient automobile engine. I have introduced legislation, H.R. 10392, in attempt to expand the Federal role, and over 100 of my colleagues are now cosponsors. Representative JAMES W. SYMINGTON, who is chairman of the Space Science and Applications Subcommittee of the Science and Astronautics Committee has conducted 7 days of hearings on this bill.

In the other body, Senator JOHN V. TUNNEY has succeeded in obtaining Senate passage of his "Automotive Research and Development Act," a bill which attempts to accomplish much of what I have been trying to do. Yet all of these positive steps have not resulted in a clean engine, or a positive Federal program to develop such an engine.

The people who must breathe the air pollution caused by the existing internal combustion engine are not patient, and they should not be. They do not understand why the Congress recently passed and the President signed a law that grants the automobile manufacturers 2 more years to generate air pollution.

The California State Legislature has proven to be quite sensitive to the electorate, and last week the California State Senate, in every regard the more conservative body in California, passed a bill that would mandate a pollution-free automobile 2 years sooner than the Federal standard, and cleaner.

I would like to insert two articles that appeared on this subject for the RECORD. The first article is from the June 21 Riverside Press-Enterprise and the second article is from the June 25 Oil Daily.

The articles follow:

BILL FORCING "CLEAN" AUTO ENGINE PASSED

SACRAMENTO.—Legislation that would force the auto industry to market an almost pollution-free engine in California within three years cleared the state Senate Thursday with only one vote to spare.

The bill by Sen. Nicholas Petris, D-Oakland, would impose standards for 1977 vehicles that are nearly 10 times tougher than those that will be required of 1976 cars.

The measure was sent to the Assembly on a 22–8 vote after Petris said improvements in smog levels throughout the state "have not been anywhere near where they should be."

"In spite of our best efforts we just seem to fall short of the goal," he said.

The Petris bill would require that all new engines sold in California after Dec. 31, 1976 emit no more than .1 grams per mile of hydrocarbons, 1 gram per mile of carbon monoxide, and .1 grams per mile of oxides of nitrogen.

It would also require that a new engine be at least 50 percent efficient in its use of fuel.

Critics said the standards would be impossible to meet. Petris admitted they could not be met by current engines, even with the addition of smog control devices.

"The problem is we are always thinking in terms of the current type of engine," Petris said. "If that doesn't make it, we think it's impossible.

"I think if the industry had really tried from the time the first warnings were sounded, today that engine would be clean. But since they are putting in gadgets instead of working on the engine itself, I think it is too late."

He said that if the bill is approved and signed into law, the industry would be forced to begin marketing new types of engines, including those run by steam and electricity.

The state has set no standards for 1977 cars. Standards for 1976 models require that they emit no more than .9 grams per mile of hydrocarbons, 9 grams per mile of carbon monoxide and 2 grams per mile of oxides of nitrogen.

In debate on the bill, Sen. George Deukmejian, R-Long Beach, complained that Petris' standards could harm California's economy.

"I think that we ought to think very seriously about the effects it would have and to realize that we have not been standing still in this area," he said.

LAW WOULD CUT EMISSIONS

SACRAMENTO.—No new automobile engine sold in California after Dec. 31, 1976 could emit more than 0.1 gram per mile of hydrocarbons, carbon monoxide, or oxides of nitrogent under a bill (SB 1988) approved by the state senate and sent to the lower house at weekend.

The bill, authored by Sen. Nicholas Petris (D-Oakland), would also require, effective Jan. 1, 1977, all new automobile engines sold in this state to be twice as efficient as those in current cars so far as gasoline consumption was concerned.

Under existing California standards, emissions from 1976 model automobiles will be limited to a maximum of 0.9 gram per mile of hydrocarbons and carbon monoxide and 2 grams per mile of nitrogen oxides.

Sen. Petris conceded that the standards proposed in SB 1988 can't be met with current engines, even if equipped with smog control devices. The measure, if enacted into law, he said, would force Detroit to develop new type engines—including those powered by steam and electricity.

The state senator for years has been an active proponent of the theory that Detroit, if pressured hard enough, can develop smog-free automobiles. In 1969, he introduced a measure which would have banned "any vehicle powered by an internal conbustion engine" from California highways after Jan. 1, 1975 (the bill cleared the upper house but died in an assembly committee.)

In January 1971, Petris came up with another bill which would have prohibited "the use or installation" after Dec. 31, 1974, of any automobile engine discharging any pollutants."

BILL HAYWARD RETIRES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. EDWARDS of California. Mr. Speaker, I would like to pause for a moment to reflect on the retirement of a truly dedicated public servant, Mr. Bill Hayward, District Director of the Social Security Administration office in Alameda County. I have known Bill Hayward for years and know him to be both sympathetic and dedicated to the public which he serves so well. Bill Hayward's concern is not only for those who rely on the social security system for their economic well being, but also for the entire community he serves. His efforts to make affirmative action employment practices really work are well known in the bay area.

Now, after his years of service, Bill is leaving. He is leaving without fanfare, but with something that is perhaps more important—the respect and affection of all who have had the privilege of working with him and the thanks of thousands who have been served by him and his office. Other public servants could do well to model their service after his. I, for one, will miss him.

FISCAL DISCLOSURE STATEMENT

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. FISH. Mr. Speaker, I welcome the opportunity to join with my colleagues in the New York Congressional Delegation in submitting for the public record a financial disclosure statement.

My statement goes beyond the disclosure mandated by House rules because I believe the public desires and deserves assurance that as an individual privileged to serve in elective office, I am not subject to any potential or actual conflicts of interest.

The New York Congressional Delegation established a special Committee of Financial Disclosures to give this matter the very careful consideration it deserved.

The committee, with my complete endorsement, reached the following conclusions with respect to the financial information that such be disclosed:

a. The sources of all noncongressional income whether for services rendered or not;

b. The identity of the creditor of all indebtedness which is unsecured;

c. The sources of all reimbursements for expenditures—other than from the U.S. Government;

d. The identity of all stocks, bonds, and other securities owned outright or beneficially;

e. The identity of all business entities—including partnerships, corporations, trusts, and sole proprietorships—professional organizations—of a noneleemosynary nature—and foundations in which the member is a director, officer, partner, or serves in an advisory or managerial capacity, and the position held in each instance.

Further, the committee concluded, again with my strong endorsement, that the public is entitled to know whether the members of the New York Congressional Delegation have paid appropriate 1973 Federal, State, and local income taxes.

My statement follows:

1973 SOURCES OF INCOME

U.S. Government—Congressional Salary;
Dividends;
Interest;
Honorariums;
Trustees Commissions;
Capital Gains; and
Income from interest in rental property.

NON-SECURED INDEBTEDNESS

NOTE.—Elizabeth S. Pyne (sister), $20,000.

SOURCES OF REIMBURSEMENTS FOR EXPENDITURES OVER $100

(Other than Government and other than reported as campaign contributions)

None.

STOCKS AND BONDS OWNERSHIP

6/20/74—None.

BUSINESS OR PROFESSIONAL ENTITIES IN WHICH I HOLD A LEADERSHIP

(Director, Manager, Partner) position

None.

1973 INCOME TAXES PAID

Federal: $5,522.95.
State: $2,630.80.
Local: $4,040.26.
Total: $12,194.01.

Mr. Speaker, the New York Congressional Delegation's Committee on Financial Disclosure has addressed itself in a forthright manner to the financial disclosure question. I commend the committee for its conscientious work and I am pleased to be identified with this public reporting.

AMA ENDORSES SOCIALIZED MEDICINE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. RARICK. Mr. Speaker, the American people in their struggle to preserve individual liberty, were handed a major setback by the American Medical Association's action in opposing repeal of the Professionl Standards Review Organizations—PSRO's.

It is truly unfortunate that the once prestigious American Medical Association has now gone on record as compromising the personal privacy of patients' medical records and endorsing political medicine.

Under the PSRO scheme, patients' medical records must be computerized in order that HEW can lay down norms to prescribe "equal health care guidelines." This is tantamount to inviting a political overseer into every doctor's examining room, thus making the physician but a delivery tool, prescribing not according to his training, experience, and ethics, but rather adhering to bureaucratic fiat.

Ironically, the major reason suggested for surrender on this critical issue of patients' privacy was that the medical lobby feared that defense of patients' privacy would cost the AMA money. Nothing was mentioned about the concern for patients' rights.

Even more ironic, by the American Medical Association's compromise to accept Government oversight, the AMA has destroyed its own purpose and effectiveness with both its member doctors and the American people. AMA has now reduced its stature to being but a department of HEW—rather than representing the wishes of its members to the Washington bureaucrats, it has now assumed the role of representing the Washington bureaucrats to its members and the American people.

Thus, another major bridge has been established to destroy historic private medicine as we Americans have known it and usher in socialized medicine. Time will tell whether the medical patients of America and their physicians will bow to the AMA's cop out or continue the fight to repeal PSRO.

Perhaps AMA will favor placing doctors offices in post offices—another Federal service supposedly in the public's interest, that is provided HEW wants it and it saves AMA money.

I include a related newsclipping:

[From the Washington Post, June 27, 1974]

(By Stuart Auerbach)

CHICAGO, June 26.—Despite threats of a membership revolt, the ruling body of the American Medical Association today heeded its leadership and voted not to wage an all-out war against a government-run doctors review program.

The vote suporting Professional Standards Review Organizations (PSROs)—which a committee of the AMA's House of Delegates said had created an "almost schizophrenic division" among doctors—was overwhelming and taken without debate.

AMA trustees and officers had spent most of the organization's annual meeting warning members that fighting USROs would waste the AMA's money and was doomed to failure.

Some officials even predicted that a war against PSROs could mean the end of the AMA as the voice of medicine to the public and Congress.

"I was not willing to see funds committed on behalf of repeal," said Dr. Malcolm C. Todd of Long Beach, Calif., the AMA's president-elect. "It would have taken quite a bit of our resources and I doubt that it would have been successful."

Todd's view was echoed in state caucuses today by such other influential AMA officers as Dr. Robert B. Hunter of Sedro Woolley, Wash., a trustee and head of the AMA's PSRO committee, and Dr. W. B. Hildebrand, of Manasha, Wis., chairman of the House of Delegates' committee on medical services.

Nevertheless, it appeared until this afternoon that substantial number of AMA delegates would insist that the organization push for repeal of the PSRO legislation and would refuse to comply with its implementation.

The delegates swiftly voted, 185 to 57, their approval of a resolution pushing for some amendments to the PSRO law, but not calling for its repeal.

"The delegates finally had enough time to talk it out," said Dr. George B. Martin Jr. of Thief River Falls, Minn., chairman of the committee that held a 4½-hour hearing, listening to 64 speakers, on the PSRO issue Monday.

While most delegates appeared satisfied with the decision, at least one—Dr. John R. Schenken of Omaha—demanded that his name be specifically recorded in opposition to PSROs.

"I don't want my name recorded as being in favor of tyranny," he said.

Hunter said he thought two state medical societies—Nebraska and Louisiana—were still "adamant" against PSROs and might refuse to cooperate with the federal effort.

"But a majority of physicians across the country will work with the government," Todd said.

In Washington, Dr. Charles C. Edwards, assistant secretary for health of the Department of Health, Education and Welfare, commended the AMA delegates for their "responsive and constructive position."

PSRO legislation was passed in 1972 to allow the government to monitor the quality and cost of treatment given to patients in two large federally financed programs—Medicaid and Medicare. It probably will be expanded in any national health insurance bill to include the entire population.

Earlier, the AMA delegates voted to "exert all efforts" to amend or repeal the Kefauver-Harris amendment to the pure food and drug laws which requires new drugs to be proved safe and effective before they are allowed on the market.

Delegates argued that the amendment is keeping new drugs off the market. The AMA gets about one-third of its revenue from drug company advertising in its journals.

HOUSING REHABILITATION IN NEW YORK CITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. RANGEL. Mr. Speaker, the special problems of size which are associated with New York City are often, at least we from New York City feel, not totally understood by the Federal decisionmakers whether in the executive branch or here in the Congress.

The question of housing rehabilitation is one that is being much discussed as we increasingly realize that the housing needs of our Nation are not going to be fully satisfied by providing new housing stock. It is increasingly clear that we will be dependent on effective rehabilitation programs to save some of the old buildings which we must have to meet the tremendous need in a city such as New York. Federal rehabilitation programs do not appear to be working at the present time to meet the needs either for individuals who want to do their own rehabilitation or for the special problems in New York City where the amount of owner-occupied housing is less than the amount of multi-family housing owned by absentee owners.

John E. Zuccotti, chairman of the New York City Planning Commission, spoke to the problems of rehabilitation in New York City at the Urban Coalition Conference on Rehabilitation that was held in New York City on June 13, 1974. I share his perceptive remarks with my colleagues for our information and benefit.

HOUSING REHABILITATION IN NEW YORK CITY

(By John E. Zuccotti)

There could hardly be a more appropriate time for mounting a full-scale discussion of "Housing Rehabilitation in New York City" than now. As we are all aware, the economic and political realities have largely transformed new houses into a vanishing species, whether publicly aided or private—a phenomenon affecting the entire nation but twice as affecting here. Practical men and women in the housing field, therefore, must focus almost exclusively on Rehabilitation. I might make a case, moreover, for calling this conference "Housing Rehabilitation in New York City BY New York City" because, even in the good old days before the moratorium and 8½ percent mortgages (not counting points), the City was forced to rely almost exclusively on its own resources to prime the pump of rehabilitation and neighborhood preservation.

Federal rehabilitation programs have been weighted toward small owner-occupied homes whereas our greatest need has been for help for medium-sized and large apartment buildings with non-resident owners. Sections 115 and 312 were usable in a few areas of the City but, in four years, only 127 buildings received Federal grants or loans.

With their first responsibility to their clients, banks have shied away from granting loans for rehabilitation, red-lining transitional neighborhoods and often refusing to refinance balloon mortgages. For private individuals and companies, non-resident ownership of housing has become less and less attractive compared to other less troublesome, more lucrative forms of investment. Resident owners have sometimes decided that the game was not worth the candle, and have elected to move out and to milk their property until it is derelict.

Such individual decisions exacerbate what has been a major problem here for many years. It is estimated that some 850,000 City units need some form of rehabilitation. Sixty-two percent of our housing stock was built before World War II and 71 percent of our units are multiple dwellings. Even without suburbanization and the massive population migrations of the past three decades, even without inflation and a faltering Federal housing program, it would have been an almost insuperable task to replace deteriorated and destroyed housing with new units. Fire, emergency vacate orders, the demolition of unsafe buildings, abandonment, the clearing of urban renewal areas have all taken their toll. Although we have built 404,000 units since 1960—more than the entire housing stock of Washington, D.C.—we have suffered a housing loss each year of between 25,000 and 45,000 units.

The City has long been aware of the need for a balanced housing program that encompasses rehabilitation as well as new construction. We have launched a whole series of neighborhood preservation efforts. It must be admitted that some of these efforts were abortive, or deserved to be, but there has never been in all recorded history an instance of a single successful solution to a major social problem. Every new approach is designed to correct the flaws revealed when the earlier approach is tested in practice.

The first government-sponsored rehabilitation effort here began in 1956 with studies for the West Side Urban Renewal Program. As you know, this Program relied primarily on new construction but, for the first time, renovation and preservation were given a nod of recognition. Deservedly so. Although only 276 apartments were rehabilitated with Federal help in the urban renewal area, the Program triggered extensive private brownstoning and renovations: since 1961, more than 16,000 West Side apartments have received alteration or conversion permits.

The next step was a program devoted exclusively to preservation—the Neighborhood Conservation Program, initiated in 1959, which picked out seven problem-full sub-neighborhoods as laboratories in which physical deterioration would be reversed and social deterioration would be halted. The Neighborhood Conservation Program represented a refinement on urban renewal in several respects—not only was it exclusively a rehab program, but the neighborhoods were chosen because they were basically sound and therefore eminently salvageable. They were also psychologically viable; the emphasis was on self-help and local initiative. Unfortunately, the Program proved to be inadequately staffed and funded and petered out in the mid-1960's.

The Municipal Loan Program is an interesting specimen of a Program as Learning Experience. Established in the 1960's to provide low-interest loans for the improvement of multiple dwellings, the Program lacked focus and adequate supervision. No attempt was made to cluster the loans to insure that they would have maximum impact on a neighborhood. At best, many rehabilitated buildings flourished only briefly before sinking once again beneath the weight of neighborhood deterioration. At worst, the program was plagued by scandal. Completely reorganized, the Municipal Loan Program is now a respected and useful mainstay of the City's rehabilitation effort. Loans are now granted only after careful processing, site and feasibilty reviews. Inspection is continuous. At last count, the Municipal Loan Program had allocated rehabilitation funds for nearly 7,000 dwelling units. The average rehabilitation cost per unit in 1973 was $10,000.

After the moratorium on Federal funds and extensive studies, the City launched the Neighborhood Preservation Program which, we hope, combines the best of all rehabilitation worlds and incorporates all that we have learned. Five neighborhoods have been designated for help—a small enough number to insure a meaningful impact. At the same time, the neighborhoods are whole districts rather than the smaller sub-neighborhoods of the Neighborhood Conservation Program. Decentralization and self-help are emphasized but, this time, adequate staff has been provided in the communities. Project teams are working in each area and each neighborhood is being thoroughly analyzed to insure rational planning. Built into the program is a partnership between the City and private funding sources: the City provides $45 million in mortgages and guarantees to encourage the participation of the private sector, particularly banks, through REMIC—the Rehabilitation Mortgage Insurance Corporation established by the State at the City's request.

REMIC is authorized to insure qualified portions of first mortgage loans by banks and other publicly regulated financial institutions within the Neighborhood Preservation Districts. Loans may be given for rehabilitation, refinancing or acquisition.

In response to the Neighborhood Preservation Program, the clearing house banks of New York are about to establish a $40-million fund for two of the designated areas—Crown Heights and Washington Heights—to be used for rehabilitation mortgages.

We are hopeful, and we are making progress. At the same time, it is clear that we can only inch forward. The total cost of rehabilitating all the units that need rehabilitating in the City amounts to between $15 *billion* and $20 *billion*. At present, we have only $85 million, most of it already committed. We are trying to fill some of that enormous money gap.

We are experimenting with the Cooperative Conversion Program which assists low-income groups to acquire and rehabilitate their own buildings. So far, the Office of Cooperative Conversion has obtained $6.4 millions of City financing—largely through the Municipal Loan Program—for 28 projects. 834 dwelling units have been completed or are in the process of rehabilitation. An additional $4 million has been committed for five other projects, and 130 buildings are now being evaluated.

It is my impression that the most successful of these conversion projects have been organized and led by non-profit community development corporations such as the Mobilization for Youth on the Lower East Side, the South Bronx Housing Development Corporation and Los Sures in Williamsburg. These corporations provide the skill, know-how and sheer full-time help needed to get any complicated project off the ground and operative. In short, they provide leadership. But all of these corporations have relied on foundations or Federal financing—funding sources that are drying up.

Faced with this, the City is now trying to work out a mechanism that might provide financing for such non-profit housing development corporations. It is complicated to establish adequate criteria for performance to screen out the eager but incompetent and leave in the dedicated and highly capable, but it is clearly a task worth doing and it is being actively explored by the Administration.

We are also struggling with an issue that is endemic to all rehabilitation—how to fix up a building adequately without pricing it out of the reach of the people who live there. Gut rehabilitation, costing up to $35,000 a unit, is out of the question. So we have concentrated on moderate rehabilitation, costing from $6,000 to $11,000 a unit. But even this can raise rents too high for the very people the rehabilitation is designed to help. In the South Bronx, where the median income level is $5,700, the income necessary to support rehabilitation is from $8,000 to $10,000. We have gone ahead with one building there because buildings on the same block are being renovated through old Federal programs and it is clearly worthwhile to strengthen that preservation effort. Luckily, no one will have to move because the building is vacant. However, we are concerned that most of the people in that South Bronx neighborhood will not be able to afford these attractive redone apartments, with their new utility systems and structural repairs.

Needless to say, the City has been asked to develop a mechanism to reduce rents in such projects. On social and humanitarian grounds, this would obviously be eminently desirable. But it would cost millions of dollars, and all that I can say at this point is that we are looking into the problem. We are also looking into the possibility of other kinds of rent-reducing mechanisms—such as the City acquiring a deteriorated building and selling it at below cost to a non-profit development group or our granting a 40-year mortgage with the City retaining reversionary interest.

At the Neighborhood Preservation workshop which we held some months ago, everyone was reassuringly filled with positive, useful suggestions. At the same time, I kept hearing the same undercurrent: "We have been developing Neighborhood Preservation programs for years, yet the neighborhoods are still in transition or beyond help. What is the good of it all?"

I can well imagine that, in the course of this conference about Housing Rehabilitation in New York City, there was the same undercurrent of discouragement. Nor would I deny that the problem is immense, and our resources limited. But we can and do chip away at the giant boulder of our housing problem and while I cannot foresee that the problem will be reduced to a mere pebble, I do believe that we are taking some sizable chips—or even chunks—out of it.

SUSPENSION OF 5-MINUTE RULE DURING IMPEACHMENT INQUIRY HEARINGS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HUNGATE. Mr. Speaker, on Monday, July 1, the House will take up a resolution to amend part of clause 27 (f)(4) of rule XI of the Rules of the House. The resolution would suspend the 5-minute rule for questioning witnesses during the Judiciary Committee's impeachment inquiry hearings.

This resolution has the support of the leadership of both sides of the aisle. The Judiciary Committee passed it 31 to 6.

The impeachment inquiry should be thorough and fair. Witnesses who appear before the committee during the inquiry will be interrogated by committee counsel in an orderly fashion which will facilitate committee consideration of the relevant issues. The Judiciary Committee hopes, by suspending operation of the 5-minute rule during the inquiry hearings, to avoid lengthy and repetitious questioning of witnesses.

Chairman RODINO has assured the committee that all of its members can submit the questions they wish in writing. Committee counsel will propound such questions during counsel's interrogation of the witnesses.

Everyone wants to see the impeachment inquiry promptly and fairly concluded. It has decided to suspend the 5-minute rule in order to facilitate the orderly and prompt interrogation of witnesses. The resolution to achieve this has widespread bipartisan support among committee members, and I hope all Members of Congress will support it when it comes to the floor.

WEST SIDE CITIZENS GROUP TAKES STAND ON HEALTH BILLS

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. JAMES V. STANTON. Mr. Speaker, as the debate over national health insurance intensifies here in Congress, the message from my constituents is clear. They are worried about costly "deductibles" and "coinsurance" features of some of the proposed bills. Even minimal medical care is beyond the reach of some of them because of such initial and continuing out-of-pocket expenses.

One group of Clevelanders has organized to do something about health care problems in their neighborhood. The West Side Citizens for Better Health Services, Inc., has organized free clinical care and educational programs. At its June meeting, the group approved a formal statement of its position on national health insurance. I include the statement here as indicative of the sentiments of many citizens on this important issue.

POSITION ON NATIONAL HEALTH INSURANCE BILLS

West Side Citizens for Better Health Services is a group of health workers and residents of the Near West Side of Cleveland, Ohio. We sponsor three free clinics and educational programs in the community.

Our concern about National Health Insurance is based on both our personal experiences as providers and consumers of health care and on our study of the health industry in the United States.

West Side Citizens for Better Health feels that none of the bills currently before congress are adequate to meet the health needs of this country. Plans which cover catastrophic illnesses, but only slightly ease the burden of routine medical costs, will not help low and middle income people and will perpetuate crisis oriented health care. What we feel is necessary is a comprehensive health plan which will improve not only financial accessibility, but also the quantity, quality and distribution of health care.

Ideally, in our minds, the government would replace the private sector as the provider of health care. But this is not likely to happen at the present time. Therefore, we make the following recommendations for inclusion in National Health Insurance legislation:

(1) The insurance should cover all health care costs without coinsurance or deductibles. Even $50 or $100 is more than some people can afford to pay annually for health care. In our experience in our free clinics we have seen patients close to death because they could not pay $5 or $10 for necessary medications.

(2) Mechanisms should be set up to include consumers and workers in all levels of decision making concerning health care. Those who use and provide medical services know best what is needed. Their decisions would be in the interest of good health, rather than in the interest of profit.

(3) National Health Insurance should be financed by corporate taxes and taxes on the very wealthy, not by payroll or income taxes. The low and middle income people who cannot afford to pay for health care do not have money available for increased taxes either. It will make no difference to them whether they pay for health care directly to the provider or indirectly through taxes.

(4) Priority should be given to expanded education and use of nurse practitioners, physician's assistants and other health workers skilled in providing basic health services. Their training is not as long or as costly as medical school, and their orientation toward preventive medicine and family practice makes them key parts of a comprehensive health care team.

(5) Cost and quality controls should be implemented so that profit making hospitals, nursing homes and doctors do not take advantage of government subsidies to increase their own wealth.

In summary, we feel that creating a health care system adequate for the needs of this country and consistent with this country's great wealth and technological advancement is a task that requires great foresight and courage. Our present system is resistant to change and will not become, overnight, an equitable and progressive system. We feel it is necessary, therefore, to insure that any health bill passed, even if it is not a complete answer to America's health needs, keeps in mind the long range goal of a healthy society, and follows progressive principles such as those we have mentioned here.

SENATOR ERNEST GRUENING—FRIEND OF ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. YOUNG of Alaska. Mr. Speaker, the State and the people of Alaska lost a great and dear friend yesterday with the death of Ernest Henry Gruening. From the time he first set foot on Alaskan soil in 1936, Gruening fought to make the great land a better place to live.

Ernest Gruening was a man all Alaskans can be proud of. He was first and foremost a man who fought for what he believed in, be it statehood for Alaska or opposition to the Vietnam war. To many of my colleagues in Washington, D.C., Senator Gruening symbolized Alaska's spirit and courage. Senator HUBERT HUMPHREY once referred to Gruening as "the 20th Century Benjamin Franklin." The compliment was appropriate, because Gruening fought for Alaska with statemanship, honesty, fortitude and eloquence.

He was a man of many talents—a doctor, writer, editor, Territorial Governor, historian, and Senator—and he used all of these talents to improve the quality of life in Alaska.

His passing is a terrible loss to all Alaskans, but we can and should be thankful for what he has given us. Ernest Gruening has given Alaska and its people a guide and model to look up to and emulate. We must carry on the battle that he fought for nearly 50 years. And if we are to be truly called Alaskans, we must fight for what is right for our State in the manner that Ernest Gruening made his lifestyle. We must fight for what we believe in with honesty, fortitude, eloquence, and statesmanship.

THE INDIVIDUAL AND THE FREE ENTERPRISE SYSTEM AT WORK

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HUBER. Mr. Speaker, if there was ever an argument for the free enterprise system, the success story of the Auto-Train Corp. speaks for itself. It is an outstanding example of what the individual can do if left on his own.

Auto-Train Corp. is obviously most fortunate to have at the top of the organization a man, Eugene Garfield, who is a first rate administrator; a man who can dream, but who also can turn his dreams into reality. It is refreshing to find an individual who so thoroughly enjoys his work, as Mr. Garfield certainly does. More importantly, his enthusiasm for his company carries over to all of his employees. Unlike many Amtrak employees that we hear about, the Auto-Train employees actually enjoy riding trains; even to the extent that two of its workers recently decided to hold their June wedding on one of the Auto-Train cars.

For all of its success, the Auto-Train Corp. now has a future potential rival in the form of the U.S. Government. I would like to suggest that perhaps the answer to the railroad problems in this country is not for the Federal Government to become more involved in rail transportation, but for it to allow more people like Mr. Garfield to operate freely in an open competitive market. Maybe we should install Mr. Garfield as head of Amtrak, rather than trying to compete with him. After all, only the American public could stand to gain by such a development.

I am enclosing for the edification of my colleagues, the excellent article on the Auto-Train Corp. by William H. Jones that appeared in the Washington Post on June 23, 1974.

AUTO-TRAIN ENTHUSIASM: AN IDEA WHOSE TIME HAS COME

(By William H. Jones)

SANFORD, FLA.—"Nowhere else in the world could I have done this," said the man who dreamed of passenger trains that would carry riders as well as automobiles across America.

That man, 38-year-old Eugene Kerik Garfield of Washington, D.C., has achieved something few people realize from their dreams: He quit a government job and devoted over a half-dozen years of his life—working at a fast speed over long hours, with little rest—to prove he had a good idea.

And he has proved it, although he is the first to admit that the idea wasn't even his in the first place. What is his alone is the distinction of being one man who believed for many years that a nongovernment enterprise could make money in the railroad passenger business.

Ironically, now that Garfield's Auto-Train Corp. has proved to be a popular and financial success, as well as an energy-efficient means of transportation, the government-subsidized Amtrak wants to get a piece of the action.

That wouldn't happen anywhere else in the world either—a private firm bearing the financial risk of experimenting with a service the government might then find attractive to offer on its own.

While Garfield said in a recent interview on board the newest Auto-Train—a 1,000-mile connection between Louisville, Ky., and this small town near Orlando and Walt Disney World—that he welcomes competition, it is clear that he thinks his own firm will beat the pants off Amtrak if the two are ever placed in direct competition.

Amtrak had planned to inaugurate a Midwest-Florida route from Indianapolis last winter, but the starting date has been postponed every month or two by equipment problems and bad tracks. Garfield said he doesn't expect Amtrak to get started at all on the Indianapolis route—an assertion flatly denied by Amtrak in Washington.

Garfield is not the most popular man at the L'Enfant Plaza headquarters of Amtrak, and not just because he thinks the national rail corporation has gone about its auto-carrying plans with a degree of incompetence—for example, attempting to carry autos in converted freight-designed rack cars, on which autos were damaged in a test run because they broke loose from moorings.

Everywhere Amtrak president Roger Lewis goes, he is asked the question: "Why can't you operate as well as Auto-Train?"

Invariably, Lewis replies that Auto-Train is a very small, specialized case without the problems Amtrak faces in dealing with many railroads, many more trains and a much more complicated and larger labor force.

Nevertheless, there are lessons for Amtrak in what Auto-Train has achieved, in terms of trains that run on time, workers who go out of their way to please consumers, facilities that are clean and equipment that works. To date, Auto-Train Corp. has carried more than 175,000 autos on the Washington-Florida route.

Garfield figured that out to about 1.9 per cent of the potential market—showing how far Auto-Train could expand before diluting its near-capacity business of today. And that doesn't include the Midwest market, which Garfield said is 50 per cent richer in terms of potential travelers-with-autos bound for Florida and back.

Still to be tapped are other corridors, which Garfield has started to study. Within a decade, he said, it is safe to assume there will be half a dozen Auto-Train routes. The next addition will be a Chicago-Denver connection, perhaps within a year's time. Garfield is currently considering several choices for the specific routes and said railroads there have been "responsive."

In the summer, people from the Midwest and Northeast could use the train on trips to the Rocky Mountains and on to the West Coast; in winter, the main attraction would be skiing resorts.

A likely addition after Chicago-Denver would be New York-Chicago. Other routes being studied are Los Angeles-Portland, Chicago-Dallas/Ft. Worth and Chicago-New Orleans.

This growing rail empire—each additional route must be approved by the Interstate Commerce Commission and could be opposed by Amtrak—began with a $3 million federal study in the mid-1960s about automobile-carrying services, based on experience in Europe.

A conclusion of the study was that such a service would be so profitable, it should be left to private enterprise. Garfield, a Florida lawyer who then was an assistant to the Secretary of Transportation, took the report at face value, quit his job and started to round up, in 1969, investors for his Auto-Train Corp.

In mid-1971, he offered 700,000 shares to the public at $10 each; the issue was sold out and soon started a sharp rise, topping out at over $60 before sinking back into non-glamor status at under $9 over-the-counter in today's depressed market. (Auto-Train will soon be listed on the American Stock Exchange.)

When service began from Lorton, Va., to Sanford, Fla., on Dec. 6, 1971, Garfield had opened the first U.S. railroad for passenger service in 50 years.

The main ingredient in Auto-Train's success is enthusiasm, a feeling that can't be faked easily by directives from a distant headquarters. Unlike many Amtrak executives, Garfield and his officers ride the trains all the time. They check out the bathrooms and air-conditioning and sample the food (prepared by Washington's Marriott Corp., the largest airline caterer in the world).

"I'm not convinced that intercity passenger service cannot make money." said Garfield of Amtrak, which probably will carry more than 20 million passengers this year and roll up a loss of more than $150 million.

"If we give the public the good trains they deserve and expect, and charge for it, they'll pay for it," Garfield asserted. But today, he continued, "Trains are an affront . . . why should we be short-changed? They should be clean—our walls shine because we polish them after every trip. Every public facility but trains maintains high quality standards, hotels are clean, restaurants are judged by service and food quality."

The history of the decline of rail passenger service, Garfield suggested, is related to attitudes that look to the past. What should be done, and what Garfield said he has done in the case of Auto-Train, is look ahead and accept people as they are today—not concentrating on how public attitudes about travel might have been if the railroads had managed to keep passenger trains in lively competition with the automobile and airplane.

"People want to ride the trains, there is a yearning, and when they get to many Amtrak trains, there is a great disappointment and frustration at the quality of service," Garfield concluded.

It is this yearning which Garfield understood and which most government policymakers haven't perceived. As a consequence, the government has not made a strong commitment to keeping passenger trains alive—except for those in corridors like the Boston-Washington megalopolis, where Metroliners demonstrated that something good on wheels attracts riders.

America's enthusiasm for trains is evident, however, to people who ride them. On the first Auto-Train out of Louisville, for example, people waited in clusters at nearly every crossing, many with cameras ready. Wherever the train passed, people literally stopped what they were doing, looked up for the full train to pass, waved. And, then smiled.

Even those on board the Auto-Train stopped what they were doing when passing one of Amtrak's Miami-New York trains the next day. Everyone cheered, Garfield included. And it's not only an Auto-Train phenomenon. Riders on other trains can see similar responses.

What Garfield did was to accept this railroad enthusiasm and combine it with the average person's attachment to an individual automobile and the government-sponsored survey in the 1960s, which demonstrated that a vast market existed in the Northeast for an "auto-ferry" service—something that would transport a couple or family on train, accompanied by the family car.

He added some airline-style marketing in the belief that the best way to make time pass on a train trip is to keep everyone busy and/or happy.

What has evolved is the basic Auto-Train trip (an adventure if possible), which has been duplicated for both the Washington-Florida and Louisville-Florida routes.

The trains have a speed limit of 79 miles an hour and actually average slightly less than 50 miles an hour en route (including stops). Up to 475 persons are on a full train and up to 186 automobiles, with 36-38 passenger or service cars plus auto-carriers, making Auto-Trains the longest passenger trains in the nation.

Included in the "consist," an industry term for the makeup of a train, are two or three locomotives, a steam generator car, two buffet cars, a kitchen-dormitory car, nightclub car, full dome coaches, half dome coaches and sleepers—nearly all of them purchased from Western railroads and refurbished by Auto-Train.

The main components of the Auto-Train service are:

TRANSPORTATION

Not everybody can ride on the Auto-Train: You have to have a car. Typically, a group in an auto is headed for, or returning from a Florida vacation.

The auto is taken by an Auto/Train attendant when you arrive at the stations and driven on board separate carrier cars. Passengers, meanwhile, are checked in and directed to their coach or sleeper cars; it is best to pack a few things you'll want on the train in a small bag to take with you, and leave the large pieces of luggage in the auto.

After the train arrives the next day, the auto-carrying cars are detached from the train and moved to the special loading and unloading ramps. Your auto might be out in front of the station in a matter of 10 minutes, or about 45 minutes at the maximum.

In less than 24 hours on the 1,000-mile run between Florida and Louisville (less than 16 hours for a more direct, 850-mile trip between Washington and Florida), you arrive at your destination sans auto fatigue and chipper for a potentially long drive to Miami, New York, Chicago or Detroit.

Depending on how many people travel with each car and how much you value having your own car with you, Auto-Trains can be cheap or expensive.

The base fare between Washington and Florida is $198 for a car and two occupants, one-way; between Louisville and Florida, the base is $225. In a much shorter airplane trip, in terms of hours, two persons could travel for less money: $122.54 from National Airport to Orlando by Eastern Air Lines, for example, one-way for two persons on a night coach, or $151.28 at other hours. From Orlando to Louisville, by Eastern, the fare is $110.54 for two by night coach and $140.54 by day.

For a car of four, however, Auto-Train's rates become more comparable, since the additional cost is only $25 per passenger. Thus, four persons can travel by Auto-Train to Washington from Orlando for $248 while the cheapest Eastern Air rate would be $245.08.

A sleeper on the Auto-Train costs more, however, and the fact that roomette and bedroom space is generally sold out for every trip indicates that many people want to spend more for the privacy of the small quarters. Whether one can sleep more easily in an airline-type reclining coach seat or a bed that rocks back and forth over the rails, is purely an individual matter. Sleeper fares range from $45 for two persons to $85 for five, one-way.

Generally, given the state of America's rail industry, which often has shunned maintenance of sagging tracks in recent years to bolster sagging profits, the riding comfort on Auto-Train Corp.'s routes is fair to good, with the best stretch in Northern Florida and Southern Georgia, over welded steel rail.

Auto-Train, in this instance, is a beneficiary of the efficient Seaboard Coast Line and (on the Louisville route) its subsidiary, Louisville & Nashville, over whose tracks the Auto-Trains run, plus the Richmond, Fredericksburg & Potomac between Richmond and Lorton, Va.

As for equipment, Auto-Train is its own master. The Washington firm owns or controls all of its diesel locomotives and passenger cars, as well as auto carriers, and keeps them in operation continually by constant maintenance at shops in Florida.

Within a year, Garfield hopes to place an order for the first luxury rail passenger cars built since the 1950s, at a cost of over $500,000 each. The cars would have sleeping rooms on two levels, with hideaway sofa beds lounge chairs, vanities and perhaps a shower in each compartment.

Auto-Train also is increasing capacity to carry automobiles, with prototype tri-level carriers already ordered that can accommodate 12 autos instead of eight on current-two-level carriers.

The increased capacity will have a large impact on revenues and profits of Auto-Train, since much of the overhead will remain unchanged. In the 12 months ended April 30, Auto-Train revenues rose about 50 per cent to some $28 million while profitably increased 100 per cent to at $1.6 million ($1.12 a share of stock).

Cleaning crews go through each Auto-Train after every trip and generally do a thorough job, although sometimes short of perfection—windows were not as clean as they should be for sightseeing, and ashtrays were filled to the brim before departure, on a recent run from Florida to Washington.

FOOD

All meals are included in the fare; the only element that could bring added expense is liquor.

If you're expecting the old, first-class dining car approach with waiters, linen and rose on the table, silver and china, plus meals cooked to order (still available on Amtrak's best trains as well as Southern Railway's Crescent between Washington and New Orleans), well, forget it.

What Auto-Train does offer is a passable airline-type fare of several entrees for dinner, with assorted sodas, salad, dessert and coffee or milk. Breakfast includes a variety of rolls, doughnuts and danish, juices, small boxes of cereal and plenty of coffee.

Wine is available with dinners, at extra cost, but there is not the luxury of time to just sit and eat slowly. Unfortunately, there are some 350-400 persons on a normal trip and only two dining cars (actually buffet cars, called Lemon Tree and Purple Plum, in honor of two unorthodox railroad colors selected by Auto-Train, the others being red and white).

To accommodate everyone, dinner is served in shifts and you are assigned a specific time to eat in a specific buffet car when boarding. Technically, each shift consists of an hour, but there is a feeling of being urged to rush—especially if you're eating dinner on the final shift and the crowd starts to gather for the movie to follow. (More about that in a minute.)

Moreover, there is no overabundance of food and the people who are at the end of the line, for either dinner or breakfast, invariably face a more limited choice, although the hot food remains hot.

Marriott Corp, and Auto-Train have worked on the daily menus over the past two-and-a-half years, refining them to a meal that can be mass produced in advance and put onto each train for further preparation and serving. The end product is similar to what the airlines serve, but a bit more down to earth in terms of what it costs. The menu is not as fancy today as when Auto-Train started, reflecting higher costs of food.

Eating, thus, is treated more as a pleasant necessity on Auto-Train than an event, which it definitely can be on older trains.

ENTERTAINMENT

While eating may be the major happening on an old fashioned train, an Auto-Train features movies, nightclubs with live entertainers, bingo and morning cartoons for the children.

The movies, when it is good ("The Sting" was shown on recent trips), may be the closest thing Auto-Train has to a problem. Even with two showings of the picture, in both buffet cars, not everyone on board can get a seat or even a place to stand or sit on the floor.

The end result is an unfortunate, mad rush to get seats before the movie starts—even as other people are trying to eat their meals. Normally patient hostesses were seen in a state of frustration and anger on my recent trip, as they tried to clean up the dining car while people crowded in on all sides.

I decided to eat normally, as if nothing were happening. My three boys, Jeff, Eric and Tim, quickly fled to a more sane atmosphere and I found myself face to face with a grouchy New Englander who was as determined to peer ahead as if there was something on the movie screen, as I was to continue eating, I lost and got up without finishing coffee.

The nightclub cars often are crowded, too, but the effect is different. One can come and go—things remain lively until 3 a.m. and later on many days—and still enjoy the scenery outside dome cars, the liquor and the guitar players, singers, or piano (or combinations thereof).

A regular contingent of about a dozen entertainers is employed by Auto-Train, under the direction of Billy Dale (a stage name), who sang and played a guitar on the first Auto-Train. He also has a stable of substitute musicians to draw from if someone is sick.

According to John Pence, a guitarist and singer on the recent Florida-Washington train, each entertainer has his own style and each crowd is different. Working for two consecutive days and then resting for three, the entertainers usually get things under way each working night with oldies, which the people join in singing.

Once the crowd is won over by this approach, more modern, hip and esoteric material is accepted. Young and old sing out or just listen and sip. The atmosphere is collegiate and happy, occasionally boisterous.

Playing cards occupies some people on every trip and all-night coffee bars are set up in lounge areas and on sleepers, plus hot water for tea, Sanka and hot chocolate. Reading is another favorite pastime, and a boutique in one car is open for a while after every departure with magazines and souvenirs for sale (there are engine models, hats, shirts, key chains and other items, all red and white and featuring Auto-Train symbols).

Newspapers are picked up at stops along the way and distributed free throughout the train.

One element in the entertainment package that doesn't work out too well is a Muzak-type batch of recordings, played over loudspeaker at various times and interrupting with dull, repetitive tones the otherwise pleasant clickety-click of the tracks. But, some people like it.

What it adds up to, especially for the older people on board and the children, and many young couples, is a lot of fun. It's a carefree existence without much challenge to the mind, and most people like it that way for the overnight trip.

Who travels on Auto-Trains? Diana Sperry, for one, from Middletown, Ohio, and her 18-month-old son, Joshua, for two. They were on the Louisville-Florida trip recently, headed ultimately for Sarasota, Fla., while Mrs. Sperry's husband reports to Fort Jackson, S.C.

"There's not much for a very young child to do, except walk from one end of the train to the other," said Mrs. Sperry, resting on one trip to the front end of the Auto-Train. "But it's far better than driving. The setup is nice. The seats are not bad."

Mrs. Sperry had heard about Auto-Train through media attention given the Washington-Florida route and called the American Automobile Association for information when she heard a new Louisville route was planned.

She learned something other potential Auto-Train travelers must know: Tickets are sold only by the company and not travel agents. There is a toll-free telephone number connected with a bank of telephones and a computer-based ticket operation at 1801 K St. NW, in Washington, from which tickets are ordered and mailed in advance.

During the winter months, most riders on Auto-Trains are elderly, retired and relatively affluent persons with property in Florida, traveling between the Northeastern states (and now the Midwest) and the South; some 60 per cent of the autos carried in these months are Cadillacs.

Over holiday periods and during the summer, lots of families and children are on board, while the crowd is a mixture in the spring and tending to be more elderly in the fall.

At all times, the crew is young. Except for the railroad operating crew members (employed by the Seaboard or RF&P), the hostesses, hosts, service directors and maintenance people on each train are on Auto-Train's payroll.

Garfield emphasizes promotions from within (the firm now employs 640 persons) as well as his own sense of perfection in promoting employees' enthusiasm, and it appears to work: One couple planned a June wedding in the nightclub car.

Garfield also has outlawed tips. "They're paid well," he said of his employees.

Auto-Train pay is equivalent to or better than comparable work on other railroads—plus fringe benefits and a stock purchase plan. Under consideration is a pension or profit-sharing program. An attempt by a rail union to organize shop workers last year failed, 96–24.

AUTO-TRAIN TIPS

Too much demand remains a big problem for people wanting to ride Auto-Trains, with space sold out on some trains between now and the end of August. There are cancellations, however, and a waiting list. Generally, it is wise to make reservations two to six months in advance to guarantee space, or a year ahead in the case of holiday periods including Christmas and New Year's.

Washington residents should call 785–4000 for tickets and reservations; from the Northeastern U.S., the number is 800–424–8520, from the Midwest, 800–424–8670, and from Florida, 800–424–5410.

Trains depart Lorton, Va., just south of Washington on I–95, and Sanford, Fla., at 6 p.m. daily headed north and south for arrival at 9:30 a.m.

Between Louisville and Sanford, service is now offered three times weekly, with daily service planned by December. Trains leave Florida at 1 p.m. and depart Louisville at 3:30 p.m., with a travel time of about 22 hours.

THE BRITISH MIRACLE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. EDWARDS of California. Mr. Speaker, in the June 27 edition of the New York Times I came upon an article that I believe deserves the consideration of all Members. "The British Miracle" reports on the vast support that the British Government gives to the arts. This support and the resulting enrichment in the lives of all Britishers is something that the United States could well consider adopting here in our country. Our economy could be helped by this stimulation of economic activity, but the real benefits to the American people would be something incapable of measurement through economic parameters. I commend the article to all my colleagues:

[From the New York Times, June 27, 1974]

THE BRITISH MIRACLE

(By Anthony Lewis)

LONDON, June 26.—Over the post-war years we have had the German Miracle, the Italian, the Japanese—the spurts of economic growth that made those countries newly rich. The British read about all that and longed for an economic miracle of their own, something to end the long slow slide down the international prosperity tables.

No economic magic has turned up here so far, unless it is the vision of North Sea oil in the future. But there has been a miracle of another kind, one that is not often mentioned but that is reason enough for the British to feel a sense of achievement. That is their record in the arts.

Visitors to this country are always struck by the extraordinary richness and variety of theater, music and dance. They may assume that it has always been thus in Britain, but it has not. The rich cultural life has been made possible by a transformation, in the last 25 years, of public and official attitudes toward the arts.

Before World War II, official interest in the performing arts was largely confined to censoring them. Shaw was just one of many who complained of an atmosphere hostile to creativity in ideas or forms. For 100 years and more efforts to build a national theater had got nowhere.

Today the British Government spends about $42 million a year on subsidies for theater, music and dance. Another $58 million goes to museums and galleries, and $4 million for the Film Institute. Other significant sums are spent by local governments, for building new theaters or subsidizing repertory companies.

The figure of over $100 million in national Government support for the arts is astonishing, considering Britain's size and economic situation. In the United States, Federal spending on aid to the arts is $61 million in the current fiscal year—a lower figure in a country with four times the population and about twelve times the gross national product.

Account must also be taken of the British Broadcasting Corporation, in a way the most significant cultural phenomenon in this country. While the public television stations of America struggle against official parsimony, the B.B.C. has revenues of $33 million a year from license fees imposed by Parliament. The B.B.C. carries on a good music network, its own orchestras, drama and a general creative program that makes its television output the most interesting in the world.

Of course artistic excellence need not depend on public money. One example of an institution that survives on private support is the incomparable Aldeburgh Festival, with its roots in the villages and churches and mysterious countryside of East Suffolk. To hear the music of Benjamin Britten or Henry Purcell in Aldeburgh is to feel the connection of land and art.

But there can be no doubt that the performing arts generally require public subsidy today to survive on a level above the frivolous. It is no accident that the plays of Harold Pinter, Tom Stoppard, David Storey and Edward Bond have usually been produced by the subsidized theater companies: the National, Royal Shakespeare and Royal Court. A new National Theater, an exciting building designed by Denys Lasdun and being built by the national and London governments, is nearing completion on the south bank of the Thames.

In the end it is not buildings or statistics that matter but particular artistic experiences. And so it is appropriate to anchor this attempt at describing something that Britain does well, very well, in the writer's experience of one performance.

It was Verdi's "Falstaff," played at the royal opera house, Covent Garden, the other evening with Tito Gobbi in the title role. "Falstaff" used to be considered an oddity; now performances are besieged. More and more people have come to see this work of Verdi's eightieth year as an ultimate use of music and drama to express human weakness and glory, failure and aspiration.

The crucial thing about the character of Falstaff is that he is not a buffoon. Vain, yes, and gullible, and deceiving, but with a reservoir of wisdom and dignity and force; the force of life, for Falstaff is the symbol of life, of humanity with all its imperfections. That, at least, was what Verdi and his librettist, Boito, saw in the character. They perhaps saw more than Shakespeare.

The other night Tito Gobbi was all those things. He was the butt of the Windsor wives and their outraged men, but he remained larger than any of them; he remained in control. When he sang of how he had been slim enough to slip through a ring when he was page to the Duke of Norfolk, he sang of all our regretted yesterdays, but with spirit undimmed by physical change.

A great performance is always a small miracle. That the arts thrive as they do in this country is a larger one.

THE GREAT OIL SWINDLE, OR: MAYBE NOW CERTAIN BUSINESS LEADERS WILL SUPPORT TAX REFORM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. VANIK. Mr. Speaker, yesterday's newspapers disclose the losses sustained by a gold ribbon list of famous Americans who got taken on an investment scheme based on a tax shelter and tax dodge. From early indications, it appears that their loss on the tax free get rich tax gimmick will run as high as $100 million .

The amazing list includes such individuals as Jack Benny, Lewis Foy, president of Bethlehem Steel, Donald Kendall, chairman of Pepsi-Co Inc., and many other giants of the business, legal, and entertaining professions. The list is a veritable who's who of America's big and mighty who dislike paying Federal income taxes.

Their losses are largely paper losses, since their investments were largely made for tax avoidance purposes. Most of their losses would and should have been paid in their income taxes. Their losses are therefore shared by the Treasury.

We should not shed a tear for these fancy losers—nor should we establish a loan program for them to "shore up" their losses.

INFLATION—PROFESSOR HELLER ON INDEXING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HARRINGTON. Mr. Speaker, recently, as the economy has experienced double-digit inflation, much attention has been paid by economists, policymakers, and the general public to methods of slowing these often-damaging increases in the price level. One method which has been widely debated is wage and price controls—a method which was poorly administered by an administration hostile to its philosophy and which, as an expected consequence, failed to do the job that some policymakers believed possible. Another which has been proposed is the deliberate contraction of the money supply through the maintenance of consistently high-interest rates—a policy which forces certain sectors of the economy, especially the housing industry, to pay a high price for the control of inflation. A third alternative is a deliberate policy of fiscal restraint on the part of the Federal Government—a method which invariably seems to disproportionately affect those social programs designed to foster a higher quality of life for the American people. In addition to these three traditional vehicles, there is much discussion of a new proposal—widely known as the Brazilian plan of indexing or monetary correction—to stem the rising tide of inflation in the United States.

In Brazil, the use of indexing has corresponded to a large decrease in the rate of inflation and substantial progress in the area of economic growth. But it must be understood that this is not necessarily a casual relationship, for, as the distinguished economist, Walter Heller, points out in the following article, other factors unique to the Brazilian experience have contributed to the control of inflation, so that the economic improvements cannot be directly attributed to the indexation procedure. Another very important factor not mentioned in the article which would seriously impair the transferability of the indexation program is that Brazil is ruled by an authoritarian regime which has virtually unlimited power in forcing people to "tighten their belts" in order to transfer real income to capital at the expense of the workers.

Whether or not we agree, Dr. Heller's comments deserve the attention of each Member as we wrestle with the problem of inflation, and, therefore, I would like to insert his article, "Has the Time Come for Indexing?" from the June 20 Wall Street Journal in the RECORD at this time.

The text follows:

[From the Wall Street Journal, June 20, 1974]

HAS THE TIME COME FOR INDEXING?

(By Walter W. Heller)

In a word caught in the toils of unrelenting inflation, it is small wonder that "indexing" or "indexation" is gaining attention and adherents.

The idea of using a general price index to translate fluctuating money values of payments like wages and interest and of assets like bonds and savings into stable real value is not new, of course. A century ago, the English economist Jevons was searching for just such a stable standard of values. And in recent years, Belgium, Israel and Finland have indexed wages, pensions, rents and a wide range of financial transactions.

Even in the United States, we practice indexing in a limited way. Cost-of-living adjustments provide some insurance against inflation for 32 million Social Security and civil service beneficiaries and 13 million recipients of food stamps. And the wages of about 10% of the labor force are at least partly hedged against inflation by cost-of-living escalators.

What is new is not indexing as such, but the proposal that it be applied across the board. Struck by Brazil's heady economic experience, Milton Friedman urges us to "express all transactions that have a time duration in terms that eliminate the effect of inflation." This, it is claimed, would automatically take both the sting and the honey out of inflation and clear the path for monetary and fiscal measures to bring it under control.

Brazil's widespread use of indexing, or what it calls "monetary correction" has coincided with a marked slowdown in inflation and a strong speed-up in growth. The annual rate of inflation was brought down from about 99% in 1964 to 15% in 1973 (though world-wide inflationary pressures have again pushed it up to over 35% in the early months of 1974). Meanwhile, real growth has averaged better than 10% a year since 1968.

THE BRAZILIAN EXPERIENCE

But has indexing really been the hero of the piece? Does the Brazilian experience apply to conditions in the U.S.? For much of the following analysis I am indebted to Professor Albert Fishlow at the University of California.

After the military takeover in 1964, Brazil applied indexing with a vengeance in an effort to cope with rampant inflation and to get financial markets back on their feet:

Indexes measuring inflation rates of the recent past are used to translate money values into real values for payments of rent, interest and taxes as well as for assets like bonds, savings accounts and both the fixed and working capital of business.

Wage increases are determined by applying an index of expected future price and productivity increases to a base consisting of the average real wages paid in the preceding 24 months.

Profits are determined on the basis of real gains after monetary correction, while the level of exemption and the range of tax brackets under the personal income tax are redefined each year in accordance with price level changes.

The foreign exchange rate was put on a crawling peg, a system or regular minidevaluations geared to the differential rate of Brazilian inflation.

The measure of inflation generally used for the correction process is the wholesale commodity price index (except in the case of rentals, where the minimum wage is used as the indexing standard). Apart from wages, where the index is applied in an arbitrary way, the system is far from automatic. To implement changes in economic policy, the the authorities have adjusted tax privileges, loan repayment terms and real estate rate levels from time to time.

Wage indexing, as used in Brazil, was not a device to help labor keep pace with inflation. In fact, the wage formula, especially during the early years, had a built-in bias toward a reduction of real wages, partly because the correction for future inflation (and productivity advances) substantially undershot the mark and partly because rampant inflation eroded the calculated wage base. As a result, real minimum wages declined some 16% in the first phase of the program up to 1967. In the following five years, average wage gains covered only half to two-thirds of productivity advances. Only in 1972 and 1973 did rough parity prevail.

No one disputes that the Brazilian economy has made impressive strides in the decade since indexation was introduced. But the closer one looks, the clearer it becomes that indexing—in the usually accepted sense of impartial and automatic adjustments to general price movements—made only a marginal contribution to that success. Several facts lead inescapably to this conclusion.

First, the decisive role in reducing Brazil's inflation was played not by indexing but by (a) fiscal discipline that reduced the cash deficit from more than 4% of total output in 1963 to a small surplus in 1973; (b) price and wage controls; (c) the large productivity dividends produced by high rates of growth, and (d) greater international openness and the resulting competitive pressures on the domestic economy.

Second, Brazil's in-name-only indexation for wages was actually a formula for unwinding inflation at the expense of labor. The substantial decline in real wages, especially in the lower-income groups, bears witness to this.

Third, from the foregoing it is clear that the important parts of the program bearing the label "monetary correction" did not serve the cause of equity under conditions of rapid price rise—which presumably is the name of the game in indexing—but precisely the opposite.

Fourth, far from being an automatic correction based on overall price movements and thereby serving as a neutral "rule" to supplant governmental authority in allocating resources and distributing income, Brazilian indexing has been highly discretionary. To think otherwise does not do credit to the ingenuity and innovativeness of Brazilian policymakers. It fails to convey the degree to which rapid growth and disinflation were a product of conscious intervention in the economy.

Fifth, as recognized by such respected Brazilian authorities as Minister of Finance Mario Enrique Simonson, indexing eliminates the usual frictions in the inflationary process and thus may become a "feedback factor" in the rate of price increases. The 1974 jump in Brazil's inflation rate stemming from the global rise in food and energy prices seems to illustrate this point. The country's nimble policymakers already are investigating new ways of blocking this transmission effect.

Although indexing played a minor direct role in Brazil's successes on the growth and inflation fronts, it did help set the stage. By restoring and guaranteeing positive real rates of interest to savers, it helped revive capital markets and created the conditions in which new financial institutions could work, thus enabling the market to allocate resources more efficiently. Also, with the help of a broad range of export subsidies and incentives, the crawling-peg exchange rate facilitated a truly impressive growth in Brazil's exports. These consequences were important for Brazil's economic advance. But they are largely irrelevant to the U.S. economy blessed with strong financial institutions and foreign trade.

Indeed, the adjustment of interest rates to inflation via the marketplace, as in the U.S., affords an interest contrast with adjustments by indexing. What is the greater wisdom? To escalate long-term interest rates via indexing in response to the 1973–74 food and fuel price explosion? Or temporarily to offer a negative return on long-term money as our sophisticated capital markets are doing? These markets seem to be telling us that we should not build today's inflation into tomorrow's expectations on an exactly proportionate basis (nor, for that matter, should we ignore projected earnings in the productive sector).

COST-PUSH PRESSURE

An automatic across-the-board indexing system would have promptly translated skyrocketing commodity prices not only into higher interest rates but into higher wages. Thus, it would have put relentless cost-push pressure on the general price level. Under the present system, one has at least a fighting chance to avoid converting the 1973–74 "soft core" inflation—food, fuel, industrial materials and post-Phase 4 pop-up inflation—into a "hard core" price-wage spiral reaching well into the future.

Because of its uneven impacts, then, our existing system throws sand into the gears of inflation. Indexing would oil the gears and speed the process of inflation.

Under present circumstances, a good case can be made for using cost-of-living escalators in wage bargains instead of building the present rate of inflation into those contracts. Labor is thus protected against high rates of inflation, while the public is assured that wages won't be pegged at levels that ignore declining rates of inflation.

But it should be recognized that if across-the-board indexing of wages were required, vexing questions would arise. Would the base, or take-off point, simply be the existing wage level, or would adjustments have to be made for previous wage erosion and wage inequities? Would some nationwide adjustment for productivity also have to be prescribed? And would that not call for price-monitoring?

Beyond this, could a cost-of-living index be tuned finely enough to maintain the even-handedness that is a major objective of indexing? It is probably beyond the capacity of an indexing system, for example, to adjust for the fact that inroads of zooming food and fuel prices have been more serious for modest and low incomes than for high incomes.

Or consider the difficulties in trying to index income tax liabilities as Brazil has done:

Suppose we adjusted personal exemptions and the width of the tax brackets by the cost-of-living index today. It would give too much relief to those for whom food and fuel absorb only a small percentage of income and vice versa.

A tax fix via indexing cuts tax liabilities for those hurt by inflation but imposes no penalties on those, like debtors, who are helped by it.

Indexing reduces the automatic stabilizing force that a progressive income tax exerts by taking more money out of an inflationary economy. In this sense it demands more of discretionary fiscal policy.

Indexing would also throw a heavier burden on conventional fiscal, monetary and wage-price policies because it is such an efficient "conductor" of the inflationary impact of outside shocks like the quadrupling of Arab oil prices. Such policies are having a hard enough time trying to curb existing inflation without making them compensate for indexation as well.

SOME ATTRACTIONS

This is not to say that indexation has no role to play in the U.S. economy. As the Social Security and food stamp examples illustrate, it has definite attractions as a means of buffering the incomes of groups who have no built-in protection against inflation. Cost-of-living escalators for wages can also play a useful role in an economy where inflationary forces are ebbing. And the federal government might want to issue an indexed security itself and remove legal barriers to private indexing arrangements in financial transactions. Having "purchasing power bonds" as an option would enable the system to respond more efficiently to differential expectations of future inflation among investors and thereby reduce nominal interest rates.

But even with the best of intentions and the most perfect of applications, indexing cannot fairly lay claim to being neutral, automatic or highly equitable. It does not do away with either market power or political power. But it does do away with some of the inhibitions against inflation and some of the frictions that serve as circuit-breakers to slow it down.

In short, carefully targeted indexing in small doses can promote equity without worsening inflation. But in large doses, it is more likely to be an opiate than a cure for inflation.

(Dr. Heller, president of the American Economic Association, is Regents' Professor of Economics at the University of Minnesota and former chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson. He is also a member of the Journal's Board of Contributors, four distinguished professors who contributed periodic articles reflecting a broad range of views.)

SIXTY-EIGHTH GRAND CONVENTION OF THE ORDER OF SONS OF ITALY IN AMERICA

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. RONCALLO of New York. Mr. Speaker, I am pleased to extend my congratulations to the Grand Lodge of the State of New York Order of Sons of Italy in America and, in particular, to Joseph G. Bologna, grand venerable.

The members of the Order of Sons of Italy of the State of New York are today beginning their 68th grand convention at the Concord Hotel in Kiamesha Lake, N.Y. I congratulate the delegates and the 12,000 members of the order for the fine work they have dedicated themselves to in the past year and for the renewal of their dedication for the forthcoming year in achieving their objectives which not only enhance their qualities of citizenship but continue to make them better citizens in a great country. They are to be congratulated for their work in projecting Americanism among new immigrants; for their work among the youths of the State of New York and certainly for their many charitable endeavors in the support of Boys Town of Italy; their fight against Cooley's anemia and their endeavors in awarding educational scholarships throughout the State.

I salute my worthy brothers.

PROFITMAKING SCHOOLS ALSO LURE VETERANS

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. BELL. Mr. Speaker, the ongoing series of articles by Eric Wentworth in the Washington Post this week continues to provide evidence for the indispensability of H.R. 11927, the Postsecondary Education Consumer Protection Act, which Mr. Pettis, my distinguished colleague from California, and I introduced in December of last year. The fact that veterans, seeking further education under the GI bill, are also victimized by the at times fraudulent claims of certain proprietary schools further argues for the speedy consideration and passage of this bill. I respectfully bring to the attention of my colleagues Mr. Wentworth's third article, describing how certain schools lure our veterans, the text of which follows:

[From the Washington Post, June 26, 1974]

SCHOOLS LURE VETERANS WITH TOOLS AND TVs

(By Eric Wentworth)

"Build and keep one of today's most advanced color TVs!" urged Bell & Howell in its three-page advertisement in the April Reader's Digest. "It's the perfect spare-time project ... an enjoyable way to learn about the exciting new field of digital electronics!

The ad, one of many Bell & Howell has been running, invited readers to send in for more details and a free booklet about GI Bill benefits.

The GI Bill, according to George P. Doherty, who headed the company's education ventures until resigning recently, has been subsidizing about two-thirds of the 150,000 students taking Bell & Howell correspondence courses in color-television technology, other electronics fields and accounting.

Bell & Howell, in fact, is one of numerous companies selling correspondence courses in subjects from color-television technology to motel management that have found the GI Bill a bonanza for enrollments.

Veterans pursuing conventional classroom educations receive fixed monthly benefits regardless of their expenses—a system causing repeated outcries as tuition and living costs soar. But those taking correspondence courses are reimbursed for completed lessons at a flat 90 per cent of the tuition, whatever it happens to be and whatever—such as expensive "build and keep" television sets—it hapepns to cover.

The market subsidized by the GI Bill is immense. When Congress launched the present program eight years ago, it provided benefits not only for Vietnam veterans but for all those who had been mustered out as far back as 1955. And, for the first time, it extended coverage to active-duty servicemen.

All told, the present GI Bill has rendered some 9.7 million young and not-so-young Americans eligible for benefits. Through last June, the Veterans Administration had spent some $8.1 billion on training benefits for more than 4.1 million of those eligible—making the GI Bill by far the largest federal student subsidy program.

VETERANS' EDUCATION

Companies selling education for profit—including big corporations such as Bell & Howell which have entered the field since the current GI Bill began—have taken advantage of this student market in a massive way. While most people might think of veterans using their benefits to study on college campuses, nearly one in four has been spending them on commercially sold correspondence courses.

In 1972, according to Veterans Administration data published last fall by Educational Testing Service, 12 profit-seeking schools each enrolled more GI Bill students than the University of Maryland at College Park.

Advance Schools, Inc., of Chicago led the VA list with 51,114 GI Bill correspondence students, more than the total student bodies—part-time as well as full-time—of American, George Washington and Georgetown universities combined.

Commercial Trades Institute, owned by Montgomery Ward, was second with 34,800 GI Bill students. Further down the list were two Washington-based schools owned by McGraw-Hill: Capitol Radio Engineering Institute with 8,564 GI Bill enrollees and National Radio Institute with 7,901.

The University of Maryland at College Park, with the largest GI Bill enrollment that year among all public and private nonprofit institutions, had only 4,381.

Companies in the correspondence school business have captured a big share of the market through aggressive selling. Their ads appear in Army Times, Argosy, Action Comics, Popular Mechanics, Popular Electronics, Penthouse, Front Page Detective, Glamour, Hot Rodder, Ebony, National Enquirer and a host of other publications.

These ads extol the high pay and status, even the excitement and glamor, that supposedly await students completing the course. Cleveland Institute of Electronics, promoting its color-television course, claims, "You'll Be Dynamite."

The ads also state "Approved for Veterans" or similar wording assuring readers that the courses qualify for GI Bill benefits.

Some companies exploit the GI Bill blatantly. Recently, for example, Commercial Trades Institute display boxes crammed with "take one" cards appeared in a laundry and a delicatessen on Wisconsin Avenue here. The red-white-and-blue cards, headed "Attention All Veterans," with an American flag in one corner, read, "It will pay you to learn about your benefits under the GI Bill. Specialized home study training for those who qualify. Tools and equipment furnished and are yours to keep."

Veterans could mail in one of the pre-addressed cards for more information about courses in color-television servicing and six other subjects.

THE 590 SALESMEN

Some correspondence school companies rely wholly on ads and promotional mailings. Advance Schools, on the other hand, uses 590 fulltime salesmen operating out of 147 district offices. Bell & Howell uses both ads and salesmen, of which it has 400 for its electronics courses and another 100 for accounting.

The European edition of Stars and Stripes published a special series last November on how some correspondence school salesmen, including retired military officers, were preying on enlisted men overseas. Stars and Stripes reporters found salesmen gaining illegal entry to military bases, signing up soldiers without worrying whether they could benefit from the courses, inducing them to evade required counseling with base education officers, and even supplying them with exam answers to hasten their progress.

Two years ago, the VA and Congress decided the GI Bill was making it all too easy for profit-seeking correspondence schools to sell their courses—and both taxpayers and consumers were suffering as a result.

A special General Accounting Office report showed 75 per cent of the veterans and servicemen whose GI Bill benefits had stopped were dropouts. Only about half of those who finished their courses and sought training-related jobs were successful.

One could well conclude, though the GAO didn't say so, that there had been a massive waste of tax money in GI Bill subsidies to veterans who dropped out of their courses.

Though GI Bill benefits were supposedly covering 100 per cent of tuition at that time, the GAO found some 134,000 dropouts had paid an estimated $24 million out of their own pockets. This occurred because VA based benefits on lessons completed, while schools accredited by the National Home Study Council—as most were—based student charges on the elapsed time since they first enrolled.

Congress adopted a package of reforms. GI Bill benefits would cover 90 per cent, instead of the full 100 per cent of tuitions. A "cooling-off period" would require GI Bill students to reaffirm their intentions in writing at least 10 days after signing an enrollment contract. And servicemen would have to consult with base education officers before applying for benefits.

Congress also accepted the National Home Study Council's refund-policy reform for accredited schools, which would tie refunds to percentages of lessons completed.

The reforms took effect Jan. 1, 1973, and had a marked effect. VA reported that new enrollments in commercial correspondence courses during the first six months fell 27.8 per cent, from 130,937 a year earlier to 94,495. New enrollments by servicemen alone dropped dramatically, from 26,190 to 12,803.

"Somebody out there has been saying something right to people about commercial correspondence courses. Col. John J. Sullivan, Pentagon adult education director, told a gathering of military-base education officers last fall in Dallas.

PROBLEMS PERSISTED

Serious problems, however, have persisted. Dropout rates have remained high. Even Bell & Howell, promoted as the "Cadillac" of correspondence schools, reported that at most 50 per cent of those who sign up for its courses actually complete them.

The Stars and Stripes articles, a recent Boston Globe series, and The Washington Post's own investigations confirm that sales abuses still occur.

And, in particular, the fact that GI Bill benefits for commercial correspondence courses remain pegged to tuition rates—even at 90 per cent instead of 100 per cent of those rates—helps perpetuate the program's heavy costs.

To the extent tuition rates cover marketing as well as instructional costs, the GI Bill subsidizes both.

A study funded by the Carnegie Corp. six years ago estimated medium-sized correspondence schools were spending 40 to 45 per cent of their budgets on sales and promotion, and less than half that amount—17 per cent—on direct instructional costs.

A Washington Post reporter mailed in coupons or letters answering the ads of some three dozen commercial correspondence schools to learn about their promotional methods. They responded with salvos of folksy form letters and elaborate glossy brochures.

National Camera, which runs a camera repair school based in Colorado, was the most prolific. It sent a total of 14 pieces of mail over an eight-month period in response to one inquiry.

Getting no response to its initial mailings, LaSalle Extension University wrote, "When you first inquired about the LaSalle course in motel/hotel training you had taken a positive step toward a bigger future. And now, for some reason, you have faltered along the way."

EYE-CATCHING EQUIPMENT

Many companies promote their courses with a heavy stress on expensive or eye-catching hardware which they would supply with the lessons. They seemed to include such equipment as much to sell the course as to enhance its educational value. In extreme cases, they seemed to be selling equipment rather than education.

This seemed most notably the case with Bell & Howell, Cleveland Institute of Electronics, National Technical Schools, International Correspondence Schools and others selling color-television technology courses in which they featured deluxe "build and keep" construction kits as well as assorted testing equipment.

Anyone can buy such kits by mail order from the Heath Co. in Benton Harbor, Mich., which supplies detailed and readable manuals for step-by-step assembly, maintenance and trouble-shooting. Richard Shadler, Heath's contract sales manager, confirmed that his company sells "Heathkit" color television sets at volume discounts to Bell & Howell and several other schools for them to use in their correspondence courses.

If you buy and build the $599.95 GR–900 or $649.95 GR–2000 "Heathkit" sets from Heath directly, of course, you pay the full price yourself. If you're a serviceman or veteran and acquire a modified "Heathkit" through Bell & Howell's $1,595 correspondence course, however, the GI Bill will cover 90 per cent of your total course cost.

Bell & Howell's Doherty conceded someone could sign up for the course under the GI Bill more to get a 25-inch-screen color television set at a government-subsidized bargain than to get an education in electronics. But there were obstacles, he insisted: the 170-lesson course was difficult and time-consuming, GI Bill benefits were paid only for lessons completed, and students received their "Heathkit" components only in the last quarter of the course.

In addition, the GI Bill is supposed to subsidize only veterans and servicemen whose studies have an educational, vocational or professional objective for which they are not already qualified—and they must state their objective on the benefits application form. Courses with a "recreational or an avocational purpose" aren't supposed to qualify for benefits.

LOCAL RESIDENTS

Nonetheless, Washington Post telephone survey of local residents taking the Bell & Howell course under the GI Bill turned up Pentagon civilians and military officers, business executives, airline pilots and even dentists who said they had enrolled for a hobby, to acquire a new television set, or to learn to repair sets they already owned.

"We don't require them to take a lie detector test," a Veterans Administration official commented.

Aside from $600 television kits, other companies offer a variety of valuable if less glamorous hardware. National Radio Institute included a "handsome window air conditioner that serves as a training unit as well as a welcome addition to your home" in one of its courses.

Belsaw Institute's $275 locksmithing course included a $125 Belsaw Machinery Co. key machine-code cutter and other tools and supplies—total retail value $215, or 78 per cent of the tuition.

The North American Correspondence Schools, owned by National Systems, spiced up their courses with a $129.50 adding machine for accounting, and "three big drafting Kits" for drafting.

True, anyone taking vocational or technical training learns more effectively with access to the tools and equipment giving "hands on experience." Students who attend classes at a school get that access in the school's labs or shops. Correspondence students can't do that, so the schools instead mail them what amounts to their own individual laboratories.

It can be argued that since the schools can't control what happens to equipment in the hands of farflung correspondence students, it makes sense to let the students keep what's sent to them.

"We don't want to go all over the country recovering TV sets from all our students and then have a massive repair operation," Doherty said in explaining why Bell & Howell has correspondence students "build and keep" their color televisions.

Students taking a comparable course through on-site training at one of Bell & Howell's DeVry Institutes of Technology use school equipment instead and don't get sets to keep. "A couple of resident instructors are watching over the students," Doherty said, "and the amount of damage is held to a minimum."

There are, however, exceptions to the "build-and-keep" approach in correspondence courses. National Camera mails tools, test instruments and camera components to its correspondence students on temporary loan—requiring refundable cash deposits as high as $233.10 in various phases of the course.

"Their cost, if you had to pay for each item," National Camera informs its students, "would nearly double tuition fees. To keep tuition cost at a minimum, this equipment is loaned to you."

DIAMONDS LOANED

Likewise, the non profit Gemological Institute of America loans out on the honor system a series of diamonds worth up to several hundred dollars apiece for students in its appraisal course to grade and mail back.

Even Bell & Howell itself, according to Doherty, makes an exception in one of its other correspondence courses, on electronic communications. Because one piece of equipment costs $1,000 and is needed for only one phase of the course, he said, the company loans it out under a $100 deposit rather than letting students keep it and pay extra tuition cost.

Some schools padded their offerings with less expensive but less essential paraphernalia which would still add something to tuition costs.

The North American School of Travel, for instance, embellished its travel-agent course with a Rand-McNally globe, wall map and atlas plus a set of Holiday Magazine guidebooks.

Modern Upholstery Institute, an unaccredited California school state-approved for GI Bill students, showed how fuzzy the line can be between educational essentials and non-essentials in correspondence study.

The school started out offering a $255 course, which veterans could take with 90 per cent GI Bill subsidies. The course included more than 125 lessons, upholstering tools, and six kits of materials to make an ottoman, boudoir chair and other furnishings.

Failing to make a sale, the school then offered a "compact" upholstery course in which students would grade their own lessons. The compact course, no longer qualifying for GI Bill benefits, cost $150 with only four kits (no boudoir chair or club chair) or $124 without any kits.

The school claimed that the compact course allowed it to slash costs "without reducing its instructional value in the slightest degree." (Ultimately, the school came up with a "streamlined" course for only $76 in which all the lessons—and a set of tools—would be mailed in "one giant package." Still, it claimed, "not one single vital bit of information has been omitted!")

BONUS DISCOUNTS

North American schools were among the front-runners when it came to offering bonus discounts up to $150, or gifts, to students mailing in enrollment contracts by certain deadlines. Their gifts included a "deluxe travel bag" from the School of Travel and a pair of binoculars from the School of Conservation.

Cleveland Institute of Electronics offered up to 17 "free gifts" worth a total $165.25—including an electronic pocket calculator—for prompt enrollments. And Technical Home Study Schools in New Jersey, also for prompt enrollments, offered an 18-volume "Encyclopedia of Good Decorating" from its Upholstery and Decorating School, and more than 100 key blanks from its Locksmithing Institute.

Still another come on which several companies used involved opportunities for postgraduate training. Students who could afford their own travel and living expenses could take advantage of the opportunities without extra tuition.

North American School of Conservation offered "a thrilling week, or more" of lectures, field trips and "leisure fun" at its "summer camp in Wyoming's breath-taking scenic beauty."

ENVIRONMENTAL CENTER

Its rival outdoor-careers school, the National School of Conservation (acquired since by Technical Home Study Schools) last fall was offering a week-long "remarkable living and learning experience . . . and, yet, it's like the vocation of a lifetime" at an environmental study center in Wisconsin's North Woods.

Less recreational but perhaps more educational, National Camera offered a two-week "resident seminar" at its Englewood, Colo., headquarters; National Technical Schools offered up to a full month's "workshop training" at its school in Los Angeles; National Radio Institute offered one week's training at York Institute in Pennsylvania for its air conditioning, refrigeration and heating students; and North American School of Drafting offered 50 hours' training at Cleveland Engineering Institute.

School owners, in short, have been able to charge tuitions that cover a wide array of embellishments while GI Bill benefits pay 90 percent of whatever those charges happen to be.

This government generosity persists at a time when veterans attending conventional colleges complain bitterly that their benefits—based on flat monthly rates regardless of tuition and other costs—aren't meeting their needs. It's a time, as well, when young Americans are finding other federal student aid funds in generally short supply.

THE FIGHT AGAINST BIRTH DEFECTS

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. SYMINGTON. Mr. Speaker, today I am introducing with my colleagues, PAUL ROGERS of Florida, Dr. TIM LEE CARTER of Kentucky, and JOHN SEIBERLING of Ohio a joint resolution to establish January as "March of Dimes Birth Defects Prevention Month." In taking this step we will be offering the support of Congress and focusing the attention of the Nation on the volunteer effort which is aimed at solving the No. 1 child health problem in the United States.

THE FACTS ABOUT DEFECTS IN THE UNITED STATES

This problem affects all of our lives. Every year about 250,000 babies are born in the United States with some type of defect—mental or physical. This amounts to almost 1 in 14 births or 700 babies a day—about 7 percent of all live births. Official statistics indicate that of those born alive more than 60,000 die each year in infancy, childhood, or in adult life as a direct result of birth defects. A 10-year study conducted at the University of Florida College of Medicine suggests that birth defects cause some 129,000 deaths a year, more than twice the officially reported number. Birth defects are implicated in fully half the deaths of preschool children and are responsible for the death of almost two-fifths of elementary school age youngsters.

In addition, there are some 500,000 spontaneous abortions, stillbirths, and miscarriages each year due to defective fetal development.

Altogether, more than 560,000 lives a year are destroyed by birth defects. Only heart disease claims more lives.

Clearly, this is a major health problem which warrants the consideration of every Member of Congress. In this regard, I urge my colleagues to support the work of our House Health Subcommittee chaired by the able PAUL ROGERS of Florida as extension and improvements of existing health laws come to the floor for final action.

THE COST IN DOLLARS

As a result, birth defects are estimated to cost the United States some $80 billion annually in lost lifetime earnings. Because this loss begins with birth, rather than late in life, it is more than four times greater than for any other disease. In addition, some 1,200,000 are hospitalized in the United States each year for the treatment of birth defects at an estimated cost of over $800 million.

It is estimated that approximately 15 million Americans suffer from birth defects serious enough to affect their daily lives. These include 3 million mentally retarded, 4 million diabetics, 1 million with congenital bone, muscle, or joint disease, 500,000 totally or partially blind, 750,000 with impaired hearing, 350,000 with congenital heart or circulatory defects and 100,000 with severe speech problems.

We are losing ground in our fight to maintain international leadership in the development of preventive medicine, prenatal and neonatal care.

JANUARY IS MARCH OF DIMES MONTH

For nearly 40 years, the March of dimes has had a concentration of public education and publicity during the month of January. Each year, January has been proclaimed "March of Dimes Month" by numerous Governors and mayors. The following States have declared a March of Dimes Month in January at least once since 1970: Alabama, Alaska, Arkansas, Colorado, Connecticut, Hawaii, Illinois, Idaho, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, and Wisconsin.

This tradition began with the establishment of the President's Birthday Ball honoring President Franklin D. Roosevelt on January 30, 1934. The proceeds of the President's Birthday Ball were used to finance the fight on polio through the National Foundation and the annual campaign to support the National Foundation became the March of Dimes.

With its victory over polio, the National Foundation/March of Dimes began in 1958 to focus its full resources on the campaign against birth defects. Its efforts are directed both to the prevention of birth defects and to the treatment of those born with disease or damage due to prenatal factors.

PROGRAMS FOR PREVENTION OF BIRTH DEFECTS

Every child should enter the world undamaged by defects, events that take place during pregnancy. Statistics prove that a program of prevention is a necessity.

Programs of prevention require great emphasis on prenatal care. The National Foundation/March of Dimes through its more than 2,300 chapters covering every county in the United States, has initiated numerous programs at the local level to see that expectant mothers receive adequate prenatal care. Working with all elements of the community, prenatal care projects have been established that now help bring medical services and health education to families in an increasing number of localities. The National Foundation helped initiate nationwide programs such as "Operation Stork," "Better Infant Births," and "Stork Nests" in conjunction with other volunteer groups. It has cosponsored prenatal care clinics with hospitals and public health departments in inner city and rural areas. Beside adequate medical care, the prenatal care programs stress the importance of nutrition to mothers both before and during pregnancy and to the newborn.

Congress has also responded to these problems through the passage of the maternal and child health services provisions of the Social Security Act. This act has resulted in the establishment of 61 maternity and infant projects in 34 States and 8 intensive care projects for high risk infants. The National Foundation/March of Dimes programs have acted as referrals to these projects.

In addition, Congress has established the special supplemental food program for women, infants, and children—(WIC program)—under section 17 of the Child Nutrition Act of 1966. The National/March of Dimes has been working closely with the Department of Agriculture and the local communities to implement this program and to develop appropriate systems of evaluation.

Next year, our House Health Subcommittee with the bipartisan leadership of **PAUL ROGERS** and Dr. **TIM LEE CARTER** will continue its support of Public Health Service Act research funds for work into the causes and treatment of birth defects as part of the total Federal medical research effort.

The National Foundation/March of Dimes makes extensive grants each year for research into the underlying causes of birth defects and also into the best methods of diagnosis and treatment. The internationally famous Salk Institute for research has been built and largely supported by March of Dimes funds.

The National Foundation/March of Dimes sponsors a network of medical service programs throughout the country. Through these programs children with birth defects receive diagnosis and treatment by teams of medical experts. More than half of the programs also provide genetic counseling. At others, high risk pregnancies are monitored and intensive care is given to critically ill newborns. These programs are administered by hospital medical centers.

EDUCATION AND PUBLIC INFORMATION

The education and training of professionals to provide the broad range of services required is another goal. The National Foundation/March of Dimes provides leadership in this area with symposia to educate family practitioners in genetics and courses for nurses in intensive care of critically ill newborns as examples. Fellowships are awarded to outstanding investigators and clinicians and scholarships are made available in the health specialties. Of particular importance is the dissemination of knowledge about birth defects and their treatment through the publication of original articles and reprints, the distribution of audiovisual films on genetics and the publication of a "Birth Defects Atlas and Compendium" as a resource tool for doctors.

Of equal importance is the dissemination of knowledge to the public and especially to the prospective mother. The National Foundation/March of Dimes volunteers throughout the country carry the word in person and through hundreds of thousands of pamphlets and booklets to all parts of the community. Prospective mothers must know the importance of early and regular medical attention in pregnancy and why it is her best safeguard in reducing the risk of maternal complications and hazards to her unborn baby.

FOCUSING ON THE NEED

In the crusade against birth defects, it is necessary for the people of the United States to consider fully the nationwide problem and its effect on present and future generations. By authorizing the President to designate January of each year as "March of Dimes Birth Defects Prevention Month" will be the vehicle through which information about education, nutrition, and prevention of birth defects is transmitted to the public. I urge my colleagues to support this resolution.

U.S. SANCTIONS AGAINST SOUTHERN RHODESIA

HON. JOHN C. CULVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. CULVER. Mr. Speaker, I am pleased that the Committee on Foreign Affairs today reported favorably S. 1868, a bill to restore the United States to full compliance with United Nations sanctions against Southern Rhodesia. The purpose of the bill is to repeal the Byrd amendment and thereby disallow further imports of chrome ore, ferrochrome, and nickel from Southern Rhodesia, and return the United States to full compliance with U.N. economic sanctions in accordance with international treaty obligations.

In 1965 Ian Smith established a white minority regime in Southern Rhodesia. The following year the United Nations Security Council, acting under chapter 7 of the U.N. Charter which provides for Security Council sanctions when there is "a threat to the international peace and security," voted to impose mandatory economic sanctions against the regime. In 1968 the Security Council voted to make the sanctions comprehensive by prohibiting all trade with Southern Rhodesia. In both instances the United States voted in favor of the sanctions.

In 1971 the U.S. Congress violated that position by an amendment to the Defense Procurement Act that allowed the importation of any commodity determined to be strategic and critical which was imported from a Communist country. The effect was to authorize the importation of chrome ore, ferrochrome, and nickel from Southern Rhodesia. The United States thereby became the only nation besides South Africa and Portugal openly to violate the Security Council sanctions.

The principal argument advanced in favor of the Byrd amendment was that it was in the U.S. national interest to keep the United States from becoming dependent upon the Soviet Union for imports of chrome ore.

However, since passage of the amendment, the Soviet share of U.S. chrome imports has risen from 24 to 53 percent. Furthermore, the United States has vast supplies of chrome in its strategic stockpiles—so vast, in fact, that last year President Nixon declared 3.9 million tons to be in excess and proposed legislation to release that amount for public sale.

Furthermore, U.S. security interests are not tied to Rhodesian chrome. Peter Flanigan, assistant to the President for International Economic Affairs, has said:

> Access to Rhodesian chrome and other minerals is not an important element in U.S. security or in our overall foreign economic policy . . .

Likewise, Secretary of State Henry Kissinger, in a February 8, 1974, letter to a Republican colleague on the Foreign Affairs Committee, said:

> I am personally convinced that the Byrd Provision is not essential to our national security, brings us no real economic advantages, and is costly to the national interest of the United States in our conduct of foreign relations.

The Byrd amendment has several adverse effects. It reverses the policy of two U.S. Presidents in support of self-determination for the majority of Rhodesians. It is a violation of international law and is a bad precedent set by a country which claims allegiance to international law. Thereby it weakens the sanctions and the

United Nations itself as an instrumentality for peaceful change.

Further the Byrd amendment creates hostility toward the United States among black African countries. It gives the Smith regime not only a morale boost, but it also is the largest single source of foreign exchange—some $43 million. Finally, it leaves the impression that the United States is not willing to sacrifice even a small economic interest in order to penalize a regime which flouts principles of democracy, racial equality, and self-determination.

It is time for Congress to return the United States to compliance with the economic sanctions against Southern Rhodesia and thereby with international law. Only with the strong moral leadership of the United States can the United Nations serve as an important vehicle for the resolution of conflicts among nations and peoples. It is in the long-term interests of the United States to promote a strong and effective United Nations.

Mr. Speaker, I urge early and favorable congressional consideration of S. 1868.

CONGRESSIONAL BUDGET REFORM

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. MIZELL. Mr. Speaker, I am today completing the mailing of my monthly newsletter for June. For the benefit of my colleagues I insert at this point a copy of it in the RECORD:

CONGRESSIONAL BUDGET REFORM

This month the House of Representatives approved a measure reforming congressional budget procedures. Since my first term, I have been urging action to reduce unnecessary and wasteful federal spending, and with this action I think we are moving in the right direction. Because of the impact of this bill—because of its potential to bring federal spending under effective congressional control, to reverse the trend of deficit spending and to halt the inflationary spiral—I want to explain its provisions to you.

Heretofore, the budget procedures of the Congress have been disjointed and counterproductive. After the approval of authorizing legislation in both Houses, appropriations are recommended in the President's budget for newly authorized programs and existing programs. The Congress has had neither the expertise nor the technological capacity to adequately analyze and review these numerous intricate and complicated proposals. The decentralized, separate authorization and appropriations approach has not permitted Congress to get an overview of the total budget picture, resulting in the passage of individual bills which feed inflationary fires.

If properly implemented, the budget reform bill will help alleviate the problems inherent in the old system by enabling Congress to more carefully consider the overall federal budget and to take timely action to insure a reasonable and responsible fiscal policy.

Under the new system, a congressional budget office will have the expertise necessary to analyze the volume of intricate data accompanying the President's budget and individual spending proposals. The beginning of the fiscal year will be moved from the current July 1 to October 1 to assure adequate time for orderly and thorough consideration of spending measures.

After submission of the President's budget, Congress must review his recommendations and adopt a tentative budget by May 15, setting overall target totals for appropriations, spending, taxes, reduction of the federal debt, and so on. After setting this total budget goal, appropriations committees will be permitted to present their spending bills which will be measured against the goals set forth in the tentative budget. The budget committees and the Congress must accomplish this review by September 15, and if over-spending would result, the budget committees can dictate changes in the appropriations to insure that expenditures are kept within non-inflationary bounds.

The battle for passage of this measure in the House was long and arduous. Final Senate action is expected soon. When signed into law, its enactment will be a significant step toward controlling the spiraling federal budget and eliminating deficit spending because it will reduce the chances of passing inflationary bills due to inattention. The new process should also reduce the present confusion surrounding the budget and curb unnecessary delay in the budget process. But these aims will not happen by magic; they will require diligent and responsible action by the Congress in its implementation of this measure if its potential for restoring sanity to our fiscal policy is to be realized.

SOVIET RESETTLEMENT OF LITHUANIAN FARMERS

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HUBER. Mr. Speaker, in yet another step designed to bring Lithuania into line with the Soviet Union, a decree was announced that would move 100,000 Lithuanian farmers from their homes so that farm units may be enlarged in line with the traditional Soviet thought that bigger is always better. This is yet another blow to the family and Lithuanian tradition of individual farmhouses. Now they will have to move to centralized farm settlements. One can certainly expect the farm production in the area to fall, as a consequence. I commend the article from the Christian Science Monitor of Friday, June 21, 1974, to the attention of my colleagues:

SOVIET RESETTLEMENT—100,000 LITHUANIAN FARMERS FACE FORCED MOVE TO VILLAGES TO FREE ADDITIONAL ACREAGE

(By Leo Grullow)

MOSCOW.—Approximately 100,000 Lithuanian farm families are to be moved from their ancestral farm cottages to central farm settlements so that the fields where their houses stand may be planted.

Plans to compensate the farmers for loss of their homes and to grant them loans for building new houses in the central settlements were announced in a decree issued by the Lithuanian Council of Ministers.

The decree, reported in Lithuanian newspapers, was declared to have the approval of the central Soviet government in Moscow.

In Russia proper, where the feudalism lasted into the 19th century, rural dwellers always lived in villages, with houses clustered around a manor house and strung along one or several lanes, though the farm fields lay far away.

Collectivization made no change in this housing pattern, except that the manor house usually became the farm center or club.

In the Baltic regions the farmer's cottage—like an American farm house—lay in the center of his fields and at a distance from neighbors. Although the fields have been collectivized, farmers continue to reside in their separate family cottages.

Such farm houses had previously been condemned and their occupants moved when the land around them was scheduled for drainage and improvement. Now all isolated farm cottages will be subject to condemnation, whether the land on which they stand is to be drained or not.

Most of the cottages to be torn down are in the southern and eastern parts of Lithuania, where drainage and land improvement are not needed and hence such cottages had hitherto been left untouched.

Commissions will appraise the cottages and their private gardens to establish the compensation due. Upon moving to state or collective farm central settlements, the farmers are granted 15-year home-building loans up to 3,500 rubles (about $4,250). The state or collective farms are to pay 35 percent of the loan. The new homes may be either privately purchased or co-ops.

The decree set no time period or schedule for the vast program to move farmers into central settlements. It simply announced the provisions for compensation and loans and the procedures to be employed. The resettlement undoubtedly will be spread over many years.

Lithuania, one of the most prosperous regions in the Soviet Union, is strongly Roman Catholic and its people are noted for their independent spirit.

For several years, the far southern Soviet Republic of Moldavia—another region where farmsteads used to be isolated from one another—has been moving rural families from their dispersed cottages into centralized farm settlements.

The resettlement there has been linked with a program to merge farms into larger units under combined corporate management.

Under this system, groups of large, specialized farms, both state and collective, are integrated with packing and processing plants into regional corporations. Some of these large units have been building "argo-cities" to house the farmers.

The Moldavia corporate farming plan is being extended experimentally to other parts of the Soviet Union, including some places in the Baltic region.

IMPEACHMENT—A PRIMITIVE POLITICAL WEAPON

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. BOB WILSON. Mr. Speaker, from time to time I have submitted for the RECORD various articles about the impeachment process which, of course, is of major concern to our colleagues at this time. I now include as a portion of my remarks another article by O. R. Strackbein entitled "Impeachment—A Primitive Political Weapon." This gives a very good summary of the impeachment procedures and some of the problems involved with them in days gone by.

The article follows:

IMPEACHMENT—A PRIMITIVE POLITICAL WEAPON

(By O. R. Strackbein)

The impeachment procedures relating to the Presidency of this country are patterned after the British system. There the House of Commons brings the charges, and if these are sustained, the case goes to the Lords for trial. Here the House of Representatives replaces the Commons, and the Senate, the Lords, in the process of impeachment and trial.

In England impeachment has fallen by the wayside. The latest Prime Minister who was threatened with it was Lord Palmerston who was in office in mid-nineteenth century. The preliminary motion to develop evidence on which to proceed was itself, however, defeated; so nothing came of it.

In the earlier 1800's only two charges that might have led to impeachment of high officials were lodged. One (1805) was against Lord Melville, First Lord of the Admiralty, and the other against Lord Ellenborough, Lord Chief Justice of the King's Bench. Neither motion survived the House of Commons. In other words, no one has been impeached in Britain in nearly two hundred years.

One cause of the atrophy of the impeachment muscle is thought to lie in the nature of the parliamentary system wherein the Prime Minister and his Cabinet may be turned out of office by a vote of no confidence. Instead of waiting to the end of the set term of office an interim turnover may be accomplished. While this was nothing new, since upsetting of a going House was an old practice, it can only be surmised that experience with the impeaching process was so unhappy that it was set aside in favor of the vote of confidence. In any event impeachment in Britain represents a relic of history that can now quite safely be regarded as archaic.

This obsolescence followed that of a previous prevalent practice: namely, decapitation. This was a political instrument of the sharpest edge, not only in England, but, notoriously in France during the Reign of Terror. During the 15th, 16th and even the 17th centuries in England beheading was a favorite means of ridding the scene of political opponents if they could but be captured. During the War of the Roses, when York battled Lancaster and vice versa, a lordship's gory head not infrequently was seen to adorn city gates and parks, usually mounted on a pike, as convincing evidence of who was boss or, more certainly, who was not. Not even queens escaped. Mary lost her head to her younger sister Elizabeth in mid-16th century. It was almost sure to be the one or the other. A hundred years later Charles I of England made his last bow on the block.

From beheading to impeachment represented progress in the process of amelioration that set in during the first half of the last century that saw the execution of poachers and the imprisonment of debtors vanish. At about the same time the settlement of private encounters by dueling moved away from the crimson path to less gruesome endings. Oddly enough, while in England impeachment went out, we, in this country, are on the verge of reverting to the primitive usage of the rusty instrument.

In England, the origin of impeachment "lie in the 14th century, when it grew up as a means of initiating criminal procedures based on 'clamor' or outcry." So says the Encyclopedia Britannica.

"The Good Parliament of 1376 proclaimed the first recognized cases of impeachment", says the same source. The most important case was that of William, Lord Latimer. The latter had been "closely associated with the government of the aging Edward III, which was under hot attack." His case, says Britannica, revealed "a characteristic which persisted; subsequent victims of impeachment (in Britain) have often been political figures. Usually they have been royal ministers as well."

After the trial in 1459 of Thomas, Lord Stanley "impeachment fell out of use" for a long period, nearly two hundred years. In 1620–21 Sir Giles Mompesson was successfully impeached in the reign of James I who tried unsuccessfully to prevent the action.

"Flourishing their new-found weapon the Commons attacked much more important victims." Among these were Francis Bacon and the Earl of Essex. "Their success (i.e., that of the Commons) was dramatic; for thus the chief officers of the crown were overthrown." Those were the days, of course, of intense struggle against the monarchy.

The political character of impeachment was showing its true color.

The account (Britannica) continues: "By it (i.e., impeachment) unpopular ministers and favorites, such as the Duke of Buckingham (1626), Archbishop Laud (1640), the Earl of Strafford (1640–41), the Earl of Clarendon (1667) and Danby (earlier: 1678–79) were brought down or at least brought into jeopardy."

Between 1620 and 1715, inded, "there were about 50 cases of impeachment." The account then notes that " in attacking royal ministers the Commons were in effect attacking their *policies*." (Emphasis added).

The next sentence in the account throws some light on the current dispute about the questions of Presidential inpeachment on grounds other than a criminal act. It says: "Yet they (the Commons) could proceed by impeachment only if a minister could be convicted of a crime."

On this point the account dwells long enough to say: "Strafford's case had shown that a wary minister was often hard to trap in a net. A minister might be punished severely for some trivial offense which had been cozened up and which was not the real point at issue."

Probably the most celebrated of the British impeachment cases was that of Warren Hastings who was the Governor General of India. His situation was not political in the sense of the impeachment of Andrew Johnson in 1868 in this country. Warran Hastings, however, was pursued by a bitter enemy in the person of Sir Philip Francis, who had been appointed by Lord North (Prime Minister and well known in American history books on the American Revolution) to the supreme council of Ft. Williams, Calcutta. With two colleagues he engaged in "a long and bitter struggle with Warren Hastings," which after the death of his (Francis') two colleagues "culminated in a duel between him (Warren Hastings) and Francis (1780) in which the latter was wounded."

Quoting further from the Encyclopedia: "Francis returned to England in 1781, *having failed to realize his ambition to wrest the Governor-Generalship from his rival*" (*Warren Hastings*). (Emphasis added).

He (sir Philip Francis) back in England became "tireless in the publication of anonymous pamphlets," and won the support of public opinion, "turning it against Hastings; and he was the moving spirit in Hastings' impeachment."

This account adds the observation that the acquittal of Hastings which occurred only after 7 years (1788–95) was a bitter blow to Sir Philip "and in 1796 (the year after the acquittal) Francis (a member of the House) lost his seat at the general election."

This account concludes by saying: "Francis was a man of vast ability, but rancorous, unforgiving and prone to malignity."

On the subject of impeachment as a whole the account has this to say: "Never were the limitations of impeachment more clearly shown than in the case of Warren Hastings. It was then proved beyond doubt in a complicated case the instrument was far too blunt and its use could entail interminable delays. Moreover, the new criminal process against a royal minister which was incapable of being stopped by the King had at length passed away."

In our own country impeachment has also had infrequent use, most of it against Federal judges (7 of 11 cases—6 being against district judges and one against a Supreme Court Justice). The first one (1797) involved a United States Senator. The impeachment was dismissed but he was expelled from the Senate. (Encyclopedia Brit.)

The most celebrated case after Supreme Court Justice Samuel Chase (1803) was, of course, that of President Andrew Johnson. That this proceeding was politically motivated bears of little or no doubt. Johnson sought to follow Lincoln's moderate policy toward the Confederate States. The Radical Republicans were bitterly opposed to such moderation. In the 1866 Congressional election Johnson campaigned vigorously and not softly against these Radical Republicans but they captured the House overwhelmingly and had enough votes for impeachment. After a first failure impeachment was voted in 1868. The Senate fell short by one vote of the two-thirds needed to convict.

What had been proved? That a politically dominant House motivated by strongly held policy objectives, holding the advantage of a majority position, could find grounds for impeachment.

That impeachment has been discredited in England seems clear enough. Since 1806 or 168 years ago the instrument has been discarded. A move against Prime Minister Lord Palmerston in mid-century over a hundred years ago, as noted, did not survive the preliminaries.

In this country we have had the singular experience of 1868, so far as impeachment of a President is concerned. The British experience has spanned nearly six centuries, but has been so largely negative that it has been abandoned. Our own experience has been so meager outside of the impeachment of judges that no guidelines worthy of the name have been established. "The principal criticism directed at the impeachment process (in this country) is that it is cumbersome and anachronistic. An impeachment trial occupies the entire Senate from 16 days to 6 weeks, fills 1000's pages of testimony and involves conflicting and troublesome political pressures." (Ency. Brit.)

Impeachment is not a product native to the United States. Moreover, its incorporation into our Constitution represented a lack of faith in the very system of checks and balances associated with the separation of powers that distinguished our Constitution from all its forerunners. Only if this system of 1787 which incorporated the foremost thought of the 18th century political philosophers, should fail, could a surety in the form of impeachment as a remedy against, treason, bribery or other high crimes or misdemeanors, become necessary. Only such a confession of failure or fear of it would justify the impeachment process.

The adoption of impeachment by the British was part and parcel of the struggle against the monarchy. We, however, threw off the monarchy and have had none since the establishment of our republic. Why then should the people hold in their hands a weapon that was generated by the struggle against monarchy?

The impeachment provision of our Constitution sits like some alien bastard-form in the midst of our governmental structure. By assigning the initiation of impeachment to the legislative branch, a thoroughly political body and then mixing a judicial seasoning to the trial in the Senate by bringing the Chief Justice in as the presiding officer, the process invites or makes inevitable practices that are severely condemned and strongly guarded against in our system of jurisprudence. The process is not only grotesque in re-mixing the separated powers, but is at odds with the tireless efforts in our judicial system to prevent the intrusion of partisan passions and prejudgment of guilt or innocence into the premises.

Our legislators, the prosecutors and judges in the impeachment process, are elected every two years—all the members of the House and one third of the Senate. Our news media, both press and electronic, are deeply immersed in the shaping of public opinion, which in turn is an immeasurable but anxious concern of all the candidates for Congress. When the impeachment process, even preceding the official preliminaries, is beset by the "clamor" or "outcry" of the media, the influence on candidates and prospective candidates, cannot be brushed aside as an innocent or neutral accompaniment of the quest of justice.

The impeachment process as we have it, and as the British also had it, invites unworthy political passions and animosities to infect the healthy tissue of our Constitutional system. It plays into the hands of mob psychology that is responsible for the obfuscation of principles of justice through emotional outcries, such as led Walter Bagehot to write over a hundred years ago: "The accusations which are brought against a public man in his own age are rarely those echoed in after times."

Impeachment is a process by which a high public official is charged "in his own age" and tried by those who are saturated with the "clamor" and "outcry" of the day. If in "after time" the accusations are seldom echoed, it does the victim little good if he was sentenced "in his own age".

The British who, so far as our practice and form are concerned, initiated us into the pursuit of impeachment have long thought better of it, and have abandoned the semi-barbaric process, if nonuse for a century and a half or more can be interpreted as abandonment.

Shall we be far behind?

THE PSYCHOLOGICAL IMPORTANCE OF IDA

Hon. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. FRELINGHUYSEN. Mr. Speaker, a bill authorizing the U.S. contribution to replenishing the funds of the International Development Association is expected to come to the floor shortly. I trust we shall approve this bill.

Some critics of the International Development Association base their opposition on the whole concept of aid-giving through multilateral institutions. Recently I came across a persuasive editorial in the American Banker which discusses the psychological importance of multilateral aid, with particular reference to the International Development Association. I commend this editorial to my colleagues' attention:

[From the American Banker, June 21, 1974]

THE PSYCHOLOGICAL IMPORTANCE OF IDA

The House Banking and Currency Committee took a long step toward restoring a minimal level of international respectability in aid to the world's poorest nations when it voted to honor the United States commitment to $1.5 billion over four years to the International Development Association. Since the Senate has already approved the measure, all that now remains is for the full House to agree, and the mischief that was done last January when the replenishment of IDA was repudiated by Congress will have been fixed.

The case for IDA, which is the soft-loan agency of the World Bank Group, is compelling in the simplest terms. It makes loans to countries which need help the most, at rates and maturities which they can afford. For many, it is the link between hope and despair—despair which has been particularly aggravated by the surge in oil prices. But it also represents a particularly useful vehicle for the implementation of U.S. aid in its most altruistic form, unemcumbered by doubts among the recipients as to its political price.

An interesting analysis of the attitudes of the citizens of the countries receiving aid emphasizes the special value of IDA as a way to filter out political distractions, so as to get on more directly with the job at hand. Kenneth J. Gergen and Mary J. Gergen, writing in the current Psychology Today, stress that the way aid is given does much to shape the way the recipient uses it (the full text of their article is reprinted in the adjacent column as Required Reading).

"When the U.S. gives aid directly to other countries—bilateral as opposed to the multilateral aid of organizations like IDA—we tend to trap ourselves," they write. "Recipients dislike us because they suspect our motives."

"The American people, surveys show, think of our aid as unselfish and humanitarian, and a picture of the clasped hands of brotherhood appears on our shipments overseas. Unfortunately, the recipients of these shipments don't necessarily believe us," they point out. "Sophisticated recipients, including foreign officials and others whose opinions carry weight, are aware that direct American aid is usually given to secure economic political and military advantage."

"Our aid has gained us votes in the United Nations, the use of military bases, protection for American business overseas and automatic markets for U.S. exports. These may be reasonable aims but they are not exactly unselfish, and the recipients understand our intentions. They may even understand them better than the American people do," the Gergens note, "since recipients read the fine print. In any case, they react accordingly, and may come to dislike us and misuse whatever aid we give." Public opinion research, they continue, "indicates that if an aid-giving country has a reputation for being technologically inferior, warlike, unfair to minorities, irreligious, or deranged in its family relations, then reactions to its aid prove negative. The aid appears as unnecessary, undesirable, ineffective."

The Gergens then assert that "the evidence implies that the U.S. has either not known, or has disregarded, the psychological implications of assistance.

"Bilateral aid, in which the U.S. gives directly to other nations is a method surrounded with difficulties. It appears manipulative—which it is—and tends to be corrupted by our own domestic foibles and by our extraordinary wealth. The self-serving restrictions we put on direct American aid serve as another goad to conflict, and the esteem of recipient nations continues to suffer.

"It is for these reasons that we consider the cutoff of IDA funds a tragedy," they declare. "This organization, and other cooperative, multilateral organizations like it, constitute the greatest opportunity for successful foreign aid. As a participant in IDA, America's manipulative intent is minimized, our national foibles are less likely to interfere, and the humiliating and impractical grip on recipient nations loosens. Moreover, because ID's recipients are all members of the organization, it does not cripple the self-esteem which everyone seems to need."

U.S. TAXATION LEADS TO SOCIALISM

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. COLLINS of Texas. Mr. Speaker, have you stopped recently to think how fast our tax policy is taking America into a socialistic state? Three of my friends sent me the same article on this subject of repressive taxation.

Everyone knows taxes are too high. Very few understand the economic impact on our proximity to becoming a Socialist state.

This article brings out the fact that we have no capital accumulation today because of our excess current consumption in the pursuit of social justice. By discouraging growth, the future will hold no social justice or tangible benefits as we drift into a controlled Socialist state.

Socialist countries produce less. The standards are lower. Education slackens. New innovations decrease under socialism. Why would America allow itself to turn its back on the great American private enterprise system. As Congress passes these excessive tax laws and tax increases, I am reminded of the Scripture which says, "God forgive them, they know not what they do."

So for you good colleagues who have thought this matter out, I commend you. Let us spent less money through this Congress, and reduce taxes for a greater future tomorrow.

Here are some comments written by a working economist for Value Line. Value Line is an advisory service for investors. Here is the June 14 comment on capital market and the lack of capital funds. The cause is plainly due to overspending by Congress leading to overtaxation by Congress. Here is Value Line's analysis:

COMMON MARKET AND LACK OF CAPITAL FUNDS

American capitalism is truly in crisis. It must sink into socialism or overhaul its tax structure. Entrepreneurial capital simply cannot form in the present environment.

By entrepreneurial capital, we mean risk or equity capital. The rewards for risk capital are dividends. To pay a 6% dividend on its common stock a corporation today must earn 12% or more before income tax. To pay 9%, the going near record-high interest rate on long term bonds, a corporation need earn only 9% pre-tax. Explanation: corporate income available for dividend payment is taxed at the rate of about 50% to 58% by federal, state and local authorities; income available for interest payment is not taxable to the paying corporation.

But growth is fatally discouraged by current taxation. Growth is seldom free of risk, yet the investor who takes risk pays at least two taxes on his return.

First, the company in which he has invested pays a tax of 50% to 58% on its earned income or profit; second, the investor personally pays income tax on the dividends his corporation distributes to him after it has deducted 50% or more tax from its own earnings.

If the price of a stock rises in anticipation of an increase in dividends even in the face of such taxation, the investor pays tax on the "capital gain" when realized, even though alternative investments of equal value could not be bought for the same after-tax net sale price.

In reality, corporate profits are taxed at even higher rates than 50% to 58%. (The regular corporate tax rate is 48%; state and local taxes carry the rates closer to 60%.) Yet last year about 15% of the so-called profits of corporations reflected nothing more than the rise in the cost of their inventories. If you have a $1.0 million inventory that inflates within a year to $1.2 million, you pay tax of 50% to 58% on the $200,000 inventory "profit", which leaves you with $1.1 million or less to replace inventory that now will cost you $1.2 million. The "profit" is illusory, but the 50% to 58% tax paid on it is real. It leaves the corporation in this instance short $100,000 or more of capital.

Profits stated after allowance for depreciation are also partly fictitious. If you have a plant that cost $1.0 million 15 years ago and your company set aside $1.0 million free of tax into a reserve which was invested at 5% annual compound interest (subject to income tax of 50% for 15 years) you would then have $1,450,000 with which to replace your old plant that now, thanks to inflation, will cost you $2,500,000 in this instance, your profits in the 15 years have been overstated by $1,050,000 and on this fictitious profit you have paid real taxes of 50% or more.

As evidence of the diminishing reward available to the entrepreneurial class, the percentage of the Gross National Product which has been going to stockholders in the form of dividends from 1929 to the present. The percentage was as high as 6% in 1930 and 1931, fell to 3.4% in 1941, dropped to 2.2% in 1944 and 1945 and has fluctuated between 2.5% and 3.1% from 1945 to the present. In 1973, the "cut of the pie" for stockholders was a meager 2.2%, exactly the same as in the war years 1944 and 1945 when tax policy purposely sought to discourage capital formation in private enterprise. The goal then was to strain every nerve and sinew and direct every resource to the production of weapons. Today the need for productive capital is desperate. The Government saves nothing, spending more than it takes in. Corporations save what they can after heavy taxes that bear not only on their real earnings but on their illusory profits as well. Their liquidity has been seriously impaired.

The reason interest rates are so high is that capital is in short supply. In order to achieve a high level of current prosperity and in a vague pursuit of "social justice", income tax rates have been greatly escalated. As a result capital accumulation has been sacrificed to current consumption. Not much was added to the ordinary citizen's purchasing power by the process of siphoning off income in high brackets. The only real advantage was to assuage the jealousy of those who resented conspicuous success.

What will be the consequences of this discouragement to growth, this deficiency of equity capital, the ensuing inflation (or depression) and the mounting interest rate?

There are really only two possibilities. One is to dismantle the American political economy and accept socialism, a system under which the state owns all the means of production and accumulates all the capital. Americans for the most part would not take kindly to such a system if they could see it coming. Its ultimate invasion of personal liberty can easily be foreseen.

The socialist state is unlikely to be an efficient provider. When the Government owns and operates everything, everyone profits from its successes and everyone loses by its failures. Nobody in particular, just everybody in general. Everybody being responsible, nobody is responsible. Wherever the hand of bureaucracy has reached out, industry has languished.

A man would no longer be able to work at an occupation of his own choice, for the government would decide the overriding requirements that called for him to work at a place and time decreed by the ruling Bureaucracy.

Privately endowed schools and colleges would disappear, because there could be no wealthy individuals to support them. Education would be provided by the State. Who controls the State would also control the mind of the people.

A socialist dictatorship in America is neither inconceivable nor impossible. In fact, if present tax policies persist, it is inevitable. The prospect is so repulsive that we must assume the country will not accept it.

The alternative calls for restructuring the very steep tax rates on ordinary income, elimination of the double tax on dividends, repeal of the capital gains tax and allowance for realistic depreciation before tax as compared to fictitious depreciation as at present. If these things are done, capital could form again in the hands of private entrepreneurs.

No one can control a Government that owns all the means of production. Its power would be absolute. Our progressive income tax makes no sense at all in an area of capital shortage and price inflation.

The situation is so critical that we are driven to conclude that the lawmakers must reverse the tax policy. If they do, consider what could happen to common stocks which at their current low prices have already discounted in large measure the end of capitalism.

LET IT ALL HANG OUT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. McCLORY. Mr. Speaker, notwithstanding that the House Judiciary Committee has now voted to make public all of the closed-door proceedings which have occurred during the past 6 weeks, an effort appears to be planned to continue to keep our Judiciary Committee meetings closed—even during the interrogation of witnesses by counsel for the committee and for the President.

Mr. Speaker, it is about time for our committee to open its doors to the American people—to let in the press and other media so that they can witness first-hand what is going on in this historic impeachment inquiry involving the President of the United States.

Mr. Speaker, I hope, indeed, that the chairman and majority members of the committee will not concoct some excuse to force the curtain to be drawn over our proceedings. The public's right to know was never more urgently needed than at this time in our history. The President's counsel has urged that the hearings be open, the media are unanimous in their desire to witness and report our hearings. The Members of the House themselves can gain a clearer picture of our investigative work, if we open the doors of our committee room so that the public can look in.

Mr. Speaker, the Chicago Tribune today published an editorial in support of what I am saying here. I commend it to all of the Members of the House.

The editorial follows:

LET IT ALL HANG OUT

It's hard to quarrel with the decision of the House Judiciary Committee to make public the estimated 7,800 pages of evidence assembled during its 18 days of closed hearings on the impeachment of President Nixon.

At the rate the juicier parts of this evidence were being leaked to the press and television, it wouldn't have been long before much of it was public knowledge anyway—and since the leaks have generally been by anti-Nixon members of the committee, the public would have had a distorted and one-sided view of the evidence.

Even the White House recognizes [about a year and a half too late] that it is in the President's own interest not to hide the dirty linen any longer—to "let it all hang out," as they said in the transcripts. And since the reason for secrecy in grand jury proceedings is to protect the prospective defendant from biased publicity, the attitude of the White House eliminates the major reason for secrecy.

The question of impeachment is so important, indeed, that the public ought to have access to as much as possible of the evidence presented. And for this reason, it seems to us that the impeachment proceedings—in the committee, on the House floor, and in the Senate—should be broadcast live by television, just as the hearings of the Ervin committee in the Senate were.

The objection to TV coverage of normal sessions of Congress is a legitimate one; namely, that members will be tempted to play to the grandstands instead of concentrate on the matter at hand. We're not so sure this applies now. Tho the people are divided in their attitude toward President Nixon, they are just about unanimous in their desire to see the Watergate issue resolved as soon as possible, one way or another. We doubt that they will tolerate any grandstanding; such grandstanding as these was in the Senate committee hearings—most notably by Sen. Montoya, the New Mexico Democrat—annoyed viewers and was counterproductive. It could even be that live coverage would inspire congressmen to conduct their business more efficiently than usual.

Public television's handling of the Ervin committee hearings showed that it can be done with dignity and at great benefit to the people.

SERBIAN-AMERICANS COMMEMORATE THE BATTLE OF KOSOVO

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. ANNUNZIO. Mr. Speaker, June 28 is the day Americans of Serbian descent and Serbs all over the world commemorate the heroism of their countrymen who sacrificed their lives at the Battle of Kosovo in 1389, in defense of their religion and their national existence. Celebrated on June 28 under the Gregorian calendar, the Battle of Kosovo resulted in the subjugation of Serbia by Moslem Turkey.

Though under the domination of Turkey for the next 345 years, the Serbian people maintained their cultural integrity and remained dedicated to the liberation of their land. Throughout those long and difficult centuries, thousands of Serbs always volunteered to fight in the armies of other nations allied against the Turks. Serbian heroism at the Battle of Kosovo was immortalized in a cycle of national songs, because it was during this battle that both the Serbian tsar and the Turkish sultan were slain. The Serbian knight, or voyvode, Milosh Obilich, who killed the sultan, is celebrated as a legendary figure to this day.

During the many centuries of domination by more powerful neighbors, the Serbs continued to assert their national identity. As late as 1804 many of the foremost leaders of the country were massacred, and it was not until after the Russo-Turkish War of 1877–78 that the Serbian nation became independent.

In 1918, the Kingdom of Serbs, Croats, and Slovenes was formed, headed by the Serbian royal dynasty, and in 1929, the name of the state was changed to Yugoslavia.

When the Communists came to power in 1945, after the devastating war, the observance of the anniversary of the Battle of Kosovo was officially abolished. Nevertheless, the noble ideals embodied in this historic battle for freedom remain alive in the hearts of Serbs everywhere.

Mr. Speaker, the spirit of Kosovo, the spirit to persevere and to overcome tremendous odds, serves to strengthen the resolve of the heroic Serbian people to achieve self-determination, just as it has preserved their culture throughout the centuries. Americans of Serbian heritage have perpetuated this spirit through their unwavering support for the ideals of freedom and human dignity and have contributed their talents to the strength and greatness of America.

I extend my greetings to Serbian-Americans in my own 11th District of Illinois, which I am honored to represent, in the city of Chicago, and all over the Nation as they commemorate the Battle of Kosovo, and I salute them as they continue to inspire the world with the grand and noble ideals of the spirit of Kosovo.

AMERICAN-SOVIET RELATIONS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. LOTT. Mr. Speaker, with the visit to the Soviet Union during the coming week by President Nixon, we shall undoubtedly hear a good deal of discussion of American-Soviet relations and see extensive television footage covering the event. In the course of being nearly overwhelmed for the moment with news from the Soviet Union, we should focus our attention upon important long term questions that should be candidly faced in the weeks and months ahead in our various negotiations with the leaders in the Kremlin.

Over the past several years under the general label of détente, extensive trade and other contacts have taken place between Americans and the Soviets. During the next week, a great service would be rendered to the American people if many of our reporters visiting Moscow with the President would deftly probe as penetratingly as possible just what have been the results of the accommodations we have previously made with the Soviet Union.

In particular we must fully understand what is the current strategic balance between the United States and the U.S.S.R. and whether our policies, particularly in trade, are expected to have a deleterious effect upon that balance.

Many Members of this body have in the past criticized the amount of money being spent on national defense, even though as a percentage of our entire budget this sector has been declining dramatically over the past few years to less than one-third of our budget. Nonetheless, the only accurate way to assess our defense needs is to understand what the intentions and capabilities of our potential adversaries are. Naturally the Soviets figure most prominently in any such equations.

If we can still deem the Soviet Union an adversary in the world, then quite clearly any assistance we render to them that can increase their offensive capability against the United States will have to be offset by additional defense expenditures here in the Congress.

Through the policy of détente we may be able to negotiate some mutually beneficial disarmament arrangements, but the concentration in such negotiations must be on their mutuality. With mutual reductions of military capabilities, we can have as much security at a lower cost. But even if we can negotiate such agreements in the future we should not make the very serious mistake of allowing the language surrounding these agreements to mislead the American people into thinking that the Soviet Union has altered its own objectives in the world.

Rather than détente, the Soviet Union has preferred to use the terminology "peaceful coexistence" to characterize its current policy. Thus as a Pravda editorial has stated, détente or peaceful coexistence—

> does not mean the end of the struggle of the two world social systems. The struggle between the proletariat and the bourgeoisie, between world socialism and imperialism will be waged right up to the complete and final victory of communism on a world scale.

Just 2 weeks ago the leading Communist theoretician Suslov reiterated this point by referring to the continuing "antagonism between the two world social systems."

The Soviet leaders have similarly stated quite bluntly that détente should not lead people to believe that they are altering their social system or beating their own existing swords into ploughshares. The President of the Soviet Union, Nikolai Podgorny, warned the Western world early this month that his country was not going to change its present authoritarian system in the course of any negotiations:

> In exchange for détente certain Western ern leaders hope in vain to gain unilateral military advantages for themselves or to make the Soviet Union and other socialist countries change internal structures to the prescriptions of bourgeois democracy.

Besides such statements as the above we have seen the dramatic examples of individuals and entire religious or nationality groups within the Soviet Union suffering from persecution by the Communist authorities. All of the evidence thus seems to indicate that the Soviet Union remains a rigid totalitarian society which continues to perceive the world in the narrow class struggle matrix conjured up by Karl Marx.

Prof. Zbigniew Brezinski has succinctly summarized both the illusion and reality of détente with the Soviet Union. He writes that one initially thought of détente as bringing—

> an increasing sense of shared ideals, with many in the Communist countries, looking to us for inspiration. Détente today, instead, is a conservative balance-of-power arrangement, devoid of any moral content.

If détente has become primarily a balance-of-power arrangement between the United States and the Soviet Union, then we ought to examine all of our decisions pertaining to the Soviets in light of how they can potentially affect that power balance.

In this regard America's trade policy with the Soviet Union to date has been little less than a disaster. Most Americans are quite aware of the tremendous havoc that was wreaked upon our economy through the wheat deal concluded with the Soviets. Prices for consumers in this country for food products have been suffering ever since the consummation of that agreement. More broadly, the extensions of massive amounts of credit to the Soviet Union for payment of their purchases has undoubtedly assisted in boosting the rate of borrowing for all purposes in the United States.

Even more disconcerting is the fact that so much of the material exported can be employed by the Soviet for military purposes. At the same time that the Soviets have continued to assert the reality of divided world and their own expansionist designs, we have been providing them the means whereby they can realize their ambitions. If we only exchanged consumer goods with the Soviet Union then the word trade would have some meaning. But given the nature of the advanced technological equipment and processes that we have been transferring to them on credit, the terms military assistance are not an exaggeration.

Through, the computer technology, precision machine tooling equipment and entire production assembly plants, we have prompted their military capabilities dramatically in recent years. Since they have continued to proclaim implacable hostility to the so-called capitalist world there has been more than a little irony in the type of trading arrangements concluded.

Capitalism bailing out communism would only be ironic if the consequences of such actions do not portend real tragedy. Because of our trade policies Americans are much less secure now than would have otherwise been the case. And to the extent we are less secure because of increasing Soviet military capabilities it means that our own extensive expenditures for national defense may well have to reflect substantial compensatory increases in the years ahead. Thus not only have we provided the Soviet Union with the means to keep pace with us militarily and done so on credit provided at the expense of American consumers and industry, but we then must allocate more of our taxpayers money for national defense in order to meet the new challenges of our adversaries.

The time has obviously come to bring in a halt to this insane if not suicidal process. The House of Representatives has acted through the passage of the Trade Reform Act last December to curtail the subsidization of the Soviet system as long as they remain a rigid totalitarian regime. It is now time for the administration to recognize the clear wishes of the vast majority of the American people and bring to a halt the long series of dangerous concessionary agreements that have characterized our negotiations with the Soviet Union. Let us have genuinely mutual agreements to limit the arms race, but we must terminate our well-disguised foreign aid program to our principal adversary in the world today.

STREET LESSONS

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HELSTOSKI. Mr. Speaker, as a result of a variety of incidents over the past few years, many people unfortunately have come to view policemen as unenlightened, uneducated, and insensitive. However, as Dr. George L. Kirkham, assistant professor of the School of Criminology of Florida State University recently found out, no point of view could be further from the truth.

In an effort to see what life as a policeman was really like, Dr. Kirkham joined the Jacksonville-Duval County, Fla., force, after an intense period of physical and academic training. Dr. Kirkham subsequently wrote:

> Night after night, I came home with a sense of satisfaction and contribution to society that I have never known in any other job.

The story of George Kirkham is a powerful one. Not only is it the story of one man's prejudices, but it is an overpowering tribute to the honesty, bravery, and perseverance which characterize the daily performance of thousands of policemen throughout the country.

Mr. Speaker, an excellent article by Dr. Kirkham concerning his experience and entitled "A Professor's 'Street Lessons'" appeared recently in the FBI Law Enforcement Bulletin. An adaptation of Dr. Kirkham's article was published recently by the American Mercury magazine. In view of the fact that his story is extremely moving and highly relevant to each of our constituencies, I would now like to take this opportunity to share this material with my colleagues:

A PROFESSOR'S "STREET LESSONS"

(By Dr. George L. Kirkham)

As policemen have come under increasing criticism in recent years, I cannot help but wonder how many times they have clenched their teeth and wished they could expose the critics to some of the harsh realities of police work.

Members of the academic community, including myself, a criminologist, have been quick to find fault with the police. We have fashioned a stereotype which ignores the good and focuses on the isolated and the bad: the brutal cop, the racist cop, the grafting cop, the discourteous cop. What we do not see, however, is the image of thousands of dedicated men and women struggling against almost impossible odds to preserve our society and everything in it which we cherish.

For some time, first as a student and later as a professor, I found myself troubled by the fact that most of the critics haven't themselves been policemen. This was pointed up when some of my students—many of them former policemen—would respond to my frequently critical lectures on the police with the argument that I could not possibly endure what a police officer has to endure.

I decided to take up this challenge and work as a policeman myself, as a means of establishing once and for all the accuracy of what I and other criminologists had been saying about the police all along.

My plan—which meant becoming a full-time policemen for four months in the summer, and a part-time one during the academic year when my teaching duties resumed—not surprisingly brought skepticism from family, friends and colleagues. After all, at age 31 I had a family and an established career.

A student recommended that I apply at the consolidated, 800-man force of Jacksonville-Duval County, Florida, an especially progressive department. I followed up the idea, since Jacksonville, with half a million residents, impressed me as a city experiencing many of the major social problems of our time: crime and delinquency, racial unrest, poverty, and mental illness. It is a diverse city, and one with a fairly typical inner-city slum area and black ghetto. It seemed a good place to experience the stresses and strains of today's city policeman.

POLICE DEPARTMENT AGREES

The leadership of the police department was receptive. I made it clear that I did not want to be merely an observer, but a fully sworn, fulltime (although unpaid) member of the department for some months. I also said I wanted to spend most of this time working as a uniformed patrolman in those inner city beats most characterized by violence, poverty, social unrest and crime.

They agreed to my plan, with the stipulation that I would first have to meet all the requirements that any other police applicant would. They also stipulated, and I agreed, that for the sake of morale in the department, every officer must know in advance who I was and what I was doing.

The experiment began with the required 280 hours of police academy training. For 4 months, 4 hours each evening, I attended the academy, along with 35 younger classmates. At first I stood out as an oddity in the class, but with time I was accepted by the group.

When graduation came, I was indistinguishable from other officers in every respect, including my .38 revolver, badge and uniform.

I had always suspected that police officers greatly exaggerate the amount of verbal disrespect and physical abuse to which they are subjected in the line of duty. During my first few hours as a street officer, that bubble was burst.

As a college professor, I had grown accustomed to being treated with respect. I somehow assumed that this would carry over into my new role as a policeman. I was, after all, a representative of the law, identifiable to all by the badge and uniform I wore as someone dedicated to the protection of society. Surely that would entitle me to a measure of cooperation.

I quickly found that my badge and uniform, rather than serving to shield me from such things as disrespect and violence, only acted as a magnet which drew me toward many individuals who hated what I represented.

Several hours into my first evening on the streets, my partner and I were dispatched to a bar to handle a disturbance complaint. Inside, we encountered a large and boisterous drunk who was arguing with the bartender and refusing to leave.

As someone with considerable experience as a correctional counselor and mental health worker, I hastened to take charge of the situation. "Excuse me, Sir," I smiled pleasantly at the drunk, "but I wonder if I could ask you to step outside and talk with me for just a minute?" The man stared at me through bloodshot eyes in disbelief for a second, raising one hand to scratch the stubble of several days growth of beard. Then suddenly, he swung at me, missing my face and striking me on the right shoulder.

I couldn't believe it. What had I done to provoke such a reaction? Before I could recover from my startled condition, he swung again—this time tearing my whistle chain from a shoulder epaulet.

After a brief struggle, we had the still shouting, cursing man locked in the back of our cruiser. I stood there, breathing heavily with my hair in my eyes as I surveyed the damage to my new uniform and looked in bewilderment at my partner, who only smiled and clapped me affectionately on the back.

"Something is very wrong," I remember thinking to myself in the front seat as we headed for jail. I had used the same kind of gentle, rapport-building approach with countless offenders in prison and probation settings. It had always worked so well there. What was so different about being a policeman?

ENLIGHTENING EXPERIENCE

In the days and weeks which followed, I was to learn the answer to this question the hard way. As a professor, I had sought to convey to students the idea that it is a mistake to impose authority, to make decisions for other people, or rely upon commands to accomplish something. As a police officer myself, I was forced time and again to do just that. For the first time in my life, I encountered individuals who interpreted kindness as weakness, as an invitation to disrespect or violence. I encountered men, women, and children who, in fear, desperation, or excitment, looked to the person behind my uniform for guidance, control, and direction. As one who had always condemned the exercise of authority, the acceptance of myself as an unavoidable symbol of authority came as a bitter lesson.

I found that there was a world of difference between encountering individuals in mental health or correctional settings and facing them as the patrolman must—when they are violent, hysterical, desperate. When I put the uniform on, I lost the luxury of sitting in an office, calmly discussing with a rapist or armed robber the problems which had led him into trouble with the law. Such offenders had seemed so harmless in the sterile setting of prison. The crimes which they had committed were long past, reduced like their victims to so many printed words on a page.

Now as a police officer, I began to encounter the offender for the first time as a very real menace to my personal safety and the security of our society. The felon was no longer a harmless figure: He was an armed robber fleeing from the scene of a crime, a maniac threatening his family with a gun, someone who might become my killer crouched behind the wheel of a car on a dark street.

AUTHORITY AND CIVILIZATION

Like crime itself, fear quickly ceased to be an impersonal and abstract thing. It became something which I regularly experienced.

I recall particularly a dramatic lesson in the meaning of fear which took place shortly after I joined the force. My partner and I were on routine patrol one Saturday evening in a deteriorated area of cheap bars and pool halls when we observed a young male double parked in the middle of the street. I pulled alongside and asked him in a civil manner to either park or drive on, whereupon he began loudly cussing us and shouting that we couldn't make him go anywhere. An angry crowd began to gather as we got out of our patrol car and approached the man, who was by this time shouting that we were harassing him and calling to bystanders for assistance. As a criminology professor, some months earlier I would have urged that the police officer who was now myself simply leave the car double-parked and move on rather than risk an incident. As a policeman, however, I had come to realize that an officer can never back down from his responsibility to enforce the law. Whatever the risk to himself, every police officer understands that his ability to back up the authority which he represents is the only thing which stands between civilization and lawlessness.

The man continued to curse us and refused to move his car. As we placed him under arrest and attempted to move him to our cruiser, an unidentified male and female rushed from the growing crowd and sought to free him. In the ensuing struggle, someone tried to grab my revolver, and the now angry mob began to converge on us.

Suddenly, I was no longer an "ivory-tower" scholar watching typical police "overreaction" to a street incident—but I was part of it and fighting to remain uninjured and alive. I remember the sickening sensation of cold terror as I struggled to reach our car radio. I simultaneously put out a distress call and pressed the hidden button on our shotgun rack as my partner sought to maintain his grip on the prisoner and hold the crowd at bay with his revolver.

How harshly I, only a few months before, would have judged the officer who now grabbed the shotgun. I rounded the rear of our cruiser with the weapon and shouted at the mob to move back. I flashed through my mind that I had always argued that policemen should not be allowed to carry shotguns because of their "offensive" character and the potential damage to community relations as a result of their display. How steadily as a criminology professor I would have condemned the officer who was now myself, trembling with fear and menacing an "unarmed" group of people with an "offensive" weapon. But circumstances had dramatically changed my perspective, for now it was my life and safety that were in danger, my wife and child who might be mourning.

POLICE OFFICERS' RIGHTS

As someone who had always been greatly concerned about the rights of offenders, I now began to consider for the first time the rights of police officers. As a police officer, I felt that my efforts to protect society and maintain my personal safety were menaced by many of the very court decisions and lenient parole board actions I had always been eager to defend.

I grew weary of carefully following difficult legal restrictions, while thugs and hoodlums consistently twisted the law to their own advantage. I remember standing in the street one evening and reading a heroin "pusher" his rights, only to have him convulse with laughter halfway through and finish reciting them, word for word, from memory. He had been given his "rights" under the law, but what about the rights of those who were the victims of people like himself? For the first time, questions such as these began to bother me.

As a corrections worker and someone raised in a comfortable middle-class home, I had always been insulated from the kind of human misery and tragedy which become part of the policeman's everyday life. Now, the often terrible sights, sounds, and smells of my job began to haunt me hours after I had taken the blue uniform and badge off. Some nights I would lie in bed unable to sleep, trying desperately to forget the things I had seen during a particular tour of duty: the rat-infested shacks that served as homes to those far less fortunate than I, a teenage boy dying in my arms after being struck by a car, small children clad in rags with stomachs bloated from hunger playing in a urine-spattered hall, the victim of a robbery senselessly beaten and murdered. In my new role as a police officer, I found that the victims of crime ceased to be impersonal statistics.

The same kinds of daily stresses which affected my fellow officers soon began to take their toll on me. I became sick and tired of being reviled and attacked by criminals who could usually find a most sympathetic audience in judges and jurors eager to understand their side of things and provide them with "another chance." I grew tired of living under the ax of news media and community pressure groups, eager to seize upon the slightest mistake made by myself or a fellow police officer.

As a criminology professor, I had always enjoyed the luxury of having great amounts of time in which to make difficult decisions. As a police officer, however, I found myself forced to make the most critical choices in a time frame of seconds rather than days: to shoot or not to shoot, to arrest or not to arrest, to give chase or let go—always with the nagging certainty that others, those with great amounts of time in which to analyze and think, stood ready to judge and condemn me for whatever action I might take or fail to take.

I also found myself forced to deal with human problems which were infinitely more difficult than anything I had ever confronted in a correctional or mental health setting. Family fights, mental illness, potentially explosive crowd situations, dangerous individuals—I found myself progressively awed by the complexity of tasks faced by men whose work I once thought was fairly simple and straightforward.

ENORMOUS DAILY PRESSURES

For all the human misery and suffering which police officers must witness in their work, I found myself amazed at the incredible humanity and compassion which seems to characterize most of them.

As a police officer, I found myself repeatedly surprised at the ability of my fellow patrolmen to withstand the often enormous daily pressures of their work. Long hours, frustration, danger, and anxiety—all seemed to be taken in stride as just part of the reality of being a cop.

PERSONALITY CHANGES

My personality began to change slowly, according to my family, friends, and colleagues, as my career as a policeman progressed. Once quick to drop critical barbs about policemen to intellectual friends, I now became extremely sensitive about such remarks—and several times became engaged in heated arguments over them.

My police experience continues, but so far I have concluded that society demands too much of its policemen: not only are they expected to enforce the law, but to be curbside psychiatrists, marriage counselors, social workers, and even ministers and doctors. I found that a good street officer combines in his daily work splinters of each of these complex professions and many more.

Certainly it is unreasonable for us to ask so much of the men in blue; yet we must, for there is simply no one else to whom we can turn for help in the kind of crises and problems policemen deal with. No one else wants to counsel a family with problems at 3 a.m. on Sunday; no one else wants to enter a darkened building after a burglary; no one else wants to confront a robber or madman with a gun. No one else wants to stare poverty, mental illness, and human tragedy in the face day after day, to pick up the pieces of shattered lives.

As a policeman myself, I have often asked myself the questions: "Why does a man become a cop?" "What makes him stay with it?"

The only answer to this question I have been able to arrive at is one based on my own limited experience as a policeman. Night after night, I came home and took off the badge and uniform with a sense of satisfaction and contribution to society that I have never known in any other job. Somehow that feeling seemed to make everything—the disrespect, the danger, the boredom—worthwhile.

VISIGOTHS PLUNDER AND PILLAGE THE HOUSE

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. MEEDS. Mr. Speaker, the following article in the National Observer by James M. Perry contains some rather harsh criticism of the House. Unfortunately most of it is well deserved.

The retreat of the administration and the House from what many consider to be the most important remaining environmental issues—land-use planning—leaves a significant void in legislative accomplishments in the field of environmental protection.

And the performance of a majority of Democrats on congressional reform, to put it mildly, was not our finest hour.

I ask unanimous consent to insert the article by Mr. Perry:

VISIGOTHS PLUNDER AND PILLAGE THE HOUSE

(By James M. Perry)

This bill, said William J. Randall of Missouri, would have Washington telling all the farmers in west-central Missouri, whom, he said, he was privileged to represent, just where they could locate each and every one of their feed lots.

This bill, said Joel Broyhill of Virginia, "would rip away from our citizens the last vestige of their rights to have and to hold private property." It's a can of worms, he said, maybe just as bad as bussin' little kids all the way across town to school.

This bill, said William M. Ketchum of California, is "a frightening piece of legislation that brings the Federal Government into the backyards of every American household."

From hearing all this blather, one might think the Visigoths were at the gates. In fact, the talk was about the Land-Use Planning Act, once a centerpiece of President Nixon's domestic program, written, in part by Nixon's own people, and supported by such radical organizations as the National Association of Realtors, the National League of Cities, the U.S. Conference of Mayors, the National Governors' Conference, the AFL-CIO, the National Parking Lot Operators, the Mortgage Bankers Association, the American Retail Federation, and the International Council of Shopping Centers.

The Visigoths, it turns out, weren't at the gates. They were inside the House of Representatives, down on the floor, and they prevailed. By a vote of 211 to 204, the booboisie decided it wasn't necessary to give the land-use act a hearing. Offered a cheap shot, they took it: They voted against holding a debate on a measure that Richard Nixon once solemnly declared was the nation's "greatest [domestic] need."

BUREAUCRATS AND GUIDELINES

Actually, the land-use act, passed earlier in the Senate (where it was sponsored by that dangerous enemy of free enterprise and private initiative, Henry Jackson), is a cream puff. What it does is make available about $100 million a year to states interested in drawing up state-wide land-use plans that might slap those greedy little fingers hell-bent on destroying our wetlands or covering our countryside with "slurbs." As usual in these programs, certain guidelines (you get bureaucrats, you get guidelines) are established for the states that decide to accept the Federal largesse.

It's a toothless old cat, though. The states, themselves, would have to pass legislation to impose meaningful sanctions on the despoilers and the desecrators. Already, in fact, states such as Hawaii, Vermont, Florida, and Oregon have land-use acts 10 times tougher than this Federal pussy cat.

Yet, among the Visigoths—freed, lately, it seems, by Watergate—this simple little land-use act churned up the biggest storm of high nonsense and low comedy we've seen around here since H. R. Gross campaigned to turn off John Kennedy's eternal flame. Credit the U.S. Chamber of Commerce for most of it. Dan Demming, a Chamber lobbyist, saw the bill as a foot in the door, the camel's nose under the tent, the tip of the iceberg, the calm before the storm. Worse things too.

Before you could say John Birch Society, Demming had aroused every right-wing outfit in the land, from the Liberty Lobby and the American Conservative Union to the Cattlemen's Association and the Farm Bureau.

THE PROGRAM'S CENTERPIECE

Finally, too, they got to Richard Nixon. Rep. Sam Steiger of Arizona, a rancher himself, took the case against the land-use act—which, remember, was the centerpiece for the President's entire domestic program—to the White House. He and other conservatives argued with the President, and he caved in. Nixon, it is said, was soon convinced that he'd be doing conservatives a favor, and they might just be in a position pretty soon to do an even bigger favor for him.

"The land in America," says Rep. Morris Udall of Arizona, sponsor of the land-use act, "may well turn out to be the most lamentable casualty of Watergate."

Well, that's pretty much nonsense too. This bill wouldn't have saved what land we have left. It really wouldn't have done much of anything, except cause a great many planners and bureaucrats to draw up thousands of those fancy, multicolor maps with all those acetate overlays. Long ago, the states took the lead in land-use planning, and our best hopes remain with the states now.

It does show, though, the continuing intransigence and general dismay of the House of Representatives. The members wouldn't even debate this bill. Earlier, they wouldn't debate a bill that would have allowed all of us to register to vote in Federal elections by mailing a post card. Millions of Americans don't vote now, because registering to vote is so damn difficult. This would have made it easier, but there are powerful forces that don't want a big vote in this country. And so the House wouldn't debate the bill.

There is practically no honest man in America who doesn't believe we need some meaningful reform of the way we run our political campaigns, but Rep. Wayne Hays won't allow a bill to come to the floor of the House because he doesn't want to reform the campaigns he has to run in himself. The Judiciary Committee meets three days a week to consider the most dramatic matter to come before the Congress in a century—impeachment of the President. And as soon as each session is over, some of the members run for the nearest exit to leak the latest documents to their favorite reporters.

The so-called debate on the land-use act, Richard Bolling of Missouri admits, was "sickening." He says you get a few like that every session and "that's what discourages the younger members so much. They see something like that and they decide to get the hell out of this place. A lot of guys get driven out of politics because some parts of it are so disgusting. What you need is a lot of stamina—and some convictions about what you're doing."

Bolling ought to know. This is his 13th term in Congress and most of that time he's been trying to reform the way it works. His most recent effort, a major reorganization of the committees of the House, was sidetracked the other day when the Democrats, voting secretly in their caucus (in fact, the vote to hold a secret vote was secret), sidetracked the proposal by 111 to 95. Bolling knows what happened. To get it passed, he and his allies needed the support of the AFL–CIO. They didn't get it, because one union leader, Paul Hall of the Seafarers, was outraged at the proposal in Bolling's tentative report to do away with the Merchant Marine and Fisheries Committee. In the final report, that committee was preserved. But it was too late: The forces of darkness were closing in, and the Democrats succumbed.

JUST THE FIRST STEP

It is, of course, a conservative Congress. Post-card registration died because it would have made it easier for blacks and browns and old people and working people to vote, and the conservatives don't want that. Land use died because conservatives truly believe that land-use planning is the first step towards Federal control of private land.

Bolling thinks the House of Representatives, ideologically, is a little to the right of Richard Nixon. There are 248 Democrats, but about 60 of them are out-and-out conservatives. There are 187 Republicans, and about 10 of them are moderates. So you have 188 moderate or liberal Democrats, aligned with 10 moderate Republicans. That adds up to 198 moderates and liberals, 20 short of a majority. "It's a coalition Congress," says Bolling, and the biggest chunk in the coalition is conservative—by a vote of 237 to 198.

That explains some of it. Consider then, the nature of the beast.

"Most of my colleagues," says Bolling, "really want to get along. Politicians mostly need to be loved, like most other people. So, if something is going to be tough or disagreeable or hurt people's feelings, they don't want to do it. If you want to get anything done here, you've got to bring pressure from the outside."

LESS THAN EDIFYING

On land use, the biggest guns were rolled up by the Chamber of Commerce. On committee reform, the AFL–CIO tipped the scales, even if most of its leaders really didn't mind a little reform.

Watching this Congress is not altogether an edifying sight. The members are timid and fearful; they know the voters hold them in the meanest kind of contempt. Instead of elevating their standards, to meet the criticism, they seem to depress them, to please each and every special interest. As Dick Bolling says, a good man needs a lot of stamina to survive politics these days.

Well, Watergate may leave us a decent legacy. Already, more than 35 members of Congress have announced they won't be seeking re-election, and I don't suppose more than a handful will be missed. In November, we presume, the Republicans—the "conservative" party—will take a beating, so that the national Democrats—the less-conservative party—will have a working majority.

That doesn't happen very often. It means the national Democrats will have a chance to do something. Finally, they'll have the votes; finally, they'll have no excuses. If they perform satisfactorily, maybe they'll elect a President two years later. If they perform unsatisfactorily, no doubt we'll have a Republican President in 1977, and more coalition politics in the Congress. Right now, I wouldn't bet on the Democrats.

ADDRESS BY ARTHUR G. HANSEN

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. LANDGREBE. Mr. Speaker, in today's mail I received the following speech.

Because of its positive thrust, its emphasis on optimism, rather than cynicism, on hopes for our future rather than in the pessimism of the past.

I feel compelled to share it with you, Mr. Speaker and my colleagues:

ADDRESS BY ARTHUR G. HANSEN

A few weeks ago Purdue University held its 122nd Commencement at West Lafayette. As is customary at these exercises, the president of the University has the assignment of addressing the graduates. This is a great challenge for anyone living in these times.

What should the topic be for this address? What can be said that is not "old-hat" or replete with cliches? What can be said that is not already known and recognized by today's youth? As I pondered these questions, I asked myself what was personally bothering me the most these days and then how I was reacting to those concerns. Hopefully, I felt there might be value in simply sharing personal thoughts and a personal philosophy. This I proceeded to do.

Likewise, when I thought about remarks that I might make to you this evening I had the same set of concerns. Interestingly enough, I came up with about the same set of answers—namely, to share with you some of the same thoughts I shared with the graduates—with a little different twist.

Briefly, what I told the graduates was that I was weary of the tremendous emphasis in recent times about what was wrong with our country. Quite honestly, I felt that it was not telling the true story about our national character and was totally out of line with our national heritage. I said that I was tired of seeing some people continually pointing the finger of blame at someone else and of taking no personal responsibility for the situations that they decried. I said that I was fearful of increasing attempts to regulate our lives to save ourselves from each other and that the American people did not need to be underestimated and babied in this way.

Most important of all, it was my feeling that this country of ours was no stranger to serious challenges—our history is replete with them—and that we have repeatedly met them and met them well. Moreover, we are not strangers to disputation and discontent.

Confrontation and debate have been our lifeblood and the airing and resolution of conflict situations has been precisely the mechanism that has made us energetic and capable of finding new answers to questions that plague all societies. To dwell on where we have gone wrong is simple for our mistakes are many but to overlook our successes in the process is self-defeating and basically destructive of our national character.

What I really hoped to get across to those graduates and I hope to you tonight is that we, as a Nation, are facing one of the toughest, most complex periods this country has ever faced. There will be no simple answers to our problems.

We will kid ourselves if we think we can solve the inflation problems, the energy problems, the economic problems, the governmental structure problems, the urban problems, and the equality problems by some simple expedient. In fact these problems are all interrelated and interdependent. It will take our best thought and the highest dedication of our people to pull us through the years ahead.

But that is exactly what should make us smile and look upward rather than to wear a sad countenance and look downward.

If anything characterizes the people of this Nation it is the ability to face reality, accept the truth, and tackle a problem. Anyone who shields us from reality, does not tell us the truth, and proclaims that we do not have the strength and courage to lick our problems deceives us at worst or underestimates us at best.

Now what does all of this have to do with the purpose for which we are gathered here this evening? The answer is simple. At a time when many people are saying that the individual is helpless and cannot participate in shaping the future I would say that all of you here tonight can provide a strong counter-example if you should choose to do so.

I said earlier that the future will demand the best thought of our people if we are to meet our challenges. And how shall we proceed to insure that this shall come to pass? One of the ways is to prepare our young people with the best education possible—to give them the sophisticated tools to find answers—to help them view problems critically and rationally rather than emotionally—to help provide them with value structures, a knowledge of the best thoughts and ideals of people of all times and ages—to give them perspective and understanding.

Second, let us encourage those who are dedicated to finding new knowledge and putting that knowledge to socially relevant ends. Need I say that this has been one of the prime goals of our great universities—and Purdue is numbered among them.

"But," you may well ask, "does Purdue have the fertile ground in which to sow the seeds of education, the appropriate harvesters of new knowledge, and the dedicated servants who return the fruits of its endeavors to those who give it sustenance?" My answer is an unqualified, "Yes!" I will not recite to you the multitude of reasons for my pride in our students—the fertile ground for the seeds of education.

Suffice it to say that you will find few universities with a more serious and dedicated student body.

What more can I say than to point out that more than one-quarter of our students are honored each year as distinguished students—students who are taking tough and demanding courses of study.

Well, perhaps there is more that I can say. These students are also both involved and sensitive. Their contributions and services to tornado victims this last spring caused the Lafayette Journal and Courier to write an editorial entitled "The Purdue Students Are Something Else." I can only enthusiastically agree.

And what of our faculty who are contributing each day to our fund of knowledge and who serve our society in so many ways? Quite simply, we have sought the best, tried to provide the best for them, and then let their record speak for itself.

Having said this about Purdue, its students, and its faculty, what else needs to be said and, in particular, how does all of this relate to you? The answer is simple. Purdue as a major university faces an uncertain future. Our public support has been strained to the limit.

I see no way that we can continue to keep our high standards and contribute as we have in the past without a lot of people saying, "We will pitch in and help."

And now may I make the circle complete by returning to my opening remarks. We can all join together in making the future what we want it to be. The preservation and encouragement of higher education in one university is obviously not the complete answer. But it is a positive and forward-looking specific step and at least one answer to the question, "What can I do?"

Of course, there is more that all of us need to do. Each of us has talents, time, and treasure to share in restoring this nation to its position of leadership. It will take sacrifice, determination, and most of all commitment—and if any people can pull it off, we can. All that I am proposing is that we begin with action rather than continue with breast-beating.

We at the University would like nothing more than to have you work with us. We will help to build the programs that you deem worthy. We will welcome the chance to tell you of our hopes and our dreams and engage in meaningful dialogue about them.

We want you to join a team of faculty and students that is on the move and who now need you as co-workers.

It is customary to say to graduates at a commencement, "Go forth and help make this world better than it was when you found it." It may well be that we say these words to reassure ourselves about the future.

Certainly we need the challenge as much as do our young men and women and at no time more than now. These are exciting times and they bring to mind some words I read many years ago from the poem, "Ulysses";

"There lies the port
The vessel puffs her sails
My sailors—friends that have toiled and wrought with me
'Tis not too late to seek a newer world."

We extend a hand to you this night and ask you to join us in a great adventure.

STATE MUTUAL SAVINGS AND LOAN ASSOCIATION CELEBRATES 85TH ANNIVERSARY

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HANNA. Mr. Speaker, starting this week, State Mutual Savings and Loan Association of Los Angeles, Calif., is celebrating its 85th anniversary. For 85 years, State Mutual has been servicing the needs of the people of southern California. Today, there are more than 74,000 savers at State Mutual's 14 offices in 4 southern California counties helping to provide funds for over 20,000 loans. Since it first opened for business 85 years ago, State Mutual has provided more than half a million loans enabling families to buy the homes of their choice and financing shopping centers, hospitals, motels, restaurants, and office buildings.

It is my great pleasure to take this opportunity to commend State Mutual and its president, John S. Griffith, Jr., for their demonstrated commitment to the encouragement of the economic growth and prosperity of southern California over the past 85 years.

A QUESTION OF PRIVILEGE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, I regret that I was not allowed an opportunity to discuss my appeal from the ruling of the Chair today on my question of privilege relating to the Bolling Committee Reform Amendments. Despite the fact that the hour-rule of debate is normally afforded such an appeal, the motion to table my appeal was adopted, thus preventing any discussion whatsoever. I thus intend to insert after these remarks a copy of the defense I was prepared to offer in support of my appeal.

I frankly feel this appeal was fully justified given the failure of the Chair to cite any precedent which challenged my arguments or the precedent which I had cited. The Chair relied heavily upon "Hind's Precedents," volume III, section 2610, which begins:

> A charge that a committee had been inactive in regard to a subject committed to it was decided not to constitute a question of privilege.

That precedent completely misses the point of my question of privilege. For my main argument is not that the Rules Committee has been inactive in giving consideration to a rule making the Bolling reform proposal in order; the point is that the Rules Committee does not even have a request for a rule before it, some 3 months after the reform resolution was reported. And central to my argument was my contention that this clearly violates clause 27(d)(1) which requires that a chairman seek a rule on a measure reported from this committee. The Chair did not even see fit to address that point, brushing it off by claiming that the Chair was not aware as to whether a rule had been requested or not. The Chair should have been aware of this, having listened to me on my point of order, for I was simply stating a matter of fact.

In concluding this preface to my prepared remarks on the appeal, let me simply state that an appeal clearly was justified in this instance, not only because a question of privilege of the House should not be taken lightly, but because a Speaker, under the precedents, "is constrained to give precedent its proper influence" (II, 1317; VI 248), and furthermore, "preserving the authority and binding force of parliamentary law is as much the duty of each Member of the House as it is the duty of the Chair (VII, 1479). In this ruling, precedent was not given its proper influence and, therefore, the House had every right and obligation to preserve the authority and binding force of parliamentary law. In short, Mr. Speaker, an entirely new precedent was established in this body today, and it is one this House will come to regret.

The text of my prepared remarks on appealing the deicsion of the Chair follows:

APPEAL FROM THE RULING OF THE CHAIR

Mr. Speaker, I appeal the ruling of the Chair and ask that I be heard on my appeal under the one-hour rule of debate as afforded in the *Precedents*, Volume V, section 4978.

Mr. Speaker, it is not common practice to appeal a decision of the Chair to the House, but at the same time it is a clear right of the House which should be exercised when the situation warrants, and this is clearly such a situation. Section 6002 of Volume V of the *Precedents of the House* states that, "The right of appeal insures the House against the arbitrary control of the Speaker and can not be taken away from the House."

Moreover, Mr. Speaker, it is an established precedent of this body that the Speaker "is constrained to give precedent its proper influence (Volume II, section 1317 and Volume VI, section 248);" and yet, in view of the nearly identical precedent which I had cited in connection with my resolution, I am afraid that proper weight and influence has not been given to this important precedent.

Another reason why an appeal is especially justified and necessary in this situation, it seems to me, is that we are dealing here with "a question of privilege of the House" in which the very integrity of the proceedings of this body is involved. We are dealing here with a matter which goes to the very heart of our representative form of government and the free and proper operation of the legislative process. That is why this is a question of highest privilege.

There was a time, Mr. Speaker, when the House and not the Speaker decided whether or not a question of privilege was involved; and here I cite *Hinds' Precedents*, Volume III, sections 2527 and 2718. In other words, this wasn't just another point of order, but rather a question of highest privilege involving the rights of the House, and therefore one which the House itself should make a determination on. At other times, the Speaker, rather than making a ruling as to whether a matter was privileged, submitted the decision to the House (*Hinds'*, Volume III, sections 2597, 2648, and 2709).

However, over the years this changed and Speakers assumed authority to decide whether a matter involved a question of privilege. And so, the footnotes to clause IV, of House Rule I today state that—

"(The Speaker) rarely submits a question directly to the House for its decision . . . . Even as to questions of privilege he *usually*, in later practice, makes a preliminary decision instead of submitting the question directly to the House."

When a Speaker does not submit a question of privilege to the House for a decision, we are left with no alternative but to appeal the ruling of the chair on such an important matter. And I think it would be most unfortunate and tragic if the full House did not have an opportunity today to go on record on the question of whether the integrity of our proceedings is being subverted and undermined by the deliberate delays on consideration of the Bolling-Martin Committee Reform Amendments.

The question is really quite simple. Either a majority of the House is being denied an opportunity to work its will on a measure duly reported from committee several months ago—being denied this opportunity by a distinct minority operating outside legitimate legislative channels—or it is not. And the resolution of this question is again quite simple: either a majority of this House will act to return this important reform to legitimate legislative channels, or it will, by its inaction today, permit this travesty of the legislative process to not only continue in the present instance, but to be repeated in future situations. What could be more critical to the integrity of the proceedings of the House than this very question?

I will not bother to repeat the analogous precedent upon which I have based my question of privilege. Suffice it to say, another select committee in 1891 had duly reported a resolution to the House and yet for 2½ months that resolution was not properly reported back to the House.

Congressman Cooper, who raised that question of privilege in 1891, and who was upheld by the Speaker after a point of order had been made against it, said on the House floor, and I quote:

"I ought not to be required to argue that this is a privileged question, because if a member of a committee can take a bill which he is directed to report to the House, or a report of the proceedings of a committee which he is required to bring into the House, and put it in his pocket or lock it up in his desk and keep it there until one session of Congress has adjourned and another has met and half passed, then there is no security for the proceedings of the House and there is no longer any power in the House to protect itself against the conduct of its Members."

And the Speaker in that instance ruled it was plainly a question of privilege because the resolution should have been reported back to the House in a reasonable time, and yet it wasn't.

What would be more analogous to the situation with which we are confronted today. Instead of taking the committee reform resolution to the House Rules Committee and on to the House floor, the chairman put it in his pocket and went off to caucus; and the caucus in turn put the resolution in its pocket and went off to God knows where; and the Caucus tied the hands of the Democratic members of the Rules Committee and said, "don't you dare act on this until we return from God knows where."

Mr. Speaker, we're not just talking about a right of the House here today. We're talking about a specific rule of this House, Rule XI, which states that not only will a chairman promptly report a bill approved by his committee, but he will take such other steps as are necessary to bring the matter to a vote—and that clearly means obtaining a rule on the measure according to the authors of that rule.

I think it's a bit ironic that several years ago it was the chairman of the Rules Committee who was accused, rightly so, of putting bills in his pocket and leaving town. Today the Rules Committee has nothing in its pocket and is bound and gagged. At least in the old days you could see the pockets of the culprits holding back bills; today those pockets aren't even visible, since the resolution in question is tucked away in a pocket behind the closed doors of a secret caucus that put it there by a secret ballot vote. What happened to all this sunshine we were boasting about just last year?

In conclusion, Mr. Speaker, for the sake of the integrity of this body I urge my colleagues to vote down the decision of the chair and thereby reverse that ruling so that we may have a direct vote on my resolution.

LOUISIANA—FIRST IN FORESTRY AGAIN

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HÉBERT. Mr. Speaker, my Louisiana colleague, the Honorable JOHN RARICK, is most knowledgeable about forestry and agriculture and serves our State and the Nation well on the House Agriculture Committee where he is chairman of the Forestry Subcommittee.

He has written an article on forestry in Louisiana which appeared in Forests and People, the official publication of the Louisiana Forestry Association.

I feel it is of such import that all Members of Congress should have access to it, therefore, I am inserting it in the RECORD at this point:

LOUISIANA—FIRST IN FORESTRY AGAIN

(By John R. Rarick)

Louisiana, the birthplace of forestry in the South, set the pace for forestry again in 1974—this time for the entire nation.

On February 5, Louisiana became the first state in the nation to plant trees under the new Forestry Incentives Program. Created by Congress last fall, the program is designed to increase forest production on lands of small forest owners by sharing the cost of tree planting and timber stand improvement. In Louisiana, the federal share is 75 percent.

In achieving its latest forestry record, Louisiana also set a record in cutting red tape! In the first of many fast-paced events, Erle Barham, chairman of the Agricultural Stabilization and Conservation Committee (ASC), called a meeting on Jan. 28 of the State Program Development Group and the ASC state committee. Tree planting was approved as an incentives practice and word went out to the parish ASCS offices on February 1. Four days later—on February 5—the first application was received and the first trees were planted on that day.

Tree Planter No. 1 nationally was Randy Browder, age 21, of Chatham. Owner of a 110-acre farm in Jackson parish, Mr. Browder planted 13,000 loblolly pine seedlings on 19 acres of his land.

Actually, the state's early start on the program reflects an exemplary cooperative effort. Spearheaded by State Executive Director Willie F. Cooper of the ASCS and State Forester James E. Mixon, the program has depended upon many agencies and organizations for its success. The ASCS has handled administrative procedures, in addition to dispensing the funds. The Louisiana Forestry Commission and U.S. Forest Service have prepared the technical guidelines. The Commission also has written management plans, produced the seedlings, and inspected and approved the completed projects. The Louisiana Forestry Association, Extension Service, and Soil Conservation Service have publicized the program and contacted landowners individually.

The result? As of April 17, the last date of record for this printing and only two- and a-half months after the incentives program's start in Louisiana, 197 landowners have signed up planting 6,251 acres. Additionally, 97 landowners have signed up for improving timber stands on 6,233 acres. This means that 20 years from now the timber bank of Louisiana will have 382,620 additional cords of wood available for processing into consumer products. Beyond that, if these stands are thinned periodically and held until age 45, an additional 293,342 cords will have been produced and marketable timber on the sites will total approximately 267,834 thousand board feet.

For the immediate present, total cost sharing funds distributed or in the process of being distributed to participating landowners amount to $256,894. This is almost the total amount allocated to Louisiana for the forestry incentives program for the entire year.

This marks an auspicious beginning in the state's—and the nation's—race to avert a timber shortage 20 years hence. The key to increasing our wood supply is the nonindustrial landowner, who can't afford or hasn't the desire to invest his money in a long-term venture such as tree farming. In 1971, the Louisiana Forestry Commission surveyed pine and hardwood forest conditions on ownerships of less than 5,000 acres and found that 1.6 mililon acres needed planting. The acreage needing timber stand improvement amounted to slightly more than that. The conclusion was that 40 percent of the lands in such ownerships was in need of either planting or timber stand improvement if they are to produce the wood products they are capable of growing.

These findings are borne out by a portion of the current Louisiana Forest Survey being conducted by the Southern Forest Experiment Station. Survey results for southwestern Louisiana, just recently published, show that farmers and other private, nonindustrial forest landowners own about 2.5 million acres of the 4.5 million acres in that portion of the state. It shows, also, that while forest industry and the Federal government rapidly are planting their holdings, small landowners are not. Intensive forestry practices are needed on 1,400,000 acres, just in southwestern Louisiana!

If the same needs prevail throughout the state (as preliminary survey data suggest), this represents a potential timber supply that Louisiana cannot afford to ignore. Some measure of what we can expect after planting these areas can be found in the current survey data. They show that industrial tree planting was largely responsible for a 40-percent increase in pine cubic volume and a 33 percent rise in pine sawlog volume in southwestern Louisiana during the past 10 years.

Not only will the state and nation benefit from the program, the landowners will profit, also. To get a better grasp of the timber investment picture in Louisiana, I asked the Southeastern Area of the U.S. Forest Service's office of State and Private Forestry to compute an investment analysis, using present-day timber prices and expenses. For purposes of the analysis, assumptions were: (1) moderately productive land; (2) taxes of 75 cents per acre per year; (3) site preparation and planting costs of $60 per acre; and (4) product prices of $7 per cord for pulpwood and $75 per thousand board feet for sawtimber. Without cost-sharing help, which in Louisiana amounts to 75 percent of the site preparation and tree planting costs, a landowner would realize a return of 8.1 percent on his investment at the end of 30 years. *With* cost-sharing help, he can realize a return of 12.9 percent. This is a marked difference in returns but, if the landowner plans on keeping his timber only 20 years, the difference is much greater: a return of 3.9 percent without cost-sharing, as compared to 10.5 percent with cost-sharing.

Price assumptions used in the foregoing analysis are conservative when considering future markets for timber in the South, for the outlook is optimistic. In the first place, demand for wood products is increasing, not only in the South and the nation but the entire world. The U.S. Forest Service's latest timber review says that the demand for softwood sawtimber is expected to rise 53 percent during the next three decades. This should result in higher stumpage prices and more markets.

Another factor is that land for growing trees is decreasing. The timber review indicates that an average of one million acres of timberlands will be diverted to other uses each year for the next 50 years in the United States. Diversion of forestland in Louisiana to soybean and cattle production will continue to take its toll.

Influx of wood-using industries in the South should continue into the foreseeable future, because climate and rainfall are ideal for timber growing in the South. Too, southern forests are near the major product markets. New markets for small logs recently were created by development of the chipping headrig—a development which is chiefly due to the work of Dr. Peter Koch here in Louisiana. The headrig, which is revolutionizing sawmill operations in the South, can convert small logs into cants with one run-through and manufacture the entire waste into pulp chips, leaving neither sawdust nor slabs in the process. As increasing numbers of mills install such headrigs, small logs in the South will become more valuable.

Judging from the response by Louisiana landowners at the outset of the Incentives Program, the demand for pine seedlings and forestry assistance during the next 10 years should be tremendous. This will necessitate a stepped-up tree nursery program by the Louisiana Forestry Commission; possibly even more nurseries will be needed. This, of course, should present no great difficulty for an agency that produced 133 million seedlings a year at the height of the Soil Bank program during the early 1960's. The Commission's production now stands at about 57 million seedlings due to limited demand.

Hopefully, the Commission's production will consist solely of genetically superior seedlings toward the end of the decade, offering landowners planting stock that will produce up to 20 percent more wood at time of harvest. If a portion of the nursery output also could consist of disease-resistant strains and possibly some high-gum-yielders as well, landowners could capitalize on these bonuses to the benefit of the entire state.

Admittedly, the easy part of Louisiana's planting job has been done. Most of the open land that should be in forest has been planted, as indicated by the latest Forest Survey. But, judging by success of the reforestation program undertaken in Virginia over the past two years, the task of preparing difficult sites—and securing the number of contractors needed to do it—is not impossible. The record shows that drum chopping was necessary on 13,000 acres of lands planted to trees in Virginia during 1972, and most of it was done by private contractors. That state found, as reforestation work builds in volume, the number of enterprising, private contractors soon grows to accommodate the workload.

However, site preparation calls for more than bulldozers and drum choppers. Much of the unwanted species on pinelands must be deadened, and this means securing approval for chemical use, both aerially and by injection. At this writing, the Environmental Protection Agency is considering the question of 2,4,5-T for forest use, with a decision expected sometime this summer. Its importance is emphasized by the fact that research—much of it by Homer Brady and Fred Peevy here in Louisiana—has proved the utility of this chemical for cull tree control and already developed workable techniques for its use.

Not all the acreage needing reforestation in Louisiana will be planted, some will be direct seeded. Here again, we have the techniques at our disposal because of research accomplished on our own home grounds by William F. Mann and Harold Derr. Since 1954, more than one million acres have been seeded in the South, including many sites where planting of seedlings would be difficult.

Direct-seeding as a viable means of reforestation took another leap forward recently with development of an aerial row seeder by Auburn University. This offers a fast, economical means of establishing plantations in row-fashion. Another innovation that may prove to be a valuable auxiliary to planting utilizes containerized seedlings. Growing seedlings in containers offers possibilities of extending the planting season, as well as further mechanizing the planting operation.

I am pleased to have had a role in passage of the forestry incentives legislation, because I am excited about its possibilities for Louisiana. By our natural resources, we shall perish or prosper. If we have the wisdom to fulfill the potential of our renewable timber resources during the next 30 years, Louisiana will always be blessed by a strong, grassroots economy.

SKYROCKETING INFLATION

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HEINZ. Mr. Speaker, the first half of 1974 is quickly coming to a close, yet we are still faced with the majority of the problems which have arisen during these critical times—skyrocketing inflation, diminishing energy reserves, growing food prices, an unfair tax system, and wasteful Federal expenditures are just a few of the items contributing to an ever multiplying dilemma. Perhaps at no other time has it been so important that I and other elected officials know what our constituents are thinking and can act quickly and with determination to resolve the major concerns confronting all of us.

To learn more about the concerns of people in the 18th Congressional District of Pennsylvania, I sent a questionnaire to every household. I received the questionnaire answers from 30,000 people. They show, above all else, an overwhelming desire for Washington to stop ignoring the people and get going on solving the Nation's problems.

Mr. Speaker, in order to provide some insight into the way citizens in Allegheny County, Pa., feel about the problems before us, I insert the following text of the questionnaire and its results in the Extensions of Remarks:

QUESTIONNAIRE

[All numbers are in percent]

1. Oil profits: I don't think oil companies should get rich off an "energy crisis" that has caused hardship to so many. I've strongly advocated an excess profits tax on the oil industry and have introduced legislation to permit reasonable profits but prevent profiteering. Do you approve of this approach?

Yes, 79; No, 8; unsure, 13.

2. Environment vs. energy? I believe clean air, water and energy are vital resources we must conserve. While I support limited changes in the Clean Air Act to help attain energy self-sufficiency. I'm opposed to gutting clean air laws that protect the public's health. Do you agree?

Yes, 80; No, 5; unsure, 15.

3. Social security taxes: Someone earning $12,000 a year pays a $702 Social Security tax (the rate is 5.85%). I think this is a tremendous burden. By cutting the rate, increasing the base, and using some funds from other tax revenues to make up the difference, we could lower this tax on working people. In principle, do you agree with this idea?

Yes, 71; No, 14; unsure, 15.

4. Attacking high prices: Wage and price controls haven't worked—except on wages. I think we should attack the real causes of inflation such as stupid wheat deals, wasteful spending, government deficits financed by printing money, and export policies that cause shortages. In addition, I am urging new tough anti-trust laws to force the kind of competition that cuts prices. Do you approve?

Yes, 83; No. 2; unsure, 15.

5. Federal spending priorities: I have voted twice to put a brake on total Federal spending. Also, I have tried to hold the line or reduce military spending, foreign aid, and farm subsidies. Besides checking to see if I'm on the right track, I'd like to know your priorities on how you want your tax dollar spent. Mark following programs: More, Less, Same:

	More	Same	Less
Education	54	30	16
Welfare	22	33	45
Social security	49	38	13
Manpower training	33	35	32
Foreign aid	2	10	88
Public works	26	37	37
Housing	34	34	32
Health	63	29	8
Mass transit	67	21	12
Military spending	11	28	61
Sewers	50	40	10
Revenue sharing	35	40	25

6. Campaign financing: We need changes to make elections fairer and more competitive. Congress will soon vote on public financing of both primary and general elections for the U.S. Senate and House of Representatives. Do you favor this kind of support from Federal tax revenues?

Strongly favor	27
Mixed feelings	35
Strongly oppose	24
Unsure	14

7. Service to you: I'm presently receiving (and trying to read!) between 500 and 600 letters and telegrams a week, plus many phone calls. Many of these concern questions or problems of individual interest. If you have been in touch with my office during the past year, how would you describe the service you received?

Excellent, 16%, Satisfactory, 18%, Unsatisfactory, 2%. No contact or not responding, 64%.

*If you checked "unsatisfactory," I would appreciate your notifying me of the specifics by letter addressed to: Congressman John Heinz, Constitutent Service Complaint, 324 Cannon Bldg., Wash., D.C. 20515. This will help me and the Congressional staff serve you better. Thanks!

8. National health insurance: My Public Health and Environmental Subcommittee is working on national health insurance. I feel strongly that Congressional action is overdue to protect Americans in the event of catastrophic medical problems. How do you feel?

Strongly agree	54
Somewhat agree	25
Don't agree	7
Unsure	14

9. Transportation flexibility: I can't help but feel our priorities are wrong when we've spent $60 billion of your tax money on interstate highways since 1958 and less than $\frac{1}{10}$th of that amount on mass transit and railroads. Do you favor my efforts to change this?

Yes, 72; No, 6; unsure, 22.

10. Food prices: The Labor Dept. has told us the average family is spending $60.65 for the same weekly groceries $50 bought a year ago. Those of you I talk to seem to think store prices are higher than this. How do the government's figures seem to you?

Much too low	36
Too low	39
About right	23
Unsure	2

The question of impeachment: As you know, the House Judiciary Committee is investigating impeachable offenses by the President and whether he should be tried by the Senate. Sometime this year, I expect to be called upon to vote on these questions. The House of Representatives has a strong legal, moral and political responsibility to be influenced only by the evidence and findings from this investigation. Nevertheless, many of you undoubtedly have strong feelings on these subjects and may wish to share your thoughts with me.

For impeachment	29
Against impeachment	28
Use your judgment	30
Resign	5
Not responding	8

GILMAN URGES COMMITTEE REFORM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. GILMAN. Mr. Speaker, I rise in support of the privileged resolution offered by the gentleman from Illinois (Mr. ANDERSON) providing for immediate consideration of House Resolution 988, the Committee Reform Act of 1974.

House Resolution 988 is the culmination of 14 months of hard work and careful deliberation undertaken by a bipartisan Committee on Committees, whose existence was suggested by the Speaker and authorized by a vote of the full House.

Twenty-eight years have passed since the last major House reform measure was implemented. During those 28 years, governmental concerns and priorities have altered considerably, but the House committee strutcure has not kept pace with those changes. A blatant example of the ineffectiveness of existing committee structure occurred during the height of the critical energy shortages when energy legislation was dispersed among 14 of the House committees, thereby thwarting any organized, consolidated effort to deal with the crisis.

Despite our recognition of the urgency of committee reform, this proposal may never see the light of day unless we pass this privileged motion now before us.

It is regrettable that the leadership which was so vocal in support of House reorganization thereafter voted in closed caucus to further delay this critical reform. In an unrecorded vote on May 9, the Democratic caucus decided to send the committee reform proposal back to an appointed committee for further consideration. This unwarranted delay which may kill the bill, is an arrogant demonstration by the majority party to block a proposal which might inhibit its vested powers. It is unfortunate, indeed, that these Members failed to rise above partisanship in evaluating the needs for these proposed reforms.

This committee reform bill, as reported from the Committee on Committees, is not ideal. However, it does recnize some of the major reforms needed for more effective House procedures. It calls for the creation of a Budget Committee with the responsibility of overseeing Federal spending, an urgent priority as the ever-rising spending programs continue to pour forth from the Congress. Proliferation of expensive, ineffective programs is becoming increasingly burdensome to our Government and to our taxpayers. In a recent speech, Vice President FORD made a succinct assessment of the unabated growth of Government and its inherent dangers, stating:

> A government which is large enough to give you everything you want is a government which is large enough to take away everything that you have.

Lending credence to the Vice President's comments are all the new offices and bureaus being created daily in legislation proposed in this very Chamber.

Those who control policy and the legislation which is brought to the floor of the House continue to rely upon the Federal bureaucracy for the answers to our social and welfare needs. Accordingly, proposals to put Federal funds under local control, where an area's critical needs would be obvious to local officials, is ofen dismissed with the purely categorical, target programs being funded and refunded.

While it is easy to ask where all this ends, it is difficult to answer that question. We are involved in a governmental whirlwind which is engulfing not only our hard earned tax dollars but also our personal freedoms to decide how these dollars are best spent.

While I recognize that the Committee Reform Act is not a panacea for controlling government growth, failure to consider this measure which gives the Congress a better grasp of its problems demonstrates a lack of responsiveness by the Congress to the true concerns of their constituencies.

With recent polls indicating that the American citizen's opinion of Congress is at an all time low, it is unfortunate, indeed, to note that worthy reform measures such as House Resolution 988 are being blocked by those who fear some dilution of their powers.

Accordingly, Mr. Speaker, I urge my colleagues to rise in support of the Anderson resolution which would allow this measure to be fully debated and considered by the entire House.

WHY WOMEN WORK

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Ms. ABZUG. Mr. Speaker, the search for self-identity is leading an increasing number of women today into the job market. They seek more than the money of the job, although that is often an important factor. They also seek the identification and fulfillment of a career.

One of these women is Joy F. Bloomfield. In a column in the current issue of the National Observer, she notes:

> Women have begun to realize that they, too, need and want the satisfactions and rewards that paid work provides in addition to money.

Although a wife and a mother, that is not her career any more than her spouse's career is that of being a husband and a father. Ms. Bloomfield is a professional librarian who holds three academic degrees and brings much skill and talent to her job. She is the head of the National Observer's library.

Mr. Speaker, I am pleased to insert in the RECORD at this point Ms. Bloomfield's "Observations" column:

IDENTITY OR PAY: ANOTHER VIEW ON WHY WOMEN WORK

(By Joy Bloomfield)

On this page two weeks ago, my friend and colleague Barbara J. Karras observed, "No woman has to achieve identity." The fact of the matter is that many women can find no self-identity unless they work. They find little fulfillment in being someone's wife and someone's mother, and they need to make a place for themselves apart from the family. Many women are no longer satisfied to have their places in society determined by their fathers', husbands', and, finally, their sons' abilities and achievements. They want to determine their own social status.

If "the typical intelligent married woman already has plenty of self-esteem, considering the way she applies her talents" to the various homemaking tasks, as Barbara contends, the women's liberation movement would have died in infancy. Women would still be clamoring to become housewives and mothers and not demanding separate credit in their own names or the retention of their maiden names after marriage or "contracts" spelling out the rights and duties between them and their husbands.

I, for one, am tired of being reminded how many different jobs I do as a wife and mother. No one deems to praise or judge a father and husband for his expertise as a home repairman, plumber, child psychologist, or lover. He is judged on his *paid* work. A woman deserves to be judged on the same basis as a man.

A key element of the women's liberation movement is equality, but not simply the equality of equal pay for equal work. Pay, like it or not, is a principal measurement by which respect, identity, and social status are gauged in our society. It is as important for the social status and respect that accompany it as for what it will buy. Equal pay for equal work means equality of respect and status will follow.

John Gerstner, whose essay on "The Many Reasons Why We Work" [June 8] prompted Ms. Karras' remarks, was not distinguishing between men and women when he wrote, "Today's social scientists say we now work not just for money (although few would downplay its importance) but for a whole range of other human needs and satisfactions." Women have begun to realize that they, too, need and want the satisfactions and rewards that paid work provides in addition to money.

And that, Barbara, is the real reason why so many women are leaving home to seek jobs.

EXPORT-IMPORT BANK AND SOVIET TRADE WITH UNITED STATES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. ASHBROOK. Mr. Speaker, trade between the United States and the Soviet Union is steadily growing. American taxpayers are financing a good portion of it through subsidized credits from the U.S. Export-Import Bank. At the same time, the Soviets are greatly expanding their military forces. New developments are taking place in many of their military capabilities.

Too many in the U.S. Government seem determined to help the Soviet Union outstrip the United States economically and militarily. Distinguished Russian author Alexander Solzhenitsyn has written:

> No, it is not any difficulties in perception that the West is suffering, but a desire not to know, an emotional preference for the pleasant over the unpleasant. Such an attitude is governed by the spirit of Munich.

I have risen from the floor of this body many times to discuss the developing trends and dangers in United States-U.S.S.R. trade. The Soviets continue to need U.S. technology to develop their industrial base. That industry is the basis for the development of Soviet military power.

American aid in these efforts has been extensive over the past 7 or 8 months. Monsanto Co. and a New Jersey firm have signed a $25 million agreement with the Soviet Union for the design and technology of a chemical plant in that country. The chemical produced by the plant will be acetic acid which is considered a major building block to the petrochemical industry. This process of making acetic acid has only been developed very recently by Monsanto.

The planned financial arrangements under the agreement are also beneficial to the Soviets. They will only provide a 10 percent down payment with the remainder to be financed in the United States.

Occidental Petroleum and Elpaso Natural Gas Co. have been negotiating with the Soviet Government to develop Soviet gas resources. Financial support is supposed to come from a consortium of American banks with the additional help of the U.S. Export-Import Bank.

The U.S.S.R. has also placed orders and bought oil-extracting and other petroleum industry goods. In the proceedings of a United States-Soviet trade conference of last year it is stated that the Soviet Union still places "a heavy emphasis on the importation of advanced western machinery equipment and technology."

In January of this year the U.S. Eximbank authorized four subsidized credits totaling $37.7 million for the Soviet Union. The projects involved include iron ore pellet plant equipment to be supplied by Allis-Chalmers Corp., gas reinjection compressors by the International Harvester Export Co., transfer line equipment for truck engine pistons by LaSalle Machine Tools and machining friction drums for farm tractors by the Jones and Lamson Co. It would seem that the transfer line equipment for the manufacture of truck engine pistons would be able to be used in the manufacture of military trucks. How this benefits the United States I am not sure.

In addition to these purchases of technology and equipment, the Soviets have also relied on more underhanded means. Recently, the New York Daily News told how a neutron generator was sold by an American firm to an imaginary Turkish university. The strategic generator was then diverted to Moscow.

In the month of May, the U.S. Export-Import Bank announced the authorization of a $180 million low-interest loan to help finance a fertilizer manufacturing complex in the Soviet Union. This deal was announced at a time that farmers throughout our Nation suffer from a serious fertilizer shortage. The American taxpayer subsidizes the Ex-Im Bank's low-interest credits to the Soviet Union.

The Boeing Aircraft Co. and the Soviet Union have signed a protocol in Moscow to formalize its discussions on joint aviation projects. These projects may include construction of an aircraft plant in the Soviet Union and development of new passenger aircraft and helicopters. Already there is an exchange of scientific and technical information taking place between Boeing and the Soviet Union.

While the agreement is only supposed to cover civilian Soviet aircraft it is vital to remember that the technology used in building civil aircraft is also very easily adapted for military use. Boeing plays an important role in American military aviation.

While the American taxpayer is subsidizing the development of Soviet industry, the Soviet Government is starting to undercut, with their imports, prices of some goods right here in the United States. It has been reported that Soviet tractors are for sale in the South. These tractors sell for $5,600. One farmer reported that the same American tractor would sell for $7,000.

Technical trade with the Soviet Union has been growing by leaps and bounds over the past year. It is time that our Government review the whole policy of trading with the Soviet Union. It does not make sense for the United States to build the Soviet industrial base and the Soviet military machine and at the same time request higher defense budgets to meet the growing Soviet threat.

ARTHUR F. SAMPSON WINS SILVER SHOVEL AWARD

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. HARSHA. Mr. Speaker, I would like to call attention to the recent awards presentation of an important construction industry group, the Subcontractor Trade Association. The association makes annual awards to individuals who have made outstanding contributions to the building industry.

This year's recipient of the Association's Silver Shovel Award was Arthur F. Sampson, Administrator of the General Services Administration.

I am extremely pleased to see direct evidence that the Federal Government has recognized and is dealing with the complex problems faced by building subcontractors. All too often the subcontractor has been the forgotten man of the construction industry.

I have worked closely with Art Sampson since his appointment as Administrator of the General Services and know that he has provided strong leadership in strengthening and improving the entire construction industry. I want to congratulate Mr. Sampson on this award and hope that others will follow his leadership. Mr. Sampson has indeed earned this entitlement for he has done an outstanding job.

I would like to submit for the RECORD a brief background on the awards presentation:

BRIEF BACKGROUND

Arthur F. Sampson, head of the U.S. General Services Administration, has received the Subcontractor Trade Association's 1974 Silver Shovel Award for "outstanding leadership" in the construction field.

The organization cited Sampson for his "significant contributions in the planning, innovation and execution of the massive construction programs needed by our country." GSA is charged with designing, constructing and maintaining federal facilities nationwide. In fiscal 1973, Sampson's agency supervised 773 construction projects valued at $1.7 billion.

At the annual Silver Shovel Award banquet June 8 in New York, Sampson expressed his gratitude on being recognized by the national trade association. "Our real reward and satisfaction is yet to come, however. This will be when the construction industry recognizes subcontracting the way we do at GSA."

Sampson called subcontractors the "backbone of the building process," noting that $1 billion of GSA's $1.3 billion new construction projects is subcontractor work.

"Over the years," Sampson said, "we've been listening to subcontractors and their problems, and we've been striving to build a better relationship with subcontractors. Our construction management program and systems buildings projects are designed with subcontractors in mind. We've altered our change order processing, our retained percentage philosophy and weatherproofing requirements to create a better partnership between GSA as an owner and our subcontractors."

Sampson said, "All of these changes are designed to encourage subcontractors to take a more independent and adventurous role on the building team."

The Subcontractors Trade Association Inc. is affiliated with the American Subcontractors Association. Its purpose is to improve the economic well-being of subcontractors in the New York City metropolitan area.

As GSA administrator since 1973, Sampson has received numerous awards from national professional organizations. He was recently elected to the board of directors of the National Fire Protection Association which cited his "many developments in fire protection."

FOREIGN AID TO RUSSIA

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. GAYDOS. Mr. Speaker, in the past our business dealings with Russia have not been too successful. Now, the administration is considering a $180 million loan to help finance a fertilizer complex in Russia.

I believe the editorial views of the Pittsburgh Press are of value to the Members of Congress. Therefore, I present the editorial of May 26, 1974, which follows:

FOREIGN AID TO RUSSIA

In a foolish and unnecessary foreign-aid blunder, the Nixon administration has granted a $180 million loan to the Soviet Union to help finance a huge fertilizer complex there.

The loan was made by the Export-Import Bank on instructions from President Nixon.

It carried the bargain interest rate of 6 per cent. Six per cent at a time when the most credit-worthy American corporations must pay about twice as much to borrow money!

In an effort to justify its dubious deal, the Ex-Im Bank points out that the credit will help U.S. companies export $400 million in goods for the fertilizer project and eventually will bring "needed fertilizer to the U.S."

All that may be true but it misses a basic point:

By granting credit to the Soviet Union at half the rate charged domestically and to many friendly countries, the U.S. taxpayer is subsidizing and giving foreign aid to the Kremlin's industrial base.

There is nothing wrong with expanding trade with Moscow in nonstrategic items. But financing that trade with long-term loans at sweetheart rates is indefensible.

It may be news to the White House, but it isn't to U.S. intelligence agencies, that the Soviet Union can well afford to pay cash or to arrange for normal commercial credits for what it wants to buy in this country.

Russia is a major exporter of oil and oil products to hard-currency areas.

It will get a windfall profit of $1.5 billion to $2 billion in 1974 from the fourfold boost in crude prices imposed by the Arab oil cartel.

With commodity prices setting records, Moscow will earn extra billions through its extensive timber, gold and diamond exports.

Since mid-1973, it has sold $2 billion to $4 billion in weapons to Egypt and Syria, these sales financed by Saudi Arabia and paid for in hard currency.

This means that while the Soviet Union would like bargain credits from the United States if we are stupid enough to grant them, it can and will pay cash to countries with backbone in their trade policies.

Russia tried to pull an "Ex-Im" type deal on West Germany for an iron and steel combine in Kursk. But when Bonn remained firm, Moscow agreed in March to pay $1 billion in cash for the project.

Similarly, it is paying $48 billion in cash to a British firm for a new plastics plant.

Only this month the Soviet Union gave Argentina $600 million in credits for a vast electric power project.

Can anyone explain why Russia should get a $180 million loan from the United States when Russia can afford to lend Argentina $600 million.

Obviously something is very wrong.

Either the White House doesn't know how to do business with Russia (remember the wheat deal?) or Mr. Nixon is so eager to make his visit to Moscow next month a success that he is giving away the store.

Whatever the reason, the Ex-Im giveaway should be blocked by Congress.

Why subsidize a foreign power that is basically inimical to America's future, freedoms and friends?

A LOSS FOR THE AMERICAN SPIRIT: SENATOR ERNEST GRUENING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. CONYERS. Mr. Speaker, a true spirit of individualism is a rare commodity in 20th-century America. This week, we mourn the loss of one of the few pioneers of our age with the passing of my good and admired friend, Ernest Gruening.

Senator Gruening was a pioneer of the body and of the spirit. After a varied and successful career, he and Alaska discovered each other in 1936. From that time until his death, he devoted himself to the people of his adopted State, serving first as their Governor and then as their Senator. More than any other person, he was responsible for the social and economic development of Alaska and for its eventual admission to the Union. Senator Gruening and Alaska became so much a part of each other that the memory of one will always call the other to mind. What finer tribute can a person enjoy than to become synonymous with the land and the people he loved?

But Senator Gruening's commitment extended far beyond his adopted State to all the people of the United States and to the people of Asia whom he sought to protect from the ravages of senseless devastation at the hands of American military power. In the history of the Senate, Ernest Gruening will be remembered as a pioneer—as a man of foresight and principle who recognized our impending calamity in Vietnam and had the courage to oppose it almost singlehandedly. Had we recognized his wisdom in 1964, when he opposed the Gulf of Tonkin resolution, millions of Americans, Vietnamese, Cambodians, and Laotians might still be secure in the sanctity of their homes.

Senator Gruening's fight for Alaska at home and for peace abroad were complemented by his unflagging commitment to racial justice. In so many ways and for so many years, he demonstrated a depth of courage and wisdom in which any man could take pride. I have been honored to know him as a trusted friend and adviser, and I shall miss him deeply as will everyone who cherishes principle in an age of empty pragmatism.

EXIMBANK

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. DENT. Mr. Speaker, it is interesting to note all of the various attempts being made to renew the Export-Import Bank Charter, whether for 30 days or 30 years or $30 billion. Whatever quarter it is coming from it is an ill conceived gesture toward a balance of trade. I think this editorial from the Wall Street Journal of June 28 pinpoints the problems inherent in the current U.S. policy of subsidizing other nations' production projects to the exclusion of needy American businesses. It is time to halt this sweetheart loan company's transactions.

A LONG LOOK AT THE EXIMBANK

The authority of the Export-Import Bank expires today, which simply means that until Congress renews its authority the bank cannot make new loan commitments. How nice it would be if Congress took its time, say a year or two, before acting one way or another. It might even find that U.S. economic interests would be served by liquidation of the bank, which by our reckoning stays in business by sleight of hand and covert use of the taxpayers' money.

After all, the only thing the bank really does is subsidize exports. No matter how you slice it, it is a subsidy to provide 7% money to finance sale of a widget or an airplane to Ruritania or a computer to the Soviet Union, when an American businessman can't finance purchase of either for less than 11¾%. The bank gets privileged rates in the private capital market because the United States puts its full faith and credit behind the loans. Why the U.S. government should give the Ruritanian businessman a sweetheart deal that it won't give an American, save those at Lockheed, is beyond us.

The alleged economic justification for the bank's operation, which Ex-Im Bank Chairman William J. Casey pushes with great fervor, is that it imports the U.S. balance of trade. Granted, an export is an export. But Mr. Casey would have us look at only one side of the transaction. There's no way he could persuade us that wrestling capital away from Americans, then forcing it abroad through the subsidy mechanism, does anything but distort relative prices, misallocate resources and diminish revenues, with zero effect, at best, on the trade balance.

Sen. Lloyd Bentsen of Texas sees part of the economics when both sides of the transaction are analyzed. He has an amendment that "would prevent Ex-Im financing of those exports involving the financing of foreign industrial capacity whenever the production resulting from that capacity would significantly displace like or directly competitive production by U.S. manufacturers." He has in mind Ex-Im's subsidizing of a foreign textile or steel plant that competes with its U.S. counterpart, to the detriment of our balance of trade.

Senator Bentsen thinks it's okay to subsidize finished products, like airplanes, which the Ex-Im Bank does plenty of. But Charles Tillinghast Jr., chairman of TWA, doesn't like the idea. He says TWA is losing piles of money flying the North Atlantic against foreign competitors who bought Boeing 747s and such with subsidized Ex-Im's loans. If TWA got the same deal, it would save $11 million a year in finance charges. Mr. Tillinghast is currently pleading for a government subsidy so he can continue flying the North Atlantic and providing revenues in support of, ahem, our balance of trade.

Even if Ex-Im Bank subsidized only exports of goods and services which could not conceivably come back to haunt us directly, we see adverse economic effects. Subsidizing the export of yo-yos to the Ruritanians gives them a balance of trade problem that they correct by subsidizing the export of pogo sticks to us. Taxpayers both here and in Ruritania are thereby conned by this hocus pocus into supporting lower prices for yo-yos and pogo sticks than the market will support. In fact, all our trading partners have their own Ex-Im Bank to achieve exactly this end.

Two and three decades ago, when the Ex-Im Bank was a modest affair, its impact was relatively trivial. Now, it has $20 billion of lending authority and is asking Congress to bump this to $30 billion. By 1971, its impact on federal budget deficits had grown so large that Congress passed a special act taking the bank's net transactions out of the federal budget, so the deficit would look smaller. But the transactions have the same fiscal effect as a deficit, and the same drain on the private capital market. In the fiscal year just ending, the bank took $1.1 billion out of the capital market. In the next fiscal year, it expects to take $1,250,000,000 out of it.

There being no economic justification for the bank, Congress should feel no qualms about letting its authority lapse for a few years to watch what happens. The Russians, eager to continue getting something for nothing through the Ex-Im Bank, would be mildly unhappy. But they'd adjust by getting into the private capital markets with the underprivileged. We'd be surprised, too, if our trading partners didn't follow suit by scrapping these nonsensical subsidies. And if they don't, why should we complain about their taxpayers sending us subsidized pogo sticks?

GEN. RICHARD CAVAZOS

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. DE LA GARZA. Mr. Speaker, I am very happy and indeed honored to report to you and to the Members of the House of Representatives that July 4, 1974, will be a red, white, and blue, All-American Day in Kingsville, Tex.

This progressive, and indeed patriotic, community in my district, has distinguished itself in many ways—the most prominent of which has been the service rendered our country in war and peace by the young men of Kingsville—many of whom have fought and died in the defense of our country.

In a way, Kingsville will honor all of them when it pays honor to Brig. Gen. Richard Cavazos.

Mr. Speaker and my colleagues, General Cavazos—one of the most dedicated Mexican American military men in the Nation—was born on the King Ranch where his father, the late Lauro Cavazos, was foreman of the Santa Gertrudis de la Garza division for 35 years.

General Cavazos attended schools in Kingsville and graduated from King High School. He served in both the Korean and Vietnam conflicts and has received the Distinguished Service Cross; the Silver Star; Legion of Merit; Bronze Star; the Distinguished Flying Cross; eight Air Medals; a Purple Heart; and many other decorations. He is presently serving in Mexico City as a defense military attaché.

I will be a proud participant at all the events honoring General Cavazos, as will be many distinguished guests from throughout the State of Texas

Mr. Speaker, I respectfully invite you and my colleagues to join with me in extending our best wishes and an official "well done" to Brig. Gen. Richard Cavazos.

FAIRNESS TO ALL VETERANS, NOT A FEW

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. TEAGUE. Mr. Speaker, in an editorial which appeared today in the Washington Post, that newspaper called for fairness to veterans. Its version of fairness to veterans is for the House to accept a Senate-passed proposal which would distribute nearly three-quarters of a billion dollars among a select group of veterans attending high cost schools.

In my view, this is not fairness but on the contrary, patent unfairness. Our veteran programs have always operated on the premise of equal benefits for equal service. I can see no justification for the exception which the Senate proposes.

My response to the editors of the Washington Post appears below:

JUNE 28, 1974.

Editor,
Washington Post,
Washington, D.C.

DEAR SIR: The Washington Post, in today's editorial entitled "Fairness to Veterans", has laid down the premise that failure to accept in toto the Senate amendments to the House passed Veterans Education and Training bill would represent a lack of patriotism and gratitude for the service of Vietnam veterans.

The Post in its editorial, perpetuates an erroneous contention that it has advanced before, that Vietnam veterans are not being treated as well as veterans of previous wars. We certainly would all have cause for just concern if the contention that Vietnam veterans are not being fairly treated was true, but it is not.

Vietnam veterans are actually receiving greater benefits than those provided veterans of World War II and Korea. When adjusted to equal dollars, we are expending more money for each Vietnam veteran in training than we spent on the veterans of the two previous wars. In addition, we have created a series of special benefits that were not available to World War II and Korea veterans. The Vietnam veteran has available a work-study program, a tutorial assistance program, a military PREP program; he receives free high school education at no charge against his entitlement; and now is being given a longer period of training with no requirement for prompt initiation of training which was required of veterans of World War II and Korea.

The crux of the matter is that the Senate and the Washington Post are supporting a provision which has been rejected by Congress on three previous occasions, that would provide an additional subsidy for a relatively small number of veterans attending high cost educational institutions. Approximately 30% of the veterans enrolled in training are in high cost schools. Studies by the Office of Education indicate that individuals choose private schools largely for two major reasons—religious conviction and family tradition. Tuition charges are considerably down the line as a major factor in the choosing of a school.

Apparently the Senate, the Washington Post and the American Legion see equity in a scheme which would give additional subsidy to the individual who chooses the high cost school, yet would deny equal benefits to another veteran with income and family problems who attends a low cost public school. Stated in simpler terms, the veteran from a wealthy family may be living in a dormitory on a campus of an Ivy League school, and have abundant resources of his own, and according to the Washington Post, the Senate and the American Legion, should receive a special additional tuition payment totaling $3600, while another veteran with a wife and child struggling to meet his family obligations, confronted with transportation and household expenses, who is attending a low cost community college or public university, would be denied the equal benefits enjoyed by the student in the high cost school.

In its editorial, the Post pointed to the support of the American Legion for the tuition subsidy program and quoted a statement by their National Commander which appeared recently in its magazine, "it is ironical to think that it was the sins of the colleges and universities a generation ago which has been invoked to deny an education to the Vietnam veterans who need help the most". The editorial infers that most of the opposition to this proposal comes from me, and that I am motivated by old fashioned, outdated ideas developed as a result of investigations conducted twenty-five years ago. It is ironic that the Post glibly asserts that the Senate bill gives the Veterans Administration power to combat tuition abuse when such is not the case, and at the same time is running a series of articles exposing racketeering and abuses in educational programs. If the Post will ponder its own articles carefully, it can easily reach the conclusion that dishonesty in education is extremely difficult to curb when federal dollars are involved with few strings attached.

The American Legion appeared before the Veterans Affairs Committee and offered a proposal which had no safeguards built into it. It proposed to return to the old World War II scheme of furnishing books and tools and tuition subsidy, and proposed no increase in the education and training allowances for veterans going to low cost schools. The Legion plan would cost about three-quarters of a billion dollars, with most of the funds going to a minority of veterans enrolled in high cost schools. The Legion proposal would be of minor benefit to the vast majority of veterans attending public colleges and universities.

A Select Committee of Congress, the Comptroller General of the United States and the Administrator of Veterans Affairs compiled a thousand pages of reports of abuses that occurred under the old World War II system. Yet, twenty-five years later the American Legion came before the Committee offering the same old program without any solution at all as to how the veterans and the taxpaying public could be protected. Both the House and the Senate wisely rejected the Legion proposal. However, the tuition supplement scheme in the Senate bill, which differs somewhat from the Legion bill, is fraught with potential for abuse. No assurances have been offered that safeguards against abuse have been developed. As a matter of fact, the Veterans Administration has issued an urgent warning that the Senate bill is poorly drafted, gives little guidance for administration and will be an open invitation to administrative difficulties and exploitation. Right at the time when the Veterans Administration is having difficulty administering veterans education programs, largely as a result of the advance pay plan which was supported by the same groups that are now pushing the tuition supplement plan, these groups are now proposing to further complicate the situation with a tuition reimbursement plan which if adopted will render the program virtually impossible to administer.

Aside from these considerations there is the point of simple equity and justice. It is not fair to provide different benefits to veterans with equal service simply because one veteran is fortunate enough or through his personal desire chooses a high cost school. There is also the question of equity to the taxpayers. The Senate bill, if accepted in total by the House, as recommended by the Washington Post, would provide $25,300 in benefits, including $10,000 in loans, to a veteran on the basis of two years service. Upwards to a million veterans would receive these benefits based on only 18 months service. Several million retired military careerists would receive these benefits in addition to their military retired pay.

There is no argument about the proposed 18% increase in the veterans' education and training allowance. The House has already offered to agree to most of the Senate amendments and the bill would provide a billion and one-half dollars a year new education benefits for veterans. We have balked, however, at a discriminatory scheme weighed in favor of a relatively small number of veterans attending high cost schools and we can find no rational basis to argue that 18 to 24 months military service should generate, at the taxpayer's expense, $25,300 worth of education benefits.

Since I am the author of the Korean G.I. Bill, the War Orphan Scholarship Program and the House sponsor of the Vietnam veterans program, I also have more than a passing interest in keeping these programs functioning properly. I think that most veterans and members of their families and the public generally believe that a scholarship of approximately $9,000, based on 18 to 24 months service, is a fair and important contribution by the Government to the veterans' rehabilitation.

For a while it was popular to argue that the veterans' education program was inadequate and Vietnam veterans were not participating to the extent of World War II and Korea veterans. The Post was in the forefront of this argument for a while. Of course, it was hogwash and now that Vietnam veterans have established a record of participation in numbers greater than veterans of the two previous wars we hear no more about it. Now the Post is taking up the argument that for the program to be fair, we must pay a special subsidy payment of three quarters of a billion dollars a year to selected veterans going to high cost schools.

The peddling of a tuition subsidy scheme for a relatively small number of veterans enrolled in high cost schools on the basis that Vietnam veterans have not been fairly and equitably treated is a serious exercise in intellectual dishonesty and is unfairly misleading to the veterans and public alike. The editorial department of the Washington Post could stand a little more research before it accepts as gospel the propaganda of several self-serving groups around town who are lobbying on this issue.

Sincerely,

OLIN E. TEAGUE,
Member of Congress.

LEW DESCHLER

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. HARSHA. Mr. Speaker, it is a real pleasure to join with my colleagues in honoring one of the most capable and distinguished public servants it has ever been my privilege to know.

I must confess that I experienced mixed emotions when I learned of Lew Deschler's decision to retire as our Parliamentarian. He has served with great distinction in this most demanding position since 1928, and I can think of no one who more richly deserves the opportunity to lay down the considerable burden he has borne and finally enjoy the pleasures of retirement and leisuretime. At the same time, I feel deep regret upon this occasion as we will lose the services of the most outstanding Parliamentarian who has ever served the House of Representatives.

During the past 46 years Lew Deschler has played a historic role in the development of House rules and has contributed more than any other person to the orderly functioning of the House. He has frequently been called upon to make decisions that have been of tremendous importance to our Nation and has never failed to rise to the challenge and render wise and fair rulings, based always on constitutional and parliamentary considerations. Despite the many demands upon his time, however, he has always been willing to assist anyone who sought his help and to offer wise counsel regardless of that individual's politics and position on the issue under consideration.

I have known Lew Deschler for many years and highly value his friendship. As he is a native of Chillicothe, Ohio, which I am privileged to represent, I have followed his career with particular interest and can personally vouch for his fairness, his good judgment, his expertise, and his integrity. The people of Chillicothe and of Ohio take great pride in Lew Deschler's many accomplishments, and I would like to share with my colleagues a quotation from an editorial that appeared in the Chillicothe Gazette of October 12, 1973, which clearly expressed the esteem in which he is held in his native State:

> It gives me a high sense of confidence in this grave hour to know that such a man as Deschler brings to those who must lead us now a sense of continuity, devotion to our Country and the much-abused system which governs us, and the maturity and wisdom that come only from experience.

In the coming weeks the House may be called upon to make a decision of enormous importance to the future of our country. Although Lew Deschler will no longer be our Parliamentarian, I am pleased to know that he has agreed to serve as a consultant to the House leadership. His advise and counsel may well prove invaluable at this crucial time in our Nation's history.

It is a distinct honor to have this opportunity to commend a great parliamentarian—and a great man—for his outstanding service and contributions to this legislative body and to wish him continued success and happiness in the years ahead.

THE FEDERAL POWER ACT

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. TIERNAN. Mr. Speaker, today I have introduced a bill to ban the fuel adjustment clause. The presence of this clause has caused the Federal Power Commission to lose control of its congressionally mandated responsibility to assure utility rates are just and reasonable.

The Federal Power Act states that "all rates and charges made, demanded, or received by any public utility for or in connection with the transmission or sale of electric energy * * * shall be just and reasonable". The act goes on to say "Unless the Commission otherwise orders, no change shall be made by any public utility in any such rate, charge, classification, or service, or in any rule, regulation, or contract relating thereto, except after 30 days notice to the Commission and to the public". (16 USC 824(d))

Under the present structure the public is not given 30 days notice when the fuel adjustment charge is increased and the Federal Power Commission cannot determine if these rates are "just and reasonable".

I feel the Federal Power Commission made a grave error in 1972 when it decided the fuel adjustment charge was legal. The Federal Power Commission reasoned that the mathematical formula of the fuel adjustment clause produced rates that were as fixed as rates expressed in monetary terms. But the Commission did not give enough emphasis to the realities of the marketplace.

With the presence of the fuel adjustment clause, the bargaining positions of the utility companies and the oil suppliers are immensely altered. A member of the New England Electric System highlighted the change in bargaining positions with a statement he made before a member of my staff. He stated that in the bargaining process the oil companies are quick to point out that higher fuel prices can be passed on to the consumer. The oil companies know the utilities will still make a profit regardless of how high fuel prices climb. The oil companies can then price the oil on a take-it-or-leave-it basis, fully aware of the utilities' urgent need for fuel to generate electricity.

The only one who suffers financially from higher fuel prices is the consumer, and he is not even involved in the bargaining process. The consumers' only safeguard, hearings before the Federal Power Commission to justify rate increases, has been taken away from him with the advent of the fuel adjustment charge. With this automatic pass-through provision, the consumer cannot be sure that fuel is being bought for the lowest possible price and the public interest is not being adequately served.

The purpose of the Federal Power Act was to guarantee that utility rates are just and reasonable. I urge my colleagues to study the serious adverse impact the fuel adjustment clause has on fulfilling this purpose and ask their support for my bill to ban the fuel adjustment clause.

SOCIAL SECURITY CASH BENEFITS FOR PINELLAS COUNTY, FLA.

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. YOUNG of Florida. Mr. Speaker, I have released statistical information today which shows that in Pinellas County, Fla., at the end of December 1973, there were a total of 202,450 social security recipients receiving $31,693,000 per month in benefits.

According to Secretary Caspar Weinberger of the Department of Health, Education, and Welfare, at the end of 1973 nearly 30 million Americans were receiving cash benefits from social security at the rate of $4.3 billion per month. A total of $51 billion was paid nationwide in 1973, of which Florida recipients received $2.3 billion and Pinellas County recipients got over $400 million.

There were 182,960 social security recipients in Pinellas County aged 60 and over, while there were 19,490 recipients under the age of 60. Of those over age 60, 106,375 were women and 76,580 were men. In addition, there were 132,765 retired workers receiving $22,801,000 in monthly benefits, while $1,610,000 was paid on a monthly basis to 8,325 disabled workers. All other recipients, 61,365 in all, received $7,282,000.

Mr. Speaker, the Department of Health, Education, and Welfare has said that at the end of 1973, nearly all Americans aged 65 years and over were eligible for hospital insurance and most were enrolled in the supplementary medical insurance plan. Also, some 1.7 million disabled-worker beneficiaries under age 65 were eligible for hospital insurance under the 1972 amendments to the Social Security Act and over 90 percent of them enrolled in the supplementary medical insurance plan. The United States total for hospital insurance is $7.1 billion and for supplementary medical insurance $2.5 billion.

HEAR FREEDOM'S SONGS

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. YOUNG of Illinois. Mr. Speaker, throughout America, we will be celebrating the 198th anniversary of the signing of our Declaration of Independence. Many communities and cities throughout the United States are planning on various types of celebrations to appropriately recognize the meaning of the Declaration of Independence and the important heritage that this document represents.

I would like to call the attention of my colleagues to the efforts that the city of Evanston makes each year in the celebration of the Fourth of July and the Declaration of Independence. I call the attention of my colleagues to Evanston's "4th of July Celebration" because of the consistent record of observance of this anniversary and because of the widespread participation and planning that the city of Evanston and its citizens devote to honoring our country's independence.

Evanston, Ill., is celebrating its 53d annual Fourth of July this year. Evanston has been recognized as one of the leaders in the country for its on-going participation on the Fourth of July. It has been awarded three Freedom Foundation awards in 1952, 1966, and 1967 for its excellence in showing the spirit of freedom. They will be trying for their fourth award this year with their theme "Hear Freedom's Songs."

The Evanston Fourth of July Association was formed in 1922 by a group of citizens wanting to memorialize the "Independence Day" of our country and to provide a safe and enjoyable day for the children and families of the community. Through their efforts and many thousands of others over the years, they have been singularly successful. Each year a large portion of Evanston is involved in the celebration of our Day of Independence. Hundreds of children participate in sports events and contests which are held on the Fourth at various schools and parks. Tennis and golf tournaments are held for all citizens of Evanston.

One of the major highlights of the Fourth is the parade, which has over 100,000 people from many States coming to Evanston to witness a truly magnificent community on parade. The parade is followed by a twilight and fireworks show held annually at Northwestern University's Dyche Stadium. At this time, the finals of the day's sport events are held, and a program of entertainment is presented for the family. The evening is climaxed by one of the finest fireworks displays in the country.

The financial proceeds of the celebration are used to provide assistance for various community improvements, which include tennis courts, land for parks donated to the city, flag poles, a section of a new arboretum, and other lasting memorials.

The Evanston Fourth of July Association has operated as a nonprofit association. It has brought a true sense of our Nation's Day of Independence to the community.

The various committee chairmen and chairwomen include: Alfred L. Jackson, celebration manager; A. Irving Maltby, assistant manager; J. Bruce Wagner—twilight show; Jon Nelson—fireworks; Donald C. Pannier—stadium; Wilmot H. Tramel—sports; Gray B. Tuthill—Lincolnwood; Stephen H. Carr—Willard; William and Louise Robb—tennis; Joseph Beukema—golf; Robert Whiton—audio communications; Evan M. Kjellenberg, assistant manager; Robert A. Hurrie—parade; Ivor Balyeat, parade marshall; Bruce C. Baumberger—ticket promotion; Vernon J. Albright—publicity; John Furr—advertising; John A. Churchill—display; and Clete Schwartzhoff—properties. The trustees of the association are: Glenn H. Andersen, James E. Coe, Garth J. Conley, Jr., A. A. DeLapp, Gordon M. Hallstrom, Homer A. Haswell, Clarence C. Malmsten, John C. Ogren, Molly Ogren, Nelle R. Pelton, Robert P. Ream, and V. Scott Rice.

JUDICIARY COMMITTEE

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. KUYKENDALL. Mr. Speaker, according to the Los Angeles Times, all of us may sit back and relax. The chairman of our Judiciary Committee has preempted the decisionmaking process in his committee and relieved his Democratic colleagues from the bothersome chore of weighing the evidence in the impeachment hearings. They do not even have to go to the hearings now that the chairman has decreed how they are going to vote.

All 21 Democrats on the committee will vote in favor of a motion recommending the House impeach Nixon, according to what the Times says the distinguished and clairvoyant chairman told a group of visitors to his office last Thursday.

I have a suggestion, Mr. Speaker, since Mr. RODINO's crystal ball extends only to his Democratic colleagues. If we can get him a head count from the Republicans, can we then pay off all those high-priced lawyers and end the hearings and liberate the lobby of the Rayburn Building from the television camera crews? If they occupy it much longer, they will have homesteaders' rights.

Or failing that, is it too much to ask that the chairman of a committee faced with the most grave duty a Member of Congress can undertake, withhold his prejudicial, inflammatory news leaks until the evidence is all heard, and the vote taken?

The public is entitled to a bit of judiciousness from Judiciary.

JOHN F. GRINER—A GIANT IN THE LABOR MOVEMENT

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. McFALL. I rise today, Mr. Speaker, to pay high respect to the memory of John F. Griner, American Federation of Government Employees National President Emeritus, who at age 66, died April 22, 1974.

Mr. Griner, a respected friend of many of us in the Congress, died in Cairo, Ga., where he had been residing following his retirement as AFGE national president 16 months earlier due to ill health.

At the time of Mr. Griner's passing, he was still a member of the executive council of the AFL–CIO. He had held that post since 1969, having been reelected in 1971, and again in 1973, though he was president emeritus of the AFGE by then.

During his decade of service as AFGE president, the union's membership tripled among Federal employees to more than 300,000 persons.

The leadership required to bring about this dramatic growth was in large measure that of John Griner's, though he would be among the first to acknowledge that the effort to extend greater employee representation to our Federal workers required the dedicated work of countless men and women.

John Griner was among the fortunate in that he realized the goals which he set for his work.

He worked for and saw passage of major legislation to bring equity to the needs of both the white collar and blue collar Federal employees. This was accomplished with the passage of the comparability pay bill of 1967 and with passage of the wage grade legislation of 1972.

Another principal goal of John Griner was to provide a home in the Nation's Capital for the AFGE. Under his leadership, this was accomplished through the acquisition in 1972 of the AFGE's National Headquarters at 1325 Massachusetts Avenue NW.

Appropriately, this building bears his name and stands as a living memorial to his life's work.

I shall always treasure the memory of the day, shortly after John F. Griner's retirement as AFGE president, when I had the opportunity to be with him as his colleagues and the people he served dedicated the AFGE headquarters in recognition of his work.

John Griner was born in Camilla, Ga., on August 9, 1907, and was graduated from Camilla High School in 1924.

From 1925 to 1936 he worked for the Atlantic Coastline, Seaboard, Georgia Northern, and Southern Pacific Railroads. He worked in several positions as a telegrapher, agent, train dispatcher and assistant car accountant. During this period he served as a telegrapher in my congressional district in the cities of Lodi and Tracy.

Until his death, John Griner, who possessed that humility which marks truly great men, still carried cards in five railroad unions: the Brotherhoods of Railroad Trainmen and Railroad Signalmen, the Railroad Yardmasters of America, the American Train Dispatchers Association and the former Order of Railroad Telegraphers, now a part of the Brotherhood of Railway, Airline and Steamship Clerks.

Mr. Griner began his Federal service in 1936 and through the ensuing years established a career in Government which shines as an example of how initiative can bring about personal success and exemplary service to the public.

He began as an adjudicator with the Railroad Retirement Board at the CAF–6 grade. When he left Federal service in 1962 to devote full time to being AFGE National President, he was a GS–15.

During the last 11 years of employment with the Railroad Retirement Board, Mr. Griner was a Labor Relations Officer. He served as liaison between the Board and the rail unions. He also was responsible for Labor Relations and Training.

As an employee of the Board, he studied evenings and nights at Columbus University, now a part of American University. He was awarded his bachelor of laws degree in June, 1940.

Prior to his election as national AFGE president in 1962, Mr. Griner had been a member of the union's national executive council for 16 years as national vice president for its seventh district comprised of Illinois, Michigan, and Wisconsin.

When John Griner became AFGE National President, the Union's membership hovered at 100,000 and today, more than 300,000 Federal employees are members of the AFGE, which has become the largest of all other Federal employee organizations combined, excluding the postal service unions.

The accomplishments of John F. Griner on behalf of his fellow men and women are engraved upon the historical pages of organized labor. His life stands as an example to all who knew him.

For those who knew him as a friend, our feeling of loss is exceeded only by that of his close colleagues and those he loved so much: his wife, Claranell and sons, John Jr. and Remer, two grandchildren and two sisters.

We mourn the passing of John F. Griner, but our hearts are warmed with the knowledge that we were privileged to know a man so decent and so dedicated in serving those who placed in him their trust.

ANTON PAPICH, JR.

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. DE LA GARZA. Mr. Speaker, with other Members of the House I mourn the untimely passing yesterday of Anton Papich, Jr.—"Tony" to most of us—who since 1965 has been an official reporter for House committees.

Born in Yugoslavia, Tony Papich came to the United States as a child. He grew to manhood in this country and served in our Navy during World War II—seeing duty in the Atlantic theater and the Panama Canal Zone.

He was an official White House reporter during the Truman, Eisenhower, and Kennedy administrations before being appointed by former Speaker John McCormick as an official reporter for House committees. In the latter capacity, he traveled with committees to countries throughout western Europe and to Canada—consistently performing necessary and excellent work.

Tony Papich—a faithful public servant—is deserving of honor and I know my colleagues join me in paying tribute to him.

He is survived by his wife, a son, and his mother—and to them I extend my heartfelt sympathy in which this House shares.

PARLIAMENTARIAN LEW DESCHLER

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. HÉBERT. Mr. Speaker, it is with a great deal of sadness that I say goodby to a trusted friend and loyal American, Lew Deschler, who is retiring as Parliamentarian of the House.

I have been around here for a long time—since 1941—but Lew had been on the job as Parliamentarian for 13 years when I arrived on the scene. Over the past 34 years, we have become good friends, but more than that, Lew has become a valuable adviser.

There is no greater authority on parliamentary law in the world, and on many occasions I have called upon him for counsel, especially in recent years in my post as chairman of the House Armed Services Committee.

I know of no one who can stack up to Lew's dedication to duty, his knowledge of his job, and the effectiveness with which he carried out his historical tasks. He has not only seen history made, he has been a part of it.

Lew should certainly have a feeling of satisfaction as he enters retirement, which he has so richly earned. The service he has rendered to his country has been far above and beyond the call of duty, and he will be remembered, as far as I am concerned, as the most distinguished and dedicated servant of the House of Representatives.

Lew is a real gentleman, and he has served nine Speakers and the Members of the House courteously and impartially over these many years. The love and affection that we in the House have for Lew is testimony that he performed admirably, with patience, and with a genuine desire to help.

I am pleased to learn that Lew will be available to the House as a consultant on parliamentary procedures in the difficult days which lie ahead and that his wealth of knowledge and experience will still be available to us. Lew, I know, will be just as willing to do what he can should he be called upon, even in retirement, as he has been through his 50 years of service to the House.

My best wishes to Lew and his lovely wife, Virginia, in the years ahead, and I say a sincere thank you for your contributions. Men of your caliber come down the pike all too seldom, and I hate to see you go.

TAX RELIEF FOR RECIPIENTS OF EDUCATIONAL LOANS

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. PRICE of Texas. Mr. Speaker, I have today cosponsored legislation which would provide tax relief for recipients of educational loans in the United States who recently received retroactive tax due notices from the Internal Revenue Service. The IRS ruling states that educational loans with the forgiveness provision for repayment amounts to taxable income. This is a gross injustice to students who received loans in good faith and who had no prior knowledge that education loans containing a forgiveness clause could possibly be considered as taxable income.

Between 1954 and 1970, these loans were not considered taxable income, and persons who held loans during that time are protected by the statute of limitations from any IRS claims. However, all student loans containing the forgiveness provision are suddenly considered taxable—retroactive to 1970—and the IRS is charging the holders of these loans with the full amount, payable in 15 days. To add insult to injury, the IRS is charging interest on these taxes.

The legislation which I have cosponsored would eliminate the retroactive portion of the ruling. Such loans would become taxable after the date of enactment, but I feel that prior to that time, all those students who entered in good faith agreements with the administering agencies should not be required to pay the back taxes.

I think we are all aware of the great importance of higher education, not only to our individual citizens, but also to our Nation. Higher educational institutions have been victimized by growing inflation. Operating costs, as well as living and tuition expenses, have risen dramatically. In my opinion, it is our responsibility to offer any assistance possible to insure that qualified persons are not denied a chance for higher education due to the lack of funds.

The IRS ruling brings up an important problem in the educational system; namely, the need to attract students into fields where critical shortages exist. This ruling affects students who are in the health service and teaching areas. Because of these shortages, educational loans with the forgiveness clause have served as an incentive to students to offer their services in critical areas, such as rural America. However, through the IRS ruling, the incentive for students to enter shortage areas has been destroyed.

In closing, I would say that it is time for the tax policy of our Nation to be formulated not by IRS rulings, but rather in the Congress where the responsibility truly lies. I would urge my colleagues to support this bill and end the terrible injustice to which our students are being subjected.

SENATOR ERNEST GRUENING

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. BLATNIK. Mr. Speaker, with the passing of Senator Ernest Gruening, America has lost one of her finest sons who had dedicated his life to justice, peace, and understanding. I submit for inclusion in the CONGRESSIONAL RECORD this article from the Washington Post recounting Senator Gruening's long and distinguished career of public service both as a statesman and as an author:

SENATOR ERNEST GRUENING, FATHER OF ALASKA STATEHOOD

(By Jules Witcover)

Ernest H. Gruening, generally regarded as the father of Alaska statehood, one of its first two U.S. senators and among the earliest and strongest voices raised in the Senate against the Vietnam war, died yesterday evening at 87.

Sen. Gruening died at 6:20 p.m. at Doctors Hospital, where he had been undergoing treatment for cancer.

In a career that started with formal training to be a doctor, Sen. Gruening was in turn a newspaper reporter and editor, magazine editor, foreign correspondent, author, historian, publicist, diplomat, territorial governor and lobbyist before entering the Senate in 1959.

In his two terms, he was one of the Senate's most outspoken liberals, a pioneer in the fields of birth and world population control, and one of its two most steadfast and bitter foes of U.S. intervention in Vietnam.

He was probably best known for his vote, along with fellow Democratic Sen. Wayne Morse of Oregon, against the Gulf of Tonkin resolution of August, 1964, that President Lyndon B. Johnson used as blanket authorization to escalate U.S. involvement in Southeast Asia.

Ten months earlier, in October 1963, he criticized on the Senate floor the "sheer hypocrisy" of sending 12,000 U.S. troops into Vietnam and calling them "technicians." On March 10, 1964, he made the first major Senate speech calling on the United States to get out of Vietnam. In it, he decried the loss of American lives "in seeking vainly in this remote jungle to shore up self-serving corrupt dynasts or their self-imposed successors," and declared:

"I consider the life of one American boy worth more than this putrid mess. I consider every additional life that is sacrificed in this forlorn venture a tragedy. Some day—not distant—if this sacrificing continues, it will be denounced as a crime."

To the last, Ernest Gruening was an outspoken battler for the causes he espoused and an uncompromising critic of his political foes.

From his bed at Doctors Hospital in early June, he followed the progress of the impeachment inquiry against President Nixon in the daily newspapers and discussed it vigorously and with a sense of outrage with callers. He insisted not only that the President should be impeached, but that he should be convicted of high crimes and misdemeanors, thrown out of office, then prosecuted as a citizen, convicted again and put in jail as an example that American justice still worked.

He embraced and lived the admonition of the Welsh poet, Dylan Thomas, that the elderly not let their lives trickle out meaninglessly and obediently:

> "Do not go gentle into that good night,
> Old age should burn and rave at close of day;
> Rage, rage against the dying of the light."

Ernest Henry Gruening raged in his youth, his middle age and at the close of his days in as varied a public career as any man who ever sat in the United States Senate. His colleague and friend, Sen. Hubert H. Humphrey, once called him "the 20th century Benjamin Franklin," but he might have compared him to the versatile Thomas Jefferson as well.

Born in New York City on Feb. 6, 1887, to Emil Gruening, a prominent eye and ear surgeon, and Phebe Fridenberg Gruening, he attended local schools and then Harvard, planning to follow his father into medicine. He received a bachelor of arts degree in 1907 and then entered Harvard medical school.

But a doctor's life did not appeal to him; he was already a young man of broad interests in public affairs, literature and people, and those interests, and some of his friends, pulled him inexorably toward the newspaper business.

His best friend, Earl Derr Biggers, later the author of the Charlie Chan detective stories was drama critic for the Boston Traveler, and on nights when there was more than one opening, Biggers asked Sen. Gruening to review one for him.

While still attending medical school, Sen. Gruening took a job on the Boston American for $15 a week, giving up an internship at the Boston City Hospital. On his father's advice, he later went back and finished school, receiving his doctor of medicine degree in 1912, but he never practiced—nor regretted not having done so.

In 1913, he joined the Boston Herald as a reporter, rewrite man and copy editor, and a year later, after the Herald was absorbed by the Boston Traveler, became an editorial writer and then the Traveler's managing editor at the age of 27.

His championing of social justice and the rights of minorities was manifested in one of his first directives to the staff. He ordered that identification of individuals by race be dropped unless "it is of particular and special interest and when the story is manifestly incomplete and inaccurate if the color of the person involved is concealed." The Traveler became one of the first metropolitan newspapers in the country to adopt such a policy.

Sen. Gruening also clamped down on a practice of granting favorable theater reviews in return for advertising. Later when he moved to the Boston Journal as managing editor, he successfully fought efforts by major advertisers in the city to control the paper's editorial contents.

When the United States entered World War I in 1917, Sen. Gruening came to Washington to help organize the bureau of imports of the War Trade Board. After a brief time as managing editor of the New York Tribune, he enlisted in the Army, rejecting a medical commission and instead went to field artillery officers' training at Camp Zachary Taylor, Ky., where he was a candidate for an Army commission when the war ended.

Next he became business manager of the Spanish language newspaper La Prensa for a year, helping to convert it from a weekly to a daily, and then in 1920 became managing editor of The Nation, where he recruited such writers as H. L. Mencken, Dorothy Canfield, Sinclair Lewis, Willa Cather and Theodore Dreiser.

At The Nation, Sen. Gruening wrote articles and editorials attacking U.S. military intervention in Haiti, the Dominican Republic and Nicaragua, helping to trigger a Senate investigation in which he was invited and agreed to participate on the scene.

He also wrote articles critical of U.S. policy in Mexico, where 10 years of revolution had brought much foreign exploitation and internal political turmoil.

In 1923, he resigned from the magazine and went to Mexico on a reporting assignment for Collier's Weekly and The Nation. From that experience and extensive reading, he wrote "Mexico and Its Heritage," published in 1928 and called by the New York Herald Tribune "the most vigorous, useful, and comprehensive picture yet made of the complex present-day conditions below the Rio Grande."

In 1963, he received the Order of the Aztec Eagle, the Mexican government's highest decoration, for the book, which the then Mexican ambassador to the United States, Antonio Carrillo Flores, called "the best book written by a non-Mexican about my country."

Meanwhile, Sen. Gruening continued freelance writing, taking time out in 1924 to serve as director of national publicity for the presidential campaign of the progressive candidate, Robert LaFollette of Wisconsin.

In 1927, he helped found and became the first editor of the Portland, Maine, Evening News, and in five years built it into a crusading liberal newspaper. His major battle fought and won there was the blocking of a private power empire's effort to reverse longtime Maine policy and export the state's water power. Later he wrote a book attacking private-power interests, "The Public Pays," published by Vanguard Press in 1931.

In 1933, Senator Gruening returned to the editorship of The Nation, making regular trips to Washington to report on the New Deal of the new President, Franklin D. Roosevelt. Aware of Sen. Gruening's experience in Latin America, Roosevelt appointed him an adviser to the U.S. delegation at the Seventh Inter-American Conference in Montevideo, at which the FDR "Good Neighbor" policy long sought by Sen. Gruening was formulated.

After a brief and contentious tenure as editor of the New York Post, in which he fought with the owner over suppressed stories, Sen. Gruening received a second appointment from FDR, one that was destined to have the greatest impact on his life and on his role in American political affairs. He was named director of a new Division of Territories and Island Possessions in the Department of the Interior, with jurisdiction over Hawaii and a host of small Pacific Islands, Puerto Rico, the Virgin Islands and Alaska.

After more than a year of concentrating his attentions on the severe poverty problem in Puerto Rico, Sen. Gruening made his first trip to Alaska in 1936. He became immediately enamored of the place, but was struck by its accessibility.

He pioneered in expanding air transportation to and throughout Alaska and in the eventual construction of the Alcan Highway, linking the territory through Canada with the United States, or "the lower 48" as it was called in Alaska.

Throughout his tenure, Sen. Gruening was involved in a running battle with Secretary of the Interior Harold L. Ickes, but in 1939, apparently against Ickes' wishes, Roosevelt appointed him governor of Alaska. He immediately won approval of a new system of taxation that outraged absentee exploiters of the territory's raw materials, particularly the large salmon industry, but helped launch development of improved school and public services.

He successfully waged a campaign against discrimination against native Alaskans in eating places throughout the territory, and throughout World War II oversaw the influx of military and governmental installations that in 1945 provided the base and population for a postwar boom.

Sen. Gruening served nearly 14 years as territorial governor and capped his tenure as leader of the fight for Alaskan statehood. He personally sought to educate editors, members of Congress and fellow governors about the territory's readiness for statehood—its citizens approved a referendum in 1946—and spoke and wrote extensively about Alaska.

In 1954, his book, "The State of Alaska," chronicled the territory history since its discovery in 1741, and in 1956 the voters of Alaska, to nudge Congress, elected him unofficial "senator" to lobby for statehood in Washington.

Sen. Gruening undertook the assignment with vigor and conviction, bombarding congressmen and senators with statistics and other information about Alaska and arguing that it had great growth potential that needed statehood to realize. He persuaded Edna Ferber to write a novel about Alaska, called "Ice Palace," that later was called by Clifton Fadiman "the Uncle Tom's Cabin for Alaska." In June 1958, Congress voted statehood.

Two months later, Sen. Gruening was nominated in the Democratic primary to be one of the new state's first two senators, and he won in the fall, beating Republican Mike Stepovich. He was an indefatigable campaigner, as one voter found out when he told the candidate that "I'd sooner vote for the devil."

Sen. Gruening replied, "You know, he'd be a tough guy to beat. But if he decides not to run, do you suppose you could switch to me?"

The voter eyed him for a moment, then said, "Why you SOB, I might vote for you yet."

Even before he entered the Senate, Sen. Gruening had also been a staunch advocate of Hawaiian statehood, and he continued the effort there. He was on the Senate floor in March, 1959, when the Senate voted to make Hawaii the 50th state.

In two terms in the Senate, Sen. Gruening compiled a strong liberal and civil rights voting record, generally aligning himself with Northern Democrats, and was a leader in pressing for expanded federal research into birth control methods, an interest he pursued after he left the Senate.

But it was his outspoken early stand against the war in Vietnam that highlighted his Senate service. He and Morse were the only Senators to vote against appropriations bills for Vietnam in 1965, as well as casting their lonely votes against the Gulf of Tonkin resolution.

Sen. Gruening continued his opposition to the war in the Senate until he lost the Democratic primary in 1968 in his bid for a third term, and thereafter as a private citizen. He backed and campaigned for Sen. George McGovern (D-S.D.) in the New Hampshire primary of 1972 and later in the general campaign against President Nixon.

In his last years, Sen. Gruening pursued the cause of population control and of the rights of women, testifying on the abortion issue before a Senate subcommittee in 1974. He also appeared on television shows, calling for the impeachment of Mr. Nixon.

In his autobiography, "Many Battles," published in late 1973, Sen. Gruening wrote:

"Whatever his part in Watergate, Nixon's undeniable guilt has been his attempted and partly successful subversion of our free society into a police state . . . I intend to devote my remaining years, however few they may be, to exposing this sinister subversion, to alerting my fellow countrymen, and to trying to help restore the America that has been and has served us so well."

Sen. Gruening is survived by his wife, the former Dorothy E. Smith, of the home, 1926 West Beach Dr. NW., and a son, Huntington Sanders Gruening, of Federal Way, Wash. Two other sons, Ernest Jr. and Peter Brown, are deceased.

A PAUSE TO TAKE STOCK OF GEORGIA'S HERITAGE

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. STEPHENS. Mr. Speaker, I would like to share with my colleagues an article which recently appeared in my hometown newspaper in Athens, Ga. The article consists of a passage taken from "Georgia History and Government," a book written by Dr. Albert Saye, a native of Morgan County, Ga., a graduate of the University of Georgia and Harvard University, and my teaching companion in the history and political science departments at Georgia. Dr. Saye, who is presently Alumni Foundation distinguished professor of political science at the University of Georgia, contends that the South has not lost its identity, as some would argue. Rather, he feels that Georgia presently enjoys a present which is as rich and vital as the past. I vigorously agree.

Mr. Speaker, I insert in the RECORD the article as follows:

A PAUSE TO TAKE STOCK OF GEORGIA'S HERITAGE

(By Albert Saye)

Last year I published a small book entitled "Georgia History and Government." Reflecting on our State's heritage, I wrote a passage as follows which may be of interest to readers of this column.

"In a book of essays entitled *I'll Take My Stand*, twelve Southern authors sought in 1930 to warn against the dehumanizing tendencies of industrialism. A mad rush for economic gain was, it was said, causing man to lose sight of the finer things of life. He could become a robot with no sense of beauty. These distinguished writers saw in the agricultural South, with all its alleged backwardness, a place where grace, leisure, truth, and other qualities of the good life had been preserved. In his essay, Georgia's John Donald Wade said that 'the test of a society is the kind of men it produces. . . .'

"Georgia produced or became the home of Sidney Lanier and Margaret Mitchell, Alexander H. Stephens and Richard B. Russell, Jr., Crawford W. Long and William L. Moss, Charles H. Herty and Francis G. Slack, Bobby Jones and Steadman V. Sanford, Ty Cobb and Hank Aaron, Thomas G. Bethune and Roland Hayes, Walter F. White and Asa H. Gordon, Ralph McGill and Martin Luther King, Jr., Charles Coburn and Susan Hayward, George W. Truett and Warren A. Candler, Eugene R. Black and Robert W. Woodruff, Alonzo F. Herndon and Richard R. Wright, Martha Berry and David C. Barrow, Cason J. Callaway and Walter McElreath, Hugh Hodgson and Lamar Dodd, Sue Reid Vason and William Tate, and thousands of other men and women who make us proud to be called Georgians, or even Georgia Crackers.

"Man is at his highest and best when he comprehends the truth expressed by St. Paul: 'Though I speak with the tongues of men and of angels, and have not charity, I am become as sounding brass, or a tinkling cymbal.' Man's life is fullest when he knows what it means to love and be loved, when he feels that life has purpose and meaning, and when he has hope for the future. There was much of this wisdom in the Old South, the nation's Bible belt in the first half of the twentieth century.

"No conclusion on the history of Georgia in the second half of the twentieth century can yet be written. There is still a part of it to unfold. This remainder belongs to the present generation, and it may well be the most important part.

"Some say that the South has lost its identity—that its only distinction lies in its history. The changes at mid-century in the Southern way of life have been drastic, especially in Georgia. But as genuine spiritual values transcend material ways of life, it is likely that the better qualities of the Old South will survive and flourish in the new."

Glancing over the list of people included as "Georgia notables," one will see that they are presented in pairs by fields of activity, beginning with writers and ending with teachers. I smile to see that I include "Sue Reid Vason and William Tate" as notable teachers. Sue Reid was my English teacher at the Madison High School, and I know she belongs in the list; and who could question the accuracy of including Dean Tate?

The thing that bothers me is the incompleteness of the list—but publishers don't like for books to be too long, especially in this day of escalating printing costs, making local histories almost a thing of the past.

A full list of Georgia authors would be a book in itself. Confining the list to historians, outstanding authors on local history include Elfreida Barrow, Margaret Cate, Thomas H. English, Franklin M. Garrett, William Harden, Lillian B. Heinsohn, Louise M. Hickey, Edith D. Johnston, Wilbur G. Kurtz, Doris Lockerman, Caroline C. Lovell, Eugenia W. Stone, Mary B. Warren, Robert M. Willingham, Etta B. Worsley, and Ida Young.

Georgia historians of national prominence include Robert P. Brooks, E. Merton Coulter, Henry Grady, Cullen B. Gosnell, Ulrich B. Phillips, Mildred C. Thompson, John D. Wade, Bell I. Wiley, C. Vann Woodward, Pat Waters, and Charles E. Wynes.

Notable Georgia state historians include I. W. Avery, James C. Bonner, John W. Bonner, Jr., Kenneth Coleman, Walter G. Cooper, Frank Daniel, Rebecca L. Felton, Asa H. Gordon, Helen I. Greene, Louis T. Griffith, Carroll Hart, Lilla M. Hawes, Clark Howell, Amanda Johnson, Charles C. Jones, Spencer B. King, Lucien L. Knight, Mills B. Lane, Alexander H. Lawrence, Augustus B. Longstreet, James Ross McCain, Hugh Howell, Horace Montgomery, Dorothy Orr, Willard Range, Marion J. Rice, Edward S. Sell, Olive H. Shadgett, Adrian Sherwood, Phinizy Spalding, John F. Stegeman, William B. Stephens, Ruth E. Suddeth, John E. Talmadge, Allen P. Tankersley, Sarah G. Temple, Cornelius V. Troup, Burnette Vanstory, and George White.

Next after the authors "Sidney Lanier and Margaret Mitchell" the text lists as notable statesmen "Alexander H. Stephens and Richard B. Russell." I shall leave to the interested reader the pleasure of adding statesmen, sportsmen, actors, musicians, clergymen, businessmen, and others needed to fill out the categories listed, and of making other categories, not excluding farmers.

MARATHON—PARTNERS IN PROGRESS

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. GUYER. Mr. Speaker, I have heard much about the exorbitant windfall profits by oil companies over the past 8 or 9 months, but very little about the financial experience of those companies over the past 12 or 15 years. Also, I have seen a lot about recent price increases in petroleum products, but absolutely nothing about the low prices that prevailed until about 1973. While these facts are important, somehow the public has not had the opportunity to view oil earnings or prices in the perspectives of the past, comparisons with the rest of the economy, and the important job so vital to our energy production that still lies ahead.

There is a medium-sized oil company with its headquarters in my district. It ranks about 14th or 15th in size among oil companies. It is engaged in all phases of the business in the United States, and it has overseas production and refining. It is not owned by oil barons—in fact, its employee thrift plan is its greatest single shareholder. It is not trying to crowd independents out of the market because it sells well over half of its product to them. They are valued customers.

I think that this is a good type of company to have in the business. It competes with all comers wherever it operates.

We are being asked to vote for a bill that would make this company's investment better off in a savings account, than in the oil business. Personally, I would rather have them in the oil business. I think that most taxpayers would, because they made direct tax payments to governments in the United States last year of $62 million, and they paid lease bonuses to the Federal Government alone of an additional $43 million. This does not include the $177 million in excise taxes they collected for State and Federal Government.

I think that most consumers would prefer that they be in the oil business, because they produced about 60 million barrels of oil in the United States last year; they refined almost 90 million barrels, and they sold 95 million barrels of product. Based on these operations, they made 1.5 cents per gallon profit. Also, I know that their 7,500 U.S. employees want them to remain in the oil business, and that the many small- and medium-sized communities where they have their operations feel the same way.

I am speaking of Marathon Oil Co., which has been in the oil business since 1887. The discovery of oil and gas made the city of Findlay, and the fine people of this oil company have made it the fountain of our industry, employment, and civic benevolence. It always has been considered to be a good operator. Yet its domestic reserves of liquid hydrocarbons are 12 percent below what they were in 1970, and its natural gas reserves are 23 percent below what they were 10 years ago. Over the last 10 years its rate of return on investment has been a little bit better than that for the rest of the industry, but it still has lagged behind the average for all U.S. manufacturing. In 1972, which was the company's worst year in 10, its return on shareholders' equity was 10.1 percent as opposed to the average for all U.S. manufacturing of 12.1 percent. In 1973—the year the oil companies are said to have done so well—its rate of return on equity rose to 14.6 percent, but it still was behind the 14.8 percent posted that year for all manufacturing. Consequently, Marathon's profits have been in line with the rest of the economy and even modest by comparison.

Assuming the continuation of production and prices at today's level, the provisions of H.R. 14462 could reduce this company's rate of return from 14.6 percent to about 9 percent. If the amendments proposed by Messrs. GREEN and VANIK were incorporated in H.R. 14462, Marathon's rate of return could fall from 14.6 percent to about 5 percent. Thus, the reported bill together with these amendments, could place the company's rate of return below today's prime rate and in all likelihood, little better than the railroads.

Marathon is by no means one of the giants of the industry. It has less than 2 percent of the national market; but it is a well managed and sound domestic company. Since it is near to balance on production, refining, and marketing, and since it has production and refining facilities overseas, it might be said to be representative of the industry.

If we are going to achieve a reasonable degree of self-sufficiency in our domestic energy resources, companies like Marathon are going to have to be able to generate, raise, and borrow enough capital to get the job done.

The company is fortunate to have several old oil fields with relatively low-cost reserves; and its customers enjoy the benefits of this "old" oil. However, as these reserves are depleted, they must be replaced by new and infinitely higher cost reserves. So there is a natural cost push on prices which is being experienced not only by oil companies but by every business. In order to avoid a rapid decline of investment, the company would be required to substantially increase prices. Either a decline in this type of investment or an increase in prices would be absolutely opposite of what we are trying to achieve in the United States today.

If we are to become self-sufficient enough to have bargaining strength with the oil exporting countries and be able to stop the outward flow in our balance of trade for imported oil, and if one of our objectives is to have lower fuel prices, H.R. 14462 is 180° off target.

I think that those who advocate punishment of the oil industry are not only forgetting our fine achievements in the past, but are also not leveling with the public as to the adverse effects the enactment of this bill would cause. We could very well create reduced domestic energy supplies, a worsening of the U.S. balance of payments, and higher prices for consumers.

I sincerely hope my distinguished colleagues will consider all this when they vote on H.R. 14462.

COCHISE'S GREAT-GRANDSON: TRIUMPHS IN TWO WORLDS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. LOTT. Mr. Speaker, it is indeed my pleasure to bring to the attention of my colleagues the success of one of my constituents, Sam Kinsolving, a great-grandson of the famed Apache Chief Cochise. He is actively working to reduce the unemployment ratio among his people.

Kinsolving is a recruiter of Indian employees for the Ingalls Shipbuilding division of Litton Industries in Pascagoula, Miss. He has discussed employment possibilities of that area with men of at least 47 tribes west of the Mississippi River. At last count, more than 600 Indians were working in the Pascagoula area, most of them at the shipyard.

I feel that because of his earnest desire to aid the welfare of his people, Sam Kinsolving deserves the recognition and commendation of this body. Accordingly, I submit for inclusion in today's RECORD the following article which appeared in the June issue of Nation's Business:

COCHISE'S GREAT-GRANDSON: TRIUMPHS IN TWO WORLDS

Some Indians toss off Sam Kinsolving as a bellacana, which is an Indian lingua franca equivalent of the black activists' "Uncle Tom." The word literally means apple, and militants use it for fellow Indians who accept and thrive in the white man's world. Its broad meaning is: "Red on the outside, white on the inside."

But Sam is something else.

True, he is a success in the white man's world. He is a planner, and recruiter of Indian employees, for the Ingalls Shipbuilding division of Litton Industries, in Pascagoula, Miss. Ingalls is carrying out two sizable U.S. Navy contracts there, for 30 destroyers of the Spruance class and for five general purpose amphibious assault craft.

But above all, he is an Apache. Sam, 42, is a great-grandson of the famous chieftain, Cochise, and intensely proud of it. And he believes that traits which spell success in the white man's world belong to the Indian's world, too.

No easy task, this undertaking of Sam Kinsolving in recruiting. He has so far talked with men of 47 tribes west of the Mississippi about accepting employment in the Pascagoula area, especially with Ingalls.

The result? The U.S. Bureau of Indian Affairs reports a "rapid influx" of Indians to Pascagoula in the last two years, with more than 600 now working in the area, most of them for Ingalls.

From the beginning of the recruiting effort, which was spurred by Ingalls' need for good workers as well as by a desire to make a contribution to Indian welfare, Sam knew the scrutiny he would get from all sides would put a microscope to shame.

After all, he has a white man's surname. It comes from his mother's side of the family (she is white; her father was an Episcopal bishop in Arizona). Sam's father adopted it—Apaches traditionally had no surnames—to avoid modern-day legal problems.

Apaches are an extremely proud tribe, and unless one can prove he's at least half Apache, they put him beyond the pale in contrast to, say, the Cherokees, who will accept as Indian a person claiming only one sixteenth Indian blood. But Sam is inside the pale. On his father's side, he is all-Apache.

How does Sam go about recruiting?

"When I go in the reservations," he says, "the first thing I have to do is get the 'moccasin telegraph' working. It's one of the most efficient communications systems in the world. Word gets around that I'm there, and that I'll be in certain places. First one, and then more, drop in on me and we talk.

"They ask all kinds of questions. Whether we have an Indian center in Pascagoula—and we do. Whether other Indians find it agreeable, not only the work, but living so far away from home grounds. What kind of schools for their kids, and how do other kids accept Indian children? That last one is easy, as Indian youngsters are not racially conscious—they play easily with blacks, whites, Mexicans, Chinese—and by doing so they often set the good example."

The Indian center is a place where Indians can gather, sing their old songs, have the trappings of their special cultures. "It's sort of an oxygen source," as Sam appraises it, "where they can go to be replenished. It gives them a comforting whiff of the reservation."

Sam also tells potential recruits about other benefits—relocation allowances which they get from BIA, and money BIA provides for them to buy tools they need.

"Mostly, though," he says, "I emphasize that we want people with honesty, resolve, pride, courage, responsibility to themselves and their families. These are traditional Indian values, tightly bound in their culture. I tell them that exhibiting these characteristics is a way to prove that the white man didn't invent them."

The biggest bloc of Indian workmen at Ingalls are welders—more than 30 as Sam totals them up. The others range from shipfitters and carpenters to mechanics, junior draftsmen, production managers and planners, he says—"a rather good cross section of what we have to have here to build ships."

Ingalls President Ned Marandino is a hard-driving executive who focuses on production schedules and is far from the type who would take kindly to employees who didn't pull their weight.

He is one of Sam Kinsolving's champions.

"I couldn't do it without that feeling at the top," Sam says, "because if the Indians ever thought for one minute they were not respected employees, the whole program would fall flat and they would vanish back into the reservations from which they came."

WHAT THE RUSSIANS WANT FROM US

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. WOLFF. Mr. Speaker, as President Nixon and Premier Brezhnev conduct their negotiations in Moscow, I would like to call to my colleagues attention an article that first appeared in the prestigious London journal, The Economist, and was reprinted in Long Island's Newsday. With the present focus of much attention on foreign affairs, and the export-import 30-day extension authorization scheduled for

Monday, I feel that this article can provide a valuable insight into Soviet-Western relations. The article follows:

WHAT THE RUSSIANS WANT FROM US

When President Nixon flies off to Russia Thursday he might ask himself not what Leonid Brezhnev can do for him but what he is doing for Mr. Brezhnev. Like Mr. Nixon, Mr. Brezhnev has his eyes fixed on 1976. That is the year he, too, has to get through to, the year when he will have to justify his 12 years of power over the Soviet Union to the next congress of his Communist Party; and the relationship Mr. Brezhnev believes he has built up with Mr. Nixon's America will be one of the main arguments he will want to point to.

That relationship, which the Western world has carelessly and inaccurately allowed the Russians to call detente, is now in need of reappraisal. It is by no means evident that it serves any western interest to continue down the path of detente as Mr. Brezhnev defines it; and it is even less evident that the U.S. or western Europe has its own better definition. The whole question of detente with Russia has become inseparable from the sort of place Mr. Brezhnev's Russia is.

If the Soviet Communist Party can make its assessment of what Mr. Brezhnev has done for Russia, other people outside the Soviet Union are entitled to their judgment, too. The judgment is likely to be that late-Brezhnev Russia is a better place than Stalin's Russia was, but a worse one in most respects than the Russia of Khrushchev's last years before [his overthrow] in 1964.

It is true that most people in the Soviet Union, like most people elsewhere, are materially more comfortable than they were a dozen years ago. The economy has kept up a reasonable growth rate, although that growth is neither as good as Soviet statistics make it sound nor as good as it could have been under a better system of management; and the long years in which everything was ploughed back into investment have at last been followed by permission for people to indulge in a bit more consumption. It is also true that the Russians have benefited in a small way from the liberating effect of electronics: now that journalists abroad have discovered that it is fairly easy to ring up Moscow, it has become that much harder for Mr. Brezhnev's police to keep his political opponents entirely silent. But that is about the extent of what has changed for the better.

The scope for expressing dissent inside Russia itself, having broadened a little in the middle 1960s, has now narrowed again. The extra powers given to the militia which backs up the Soviet police force are the latest example of Mr. Brezhnev's way of running his country. The hope that there was going to be some decentralization of the economy—the Liberman experiment, another shooting-star of the mid-1960s—has also vanished into the darkness, and the central planners and their computers are back in charge again: the gradual slowing down of the growth rate and the appalling incompetence of the Soviet distribution system are among the consequences of that. The modest freedom that Khrushchev allowed to intellectuals and artists has been repealed; the monopoly apparatus of state-supervised writers' and artists' unions has reimposed its discipline.

These are all the results of the basic decision, Mr. Brezhnev seems to have reached two or three weeks after he came to power, which was to take no risks with the Communist Party's control over virtually everything that happens in Russia, or with the control which he and a handful of colleagues exercise over the party.

This concentration of power is the disastrous weakness of the system of government that Lenin bequeathed to communism. It means that a Communist country, even more than most other dictatorships, takes the stamp of the men at its top. When they are relatively civilized, it is too; when they are not, it cannot be. Until this concentration of power is broken up, the Soviet empire will be like the Roman empire; a world unto itself, a huge area of many diverse peoples insulated from contact with the outside and ultimately dependent on the personal will of the man who has plotted or bullied his way to the top. In Stalin, it has had its Tiberius; in Khrushchev, perhaps, its crude but relatively decent Claudius. Mr. Brezhnev had his chance, when he took over from Khrushchev, to break out the pattern this concentration of power imposes. It is now clear that he has decided not to; and it becomes almost a toss of the coin whether the succession brings a Nero or a Marcus Aurelius.

It is unlikely that Mr. Brezhnev reads much Roman history; but this is the central fact about his Russia, and it is with his Russia that the west has to decide what detente means. When Mr. Nixon arrives in Moscow for the third in the series of superpower leaders' meetings—Nixon to Russia in 1972, Brezhnev to America in 1973, Nixon back again this year—he will be up against the fact that there is not very much of substance the two men can hope to agree about.

Mr. Brezhnev is not going to get the sort of help for developing his economy he was originally hoping for, because Sen. Henry Jackson (D-Wash.) has got America's purse strings tied up in knots and Germany's Herr Helmut Schmidt does not believe in cheap credits for Russia. He is most unlikely to get the grand summit finale he wants to end the European security conference with. The negotiations about limting Russia's and America's missile armories, and about cutting the armies in Europe, have got nowhere yet.

Of course, Mr. Brezhnev has already snapped up the offerings that Herr Willy Brandt's Ostpolitik gave to him—the recognition of East Germany and the agreement that the frontiers of Europe are "untouchable"—and made very few concessions of his own in return. But his success in the Ostpolitik has itself made the governments of the west more suspicious of what he is after.

Maybe this suggests what the limits of detente should be. There is a good argument for negotiations that try to strike a balance between the armed forces of the Soviet and Western alliances. There are good reasons for setting up a mechanism by which the governments in Washington and Moscow can try to keep crises under control, and for building up a body of crisis-management case-law that the successors of Nixon and Brezhnev can draw upon. But it is not at all evident that a Western world already in bad trouble with its balance of payments because of what the oil-producers have done to it should find it desirable to provide very large amounts of easy money for the improvement of the Soviet economy. Nor is it apparent where the advantage lies for the West in the sort of negotiations which produce nothing more than rotund declarations which encourage the intellectual disarmament of the gullible.

The usual objection is that if Mr. Brezhnev does not get more or less what he wants he is liable to be replaced as the Soviet Union's leader by someone even harder to get on with. But the more one looks at that argument the less convincing it seems. The Russians have been obliged to reexamine their relationship with the West for two very powerful reasons. They cannot make their centrally-controlled economy work as efficiently as they expected; and they have been landed with a cold war with China. No new government in Moscow can wish away both those things, and any attempt to ignore either of them is going to make the other worse. If Russia tries to go back to a policy of open hostility towards both China and the West it will have to expand its armed forces, which will increase the strain on its economy and make it harder to keep its population even tolerably contented. If it abandons the hope of any economic assistance from the West it may not even be able to maintain its defenses against China without cutting its people's standard of living.

The Soviet government, any Soviet government, is caught between these two problems. That is why it needs better relations with the West more than the West does with it; Russia is the one doing the asking. Herr Brandt never understood that, and Mr. Nixon may be in danger of forgetting. The odds are that, whoever is in power in Moscow, he will want a truce on his western front and whatever economic help he can get from the West, even if that turns out to be of fairly modest proportions. The West's negotiators, starting from that, should be able to make detente into something better than it has been so far. It is a thought Mr. Nixon should pack in his briefcase for Moscow.

OBSERVANCE OF ST. VITUS DAY IN SERBIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. DERWINSKI. Mr. Speaker, today, June 28, is St. Vitus Day in Serbia. In observance of this annual occasion, the people of Serbia recall their great and glorious past and look forward to the day when they and their country will once more be truly independent.

One of the events that will be recalled will be the Battle of Kosovo, which made a lasting and deep impression on the Serbian people more than any other happening in their long history and inspired their poets and musicians to write the nation's cycle of songs. The flower of the aristocracy of Serbia, its ruler, and its very existence as an independent nation were destroyed on that battleground, for Turkey was destined to rule Serbia for almost 500 years.

The ancient Serbian Empire came to an end when the Serbs and their Albanian, Bosnian, Bulgarian, and Wallachian allies were vanquished on June 15, 1389. Milosh Obilich, a Serb knight who was taken prisoner by the Turks, posed as a traitor and was thus enabled to assassinate Sultan Murad I. The Turkish ruler's son, Bayazid I, was chosen to succeed him and went on to lead his army to victory. Prince Lazar, who led the coalition forces in a vain attempt to halt the Turkish advance, was captured and then executed by Bayazid's orders.

Serbia rejoined the family of free nations in 1877. The kingdom of Serbia fought with the Allies during World War I which was the basis in the creation of Yugoslavia.

During World War II, the Serbs suffered first from the Nazi invasion and occupation and then by the imposition of communism at the close of the war.

The more than 8 million Serbs are the largest of the numerous ethnic groups that make up Yugoslavia. The Serbs are the largest nationality group within present-day Yugoslavia.

As the Serbian people observe St. Vitus day and commemorate the stirring events of the past, they are bound to speculate regarding the future. The leaders of present-day Yugoslavia, even while espousing communism in attempting to apply its principles in domestic and economic affairs, are fearful of Soviet expansion. It is interesting that the Communist rulers of Yugoslavia have a much greater fear of the Soviet big brother than of the United States and its free world allies.

VENEZUELA: NO COMMENT

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. GUNTER. Mr. Speaker, I commend to my colleagues in general, and to those on the Foreign Affairs Committee in particular, the following article on the price of Venezuelan oil which appeared in the Washington Post on June 28, 1974:

IGNORING OPEC, VENEZUELA PLANS TO RAISE OIL PRICE, COMPANIES' TAX

CARACAS, June 27.—Venezuela, the leading source of American oil imports, intends to increase oil prices and taxes on petroleum companies as of July 1, Deputy Mines Minister Fernando Baez said today. He did not disclose the amount of the price increase.

Baez said Venezuela would not comply with a decision taken by the Organization of Petroleum Exporting Countries at a meeting this month in Quito, Ecuador, merely to increase royalty payments by 2 per cent and freeze the posted price of crude oil at its present level.

Venezuela now charges foreign oil companies operating here a flat 60 per cent income tax rate, with a 2 per cent discount for investments. Tax payments are based on government-set price levels that average $14.08 a barrel.

The actual tax payments, plus royalty payments give Venezuela about $8.80 a barrel and are expected to total close to $10 billion this year.

The tax increase will be the first imposed by Venezuela since 1970, when the government eliminated the previous scaled rate for a flat 60 per cent tax. The price increase is the first since January.

The action is aimed at cutting into high oil company profits and erasing differences between prices for Venezuelan and Middle Eastern light crudes arriving on the East Coast of the United States.

At the meeting of OPEC, the organization of the 12 largest oil exporters, Venezuela had supported raising income taxes from the present 55-to-60 per cent rate to 87 per cent. Official sources here indicated that planned tax increase would not go that high.

The amount of the price increase was not known, although it was expected to bring Venezuela's income to more than $9 a barrel.

Venezuela is the third largest oil exporter after Saudi Arabia and Iran. It sends 1.8 million barrels a day to U.S. markets, either directly from Venezuela or through the nearby refineries in the Dutch antilles and Trinidad.

Baez told a businessman's meeting that the planned increase in the export price of Venezuelan oil would fall in the lighter crudes, which the government feels are under-priced.

Among the international oil companies operating here are Exxon, Shell, Gulf, Sun and Mobil.

HORRY'S FRIEND

HON. EDWARD YOUNG

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. YOUNG of South Carolina. Mr. Speaker, Horry County, S.C., has lost a fine newspaperman and a fine man, and I have lost a friend. Eldridge Thompson was just the kind of guy a good editor is supposed to be.

[From the Lorris (Camden, S.C.) Sentinel, June 26, 1974]

ELDRIDGE THOMPSON: HORRY LOSES A FRIEND

(EDITOR'S NOTE: The following editorial was written by Kenneth M. Hare, editor of The Myrtle Beach Sun-News.)

It is difficult to imagine Horry County without homespun wisdom provided by Eldridge Thompson, editor of The Conway Field and Herald, enlivening the editorial pages of the newspaper that he loved so dearly. His editorial columns often made their point with the light touch of humor, sometimes with the rapier of sarcasm, and occasionally with the broadsword of outright criticism. But throughout, Eldridge Thompson always kept foremost a genuine interest in what was best for the people of his adopted Horry County.

Eldridge was born in Fort Payne, Ala., but he adopted Horry County as his home in 1958 when he returned here as editor of The Field and The Myrtle Beach Sun-News. (He served as editor of the Field from 1953–55.) Since that time he shared the pleasures and pains of his county, trying in his editorials and his column Jetsam to show a direction for the community and to provide perspective for interpreting where the community was at that time.

He never hesitated to call attention to misdeeds and wrongs in the community so long as he felt that this criticism could prove helpful. But he much preferred to write about the "good" things of life, and this is what he did best.

He wrote: "In the hurrysome trek of total misdirection, we often lose sight of how restful it can really be sitting in the tall, dead grass on the sunny side of the house. We have managed to lift man to the Moon but we haven't done much to improve morality. Our direction is one of 'up' and in the process we have lost sight of from which we came and what we have in our fingertips."

Eldridge always felt close to young people, usually taking their side in any battle of generations.

"If short hair is a sign of character, Jesus didn't have any," he once wrote. And: "If there is a generation gap around it might be adults who have made the biggest contribution."

To other journalists in the area, Eldridge was the man to whom they turned for advice, information and consolation. He was recognized as the dean of newsmen throughout the country and was respected as an editor who could, according to the occasion, be both hard-nosed and soft-hearted.

"The death of Eldridge Thompson is a real loss to the newspaper profession in South Carolina," telegraphed Reid Montgomery, secretary-manager of the South Carolina Press Association Wednesday. "His outstanding record as editor of The Field and Herald will be long remembered. His family has the sympathy and love of his host of friends in the South Carolina Press."

A newspaper editor's relationship with those in political life is akin to walking a tightrope—if you lean too far in their direction you lose their respect, and if you lean unnecessarily away from them you lose their friendship. Eldridge never faltered in this relationship, maintaining both the respect and friendship of those politicians whom he felt served their people well.

"Getting to know a man like Eldridge Thompson is one of the real pluses of being in public life," said U.S. Rep. Ed Young. "I respected him as a newspaperman and a human being and we're going to miss him tremendously . . . he was just the kind of guy a good newspaper editor is supposed to be."

"He was the best editorial writer I've ever known," said Conway Mayor H. B. Huckabee. "He was a great supporter of Horry County and I've lost a great personal friend. The newspaper industry has lost a great editor—one of the best."

Perhaps because he chose Horry County as his home, Eldridge never took its beauties and people for granted as those who live here merely by an accident of birth sometimes do. He loved the county and the "City by the Waccamaw" but most of all he loved the people.

He wrote: "We recognize the strength of the people of Horry County. They are a self-determined breed, both white and black, but we think both races are also convinced that you can't get to where you are going unless there is unity in spirit."

Helping to provide "unity in spirit" was one of the roles of an editor which Eldridge did best. He prodded recalcitrant government leaders into action, goaded business and industrial leaders to realize that what was best for the community was best for their business over the long haul, and rallied community support behind worthwhile causes.

It was this role in which Eldridge was acting when he undertook what he himself termed the most important project of his newspaper career—the creation of Coastal Carolina Regional Campus.

On Coastal Carolina, he wrote: "It gives you a warm feeling to walk through the halls of the buildings on campus and see youngsters hurrying to and from classes. Youngsters who may not have gone beyond the senior year in high school (without Coastal). You reflect over the 'battles' that have cropped up along the way and realize that it was worth every bitter word or controversy that bobbed its head.

"Coastal, we suppose you would say, is like a magnet. It has attracted students from almost every state of the Union. It has endeared itself to hundreds who have come for learning. At no college in the state is the dedication so evident. The relaxed atmosphere is hard to believe but interwoven in it is a seriousness to learn, to be a moving part of society and to help shape the future."

The director and dean of Coastal, Edward M. Singleton, said of Eldridge: "Eldridge Thompson has been one of the dynamic forces behind the establishment of a college in Horry County. Coastal Carolina was one of his pet projects and he gave untiringly to make it a success.

"He continuously fought with his editorial pen and wisdom to expand Coastal to a senior college—a dream of his that fortunately came true before his death. He was a close friend of mine and a great friend to the college. Higher education in our community has lost a staunch supporter."

Because of Eldridge's feelings for Coastal, we feel that a memorial in his honor to the college would be one of the most fitting of tributes his compatriots and community could give.

Eldridge was a man who felt most at home behind a typewriter. But even though few of us knew him at that age, it is perhaps easiest to remember him as a young man sitting in the "tall, dead grass on the sunny side of the house and dreaming about far off places you had read about in school books."

NOTEWORTHY GRADUATION

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. SCHERLE. Mr. Speaker, I recently had the privilege of attending the commencement exercises at an exceptional high school—the Kendall Green Model Secondary School for the Deaf located in Washington, D.C. Dr. Malcolm J. Norwood of the Bureau of Education for the Handicapped delivered the graduation address, which was an inspiration not only to the students involved, but for those of us with the opportunity to join in this occasion. Dr. Norwood's remarks speak to the rich experiences and knowledge this high school imparts to its students. I was greatly impressed by this institution and by Dr. Norwood's presentation and feel it should be made a matter of record.

The address follows:

COMMENCEMENT ADDRESS BY MALCOLM J. NORWOOD

It is a privilege and a great pleasure to be here with you this morning on this very special occasion. In fact I take much more than ordinary pleasure in my role as speaker because you are special. As high school graduates you represent a dream come true. Our first public school for the deaf in the United States was established in Hartford, Connecticut, in 1817. Our first college was established here in Washington, D.C. in 1864. It took only 47 years to go from our first school for the deaf to our first college, but we had to wait another 102 years before we had our first high school for the deaf.

And why is a high school so important? It is important because MSSD provides the missing link in the education chain for the deaf. At no time in our past history have deaf teenagers had the opportunity to experience a real high school environment which would make available opportunities to learn, to grow and to mature in the same way that hearing teenagers do. These opportunities have permitted you to develop self-confidence, self-motivation and self-determination. You have had the chance to be on your own, to accept the responsibility of deciding what kind of a person you want to be and to be better able to set your own future goals. You have shared with each other the ways you can best live with deafness and how to make the most of what you have as individuals.

Today, it is particularly important to feel very deeply about these things not because it is your graduation day, but because it is May 17, a special anniversary. I reflect on this date because on May 17, 1954, exactly 20 years ago, today, just shortly before all or most of you were born, the Supreme Court of the United States made a decision that opened the door to greater public education for Black people. This was the beginning of the Civil Rights Movement which has as its promise—equal citizenship—absolute equality before the law and in the eyes of all men.

Deaf people, *have been carrying* on our *own* civil rights movement for more years than we can remember. The ultimate objective is the same, absolute equality. This goes back to Laurent Clerc, the first deaf teacher of the deaf in the United States, who convinced many people in high places, including Congressmen, that the deaf could learn, that we could compete with anyone, anywhere, anytime—if given the opportunity. We have had many giants in this movement, both hearing and deaf, but most important has been the direct involvement of deaf persons at all levels in affairs that concern our education, training and social development so that we all may achieve maximum potential.

In recent years this involvement has resulted in MSSD, National Institute for the Deaf, Technical Vocational Institute and a host of community college programs as well as programs such as at California State University at Northridge. It has also resulted in the fact that we are in charge of our own clubs and our own state and national organizations. Example of national organizations are the National Association of the Deaf and the National Fraternal Society of the Deaf. Not to be overlooked is the Junior National Association of the Deaf which has provided an opportunity for young deaf people to prepare for civic responsibility and is doing much to equip young deaf persons with vital leadership skills.

Last month as the income tax deadline approached a friend said to me, "Pay your income tax with a smile." I told him I would like to, but the Government demands cash. My point here is that in this world of rapid change and progress, society does not stand still. You are our cash. Your high school education is like money in the bank which in time gathers interest and grows so that when it is needed, it is there to go to work for us.

Some of you will be going immediately into the world of work. Some of you will be entering technical programs, junior colleges or four year college programs leading to a degree. It doesn't matter which course you chose to take as long as you have a goal. As you graduate today, each of you will inherit the traditions of the past—for better or worse—and will become involved in our efforts to control our own destiny. One thing, however, we must all accept is that we are a minority. No power on earth can change this but we can, we have made and we will continue to make minority decisions which affect us. To succeed in making minority decisions we need to control our environment and this requires discipline, perseverance and faith in each other. Minorities are always on trial. For this reason each of us must always keep our best foot forward constantly keeping in mind that whatever we do to better ourselves as individuals will help our fellow deaf men. Whatever we do to hurt ourselves in the eyes of others will hurt our fellow deaf men. In other words we must let our conscience be our guides. We must not let temptation or personal greed permit us to do what our training has taught us is morally wrong. Greatness at any level is the ability to make the hard decision because it is the right thing to do.

This requires discipline. Perseverance is the quality that will help us and others achieve recognition while faith is our trust in each other to work together for full acceptance by society.

The experiences you have had here at MSSD have prepared you for involvement and have taught you flexibility. Let us remember that each of us in our life time will experience some failure, some discouragement, some disappointment and some criticism. But let us also remember that involvement and flexibility can change failure to success, discouragement to enthusiasm, disappointment to happiness and criticism to praise.

Wherever you go, whatever you chose to do, continue to use well the lessons you have learned here. Continue to be involved and flexible. Continue to speak out in as many ways as possible on issues you know are right. Continue to show by action that you and others are capable. Continue to create a dialogue so that issues and your actions may be shared among yourselves and with society. The deaf community needs this kind of activity to continue to be recognized. This is the challenge that faces you and without doubt you will meet this challenge. Think about where you are going! Think about where you might have been if not for this high school, an important link in the chain of life experiences. With this, let me once again express my appreciation for being asked to share this wonderful occasion with you and to tell you that the future of the deaf community is in good hands. Good luck and best wishes to each of you.

VASSAR, MICH., WILL CELEBRATE 125TH ANNIVERSARY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. TRAXLER. Mr. Speaker, next week the city of Vassar, Mich., will be celebrating its 125th anniversary. A week of traditional "All-American" festivities will mark his quasquincentennial celebration. Near the center of what once was a vast lumbering empire in the Saginaw Valley, Vassar's heritage is representative of the traditional American success story: a quiet, steady growth founded upon the hard work, dedication, and moral strength of our early pioneer settlers.

Lumber built Vassar. In the mid-19th century, the Saginaw Valley's vast, rich forests of Michigan cork pine drew settlers from far and wide. The ponderosa, sugar, and other varieties of white pine in the Western States could not match the quality of Michigan cork pine. The tall, straight trees produced broad, strong, knotless boards of fine texture and easy-working qualities.

With the Cass River serving as a natural and swift means of transporting logs to the sawmills, the lumbering boom of the late 1800's gave birth to many small logging towns all along the Cass River Valley. The first sawmill in the Valley was built near Tuscola by Dennis Harrison. Dams built along the river, as well as on feeder streams, were soon furnishing water for power and the timber industry spread from the mouth of the Cass all the way to what is now Cass City.

Vassar's own lumbering operations began soon after its founding in 1849 by Townsend North. A native of New York, North moved with his family in 1835 to Washtenaw County, Mich. A carpenter like his father, North built the very first dormitory building at the University of Michigan and part of the university's first law building. In 1845, he opened a lumberyard in Flint and operated a hotel there. A contract to build a bridge over the Cass River near Bridgeport led to North's acquiring some 3,000 acres of land along the Cass River.

On the frosty morning of March 1, 1849, Townsend North and James Edmunds, and two employees, made their way from Tuscola up the river on the ice to the mouth of a creek, where they stopped. They built a crude shelter for the night, and the next morning began to lay the foundation for what would one day become the area's first city, Vassar.

The new settlers began to clear the

land, started work on the first saw mill, and built a dam across the river. North soon saw the advantages of the location as a trading center for the Cass River region, which at that time still had less than 300 people living there. Vassar soon had a trading post, a center for commercial activities in the wilderness.

Named after Matthew Vassar, the founder of Vassar College in New York and the uncle of Edmunds, the tiny settlement grew quickly along with the booming lumber industry. In 1875, some 100,468,140 feet of logs were floated down the Cass River. For many years prior to the fall of 1901, when the last saw mill closed down, it was not uncommon to see the Cass River completely filled with logs.

Aside from its strategic location for trading and lumbering purposes, North liked Vassar's site because the level land along the river was skirted on the west by a ridge from which one could view the countryside for miles and miles. North built his original house on the top of this ridge. An early county history described Vassar this way:

> There is a general expression to the village that is inviting. There is a picturesque beauty about its location that delights the eye, but its chief charm is in the air of thrift and refinement that pervades its business places and homes. . . The history of Vassar is particularly interesting and important from the fact that its birth and that of general progress in the county were simultaneous. The men who projected Vassar were the ones who opened the gates for settlers to come into the county.

As the settlement of Vassar grew, so did the needs of the settlers. Vassar's excellent school system of today began with a tramp through the woods in 1850 by Townsend North. He spent 3 days trying to find enough settlers to sign a petition for the formation of a school district. The first school was a shanty on South Main Street. A 4-month term was taught by Miss August Slafter, who received a salary of a dollar and a half a week. Today, Vassar has a school enrollment of over 2,000 and enjoys the most modern of facilities.

With a rich past and a promising future, Vassar today is the product of industrial and commercial growth that supplanted the lumbering industries that died at the turn of the century. Its strategic location has earned it the title of "The Gateway to the Thumb." Today it is a commercial and industrial center for all of Tuscola County. The Foundry Division of Eaton, Yale, and Towne is one of the largest employers in the Thumb area. United Plastics, Vassar Manufacturing, Welsh Industries, Vassar Electroloy, Wilson Samping, and D & J Tool and Die are among the many manufacturing concerns that produce a variety of products that find their way into our automobiles, farm equipment, and appliances.

Area pickle farmers contract with the Dykhouse Co., whose modern processing plant is located south of Vassar. Super Foods is a major wholesaling company which supplies some 160 IGA stores in more than 25 communities in mid-Michigan. Maiers Freight serves thousands of customers throughout the eastern part of Michigan. These industries, along with the many banks, stores and other commercial enterprises that fill Vassar, have produced a strong, growing community in which its citizens can take great pride.

Vassar became a city in 1945. It has survived floods and fires, good times and bad. Its people stem from the hearty brand of pioneers who carved living, thriving communities from our Nation's wildernesses. Today Vassar celebrates its past and ties it to its future by an annual festival called "Pionner Days." This year, as they celebrate the city's Quasquicentennial, the citizens have a very special reason to be proud of their heritage.

The celebration includes a full week of festivities, many of which have that "All-American" flavor that reminds so many of us of our childhoods: There well be ice cream socials, square dances, crowning of the queen, a trading post, arts and crafts exhibits, a style show, family picnics, watermelon and pie-eating contests, raft and canoe races, and a country and western musical show. Highlights of the week will also include a Million Dollar Drawing of the Michigan State Lottery on Friday and an "Historical Spectacular" pageant recreating many scenes of Vassar's rich, colorful pioneer past.

Mr. Speaker, I would like to give special thanks to the Tuscola County Advertiser for the historical information included in my tribute to Vassar, Mich. Vassar is a city that embodies the unflagging spirit of America's pioneers—its early settlers and lumbermen, its businessmen and all those men and women who have labored hard for their successes. On behalf of the people of Vassar I extend an invitation to my colleagues and to all Americans who may be traveling or vacationing in Michigan next week to visit this exciting celebration of our Nation's heritage.

STATEMENT OF THE HONORABLE JAMES A. HALEY ON THE OCCASION OF THE RETIREMENT OF THE HONORABLE LEWIS DESCHLER, THE PARLIAMENTARIAN OF THE HOUSE OF REPRESENTATIVES, JUNE 1974

HON. JAMES A. HALEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. HALEY. Mr. Speaker, I would like to express my deep appreciation to a man who has for nearly 47 years provided wise counsel to nine Speakers of the House of Representatives and to the House as its Parliamentarian, Lewis Deschler.

Parliamentary practice of the House has over the years since the founding of our Nation been responsible for bringing some measure of order to what would otherwise be a completely unwieldy operation—the legislative process. This practice stems from the Constitution, Jefferson's Manual, rules adopted by the House, decisions of the Speakers and Chairmen of the Whole. It has been an enormous and vastly important task to counsel the House and its individual Members based on sources so embedded in the history of our country. Lewis Deschler has performed that task so well that I am confident that no one will ever surpass his level of expertise or dedication to duty. He is the world's foremost parliamentary authority and his impact on the history of this Nation is unequaled but by a few.

Lew's respect for the parliamentary matters of the House is embodied in his own appraisal that "the parliamentary practice of the House is a system of procedure that ranks second to none." Much of the credit for the proper functioning of this practice these past 47 years goes to our friend and advisor, Lew Deschler.

I appreciate this fine man's guidance to the House and to me personally over the years. I wish him and his family well as Lew retires from the office of Parliamentarian of the House of Representatives.

THOSE BIG TAX-SHELTER FREELOADERS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. WOLFF. Mr. Speaker, as the House Ways and Means Committee is now in the process of marking up a tax reform proposal, I thought it would be an appropriate time to share with my colleagues an article by Gus Tyler that appeared in the Long Island Press regarding lucrative and questionable tax shelters.

Mr. Tyler addressed himself to the tax loophole associated with the limited partnership, whereby an individual can invest in an enterprise at a small risk and reap tax benefits many times greater than his original investment. Tax shelter schemes, often referred to as get-richer-quick schemes, are aptly named, because in effect they serve as a cover, enabling individuals to dodge payment of their fair and full share of taxes. The tax-shelter umbrella has of late taken in some highly questionable, and it seems in some cases downright illegal, ventures which run counterproductive to stimulating the American economy. Most unfortunate, however, is that these tax shelters leave the average American taxpayer out in the rain. He gets stuck paying the greater share of the taxes which keep this country going. It is my belief that we must plug the gaping tax loopholes which exist solely for the enrichment of the individual who feels little responsibility toward helping to pay for the services and programs which his Government provides. To use Mr. Tyler's phrase, the "peddling of tax havens" is a game played at the expense of both the Government and the average American taxpayer.

The complete text of Mr. Tyler's article follows:

THOSE BIG TAX-SHELTER FREELOADERS

(By Gus Tyler)

A man invested $32,000 in a movie enterprise. The first year in business he received $120,000 in tax benefits. The movie he produced was a porno.

The facts in the case are on record in the testimony of a Los Angeles lawyer before the House Ways and Means Committee.

This sleazy bit is only one dirty little corner in a growing and thriving multi-million dollar business—the peddling of tax havens.

Putting money into "adult" films is not the only way to turn a small risk into a tax benefit that is many times greater than the investment. Other cases on file refer to ventures in "rose and azalea bushes, almonds and pistachio nuts, thoroughbred racing stables, masterpiece-in-the-home clubs for fabulous works of art, and even chinchilla farms and cattle sperm banks."

These business facades into which taxwise money moves not to produce a product but to reap tax benefits are among the latest generation of "havens" listed by Sen. Edward Kennedy, D-Mass., to point up the need to plug a big loophole in our present tax law.

The earlier generations of shelters were those in real estate and in gas and oil. While they still are the big ones, other more exotic enterprises have been moving through the loopholes.

Promoters of these get-rich-quick schemes make it clear that the gimmick only works for people who are in the 50 per cent tax bracket and who have a net worth above a quarter million dollars.

The run-of-the-mill taxpayer, however, is not unaffected. He or she pays the bill. In effect, that West Coast porno producer who reaped a tax benefit of $88,000 above his investment was subsidized by taxpayers such as you and me.

This grimy game has grown so big that the National Association of Securities Dealers reports "shelter" at sales almost $3.25 billion dollars in 1972. NASD sales are only about one-tenth of a tax haven business that now runs above $30 billion a year.

The loophole Kennedy is trying to plug is the limited partnership. It goes this way:

A man puts $100,000 into a $1 million dollar business—a one-tenth share. In an ordinary partnership, he could not claim a tax deduction greater than the $100,000 he put in.

But under a peculiar ruling that applies to "limited partnerships," the man with the one-tenth share can get tax benefits greater than the amount he put in.

The partnership borrows in its own name, let's say, $2 million. The partner's share is now worth $300,000—one tenth of the $3 million. Although he is personally liable for only $100,000, he can now claim a tax benefit up to $300,000.

Kennedy proposes that: an investor could not claim losses in excess of the amount he put in—a blow at a huge business aimed exclusively at advising a top 1 per cent on how to freeload on the rest of us.

SENATOR GRUENING PASSES

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. UDALL. Mr. Speaker. the passing of a great man is noted with a sensitive editorial by the Washington Post of June 28.

Senator Ernest H. Gruening had a remarkable career in which he achieved high and important goals. He was a modest person but a fearless fighter for what he thought was right. And he was generally right, though sometimes it took history a while to recognize the fact. His dedication to push what he perceived to be the correct course, no matter how unpopular, was a philosophy he lived. I will always remember the advice he gave me once when I sought counsel on an issue. He told me simply. "Leaders often find themselves temporarily alone."

I commend the Post's editorial about a gentleman who will never be forgotten by those of us fortunate enough to have known him:

[From the Washington Post, June 28, 1974]

ERNEST HENRY GRUENING

For its rich variety and vigorous dedication to principle, few careers in American public life compare with that of former Sen. Ernest H. Gruening, the Alaska Democrat who died on Wednesday at the age of 87. He is best remembered for his vigorous advocacy of statehood for Alaska and for his early opposition to American involvement in the war in Indochina. He and former Senator Wayne Morse were twice the sole opponents of crucial Senate action that helped move this nation further into that tragic conflict.

The vigorous and active later years of his life exemplified the lines of Dylan Thomas that he loved so much: "Old age should burn and rave at close of day." Yet they were only the continuation of a career always remarkable for its versatility and for the fidelity it revealed to certain ideas. Born in New York City, Mr. Gruening went on to Harvard with the intention of following the footsteps of his father into medical practice. He finished medical school, but gave up his internship for a chance to become a journalist. He wrote criticism and editorials before becoming, at age 27, managing editor of the Boston Traveler. One of his contributions to American journalism in that job was to change the policy of designating the race of persons in the news. His was one of the first major metropolitan newspapers to take that step. He moved on to The Nation magazine, reported on the Mexican war and eventually became director of the new Division of Territories and Island Possessions in 1935.

That was the beginning of his love affair with Alaska, to the development of which he made incalculable contributions. As the appointed governor, he was instrumental in the development of the Alcan Highway, and he ran afoul of the absentee exploiters of Alaska's resources by subjecting them to taxation.

He worked for statehood after the Alaskans elected him as unofficial "senator," a capacity in which he lobbied vigorously. When that battle was finally won in 1958, he went home and was elected one of Alaska's first two senators. He worked for the statehood of Hawaii and was proud of the day the Senate took that vote. It was his opposition to the war in Vietnam that marked the last of his Senate service. He opposed our involvement in the war at every opportunity. His party turned him out in the primary of 1968, but Mr. Gruening continued to speak out on the war, on the need for population control and on the key political issues of the moment. His was a rare, determined and consistent life, full of the spirit that keeps people young at any age.

TRIBUTE TO LEW DESCHLER

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mrs. BOGGS. Mr. Speaker I join my colleagues in this beloved body in paying tribute to Lew Deschler whose very name is synonymous with its legislative history and legend.

I fervently wish that my husband Hale could personally extol Lew's service and accomplishments and thank him for his counsel and helpful support and warm affectionate friendship throughout many years and countless battles and successes.

On my own, I offer expressions of gratitude for his extracurricular informal consultations with congressional wives seeking guidance on parliamentary problems. His courtliness of manner and full attention to their requests is appreciated by all congressional wives who sought his advice on parliamentary procedure or on the soundness of projected composition of or changes in the constitution and by laws of the organizations in which they held offices.

Although we will miss his daily contact, it is comforting to know that Lew will be still working with the House of Representatives as a special counsel until he completes the monumental task of compiling House precedents.

Lew and his dear wife, my sweet friend, Virginia, take with them my heartfelt best wishes for happiness and sufficiently good health to enjoy many years of well deserved retirement.

CONGRESSMAN CRAIG HOSMER'S ENERGY DATA SHEET

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. HOSMER. Mr. Speaker, in response to the need for general data concerning our energy resources, requirements, and certain alternatives for satisfying them, I have prepared the following data sheet:

CONGRESSMAN CRAIG HOSMER'S ENERGY DATA SHEET

DEMAND

In 1973 the U.S. energy demand was 75.5 x 10^{15} BTU—75.5 trillion BTU—75,500,000,000,000,000 BTU. It was supplied as follows:

Oil, 46 percent; natural gas, 32 percent; coal, 17 percent; hydro, 4 percent; nuclear, 1 percent.

SUPPLY

The foregoing in terms of equivalents to million barrels of oil per day (MBPD) amounted to 37.2 MBPD.

Domestic supply was 30.6 MBPD and imports were 6.6 MBPD.

It had been predicted that by 1985 the demand would rise to: 58 MBPD if unrestrained and 51 MBPD with conservation.

We will reach the conservation figure of 51 MBPD. Thereupon the net increase of about 21 MBPD over current domestic supply will have to be met by increased domestic production, imports, or a combination of both.

CONSERVATION

The National Academy of Engineering estimated the conservation potential from the above unrestrained demand figure of 58 MBPD for 1985 to be:

By conservation: Industrial measures, 1.5 MBPD; Lower driving speeds, car pooling, 1.0 MBPD; Better airplane load factors, 0.3 MBPD; Comfort control, 1.0 MBPD.

By new energy savings equipment: Smaller, more efficient cars, 2.0 MBPD: Other transportation equipment, 1.1 MBPD; Better building insulation, 1.1 MBPD; Residential and commercial equipment, 0.4 MBPD; Industrial processes, 1.0 MBPD.

Total conservation potentials, 9.4 MBPD; less 15 percent overlap—8.0 MBPD.

INCREASED DOMESTIC PRODUCTION

To meet reduced 1985 demand from domestic energy supplies will, according to the NAE estimates, require the following boosts in domestic energy production:

Increase coal production by a factor of 2.

Increase nuclear power capacity to one-third total electrical capacity.

Duplicate present domestic oil and gas capacity to get net 25 percent increase in output.

Use new technologies to produce:

1.1 MBPD of synthetic gases from coal.

0.6 MBPD of synthetic liquids from coal.

0.5 MBPD of oil from shale.

Modest increases in hydroelectric and geothermal power.

COAL PRODUCTION

To double coal production we must, typically:

Develop 140 new 2 MTPY eastern underground mines.

Develop 30 new 2 MTPY eastern surface mines.

Develop 100 new 5 MTPY western surface mines.

Recruit and train 80,000 new eastern coal miners.

Recruit and train 45,000 new western coal miners.

Manufacture 140 new 100-cubic-yard shovels and draglines.

Manufacture 2,400 continuous mining machines.

To transport the increased production we must, typically:

Construct 60 new 2 MTPY eastern rail-barge systems of 100 to 500 miles each.

Construct 70 new 3 MTPY western rail-barge systems 1,000 to 1,200 miles each.

Construct 4 new 25 MTPY slurry pipelines of 1,000 miles each.

Construct 2 new 2.5 BCED gas pipelines of 1,000 miles each.

Manufacture 8,000 railroad locomotive units.

Manufacture 150,000 gondola and hopper cars of 100-ton capacity each.

EXPANSION OF COAL-BASED POWERPLANTS

To meet electrical needs with coal, we must:

Reconvert 5 oil conversion units per month over 4 years.

Design, construct and bring on-line 2 new 700 Mwe coal-field units per month for 10 years.

Design and manufacture 24 new 700 Mwe turbine generators every year for 10 years.

Design and erect 180 now 2.5 MTPY coal-fired furnaces.

Purchase and develop 50 new powerplant sites.

Design, construct and start up 10 new medium-BTU gas conversion plants to supply 50 existing gas-fired units of 400 Mwe each.

Provide 260,000 acre-feet of water per year.

COAL-BASED SYNTHETIC FUELS

To produce 7.7 MBPD of synthetic fuels from coal by 1985, it will be necessary to:

Construct 20 new 250-million CFD methane-from-coal plants.

Construct 8 new 40,000 BPD methanol-from-coal plants.

Construct 10 new medium-BTU gas-from-coal plants.

Conduct an aggressive program to develop economical liquefaction processes using hydrogeneration.

Construct 10 new 30,000-BPD coal liquefaction plants.

OIL AND GAS

To increase oil and gas production by 25% by 1985, it will be necessary to:

Find and open new fields—most of these will be offshore or in Alaska.

Increase the production rate from existing fields through new outpost wells, workover of existing wells, extended life of stripper wells, and increased secondary recovery projects.

Accelerate tertiary recovery methods.

Open up known reserve fields for production.

Develop recovery methods for low-permeability sands.

Drill an average of 58,000 wells each year until 1985, twice the 1973 rate.

SHALE OIL

To produce 0.5 MBPD of oil from shale by 1985, it will be necessary to:

Bring into production 50 new 5–MTPY shale mines and retorting plants.

Lay, stabilize and restore 5 square miles of tailings that are 40 deep each year.

Construct 10 new 50,000–BPD shale oil extraction and upgrading plants, including pipelines to markets.

Develop and convey 80,000 acre-feet per year of new water supplies in water-scarce areas.

NUCLEAR POWER

To increase nuclear power to one-third of total electrical capacity, we must:

Design and construct an average of 2 to 3 new nuclear units per month for the next 10 years.

Fabricate and deliver an average of 30 reactor pressure shells and 30 turbine-generator sets each year for 10 years.

Acquire 10 to 12 approved nuclear plant sites per year for 10 years.

Recruit and train 30,000 to 40,000 plant operators and maintenance personnel in the next 10 years.

Increase uranium production by a factor of 6.

Increase uranium enrichment capacity by 50% over existing and presently planned AEC capacity.

Typical 1973 overall project times

(From go-ahead to production)

Type of facility:	*Years*
Coal-fired powerplant	5–8
Surface coal mine	2–4
Underground coal mine	3–5
Uranium exploration and mine	7–10
Nuclear powerplant	9–10
Hydroelectric dam	5–8
Produce oil and gas from new fields	3–10
Produce oil and gas from old fields	1–3

Facility capital requirements

(In 1973–74 dollars)

To pay for all the facilities needed to achieve maximum domestic energy supply by 1985 would require, very roughly, these billions of dollars:

Oil and gas	160–200
Uranium mining and enrichment	11–14
Coal:	
Production and transportation	18–24
Synthetic fuel production	16–22
Shale oil	3–5
Electricity:	
Nuclear plants	90–110
Fossil and renewable plants	60–70
Transmission and distribution	135–165
Total (rounded)	490-510

The $500 to $600 billion for in-place facilities will require about another $100 billion for infrastructure support. $700 billion would average $60 billion per year until 1985. For comparison:

Current investments in the energy industry are about $30 billion per year.

1970 industrial plant and equipment investment for all purposes was about $100 billion.

OTHER IMPORTANT CONSIDERATIONS

If these programs are to be carried out by 1985 a number of important problems will have to be solved:

A balance will have to be reached between environmental and energy objectives (Sulfur dioxide, land reclamation, offshore oil and gas operations, oil refineries, nuclear power plants, etc.)

An extensive manpower training program will be needed (30,000 additional engineers, 190,000 additional skilled construction workers, 240,000 additional operators.)

Water must be made available.

THE ROLE OF THE GOVERNMENT

If domestic energy supplies are to be developed to their maximum levels to minimize dependence on foreign sources, the government must take the leadership to:

Develop a long-term, comprehensive energy policy.

Reduce administrative constraints.

Reduce the risks to developers of new technologies.

Support selected high-risk, high-payoff developments.

Compile and disseminate energy data and information.

Establish energy conservation standards.

Foster an economic environment that will attract investment capital into the energy industry.

There must be a cooperative effort between the government and the energy industry:

There is not time to create new institutions.

The government must establish a well-defined national energy policy and conduct licensing and regulatory actions so that large sums of private capital are invested and the public interest is protected.

The energy industry has the managerial and technical skills to do the job.

Energy content of natural resources

[In Btu]

Oil, barrel (Bbl.)	5, 800, 000
Natural gas, cubic foot (CF)	1, 000
Coal:	
Bituminous, ton	26, 000, 000
Lignite, ton	14, 000, 000
Average, ton (weight according to present production)	25, 000, 000

One Barrel of oil equals 42 gallons.

One kilowatt-hour (kWh equals 3,412 BTU.

A typical thermal power plant consumes about 11,000 BTU per kWh produced due to conversion losses.

One million barrels of oil per day (MBbl./day) is equivalent to:

Natural gas: 5.8 thousand million cubic feet/day.

Coal—

Bituminous: 225,000 tons/day.

Lignite: 420,000 tons/day.

Average: 235,000 tons/day.

In general, bituminous coal is found in the east, and lignite in the west.

June 1974.

LIVESTOCK CREDIT OR BANK BONANZA

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. PEYSER. Mr. Speaker, the Senate recently passed an Emergency Livestock Credit Act and the House will be considering a similar measure in the near future—H.R. 15560. This bill is intended to remedy the crisis facing the cattle farmers. In brief, the problem is that farmers' prices have dropped 35 percent since their record high last year. Because retail prices have not dropped comparatively, consumers are not purchasing beef and the beef, therefore, is stockpiled in warehouses. The only solution to this problem, which the proposed bill does not address, is lowering the retail price of beef and thus increasing consumption. This bill is nothing more than a bailout for banks. If approved, this bill would permit the banks to refinance existing loans at existing all-time high interest rates and be assured that the loans and interest will be guaranteed by the Government. The farmers will have larger than ever loans to repay and in a year's time will be in a worse situation than they are in today. What is more, the Government will be out $2 billion.

This was an ill-conceived and hastily approved bill. It was voted out of the Agriculture Committee in less than 20 minutes. This bill in no way helps consumers, does not, in fact, help farmers, but will be a real boost for banks with undercollateralized loans and investors in tax shelters who bit off bigger losses than they figured. I oppose this bill and urge my colleagues to do the same. I have sumer organizations who are also op- received statements from national con- posed to the passage of this bill. I have enclosed these statements for the information of my colleagues:

NATIONAL CONSUMERS LEAGUE,
Washington, D.C., June 28, 1974.
Congressman PETER PEYSER,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: The National Consumers League, the nation's oldest consumer organization, is concerned about the passage of a bill that will aid neither farmers nor consumers. The Emergency Livestock Credit Bill (HR 15560) rather than benefiting the farmers during this critical time, will benefit the interests of the banking industry.

National Consumers League recognizes that the cattle producers are in a crisis situation, but, we are opposed to HR 15560 as a remedy to the situation. It will not alter the basic problems that have brought us to this point.

Consumers are opposed to subsidizing the already thriving banking industry, when both the producers and those who pay high prices for beef are in need of meaningful solutions.

Very truly yours,

ELLEN HAAS,
Associate Director.

CONSUMER ACTION,
FOR IMPROVED FOOD AND DRUGS,
Washington, D.C., June 28, 1974.
Hon. PETER A. PEYSER,
Longworth House Office Building,
Washington, D.C.

DEAR MR. PEYSER: This is in response to your letter asking our comments on H.R. 15560, the Emergency Livestock Credit Bill of 1974.

It is not at all clear that any legislation is necessary. However, it is clear that this bill subsidizes the banking interests' and not the farmers' interests. H.R. 15560 will neither help the farmer nor the consumer and should not in its present form be voted into law.

Thank you for expressing an interest in our views.

Sincerely,

JAMES S. TURNER,
Codirector.
CATHY SULZBERGER,
Codirector.

NATIONAL CONSUMERS CONGRESS,
Washington, D.C., June 27, 1974.
Congressman PETER A. PEYSER,
Agriculture Committee, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PEYSER: The bill H.R. 15560, which was originally designed to assist the cattle industry in their present crisis, has become so diluted that it serves neither the cattlemen nor the consumer. If this bill is allowed to pass it is apparent that the only real benefits will be those accrued by the bankers.

The National Consumers Congress, therefore, joins you in opposing this legislation.

Sincerely,

AILEEN GORMAN,
Executive Director.

UNLEADED GASOLINE PROBLEM NOT SOLVED

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. HUBER. Mr. Speaker, on May 1, 1974, during the debate on the Energy Supply and Coordination legislation, I rose and pointed out to my colleagues present the dangers and problems associated with the conversion to lead free gasoline and its possible effects upon the automobile industry. The Environmental Protection Agency issued a press release earlier this month assuring everyone that sufficient unleaded gas will be available. General Motors has even tried to confirm this by releasing a study by Arthur D. Little, Inc. to the effect that the production of unleaded gasoline is no more expensive than that of conventional fuels. In contradiction to these sources, I have been shown evidence by the American Automobile Association which does not agree with the foregoing. In support of my views, I wish to place in the RECORD at this point an article from the Detroit News of June 23, 1974, entitled: "Reject Lead Gas Orders, Dealers Told" and another article from the Oil Daily of June 27, 1974, entitled, "API Rebuts Little Study on Unleaded Gas'l. Cost" for the edification of my colleagues. The articles follow:

"REJECT LEAD GAS ORDERS," DEALERS TOLD

(By Robert W. Irvin)

The Service Station Dealers Association of Michigan is warning its members in no uncertain terms not to sell leaded gasoline to owners of any 1975 cars even if someone is on the way to the hospital in an emergency.

The warning comes from Charles Shipley, the association's executive director, in the current issue of its monthly magazine called the Service Station Dealers News.

Most 1975 model cars will have catalytic converters, which are muffler-like devices using platinum and which can be poisoned by leaded gasoline. When they are ruined by the lead, they will no longer control car engine pollution.

Hence, the government is requiring many stations to carry unleaded gasoline for these cars. The government is doing this under force of law and violators can be fined for putting leaded gas in catalyst cars.

Actually, Shipley's warning goes beyond the letter of the law because some '75 models will not have catalysts and thus can still use leaded gasoline. And the penalty is not as strict as he says.

Shipley tells the dealers: "If a dealer puts leaded gasoline in a '75 model car he can be fined $10,000 for each offense. It is the dealer's responsibility to make sure no product-mixing takes place.

"If the owner of a '75 wants you to put leaded gasoline in that car—say no.

"If you have no 'lead free' and the driver of a '75 insists that he has to get a sick child or a sick wife to the hospital—call an ambulance or the police—don't sell him leaded gasoline . . . if you are out temporarily, or for any reason do not have the lead free, make sure that nothing else is put into '75 models.

"Gasoline that is carried on service trucks for out-of-gas calls should be lead free at all times."

The reason for Shipley's concern is the penalty faced by those who put the wrong gas in. Actually, federal officials say the penalty on putting in the wrong kind of fuel will be $10,000 per day of violation, not per car as Shipley implies.

"It would be the same penalty if a station put 10,000 gallons into 1,000 cars or 10 gallons into one car in a day," an official said.

But that's probably a small point for a small service station operator to quibble over.

In any case, Shipley warns the dealers, "the Environmental Protection Agency has announced that they will institute a strong enforcement program and are considering the use of other interested groups in making checks on retailers of gasoline. This means that some publicity-seeking group may pick you as an example of non-compliance.

"Don't let it happen to you. Ten thousand dollars is a lot to pay for being careless about lead free sales.

"The EPA has ordered the industry to 'Get the lead out.' The benefits that will come from this order are certianly open to question but it is in your best interest as a dealer to follow the regulation to the letter of the law. It is much cheaper that way."

It is also going to be controversial if dealers, indeed, do turn down motorists who are out of gas and unable to find lead-free fuel, especially in an emergency, and especially if their car can do without unleaded gasoline.

Not all '75 cars will have converters. It will be possible to meet the standards without them on some engines. The dealers should be told to take this into account when refusing to sell leaded gas to the owner of a '75 model car.

API REBUTS LITTLE STUDY ON UNLEADED GASOLINE COST

WASHINGTON.—The American Petroleum Institute has prepared a rebuttal to study Arthur D. Little, Inc. which contends that unleaded gasoline is no more expensive to produce than conventional leaded fuels.

The study was released by E. M. Estes, executive vice president of General Motors on June 7.

API argues that the study might not apply to the overall U.S. refining industry since it assumes that a refinery with the capacity to process 100,000 b/d of crude adequately represent the refining industry.

"In fact," API said, "41% of U.S. refining capacity is represented by refineries smaller than 100,000 barrels daily and 20% by refineries under 50,000 b/d."

The API alleges several other flaws in the study including:

While the study notes that more severe penalties will be suffered by smaller refineries, its conclusions are not adjusted to take account of this fact.

The study assumed a uniformity in refinery processing procedures. In fact, there is a great diversity of processing schemes employed by individual refiners in converting crude oil into gasoline and other products.

The study makes numerous assumptions in regard to the octane levels of the many and varied components that are used to blend unleaded gasoline but does not provide substantiation of those assumptions.

The study erroneously assumes that U.S. refineries are not currently maximizing output of gasoline, relative to other products.

"The study assumes that 91 RON (research octane number) gasoline will be adequate to satisfy the octane needs of all 1975 and later model-year automobiles. This assumption may prove unrealistic, according to many experts.

"The Arthur D. Little study is basically theoretical and cannot be used to predict individual refinery capabilities and costs.

"Finally, the study ignores the fact that unleaded gasoline will require segregated storage and will involve substantial added distribution costs," API stated.

THE REALITY OF INTERDEPENDENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. FRASER. Mr. Speaker, last April, Secretary of State Kissinger's address to the special session of the United Nations General Assembly attracted a great deal of attention in Congress. The Secretary stressed the need for the international community to come to grips with the reality of interdependence by greater efforts of cooperation.

This theme must remain prominent in our minds whenever we think about our relations with the rest of the world. The reality of interdependence becomes more glaringly apparent to us with each passing day. The fate of all nations is tightly intertwined. At the special session of the U.N. General Assembly, Secretary-General Kurt Waldheim listed six problems which the international community must solve through cooperative action in order to avoid unprecedented global tragedy: massive poverty, rampant population growth, the food and energy shortages, the arms race, and worldwide inflation. And each of these problems has a bearing on all the others; as one of them festers, each of the others becomes more acute.

David Broder wrote an excellent article on this dilemma which appeared in the Washington Post on May 1. Although the article is almost 2 months old, it is as timely now as it was when it appeared, especially since the House is about to reconsider the bill for the U.S. contribution to the International Development Association, and take up this year's foreign assistance bill:

TURNING TOWARD GLOBAL PROBLEMS

(By David S. Broder)

In the first three days after Congress returned from its Easter recess, at least a dozen senators and representatives put into the Congressional Record, with suitable commendations, the text of Secretary of State Kissinger's April 15 address at the United Nations on "the challenge of interdependence."

Just why Kissinger's somber challenge to the international assembly to "come to terms with the fact of our interdependence" should have struck a chord with so many legislators is hard to say. But it is at least possible to hope that it indicates that even with the current preoccupation with our domestic political crisis, there are world issues of such enormous scale that sensible people cannot ignore them.

In a series of eloquent and impassioned columns, James Reston and Anthony Lewis of the New York Times have been raising their voices to proclaim that the threat of international economic warfare turning into a global cycle of inflation and depression—to say nothing of the danger of massive famine among the million already suffering the effect of malnutrition—is slightly more consequential than Watergate.

Reston worries that the press and the politicians are ignoring "the fundamental question of the prices and resources of the earth," and he may be right. But the pages of the Congressional Record—that mirror of the politicians' minds—indicate someone is listening.

There one finds the beleaguered President taking time to remind those who sit in judgment on him that despite the national weariness with the cost of foreign aid, "it is clear that in the modern world, peace and poverty cannot easily endure side by side."

And while Mr. Nixon pleads with Congress to reverse the House's January mistake in refusing the $1.5 billion U.S. contribution to the International Development Association, his old rival, Sen. George McGovern (D-S.D.), is seconding Kissinger's pledge of American cooperation in meeting the worldwide economic crisis.

Wisdom comes late, but now it comes to people of all parties and persuasions. The old internationalists—the Hubert Humphreys, the Jacob Javitses and the Gale McGees—fill the record, as they have for years, with pleas for foreign aid and food assistance and liberal trade policies.

But now they're joined by Sen. Robert Dole, the engagingly cynical Kansas Republican, who is moved to put into the Record a study by Church World Services of what Dole calls "the world food crisis." They are joined, too, by Sen. Walter (Dee) Huddleston, the freshman Democrat from Kentucky. He thinks his colleagues ought to know what he learned from the Congressional Research Service and then confirmed from Kentucky industrial leaders about "the growing U.S. reliance on imports for a large portion of raw materials."

It is a long step from the recognition of a problem to the action needed to deal with it, particularly when the problem is as massive and complex as that of the international economy. Nevertheless, it is meaningful when a variety of American politicians—preoccupied with their parochial interests—talk as if they understood what United Nations Secretary General Kurt Waldheim meant when he said that, "The pursuit of short-term national interests by any nation or group of nations can no longer provide even a brief reprieve from the inevitable result of the present trends."

But what a task we face. Waldheim laid it out in brief form in his speech opening the General Assembly's special session on the world economy and natural resources.

There are six connected problems, Waldheim said, that must be faced and mastered to avoid the tragedy that now confronts the inhabitants of the planet; the massive poverty that still grips two-thirds of the world's people; the population growth that adds more than 1 million new claimants a week on our finite resources; the food shortage that has left literally no margin of safety against famine on a more massive scale than we have ever witnessed; the energy shortage that hampers all form of economic growth, including food production; the continued waste of an estimated $4 billion a week on producing weapons of war; and the worldwide inflation, fed by all those forces, which threaten to destroy the fragile international economic and monetary structure.

When viewed in those terms, the domestic political problems of any one nation, even our own, seem almost insignificant, as the members of Congress appear to recognize, from time to time.

HELLENIC ORCHESTRAL ASSOCIATION OF CHICAGO

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues the outstanding cultural contribution that the Hellenic Orchestral Association is making in my city of Chicago.

Mr. John Daros, who serves as president and chairman of the governing members of the Hellenic Orchestral Association, is an eminent citizen of our community and has always given his staunch support to the Orchestral Association as well as to many other worthy endeavors.

In his efforts, he has been aided by the capable and dedicated governing members of the Hellenic Orchestral Association who are: Takis Christopoulos, Pierre Austin DeMets, Jean Fardulli, Angelo G. Geocaris, Alex Gianaras, Peter Gianukos, Jim Gregory, S. J. Gregory, John Heyer, Christ Karafotias, Gus Landers, Nicholas Melas, James Mezilson, John O'Malley, Nick Pappas, D. Parry, X. C. Payne, Nicholas Prassas, Ted Vombrack.

On July 5 and July 6 in Chicago at Orchestra Hall, the Hellenic Orchestral Association will present a U.S. premier performance of the National Lyric Opera of Greece. The concerts on these 2 days will be video taped and filmed for theater in their entirety. Also, arrangements have been made for these performances to be televised throughout the mainland of Greece and in all of the Greek islands. The televised performances will also be shown in the United States and in Canada.

I commend the Hellenic Orchestral Association for making it possible for our citizens to view the great musical artists from Greece who will perform at Orchestra Hall in Chicago next week, for it is programs like this that have helped to disseminate knowledge of other cultures and have brought about a greater understanding and appreciation of the great cultural contributions made by Greece and by other nations to the world.

The program for the concert follows:

HELLENIC ORCHESTRAL ASSOCIATION PRESENTS AT ORCHESTRA HALL, CHICAGO, ILL., A CONCERT ON FRIDAY, JULY 5, AND SATURDAY, JULY 6, 1974, AT 8 P.M.

Musical Director: Emanuel Piculas.

Piano Accompanist: Despina Helmis.

Soloists from the National Lyric Opera of Greece: Flora Kazandjian, Soprano; Yolanda di Tasso, Mezzo-Soprano; Takis Skafidas, Tenor; Vassilis Fakitsas, Bass.

Chorus.

PROGRAM

Ellada (Greece) M. Vourtsis.

To Kentima Tis (Her Embroidery) Th. Sakellaridis.

Lafina (*The Doe) N. Skalkotas.

Afino Ya Stis Omorfes (Farewell From Lovely Girls) N. Lavdas.

FLORA KAZANDJIAN

Ta Matia Tou Dimou (Dimou's Eyes) N. Lavdas.

Aaharoula (Girl's Name) N. Lavdas.

Pantrevoun Tin Agapi Mou (They Wed My Beloved) N. Lavdas.

Psila Sto Metopo (In the Front Line) Th. Sakellaridis.

TAKIS SKAFIDAS

Lyarni (The Lost Lamb) Th. Spathi.

(a) Ante Kimissou Kori Mou (Go to Sleep My Love) S. Vassiliadis.

(b) Mia Mistiki Elpida (The Secret Hope) S. Vassiliadis.

Two Greek songs

(a) Pios Assikis (The Proud Youth) M. Ravel.

(b) Yaroumbi (Girl's Name) M. Ravel.

Pera Stous Pera Kambous (Off in the Distant Fields) G. Platonos.

YOLANDA DI TASSO

O Aetos (The Eagle) G. Sklavos.

O Lingos (The Wolf—A Hero of 1821) St. Valtetsiotis.

O Yero Dimos (The Old Hero) P. Karrer.

Ayoyatis (Mule-Skinner) N. Hadsiapostolou.

VASSILIS FAKITSAS

Kerkyra (Eorfu) M. Vourtsis.

F. Kazandjian, Y. di Tasso, T. Skafidas, V. Fakitsas

INTERMISSION—15 MINUTES

Cenerentola Arisi: "Nacqui all' affano", G Rossini.

Carmen aria "Habanera", G. Bizet.

YOLANDA DI TASSO

Turandot aria "Nessun dorma", G. Puccini.

Rigoletto aria "La Donna e Mobile," G. Verdi.

TAKIS SKAFIDAS

La Boheme aria "Quando m 'en vo' " Musetta's Waltz) G. Puccini.

*Porgy and Bess aria (Summertime) G. Gershwin.

FLORA KAZANDJIAN

Ernani aria "Infelica e tuo credevi," G. Verdi.

Enas Vrahos (Rock on the Mountain), Ch. Stroumboulis.

Saranta Pallikaria (40 Heroes) G. Constantinidis.

*Old Man River, J. Kern.

VASSILIS FAKITSAS

Makedonitiko (Macedonian Song) M. Koutoungos.

F. Kazandjian, Y. di Tasso, T. Skafidas, V. Fakitsas.

Ta Nikatiria (Hymn of Victory) Finale from the Symphony "Levendia," M. Kalomiris.

SOLOISTS AND CHORUS OF 100

Emanuel Piculas, Musical Director.

JAN PADEREWSKI

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. SARASIN. Mr. Speaker, Saturday, June 29, marks the 33d anniversary of the death of Ignacy Jan Paderewski, the great Polish pianist and statesman.

Mr. Paderewski offered the world his talented musical ability and concentrated his undying efforts toward the reunification and freedom of Poland. Working for the cause of Polish independence, the pianist, composer and statesman allied himself with the United States. To this day, he holds a special place in the hearts of all Americans dedicated to the cause of worldwide freedom.

Mr. Paderewski was born in Kurylowka, Poland in 1860. When he was only 12 years old he made his first public appearance as a pianist, beginning a career which brought him world acclaim. Young Paderewski studied under Theodor Leshetizky, the greatest teacher of the time, at the Warsaw Conservatory. He made his debut in Paris in 1888 and toured America in 1891 where he gathered friends and followers.

World War I interrupted his tours to South America, Africa, and Australia. He gave up his concerts and began the struggle to rejoin Polish land divided between Germany, Russia, and Austria. As the American delegate for the Polish National Committee in Paris, he raised large sums of money to further the cause of Polish independence and to aid victims of war.

In this time of Polish need, Paderewski turned to his friends in America. He allied various Polish-American groups to work for reunification and convinced President Wilson that Poland must be strong and free to help insure the future peace of Europe. Wilson included this idea in his 14 points which he presented at the Paris Peace Conference in 1918.

In recognition of his wartime efforts, Paderewski's countrymen and women elected him president of Poland. After the war he served with Roman Dmowski as a Polish representative to the Paris Peace Conference. Paderewski attended the signing of the Treaty of Versaille and the opening of the League of Nation's proposed by President Wilson.

In 1921 the former pianist returned to music. In America he was a houseguest of President Herbert Hoover; and in Rome he was invited to the Vatican by the Pope. Once again, the political turmoil in Europe tore him away from the piano and his worldwide audience.

After Hitler's forces invaded Poland in 1939, Paderewski returned to politics and joined the exiled Polish government in France. He became president of the Polish National Council, the wartime parliament of Poland. In 1940, he returned to the United States to appeal to his friends for help. After a brief illness Paderewski died in New York in June 1940. President Franklin D. Roosevelt ordered that his remains be interred in the U.S.S. *Maine* War Memorial at Arlington Cemetery where a short memorial service will be held June 29 at 1 p.m.

Ignacy Jan Paderewski will be remembered as an honored pianist, composer and Polish patriot. His remains await a joyous return to the free homeland of his dreams.

THE BLUEPRINT FOR DISINFLATION

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

> The United States is in the grip of inflation more severe than anything experienced in its peacetime history.

Mr. BROWN of Michigan. Mr. Speaker, that is the opening sentence of a special report on inflation in the June 17, 1974, issue of U.S. News & World Report. The special report contains these excerpted observations:

> Inflation now is beginning to hurt badly . . . rampaging prices and sky-high interest rates aren't going to be waved away by Washington without an all-encompassing National effort at restraint—or a steep recession . . . rarely before has inflation struck with such virulence . . . shooting upward at a rate of 12 percent a year . . . Planning for the future has become all but impossible for . . . life insurance . . . college . . . retirement . . . Economists spot little reason for encouragement . . . a demand for goods and services that tends to outrun supplies . . . the U.S. has shortages of skilled labor, steel, copper, paper, boxcars, farm machinery, oil drilling rigs . . . Most economists agree, in broad terms, on what is needed to bring inflation under control: Hold down demand for goods and services and, at the same time, take steps to increase supplies . . . Interest rates . . . are now at the highest level in 100 years . . . The same inflationary expectations make consumers as well as businessmen believe it is better to borrow and buy than to save and wait . . . "inflationary expectations" have to be uprooted. . . .

Mr. Speaker, the foregoing excerpts from U.S. News & World Report lend a deserved sense of urgency to the search for solutions to our inflation problems; solutions that will not create problems of deflation. What we must seek is a disinflation or a price stability so that the United States can embark on a course of sustainable economic growth. In this way, we can bring shortages to an end, provide more and better job opportunities to our citizens, and provide a healthy environment.

Mr. Speaker, one compelling responsibility that the Congress has in dealing with our inflationary problem relates to the handling of our Nation's fiscal affairs. The House was recently called upon to approve legislation providing a $495 billion temporary statutory debt ceiling for the period from July 1, 1974, through March 31, 1975. This is $95 billion over the permanent ceiling currently in effect. In the absence of enactment of increase in the debt ceiling, the statutory limitation on our public indebtedness is scheduled to revert to $400 billion on July 1, 1974. On that date, our actual debt subject to limitation will be approximately $475 billion and if a new temporary debt ceiling is not approved, we will have extra legal debt of about $75 billion.

Mr. Speaker, how have we reached this deplorable posture of public indebtedness? The answer is clear. Through profligate spending we have imperiled our economic vitality and fanned the fires of inflation. In the post-World War II era we have doubled our Federal outlays about every 10 years. It required 185 years for our Nation to reach the $100 billion level in annual budgetary spending but it took only 9 more years to reach $200 billion, and only 4 more years after that to reach the third $100 billion. For fiscal year 1975, outlays of $305 billion and receipts of $294 billion are projected to produce a unified budget deficit of $11 billion and a Federal funds budget deficit of $20 billion. In fiscal year 1975 the Federal Government will be required to pay about $32 billion in interest on the public debt without a penny of that payment going for debt retirement.

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*Compliments to America and American Guests from the Greek Government.

In the last 10 years, Congress has approved $130 billion in deficit financing. It should be no surprise to anyone that this sort of mismanagement of our fiscal affairs has rashly terminated the period of price stability that prevailed in the 1958–64 period and plunged the Nation into a continuing ruinous inflation beginning in 1965.

I have recently included in the Record views of Dr. Arthur F. Burns and of Dr. Paul W. McCracken as to how America should proceed in dealing with the inflation threat to our economic well-being. Today, Mr. Speaker, I would like to include as part of my remarks an informative interview with U.S. Treasury Secretary William E. Simon on ways to halt inflation which appeared in the special report on inflation in the June 17, 1974, issue of U.S. News & World Report. In doing so, Mr. Speaker, I would like to commend the editors of this fine publication for the excellence and timeliness of their report on this important subject which is of compelling national concern.

The interview follows:

[From U.S. News & World Report, June 17, 1974]

A Way To Halt Inflation—The Treasury Secretary's Blueprint

Q. Mr. Secretary, is this country going to be able to bring inflation under control?

A. We can do it. But it is going to require a curb on Government spending, and the key to that is better co-operation between the Congress and the White House. It also requires a will on the part of the American people to stop demanding or accepting the largesse of the Federal Government without paying for it. It's just as fundamental as that. We must work toward balance in fiscal and monetary policy in this Government.

I won't buy for one minute the idea that 75 per cent of the budget is uncontrollable. That is a cop out. We've got to quit saying there's nothing we can do about it—that "Congress has passed the laws, and here they are, even if we don't like some of them."

I'm suggesting that we—both the Congress and the executive branch—had better take a brand-new look at this and begin to get some fiscal sanity back into the picture.

Q. Can you cite some examples of what you consider bloated federal spending?

A. I'm not going to be specific on recommendations right now because we're doing a budget study on the controllable side—as well as on the uncontrollable side, which is our big problem.

Q. Just what do you mean by "controllable" and "uncontrollable" items in the budget?

A. Essentially, "uncontrollable" refers to budget items provided for by laws passed in previous years. In other words, laws already on the books spell out some obligations for more than one fiscal year. For instance, Social Security payments are spelled out by law. As the number of persons receiving Social Security increases, the amount of money goes up, too, in almost uncontrollable fashion.

Q. Who is to blame for the expansion of the uncontrollable side of the budget?

A. You can't just point the finger at Congress—or at the White House. It has come from both sides. Anyway, what's the difference whether it was an Administration plan or a congressional action that locked in new spending on an ever-escalating basis? The fact of the matter is that it's there.

Congress is about to pass—I hope—a budget-reform bill which is a step in the right direction, but only a first step. Congressmen are now hearing from their constituents that something has to be done about the budget and about inflation. That's why we're seeing action. I met with the Republican side of the House Ways and Means Committee just the other day, and to a man they are hearing this from back home. It's a genuine groundswell.

Q. Do you mean that people are urging a cut in Government spending to deal with inflation?

A. Yes, sir—and these Congressmen say that this will be the most popular thing that they can do to get re-elected this year. They tell me that their people are simply fed up with the way the Government's budget shoots up year after year. It took this country 185 years to get to 100 billion dollars of annual spending in the budget. But it took only nine more years to get to 200 billion, and only four more after that to get to the third hundred billion.

Q. In the past when people talked about cutting federal spending they were for it as long as it didn't affect them—

A. Yes, in the past that's been correct. But in the past we've never had double-digit inflation. It's always been well under 10 per cent. But now that we're above that into two digits, people are scared. And if we want another year or two to meet this head on, we'll be back in the same mess we are right now, only at a higher rate of inflation, because it's going to start from a higher base than the one we started at two years ago, which was 3 per cent.

It's the same with interest rates. Interest rates this time started up from 8 or 8½ per cent. During the credit crunch in '66, they started at 6 per cent.

Each year we're grinding more and more inflationary expectation and actual inflation into our economy, and if we don't begin to turn it around, not only on the fiscal side—on the spending side—but on the financing side of it, this country is headed for disaster.

The financing side is little understood. But it is staggering when you realize that borrowing by the Federal Government and its agencies today takes about 60 per cent of the funds raised in the securities markets.

Q. Do you believe that in an election year Congressmen are going to vote to cut Government spending?

A. I certainly do. For the first time we have a chance of doing something because of the double-digit inflation. If we ever had a chance to cut back, now is the time. I'm not saying we can balance the fiscal '75 budget [for the year starting July 1, 1974]. I don't think it's advisable to slam on the fiscal brakes that quickly. But we must make a step in that direction and then move toward balance in '76.

Q. How much of a budget cut would be a step in the right direction? Roy Ash, Director of the Office of Management and Budget, has said you couldn't find as much as 5 billions—

A. It all depends whether one wants to take a look at the uncontrollables. You probably couldn't find 5 or 6 billion if you just wanted to look at the controllable portion of it. I'm talking about the uncontrollable side.

You're going to say, "Well, how do you get that done?" The answer is that you identify programs that are overfunded—whether it's food stamps or the many programs of the Department of Health, Education and Welfare—or wherever it is that the budget has grown tremendously.

Q. Don't you have to go to Congress, though, and get a change in the law?

A. That's right—you do.

Q. Isn't it a fact that every time the President has done that—on school lunches, milk programs, almost anything—he's been beaten down?

A. That's been true. But I'm not going to take the attitude: "Ah, hell, we've tried that before; it doesn't work." I suggest that it's never really been tried before with everybody's heart behind it.

Q. Are you suggesting a fundamental change in attitude toward things like the full-employment budget?

A. I am not a full-employment-budget man. I don't think 1 per cent of the people in this country understand the full-employment concept. It's a good concept, useful to those who fully understand it, but there are problems with how it is interpreted and how it is calculated.

For example, almost everybody agrees that a goal of no more than 4 per cent unemployment is unreasonable in view of the change in the labor force over the last 20 years. But what I am talking about is actually heading toward balance in the unfied budget as we know it.

Q. Mr. Secretary, has the Administration's ability to deal with this in Congress been damaged by the Watergate mess?

A. I can honestly say—and I don't know anybody in this Administration who spends more time on the Hill and on the telephone talking to Congressmen than I do—that it hasn't bothered me one iota.

Q. You don't think the authority of the President has been eroded with Congress?

A. I certainly do not.

I'm suggesting that things have changed, and events are going to make Congress want to go in the budget-cutting direction because at this point in time it's the right thing to do politically. They're getting the ground swell from home. Double-digit inflation is a tax that's being levied on the American people, and they don't like it.

Let me tell you something: I think there's such a change in sentiment that we should put what you might call a "full-court press" on this whole subject and really fight to cooperate and get together. And I've talked to Democrats and Republicans alike on the Hill, and that is the attitude I find.

Q. Historically, hasn't inflation of the sort we have now been solved only by the country going into a recession?

A. I don't know that we can go back and say that every single time it's gone that way. I agree that the danger is there when you're relying solely on monetary policy to control inflation. But "if we use fiscal policy to restrain federal spending and give monetary policy a chance to work, which Arthur Burns [Chairman, Federal Reserve Board] would certainly like to do, then we can lick this problem.

I'm a realist. I don't know that over the long run this great country will do all these things, but I'm only here once, and so shouldn't I try to get done what's right?

Q Mr. Simon, how much is this out of your control in the sense that inflation is being imported through high prices for oil and other basic commodities?

A Our energy policy will correct the oil problem over time. Until that time, obviously, we're going to be paying these high prices for foreign oil. But they're not going to triple again—we certainly know that. If anything, they're going to be lower a year from now, or even sooner, than they are right now. I'd bet on it, if I were a betting man.

Now, we haven't had a complete passthrough, yet, of this big run-up in oil prices. We won't see that until the end of the year. For example, in petrochemicals we have yet to see the full impact. And there isn't much that you touch during the course of the day that isn't made in one form or another in the petrochemical industry. The high cost of oil is going to come out in the form of higher prices for toothbrushes, plastic cups, and so on down the line.

Q What about wages? Now that controls are ended, will they leap upward and add to inflation?

A My judgment is that while wage increases aren't going to be in the 15 to 20 per cent bracket, they are going to be significantly above the 5.5 per cent guideline that we had in effect the past couple of years.

Q Does that mean you need a new incomes policy?

A No, it most certainly does not, because if we learned anything from wage and price controls it is that they produce distortions and compound and postpone your problems.

What we must have is restraint on federal spending so that the Government won't be putting all this pressure on the economy and the money markets, forcing interest rates higher than they should be and keeping the inflation fires burning. This is what has to be reversed. This is fundamental. Then you can deal with shortages and other inflationary problems by acting rather than reacting.

Q Are you worried that present interest rates—as high as 12 per cent or more—will restrain business borrowing enough to prevent recovery from the current slump?

A There's a lot of talk about the slump, but actually it is isolated to energy-related activities. Automobiles are the prime case in point.

It's true that high interest rates are postponing borrowing. There's no question about that. But I'm not worried about too little capital investment. The McGraw-Hill survey shows an increase of 19 per cent in outlays for plant and equipment this year. The Commerce Department figure is 12.2 per cent. But whether it's 12.2 per cent or 19 per cent, the evidence is compelling that this is a source of great strength in our business outlook right through 1975.

Another point that we must stress as far as this inflation problem is concerned is that we have to give incentives to business to expand production of fuel, paper, steel and other commodities so that the U.S. doesn't have to rely on foreign nations for these key items.

Q. Do you have a plan that would do this?

A. One thing we're talking about is accelerated depreciation. It works, and it works quickly. This was proven back in the Korean War. In the Treasury Department, we are taking a look at the various plans to expand production of these vital products. We're discussing whether it should be done on an overall-all basis or whether it should be done by specific industries.

Q. What is your position on an income-tax cut for individuals?

A. It would be highly inflationary.

All it would do is fuel a demand that's already excessive. People would just go out and buy the small-ticket items that are already in short supply.

Q. Do you think Congress will vote against a tax cut for individuals, but approve reductions for business?

A. We're not talking about cutting taxes for business. We're talking about accelerated depreciation and other incentives for some of our basic industries to assure the consumer that he can get commodities at a reasonable price, rather than forcing him to rely on foreign sources at a much higher price.

Don't misunderstand me. I'm not saying it will be easy to get this through Congress. But we're hopeful, and we're talking with the leaders on the Hill. We're going into this study with the encouragement of Mike Mansfield, the Senate Majority Leader, and Speaker Carl Albert in the House. Senator Hugh Scott and Representative John Rhodes, the Republican leaders in Congress, are taking part in these discussions.

Q. Mr. Simon, economists seem to be in disarray. Many are confessing they're baffled by this double-digit inflation—that many of the old rules don't seem to apply. How can anybody speak with much confidence of what the cure is?

A. I'm sorry, but I don't buy the first part of your comment—that those in the economic profession are in such disarray that they can't find agreement. The economists whose opinions I respect, whether it's Paul McCracken [a former Chairman of the Council of Economic Advisers] or many others, are in fundamental agreement that, leaving the politics of the situation aside, for a sustained period of time there is one fundamental thing that's needed, and that's prudent fiscal and monetary policies.

Let me tell you something to make my point: Go back and trace America's prosperity. At the end of World War II it was the only country in the world with any real power, economically and otherwise. As the rest of the world recovered its economic strength, however, the dollar became overvalued. We should have changed that somewhere around the mid-50s or late '50s, but we continued with a fixed exchange rate and an overvalued dollar. And as we were creating all of those deficits and sending the IOU's around the world, you could find a lot of economists who were predicting—some almost to the year—that a fundamental change would have to be made in our international monetary system. And they were correct; some economists, at least, understood what was going on. A lot of them talked about it, but it wasn't very popular to print what they said.

I can give you a score of statements I made before I came to Washington. I haven't changed my tune one iota.

Q. Some well-known economists are saying that the 1975 federal budget, which you say must be cut, is too tight—

A. Sure. There's a group who believes that the American people have grown to expect each year that all of their needs are going to be met by Washington, and "let's just ignore the inflationary consequences."

It isn't going to be easy to turn this thing around. But, at this particular point in time, I believe sincerely we have an opportunity to do it, due to the unprecedented inflation rate and interest rates. Now that we've got people's attention, damn it, let's do what's right.

Q. But what is right? President Nixon's proposed national health program would add 5 or 6 billion dollars to the budget. Are you going to drop the program and say, "Well, we're at a point where we can't take on anything that costly"?

A. I think you're going to see some of that, but I wouldn't pinpoint a particular program, because these things are being worked out right now. I don't know what the President will come down on. But he'll make the individual decisions—that I'll promise you.

We've got to slow the growth of the budget to a pace that will provide normal expansion of the economy, rather than the inflationary growth rate that started with the "guns and butter" policy in 1964 during the Vietnam War. Some say this will entail self-sacrifice on the part of the American people. My answer is that when you're dealing with a budget as massive as 305 billion dollars, there is enough latitude to get back to fiscal responsibility without sacrifice.

Q. Is your attitude toward the budget accepted within the Administration generally?

A. I'll put it this way: I'm making significant progress compared to where I started a month ago when I became Secretary of the Treasury. At that time, the whole idea was considered ridiculous. And I'm picking up a lot of support in Congress.

CONGRESSIONAL ACTION ON THE FISCAL YEAR 1975 BUDGET

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. MAHON. Mr. Speaker, this session of Congress is now some 6 months old and we are about to begin a new fiscal year in just a few days, so it is an appropriate time to bring the House up to date on the status of congressional action on the budget.

I. APPROPRIATIONS BUSINESS FOR THE SESSION

APPROPRIATION WORKLOAD

Assuming the conclusion of business today, the House has considered this session 14 appropriations measures, three involving fical year 1974, and 11 involving fiscal year 1975. The Senate has considered six appropriations measures, three involving fiscal year 1974 and three involving fiscal year 1975. Two of these measures have been enacted into law, one is in conference and three are pending approval of the President.

SPECIAL ENERGY BILL

In response to the national energy crisis this year, seven of the Appropriations Committee subcommittees worked together at the same time they were considering their regular annual bills—and spring supplementals in some cases—to produce a Special Energy Appropriations bill for fiscal 1975. The Congress approved that bill in a timely fashion and it is pending approval by the President.

REDUCTIONS IN APPROPRIATIONS ESTIMATES

In each of the last 50 years, Congress has reduced the budget request in its appropriations bills. In completed action to date this session, Congress has reduced the budget for appropriations by about $1.8 billion. During this session the House has approved reductions of $2.3 billion and the Senate reductions of $1.4 billion.

HOUSE ACTION OF FISCAL 1975 APPROPRIATIONS REQUESTS

In its action on 10 appropriations bills for fiscal 1975, including the District of Columbia Appropriation bill under consideration today, the House has approved reductions of about $600 million. Still pending action by the House are the Defense, Military Construction, Foreign Assistance, and Interior Appropriations bills for fiscal year 1975. Mr. Speaker, I will place in the Record at the conclusion of my remarks a table reflecting in some detail the status of House action on the appropriations bills for this session.

SENATE ACTION ON FISCAL 1975 APPROPRIATIONS REQUESTS

In its action on two fiscal year 1975 appropriations bills, the Senate has approved an increase of about $12 million.

II. REVISED MAY 30 ADMINISTRATION ESTIMATES OF BUDGET TOTALS FOR FISCAL 1975

The "Mid-Session Review of the 1975 Budget (H. Doc. 93-312)" submitted May 30, 1974 revised revenue estimates down $1 billion to $294 billion and outlay estimates up $1 billion to $305.4 billion. The result was an increase of $2 billion in the Unified Deficit which is now estimated at $11.4 billion.

I shall place in the Record at this point a table summarizing the May 30 revised estimate:

REVISED ESTIMATES FOR FISCAL 1975

	Receipts	Outlays (billions)	Surplus/deficit
Federal funds	$201.4	$221.3	−$19.
Trust funds	116.8	108.3	8.
Intragovernmental transactions	−24.2	−24.2	
Unified budget	294.0	305.4	−11.

III. TOTAL SPENDING FOR FISCAL 1975

REVISED ADMINISTRATION ESTIMATE

The President's revised estimate of $305.4 billion for total Government spending reflects both increases and decreases. Some major factors were:

	Billion
Interest on the debt	+$1.0
Unemployment Ins. Trust Fund	.8
Veterans benefits	.6
Off-shore oil receipts (counted as offset to outlays)	−2.8

IMPACT OF CONGRESSIONAL ACTIONS ON SPENDING

During this session of Congress, legislation has been sent to the President including certain congressional additions to the fiscal year 1975 budget. Completed congressional action on the fiscal 1975 budget is currently estimated to be an increase of about $1.5 billion in outlays. About $135 million of the $1.5 billion reflecting congressional action was included in the May 30 revised budget.

SPENDING REDUCTIONS IN APPROPRIATIONS BILLS

The spending impact of completed action on appropriation bills in fiscal year 1975 is an estimated reduction of $195 million.

SPENDING INCREASES IN NONAPPROPRIATIONS BILLS

The spending impact of completed action on nonappropriations bills in fiscal year 1975 is an estimated increase of $1.7 billion.

I shall insert a table in the RECORD at this point, which sets forth the details of these estimates:

Completed action and congressional changes in 1975 of budgeted outlays

	Thousands
Appropriation bills:	
Special Energy Research & Development	+$20,000
Second supplemental, 1974 (1975 outlay impact)	−215,000
Subtotal, appropriations bills	−195,000
Legislative bills:	
Urban mass transit operating subsidy	+400,000
Child nutrition and school lunch	+225,000
Civil Service minimum retirement	+$172,000
Veterans disability benefits increase	+134,800
Postponement of postal rate increases	+45,200
Civil Service survivor benefits	+4,600
Congressional Record, reduced postage fees	−8,486
Military flight pay incentive	−16,700
Rejection of salary increases for federal executives	−34,000
Food Stamp & Special Milk Programs	+40,000
Veterans Educational Benefits (Extends Delimiting Period)	+759,100
Subtotal, legislative bills	+1,721,514
Total, 1975 outlay impact of completed congressional action	+1,526,514

IV. FEDERAL BORROWING AND THE DEFICIT

AN ACCURATE READING OF THE DEFICIT SITUATION

It is fair to say that the most compelling figures in the budget still relate to the deficit and the debt increase. It is vitally important for the American people and the Congress to have a clear idea of our deficit situation. It is most unfortunate that the unified budget serves to camouflage the facts and soften what is an alarming message. On May 30 the unified budget was projected to be in deficit by $11.4 billion. But the unified budget does not reflect large amounts of borrowing from the trust funds for general purposes of Government, funds which add to the public debt and which must be repaid with interest.

FEDERAL BORROWING UP BY $20 BILLION IN FISCAL 1975

Borrowing requirements are calculated on a Federal funds basis for which a $19.9 billion deficit is projected for fiscal 1975. The current estimated increase in Federal borrowing in fiscal 1975 is $20 billion, raising the total estimated debt subject to limit to $494 billion.

FEDERAL DEBT INCREASED BY ONE-THIRD IN 5 YEARS

Judging from recent decades in our fiscal history, it would seem that the firmest resolve of the Government is that we not balance the budget. It is a sobering fact that with the projected increase for fiscal 1975, the Federal debt will have increased by one-third in the last 5 years.

V. A WORD OF CAUTION

Congressional action on the fiscal 1975 budget is not by any means completed. The figures I have cited will be changing almost daily as Congress continues with its business. We have a profoundly disturbing inflation problem in this country. What should concern us all are any actions, which might exacerbate that problem by increasing our reliance on deficit financing.

A table showing House actions to date follows:

HOUSE ACTIONS TO DATE ON APPROPRIATION BILLS, 93D CONG., 2D SESS., REVISED TO JUNE 28, 1974

On the basis of new obligational authority this table excludes "back-door" spending authority in legislative bills and permanent budget authority (Federal or trust) available without further action by Congress]

Bill and fiscal year	Budget requests considered	House actions: Reported by committee	House actions: Approved by House	House actions: Compared with budget requests
A. Bills for fiscal 1975:				
Legislative (H.R. 14012)	$609,099,265	$603,221,280	$603,221,280	−$5,877,985
Energy (H.R. 14434)	2,203,728,000	2,269,828,000	2,269,828,000	+66,100,000
Public Works—AEC (H.R. 15155)	4,412,251,000	4,475,410,000	4,475,410,000	+63,159,000
State-Justice-Commerce-Judiciary (H.R. 15404)	5,411,809,600	5,310,372,100	5,311,454,100	−100,355,500
Transportation (H.R. 15405)	[1] 3,538,938,552	3,307,239,000	3,182,239,000	−356,699,552
Agriculture-Environmental and Consumer Protection (H.R. 15472)	13,432,588,100	13,397,406,000	13,405,420,000	−27,168,100
HUD-Space-Science-Veterans (H.R. 15572)	[2] 20,887,851,000	20,846,332,000	20,846,332,000	−41,519,000
Treasury-Postal Service-General Government (H.R. 15544)	5,576,846,000	5,507,497,000	5,503,794,000	−73,052,000
Labor-HEW (H.R. 15580)	33,262,997,000	32,876,541,000	33,156,541,000	−106,456,000
District of Columbia (Federal funds) (H.R. 15581)	406,000,000	389,400,000	389,400,000	−16,600,000
Total, bills for fiscal 1975, to date	89,742,108,517	88,983,246,380	89,143,639,380	−598,469,137
B. Bills for fiscal 1974:				
Urgent supplemental (H.J. Res. 941)	750,000,000	750,000,000,	750,000,000	
2d supplemental (H.R. 14013)	[3] 10,532,735,943	[3] 8,657,162,043	[3] 8,811,662,043	−1,721,073,900
Further urgent supplemental (H.R. Res. 1061)	179,000,000	179,000,000	179,000,000	
Total, bills for fiscal 1974	11,461,735,943	9,586,162,043	9,740,662,043	−1,721,073,900
C. Cumulative totals for the session, to date	101,203,844,460	98,569,408,423	98,884,301,423	−2,319,543,037

[1] Includes $68,024,000 in advance 1976 appropriations.

[2] Budget included $2,300,000,000 for a proposed Better Communities Act program, which was amended in H. Doc. No. 93-311 to $2,500,000,000 for Community Development, including $200,000,000 for urban renewal, $125,000,000 for Model Cities, and $100,000,000 for special transitional grants to the new program. Only $395,000,000 is reflected as considered at this time; and $2,105,000,000 is deferred for later consideration after authorizing legislation is finalized.

[3] Includes $300,000 for fiscal 1973.

CONDOMINIUMS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. LEHMAN. Mr. Speaker, as residential condominiums have burgeoned throughout the United States which afford the only opportunity to secure reasonably priced housing for young families and senior citizens with limited resources, certain unscrupulous developers have created techniques which, in their long-range effects, will nullify the beneficial results normally expected from the purchase of a condominium. The most insidious of these techniques is the practice of placing long-term leaseholds upon the land on which the residential condominium is built or on the common areas and facilities which serve the condominium units.

These leaseholds are legally tied into the sale of the condominium units and call for exorbitant rentals which escalate yearly with the cost of living even though the condominium unit owners are required to pay all the costs of maintenance of the properties, and the insurance and taxes thereon. The leases also provide that if the rental is not paid, a lien may be placed on the condominium unit which is then subject to foreclosure.

These leases totally negate the idea of home ownership since they have destroyed the whole idea that a man's home is his castle, so that the condominium owner still finds himself subservient to a landlord but with no hope of escape since these leases in the main are drawn for a period of 99 years.

Recognizing the burden placed on condominium unit owners and being desirous of keeping Federal funds out of the hands of developers of condominiums subject to leaseholds, I have introduced H.R. 15663 which amends section 234 of the National Housing Act to withhold blanket mortgage insurance from condominium projects wherein the common areas and facilities are subject to a leasehold interest. This bill further provides that the Federal National Mortgage Association—Fannie Mae—shall not purchase a mortgage on a condominium unit where the developer leases the common areas or facilities to the unit owners or accepts leases from them for which there is a rental charge. Hopefully, following the leadership of the Federal Government, the several States will pass legislation similarly restricting this unfair practice to the point where it will no longer exist as a burden on those least able to bear it.

The amendment follows:

H.R. 15663

A bill to amend the National Housing Act to prohibit FHA insurance of blanket mortgages on condominium projects, and FNMA purchases of conventional condominium mortgages, where the developer retains or will retain a leasehold interest in the common areas and facilities of the project involved

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 234(d) of the National Housing Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) has certified to the Secretary, as a condition of obtaining insurance of a blanket mortgage under this subsection, that ownership of each family unit so sold will include title to and ownership of an undivided interest in the common areas and facilities which serve the project as described in subsections (b) and (c), and will not be subject to any leasehold interest (whether reserved to the mortgagor or to any other person) in such areas and facilities; and".

SEC. 2. Section 302(b)(2) of the National Housing Act is amended by inserting immediately after the first sentence the following new sentence: "No such purchase of a conventional mortgage which covers a one-family condominium unit in a multifamily project of the type described in section 234 shall be made if the developer (or any affiliate thereof), the sponsor of the project, or any other person has reserved the right (A) to lease to the owner of such unit (or the owners of other units in the project) any of the common areas and facilities which serve the project, or (B) to accept leases from the owners of any of such units under which such owners may then be charged for the use of such areas and facilities."

H.R. 15680—INTERNATIONAL SCIENCE AND TECHNOLOGY ACT OF 1974

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. HANNA. Mr. Speaker, yesterday, June 27, I introduced H.R. 15680, a bill to facilitate the transfer of technology to developing countries. H.R. 15680 represents a revised version of H.R. 14242 growing out of hearings held before the Subcommittee on International Cooperation in Science and Space on May 21, 22, and 24, 1974. This statement is essentially my opening statement as it was given on May 21, 1974, at the hearings:

INTERNATIONAL SCIENCE AND TECHNOLOGY TRANSFER ACT OF 1974

In 1816 Thomas Jefferson wrote, "I am not an advocate for frequent changes in laws and constitutions. But laws and institutions must go hand in hand with the progress of the human mind, as that becomes more developed, more enlightened. As new discoveries are made, new truths discovered and manners and opinions change with the change of circumstances, institutions must advance also to keep pace with the times."

At that same time, basic discoveries and demonstrations of a new way of electrical communication were taking place in Europe and America. The telegraph was being born.

Now, 158 years later, I believe telecommunications has reached such a sophisticated level of development that it should be used as the basic facilitating device for global technology transfer. I believe H.R. 15680 provides a facilitating institutional structure which will greatly aid in bridging the gap between the "haves" and the "have-nots." With continued refining and honing I believe that this bill will meet the challenge of establishing a really effective global information and technology transfer system.

I believe that we must do all that is possible to transfer agricultural technical "know-how"—as a first priority in global technology transfer—to those developing countries that are dependent on the United States and Canada for their nutritional needs. I am aware that global human health—and perhaps even levels of intelligence—are dependent upon upgrading agriculture on a worldwide scale. Some experts have even forecast that the United States may experience severe grain shortages due to basic climatic changes within the next few years. The United States then could conceivably be dependent upon these very countries we are now aiding for meeting our nutritional needs.

We must recognize that the gap between the "haves" and the "have-nots" is not just one of products and services but of lack of education and opportunities in science and technology. I think that technological education might begin at the elementary school level in areas such as agricultural technology, that are relevant to the native population and which will give them incentive to improve their own lies and standard of living. I am acutely aware of the need to move cautiously so as not to disrupt or destroy their social and cultural heritage.

H.R. 15680 provides a structure for facilitating technology transfer to the developing countries, a structure which has its parallel in the early United States experience when we provided such facilitating structures as our Land Grant Colleges and the Community Agents Network. We need these revised, updated and innovative new organizational structures to channel man's effort in a more organized and effective way.

Perhaps the telecommunication centers represent the most innovative aspect of H.R. 15680. Yet I would contend that this level of technical capability has been with us now for a few years but has not been organized and structured with related elements to facilitate global technology transfer.

For several years the Computer Service of the European Space Operations Center has computer-stored the NASA master reference file on space literature, which can be interrogated directly from computer terminals in France, the Netherlands and the United Kingdom. This network is now being extended to other countries.

In the United States we find many similar uses of telecommunications systems that move information of all types over network systems. Internationally, working models are provided by the international airline carriers, the world trade centers and our own global military telecommunication system.

I wish to note that this bill does not limit the person-to-person contact essential to successful technology transfer. It extends the effectiveness of that contact by means of delayed-scan video, direct engineering drawing print-out, as well as voice and computer terminals. These technical devices extend the range and effectiveness of man's personal interaction but in no way supplants or substitutes for that personal exchange.

In the course of learning how to more effectively transfer technology to the developing countries we may well expedite the solutions to domestic technology transfer problems. I see the relationship between domestic and global technology transfer in the scramble for arid land in eastern Oregon and Washington where desert agriculture is producing the most profitable region in U.S. agriculture. This desert agriculture is, in part, a result of technology developed to cultivate arid lands in the Arabic countries and Israel. Other sprinkler and irrigation systems which had their origin in Israel's kibutz are now growth technology ventures in southern California.

What I have proposed in this legislation is a two-way street. Science and technology will flow back and forth between nations. All peoples have a contribution to make to each other. This includes the criss-cross of communication between developing nations that are in the process of finding similar solutions to the same problems. It is like two algebra students helping each other—they help each other more readily than turning to their neighbor in advanced calculus. But we shouldn't forget—as we've cited in the case of arid land development—that when it comes to technology the United States has its algebra class as well as its advanced technology transfer. This should only enhance our U.S. capability in empathizing with and assisting developing countries in their problem solution.

In so far as possible, every technology transfer should have an associated technology assessment. We are refining and evolving such techniques here in Congress through the Office of Technology Assessment, which has just selected agricultural and food technology as one of its first major assessment tasks.

Let me just mention several other current developments which complement and enrich this technology transfer legislation.

Senator Humphrey has introduced two bills to establish a Solar Research Center. What better area for research in solar power than the Arab desert countries and the tropical nations of Southeast Asia and Africa. The potential value of a closely coordinated research and development effort in this area is great.

Senator Abourezk has just introduced a bill to establish the Earth Resources Observation Administration. I am convinced that the transfer of resources, as well as land and ocean observations data, spawned by an operational earth observation system, could be carried out through global communication centers with greater efficiency and insure wider and more rapid use of such data.

The ATS-F satellite to be launched later this month is a dramatic example of the application of space, education and health technology to people both in the U.S. and abroad—an example which should be continued and tied in with global communication centers provided for in H.R. 15680.

Secretary Kissinger has described the need for technology transfer, for international technical cooperation in energy R & D, and the need for new institutions to carry such programs through. Four recent speeches by Dr. Kissinger detail his thoughts and proposals in this area, and I am convinced that this legislation can fulfill a substantial portion of Dr. Kissinger's proposals.

Both domestically and internationally, we must develop the ability to work together on constructive and progressive activities rather than those that contribute to abrasion and conflict. This legislation is aimed at encouraging these positive growth factors.

POLISH AMERICANS COMMEMORATE THE 33D ANNIVERSARY OF THE DEATH OF IGNACY JAN PADEREWSKI

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. ANNUNZIO. Mr. Speaker, on June 29, 1974, at 1 p.m., the Polish-American Congress and the Polish-American Community of Washington, D.C., will honor Ignacy Jan Paderewski with a memorial service at Arlington Cemetery, where he is buried.

The memorial service will mark the 33d anniversary of the death of this great pianist, composer, statesman, and Polish patriot.

Americans of Polish descent and Poles around the world have inspired our country and the international community of nations with their love of freedom and their dedication to the perpetuation of liberty's noble ideals. As we remember the deeds of this great man, let us also remember that Poles all over the world and in Poland itself are still struggled. The support of all Americans self-determination for which Paderewski struggled. The support of all Americans in this struggle remains vital.

Mr. Speaker, at this point in the Record, I am inserting a report from the Polish-American Congress on the life of Ignacy Jan Paderewski. The report follows:

Paderewski, Great Polish Patriot Honored

June 29th marks the 43rd Annivesary of the Death of Ignacy, Jan Paderewski, Polish pianist, composer, statesman, and patriot, who helped create modern Poland after World War I.

Paderewski's great musical talent, his special ties with the United States, and his distinguished role in the rebuilding of an independent Poland, warrant honoring his memory and his career.

Ignacy, Jan Paderewski was born in 1860 in Kurylowka, Poland. He made his first public appearance as a pianist at age 12. He studied music at the Warsaw Conservatory and in Vienna under Theodor Leshetizky, the most famous teacher of the time. Paderewski made his debut in Paris in 1888, which launched his career as the best known and highest paid pianist of his time. Paderewski made his first American tour in 1891, developing a tremendous following and making influential friends in America. Extending his tours to South America, Africa and Australia, he soon became the most famous pianist in the world.

During World War I, Paderewski proved to be a great Polish patriot and statesman. Seeing the possibility of rejoining the parts of Poland divided between Germany, Russia and Austria, he gave up his concerts and devoted all of his time to this cause. He joined the Polish National Committee in Paris and as its delegate to the United States, he raised large sums of money for the Polish victims of war and for the cause of Poland's independence. Furthermore, he skillfully united various Polish American groups to work for the same end.

In close cooperation with other Polish statesmen, including Roman Dmowski, and as a friend of President Woodrow Wilson, Paderewski convinced the President of the importance of rebuilding a strong Poland for the future peace of Europe. President Wilson included this idea in his famous Fourteen Points, which became a foundation of the Paris Peace Conference in 1918.

After the War, Paderewski returned to Poland and was honored as a national hero. He was elected President of Poland, and together with Roman Dmowski represented Poland at the Paris Peace Conference. There he attended the signing of the Versailles Treaty and the opening session of the League of Nations.

His mission accomplished, Paderewski resigned his political activities in 1921 and resumed his concerts. Everywhere he went he was honored. When he played in Washington, D.C., he was a houseguest of President Herbert Hoover, and while in Rome he was invited to the Vatican by the Pope.

When Poland was invaded by Nazi-Germany in 1939, Paderewski returned to politics. He joined the Polish government-in-exile in France and became President of the Polish National Council, which was a wartime parliament of Poland. Late in 1940, he returned to the United States to use his contacts for the Polish cause, as he did once before. However, this did not last long. After a brief illness, Paderewski died in New York in June 1941. By order of President Franklin D. Roosevelt, his remains were interned in the USS Maine War Memorial at Arlington National Cemetery where to this day they await return to a free Poland.

The Polish American Congress and the Polish American Community of Washington, D.C. will honor Ignacy, Jan Paderewski, the great Polish patriot with a short memorial service at Arlington Cemetery on June 29th, 1974, at 1:00 p.m.

AN ECONOMIST DOOMED: HENRICH NATAN SCHPETER

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. FRASER. Mr. Speaker, within the past month, word has come from Bulgaria that a former United Nations official, Henrich Natan Schpeter, has been condemned to death. He was convicted as a spy for unspecified foreign intelligence services.

Mr. Speaker, I know little of the case beyond what has been reported in the New York Times, and in a release from Myron E. Sharpe, editor and publisher of Challenge, a magazine of economic affairs. Mr. Sharpe knew Dr. Schepter while the latter was serving at United Nations headquarters in New York. I am also impressed, however, by the statement made by several American economists in Dr. Schpeter's behalf. And my reaction to the imposition of a sentence of death leads me to instinctively protest. I have written the Bulgarian Ambassador to the United States, Lubin Popov, expressing my hope that clemency, sparing Dr. Schpeter's life, will be granted.

Materials bearing upon this case follows:

[From the New York Times, June 14, 1974]

An Economist Doomed

To the Editor:

We have just learned with deep concern that one of our colleagues, Henrich Natan Schpeter of Bulgaria, an economist formerly with the United Nations, has been convicted as a spy by the Bulgarian Government and sentenced to death by firing squad.

We have sent the following cable to Presiden Todor Zhivkov, Premier Stanko Todorov, Foreign Minister Peter Miadenov, Ambassador to the United States Lubin Popov and U.N. Ambassador Guern Grozzev:

"We appeal on humanitarian grounds for clemency for our colleague, the economist Dr. Henrich Natan Schpeter. We strongly believe that the cause of U.S.-Bulgarian friendship will be served if Dr. Schpeter's life is spared."

We urge all our colleagues in the economics profession, and all other people who wish to help save Dr. Schpeter's life, to write or cable these high Bulgarian officials and to contact friends asking them to do the same.

Kenneth Arrow, Walter Heller, John Kenneth Galbraith, Simon Kuznets, Gunnar Myrdal, Paul Samuelson (and signed by six other economists).

White Plains, June 6, 1974.

[From the New York Times, June 6, 1974]

Pleas Made To Block Execution of Bulgarian Who Was at U.N.

(By Kathleen Teltsch)

United Nations, N.Y., June 5.—A hurried effort has begun to save the life of a former United Nations official sentenced to death by firing squad in Bulgaria after being convicted as a spy.

The convicted man is Henrich Natan Schpeter, a 53-year-old Bulgarian economist who served for six years with the United Nations and with its affiliated Industrial Development Organization in Vienna.

According to former associates here, Mr. Schpeter left his Vienna post in 1972 against his wishes after the Bulgarian Government ordered him home. They say that Mr. Schpeter, son of a well-known physician and a Jew, probably became a target because he was known as a political dissident who made no secret of his disillusionment with the Communist regime.

News of the conviction came in a dispatch by the Bulgarian press agency that did not mention Mr. Schpeter's United Nations links and said that the death sentence had not been carried out, indicating there might be an appeal.

APPEALS SENT TO BULGARIA

The staff union here held an emergency meeting and sent an appeal to the Bulgarian authorities. United Nations officials were also known to have interceded, as did Amnesty International and the International League for the Rights of Man.

Former associates who made telephone inquiries were told that Mr. Schpeter had been accused of being in the pay of unspecified foreign intelligence services, that incriminating papers had been found in his home and that he had confessed to espionage.

Legal authorities familiar with the Bulgarian court system said it was customary to allow no more than four to five days for an appeal against the sentence, which was handed down Saturday.

At the time of Mr. Schpeter's arrest he was working in the Economic Institute of the Bulgarian Academy of Sciences, according to information received here.

Friends here described Mr. Schpeter as a bookish, mild-mannered man who was immersed in his United Nations work.

They believe that at least at the start of his United Nations career he was on good terms with the Bulgarian authorities. He was recommended for the post by his Government and he took home leave in Bulgaria with his family. Only later, they added, did he make it clear that he was disillusioned and intended to resist going home.

Staff members at the Vienna agency say that there have been instances in which employes from Communist countries have been compelled to leave against their wishes. In two instances in recent years, they said, a staff member was taken out of the country directly from his office.

[From the Challenge magazine]

NOBEL LAUREATES, PROMINENT ECONOMISTS APPEAL FOR LIFE OF BULGARIAN COLLEAGUE

Sixty American economists, including three Nobel laureates, have issued a public appeal to save the life of Henrich Natan Schpeter, a Bulgarian economist who was recently convicted of espionage and sentenced to death by firing squad in Bulgaria. Dr. Schpeter worked for the United Nations in New York for a number of years, and for the United Nations International Development Organization in Vienna.

Among the economists who signed the appeal are Nobel laureates Kenneth Arrow, Simon Kuznets and Paul Samuelson, as well as Walter Heller, President of the American Economic Association and former Chairman of the Council of Economic Advisers; John Kenneth Galbraith of Harvard University; Gunnar Myrdal, internationally known Swedish economist who is visiting the United States; James Tobin and William Nordhaus of Yale University; Barbara Bergmann of the University of Maryland; Robert Lekachman of Lehman College, CUNY; Robert Solow of MIT; Don R. Conlan, Associate Director of the Cost of Living Council and Walter S. Salant of the Brookings Institution; Lawrence Klein of the University of Pennsylvania and Albert Fishlow of the University of California at Berkeley.

In addition to signing an ad in The New York Times, these sixty economists have sent joint cables to President Todor Zhivkov of Bulgaria; Prime Minister Stanko Todorov; Foreign Minister Petar Mladenov; Ambassador to the United States Lubin Popov; and Ambassador to the United Nations Guero Grozzev.

The campaign is being organized by Myron E. Sharpe, editor and publisher of Challenge, The Magazine of Economic Affairs. Mr. Sharpe had known Dr. Schpeter personally when he was in New York, and has formed the Committee for Henrich Schpeter, with headquarters at 901 North Broadway, White Plains, N.Y. 10603. Two worldwide organizations, Amnesty International and the International League for the Rights of Man, are also active in efforts to save Schpeter's life. Many United Nations colleagues of Dr. Schpeter's have also made unofficial appeals to the Bulgarian government.

A campaign is now under way to secure the support of leading economists worldwide for this effort. Dr. Schpeter has appealed his sentence, but it is understood that there is not much more than a week's time before his appeal is acted upon.

The text of the economists' statement follows: "We appeal on humanitarian grounds for clemency for our colleague, the economist, Dr. Henrich Natan Schpeter. We strongly believe that the cause of U.S.-Bulgarian friendship will be served if Dr. Schpeter's life is spared."

[Advertisement from the New York Times, June 7, 1975]

APPEAL TO SAVE THE LIFE OF HENRICH NATAN SCHPETER

We have just learned with deep concern that one of our colleagues, Henrich Natan Schpeter of Bulgaria, an economist formerly with the United Nations, has been convicted as a spy by the Bulgarian government and sentenced to death by firing squad.

We have sent the following cable to President Todor Zhivkov, Prime Minister Stanko Todorov, Foreign Minister Petar Mladenov, Ambassador to the United States Lubin Popov and U.N. Ambassador Guero Grozzev:

We appeal on humanitarian grounds for clemency for our colleague, the economist, Dr. Henrich Natan Schpeter. We strongly believe that the cause of U.S-Bulgarian friendship will be served if Mr. Schpeter's life is spared.

We urge all our colleagues in the economics profession, and all other people who wish to help save Mr. Schpeter's life, to write or cable the following high Bulgarian officials, and to contact friends asking them to do the same:

President Todor Zhivkov, Sofia, Bulgaria; Prime Minister Stanko Todorov, Sofia, Bulgaria; Foreign Minister Peter Mladenov, Sofia, Bulgaria; Ambassador Lubin Popov, Washington, D.C.; U.N. Ambassador Guero Grozzev, New York, N.Y.

Russell W. Allen, Emily Andrews, J. Richard Aronson, Kenneth Arrow, Lois Banks, Ivar Berg, Barbara Bergmann, Rachel Boaz, Frederick Breimyer, Tom Burke, Jack Ciccolo, Don R. Conlan P. J, Corcoran, Paul De Rosa, F. Trenery Dolbear Jr., Joseph Eichenholz, Stan Feldman, Albert Fishlow.

Robert Fogel, John Kenneth Galbraith, George Garvy, Eli Ginzberg, Helen Ginsburg, Nathan Ginsburg, Michael Harrington, Walter Heller, Peter J. Kalman, Barbara Katz, Richard Kihlstrom, Lawrence Klein, Barbara Konecky, Peter Konijn, Simon Kuznits, Robert Lekachman, C. Lucas, Edward Lutz.

Vince Malanga, S. M. Miller, Gunnar Myrdal, William Nordhaus, Elliott Platt, David Pritchett, Martin Rein, Frank Reissman, Leonard Sahling, Steve Salant, Walter S. Salant, Paul Samuelson, Eli Schwartz, Myron E. Sharpe, Robert Solow, Gelvin E. Stevenson, James Tobin, Richard Weckstein.

Committee for Henrich Schpeter, 901 North Broadway, White Plains, N.Y. 10603.

LAW ENFORCEMENT MOURNS LOSS OF TWO FINE MEMBERS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. BIAGGI. Mr. Speaker, the law enforcement world mourns the loss of two of its finer members, Lt. Henry O. Schmeimann of the New York City Police Department, and Detective Bernard L. Christopher of the Mt. Vernon, N.Y., Police Department, both of whom were murdered while in the performance of their duties.

The untimely and shocking deaths of these two policemen, who had 31 years of distinguished service between them, points out once again the precarious and dangerous position which law enforcement personnel find themselves in this Nation. As the visible symbol of law and order in this Nation the police, more than any other group have become the favorite victims for the lawless and anarchistic elements in our society, who speak only the cowardly language of violence.

These two tragedies also point out the need for urgent action on two pieces of legislation which I have been actively working for in this session of Congress. The first bill is the mandatory restora-crimes including the murdering of any tion of capitol punishment for certain law enforcement personnel. In the last 10 years, the numbers of law enforcement personnel killed in the line of duty have increased by over 200 percent. Yet despite these startling statistics, the one effective deterrent available to prevent these crimes, capitol punishment was ruled unconstitutional by the Supreme Court in 1972 on the ground that the penalty was being arbitrarily and capriously administered. In an effort to combat that objection, I introduced legislation which would clearly specify the crimes for which the pnealty would be administered. The need for this legislation should be apparent to all law-abiding Americans who now look to the Congress for the leadership in the battle against crime.

The other legislation which merits the immediate attention of this Congress is the Public Safety Officers Death Benefit Act. While it is true that the House and Senate have passed their own versions of this bill, the time is long overdue for these bodies to resolve their differences and report out a final bill. No more fitting tribute could be paid to the two slain policemen than to have this legislation enacted and preclude their families from having to endure certain financial hardship.

Mr. Speaker, the killing of a law enforcement official represents still another nail in the coffin of our Nation. Inherent to a strong democracy is strong law enforcement. We have lost two more brave policemen. Let us respond to the tragic plight of the policemen of this Nation and pass the kind of legislation which will benefit these men.

At this point in the RECORD, I insert an article printed in the New York Daily News, which depicts the anguish and suffering which Mrs. Schmiemann was forced to endure while awaiting the tragic news of her husband's death. I hope many of my colleagues will take the time to read this, and it is my fervent hope that it will provide this body with the inspiration to get the Public Safety Officers Benefits Act passed into law.

The article follows:

LIEUTENANT'S WIFE GETS RADIO BULLETIN IN THE HEART

(By John Murphy)

Mrs. Marilyn Schmiemann was listening to the radio yesterday morning when she heard the heartstopping news.

A cop, a lieutenant, had been shot and killed by a gunman not far from the Schmiemann home at 44 82 Place in Middle Village, Queens.

Only minutes before, Lt. Henry Schmiemann, 45, had said goodby to his wife and set out for work on foot.

The radio report said the cop had been gunned down at 74th St. and Penelope Ave., only 10 blocks away. Mrs. Schmiemann knew that her husband passed that way every working day on his walk to the Myrtle Ave. subway line terminus near 8th St. and Metropolitan Ave.

Quickly her heart squeezed in a vise of fear and panic. She picked up the telephone and dialed her husband's office in the Internal Affairs Division of the Bureau of Inspectional Services in Manhattan police headquarters. Her husband worked there as a personnel administrator * * *

Had her husband got to work yet she asked. She'd heard this report on the radio . . .

The heartsick cops on the other end of the line stalled. They knew Henry Schmiemann was the cop who lay dead only 10 blocks from his home.

They weren't about to break the news to the mother of his five children over the telephone, so they said he hadn't arrived yet. They told her "We'll have him call you when he gets in."

They knew a department chaplain already was on the way to the home on the quiet residential street in Queens, bearing the heartbreaking word for still another cop's wife.

Lt. Patrick Lehane was Schmiemann's supervisor and close friend. He was at the scene, too, grief and anger etched deeply into his features.

Lehane said he had lunched with Schmiemann only the day before and Henry had talked of his 25th wedding anniversary last Saturday, Schmiemann and his wife were planning a celebration for next Saturday, he said.

He recalled that the couple's 14-year-old twin sons, Thomas and Peter, had been graduated Tuesday from Resurrection-Ascension parochial school at 85th St. and Eliot Ave., Rego Park, Queens.

On Wednesday, he said, Marilyn Schmiemann had observed a birthday. Now, he said, her children were fatherless. Besides the twins there are Mary, 18, Matthew, 16, and Paul 11.

"He was an innocent, quiet, unassuming man, ripped off and killed in a senseless manner . . . This kind of thing defies analysis," Lehane said.

ERNEST H. GRUENING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. RANGEL. Mr. Speaker, when former Senator Ernest H. Gruening died on Wednesday, this country lost a committed, courageous, and energetic public servant. Although he spent only a decade as Alaska's Senator, Mr. Gruening served the American public throughout his life. His convictions about American involvement in the Indochina war survived massive opposition and eventually emerged triumphant. He remained loyal to his beliefs, in and out of politics, and he spoke out determinedly to prod the public conscience. Former Senator Gruening needs no memorial: his life will stand as an ideal for all politicians and other individuals who believe that commitment to a cause enriches one's personal existence while it benefits the Nation.

The following tribute to Mr. Gruening from today's Washington Post expresses eloquently my own and, I am sure, my colleagues' feelings about this spirited man:

ERNEST HENRY GRUENING

For its rich variety and vigorous dedication to principle, few careers in American public life compare with that of former Sen. Ernest H. Gruening, the Alaska Democrat who died on Wednesday at the age of 87. He is best remembered for his vigorous advocacy of statehood for Alaska and for his early oppositon to American involvement in the war in Indochina. He and former Senator Wayne Morse were twice the sole opponents of crucial Senate action that helped move this nation further into that tragic conflict.

The vigorous and active later years of his life exemplified the lines of Dylan Thomas that he loved so much: "Old age should burn and rave at close of day." Yet they were only the continuation of a career always remarkable for its versatility and for the fidelity it revealed to certain ideas. Born in New York City, Mr. Gruening went on to Harvard with the intention of following the footsteps of his father into medical practice. He finished medical school, but gave up his internship for a chance to become a journalist. He wrote criticism and editorials before becoming, at age 27, managing editor of the Boston Traveler. One of his contributions to American journalism in that job was to change the policy of designating the race of persons in the news. His was one of the first major metropolitan newspapers to take that step. He moved on to The Nation magazine, reported on the Mexican war and eventually became director of the new Division of Territories and Island Possessions in 1935.

That was the beginning of his love affair with Alaska, to the development of which he made incalculable contributions. As the appointed governor, he was instrumental in the development of the Alcan Highway, and he ran afoul of the absentee exploiters of Alaska's resources by subjecting them to taxation.

He worked for statehood after the Alaskans elected him as unofficial "senator," a capacity in which he lobbied vigorously. When that battle was finally won in 1958, he went home and was elected one of Alaska's first two senators. He worked for the statehood of Hawaii and was proud of the day the Senate took that vote. It was his opposition to the war in Vietnam that marked the last of his Senate service. He opposed our involvement in the war at every opportunity. His party turned him out in the primary of 1968, but Mr. Gruening continued to speak out on the war, on the need for population control and on the key political issues of the moment. His was a rare, determined and consistent life, full of the spirit that keeps people young at any age.

FOREIGN AID REFORM

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. YOUNG of Florida. Mr. Speaker, on May 2 I cosponsored H.R. 14561, amending the Foreign Assistance Act of 1961 to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials. Yesterday, I presented testimony in support of this legislation before the House Foreign Affairs Committee, and I would like to draw my remarks to the attention of my colleagues in the hope that they will joint me in supporting the bill:

Mr. Chairman, I appreciate the opportunity to present testimony on behalf of H.R. 14561, legislation to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials.

I cosponsored this bill because of my firm and longstanding belief that the United States should be getting something more in return for the billions of taxpayers dollars that we send overseas than ill-will, riots, expropriations, and other "kicks in the teeth" on the world scene. Since the end of World War II, the United States has provided other nations of the world with over $185 billion through foreign assistance programs, and yet our own national debt is greater than the total national debts of all the other nations in the world put together. Uncle Sam has been the "soft touch" for the world over the past forty years, and all we have to show for it now are taxpayers with empty pockets and an economy increasingly short of vital strategic materials.

H.R. 14561 would make a very constructive revision in our foreign assistance program by allowing the United States to exchange or barter its foreign aid for the minerals and critical raw materials this country increasingly needs. Many of the underdeveloped nations to which we dole out substantial amounts of aid have abundant supplies of materials which are essential for our industries, and it is good common sense to allow these nations to pay for our aid in the coin which they do possess.

The Arab oil embargo and the more recent Jamaican bauxite price hike served notice to the industrialized nations that important basic raw materials may be "held to ransom" with increasing frequency in the future. Why, then, should the United States provide foreign assistance free to nations which possess such commodities?

Mr. Chairman, if we examine the current import status of 13 basic raw materials vital to U.S. industry, we find that our country is heavily dependent on imports. Right now, the U.S. imports more than 50 percent of its aluminum, chrome, manganese, nickel, tin, and zinc. By 1985, we will be importing more than 50 percent of our iron, lead, and tungsten; by the year 2000, more than 50 percent of our copper, potassium, and sulfur. In addition, more than 99 percent of our rubber is imported, and more than 53 percent of our hardwood lumber comes from developing nations. Our foreign trade balance is perpetually precarious as a result of our heavy dependence on imports. And yet we continue to send foreign assistance dollars to many of the same nations which we pay for essential raw materials.

In view of the recent "blackmail" attempts on the world scene, in view of our increasing dependence on raw material imports, and in view of the onging dissolution of our strategic materials stockpiles, I strongly recommend that the Committee adopt this amendment to the Foreign Assistance Act and thereby put our nation in a better position to meet future demands for many basic materials.

WHAT IS HAPPENING TO REFORM?

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. O'BRIEN. Mr. Speaker, whenever the subject of reform comes up I am reminded of what Mark Twain said about the weather—

Everybody talks about the weather but nobody does anything about it.

We have been talking about reform ever since the 93d Congress convened on January 3, 1974, and we have even done something about it—but not half enough.

One of the good things we have done is pass the Budget Reform and Impoundment Control Act. If used properly—and I will admit that's a big if—the new legislative budget machinery should help us reduce unnecessary spending and relieve the inflationary pressures that keep pushing prices up and up.

But in two other reform areas—political campaign and House committee reorganization—we have not been too successful.

The Senate passed a campaign bill, S 3044, 2 or 3 months ago. I would not be too happy with it as it stands. It has several objectionable features. I am confident, though, that we could pass the kind of campaign reform bill in the House that could lead to a constructive compromise. But we would not have a chance to do it unless our colleagues on the House administration committee give us the chance. We were promised a bill by March but I have not seen it yet. I hope rumors that the bill will be ready within the next 2 weeks are true.

As for the committee reorganization bill reported unanimously by the bipartisan Bolling-Martin committee, a funny thing happened to it on the way to the floor. Our friends across the aisle revived "King Caucus," an institution we thought had gone the way of the barber pole and the Prince Albert tailcoat. Lest anyone think this is a partisan view of the situation, I call my colleague's attention to the following column by Richard L. Strout in the June 19, 1974, issue of the Christian Science Monitor:

DEMOCRATS AX HOUSE REFORM

(By Richard L. Strout)

WASHINGTON, D.C.—Responsibility for sidetracking the most important move to reform the committee structure of the House of Representatives in 28 years rests squarely on Democratic members and cannot be ducked. If a Legislature in a rural state in the 1890's had gone through the same cynical performance and then covered it up with a no-record vote the result could not be more glaring.

This is not the responsibility of the Republicans: They had no immediate part in killing the reform proposal. The deed was done in a private caucus of the House Democratic members, and the vote was 111 to 95. How did members line up? We don't know. First they voted 98–81 in a standing (non-record) vote not to give their names, and then they defeated the measure. They killed it anonymously, as though ashamed.

A Harris poll not long ago said that only 21 percent of the public thinks Congress is doing a good job. And no wonder, though it is unfair to include Republicans in this particular hatchet job which was purely a Democratic assassination. But all suffer by it along with a loss of confidence in governmental institutions.

There's a good deal of Democratic self-righteousness these days over Watergate, but this bald Democratic cover-up stems from the same kind of arrogance and willingness to thwart democracy as the Watergate scandal.

Sixteen months ago Speaker Carl Albert, to his credit, set up a bipartisan committee under outspoken veteran Richard Bolling (D) of Missouri, to try to put the chaotic House committee system in order. Over the years power has drifted about, leaving some committees with little to do, and others with so much to do that they can't do it. The Ways and Means Committee under Rep. Wilbur Mills (D) of Arkansas, is an example of the latter. It has made Mr. Mills, some say, the most powerful man in Congress. It is trying to wrestle with taxes and tax reform, social security, public debt, tariffs, and transportation all at once. "The place is an institutional shambles," Mr. Bolling said.

The 10-man Bolling committee of experienced congressmen worked a year and brought out, mirabile dictu, a unanimous report. Perhaps a better report could have been drawn up, but this one went a long way and at least deserved floor debate. It redistributed committee responsibilities and abolished a couple altogether. It found 14 dispersed committees last year dealt with energy legislation, for example, and it tried to unify responsibility on the issue.

"Reform of the House committee structure is essential if Congress is to revitalize itself," said Rep. John J. Rhodes (R) of Arizona, House minority leader.

A variety of special interest groups fought the big shake-up because they are entrenched in special committees and have nursed election of certain congressmen with a parent's interest. A queer coalition opposed the changes; the National Association of Manufacturers joined the AFL-CIO, for example, and a number of environmentalists also opposed.

Backing the proposals besides men like Speaker Albert and Dick Bolling were public interest groups, Common Cause, Americans for Democratic Action, Citizens Committee on Natural Resources, and the like.

In the House, Democrats outnumber Republicans approximately 240 to 192. Democrats met in caucus and unilaterally disposed of the reform. Prior polls indicated an almost certain majority for the bill. (Republicans were expected to vote for it, too, perhaps 3 to 2 if they ever got a chance because Representative Bolling had sweetened the measure by allowing a party minority to control one-third of the staff of all House committees, something Republicans have sought for years.)

Rep. Phillip Burton (D) of California, opponent of the Bolling program, offered a resolution to refer the whole thing to a subcommittee under Rep. Julia Butler Hansen (D) of Washington. Nominally this was to "perfect" it, but opponents hoped to kill it. Rep. William Clay (D) of Missouri, moved that the referral vote be by secret ballot. This motion won. Then the program was sent to the Hansen committee. Even colleagues couldn't tell how others had voted. Nobody was accountable.

"The name of the game is power," observed veteran majority leader Thomas P. O'Neill (D) of Massachusetts, sadly, "and the boys don't want to give it up."

The Hansen committee could, of course, report back to the caucus in mid-July, but if the same secrecy prevails the result will probably be the same. Public interest groups urge voters to demand from individual House Democrats how they voted. Republicans are inserting caustic editorials in the Congressional Record. It is hard to recall any recent similar example of legislative arrogance by one party: Indeed the Democratic National Committee might itself wisely intervene.

DERWINSKI ANNOUNCES 1974 QUESTIONNAIRE RESULTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. DERWINSKI. Mr. Speaker, the public response to my 1974 citizen's questionnaire exceeded any previous year's total. The results that have been tabulated from these responses showed the Fourth Congressional District of Illinois to have a healthy public awareness in current events.

Additional comments which the citizens of the Fourth District of Illinois added to the questionnaire responses showed three subjects to be uppermost in public thinking: namely, possible impeachment of President Nixon, economic conditions with special concern over inflation and reactions to the recent oil shortage.

On the subject of the Presidency, 57 percent expressed their feeling that President Nixon should remain in office with only 21 percent calling for impeachment and 22 percent favoring resignation. However, many individuals who called for impeachment did so with the explanation that this would be the only way in which a complete record would be made public, and many expressed the belief that a full report would vindicate the President.

Many individuals who responded in favor of the President's resignation expressed the opinion that the issue had been drawn out for much too long and resignation would provide a quick and permanent end to the controversy.

The responses showed strong support for the adoption of an annual Federal spending ceiling, especially strong support for restoring the death penalty for specific crimes, and a split opinion on the question of Federal tax credits for parents of children who attend nonpublic schools.

The results of the questionnaire are as follows:

1974 CITIZENS' QUESTIONNAIRE—DISTRICT-WIDE RESULTS—FOURTH DISTRICT, ILLINOIS

[Answers in percent]

1. Would you be in favor of Congress adopting an annual spending ceiling which could not be exceeded by appropriations? Yes, 75; no, 9; not sure, 16.

2. Should anti-pollution regulations (such as auto-emission controls) be eased temporarily to help during the energy shortage? Yes, 61; no, 33; not sure, 6.

3. Should the death penalty be restored for such crimes as premeditated murder, wartime treason, and skyjacking and kidnapping which result in death? Yes, 87; no, 9; not sure, 4.

4. Do you agree with the Supreme Court decision allowing abortions? Yes, 57; no, 36; not sure, 7.

5. Would you support amnesty for those who left the country to avoid the draft, with the requirement they serve a specific period of time in an alternative government post? Yes, 38; no, 56; not sure 6.

6. Do you favor giving Federal tax credits

to parents with children in non-public schools? Yes, 47; no, 47; not sure, 6.

7. Are you in favor of continuing an all-volunteer army rather than reverting to the draft system? Yes, 63; no, 25; not sure, 12.

8. Do you think President Nixon should—

Remain in office? Yes, 57.

Be impeached? Yes, 21.

Resign? Yes, 22.

9. Do you believe wage and price controls should be—

extended indefinitely? Yes, 24.

completely terminated? Yes, 45.

continued at the President's discretion? Yes, 31.

CITIZEN CONCERN OVER NUCLEAR AGREEMENTS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Ms. ABZUG. Mr. Speaker, from citizens all over the country I am receiving outpourings of concern about the President's nuclear agreements with Egypt and Israel. Among them is a group of letters to the editor of the Los Angeles Times, sent by Ms. Dorothy Jones of Another Mother For Peace. These letters convey very well the tone of letters and wires being sent to me, because of my years of effort to prevent the spread of nuclear weapons.

KABC radio station in Los Angeles did a most interesting informal survey immediately after the agreements were announced. Their results as reported to the California Citizens Action Group are also very similar to the messages I receive.

At least 85 percent of the people of this country are justifiably worried about the incendiary effect of these agreements. I hope we will keep their views firmly in mind as we discuss over the next weeks, legislation to make congressional review of such agreements mandatory. My bill to amend the Export Administration Act, and a resolution of inquiry to determine the conditions under which these agreements were made, will be among those discussed. Both may be found in the RECORD for June 24.

As examples of the concern that prompts these efforts, I would like to insert the letters and the KABC poll into the RECORD.

[From the Los Angeles Times, June 21, 1974]

U.S. NUCLEAR AID FOR THE MIDEAST

President Nixon has taken a giant stride beyond his rhetorical slogan of "a generation of peace" toward the promise of an eternity of silence on a dead planet. Only two weeks after India (using materials from nuclear power plants) exploded its first atomic bomb, Mr. Nixon has irresponsibly introduced the same nuclear toys into the most unstable corner of the world.

The Administration's public relations propaganda that there were "adequate guarantees" to insure that the nuclear materials will not be used to create weapons is sheer nonsense.

Obviously the nuclear plant will be located on Arab territory—thereby being within the exclusive control of the Arabs and beyond this nation's ability to effectively police. Consequently the only "guarantee" is that the Arabs will do precisely as they please with the nuclear materials.

Considering the Arabs' fanatical hatred of Israel and the Arabs' self-acknowledged inferiority to Israel in conventional warfare, it is incredibly naive to believe they will not choose to develop nuclear weapons.

Ironically, on the same day (June 14) the nuclear plant deal was made public, The Times editorial page headlined, "Israel Need Not Fear," because America is firmly committed to her defense. While I wholeheartedly support the ideas expressed in the editorial, the very reason given why "Israel need not fear" is cause why the world should be quaking in terror at Mr. Nixon's insane blunder.

The introduction of nuclear power into the Middle East may become a catalyst that transforms our moral commitments there into shackles that will inexorably drag America into war with Russia.

Consider the following scenario: The Arabs, like India, explode a nuclear device for "peaceful purposes." There is another war in the Middle East. Israel predictably routs the Arabs' conventional military forces. The Arabs, facing the certainty of yet another humiliating defeat at the hands of a hated enemy, in desperation choose the alternative of using their "peaceful" nuclear devices on Israel (America used nuclear weapons on an enemy without being driven by the desperation of a losing war).

The United States is then forced to respond to its commitments to Israel by striking back at Arab targets. Russia is then forced to respond to its commitments to the Arabs by attacking the striking American forces. What follows could justifiably be called "Richard's Folly," if there was anyone who would survive the holocaust long enough to call it by its rightful name.

JOHN A. LABRIOLA, Jr.,
La Mesa.

Those who are reassured about Mr. Nixon's "Atoms for Arabs" program because Israel is promised similar treatment would also be reassured about giving Jack the Ripper a gift set of cutlery, provided his victims received the same.

ANDREW GULLIVER,
Los Angeles.

We are not being friends to Egypt and Israel when we offer to install lethal nuclear plants that spew off deadly, indisposable wastes as do ours.

Why couldn't we be foresighted and set up solar energy plants in those lands of almost constant sunshine?

Or is this another instance of dollar diplomacy, in this case for the benefit of the manufacturers of nuclear reactors who are having problems in siting their wares in this country, thanks to the protests of the communities that recognize the danger?

It is madness to spread the nuclear plague.

LEONE HAYES,
La Jolla.

We are all relieved that Mr. Nixon is on a Mission of Peace—selling weapons and giving away nuclear materials.

SUSAN B. FACTOR,
Beverly Hills.

Why does Egypt want nuclear power plants when it is using less than a third of the electric capability of the Aswan High Dam? Along with Caltech nuclear expert, Milton Plesset (Times, June 16) we are suspicious. A 1,000-megawatt nuclear power plant produces enough plutonium in one year's operation to make 20 atom bombs, according to Dr. Plesset.

India used fuel from the "peaceful" nuclear capability we gave her to explode an atom bomb. Why not Egypt? We should flood Congress with protests over this insanity.

HAROLD WATERHOUSE,
EDITH WATERHOUSE,
Pacific Palisades.

On his return from his Fairy Godfather trip abroad, Mr. Nixon might find a few poor and afflicted people and areas at home that deserve the touch of his golden wand—cities of our own to reconstruct, human and natural resources to conserve and protect.

I don't resent helping others in need—up to the limit we can afford but as Sir Thomas Browne wrote three centuries ago, "charity begins at home, is the voice of the world." And neither charity nor compassion are noted characteristics or voices of Richard Nixon.

Instead his lavish promises abroad, his purchased adulation from those who yesterday damned us as enemies, the mob scenes in Egypt like a production of the triumphal march in "Aida"—all seem costly contrivances to paper over Watergate and the other White House crimes and to initimidate our Congress.

The emperors of a declining Rome distracted their people with circuses in the Colosseum.

FREDERIC A. CHASE,
Los Angeles.

KABC RADIO,
Los Angeles, Calif., June 19, 1974.

MS. LINDA STEWART,
California Citizen Action Group,
Los Angeles, Calif.

DEAR MS. STEWART: On Monday, June 18, 1974, the KABC Newstalk Opinion Survey asked the question, "Do you think it was a wise decision to promise nuclear help to Egypt and Israel?"

Our figures show that 85% of our callers thought it was an unwise decision while 15% judged the decision favorably.

KABC reminds you that this survey is not scientific. It is nothing more than a variation of the "man on the street" technique.

Thank you for your interest.

Sincerely,

JIM SIMON,
Director, News and Programming.

NO UTOPIA FOR SOVIET WORKERS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. DERWINSKI. Mr. Speaker, at a time when President Nixon's visit to the Soviet Union is drawing a great deal of public attention, understanding of the Communist way of life is important.

One of the most timely and I believe accurate articles on life in the Soviet Union that I have recently read, was a column by Mike LaVelle in the Chicago Tribune's Perspective Page of June 25, which discusses the status of the trade unions and members of the working class in the Soviet Union.

BLUE-COLLAR VIEWS: SOVIET WORKERS DON'T HAVE UTOPIA

(By Mike LaVelle)

A company union is one that has made a sweetheart deal with management, retaining the formal structure of a union while actually rotting under the skin with malfeasance and corruption.

But what is a company state? Much of our native Left would reply that a company state is a Fascist one, like the corporate states of Mussolini's Italy or Franco's Spain.

The fact that much of our American Left cannot bring themselves to recognize is that Communist regimes—as corporate states with the same prerogatives of state power as Fascist ones—are one of the main reasons the Left has often been frustrated by their failures to reach American workers. The Left has been able to achieve power and influence in the academic community, but, to say the least, workers do not abound there.

One can read much in our leftist papers and magazines about the condition of trade unions in Chile or Greece, and about the conditions of workers all over the world except for Communist regimes where workers are presumed to be represented by a paternalistic "workers' state."

This issue recently was on the agenda of a United Nations-sponsored organization in Geneva, Switzerland—the International Labor Organization, which has trade union members from 120 nations. The Communist members of the I.L.O. had attempted to exempt their government from meeting I.L.O. standards on worker safety and health with the argument that the I.L.O. should allow for differences in the political and social structure of member nations. They added lavish praise of Communist regimes, of course, saying that all their workers were happily residing in paradise while the workers in capitalistic nations were eagerly awaiting such *happiness* themselves.

Bert Seidman, AFL–CIO Social Security director and the U.S. delegate to the I.L.O., with tongue in cheeck, reminded the Communist delegates that the "first step is to acknowledge that all is not perfect. There is perfection nowhere."

The Communist position was not only defeated, but Francis Blanchard, a Frenchman and new I.L.O. director general, said the I.L.O. would not allow Communist regimes to "challenge the universality of the I.L.O. standards of trade union freedoms."

It's nice to know that there is some place where conscience is taking prerogatives over detente. I myself would refuse to even shake the hand of a trade union delegate from a Communist country, considering that hand belongs to a government hack that cracks its authoritarian whip over its workers while proclaiming to the outside world their workers' paradise, their liberation.

The I.L.O. is over 50 years old and is the only organization that has survived in its original structure of the League of Nations.

In 1969 the I.L.O. received a Nobel Peace Prize for, if not its achievements, then its purposes, which in the Nobel committee's language was "to improve working conditions in order to create more stable social conditions and thereby contribute to the safeguarding of world peace."

Because of Communist delegates' opposition, the I.L.O. does not accomplish anything for the workers in Communist regimes. But that could be changing, as American leftists and Communists find that they cannot speak with any amount of credibility of the accomplishments of various "workers' paradises."

This issue raises a challenge to the American Left: to both confront and disavow the injustices that such as Russian workers must live under. Until they are willing to do that, they might be able to soup up some dizzy college kids but they'll never reach American workers to any significant degree.

Getting hung up on the dissent of deported Soviet author Alexander Solzhenitsyn isn't enough. After all, as recent dialog among our Left implies, that's a family fight within the Marxist Left and an intellectual exercise irrelevant to the concerns of Russian workers who have no American press or literary agents to plead their case.

SECRET DEALS COULD THREATEN ATOMIC SECURITY

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. ASPIN. Mr. Speaker, the Arms Control and Disarmament Agency should be one of our most effective forces for peace and a sane defense policy. However, the Nixon administration persists in trying to undermine this agency, reducing its already underfinanced budget and failing to appoint new members to its advisory board.

Most serious of all, the Nixon administration has actually cut ACDA off from important decisions involving arms control. This mistaken policy may have drastic consequences in the current negotiations in Moscow. At this point we can only hope that Nixon and Kissinger do not make any mistakes that they could have otherwise avoided by consulting ACDA. For the future, it is vital that ACDA be restored to its rightful place in our Government's deliberations on all matters involving arms and arms control.

A recent article by Andrew J. Glass, of the Washington bureau of the Cox Newspapers, presents one of the best discussions of this problem that I have seen, and I would like to take this opportunity to bring it to my colleagues attention. The article follows:

[From the Dayton (Ohio) Daily News, June 23, 1974]

SECRET DEALS COULD THREATEN ATOMIC SECURITY

(By Andrew J. Glass)

WASHINGTON.—A wide bureaucratic chasm has developed in this nation's approach towards nuclear arms control which could bear on the prospects of preventing a thermonuclear holocaust for generations to come.

On one side of this chasm, President Nixon and Secretary of State Henry Kissinger are preparing to fly to Moscow this week for a summit conference with Kremlin leaders. There, in great secrecy, they will undertake highly personal negotiations on whether to approve new reciprocal limits of strategic weapons and nuclear testing by the United States and the Soviet Union.

On the other side of the chasm, an agency which Congress created 13 years ago for the specific purposes of managing and coordinating U.S. disarmament policy is cut off from the active decision-making process. Enfeebled through lack of funds, it is unable to research the potential consequences of agreements that Mr. Nixon and Kissinger may reach with the Russians.

The problem came into bold focus last week when it was revealed that Kissinger had concluded a series of nuclear missile agreements with the Russians in 1972 without even informing Congress. Paul H. Nitze, who resigned recently as Pentagon representative in the arms talks, said American negotiators first learned of the Kissinger concessions from their Russian counterparts.

A demoralized U.S. Arms Control and Disarmament agency finds itself increasingly cut off from the action. The methodical and cautious institution approach which once characterized governmental decisions in this highly complex field is in disarray.

But the underlying question is: What do the problems of an obscure government agency have to do with the summitry bargaining which will occur in Moscow this week?

The President and Kissinger, joined by Defense Secretary James Schlesinger, contend that the administration would not rush into an accord with the Russians simply to enhance Mr. Nixon's image in the midst of impeachment proceedings. They, are all hopeful of making genuine, if limited, progress on arms control.

A former high-level Pentagon planner contends, however, that "the President and (Kissinger) urgently want to cut a deal in Moscow, even if it must be, in reality, only a cosmetic deal. So they have cut everyone—except maybe Schlesinger—out of the play in order to get one."

Rep. Les Aspin, (D-Wis.), a onetime Pentagon official and a maverick member of the House Armed Services committee, answers the question another way:

"(ACDA's) role has been to take the most advanced position in the executive department on arms control issues. This has enabled Kissinger to arbitrate with the Pentagon. . . . But now I'm told he . . . feels exposed on the left because he's no longer in a position to arbitrate between 'hawks' and 'doves'."

The irony is that if Kissinger finds himself "forced to play an advocacy role" upon his return from Russia in defending any new agreement with the Russians—as Aspin suggests—it will be a problem largely of his own making.

The "think tank" agency which has been viewed as an unwanted bureaucratic burden by Mr. Nixon and Kissinger is still reeling from the effects of a wholesale purge of its top ranks, ordered by the White House in early 1973. Lately, frustrations have been piling up along several fronts:

House and Senate conferees voted last week to cut back ACDA's normal two-year authorization to one year. The action was taken over the protests of its director, Fred C. Ikle (pronounced "ee-clay"), a Swiss-born nuclear strategist who had headed the social science department at Rand Corp. from 1967 to 1973.

Earlier, the White House had lopped 30 per cent from ACDA's spending authorization for the current fiscal year. In a bureaucratic fight, Ikle, who took over as director in mid-1973, succeeded in getting about half the cut restored.

ACDA has played only a subsidiary role in the current round of Strategic Arms Limitation Talks II, which have set the stage for this week's meeting between Mr. Nixon and Soviet party chief Leonid Brezhnev in Moscow. By contrast, ACDA's previous director, Gerard C. Smith, concurrently served as the chief negotiator in talks that culminated in the signing of the SALT I agreement two years ago.

The agency's general advisory committee, a 14-member blue-ribbon panel charged with advising the President, the secretary of state and the ACDA director on arms control policy, hasn't met since December 1972. The President, having accepted the resignations of eight of the 14 panel members after the 1972 election, delayed until May 29 of this year in submitting replacements for Senate confirmation. (One of the six holdovers is former Secretary of State Dean Rusk.)

To succeed John J. McCloy, a former U.S. High Commissioner in Germany, the White House nominated Harold M. Agnew, director of the U.S. nuclear weapons laboratory at Los Alamos. While Agnew is a widely respected scientist, the choice of a key weapons manager to serve as chairman of the disarmament panel has been questioned on Capitol Hill and in some quarters of the agency as raising a possible conflict-of-interest.

Amid these developments, two congressional subcommittees and a special commission have undertaken concurrent investigations of ACDA's effectiveness.

Congress will probably vote this week to approve a $10.1 million budget request for ACDA for the fiscal year that begins July 1. But in clearing the request, the House Foreign Affairs committee noted "growing concern that (the agency) no longer plays the role in the formulation and execution of U.S. arms control policies that it once did."

Herbert Scoville Jr., ACDA's former technical chief and a longtime Central Intelligence agency official, says that an effective arms agreement with the Soviet Union must be based on sound research. "The present budget for research is far too low," Scoville, now secretary of the Federation of American Scientists asserted in an interview.

ACDA's external research effort is budgeted at $1.5 million for the coming fiscal year, an increase of $500,000 over current spending levels. The new budget is equivalent to the Lockheed C-54 transport.

According to several sources, McCloy, who had served as chairman of the advisory panel since its formation in 1961, resigned because ACDA had been downgraded by the White House and because his own recommendations had been ignored by top policymakers. "McCloy couldn't get in to see the President and he doesn't take such treatment lightly," a former associate recalled. McCloy declined to comment publicly.

Despite ACDA's problems, its new director is widely admired in the scientific community as a nuclear theoretician. "Fred has fine credentials as a scholar and a thinker," a member of the National Security Council staff said. "But he just doesn't know his way around the bureaucracy."

Ikle, however, remains on excellent terms with Schlesinger, who worked with him at Rand and who sponsored him for the disarmament post, Ikle supports Schlesinger's effort to increase the flexibility of the U.S. nuclear arsenal through retargeting on Soviet missile sites. By contrast, Ikle's predecessor, Gerald Smith, feared that the Schlesinger doctrine would increase the risk of nuclear war.

"Why . . . should we rig our terrible engines of destruction in such a way as to make genocide certain" Ikle asked in a recent speech. Doesn't it make sense to introduce a last chance—should something go wrong—to prevent the utmost catastrophe?"

Despite the special "Rand channel" linking Ikle and Schlesinger, ACDA is by no means universally popular at the Pentagon or, for that matter, at other power centers in Washington.

Several sources said the purge was instituted to mollify Sen. Henry Jackson, (D-Wash.) and the Joint Chiefs of Staff, who were unhappy with the initial SALT bargain. In return, these sources said, Jackson pledged to refrain from dynamiting the SALT treaty when it went before the Senate for ratification.

In seeking to bolster the ACDA against the Pentagon, the House Foreign Affairs committee tried to get the agency to institute impact studies on all proposed weapons systems costing $50 million or more. But this David-and Goliath plan was killed on the House floor after Ikle told key congressmen that it would prove unworkable.

Asserting that his goal is to restore ACDA to its once powerful position in the bureaucracy, Rep. Clement J. Zablocki (D-Wis.) is moving ahead with plans to undertake a "thorough-going review" of the agency. In part to counter this thrust, a Pentagon-oriented special House Armed Services subcommittee was quickly formed under Rep. Charles Wilson (D-Tex.) to conduct a parallel probe.

In the meantime, a joint presidential-congressional commission on the Organization of the Government for the Conduct of Foreign Policy, is also inquiring into various ACDA functions. This panel, established in 1973, is headed by veteran diplomat Robert D. Murphy.

Ikle responds to critics by maintaining that his agency is continuing to play a useful, if diminutive, role in shaping arms control policies. He recognizes that key decisions—in SALT I as well as in SALT II—have been made through a secret "back channel" network involving Kissinger and Soviet Ambassador Anatoly F. Dobrynin.

The ACDA director wants his agency to play an oversight role on Pentagon weapons plans, as the House panel had suggested. But he wants to keep the review process informal and not overly threatening to the military.

"I have to work on things that may not mature until the next administration," Ikle said, "because it is in the nature of things for arms control developments to move very slowly from the inception of an idea to its final maturity."

SOMEDAY THE SHOE MAY BE ON THE OTHER FOOT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. MICHEL. Mr. Speaker, a column by Mr. Bob Wiedrich appearing in the June 6, 1974, edition of the Chicago Tribune contains some rather pointed comments with respect to certain aspects of the House Judiciary Committee's impeachment investigation.

I commend its message to my colleagues and include the text of the column in the RECORD.

[From the Chicago Tribune, June 6, 1974]

SOMEDAY THE SHOE MAY BE ON THE OTHER FOOT

(By Bob Wiedrich)

On two successive days last week, House Judiciary Committee members admitted they could find nothing to tie President Nixon personally to two alleged major administration scandals.

These involved repeated charges his order to drop an antitrust action against the International Telephone & Telegraph Co. was tied to a $400,000 pledge for the 1972 Republican National Convention and that milk price supports had been hiked in exchange for a promise of $2 million from the dairy industry.

In each case, committee members—for the most part anonymously—conceded they had heard nothing on White House tapes to implicate Nixon in wrongdoing. These conclusions were dutifully reported to the American public, just as have been the multitude of other leaks from the supposedly secret session of the committee that will decide whether or not to recommend Nixon's impeachment by the House.

In essence, this was the first material favorable to Nixon's cause to trickle from the sieve the committee had become since the start of its inquiry. Until then, Nixon was getting murdered almost daily, mostly by nameless and faceless accusers who didn't want to be fingered as tattletales violating the committee's rule of secrecy.

Yet, it was almost incumbent upon them to do so since these allegations—now admittedly false—had been pounded into the American conscience for nearly two years, adding to the crescendo for impeachment or resignation by the President.

The I.T.T. and milk price cases had become issues in Sen. George McGovern's 1972 campaign. And some of Nixon's adversaries had really gone for Nixon's throat on these issues because they considered them evidence of plain and simple bribery at the highest level of government. However, after listening to the tapes, even some of Nixon's harshest critics had to admit Nixon had spoken truthfully when he declared that the order to drop the I.T.T. antitrust action was based on policy reasons rather than convention fund pledges.

Regardless, the damage was done. Nixon's clean bill of health in these instances could not get the blaring display the charges had received for days on end in the early stages of Watergate. For within hours, it was lost in a welter of other leaks from the Judiciary Committee and other sources back at their favorite game of hit and run and hide.

Even the allegedly inviolate secrecy of the Watergate federal grand jury was breached, as it had been a number of times before.

Wham came the headlines that Nixon had been considered for a berth as an unindicted coconspirator in Watergate coverup deliberations earlier this year! Disregard the fact Nixon's name was never included in the indictment when it was returned March 1.

The enterprising reporters who pried that one loose claimed their sources were "close to the defense." They said the action had been disclosed at a "closed door" meeting of Federal Judge John J. Sirica, defense lawyers, and Special Prosecutor Leon Jaworski. Obviously, the blabbermouth must have been among those present in Sirica's chambers. Or perhaps it was a grand juror who figured enough time had passed to avoid an accusing finger.

For as any lawyer will tell you, the deliberations of a grand jury are not recorded. Under the rule of secrecy, the court reporter is required to leave the grand jury room.

Thus, Nixon was again kicked in the back under circumstances that ordinarily would have caused a federal judge to turn livid and order an investigation with contempt of court in mind. But forget the rules against prejudicial conduct. This was open season. The blood was on the moon. And the hounds were baying in pursuit.

Whammo! Out came the tale from the Judiciary Committee that Nixon and Secretary of State Henry Kissinger were deeply and personally involved in wiretapping and "spying" on White House workers and reporters. In this case, even the secret documents furnished the committee were leaked. And again, it was done in a fashion obviously designed to discredit Nixon by turning supposedly sober congressional deliberation into a sleezy public relations war.

To hell with the fact some wiretaps were ordered because the New York Times printed the United States' secret negotiating position in the crucial Strategic Arms Limitation Talks in 1971. Nixon's drawers were dragging. So bite 'em, bite 'em, bite 'em!

For God's sake, congressmen. Play this one straight, like it was for real and you were all statesmen. If Nixon's done wrong, impeach him. But give the man a fair shake. Someday the shoe might be on the other foot.

FINANCIAL STATEMENT OF CONGRESSMAN CHARLES W. WHALEN, JR., AND FAMILY

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 28, 1974

Mr. WHALEN. Mr. Speaker, as I indicated in the RECORD on December 26, 1973, I today am providing a detailed statement of the income received by me and my family during calendar year 1973, Federal, State, and local taxes paid in 1973, and a breakdown of our assets, liabilities, and net worth as of January 2, 1974.

The January 2, 1974, asset totals reflect the following gifts:

CHARLES W. WHALEN, JR.—$3,000 in stock to each of six children;

Barbara G. Whalen—$3,000 in stock to each of six children;

Charles W. Whalen, Sr., and Colette E. Whalen—$12,000 cash gift to CHARLES W. WHALEN, JR., and Barbara G. Whalen;

Frank Gleason, Sr., and Norma Gleason—$12,000 stock gift to CHARLES W. WHALEN, JR., and Barbara G. Whalen; and

Frank Gleason, Sr., and Norma Gleason—$6,000 stock gift to each of six Whalen children.

Our family's combined net worth is $1,484,902.20. Despite the aforementioned gifts, this is $177,964.02 less than that reported as of January 2, 1973. The principal cause of this reduction is the decline in stock values.

1973 Income—Mary Barbara and Charles W. Whalen, Jr.

	Gross amount
U.S. House of Representatives—salary	$42,500.00
Net Partnership Income—Whalen Investment Co. (rental property)	13,306.69
Interest received:	
Prudential Insurance Co	36.72
Third National Bank & Trust Co.—commercial notes	3,907.38
U.S. Treasury notes	191.38
Merrill Lynch, Pierce, Fenner & Smith—interest on investment funds	39.37
	4,174.85
Rental income—228 Beverly Place Dayton, Ohio	1,500.00
Taxable dividends received (common stock):	
Allegheney Power Systems	1,584.00
American Cyanamid	265.00
Baltimore Gas & Electric	196.00
Beneficial Corporation	218.55
Carolina Power & Light	392.16
Coca-Cola Co	432.00
Copeland Corp	320.00
Delmarva Power & Light	1,160.00
Detroit Edison	876.88
Duke Power Co	1,100.00
Ex-Cell-O Corp	85.00
Federated Department Stores	235.40
General Telephone & Electronics Corp	489.00
Gulf States Utilities	440.00
Hubbard Real Estate Investments	184.80
Indianapolis Power & Light	731.00
Merrill Lynch, Pierce, Fenner & Smith	28.00
Middle South Utilities	805.00
Minnesota Mining & Manufacturing	630.00
Owens-Illinois, Inc	292.00
Charles Pfizer & Co	357.00
Phillips Petroleum Co	260.00
Public Service Electric & Gas	1,910.40
Reynolds and Reynolds Co	80.00
Royal Dutch Petroleum Co	496.85
South Carolina Electric & Gas	402.19
Texas Utilities	412.00
United Gas Co	210.00
Virginia Electric Power Co	969.87
Westinghouse Electric Co	388.80
Non-taxable return on capital (common stock)	15,951.90
Carolina Power & Light	$519.84
Detroit Edison Co	560.62
Duke Power Co	300.00
Public Service Electric & Gas	3,077.60
South Carolina Electric & Gas	134.06
Virginia Electric Power Co	947.13
	5,539.25
Remuneration for Articles:	
Washington Post	75.00
Baltimore Sun	30.00
	105.00
Speeches (honoraria):	
American Institute for Imported Steel	1,000.00
Miami Jacobs Junior College of Business	250.000
Brookings Institution	150.00
Columbus town meeting (television)	100.00
First Regular Baptist Church	50.00
Lehman High School (Sidney, Ohio)	25.00
	1,575.00
Capital gains:	
(1) Carolina Power & Light Co.—shares: Selling price	9,913.34
Total cost:	
Investment	8,900.00
Less return on capital	914.92
	7,985.08
Capital gain	1,928.26
(2) Reynolds and Reynolds Co.—500 shares:	
Selling price	24,663.45
Total investment	15,199.62
Capital gain	9,463.83
(3) United Gas, Inc.—1,000 shares:	
Selling price	27,905.43
Total investment	21,100.00
Capital gain	6,805.43
(4) Virginia Electric Power Co.—2,000 shares:	
Selling price	38,812.71
Total cost:	
Investment	36,000.00
Less return on capital	1,507.13
Subtotal	34,492.87
Capital gain	4,319.84
Total capital gains	22,517.36
Capital losses:	
(1) Carolina Power & Light Co.—400 shares:	
Selling price	9,913.34
Total cost:	
Total investment	11,800.00
Less return on capital	1,203.78
Subtotal	10,596.22
Capital loss	−682.88
(2) Public Service Electric & Gas Co.—2,200 shares:	
Selling price	47,634.78
Total cost:	
Total investment	55,825.00
Less return on capital	6,442.65
Subtotal	49,382.35
Capital loss	−1,747.57
Total capital losses	2,430.45
Net capital gains	20,036.91

1973 CLAIMED DEDUCTIONS

1. Standard Exemptions—6 children.	
2. Public Law, 82d Congress, Public Law 178, 83d Conrgess—"Away From Home" living expense allowance	$3,000.00
3. Standard deduction for stock dividends	200.00
4. Interest paid on loans:	
Mutual Benefit Life Insurance Co	135.42
Whalen children	169.26
Total	304.68
5. Taxes Paid (other than Federal):	
State of Ohio—income tax	1,820.89
City of Oakwood income tax	524.78
Montgomery County, Md.—property tax, 5301 Portsmouth Road residence	1,776.25
Montgomery County, Ohio—property tax, 228 Beverly Place residence	980.32
Montgomery County, Ohio—intangibles tax	968.73
Government of Netherlands—Tax on Royal Dutch Petroleum stock	74.52
General sales tax	528.82
State and local gasoline tax	77.93
Total	6,662.24
6. Allowable medical deductions for family	150.00
7. Charitable donations	1,075.00
8. Office and professional expenses	821.42
9. Travel to and from District for which not reimbursed by Federal Government	1,107.14
Total taxes paid to IRS—1973	26,860.31
Total taxes paid—1973	33,522.55

1973 INCOME—WHALEN CHILDREN

Charles Edward Whalen:	
Taxable Dividends Received:	
Allegheny Power Systems, Inc.	$720.00
Atlantic City Electric Co	470.02
Baltimore Gas & Electric Co	196.00
Carolina Power & Light Co	463.54
Copeland Corp	160.00
Duke Power Co	550.00
Florida Power & Light Co	533.60
Illinois Power Co	660.00
Indianapolis Power & Light Co.	86.00
Middle South Utilities	345.00
Charles Pfizer & Co	45.50
Public Service Electric & Gas	197.62
Third National Bank & Trust	189.14
United Gas, Inc	352.00
Total	4,968.42
Non-taxable return on capital:	
Atlantic City Electric Co	117.50
Carolina Power & Light Co	614.46
Consolidated Edison Co	180.00
Duke Power Co	150.00
Public Service Electric & Gas	318.38
Total	1,380.34
Interest received:	
Charles W. Whalen, Jr	23.13
Edward J. Whalen	2.10
Anne E. Whalen	1.50
Total	26.73
Claimed deductions:	
Dividend exclusion	100.00
Taxes paid (other than Federal):	
State of Ohio—income tax	2.44

City of Oakwood—income tax	$3.78
Montgomery County, Ohio—intangibles tax	214.56
Total	220.78
Accountants' fee	30.00
Total taxes paid to IRS—1973	669.93
Daniel Dennis Whalen:	
Taxable dividends received:	
Allegheny Power Systems, Inc	720.00
Atlantic City Electric Co	470.02
Baltimore Gas & Electric Co	196.00
Carolina Power & Light Co	463.54
Copeland Corp	160.00
Duke Power Co	550.00
Florida Power & Light Co	649.60
Illinois Power Co	660.00
Indianapolis Power & Light Co.	86.00
Middle South Utilities	345.00
Charles Pfizer, Inc	45.50
Public Service Electric & Gas	197.62
Third National Bank & Trust	187.18
United Gas, Inc	176.00
	4,906.46
Nontaxable return on capital:	
Atlantic City Electric Co	117.50
Carolina Power & Light Co	614.46
Consolidated Edison Co	270.00
Duke Power Co	150.00
Public Service Electric & Gas	318.38
	1,470.34
Interest received:	
Charles W. Whalen, Jr	2.00
Claimed deductions:	
Dividend exclusion	100.00
Taxes paid (other than Federal):	
State of Ohio—income tax	2.31
City of Oakwood—income tax	4.31
Montgomery County, Ohio—intangibles tax	213.56
	220.18
Interest paid on loans	2.35
Accountants' fee	30.00
Total taxes paid to IRS—1973	653.13
Edward James Whalen:	
Taxable dividends received:	
Allegheny Power Systems, Inc	720.00
Atlantic City Electric Co	470.02
Baltimore Gas & Electric Co	196.00
Carolina Power & Light Co	463.54
Copeland Corp	160.00
Duke Power Co	550.00
Florida Power & Light Co	626.40
Illinois Power Co	660.00
Indianapolis Power & Light Co	86.00
Middle South Utilities	345.00
Charles Pfizer, Inc	45.50
Public Service Electric & Gas	197.62
Third National Bank & Trust	187.18
United Gas, Inc	88.00
Total	4,795.26
Nontaxable return on capital:	
Atlantic City Electric Co	117.50
Carolina Power & Light Co	614.46
Consolidated Edison Co	180.00
Duke Power Co	150.00
Public Service Electric & Gas	318.38
Total	1,380.34
Interest received:	
Charles W. Whalen, Jr	2.00
Claimed deductions:	
Dividend exclusion	100.00
Taxes paid (other than Federal):	
State of Ohio—income tax	2.31
City of Oakwood—income tax	4.13
Montgomery County, Ohio—intangibles tax	205.76
Total	212.20
Interest paid:	
Charles E. Whalen	$2.10
Mary B. Whalen	.25
Total	2.35
Accountants' fee	30.00
Total taxes paid to IRS—1973	633.51
Joseph Michael Whalen:	
Taxable dividends received:	
Allegheny Power Systems, Inc.	720.00
Atlantic City Electric Co	470.02
Baltimore Gas & Electric Co	196.00
Carolina Power & Light Co	463.34
Copeland Corp	160.00
Duke Power Co	550.00
Florida Power & Light Co	487.20
Illinois Power Co	660.00
Indianapolis Power & Light Co.	86.00
Middle South Utilities	345.00
Charles Pfizer, Inc	45.50
Public Service Electric & Gas	197.62
Third National Bank & Trust Co.	187.18
United Gas, Inc	88.00
	4,656.06
Nontaxable return on capital:	
Atlantic City Electric Co	117.50
Carolina Power & Light Co	614.46
Consolidated Edison Co	180.00
Duke Power Co	150.00
Public Service Electric & Gas	318.38
	1,380.34
Interest received:	
Charles W. Whalen, Jr	2.00
Claimed deductions:	
Dividend exclusion	100.00
Taxes paid (other than Federal):	
State of Ohio—income tax	2.31
City of Oakwood—income tax	3.48
Montgomery County, Ohio—intangibles tax	199.16
	204.95
Accountants' fee	30.00
Total taxes paid to IRS—1973	608.89
Anne Elizabeth Whalen:	
Taxable dividends received:	
Allegheny Power Systems, Inc	720.00
Baltimore Gas & Electric Co	196.00
Carolina Power & Light Co	463.54
Copeland Corp	160.00
Duke Power Co	330.00
Florida Power & Light Co	510.40
Illinois Power Co	660.00
Indianapolis Power & Light Co	43.00
Middle South Utilities	345.00
Charles Pfizer, Inc	45.50
Public Service Electric & Gas	197.62
Third National Bank & Trust	187.18
	3,469.44
Nontaxable return on capital:	
Carolina Power & Light Co	614.46
Consolidated Edison Co	135.00
Duke Power Co	90.00
Public Service Electric & Gas	318.38
	1,157.84
Interest received:	
Charles W. Whalen, Jr	2.00
Claimed deductions:	
Dividend exclusion	100.00
Taxes paid (other than Federal):	
State of Ohio—income tax	.31
City of Oakwood—income tax	$4.65
Montgomery County, Ohio—intangibles tax	157.85
	162.81
Accountants' fee	30.00
Total taxes paid to IRS—1973	391.15
Taxable dividends received:	
Carolina Power & Light Co	66.22
Indianapolis Power & Light Co	258.00
Middle South Utilities	345.00
Charles Pfizer, Inc	45.50
Total	714.72
Nontaxable return on capital:	
Carolina Power & Light Co	87.78
Interest received:	
Charles W. Whalen, Jr	138.13
Daniel D. Whalen	.50
Edward J. Whalen	.25
Total	138.88
Claimed deductions:	
Dividend exclusion	100.000
Total tax owed IRS—1973 (made a $119.50 overpayment)	.50

Financial statement—Charles W. Whalen, Jr. and Barbara G. Whalen—January 2, 1974

ASSETS

Cash in bank	2,067.06
Cash value—paid up life insurance	68,352.24
Cash value—outstanding life insurance	19,735.80
Contribution to Public Employees Retirement System of Ohio	4,290.61
Contribution to Civil Service Retirement Deposit	20,853.43
Contribution to Teachers Insurance and Annuity Association	11,665.44
Partnership interest—Whalen Investment Co	112,500.00
Residence—228 Beverly Place, Dayton, Ohio	35,000.00
Furniture—228 Beverly Place, Dayton, Ohio	1,000.00
Residence—5301 Portsmouth Road, Bethesda, Md	140,000.00
Furniture—5301 Portsmouth Road, Bethesda, Md	25,000.00
Jewelry	26,000.00
1971 Ford County Squire Station wagon	1,950.00
1965 Ford Mustang	500.00
Common stock:	
Allegheny Power Systems (1,100 shares)	22,000.00
American Cyanamid (200 shares)	3,900.00
Baltimore Gas & Electric Co. (100 shares)	2,250.00
Beneficial Finance Co. (188 shares)	4,888.00
Coca-Cola (240 shares)	30,360.00
Copeland Corp. (1,800 shares)	22,500.00
Delmarva Power & Light Co. (1,000 shares)	13,750.00
Detroit Edison Co. (1,000 shares)	16,500.00
Duke Power Co. (1,000 shares)	17,500.00
Lionel D. Edie Capital Fund, Inc. (4,861 shares)	68,054.00
Ex-Cell-O Corp. (100 shares)	1,475.00
Federated Department Stores (220 shares)	6,160.00
General Telephone & Electronics (300 shares)	$7,500.00
Gulf States Utilities (400 shares)	5,800.00
Hubbard Real Estate Investment Co. (120 shares)	2,040.00
Indianapolis Power and Light Co. (850 shares)	20,040.00
Merrill Lynch, Pierce, Fenner & Smith (50 shares)	662.50

Middle South Utilities, Inc. (1,400 shares)	$23,800.00
Minnesota Mining & Manufacturing (600 shares)	46,800.00
Owens-Illinois Glass (200 shares)	6,200.00
Charles Pfizer, Inc. (60 shares)	2,580.00
Phillips Petroleum (200 shares)	13,700.00
Public Service Electric & Gas (2,350 shares)	43,475.00
Royal Dutch Petroleum (188 shares)	6,674.00
South Carolina Electric Gas (500 shares)	8,250.00
Steadman American Fund, Inc. (123½ shares)	374.21
Texas Utilities (400 shares)	9,000.00
Unity State Bank (1,400 shares)	20,300.00
Westinghouse Electric Corp. (40 shares)	22,000.00
Total	448,582.71
Total assets	917,497.29

LIABILITIES

Loan—Charles W. Whalen, Sr	18,500.00
Loan—Mutual Benefit Life	4,235.00
Total liabilities	22,735.00
Net Worth	894,762.29

Financial statement—Charles E. Whalen

ASSETS

Cash—checking account	$1,039.06
Cash—savings account	523.63
Common stock:	
Allegheny Power Systems (500 shares)	10,000.00
Atlantic City Electric Co. (400 shares)	7,000.00
Baltimore Gas & Electric Co. (100 shares)	2,250.00
Carolina Power & Light Co. (700 shares)	14,700.00
Consolidated Edison (100 shares)	1,550.00
Copeland Corp. (900 shares)	11,250.00
Duke Power Co. (500 shares)	8,750.00
Lionel Edie Capital Fund, Inc. (267 shares)	3,738.00
Florida Power & Light Co. (460 shares)	11,270.00
Illinois Power Co. (300 shares)	7,500.00
Indianapolis Power & Light Co. (100 shares)	2,400.00
Middle South Utilities (600 shares)	10,200.00
Charles Pfizer, Inc. (140 shares)	6,020.00
Public Service Electric & Gas (300 shares)	5,550.00
Third National Bank & Trust (193 shares)	4,153.00
United Gas, Inc. (400 shares)	6,800.00
Virginia Electric Power Co. (200 shares)	2,900.00
Total	116,031.00
Total assets	117,593.00

LIABILITIES (None)

Net worth	117,593.00

Financial statement—Daniel D. Whalen

ASSETS

Cash—checking account	$1,032.76
Cash—savings account	57.86
Common stock:	
Allegheny Power System (500 shares)	10,000.00
Atlantic City Electric Co. (400 shares)	7,000.00
Baltimore Gas & Electric Co. (100 shares)	2,250.00
Carolina Power & Light Co. (700 shares)	14,700.00
Consolidated Edison (150 shares)	$2,325.00
Copeland Corp. (900 shares)	11,250.00
Duke Power Co. (500 shares)	8,750.00
Lionel D. Edie Capital Fund, Inc. (117 shares)	1,638.00
Florida Power & Light Co. (560 shares)	13,720.00
Illinois Power Co. (300 shares)	7,500.00
Indianapolis Power & Light (100 shares)	2,400.00
Middle South Utilities (600 shares)	10,200.00
Charles Pfizer, Inc. (140 shares)	6,020.00
Public Service Electric & Gas (300 shares)	5,550.00
Third National Bank & Trust (191 shares)	4,011.00
United Gas, Inc. (200 shares)	3,400.00
Virginia Electric Power Co. (200 shares)	2,900.00
Total	113,614.00
Total assets	114,704.62

LIABILITIES (NONE)

Net worth	114,704.62

Financial statement—Edward J. Whalen

ASSETS

Cash—checking account	$963.90
Cash—savings account	162.34
Common stock:	
Allegheny Power Systems (500 shares)	10,000.00
Atlantic City Electric Co. (400 shares)	7,000.00
Baltimore Gas & Electric (100 shares)	2,250.00
Carolina Power & Light Co. (700 shares)	14,700.00
Consolidated Edison (100 shares)	1,550.00
Copeland Corp. (900 shares)	11,250.00
Duke Power Co. (500 shares)	8,750.00
Lionel Edie Capital Fund, Inc. (76 shares)	1,064.00
Florida Power & Light Co. (540 shares)	13,230.00
Illinois Power Co. (300 shares)	7,500.00
Indianapolis Power and Light Co. (100 shares)	2,400.00
Middle South Utilities (600 shares)	10,200.00
Charles Pfizer, Inc. (140 shares)	6,020.00
Public Service Electric & Gas (300 shares)	5,550.00
Third National Bank & Trust (191 shares)	4,011.00
United Gas, Inc. (100 shares)	1,700.00
Virginia Elec. Power Co. (200 shares)	2,900.00
Total	110,075.00
Total assets	111,201.24

LIABILITIES (NONE)

Net worth	111,201.24

Financial statement—Joseph M. Whalen

ASSETS

Cash—checking account	$985.66
Cash—savings account	139.50
Common stock:	
Allegheny Power Systems (500 shares)	10,000.00
Atlantic City Electric Co. (400 shares)	7,000.00
Baltimore Gas & Electric Co. (100 shares)	2,250.00
Carolina Power & Light Co. (700 shares)	14,700.00
Consolidated Edison (100 shares)	1,550.00
Copeland Corp. (900 shares)	$11,250.00
Duke Power Co. (500 shares)	8,750.00
Lionel Edie Capital Fund, Inc. (137 shares)	1,918.00
Florida Power & Light Co. (420 shares)	10,290.00
Illinois Power Co. (300 shares)	7,500.00
Indianapolis Power & Light Co. (100 shares)	2,400.00
Middle South Utilities (600 shares)	10,200.00
Charles Pfizer, Inc. (140 shares)	6,020.00
Public Service Electric & Gas (300 shares)	5,550.00
Third National Bank & Trust (191 shares)	4,011.00
United Gas, Inc. (100 shares)	1,700.00
Virginia Electric Power Co. (200 shares)	2,900.00
Total	107,989.00
Total assets	109,114.16

LIABILITIES (NONE)

Net worth	109,114.16

Financial statement—Anne Elizabeth Whalen

ASSETS

Cash—checking account	$402.00
Cash—Savings account	167.81
Common stock:	
Allegheny Power Systems (230 shares)	4,600.00
Baltimore Gas & Electric Co. (100 shares)	2,250.00
Carolina Power & Light Co. (700 shares)	14,700.00
Consolidated Edison (75 shares)	1,162.50
Copeland Corp. (900 shares)	11,250.00
Duke Power Co. (300 shares)	5,250.00
Lionel Edie Capital Fund, Inc. (62 shares)	868.00
Florida Power & Light Co. (440 shares)	10,780.00
Illinois Power Co. (300 shares)	7,500.00
Indianapolis Power & Light Co. (50 shares)	1,200.00
Middle South Utilities (600 shares)	10,200.00
Charles Pfizer, Inc. (140 shares)	6,020.00
Public Service Electric & Gas. (300 shares)	5,550,00
Third National Bank & Trust (191 shares)	4,011.00
Virginia Electric Power Co. (200 shares)	2,900.00
Total	98,241.50
Total assets	98,811.31

LIABILITIES (NONE)

Net worth	98,811.31

Financial statement—Mary Barbara Whalen

ASSETS

Cash—checking account	$253.93
Cash—savings account	124.46
Common stock:	
Carolina Power & Light Co. (100 shares)	2,112.50
Copeland Corp. (500 shares)	6,250.00
Lionel Edie Capital Fund, Inc. (261 shares)	3,654.00
Indianapolis Power & Light Co. (300 shares)	7,200.00
Middle South Utilities (600 shares)	10,200.00
Charles Pfizer, Inc. (140 shares)	6,020.00
Virginia Electric Power Co. (200 shares)	2,900.00
Total	38,336.50
Total assets	38,714.89

LIABILITIES (NONE)

Net worth	38,714.89

HOUSE OF REPRESENTATIVES—*Monday, July 1, 1974*

The House met at 12 o'clock noon.

Rev. Thomas G. Mitchell, First United Methodist Church, Hollywood, Fla., offered the following prayer:

Almighty God, Creator and Ruler of the universe, to you we would express our thankfulness for our heritage. Pour down your lifegiving spirit of nobility and truth upon this land and its people of many traditions, many colors, divergent hopes and fears. May our faith be something that is not merely stamped upon our coins, but creatively expressed in our lives.

We pray that those assembled here may know Your will and have the faith and courage to follow it. Give a strength of purpose, a flexibility of mind, and a willingness to work toward a goal to enhance human dignity and self-respect. Bless our earnest will to help all races and people to travel, in friendship with us, along the road to justice, liberty, and lasting peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

REV. THOMAS G. MITCHELL

(Mr. FREY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FREY. Mr. Speaker, the invocation was given today by my very good friend and fellow Floridian, Rev. Thomas G. Mitchell.

Reverend Mitchell is pastor of the First United Methodist Church of Hollywood and former minister of St. Paul's United Methodist Church in Melbourne.

Born and raised in Florida, Reverend Mitchell received his theological degree from Candler School of Theology at Emory University in Atlanta, Ga., and did postgraduate work at Columbia University in New York City and William and Mary College in Williamsburg, Va.

Before his recent move to Hollywood, Reverend Mitchell was very active in community work in my congressional district. He was the president of the South Brevard Ministerial Association and president of the Spaceport chapter of the Military Chaplain's Association. He was also on the board of directors of the United Way for Brevard County and a member of the Eau Gallie Rotary Club and the Community Services Council for Brevard County. Because of his interest in young people, he served as team chaplain for Eau Gallie High School.

Reverend Mitchell is also an active member on the State level of the United Methodist Church serving as the secretary for the Board of Ministry of the Florida Conference.

I thank Tom for accepting my invitation to be with us this morning and I am glad his wife, Barbara, and his daughter, Barbie, could be here today.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar.

The Clerk will call the first bill on the Consent Calendar.

RURAL DEVELOPMENT REPORTING REQUIREMENT

The Clerk called the bill (H.R. 14723) to amend the Agricultural Act of 1970 to change the date on which the President must report to Congress concerning Government assisted services to rural areas.

There being no objection, the Clerk read the bill as follows:

H.R. 14723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 901(e) of title IX of the Agriculture Act of 1970 is amended by striking out "September 1" and inserting in lieu thereof "May 15".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERISHABLE AGRICULTURAL COMMODITIES ACT AMENDMENT

The Clerk called the bill (H.R. 13264) to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask someone why there is a $2,000 limitation in the bill.

Mr. RONCALIO of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. I thank the gentleman for yielding.

The only information with which we are provided is that the legislation will provide the option of imposing a monetary penalty not to exceed $2,000 for violations of the provisions of the act, in lieu of a formal proceeding for the suspension or revocation of a license. That is the only information we have on this pending legislation.

Mr. GROSS. This does deal, in part, with large handlers of perishable products; does it not?

Mr. RONCALIO of Wyoming. That is right.

Mr. GROSS. I am wondering why the limitation. What is the rationale of the limitation, for the $2,000 penalty for failure to obey the law?

Mr. RONCALIO of Wyoming. I am not familiar with that rationale. The committee favorably reported it by voice vote, and that is all I can tell the gentleman.

Mr. GROSS. I think $2,000 would be some deterrent, but I would hope that the committee of the House would give consideration to perhaps increasing this penalty.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. POAGE. I thank the gentleman for yielding.

We do not eliminate the ability of the Department to completely take away the license. We simply provide that the Secretary may impose fines not to exceed $2,000 without any court action. He can do that in lieu of taking away the license. Under existing law he can only take away the license completely, and we felt that it was desirable that he have this option, because otherwise he is going to put a lot of people out of business and achieve nothing more than he can achieve with a fine. What we are trying to do is to get them to obey the law.

Mr. GROSS. Did the gentleman say that it was not provided in the bill that the license could be taken away?

Mr. POAGE. Yes. The amendment will not take away the authority of the Secretary to take away the license with a proper court procedure. It allows the imposition of a $2,000 fine, which the merchant does not have to accept if he wants to go to court, but it allows the Secretary to impose the $2,000 fine in lieu of the proceeding to take away the license.

Mr. GROSS. I suspect the proceeding to take away the license would be more effective in some instances than the $2,000 fine.

Mr. POAGE. Correct, but we keep that authority.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

H.R. 13264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (5) of section 2 of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. 499b(5)), is hereby amended by striking out the semicolon at the end thereof and substituting a colon and the following: "*Provided,* That any commission merchant, dealer, or broker who has violated this subsection may, with the consent of the Secretary, admit the violation or violations and pay a monetary penalty not to exceed $2,000 in lieu of a formal proceeding for the suspension of revocation of license, any payment so made to be deposited into the Treasury of the United States as miscellaneous receipts;".

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE NAVAL SEA CADET CORPS TO OBTAIN, TO THE SAME EXTENT AS THE BOY SCOUTS OF AMERICA, OBSOLETE AND SURPLUS NAVAL MATERIAL

The Clerk called the bill (H.R. 11144) to amend title 10, United States Code, to enable the Naval Sea Cadet Corps to obtain, to the same extent as the Boy Scouts of America, obsolete and surplus naval material.

There being no objection, the Clerk read the bill as follows:

H.R. 11144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7541 of title 10, United States Code, is amended—

(1) in the first sentence, by inserting immediately before the period at the end thereof the following: "and to the Naval Sea Cadet Corps for the sea cadets"; and

(2) by striking out the second sentence and inserting in lieu thereof the following: "The cost of transportation and delivery of material given or sold under this section shall be charged to the Boy Scouts of America or to the Naval Sea Cadet Corps, as the case may be."

(b) The catchline and the chapter analysis item for section 7541 are amended by inserting immediately after "Boy Scouts of America" the following: "and Naval Sea Cadet Corps".

SEC. 2. The amendments made by the first section shall take effect on the date of the enactment of this Act.

With the following committee amendment:

Strike all after the enacting clause and substitute the following new language:

That (a) section 7541 of title 10, United States Code, is amended—

(1) in the first sentence, by inserting immediately before the period at the end thereof the following: ', to the Naval Sea Cadet Corps for the sea cadets, and to the Young Marines of the Marine Corps League for the young marines'; and

(2) by striking out the second sentence and inserting in lieu thereof the following: 'The cost of transportation and delivery of material given or sold under this section shall be charged to the Boy Scouts of America, to the Naval Sea Cadets, or to the Young Marines of the Marine Corps League, as the case may be.'

(b) The catchline and the chapter analysis item for section 7541 are amended by inserting immediately after 'Boy Scouts of America' the following: "Naval Sea Cadet Corps, and Young Marines of the Marine Corps League."

SEC. 2. The amendments made by the first section shall take effect on the date of the enactment of this Act.

Amend the title so as to read:

"To amend title 10, United States Code, to enable the Naval Sea Cadet Corps and the Young Marines of the Marine Corps League to obtain, to the same extent as the Boy Scouts of America, obsolete and surplus naval material.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 10, United States Code, to enable the Naval Sea Cadet Corps and the Young Marines of the Marine Corps League to obtain, to the same extent as the Boy Scouts of America, obsolete and surplus naval material.".

A motion to reconsider was laid on the table.

AUTHORIZING THE PRESIDENT TO APPOINT TO THE ACTIVE LIST OF THE NAVY AND MARINE CORPS CERTAIN RESERVES AND TEMPORARY OFFICERS

The Clerk called the bill (H.R. 8591) to authorize the President to appoint to the active list of the Navy and Marine Corps of certain Reserves and temporary officers.

There being no objection; the Clerk read the bill as follows:

H.R. 8591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That notwithstanding the provisions of section 5573a of title 10, United States Code, or any other provisions of law, the President is authorized to make appointments to the active list of the Navy in permanent grades not above captain, and to the active list of the Marine Corps in permanent grades not above colonel from officers of the Naval Reserve or the Marine Corps Reserve, and from officers of the Regular Navy or Marine Corps who do not hold permanent commissioned appointments therein who were in a missing status as defined in section 551(2) of title 37, United States Code, during the Vietnam conflict as a result of such conflict.

SEC. 2. This Act becomes effective on the date of enactment. The authority to make appointments under this Act shall expire two years from the date of enactment.

With the following committee amendment:

Strike everything after the enacting clause and add the following new language:

That, notwithstanding section 5573a of title 10, United States Code, or any other law, the President may make appointments to the active list of the Navy in permanent grades not above captain, and to the active list of the Marine Corps in permanent grades not above colonel from officers of the following who were in a missing status as defined in section 551(2) of title 37, United States Code, during the Vietnam conflict as a result of that conflict:

(1) The Naval Reserve or the Marine Corps Reserve.

(2) The Regular Navy or Marine Corps who do not hold permanent commissioned appointments therein.

SEC. 2. For the purposes of this Act, the Vietnam conflict—

(1) begins on February 28, 1961;

(2) ends on the date designated by the President by Executive order as the date of the termination of combatant activities in Vietnam; and

(3) includes activities in Vietnam, Laos, Cambodia, and Thailand.

SEC. 3. The authority to make appointments under this Act shall expire two years from the date of enactment.

The committee amendment was agreed to.

Mr. FREY. Mr. Speaker, we are today considering legislation—H.R. 8591—which will right a wrong caused by the Vietnam war.

I introduced this legislation over 1 year ago. The legislation is extremely important to several men who have served this Nation honorably and well. It will solve a problem caused by their service in the armed services and because they were prisoners of war in Vietnam.

The legislation, Mr. Speaker, would, as the favorable House Armed Services Committee report states:

> Correct a unique situation created for the Navy and Marine Corps when reserve and temporary officers of those services were captured and detained for extended periods of time by foreign forces in Southeast Asia.

This legislation came about because there are several Reserve officers of the Marine Corps and Navy who wanted to apply for commissions in the Regular service but were prevented from doing so because they were prisoners of war.

When they were released from captivity they found they had been promoted beyond the ranks where they could have applied for regular commissions.

Since there is a provision in the law which prohibits those above the ranks of Navy lieutenant and Marine Corps captain from applying for Regular commissions the legislation we are considering today is the only solution available.

This legislation, Mr. Speaker, would extend for a period of 2 years the length of time these men have to apply for Regular commissions and would apply only to those men promoted while prisoners of war.

I ask, Mr. Speaker, for a favorable vote on this legislation which as I said in the beginning is another way we can correct a wrong created by the Vietnam war.

The bill was ordered to be engrossed and read a third time, and was read the third time and passed.

The title was amended so as to read: "A bill to authorize the President to appoint to the active list of the Navy and Marine Corps certain Reserves and temporary officers.".

A motion to reconsider was laid on the table.

APPOINTMENT OF PARLIAMENTARIAN OF HOUSE

The SPEAKER. The Chair desires to announce that he has on this date appointed William Holmes Brown as Parliamentarian of the House of Representatives to succeed Lewis Deschler, resigned.

WELCOME TO WILLIAM HOLMES BROWN, PARLIAMENTARIAN OF HOUSE

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I take this time for the purpose of welcoming Bill

Brown in his official capacity as Parliamentarian. Bill Brown has been on our Parliamentarian's staff for 16 years, and since 1958, he was Second Assistant Parliamentarian. Last year he became Assistant Parliamentarian. Now, with the retirement of Lew Deschler, Bill has been appointed Parliamentarian of the House.

Mr. Speaker, I congratulate Bill Brown and know that all my colleagues join me in extending to Bill our sincere best wishes and delight in his appointment.

His background is truly impressive in academic excellence. Following his graduation from Huntington public schools, he attended Swarthmore College where his record was one of academic leadership. He was graduated from the University of Chicago law school and has served with distinction in the Naval Reserve.

Mr. Speaker, I extend my heartiest congratulations to Bill and to his lovely wife, Jean Elizabeth Smith Brown.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I thank my distinguished colleague for yielding.

I wish to associate myself with the remarks the gentleman from Massachusetts has made concerning the appointment of Bill Brown as Parliamentarian of the House.

I have known Bill Brown for some years and I consider him to be a highly qualified individual. He has had a fine education and he has demonstrated in all my dealings with him his complete capability, his complete candor, and his complete integrity. I look forward to his serving in this House for many years as Parliamentarian.

I congratulate Bill and his wife and the House of Representatives on the accession of Mr. William Brown to a position which he will fill with distinction. We fills some very large shoes left by Lewis Deschler. I am sure he will do it capably.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, I wish to congratulate Bill Brown and say that the House is very fortunate to have a man of his experience and training as its Parliamentarian. I know he will do an outstanding job.

I wish to point out also that he has an engineering degree and if the Speaker should want any engineering advice about the new west front, Bill could be available.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from West Virginia, from whose hometown the Parliamentarian comes.

Mr. HECHLER of West Virginia. Mr. Speaker, the House is very fortunate in having another West Virginian in a high position. As the majority leader pointed out, Bill Brown happens to be from my home town of Huntington, W. Va. He was born in Huntington on September 3, 1929, and graduated from Huntington High School in 1947, where he edited the school newspaper for 2 years and also participated in student government and was a member of the track team.

I am also proud of the fact that Bill Brown graduated from Swarthmore College in 1951, which is the same college from which I graduated in 1935. After service in the Navy following his law work at the University of Chicago, Bill came to work as Second Assistant Parliamentarian in 1958—the same year that I was fortunate enough to be elected to the House of Representatives.

The House was very well served for the past 50 years by its master parliamentarian, Lewis Deschler, and although his shoes will be difficult to fill, I am sure that William Holmes Brown, Jr. will do the job well and faithfully.

KIWANIS CLUB OF NORWICH

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, on June 29, 1974, the Kiwanis Club of Norwich, N.Y., celebrates its 25th year of service in the Norwich community. I take this opportunity to join the people of Norwich in offering my congratulations to this organization on this, its silver anniversary.

Kiwanis Clubs throughout the Nation and the world are known and respected for the work they do to aid people who are in need of help. I find it truly commendable that the members of these clubs, most of whom are busy and successful men, are willing to devote a significant portion of their time and energy to a service organization such as Kiwanis.

Today, I would like to commend in particular the members of the Kiwanis Club of Norwich for their service to the community in which they live. Voluntary service groups such as this Kiwanis Club constitute a tremendous force for good in cities and towns throughout the Nation. The Kiwanis Club of Norwich has undertaken many important and beneficial projects over the past 25 years.

In offering my congratulations, I sincerely extend my hopes for continued success and growth for the Kiwanis Club of Norwich in the future.

MRS. MARTIN LUTHER KING, SR.

(Mr. de LUGO asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. de LUGO. Mr. Speaker, our Nation has once more witnessed an appalling act of senseless and tragic violence in the shooting deaths of Mrs. Martin Luther King, Sr., and Deacon Edward Boykin. This event stuns and saddens men of good-will everywhere. It is beyond comprehension why one family, whose lives have been dedicated to furthering the cause of understanding and respect among all people, should be subject to so much personal loss and suffering. The first reaction is that the one responsible for this sickening crime should receive swift and appropriate punishment.

However, punishment alone will not atone for what took place in the Ebenezar Baptist Church on Sunday morning. It will not comfort the grief of the King family, nor will it alone properly recognize the loss of a truly exceptional lady. Mrs. Alberta Williams King's life epitomized the highest levels of decency, tolerance, respect, and love for every individual. Together with her husband, the Reverend Martin Luther King Sr., these virtues were made a part of the King family life, and incorporated into the civil rights movement by her distinguished son, the Reverend Martin Luther King, Jr.

Mr. Speaker, in addition to punishment, we as a nation and those of us who serve as the elected representatives of the people must redouble our efforts to help create the type of society in which the ethics which characterized Mrs. King's life may grow and spread into the hearts of all men. It is indeed an irony of history that those who have lived and spread the doctrine of nonviolence and respect for others should themselves be the victims of violence. The only proper way their sacrifices may be memorialized, by those of us who remain, is to carry their values in our hearts and minds and to try in every way possible to insure that their lives will provide the inspiration for achieving those principles by which they lived and for which they died.

PERSONAL EXPLANATION

Mr. DENT. Mr. Speaker, I would like the Record to note that on rollcall No. 324, page 21011, the so-called Pickle amendment, there were back-to-back votes. I was recorded on one, missed the middle one, and recorded on the other. They were on the same line. I think there was an error in my card not certifying the vote. I would like the Record to show that.

TELEGRAM TO PRESIDENT NIXON

(Mr. GROSS asked and was given permission to address the House for 1 minute.

Mr. GROSS. Mr. Speaker, this morning I sent the following telegram:

> Dear Mr. President: Please come home immediately. We can't afford any more $500 million giveaways.

H.R. 14723, RURAL DEVELOPMENT REPORTING REQUIREMENT

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, I appreciate and thank my colleagues for approving H.R. 14723 by unanimous consent. This proposal simply represents a technical amendment to change the reporting date for the annual report of the President on Government services to rural America.

This report is required under title IX, section 901(e) of the Agricultural Act of 1970. Due to the use of interagency data which is not collected and available until December for the previous fiscal year, it is impractical to require a report before this data can be collected and analyzed.

Our intent in the original legislation was to use this report as a service to rural commnuities and local civic leaders outlining the programs and Government services of potential benefit to them. Approval of the amendment today simply changes the reporting date from September 1 to May 15. This would provide for the proper use and analysis of available data so that the report can better serve its intended purpose. It would allow local officials to use the tools of Government in countryside America.

As a principal author of this legislation, our intent was to make this report a useful document reflecting the latest information available regarding Government services to rural America. I thank my colleagues for their support of this proposal.

THE SLAYING OF MRS. KING

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, the slaying of Mrs. Alberta Williams King in Atlanta Sunday, the slaying of Edward Boykin, a deacon in the church where Mrs. King was playing the organ, and the wounding of a third churchgoer—these demand more than official sympathy. They and the many less notorious shootings that occur so frequently in our communities demand a change in law.

Again and again, we see an angry man or woman pick up an ever-available handgun and kill.

We cannot pass laws to prevent men and women from becoming angry and murderous. But we can take steps to make handguns less available. Registration of handguns would make their owners more responsible for them—and less likely to have them out where they may be stolen. Registration of handguns would make it easier to trace a weapon used—and thus less likely that a potential user could hope to get away.

Registration of handguns would not end murders, just as registration of automobiles has not stopped the stealing of automobiles for reckless joy rides, but registration can help, both by deterring some and by increasing the opportunites for apprehension. Let us stop lamenting senseless killings. The victims do not want flowers. They cry out for sensible curbs on the weapon which turns the weakest hand into an instrument of death: the handgun.

APPOINTMENT OF CONFEREES ON H.R. 15074, REGULATING CAMPAIGN FINANCE PRACTICES IN THE DISTRICT OF COLUMBIA

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Messrs. Diggs, Adams, Fraser, Stuckey, Rees, Nelsen, Broyhill of Virginia, and Gude.

MAKING IN ORDER CONSIDERATION OF DISTRICT OF COLUMBIA BUSINESS ON TUESDAY, JULY 9, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that business which would be in order on Monday, July 8, 1974, under clause 8, rule XXIV, relating to District of Columbia business, be transferred to and be in order on Tuesday, July 9, 1974.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE SLAYING OF MRS. KING

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, I simply want to associate myself with the remarks of the gentleman from Maryland (Mr. Gude) with regard to the death yesterday of Mrs. King, and the absolutely urgent need to face up to the necessity of putting some controls on handguns.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 355]

Andrews, N.C.
Arends
Armstrong
Ashbrook
Ashley
Beard
Bell
Bergland
Bevill
Blatnik
Bolling
Brasco
Breckinridge
Burke, Calif.
Byron
Camp
Carey, N.Y.
Carney, Ohio
Clark
Cochran
Conyers
Crane
Culver
Daniels, Dominick V.
Davis, Ga.
de la Garza
Dellums
Dickinson
Dingell
Dorn
Dulski
Edwards, Ala.
Erlenborn
Evins, Tenn.
Fish
Flowers
Froehlich
Goodling
Gray
Green, Oreg.
Griffiths
Gubser
Gunter
Hanna
Hanrahan
Hansen, Wash.
Hébert
Heinz
Hogan
Holifield
Horton
Huber
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Karth
Ketchum
Kluczynski
Kuykendall
Kyros
Landrum
Lehman
Lujan
McCloskey
McEwen
McSpadden
Madden
Martin, Nebr.
Mathis, Ga.
Mayne
Meeds
Mills
Mizell
Montgomery
Moorhead, Pa.
Mosher
Murphy, N.Y.
Nichols
O'Brien
Passman
Pepper
Podell
Powell, Ohio
Railsback
Randall
Reid
Rogers
Rooney, N.Y.
Rostenkowski
Sandman
Scherle
Shoup
Sisk
Smith, Iowa
Steele
Steiger, Ariz.
Stuckey
Sullivan
Taylor, Mo.
Teague
Thomson, Wis.
Thone
Wilson, Bob
Wyman
Young, S.C.
Zwach

The SPEAKER. On this rollcall 328 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that during the consideration of bills under suspension today, votes will be taken after each suspension has been considered and not put over until the end of the Suspension Calendar.

AUTHORIZING COMMITTEE ON THE JUDICIARY PROCEDURE

Mr. RODINO. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 1210) authorizing the Committee on the Judiciary to proceed without regard to the second sentence of clause 27(f)(4) of rule XI of the rules of the House, in conducting hearings held pursuant to House Resolution 803.

The Clerk read the resolution, as follows:

H. Res. 1210

Resolved, That in conducting hearings held pursuant to House Resolution 803, 93d Congress, the Committee on the Judiciary is authorized to proceed without regard to the second sentence of clause 27(f)(4) of rule XI of the rules of the House.

The SPEAKER. Is a second demanded?

Mr. DENNIS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New Jersey (Mr. Rodino) will be recognized for 20 minutes, and the gentleman from Indiana (Mr. Dennis) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. Rodino).

Mr. RODINO. Mr. Speaker, this is a simple resolution which was voted by the House Committee on the Judiciary by an overwhelming vote of 31 to 6. The committee is attempting to meet its responsibilities and to exercise its responsibilities under House Resolution 803 with an eye toward achieving two objectives: conducting the fairest and most thorough inquiry, and arriving at the same time at a prompt conclusion to that inquiry as is consistent with our responsibility.

I believe this resolution authorizing the committee to proceed without regard to the 5-minute rule in the interrogation of witnesses would greatly facilitate the achievement of those objectives. It would permit both probing and orderly examination of witnesses and still provide great flexibility to Members seeking answers to specific relevant questions.

The committee is very much committed to an expeditious resolution of this tremendous problem before it. For that reason it has voluntarily chosen to seek House approval of this resolution. By waiving the strictures of rigid adherence to the 5-minute rule, the committee avoids the pitfall of more than 3 hours of possibly repetitive questioning each time a witness has testified and has already been interrogated by counsel.

If we are to expedite the inquiry and still have participation by counsel for the President, we must allow ourselves this flexibility in proceeding under this one provision of rule XI. The committee itself believes this is the proper course, and the chairman can assure the House, however, as he has assured the members of the committee, that the Members will have the opportunity to submit any and all of their questions in writing.

Counsel will be instructed to propound the relative inquiries during the interrogation. I urge the full House to facilitate the work of the committee in this regard and to support the resolution. This proposal has wide bipartisan support in the committee, recognizing the problems that we are confronted with, and I hope that this resolution is adopted.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the Speaker.

Mr. ALBERT. Mr. Speaker, I want to commend the overwhelming majority of the committee for adopting this procedure. The expeditious consideration of this matter is very important, expeditious consideration without sacrificing complete consideration, and under the plan which the chairman has announced it seems to me that the adoption of this resolution will enable us to get that result.

I commend the chairman for bringing this resolution to the floor.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I thank the gentleman for yielding.

I certainly concur with the words of the Speaker that the country wants this matter resolved just as rapidly as possible. The matter should proceed as expeditiously as we can possibly make it proceed.

However, I would like to propound a question or two to the gentleman from New Jersey. In the first place, will a Member have an absolute right to have his question asked by the counsel or by Mr. St. Clair if he so desires?

Mr. RODINO. That is providing of course it is relevant and it is propounded in writing.

Mr. RHODES. Will the matter of relevancy be decided by the chairman of the committee, or by what other person?

Mr. RODINO. I have in the past attempted to be as flexible as possible. I recognize that we are not strictly adhering to the rules of evidence, but in the interest of trying to make this inquiry the kind of inquiry that is fair, we would consider the relevancy of the question as well. I think the members of the committee would understand and recognize that.

Mr. RHODES. If I understand the chairman correctly, I think he is saying that the questions propounded will be asked unless they are obviously duplicatory or unless they are obviously irrelevant.

Mr. RODINO. That is correct.

Mr. RHODES. I would hope that the chairman would give wide latitude to the Members in asking questions.

Mr. RODINO. The chairman has been doing that during the time of this inquiry.

Mr. RHODES. There have been some questions as to what witnesses the Judiciary Committee will call. The President's counsel has asked for six witnesses to be called. So far as I know the present plans are to call only two of them, although the others have been placed in another category of those who would possibly be called. Could the chairman tell us whether or not all six will be called or just what the status of the request of Mr. St. Clair is?

Mr. RODINO. I might advise the gentleman that presently all the witnesses that were requested by the President's counsel are on the list scheduled to be interviewed, subpenas have been prepared for all of them, and it is the intention of the chairman of the committee to recommend that following the interviews all those witnesses who were requested will be called.

Mr. RHODES. Will Mr. St. Clair have a rather wide latitude in questioning all witnesses before the committee or what rules will he be subjected to so far as his questions are concerned?

Mr. RODINO. The rules that Mr. St. Clair will have to adhere to and comply with are the rules that have been laid down by the committee, and those rules are laid down in our Impeachment Inquiry Procedures, which is a publication which the committee issued on May 2, 1974.

However, I would also like to state that while these procedures have been established the chairman has been most liberal in the interpretation of some of these procedures in order to give the President's counsel as wide a latitude as possible so we will be able to conduct a fair proceeding.

Mr. RHODES. Mr. Speaker, I regret to say that I am not familiar wtih the procedure prescribed in the rules of the Judiciary Committee. Is it the thinking of the chairman that the questions offered by the counsel to the President would be propounded by him directly to the witness, unless the questions are irrelevant, obviously irrelevant, or duplicatory?

Mr. RODINO. The questions that the President's counsel will propound will be propounded directly. Unless, of course, they are duplicative or unless they are obviously irrelevant, in which case the Chair, in order to make the inquiry proper, would have to rule them out of order.

Mr. RHODES. The question would be propounded directly to the witness?

Mr. RODINO. That is correct.

Mr. RHODES. I take it there is no time limit put on the counsel for the President?

Mr. RODINO. The chairman would like to state that up until this moment, and I am sure every member of the committee can attest that the President's counsel has made various requests as to time and there has never been any question as to the amount of time he requested and it was granted to him.

Mr. RHODES. Is the chairman saying that he would follow this procedure in the future?

Mr. RODINO. Yes; that is correct.

Mr. RHODES. And he will not put any time limits on the counsel for the President?

Mr. RODINO. My only fiat, I might say, is that of the committee, which the committee has placed upon us and that is within the period of time the witnesses who are to be called would be called within that period of time, unless the committee would decide otherwise.

Mr. RHODES. The House, of course, is much interested, as we previously stated, in seeing this matter to a conclusion as rapidly as possible. Could the distinguished chairman give us now at this time his own schedule to the time of reporting of the matter to the House, or at least a vote being taken in the committee as to whatever disposition the committee would make of the matter?

Mr. RODINO. If we are successful in the adoption of this resolution, then it is hoped that we can meet a schedule coming to the floor of the House sometime in early August. The committee would be in a position, I think, to vote around the 23d of July.

Mr. RHODES. One further question. Is it the thinking of the chairman to ask for open hearings of the Committee on the Judiciary during the time the witnesses are being questioned?

Mr. RODINO. The chairman has stated that insofar as open hearings are concerned, I believe that this is a matter that we are going to consider this afternoon. The chairman, following the will of the committee some time ago when it considered this question and the question as to how the inquiry should be conducted, recognized that there was a need to protect the rights of third parties, that this inquiry should be presented in a manner that would be comprehensive and not just take a certain phase of it. Because of the material that is before the committee and because there is sensitive material and material that has been produced by grand juries and other committees of the Congress in executive session, the chairman of the committee is not supporting a motion to go into open hearings, but rather closed hearings. This has been a matter that has been discussed rather fully by Members of the committee. A vote of this sort was taken when we initially started this presentation and it was an overwhelming vote.

Mr. RHODES. I thank the gentleman.

Mr. HUTCHINSON. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Michigan, the ranking Member of the committee.

Mr. HUTCHINSON. I simply want to state to the House my support for this resolution as it is presented. I would be greatly concerned if I thought this resolution would constitute any precedent as far as ordinary legislative business of the

House or any of its committees was concerned. This impeachment inquiry is a most unique proceeding.

We will have before us witnesses under oath. I have never known of a judicial, or even a quasi-judicial proceeding, where a witness under oath would be subjected to questioning by 38 or 40 different lawyers. I say 40, because in addition to the 38 Members of the committee each of whom, under the present rules of the House, would be given 5 minutes to question each and every witness under oath, of course counsel also will inquire.

It seems to us that an orderly proceeding requires that counsel do the questioning. The committee counsel will do the questioning; so will the President's counsel, Mr. St. Clair. They will do the questioning, and any Member of the committee who desires that a certain line of questioning be put to a particular witness will make that request to counsel, and certainly is entitled to have his request carried out unless his line of questioning is entirely irrelevant or completely duplicative, or simply dilatory.

Mr. Speaker, for these reasons and for many others which time does not permit me to state, I want to assure the Members of the House that I support this resolution as it is presented.

Mr. DENNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Members of the House, I am unalterably and strongly opposed to this resolution. I am opposed to it because it is a derogation, and I would say a contempt of the basic rights, the basic privileges and the basic duties of every one of us here as an elected Member of this body.

I am against it because, regardless of what my good friend, the gentleman from Michigan, may hope, it will set a horrible precedent. I am against it because, in my judgment, it is utterly unworkable in practice. I may say that it seems to me rather ironic and rather unfortunate that a relatively junior Member of this House, such as myself, has to stand here and defend the prerogatives and the rights of the individual Members of this distinguished and honorable and historic body against the leadership on both sides who want to surrender those same rights. I never expected to find myself in that position.

But I am here, and the only way we can avoid it is by every Member standing up for his rights as an individual. A bad precedent? Of course it is a terrible precedent.

This is one—I do not say one—this is probably the most important single thing any Member of this House will ever do while he is here, and yet we are asked to take a step which will say that on this one most important thing we are not to be trusted to exercise our ordinary rights and privileges as Members of this House.

Imagine. We are talking about the impeachment of the President of the United States, and 36 members of this distinguished committee are charged with the duty of deciding whether to bring in an impeachment resolution, and not one of them can ask a question on his own? I do not think there is a Member of this House, not on the committee, who would vote such a stricture on himself if he had the opportunity to do it. If this can be done today on this issue, it can be done on any issue that comes along of any importance.

Why should we ever allow Members of this House their rights and their prerogatives to question witnesses in a hearing of any kind once we do this today? There may be members of the committee who would waste some time.

I do not think there are very many.

I have great respect for the members of this committee, but it really does not make any difference. Each one of the Members' rights are theirs as Members of this body, and as such each Member has certain rights and prerogatives. Each Member has the same rights and the same prerogatives as anybody in the leadership or anybody who is twice as smart as any other Member, and nobody can take those rights away from us, because we have a rule book, unless we are stupid enough to vote those rights away for ourselves.

The Members can do it if they want to, of course, but I am not about to do that. I would hate to see the day when I thought a majority of my colleagues were about to do that.

Surely, a Member may ask a question in writing. Some of the Members have tried lawsuits, as I have. The time to ask a question is when the time to ask a question arises. By the time you sit down and write a book about it and pass it up to the chairman and down to counsel, the time to ask the question is gone. That is ridiculous. It does not give the Members anything.

All the witnesses have been subpenaed. Maybe so, but on a very strongly debated vote in the committee, only five of them will necessarily be called. The rules of the committee will be liberally construed as to the President's counsel, it is said. Maybe so, but in the committee I tried to give him the right to cross-examine, and that was voted down. But those things really are not the important things. They may appeal to some Members here, but the real question is that we should stand up for our own rights as Members of this House.

I do not know whether I want to ask a single question or not. I will guarantee the Members that I will not ask one unless I at least think I have a good reason for it. I will not ask it to be hearing myself talk, but I have a certain right and a certain prerogative, and, up to this point at least, a certain dignity as a Member of this House, and so have all the Members. We do not want to surrender our rights to the staff. Why should a question of this magnitude be conducted entirely by the hired help? Why should not the Members of the Congress act like Members of the Congress?

It is shocking to me that the leadership of the Congress on both sides want to deny that right and privilege to the ordinary individual Member of this House, regardless of how he votes, or regardless of the rules, or regardless of his political views or anything else.

It just will not do. If two-thirds of the Members want to sit here and vote for this rule change, they are going to have a chance to do it. If the Members think they are so incompetent, so inefficient, and so irresponsible that they cannot be trusted to act like Members of this House and to ask a question on a matter of this magnitude and importance, go ahead and do it, because nobody can stop the House from doing it; but I am not going to do it, and I hope that most of the Members will not do it.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. Does the gentleman desire to yield further time?

Mr. DENNIS. I do have a few requests for time, Mr. Speaker. I would like to know how much time I used.

The SPEAKER. The gentleman used 7 minutes. The gentleman from New Jersey used 13 minutes, so the gentleman has considerable time left.

Mr. DENNIS. I am prepared to yield time, Mr. Speaker. I yield 4 minutes to the gentleman from Ohio (Mr. LATTA).

The SPEAKER. The gentleman from Ohio is recognized for 4 minutes.

Mr. LATTA. Mr. Speaker, like the gentleman from Indiana, who just addressed us, I am opposed to this rule change, not because I may have questions to ask, but I feel as an elected Member of this body that I have certain rights. That is what the rule book is for, to protect the rights of Members of this Congress, whether they happen to sit on the Committee on the Judiciary or on the Committee on Banking and Currency or on the Committee on Armed Services or on the Committee on Ways and Means, or wherever they may sit. Those rules are written for one purpose, and that is to protect the rights of Members of this House.

I do not feel very kindly toward any kind of deals, agreements, or communications between more senior Members or between Members of the leadership, whether they are on this side or the other side of the aisle, concerning any meeting of the minds to change the rules without contacting the members of the committee to be affected by those proposed changes.

I do not like it, Mr. Speaker. I was sorry to hear the distinguished Speaker of this House say on this floor just a few moments ago that he was in favor of taking away the rights provided under the rules for a Member of Congress when his primary responsibility as Speaker is to see that those rules are faithfully executed. This rule involves the right to interrogate a witness for 5 minutes—only 5 minutes, that is all we are talking about.

To suspend Members' rights is wrong. A wrong precedent would be set in doing it in our inquiry on impeachment.

I will just say this to the Members of the House who have not sat on this committee for the past several months: I do not think, as one member of the committee, that these hearings have been prolonged unduly. I think we had to get at the truth in this matter and this is taking time. We must bring it all out. I do not think we should come down to this most important stage of the hearings and say they ought to be compressed into some prearranged timeframe and members' rights to examine witnesses should be abandoned. We ought to recognize we have had a staff—a staff, not Members of the Congress elected by the people of this country—preparing these evidentiary statements and presenting them to us day after day, day after day, without having any input into their preparation as Members of Congress. Members have no way of knowing whether or not we have been given a complete picture upon which to ultimately base a judgment.

It seems unthinkable to me that now, at the conclusion of this spoon-feeding by staff, they are going to spoon-feed the questions to the witnesses to be called before the committee.

Certainly members of the bar realize there is a right time and a wrong time to ask a question, and when we have to write down a timely question and submit it to staff, it loses its timeliness. When the time comes to ask a pertinent question, that is the time to ask it and not at the conclusion of the day when the witness is about to be discharged. That question should be asked by the member when he deems best to ask it.

Mr. Speaker, I just do not like the idea of submitting my questions in writing to anybody, whether they are to go to the hired help, the chairman of the committee, the ranking member, or the Speaker himself. I have certain rights as a Member of this Congress, and I intend to exercise those rights today, tomorrow, and every day that I am privileged to serve here. I am not going to suspend those rights in this inquiry or any future inquiries or hearings. I urge the Members to vote no and protect Members' rights as given them under the rules of the House.

Mr. DENNIS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MARAZITI).

Mr. MARAZITI. Mr. Speaker, I appreciate the desire to conclude the impeachment inquiry at the earliest possible time. The chairman of the committee has worked hard, and the members of the committee have worked hard. We have worked for a period of 6 months in the presentation by the staff.

How much time are we talking about? Only several days more, perhaps at the most a week more. If necessary, we can work at night and work on a Saturday to catch up, if we are tied into this schedule within a time frame.

We have listened to the presentation by the staff for 6 months, and now comes the time for participation by the members. The members of the committee are capable. They are lawyers of long standing. I am sure they have a number of questions and a number of points they would like to clear up.

How are we going to do this if we must write out a question and submit that question to the chairman of the committee and the witness gives an answer that is partly responsive and partly not responsive? How are we going to follow it up and follow through with the thrust of the cross-examination?

We do not have the time to write out a question. I think the proposal here today to suspend this rule of the House is preposterous, as has been said. We have been elected here as Members of the House and as members of the committee to represent the people in our districts, and we are representing them; members of the staff were not elected to represent them.

Mr. DENNIS. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, we are today considering a resolution that was introduced only this morning, even though it was reported out of the Committee on the Judiciary on June 26, and it waives this sentence:

> All committees shall provide in their rules of procedure for the application of the five-minute rule in the interrogation of witnesses until such time as each member of the committee who so desires has had an opportunity to question the witness.

This all seems very simple. Mr. Speaker, I voted against this resolution in the committee, and I did so because I feel that it is my right as a Member of this body to be allowed and assured at least 5 minutes to question a witness, especially on a matter of such great importance.

I am not saying that I would be denied the right to question any witness that comes before the committee, but I would feel better if the rules of the House, which are rules of its committees, would stay in effect.

I feel as a member of the House Committee on the Judiciary that I must, and that I am bound to express myself on this resolution. My argument will not be a technical argument, but very practical: What is to be gained by passing this resolution, just because it is ostensibly to speed up the proceedings and to keep them orderly?

Well, we are now in the very heart of these proceedings. Why, after 6 months, are we all of a sudden trying to so bind ourselves by strict time limits? Surely, it may take more time, but we are only talking about 5 minutes. There are only 38 committee members, and we will call in all probability no more than 8 witnesses, possibly 6, so we are talking about a total of 24 hours. Well, the committee met for 24 hours or more last week, so we are only talking about a maximum of 1 week.

It is also argued that counsel for the committee is better prepared to ask these questions. That is a good point, because the staff has done all of the work to date. Do we want to turn this historical proceeding completely over to the staff?

Another matter: This is a gag rule. I admit that the Members may want to gag some of us, but is this the way to do it? I may not ask a single question, but I cannot be a party to foreclosing that right.

What has happened to the rights of this Congress to have just 5 minutes?

The SPEAKER. The time of the gentleman has expired.

Mr. RODINO. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to express strong support for the position taken by the chairman of the committee, and by the distinguished ranking minority Member, the gentleman from Michigan (Mr. HUTCHINSON) with regard to this resolution. I am sure the Members will recall that at the very outset of this matter I urged that we put a limitation date on these hearings. The Members overruled me at that time. If the Members overrule this change in the rules then it seems to me that we will be voting to prolong these proceedings and against bringing them to an orderly and early close.

We have engaged competent counsel. It seems to me that our counsel are capable of propounding the questions to the witnesses. The President is represented by his counsel; his position will be represented. We have a majority and a minority counsel on the committee so that our positions can be represented fully.

In addition to that, we will have the opportunity, as the chairman has stated, and as has been confirmed by our minority leader, to have the opportunity in any instance where we want to ask a question that is relevant, and not repetitions through our counsel—and in that manner to propound questions to the witnesses.

We do have a cutoff date now. I want you to know about this cutoff date. It is 1 week from this weekend.

If we want to keep that cut-off date, it seems to me we have to support this kind of procedure. It is about time we got this impeachment inquiry over with and behind us. We are not going to achieve this result unless we provide a mechanism through which we can do it. So I am going to urge the Members to support us at this time with this assurance, that it will provide for a responsible but an expeditious conclusion of this important business.

Mr. Speaker, ever since the adoption of House Resolution 803 I have been anxious to bring this entire impeachment inquiry to an early and responsible conclusion. For that reason, I rise in support of the resolution authorizing the Committee on the Judiciary to proceed without regard to the second sentence of paragraph f(4) of clause 27 of rule XI of the House of Representatives while it is receiving testimony during the impeachment inquiry, conducted pursuant to House Resolution 803.

We have now proceeded to a point in our investigation where witnesses must be questioned to clarify certain facts necessary for the proper resolution of this investigation.

I understand that a procedure has been worked out whereby the chairman and ranking minority member will determine the areas to be covered by each witness, and then counsel will question each witness regarding these specific areas. Any committee member may submit questions within the areas to be covered, and counsel will then propound the member's question, if it has not been asked already during counsel's examination of the witness.

In this way, repetitive questions can be avoided, as well as questions that wander far afield from the proper scope of the particular witness' testimony. I am afraid our committee engaged in both repetitive and irrelevant questioning during our recent hearings confirming Gerald Ford as Vice President, causing what I feel was unnecessary delay in completing House action on his nomination. Of course, rule 4 of our Rules of Impeachment Procedures specifically provides that the President's counsel also will be given an opportunity to examine each witness in addition to the questioning by committee counsel.

This resolution does not affect in any way whether the committee shall recommend Articles of Impeachment. But it does hasten the conclusion of the committee's lengthy inquiry. I believe that is a goal we all desire. Thus I urge my colleagues to support this resolution.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. Hungate).

Mr. HUNGATE. Mr. Speaker, the goal of the Committee on the Judiciary, this Congress, and the Nation, is to expedite the inquiry to a maximum extent consistent with fairness and thoroughness. As we consider time, we might want to consider how long it took the committee to recommend impeachment of Andrew Johnson. They spent 3 days at it.

We have now spent something like 6 months, so we have not been in a rush to judgment. There must be an end, however, to all things. I am proud of my service on this committee because it is overall a bipartisan approach to most issues. They are fair and they are judicious, and I am proud of the Members on both sides of the aisle.

As we consider rights—this applies only to the judiciary; it touches no one else—I want to remind my colleagues of this. What are these ancient and unalienable rights with which we are concerned. The committee 5 minute rule involved was adopted January 22, 1971. I could not tell the difference. I have been here 10 years. They are fair in the Committee on the Judiciary, and they will be fair on this issue.

The SPEAKER. The time of the gentleman has expired.

Mr. RODINO. Mr. Speaker, I reserve the balance of my time.

Mr. DENNIS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Speaker, I am neither a lawyer nor a member of the Judiciary Committee, but I do understand the legislative process and I know the importance of a legislator's right to inquire. And I know the importance of having rules of procedure.

Mr. Speaker, in the legislative body of a free nation, rules are established to guarantee that the majority can work its will, but at the same time those rules are also established to protect the rights of a minority. Adoption of this resolution to waive one of those protections attacks the very principle on which that theory is founded.

Mr. Hutchinson said he would not want adoption of this resolution considered as a precedent for consideration of future legislation. Well, Mr. Speaker, if the gentleman would not want to waive Members' rights to inquire when considering legislation, how can he possibly condone it in the consideration of such a serious matter as the impeachment of a President of the United States?

This resolution before the House provides for the suspension of the second sentence of clause 27(f)(4) of rule XI of the House. This sentence reads:

> All committees shall provide in their rules of procedure for the application of the 5-minute rule in the interrogation of witnesses until such time as each member of the Committee who so desires has had an opportunity to question the witness.

Passage of this resolution could, as the committee majority desires, deprive minority members of the committee of their right, under the House rules, to participate in such examination of witnesses.

If we approve this resolution, what is to prevent the chairman of the Judiciary Committee from excluding minority participation altogether? Previous experience in this inquiry has clearly revealed that the chairman has used his majority to conduct the inquiry in a highly partisan manner, biased against the President. Mr. Hogan, for example, pointed out on Friday, that—

> Every time some element of fairness has been conceded to the President or his counsel, it has taken place only aften an agonizing partisan squabble.

He noted that after the committee had approved his amendment to allow the President's counsel the right to call witnesses, the chairman immediately recessed the meeting, called a Democratic caucus, and instructed the majority. Upon reconvening the meeting, the committee immediately reversed itself on the Hogan amendment, along straight party lines, and denied the President's counsel the right to call his own witnesses.

Mr. Hogan concluded:

> So, when we hear talk about fairness, we really ought not to be deluded into believing that is true.

With this track record of the majority on the committee before us, how do we know that the chairman will not use that same partisan majority as a club to restrict minority examination of the witnesses? Since the committee has already limited the witnesses themselves to one side, it seems logical that they would subsequently seek to limit minority interrogation of these witnesses—and the resolution we have before us gives them precisely the authority to do so. Have certain witnesses been preselected by the majority to bring damaging evidence against the President, and are we being asked to set the stage to avoid any embarrassing questions of these witnesses?

We are also told that the committee will try to control the nature and direction of the interrogation so as to avoid going off on tangents and maintain a consistent line of examination. This will be done supposedly by having the members submit lists of questions to counsel for the committee, so that counsel can present these questions. This is like having the defense turn over its cross-examination to the prosecuting attorney. It sets the stage for a series of "leading questions" which will undoubtedly lead in one direction only—against the President.

It also means that counsel will be able to screen out any questions which might embarrass the witnesses, give the lie to their testimony, or lead to the presentation of evidence which would exonerate the President. Mr. Hogan has already pointed out that counsel and staff have excluded from their presentations such exculpatory material from the grand jury testimony. If the minority thus tamely turn over their right of direct examination of witnesses to counsel, they are abandoning their responsibility as lawyers to the mandate of the House to determine the truth. Preselected witnesses and preprogramed questions cannot reveal the truth.

Unless the resolution before the House is amended to provide a full guarantee of the right of the minority to full participation in interrogation of witnesses, and the right of the minority to ask any and all questions on an equal-time basis with the majority, the House should defeat it. The present rule provides a much better safeguard of evenhandedness at this point, than the resolution before us.

Mr. DENNIS. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. Brown).

Mr. BROWN of Michigan. Mr. Speaker, the committee's business should be conducted with all dispatch, but not absolutely dispassionately, nor in a delegated way. I think the public is becoming concerned about the way in which we as Members are accelerating the trend of, in effect, abdicating our individual responsibilities as Members, to staff workers. I have noticed this trend in committees on which I serve, and obviously it has occurred in the Committee on the Judiciary.

The original date set for that committee for report, as I recall, was April 30. Yet the members' participation was very limited up to that time and even up until this time.

I would say to the Members on this side of the aisle that if we can in effect, waive a rule of the House, a general rule of the House, on a particular occasion, when that particular occasion is the impeachment of the President or the inquiry relating to the impeachment of the President, how many times in the future will we be asked to do the same thing, and how many times in the future, as a

Member of the minority, will we have the will of the majority prevailing without the protection of the rules of the House?

The SPEAKER. The time of the gentleman has expired.

Mr. DENNIS. Mr. Speaker, I think this debate which is now drawing to a close has pretty well covered the points involved. Something has been said about the desire for expedition. I share that desire. I think everyone shares that desire. But we are not going to make much difference here in expedition, and if expedition is really what we were worrying about we could have been calling these witnesses for the last 6 weeks, and maybe we should have been calling these witnesses for the last 6 weeks; and we could have been subpenaing people, and we could have been deciding whether anyone should be granted use immunity, instead of sitting there and listening to the staff reading a compilation of records to us, which did represent an enormous amount of work but which we could have read ourselves.

Now we talk about expedition as a make weight in order to ask us to abrogate our rights and our duties and our responsibilities as Members of this body. I simply say this to the Members. If the members of the Judiciary Committee can be deprived of their parliamentary right to question witnesses in an impeachment inquiry, every Member of this House and every committee in this House can and, I venture to predict, will be deprived of the right to question witnesses in any kind of hearing any time there is pressure, any time there is public sentiment, any time the leadership on either or both sides want to do it to the Members.

This is the day to stand up and be counted as a Member. This is a question of parliamentary suicide. Nobody can destroy the right or that privilege except the Members of this House.

As I said before, I cannot believe, until I see it happening, regardless of the issue, regardless of the merits of the impeachment matter, regardless of politics, regardless of anything else, I cannot believe that two-thirds of the elected Members of this body, who have certain rights and privileges that no one else has by virtue of being elected Members will derogate and cheapen and throw away those rights by sitting here and casting a vote saying that they personally and individually consider themselves incompetent and incapable of doing their duty on this occasion.

I ask the Members to vote down this resolution.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. MANN).

Mr. MANN. Mr. Speaker, it is not lightly that I have come to the conclusion that the orderly disposition of this matter and the search for truth will be promoted by the adoption of this resolution.

One trouble we lawyers may have on the Committee on the Judiciary is that we cannot forget that we are lawyers, and we fail to remember that we are not engaged in a trial. I was interested to hear the gentleman from Ohio say that the time to ask a question is "then and there;" that is, immediately upon the issue arising. As I calculate the time that he gets to ask his question, it is not less than 3 hours and 5 minutes after the "then and there." And the gentleman from South Carolina has to wait only 2 hours to ask his question.

I would like to have the right when a certain course of questioning is going on by counsel to be able to hand up my note and to have my thought pursued "then and there." That is the procedure made possible by this resolution.

It is not at all predetermined that we are going to close these hearings, and I would hate to be put on the spot before my constituency to show I can be as clever or as repetitive or as argumentative as the 2 hours of similar performances that have preceded me. Most assuredly each Member will insist upon his 5-minute performance, lest he appear less clever than his fellow Members. Thus, unnecessary questions will be asked and unnecessary time will be consumed.

I ask the Members to be practical anl to be orderly and to let us find the truth.

Mr. RODINO. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. THORNTON).

Mr. THORNTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this resolution sets a sensible course if we are serious about coming to any kind of prompt and fair resolution in our committee. It is reasonable and it is practical if we want to bring the matter to a conclusion in this House sometime this summer.

The individual rights of Members of this House are important, as has been stated, but those rights are protected by the proposal before us, and must be balanced with the interest of our Nation in bringing this matter to a full and fair conclusion.

As has been stated, the witnesses before the committee are going to be examined thoroughly by the special counsel and by special counsel for the minority. The President's counsel is also going to be invited to participate. If after all this thorough examination the committee must also sit for extended hours of possibly repetitive and unrelated questioning, we will not be able to proceed in an orderly way to a conclusion.

Our committee has recommended that this procedure should be followed by a vote of 31 to 6. I am hopeful we will be permitted to proceed on this basis with approval by the full House.

Mr. RODINO. Mr. Speaker, I would merely like to reiterate that the only reason we adopted this procedure was so that we might be able to be expeditious. The House clamored for expedition. We have been comprehensive. We have gone through a multitude of detailed information presented by counsel for the committee, as well as counsel for the President.

We have allowed for witnesses to come in. The President's counsel has been and will be given ample opportunity to participate. In this way, I think we will have presented to us that kind of information, that kind of material evidence that the committee may make a fair vote on after some kind of debate.

Now, I would like to point out for the benefit of the House that in the only impeachment proceeding against a President of the United States that we consider a precedent, that in the trial of that impeachment proceeding in the Senate of the United States even the Senators were required to submit their questions in writing.

We are not in an adversary stage. We are not in the process of conducting a trial. We are in the process of trying to acquire information so that we may make a fair judgment after all the facts are in.

I am hopeful, Mr. Speaker, that this bipartisan effort on the part of the members of the Committee on the Judiciary does not preclude anyone from the opportunity of submitting questions, but only assists us to expeditiously arrive at a fair resolution of this all-important problem.

Mr. BEARD. Mr. Speaker, because of problems which affect every air traveler at one time or another, I was unavoidably detained earlier today in Memphis, Tenn.

Due to my late arrival in Washington, I was prevented from casting a vote on House Resolution 1210, to authorize suspension of the 5-minute rule—clause 27(f)(4) of rule IX—during the impeachment inquiry currently being conducted by the Judiciary Committee.

Like most Americans, Mr. Speaker, I am weary of Watergate. We have witnessed excesses by all those who have been involved in these events, and I feel that we should get on with these proceedings in the most expeditious way possible. However, I am deeply concerned about the effect that this resolution will have both on the Judiciary Committee itself, and as a precedent for other committees. I do not feel we should expedite these proceedings by taking away the rights of the individual Members to question witnesses. I feel this is a critical element in these crucial hearings. If we must extend these hearings 1 additional week, so be it. Thus, I would like the record to show that, had I been able to be here, I would have cast a vote strongly against House Resolution 1210.

Mr. CLEVELAND. Mr. Speaker, I intend to oppose the resolution now under consideration to establish a "gag rule" in the Judiciary Committee investigation of whether grounds exist to impeach the President of the United States.

The resolution would provide that questions from Members would have to be presented to designated staff members and that they would have to be asked by the staff members. The effect of this resolution is to prevent members of the Judiciary Committee from personally questioning witnesses in what surely is one of the most serious committee investigations of our time.

It is notable that the Judiciary Committee was authorized the first $1 million for its investigation last November 15 and more since and that it has been plodding along for more than 7 months. Now because elections are getting closer, we are faced with the spectacle of the committee imposing a "gag rule" on its members in order to rush through their investigation.

The House Judiciary Committee is only now getting to what many people believe to be the most critically important stage of its investigation; namely, the examination of real-life witnesses on the fundamental issues involved. To deprive the members of the committee the opportunity to actively participate at this juncture is most inappropriate.

An added irony is that this investigation into alleged violations of law and procedure is now seeing an attempt to suspend rules and procedures of long standing in the House of Representatives in the interests of speeding up what may be the critical stage of the proceedings.

I, too, would like to see the investigation speeded up. But I would suggest that evenings or Saturdays—to say nothing of 5 full days a week—this proposal before us is preposterous.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. RODINO) that the House suspend the rules and agree to House Resolution 1210.

RECORDED VOTE

Mr. DENNIS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 140, not voting 87, as follows:

[Roll No. 356]

AYES—207

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Annunzio
Aspin
Badillo
Barrett
Bennett
Biaggi
Bingham
Blatnik
Boggs
Boland
Bowen
Brademas
Breaux
Brooks
Brotzman
Brown, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Casey, Tex.
Chappell
Chisholm
Clark
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Danielson
Delaney
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fascell
Flood
Foley
Ford
Fountain
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gonzalez
Grasso
Green, Pa.
Gude
Hamilton
Hanley
Hansen, Idaho
Harrington
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Henderson
Hicks
Holtzman
Howard
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Koch
Kyros
Leggett
Litton
Long, La.
Long, Md.
Luken
McClory
McCormack
McDade
McFall
McKay
Macdonald
Mahon
Mallary
Mann
Matsunaga
Mayne
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Quie
Railsback
Randall
Rangel
Rees
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roush
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shipley
Sikes
Slack
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Studds
Symington
Taylor, N.C.
Teague
Thompson, N.J.
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Whalen
White
Widnall
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NOES—140

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Baker
Bauman
Biester
Blackburn
Bray
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burton, Phillip
Camp
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Collier
Collins, Tex.
Conlan
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
Dellenback
Dennis
Derwinski
Devine
Downing
Duncan
du Pont
Eshleman
Findley
Fisher
Flynt
Forsythe
Frelinghuysen
Frey
Froehlich
Gilman
Ginn
Goldwater
Gross
Grover
Gubser
Guyer
Haley
Hammerschmidt
Harsha
Hastings
Helstoski
Hillis
Hinshaw
Holt
Hosmer
Hudnut
Hunt
Johnson, Pa.
Kemp
King
Lagomarsino
Landgrebe
Latta
Lent
Lott
McCollister
McKinney
Madigan
Maraziti
Martin, N.C.
Mathias, Calif.
Mazzoli
Michel
Miller
Minshall, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Myers
Natcher
Nelsen
O'Brien
Parris
Price, Tex.
Pritchard
Quillen
Rarick
Regula
Robinson, Va.
Roe
Roncallo, N.Y.
Rousselot
Roy
Runnels
Ruppe
Ruth
Sarasin
Satterfield
Schneebeli
Sebelius
Shriver
Shuster
Skubitz
Snyder
Spence
Steiger, Wis.
Stubblefield
Symms
Talcott
Thomson, Wis.
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
Whitehurst
Whitten
Williams
Winn
Wyatt
Wylie
Young, Alaska
Young, Fla.
Young, Ill.
Zion

NOT VOTING—87

Andrews, N.C.
Arends
Armstrong
Ashley
Beard
Bell
Bergland
Bevill
Bolling
Brasco
Breckinridge
Burke, Calif.
Byron
Carey, N.Y.
Carney, Ohio
Chamberlain
Cochran
Culver
Daniels, Dominick V.
Davis, Ga.
de la Garza
Dickinson
Dorn
Dulski
Edwards, Ala.
Erlenborn
Evins, Tenn.
Fish
Flowers
Goodling
Gray
Green, Oreg.
Griffiths
Gunter
Hanna
Hanrahan
Hansen, Wash.
Hébert
Heinz
Hogan
Holifield
Horton
Huber
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Ketchum
Kluczynski
Kuykendall
Landrum
Lehman
Lujan
McCloskey
McEwen
McSpadden
Madden
Martin, Nebr.
Mathis, Ga.
Meeds
Mills
Mizell
Montgomery
Moorhead, Pa.
Nichols
Passman
Podell
Powell, Ohio
Reid
Rogers
Rooney, N.Y.
Rostenkowski
Sandman
Scherle
Shoup
Sisk
Smith, Iowa
Staggers
Steele
Steiger, Ariz.
Stuckey
Sullivan
Taylor, Mo.
Thone
Wilson, Bob
Wyman
Young, S.C.
Zwach

So (two-thirds not having voted in favor thereof) the motion was rejected.

On this vote:

Mr. Rostenkowski and Mr. Brasco for, with Mr. Hébert against.

Mr. Podell and Mr. Dulski for, with Mr. Passman against.

Mr. Heinz and Mr. Breckinridge for, with Mr. Montgomery against.

Mr. Bergland and Mr. Dominick V. Daniels for, with Mr. Nichols against.

Mr. Horton and Mr. Kluczynski for, with Mr. Dickinson against.

Mr. Ashley and Mrs. Burke of California for, with Mr. Goodling against.

Mr. Carey of New York and Mr. Carney of Ohio for, with Mr. Scherle against.

Mr. Madden and Mr. Fish for, with Mr. Taylor of Missouri against.

Mr. Holifield and Mrs. Hansen of Washington for, with Mr. Cochran against.

Mr. Reid and Mrs. Sullivan for, with Mr. Martin of Nebraska against.

Mr. Rooney of New York and Mr. Staggers for, with Mr. Steiger of Arizona against.

Mr. Moorhead of Pennsylvania and Mr. Sisk for, with Mr. Young of South Carolina against.

Mr. Meeds and Mr. Hanna for, with Mr. Powell of Ohio against.

Mrs. Griffiths and Mr. Culver for, with Mr. Beard against.

Mr. Gray and Mr. Lehman for, with Mr. Mizell against.

Until further notice:

Mr. Andrews of North Carolina with Mr. Arends.

Mr de la Garza with Mr. Chamberlain.

Mr. Byron with Mr. Edwards of Alabama.

Mr. Dorn with Mr. Bell.

Mr. Evins of Tennessee with Mr. Erlenborn.

Mr. Flowers with Mr. Hogan.

Mr. Bevill with Mrs. Green of Oregon.

Mr. Gunter with Mr. Hanrahan.

Mr. Jones of Alabama with Mr. Kuykendall.

Mr. Jones of Tennessee with Mr. Lujan.

Mr. Landrum with Mr. Mathis of Georgia.

Mr. McSpadden with Mr. Mills.

Mr. McCloskey with Mr. Rogers.

Mr. Sandman with Mr. McEwen

Mr. Shoup with Mr. Smith of Iowa.

Mr. Steele with Mr. Stuckey.

Mr. Zwach with Mr. Thone.

Mr. Wyman with Mr. Bob Wilson.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H. Res. 1210 that was just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DELAYING EFFECTIVE DATE OF AMENDMENTS TO FEDERAL RULES OF CRIMINAL PROCEDURE

Mr. HUNGATE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15461) to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974.

The Clerk read as follows:

H.R. 15461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of sections 3771 and 3772 of title 18 of the United States Code, the effective date of the proposed amendments to the Federal Rules of Criminal Procedure which are embraced by the order entered by the United States Supreme Court on April 22, 1974, and which were transmitted to the Congress by the Chief Justice on April 22, 1974, is postponed until August 1, 1975.

The SPEAKER. Is a second demanded?

Mr. SMITH of New York. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Missouri (Mr. HUNGATE), will be recognized for 20 minutes, and the gentleman from New York (Mr. SMITH), will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this bill, H.R. 15461.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HUNGATE. Mr. Speaker, H.R. 15461, the bill now before the House, comes to the floor with the unanimous endorsement of the Committee on the Judiciary. This bill postpones the effective date of certain amendments to the Federal Rules of Criminal Procedure from August 1, 1974, to August 1, 1975.

The Federal Rules of Criminal Procedure, as the name suggests, are the rules that govern Federal criminal trials. These rules apply not only to the trial itself, but they also apply to matters and procedures taking place before trial—such as issuing an arrest warrant—and after trial—such as sentencing. There are presently 63 rules.

The procedure for amending the rules is set forth in sections 3771 and 3772, title 18 of the United States Code. Briefly, these statutes require that the Supreme Court report changes in the rules to the Congress after the start of a regular session, but not later than May 1. Changes become effective 90 days later, all laws in conflict being of no further force or effect.

Acting pursuant to this statutory authority, the Supreme Court transmitted certain proposed amendments to Congress on April 22, 1974. These proposed amendments will take effect August 1, 1974, unless legislation to the contrary is enacted.

The proposed amendments make changes in 10 existing rules and add 3 new rules. Thus, in quantitative terms, the Supreme Court proposes to change nearly 20 percent of the present rules, a significant change.

The proposed amendments are significant for another reason—they affect controversial areas of criminal law and procedure. All segments of the legal profession were invited to comment upon the proposed amendments—judges, prosecutors, defense counsel, law professors, and professional organizations and agencies. The overwhelming majority of replies from these segments were critical of the proposed amendments and suggested changes in them. Only four of the proposed amendments escaped criticism. Several organizations and individuals asked to be heard on the proposed amendments.

It became quite apparent that 90 days was not enough time to do justice to what the Supreme Court had sent over. Some of the proposed amendments had been under consideration for over 4½ years. What takes 4½ years to write deserves more than 90 days to review. H.R. 15461, by delaying the effective date for 1 year, gives Congress ample additional time to study carefully the proposed amendments. The wisdom of postponement has been supported by such diverse groups as the Department of Justice and the American Civil Liberties Union.

I urge a favorable vote on H.R. 15461.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I would be glad to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I would ask the gentleman does this mean a delay of justice?

Mr. HUNGATE. I would respond to the gentleman from Iowa that what is justice is a question, as the gentleman knows, that frequently arises in the courts, and sometimes receives a satisfactory answer, because what is justice to one may not be justice to another.

We are concerned here with rules that have been in existence for some time, I will tell the gentleman from Iowa.

With the number of people who have contacted us wishing to express their views and have a voice in this before it becomes effective, we think it only fair to give them a chance to be heard before the committee.

Mr. GROSS. We are reminded so frequently, as the gentleman well knows, on the House floor when the lawyers are working up some kind of legislation, of that old adage "Justice delayed is justice denied." I just wonder if this inability to absorb in the 90 days what has been recommended is delaying justice in any way, shape, or form?

Mr. HUNGATE. I appreciate the gentleman's concern. We are hopeful on the committee that this delay will affect justice as time affects good wine.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of New York. Mr. Speaker, I rise in support of H.R. 15461 and wish to fully associate myself with the remarks of the chairman of the Subcommittee on Criminal Justice.

The proposed amendments, sent to us on April 22 by the Chief Justice, make significant changes in the Rules of Criminal Procedure. Because of the importance of some of those changes, I believe that both Houses of Congress should have ample time to consider them. Although I believe we should act promptly, a maximum 1-year delay in the operation of the automatic effective date, pursuant to sections 3771 and 3772 of title 18 of the United States Code, seems reasonable.

Attorney General Saxbe strongly recommends this 1-year delay in these amendments. In a letter of June 17, 1974, he informed the Judiciary Committee he was offering objection on behalf of 90 of the 94 U.S. attorneys. The Attorney General specifically objects to the amendments to rules 4 and 9 regarding arrest warrants, and rule 16 regarding discovery motions. These objections point up the fact that, while these amendments purportedly affect only "rules of procedure," in fact they have significant effect on the operations of the offices of the U.S. Attorneys and the operations of all the Federal law enforcement agencies.

The amendment proposed to rule 16 for example would require that a Federal prosecutor, before a trial, make known to the defendant and his attorneys the names and addresses of all the witnessess whose testimony will be used in the upcoming trial. As the Attorney General points out, in the prosecution of members of organized crime, witnesses are sometimes in the protective custody of the United States. Is it wise to require the Justice Department to disclose where that witness is being hidden?

Whether it is or not, is a question, along with other questions raised by these amendments, which can only be answered after careful and comprehensive consideration by the Congress.

As the committee report points out, these amendments to the Criminal Rules of Procedure have been under consideration by the Judicial Conference for 4½ years. I urge all my colleagues to support this bill which gives us a maximum of 1 year to consider these amendments.

Mr. RODINO. Mr. Speaker, I rise in support of H.R. 15461, a bill to delay the effective date of certain amendments to the Federal Rules of Criminal Procedure. Unless this bill is enacted, these amendments, which were promulgated by the Supreme Court on April 22, 1974, will automatically go into effect next August 1. H.R. 15461 will merely postpone their effective date for 1 year to August 1, 1975.

This bill is bipartisan. It is sponsored by all nine members of the Judiciary Committee's Subcommittee on Criminal Justice. The bill comes to the floor favorably endorsed by a unanimous Judiciary Committee. Equally important, the goal of this bill is endorsed by diverse segments of the legal profession—for example, the Department of Justice and the American Civil Liberties Union.

The amendments promulgated by the Supreme Court on April 22 change language in 10 existing rules and add 3 new rules. The changes raise some serious questions of policy concerning criminal law and procedure. This is reflected in the responses received by the Criminal Justice Subcommittee to its requests for comments on the proposed amendments. All segments of the legal profession—bench and bar, prosecutors and defenders—have criticized one or more of the proposed amendments.

In fact, only four of the proposed amendments have so far escaped criticism. The criticisms made point out the importance of the policy issues involved. For example, the Justice Department argues that the proposed amendment which makes available to defendants a list of the names and addresses of Government witnesses, will make it difficult to get witnesses to criminal acts to come forward and testify and will therefore hamper effective law enforcement. The American Civil Liberties Union argues that the proposed amendment which requires the defense to turn over for inspection and copying certain materials in its possession, deprives defendants of the fifth and sixth amendment rights. Judges have written to complain that the proposed amendment concerning plea bargaining intrudes upon their discretion and responsibilities regarding sentencing. A defense attorney has written and complained that the proposed amendment concerning the taking and use of depositions will deprive defendants of the right to confront their accusors and the witnesses against them.

In short, the proposed amendments raise serious policy questioning that deserve thoughtful and careful study and consideration. Under present law, Congress has 90 days in which to do this. Given the magnitude of the issues involved with these proposed amendments, this is simply just not enough time. This is underscored by the fact that some of these proposed amendments have been under consideration and study for over 4½ years. Proposed amendments which take that long to draft clearly cannot adequately be reviewed in 90 days. H.R. 15461 will give Congress a full year in which to gather facts, hold hearings, and weigh and evaluate each proposed amendment. One year is an adequate period of time within which to perform the task.

Delaying the effective date of the proposed amendments will work no injustice. The case for the proposed amendments is not that they are needed urgently, but that they are desirable. The Federal criminal justice system will operate for 1 more year under rules it has already operated under for several years.

Since H.R. 15461 will give Congress adequate time to consider the proposed amendments without working any injustice, I urge its passage.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. HUNGATE) that the House suspend the rules and pass the bill H.R. 15461.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INCREASING LIMIT ON DUES FOR U.S. MEMBERSHIP IN INTERNATIONAL CRIMINAL POLICE ORGANIZATION

Mr. EILBERG. Mr. Speaker I move to suspend the rules and pass the bill (H.R. 14597) to increase the limit on dues for U.S. membership in the International Criminal Police Organization.

The Clerk read as follows:

H.R. 14597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 10, 1938, as amended (22 U.S.C. 263a), is further amended by deleting "$80,000" and inserting in lieu thereof "$120,000".

SEC. 2. The Secretary of the Treasury is authorized to pay to the International Criminal Police Organization the unpaid balance of the dues for the calendar year 1973. There is authorized to be appropriated not to exceed $20,000 to carry out the provisions of this section.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. EILBERG) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. GROSS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. EILBERG).

Mr. EILBERG. Mr. Speaker, the primary purpose of this legislation is to increase from $80,000 to $120,000 the authorized limit on annual dues for U.S. membership in the International Criminal police Organization, commonly known as Interpol.

Passage of this bill is urgently needed if the United States is to satisfy its financial obligations to this important organization. As a result of the existing statutory ceiling of $80,000, the United States has been unable to meet its current dues assessment and a portion of our dues for calendar year 1973 remains unpaid. In addition, we will be unable to pay our full share of dues for 1974.

The primary objective of Interpol, as my colleagues know, is to promote the widest possible mutual assistance and dissemination of information between the 118 participating governments. In addition to collecting, exchanging, storing, and retrieving information on international criminal operations. Interpol also conducts research, prepares reports, and schedules meetings to consider law enforcement issues of international concern.

U.S. participation in this organization commenced in 1938 when the Justice Department through the FBI became the first U.S. representative to Interpol. In 1958 the Treasury Department was officially designated to serve as the U.S. representative to Interpol.

The increased authorization is necessitated by an increase in membership dues from $48,670 to $91,251 in 1972. This increase in dues resulted from: First, formal increases voted by the General Assembly of Interpol; and second, a decrease in the value of the U.S. dollar in the International money market. An additional 21 percent increase is expected to be voted by the General Assembly in September of this year which will raise the annual U.S. dollar equivalent in dues to $117,420 at the current exchange rate. The vote increases will enable Interpol to meet its rising expenses and to improve and expand its existing facilities.

In other words, the proposed legislation is designed to permit the payment of unpaid dues for 1973, the full payment of dues for 1974 and the expected increased dues to be effective in January 1975.

The Department of the Treasury has indicated to the committee on several occasions the need for, and value of, U.S. participation in Interpol. This organization has provided immeasurable assistance in combating smuggling, counterfeiting, and forgery. Likewise, this committee has found Interpol's services to be extremely valuable in controlling the international drug traffic.

The bill was approved by the Judiciary Committee unanimously on June 24.

Furthermore, in 1971 this committee and the House of Representatives unanimously approved smilar legislation to increase the annual authorized expenses for membership in Interpol. I urge my colleagues to approve this needed legislation which will enable the United States to fulfill its financial commitment to this vital organization.

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, the issue before us today is whether to suspend the rules so as to authorize the United States to maintain its membership in Interpol and to pay the increased dues which are required if the United States is to maintain that membership.

We are talking about a very modest sum of money. The increase for the calendar year is $20,000 approximately and to maintain that membership in future years will require a further increase of another $20,000. In total, above the present level, an increase of $40,000 is requested in this legislation.

For that modest conrtibution, Mr. Speaker, the United States gains the benefit of an enormously valuable intelligence network. Interpol, it is to be remembered, is not a police agency and it does not conduct investigations nor does it have the power of arrest. Interpol is an agency created for the purpose of collecting intelligence data and making that information available to its member agencies. The United States has been a member for a number of years. It would be a tragedy of course if we were not to continue that membership. For the money involved in this bill the House should indeed suspend the rules and pass the proposed legislation.

Mr. Speaker, I rise in support of this

bill, and wish to concur with my colleague and subcommittee chairman, Mr. EILBERG in urging favorable action on H.R. 14597. He has set forth several reasons justifying prompt enactment of this bill. This bill was requested by the Department of Treasury, the agency that represents this country to Interpol. The Department points out tht since dues are denominated in Swiss francs, recent changes in the exchange rate have added to the annual cost of the United States in terms of U.S. dollars.

I wish to point out that as a result of the formula whereby various member nations are asessed for Interpol dues, the United States share is only 6.4 percent of the total Interpol budget, and is the same amount paid by France, Germany, Italy, and the United Kingdom as their dues. This appears to be a very equitable arrangement, particularly in light of our heavy assessments from other international organizations. Of course, the Congress retains its right to review this matter annually in connection with the Treasury Department's annual budget request.

This bill was reported by our committee by a unanimous vote, and I am pleased to join with Mr. EILBERG in urging passage of this legislation.

Mr. EILBERG. Mr. Speaker, I have no further request for time.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I understand the bill it provides—and I ask the gentleman from Pennsylvania if I am correct—for an increase of one-third, in other words from $80,000 to $120,000, a $40,000 increase in the U.S. contribution to the dues and assessments of this international organization, and it also provides $20,000 for unpaid dues of some kind.

Was that an increase that was voted and we did not have the money to meet it or what caused the request for $20,000?

Mr. EILBERG. Mr. Speaker, if the gentleman will yield, the fact is that dues were increased but we were not authorized to pay more than $80,000. In fact, we are delinquent a portion of our 1973 dues and our dues for this year would be $97,000.

The prospective dues for 1975 would be approximately $117,000.

Mr. GROSS. I notice that we pay in Swiss francs. Why?

Mr. EILBERG. This is an international organization.

Mr. GROSS. Why not French francs? Why Swiss francs?

Mr. EILBERG. I am not able to state the reason, but from general information I would say Swiss francs are more stable than French francs. A few years ago the Swiss franc was at 25 cents in U.S. money. Today it is equal to 35 cents as a result of the devaluation of the dollar.

Mr. GROSS. Who determines the amount of increase in the total budget of this international organization, and the amount of increase for the United States? Who does this and where?

Mr. EILBERG. There are 118 member countries that participate. The headquarters is located in a suburb outside of Paris. The General Secretariat is in St.-Cloud, just outside of Paris. The assembly meets there. That is their world headquarters.

Mr. GROSS. So 118 world organizations meet and fix the fees and dues and then we fall in line and provide the money; is that the story?

Mr. EILBERG. Yes, that is right; but I would also say to the gentleman that this is an area where we are really getting our money's worth. We are responsible for well over 25 percent of the requested information, but we pay only 6 percent of the total budget. It is a case where we get a great deal more out of it than we are paying.

Mr. GROSS. I thought it was to the contrary, that there were more requests upon the United States than the United States made upon the organization.

Mr. EILBERG. In the fiscal year 1973 there were 3,918 requests for information made to Interpol Washington. Of that amount, 1,098 were initiated by United States law enforcement agencies.

Mr. GROSS. Well, I note that the language at the bottom of page of the report seems to be ambiguous:

> The Committee continues to believe that some limitation ought to be imposed on the amount which the United States is authorized to pay as dues to his organization in order to insure that legislative control over this budgetary item is not meaningfully diminished.

What does that language mean?

Mr. EILBERG. Well, we do want to place some limit on the amount of dues and the limit we are suggesting is $120,000. We want to be able to review it periodically.

Mr. GROSS. It certainly is not going to be meaningfully diminished by the United States under any conditions, is it? We are going to go right on paying. I suspect we are putting in more than most of the 118 organizations.

Mr. EILBERG. I would say to the gentleman that the contribution of the United States is going to be matched by France, Germany, Italy, and the United Kingdom. Certainly in proportion to their population we might call upon them to pay more than we are paying or are supposed to be paying.

Mr. GROSS. I would hope it would not be predicated on the allegation that we are a fabulously rich nation and that we can continue to support these international organizations out of all proportion to the support given by others.

Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. EILBERG) that the House suspend the rules and pass the bill H.R. 14597.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 14597) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENDING THE EXPIRATION DATE OF THE EXPORT-IMPORT BANK ACT OF 1945

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the Senate Joint Resolution (S.J. Res. 218) to extend by 30 days the expiration date of the Export-Import Bank Act of 1945.

The Clerk read as follows:

S.J. RES. 218

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30" and inserting in lieu thereof "July 30".

The SPEAKER. Is a second demanded?

Mr. WIDNALL. Mr. Speaker, I demand a second.

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman from New Jersey opposed to the resolution?

Mr. WIDNALL. No, I am not.

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman from California opposed to the resolution?

Mr. ROUSSELOT. I am, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Export-Import Bank is very important, yes, essential, to the earnings and employment of approximately 800,000 Americans who participate in the production and sale of U.S. goods to foreign buyers with the help of Export-Import Bank financing. In addition, even though Export-Import Bank year after year receives no appropriations from the taxpayers, it has generated earnings which have resulted in the payment of $835 million in dividends to the Treasury and $1.5 billion in retained earnings. This it has done through receipt of interest on its loan, and of premiums on its guarantees and insurance. Last year the Bank earned $140 million and repatriated $50 million in dividends to the Treasury.

Less than 30 percent of the Bank's authorizations last year went for direct loans. These loans currently are made at the rate of 7 percent and match, dollar for dollar, funds made available by private institutions up to a maximum of 45 percent of the value of the U.S. exports involved. The sheer availability of financing and the flexibility to adapt it to the requirements of an export sale and the cash flow the export will produce for the foreign buyer are essential to fulfill the congressional mandate imposed in 1971. The Congress directed the Bank to back American exporters with financing comparable with that available to their competitors abroad. It is this availability and flexibility which is now in jeopardy in that, in the absence of the extension authorized in Senate Joint Resolution 218, all commitments involving the Export-Import Bank must be held in abeyance in the face of stiff foreign competition.

The matter of interest rates charged by Export-Import Bank is one which will again be extensively reviewed by the Committee on Banking and Currency in its consideration of extension and amendment of the basic authority for the Bank, the Export-Import Bank Act of 1945. Because it is the aim of the Bank both to compete and to operate at a profit, its overall cost of money is a prime factor in setting its interest rate. Presently, its Treasury borrowings cost overall 7.5 percent; its debentures on the private market, 6.5 percent; and its participation certificates, 5.1 percent. The weighted average cost of all the money used by the Export-Import Bank is 6.8 percent, which is less than its current lending rate of 7 percent. Consideration by the Committee on Banking and Currency of the matter of Export-Import Bank policy will be taken up after the Congress returns from the July 4 recess, following which the membership of the full house will have an opportunity to review the work of the committee on this matter.

In the meantime, there is no reason why the ongoing activities of the Bank on behalf of American exporters, who generate so much employment and income in our economy, should be disrupted.

Mr. Speaker, I urge adoption of Senate Joint Resolution 218.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. I just want to ask the gentleman from Texas this question: Is it not true that the Eximbank, which I think was established in 1945, has only lost one-eighth of 1 percent over the prior period of its existence?

Mr. PATMAN. No more than that, I am sure.

Mr. BARRETT. No more?

Mr. PATMAN. And that is an excellent record.

Mr. BARRETT. Is it not also true that every dollar lent by the Eximbank must be spent for an American product?

Mr. PATMAN. Not only is the money borrowed from the United States and interest paid on it, but it must be used to purchase goods here, so the United States profits two ways, on the interest on the money and also on the fact that we get profits for the goods that are sold in return for this money that was borrowed, and this creates jobs.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that the Eximbank made a loan or loans to the Japanese, who bought planes from this country that were then sold to Scandanavian or British operators who are running cut-rate air service across the Atlantic and jeopardizing American operators?

Mr. PATMAN. I am not familiar with the situation the gentleman asks about.

Mr. GROSS. You are not acquainted with it?

Mr. PATMAN. I am not acquainted with that particular situation.

Mr. GROSS. I assure the gentleman that the situation does exist.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. ICHORD. I think it was 2 years ago that the gentleman from Missouri asked the gentleman from Texas about what I considered an abuse of lending authority by the Export-Import Bank, and that was when the Pan American Airlines were forced to issue, through the Chemical Bank of New York, bonds bearing interest at 11⅛ percent. The bonds were sold at par in order to buy 747 airplanes.

At that time, I pointed out the fact that foreign airlines in competition with Pan American and TWA could purchase the same 747's with the use of Export-Import Bank money at 6 percent, and that this constituted unfair competition for American companies.

Would the gentleman tell me as to whether anything has been done about that abuse of authority on the part of the Export-Import Bank?

Mr. PATMAN. I wonder whether the gentleman appeared before the Committee on Banking and Currency and whether that question was brought up?

Mr. ICHORD. I not only appeared before the Committee on Banking and Currency; I asked that question of the gentleman 2 years ago. The gentleman stated that the committee would look into the matter. I am wondering whether the committee has taken any action in regard to it.

Mr. PATMAN. If the gentleman asked that it be considered by the subcommittee, that is where the hearings would have been held. I am assuming the gentleman took it up with them, and we have had a hearing, probably.

Mr. ICHORD. Let me say to the gentleman from Texas that no action has been taken on the legislation to renew the authority of the Export-Import Bank. We have known since 1971 that the authority of the Export-Import Bank would expire on June 30, 1974, and here it is July 1, 1974, and no action has as yet been taken by the Committee on Banking and Currency.

Mr. PATMAN. Well, Mr. Speaker, there is a reason for that. This is one of the best agencies I have known Congress to create.

Now, no person ever misses what he has never gotten used to. But when people get used to things, they will miss them. If we do business with a foreign country which does not have the conveniences we have in America and they are unable to get some of those conveniences in the way and the manner that we have outlined here by using our credit, after paying for it and paying for the purchase of our goods at a reasonable profit, that helps us and it helps the people who have never gotten used to these goods and services.

Therefore, it is in the direction of real peace in the world. The more countries like this that we deal with, the better relations we will have with the different countries of the world with whom we deal. Therefore, this is in the direction of real peace, and I hope that the gentleman would not stand back and rely on just one illustration which we have not had an opportunity to go into. It was not brought up, so far as I know. There is no reason the gentleman could not bring it up right now.

Mr. ICHORD. Mr. Speaker, if the gentleman were not bringing this up for consideration under suspension of the rules, the gentleman from Missouri could submit an amendment seeking to curb the action we have described. Under this procedure, he cannot.

Mr. BARRETT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Speaker, what we are asking for here today is an extension for 30 days, and I am quite sure that the chairman of the committee is contemplating bringing the bill to the floor about 2 weeks hence.

If there are any such complaints or any information that would be beneficial to this committee, these gentlemen who are now indicating some of these things were overlooked will have an opportunity to come before the committee and edify the committee on the basis of what they think should be corrected in this type of legislation.

Mr. PATMAN. Mr. Speaker, I admire the gentleman from Missouri (Mr. ICHORD) very much. He is a very fine Member of Congress.

I want to invite the gentleman now to come before us. We will have a hearing on this subject. This extension only goes for 30 days. We will have full and complete hearings before the Committee on Banking and Currency, and we will allow the gentleman all the time he wants in which to present his issue.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, the gentleman pointed out that if we can continue giving cheap credit abroad, we can get the foreigners used to some of the conveniences we have in America, and we can get them to buy our products and this helps American business.

Would this not be also true of the millions of Americans who do not have these conveniences and would love to be able to buy these products and, if they bought them, would this not help American business?

Why do we have to subsidize loans to business abroad and consumers abroad in order to sell American goods when the average American consumer cannot get the goods he needs?

Mr. PATMAN. Mr. Speaker, I will say to the gentleman that there is no subsidy in this. That is one benefit from this.

Mr. LONG of Maryland. Mr. Speaker, I will point out there is a 7-percent amount provided for.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, this is a subsidy. The Export-Import Bank subsidized sales at 6-percent interest. In any language it is a subsidy.

Mr. PATMAN. This is not a subsidy.

Mr. GROSS. Mr. Speaker, I doubt that the gentleman from Texas, as adroit as he is, could convince even a Texan that this is not an outright subsidy operation.

Mr. PATMAN. It is not a subsidy, by any means.

Mr. GROSS. Of course, it is.

Mr. PATMAN. Mr. Speaker, we all know that interest rates are going higher all the time, which is a disgrace.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, the gentleman has just pointed out that the interest rates in this country are very, very high. In fact, the gentleman is one of the leading fighters in behalf of lower interest rates and cheap capital for American business.

Yet, with these loans abroad at interest rates far below what American business can borrow at, we certainly export American capital and we certainly, therefore, make American capital more scarce and we, therefore, make American capital more expensive. That is one of the leading reasons why American capital is being loaned at such very high rates to American business; is that not so?

Mr. PATMAN. Mr. Speaker, no one has charged, not even the most severe critics, that in no case have any of these loans gone at more than four-tenths of 1 percent on certain deals. That is a very small amount of interest.

The main thing is we are not getting interest on the money, our people are, but they are getting a profit on the goods, and this gives people jobs. That is the reason we have 800,000 more people working today by reason of the loans made by the Export-Import Bank. This is a great benefit for people who work. It would be a calamity if we did not have this, it would be detrimental to our country. This will benefit our country and keep those people working. Who wants to vote to discharge 800,000 people in this country? Well, if you vote against this bill then you vote in that direction.

Mr. LONG of Maryland. Mr. Speaker, if the gentleman will yield further, what I am trying to point out the the gentleman from Texas, and the gentleman does not seem to recognize it, that capital is becoming very scarce in the United States, so that if we lend it to American business it would be of great benefit.

The SPEAKER. The time of the gentleman has expired.

Mr. PATMAN. Mr. Speaker, I reserve the remainder of my time.

CALL OF THE HOUSE

Mr. SNYDER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. YATES. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 357]

Andrews, N.C.
Archer
Arends
Armstrong
Bell
Bergland
Bevill
Bolling
Brasco
Breckinridge
Burke, Calif.
Byron
Carey, N.Y.
Carney, Ohio
Chamberlain
Cochran
Conyers
Culver
Daniels, Dominick V.
Davis, Ga.
de la Garza
Dellums
Derwinski
Dickinson
Diggs
Dorn
Drinan
Dulski
Eckhardt
Edwards, Ala.
Erlenborn
Esch
Evins, Tenn.
Fish
Flowers
Fraser
Fulton
Goodling
Gray
Green, Oreg.
Griffiths
Gunter
Hanna
Hanrahan
Hansen, Wash.
Hébert
Heinz
Holifield
Holtzman
Horton
Huber
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Ketchum
King
Kuykendall
Landrum
Lehman
Lujan
McCloskey
McEwen
McSpadden
Madden
Martin, Nebr.
Mathis, Ga.
Meeds
Mills
Mizell
Montgomery
Moorhead, Pa.
Nichols
O'Brien
Parris
Passman
Pike
Podell
Powell, Ohio
Rees
Reid
Rooney, N.Y.
Rostenkowski
Scherle
Shoup
Sisk
Smith, Iowa
Smith, N.Y.
Steele
Steiger, Ariz.
Stuckey
Sullivan
Taylor, Mo.
Thone
Udall
Wyman
Young, S.C.
Zwach

The SPEAKER. On this rollcall 337 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Speaker, I thank the gentleman for yielding. I think it might be the better course of wisdom to let this authority lapse for awhile.

I would like to refer to an excellent editorial, in my opinion, in the Wall Street Journal of Friday, June 28. And submit this editorial for the RECORD.

[From the Wall Street Journal, June 28, 1974]

A LONG LOOK AT THE EX-IM BANK

The authority of the Export-Import Bank expires today, which simply means that until Congress renews its authority the bank cannot make new loan commitments. How nice it would be if Congress took its time, say a year or two, before acting one way or another. It might even find that U.S. economic interests would be served by liquidation of the bank, which by our reckoning stays in business by sleight of hand and covert use of the taxpayers' money.

After all, the only thing the bank really does is subsidize exports. No matter how you slice it, it is a subsidy to provide 7% money to finance sale of a widget or an airplane to Ruritania or a computer to the Soviet Union, when an American businessman can't finance purchase of either for less than 11¾%. The bank gets privileged rates in the private capital market because the United States puts its full faith and credit behind the loans. Why the U.S. government should give the Ruritanian businessman a sweetheart deal that it won't give an American, save those at Lockheed, is beyond us.

The alleged economic justification for the bank's operation, which Ex-Im Bank Chairman William J. Casey pushes with great fervor, is that it improves the U.S. balance of trade. Granted, an export is an export. But Mr. Casey would have us look at only one side of the transaction. There's no way he could persuade us that wresting capital away from Americans, then forcing it abroad through the subsidy mechanism, does anything but distort relative prices, misallocate resources and diminish revenues with zero effect, at best, on the trade balance.

Sen. Lloyd Bentsen of Texas sees part of the economics when both sides of the transaction are analyzed. He has an amendment that "would prevent Ex-Im financing of those exports involving the financing of foreign industrial capacity whenever the production resulting from that capacity would significantly displace like or directly competitive production by U.S. manufacturers." He has in mind Ex-Im's subsidizing of a foreign textile or steel plant that competes with its U.S. counterpart, to the detriment of our balance of trade.

Senator Bentsen thinks it's okay to subsidize finished products, like airplanes, which the Ex-Im Bank does plenty of. But Charles Tillinghast Jr., chairman of TWA, doesn't like the idea. He says TWA is losing piles of money flying the North Atlantic against foreign competitors who bought Boeing 747s and such with subsidized Ex-Im's loans. If TWA got the same deal, it would save $11 million a year in finance charges. Mr. Tillinghast is currently pleading for a government subsidy so he can continue flying the North Atlantic and providing revenues in support of, ahem, our balance of trade.

Even if Ex-Im Bank subsidized only exports of goods and services which could not conceivably come back to haunt us directly, we see adverse economic effects. Subsidizing the export of yo-yos to the Ruritanians gives them a balance of trade problem that they correct by subsidizing the export of pogo sticks to us. Taxpayers both here and in Ruritania are thereby conned by this hocus pocus into supporting lower prices for yo-yos and pogo sticks than the market will support. In fact, all our trading partners have their own Ex-Im Bank to achieve exactly this end.

Two and three decades ago, when the Ex-Im Bank was a modest affair, its impact was relatively trivial. Now, it has $20 billion of lending authority and is asking Congress to bump this to $30 billion. By 1971, its impact on federal budget deficits had grown so large that Congress passed a special act taking the bank's net transactions out of the federal budget, so the deficit would *look* smaller. But the transactions have the same fiscal effect as a deficit, and the same drain on the private capital market. In the fiscal year just ending, the bank took $1.1 billion out of the capital market. In the next fiscal year, it expects to take $1,250,000,000 out of it.

There being no economic justification for the bank, Congress should feel no qualms about letting its authority lapse for a few years to watch what happens. The Russians,

> eager to continue getting something for nothing through the Ex-Im Bank, would be mildly unhappy. But they'd adjust by getting into the private capital markets with the underprivileged. We'd be surprised, too, if our trading partners didn't follow suit by scrapping these nonsensical subsidies. And if they don't, why should we complain about their taxpayers sending us subsidized pogo sticks?

They recommend letting the authority for the Export-Import Bank lapse for a "few years." I do not believe I would go quite that far, but I think that if this House did not extend the authority for 30 days it might bring an urgency for the House to more carefully examine the benefits and the demerits of the Export-Import Bank.

I do not believe it would put them out of business, but I think for a period of some time they would not be able to make any new loan commitments. This bank does, indeed, take capital out of our system.

The president of TWA makes a rather compelling case when he points out that that great airline alone is losing $11 million a year in finance charges because it cannot compete with the interest rates of foreign airlines who can borrow money at 7 percent from the Export-Import Bank, to pay for their aircraft, while American carriers have to pay 12 or 13 percent.

I think, Mr. Speaker, for these and other reasons, a failure to extend at this time will bring an urgency to the committee to have early and comprehensive hearings and to therefore make a more orderly and informed decision.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I would like to congratulate the gentleman on his statement and associate myself with his remarks.

Mr. Speaker, I rise in opposition to the extension of the Export-Import Bank—Eximbank—proposed by the resolution before us.

I cannot support that particular resolution, not because I am opposed to trade or the export of American products, but rather because of specific matters associated with this issue, the Bank, and its recent mode of operation. Also, this bill should be brought up under an open rule, so the House can work its will.

I am not opposed to enhanced commercial trade relations with Communist countries, provided that such trade is in nonstrategic goods; that such trade is not subsidized by the American taxpayers—something which occurs when Eximbank loan credit guarantees are at an interest rate less than that paid when funds are borrowed by the U.S. Government in order to insure such loan guarantees; and, that such trade is on financial terms consistent with our own needs for gold or hard cash.

I am opposed, however, to those particular trade deals now being negotiated with the Soviet Union by the Eximbank for the express purpose of further developing Soviet Russian energy resources. I see no need to help the Soviet Union develop its own energy resources with American capital, when we do not even have enough energy developed for ourselves. American dollars would be better spent in building our own self-sufficiency in the oil and gas field—in providing enough energy for our own needs.

I am also opposed to the cavalier ways in which Eximbank and their administration have treated the clear intent of Congress. Congress has declared that no loan guarantee be made to a nonmarket—Communist or socialist—economy country unless a specific determination has been made by the President that it is in the best interest of the United States—not the best interest of that foreign power—to make such a guarantee. A recent ruling of the Comptroller General has restated this position—this intent of Congress.

Yet, Eximbank has made several massive loan guarantees to the Soviet Union and other Communist countries this year without such a specific determination by the President. In one recent case, a specific determination was made by the President, but even that determination flies in the face of the strongly-stated House position that no further trade should be instituted until the Soviets guarantee the right of emigration to their citizens and in the face of the determined position of the Senate to similarly couple such trade with a relaxation of internal restraints on individual liberties.

Until the pending Trade Reform Act has been passed, these proposed trade deals with Communist countries ought to have been simply put into a state of abeyance. But, Eximbank has proceeded at full speed. It should be held accountable for such disregard of the intent of Congress—and rejection of the resolution before us is an effective way to do so.

It is also within the purview of the Congress—in exercising its oversight role—to examine the quality of judgment being exercised within Eximbank in the making of loans too.

In addition, I think the flow of investment capital—badly needed here in our own country—to the economies of other countries is bad policy.

As pointed out in an editorial last week in the Wall Street Journal, there is no way in which wresting capital away from Americans, and then forcing it abroad through Eximbank subsidies, does anything but distort relative prices, misallocate domestic resources and diminish revenues, with a zero effect, at best, on the trade balance.

Eximbank policies, as now being carried out, would significantly displace exact or similar competitive production in the United States. What Eximbank is doing is giving—with American tax dollars—an unfair advantage to the Communist controlled economies—to the clear detriment of the American labor force. And, we are talking about no small amount of capital misallocation. Last year alone, Eximbank took $1.1 billion out of the domestic capital market, and this year it is expected to take out another $1.25 billion.

There is an additional reason why I oppose the enactment of the resolution before us: It was brought up under suspension of the rules, a procedure which precludes any amendments being offered, thereby denying to the majority in the House—as expressed through its floor debate and amendments—any chance to amend the bill. This matter should have been brought to us under a rule which permitted the Members to work their will.

The Congress has an important role to exercise in this subject area. Article 1, section 8, of the Constitution itself gives to the Congress the power "to regulate commerce with foreign nations." That power is being properly exercised when the Congress works its will on the terms under which U.S.-supported Eximbank guarantees to foreign nations will be made. We should have that opportunity.

For these reasons, Mr. Speaker, I urge the rejection of this resolution.

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. Gaydos).

Mr. GAYDOS. Mr. Speaker, I rise in opposition to the 30-day extension. The reason for my opposition is most clearly set forth in an editorial which appeared in the Pittsburgh Press on May 26, 1974.

Mr. Speaker, I would like to read the editorial at this time:

[From the Pittsburgh Press, May 26, 1974]

Foreign Aid to Russia

> In a foolish and unnecessary foreign-aid blunder, the Nixon administration has granted an $180 million loan to the Soviet Union to help finance a huge fertilizer complex there.
>
> The loan was made by the Export-Import Bank on instructions from President Nixon.
>
> It carried the bargain interest rate of 6 percent. Six percent at a time when the cost credit-worthy American corporations must pay about twice as much to borrow money:
>
> In an effort to justify its dubious deal, the Ex-Im Bank points out that the credit will help U.S. companies export $400 million in goods for the fertilizer project an eventually will bring "needed fertilizer to the U.S."
>
> All that may be true but it misses a basic point:
>
> By granting credit to the Soviet Union at half the rate charged domestically and to many friendly countries, the U.S. taxpayer is subsidizing and giving foreign aid to the Kremlin's industrial base.
>
> There is nothing wrong with expanding trade with Moscow in nonstrategic items. But financing that trade with long-term loans at sweetheart rates is indefensible.
>
> It may be news to the White House, but it isn't to U.S. intelligence agencies, that the Soviet Union can well afford to pay cash or to arrange for normal commercial credits for what it wants to buy in this country.
>
> Russia is a major exporter of oil and oil products to hard-currency areas.
>
> It will get a windfall profit of $1.5 billion to $2 billion in 1974 from the fourfold boost in crude prices imposed by the Arab oil cartel.
>
> With commodity prices setting records, Moscow will earn extra billions through its extensive timber, gold and diamond exports.
>
> Since mid-1973, it has sold $2 billion to $4 billion in weapons to Egypt and Syria,

these sales financed by Saudi Arabia and paid for in hard currency.

This means that while the Soviet Union would like bargain credits from the United States if we are stupid enough to grant them, it can and will pay cash to countries with backbone in their trade policies.

Russia tried to pull an "Ex-Im" type deal on West Germany for an iron and steel combine in Kursk. But when Bonn remained firm, Moscow agreed in March to pay $1 billion in cash for the project.

Similarly, it is paying $48 million in cash to a British firm for a new plastics plant.

Only this month the Soviet Union gave Argentina $600 million in credits for a vast electric power project.

Can anyone explain why Russia should get a $180 million loan from the United States when Russia can afford to lend Argentina $600 million?

Obviously, something is very wrong.

Either the White House doesn't know how to do business with Russia (remember the wheat deal?) or Mr. Nixon is so eager to make his visit to Moscow next month a success that he is giving away the store.

Whatever the reason, the Ex-Im giveaway should be blocked by Congress.

Why subsidize a foreign power that is basically inimical to America's future, freedoms and friends?

Mr. PATMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. WIDNALL).

Mr. WIDNALL. Mr. Speaker, I am amazed that some of my colleagues who are champions of the free enterprise system are objecting to a 30-day extension of the Export-Import Bank of the United States. These champions of American business and labor should be the very ones to support a Government institution with the record that this Bank has achieved in assisting the economy of this country and helping to maintain a strong dollar, while at the same time making a profit on its operations so that it returns money to the U.S. Treasury each year.

This is the institution which through loans, guarantees, and insurance has supported over $70 billion of U.S. export sales during its life.

This is the institution which supported about $12.4 billion of U.S. export sales this last fiscal year.

This is the institution which helps to sustain over 700,000 full-time American jobs each year right here in this country.

This is the institution whose programs have produced over $16 billion in tax and other revenues to the Federal Government and to the revenues of our State and local governments all across this country.

This is the institution which has enabled American business to derive over $5 billion in profit from export sales.

This is the institution which, without using any appropriated funds, earns a profit for the taxpayers of about $120 million each year.

This is the institution which has returned to the Treasury from those profits some $906 million during its lifetime.

This is the institution which in just the last 5 years has contributed some $13 billion to the U.S. balance-of-payments position.

Mr. ROUSSELOT. Mr. Speaker, I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I appreciate the gentleman's yielding.

I merely want to point out to my good friend, the gentleman from New Jersey, that it is rather interesting to associate the Export-Import Bank with the free enterprise system. If we believe in free enterprise, where in the world do those in business get a 6-percent interest rate right now? If we believe in free enterprise, I guess we have to consider the question of supply and demand which the Export-Import Bank is not. I favor the Bank but believe we must limit loans which result in unfair competition against American industry or business.

I merely want to point out one aspect. There are so many factors that go into this ledger balance argument. It is like the balance-of-trade question. One does not know what to believe in any more. On the plus side the Government counts subsidies and sales for impounded currency. There are cases where the money never comes back and yet it is counted on the plus side. Does Ex-Im do this. Unless one takes a good hard look, he does not know what is the truth when it is claimed as the gentleman from New Jersey claims the Bank makes money.

Let me quote one sentence from the editorial from the Wall Street Journal that has already been put into the RECORD:

> But Charles Tillinghast, Jr., Chairman of TWA, doesn't like the idea. He says TWA is losing piles of money flying the North Atlantic against foreign competitors who bought Boeing 747's and such with subsidized Ex-Im's loans. If TWA got the same deal, it would save $11 million a year in finance charges.

Is that free enterprise? Does it make sense to guarantee 6 percent loans when the Government pays 10 or 11 percent?

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Speaker, I also rise to oppose the extension of the Export-Import Bank program.

Export-Import loans rob the United States of capital, and of course the scarcer the capital, the higher become domestic interest rates. The Export-Import Bank's operations thus contribute to our high interest rates. Export-Import Bank loans have the same deleterious effect as deficit spending.

Despite what has been said, loan reschedulings and delinquent loan payments are substantial, without over $250 million in delinquent payments, and over $350 million in reschedulings from fiscal year 1969–December 31, 1973.

Through more than $500 million in approved pending loans, the Eximbank has been subsidizing the Russian military buildup and through the new 10-year pact with the Soviet Union that the President proposes, we can expect Exim loans to the Soviet Union to continue to contribute to the Russian arms race, which the Russians might otherwise have to slow down.

Increased Russian defense expenditures in turn force us to spend more on our own national defense.

The Export-Import Bank has also been the principal instrument for financing the export of nuclear technology, having made 72 loans and financial guarantees totaling almost $3 billion for over 14 countries—many of whom are no great friends of ours.

Finally, the Eximbank has financed over $3.9 billion in arms purchases to many countries—notably Iran, which has taken the lead in raising oil prices.

Can we call the activities of the Export-Import Bank free enterprise? If free enterprise means anything, it means borrowing money without any kind of Government help. The Export-Import Bank's loans are Government-subsidized and at lower rates of interest than anybody in this country can borrow.

The Congress should vote down this extension and any future extension of the Eximbank in order to examine more closely the effects of the Bank's operations on our economy.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman.

Mr. BROWN of Michigan. Mr. Speaker, the gentleman said before that these loans are made without proper interest rates. Any entrepreneur in this country who wants to get the same rate of interest can do it. All he has to do is buy exports from West Germany, Japan, or what have you, because basically, the interest rates are the same. The Export-Import Bank is not going astray in the international market.

Mr. LONG of Maryland. Does the gentleman know any place in the United States where a businessman can borrow money at 6 percent or 7 percent?

Mr. BROWN of Michigan. One can get a credit from West Germany.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Speaker, when I came to the floor today, I had every expectation of voting for this legislation. I have changed my mind, and I will tell the Members why. The matter involving TWA and Pan Am is what did it.

We have two American airlines which are losing money. They pay for their airplanes at the going rate of interest. I do not own a dime's worth of Pan Am stock or bonds or anything else, but I will point out that at the moment Pan Am has floated bonds at 10½ percent interest, and they pay for their airplanes with that money presumably.

Now, what about the foreign airlines which are getting Export-Import Bank loans? They got theirs at 6 percent. We might say that is a boon to American business. But they are subsidized by their governments besides, and they are driving the American flagship lines right off the North Atlantic and right out of international runs all over the world.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I would be delighted to yield.

Mr. ASHLEY. Mr. Speaker, let us find out about this. It is one thing to expect Pan American to fly American-made aircraft; it is another thing to take it for granted that the British, the Australians, South American, and other countries will buy American aircraft.

Mr. HAYS. They will only buy American aircraft when they cannot get them anywhere else, and that day is over.

Mr. ASHLEY. Exactly. They can buy airplanes from somebody else. That is why the United States must offer competitive rates, terms, and other conditions.

Mr. HAYS. Mr. Speaker, they are going elsewhere now, and I suppose before it is over, either the Export-Import Bank or some other institution will lend them money at cut rates. That is all right if they want to do that, but they are not going to do it with my vote.

Mr. ASHLEY. The question is whether or not we are interested in the export sale of American aircraft.

Mr. HAYS. We are interested in sales, that is right, but I am not interested in the export sale of American aircraft in order to put American airlines out of business.

Mr. ROUSSELOT. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Speaker, I will say to the Members that I know 20 minutes is not enough time in which to discuss this very serious issue.

I thought that I would concentrate on one issue alone. I have here a tally sheet of the loans made to Soviet Russia alone. I doubt if there is any Member in the room, including the sponsor of the legislation and including any member of the committee, who can name the loans, tell us what they were made for, when they were started to be made to the Soviet Union, and what the average rate of interest is. If there is any such Member, I will give him my time.

Let me point out just one. Here is one little, tiny outfit. The largest single truck plant in the whole world is the Kama River plant. This is $342,120,000 in American money, and the first initial contribution at the beginning was for $153,950,000.

Speaking about the airplanes, that is the simplest thing in the world to answer. The only reason they buy their airplanes here is because this is the only country on the face of the Earth that gives them unlimited group end party rights in the United States, the right to pick up their charter here, pick up American citizens here, take them to their native country or wherever they take them, and bring them back.

No American line gets that privilege. The Scandinavian Airlines and Icelandic bought their airplanes from us, because they could get that privilege, which means more to them than any other flying rights they could get.

Mr. Speaker, they drove us off the seas with the same kind of propaganda. We are the weakest nation in the world in the maritime race, and, if we keep it up, we will be the weakest Nation in the world in the air.

What do we mean, selling airplanes? Who in this room has the divine right to say that we are to lend money to put up a plant in order to compete with my people working in specialty steel products, with our other people working in copper mills, and with other people working in textile mills, just so we can sell an airplane?

What Member in this room has the divine right to say that an airplane worker must continue working and my man should lose his job and go on relief? How can we stand up on this issue on the strength of giving away what belongs to these Americans, their equal right under the Constitution, their equal right to work?

Mr. Speaker, what else have we done? We just gave them 260 circular knitting machines, at a cost of $5,620,000. We put in $4 million of it.

What are we talking about? Do we need someone over in Russia using these machines to compete with our workers so they can send their products all over the world?

Every time they sell machine goods to somebody that produces goods that is in competition with us, they are selling American jobs.

Mr. Speaker, while I have a minute, for the first time in many years that I have been fighting this battle I finally have some consolation. In the Wall Street Journal do you know what it says? It says what I have said to the Members so many times, though many of the Members have voted against it, and they will probably do so when I am done today also. Here is what they say:

A Long Look at the Ex-Im Bank

The authority of the Export-Import Bank expires today, which simply means that until Congress renews its authority the bank cannot make new loan commitments. How nice it would be if Congress took its time, say a year or two, before acting one way or another. It might even find that U.S. economic interests would be served by liquidation of the bank, which by our reckoning stays in business by sleight of hand and covert use of the taxpayers' money.

After all, the only thing the bank really does is subsidize exports. No matter how you slice it, it is a subsidy to provide 7% money to finance sale of a widget or an airplane to Ruritania or a computer to the Soviet Union, when an American businessman can't finance purchase of either for less than 11¾%. The bank gets privileged rates in the private capital market because the United States puts its full faith and credit behind the loans. Why the U.S. government should give the Ruritanian businessman a sweetheart deal that it won't give an American, save those at Lockheed, is beyond us.

The alleged economic justification for the bank's operation, which Ex-Im Bank Chairman William J. Casey pushes with great fervor, is that it improves the U.S. balance of trade. Granted, an export is an export. But Mr. Casey would have us look at only one side of the transaction. There's no way he could persuade us that wresting capital away from Americans, then forcing it abroad through the subsidy mechanism, does anything but distort relative prices, misallocate resources and diminish revenues, with zero effect, at best, on the trade balance.

Sen. Lloyd Bentsen of Texas sees part of the economics when both sides of the transaction are analyzed. He has an amendment that "would prevent Ex-Im financing of those exports involving the financing of foreign industrial capacity whenever the production resulting from that capacity would significantly displace like or directly competitive production by U.S. manufacturers." He has in mind Ex-Im's subsidizing of a foreign textile or steel plant that competes with its U.S. counterpart, to the detriment of our balance of trade.

Senator Bentsen thinks it's okay to subsidize finished products, like airplanes, which the Ex-Im Bank does plenty of. But Charles Tillinghast Jr., chairman of TWA, doesn't like the idea. He says TWA is losing piles of money flying the North Atlantic against foreign competitors who bought Boeing 747s and such with subsidized Ex-Im's loans. If TWA got the same deal, it would save $11 million a year in finance charges. Mr. Tillinghast is currently pleading for a government subsidy so he can continue flying the North Atlantic and providing revenues in support of, ahem, our balance of trade.

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Two and three decades ago, when the Ex-Im Bank was a modest affair, its impact was relatively trivial. Now, it has $20 billion of lending authority and is asking Congress to bump this to $30 billion. By 1971, its impact on federal budget deficits had grown so large that Congress passed a special act taking the bank's net transactions out of the federal budget, so the deficit would look smaller. But the transactions have the same fiscal effect as a deficit, and the same drain on the private capital market. In the fiscal year just ending, the bank took $1.1 billion out of the capital market. In the next fiscal year, it expects to take $1,250,000,000 out of it.

There being no economic justification for the bank, Congress should feel no qualms about letting its authority lapse for a few years to watch what happens. The Russians, eager to continue getting something for nothing through the Ex-Im Bank, would be mildly unhappy. But they'd adjust by getting into the private capital markets with the underprivileged. We'd be surprised, too, if our trading partners didn't follow suit by scrapping these nonsensical subsidies. And if they don't why should he complain about their taxpayers sending us subsidized pogo-sticks?

I say to the Members, Mr. Speaker, if they want more than that they are not going to get it here.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to the distinguished minority Member, the gentleman from New Jersey (Mr. Widnall), who disagrees with me on this issue also.

Mr. WIDNALL. Mr. Speaker, the Export-Import Bank is truly one of our unique Government institutions. Its assistance to American industry and the American labor force cuts across every segment of our economy, from agriculture to manufacturing, to the construction industry, to power, communications, mining, transportation, and servicing industries. The export products which its financing supports come out of every State of the Union. They come from thousands of small companies, as well as our largest industrial enterprises.

Now there are some who have been critical of the interest rate which the Bank charges on its loans, which presently is 7 percent. However, any valid discussion of this interest rate requires an understanding of why the Bank exists at all, how it operates, and most important—which many of my colleagues have conveniently overlooked—what the Congress has instructed the Bank to do.

The Export-Import Bank Act, which Congress amended as recently as 1971, instructs the Bank to provide export financing support for U.S. exporters which is competitive with the export financing made available to foreign exporters by their various Government export financing institutions. Now just what does this mean? It means that in today's world the American businessman, if he is even going to begin to try to sell his wares abroad, must take with him financing for his sales which can match or beat what his competitors are offering. They are offering financing from as low as 5.5 percent to as high, in certain instances, as 9.5 percent.

How does Eximbank help American business in competition? It helps by working with the private financing institutions all across this country in providing a combination of its own funds, private funds and guarantees and insurance, to put together a financing package for the amounts of money needed, at effective interest rates and on repayment terms which will make the U.S. sale competitive in markets abroad. This is the reason why we need an Exim rate on its portion of the loan which today is lower than the prevailing market rate.

The combination of the Exim rate and the market rate creates an effective rate of approximately 8.75 percent for the U.S. sale. It makes no sense to hold that Exim should be providing market rate financing. Obviously, if the private market alone could provide financing which is competitive, there would be no need for Eximbank. But this is simply not the case today, nor yesterday, nor probably tomorrow. And this is the very reason why the U.S. Congress, for some 30 years, has continued the existence of this Federal agency. It was created and mandated by the Congress to do a job which the private sector alone could not perform. It has been continued by the Congress, because Congress has recognized that U.S. export sales are a national priority and are important to the overall strength of the dollar. This is as true today as it was 20 years ago or 10 years ago and, in fact, our need to generate revenues from abroad is even more pressing today, because of the increased costs which this country is having to pay for those imports which it must have to sustain its economy and to meet the desires of its people.

So I say to my friends who seem to feel that this institution is no longer needed, and to those who would shackle it to such an extent that it cannot do its basic job, you better take a long hard look at all you are doing to give up—the business, the jobs, and the revenues—and have a better explanation for killing this agency that I have heard floating around these halls in the last several weeks.

Mr. ROUSSELOT. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, I rise in support of the resolution.

Mr. ROUSSELOT. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. Ichord).

Mr. ICHORD. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, as it has already been pointed out to this body, we subsidize foreign airlines at the expense of American air lines through its creature, the Export-Import Bank.

It is impossible, Mr. Speaker, to debate the merits of this matter under the limitations in which we are now considering the measure, under suspension of the rules. But I would like to point out to the Members that this is not a proper matter for consideration under suspension of the rules.

The members of the Committee on Banking and Currency who support this proposal are well aware of the fact that the gentleman from Pennsylvania (Mr. Dent) the gentleman from Missouri and the gentleman from California (Mr. Rousselot) and several other Members, have amendments which they wish to present to this legislation.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

This is one of the main reasons why many of us are objecting to the legislation coming to us in this manner. We have had no real opportunity, either in the committee or on the floor, to offer appropriate amendments that would limit this kind of lending practice. I appreciate the gentleman's bringing up that point. We are not, basically, opposed to some aspects of the Export-Import Bank, but we feel this is the wrong way to legislate.

Mr. ICHORD. I would further point out to the gentleman from California that there is no need to worry about the effect of an expiration of the Export-Import Bank, because the authority of the Export-Import Bank has already expired. It expired on June 30, 1974, and today is July 1, 1974. The truth of the matter is, Mr. Speaker, that when this House in its deliberations on the Trade Act adopted amendments that would restrict MFN status to the Soviet Union, as well as credits to the Soviet Union, this set off a series of delays and maneuvering which have resulted in this bill not coming to the floor until today. In fact, the proponents of this legislation on several occasions have made efforts to obtain unanimous consent requests in order to avoid these amendments being adopted.

For that reason, Mr. Speaker, this suspension should be voted down overwhelmingly.

The record of the Export-Import Bank is replete with actions detrimental to the economic and security interests of the United States. The reasons for not renewing the life of the Export-Import Bank are very cogently set forth in an editorial of the Wall Street Journal on June 28, 1974. Indeed, any way you slice it, we are subsidizing exports to not only our allies but also to the Soviet Union. The editorial reads as follows:

[From the Wall Street Journal,
June 28, 1974]

A Long Look at the Ex-Im Bank

The authority of the Export-Import Bank expires today, which simply means that until Congress renews its authority the bank cannot make new loan commitments. How nice it would be if Congress took its time, say a year or two, before acting one way or another. It might even find the U.S. economic interests would be served by liquidation of the bank, which by our reckoning stays in business by sleight of hand and covert use of the taxpayers' money.

After all, the only thing the bank really does is subsidize exports. No matter how you slice it, it is a subsidy to provide 7% money to finance sale of a widget or an airplane to Ruritania or a computer to the Soviet Union, when an American businessman can't finance purchase of either for less than 11¾%. The bank gets privileged rates in the private capital market because the United States puts its full faith and credit behind the loans. Why the U.S. government should give the Ruritanian businessman a sweetheart deal that it won't give an American, save those at Lockheed, is beyond us.

The alleged economic justification for the bank's operation, which Ex-Im Bank Chairman William J. Casey pushes with great fervor, is that it improves the U.S. balance of trade. Granted, an export is an export. But Mr. Casey would have us look at only one side of the transaction. There's no way he could persuade us that wresting capital away from Americans, then forcing it abroad through the subsidy mechanism, does anything but distort relative prices, misallocate resources and diminish revenues, with zero effect, at best, on the trade balance.

Sen. Lloyd Bentsen of Texas sees part of the economics when both sides of the transaction are analyzed. He has an amendment that "would prevent Ex-Im financing of those exports involving the financing of foreign industrial capacity whenever the production resulting from that capacity would significantly displace like or directly competitive production by U.S. manufacturers." He has in mind Ex-Im's subsidizing of a foreign textile or steel plant that competes with its U.S. counterpart, to the detriment of our balance of trade.

Senator Bentsen thinks it's okay to subsidize finished products, like airplanes, which the Ex-Im Bank does plenty of. But Charles Tillinghast, Jr., chairman of TWA, doesn't like the idea. He says TWA is losing piles of money flying the North Atlantic against foreign competitors who bought Boeing 747s and such with subsidized Ex-Im's loans. If TWA got the same deal, it would save $11 million a year in finance charges. Mr. Tillinghast is currently pleading for a government subsidy so he can continue flying the North Atlantic and providing revenues in support of, ahem, our balance of trade.

Even if Ex-Im Bank subsidized only exports of goods and services which could not conceivably come back to haunt us directly, we see adverse economic effects. Subsidizing the export of yo-yos to the Ruritanians gives them a balance of trade problem that they correct by subsidizing the export of pogo sticks to us. Taxpayers both here and in Ruritania are thereby conned by this hocus pocus into supporting lower prices for yo-yos and pogo sticks than the market will support. In fact, all our trading partners have their own Ex-Im Bank to achieve exactly this end.

Two and three decades ago, when the Ex-Im Bank was a modest affair, its impact was relatively trivial. Now, it has $20 billion of lending authority and is asking Congress to bump this to $30 billion. By 1971, its impact on federal budget deficits had grown so large that Congress passed a special act taking the bank's net transactions out of the federal budget, so the deficit would look smaller. But the transactions have the same fiscal effect as a deficit, and the same drain on the private capital market. In the fiscal year just ending, the bank took $1.1 billion out of the capital market. In the next fiscal year, it expects to take $1,250,000,000 out of it.

There being no economic justification for the bank, Congress should feel no qualms about letting its authority lapse for a few years to watch what happens. The Russians, eager to continue getting something for nothing through the Ex-Im Bank, would be mildly unhappy. But they'd adjust by getting into the private capital markets with the underprivileged. We'd be surprised, too, if our trading partners didn't follow suit by scrapping these nonsensical subsidies. And if they don't, why should we complain about their taxpayers sending us subsidized pogo sticks?

Mr. ROUSSELOT. Mr. Speaker, I now yield 1 minute to my colleague, the gentleman from Ohio (Mr. J. William Stanton).

Mr. J. WILLIAM STANTON. Mr. Speaker, this is a simple matter. I am amazed at the remarks made by the gentleman in the well to the House. What the Committee on Banking and Currency is simply doing is asking for a 30-day extension so that any Member in this body can offer all of the amendments they want within the next 30 days. This gives us an opportunity to bring this bill back. We think it is so extremely important to the constituents of the Members of this body. By a simple extension of 30 days we can come up with a good bill. I personally think—and I am sure—that the majority will by a two-thirds vote give us an opportunity to continue this until we can present it on the proper platform which, I agree, is in the Committee of the Whole.

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to Senate Joint Resolution 218, which would extend the expiration of the Export-Import Bank Act of 1945 for 30 days. Chairman Patman, of the Banking and Currency Committee, attempted several times last week to obtain this extension by unanimous consent, but on each occasion an objection was raised. Now that the extension is being considered under a suspension of the rules, I believe this House should again deny the extension, for the following reasons:

First. The International Trade Subcommittee and the full Banking and Currency Committee have been fully aware that the act would expire on June 30, 1974. Yet they have failed to report a bill to the floor in time for the House to give this matter the thorough consideration it deserves. There is no reason why the House should be rushed to consider this extension just because the committee has failed to lay the proper foundation.

Second, the prospect of a lapse in authority for the Eximbank should not be a major concern. In fact, an article from last Friday's Wall Street Journal, the full text of which I am inserting below, suggested that:

> There being no economic justification for the bank, Congress should feel no qualms about letting its authority lapse for a few years to see what happens.

A lapse of some months while Congress thoroughly considers the merits of extending Eximbank's authority might very well be a blessing.

Third, consideration of an extension under suspension of the rules is a poor way to legislate, because there is no provision for amendments. On April 25, 1974, Congressman Dent and I testified jointly before the International Trade Subcommittee concerning the need for amendments to the Eximbank Act. We have jointly introduced H.R. 14302, a bill which would amend the act to give Congress an active role in approving Eximbank's transactions, thus enabling Congress to exercise its constitutional authority "to regulate commerce with foreign nations."—article I, section 8. Our amendments cannot be considered under the supension procedure, and Mr. Dent and I strongly feel that no extension of Eximbank authority should be granted until Congress has had a chance to consider the issues which we have raised and to work its will on our amendments and on any other amendments which may be offered.

For all of these reasons I suggest that we defer any action on an Eximbank extension until we can take a proper look at its merits.

The Wall Street Journal article follows:

A Long Look at the Ex-Im Bank

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Mr. PATMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Speaker, it is entirely true that there are a number of questions that can be raised with respect to the operations of the Export-Import Bank. I respectfully submit to you, as chairman of the Subcommittee on International Trade, that this is not the way to raise the questions.

Prudent parents do not throw out the baby with the bath water. The Congress is the parent of the Export-Import Bank. Rejection of the resolution before us, Mr. Speaker, to extend the authority of the Export-Import Bank will not affect the U.S.S.R. one iota. It will affect, and it will affect very adversely, scores upon scores of American manufacturing concerns and other business concerns in the United States and, most certainly, hundreds of thousands of American workers.

Who would really in fact be the beneficiary if this resolution is not adopted? Very clearly, Mr. Speaker, it would be the trading partners of the United States, such as Great Britain, France, Italy, and Japan, who would not believe their good luck if the United States were to take this action to get out of the export business. These countries would be the beneficiaries in the first place because they would inherit trade which otherwise, as at the present time, is to the benefit of the United States.

I am very disappointed that my friend, the gentleman from Missouri (Mr. Ichord), suggests to the Members that opponents of the legislation extending the authority of the Export-Import Bank have not had a fair opportunity to be heard. They had the major share of the time, and I made certain that they did, despite the fact that I do not agree with their views, and I protected their rights at every turn. Neither the gentleman from Pennsylvania (Mr. Dent) nor any one else can say to the contrary. For them to suggest to this body that they have somehow been mistreated is a misrepresentation of the facts, and the gentleman from California (Mr. Rousselot) knows that.

Under the Export-Import Bank Act of 1945, as amended, the Bank was authorized to exercise its functions until the close of business on June 30, 1974. Legislation which would extend the life of the Bank to 1978 and increase its lending authority was introduced on April 1.

That legislation and other bill dealing with international economic policy were the subject of extensive hearings from April 22 through May 2 before the Subcommittee on International Trade, which I chair.

These same hearings served the purpose of taking testimony on House Resolution 774, introduced by my colleagues, the gentleman from Missouri (Mr. Ichord) and the gentleman from Pennsylvania (Mr. Dent). That resolution, which was cosponsored by more than 220 Members of the House, would express the sense of the House that no loans shall be extended by the Export-Import Bank to any nonmarket economy country other than Poland and Yugoslavia until the Senate has acted on the trade bill passed by the House last December.

As my colleague from Missouri well knows, I did everything within my power to facilitate full consideration of House Resolution 774. The gentleman from Missouri and the gentleman from Pennsylvania and the gentleman from California (Mr. Rousselot) were given time before the Subcommittee on International Trade of perhaps greater length than have any other Members before the Committee on Banking and Currency within my recollection. The questions that they raised with respect to Export-Import Bank policy were carefully noted and put to appropriate administration witnesses.

Subsequent to the subcommittee hearings on international economic policy legislation, House Resolution 774 was reported by the Committee on Banking and Currency and brought before the Rules Committee, which postponed it in view of the President's trip to the Soviet Union.

The Committee on Banking and Currency subsequently reported legislation to extend and amend the International Economic Policy Act of 1972, as amended, and legislation to extend and amend the Export Administration Act of 1969, as amended. Authorities in each of these existing laws were scheduled to expire on June 30, and it was the judgment of the committee that action ought to be taken on them first. These matters originating with the Subcommittee on International Trade, as well as the matter of the Export-Import Bank Act, were competing for consideration by the committee and subcommittee with a $10 billion housing bill of extraordinary scope, and which took many, many days of committee meetings to mark up.

Nevertheless, for the afternoon of June 13 there was scheduled an executive session to mark up H.R. 13838, a bill to extend and amend the Export-Import Bank Act. However, it was necessary to postpone this meeting when H.R. 13839, a bill to authorize appropriations for carrying out the provisions of the International Economic Policy Act, was scheduled for floor action on short notice. The schedule of the Committee on Banking and Currency subsequent to that time has not permitted the committee to bring a bill forward.

I want to assure my colleagues that I will do my utmost to bring legislation to extend and amend the Export-Import Bank Act to the floor within the 30-day period authorized by Senate Joint Resolution 218.

In this connection, I believe I should point out that from an international competitive point of view there is a need for export financing not only on terms comparable to those offered by other governments, but also for timely assurance of the availability of such financing. In the fast-moving world of international trade, delay or uncertainty can be as devastating as an outright negative decision.

As my colleagues are aware, the president of the Export-Import Bank, Mr. Casey, has already given assurance that no further commitments for loans to the Soviet Union will be made until Congress has expressed its will on this matter in consideration of the Export-Import Bank Act legislation. I believe I should recall, at the same time, that the overwhelming involvement of the Export-Import Bank is with exports to market economy countries and that our balance of trade swung deeply into deficit last month, with imports exceeding exports by $776 million, the second largest monthly deficit on record. The United States has its work cut out for it if it is to sell enough abroad to pay for the increased cost of imports of vital raw materials. Export-Import Bank has a critical role in the growth of our exports. Failure to maintain the continuity in its operations, particularly under prevailing circumstances, would, in my view, constitute an indefensible obstruction to a sound international economic policy.

Last week, as my colleagues are aware, a simple 30-day extension of the Bank's authority was objected to under unanimous-consent request on three occasions sions. On the last of these occasions a a number of spurious contentions were raised by the gentleman from Maryland (Mr. Long). Perhaps I can best answer these by citing briefly some of the material included in the record of the recent subcommittee hearings on international economic policy legislation.

Consider, for example, remarks of Herbert P. Bure, president of the Ellicott Machine Corp., dredge division, of Baltimore, Md.:

> Our company, as a small business firm in a highly competitive international field, has for many years been the largest U.S. designer and manufacturer of dredges and dredging equipment. Over the last five years, we have exported 75 percent of our total production from the Batlimore plant. We have worked with Export-Import Bank for over 25 years on many projects.
>
> Our overesas customers must be able to count on the availability of competitive credit terms from the United States in order to consider Ellicott as a potential supplier of dredging equipment. If such financing is not available on a predictable basis, the United States and Ellicott are deprived of the opportunity to compete on the world market.
>
> We submit that the financial services offered by Export-Import Bank are not a direct benefit to the foreign buyer, but rather a necessity to the U.S. manufacturer. We are not talking about any form of foreign aid, which is quite another matter and of no particular interest to my company.
>
> The lapse of time involved in the approval procedure from date of application to final execution of the loan agreement is an important economic factor in the decision making process of the foreign buyer. For example—a 4½ million dollar Ellicott Dredge System, which may require approximately 3 million dollars worth of export from the U.S., may take approximately 12 months to build and complete, ready for operation, and have a productive capability of 1 million cubic yards per month, or approximately ½

> million dollars of monthly revenue. A delay in processing this foreign buyer's application of as little as two weeks may represent an economic loss to him of approximately one quarter of a million dollars which would be sufficient to turn his back to the U.S. and Ellicott and procure equipment elsewhere.

Mr. Speaker, it is just this kind of situation that discontinuity in the operations of the Bank can create, leading to an immediate loss of jobs and earnings for no sound reason.

The Banking Committee will be considering basic legislation affecting the Export-Import Bank after the July 4 recess. In the interim, I would urge my colleagues to join me in support of Senate Joint Resolution 218.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, nobody has ever claimed that those who had questions about this legislation were mistreated before the subcommittee. We merely stated if this legislation is so important why have we not been able to have the bill before this body in a normal manner. We have had over three months to discuss it. We were very much aware it needed to be extended. Why do we not have the legislation in a proper way?

Mr. ASHLEY. I have explained that previously.

Mr. Speaker, I urge this body to think carefully before casting what will be a very important vote. I urge adoption of this resolution.

Mr. CONTE. Mr. Speaker, I rise in support of Senate Joint Resolution 218, to extend by 30 days the expiration date of the Export-Import Bank Act of 1945. I believe that it is essential to the economy of our country, and particularly to the position of the United States in the world economy, that we extend the authorization for the Eximbank.

The authorization for the Export-Import Bank expired yesterday, and it is therefore necessary to pass this resolution to provide sufficient time for the completion of House and Senate action on the reauthorizing legislation. We must not disrupt the activities of this vital lending institution upon which so many of our domestic manufacturers rely for their ability to participate in international marketing activities.

Mr. Speaker, there have been some objections to the efforts of the Eximbank on the grounds that it encourages the export of jobs as well as capital. It is probably true that some jobs are exported. But the net effect of that export is to create higher incomes in other countries, which increases the foreign demand for American products. You can see that this will further stimulate the export of American goods, creating a net increase in jobs here at home.

The argument is also made that the lending of the Export-Import Bank gives an unfair subsidy to participating countries and companies. Opponents of this resolution say that these companies should have to go to the private credit markets like everyone else.

I would like to point out that the program of the Export-Import Bank is especially valuable to the small business, an interest of mine as ranking Republican on the Select Committee on Small Business. By their nature, the terms and conditions of the medium-term guarantee, insurance, and relending programs of the Eximbank are especially attractive to the smaller businesses.

These small businesses are able to compete in international markets only because of the existence of the Eximbank. Of course the giants like United States Steel and Westinghouse could go into the private credit markets to finance their exports. But these small businesses cannot. They simply do not have the resources to compete internationally against the foreign subsidized giants. I would point out further, that 95 percent of American business is classified as small business. I believe that it is vital to continue subsidized exports through the Eximbank to maintain the competitive quality of American, and particularly small business, exports on the world market.

The Eximbank contributes considerably to the favorable position of our balance of trade. Especially now, when we are paying exorbitant rates for our imports of petroleum, we should support the efforts of the Eximbank to mitigate the adverse impact on our trade account of the increased expenditures for petroleum imports.

I urge the adoption of this resolution.

Mr. GROSS. Mr. Speaker, today the House of Representatives is being asked to breathe new life into a corpse that would be much better off if left in its grave.

The Export-Import Bank has become a millstone around the necks not only of our individual taxpayers but of our businessmen as well—an expensive millstone that we simply can no longer afford.

Mr. Speaker, I do not care whether you cut it thick or thin, the Export-Import Bank—under the false guise of helping U.S. business—is merely in the business of subsidizing exports by siphoning off literally billions of dollars from the domestic money markets at a time when that money is in desperately short supply.

There is no justification whatsoever, in my view, for permitting this or any other organization to take capital away from Americans to hand to foreigners by means of bargain basement subsidy rates.

There is no justification whatsoever for providing 6-percent money to the Russians to finance an industrial plant when an American businessman cannot finance a similar venture for less than 11¾ percent, perhaps even 12 percent by now.

What this Export-Import Bank has been doing in large part is financing competition abroad for producers in the United States.

It will be recalled that a couple of years ago the Bank shelled out $18 million to a group of Japanese banks which bought two DC–10 jumbo jet airliners from McDonnell Douglas and turned around and sold them to a British airline that plans to undercut both Pan American and TWA by offering to fly passengers from New York to London for $117. It mattered not to the Export-Import Bank officials that both TWA and Pan Am are on the financial ropes.

It matters not to them that TWA chairman Charles Tillinghast, Jr., says his company is losing its shirt to foreign airlines flying the Atlantic with Boeing 747's and other American-built planes bought with Ex-Im's subsidized loans.

Mr. Speaker, what this House should do today is to soundly reject this bill and let the passage of a little time demonstrate that the world will still turn without the presence of the Export-Import Bank.

To be sure, some of the governments whose state-owned airlines have been effectively competing with TWA because of their heavily subsidized airplanes and operations may be less than pleased.

The Russians might be miffed because, after all, they have not missed out lately on the Eximbank gravy train and when you have been getting something for nothing you hate to see it taken away.

But, Mr. Speaker, it is long past time which this Government starts putting the American consumer, the American taxpayer, and the American businessman ahead of the citizens and governments of almost every other nation on earth.

It is time we brought a halt to the subsidy by our people of foreign competition, and I urge the sound defeat of this legislation.

Mr. WOLFF. Mr. Speaker, as the House debates the bill to extend authority for the Export-Import Bank, I would like to bring to the attention of my colleagues a letter I have received from Chairman William Casey relating to the question of Eximbank loans or credit to the Soviet Union.

The Eximbank has served an important function in expanding our export programs, thereby helping our balance-of-payments problem, and I recognize the contribution it has made. However, I again want to express my reservations that the Eximbank be selective in terms of their transactions; we must guard against providing our adversaries with advantages which may later be used to frustrate the avowed policies of the United States. A case in point is the Bank's proposal to grant $49 million in credit to the Soviet Union for exploration of the Eastern Siberian gas fields. Should the United States become dependent upon the Soviet Union for any of our gas needs, we would have no assurances against the kind of cut-off engaged in by their Mideast allies. In view of the fact that U.S. financial commitments to the Soviet Union will ultimately involve our own national security and self-interests, it is incumbent upon the Congress to determine what the Bank's policies toward the Soviets will be.

Chairman Casey has assured me that there will be no Eximbank loans to or transactions with the Soviet Union until Congress has had a chance to act on the trade bill. In passing the Trade Reform Act, as you know, the House expressly prohibited credit transactions with the

Soviet Union until it alters its repressive emigration policies. In addition, more than a majority of the House has sponsored a resolution reiterating House policy that the Soviet Union be denied credit extensions until action on the trade bill is completed.

I am a sponsor of this resolution, and I actively supported the credit prohibition in the trade bill. In addition, my concerns over the potential ramifications of financial dealings with the Soviet Union have not been assuaged. However, I am going to support the 30-day extension of the Eximbank Act today with the understanding, as expressed by Chairman Casey, that there will be no transactions with the Soviet Union until Congress determines what our policy in this matter will be.

I am thankful to the Chairman for his assurance that the Bank will not extend credit to the Soviet Union until Congress has had the opportunity to determine the policies the Bank should follow. I am hopeful that in the intervening period, the Congress will act on a constructive bill which is reflective of my position in this matter.

The text of Chairman Casey's letter follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., July 1, 1974.

Hon. LESTER L. WOLFF,
House of Representatives,
Dirksen Building, Washington, D.C.

DEAR MR. WOLFF: The Senate has before it a Joint Resolution which would extend the life of the Bank from June 30, 1974, to July 31, 1974. Certain questions have arisen regarding new transactions with the U.S.S.R.

Since I became Chairman of the Export-Import Bank on March 14, 1974, the Bank has refrained from issuing any new commitments for transactions in the U.S.S.R. until such time as the Congress has determined the policy guidelines for the Bank to follow. During this period we have done nothing beyond honoring commitments previously made. Only one such commitment is now outstanding. We have not heard anything about it for some time and don't know if the deal, which relates to a transfer line to produce crankshaft half bearings, is still alive.

I want to assure you that the Bank will not act on this commitment or extend any other financing to the Soviet Union until such time as Congress has determined what policies the Bank should follow in this regard and has enacted the legislation presently before the Banking, Housing and Urban Affairs Committee.

Sincerely,

WILLIAM J. CASEY.

Mr. RANDALL. Mr. Speaker, as I oppose Senate Joint Resolution 218 to provide for a 30-day extension of the Export-Import Bank it should not be construed that I am in opposition to the Bank itself because the record will show that I have in the past supported the Bank.

Let me hasten to add that I hope that I can find it possible to lend my support in the future but that may not be possible if the present procedures of the Export-Import Bank continue. Moreover, this is no way to legislate under the suspension of the rules limited to 20 minutes' debate on either side of the issue and with utterly no privilege of amendment of any kind.

I must add that future support of the Bank is a position that I hope I will be able to assume because I believe the Bank has in the past contributed to our foreign trade and has been of some assistance in the balance-of-payments problems.

But what is in the past is another chapter and another story. Recently there has been a trend toward an inordinate amount and a disproportionate amount of total credits being extended to the Soviet Union. I oppose this imbalance of seeming to favor Russia over some of the other countries that we have done business with over the long pull.

The question we must ask ourselves as we consider this extension under suspension is what effect a failure to enact Senate Joint Resolution 218 for 30 days' extension will have upon the Bank? The answer quite clearly is none.

The authority of the Bank has already expired on June 30, 1974. Surely the Banking and Currency Committee knew months ago that this authority would expire on June 30. Their inaction and procrastination is not the fault of the House. The fact that they have not acted is no reason that we should have this shoved down our throats today, this legislative procedure under a suspension of the rules which will deny the Members of this House a right to spell out into law that this Bank shall not continue to bend over backward to favor the Soviet Union over every other one of our trading partners.

Oh, the Eximbank Chairman, Mr. Casey, has promised faithfully that he will make no more Soviet loans during this 30-day extension but if his past record is any kind of a criteria the fulfillment of this promise would be a complete turnaround to all that has happened within the immediate past.

The best proceedure is to consider this extension under a rule—and with time to offer amendments that well correct the mistakes that have been made by Eximbank in the not too distant past.

Mr. VANIK. Mr. Speaker, I am opposed to this 30-day extension of the Export-Import Bank. There has been sufficient time for new legislation to be drafted which would have provided rules and regulations for the proper management of the Bank.

Under its present authority and management, the Bank has been run in almost total disregard of the will of Congress and the national interest. The Bank's authority should be allowed to lapse until the Congress enacts new legislation limiting the powers of the Bank and describing what type of loans can and should be made. A 2- or 3-week delay in the ability of the Bank to issue new loans and guarantees will not cause irreparable damage. Hopefully, a lapse in the Bank's authority will reduce the arrogance of its present management and result in better administration of the program in the future.

During the last year, there has been considerable controversy surrounding the activities of the Export-Import Bank, particularly with respect to loans and guarantees by the Bank for energy projects overseas and for investments in the Soviet Union. On December 11, 1973, the House of Representatives made it clear—by a vote of 319 to 80—that it opposes loans and credits to the Soviet Union at the present time due to their restrictive emigration policies. The same amendment is supported in the Senate by 78 Senators. Support for that amendment has been strengthened by the continuing repression in the Soviet Union.

It is most disturbing that since the overwhelming vote in the House of Representatives on December 11, 1973, the Bank has rushed ahead and approved over $100 million in loans and guarantees to the Soviet Union—even though the last several months have raised the most serious questions about civil liberties in the Soviet Union. These loans are being made despite a recent resolution, cosponsored by 220 Members of the House, expressing the sense of the House that these loans should be held up in light of the vote on the freedom of emigration amendment.

In addition, the exact wording of the commercial agreements between the United States and the U.S.S.R. on October 18, 1972, were only recently revealed. In a speech in the Senate on February 7, 1974, the senior Senator from New Jersey (Mr. CASE) stated:

> Mr. President, under the Case Act the Secretary of State shall transmit to the Congress the text of any international agreement, other than a treaty, to which the United States is a party as soon as practicable after such agreement has entered into force with respect to the United States, but in no event later than 60 days thereafter. On October 18, 1972, the United States and the Soviet Union signed a trade agreement as a follow-up to summit meetings between the two countries. This agreement was not transmitted to Congress and some of its provisions were not made public. Since it was not transmitted, Congress assumed it had not entered into force.
>
> It now appears that parts of the trade agreement have indeed entered into force and congressional deliberations on granting credits to the U.S.S.R. has been by-passed by an executive agreement that extends credits at a preferred rate to the U.S.S.R.
>
> Congress was not asked what its views were or whether the terms of the agreement were prudent and consonant with our foreign policy or with economic conditions. Neither the Congress nor the taxpayer has been told the extent of the obligation to extend subsidized credit to the U.S.S.R. Certainly the decision to take these actions restricts the freedom of Congress to decide on the advisability of trade with the Soviets.

The Senator went on to point out that the former President of the Export-Import Bank, Henry Kearns, was very leery about making these enormous commitments to the Soviet Union, because the Soviets did not make financial information available, as required by the Export-Import Bank in the case of loans to other countries. The Senator also quoted former Secretary of Commerce Peter Peterson as writing in August 1972:

> Clearly, Eximbank could not undertake financing on the scale of the Soviet project without substantially changing its historical practices and perhaps even the nature of the institution.

The arrogance of the administration in continuing to make these loans was further pointed out by the junior Senator from Pennsylvania, Senator SCHWEIKER in a speech in the Senate on March 8. In that speech, the Senator released a General Accounting Office study which pointed out that the administration was not complying with the law in granting Export-Import Bank loans and guarantees. As a result of its illegal procedures of failing to certify that each loan and guarantee was, indeed, in the national interest, the GAO ordered some $225 million in Bank loans held up and reviewed.

Subsequently, the administration "certified" that the Bank's actions were in the national interest and the flow of loans resumed.

I believe that the administration's reckless course—a course in which they seemed to be trying to buy détente—is an attempt to ignore the will of the Congress. For this reason alone, the American public and the Congress should demand a review of the Bank's subsidy loan policies.

THE EXTENT OF EXPORT-IMPORT BANK SUBSIDIES

It is claimed that the Export-Import Bank should be maintained because the Bank helps create jobs in America by increasing American exports. This may be true, but it is obvious that the devaluations and the uneven impact of the energy crisis have infinitely more to do with our level of exports and our balance of payments. For example, between 1972 and 1973 there was a swing in the U.S. balance of payments of about $11 billion—from a deficit of around $9.8 billion to a surplus of $1.2 billion. The Export-Import Bank plays a very minor role in our total export picture.

In addition, it is obvious that 6- or 7-percent loans would create jobs anywhere. How many jobs could be created in the United States if the Bank made its 6- or 7-percent loans in America for inner-city development, regional economic development, or new energy investments? Presently, the Bank is exporting future productive capacity. Yet we are short of investment capital in the United States. We have severe shortages in a number of industries—such as the energy and fertilizer industries—yet we are making subsidized loans to the Soviet Union to improve their energy and fertilizer production capabilities.

How large is planned American investment in the Soviet Union—and what kind of subsidy is provided?

The Export-Import expired as of June 30, 1974. The administration is seeking to extend the life of the Bank another 3 years and increase its loan and guarantee authority by another $10 billion—thus raising its total investment ability from $20 billion to $30 billion. Almost all of this increase is planned for investments in the Soviet Union. For example, major investments are being considered for the development of energy sources in Siberia. The so-called North Star project alone is estimated to cost between $7 and $8 billion.

Subsidized loans and credit guarantees are a major form of Government subsidy. As the Office of Management and Budget's document, "Special Analysis of the Budget," states—

> Borrowing from the public—whether by the Treasury or by an agency—has a significant impact on financial markets and thereby on the economy, and it is consequently an important concern of Federal fiscal policy . . .
>
> Even when totally outside the Federal budget, such as the Export-Import Bank, and without support from budget resources, Federal guarantees and other means of Federal credit aid have a significant economic impact and social cost. They alter market mechanisms in determining who gets scarce credit resources, in what order or priority, and at what cost. As a result the structure of the economy is altered, capital markets are affected in major respects, and fiscal policy objectives are made more difficult to attain.
>
> The net budget impact of interest concessions made to borrowers on direct loans for any single year includes the subsidy costs arising from both new loans and outstanding loans made in previous years. By the same token, all new loan commitments at submarket interest rates will add to budget outlays for all future years during which the loan remains outstanding. Once newly subsidized loans are committed, the future costs are largely predetermined and the net subsidy costs becomes relatively uncontrollable.
>
> *Subsidy measurement.*—One way that the impact of future subsidies could be viewed would be simply to total all future payments. However, because of interest, a dollar payable at some future date is worth less than a dollar paid out today. Said differently, a dollar payable in the future "costs" less, because some smaller amount invested today at interest would grow sufficiently to meet the obligation when due. Therefore, a simple total of future obligations would clearly overstate the true value of the subsidy stream. A better way to measure the ultimate value of the successive annual subsidy payments is in "present value" terms, in accordance with the recommendations of the President's Commission on Budget Concepts. This is accomplished by capitalizing (or discounting) future subsidies at an appropriate interest (or discount) rate.

According to the Office of Management and Budget, the subsidy of the Eximbank—at the old 6-percent rate—was $2 million for every $100 million in commitments. That would be reduced for new commitments now that the Bank has increased its interest rate to 7 percent. In total, the OMB says that the present value at 9.5 percent discount of future subsidies committed in Eximbank loans is as follows:

Fiscal year 1973, $377 million; fiscal year 1974, $481 million; and fiscal year 1975, $518 million.

A significant portion of this subsidy by the American taxpayer will accrue to the benefit of the Soviet Union.

The General Accounting Office auditors agree with OMB that there are significant subsidies involved in Eximbank activities. For example, in its audit of the Bank for fiscal year 1971, the GAO reported on October 29, 1971, that:

> The interest and other financial expense reported by Eximbank include interest charges on a significant part of the borrowings from the U.S. Treasury at rates lower than the rate prevailing at the time the funds were borrowed. Had the Treasury charged Eximbank interest rates approximating the full cost of the funds, the bank's interest and other financial expense would have been increased by about $11.9 and $16.9 million in fiscal years 1971 and 1970, respectively, and the net income from operations for the years then ended would have been correspondingly reduced.

It is clear, beyond any question of doubt, that the use of the Export-Import Bank to encourage exports to the Soviet Union provides an American taxpayer subsidy to the Soviet Union.

UNSAFE INVESTMENTS

In addition to the questionable wisdom of subsidizing exports of goods—the profit of which accrues to the individual companies making the sales as well as to the Government of the Soviet Union—it is doubtful that these are safe investments.

These investments and contracts may be cut off at any time, depending on political crises or unpredictable changes in the Soviet ideology. It is particularly dangerous to rely on the Soviet Union for future sources of energy. There can be no energy independence for America in the oil and gas fields of Siberia. The Soviet Union will use its natural resources for its own maximum advantage—including its political advantage. How can we count on energy supplies from a nation which has just been urging the Arab bloc to continue its oil embargo? How can we trust a nation which wants to renegotiate its energy contracts with its own Eastern bloc satellites? In the March 13, 1974, Wall Street Journal it was reported that last year the Soviet Union signed a contract with Veba A.G., a West German state-controlled oil company, promising to deliver 68,000 barrels per day of oil at a realistic price. The German company now reports that the Soviets delivered only 57,200 barrels daily and jumped the price to $16 per barrel. The company is canceling its contract with Russia because of the unreliability and unwarranted price increases. Is the United States to invest billions in Siberian oil and gas—and then 20 years from now receive the same treatment from the Soviets?

Mr. Speaker, I urge the defeat of this bill so that the House may rewrite the legislation to provide adequate safeguards to limit the abuse of the Export-Import loan program.

The SPEAKER. The question is on the motion offered by the gentleman from Texas that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 218).

The question was taken; and the Speaker announced that the Chair was in doubt.

RECORDED VOTE

Mr. PATMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 115, answered "present" 1, not voting 80, as follows:

[Roll No. 358]

AYES—238

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bowen
Brademas
Breaux
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Carter
Casey, Tex.

Cederberg
Chamberlain
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Danielson
Davis, Wis.
Delaney
Dellenback
Dellums
Dennis
Donohue
Downing
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fisher
Flood
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Frenzel
Fuqua
Gettys
Giaimo
Gibbons
Grasso
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Hamilton
Hanley
Hansen, Idaho
Harrington
Hastings
Hawkins
Helstoski
Hicks
Hosmer
Howard
Johnson, Calif.
Johnson, Pa.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kyros
Latta
Leggett
Long, La.
Lott
Luken
McClory
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Mahon
Mallary
Mann
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Moakley
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Reuss
Rhodes
Riegle
Roberts
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Roush
Roy
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Shriver
Sikes
Skubitz
Smith, N.Y.
Staggers
Stanton,
J. William
Stanton,
James V.
Stark
Steed
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Symington
Talcott
Thompson, N.J.
Thomson, Wis.
Thornton
Tiernan
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Waldie
Walsh
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson,
Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NOES—115

Addabbo
Archer
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Biaggi
Bray
Brinkley
Burgener
Burke, Fla.
Burlison, Mo.
Camp
Chappell
Clancy
Clark
Clausen,
Don H.
Clawson, Del
Cleveland
Collier
Collins, Tex.
Conlan
Crane
Daniel, Robert
W., Jr.
Davis, S.C.
Denholm
Dent
Derwinski
Devine
Duncan
Flynt
Fountain
Frey
Froehlich
Fulton
Gaydos
Gilman
Ginn
Goldwater
Gross
Haley
Hammer-schmidt
Harsha
Hays
Hechler, W. Va.
Henderson
Hillis
Hinshaw
Hogan
Holt
Holtzman
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Jones, N.C.
Jones, Okla.
Kemp
Lagomarsino
Landgrebe
Litton
Long, Md.
McCollister
Madigan
Maraziti
Michel
Miller
Minshall, Ohio
Mitchell, N.Y.
Mollohan
Moorhead,
Calif.
Moss
O'Brien
Poage
Preyer
Price, Tex.
Quillen
Randall
Rarick
Regula
Rinaldo
Robinson, Va.
Rogers
Rose
Rousselot
Roybal
Runnels
Ruth
Satterfield
Seiberling
Shipley
Shuster
Slack
Snyder
Spence
Steelman
Stubblefield
Symms
Taylor, N.C.
Teague
Towell, Nev.
Vanik
Veysey
Wampler
Whitten
Wilson, Bob
Wilson,
Charles H.,
Calif.
Yatron
Young, Alaska
Young, Fla.
Zion

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—80

Andrews, N.C.
Arends
Armstrong
Bell
Bergland
Bevill
Bolling
Brasco
Breckinridge
Burke, Calif.
Byron
Carey, N.Y.
Carney, Ohio
Cochran
Culver
Daniels,
Dominick V.
Davis, Ga.
de la Garza
Dickinson
Diggs
Dingell
Dorn
Dulski
Edwards, Ala.
Erlenborn
Evins, Tenn.
Fish
Flowers
Goodling
Green, Oreg.
Griffiths
Gunter
Hanna
Hanrahan
Hansen, Wash.
Hébert
Heckler, Mass.
Heinz
Holifield
Horton
Huber
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Ketchum
Kuykendall
Landrum
Lehman
Lent
Lujan
McCloskey
McEwen
McSpadden
Madden
Martin, Nebr.
Mathis, Ga.
Meeds
Mills
Mizell
Montgomery
Moorhead, Pa.
Nichols
Passman
Podell
Powell, Ohio
Reid
Rooney, N.Y.
Rostenkowski
Scherle
Shoup
Sisk
Smith, Iowa
Steiger, Ariz.
Stuckey
Sullivan
Taylor, Mo.
Thone
Wyman
Young, S.C.
Zwach

So (two-thirds having voted in favor thereof), the rules were suspended and the Senate joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rostenkowski and Mrs. Sullivan for, with Mr. Bevill against.

Mr. Erlenborn and Mr. Hébert for, with Mr. Byron against.

Mr. Horton and Mr. Brasco for, with Mr. Mathis of Georgia against.

Mrs. Heckler of Massachusetts and Mr. Rooney of New York for, with Mr. Montgomery against.

Mr. McCloskey and Mr. Podell for, with Mr. Nichols against.

Mr. Fish and Mr. Moorhead of Pennsylvania for, with Mr. Dickinson against.

Mr. Arends and Mr. Bergland for, with Mr. Martin of Nebraska against.

Mr. Heinz and Mrs. Burke of California for, with Mr. Powell of Ohio against.

Mr. McEwen and Mr. Sisk for, with Mr. Steiger of Arizona against.

Mr. Lent and Mr. Madden for, with Mr. Scherle against.

Mr. Dulski and Mr. de la Garza for, with Mr. Lujan against.

Mr. Taylor of Missouri and Mr. Dominick V. Daniels for, with Mr. Kuykendall against.

Mr. Carey of New York and Mr. Carney of Ohio for, with Mr. Goodling against.

Mr. Diggs and Mr. Reid for, with Mr. Stuckey against.

Until further notice:

Mr. Dingell with Mr. Dorn.

Mr. Evins of Tennessee with Mrs. Green of Oregon.

Mr. Jones of Tennessee with Mrs. Griffiths.

Mr. Hanna with Mrs. Hansen of Washington.

Mr. Andrews of North Carolina with Mr. Bell.

Mr. Gunter with Mr. Huber.

Mr. Meeds with Mr. Cochran.

Mr. Culver with Mr. Edwards of Alabama.

Mr. Davis of Georgia with Mr. Hanrahan.

Mr. Holifield with Mr. Landrum.

Mr. Mills with Mr. McSpadden.

Mr. Mizell with Mr. Passman.

Mr. Smith of Iowa with Mr. Shoup.

Mr. Thone with Mr. Wyman.

Mr. Breckinridge with Mr. Zwach.

Mr. Flowers with Mr. Jones of Alabama.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FOREST AND RELATED RESOURCES PLANNING ACT OF 1974

Mr. RARICK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15283) to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the productivity and environmental values of certain of the Nation's lands and resources, and for other purposes, as amended.

The Clerk read as follows:

H.R. 15283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Forest and Related Resources Planning Act of 1974".

SEC. 2. FOREST AND RELATED RESOURCES ASSESSMENT.—(a) In recognition of the vital importance of America's forest and related resources to the Nation's social and economic well-being, and of the necessity for a long-term perspective in planning and undertaking forest and related resource programs administered by the Forest Service, the Secretary of Agriculture shall prepare a Forest and Related Resources Assessment (hereinafter called the "Assessment"). The Assessment shall be prepared not later than December 31, 1975, and shall be updated during 1979 and each tenth year thereafter, and shall include but not be limited to—

(1) an analysis of present and anticipated uses, demand for, and supply of the forest and related resources, with consideration of the international forest resource situation, and an analysis of pertinent supply and demand and price relationship trends;

(2) an inventory, based on information available to the Forest Service and other Federal agencies, of present and potential forest and related resources, and an evaluation of opportunities for improving their yield of tangible and intangible goods and services, together with estimates of investment costs and direct and indirect returns to the Federal Government;

(3) a description of Forest Service programs and responsibilities in research, cooperative programs, and management of the National Forest System, their interrelationships, and the relationship of these programs and responsibilities to public and private activities;

(4) a detailed study of personnel requirements as needed to satisfy existing and ongoing programs; and

(5) a discussion of important policy considerations, laws, regulations, and other factors expected to significantly influence and affect the use, ownership, and management of forest and related resource lands.

(b) To assure the availability of adequate data and scientific information needed for development of the Assessment, section 9 of the McSweeney-McNary Act of May 22, 1928

(45 Stat. 702, as amended, 16 U.S.C. 581h), is hereby amended to read as follows:

"The Secretary of Agriculture is hereby authorized and directed to make and keep current a comprehensive survey and analysis of the present and prospective conditions of and requirements for the forest and related resources of the United States, its territories and possessions, and of the supplies of such renewable resources, including a determination of the present and potential productivity of the land, and of such other facts as may be necessary and useful in the determination of ways and means needed to balance the demand for and supply of these renewable resources, benefits and uses in meeting the needs of the people of the United States. The Secretary shall carry out the survey and analysis under such plans as he may determine to be fair and equitable, and cooperate with appropriate officials of each State, territory, or possession of the United States, and either through them or directly with private or other agencies. There is authorized to be appropriated not to exceed $20,000,000 in any fiscal year to carry out the purposes of this section."

Sec. 3. Forest and Related Resources Program.—In order to provide for periodic review of programs for management and administration of the National Forest System, for forest and related resource research, for cooperative State and private forest programs, and for conduct of other Forest Service activities in relation to the findings of the Assessment, the Secretary of Agriculture, utilizing information available to the Forest Service and other agencies within the Department of Agriculture, including data prepared pursuant to section 302 of the Rural Development Act of 1972 shall prepare and transmit to the President a Forest and Related Resource Program (hereinafter called the "Program") displaying alternative objectives and associated programs which shall provide in appropriate detail for protection, management, and development of the National Forest System, including forest development roads and trails; for cooperative forestry programs; and for forest and related resources research. The Program shall be developed in accordance with principles set forth in the Multiple-Use Sustained-Yield Act of June 12, 1960 (74 Stat. 215; 16 U.S.C. 528–31), and the National Environmental Policy Act of 1969 (86 Stat. 852; 42 U.S.C. 4321–47). The Program shall be prepared not later than December 31, 1975, to cover the four-year period beginning July 1, 1976, and at least each of the four fiscal decades next following such period, and shall be updated no later than during the first half of the fiscal year ending June 30, 1980, and the first half of each fifth fiscal year thereafter to cover at least each of the four fiscal decades beginning next after such updating. The Program shall include, but not be limited to—

(1) An inventory of specific needs and opportunities for both public and private program investments. The inventory shall differentiate between activities which are of a capital nature and those which are of an operational nature.

(2) Specific identification of Program outputs, results anticipated, and benefits associated with investments in such a manner that the anticipated costs can be directly compared with the total related benefits and direct and indirect returns to the Federal Government.

(3) A discussion of priorities for accomplishment of inventoried program opportunities, with specified costs, outputs, results, and benefits.

Sec. 4. National Forest System Resource Inventories.—As part of the Assessment the Secretary of Agriculture shall develop and maintain on a continuing basis a comprehensive and appropriately detailed inventory of all National Forest Systems lands and resources. This inventory shall be kept current so as to reflect changes in conditions and identify new and emerging resources and values.

Sec. 5. National Forest System Resource Planning.—(a) As a part of the Program provided for by section 3 of this Act, the Secretary shall develop, maintain, and, as appropriate, revise land and resource management plans for units of the National Forest System: *Provided*, That the Secretary shall consult with the appropriate State and local officials in devising and implementing such land and resource management plans for units of the National Forest System.

(b) In the development and maintenance of land management plans for use on units of the National Forest System the Secretary shall use a systematic interdisciplinary approach to achieve integrated consideration of physical, biological, economic, and other sciences.

Sec. 6. Cooperation in Resource Planning.—The Secretary may utilize the assessment, resource surveys, and programs prepared pursuant to this Act to assist States and other organizations in proposing the planning for the protection, use, and management of forest and related resources on non-Federal land.

Sec. 7. National Participation.—(a) On the date Congress first convenes in 1976 and thereafter following each updating of the Assessment and the Program, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate, when Congress convenes, the Assessment as set forth in section 2 of this Act and the Program as set forth in section 3 of this Act, together with a detailed Statement of Policy intended to be used in framing budget requests by that Administration for Forest Service activities for the five- or ten-year program period beginning during the term of such Congress for such further action deemed appropriate by the Congress. Following the transmission of such Assessment, Program, and Statement of Policy, the President shall, subject to other actions of the Congress, carry out programs already established by law in accordance with such Statement of Policy or any subsequent amendment or modification thereof approved by the Congress, unless, before the end of the first period of sixty calendar days of continuous session of Congress after the date on which the President of the Senate and the Speaker of the House are recipients of the transmission of such Assessment, Program, and Statement of Policy, either House adopts a resolution reported by the appropriate committee of jurisdiction disapproving the Statement of Policy. For the purpose of this subsection the continuity of a session shall be deemed to be broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the sixty-day period.

(b) Commencing with the fiscal budget for the year ending June 30, 1977, requests presented by the President to the Congress governing Forest Service activities shall express in qualitative and quantitative terms the extent to which the Programs and policies projected under the budget meet the policies approved by the Congress in accordance with subsection (a) of this section. In any case in which such budget so presented recommends a course which fails to meet the policies so established, the President shall specifically set forth the reason or reasons for requesting the Congress to approve the lesser programs or policies presented.

(c) For the purpose of providing information that will aid Congress in its oversight responsibilities and improve the accountability of agency expenditures and activities, the Secretary shall prepare an annual report which evaluates the component elements of the Program required to be prepared by section 3 of this Act which shall be furnished to the Congress at the time of submission of the annual fiscal budget commencing with the third fiscal year after the enactment of this Act.

(d) These annual evaluation reports shall set forth progress in implementing the Program required to be prepared by section 3 of this Act together with accomplishments of this Program as they relate to the objectives of the Assessment. Objectives should be set forth in qualitative and quantitative terms and accomplishments should be reported accordingly. The report shall contain appropriate measurements of pertinent costs and benefits. The evaluation shall assess the balance between economic factors and environmental quality factors. Program benefits shall include, but not be limited to, environmental quality factors such as esthetics, public access, wildlife habitat, recreational and wilderness use, and economic factors such as the excess of cost savings over the value of foregone benefits and the rate of return on renewable resources.

(e) The reports shall indicate plans for implementing corrective action and recommendations for new legislation where warranted.

(f) The reports shall be structured for Congress in concise summary form with necessary detailed data in appendices.

Sec. 8. Transportation System.—The Congress declares that the installation of a proper system of transportation to service the National Forest System, as is provided for in Public Law 88–657, the Act of October 13, 1964 (16 U.S.C. 532–538), shall be carried forward in time to meet anticipated needs on an economical and environmentally sound basis, and the method chosen for financing the construction and maintenance of the transportation system should be such as to enhance local, regional, and national benefits. Within one year following enactment of this Act, the Secretary of Agriculture shall prepare and transmit to the Congress an indepth analysis of the various methods of financing the construction of forest development roads together with his recommendations for financing such roads in the future. The analysis shall display the specified costs, results, and benefits of each method of financing forest development roads including the impact of each financing method upon (a) revenue paid the States and counties from national forest receipts and (b) the forest development road and trail funds as provided in the Act of March 14, 1913 (16 U.S.C. 501).

Sec. 9. (a) National Forest System Defined.—Congress declares that the National Forest System consists of units of federally owned forest, range, and related lands throughout the United States and its territories, united into a nationally significant system dedicated to the long-term benefit for present and future generations, and that it is the purpose of this section to include all such areas into one integral system. The "National Forest System" shall include all national forest lands reserved or withdrawn from the public domain of the United States, all national forest lands acquired through purchase, exchange, donation, or other means, the national grasslands and land utilization projects administered under title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525, 7 U.S.C. 1010–1012) and other lands, waters, or interests therein which are administered by the Forest Service or are designated for administration through the Forest Service as a part of said system.

(b) Organization.—The on-the-ground field offices, field supervisory offices, and regional offices of the Forest Service shall be so situated as to provide the optimum level of convenient, useful services to the public, giving priority to the maintenance and location of facilities in rural areas and towns near the national forest and Forest Service program locations in accordance with the standards in section 901(b) of the Act of November 30, 1970 (84 Stat. 1383), as amended.

SEC. 10. In carrying out this Act, the Secretary of Agriculture shall utilize information and data available from other Federal, State, and private organizations and shall avoid duplication and overlap of resource assessment and program planning efforts of other Federal agencies. The term "forest and related resources" shall be construed to involve those matters within the scope of responsibilities and authorities of the Forest Service on the date of this Act.

The SPEAKER. Is a second demanded?

Mr. BAKER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. RARICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of the legislation before us is to provide for the protection, development, and environmental enhancement of certain of the Nation's lands and resources. It provides for wise and orderly development of the renewable resources of the forests, range, and associated lands. The intent of the legislation is to establish more and better long-range planning to insure logical programs to preserve the forests. This also involves congressional control over the management activities and appropriation processes of the national forest system lands.

The bill's major provisions require—

First. The administration to prepare a national renewable resource assessment of all such lands and resources, and a Forest Service renewable resource program;

Second. The submission of both the assessment and the program to Congress for review;

Third. The accountability for those budget requests that are insufficient to meet the goals outlined in the national policy statement; and

Fourth. The preparation of an annual progress report by the administration.

In essence, the bill's major provisions reform current procedures for establishing and attaining national goals for the national forest system management and related activities of the Forest Service in research and cooperative programs on other lands. It provides for better resource inventories and analyses of short-term and long-term uses, demands, and supplies of renewable resources. Where presently only the Forest Service and the administration set program goals and policies, under the proposed legislation both the administration and Congress, will jointly establish such goals and policies.

Other positive aspects of the bill will give Congress and the public a greater role in the decisionmaking process of national goals and policies for national forest system land management and provide for a systematic and comprehensive analysis of resource goals, both short and long term, and a periodic review to update programs and policies.

Mr. Speaker, at the beginning of the 93d Congress the Nation was caught in a serious timber supply-demand-price squeeze. Hearings were held by the Committees on Banking, Housing and Urban Affairs and Banking and Currency because of the serious lumber shortages facing the housing industry in some areas of the country. Bills were introduced in both Chambers to regulate log exports to guarantee sufficient domestic supplies. Realizing the contribution which private forest lands must make to assure adequate supplies of timber in the future, the committee included in the Agriculture Consumer Protection Act—Public Law 93–86—a pilot program to provide incentives to private forest landowners to encourage forest landowners to increase timber production or other resource improvements on private lands.

During this period two major reports were released by the Executive, one by the President's Advisory Panel on Timber and the Environment, the other by the Forest Service entitled "Outlook for Timber in the United States." Both reports concluded that significant improvements in management of the Nation's forest and related resources must occur if future demands for these resources are to be met at reasonable prices.

Appropriately Congress turned its attention to the management of the national forests. During appropriations hearings on the Forest Service fiscal year 1974 budget request it was established that the Forest Service was facing a reduction of some 1,500 personnel in fiscal year 1974. It was also established that funding requests for management of the national forests was far short of the needs for reforestation and timber stand improvement on national forest lands.

In response, bills were introduced in the Senate to provide for long-term investments in timber and other resources of the national forests and to assure an adequate funding base for managing national forest resources.

Hearings were held on some of these bills before the Senate Committee on Agriculture and Forestry. The administration testified that special funds from national forests receipts would not be sufficient to cover national forest investments. Conflicting testimony from timber industry spokesmen and conservation organizations raised questions about placing priority on only one of the forest timber resources. During the hearings it also became clear that the Congress lacked a useful framework for considering legislation to establish long-range forest policy.

On November 7, 1973, I introduced H.R. 11320 in the House to provide such framework. H.R. 15283 is a successor bill.

H.R. 15283 is landmark forestry legislation. Under the bill the Forest Service would be required by statute to engage in long-term planning. Until now the Congress has had inadequate and incomplete information about which to make annual appropriation decisions for Federal forestry efforts. In the absence of a long-term program for the national forests, the Congress could only determine the cumulative effect of annual budget and appropriation decisions after the fact.

The assessment called for in H.R. 15283 will place before the Congress comprehensive data on the state of our Nation's forests and related resources and the anticipated demand, supply, use, and price of these resources. The accompanying resource program in which the President will recommend future forestry program objectives and levels of funding will give the Congress a foundation on which to review program accomplishments, evaluate the effectiveness of current forest policy, and establish meaningful forestry goals. Both the Congress and the Executive will have the tools now to develop sound plans and policies for the future of forests and related resources. And the public will also for the first time have the opportunity to view the total forest resource situation and the outlook for the future.

The need for legislation to provide a long-term perspective on the Nation's forest and related resources has been recognized by conservation groups as well as commodity users of the national forests. Also, in his report to the committee on H.R. 11320, the Secretary of Agriculture acknowledged the need for a "better defined, long-range perspective on national forestry programs" and noted that such a long-range view is a "prerequisite to meeting future demands for forests and related resources." The Secretary further pointed out that the formulation of sound national forestry goals, establishment of meaningful investment priorities, and forestry program accomplishment would benefit from joint consideration by the Congress and the administration.

The Forest and Related Resources Planning Act of 1974 is the latest in a long line of legislation expressing the intent of Congress to guide the Nation's forest policy, and is in consonance with the Organic Act of 1897, the Multiple Use Act of 1960, Wilderness Act of 1964, and the National Environmental Policy Act of 1969.

As such, it is a substantial step forward. This bill would assure that Congress, and through it, the whole nation, would have at hand the necessary and essential facts upon which to base wise decisions to direct policy for the national forests. In this way, Congress will enhance its historic oversight role while providing for an orderly process for more careful planning for the national forests and related resources.

Mr. Speaker, the committee amendment represents a technical change and is perfecting. The committee agreed to delete the word "two" on page 10, line 10, and insert in lieu thereof the word "the". This amendment is perfecting and does give the Secretary some degree of discretion in recommending changes in the method of financing the construction of forest development roads.

Mr. Speaker, the bill before us was reported by unanimous voice, there is no committee. So far as I know, there is no dissent from the basic concept of the bill before us. I urge the adoption of the bill before us so that the Congress can proceed to provide for wise and orderly development of the renewable resources of the forests and related resources.

Mr. BAKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 15283, the Forest and Related Resources Planning Act.

This legislation, which is based on the recommendations of a Presidential Task Force on Timber and the Environment, has been thoroughly considered by the Subcommittee on Forests of which I am a member.

The bill has the support of the U.S. Forest Service and was reported without dissent by the full Committee on Agriculture.

As far as I know, there is no serious objection to the enactment of this legislation.

The basic thrust of this bill is to establish a long-range planning effort for the development of America's public resources on the lands administered by the U.S. Forest Service. All too often in the past, the priority for effective and coordinated planning about the use of these precious resources has not been given the high priority it needs. This bill seeks to do so in several ways:

First, it requires the administration to prepare a national renewable resource assessment of all such lands and resources, and a Forest Service renewable resource program.

Second, it requires the submission of both the assessment and the program to Congress for review.

Third, it provides for the accountability for those budget requests that are insufficient to meet the goals outlined in the national policy statement.

Finally, it mandates the preparation of an annual progress report by the administration.

At one point this bill was enmeshed in a dispute over mandatory spending and impoundment issues entirely collateral to the merits of the long-range planning efforts established by the bill. The Forests Subcommittee and the full committee have dealt with that problem by deleting these provisions, but we do insist that there be concrete and positive action by the administration as well as offering the Congress an appropriate voice in the development of this important program.

In summary, this bill is needed in order to bring greater coordination and thought into the use and management of a resource which our country has been blessed with and which if used wisely in the years ahead will bring greater benefit to all our citizens.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BAKER. Certainly, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I have a question concerning the cost of this bill.

On page 11 of the report it is indicated that the cost is $2.9 million a year. On page 4 of the bill it states:

> There is authorized to be appropriated not to exceed $20 million in the fiscal year to carry out the purposes of this section.

What is the annual cost of this bill?

Mr. BAKER. The authorization is an increase from $5 million to $20 million, but it is estimated that the initial cost in the first year will be $700,000, and in the fourth year it would be $2.9 million, according to our report.

Mr. GROSS. Is the life of this authorization 4 years?

Mr. BAKER. It is permanent legislation.

Mr. GROSS. Permanent legislation?

Mr. BAKER. Yes.

Mr. GROSS. So that it can go on indefinitely?

Mr. BAKER. But the moneys would have to be appropriated year by year.

Mr. GROSS. I understand that, but this would authorize a $20 million annual appropriation each fiscal year into infinity; is that right?

Mr. BAKER. The authorization in the bill, I would say to the gentleman from Iowa, provides money for these purposes, and that any money we spend for natural resources and reforestation in our forests so as to provide timber for the Nation and to develop wood products for our consuming public, would not be a high price even if we had to use it, but I do not think we will.

Mr. GROSS. What does the gentleman think would be used each year?

Mr. BAKER. I think we would use what the report cites there.

Mr. GROSS. $2,900,000?

Mr. BAKER. The Forest Service estimates $2.9 million in the fourth year.

Mr. GROSS. I am disturbed, I will say very frankly to the gentleman, by this authorization of $20 million for each fiscal year into the unknown future; this projected obligation.

Mr. BAKER. There is a good probability, the gentleman knows, of getting money back from the Forest Service through timber harvest, and we have been getting that year after year. With a higher yield, we should get more so that we have the opportunity of recovering something.

Mr. GROSS. How will that be returned to the Treasury?

Mr. BAKER. It is not returned to the Treasury directly, but it is returned to the Treasury through the wood products industry.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Oregon.

Mr. DELLENBACK. I appreciate the gentleman's yielding.

Mr. Speaker, in response to the very good question of the gentleman from Iowa, under the projection of the bill there would be a much more coordinated management and, hopefully, yield from the national forests. The proceeds of the national forests go at the present time 25 percent to the area and 75 percent to the general fund of the Treasury, so that anything which increases the yield from the national forests under the present practices will return in this particular circumstance many times over in dollars to the general fund and, thus directly affect our economic balances.

Mr. BAKER. I thank the gentleman for the informative statement.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, I hope that is the case, but that is very often not the way things turn out. Somehow or other they find ways and means of siphoning off funds of this type, siphoning them off and spending them in other directions, and they never get back to the Treasury.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Oregon.

Mr. DELLENBACK. I appreciate the gentleman's yielding.

If I may make an additional comment on that, I understand the concern of the gentleman from Iowa and why he says that this is a very unusual circumstance. Those of us who come from the foresting areas realize that it is a very unusual circumstance, and this is one of the things that has so deeply concerned us when the Office of Management and Budget has been unwilling to make the additional dollars available which will not only improve the yield of the forests, which will not only make the raw material available as the Nation needs it, but actually, unique as it may be, will actually yield additional dollars to the general fund.

Mr. BAKER. I thank the gentleman for his statement.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 15283, Forest and Related Resources Planning Act. In my judgment, this legislation directing the U.S. Forest Service to conduct various studies in order to develop the productivity levels and environmental values of the Nation's forest lands and related resources is of great importance in meeting the multiple demands of the future. The American people have been blessed with a land which is richly endowed with a variety of wealth in its forest resources. Since its creation by Congress in 1911, the U.S. Forest Service has discharged the responsibility for developing and protecting over 187 million acres of national forest and grasslands, conducting research and cooperating with States and private landowners in resource protection.

The guiding policy of the Forest Service is to utilize forests and related resources in a planned manner without impairing productivity of the land, and in the past several years controversy has focused on timber production and escalating lumber prices. In 1973, the President's Advisory Panel on Timber and Enviroment recommended retention of the clearcutting method of tree harvesting and substantial increases in the annual timber harvest. Congress has not acted upon the panel's far-reaching and comprehensive 20 major recommendations, which span the pages of a 541-page report. However, H.R. 15283 provides a vehicle for conducting further studies and gathering more information upon which to base a comprehensive national forest and related resources policy.

Through indepth analysis of the uses and demands for the Nation's forest, H.R. 15283 takes the basic planning steps toward the goal of a long-term, sound forest management program. It includes the fiscal increments so essential in carrying out such a program. Time is of the essence in undertaking such an effort as authorized by H.R. 15283. It is estimated that there are currently 5 million acres of Federal lands on which timber should be replanted to meet our future needs, and it takes years to grow the supply of timber to meet the expanding human needs for homes, for paper, for furniture, and for the myriad of other wood fiber uses. While it is likely that choice hardwoods will be in short supply in the decades ahead, the softwood supply is becoming critical. In the past 18 years, harvest removals have exceeded growth on American forest lands. The economy of our country relies heavily on softwoods, in that they are used not only for lumber and plywood but also for paper and paperboard products.

H.R. 15283, in assessing the management of both public and privately owned forest lands, can assist in increasing the quality of management techniques. Due to the great importance of forest lands in sustaining wildlife, safeguarding watersheds, and other vital ecological purposes, it is essential that commercial forest lands be utilized for maximum productivity.

If we are to meet the wood products needs of this decade and the next, complex questions must be answered, such as at what rate should the old growth inventory on the national forests be converted into well-managed new timber stands to meet current and future timber demands. H.R. 15283 carries an estimated cost of $7.6 million over the next four years, and it constitutes a prudent investment of taxpayers' funds. From the standpoint of economic well-being, forest products industries comprise one of the largest industrial complexes in the United States. Logging, lumbering, plywood, pulp, paper and furniture production employ more than 1.5 million persons earning some $12 billion a year. The contribution of forest industries does not end there, however, but continues in the economic chain to provide the basic substances upon which our chemists, engineers, printers, carpenters and countless other livelihoods are dependent.

In the last 30 years, utilization of wood products has doubled. Projections to the year 2000 for softwood demands would require almost doubling the 1970 domestic production—from 45 billion boardfeet to 74 billion. It will require intensified forest land management and increased investment to produce significant increases in timber production by the turn of the century. In the face of this prospect, the acreage of commercial forest land in the Nation has declined by 8.4 million acres since 1962; and destructive agents such as fire and insects continue to nullify one-fifth of our annual sawtimber growth.

H.R. 15283 is a responsible commitment to the future, and I urge its approval.

Mr. BAKER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I would like to voice my strong support for forest and related resources planning legislation presently before us for consideration.

This bill is one in a series of legislative proposals I have supported which constitute a unique, comprehensive concept that will combine protection of our existing forest resources; enhancement of areas with reforestation potential; and utilization of increased research to resolve forest-related problems. This proposal is a key step in the development of this concept.

Our forests should be among our Nation's first economic and environmental priorities in light of the growing concern for environmental problems and the increasing demand and decreasing supply for forest products.

This bill directs the U.S. Forest Service to develop the productivity levels and environmental values of the Nation's forest lands and related resources. It provides for better resource inventories and analyses of short-term and long-term uses, demands and supplies of renewable resources.

The intent of the legislation is to establish more congressional control over the management activities and appropriation processes of the National Forest System lands. Such oversight is vital to the accomplishment of the goals and priorities this body has already recognized as crucial to the protection and proper use of our forests.

"Renewable" is the key word in any discussion of forest resources management. Properly and wisely managed our forests can supply their varied bounty forever. We must see that this is insured.

If we are successful in maximizing the yield from our forest producing lands, everyone will benefit, the consumer, the economy, the environment, and the communities supported primarily by a forest products industry based economy. Under proper management, this program can be self-sustaining with more revenues returned to the Treasury in years to come than originally invested. I strongly support passage of this timely legislation.

Mr. BAKER. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, as a member of the National Forest Reservation Commission and as a Member of Congress whose district contains acre upon acre of unspoiled natural beauty. I have more than a passing interest in the protection, development, and environmental enhancement of this Nation's land and natural resources. With that in mind, I want to voice my strong support of H.R. 15283, the Forest and Related Resources Planning Act of 1974.

We can look around us today and see the need for a more systematic, comprehensive analysis of national land management and resource goals. H.R. 15283 will provide just such an analysis. It will give Congress and the public a greater role in the decisionmaking process of national goals and policies of land and resource management.

In essence, the bill's major provisions reform current procedures for establishing and attaining national goals for the national forest system management and related activities of the Forest Service in research and cooperative programs on other lands. Additionally, it provides for better resource inventories and analyses of short-term and long-term uses, demands, and supplies of renewable resources.

Mr. Speaker, I heartily endorse this bill and urge my colleagues to give it their most careful consideration.

Mr. WYATT. Mr. Speaker, I have been advised that there is some question as to whether the administration supports or objects to this bill. I have been advised by the White House Legislative Liaison Office that it will urge the President to sign this bill after the House passes it, so that should resolve that question, I believe.

The President's Advisory Panel on Timber and Environment made recommendations that the purposes set forth and the directions set forth in this bill be adopted. The President sent that Advisory Panel report to the Office of Management and Budget with instructions to implement it. It has sat there for months and months and months with no action whatsoever. The Subcommittee on Appropriations for Interior and Related Agencies, on which I sit, has just 2 weeks ago added $15 million for reforestation to the budget, but we need this bill in addition for orderly planning if we are to provide fiber for the future, and if we really mean business about meeting the housing goals that we have set for ourselves. We simply must have some kind of long-range planning and inventory as to what our needs are.

We cannot just go along from mouth to mouth, so to speak.

The gentleman from Iowa has raised a question about the cost of this bill and I yield to the gentleman from Louisiana for remarks on that specific point because I think the gentleman has raised a very good point.

Mr. RARICK. I thank the gentleman from Oregon for yielding.

I feel that the gentleman from Tennessee (Mr. BAKER) has explained the costs of the bill to my dear friend the gentleman from Iowa (Mr. GROSS). All I can say is, the question he raises emphasizes one of the purposes for the legislation, that this is one of those rare instances where we hope to save money by spending money.

Certainly, as the gentleman from Oregon knows as a member of the Appropriations Committee, year after year the Appropriations Committee appropriates money, and we have no way of knowing whether it is adequate or whether it is being properly used for the purposes for which it was intended. Here we are requiring the Forest Service to come back to the Congress with a report and with factual information so we will know whether the money is being used wisely for the American people and so that we can make reasonable decisions in the best interests of our people.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I rise in support of this legislation.

I thank the gentleman from Louisiana (Mr. Rarick) at this time for the leadership he has given us on the committee to help move this legislation along. Chairman Rarick has been a leader in improved forest practice legislation all through the 93d Congress—and I am proud to be a member of his subcommittee, and to be associated with him on this and other legislation.

For the Members who come from public land States, as the gentleman in the well (Mr. Wyatt) and I do, we know and see daily how much better a job we could be doing with our national forestry resources if we would treat them with the same consideration and with the same enthusiasm for good management as the private lands are managed. I think we can greatly enhance the use of our forest land if we pass this legislation. It gives the U.S. Forest Service the tools to work with to carry out their assignment.

Would the gentleman in the well agree with me that this is a pennywise-pound foolish policy the OMB has taken in the last few years with respect to the road moneys?

Mr. WYATT. I certainly would agree with my friend, the gentleman from Idaho. The OMB in the 10 years I have been in the Congress has taken an extremely short view, a pennywise and pound foolish policy.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I think this long-range point of view is what we are trying to mandate to the Forest Service. Then they can go out and do the job they are supposed to do by law, which is to give us sound long-range planning for proper utilization and protection of forest resources. Maybe this does not mean a great deal to some Members but to those of us from the timber States it means we are doing pretty well now, but we could do so much better. To improve our timber stands through long-range management will be of great benefit to all the American people.

I think it would be in the best interests of the country to pass this legislation.

Mr. WYATT. I thank the gentleman from Idaho.

Mr. RARICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. Sikes).

Mr. SIKES. Mr. Speaker, the Forestry and Related Resources Planning Act is just what the name implies. It is planning legislation which is needed to help insure that America's vast and abundant forestry resources are managed in such a way that will guarantee the Nation's future wood needs. I commend the distinguished Committee on Agriculture and its members, and in particular, I wish to call attention the dedicated efforts of the distinguished gentleman from Louisiana (Mr. Rarick) in bringing this bill to the floor. I am very pleased to have been a cosponsor of the bill.

There have been many studies on the Nation's timber needs. There still is a requirement for a comprehensive planning act which embraces the entire field of forestry and outlines a pattern for the most effective preservation, expansion, and utilization of forest resources. Congress will do well to give its wholehearted endorsement to this legislation.

We are among the richest of nations in bountiful forests. But the present energy and fuel shortages have brought home forcefully and clearly that, if we are to remain anywhere near self-sufficient in resources, we simply must do more long-range planning in this field.

Wood, among all industrial natural resources, is the only one that is renewable. There is no need, no reason—save our own indifference and ineptitude—for America ever to run out of wood. Yet, if we do not begin the planning process now—setting goals, establishing priorities, and implementing essential timber-growing programs—we will have a substantial gap between what our economy and people demand and what our forests can supply well before the 21st century.

Our Nation's timber needs have been exhaustively studied. Within the past year, three comprehensive reports have been issued on our wood fiber requirements, the present rate of growth of our forests, and the potential for tree growth. The documentation is overwhelming that, unless we begin immediately to intensify tree growing and the management of our forests, we will be woefully deficient in wood fiber for the thousands of products made of wood—the major ones being building materials, paper, and furniture.

The reports I refer to are: first, the Forest Service's "Outlook for Timber in the United States," the latest 10-year study of the Nation's timber supply and demand and projections of whether we will be able to meet that demand; second, the report prepared for the National Commission on Materials Policy, "Timber: The Renewable Material," and third, the report and recommendations of the President's Advisory Panel on Timber and the Environment.

The report for the National Commission on Materials Policy was prepared by its consultant for timber, land use and fibers, Edward P. Cliff, retired chief of the U.S. Forest Service. In a recent speech to the National Academy of Sciences-National Academy of Engineering, Mr. Cliff made an important statement. He said:

> This country has the potential of doubling the production of timber by the year 2020 by widescale application of intensive management practices on all commercial forest lands of all ownerships. This would require prompt reforestation of all deforested and understocked lands, use of genetically improved planting stock, intensive timber culture such as thinning for optimum spacing, fertilization where needed, and much more intensive utilization.

Mr. Cliff is not alone in this view. Experts in forestry in all regions of the country share his optimism that our Nation's timber production can be doubled—even tripled—by the next century if we aggressively apply the science and technology available to us for growing trees. What we have got to do is start the planning process to launch such an intensive timber-growing effort nationwide.

H.R. 15283, is just such a beginning. It calls for long-range planning and budgetary considerations to achieve a 50-year development plan for the National Forests. It is a breakthrough. It's aim is to raise National Forest management from its traditionally low-priority status to full productivity and utilization of the timber and other values these public lands can provide by the year 2000.

The National Forest System embraces 187 million acres. Nearly half of this magnificent public asset—90 million acres—is classified as commercial forest land. These 90 million acres, mostly in the West, contain 52 percent of all of the Nation's standing trees of sawtimber size. These are the species of trees used to make lumber and plywood for housing and construction, for pulp in the production of paper and paper products, and for thousands of other products.

The three timber studies I mentioned earlier all revealed that the next two decades are a crucial period for developing U.S. forest resources. Since 1968, we have experienced too many timber supply shortages, with resulting high prices for wood products, to leave any doubt that we face another wood crisis when housing rebounds. We went through such crises in 1968–69, in 1972–73, and we can look for a similar situation in 1975, when housing is expected to break loose from its tight-money shackles.

The potential for tree growth in our country is enormous. According to Forest Service figures, actual growth for all forest ownerships in 1970 averaged only 49 percent of potential. The national forests showed the poorest record with 39 percent, and industrial forests the best at 59 percent. Tree growth nationwide could be doubled merely by reforesting lands that are not now stocked, applying timber stand improvement practices to growing forests, harvesting overaged timber that shows little or no new growth, and promptly replanting harvested lands with fast-growing young forests.

With more intensive forest management practices—such as those enumerated by Mr. Cliff—like planting genetically improved seedlings, precommercial thinnings for best spacing, and fertilization—many experts believe tree growth could be increased even more.

Congress has an unprecedented opportunity to play a leadership role—by setting goals, determining priorities, monitoring progress, and insisting on performance—in getting this essential timber-growing job done.

Last year Congress took advantage of an opportunity to help small private nonindustry woodland owners by approving a forestry incentives program to assist with reforestation, stand improvement, and other cultural programs on the forest lands held by these 4 million plus owners. I am proud to have been a sponsor. It was a beginning, and it is proving enormously successful. But here, too, we can do much more to help in bringing these lands into full productivity to meet America's future wood needs.

In this age when we must worry about depletable resources, what an opportunity we have to guarantee future generations of Americans that our major renewable resource—wood—is in adequate supply. Trees are unique living things. They use only the energy from the sun to grow and renew themselves. It takes less energy to process wood than metals or plastics. Wood products that cannot be recycled are biodegradable. No other natural resource offers such environmental and energy-conserving advantages.

Mr. Speaker, it is entirely possible that the proposed Forestry and Related Resources Act is the most important piece of natural resources legislation we have considered in this session. This legislation has bipartisan support in the House, as it did in the Senate when a counterpart was passed last year. It has the backing of the forestry profession, of the forest products industry, of the homebuilding industry—so necessary to the well-being of our general economy—and it has the support of many responsible conservation organizations.

Why is passage of this bill necessary? The answer is demand—demand for wood to build the houses our people need and to supply the thousands of other wood products we all use every day; demand for recreation in green forest lands by people who more and more have learned to appreciate this country's bountiful forest land, and demand for keeping our forests in a healthy, growing, and ever-renewable condition.

All this demand for living forestland and for forest products of all kinds can be met only if we grow and manage this renewable resource as we should and can. American foresters and timber growers, in and out of government, have the know-how to grow enough trees and they can do the job, supplying enough timber far into the next century, if we but give them the go-ahead. And they can do this while enhancing the environment.

What is needed is long-range planning. The legislation before us today would provide for that long-range planning in our national forests, where timber productivity has a great potential. The bill would establish a management plan under which Congress—all of us here in this Chamber—would check periodically to insure that performance and funds are targeted to accomplish the objectives.

As we all now recognize, we are living in an era of energy shortages and environmental concern. The warnings of pending energy shortages were sounded some time ago. And the Nation did not act in time. We will be paying for this for years to come. Warnings are now being sounded of a wood shortage—and we must heed them.

Why are we faced with a wood shortage ? Again—demand. Demand springing from a growing population with ever-growing desires for more of the products that are derived from food fiber—lumber, plywood, paper and paper products, furniture, chemicals, and a multitude of others.

The Forest Service knows how to grow the trees to meet this demand if it is given the tools. We in Conress can provide the policy commitment that is essential—through the bill before us today.

U.S. demands for industrial timber products have increased steadily during the past three decades. Consumption of industrial wood products rose 65 percent between 1942 and 1972 to an annual total of 125 million tons. During this period lumber consumption increased 27 percent, round pulpwood 157 percent, and veneer and plywood 438 percent. And further substantial increases can be expected in the fuutre.

The Forest Service estimates that with timber product prices holding at 1970 prices relative to other materials, demand for roundwood will nearly double by the year 2000. There will be a tightening demand-supply situation in the United States unless supply can be increased by accentuated improvement in management of forest lands and improved utilization of available timber.

Timber growth has been increasing as a result of recent forestry programs, primarily because of better protection against fire, increases in tree planting, and other forestry measures. Total growth now actually exceeds total removals. However, much of the growth is on sizes and kinds of timber and in locations that do not meet our most urgent needs.

These are reasons the Forest and Related Resources Planning Act is needed. This country indeed has the potential of doubling its timber production by the year 2020, with the application of intensive management practices on all commercial forest lands.

This would require prompt reforestation of all deforested and understocked lands, as well as the application of silvicultural programs by man to help nature produce bigger, taller, straighter trees in a shorter period of time.

The United States became a net importer of wood products in 1941, despite our vast timber resources and great timber-growing potential. Lumber imports actually have climbed steadily while exports have remained fairly stable. Wood is an international commodity, and it is in short supply worldwide. With our great timber-growing potential, we could reverse our import-export trend for wood.

In the future, we may have to depend more and more on imports for many other essential raw materials. This will mean an outflow of dollars. At the same time, much of the rest of the world will need more timber—just as we will. By developing fully our timber-growing potential, the United States could become a world supplier of wood products. By selling wood abroad we could recoup some of the dollars that may be flowing out of the country for the other basic raw materials we need.

H.R. 15283 offers numerous opportunities for development of timber, recreation, water, wildlife, and grazing in our national forests. It also offers us a chance to greatly improve the social and economic environments for millions of Americans. Let us not miss these opportunities. Let us pass H.R. 15283, so we can begin the job that will spur multiple benefits for all Americans.

Mr. RARICK. Mr. Speaker, I yield 2 minutes to the gentleman from Wyoming (Mr. Roncalio).

Mr. RONCALIO of Wyoming. Mr. Speaker, I was reluctant to support this legislation because I had been told by officials of the Wyoming Conservancy Districts Mr. Dan Budd, Mr. Blaine Halliday, and Mr. Don Hood of their deep concern. I was happy to learn from the Committee on Agriculture that the reserations expressed by those gentlemen had been met in the markup of the bill in the committee yesterday and consequently I am happy to rise in support of the bill as now reported.

I hope that the improved forestry methods contain a great deal to make the lands more productive and to save waste that we find in the national forests and that they can give us the yield so necessary in the multiple-use concepts which we hope will govern the use of these resources.

Mr. Speaker, I thank the gentleman for yielding and I hope this bill will pass handsomely today.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. RARICK. I yield to the gentleman from Montana.

Mr. MELCHER. The intent of the bill is not to change the jurisdiction between the House Committee on Agriculture and the Committee on Interior and Insular Affairs, as is stated in the report the gentleman has submitted with the bill?

Mr. RARICK. I assure the gentleman that that is correct. The committee has no intent nor desire to extend its legislative jurisdiction to properly reside in any other committee of Congress.

Mr. MELCHER. I believe that the report where it refers to national forests from public domain is subject to our concern, because rule XI as it relates to the jurisdiction of the Committee on Agriculture states in section 1(m):

> Forestry in general, and forest reserves other than those created from the public domain.

The gentleman is aware that much of the forest is in the public domain and under rule XI–10(a):

> Forest reserves and national parks created from the public domain remain under the jurisdiction of the Committee on Interior and Insular Affairs.

Mr. RARICK. I can only say to the gentleman it is not our desire to extend the existing jurisdiction of the Committee on Agriculture in any way.

Mr. MELCHER. I think the point as

established by the gentleman is that this bill's passage is not meant to change the jurisdiction under the rules, the question between the Committee on Agriculture and the Committee on Interior and Insular Affairs is abundantly clear and the gentleman has no intent in this legislation to change that status.

Mr. RARICK. I would say to the gentleman, who is also a member of the Subcommittee on Forests of the Committee on Agriculture, that my answer is "Yes," in the affirmative.

Mr. ULLMAN. Mr. Speaker, we are considering legislation today of major environmental importance.

We are talking about a bill that will affect nearly one-tenth of all the land in our Nation, half of our standing sawtimber, outstanding recreational opportunities that in a quarter of a century will average 600 million visits annually, vital watersheds in most of the country's main river systems, home for one-third of our big game, and most of our classified wilderness.

How we plan for and manage these magnificent resources is a game with big stakes. Unless we take bold and imaginative action now, the odds against us in this game are going to grow. The bill we are considering today, the Forest and Related Resources Planning Act of 1974, offers us an opportunity to lessen those odds—a chance, in fact, to get ahead of the game. For the Nation as a whole, this is extremely important. For Oregon, it is vital. More than half of Oregon is owned and managed by the Federal Government. In my district alone there are nine national forests.

I want to commend the Committee on Agriculture, and particularly the Subcommittee on Forests, for the hard work and effort they have put into the writing of this bill. It is the outgrowth of more than a decade of growing concern, and at least 5 years of intense discussion by the Forest Service itself, private timber companies, environmental and recreational organizations, and the Congress.

With the accelerating demand for timber from our national forests and the increased concern for their environmental and recreational potential, the question of forest and resource management has become a difficult and hotly debated subject. There have been at least five major private and public studies of the problem in the last 5 years. There have been lawsuits. There have been increased demands on the Forest Service and the Bureau of Land Management. And there have been strong disagreements over the budget and personnel levels necessary for these agencies to meet the tasks assigned them.

The last three times I testified before the Appropriations Committee I have sought considerable increases in Forest Service funding to meet both present management needs and necessary reforestation efforts. Yet the problem of what level of funding should actually be committed and how best to meet the diverse demands of multiple use has not been resolved because, until now, there really has been no blueprint of where we want to go and how we should get there. The Forest and Related Resources Planning Act of 1974 is a good answer to that problem. It requires both the long-range planning we so desperately need, and a mechanism for evaluating budget requests realistically. It also addresses itself to the question of forest roads.

The long-run possibilities of improving timber supplies without unbalancing the delicate scale of multiple usage are potentially great. But, as the National Commission on Materials Policy accurately states, full funding, high-quality management, and a balanced program are imperatives.

The goals we seek are attainable only if we resolve the problem of forest roads, and only if the Federal Government is willing to commit itself to intensive timber management in a timely manner on the lands where timber will continue to be the primary use, and to provide adequate funds for high-quality administration.

But that will not be enough. We must also require a balanced program with adequate funding to lessen the impact of timber harvesting on other resources, and to develop and manage the recreation, wildlife, watershed, and range resources in harmony with timber production and the protection of environmental values.

Events of the past several years have strongly emphasized that the leading conservation organizations and the public will resist increased timber production from the national forests if it is not within the framework of a high-quality, balanced program.

The legislation we are considering today will provide us with a blueprint for that program, and a necessary gage for costs. The costs will be high, as I said, and the problems difficult. But at least we can finally establish rules for the game.

Our timber lands are our greatest renewable natural resource—but only if we take the time and effort to renew them.

Mr. BLATNIK. Mr. Speaker, I rise in support of the pending bill and congratulate the chairman of the Committee on Agriculture, Mr. POAGE, chairman of the Subcommittee on Forests, Mr. RARICK, and the members of the committee for the diligent and expeditious way that they have moved this bill forward.

This is a constructive conservation bill which, when enacted into law, should measurably assist the American people in realizing the multiple-use benefits that will come from a sustained yield of the renewable resources of our Nation's forest and rangeland. It will enable the Secretary of Agriculture to pace the efforts of the Department so that the Federal lands under the Department's administration can make an effective contribution to our resources on a long-term basis. In addition, through the device of the national assessment it will be possible for other Federal, State, and private managers of forest and rangeland to have a better focus on how their management efforts can support needed national goals.

The heart of this bill, as the Senate bill, is cooperation in gathering facts, assessing what they mean, formulating programs and seeing that the ways and means are applied to carry them out. It includes a number of programs that are designed to aid the States and to assist the owners of forest and rangeland with advice and material assistance. The Federal role goes considerably further on the Federal lands—here the responsibility is to act—for these are lands under Federal administration. The whole range of services that SCS, FHA, and other agricultural programs bring to the rural landowner, farmer, and rancher, ought to be brought into play by the Secretary so that these landowners will secure the help they deserve in promoting the best management of their land.

Although I do support the basic provisions of the bill, I do have questions about the section on forest roads and trails contained in section 8 of the House bill.

Over the years the Committee on Public Works has given comprehensive consideration to the need for a sound authorization for forest roads and trails. The committee conservatively raised the authorizations and requested that special emphasis be given to constructing multipurpose access roads with appropriated funds. In contrast, the Executive has failed to use the full authorization and, instead has secured roads that are only to the standard needed for timber harvesting by "back-door" financing—reducing the price of timber sold by the estimated cost of the road needed to harvest that timber. Last year the administration impounded substantial blocks of the funds appropriated as part of a shift in emphasis, but which directly contradicts the law.

On March 15, 1974, I pointed out these contradictions to the Committee on Agriculture, expressing my interest in retaining the language of the Senate bill in section 9. This would require the Executive to use the current year authorization for forest roads and trails before utilizing the timber revenue reduction method which would become only a method of financing.

While the broad purpose of this bill has my support, I do favor the stronger Senate version on this section of the bill. I have enjoyed a long and close working relationship with Mr. HUMPHREY, the chief Senate sponsor of the bill. I commend and support his effort to set a priority in the use of appropriated funds for road construction while still permitting needed roads to be constructed where timber purchasers can properly do this work. The Senate language is a sensible restriction on "back-door" spending.

When this bill started on its way there was considerable argument among various groups concerned with resource conservation. One of the most important things which has occurred in the past several months is agreement on many important things. The goal of this bill is to secure for the American people a solid, comprehensive assessment of the resources on our forest and rangeland instead of a series of well intended but disjointed separate assessments of resources. This will permit more rational planning for multiple use on a sustained yield basis both in the private sector and the public sector.

This legislation wisely provides for regular review and reconsideration of the situations so that timely action can be taken to meet present and future resource needs.

In Minnesota, this bill will help us to enlarge and perfect the multiple use of our Nation's forest lands, State and private woodlands. We do not have the type of rangeland in Minnesota that exists in the States to the West and are an important part of the Federal, as well as non-Federal lands of that region. It would be my hope, based on the experience that I have gained on the Committee on Public Works, that this legislation would pave the way for a renewed constructive recognition of how important these lands are to vital watershed and wildlife resources for our Nation.

The Committee on Agriculture is to be commended for its prompt attention to this legislation.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana (Mr. RARICK) that the House suspend the rules and pass the bill (H.R. 15283), as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. RARICK. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the Senate bill (S. 2296) to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2296

An act to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Forest and Rangeland Environmental Management Act of 1974".

SEC. 2. FINDINGS.—The Congress hereby finds and declares that—

(a) the air, soil, water, plants, and animals are resources that are finite and renewable,

(b) the minerals are not a renewable resource,

(c) the conservation of the environment and esthetic values is essential to achieving an ecologically healthy and economically functioning resource base,

(d) the United States is richly endowed with land bearing, or capable of bearing, forest trees as its principal vegetal cover, land bearing, or capable of bearing forage as its principal vegetal cover and other associated lands, some of which contain both types of cover, which lands by their very nature produce, or are capable of producing multiple renewable resources, products, and benefits,

(e) the maintenance and wise management of these lands and their renewable resources are vital to the Nation's vigor,

(f) the Forest Service, in the Department of Agriculture (hereinafter called the "Forest Service"), is responsible for essential programs and services which must be maintained on an integrated basis, including programs to aid private and State forest land managers through cooperative efforts to achieve resource management goals, programs of research which produce knowledge that can be disseminated to improve achievements, and through the management of the National Forest System,

(g) comprehensive inventories and planning are needed to secure the greatest net public benefit from Forest Service cooperative programs, research, and National Forest System management,

(h) proper levels of funding for investment in managing the various activities and programs of the Forest Service are essential to achieving and sustaining the optimum potential flow of benefits from renewable resources on a balanced and timely basis,

(i) the National Forest System is made up of diverse lands, in different geographic regions, with many ecological associations which vary in their relation to the lands and people in each region,

(j) the National Forest System was established and maintained for the purpose of insuring a continuing yield of net benefits and resources for the enjoyment and well-being of the citizens of the United States; that the citizens of the United States expect, and are entitled to receive, the full yield of benefits and resources as set forth in the Multple-Use Sustained-Yield Act of 1960 (16 U.S.C. 528–531); and that there will be a continuing demand for the benefits and resources available from the National Forest System,

(k) it is essential that the organization of service to be provided to the people of the United States by the Forest Service shall be designed and maintained to meet local, regional, and national needs commensurate with the relative environmental and economic benefits and costs.

SEC. 3. RENEWABLE RESOURCE ASSESSMENT.—(a) In recognition of the vital importance of America's renewable resources of the forest, range, and other associated lands to the Nation's social and economic well-being, and of the necessity for a long term perspective in planning and undertaking related national renewable resource programs, the Secretary of Agriculture, through the Forest Service, shall prepare a National Renewable Resource Assessment (hereinafter called the "Assessment"). The Assessment shall be prepared not later than December 31, 1974, and shall be updated during 1979 and each tenth year thereafter, and shall include but not be limited to—

(1) an analysis of present and anticipated uses, demand for, and supply of these renewable resources, with consideration of the international resource situation, and an emphasis of pertinent supply and demand and price relationship trends;

(2) a general inventory of these present and potential renewable resources and opportunities for improving their yield of tangible and intangible goods and services together with estimates of investment costs and direct and indirect returns to the Federal Government;

(3) a description of Forest Service programs and responsibilities in research, cooperative programs, and management of the National Forest System, their interrelationships, and the relationship of these programs and responsibilities to public and private activities; and

(4) a discussion of important policy considerations, laws, regulations, and other factors expected to significantly influence and affect the use, ownership, and management of these lands.

(b) To assure the availability of adequate data and scientific information needed for development of the Assessment, section 9 of the McSweeney-McNary Act of May 22, 1928 (45 Stat. 702, as amended, 16 U.S.C. 581h), is hereby amended to read as follows:

"The Secretary of Agriculture is hereby authorized and directed to make and keep current a comprehensive survey and analysis of the present and prospective conditions of and requirements for the renewable resources of the forest and range lands of the United States, its territories and possessions, and of the supplies of such renewable resources, including a determination of the present and potential productivity of the land, and of such other facts as may be necessary and useful in the determination of ways and means needed to balance the demand for and supply of these renewable resources, benefits and uses in meeting the needs of the people of the United States. The Secretary shall carry out the survey and analysis under such plans as he may determine to be fair and equitable, and cooperate with appropriate officials of each State, territory, or possession of the United States, and either through them or directly with private or other agencies. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 4. RENEWABLE RESOURCE PROGRAM.—In order to provide for consideration and periodic review of programs for management and administration of the National Forest System, for research, for cooperative State and private programs, and for conduct of other Forest Service activities in relation to the findings of the Assessment, the Secretary of Agriculture shall prepare and transmit to the President a Renewable Resource Program (hereinafter called the "Program") which shall provide in appropriate detail for protection, management, and development of the National Forest System, including forest development roads and trails, for cooperative programs on non-Federal lands, and for research. The Program shall be developed in accordance with principles set forth in the Multiple-Use Sustained-Yield Act of June 12, 1960 (74 Stat. 215; 16 U.S.C. 528–31), the National Environmental Policy Act of 1969 (86 Stat. 852; 42 U.S.C. 4321–47), and other applicable legislation. The Program shall be prepared not later than December 31, 1974, to cover the five-year period beginning July 1, 1975, and at least each of the four fiscal decades next following such period, and shall be updated no later than during the first half of the fiscal year ending June 30, 1980, and the first half of each fifth fiscal year thereafter to cover at least each of the four fiscal decades beginning next after such updating. The Program shall include, but not be limited to—

(1) An inventory of a full range of specific needs and opportunities for both public and private program investments. The inventory shall differentiate between activities which are of a capital nature and those which are of an operational nature.

(2) Specific identification of Program outputs, results anticipated, and benefits associated with investments in such a manner that the anticipated costs can be directly

compared with the total related benefits and direct and indirect returns to the Federal Government.

(3) A discussion of priorities for accomplishment of inventoried program needs.

SEC. 5. NATIONAL FOREST SYSTEM RESOURCE INVENTORIES.—As a part of the Assessment the Secretary of Agriculture shall develop and maintain on a continuing basis a comprehensive and appropriately detailed inventory of all National Forest System lands and renewable resources. This inventory shall be kept current so as to reflect changes in conditions and identify new and emerging resources and values.

SEC. 6. NATIONAL FOREST SYSTEM RESOURCE PLANNING.—(a) As a part of the Program provided for by section 4 of this Act, the Secretary shall develop, maintain, and, as appropriate, revise land and resource use plans for units of the National Forest System, coordinated with the land use planning processes of State and local governments and other Federal agencies.

(b) In the development and maintenance of land use plans, the Secretary shall use a systematic interdisciplinary approach to achieve integrated consideration of physical, biological, economic, and other sciences.

SEC. 7. COOPERATION IN RESOURCE PLANNING.—The Secretary shall make available the Assessment, resource surveys, and Programs prepared pursuant to this Act to States and other organizations in planning the protection, use, and management of renewable resources on non-Federal land.

SEC. 8. NATIONAL PARTICIPATION.—(a) In order that the optimum benefits will be better assured to each generation of citizens the Secretary of Agriculture shall utilize such participation, including public hearings, meetings, and advisory groups, as he deems appropriate and has provided for by regulation for the development of the Assessment, Program, resource inventories, and planning provided for in this Act.

(b) On the date Congress first convenes in 1975 and following each updating of the Assessment and the Program, the President shall transmit to the Congress, when it convenes, the Assessment as set forth in section 3 of this Act and the Program as set forth in section 4 of this Act.

(c) The Congress shall hold public hearings on said Assessment and Program, and within one year after submission to the Congress, the Congress shall by resolution establish a statement of policy which shall be a guide to the President in framing fiscal budgets for Forest Service and related agencies' activities for the five or ten year Program period beginning during the term of such Congress.

(d) Within ninety days after convening, each Congress shall publicly review the statement of policy developed pursuant to subsection (c) and make such modifications as may be necessary to provide a guide to the President in framing the budgets to be transmitted to Congress during the two fiscal years beginning thereafter.

(e) Commencing with the fiscal budget for the year ending June 30, 1976, requests presented by the President to the Congress covering Forest Service and related agencies' activities shall express in qualitative and quantitative terms the extent to which the programs and policies projected under that budget meet the policies established by the Congress in accordance with subsections (c) and (d) of this section. In any case in which such budget so presented recommends a course which fails to meet the policies so established, the President shall specifically set forth the reason or reasons for so recommending and shall state his reason or reasons for requesting the Congress to approve the lesser programs or policies presented: *Provided*, That amounts appropriated for purposes covered by the resolution described in subsection (c), as modified, shall be expended for the purposes for which appropriated, except to the extent that (1) the appropriation Act provides specifically for discretion as to such expenditures, or (2) the President finds that because of events occurring subsequent to the enactment of such appropriation Act, such expenditure would fail to accomplish its purpose.

(f) For the purpose of providing information that will aid Congress in its oversight responsibilities and improve the accountability of agency expenditures and activities, the Secretary shall prepare an annual report which evaluates the component elements of the Program required to be prepared by section 4 of this Act which shall be furnished to the Congress at the time of submission of the annual fiscal budget commencing with the third fiscal year after the enactment of this Act.

(g) These annual evaluation reports shall set forth progress in implementing the Program required to be prepared by section 4 of this Act together with accomplishments of this Program as they relate to the objectives of the Assessment. Objectives should be set forth in qualitative and quantitative terms and accomplishments should be reported accordingly. The report shall contain appropriate measurements of pertinent costs and benefits. The evaluation shall assess the balance between economic factors and environmental quality. Program benefits shall be considered in a broad context and shall include, but not be limited to, environmental quality factors such as esthetics, public access, wildlife habitat, recreational and wilderness use, and economic factors such as the excess of cost savings over the value of foregone benefits and the rate of return on renewable resources.

(h) The reports shall indicate plans for implementing corrective action and recommendations for new legislation where warranted.

(i) The reports shall be structured for Congress in concise summary form with necessary detailed data in appendices.

SEC. 9. NATIONAL FOREST SYSTEM PROGRAM ELEMENTS.—(a) The Secretary shall take such action as will assure that the development and administration of renewable resources of the National Forest System is in full accord with the concepts for multiple use and sustained yield of products and services as set forth in the Multiple-Use Sustained-Yield Act of 1960 (16 U.S.C. 528–531). To further these concepts, the Congress hereby sets the year 2000 as the target year when the renewable resources of the National Forest System shall be in an operating posture whereby all backlogs of needed treatment for their restoration shall be reduced to a current basis and the major portion of planned intensive multiple-use sustained-yield management procedures shall be installed and operating on an environmentally sound basis. The annual budget shall contain requests for funds for an orderly program to eliminate such backlogs: *Provided*, That when the Secretary finds that (1) the backlog of areas that will benefit by such treatment has been eliminated, (2) the cost of treating the remainder of such area exceeds the economic and environmental benefits to be secured from their treatment, or (3) the total supplies of the renewable resource of the United States are adequate to meet the future needs of the American people, the budget request for these elements of restoration may be adjusted accordingly.

(b) The Congress declares that the installation of a proper system of transportation to service the National Forest System, as is provided for in Public Law 88–657, the Act of October 13, 1964 (16 U.S.C. 532–538), shall be carried forward in time to meet anticipated needs on an economical and environmentally sound basis, and the method chosen for financing the construction and maintenance of the transportation system should be such as to enhance local, regional, and national benefits. If for any fiscal year the budget request for appropriations for forest development roads and trails (including the amount available under the fourteenth paragraph under the heading "Forest Service" of the Act of March 4, 1913 (16 U.S.C. 501)), is less than the amounts authorized therefor, or a portion of such appropriation is subsequently impounded, the amount of construction under clause (2) of the Act of October 13, 1964 (16 U.S.C. 535), for such fiscal year shall be reduced below such amount of financing during the preceding fiscal year by an equivalent sum. For the purposes of this section, impounding includes—

(1) withholding or delaying the expenditure or obligation of budget authority (whether by establishing reserves or otherwise) appropriated for forest development roads and trails, and the termination of authorized projects for which appropriations have been made, and

(2) any other type of Executive action or inaction which effectively precludes the obligation or expenditure of authorized budget authority or the creation of obligations by contract in advance of appropriations as specifically authorized by law for forest development roads and trails.

In applying the authority granted by the Act of October 13, 1964 (16 U.S.C. 532–538), the Secretary shall give due consideration to avoiding actions which may unduly impair revenues received and thus affect adversely payments to particular counties within the National Forest System made under the sixth paragraph under the heading "Forest Service" of the Act of March 4, 1913 (16 U.S.C. 500), or under section 33 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1012), but nothing in this sentence shall be construed to reduce timber sale offerings with provisions for purchaser road construction, the net effect of which will be to increase revenues from which such payments are made to counties.

SEC. 10. (a) NATIONAL FOREST SYSTEM DEFINED.—Congress declares that the National Forest System consists of units of forest, range, and related lands throughout the United States and its territories, united into a nationally significant system dedicated to the long-term benefits for present and future generations, and that it is the purpose of this section to include all such areas into one integral system. The "National Forest System" shall include all national forest lands reserved or withdrawn from the public domain of the United States, all national forest lands acquired through purchase, exchange, donation, or other means, the national grasslands and land utilization projects administered under title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525, 7 U.S.C. 1010–1012) and other lands, waters, or interests therein which are administered by the Forest Service or are designated for administration through the Forest Service as a part of said system.

(b) ORGANIZATION.—The on-the-ground field offices, field supervisory offices, and regional offices of the Forest Services shall be so situated as to provide the optimum level of convenient, useful services to the public, giving priority to the maintenance and location of facilities in rural areas and towns near the national forest and Forest Service program locations in accordance with the standards in section 901(b) of the Act of November 30, 1970 (84 Stat. 1383), as amended.

MOTION OFFERED BY MR. RARICK

Mr. RARICK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Motion offered by Mr. RARICK: Strike out all after the enacting clause in S. 2296 and insert in lieu thereof the provisions of H.R. 15283, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read:

To provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the productivity and environmental values of certain of the Nation's lands and resources, and for other purposes.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 15283) was laid on the table.

GENERAL LEAVE

Mr. RARICK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

AUTHORIZING ADDITIONAL APPROPRIATIONS TO SMITHSONIAN INSTITUTION

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2137) to amend the act of October 15, 1966 (80 Stat. 953, 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act.

The Clerk read the Senate bill as follows:

S. 2137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a) (4) of the National Museum Act of 1966 (20 U.S.C. 65a) is amended by inserting immediately before the semicolon the following: ", with emphasis on museum conservation and the development of a national institute for museum conservation".

SEC. 2. Section 2(b) of such Act is amended to read as follows:

"(b) There are authorized to be appropriated to the Smithsonian Institution such sums as may be necessary to carry out the purposes of this Act: *Provided,* That no more than $1,000,000 shall be appropriated annually through fiscal year 1977, of which no less than $200,000 annually shall be allocated and used to carry out the purposes of section 2(a) (4) of this Act.".

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I move to suspend the rules and pass the bill S. 2137, to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of the National Museum Act of 1966.

S. 2137 would authorize appropriations of not to exceed $1 million per year to the Smithsonian Institution for the purposes of the National Museum Act of 1966 for fiscal years 1975, 1976, 1977. This is in keeping with the present level of authorized funding for this act and in accord with the 3-year reauthorization period previously applicable. The bill would also allocate $200,000 annually of any sums appropriated for museum conservation efforts and the development of a national institute for museum conservation.

The National Museum Act of 1966, directed the Smithsonian to engage in a continuing study of museum problems, to conduct training and museum practices, to perform research in museum techniques, and to cooperate with governmental agencies concerned with museums. Funds appropriated to the Smithsonian for the implementation of the 1966 act are made available, by grants and contracts, to museums, professional associations, and individuals after thorough review by the National Museum Act Advisory Council.

The previous authorization legislation allocated $100,000 of any appropriations to each of the National Endowment for the Arts and the National Endowment for the Humanities. However, the endowments have indicated that in view of the substantially increased level of their own appropriations, these allocations are no longer necessary. Accordingly they will be discontinued.

Proposals funded by the Smithsonian in fiscal year 1974 included stipend support for graduate training and conservation, methods of handling and storing objects, the publication of works on craft documentation, historical preservation, and museum practices and the study and analysis of new methods relative to exhibit construction and design.

I have been assured that the Smithsonian's program fully complements related activities of the endowments and of the Library of Congress. Departmental reports on this measure have been uniformally favorable and the Office of Management and Budget has indicated that it fully supports the bill.

S. 2137 would continue the Smithsonian's fine work in assisting the preservation of the great variety of artifacts and objects which comprise our national heritage and form the basis for our knowledge of the past. These artifacts and objects are contained in our Nation's more than 5,000 museums of art, science, and history. In my view this program is most worthwhile and merits continued Federal support. Accordingly I urge the approval of this legislation.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is my opinion that this is one of the sweetest little boondoggles around this place. Nothing is to be gained from another $1 million a year on this thing, but I know how futile it is to stop these literally closed corporation boondoggles.

I just looked up the vote on the authorization for appropriation for this deal in 1970.

I do not know of anything worthwhile that has been accomplished since 1970 for the spending of $1 million a year for 3 years.

The authorization for this boondoggle has expired. It expired yesterday, and if it was never revived it would never be missed.

But I say again, I realize the futility of trying to save any money around here, despite the fact that we are in very, very serious financial trouble as a nation. I do not know how many workingmen it takes to put together $1 million in tax revenues to pay for boondoggles of this kind, but I am sure that it takes a lot of them.

However, there will be no stopping it, so why waste more time? A majority of you will jump up and vote for it, or sit still and vote for it. Either way, and the end result will be the same. There is no evidence of fiscal responsibility in this place.

Mr. Speaker, unless the gentleman from Ohio would like to expound on this subject, I have no further requests for time.

Mr. MINSHALL of Ohio. Mr. Speaker, I have nothing further to add than what my good friend, the gentleman from Michigan, has already said about this bill. As a member of the Board of Regents of this facility, I think it is an excellent and worthy cause, and I hope that the House, in its good judgment, will go along with this legislation.

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the Senate bill (S. 2137).

The question was taken and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

TO REFINE PROCEDURES FOR ADJUSTMENTS IN MILITARY COMPENSATION

Mr. STRATTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15406) to amend title 37, United States Code, to refine the procedures for adjustments in military compensation, and for other purposes.

The Clerk read as follows:

H.R. 15406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 1 of title 37, United States Code, is amended by amending section 101 as follows:

"(25) 'regular compensation' or 'regular military compensation (RMC)' means the total of the following elements that a member of a uniformed service accrues or receives, directly or indirectly, in cash or in kind every payday: basic pay, basic allowance for quarters, basic allowance for subsistence; and Federal tax advantage accruing to the aforementioned allowances because they are not subject to Federal income tax."

SEC. 2. Chapter 3 of title 37, United States Code, is amended by amending section 203(a) to read as follows:

"(a) The rates of monthly basic pay for members of the uniformed services within each pay grade are those prescribed in accordance with section 1009 of this title."

SEC. 3. Chapter 7 of title 37, United States Code, is amended as follows:

(1) By amending section 402(a) to read as follows:

"(a) Except as otherwise provided by law, each member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for subsistence as set forth in this section."

(2) By amending the fourth sentence of section 402(b) to read as follows: "The allowance for an enlisted member who is authorized to receive the basic allowance for subsistence under this subsection is at the rate prescribed in accordance with section 1009 of this title."

(3) By amending the first sentence of section 402(c) to read as follows: "An officer of a uniformed service who is entitled to basic pay is, at all times, entitled to the basic allowance for subsistence at the monthly rate prescribed in accordance with section 1009 of this title."

(4) By repealing section 402(d).

(5) By redesignating section 402(e) as section 402 (d), and section 402(f) as section 402(e).

(6) By amending section 403(a) to read as follows:

"(a) Except as otherwise provided by law, a member of a uniformed service who is entitled to basic pay is entitled to a basic allowance for quarters at the monthly rates prescribed in accordance with section 1009 of this title, according to the pay grade in which he is assigned or distributed for basic pay purposes."

SEC. 4. Chapter 19 of title 37, United States Code, is amended by adding the following new section after section 1008 and inserting a corresponding item in the chapter analysis:

"§ 1009. Adjustments of compensation

"(a) Whenever the General Schedule of compensation for Federal classified employees as contained in section 5332 of title 5, United States Code, is adjusted upward, the President shall immediately make an upward adjustment in the—

"(1) monthly basic pay authorized members of the uniformed services by section 203(a) of this title;

"(2) basic allowance for subsistence authorized enlisted members and officers by section 402 of this title; and

"(3) basic allowance for quarters authorized members of the uniformed services by section 403(a) of this title.

"(b) An adjustment under this section shall have the force and effect of law and shall—

"(1) carry the same effective date as that applying to the compensation adjustments provided General Schedule employees;

"(2) be based on the rates of the various elements of compensation as defined in, or made under, section 8 of the Act of December 16, 1967 (Public Law 90–207; 81 Stat. 654), section 402 or 403 of this title, or this section; and

"(3) provide all eligible members with an increase in each element of compensation, set forth in subsection (a) of this section, which is of the same percentage as the overall average percentage increase in the General Schedule rates of basic pay for civilian employees."

SEC. 5. Until the effective date of the first upward adjustment in the rates of monthly basic pay for members of the uniformed services made by the President under section 1009 of title 37, United States Code, as added by section 4 of this Act, after the effective date of this Act, the rates of monthly basic pay for members of the uniformed services authorized by section 203(a) of that title are those prescribed by Executive Order 11740 of October 3, 1973, which became effective on October 1, 1973.

SEC. 6. Until the effective date of the first upward adjustment in the rates of basic allowance for subsistence for enlisted members and officers made by the President under section 1009 of title 37, United States Code, as added by section 4 of this Act, after the effective date of this Act, the rates prescribed under section 402 of title 37, United States Code, as it existed on the date before the effective date of this Act, shall continue in effect.

SEC. 7. Until the effective date of the first adjustment in the rates of basic allowance for quarters for members of the uniformed services made by the President under section 1009 of title 37, United States Code, as added by section 4 of this Act, after the effective date of this Act, the rates of basic allowance for quarters prescribed in section 403(a) of title 37, United States Code, as it existed on the day before the effective date of this Act, shall continue in effect.

SEC. 8. Section 8 of the Act of December 16, 1967 (Public Law 90–207; 81 Stat. 654), is repealed.

SEC. 9. This Act is effective upon enactment.

The SPEAKER. Is a second demanded?

Mr. HUNT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. STRATTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of this bill is to revise the method of allocating comparability pay increases for active-duty members of the uniformed services so that the increases are distributed among basic pay, quarters allowance, and subsistence allowance. At present the increases go entirely into basic pay.

This present procedure results in the Government giving basic-pay increases related in part to increases in the cost of housing and food even in cases where the Government is providing the housing and the food for personnel. In effect, the Government has been paying twice for some factors in the comparability pay increases under the present law. H.R. 15406 will eliminate this double payment and result in a budgetary savings.

Public Law 90–207 provides that whenever salary rates for civil service employees under the General Schedule are adjusted upward, uniformed services pay will be comparably increased. General Schedule salaries are adjusted annually, based on comparability with private industry. The annual percentage increase in General Schedule salaries is applied to regular military compensation—RMC—which is defined as consisting of basic pay, quarters allowance and subsistence allowance—in cash and in kind, and the tax advantage on these allowances. However, the law requires that the amount of the increase be applied solely to basic pay. Thus basic pay is adjusted in part by increases applicable to quarters and subsistence allowances.

Present law overstates basic pay and understates quarters and subsistence allowances, resulting in allowances appearing to military personnel to be lower than they should be. Putting the increases into the allowances as well as basic pay should make the compensation system more understandable to military personnel in the future.

H.R. 15406 will retain the principle that military pay raises are to be linked to Federal civilian pay increases. The bill will change the method of allocating pay raises. Instead of putting all of each military pay raise solely into basic pay, future increases will be allocated to the three cash elements of RMC.

To illustrate how the bill works: Federal civilian employees are expected to get a pay increase on October 1 of this year of approximately 6.2 percent. An increase for military personnel under present law would result in an 8.1-percent increase in basic pay. The bill will mean basic pay, quarters, and subsistence allowances would each be increased 6.2 percent.

COST SAVINGS

It is estimated that the bill will result in savings in the Defense budget in fiscal year 1975 of $157.8 million. This is based on the assumption of an active-duty pay raise in October and represents the savings that would accrue for the remaining 9 months of the fiscal year. The estimated pay increase in October for civilian personnel and, therefore, the estimated increase in each of the three cash elements of military pay if the bill passes, is 6.2 percent.

It is estimated that the cumulative 5-year savings as a result of passage of this bill will be approximately $3 billion. This cannot be estimated with precision, however, as we cannot say at this point how much civil service pay and, therefore, military compensation, will be increased under the comparability formula in future years.

COMPTROLLER GENERAL REPORT

This bill is a legislative proposal of the Department of Defense and was also recommended in a separate study by the Comptroller General.

The only change made in the legislation by the Armed Services Committee was to extend the comparability increases to a relatively small group of enlisted personnel who get subsistence allowances under special rates. There are approximately 60,000 people involved, including military recruiters. They get subsistence allowances under a special formula designed for those who are in areas where messing and other facilities of the Government are not available. The Defense Department proposal would have excluded them from the percentage increases in these allowances under the comparability formula. The committee believed that in attempting to make the compensation system more rational and to make increases more nearly related to the costs for which they are paid the comparability increases should be applied to all enlisted subsistence allowances. The committee, therefore, revised the Defense proposal to include the special subsistence allowances with the same percentage increase as basic pay and other allowances. H.R. 15406, therefore, is the proposal recommended by the Defense Department together with this modest change.

I urge passage of the legislation.

Mr. HUNT. Mr. Speaker, I rise in support of H.R. 15406.

Mr. Speaker, this is a simple bill which will attempt to provide a more appropriate method of increasing pay scales in the Armed Forces when comparability pay raises are made.

As you know, salaries of General Schedule civil service employees are increased annually, based on comparability with private industry. Military compensation is increased at the same time and by the same amount. In the past these increases have all gone into basic pay because of the wording of the law. This has required a higher percentage increase than for civil servants, since basic pay makes up only about 75 percent of the regular military compensation. The law says regular military compensation—which includes basic pay, quarters allowance, subsistence allowance, and the tax advantage on these allowances—is to be equated with civilian salaries.

H.R. 15406 would simply change the formula so that the same percentage increase as civil servants get would go into basic pay, quarters allowance, and subsistence allowance. That way raises will be equated to costs they are designed to defray. The bill will save money by ending the practice of the Government giving pay increases based on increased food and housing costs to the people who are fed and quartered by the Government. The bill should also make the compensation system more understandable to military personnel as it will gradually bring the allowances into line with the costs these allowances are designed to meet.

I urge the Members to support the bill.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. STRATTON) that the House suspend the rules and pass the bill, H.R. 15406.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

JUVENILE DELINQUENCY PREVENTION ACT OF 1974

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15276) to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. HAWKINS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15276, with Mr. BENNETT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. HAWKINS) will be recognized for 30 minutes, and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 15276, the Juvenile Delinquency Prevention Act of 1974 proposes, first, to increase funding resources to the States, localities, and nonprofit agencies; and second, to provide coordination in place of the presently fragmented, uncoordinated, and generally ineffective programs dealing with the treatment and prevention of youth crime. The bill succeeds the Juvenile Delinquency Prevention Act (Public Law 92-381) which expired on June 30, 1974.

H.R. 15276 represents a redirection of efforts long overdue. Approximately half of all serious crimes in this Nation are committed by youth under the age of 18 years. Current methods of treatment and incarceration have failed to stem the rising tide of youth crime—and have in far too many instances graduated adult criminals.

H.R. 15276 seeks to encourage the establishment of comprehensive, community-based services and facilities as opposed to currently operating noncommunity based custodial systems.

We believe that programs must be focused on fostering youth development rather than merely treating delinquent behavior or even being simply reparative in nature. Programs to be truly preventive must deal with the strengths of youth and those of their families and the communities in which they live.

The bill provides for:

First. The establishment of a Juvenile Delinquency Administration within the Department of Health, Education, and Welfare through which the bill would be administered.

Second. Allocation of funds to States and territories, on the basis of relative population under the age of 18 years, with a minimum allocation of $150,000 per State.

Third. Requiring that, in order for States to receive funds, they must submit a State plan, which provides for the development of advanced techniques in the prevention and treatment of juvenile delinquency, to be conducted under the supervision of a State supervisory board.

Fourth. The establishment of a discretionary fund of the Secretary of Health, Education and Welfare which would be utilized for the award of special emphasis prevention and treatment grants.

Fifth. The establishment of an Institute for the Continuing Studies of the Prevention of Juvenile Delinquency which would provide independent research, evaluation, training, technical assistance, and informational services.

Sixth. The establishment of a Federal assistance program for runaway youth and their families.

Seventh. The creation of an independent Coordinating Council on Juvenile Delinquency Prevention, with public membership, which would advise the Secretary with respect to the coordination of all Federal juvenile delinquency programs.

The bill authorizes an annual appropriation of $75 million for fiscal years 1975 and 1976; $125 million for fiscal year 1977 and $175 million for fiscal year 1978. Of these amounts, not more than 5 percent may be appropriated for the administration and not more than 10 percent may be appropriated for the institute. In addition, $10 million is authorized for the grant program of the Runaway Youth Act during fiscal years 1975, 1976, and 1977 and $500,000 is authorized for the survey and reporting program of the Runaway Youth Act for fiscal year 1975. Such sums as may be necessary are authorized for the purposes of the Coordinating Council.

In extensive hearings in Washington and Los Angeles, all subcommittee witnesses except LEAR offered their support and encouragement to the passage of this much-needed and long overdue bill. Indeed, the distinguished Member from Florida, the Honorable CLAUDE PEPPER summed up the situation when he described Federal juvenile delinquency efforts as a "national disgrace and dilemma."

The only area of difference in this bill rests in its administration.

The committee favored HEW over LEAA, because of HEW's demonstrated commitment to the range of human services of which the prevention of juvenile delinquency is an integral part, HEW's existing contacts with health, social welfare, education, and medical resources, and HEW's commitment to the issue as demonstrated by its recent requested budgetary increases and administrative reorganization.

LEAA was considered and rejected by the subcommittee and full committee, because of its narrow "cops and robbers" approach, its failure to adequately attend to the preventive aspects of juvenile delinquency, the spotty record of its State planning agencies in this area, its inability to coordinate juvenile delinquency programs effectively on either the Federal, State, or local levels and its view of the juvenile offender primarily in terms of crime and punishment. All of this despite the vast financial resources at the command of LEAA. Finally, of all the witnesses at our hearings, the only one which testified in support of LEAA was its own interest group; an organization which represented LEAA's State Planning Agency Administrators—courtesy of LEAA-funding.

H.R. 15276 has broad bipartisan support and there is no organized opposition to it. The bill was reported from the Committee on Education and Labor by a vote of 28 to 1.

Mr. Chairman, I urge passage of H.R. 15276.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, I should like to state that in my opinion this is simply more bureaucracy, more Federal money spent, more deficit spending at a time when the people of our country are crying out for the very opposite. I should like to call to the attention of the Members of the House the minority views that are in the report on the bill. I think what this country is suffering from is not so much delinquent children but from delinquent parents. Some of them are negligent of their children, and others are caught in the inflation pressures.

Many dads are forced to work two and three jobs. Too many mothers of small children are working in the marketplace trying to meet the day-by-day expenses of the household, resulting from the inflation generated by the deficit spending habits of this irresponsible Congress. In fact, this bill authorized the expenditure of $492 million over the next 4 years which is certainly not small change in my opinion.

I have been lobbied by people on this bill. In fact, I had a phone call yesterday from a lady who identified herself as a person very active in boys clubs, girls clubs, and the YMCA. She mentioned two or three others, but I do not remember them. She said these agencies would all receive Federal funds to help them. I said: "Are these agencies not all funded through voluntary subscriptions from people such as myself?"

She said: "Oh, yes, but we can only scratch the surface of the needs."

I think my observation is that these organizations are doing a tremendous job. The Boy Scouts are certainly one of the great organizations of the world, helping to make good citizens out of our boys.

As I told this lady on the phone yesterday, I would just like to warn my colleagues who are inclined to vote for legislation of this kind, that this might be another trap. How long will it be before these organizations which are now independent and free, operating their own programs and doing great work with the voluntary gifts and contributions from people such as myself, be asked by the donors "Why should we give you our money; are not you now funded by the Federal Government? To those very same people I say in all honesty and humility, "How long will it be before the Federal Government, giving you these dollars, will also give you the Federal regulations." With Federal funds invariably come the Federal regulations.

We know what has happened in our Federal aid to education program. How long will it be before it happens here, before we have a program such as they have in Russia where the government supervises all youth programs.

So what are we doing here? Do we know what we are doing and do we recognize the pitfalls and traps? Certainly this Congressman is concerned about delinquent children. For myself I had to hoe potatoes and do things like that which kept me out of trouble. I kept my own sons busy with lawn mowing and practicing their musical instruments and so on.

However, I encourage and contribute to many youth programs in my community.

Without being repetitious I will close by calling attention to the fact that the administration opposes this bill.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think it is clear that there is full and complete bipartisan support for the intent of the legislation reported by the Education and Labor Committee. In fact, there was only one dissenting vote when the bill was reported from the committee. It is important, therefore, to clearly understand that the issue which we are discussing now is not whether the bill is good or not—for clearly it is—but which agency will administer it.

With regard to the question of who should administer it, there also appears to be some confusion that this bill establishes a brand new categorical program for juvenile delinquency within the Federal Government. The fact is that HEW has been involved in juvenile delinquency prevention programs since 1961 and in 1968 they were given a specific mandate by the Congress to take the lead role in the coordination of Federal activities. There exists in HEW today a Youth Development Administration which administers the Juvenile Delinquency Prevention Act which Congress passed in 1968.

The bill before us today will simply expand that office, not create a new layer of bureaucracy or a new narrow categorical program in HEW. On the matter of narrow categorical, I must say that crime and delinquency are not categorical problems. The causes of delinquency run the full gamut of all of the social problems that are faced by society. HEW is the agency that deals primarily with the social needs of people. I would be the first to admit that I am less than happy with the job that HEW has done. Up until this year, I would say that their commitment in resources, as well as their efforts, have been low key and low level. But I am convinced that as we enter a new era of juvenile delinquency prevention, this legislation provides that HEW, at least on paper, is the best agency to do the job.

I have been working with HEW officials, the Under Secretary Frank Carlucci, and Assistant Secretary for Human Development Stan Thomas, in recent months and I am convinced that these men, speaking on behalf of the Department, reflect a sincere desire as well as a commitment to increasing the dollars which HEW will make available to give support to a new and expanded juvenile delinquency program.

I think the most telling reason why HEW should administer this program is that this bill is designed to prevent the problems and causes of juvenile delinquency. As many of my colleagues know, I have referred to LEAA as being in the "cops and robbers" business. I referred to them in this manner, not because I do not have a high regard for their efforts and the fine job that that agency is doing, but because I believe that the people who we intend to reach through this legislation are not yet criminals and should not be treated as such.

I believe local and State police agencies have a role to play in helping to prevent delinquency, but if they play that supportive role, it does not necessarily follow that they have to play the lead. In order to accomplish anything through prevention, the factors that cause delinquency must be addressed. It has been proven time and time again that the causes are not criminal but social in nature. Therefore, because this is not a new program and because HEW has already established the mechanism and is beginning to work to coordinate efforts within communities with the limited dollars they have had—they should be allowed to continue and expand their efforts.

I must emphasize that I do not believe that either HEW or LEAA can or should take pride in its efforts to date as a true preventer of delinquency. Donald Santarelli, the outgoing head of LEAA, indicated recently that crime in America is getting worse, not better. As we all know, delinquency among juveniles is increasing at a greater rate than any other category. Therefore, this legislation today is designed to get to the heart of the delinquency problem. It is an attempt to begin to eliminate those factors so that all of the people in this country can ultimately benefit.

The reason why this bill is important is that it puts its primary emphasis on coordination of effort. The first and most important focus will be to achieve coordination at the local level, at the State level, and at the Federal level. In my judgment, coordinating activities will do much to focus our efforts and at the same time, to eliminate duplication. The bill mandates that all agencies of the Federal Government which have a direct role in the problems of juvenile delinquency sit down and work together so that their efforts will go in one direction. The States are then mandates to develop a plan in which they will determine how best to coordinate their efforts within their own States. It is my hope that this planning and coordination will result in new working relationships developed at the local level.

The bill establishes a Coordination Council on Juvenile Delinquency Prevention on the Federal level. This provision was inserted into the bill as a result of a specific recommendation from the General Accounting Office. The GAO felt strongly that a council must be established, representing all of the agencies, if coordination, planning, policy priority setting, and effective management and operation of Federal juvenile delinquency programs was to be achieved. Following the recommendation of the GAO we have mandated that the President appoint high level people to serve on the Council.

Furthermore, the bill establishes an Institute for the Continuing Studies of the Prevention of Juvenile Delinquency. This was an idea which was proposed by our colleague, TOM RAILSBACK, and was incorporated into this bill. The purpose of the Institute is to provide coordination in the dissemination of data in the field of delinquency prevention and treatment, and coordination for the training of personnel connected with the treatment and control of delinquency. Through all of these efforts, we hope to begin to address the problems that exist.

So that my colleagues can better understand why coordination is so necessary—and why, in my judgment, the real strength of this bill is the impetus it gives to coordination, all you have to do is look at the fact that, despite the best intentions and sincere efforts of hundreds of public and private agencies today, the approach to the treatment and prevention of juvenile delinquency remains marred with fragmentation and inconsistency.

By way of illustrating the magnitude of this problem, I cite two examples. In Denver, some 175 separate youth serving agencies have been identified as dealing to some extent with the problem of juvenile delinquency. In Boston, 260 private agencies have been similarly identified. In both instances, efforts to bring about coordination at the local level have met with only the most limited success.

The difficulty appears to be, at least in part, one with which we are all familiar—the absence of a "funding carrot" and the resultant need to spend considerable time selling the goal of voluntary coordination. Because the incentives essential to coordination have been missing, the various local agencies have continued to go in separate directions, secure in the knowledge that they could afford to bypass local planning agencies and instead go directly to the myriad of Federal agencies with authority in the juvenile delinquency field.

By requiring the designation of a single State planning agency responsible for administering juvenile delinquency funds, this bill does much to strengthen the planning process and insure coordination. The committee has acted wisely, I think, in mandating the formation of a State supervisory board—and beyond this, in encouraging the localities to develop broadly representative, local advisory committees to oversee local efforts and to encourage citizen input.

Because we recognized the importance of the State supervisory board to the development of a cohesive and comprehensive State plan, the committee took great pains to insure that the board would be composed of a broad cross section of those with experience in the juvenile delinquency field. The result should be a State plan which reflects the input of not only law enforcement personnel, but educators, health officials, social workers and others with valuable, if differing, insights into what is unquestionably a complex problem.

My colleague, AL QUIE, the ranking minority member of the committee, correctly points out the need for a unified approach toward the juvenile delinquency problem. This bill, it seems to me, fosters that kind of approach at the level where it counts the most—the local level. It is here that the delinquency problem can best be identified and a meaningful prevention and treatment program established. This bill reflects the fact that juvenile justice and juvenile delinquency prevention are inextricably linked and cannot be treated separately.

In an effort to avoid the fragmentation and duplication of effort which has occurred in the past, the bill specifically provides that those State agencies presently entrusted with responsibility for the Omnibus Crime and Safe Streets Act may also, with some modification, be designated responsibility for administering funds under this act. What this means is that, in those States where the LEAA-funded State planning agencies have been particularly effective, the Governor is free to build upon this experience by delegating the agency additional responsibilities.

I anticipate that this will happen in a number of States. But our overriding concern in acting today must be to establish an effective, comprehensive approach to the diffcult problem of delinquency. To that end, I believe it is vitally important that we not tie the Governors' hands, but rather that we grant to them the latitude and flexibility to designate the kind of supervisory board which can best get the job done.

Ultimately, of course, coordination at the local level will only be as effective as coordination at the Federal level. Today, local agencies seeking Federal assistance in combating juvenile delinquency are confronted with a bewildering array of Federal sponsors. The result is confusion and frustration—but most importantly, it is wasteful and costly duplication.

The case for greater interagency cooperation is amply illustrated by the Boston experience. In that city, two different Federal agencies, NIMH and OYD, both within HEW, authorized two separate categorical grants for essentially the same purpose—the study and coordination of existing youth services. This type of wasteful duplication must be eliminated—and I believe, will be if the bill before us becomes law.

In conclusion, I would urge the House not to get bogged down in the LEAA-HEW argument, because there are more than enough problems throughout this country to require the full attention of both agencies. What is a more important concern is what the bill before us today can do to help thousands of young people in need of assistance. When you cast your vote, I urge that you do so with an eye toward how best they can be served.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, the bill before us today represents an effort by the Equal Opportunities Subcommittee that has extended over a period of 1 year. The chairman of that subcommittee, our colleague, AUGUSTUS HAWKINS, has conducted extensive hearings throughout the country both on this specific piece of legislation and on various companion bills. Without his diligent effort this House would not have an opportunity today to enact this most urgently needed legislation.

The bill before us today aims to provide strong Federal leadership in making adequate resources available to the States, localities, and public and private agencies for the prevention and treatment of juvenile delinquency.

Almost one-half of the serious crimes in this Nation are committed by juveniles. Yet at the Federal level we spend relatively meager sums for the treatment and prevention of youth crime. This bill, H.R. 15676, incorporates six basic elements which the committee feels are essential to Federal involvement in the prevention and treatment of juvenile delinquency:

First, the establishment of a new national program in HEW to coordinate and to provide Federal leadership in overall juvenile delinquency efforts;

Second, the provision of adequate funding for the treatment and particularly the preventive aspects of juvenile delinquency;

Third, the creation of an institute to provide independent program evaluation and dissemination of information:

Fourth, the encouragement of reform of national standards for juvenile justice;

Fifth, the significant participation of voluntary, nonprofit agencies in these efforts; and

Sixth, the encouragement of States, localities, and the private sector in the development of diversionary programs and community based alternatives to the traditional forms of institutionalization of youth.

Another important feature of this legislation is embodied in title IV, the Runaway Youth Act. Testimony before the subcommittee revealed that runaways are a serious problem, that they are as many times the victims of crime rather than the criminals, and told us in very clear terms that we do not know enough in this area. Therefore, the committee hopes that with the small amount of money it makes available more information can be gathered about runaway youths and to then encourage the beginnings of a system to meet the needs of these youths.

Mr. Chairman I urge the House to adopt this legislation so that we can begin on a new course of dealing with the problems of juveniles.

Mr. KOCH. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield 3 minutes to the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, the purpose of my taking the well is to advise my colleagues of the following situation. I was told by a young man who had been adjudicated a juvenile delinquent, and had that in his record that when he reached his majority and had applied for a city job he was turned down. Because these juvenile delinquent records are kept in the FBI files and the city—it was not New York City—made an inquiry, he was turned down because of the record, although clearly it is not the purpose of juvenile delinquent records to stigmatize and follow the individual when he or she reaches adulthood. It is really just the antithesis; so I had planned to introduce an amendment today which would bar the furnishing of information on juvenile delinquents by the FBI after they reached their majority.

I took the matter up with the Justice Department. They advised me they thought the matter would be better served if the amendment were to be placed in the bill now being marked up by the Committee on the Judiciary and they indicated their cooperation in the matter.

Rather than offering the amendment at this time I will bring it to the attention of the Judiciary Committee. I want to thank the distinguished chairman (Mr. Hawkins) and the ranking minority member (Mr. Steiger) for their courtesy and cooperation in providing me with support and time in this debate to bring the subject to the House's attention. And I want to commend them and the committee for the excellent bill which they have brought to the floor.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield 5 minutes to the gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. Mr. Chairman, I take this time to ask several questions of the distinguished ranking Member. I have a basic concern of the legislation that we have passed in previous years, particularly when we use the word, as we have in the title, "comprehensive." That can mean just about everything to everyone.

I have found so many times in the past that the authority is sometimes so broad that those implementing the law feel they have authority to go beyond what we debate here on the floor. We could name dozens of bills where this has happened. As one who has had a basic interest over the years, particularly as it relates to juveniles in the so-called early detection and an interest in phychological testing, an interest in recordkeeping and an interest in the invasion of parental rights, I did want to take this time because I think all these issues fuse in this area that we call juvenile delinquency.

Having served with the gentleman from Wisconsin both in committee and in conference, I know that he has many of the same concerns that I have mentioned. As an expert in this legislation, I would ask him whether or not he feels under the term "comprehensive" the so-called early detection of juvenile delinquents could in any way be implemented by this legislation.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I think it would be clear from both the report and the bill, and the gentleman from California (Mr. Hawkins) would, I hope, also comment on this question—we are in no way authorizing the Department of Health, Education, and Welfare for the institute created under this bill to get into that concept of predetection of characteristics that might lead to juvenile delinquency.

As a matter of fact, I think if the gentleman will look back at the legislative history from the development of the act, he will see that this concept was contained in an earlier draft.

Mr. ASHBROOK. That is correct.

Mr. STEIGER of Wisconsin. It was dropped in large measure because a number of witnesses before the committee, as well as members of the subcommittee, felt that idea was one we ought not to get into, so I think it is clear now that we do not intend that should happen, and we would hope the gentleman would put his question to the gentleman from California.

Mr. ASHBROOK. Mr. Chairman, I would be glad to hear from the gentleman from California.

Mr. HAWKINS. Mr. Chairman, if the gentleman would yield, I would certainly concur with the remarks made in answer to his question by the gentleman from Wisconsin, but I would go beyond that and say that this bill in every way has been drafted, I believe, to take the confidentiality out, the privacy and mislabeling.

Certainly, I believe that is the intent of the sponsors of this bill, not to invade the areas which the gentleman has the greatest concern for and which he has expressed.

Mr. ASHBROOK. I thank the gentleman. I should have made it clear at the beginning that I am, of course, not talking about incarceration and court supervision situations where a youth runs afoul of the law.

Of course, when a youth runs afoul of the law, there are certain things at that point which happen in the normal course of events, some of which we do not like, but at least which may be reasonable. But, the situation before a person becomes delinquent or runs afoul of the law is a very sensitive area, and we must be very careful because even though some arguments favoring this approach are proper, this idea of the Government coming into the home and seeing what is right and engaging in early detection is at best dangerous and highly suspect. One witness said, "Zooming in on the family" may be necessary to find out what is going wrong. I just wanted to make sure for the record—and I am glad to get the responses—that this legislation as we see it before us, is not contemplating giving authority for any such actions of this type.

Also, my concern includes another area in which I am interested, the so-called psychological questions or tests with probing questions that might detect potential criminality or delinquency. Often they involve questions relating to the home, parental relations and such.

Can the gentleman from Wisconsin assume that under the heading of "comprehensive program" we are not talking about that type of a program?

Mr. STEIGER of Wisconsin. Mr. Chairman, if the gentleman will yield, my answer is yes, we are not talking about that kind of program.

Mr. ASHBROOK. Also, can I get some assurances in the area of record keeping and parental rights, a subject which the preceding speaker indicated that he was interested in. I think we are all very vitally concerned about this idea of some blemish on the record or something during the course of our school days which ends up somehow or other relating to jobs in later life or credit or something down the line which is fed into some computer.

I notice this legislation endeavors to be very particular and very careful in this area of recordkeeping. Would the gentleman indicate for the edification of the Members what we intend to do regarding recordkeeping?

Mr. STEIGER of Wisconsin. Mr. Chairman, if the gentleman will yield further, there are at least three specific references on this question. One is on page 13, No. 13, which says:

> (13) provide for procedures which will be established for protecting under Federal, State, and local law the rights of recipients of services and which will assure appropriate privacy with regard to records relating to such services provided to any individual under the State plan;

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield 3 additional minutes to the gentleman from Ohio.

Page 87, section 311, says:

> Records containing the identity of any juvenile gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

Then, again, on page 94, in the youth section, the gentleman will note section 422, which says:

> Records containing the identity of individual runaway youths gathered for statistical purposes pursuant to section 421 may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for his response.

One last area that I would like to have some statement from my colleague is the matter of parental rights. This bill, as I understand it, in no way contemplates invasion of what might be called the traditional parental responsibility for the supervision of the child, even in some cases, I guess, where the parent may not be doing the best job.

In previous legislation, I think that was one of the areas, where there was the concept of zooming in on the home to straighten out what might be, in the eyes of those administering the law or the program, mistakes by the parents. This was one of the deficiences of the so-called Child Development Act in 1971.

We are assuring, as nearly as we can, parental rights in this bill. Is that not correct?

Mr. STEIGER of Wisconsin. If the gentleman will yield further, he is absolutely correct on that.

I must say that I think the gentleman performs a very interesting function and a very good public service by raising the issue. Our important subcommittee tried to do its best to deal with this. I think we did so satisfactorily, and we in no way want to find ourselves impinging upon the rights of parents or parental responsibility.

Mr. ASHBROOK. I thank the gentleman for responding.

As one Member who watched the legislation very carefully, I must say that I am not sure in many areas what the right answer is. I favor the traditional parental relationship. I think we found in our hearings that this is a very difficult area in which to legislate—even when it appears there are failures in the home.

I would say to the gentleman from California and to the gentleman from Wisconsin that I am glad that in this legislation we have steered away from what is called early detection of juvenile delinquency, with all the ramifications that phrase has, and have made a reasonable effort at protecting the privacy of records, and similarly, at protecting parental rights in this important area.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, it gives me pleasure to rise in support of H.R. 15276, the Juvenile Delinquency Prevention Act of 1974.

By establishing a Juvenile Delinquency Prevention Administration in the Department of Health, Education, and Welfare, this measure focuses for the first time upon the need for coordination on the Federal, State, and local levels and seeks to involve the nonprofit sector in the launching of an extensive and inclusive program of juvenile delinquency prevention.

Presently, although almost 50 percent of all serious crimes in this Nation are reputedly committed by youth under 18, funds and efforts earmarked for prevention programs are relatively negligible. The National Council on Crime and Delinquency has conducted a study of the fund commitments in 51 of the Law Enforcement Assistance Administration's 55 jurisdictions and concluded that preventive programs accounted for 17 percent of all program funds in 1972. Although this represents an increase of commitment over 1971 when only .8 percent of available moneys were so used, the allocation of resources does not begin to match the level of need. Moreover, there is reason to believe that philosophically the Law Enforcement Assistance Administration is more atuned to the concept of dealing with crime detection and punishment techniques than approaching, in a constructive fashion, the problems of youngsters who find themselves in conflict with the law.

Yet, prevention is nine-tenths of the cure. Available evidence clearly shows that it is easier, more effective, and even more economical to assist youngsters in situations which could lead to lawlessness rather than to allow them to drop out or be pushed out of the school system and direct them to programs of rehabilitation only after they have established habits of addiction or are hauled into courts on criminal charges.

A few years ago, concerned parents in my district whose children were suspended from neighborhood schools, launched an effort significantly called "Project Justice." With the assistance of capable young attorneys and a number of medical doctors, these parents organized a program geared to investigate factors leading to the suspension of youngsters in the neighborhood schools. During a 24-month period about 395 cases were studied in depth and at the end of this time project personnel could point with pride to the records which showed that in almost every instance youth involved in suspension proceedings were successfully returned to the schools they originally attended. Nor did matters stop there. Families of the returned youngsters, as a result of the assistance they received, became involved with the school system, understood clearly the rights and needs of their children, and showed willingness and ability to get involved in the educational process.

But the same records also demonstrated something else. They disclosed that in several instances youngsters, whose primary problem involved language and cultural barriers, were referred to psychiatrists for evaluations and ended up on "chemical therapy" for conditions they did not have. Others, whose families were unable to communicate with school authorities, accepted suspension decisions as manifestations of "personal dislike." Parents in such circumstances, although upset, wrote off as fruitless any attempt to return their children to their proper schools. In some instances, by dint of permitting them to leave home and live with relatives or friends, they managed, for a time, to assure continued school attendance for them. But in the majority of the cases, without the intervention of trained personnel, the youth simply left the school system and swelled the growing ranks of dropouts.

My own files show that despite the demonstrated effectiveness of Project Justice, I found it extremely difficult to interest anyone in funding the project. I had contacts with HEW, LEAA, and the Department of Education on their behalf and none of the individuals reached showed much enthusiasm. When approached with the request to assist the program, they considered the scope of its operations outside their jurisdiction and at most furnished referrals.

I am consequently very pleased to find in the measure before us a mandate for funding community based efforts and hope that, upon the passage of this legislation, groups such as Project Justice will be able to take their rightful place in the juvenile delinquency prevention effort. Because educational and preventive approaches are of paramount importance, I cannot support attempts to vest the administration of this legislation in the Law Enforcement Assistance Administration. I believe that the administrative framework, proposed in the bill, should logically be located in the Department of Health, Education, and Welfare where, through Federal, State, and local efforts and continued congressional oversight, a successful program to assist troubled youngsters can most successfully be evolved.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I wish to pay my respects, first of all, to the chairman of the subcommittee, the gentleman from California (Mr. HAWKINS) for the fine job that he has done.

I also wish to pay my respects to the gentleman from Wisconsin (Mr. STEIGER) who, I think, has done an outstanding job.

Let me just say, Mr. Chairman, that this particular legislation was something that we in the House considered in the last session when more than 100 Members supported the Institute for Continuing Studies of Juvenile Justice. The House passed that legislation. It then went to the Senate, where it became stalled, and it was not enacted into law.

I happen to have had the privilege of sponsoring that legislation, along with a former Member from Chicago, the gentleman from Illinois, Mr. Abner Mikva, who was then a Member and who was one of the chief sponsors, as well as the gentleman from Pennsylvania (Mr. BIESTER).

I think that we felt that one of the most serious problems in our country was the high rate of recidivism, and this was a rate of recidivism which was particularly noticeable among young people.

We had a report that came from one of the Presidential commissions that indicated 72 percent of the young people who were first offenders could be expected to be back in prison after once entering prison within a 5-year period. It became very apparent to us that the different States in this country were adopting different kinds of programs. There was no uniformity. Some of the State programs were good, and some of the State programs were very bad. So, as I say, it became pretty apparent that we would be well advised to see if we could not provide some kind of a central clearing house where people that were expert in the field of juveniles, for example, could come together and share their expertise with others.

It became important, too, we felt, that there be some kind of a central training institution to which people could be nominated to attend by the States and the State and local agencies, to receive specialized training—training similar to what had been done by the very successful FBI Training Academy. It is our feeling that it should be done on a multidiscipline basis with personnel, including law enforcement officers, probation officers, personnel people, judicial people, correctional people, teachers, and others who had something to do with the treatment and handling of juvenile offenders, to receive that kind of training.

I just want to say, without really belaboring the point, that I think this legislation which includes under its title III that kind of an institute, is going to serve the most useful purposes when enacted into law.

We are all too aware of the terrible consequences this Nation suffers from an ever-increasing crime rate—the price we pay is immeasurable in human and economic terms. But how many of us are aware of the distressing contribution juvenile crime makes to our crime situation?

Juveniles are responsible for a disproportionate share of crime year after year. According to the Federal Bureau of Investigation, in 1972, 27 percent of all serious crimes solved involved juveniles, although persons 10 to 17 years of age account for only 16 percent of the population. Persons under 25 made up over half the total police arrests for that year! Over the last 5 years juvenile involvement in violent crime increased 60 percent as compared to a 46-percent increase for adults.

Furthermore, the young criminal of today is quite likely to be the adult offender of tomorrow. Offenders under 20 are rearrested more frequently than any other age group. Between 1970 and 1972, 43 percent of arrested offenders under 20 in the United States were recidivists.

In the last decade the Federal Government has accepted increasing responsibility and leadership in the fight against crime, but delinquency programs have remained largely a disappointment. They were certainly the "stepchild" when it came to appropriations. Spread through a myriad of Federal agencies, they suffered further from a lack of organization.

H.R. 15276, the Juvenile Delinquency Prevention Act of 1974, directly addresses these problems with the establishment of a new structure for the coordination of all Federal activities relating to juvenile delinquency. In addition, there is provision for substantial appropriations for a viable and effective effort. The bill gives the Secretary of Health, Education, and Welfare ultimate responsibility for the coordination of all Federal delinquency programs; establishes a grant program for assistance to States and localities in their delinquency efforts; provides for a national training and information center for persons dealing with delinquents; establishes a specific grant program for projects relating to runaway youth; and, provides for an independent council to oversee and evaluate the Federal juvenile delinquency effort. Authorizations for these purposes over a 4-year period run nearly a half a billion dollars!

I am particularly pleased that title III of this bill includes the language of my bill to establish an Institute for Continuous Studies of the Prevention of Juvenile Delinquency. I have long felt that there has been a particular need for a training and information center on delinquency—a need best served at the Federal level where adequate resources would exist for a permanent and workable administration. Certainly, much information on effective programs and techniques is available, but is of little use unless it can be communicated to those responsible for initiating and implementing programs in the States and localities.

The Institute proposed in title III of this bill would solve the communications problem in two ways. Primarily it would provide a short-term training program for professionals and lay people involved in the prevention and control of youth crime. To assist in developing training programs at the State and local levels, technical training teams would also be available from the Institute. Additionally, the Institute would collect, prepare, and disseminate information, acting as the national clearinghouse for delinquency source material. For the first time, persons dealing with juveniles would have ready access to the most modern and proven-effective techniques and programs.

There is also a provision in title III for the Institute, at the discretion of the Secretary of Health, Education, and Welfare, to evaluate federally funded delinquency programs which should help direct Federal support toward increasing effectiveness. It is also empowered to request research in areas where necessary information is lacking.

There are other important aspects of this bill that make it truly innovative and comprehensive.

Title I prescribes that the Secretary of Health, Education, and Welfare, through a new Juvenile Delinquency Prevention Administration, establish the overall policy, objectives, and priorities for all Federal delinquency programs and activities, and gives him the necessary authority to coordinate them. He is additionally responsible for reporting to the President and Congress annually on the progress and results of the Federal effort with recommendations for change.

The concept of "coordination" is also underlined in title V which establishes an independent Coordinating Council on Juvenile Delinquency Prevention to oversee Federal programs. The council is required to make annual recommendations to the Secretary for improvements and priorities in the programs including a special report on the activity of the institute. Although such a council has existed under the 1972 juvenile delinquency legislation, this proposal would substantially broaden its makeup and scope. Not only would its members include Cabinet-level offiers from agencies dealing with delinquency related programs, but also would include nationally recognized experts appointed by the President. Youth would be represented on the council under the provision that at least three of its members be under 26.

Recently there has been an increasingly serious law enforcement problem with runaway youth, and due to the interstate nature of this particular delinquency, it is properly of Federal concern. Title IV of this legislation would establish a grant program for the development of local facilities and programs to deal with runaways. Because of the deficiency of information on the extent of the problem, it also calls for the Secretary of Health, Education, and Welfare to report to Congress with a statistical profile of runaways by the end of fiscal year 1975.

Title II provides for a grant program generally similar in structure to the current program, but with important differences in emphasis and scope. Current law provides for grants to the States and localities for programs to aid in the prevention of delinquency only, and only agencies outside the juvenile justice system are eligible. This proposal would extend eligibility to all agencies, public and private, for in many States juvenile justice agencies are responsible for programs to divert predelinquents from the system and could therefore profitably serve as a center for coordinating youth programs funding.

This title also prescribes priority areas for eligibility of program funding that reflect innovations such as: community-based treatment as an alternative to institutionalization; diversion of offenders from the juvenile courts and institutions; and programs to keep potential dropouts in school. It is interesting to note that over 85 percent of institutionalized delinquents are school dropouts.

Mr. Chairman, the Juvenile Delinquency Prevention and Control Act of 1974 is a comprehensive proposal that properly addresses some of the deficiencies of past legislation in this area and establishes a sound basis for an effective future effort. As one who has consistently been particularly concerned with the problem of juvenile delinquency, I urge the support of my colleagues for prompt action on this important legislation.

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I will be glad to yield to the gentleman from Pennsylvania.

Mr. BIESTER. Mr. Chairman, I think that the gentleman in the well, the gentleman from Illinois (Mr. Railsback) deserves a great deal of credit for this legislation. The gentleman first discussed it with me almost 5 years ago. I believe that it is the diligent work of the gentleman from Illinois along with the cooperation of the gentleman from California, Chairman Hawkins, and the gentleman from Wisconsin (Mr. Steiger) that has helped produce this legislation today, and I congratulate the gentleman.

Mr. Chairman, I rise in support of the Juvenile Delinquency Prevention Act.

After several years of legislative effort to establish an Institute for Continuing Studies of Juvenile Justice, we today have the opportunity to pass H.R. 15276, the Juvenile Delinquency Prevention Act, which has as one of its major features the concept of the Institute.

I am pleased to have joined with our colleague TOM RAILSBACK and former colleague Abner Mikva back in 1969 in first submitting this measure and to have worked with this legislation in the Judiciary Committee when the subcommittee on which I served considered it in hearings in 1970 and 1971.

As outlined in the bill before us, the Institute would be given the authority to gather data and disseminate it in those ways which can most effectively address the problems of juvenile delinquency. Not only will the Institute become a repository for all the relevant statistics and information relating to juvenile delinquency from throughout the country, but it will conduct training programs for those who work closely with the problem and with the young in general. Taking an interdisciplinary approach to the question of juvenile delinquency, new programs will be formulated, applied and evaluated for possible use on a more extensive basis.

I feel it is tremendously important to have a single body focusing on the particular problem of delinquency among minors—a condition which has perplexed and confounded us for years. Solutions will continue to escape us unless we pull our resources together in trying to identify and address those factors which contribute to juvenile delinquency. We know that those who become involved in criminal activities at an early age are increasingly likely to become more deeply involved in crime in early adulthood. Indvidual lives are ruined and society, at large, pays a tremendous price for the misdirection and mistakes of its youthful offenders.

The Institute will help assure that the problems of juvenile delinquency are given the intensive day-to-day attention they require and the practical assistance is forthcoming which local institutions and groups can so profitably implement.

We know better than to assume that the existence of such a body will solve the matter of juvenile delinquency once and for all. The problem is much too complex and too deeply intertwined with other societal conditions in need of correction. I believe we can be optimistic that the Institute, in conjunction with other efforts—in crime prevention, corrections, education, social work—can make inroads in what continues to be one of our most serious, far-reaching problem areas.

Mr. STEIGER of Wisconsin. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, I rise to commend the committee on a certain provision in the bill that protects the information which they have been given the authority to collect. In essence, I rise to praise Caesar, not to bury him.

Not necessarily to discuss the merits of the bill, because perhaps there are some questions as to whether this is more of a State matter than a Federal matter, but with the increasing concern by many Americans over the invasion of privacy it becomes more a responsibility of Government to look into this question of whether our liberties are being violated, and information of a personal nature is indiscriminantly being passed around, misused and abused, all to the detriment of the individual in this country.

It is heartening to see that in this Congress a great concern registered to establish basic safeguards and rights of the individual as they pertain to his own personality.

Some 300 Members of the Congress support some 60 different types of legislation in this area.

So here we have a particular piece of legislation, when we do not now have on the books these safeguards, to provide a comprehensive and coordinated approach to the problems of juvenile delinquency and for other purposes.

I wish to commend the committee, after dealing out great powers to this agency to collect all kinds of personal information on juveniles, for establishing in section 311 safeguards protecting this information.

I rise, to emphasize for the RECORD, a record which should establish the intent of Congress as it pertains to this piece of legislation, that section 311 does read:

> Records containing the identity of any juvenile gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

I may quarrel with some of the language of this particular section. For instance, instead of using the word "record," I would have used "personal information," which is broader in scope. Nevertheless, an honest effort has been made by this committee to establish by law that information of a personal nature must be protected.

Mr. Chairman, I do commend this committee for taking the time, for showing sensitivity, for showing concern for the personal information of juvenile delinquents.

I yield back the balance of my time.

Mr. MURPHY of Illinois. Mr. Chairman, the House is now considering a bill which deserves our serious consideration, the Juvenile Delinquency Prevention Act. This act establishes a Juvenile Delinquency Prevention Administration within the Department of Health, Education, and Welfare and seeks to coordinate juvenile delinquency efforts on the Federal, State, and local levels.

The problems of youth today are many and varied. They are real problems creating genuine anxieties which too often the youth cannot face. Unable to cope with the demands made upon them either by their peer groups or by their parents, young people take a greater risk by hiking their way across the country. This escape from the protective custody of home and friends places more pressure on the youth. They hesitate to contact parents or friends and consequently, with no one to turn to, they make associations which lead them further astray, providing they are lucky enough to stay alive.

Runaway youth are especially vulnerable. Why they feel the need to leave home is often perplexing. This does not, however, lessen our responsibility to these troubled young people. We must offer that helping hand or that shoulder to lean on when they seek help.

Too often the next step for a runaway is a crime. A crime perpetrated out of necessity, perhaps for food, but nevertheless a crime. The struggle for survival could easily lead the juvenile to a lifetime of crime. He may not even choose this but for his livelihood this is the direction he takes.

The bill before us today goes a long way in the prevention and treatment of juvenile delinquency. It also establishes a Federal assistance program for runaway youth and their families.

The administration of this type of program is placed within the Department of Health, Education, and Welfare. In this way we approach the problem more as a social service rather than as a problem of law enforcement or criminal justice. We must avoid a negative labeling that results from grouping juvenile delinquency as law enforcement.

In focusing our attention to the problems of these young people we must emphasize the human values which have led them to their life of crime. We must provide alternatives to institutionalization. Only in working with these confused and frightened teenagers in a positive way can we hope to assist them.

Mr. WOLFF. Mr. Chairman, I rise in support of H.R. 15276, which is a comprehensive and coordinated approach to the problem of juvenile delinquency. The scope of this problem is vast, and certain aspects of it deserve particular attention. One of the provisions of H.R. 15276 in which I am especially interested would authorize special emphasis block grants to the States and local communities to deal exclusively with special problems associated with juvenile delinquency. It is my hope that these special emphasis grants would encompass such critical delinquency problems as that of vandalism, the willful destruction, damage, and defacement of property.

Today our cities are burdened with rampant costs stemming from the problem of vandalism. Funds are continually being allocated to counter criminal acts that strike at property ranging from mass transit systems to parks, zoos, and schools. It is a vicious cycle and the picture is becoming bleaker. The total cost assumed by the States to repair the damage wrought by vandalism has been estimated as high as a billion dollars a year. Experts generally agree that the highest rates of vandalism occur between the ages of 14 and 18. Thus, I feel that vandalism should be given top priority in the area of juvenile delinquency prevention and not be ignored or passed off lightly.

To understand vandalism our programs must focus on the conditions which foster this particular type of delinquency. Programs for the treatment and prevention of vandalism must include not only rehabilitation and the rechanneling of destructive energies into constructive measures but also explore the many factors which encourage vandalism.

I sincerely hope that the bill before us today will include special emphasis on vandalism as one of the major problems of juvenile delinquency.

Mr. BELL. Mr. Chairman, it has become increasingly evident during recent years that strong Federal leadership is needed in the areas of prevention, treatment and rehabilitation of juvenile delinquents. The measure before the House today, H.R. 15276, the Juvenile Delinquency Prevention Act of 1974, is in direct response to this need.

At this time, I would like to commend my distinguished colleague from California (Mr. Hawkins) and my distinguished colleague from Wisconsin (Mr. Steiger) for their efforts on this important bill.

Statistics show that approximately 50 percent of all serious crime in the United States is committed by persons under the age of 18. Today, serious crime is increasing in both our cities and suburbs. This fact illustrates the inadequate job that is currently being done by those Federal agencies responsible in the area of juvenile delinquency.

Testimony before the House Subcommittee on Equal Opportunities emphasized the need for new direction and stronger leadership in the juvenile delinquency field. By concentrating Federal effort in this area, crime would be abated and the resulting effect on society would be immeasurable. No one can deny that one of our Nation's greatest resources is our youth. By proper education, treatment, and rehabilitation, we can help a youthful offender become a meaningful member of society. By focusing our efforts on delinquency prevention, we can deter a potential youth offender and help direct his efforts in a constructive manner.

Our country has been willing to pay the cost of crime in our society for too many years. Personal and property losses are extensive. In testimony before the Subcommittee on Equal Opportunities, the Honorable Claude Pepper quoted Dr. Jerome Miller who engineered the deinstitutionalization of the Massachusetts Juvenile Corrections System:

> For what it costs to keep a youngster in a training school, you can send him to the Phillips Exeter Academy; have him in individual analytic psychotherapy; give him a weekly allowance between $25 and $50 plus a full clothing allowance. You could send him to Europe in the summer and when you bring him back still have a fair amount of money left over.

The time has come for us to redirect our spending—to prevent such costs by providing the proper education, treatment and rehabilitation for our youth.

Mr. Chairman, the Juvenile Delinquency Prevention Act of 1974 contains many important sections and focuses on the need for the proper coordination of Federal, State, and local juvenile delinquency efforts. It establishes a program to deal with the problems of runaway youth; an Institute for the Continued Studies of the Prevention of Juvenile Delinqency; an Independent Coordinating Council on Juvenile Delinquency Prevention; and a discretionary fund to be used for special emphasis prevention and treatment grants.

A common denominator among juvenile delinquents is a lack of education. Consequently, I feel it imperative that a program of juvenile delinquency prevention, such as H.R. 15276, be placed within the Department of Health, Education, and Welfare. I believe that this agency is best suited to deal with the entire youth—his education, welfare, and development—not merely the youth as a criminal offender. HEW also has longtime experience in dealing with youth, in developing programs, and has broad contact with nongovernment agencies.

Federal efforts in the area of juvenile delinquency have been fragmented and such an approach has resulted in great loss to our society. We need to tighten up, to focus and to direct. This measure, H.R. 15276, is a comprehensive answer to our complex juvenile delinquency problem. We need this legislation and I would urge my colleagues to unanimously support the bill as reported out by the House Education and Labor Committee.

Mr. KASTENMEIER. Mr. Chairman, I rise in support of the Juvenile Delinquency Prevention Act of 1974. I am particularly pleased to note that the Education and Labor Committee has included in this bill provision for establishing an Institute for Continuing Studies of the Prevention of Juvenile Delinquency. My own Judiciary Subcommittee held hearings in 1970 and 1971 on separate legislation to create such an institute and, in 1972, I joined with the chief sponsors of this legislation, Mr. Railsback, Mr. Biester, and our former colleague, Ab Mikva, in guiding such a bill through the House. However, since the bill before us today is designed to establish a coordinated approach to Federal programs dealing with juvenile delinquency, it is perhaps more appropriate that the Institute be contained as an integral part of this measure.

The hearings held by my subcommittee clearly established the need for such a central clearinghouse to coordinate and disseminate research data on juvenile delinquency. The hearings also highlighted the lack of trained personnel as a serious problem in dealing with juvenile delinquents. We discovered a proliferation of programs designed to deal with juvenile delinquency prevention and treatment, as well as punishment, but no single vehicle to bring these programs together—no single vehicle to bring together the knowledge gained through experience in order to devise more effective programs. The Institute will hopefully provide the mechanism for vast improvements in our overall approach to juvenile delinquency.

At the same time we discovered this void, we were being told that almost 50 percent of all serious crimes committed in this Nation were committed by juveniles, and that the recidivism rate for youthful offenders ranged anywhere from 50 to 75 percent. Mr. Chairman, these were truly distressing figures to us in 1970 and 1971. Yet, 4 years later, the figures have not substantially changed. This should tell us that the need which my subcommittee discovered in 1970 still exists today. It should tell us that the programs we have had operating, while perhaps successful to a limited degree have not been successful in the broad sense.

The Education and Labor Committee found, as we did 4 years ago, that Federal efforts in juvenile delinquency prevention and treatment are woefully inadequate. They also found that those that do exist are greatly fragmented and lack coordination. The bill which the committee has recommended to deal with this problem is a good bill. It provides the coordination between Federal, State, and local efforts which has been lacking to date. Perhaps most important, it focuses on the need to recognize the first signal light of trouble, and turn young people, who might be destined to lives of crime, away from the life of a hardened criminal. Its focus is on prevention of juvenile delinquency rather than on crime and punishment after these young people have entered the delinquent world.

There has been some discussion as to whether the proper administering agency for this program should be HEW or LEAA. my experience with corrections through my Judiciary Subcommittee has convinced me that crime and delinquency are as much, if not more, social problems as law enforcement problems. It has convinced me that greater efforts must be made to deal with those social problems which lead people to lives of crime. This is perhaps more true for young people who offer greater opportunities for successful prevention programs than those adults who have already entered the criminal world.

Clearly, the focus of HEW programs is on such social problems, while the focus of LEAA is more law enforcement. Because of the emphasis of this legislation on prevention and treatment, I share the view of the committee that HEW should be the administering agency. This does not mean, however, that the expertise gained by existing LEAA-funded local and State structures is to be ignored. In fact, the committee bill provides broad latitude to State Governors in their designation of planning and administering bodies for State programs. This means, for example, that those State planning agencies created under the Omnibus Crime Control and Safe Streets Act can be designated as the planning and administering body for the State.

Mr. Chairman, this legislation is badly needed. It attempts to establish a coordinated approach which has the potential for saving countless numbers of young people from lives of crime. The youth of America represent our future and we can afford to do no less than help steer those young people who might be swayed to lives of crime into productive lives. I urge adoption of this legislation.

Mr. McKINNEY. Mr. Chairman, despite the efforts of existing Federal programs, we have seen in this country an appalling rise in the rate of juvenile delinquency, defined both as criminal and noncriminal activity. Perhaps the most shocking statistic is the rise in arrests for criminal activities among youths under the age of 18 at a rate of 124.5 percent in the last decade. And this despite the enactment of the Juvenile Delinquency and Youth Offenses Control Act of 1961 and its replacement, the Juvenile Delinquency Prevention and Control Act of 1968. This is truly a searing comment on the need for coordinated Federal, State, and local efforts to prevent delinquency which H.R. 15276, the Juvenile Delinquency Prevention Act of 1974 provides.

The emphasis of this bill is on the local community where the problems of youth must be confronted most directly. The formula approach for grants to the States assures that each State will receive funds according to its own particular need and in addition encourages further coordination of efforts on the State level. I am encouraged by the inclusion of a discretionary Federal fund for the development of new approaches and techniques in dealing with disturbed youth and community-based alternatives to traditional forms of delinquency prevention.

I am particularly pleased by the inclusion of the Institute for Continuing Studies of Juvenile Justice within H.R. 15276. I had the privilege of cosponsoring separate legislation along these lines with our colleague, Hon. TOM RAILSBACK, earlier in this Congress. I feel that this section will make it possible to gather the information and statistics needed to evaluate programs sponsored by this legislation.

In light of the fact that there is not precise data available as to the overall budget outlays for delinquency prevention, the need for the compilation of such information seems self-apparent. The institute's evaluation of delinquency prevention programs is no less important than providing the funds for the programs in the first place. This is especially true in a time when the Congress must weigh the inflationary impact of any added Federal spending. The problem with too many federally funded programs is that there is no evaluation process available to the Government to insure that the moneys being spent are effective in realizing the goals of the programs. The institute provides the means for accomplishing this end.

Another innovation the institute provides is short-term training, workshops, and seminars for those working with youth in the local community in the latest effective techniques for dealing with disturbed and delinquent young people. The institute would also develop technical training teams which can be sent out to State and local agencies to work directly with youth. Hopefully these teams will be able to aid local communities by adding insights and skills which might not ordinarily be available to them. Finally, establishment of the institute provides a focal point for the widely divergent groups who will be involved in the administration of this legislation, and as such contribute to the elimination of the fragmentation which now exists in the field of juvenile delinquency.

The members of the Committee of Education and Labor are to be commended for their recognition of the merit of the Institute for Continuing Studies of Juvenile Justice and the contribution which the institute makes to the successful administration of the Juvenile Delinquency Prevention Act. The support for this provision, especially for the training of professionals and nonprofessionals in this field is broad-based, extending from law enforcement agencies to social service organizations.

When I first came to Congress, drug related crimes among young people had reached what appeared to be epidemic proportions. In our efforts to deal with this problem, we focused on prevention of drug abuse and drug related crimes by establishing programs to deal with it as a health and social problem. I believe we have made real progress with this approach in this area.

With this bill, we tackle the attendent problem of youth, juvenile delinquency. In the last session of this Congress, the House passed similar legislation to this, but in the last rush toward adjournment, the Senate failed to act on it. It appears that we will not repeat that mistake.

One of the most disturbing aspects of this problem is the high rate of recidivism. It has been established that 72 percent of youthful offenders return to prison within 5 years of their first offense. In our present penal system, it is not too difficult to conclude that meaningful rehabilitation, as illustrated by the above statistic, has been almost nonexistent. Our efforts then with this legislation are to prevent the juvenile from reaching what unfortunately has become the end of the road, incarceration. As Brother Al Behm of the Glenmary Home Missionaries, a constituent who is deeply involved in youth work in Fairfield, Conn., wrote in a booklet for young people, "I've never met a bad one," they are perhaps confused, alienated, but mostly in desperate need of help.

Mr. Chairman, it is my hope that with this legislation, emphasizing local control and coordinated with Federal efforts, we can reverse these tragic statistics. I strongly recommend my colleagues support for this legislation, not as money to be thrown at a problem, but as a responsible measure designed to curb what is becoming a national tragedy.

Mrs. CHISHOLM. Mr. Chairman, the push-out is the student who through discriminatory treatment and arbitrary actions of school authorities is excluded from school, or else is so alienated by the hostility, of his or her school environment, that he or she leaves school. A solution to the problem of the student pushout is central to the effort to reduce juvenile delinquency from North to South in this country for it is clear that the discriminatory and arbitrary application of school discipline especially in the form of suspensions and expulsions in a significant precursor of youth offenses.

A district supervisor for the Florida Division of Family Services said:

> School difficulties are the forerunners of social failure. . . . There is a strong correlation between those students who are suspended, and those young people who appear in juvenile court. . . . I am in favor of a reduction in the number of suspensions. We create delinquent children.

A Birmingham juvenile court judge put it this way:

> I would guess that 50 percent of those who appear in juvenile court have at one time been suspended from school. . . . A lot of juvenile delinquency preventive work could be done in the schools.

And the director of a county juvenile center in Georgia pointed out that:

> School suspension problems lead to delinquency problems.

She also reported that:

> Seventy percent of those juveniles found delinquent in Juvenile Court last year had either prior suspensions or expulsion from school. Eight percent more had dropped out when their cases came up.

Data collected by the Office of Civil Rights, HEW, shows that not only are there a seriously inappropriate number of suspensions and expulsions in some school districts, but that in almost all the larger cities surveyed, in the North as well as the South, the proportion of minority students who are pushed out is much greater than it is for white students.

Results from OCR's 1971 school survey indicate that in general, minority students are twice as likely to be expelled as nonminority students and that black students in particular are three times as likely to be expelled as nonminority students.

The data from New York City, for example, show that of 19,518 pupils suspended in the 1972–73 school year, 16,780, or 85.9 percent, were from minority groups. There were no expulsions reported from New York City schools. The minority enrollment in New York schools was 64.4 percent, the figures showed.

In Dallas, of 42 pupils expelled, 39, or 92.9 percent, were from a minority group. The city's minority enrollment was 49.4 percent, while 68.5 percent of the suspensions were of pupils from a minority group.

In Cleveland, the minority enrollment was 59.9 percent. Of 11,634 pupils suspended, 8,344 or 70.8 percent, were from a minority group.

Under the authority of H.R. 15276, HEW can make grants and contracts to agencies, organizations, and individuals for pushout prevention programs under Special Emphasis Prevention and Treatment Programs, and as a part of State plans under this legislation. Priority is given in the legislation to private, nonprofit organizations. I would encourage the funding of community groups outside the school system and other governmental agencies, for the design and implementation of such programs. Examples are: First, the hiring of lay advocates to represent students and parents in due process procedures that may be instituted when a student is suspended or expelled, and second, the establishment of counseling groups outside the school that can assist students in adjusting to a hostile school environment, can advise a student and his or her parents of their due process rights.

Because many school systems have failed to develop positive approaches for correcting disruptive behavior in the schools, they utilize disciplinary techniques which often remove the problem from the jurisdiction of the schools, but seldom correct it.

I would hope that in the course of funding programs to prevent students from being pushed out that such assistance would be focused primarily on first, school districts having an egregiously disproportionate number of minority suspensions and expulsions—such districts will typically have a history of school discrimination and racial tension, and second, on school districts demonstrating abnormally high suspension and expulsion figures for all students regardless of race.

Another of the most insidious forces leading to juvenile delinquency is the labeling of individual children "potentially delinquent" or "pre-delinquent." Fortunately, the bill before us today does not contain language directing programs to focus attention on either "youths in danger of becoming delinquent" or "potentially delinquent youth." Both of these unfortunate labels were in earlier versions of H.R. 15276. I commend the Subcommittee on Equal Opportunities for having the foresight to delete such potentially dangerous language from the bill.

The National Education Association has presented some pithy statistics that demonstrate the connection between juvenile delinquency and student pushouts and dropouts. This data follows:

> There are nearly 2 million school-aged children who are not in school. Most of them live in the large cities.
>
> Of the students who are attending classes, more of them will spend some portion of their lives in a correctional institution than those who will attend all the institutions of higher learning.
>
> On any given school day of the year, you will find 13,000 children of school age in correctional institutions and another 100,000 in jail or police lockups.
>
> Of every 100 students attending school across the nation, 23 drop out [or are pushed out], 77 graduate from high school, 43 enter college, 21 receive a B.A., 6 earn an M.A., and 1 earns a Ph. D.

Many States now spend more money to punish a juvenile delinquent than to educate an ordinary student. The State of Iowa, for example will pay $9,000 a year to keep a student in a juvenile home, but only $1,050 for a student in school. Maryland spends $18,000, Michigan $10,000, and the District of Columbia spends $7,469 for a year of a youthful offender's time in a correctional institution. These figures are far less than is spent on the average student in regular school.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope that the Juvenile Delinquency Prevention Act (H.R. 15276) that is now before the House will receive favorable consideration and will be overwhelmingly adopted.

As we all know, juvenile delinquency and the problems generally associated with it are of growing national concern. The offenders themselves speak of the emotional and physical harm they have brought upon themselves, oftentimes the result of a single impetuous act, and the resultant stigma they must carry with them for the rest of their lives. Over and over again, we hear of the pain juvenile delinquency has brought to mothers and fathers, shattering the harmony of family life; the disruption it has caused in our educational institutions, impeding the learning process; and the financial burden and fear it has imposed upon our communities.

Many reputable and responsible authorities, Mr. Chairman, agree that we must enlist all the available resources that exist both within and outside of the Government, as well as the combined and cooperative efforts of all branches and levels of government if we are to fully respond to the need for finding solutions to this urgent problem.

I believe, Mr. Chairman, that the legislation before us today reflects a prudent and wise response in this direction. Under the provisions of this bill, an administrative agency will be established within the Department of Health, Education, and Welfare to allocate funds and coordinate existing and new programs, undertaken to prevent and treat the problem of juvenile delinquency. A special Institute for the Continuing Studies of the Prevention of Juvenile Delinquency will be established to research the causes of the problem, and provide training and technical assistance for those engaged in this important work; and, perhaps most important, the thrust of this whole proposal is to stimulate the development of prevention programs at the local levels where the problems are most keenly felt and very probably best understood.

Mr. Chairman, the future of our Nation rests with those yet to assume the duties of good citizenship. Any reasonable effort we make to create an effective delinquency prevention system that will provide the opportunity to all juvenile offenders to become mature responsible adults is of unquestioned national benefit. This legislation is designed to initiate such a system and therefore should receive our responsive support.

Mr. BAUMAN. Mr. Chairman, I rise in opposition to H.R. 15276, the Juvenile Delinquency Prevention Act. While the title of the bill has a laudable sound, my examination of this legislation convinces me that this bill takes the wrong approach in fighting juvenile delinquency and does so at an astronomical cost. It will appropriate almost one-half a billion dollars over the next 4 years, greatly increasing expenditures in this area at a time when we should be looking for ways to cut the budget.

Also objectionable is the consolidation of juvenile delinquency programs under the Department of Health, Education, and Welfare. I would much prefer to have had such programs administered through LEAA, which is the position that the Governor of the State of Maryland supported. Unfortunately, unless the amendment to be offered by the gentleman from Minnesota (Mr. Quie) is adopted, this bill will give HEW various new programs they are ill equipped to administer.

More than $140 million a year are now being spent directly on juvenile delinquency programs and there are any number of other Federal programs for youth under social services, vocational rehabilitation, and manpower training. This particular bill also goes a long way toward bringing the States under more Federal control by forcing the States to submit plans to the Federal Government in order to qualify for funding.

Lastly, Mr. Chairman, I pose the thought of the countless thousands of parents who will have to work countless hours away from their children to pay the taxes to support this and other programs. Perhaps if we curtailed the lavish spending that requires such high taxes, these parents would have time to prevent juvenile delinquency and also be able to maintain the strength of the family which is the basis of our society.

Mr. NIX. Mr. Chairman, I rise in full support of H.R. 15276, the Juvenile Delinquency Prevention Act of 1974.

Few problems in this Nation are as disheartening and as difficult to deal with as the problem of juvenile delinquency. And yet we know that the problem must be dealt with. Troubled juveniles too often turn to a life of violent crime against their fellow human beings. And once a young man has begun a life of crime, it becomes harder and harder to restore him to a useful life in civilized society.

This bill quite properly concentrates Federal assistance on programs of prevention and early treatment of juvenile delinquency. It provides help to our cities and States to enable them to combat this problem at the local level. It will provide financial assistance for such programs as community-based group homes and halfway houses, youth service bureaus, drug treatment programs, and education and probation services.

The bill also establishes a runaway youth program and an Institute for Continuing Studies of the Prevention of Juvenile Delinquency. And finally, it will establish a flexible discretionary fund that will allow Federal resources to be used where they will do the most good.

Mr. Chairman, this bill will provide a significant improvement in our effort to deal with the serious problem of juvenile delinquency. I commend the gentleman from California (Mr. Hawkins) for his leadership in this vital area and I urge passage of the bill.

Mr. McCLORY. Mr. Chairman, I will support the amendment of the gentlemen from Minnesota (Mr. Quie) to transfer authority for administration of this important program from HEW to the Law Enforcement Assistance Administration; and I commend my friend, the gentleman from Minnesota (Mr. Quie) for offering this amendment and showing the House the proper way to insure the future success of the Federal Government's efforts to prevent juvenile delinquency. This is an important piece of legislation and I favor its enactment; but, I support this amendment because its passage will improve the performance of the Federal juvenile delinquency prevention program by putting its administration in the hands of the Agency which is most competent to run it.

Mr. Chairman, this amendment deserves the support of all Members of this House. The LEAA's leadership in this important area has been well documented in the supplemental views of the gentleman from Minnesota, and well explained in his remarks on the floor today. Those Members who want the Federal Government to make its best possible effort to help juveniles and eliminate delinquency will be wise to take the administration of this program out of the control of HEW, which has run the program haphazardly at best with little show of enthusiasm; and give the LEAA proper authority to administer this program as an acknowledgment of its previous leadership in the juvenile delinquency prevention effort, and also as the best way of coordinating a truly effective program that functions well at the State and local as well as Federal level.

Mr. Chairman, everyone agrees that the key to an effective juvenile delinquency prevention program is close cooperation between State, local, and Federal authorities. In this respect, it is clear that LEAA has demonstrated its ability to coordinate a successful program with State and local officials in almost 2,000 projects dealing directly with juvenile delinquency. On the other hand, as the gentleman from Minneosta states in the committee report:

> Any objective review and comparison of the two agencies and their records in the area of juvenile delinquency will conclusively show that HEW is simply not capable of carrying out the mandate of the committee bill.

Mr. Chairman, those who would try to frame the issue raised by this amendment as a question of whether the police or social workers ought to administer this program, do a great disservice to the young people who can benefit from more effective operation of this program. HEW has had responsibility for this program since 1961, and most observers agree that its performance has been less than satisfactory. LEAA has shown both competency and enthusiasm in tackling the problems of juvenile delinquency. The facts show that the LEAA is already the de facto leader in the Government's effort to deal with juvenile delinquency; this amendment will merely give the LEAA the formal legal authority to lead the Federal effort in this area, so that the full benefit of its expertise and knowledge can be utilized to both deal with the criminal aspects of delinquency and care for the youngsters involved.

Mr. Chairman, this amendment deserves the support of all my colleagues who are truly interested in initiating a strong and effective juvenile delinquency program, and I urge its adoption.

Mr. FORD. Mr. Chairman, as a member of the Committee on Education and Labor, I have a special interest in the bill we are considering today. H.R. 15276, the Juvenile Delinquency Prevention Act of 1974, would provide structure to our current patchwork system of juvenile justice and develop a system responsive to the needs of juveniles. This bill develops a structure—a means of providing resources and coordination—to State and local governments and nonprofit agencies to provide effective juvenile delinquency prevention and treatment mechanisms.

As we all know, the problem of juvenile delinquency is one which is becoming ever more serious. Our committee, over the past years, has studied this problem and found that current programs cannot provide the types of services needed to work effectively with potential and current juvenile delinquents. The problem of how to prevent juvenile delinquency has not ever been addressed in a serious and productive manner.

H.R. 15276 establishes a new national program to coordinate and provide Federal leadership in comprehensive juvenile delinquency efforts; and, for the first time, encourages States, localities, and private agencies to develop programs designed to divert juveniles from the present system of institutionalization into new community-based facilities.

Mr. Chairman, I firmly believe that current institutions and facilities for housing juveniles are not satisfactory and that dramatic change in delivery of services to juveniles is needed.

However, there is a possibility that certain provisions in the bill, such as the one which encourages the placement of juveniles in shelter facilities, rather than juvenile detention facilities, could have some affect on the number of jobs required in existing correctional facilities. If a State correctional facility is forced to cut back on its manpower requirements, we must not overlook the job protections and benefits that these individuals have accrued over the years. Therefore, I rise in support of the amendment by the gentleman from Wisconsin (Mr. STEIGER) which would provide adequate safeguards for these employees.

The intent of employee protection language introduced here today is to preserve the rights, privileges, and benefits under existing collective bargaining agreements or otherwise; continue collective bargaining rights; provide training or retraining programs; and continue employment for affected individuals at equivalent pay and responsibility levels. It seems only fair that we enable low-paid workers the opportunity to transfer jobs and job rights.

I do not believe it was our intent to threaten the economic well-being of these State and local government employees. In reforming our program for juvenile delinquents, we must not ignore the thousands of experienced employees at State and local levels who work in present programs. Their rights under the proposed program must be protected.

Mrs. GRASSO. Mr. Chairman, juveniles are responsible for nearly half of the serious crimes committed in this country. However, until fairly recently, Federal efforts to abolish juvenile crime has been minimal. In fact, what assistance exists has been geared almost entirely to controlling rather than preventing delinquency.

The bill before us today—H.R. 15276, the Juvenile Delinquency Prevention Act of 1974—would enable the Federal Government and the States to develop better juvenile delinquency programs. In particular, the bill would offer the States an opportunity to develop a comprehensive, coordinated program which could deal with this urgent, and too often overlooked, problem.

To accomplish its goals, the bill would establish a Juvenile Delinquency Prevention Administration and require an annual report on and evaluation of all Federal juvenile delinquency programs. It would encourage the States to develop advanced and innovative alternatives to the traditional programs for dealing with delinquency, establish a program to deal with the increasing problem of runaway youths, and set up an institute to conduct research into the problem.

The bill authorizes $375 million over 4 years, most of which would be allocated to the States for local programs. As much as $4,050,000 in State grants would be available for Connecticut to combat the problems of delinquency.

The goal of this legislation is to encourage the States and localities to get to the cause of the delinquency problem and deal with its roots within the community. The States would be required to establish a coordinated plan which would include the development of advanced techniques for the treatment and prevention of juvenile delinquency. Sufficient opportunity exists for local input, by law enforcement, education and welfare officials, and representatives of other interested groups.

Once the State plan has been approved, 75 percent of the State's funds must deal with programs designed to prevent delinquency. A State which effectively utilizes its Federal assistance could construct a program both responsive to the needs and problems of these troubled youths and beneficial to society.

Mr. Chairman, I believe that H.R. 15276 presents a constructive alternative to existing programs which too often do not consider the cause of youth crimes. I support the bill and urge its passage by the House.

Mr. HAWKINS. Mr. Chairman, I have no other requests for time, and I reserve the balance of my time.

The CHAIRMAN. Under the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Juvenile Delinquency Prevention Act of 1974".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) juveniles account for almost half the arrests for serious crimes in the United States today;

(2) understaffed, overcrowded juvenile courts, probation services, and correctional facilities are not able to provide individualized justice or effective help;

(3) present juvenile courts, foster and

protective care programs, and shelter facilities are inadequate to meet the needs of the countless neglected, abandoned, and dependent children, who, because of this failure to provide effective services, may become delinquents;

(4) existing programs have not adequately responding to the particular problems of the increasing numbers of young people who are addicted to or who abuse drugs, particularly nonopiate or polydrug abusers;

(5) juvenile delinquency can be prevented through programs designed to keep students in elementary and secondary schools through the prevention of unwarranted and arbitrary suspensions and expulsions;

(6) States and local communities which experience directly the devastating failures of the juvenile justice system do not presently have sufficient technical expertise or adequate resources to deal comprehensively with the problems of juvenile delinquency;

(7) the adverse impact of juvenile delinquency results in enormous annual cost and immeasurable loss in human life, personal security, and wasted human resources;

(8) existing Federal programs have not provided the direction, coordination, resources, and leadership required to meet the crisis of delinquency; and

(9) juvenile delinquency constitutes a growing threat to the national welfare requiring immediate, comprehensive, and effective action by the Federal Government.

PURPOSE

SEC. 3. It is the purpose of this Act—

(1) to provide the necessary resources, leadership, and coordination to develop and implement effective methods of preventing and treating juvenile delinquency;

(2) to increase the capacity of State and local governments and public and private agencies, institutions, and organizations to conduct innovative, effective delinquency prevention and treatment programs and to provide useful research, evaluation, and training services in the area of juvenile delinquency;

(3) to develop and implement effective programs and services to divert juveniles from the traditional juvenile justice system and to increase the capacity of State and local governments to provide critically needed alternatives to institutionalization;

(4) to develop and encourage the implementation of national standards for the administration of juvenile justice, including recommendations for administrative, budgetary, and legislative action at the Federal, State, and local level to facilitate the adoption of such standards;

(5) to establish a centralized research effort on the problems of juvenile delinquency, including an information clearinghouse to disseminate the findings of such research and all data related to juvenile delinquency;

(6) to provide for the thorough and prompt evaluation of all federally assisted juvenile delinquency programs;

(7) to provide technical assistance to public and private agencies, institutions, and individuals in developing and implementing juvenile delinquency programs;

(8) to assist States and local communities with resources to develop and implement programs to keep students in elementary and secondary schools and to prevent unwarranted and arbitrary suspensions and expulsions;

(9) to establish training programs for persons, including professionals, paraprofessionals, and volunteers, who work with delinquents or potential delinquents or whose work or activities relate to juvenile delinquency programs;

(10) to establish a new Juvenile Delinquency Prevention Administration in the Department of Health, Education, and Welfare;

(11) to establish an Institute for Continuing Studies of the Prevention of Juvenile Delinquency, to further the purposes of this Act; and

(12) to establish a Federal assistance program to deal with the problems of runaway youth.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) the term "community-based" means a small, open group home or other suitable place located near the juvenile's home or family and programs of community supervision and service which maintain community and consumer participation in the planning, operation, and evaluation of their programs which may include medical, educational, social, and psychological guidance, training, counseling, drug treatment, and other rehabilitative services;

(2) the term "construction" means acquisition, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings, or any combination of such activities (including architects' fees but not the cost of acquisition of land for buildings);

(3) the term "equipment" includes machinery, utilities, and built-in equipment and any necessary enclosures or structures to house such machinery utilities, or equipment;

(4) the term "juvenile delinquency program" means any program or activity related to juvenile delinquency prevention, control, diversion, treatment, rehabilitation, planning, education, training, and research, including drug abuse programs, the improvement of the juvenile justice system, and any program or activity for neglected, abandoned, or dependent youth and other youth who are in danger of becoming delinquent;

(5) the term "local government" means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State, and an Indian tribe and any combination of two or more such units acting jointly;

(6) the term "public agency" means any State, unit of local government, combination of such States or units, or any department, agency, or instrumentality of any of the foregoing;

(7) the term "Secretary" means the Secretary of Health, Education, and Welfare;

(8) the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(9) the term "Federal agency" means any agency in the executive branch of the Federal Government;

(10) the term "drug dependent" has the meaning given it by section 2(g) of the Public Health Service Act (42 U.S.C. 201(g));

(11) the term "Administration" means the Juvenile Delinquency Prevention Administration established by section 101(a);

(12) the term "Director" means the Director of the Administration;

(13) the term "State agency" means an agency designated under section 214(a)(1);

(14) the term "local agency" means any local agency which is assigned responsibility under section 214(a)(6);

(15) the term "Institute" means the Institute for Continuing Studies of the Prevention of Juvenile Delinquency established by section 301(a);

(16) the term "Administrator" means the Administrator of the Institute; and

(17) the term "Council" means the Coordinating Council on Juvenile Delinquency Prevention established by section 501.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that sections 1, 2, 3, and 4 commencing on page 51 and concluding on page 57, line 23, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 54, line 23, strike the words "Administration in the Department of Health, Education, and Welfare" and insert in lieu thereof "Office in the Law Enforcement Assistance Administration, Department of Justice".

Mr. QUIE. Mr. Chairman, the amendment as I have offered it gets to the crux of the problem before us of which agency is going to administer this program. If my amendment is successful, I will offer some conforming amendments as we go through the bill. As I have indicated to my colleagues on the Committee on Education and Labor, I support this legislation. The only problem is that it is in the wrong agency. We put it in the Department of Health, Education, and Welfare. It has been in HEW since 1961. We have watched it operate—or watched it not operate, probably would be better to say.

The issue before the House today is not whether we should or should not have a bill because I believe the one developed by the committee is a good one and goes a long way toward beginning to correct the problems of delinquency around the country. The question that we must decide today is which agency should administer the program—LEAA or HEW. Some of my colleagues will argue that HEW is a superior agency, but their arguments are based solely on philosophy and certainly not supported by fact.

I tend to look at issues in Washington in terms of form and substance, I think the best way to describe the two agencies' efforts in the area of juvenile delinquency is that HEW is long on form, excessive in rhetoric, and particularly limited in its ability to affect juvenile delinquents in general and prevention in particular. LEAA, on the other hand, is a substance organization. LEAA has substance primarily because it has the money and the commitment to begin to address the problems of delinquency.

To illustrate the form and substance argument, I asked HEW to provide information on what they had done through the Office of Youth Development over the past three quarters of 1974, and I received three pages of statistics. I asked LEAA the same thing and I received this printout which is close to 2 inches thick. This is what I mean by substance.

If you look at both agencies on paper and you start from scratch and assume that neither had done anything in the area of juvenile delinquency then you could possibly argue that HEW would be the better agency.

But we are not starting from the beginning and this is not just an exercise that we are going through today. We are trying to establish a program through which all Federal efforts will be coordinated. I think it is important for you to understand that HEW has had the primary responsibility for combating juvenile delinquency since 1961. In 1968 the Congress assigned HEW responsibility to carry out national leadership in developing new approaches to solving the problems of delinquency. Fighting delinquency is not an easy job and it costs money to do the job. Since 1968 the most that HEW has spent through YDDPA and OYD juvenile delinquency programs has been only $10 million a year. LEAA, on the other hand, never had the full congressional mandate to fight delinquency, yet during the last 5 years has spent over $300 million specifically for juvenile delinquency prevention programs. HEW claims to be the best agency because it provides all of the services needed to fight delinquency. Technically they may be correct but this bill is designed specifically to bring about a coordination of activities. I must observe that HEW has not even been able to coordinate its own programs and activities in this area, let alone impact out in the States.

The question that must be decided today is who can best coordinate efforts in the area of juvenile delinquency. I think that you should consider the views of people who know the problems best—the mayors and Governors throughout the country. Here is a sample of some of the telegrams I received yesterday from Governors throughout the country.

The Governor of my own State, Wendell Anderson, said:

> I support your efforts to coordinate the planning and funding of juvenile delinquency programs through the LEAA—and have so informed your Minnesota colleagues in the House. I believe your effort, if successful, will provide better coordination of federal efforts to deal with this problem.

Our former colleague Ed Edwards, the Governor of Louisiana, said:

> Your proposal to amend House Bill 15276 to permit LEAA to control juvenile delinquency planning has my full support.

Gov. John West of South Carolina said that he supported the placement in LEAA and asked the entire South Carolina house delegation to support the amendment. Mills Godwin, the Governor of Virginia, fully urges and supports a floor amendment to place the responsibility for the programs administered at the national level within the Department of Justice. Gov. Sherman Tribbitt of Delaware stressed the "urgency I attach to the Quie amendment." Gov. Bruce King of New Mexico "encouraged acceptance of the amendment." Gov. Bill Waller of Mississippi said: "Please provide administration through LEAA not HEW." Gov. Cecil Andrus of Idaho said:

> I support your efforts to appear on the floor of the House this week to amend the bill in keeping with the National Governors Conference position."

I have many more telegrams, all with similar sentiments.

On Monday of this week each of your offices received a 16-page report entitled, "New Directions in the Criminal Justice System" which was reprinted from the National Cities magazine put out by the National League of Cities. In that reprint Mayor Tom Bradley of Los Angeles said about LEAA:

> As a former police officer, I am particularly pleased with the new directions which LEAA is exploring. These include a new emphasis on partnership between the federal government and its teammates at the state and local level; a new emphasis on evaluation, so we will know what works best and what doesn't work very well at all; and a new willingness to face the fact that an awesome amount of this nation's crime goes unreported for a variety of reasons. I am also pleased to see how the new emphasis on the courts, which have received too little attention in the past; the new emphasis on citizen involvement in the system, and the need to treat citizens better and make the system more responsive to them; the new concern for full civil rights compliance in all segments of the system; and the new concern for the ways in which all citizens, including minorities, are treated.

I think the position of the placement of the program in LEAA was best summed up in a letter received from Richard C. Wertz, who is chairman of the National Conference of State Criminal Justice Planning Administrators, who said:

> On behalf of the National Conference of State Criminal Justice Planning Administrators (NCSCJPA), which is comprised of the Directors of the 55 State Criminal Justice Planning Agencies operating in the states and territories under provisions of the Omnibus Crime Control and Safe Streets Act of 1968 and its 1973 amendments, I would like to express our position with regard to H.R. 15276, "The Juvenile Justice and Delinquency Prevention Act of 1974."
>
> The NCSCJPA certainly supports the goals of H.R. 15276 and would applaud additional appropriations from Congress in order to launch a substantial effort to reduce juvenile delinquency and carry out the mandate from Congress to the Law Enforcement Assistance Administration (LEAA). However, the proposal in H.R. 15276 to create yet another federal agency within HEW could quite possibly divert and impair a comprehensive approach to reducing the crime which is committed by juveniles.
>
> The NCSCJPA strongly feels that LEAA on the federal level and the existing State Planning Agencies on the state level can provide the intensified coordination necessary to effectively reduce juvenile delinquency. By vesting this authority in H.E.W., confusion might easily arise whereas the use of the criminal justice coordination network which LEAA and the State Planning Agencies have developed would expedite effective implementation of this effort. Both the National Conference of State Criminal Justice Planning Administrators and the National Governors' Conference are on record and would support your efforts to amend this bill which would place this program under the auspices of the LEAA block grant program and would channel the money where the delinquency prevention efforts are needed, the state and local levels of government.

Other State officials have contacted me to indicate support for this amendment. Included among them are the following.

Michael Krell, executive director of the Governors Justice Commission from the State of Vermont, urged the Vermont delegation to support the amendment placing the program under LEAA to prevent further fragmentation of financial resources.

James Gleason, acting director of the Oklahoma Crime Commission, urged the Oklahoma delegation to support the amendment and said:

> It would be more beneficial and economical to continue juvenile delinquency planning through LEAA than through another federal agency. LEAA and the Oklahoma Crime Commission now has the experience and the capability.

Ken Dawes, executive director of the North Dakota Combined Law Enforcement Council, sent a telegram saying:

> It is my understanding you are contemplating introducing an amendment to H.R. 15276 stipulating LEAA rather than HEW as implementing agency. I urge you to introduce such an amendment as it will provide for a more unified approach to delinquency planning and control.

Archibald Murray, commissioner of the New York Division of Criminal Justice Services, urged all New York delegation members to support the amendment and added:

> However, since the Law Enforcement Assistance Administration at the federal level and the Division of Criminal Justice Services here in New York State are currently placing considerable emphasis on juvenile crime prevention and the juvenile justice system, I am very much concerned that H.R. 15276 would create a large new juvenile delinquency program in HEW rather than an expanded program in LEAA. The result could well be duplication of effort and a lack of coordination, both at the federal and the state levels.
>
> Accordingly, I strongly urge you to support an amendment, which I understand will be offered by Congressman Albert Quie of Minnesota on the floor, to substitute LEAA for HEW as the federal administering agency.

Alphonso Montgomery, deputy director of the Administration of Justice Division in the State of Ohio, urged support of the amendment and he said:

> I support your introduction of an amendment to H.R. 15276. As I understand your proposed amendment it would unify the administration of the pending juvenile delinquency measure under the existing administrative structures of the Department of Justice and the Law Enforcement Assistance Administration. I believe that approach is an eminently sensible one in that it would avoid needless waste of fiscal and human resources caused by unnecessary duplication of the existing machinery already in place at the federal, state and local level. The LEAA program within the Department of Justice has the proven competence to administer the juvenile delinquency bill at the federal level. Adequate machinery exists as well at the state and local level to carry out the purposes of this important legislation. For these reasons I endorse and support your proposed amendment.

There are many others which are similar in content but I will not include them at this point.

In the committee report I stated some of my reasons why I think LEAA is superior to HEW. I think they are substantial and I want to emphasize them once again.

The extent to which the two agencies reach people is reflected in their own statistics. HEW claims to have funded during this fiscal year 68 projects under the juvenile delinquency program. According to HEW these projects reach less than 200,000 juveniles. On the other hand, LEAA has 40,000 to 50,000 total projects of which approximately 2,000 are active juvenile delinquency projects. The number of juveniles affected by the LEAA programs, although there is no official count available, could be several million.

In 1971 through HEW's legislation the Congress created an interdepartmental council to coordinate all Federal juvenile delinquency programs. HEW would not or could not supply the leadership or the money necessary to staff the council. In spite of the fact that the council was established as a result of HEW's legislation, LEAA now chairs and provides the staff for it.

In 1971 the Congress passed a 1-year extension of the HEW legislation. The Education and Labor Committee noted in its report that a further extension of the act could not be justified unless HEW showed a marked improvement in its efforts to provide national leadership in dealing with problems of juvenile delinquency. In 1972 the Congress extended the legislation again but only after a commitment was given by HEW to the committee to remove the ineffective head of the HEW program. LEAA, on the other hand, has had no such problems in implementing its program nor dealing with the Congress.

At a time when the Congress is recognizing the tremendous problems facing this Nation in the area of juvenile delinquency and attempting to do something about them, HEW in seeking a renewal of their juvenile delinquency legislation not only did not want the responsibility the Congress previously gave it, they attempted to narrow the scope of its activities. On the other hand, LEAA which originally had only a limited role in juvenile delinquency prevention and control has, without much pressure from the Congress, initiated and expanded its own programs to include projects outside of the juvenile justice system. Through a "seed money approach" they have attempted to involve all States in innovative programs. This legislation could give them the firm mandate to do the complete job.

Probably the most telling argument as to who has the capability, capacity, and desire to do the job can be found when you look at the area of coordination. The committee bill seeks to bring about a more coordinated effort in the area of juvenile delinquency and prevention and yet HEW's present juvenile delinquency program under OYD has no requirements for coordination or integration with other HEW efforts. HEW cannot even coordinate programs under its own jurisdiction throughout the Department. How can you expect them to coordinate the juvenile delinquency activities throughout the whole of government? LEAA, on the other hand, requires that each State have a comprehensive coordinated program to improve juvenile justice systems. This legislation could expand their efforts to give them a specific mandate to cover prevention also.

All of us recognize that the problems of delinquency as well as the solution to combat them can best be identified and carried out at the State and local level. HEW's present juvenile delinquency programs rarely include a coordinated State effort, whereas LEAA is mandated to do so. LEAA presently has a network of 50 State planning agencies. Through the State planning systems money is delivered where it is needed. HEW, on the other hand, has no such network. HEW presently gives money at random without attempting to impact on an entire State's juvenile delinquency problems. If the bill goes to HEW, a new administrative mechanism in each State would be established that could duplicate existing LEAA State boards and create an unnecessary expense for the taxpayers. LEAA has a system presently in place and it makes good sense to me to use that system.

For all of these reasons I think LEAA is superior but one more which I think is very important at this time when we are all conscious of excessive spending on the Federal level is that the matching requirement under LEAA is for cash not in kind as allowed by HEW. I have long been concerned about inkind contributions, which do not amount to a hill of beans, being put up as a local matching share and I have long contended that actual dollars are the only way to guarantee a true local contribution. HEW does not require cash in any of its programs. LEAA requires cash in all of them.

HEW contends that it is the only organization that can bring about coordination and involve nonpolice agencies and organizations in its programs. This is certainly not true and I will cite a few of the examples.

A program recently initiated with LEAA assistance in Compton, Calif., has as one of its purposes the implementation of the National Advisory Commission's standards and goals. Compton was chosen for this precedent-setting project because it had one of the highest crime rates of any city of its size in the country, as well as one of the highest instances of juvenile crime. In an effort to reduce crime in the city and the surrounding area, emphasis will be placed on the prevention of juvenile crime and on programs aimed at the citizen-victim. A unique feature of the Compton program is that LEAA has received commitments from other Federal agencies such as the Department of Health, Education, and Welfare, and the Department of Labor to assist the city in ridding itself of some of the social causes of delinquency.

One model prevention program is in Indiana. The State has developed, with LEAA funding, a statewide Youth Service Bureau system involving 23 cities and serving 100,000 youths in the 10- to 18-year-old category. Indiana's primary purpose is to provide an alternative to court proceedings for youths not in need of adjudication and who may or may not have been picked up by the police. The bureaus do this by identifying resources available to help youths, identifying service gaps and providing or encouraging new resources, diagnosing an individual's problem, and referring him to the relevant community agency for treatment. The bureaus also improve cooperation among private and public juvenile agencies and strengthen community resources. Many other Youth Service Bureaus are receiving LEAA funds all across the country.

A drug program which received LEAA funding in San Diego County's "Drug Education for Youth," which received nearly $60,000 in LEAA funds in fiscal year 1972. This program seeks to reduce juvenile drug arrests through a comprehensive, coordinated program of education and counseling.

DEFY maintains a 24-hour "hot line," which provides instant counseling by a drug abuse counselor to youngsters with drug problems. In this way youths in danger of becoming delinquent because of a drug problem can be helped. DEFY also provides outpatient counseling, and expects to provide this service to 1,500 youngsters this year. The "hot line" averages about 3,500 calls per month.

In addition, DEFY has five community health education teams that tour the county telling teenage boys and girls about alternative life styles. The teams also meet with community leaders to tell them about DEFY's services in helping to cope with drug problems in their communities.

LEAA also funds other types of education programs designed to prevent juvenile crime.

There are hundreds more of examples similar to these all of which do as much or more than the HEW programs say they do. I must point out that LEAA spends 14 times as much as HEW does on these programs.

HEW has been reluctant for years to do much about this program, and each year when amendments or extensions are before the committee, we are distressed because HEW is not doing anything worthwhile in this area.

And then what do we have with LEAA, which has not been given the basic responsibility for juvenile delinquency and which they have engaged in by themselves? In fact, there was a basic understanding indicating that responsibility for prevention was going to be in HEW and criminal justice would be handled by LEAA and they would stay out of the prevention field. But what has happened is that because HEW has been so unenthusiastic about their responsibility, LEAA has had to come into do the job.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota (Mr. QUIE) to place the administering authority for the State grant program established in H.R. 15276 within the Law Enforcement Assistance Administration rather than the Department of Health, Education, and Welfare. I commend the gentleman for offering this amendment because I sincerely believe it will result in a far more effective program for juvenile delinquency prevention. As a cosponsor of legislation establishing the Institute for Juvenile Justice and the runaway youth program, I would also like to express my pleasure at their inclusion in this bill and my general support for the legislation.

As I understand it, the Federal role intended in H.R. 15276 is to coordinate policy and planning for delinquency prevention services and provide for a prompt funneling of meaningful Federal assistance to State and local groups involved and concerned with the needs and problems of our youth. The legislation therefore calls for considerable planning capabilities and well-developed coordinating mechanisms in the area of juvenile services.

As Congressman QUIE has pointed out, HEW with its categorical grant approach and its seemingly halfhearted commitment to the problems of juvenile delinquency has not demonstrated in past years any particular administrative ability in this area. Furthermore, even with the passage of this legislation, effective implementation by the Department of a comprehensive prevention program could not begin for several years.

Some fear that linking juvenile delinquency prevention with the criminal justice system through the administration of LEAA and the State planning agencies will only lead to greater contact of the juveniles with our criminal justice agencies and will thus defeat the purpose of the program. It should be pointed out, however, that the justice system itself fully recognizes the dangers inherent in involving juveniles in the courts, et cetera, and are increasingly seeking means of diverting them. As the National Advisory Commission on Criminal Justice Standards and Goals pointed out in their report last year:

> History has demonstrated that for many young people juvenile court processing has magnified some of the problems it was created to resolve . . . Furthermore, there is evidence that the more a juvenile is engulfed in the justice system, the greater are his chances of subsequent arrest.

The Commission, however, in urging increased support for local youth services bureaus to provide alternatives for such involvement went on to observe:

> Although many recommend that a youth services bureau should not be operated by any agency of the juvenile justice system, it appears that the bureaus most genuinely capable of diversion are those with a linkage to the juvenile justice system. The most successful bureaus maintain immediate communication but are not coopted by the justice system, . . .

Clearly, the goals of juvenile delinquency prevention programs and the juvenile justice system are very similar. Both are concerned about actions of individuals which may endanger the individual's future as well as society in general. Both are attempting to find alternatives for young people which will enhance their chances for making a positive and meaningful contribution to society. While different in emphasis, the two approaches are nonetheless interdependent. To attempt to separate them as some have recommended can only frustrate the attempts of all those fully concerned with helping the youth of our communities.

Supporters of the HEW Administration argue that the HEW orientation in social services and human development is vital to the program's success. In my opinion, however, such expertise is basically needed at the local level and the responsibility of the Federal agency is to get the assistance to those individuals as efficiently and quickly as possible. At the Federal level, it is administrative commitment and capability which is essential.

LEAA since its inception in 1969 has been continually involved in the administration of State block grant programs and in assisting and coordinating the development of comprehensive planning processes by State planning agencies. Today we are seeing the emergence of SPA's with very effective planning capabilities. The mechanisms for implementing the juvenile delinquency prevention program are therefore already available through LEAA and the SPA's.

Last year, in reauthorizing LEAA, this Congress added a specific mandate for the development of a comprehensive juvenile justice program. The mandate included a requirement that each State develop a juvenile justice plan. During this fiscal year, $140 million in LEAA funds have been provided for juvenile justice programs, $34 million for juvenile delinquency prevention alone. Now the SPA's throughout the country are understandably concerned about the future of these plans and programs. Is their authority to administer these programs to be taken away? Even if their programs are continued, how much time and money will be wasted in a needless duplication of effort? Frankly, the States view the granting of administrative authority to HEW as continuing and probably intensifying the fragmentation of efforts and lack of program coordination which this legislation is supposedly designed to cure. That is why the National Governors' Conference and the National League of Cities are supporting the proposed change of authority to LEAA.

I therefore urge my colleagues to accept the amendment made by the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, on the question of coordinating juvenile delinquency efforts, my colleagues make the claim that HEW is the natural place to do the coordination. But HEW has not even coordinated well its own efforts. On the other hand LEAA has even coordinated with HEW in the States and local communities, coordinating with the HEW-type programs. HEW does not want to have a formula. They want to have it all in project grants. The gentleman from California (Mr. HAWKINS) wanted to provide a formula that would go to the States where it will do some good. I am glad the committee retained the formula, but bear in mind that HEW still does not even want to have one. They want to play God and anyone with grantsmanship can devise one that will appeal to them and HEW will fund it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. QUIE was allowed to proceed for 5 additional minutes.)

Mr. QUIE. This legislation provides that a State agency will be set up and so the State planning agency of LEAA can have the agencies under its administration, and it will cause the least amount of trouble. But on the other hand they can run it through a separate agency and then it will be duplicating what is being done by LEAA.

A number of other people have made their comments here today. Just look at what is going on. There are 68 projects under juvenile delinquency in HEW at the present time, while under LEAA there are 40,000 to 50,000 juvenile delinquency projects of various kinds.

I would invite the Members to look through that table of juvenile delinquent programs of the LEAA in the various States that are in operation. A little while ago I mentioned one in Compton, Calif., that has as its purpose the implementation of national standards as the goal. Compton was chosen for this precedent-setting project because it has one of the highest crime rates in a city of its size in the country, as well as the highest instances of juvenile crime and in an effort to reduce the crime rate, emphasis will be placed on the reduction of juvenile delinquency.

The unique feature of the Compton program is that the LEAA has received commitments from the other agencies, the Department of Health, Education, and Welfare, the Department of Labor, and others to assist in this problem of delinquency. We can go through and see these are nongovernmental.

It was pointed out by some that these are tied to the police. There are many separate private agencies that are operating the program. The question of being tied to the police, the police are in the position of providing the law enforcement; but in a good program the police then develop a friendship and a kinship in the community, so that they are a friend to the young people and all kinds of programs have been developed now, the police athletic league and other programs of that nature, which have actually reduced juvenile delinquency. We can run through a number of programs like this as well.

I believe, Mr. Chairman, as we go through the merits of this and get away from the concern whether this committee wants to maintain it with an agency that continually has had its operation with HEW, if we get away from that and look at the merits where this can be passed and most effectively administered to do the most good in the problems of juvenile delinquency, we have to come down on the side of the LEAA.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Texas.

Mr. ECKHARDT. If the gentleman's amendment is enacted, would that place the title IV provisions which have been generally referred to as the Runaway Youth Act under the Justice Department, rather than the HEW?

Mr. QUIE. No. It would leave the runaway youth bill to HEW. That is one part I would permit to remain. The rest would go under LEAA.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

There has been a great deal of talk this afternoon with respect to the quantity or the number of projects that the LEAA has been engaging in; but one thing that has not been spoken about is the quality of projects with respect to the handling of the problems that confront us in the area of juvenile delinquency today.

I am in opposition to the gentleman's proposal to transfer the administration of the Juvenile Delinquency Prevention Act from HEW to the Law Enforcement Assistance Administration of the Department of Justice.

LEAA has consistently failed to provide Federal leadership in the area of juvenile delinquency prevention, despite the congressional mandate of 1973, despite LEAA's annual budget of $1 billion, and despite early hopes that it would infuse the entire Federal criminal justice system with leadership, direction, and money.

The track records of LEAA's State planning agencies are mixed; some are good, some are not so good, most would rate a gentlemen's "C" by academic standards. Many States receiving LEAA funds have no programs at all for the prevention and treatment of juvenile delinquency. In total, State LEAA agencies have allocated less than one-fifth of their moneys for seeking remedies to the delinquency problems of this Nation's youth. It was only 4 months ago that LEAA established a juvenile justice division within its office of national priorities and its institute of law enforcement and criminal justice.

LEAA interprets juvenile delinquency prevention as programs for adjudicated juvenile offenders. A substantial part of LEAA's funds for juvenile programs is expended upon such projects as buildings for juvenile detention centers and the training of institutional guards.

LEAA has funded a research program in Puerto Rico into the correlation of brain damage and criminal behavior, an Ohio project of drug usage to modify the behavior of prison inmates, and a Boston study on biological disfunctions in individual violence. Is an agency with such priorities, the place to house a program that is designed to help America's young people lead healthy, successful lives? More than any other single Federal agency, LEAA has been responsible for the dismal failure of Federal juvenile delinquency efforts. To ask LEAA to assume responsibility for this program would be disastrous for the children whom the program seeks to serve. I urge you to reject this proposal.

Mr. HAWKINS. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. HAWKINS was allowed to proceed for an additional 5 minutes.)

Mr. HAWKINS. Mr. Chairman, I believe that this really is the heart of the issue. The question of which agency administers the program seems to me to be a bureaucratic squabble which we should not get into, but we should relate, it seems to me, the administration with the type of program which this bill proposes to create.

The cornerstone of the LEAA's activities is in the criminal justice system, and that is rightfully where it belongs. But the record of this system in its treatment of juveniles is shockingly harsh, and I think we should consider the fact that nearly 40 percent of the juveniles who are today incarcerated in institutions have committed no criminal offense.

It seems appropriate that we should make some distinction between the role of the LEAA and that of HEW. The line of demarcation, it seems to me, is that LEAA should concentrate on the juvenile justice system—and there is much in this system it can concentrate on; that we should, therefore, relegate to HEW the role of diverting youth from the system. Certainly, the 40 percent who today are incarcerated, having committed no criminal act, do not belong in that system.

It is wasteful not only of human resources, but certainly of financial resources that we continue that situation.

I think that it is also true that under the 1972 act, the Juvenile Delinquency Prevention Act, which we continued, we attempted to make this distinction. In fact, we said to the LEAA, "concentrate on the criminal justice system." We thought that HEW would then concentrate on prevention.

As a result of this confusion, what has happened is that neither agency at the present time is doing the best job of concentrating on prevention. Certainly the record of LEAA is not one which, in my opinion, is admirable.

LEAA spends less than 20 percent of its budget on juvenile programs. Further, in the programs it spends this money on, it makes no distinction between prevention and treatment. For example, under juvenile delinquency prevention, it includes such things as money which is expended for court reform, for police equipment, for training institutional guards, things that certainly are desirable and need to be done, but to classify these as prevention simply continues very wasteful activities that we have constantly continued because we have not directed one or the other agency to do the work.

Under this bill we do provide that State plans be formulated.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. Yes, I yield to the gentleman, the chairman of the committee.

Mr. PERKINS. First, I want to compliment the distinguished chairman of this subcommittee, who has always shown a great interest in problems of this type.

To my way of thinking, with the limited budget, an authorization of approximately $75 million—and we never have had that much money expensed for this purpose by HEW—the gentleman's position that the enforcement should be in HEW is well taken.

I concur with the gentleman that better preventative measures will be taken by HEW because when we get over into the other law enforcement agencies, where we have such a huge budget there, they so often forget about preventative delinquency.

It is my hope that every Member of this body will support the contention of the gentleman from California that the enforcement of this provision belongs in HEW.

If we make it clear-cut on this occasion that we expect a better job in this area, I think that a better job will be forthcoming, and I think that the gentleman is exactly correct in his contention that the membership of this House should keep at least this much money separated from the law enforcement provisions in the Justice Department of the United States, from the standpoint of preventative juvenile delinquency.

Mr. Chairman, again let me compliment the distinguished chairman of this subcommittee.

Mr. HAWKINS. Mr. Chairman, I thank the distinguished chairman of the committee.

Appearing before the committee as witnesses were representatives of the Boys Clubs of America, the Campfire Girls, the National Board of YMCA and of YWCA, the National Jewish Welfare Boards, and others.

These youth agencies testified on this subject, and invariably they indicated that their present relationships are with HEW, not with the criminal justice system and certainly not with LEAA.

Mr. Chairman, here is a statement which they made, which I believe sums up really the best argument that can be made. The statement is as follows:

> The way we have dealt with youth who are in trouble should weigh heavily on the consciences of us all. We have in most instances simply turned away from the problem. It has been easier to lock children up then to try to find the resources needed to help them cope with themselves, their families, their friends, and their society. We are now finally coming to realize that not only have our attempts at rehabilitation failed the child, the youth reformatories have in many instances provided career development opportunities for crime. Our neglect has helped transform children needing help into adult offenders at a price that is staggering in human and economic terms.

It seems to me it is just as simple as that. If our emphasis or our desire is to simply lock children up, then I think we will sustain the amendment and vote to turn the program over to LEAA. But if we want to attempt to help children, to understand them, to develop their strengths, and to develop youth rather than simply conclude that they have failed, that society is somehow jeopardized by them, then it seems to me that we can only then select that agency in which the various human resources programs now reside, those programs of education, welfare, and social services that can help the children of America. Those are the programs that can prevent them from falling over and becoming delinquent in the first instance.

Mr. Chairman, that is the thrust of this bill. It seems to me that this is the principal issue on which we are going to vote in considering this amendment.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I am grateful to the gentleman from California for his remarks, and I want to associate myself with them. I think the gentleman has clearly and precisely pinpointed the issue on which the Members of the House will have to vote.

I agree with the gentleman in what he has stated. As a matter of fact, in quoting from the statement which he just quoted from, the gentleman may recall that I questioned the witnesses when they appeared before us, because my initial reaction was, frankly, that LEAA might, in fact, be the agency. However, after considering the bulk of the testimony and having looked at the field, I am persuaded that the best answer, to the extent that any of us have an answer, is to allow HEW to use its talent and its expertise and use its relationships with groups such as the YMCA, the YWCA, the boys clubs and the girls clubs, and other groups of that kind and let us keep this out of the juvenile justice system. Let us build on the strengths of HEW.

Mr. Chairman, I hope that the amendment is not agreed to.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I particularly support the gentleman's position here.

I asked the question of the gentleman from Minnesota (Mr. QUIE) as to what would happen with title IV if his amendment is agreed to. He told me that he intended to keep that in HEW.

However, it seems to me that creates sort of an illogical result, to divide the program and put a portion of the program under one authority and another portion under another, particularly in view of the fact that both have to do with grants to States or grants to organizations within States. It seems to me these are part and parcel of the same problem.

Mr. Chairman, does the gentleman agree?

Mr. HAWKINS. Mr. Chairman, I quite agree with the gentleman.

The CHAIRMAN. The time of the gentleman from California (Mr. HAWKINS) has expired.

(By unanimous consent, Mr. HAWKINS was allowed to proceed for 1 additional minute.)

Mr. HAWKINS. Mr. Chairman, I agree with the gentleman, that there is an inconsistency in the position of the gentleman from Minnesota (Mr. QUIE), in that he does distinguish the runaway children from the others, but also we have the abused children, the neglected children, the severely handicapped children, and children who are really not criminals and who are not bad, any more than most of the runaway children are not bad.

When the gentleman concludes that these children fall into these various categories and some need to be separated from LEAA, what he is doing is saying that LEAA is somehow identified with the criminal justice system relating to children where necessary, and then he is saying we should disentangle some of them from the grip of LEAA, but it is all right to leave some others under that grip.

Mr. ECKHARDT. Mr. Chairman, I certainly agree with the chairman of the subcommittee.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, the Runaway Youth Act was a separate act which was put in with this legislation; it is under a separate title. This subject matter was never covered before. It is a grant program, as distinguished from the JD program, which is in the formula grant.

That is why I concluded that I would try to disrupt whatever the gentleman was doing as little as possible.

Mr. HAWKINS. Mr. Chairman, I want to make the point that I believe that most children are problematic and are troublesome, but very few become criminals. But the gentleman keeps trying to make a distinction.

Mr. BADILLO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, if what the gentleman from Minnesota (Mr. QUIE) says about the people in HEW not wanting to enforce the law is true, then they should be fired, but that is no reason for transferring the program to another agency. I do not want to get involved in a bureaucratic dispute in Washington. However, what I am concerned about is how the bill will operate in the local neighborhood once it is approved, because the test of the success of this legislation is whether it can be translated into meaningful programs at the neighborhood level.

I have had a great deal of experience in New York City in developing neighborhood programs, and I can tell the Members that there is absolutely no institution other than the police precinct with whom LEAA is identified, whereas the Department of Health, Education, and Welfare is identified with the schools.

The purpose of this preventive program is to get the kids out of the police precincts and into the schools, and we will not accomplish this if we start off working through the police precincts.

I helped to develop a drug addiction program for teenage youths in South Bronx, and it was only possible to do it because we assured the young people that the police precinct was not going to be involved in deciding how the program was going to be administered.

If we are going to have a successful prevention program we must use those institutions, in the local communities which have credibility. That is why we want to use the schools. That is why we want to use the parent's association and the school boards.

The program which I mentioned during general debate, Project Justice, was only possible because the school was involved and because the parents were involved. It is this kind of program that we need to carry out in every city and every neighborhood throughout the country, and it can best be carried out if it is identified with the Department of Health, Education, and Welfare, rather than LEAA. For that reason, I urge defeat of the amendment.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I want to commend in the strongest way the distinguished chairman of the subcommittee, the gentleman from California (Mr. HAWKINS), and his fellow committee members, as well as the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS), and his committee, for bringing this bill to the floor of the House. I hope it will soon become the law of the land.

I am interested in this bill for two primary reasons. One is because it will save thousands and I hope millions of young Americans from being criminals, and so that they can lead lives of good citizens instead of being miserable, wretched, and failures, their lives may be turned into successful, happy, and meaningful lives.

My second primary interest in this measure is its impact upon the prevention of crime.

I learned as chairman of the House Select Committee on Crime that went all over this country for 4 years that there are two streams of people coming into the population who perpetrate crimes upon their fellow citizens. One of them is a young group coming into the criminal class, and the other is the old criminals coming back out of the criminal institutions where they have been confined, and committing crimes again and again, what we call recidivists.

If we can reduce either one of these streams coming into the criminal population we will have really reduced criminality in this country.

As this bill recognizes, one-half of the serious crimes committed in this country are committed by people under 18 years of age, mostly boys, and most of those are school dropouts. So this bill puts the emphasis in the right place in trying to curb crime in this country.

Not providing more police officers, although that is desirable in many instances, or more places of confinement or more radio stations, or more patrol cars—although those have their proper and necessary places—but the best way to curb crime is to prevent it, and the best way to make a material reduction in the volume of crime is to diminish the number of young people who perpetrate crime in this country. That is what this bill is all about. It prevents it. Paragraph after paragraph emphasizes that this is a bill for the prevention of crime.

Let me just refer to one section of this bill that emphasizes that point. I am reading from page 54 of the bill. One of the objectives of this legislation is:

> To assist States and local communities with resources to develop and implement programs to keep students in elementary and secondary schools and to prevent unwarranted and arbitrary suspensions and expulsions.

What is the right and proper agency to do that? LEAA? Law Enforcement Assistance Administration? That is an agency designed to implement the enforcement of the law. That is after the fact, in a large manner.

On the other hand, HEW is concerned with the educational process of this country. They have the schools under their jurisdiction. They provide the means by which we try to provide a better school system for this country. They can correlate the programs that are already enacted under all of the bills such as the Elementary and Secondary Education Act that the committee brought here a little bit ago, three sections of which provide money for stopping school dropouts. HEW can correlate this bill with the Elementary and Secondary Education Act. It can also correlate necessary health services that should be provided to delinquent youths when they are beginning to be derelict.

In other words, they have the facilities. They have the program, they have the know-how to correlate all of the programs that have to do with youth and making youth better citizens, with less participation in crime.

It is said that HEW is not very much interested in this subject, that they have not heretofore done a very good job with the funds and the programs they have had. Last week I called the Secretary of Health, Education, and Welfare, Mr. Caspar Weinberger. I told him what the criticism of his Department was. I asked him whether I could state on the floor of this House that if this bill is enacted and becomes law the Congress could count upon him to see to it that HEW implements this legislation fairly and effectively, and he said "yes." I think, therefore, that is where it should be.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Minnesota (Mr. QUIE).

The question was taken; and on a division (demanded by Mr. STEIGER of Wisconsin) there were—ayes 23, noes 24.

RECORDED VOTE

Mr. QUIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 144, noes 210, not voting 80, as follows:

[Roll No. 359]

AYES—144

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Baker
Bauman
Beard
Bowen
Bray
Breaux
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burleson, Tex.
Butler
Camp
Carter
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collier
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Dellenback
Dennis
Devine
Downing
Duncan
du Pont
Edwards, Ala.
Eshleman
Findley
Fisher
Flowers
Flynt
Forsythe
Frelinghuysen
Frenzel
Froehlich
Gettys
Gilman
Ginn
Goldwater
Gross
Grover
Gubser
Hansen, Idaho
Hastings
Hillis
Holt
Hosmer
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Kemp
King
Lagomarsino
Landgrebe
Lent
Lott
McClory
McKay
Madigan
Mallary
Martin, N.C.
Mathis, Ga.
Mayne
Milford
Miller
Mitchell, N.Y.
Moorhead, Calif.
Myers
Nelsen
Nichols
Parris
Pettis
Pike
Price, Tex.
Pritchard
Quie
Quillen
Rarick
Regula
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rousselot
Runnels
Ruth
Sandman
Satterfield
Schneebeli
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stephens
Symms
Talcott
Taylor, N.C.
Thornton
Towell, Nev.
Treen
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wyatt
Wydler
Young, Alaska
Young, Fla.
Young, Ill.
Zion

NOES—210

Abzug
Addabbo
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bennett
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Brademas
Brinkley
Brooks
Broomfield
Brown, Mich.
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Casey, Tex.
Chisholm
Clark
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Danielson
Davis, Wis.
Delaney
Dellums
Denholm
Dent
Derwinski
Donohue
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fascell
Flood
Foley
Ford
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hinshaw
Hogan
Holtzman
Howard
Hungate
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Latta
Leggett
Litton
Long, La.
Long, Md.
Luken
McCollister
McCormack
McDade
McFall
McKinney
Mahon
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Poage
Podell
Preyer
Price, Ill.
Railsback
Randall
Rangel
Rees
Reuss
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Slack
Staggers
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Symington
Thompson, N.J.
Thomson, Wis.
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Whalen
White
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—80

Adams
Arends
Armstrong
Bell
Bergland
Bevill
Blackburn
Bolling
Brasco
Breckinridge
Brown, Calif.
Burke, Calif.
Byron
Carey, N.Y.
Carney, Ohio
Cochran
Culver
Daniels, Dominick V.
Davis, Ga.
de la Garza
Dickinson
Diggs
Dingell
Dorn
Dulski
Erlenborn
Evins, Tenn.
Fish
Goodling
Green, Oreg.
Griffiths
Gunter
Hanna
Hanrahan
Hansen, Wash.
Hébert
Heinz
Holifield
Horton
Huber
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Ketchum
Kuykendall
Landrum
Lehman
Lujan
McCloskey
McEwen
McSpadden
Macdonald
Madden
Martin, Nebr.
Meeds
Mills
Minshall, Ohio
Mizell
Montgomery
Moorhead, Pa.
Passman
Powell, Ohio
Reid
Rooney, N.Y.
Rostenkowski
Scherle
Shoup
Sisk
Smith, Iowa
Steiger, Ariz.
Stuckey
Sullivan
Taylor, Mo.
Teague
Thone
Waldie
Widnall
Wyman
Young, S.C.
Zwach

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer amendments.

Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The Clerk read as follows:

> Amendments offered by Ms. ABZUG: Page 55, line 15, after the words "drug treatment," insert the following: "alcoholism treatment,".
>
> Page 56, line 5, after the words "including drug abuse programs," insert the following: "alcohol abuse programs,".
>
> Page 72, lines 17 and 18, after the words "drug abuse education and prevention programs," insert the following: "alcohol abuse education and prevention programs,".

Ms. ABZUG. Mr. Chairman, the purpose of these amendments is to conform essentially with the drug abuse bill which we passed in this House and which is pending right now, in which we added the word "alcohol" to "drug abuse" throughout that bill.

Mr. Chairman, this bill is a very good and necessary piece of legislation, and the amendment I am offering would round out the services provided. This legislation properly places the emphasis on prevention of juvenile delinquency and makes special note of work to be done in areas of concern such as the development of halfway houses, parental counseling, youth service bureaus, and training programs for professionals and lay people. In areas of special concern, the committee has noted the need for drug abuse programs and I, of course, heartily endorse such programs. But there is an even more pressing need to emphasize alcohol abuse programs.

Government authorities estimate that there are 450,000 children and teenagers in the United States who are actually alcoholics. According to the National Commission on Marihuana and Drug Abuse, the Shafer report, alcohol is by far "the drug of choice for our Nation's students." In 1972 between 50 and 83 percent of American students used alcohol more than occasionally. According to the Commission's report, 24 percent of the 12- to 17-year age group have consumed alcoholic beverages within the past week. That is one-quarter of our Nation's youth drinking at least once a week.

The increase in alcohol consumption and potential for abuse has been startling over the past few years. The use of alcohol by junior high school aged adolescents is up 14 percent in 1972 from 1969. Among high school aged youth, the increase in alcohol use went from 62 percent in 1969 to 74 percent in 1972—an increase of 12 percent in just 3 years.

It is time we recognized this grave problem of alcohol abuse by juveniles.

Although alcohol is technically classified as a drug, it needs to be separated and specifically dealt with in this legislation. While 20 percent of our present adult population tried alcohol at age 10 or younger, 40 percent, or twice that proportion, of our young people have reported consuming alcohol prior to their 11th year. Moreover, many of these youth did not consider alcohol to be a drug, according to the Commission's report. Therefore, I think this amendment is vital to insure the necessary education and prevention for total care of our youth and our society.

Survey data further show that the use of alcohol does not always occur by itself. A very large portion of the drinking population, particularly young people, use alcohol in combination with pills or marihuana, thereby making alcohol a very dangerous and serious potential juvenile problem.

All drugs are associated with crime, delinquency, and recklessness. The relationship between the use of alcohol and the commission of violent crime is especially high. Studies cited by the Shafer Commission show that alcohol was used by one-half of offenders immediately before the commission of their crimes. It has been shown that youth who used alcohol were responsible for significantly more crimes of assault than their nondrinking counterparts. The cost to society of alcohol use among our young people is very high—higher, according to the Commission, than for any other drug problem we have.

In offering a solution to the drug and alcohol abuse problem in this country, the Commission's main objective was to design a unified program that would consolidate alcohol study and prevention with other drugs. There is one critical prerequisite to solving the bureaucratic puzzle, said the Commission's report, and that is a central organization of decision and direction. And by offering this amendment, that is precisely what I am trying to achieve. This amendment makes it clear that both drug and alcohol abuse prevention and rehabilitation must be undertaken in this legislation.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. Certainly, I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the gentlewoman's yielding. I think the item is a good one, and on this side we will accept that.

Mr. HAWKINS. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, I agree with the gentleman from Wisconsin. We believe this was an oversight and it should have been in the original bill.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from New York (Ms. ABZUG).

The question was taken; and on a division (demanded by Ms. ABZUG) there were—ayes 87, noes 5.

So the amendments were agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—JUVENILE DELINQUENCY PREVENTION ADMINISTRATION

ESTABLISHMENT OF ADMINISTRATION

SEC. 101. (a) There hereby is established within the Department of Health, Education, and Welfare the Juvenile Delinquency Prevention Administration.

(b) There shall be at the head of the Administration a Director who shall be appointed by the Secretary. The salary of the Director shall be fixed by the Secretary.

(c) The Director shall be the chief executive of the Administration and shall exercise all necessary powers.

(d) There shall be in the Administration a Deputy Director who shall be appointed by the Secretary. The Salary of the Deputy Director shall be fixed by the Secretary. The Deputy Director shall perform such functions as the Director from time to time assigns or delegates, and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

OFFICERS AND EMPLOYEES

SEC. 102. The Secretary may select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

VOLUNTARY SERVICES

SEC. 103. Notwithstanding the provisions of section 3679 (b) of the Revised Statutes (31 U.S.C. 665(b)), the Secretary may accept and employ voluntary and uncompensated services in carrying out the provisions of this Act.

CONCENTRATION OF FEDERAL EFFORTS

SEC. 104. (a) The Secretary shall establish overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversions, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system in the United States. In carrying out his functions, the Secretary shall consult with the Coordinating Council on Juvenile Delinquency Prevention.

(b) In carrying out the purposes of this Act, the Secretary shall—

(1) advise the President as to all matters relating to federally assisted juvenile delinquency programs and Federal policies regarding juvenile delinquency;

(2) assist operating agencies which have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of rules, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives he establishes;

(3) conduct and support, in cooperation with the Institute for Continuing Studies of the Prevention of Juvenile Delinquency, evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered;

(4) coordinate Federal juvenile delinquency programs and activities among Federal agencies and between Federal juvenile delinquency programs and activities and other Federal programs and activities which he determines may have an important bearing on the success of the entire Federal juvenile delinquency effort;

(5) develop annually, submit to the Council for review and thereafter submit to the President and the Congress, no later than September 30, a report which shall include an analysis and evaluation of Federal juvenile delinquency programs conducted and assisted by Federal agencies, the expenditures made, the results achieved, the plans developed, and problems in the operations and coordination of such programs, and recommendations for modifications in organization, management, personnel, standards, budget requests, and implementation plans necessary to increase the effectiveness of such programs;

(6) develop annually, submit to the Council for review, and thereafter submit to the President and the Congress, no later than March 1, a comprehensive plan for juvenile delinquency programs administered by any Federal agency, with particular emphasis on the prevention of juvenile delinquency and the development of programs and services which will encourage increased diversion of juveniles from the traditional juvenile justice system; and

(7) provide technical assistance to Federal, State, and local governments, courts, public and private agencies, institutions, and individuals, in the planning, establishment, funding, operation, or evaluation of juvenile delinquency programs.

(c) The President shall, no later than 90 days after receiving each annual report under subsection (b)(5), submit a report to the Congress and to the Council containing a detailed statement of any action taken or anticipated with respect to recommendations made by each such annual report.

(d)(1) The first report submitted to the President and the Congress by the Secretary under subsection (b)(5) shall contain, in addition to information required by subsection (b)(5), a detailed statement of criteria developed by the Secretary for indentifying the characteristics of juvenile delinquency, juvenile delinquency prevention, diversion of youths from the juvenile justice system, and the training, treatment, and rehabilitation of juvenile delinquents.

(2) The second such report shall contain, in addition to information required by subsection (b)(5), an identification of Federal programs which are related to juvenile delinquency prevention or treatment, together with a statement of the moneys expended for each such program during the most recent complete fiscal year. Such identification shall be made by the Secretary through the use of criteria developed under paragraph (1).

(e) The third report submitted to the President and the Congress by the Secretary under subsection (b)(6) shall contain, in addition to the comprehensive plan required by subsection (b)(6), a detailed statement of procedures to be used with respect to the submission of juvenile delinquency development statements to the Secretary by Federal agencies under section 105. Such statement submitted by the Secretary shall include a description of information, data, and analyses

which shall be contained in each such development statement.

(f) The Secretary may require Federal agencies engaged in any activity involving any Federal juvenile delinquency program to provide him with such information and reports, and to conduct such studies and surveys, as he may deem to be necessary to carry out the purposes of this Act.

(g) The Secretary may delegate any of his functions under this title, except the making of rules, to any officer or employee of the Administration.

(h) The Secretary may utilize the services and facilities of any Federal agency and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(i) The Secretary may transfer funds appropriated under this Act to any Federal agency to develop or demonstrate new methods in juvenile delinquency prevention and treatment and to supplement existing delinquency prevention and treatment programs which the Director finds to be exceptionally effecitve or for which he finds there exists exceptional need.

(j) The Secretary may make grants to, or enter into contracts with, any public or private agency, institution, or individual to carry out the purposes of this Act.

(k) All functions of the Secretary under this Act shall be administered through the Administration.

JUVENILE DELINQUENCY DEVELOPMENT STATEMENTS

SEC. 105. (a) The Secretary shall require each Federal agency which administers a Federal juvenile delinquency program which meets any criterion developed by the Secretary under section 104(d)(1) to submit to the Secretary a juvenile delinquency development statement. Such statement shall be in addition to any information, report, study, or survey which the Secretary may require under section 104(f).

(b) Each juvenile delinquency development statement submitted to the Secretary under subsection (a) shall be submitted in accordance with procedures established by the Secretary under section 104(e) and shall contain such information, data, and analyses as the Secretary may require under section 104(e). Such analyses shall include an analysis of the extent to which the juvenile delinquency program of the Federal agency submitting such development statement conforms with and furthers Federal juvenile delinquency prevention and treatment goals and policies.

(c) The Secretary shall review and comment upon each juvenile delinquency development statement transmitted to him under subsection (a). Such development statement, together with the comments of the Secretary, shall be included by the Federal agency involved in every recommendation or request made by such agency for Federal legislation which significantly affects juvenile delinquency prevention and treatment.

JOINT FUNDING

SEC. 106. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by any agency, organization, institution, or individual to carry out a Federal juvenile delinquency program or activity, any one of the Federal agencies providing funds may be designated by the Secretary to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and the Secretary may order any such agency to waive any technical grant or contract requirement (as defined in rules prescribed by the Secretary) which is inconsistent wtih the similar requirement of the administering agency or which the administering agency does not impose.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that title I of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

PART A—GRANT PROGRAMS

AUTHORIZATION

SEC. 211. The Secretary may make grants to States and local governments to assist them in planning, establishing, operating, coordinating, and evaluating projects directly or through contracts with public and private agencies for the development of more effective education, training, research, prevention, diversion, treatment, and rehabilitation programs in the area of juvenile delinquency and programs to improve the juvenile justice system.

ALLOCATION

SEC. 212. (a) In accordance with rules prescribed under this title, funds shall be allocated annually among the States on the basis of relative population of people under 18 years of age. No such allotment to any State shall be less than $150,000, except that for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, no allotment shall be less than $50,000.

(b) Except for funds appropriated for fiscal year 1975, if any amount so allotted remains unobligated at the end of the fiscal year, such funds shall be reallocated in a manner equitable and consistent with the purposes of this title. Funds appropriated for fiscal year 1975 may be obligated in accordance with subsection (a) until June 30, 1976, after which time they may be reallocated. Any amount so reallocated shall be in addition to the amounts already allotted and available to the States, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands for the same period.

(c) In accordance with rules prescribed under this title, a portion of any allotment to any State under this part shall be available to develop a State plan and to pay that portion of the expenditures which are necessary for efficient administration. Not more than 15 percent of the total annual allotment of such State shall be available for such purposes. The State shall make available needed funds for planning and administration to local governments within the State on an equitable basis.

(d) Financial assistance extended under the provisions of this section shall not exceed 90 percent of the approved costs of any assisted programs or activities. The non-Federal share shall be made only through the use of cash or other monetary instruments.

SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS; AUTHORIZATION

SEC. 213. (a) Not less than 25 percent of the funds appropriated for each fiscal year pursuant to this title shall be available only for special emphasis prevention and treatment grants and contracts made pursuant to this section and section 215.

(b) Among applicants for grants and contracts under this section, priority shall be given to public and private nonprofit organizations or institutions which have had experience in dealing with youth. Not less than 20 percent of the funds available for grants and contracts made pursuant to this section shall be available for grants and contracts to such private nonprofit agencies, organizations, or institutions.

(c) The Secretary may make grants to and enter into contracts with public and private agencies, organizations, institutions, or individuals to—

(1) develop and implement new approaches, techniques, and methods with respect to juvenile delinquency programs;

(2) develop and maintain community-based alternatives to traditional forms of institutionalization;

(3) develop and implement programs to keep students in elementary and secondary schools and to prevent unwarranted and arbitrary suspensions and expulsions;

(4) develop and implement effective means of diverting juveniles from the traditional juvenile justice and correctional system;

(5) improve the capability of public and private agencies and organizations to provide services for delinquents and youths in danger of becoming delinquent; and

(6) facilitate the adoption of the recommendations of the Institute as set forth pursuant to section 309.

STATE PLANS

SEC. 214. (a) In order to receive formula grants under this part, a State shall submit a plan for carrying out its purposes. In accordance with rules prescribed under this title, such plan shall—

(1) establish or designate a single State agency, or designate any other agency, as the sole agency responsible for the preparation and administration of the plan;

(2) contain satisfactory evidence that the State agency has or will have authority, by legislation if necessary, to implement such plan in conformity with this part;

(3) provide for supervision of the programs funded under this Act by the State agency by a State supervisory board appointed by the chief executive officer of the State (A) which shall consist of not less than 15 persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice; (B) which shall include representation of units of local government, law enforcement and juvenile justice agencies such as law enforcement, correction or probation personnel, and juvenile or family court judges, and public agencies concerned with delinquency prevention or treatment such as welfare, social services, mental health, education, youth service departments, or alternative youth systems; (C) which shall include representatives of private organizations concerned with neglected or dependent children; concerned with the quality of juvenile justice education, or social services for children; which utilize volunteers to work with delinquents or potential delinquents; community-based delinquency prevention or treatment programs; and organizations which represent employees affected by this Act; (D) a majority of whose members (including the Chairman) shall not be full-time employees of the Federal Government, the State, or any local government; (E) at least one-third of whose members shall be under the age of 26 at the time of appointment and of whom at least two shall have been under the jurisdiction of the justice system; and (F) which shall have the authority to approve, after consultation with private agencies and alternative youth systems, any proposed modification of a State plan before such proposed modification is submitted to the Secretary;

(4) provide for the active consultation with and participation of local governments in the development of a State plan which adequately takes into account the needs and requests of local governments;

(5) provide that at least 75 percent of the funds received by the State under section 212 shall be expended through programs of local government insofar as they are consistent with the State plan, except that this provision may be waived at the discretion of the Secretary for any State if the services for

delinquent or potentially delinquent youth are organized primarily on a statewide basis;

(6) provide that the chief executive officer of the local government shall assign responsibility for the preparation and administration of the local government's part of the State plan, or for the supervision of the preparation and administration of the local government's part of the State plan, to that agency within the local government's structure which can most effectively carry out the purposes of this Act and shall provide for supervision of the programs funded under this Act by the local agency by a board which meets the appropriate requirements of paragraph (3);

(7) provide, to the maximum extent feasible, for an equitable distribution of the assistance received under section 212 within the State;

(8) set forth a detailed study of the State needs for an effective, comprehensive, coordinated approach to juvenile delinquency prevention and treatment and the improvement of the juvenile justice system, including an itemized estimated cost for the development and implementation of such programs;

(9) provide that not less than 75 percent of the funds available to such State or to any local government of such State under this part, whether expended directly by the State or by the local government or through contracts with public or private agencies, shall be used for advanced techniques in conjunction with the development, maintenance, and expansion of programs and services designed to prevent juvenile delinquency, to divert juveniles from the juvenile justice system, and to provide community-based alternatives to juvenile detention and correctional facilities; such advanced techniques shall include community-based programs and services relating to various aspects of juvenile delinquency, youth service bureaus to assist delinquent and other youth, drug abuse education and prevention programs, programs to encourage youth to remain in school, improvement of probation programs and services, statewide programs designed to increase the use of nonsecure community-based facilities for the commitment of juveniles, and youth-initiated programs and outreach programs designed to assist youth who otherwise would not be reached by assistance programs;

(10) encourage the development of an adequate research, training, and evaluation capacity within the State;

(11) encourage the placement of juveniles in shelter facilities, rather than juvenile detention or correctional facilities, if such juveniles are charged with or have committed offenses which would not be criminal if committed by an adult; discourage the incarceration of juveniles with adults; and encourage the establishment of monitoring systems designed to augment the commitment policies described in this paragraph;

(12) provide assurances that assistance will be available on an equitable basis to deal with all disadvantaged youth, including females, minority youth, and mentally, emotionally, or physically handicapped youth;

(13) provide for procedures which will be established for protecting under Federal, State, and local law the rights of recipients of services and which will assure appropriate privacy with regard to records relating to such services provided to any individuals under the State plan;

(14) provide for such fiscal control and fund accounting procedures necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title;

(15) provide reasonable assurance that Federal funds made available under this part for any period will be so used as to supplement and increase (but not supplant), to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs described in this part, and will in no event replace such State, local, and other non-Federal funds;

(16) provide that the State agency will from time to time, but not less often than annually, review its plan and submit to the Secretary an analysis and evaluation of the effectiveness of the programs and activities carried out under the plan, and any modifications in the plan, including the survey of State and local needs, which it considers necessary; and

(17) contain such other terms and conditions as the Secretary may reasonably prescribe to assure the effectiveness of the programs assisted under this title.

(b) The Secretary shall approve any State plan and any modification thereof that meets the requirements of subsection (a).

(c) In the event that any State fails to submit a plan, or submits a plan, or any modification thereof which the Secretary, after reasonable notice and opportunity for hearing, determines does not meet the requirements of subsection (a), the Secretary shall make the allotment of such State under the provisions of section 212 available to the public and private agencies in such State for programs under sections 213 and 215.

APPLICATIONS

SEC. 215. (a) Any agency, institution, or individual desiring to receive a grant, or enter into any contract under this section or section 213, shall submit an application at such time, in such manner, and containing or accompanied by such information, as the Secretary may prescribe.

(b) In accordance with guidelines established by the Secretary, each such application shall—

(1) provide that the program for which assistance under this title is sought will be administered by or under the supervision of the applicant;

(2) set forth a program for carrying out one or more of the purposes set forth in section 214;

(3) provide for the proper and efficient administration of such program;

(4) provide for regular evaluation of the program;

(5) indicate that the applicant has requested the review of the application from the State agency or local agency designated under section 214, when appropriate;

(6) indicate the response of the State agency or the local agency to the request for review and comment on the application;

(7) provide that regular reports on the program shall be sent to the Secretary and to the State agency and local agency, when appropriate; and

(8) provide for such fiscal control and fund accounting procedures as may be necessary to assure prudent use, proper disbursement, and accurate accounting of funds received under this title.

(c) In determining whether or not to approve applications for grants under this title, the Secretary shall consider—

(1) the relative cost and effectiveness of the proposed program in effectuating the purposes of this Act;

(2) the extent to which the proposed program will incorporate new or innovative techniques;

(3) to extent to which the proposed program meets the objectives and priorities of the State plan, when a State plan has been approved by the Secretary under section 214(b) and when the location and scope of the program make such consideration appropriate;

(4) the increase in capacity of the public and private agency, institution, or individual to provide services to delinquents or youths in danger of becoming delinquent;

(5) the extent to which the proposed project serves communities which have high rates of youth unemployment, school dropout, and delinquency; and

(6) the extent to which the proposed programs facilitates the implementation of the recommendations of the Institute as set forth pursuant to section 309.

PART B—GENERAL PROVISIONS

WITHHOLDING

SEC. 221. Whenever the Secretary, after giving reasonable notice and opportunity for hearing to a recipient of a grant under this title, finds—

(1) that the program or activity for which such grant was made has been so changed that it no longer complies with the provisions of this title, or

(2) that in the operation of the program or activity there is failure to comply substantially with any such provision,

the Secretary shall notify such recipient of his findings and no further payments may be made to such recipient under this title (or in his discretion that the State agency shall not make further payments to specified programs affected by the failure) by the Secretary until he is satisfied that such noncompliance has been, or will promptly be, corrected.

USE OF FUNDS

SEC. 222. (a) Funds paid to any State public or private agency, institution, or individual (whether directly or through a State agency or local agency) may be used for—

(1) securing, developing, or operating the program designed to carry out the purposes of this Act; and

(2) not more than 50 percent of the cost of the construction of innovative community-based facilities for less than 20 persons which, in the judgment of the Secretary, are necessary for carrying out the purposes of this Act.

(b) Except as provided by subsection (a), no funds paid to any public or private agency, institution, or individual under this title (whether directly or through a State agency or local agency) may be used for construction.

PAYMENTS

SEC. 223. (a) In accordance with criteria established by the Secretary, it is the policy of the Congress that programs funded under this title shall continue to receive financial assistance, except that such assistance shall not continue if the yearly evaluation of such programs is not satisfactory.

(b) At the discretion of the Secretary, when there is no other way to fund an essential juvenile delinquency program, the State may utilize 25 percent of the funds available to it under this Act to meet the non-Federal matching share requirement for any other Federal juvenile delinquency program grant.

(c) Whenever the Secretary determines that it will contribute to the purposes of this Act, he may require the recipient of any grant or contract to contribute money, facilities, or services up to 25 percent of the cost of the project involved.

(d) Payments under this title, pursuant to a grant or contract, may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursements, in such installments and on such conditions as the Secretary may determine.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that title II of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. STEIGER OF WISCONSIN

Mr. STEIGER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEIGER of Wisconsin: Page 74, line 16, strike out "and".

Page 74, line 19, srtike out the period and insert in lieu thereof "; and".

Page 74, immediately after line 19, insert the following new paragraph:

(18) provide that fair and equitable arrangements are made to protect the interests of employees affected by assistance under this Act.

Mr. STEIGER of Wisconsin. Mr. Chairman, I offer a technical and clarifying amendment to the bill which I have discussed with the chairman of the subcommittee (Mr. HAWKINS). He agrees with me that there is a need to clarify that this bill is in no way designed to jeopardize the rights and privileges of State and local employees who might be displaced as States move to set up new institutional structures to replace existing correctional institutions.

This amendment is merely designed to insure that if States move in new directions that fair and equitable arrangements are made which protect the interests of employees who are specifically affected by activities assisted through this act.

THE CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. STEIGER).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III—INSTITUTE FOR CONTINUING STUDIES OF THE PREVENTION OF JUVENILE DELINQUENCY

ESTABLISHMENT AND PURPOSE

SEC. 301. (a) There is hereby established an institute to be known as the Institute for Continuing Studies of the Prevention of Juvenile Delinquency. The Institute shall be administered by the Secretary through the Administration.

(b) It shall be the purpose of the Institute to provide a coordinating center for the collection, preparation, and dissemination of useful data regarding the treatment and control of juvenile offenders, and it shall also be the purpose of the Institute to provide training for representatives of Federal, State, and local law enforcement officers, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation personnel, correctional personnel, and other persons, including lay personnel, connected with the treatment and control of juvenile offenders.

FUNCTIONS

SEC. 302. The Institute shall—

(1) serve as an information bank by collecting systematically and synthesizing the data and knowledge obtained from studies and research by public and private agencies, institutions, or individuals concerning all aspects of juvenile delinquency, including the prevention and treatment of juvenile delinquency;

(2) serve as a clearinghouse and information center for the preparation, publication, and dissemination of all information regarding juvenile delinquency, including State and local juvenile delinquency prevention and treatment programs and plans, availability of resources, training and educational programs, statistics, and other pertinent data and information;

(3) disseminate pertinent data and studies (including a periodic journal) to individuals, agencies, and organizations concerned with the prevention and treatment of juvenile delinquency;

(4) prepare, in cooperation with educational institutions, Federal, State, and local agencies, and appropriate individuals and private agencies, such studies as it considers to be necessary with respect to the prevention and treatment of juvenile delinquency and related matters, including recommendations designed to promote effective prevention and treatment;

(5) devise and conduct in various geographical locations, seminars and workshops providing continuing studies for persons engaged in working directly with juveniles and juvenile offenders;

(6) devise and conduct a training program, in accordance with the provisions of section 305, 306, and 307, of short-term instruction in the latest proven-effective methods of prevention, control, and treatment of juvenile delinquency for correctional and law enforcement personnel, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation officers, and other persons (including lay personnel) connected with the prevention and treatment of juvenile delinquency;

(7) develop technical training teams to aid in the development of training programs in the States and to assist State and local agencies which work directly with juveniles and juvenile offenders;

(8) conduct, encourage, and coordinate research and evaluation into any aspect of juvenile delinquency, particularly with respect to new programs and methods which show promise of making a contribution toward the prevention and treatment of juvenile delinquency;

(9) encourage the development of demonstration projects in new and innovative techniques and methods to prevent and treat juvenile delinquency;

(10) provide for the evaluation of all programs assisted under this Act in order to determine the results and the effectiveness of such programs;

(11) provide for the evaluation of any other Federal, State, or local juvenile delinquency program, as deemed necessary by the Secretary; and

(12) disseminate the results of such evaluations and research and demonstration activities, particularly to persons actively working in the field of juvenile delinquency.

POWERS

SEC. 303. (a) The functions, powers, and duties specified in this Act to be carried out by the Institute shall not be transferred elsewhere or within any Federal agency unless specifically hereafter authorized by the Congress. In addition to the other powers, express and implied, the Institute may—

(1) request any Federal agency to supply such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions;

(2) arrange with and reimburse the heads of Federal agencies for the use of personnel or facilities or equipment of such agencies;

(3) confer with and avail itself of the cooperation, services, records, and facilities of State, municipal, or other public or private local agencies;

(4) enter into contracts with public or private agencies, organizations, or individuals, for the partial performance of any of the functions of the Institute; and

(5) compensate consultants and members of technical advisory councils who are not in the regular full-time employ of the United States, at a rate to be fixed by the Administrator of the Institute but not exceeding $75 per diem and while away from home, or regular place of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code for persons in the Government service employed intermittently.

(b) Any Federal agency which receives a request from the Institute under subsection (a)(1) may cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information and advice to the Institute.

ADMINISTRATOR AND STAFF

SEC. 304. (a) The Institute shall have an Administrator who shall be appointed by the Secretary and who shall serve at the pleasure of the Secretary.

(b) The Administrator shall have responsibility for the administration of the organization, employees, enrollees, financial affairs, and other operations of the Institute. He may employ such staff, faculty, and administrative personnel as are necessary for the functioning of the Institute.

(c) The Administrator shall have the power to—

(1) acquire and hold real and personal property for the Institute;

(2) receive gifts, donations, and trusts on behalf of the Institute; and

(3) appoint such technical or other advisory councils comprised of consultants to guide and advise the Secretary.

(d) The Administrator may delegate his powers under this Act to such employees of the Institute as he deems appropriate.

ESTABLISHMENT OF TRAINING PROGRAM

SEC. 305. (a) The Secretary shall establish within the Institute a training program designed to train enrollees with respect to methods and techniques for the prevention and treatment of juvenile delinquency.

(b) Enrollees in the training program established under this section shall be drawn from correctional and law enforcement personnel, teachers and other educational personnel, juvenile welfare workers, juvenile judges and judicial personnel, probation officers, and other persons (including lay personnel) connected with the prevention and treatment of juvenile delinquency.

CURRICULUM FOR TRAINING PROGRAM

SEC. 306. The Secretary shall design and supervise a curriculum for the training program established by section 305 which shall utilize an interdisciplinary approach with respect to the prevention of juvenile delinquency, the treatment of juvenile delinquents, and the diversion of youths from the juvenile justice system. Such curriculum shall be appropriate to the needs of the enrollees of the training program.

ENROLLMENT FOR TRAINING PROGRAM

SEC. 307. (a) Any person seeking to enroll in the training program established under section 305 shall transmit an application to the Administrator, in such form and according to such procedures as the Administrator may prescribe.

(b) The Administrator shall make the final determination with respect to the admittance of any person to the training program. The Administrator, in making such determination, shall seek to assure that persons admitted to the training program are broadly representative of the categories described in section 305(b).

(c) While studying at the Institute and while traveling in connection with his study (including authorized field trips), each person enrolled in the Institute shall be allowed travel expenses and a per diem allowance in the same manner as prescribed for persons employed intermittently in the Government service under section 5703(b) of title 5, United States Code.

ANNUAL REPORT

SEC. 308. The Administrator shall develop annually and submit to the President and each House of Congress, prior to June 30, a report on the activities of the Institute and on research, demonstration, training, and evaluation programs funded under this title, including a review of the results of such programs, an assessment of the application of such results to existing and new juvenile delinquency programs, and detailed recommendations for future research, demonstration, training, and evaluation programs.

DEVELOPMENT OF STANDARDS FOR JUVENILE JUSTICE

SEC. 309. The Institute, under the supervision of the Secretary, shall conduct a study for the development of standards for juvenile justice. The Institute shall, no later than one year after the date of the enactment of this Act, submit to the President and to each House of the Congress a report based upon such study. Such report shall contain a detailed statement of recommended standards for the administration of juvenile justice at the Federal, State, and local level, and shall recommend—

(1) Federal action, including administrative budgetary, and legislative action, required to facilitate the adoption of such standards throughout the United States; and

(2) State and local action to facilitate the adoption of such standards for juvenile justice at the State and local level.

INFORMATION FROM FEDERAL AGENCIES

SEC. 310. Each Federal agency shall furnish to the Secretary such information as the Secretary deems necessary to carry out his functions under this title.

RECORDS

SEC. 311. Records containing the identity of any juvenile gathered for purposes pursuant to this title may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

Mr. HAWKINS (During the reading). Mr. Chairman, I ask unanimous consent that title III of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—RUNAWAY YOUTH ACT

SHORT TITLE

SEC. 401. This title may be cited as the "Runaway Youth Act".

FINDINGS

SEC. 402. The Congress hereby finds that—

(1) the number of juveniles who leave and remain away from home without parental permission has increased to alarming proportions, creating a substantial law enforcement problem for the communities inundated, and significantly endangering the young people who are without resources and live on the street;

(2) the exact nature of the problem is not well defined because national statistics on the size and profile of the runaway youth population are not tabulated;

(3) many such young people, because of their age and situation, are urgently in need of temporary shelter and counseling services;

(4) the problem of locating, detaining, and returning runaway children should not be the responsibility of already overburdened police departments and juvenile justice authorities; and

(5) in view of the interstate nature of the problem, it is the responsibility of the Federal Government to develop accurate reporting of the problem nationally and to develop an effective system of temporary care outside the law enforcement structure.

RULES

SEC. 403. The Secretary may prescribe such rules as he considers necessary or appropriate to carry out the purposes of this title.

PART A—GRANT PROGRAM

PURPOSES OF GRANT PROGRAM

SEC. 411. The Secretary is authorized to make grants and to provide technical assistance to localities and nonprofit private agencies in accordance with the provisions of this part. Grants under this part shall be made for the purpose of developing local facilities to deal primarily with the immediate needs of runaway youth in a manner which is outside the law enforcement structure and juvenile justice system. The size of such grant shall be determined by the number of runaway youth in the community and the existing availability of services. Among applicants priority shall be given to private organizations or institutions which have had past experience in dealing with runaway youth.

ELIGIBILITY

SEC. 412. (a) To be eligible for assistance under this part, an applicant shall propose to establish, strengthen, or fund an existing or proposed runaway house, a locally controlled facility providing temporary shelter, and counseling services to juveniles who have left home without the permission of their parents or guardians.

(b) In order to qualify for assistance under this part, an applicant shall submit a plan to the Secretary meeting the following requirements and including the following information. Each house—

(1) shall be located in an area which is demonstrably frequented by or easily reachable by runaway youth;

(2) shall have a maximum capacity of no more than 20 children, with a ratio of staff to children of sufficient proportion to assure adequate supervision and treatment;

(3) shall develop adequate plans for contacting the child's parents or relatives (if such action is required by State law) and assuring the safe return of the child according to the best interests of the child, for contacting local government officials pursuant to informal arrangements established with such officials by the runaway house, and for providing for other appropriate alternative living arrangements;

(4) shall develop an adequate plan for assuring proper relations with law enforcement personnel, and the return of runaway youths from correctional institutions;

(5) shall develop an adequate plan for aftercare counseling involving runaway youth and their parents within the State in which the runaway house is located and for assuring, as possible, that aftercare services will be provided to those children who are returned beyond the State in which the runaway house is located;

(6) shall keep adequate statistical records profiling the children and parents which it serves, except that records maintained on individual runaway youths shall not be disclosed without parental consent to anyone other than another agency compiling statistical records or a government agency involved in the disposition of criminal charges against an individual runaway youth, and reports or other documents based on such statistical records shall not disclose the identity of individual runaway youths;

(7) shall submit annual reports to the Secretary detailing how the house has been able to meet the goals of its plans and reporting the statistical summaries required by paragraph (6);

(8) shall demonstrate its ability to operate under accounting procedures and fiscal control devices as required by the Secretary;

(9) shall submit a budget estimate with respect to the plan submitted by such house under this subsection; and

(10) shall supply such other information as the Secretary reasonably deems necessary.

APPROVAL BY SECRETARY

SEC. 413. An application by a State, locality, or nonprofit private agency for a grant under this part may be approved by the Secretary only if it is consistent with the applicable provisions of this part and meets the requirements set forth in section 412. Priority shall be given to grants smaller than $75,000. In considering grant applications under this part, priority shall be given to any applicant whose program budget is smaller than $100,000.

GRANTS TO PRIVATE AGENCIES; STAFFING

SEC. 414. Nothing in this part shall be construed to deny grants to nonprofit private agencies which are fully controlled by private boards or persons but which in other respects meet the requirements of this part and agree to be legally responsible for the operation of the runaway house. Nothing in this part shall give the Federal Government control over the staffing and personnel decisions of facilities receiving Federal funds.

REPORTS

SEC. 415. The Secretary shall annually report to the Congress on the status and accomplishments of the runaway houses which are funded under this part, with particular attention to—

(1) their effectiveness in alleviating the problems of runaway youth;

(2) their ability to reunite children with their families and to encourage the resolution of intrafamily problems through counseling and other services;

(3) their effectiveness in strengthening family relationships and encouraging stable living conditions for children; and

(4) their effectiveness in helping youth decide upon a future course of action.

FEDERAL SHARE

SEC. 416. (a) The Federal share for the acquisition and renovation of existing structures, the provision of counseling services, staff training, and the general costs of operations of such facility's budget for any fiscal year shall be 90 percent. The non-Federal share may be in cash or in kind, fairly evaluated by the Secretary, including plant, equipment, or services.

(b) Payments under this section may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

PART B—STATISTICAL SURVEY

SURVEY; REPORT

SEC. 421. The Secretary shall gather information and carry out a comprehensive statistical survey defining the major characteristics of the runaway youth population and determining the areas of the Nation most affected. Such survey shall include the age, sex, and socioeconomic background of runaway youth, the places from which and to which children run, and the relationship between running away and other illegal behavior. The Secretary shall report the results of such information gathering and survey to the Congress not later than June 30, 1975.

RECORDS

SEC. 422. Records containing the identity of individual runaway youths gathered for statistical purposes pursuant to section 421 may under no circumstances be disclosed or transferred to any individual or to any public or private agency.

TITLE V—COORDINATING COUNCIL ON JUVENILE DELINQUENCY PREVENTION

ESTABLISHMENT

SEC. 501. There is hereby established, as an independent organization in the executive branch of the Federal Government, a council to be known as the Coordinating Council on Juvenile Delinquency Prevention.

MEMBERSHIP

SEC. 502. (a) The Council shall consist of six regular members appointed under subsection (c) and an additional number of ex officio members designated by subsection (b).

(b)(1) The following individuals shall be ex officio members of the Council:

(A) the Secretary (or the Under Secretary of the Department of Health, Education, and Welfare, if so designated by the Secretary);

(B) the Director of the Administration;

(C) the Attorney General or his designee;

(D) the Secretary of Labor (or the Under Secretary of Labor, if so designated by such Secretary);

(E) the Director of the Special Action Office for Drug Abuse Prevention or his designee;

(F) the Secretary of Housing and Urban Development (or the Under Secretary of Housing and Urban Development, if so designated by such Secretary); and

(G) the Administrator of the Institute.

(2) Any individual designated under paragraph (1)(C) or paragraph (1)(E) shall be selected from individuals who exercise significant decisionmaking authority in the Federal agency involved.

(c) The regular members of the Council shall be appointed by the President from persons who by virtue of their training or experience have special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice. At least three members shall not have attained 26 years of age on the date of their appointment.

(d)(1) Except as provided by paragraphs (2) and (3), members of the Council appointed by the President under subsection (c) shall be appointed for terms of four years.

(2) Of the members first appointed to the Council under subsection (c)—

(A) two shall be appointed for terms of one year,

(B) two shall be appointed for terms of two years, and

(C) two shall be appointed for terms of three years, as designated by the President at the time of appointment. Such members shall be appointed within ninety days after the date of the enactment of this title.

(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until a successor has taken office.

(e) Members of the Council shall be eligible for reappointment to the Council.

(f) The Secretary shall serve as Chairman of the Council. The Director shall serve as Vice Chairman of the Council. The Vice Chairman shall act as Chairman in the absence of the Chairman.

(g) The Council shall meet at least six times per year to receive reports and recommendations and to take such actions as may be considered appropriate by members of the Council. A description of the activities of the Council shall be included in the annual report required by section 104(b)(5).

FUNCTION

SEC. 503. (a) The Council shall make recommendations to the Secretary at least annually with respect to coordination of the planning, policy, priorities, operations, and management of all Federal juvenile delinquency programs.

(b) The Council shall, through a subcommittee designated by the Chairman, review the activities and administration of the Institute and shall make recommendations with respect to such activities and administration.

EXECUTIVE SECRETARY; STAFF

SEC. 504. (a) The Chairman shall, with the approval of the Council, appoint an Executive Secretary of the Council.

(b) The Executive Secretary shall be responsible for the day-to-day administration of the Council.

(c) The Executive Secretary may, with the approval of the Council, appoint and fix the salary of such personnel as he considers necessary to carry out the purposes of this title.

COMPENSATION AND EXPENSES

SEC. 505. (a) Members of the Council who are full-time employees of the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Council.

(b) Members of the Council who are not full-time employees of the Federal Government shall receive compensation at a rate not to exceed $100 per day, including traveltime for each day they are engaged in the performance of their duties as members of the Council. Members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carying out the functions of the Council.

TITLE VI—GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 601. (a) To carry out the purposes of titles I, II, and III there is authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975, $75,000,000 for the fiscal year ending June 30, 1976, $125,000,000 for the fiscal year ending June 3, 1977, and $175,000,000 for the fiscal year ending June 30, 1978.

(b) Not more than 5 percent of the funds authorized to be appropriated for any fiscal year to carry out the purposes of this Act may be used for the purposes authorized under title I.

(c) Not more than 10 percent of the funds authorized to be appropriated for any fiscal year to carry out the purposes of this Act may be used for purposes authorized under title III.

(d)(1) To carry out the purposes of part A of title IV there is authorized to be appropriated for each of the fiscal years ending June 30, 1975, 1976, and 1977, the sum of $10,000,000.

(2) To carry out the purposes of part B of title IV there is authorized to be appropriated the sum of $500,000.

(e) There is authorized to be appropriated such sums as may be necessary to carry out the purposes of title V.

NONDISCRIMINATION PROVISIONS

SEC. 602. (a) No financial assistance for any program under this Act shall be provided unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any such program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this Act. The provisions of the preceding sentence shall be enforced in accordance with section 603 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if such person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

EFFECTIVE DATES

SEC. 603. (a) Except as provided by subsection (b), the foregoing provisions of this Act shall take effect on the date of the enactment of this Act.

(b) Section 104(b)(5), section 104(b)(6), and section 310 shall take effect at the close of December 31, 1974. Section 105 shall take effect at the close of August 31, 1977.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that title IV of the bill and the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to express my specific support for title IV of the Juvenile Delinquency Prevention Act of 1974. Title IV is an outgrowth of the Runaway Youth Act, legislation introduced earlier this year by our former colleague, Congressman Keating, which I cosponsored.

I would like to take this opportunity to point out some of the great need for action in the area of dealing with our youth and the problems they face as a result of modern progress and changing values. The world they face is not the world we faced as teenagers and it is important we understand their unique problems.

I wish to point out to my colleagues a most remarkable group of people in my hometown, Houston, who have made a great contribution to understanding and aiding all our children. I say "all our children" because their project is not confined to the teenagers of Houston, or the gulf coast or even just to Texas. It is a national service that has stretched to 47 States of the Union. I am referring to Operation Peace of Mind, a program which has received much well-deserved publicity during the past few months. As you may be aware, this citizen-sponsored project resulted from a ground swell of public sentiment following the revelation of a mass murder ring in Houston. Private citizens in Houston, with encouragement and financial backing from Governor Briscoe, set up a nationwide WATS number for parents and runaway children to call and inform one another of anything they wished the other to know. That number is (800) 231-6946.

The program has been an unqualified success—lifting a burden from the Houston police who were being swamped with calls from frantic parents who wanted to know if their runaway child was among the dead, reuniting families and giving runaways a neutral ground for contacting estranged relatives and assuring them of their well-being.

Over 250 volunteers have manned the telephones in a Houston motel room and 1,049 times thus far one of those volunteers has had the rather awesome responsibility of calling a parent with the simple message—"Your child is alive." Over 2,700 callers in 47 States have been aided, helped, or reunited by Operation Peace of Mind. With very little money for promotion you might very well question how widely known the service has become. "Dear Abby" several times in her column has urged runaways to call Peace of Mind and ask them to inform their parents that they are well, even if they do not wish to speak to them personally. Walter Cronkite on his Christmas night broadcast asked runaways to call home or at least to call Peace of Mind and have them relay a message. Features on the service have run in McCall's, U.S. News & World Report, Reader's Digest, and Seventeen. The Associated Press ran a story on Peace of Mind on its national wire. Fourteen Governors have contacted the office of Governor Briscoe for information on how their States could aid and publicize this program. The people of Peace of Mind saw first hand the tragedy of alienation between parents and children and decided that if no one else would do something, they would. They did and they are providing a first class, much needed service to the Nation, paying for it through their own pocketbooks and their own State taxes.

There is very little bureaucracy or formal organization to Peace of Mind. Volunteers work when they can and the phone bills are paid when they can be paid. But surely in this time when our citizens are questioning the institutions of government, lack of formal organization or bureaucracy is not a sufficient reason to withhold a $100,000 grant for such a humane and deserving project.

On the contrary, I hope you will agree with me that it is quite a good reason to approve a grant. Yet the Department of Health, Education, and Welfare has just informed Governor Briscoe that the grant application to fund this program has been disapproved by the Office of Youth Development because the application was not properly prepared and because it had not received adequate attention from the public and because the program is not tied to any other official units of Government. I know over 2,700 people in 47 States who would not think much of that conclusion and I can tell you that I do not either. I sincerely hope that if this legislation we are considering today is finally established and Health, Education, and Welfare is given authority to carry out its provision, those in charge will recognize initiative and reward such a dedicated group of people with their support, both morally and financially.

The volunteers of Operation Peace of Mind need money to pay their phone bills and we have turned them down because their application was not properly done. I recognize the need within a bureaucracy for standardization, but I hope that humanity and human need still have a place within the same bureaucracy. I want to add my support to the measure we are considering today and at the same time I want to ask the Secretary of Health, Education, and Welfare to reconsider his decision to refuse funding to Operation Peace of Mind. It would reassure a lot of disappointed people that their government is aware and informed and human and it would also keep a great program in business.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bennett, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15276) to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes, pursuant to House Resolution 1197, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STEIGER of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 329, nays 20, not voting 85, as follows:

[Roll No. 360]

YEAS—329

Abdnor
Abzug
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
Ashley
Badillo
Bafalis
Baker
Barrett
Beard
Bennett
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bowen
Brademas
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Donohue
Downing
Drinan
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Luken
McClory
McCollister
McCormack
McDade
McFall
McKay
McKinney
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sikes
Skubitz
Slack
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NAYS—20

Archer
Bauman
Camp
Collins, Tex.
Conlan
Crane
Daniel, Dan
Flynt
Gross
Ichord
Landgrebe
Miller
Rarick
Rousselot
Satterfield
Shuster
Snyder
Spence
Symms
Treen

NOT VOTING—85

Adams
Arends
Armstrong
Aspin
Bell
Bergland
Bevill
Blackburn
Bolling
Brasco
Breckinridge
Brown, Calif.
Burke, Calif.
Byron
Carey, N.Y.
Carney, Ohio
Cochran
Culver
Daniels, Dominick V.
Davis, Ga.
de la Garza
Dickinson
Diggs
Dingell
Dorn
Dulski
Erlenborn
Evins, Tenn.
Fish
Goodling
Green, Oreg.
Griffiths
Gunter
Hanna
Hanrahan
Hansen, Wash.
Hébert
Heinz
Holifield
Horton
Huber
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Ketchum
Kuykendall
Landrum
Lehman
Lujan
McCloskey
McEwen
McSpadden
Macdonald
Madden
Martin, Nebr.
Meeds
Mills
Minshall, Ohio
Mizell
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Parris
Passman
Powell, Ohio
Reid
Roberts
Roncalio, N.Y.
Rooney, N.Y.
Rostenkowski
Scherle
Shoup
Sisk
Smith, Iowa
Staggers
Steele
Steiger, Ariz.
Stuckey
Sullivan
Taylor, Mo.
Teague
Thone
Wyman
Young, S.C.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Jones of Alabama.

Mr. Rooney of New York with Mr. Dorn.

Mr. Rostenkowski with Mr. Bergland.
Mr. Brasco with Mr. Brown of California.
Mrs. Sullivan with Mr. Diggs.
Mr. Carey of New York with Mrs. Hansen of Washington.
Mr. Moorhead of Pennsylvania with Mr. Holifield.
Mr. Carney of Ohio with Mr. Macdonald.
Mrs. Burke of California with Mr. Mills.
Mr. Reid with Mr. Roberts.
Mr. Dulski with Mr. Heinz.
Mr. Bevill with Mr. McEwen.
Mr. Montgomery with Mr. Arends.
Mr. Staggers with Mr. Dickinson.
Mr. Byron with Mr. Cochran.
Mr. Madden with Mr. McCloskey.
Mr. Dominick V. Daniels with Mr. Hanrahan.
Mr. Stuckey with Mr. Martin of Nebraska.
Mr. Dingell with Mr. Shoup.
Mr. Evins of Tennessee with Mr. Huber.
Mr. Jones of Tennessee with Mr. Powell of Ohio.
Mr. Gunter with Mr. Wyman.
Mr. Meeds with Mr. Bell.
Mr. Culver with Mr. Steiger of Arizona.
Mr. Smith of Iowa with Mr. Zwach.
Mr. Adams with Mr. Thone.
Mr. Breckinridge with Mr. Horton.
Mrs. Green of Oregon with Mr. Scherle.
Mrs. Griffiths with Mr. Mizell.
Mr. McSpadden with Mr. Erlenborn.
Mr. Passman with Mr. Lujan.
Mr. Landrum with Mr. Blackburn.
Mr. Lehman with Mr. Kuykendall.
Mr. Hanna with Mr. Fish.
Mr. Davis of Georgia with Mr. Teague.
Mr. Murphy of New York with Mr. Minshall of Ohio.
Mr. Sisk with Mr. Roncallo of New York.
Mr. Taylor of Missouri with Mr. Steele.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1197, the Committee on Education and Labor is discharged from the further consideration of the Senate bill (S. 645) to strengthen interstate reporting and interstate services for parents of runaway children; to conduct research on the size of the runaway youth population; for the establishment, maintenance, and operation of temporary housing and counseling services for transient youth, and for other purposes.

The Clerk read the title of the Senate bill.

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 645) be recommitted to the Committee on Education and Labor.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

UNITED STATES AGAINST JOHN D. EHRLICHMAN, ET AL.

The SPEAKER. The Chair desires to make an announcement.

The Chair in his official capacity as Speaker of this House has received a subpena duces tecum issued by the U.S. District Court for the District of Columbia commanding him to appear in the said court to testify and produce certain papers in the case of the United States against John D. Ehrlichman et al. on the 2d day of July 1974. The subpena has been issued on behalf of defendant G. Gordon Liddy.

Under the precedents of the House the Chair is unable to comply with this subpena without the consent of the House, the privileges of the House being involved. The Chair will also state that the papers described in the subpena are not within his custody or possession.

The Chair, therefore, submits the matter for the consideration of this body.

The Clerk will read the subpena.

The Clerk read as follows:

SUBPOENA TO PRODUCE DOCUMENT OR OBJECT

[In the U.S. District Court for the District of Columbia, No. 74–116]

United States of America v. John D. Ehrlichman, et al.

To Carl Albert, Speaker of the House, House of Representatives, Washington, D.C.

You are hereby commanded to appear in the United States District Court for the District of Columbia at courtroom 6 in the city of Washington on the 2nd day of July 1974 at 9:30 o'clock A.M. to testify in the case of United States v. John D. Ehrlichman, et al. and bring with you certified copies of the transcripts of the testimony of Robert E. Cushman, John D. Ehrlichman, E. Howard Hunt and Charles W. Colson, given before the sub-committee on intelligence of the Committee on Armed Services of the House of Representatives regarding its inquiry on the CIA—Watergate—Ellsberg matter, during the period commencing May 11, 1973 through July 10, 1973.

This subpoena is issued upon application of the defendant, G. Gordon Liddy.

JAMES F. DAVEY,
Clerk.
By MARGARET WHITACRE,
Deputy Clerk.

July 1, 1974.
Peter L. Maroulis, Esq.
Attorney for G. Gordon Liddy,
Poughkeepsie, N.Y.

RETURN

Received this subpoena at Washington, D.C., on July 1, 1974 and on July 1, 1974 at House of Representatives served it on the within named Carl Albert by delivering a copy to him.

Dated: July 1, 1974.

THE LATE MRS. ALBERTA WILLIAMS KING

(Mr. CONTE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. CONTE. Mr. Speaker, I know I speak for all of my colleagues in expressing profound grief at the senseless slaying yesterday of Mrs. Alberta Williams King.

Just 3 weeks ago, I shared a podium in my hometown of Pittsfield, Mass., with Mrs. King's husband, the Reverend Martin Luther King, Sr. The occasion was the 128th anniversary of the Second Congregational Church. I did not imagine at that joyous time that I would be sharing a personal sorrow with the vibrant, buoyant Reverend King.

I recall on that evening I spoke of the early influence Reverend King exerted on his martyred son, the Reverend Martin Luther King, Jr. I would like to quote from Proverbs XXI, 10–31 in eulogizing Mrs. King today:

> Who can find a virtuous woman? for her price is far above rubies. The heart of her husband doth safely trust in her. . . . She will do him good and not evil all the days of her life. She seeketh wool and flax, and worketh willingly with her hands. . . . She riseth also while it is yet night and giveth meat to her household. . . . She layeth her hands to the spindle, and her hands hold the distaff. She stretcheth out her hand to the poor. . . . Strength and honor are her clothing. . . . She opens her mouth with wisdom; and in her tongue is the law of kindness. She looketh well to the ways of her household and eateth not the bread of idleness. Her children arise up and call her blessed. . . . Favor is deceitful and beauty is vain: but a woman that feareth the Lord, she shall be praised. Give her of the fruit of her hands; and let her own works praise her in the gates.

Mrs. King, herself an immensely private, devoutly religious woman, gave the world one of its great leaders in her son. What she taught him from his earliest days, he shared with a troubled nation.

Mrs. King died the victim of the type of action her son preached against—the violent act that can bring no greater understanding, only greater division among the people he would have see live together in love and harmony.

On this sad day, I send my condolences to the Reverend Martin Luther King, Sr., and the King family.

THE DIMINISHING STRENGTH OF THE U.S. NAVY

(Mr. CARTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. CARTER. Mr. Speaker, I regretted very much to read in the Washington Post an article from United Press International which quotes Admiral Zumwalt as saying:

> During my tenure as Naval Chief we have arrived at that position where the U.S. Navy is not able to perform its mission.

In other words, Mr. Speaker, the admiral is stating that he has been in command while the strength of the U.S. Navy has diminished to the point where it cannot guarantee the safety of our sea lanes. Our military appropriations have increased yearly. This year the appropriation amounts to $78.5 billion.

Some 7 years ago it was brought to the attention of this House that we were falling behind in missile strength. It was brought to the attention of the Navy that they should dedicate more time to development of a missile which was more effective than the SN–1. The SN–1 is a Russian missile of fairly short range, 22.4 miles. It is on target in 4.4 minutes, which is 0.6 minute before the average reaction time of a ship's crew from an unalerted position. We have developed certain automatic defense mechanisms to shoot this missile down, but we have not developed one which is faster or more effective.

For 7 long years, I have had numerous briefings by admirals, captains, and commanders, and in those 7 long years no solution has been presented. Gen. Nathan Bedford Forrest crudely expressed the solution to the problem. When asked to what he attributed his success, he replied, "Git thar fustest with the mostest."

Again we need a missile which is faster and is on target in a shorter time than the SN–1 or Styx.

In another area, Mr. Speaker, in the opinion of many, an aircraft carrier in the Mediterranean is a sitting duck. We have stuck to the huge carriers as during the era of Gen. Billy Mitchell we stayed with our battleships. Our thinking must change with the times. We must develop, and we are late now, smaller nuclear carriers and missile-carrying nuclear cruisers and nuclear submarines.

The Navy cannot do this on a 40-hour week. It will take devotion, dedication, thought, sweat, perseverance, and time.

I include the article from the Post concerning Admiral Zumwalt.

The statement concerning our Vietnam veterans is quite true. With several Members, I have introduced legislation which would increase benefits under the GI bill of rights for Vietnam veterans to include books and tuition, as well as an increased basic allowance.

It is with sincere regret that I ask the House to take note of the admitted weakness of the U.S. Fleet, and I ask for this body to work diligently toward recovering our position as the world's foremost naval power.

The article follows:

ZUMWALT SAYS HE TURNED DOWN VA POST, CITES "DOMESTIC POLITICS"

Adm. Elmo R. Zumwalt said yesterday that he was offered the job of veterans administrator but turned it down because "domestic politics" prevent the Veterans Administration from providing Vietnam-era veterans the benefits they need.

Zumwalt also repeated his contention, as he did Saturday at his retirement ceremonies as chief of naval operations, that the U.S. Navy has "lost control of the seas" and could be defeated in a confrontation with the Soviets.

Depending on strategic considerations, Zumwalt said in a broadcast interview, U.S. naval commanders should consider keeping their forces out of areas of confrontation.

Zumwalt shook off repeated questions about the strategic arms negotiations in Moscow, saying an explicit order from Secretary of Defense James R. Schlesinger prevents active duty officers from commenting on the SALT negotiations.

When asked on NBC's "Meet the Press" (WRC) whether he had been offered the post of VA administrator, Zumwalt answered "yes, I was." As for why he thought the job offered little chance of helping veterans, he replied: "The domestic political condition at the present time is such that important, innovative programs have very little chance for success."

Zumwalt explained that he felt Vietnam veterans "have not been well served by the people and . . . much improvement in their benefits is required, and I did not see any possibility of getting those changes made."

"We have during my tenure" as naval chief, said Zumwalt, "arrived at that position where the United States Navy, the odds are, is not able to perform its mission, which is the tougher mission—being able to control and use the seas—and where the odds are the Soviet navy can carry out its mission more, the easier mission of cutting sea lines of communication," he said.

Zumwalt said both Deputy Defense Secretary William P. Clements and the chairman of the Joint Chiefs of Staff, Adm. Thomas H. Moorer, agreed with him that "it is dangerous for the United States now to deploy its fleet in a bilateral confrontation with the Soviet Union in the eastern Mediterranean," because the odds are it would be defeated in any conventional war.

RETIREMENT OF ELMO R. ZUMWALT, JR., AS CHIEF OF NAVAL OPERATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. REGULA) is recognized for 10 minutes.

Mr. REGULA. Mr. Speaker, one of the most exciting periods in the history of the U.S. Navy ended Saturday when a man for whom I have the highest respect Adm. Elmo R. Zumwalt, Jr. stepped down as Chief of Naval Operations. I would like to bring to your attention at this time some of the highlights of the 4 years this brilliant, innovative, and often controversial man spent at the helm of our Nation's Navy.

Admiral Zumwalt has become known in most quarters as the "people" admiral, and so he should be. Somewhat less known is his enjoinder to the Naval Academy class of 1971 that:

> In meeting the needs of your people, the overriding demands of discipline must also be met.

True military discipline, he told the midshipmen is "the intelligent obedience of each for the effectiveness of all." The definition, he said, was not his own. Rather, it came from another great leader, native of Ohio, Chief of Naval Operations and recognized naval hero, Adm. Ernest J. King, who had spoken at Zumwalt's own commencement exercises 29 years before.

It seems to me as though Admiral Zumwalt's objective was to improve the conditions of service while strengthening standards and discipline. His philosophy was that America, a dynamic society, had historically accommodated change and that the Navy, a part of society, had frequently been in the forefront, especially in technological change. He felt that the Navy had fallen behind in the field of interpersonal relationships and minority representation and thus his efforts were directed toward those weaknesses. He was firmly convinced that the enhancement of awareness of minority concerns, the promotion of equal opportunity, the reduction of family separation, and the removal of unnecessary irritations would enhance the climate for good discipline, eliminate potential petty offenses, and free leaders for more constructive leadership.

Admiral Zumwalt was able to confirm for the benefit of all hands in the Navy that he was not willing to accept tokenism and lip service in support of race relations but that he desired and demanded a personal and enthusiastic commitment from everyone in the Navy. He emphasized that racial prejudice is a personal and private matter for an individual to deal with: Racial awareness is not.

By the time Admiral Zumwalt was sworn in as CNO, fewer than 10 percent of the young men and women volunteering for naval service were staying on for a second tour when their first hitch expired. The turbulence and cost of recruiting and training replacement personnel had reached a point which was simply unacceptable in terms of budgetary considerations and, more importantly, the basic effectiveness of America's fighting fleets.

Admiral Zumwalt was noted for a series of personnel actions, initiated largely through the vehicle of the NAVOP message or, as Navy Times named them, the "Z-Gram," aimed at improving the conditions of life in the Navy as one means of keeping good sailors in uniform. This was based on his conviction that people were the top priority and that the Navy leadership had best get on with making the Navy competitive.

Major efforts were devoted to reducing family separation. These included overseas homeporting of destroyers and carriers, increased shore billets for some job ratings, 30-day standdown periods following deployments overseas, air charter service for dependents, and an altered tempo of local operations to increase time at home.

Other changes were made to improve job satisfaction. These included establishment of rentention study groups and elimination of abrasive regulations where feasible, formulation of a Chief Petty Officer Advisory Board and Sailor of the Year program, meritorious advancement and accelerated promotions for demonstrated ability, institution of a personnel exchange program with allied navies, increased education opportunities and formalization of career counseling for all hands.

To keep abreast of these improvements Admiral Zumwalt opened channels of communication at all levels.

Just as hair length is not a measure of a man's capability, Admiral Zumwalt determined that age was not necessarily the major measure of a man's wisdom. In order to make room for bright, capable officers in the flag ranks, he formalized the continuation process for flag officers. This process involves the screening for each flag officer by an impartial board at an appropriate point in the officer's career to determine the desirability of his continuing on active duty. The process has been both successful and fair and had reduced the average age in the flag community to 51 years.

Combat effectiveness is measured in many ways. Admiral Zumwalt perceived at the outset of his tour that the U.S. naval edge inherent in its carrier air power and sea control forces was being neutralized and overtaken by Soviet advances in antiship missilery. He made a conscious decision to sacrifice that edge even further in the near term by retiring older ships in order to fund a modernization program designed to restore U.S. naval supremacy for the 1980's. It would have been far easier for him to have taken the safe, easy course of embracing today's security and let tomorrow's CNO worry about tomorrow's problem. He keenly felt the accountability of his position, and recognized that if he failed to take decisive action he would be painting tomorrow's CNO into a corner from which he might never escape.

Change is never popular. But we do not live in yesterday's world, nor can we. We live in today's world, and for tomorrow's. Change, responsible change, sometimes is essential to protect today's world and to preserve tomorrow's. So it was in 1970 when Admiral Zumwalt assumed his present command, and so it is today.

In assessing Admiral Zumwalt's impact on future combat effectiveness of the Navy, it is my estimation he has set an impressive record in new systems development:

He fought a long but successful battle for a fourth nuclear carrier.

He argued successfully for the Trident program.

He convinced critics of the need and brought the highly capable F–14 into the fleet.

He met the immediate need of bringing new ships armed with existing weapons into the fleet. The modern turbine-powered DD–963 is designed for future modernization as new weapons systems become operational.

The programs that Admiral Zumwalt has pressed forward over the past 4 years have been concentrated in striking a balance in the Navy by getting a large number of lesser capable, less expensive ships to complement the few highly capable expensive units in order to have the numbers vitally necessary to meet the wide range of commitments while retaining the capability to meet the increasing threat. Some of these include:

The sea control ship—small air capable platform to provide sea based air capability in the lower threat areas of the world permitting the small numbers of very expensive, highly capable aircraft carriers to devote their attention to the critical threat areas such as the North Atlantic, Mediterranean, and Northwest Pacific.

The patrol frigate—a gas turbine propelled missile ship with excellent area air defense weapons and two helicopters designed to operate in support of non-carrier task groups and convoys.

The NATO hydrofoil (PHM)—a small Harpoon missile equipped ship designed in coordination with NATO allies to provide an offensive punch in narrow seas like the Mediterranean.

On balance the Zumwalt years have been a turbulent period within the Navy. But the plus column stands out clearly:

Admiral Zumwalt charted a course to retain a Navy in a fiscally constrained world.

He perceived that numbers of weapons platforms were the greatest need and set a course for a modern fleet of single screw nuclear attack and ballistic missile submarines.

He moved the Navy into the cruise missile arena to counter a growing Soviet threat.

He articulated the need to speed up weapons acquisition programs.

He caused the Navy to take a careful look at itself and examine and correct its weaknesses in the area of human resource management, equal opportunity, drug abuse, and career motivation.

He instituted many changes which made shipboard life more acceptable. These changes, which included the improvement of general living conditions, improved sea-shore rotation, and increased opportunity for women, all led to an increase in retention from 10 percent in 1970 to 23 percent in 1973. In fact the first woman trained in the naval aviation program was Judy Neuffer of Wooster, Ohio, in the 16th District.

He successfully reordered the priority of naval missions making "control of the seas" the primary general purpose mission for the first time since World War II.

He developed an unequaled method of communicating with all the Navy. With Project Sixty he gave his assessment of the Navy when he took command. In 1971 he initiated the CNO Policy and Planning Guidance which annually expressed his goals and objectives for the Navy. The CNO program analysis memoranda analyzed each mission area and displayed alternative ways his goals and objectives could be reached. These, along with the Z–grams, allowed every person in the Navy to know the policies of the CNO himself in a fashion unmatched by any of his predecessors.

Finally, he caused leaders to recognize that the Navy cannot prevail in the world of tomorrow without a balanced force of a few high capability weapons systems and a much larger number of lower capability and less expensive platforms.

We all owe a debt of gratitude to the vision of this leader. As the United States faces a continuing problem of resource shortages, the Navy's role in keeping the sealanes open will become increasingly important to our Nation's future. Admiral Zumwalt has chartered a course for the Navy that will provide the tools for it to fulfill this critical mission. His dedication and professionalism have been in the highest traditions of the armed services and service to his country.

AN EXPANDED FUNDING PROGRAM TO "SAVE OUTDOOR AMERICA"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 15 minutes.

Mr. STEELMAN. Mr. Speaker, along with 19 cosponsors, I am today introducing H.R. 15740, a bill to establish a "Save Outdoor America" program. This bill will provide significantly expanded funding for the existing land and water conservation fund, which is used to purchase lands for parks, open space, and outdoor recreation purposes at Federal, State, and local levels, and to provide for some development. This bill will raise the existing appropriation authorization ceiling over three-fold—from the current $300,000,000 to $1 billion annually, without requiring new funds from general revenues.

On May 23, I introduced a similar bill, H.R. 14999. That bill forms the backbone of the bill I am introducing today.

Mr. Speaker, we are continuing to face a real crisis in protecting our rapidly diminishing natural landscapes and outdoor recreation open space. The pressure of expanding population, accompanied by the proliferating impact of technology on the land, is rapidly overwhelming our natural landscape and leaving little behind that does not reflect the heavy imprint of man's works. It has been said so repetitively that it is almost trite, but it is also true, that what we are to have must be saved now, for the longer we hesitate, the more we lose irretrievably. Once a resource is lost to another use, that resource is usually unreclaimable from both the standpoints of cost and the ability to physically reinstate it to the original form.

It is not only the superlative and unique resources which are continually threatened, but so are the more ordinary resources—which suddenly become unique in a relative sense solely due to the complete transformation of the environment around them, leaving them as precious islands of open space merely representative of the great natural landscape that once was.

We are all aware of these threatened areas. They are currently represented by such names as the Big Thicket, the Cuyahoga Valley, the Santa Monica Mountains, the Indiana Dunes, and the Big Cypress. They often take the form of small remnant wildernesses in the East, and of yet-wild and scenic rivers scattered across the Nation. The needs for saving a few remaining natural open spaces near to and throughout expanding suburbia across the country is of pressing urgency. There is hardly a community in America that does not know this problem well from experiences and concerns close at hand. They need not look beyond the county line to find a real need.

It is important to point out that by existing law, the bulk of the money now available to the land and water conservation fund comes from revenues from the sale of oil resources on the Outer Continental Shelf. The Save Outdoor

America legislation will continue this practice with the expansion of the fund ceiling. The argument has been persuasively made that money obtained from the sale of public resources on the Outer Continental Shelf should properly, at least in part, be reinvested in some other form of direct public benefit, such as the purchase of resources in the form of outdoor recreation space for the benefit of all Americans. Revenues coming from Outer Continental Shelf sales are now rising into the billions of dollars annually, and are projected to approach $8 billion annually this fiscal year and probably continue at that level for some time. Earmarking only one-eighth or less of this annual income for saving outdoor recreation space across the country does not seem to be an extravagant thought.

Mr. Speaker, the Save Outdoor America program, if fully carried through to final fund expenditure, would help solve this problem of saving America's natural heritage, in a way heretofore unprecedented in this country. The backlog of congressionally authorized, but as yet unacquired outdoor recreation lands in our national parks, forest, wilderness, refuges, and wild and scenic rivers areas approaches nearly $2 billion. Coupling with this the lands which the Congress is now considering as meritorious additions, and those which will continue to be proposed within the next several years, the figure reaches well in excess of the $2 billion mark.

The funding provided by this legislation would be sufficient to wipe out this decades-old backlog of Federal acquisitions and also provide funds for the prompt purchase of areas currently being considered for addition to the Federal land managing systems—within a time frame of 7 years. This complete elimination of the Federal acquisition backlog within this period is a specific goal of this legislation. This kind of time frame will also alleviate the longstanding problem of landowners not getting paid for years beyond the time their lands are incorporated within authorized boundaries of established Federal areas, and money to pay for other authorized new Federal acquisitions should be available promptly.

As provided by existing law, 60 percent of the total fund is distributed to the States and local governments for use in their outdoor recreation land acquisition and development programs. This legislation continues that procedure, and augments the States benefits for a period of 7 years, in the form of increasing the Federal share of the matching grant from the current 50 Federal/50 State match. The Save Outdoor America bill changes the match ratio for 7 years to a match of 70 Federal/30 State for land acquisition, 60 Federal/40 State for development, and retains the current 50/50 match for planning. At the end of this 7-year period, the match ratio reverts to the present 50/50 ratio for all functions.

Mr. Speaker, the reason for this change is to provide a short-term added catalyst to the States to move with full force and commitment into the outdoor recreation program at the State and local level. As on the Federal level, if lands are to be saved, the quicker the better, in the interests of keeping costs down and assuring obtaining them at all, as they continue to be consumed for other uses. As with the Federal Government, State outdoor recreation programs must fight the battle of priorities with other programs competing for too few dollars. This type of match ratio for a relatively short period of time should make the outdoor recreation program appear very attractive to State governments in priority setting. If they ever plan to move forward in this field, they will not likely hope to find a more attractive atmosphere for so doing than is provided by this approach. Though through this measure the funding is coming in great part from Federal sources for State benefit, it still remains that it is basically the public's resources on the Outer Continental Shelf which are being converted to another public benefit in the form of providing increased outdoor open space, irrespective of the governmental mechanisms by which it occurs.

Mr. Speaker, aside from the direct funding benefits provided by this bill, one other key feature is the reference to this greatly increased funding thrust as the Save Outdoor America program. This new name does not replace the name of the land and water conservation fund, but rather merely augments it by providing a new and shortened phrase to identify the expanded funding thrust provided by this legislation. This bill also provides that temporary signing shall be placed on the site of newly acquired and developed lands purchased through this funding program, identifying the action as a product of the Save Outdoor America program of the land and water conservation fund. The entire effort here is to significantly increase the visibility of the entire funding effort by introducing a shorter and more descriptive action title to aid in heightening and sustaining the visibility of the program across the land.

Mr. Speaker, it is one thing to establish a program, and it can often be quite another to keep it going. I believe this bill combines the ingredients of success to accomplish both. The Save Outdoor America bill provides sufficient funding to do the job which is needed, and it provides the mechanism through match ratio incentives and through efforts to heighten public awareness and support, to give the program the momentum and visibility needed to carry it through.

This bill represents legislation which will bestow great and lasting tangible benefits for people across the Nation, if fully implemented, and it can bring forth positive results in the very near future. Outdoor recreation space will never be cheaper later than it is now. Moreover, it will never be more easily available than it is today, prior to its being subjected to impairments or total loss from other uses. The Save Outdoor America legislation provides significantly added momentum to assure that selected parts of our Nation will be preserved for the benefit and enjoyment of present and future generations. But we must act soon and positively, and with a strong commitment of both funds and visibility to assure a sustained effort.

Following is the text of the bill:

H.R. —

A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish a "Save Outdoor America" program, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Save Outdoor America Act of 1974".

SEC. 2. In recognition of the urgent need to more rapidly facilitate the preservation of fast disappearing natural landscapes and open space, and to assist the careful development of certain areas for the benefit and enjoyment of present and future generations, there is hereby established an expanded funding program of the Land and Water Conservation Fund to "Save Outdoor America".

SEC. 3. The Land and Water Conservation Fund Act (78 Stat. 897), as amended (16 U.S.C. 4601–4601–22), is further amended as follows:

(a) In Section 1(b), add the following at the end of the paragraph: "In order to provide added impetus to the achievement of these purposes, there is inaugurated, beginning with fiscal year 1976, an accelerated funding thrust referred to as the 'Save Outdoor America' program."

(b) In Section 2(c)(1), strike "$200,000,000" and the remainder of that sentence and insert in lieu "$300,000,000 for fiscal year 1975 and $1,000,000,000 for each fiscal year thereafter through June 30, 1989."

(c) In Section 2(c)(2), strike "$200,000,000 or $300,000,000" and insert in lieu "$300,000,000 or $1,000,000,000".

(d) In Section 6(c), at the end of the first sentence strike "State." and insert in lieu "State: *Provided however,* that for each fiscal year during the period July 1, 1975 through June 30, 1982, payments to any State shall cover not less than 50 per centum of the cost of planning, 60 per centum of the cost of development, and 70 per centum of the cost of acquisition projects which are undertaken by the State. Beginning July 1, 1982, the aforementioned per centum payments shall change to not more than 50 per centum for all functions."

(e) In Section 8, strike "purposes." and insert in lieu the following: "purposes: *Provided however,* that in each case where significant acquisition or development is initiated on either the State or Federal side of the Fund, appropriate standardized temporary signing shall be located on or near the affected site, to the extent feasible and practical, so as to indicate the action taken is a product of funding made available through the Save Outdoor America program of the Land and Water Conservation Fund Act. Such signing shall indicate the per centum and dollar amounts financed by Federal and non-Federal funds. The Secretary shall prescribe standards and guidelines for the usage of such signing to assure consistency of design and application."

SECTION-BY-SECTION ANALYSES

Section 1: Provides that the Act may be cited as the "Save Outdoor America Act of 1974".

Section 2: States that the purpose of the Act is to establish an expanded funding program of the Land and Water Conservation Fund in recognition of the urgent need to more rapidly facilitate the preservation of fast disappearing natural landscapes and open space and to assist the careful development of certain areas, for the benefit and enjoyment of future generations.

Section 3: Provides for various amendments to the Land and Water Conservation Fund Act, as follows:

(a) Adds to the existing purposes in a supplementary fashion in order to specifically cite the inauguration of the expanded funding thrust resulting from the new Save Outdoor America program which begins with fiscal year 1976.

(b) Changes the authorized appropriation ceiling of the Fund from the current annual $,300,000,000 to $1,000,000,000, beginning with fiscal year 1976.

(c) Changes the current law in accordance with the figures mentioned in (b) above. This is the subsection of the current law which authorizes the use of revenue from the Outer Continental Shelf.

(d) Provides, for a period of seven years, a change in the current grant-in-aid match ratio for state participation. The current 50 Federal/50 State match for all functions is changed to 70 Federal/30 State for land acquisition, 60 Federal/40 State for development, and leaves the planning match as is at 50 Federal/50 State.

(e) Makes one exception to the current law (which provides that no funds from Section 2 of the basic Act may be used for publicity purposes) and thereby provides that under certain conditions, temporary signing will be located on or near the site of significant land acquisitions and developments. Such signing is to reflect the per centum and dollar amounts financed by Federal and non-Federal funds, and is to indicate that the activity is a product of the Save Outdoor America program of the Land and Water Conservation Fund.

SENATOR BUCKLEY PAYS TRIBUTE TO PATROLMAN GEORGE A. FREES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GROVER), is recognized for 10 minutes.

Mr. GROVER. Mr. Speaker, several weeks ago the Honorable JAMES L. BUCKLEY visited my district to honor our men in blue generally and Patrolman George A. Frees, deceased, and other police heroes in particular for their contributions to a lawful society.

I believe Senator BUCKLEY's remarks have meaning for all of us, and I am proud to present them in the RECORD:

REMARKS DELIVERED BY U.S. SENATOR
JAMES L. BUCKLEY

I want to take this opportunity to thank you all for the chance to be with you tonight and to join in paying tribute to the memory of a brave man.

We know that Patrolman George Frees was "killed in the line of duty." I think tonight we should remind ourselves precisely of what that word "duty" represents. For policemen it represents a fervent commitment to public service, a realization that society cannot long endure without the willingness to defend it, and an absolute conviction that the rule of law is sacred. This is what duty meant to Patrolman Frees. This is why the phrase "killed in the line of duty" is so noble an epitaph.

In recent years there has been so much written and said about the debt we owe to our police that I hesitate to add any more. Yet there was a time, not long ago, when many respectable public figures in the United States were ridiculing the call for law and order.

We were told that such a call was a "codeword" for disreputable attitudes. We do not hear those charges made today because practically everyone now admits that there is a problem of law enforcement. But through it all, through criticism and abuse and the scorn of the intellectual elite, the man who walked the beat, the one who answered the dangerous call, never wavered. It is said that each age, each generation gets the heroes it deserves. We have been more fortunate. Our heroes—the uniformed patrolmen—have been much more than our age deserves.

This was brought home to me recently by an article that appeared in the *FBI Law Enforcement Bulletin*. It was written by Dr. George L. Kirkham, assistant professor of the School of Criminology, at Florida State University. Dr. Kirkham decided that although he knew quite a bit about law enforcement from an academic viewpoint, he really didn't know what it was like to be a policeman in the line of duty. So this professor, to his eternal credit, actually became a policeman.

He learned, in the streets of the city, that his sheltered academic views of a policeman's work simply had no relation to the harsh reality a policeman has to face every day. He learned from first-hand experience, and I quote:

"Whatever the risk to himself, every police officer understands that his ability to back up the lawful authority which he represents is the only thing which stands between civilization and the jungle of lawlessness . . ."

He went on to write:

"As a police officer myself, I found that society demands too much of its policemen: not only are they expected to enforce the law, but to be curbside psychiatrists, marriage counselors, social workers, and even ministers and doctors. I found that a good street officer combines in his daily work splinters of each of these complex professions and many more.

"Certainly it is unreasonable for us to ask so much of the men in blue; yet we must, for there is simply no one else to whom we can turn for help in the kind of crises and problems policemen deal with. No one else wants to counsel a family with problems at 3 a.m. on Sunday; no one else wants to enter a darkened building after a burglary; no one else wants to confront a robber or madman with a gun. No one else wants to stare poverty, mental illness and human tragedy in the face day after day, to pick up the pieces of shattered lives . . ."

This is what the line of duty means to every policeman. That is what it meant to George Frees. That is what we pay tribute to tonight.

There is one other aspect of this gathering I would like to speak of. There is something uniquely and refreshingly American about the fund that has been created by the people of Suffolk County in memory of Patrolman Frees. In perhaps no other nation in the world is there a stronger tradition of voluntary, free association for humanitarian and educational purposes. This point was brought home to me some months ago. I saw on television the Russian gymnast team then touring the United States. One of the Russian gymnasts was being interviewed by an American newsman through an official Russian interpreter. The newsman asked, "Do you belong to any private gymnastic groups in your country?" Before the gymnast could answer, the Russian interpreter snapped, "There are no private organizations in the Soviet Union." Think of that for a moment. A nation of 250 million human beings and not a single private, voluntary institution of any kind.

So tonight we honor not only a man, not only a proud profession, but a basically American way of doing things. I think it is important to remember that, because from time to time we tend to forget that it is not the state or the national government, but each one of us who is charged with the sacred duty of being his brother's keeper in time of need.

What you have accomplished here represents far more than the setting up of an educational fund, praiseworthy as that is. The voluntary means by which you set it up is as important as the laudable end for which it was created. What this fund gives is not only tuition for education, but something more important: It gives testimony to the neighborly spirit and deep bond of friendship and love that can come only when people freely join together to accomplish a worthy purpose.

Thus, all of you who have helped to create and sustain the George A. Frees memorial fund also are, in a sense, acting in the line of duty. This duty is the one we all have as American citizens, as neighbors, as inheritors of a great tradition, to voluntarily and generously support worthwhile causes. The people of Suffolk County can be proud of the fact that this organization is the first of its kind in the country. And they can take even more pride from the fact thal all this was done, in the words of Lincoln, of the people, for the people and by the people of this community. Not by big government. Not by big brother. Not by the cold, clammy hand of State charity, but the warm, human love of neighbors and friends.

There are pessimists and doomsayers both in and out of Washington who say that our country is in trouble, that we have lost what has been described as the "first, fine careless rapture" that made our country great. If I hear any of this talk from now on, I'll simply say: Go to Suffolk County. Go to the people who have made the George A. Frees memorial fund such a success. Go there and you will find out, as I did, that the spirit of our Nation is alive and well. For this, and for so much else, I want to thank you all.

ALASKA NATIVE CLAIMS SETTLEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, today I introduced a bill in the House that would give over 800 Alaska Natives, who missed last year's deadline, another chance to enroll for benefits under the terms of the Alaska Native Claims Setleman Act.

The bill was introduced as a companion to a bill introduced by U.S. Senator TED STEVENS on May 22, 1974.

The bill would require Secretary of the Interior, Rogers C. B. Morton, to reopen the Native rolls, extending the deadline for enrollment from March 30, 1973, to June 30, 1974. The Secretary would also review all applications received before the new deadline.

In December 1973, Morton certified 75,853 Natives for benefits under the act and rejected about 8,000 others as ineligible. This left another 828 Natives who did not enroll by the March 30, 1973, deadline, in a state of limbo and Morton announced that they would not qualify for the act's benefits.

The original deadline set in the act was merely a technicality. The only fair and just thing to do is insure that all Alaska Natives share in the benefits of the land claims settlement. By declaring that certain Natives are ineligible because they missed the deadline, Secretary Morton is in essence denying them the same rights and privileges that the Natives who filed before the deadline will share.

The issue here is not whether or not our Natives met the deadline, but whether or not they have legitimate claims to the act's benefits as Alaska Natives. The Alaska Native Claims Settlement Act is the first act of its kind in the United States. As such, it will undoubtedly be used as a guideline for settlements between other States and their Natives. Because of this, it becomes vitally important the act be implemented as fairly and equitably as possible.

Simply put, this bill would apply only to those Natives who would have otherwise been eligible under the land claims act, but simply missed the enrollment deadline.

It appears that the Senate will act on the bill in early September. I am hopeful that the House will favorably report out the bill by the same time.

A text of the bill follows:

H.R. —

A bill for enrollment of certain Natives under the Alaska Native Claims Settlement Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

The Secretary of the Interior is authorized to review those applications submitted on or before June 30, 1974, by applicants who failed to meet the March 30, 1973, deadline for enrollment established by Sec. 5(a) of Public Law 92-203, the "Alaska Native Claims Settlement Act," and to enroll those Natives under the provisions of said Act who would have been qualified if the March 30, 1973, deadline had been met.

SEC. 2(a). Upon completion of the study required pursuant to section 2(c) of the Alaska Native Claims Settlement Act (85 Stat. 688) (hereinafter referred to as the "Settlement Act"), the Secretary of the Interior (hereinafter referred to as the "Secretary") shall submit such study to each of the Alaska Native Regional Corporations established under that Act and to the State of Alaska. Each such Corporation and the State of Alaska may review such study and submit its comments to the Secretary prior to June 30, 1975. The study, together with the comments and any response the Secretary may wish to make to such comments, shall be submitted anew to the Congress on or before July 30, 1976.

(b) The Secretary is authorized and directed to make a study of (i) any changes in Alaska Native life style, health status and needs, income distribution and holdings, economic pursuits, housing, means and patterns of transportation, modes of communication, and social and cultural patterns which may result from the implementation of the Settlement Act, and (ii) all federal programs designed to benefit Alaska Native people. The study shall include recommendations of the Secretary for the future management and operation of these federal programs and any other federal programs which may be required to serve the Alaska Native community during the remaining period of, and after, the implementation of the Settlement Act.

(c) In making the study required by subsection (b), the Secretary shall give full consideration to the study made pursuant to section 2(c) of Settlement Act and to the comments thereon by Alaska Native Regional Corporations and the State of Alaska pursuant to subsection (a) of this section.

(d) The Secretary shall provide the opportunity for participation of Alaska Natives and the State of Alaska in the conduct of the study required by subsection (b).

(e) The study required by subsection (b) shall be submitted to the Congress on June 30, 1977.

(f) There are hereby authorized to be appropriated to the Secretary such sums as are necessary to conduct the study required by subsection (b).

WILLIAM HOLMES BROWN, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, I join my colleagues in congratulating William Holmes Brown, Jr., on his ascension to the post of House Parliamentarian. I consider Bill Brown a good friend, and I am delighted that he will be serving in this new position.

Bill Brown brings to his new job a strong education and a firm foundation of experience. He is a graduate of Swarthmore College and the University of Chicago Law School and served in the Navy. He has performed his duties as Assistant Parliamentarian with diligence and skill for some 16 years.

Bill Brown is always available to advise Members of Congress on the intricacies of parliamentary procedure. This accessibility is matched by his intelligence, candor, and integrity.

Bill and his lovely wife and my constituent, Jean, the former Jean Elizabeth Smith of Mobile, make their home near Leesburg, Va., on a magnificent Brown estate which dates back to 1739, an original Lord Fairfax grant.

Mr. Speaker, I salute Bill Brown on his appointment, and I wish him well in what I hope will be many years of service to the U.S. House of Representatives.

TURKEY RESUMES POPPY GROWING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, today's decision by the Turkish Government to lift its ban on the cultivation of the opium poppy is a severe blow to our Nation's efforts and to the world's efforts to eradicate drug addiction.

There is no apparent reason or rationale to Turkey's decision that opium poppy cultivation will be authorized in six of their provinces. Poppy cultivation accounts for only a minute percentage of the gross national product of Turkey, and because of U.S. assistance to Turkey's poppy farmers, no severe economic losses have been suffered by the Turkish Government or its people as a result of the ban on poppy growing.

Further, the relationship between Turkish poppy cultivation and American heroin addiction has been convincingly demonstrated. U.S. narcotic officials have said that the Turkish crop was the source of 80 percent of all heroin entering the United States illegally. Since the ban was instituted, we have witnessed a sharp decrease in the incidence of heroin addiction here in the United States. It has been estimated that the resumption of Turkey's production of opium may result in a rapid increase in domestic heroin addicts with possibly 250,000 persons turning to heroin. This is an outrageous price to pay for the meager economic benefits Turkey will reap from growing the poppy.

The United States has handsomely compensated Turkey for its ban on poppy growing. We have willingly borne this fiscal burden because of the monumental benefits derived from having the Turks stop all production of opium. Our Nation is engaged in an allout war against heroin addiction, and the Turkish opium ban was a major victory in that war.

Now we are in danger of having that victory, and all of its resulting benefits, undone because of the shortsighted decision announced today by the Turks.

The time has come for the United States to make clear to the world that the lives of our youth are a matter of paramount concern, transcending any question of amicable relations among nations. By restoring cultivation of the poppy, the Turks have struck a deadly blow at countless thousands of our young people—a blow that will result in ruined lives, wasted potential, bleak futures, and even death for many of them.

For what? What tangible economic benefits will the Turks derive from this action?

Mr. Speaker, the United States has formidable weapons at its disposal in making its displeasure known to the Turks. I have recently joined in sponsoring a resolution offered by Mr. WOLFF, in which more than a majority of this House called for action cutting off economic aid to Turkey in the event that the poppy growing ban was lifted.

The United States should not give financial assistance to any nation which permits the poison of drug addiction to flow from its territory. The United States cannot, in good conscience, continue to aid and finance a government that has shown such a callous disregard for the lives and well-being of thousands of Americans.

Mr. Speaker, I urge all of my colleagues to support House Concurrent Resolution 507, and to act decisively and quickly to cut off all financial assistance to the Government of Turkey.

NATIONAL COMMISSION ON THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 10 minutes.

Mr. ROSENTHAL. Mr. Speaker, together with 43 of my colleagues, I am today introducing legislation that would create a temporary National Commission on the Economy.

One does not have to be an economist to know that the economy is in deep trouble or that normal institutional responses to our economic malaise, are no longer adequate. The most eminent economist in Washington, Dr. Arthur Burns of the Federal Reserve Board, recently warned that:

> The gravity of our current inflationary problems can hardly be overestimated. I do not believe I exaggerate in saying that the ultimate consequence of inflation could well be a significant decline of economic and political freedom for the American people.

Mr. Speaker, Americans are confronted today with an unprecedented combination of negative economic conditions: simultaneously we have the worst inflation in 23 years, the sharpest drop in

gross national product in 16 years and a deteriorating unemployment picture. Unfortunately, traditional economic theories and normal governmental responses have failed to lift us out of our worsening economic decline.

I am beginning to believe that a fundamental review of our economic policies is now overdue. The fact that wholesale prices continue to surge despite the third straight monthly decline in food prices and a relatively stable fuel price situation, indicate that we are entering a particularly dangerous phase of the inflationary process. Moreover, fast moving economic changes throughout the world—such as the joining of nations into economic blocks and the dramatic rise in international trade—demand that we convene a kind of economic summit so that our best economic thinkers can join together in devising new and innovative policies that will put America back on the road to economic success.

There is ample precedent for the establishment of high-level or "blue ribbon" panels to tackle great national problems not solvable through normal institutional arrangements. The Hoover Commission on government organization, the National Advisory Commission on Civil Disorders and the Warren Commission are all examples of extraordinary responses by Government to momentous national problems.

Mr. Speaker, there are many individuals, myself included, who are skeptical of the usefulness of "commissions". In this particular instance, however, I believe there is a genuine need for a *de novo* examination, by the Nation's leading economists, of our economic ills. I have also attempted to create a commission that will be responsive primarily to the legislation branch of government. All too often, we have seen reports and recommendations from study commissions end up in the wastepaper basket of a Presidential assistant. That must not be allowed to happen in this case.

I would also like to point out that in a May 6, 1974, speech before the annual meeting of the Society of American Business Writers, the president of the Bank of America, A. W. Clausen, endorsed the concept of a national commission on the economy as the only way to deal with our staggering economic problems. Mr. Clausen said:

> I have a suggestion that may be worth considering. Back at the turn of the century, in the wake of the financial panic of 1907, the business, financial, and political communities became acutely aware that we needed a new banking system. They recognized that neither Congress nor the Executive Branch had the strength and expertise to construct such a system and make it palatable to the prevailing interests.
>
> So Congress created the National Monetary Commission. Although it was a Congressional body . . . the Commission drew heavily on outside leaders and experts. The Aldrich Commission, as it came to be called, gave us the Federal Reserve Act of 1913. As I think you'll agree, it worked. . . .
>
> I know that the federal government today is bottom-heavy with special boards and commissions. They are appointed with fanfare, and then they lapse into limbo. Their reports are more often ignored than not.
>
> Yet I can think of no better way to mobilize the leadership of government, business, labor, consumers, the financial community, and other interests than to bring them together in a sort of supra-government council—a summit commission representing all the interests that would have to agree in order to put a new economic policy into effect.
>
> So I propose a new National Economic Commission, to be composed of the national leadership, broadly conceived. It would be unique both in its membership and the power it represented and also in that it would build on the work of the many previous commissions which produced exhaustive studies—which have rarely received the attention they deserved—studies on such subjects as national priorities, money and credit, financial institutions, productivity, and many others.
>
> . . . I think it would work, I don't see anything else on the horizon that has a chance. Frankly—and I hesitate to say this—I doubt the capacity of government, even when the President and the majority in Congress are of the same party, to deal effectively with fundamental economic problems without the sort of effort I've proposed.

We have reached a critical juncture. We must either stop inflation or reconcile ourselves to living with it and with its consequences, which include the ever-present threat of a serious recession.

Mr. Speaker, I am inserting at this point, a list of the cosponsors of the legislation together with a copy of the bill itself:

List of Cosponsors

Mrs. Bella S. Abzug (D-N.Y.), Mr. Joseph P. Addabbo (D-N.Y.), Mr. Thomas L. Ashley (D-Ohio), Mr. Herman Badillo (D-N.Y.), Mr. Jonathan B. Bingham (D-N.Y.), Mr. Edward P. Boland (D-Mass.), Mr. Charles J. Carney (D-Ohio), Mrs. Cardiss Collins (D-Ill.), Mr. John Conyers, Jr. (D-Mich.), and Mr. Dominick V. Daniels (D-N.J.).

Mr. Harold D. Donohue (D-Mass.), Mr. Robert F. Drinan (D-Mass.), Mr. Thaddeus J. Dulski (D-N.Y.), Mr. Don Edwards (D-Calif.), Mr. Joshua Eilberg (D-Pa.), Mr. Donald M. Fraser (D-Minn.), Mr. Benjamin A. Gilman (R-N.Y.), Mr. Kenneth J. Gray (D-Ill.), Mr. Gilbert Gude (R-Md.), Mr. Michael Harrington (D-Mass.), and Mr. Henry Helstoski (D-N.J.).

Mr. Floyd V. Hicks, (D-Wash.), Mrs. Elizabeth Holtzman (D-N.Y.), Mr. James J. Howard (D-N.J.), Mr. Robert W. Kastenmeier (D-Wis.), Mr. Edward I. Koch (D-N.Y.), Mr. Ray J. Madden (D-Ind.), Mr. Lloyd Meeds (D-Wash), Mr. Ralph H. Metcalfe (D-Ill.), Mr. Donald J. Mitchell (R-N.Y.), Mr. Joe Moakley (D-Mass.), and Mr. Claude Pepper (D-Fla.).

Mr. Bertram L. Podell (D-N.Y.), Mr. Charles B. Rangel (D-N.Y.), Mr. Thomas M. Rees (D-Calif.), Mr. Peter W. Rodino, Jr. (D-N.J.), Mr. Robert A. Roe (D-N.J.), Mr. Philip E. Ruppe (R-Mich.), Mr. B. F. Sisk (D-Calif.), Mr. Robert O. Tiernan (D-R.I.), Mr. Lester L. Wolff (D-N.Y.), Mr. Antonio Borja Won Pat (D-Guam), and Mr. Gus Yatron (D-Pa.).

H.R. 15737

A bill to establish a temporary commission to study problems relating to the Nation's economy and to make recommendations for solving such problems

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Commission on the Economy Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the Nation's economy has slumped to an extent that threatens the economic interests of consumers, workers, and producers;

(2) the current efforts of the Federal Government to improve economic conditions are ineffective; and

(3) in a world of fast-changing economic conditions, new directions must be explored and new institutional arrangements established to meet the economic challenges of the future.

(b) It is the purpose of this Act to establish a temporary commission which will—

(1) identify and evaluate those factors which contribute to our current economic problems;

(2) study the impact of policies and practices of the Federal Government on economic conditions in the United States; and

(3) recommend to the Federal Government and to the private sector specific actions and policies which will produce a vigorous national economy.

ESTABLISHMENT OF THE COMMISSION

SEC. 3. There is established a commission to be known as the National Commission on the Economy (hereafter in this Act referred to as the "Commission").

DUTIES OF THE COMMISSION

SEC. 4. (a) (1) The Commission shall conduct a comprehensive study to determine—

(A) the causes of—

(i) price instability;

(ii) erosion of consumer purchasing power;

(iii) the high rate of unemployment and serious problems of underemployment;

(iv) severe inflationary pressures;

(v) shortages in certain essential commodities, raw materials, and finished products;

(vi) problems relating to productivity; and

(vii) such other economic problems as the Commission determines to have a significant impact on consumers;

(B) the effectiveness of existing organizational and institutional arrangements in the Federal Government for establishing sound economic policies;

(C) the impact on the economy of the major regulatory agencies of the Federal Government;

(D) the adequacy of the data collection practices of the Federal Government as they relate to the formulation of economic policy; and

(E) the impact on the economy of the fiscal and monetary policies of the Federal Government.

(2) In determining the causes of the current economic problems listed in subparagraph (A) of paragraph (1), the Commission shall consider specifically the impact of—

(A) industrial concentration and other forms of centralized private economic control over the sources of production and distribution of goods, services, and capital;

(B) international economic conditions and, in particular, such international developments as the formation of multinational economic communities, the expansion of international trade, and the increasing significance of the monetary and fiscal policies of foreign governments;

(C) the activities of major multinational business firms;

(D) the policies and programs of the Federal Government relating to the matters listed in subparagraphs (A), (B), and (C) of this paragraph;

(E) direct and indirect Federal assistance to industry, including—

(i) tax benefits; and

(ii) patent and similar rights to exercise exclusive control over new technology, know-how, and other information, particularly such rights over new technology, know-how, or other information developed in federally-sponsored or federally-related research activities;

(F) the relationship between (i) the costs of producing various essential products and services, and (ii) the costs to consumers of acquiring those products and services; and

(G) the advertising practices of large corporations.

(b) Based on the findings and conclusions of the study conducted pursuant to subsection (a) of this section, the Commission shall formulate specific recommendations for such—

(1) Federal legislation;

(2) Federal executive and administrative action; and

(3) action by the private sector;

as the Commission deems appropriate for solving existing economic problems and for preventing such economic problems in the future.

MEMBERSHIP OF THE COMMISSION

SEC. 5. (a)(1) The Commission shall be composed of fourteen members appointed in the following manner:

(A) The President shall appoint four members, two of whom shall be officers or employees of the executive branch of the Federal Government and two of whom shall be qualified private citizens.

(B) The Majority Leader of the Senate shall appoint five members, two of whom shall be members of the Senate and three of whom shall be qualified private citizens.

(C) The Speaker of the House of Representatives shall appoint five members, two of whom shall be members of the House of Representatives and three of whom shall be qualified citizens.

(2) For purposes of this subsection, a "qualified private citizen" means any individual who—

(1) is not a Member of Congress or an officer or employee of the Federal Government; and

(2) is especially qualified by virtue of education, training, experience, and atttainments to serve as a member of the Commission.

(b) If a member of the Commission resigns, dies, or otherwise vacates his position, a successor shall be appointed in the same manner and subject to the same requirements as such member was appointed.

(c)(1) Except as provided in paragraph (2), members of the Commission shall receive compensation at the rate of $100 per day for each day that they are engaged in the performance of their duties as members of the Commission.

(2) Members who are Members of the Senate or of the House of Representatives or who are officers or employees of the executive branch of the Federal Government shall receive no additional compensation on account of their service on the Commission.

(d) All members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in performing their duties as members of the Commission.

ADMINISTRATION OF THE COMMISSION

SEC. 6. (a) The members of the Commission shall elect one member of the Commission as Chairman and one member as Vice Chairman.

(b)(1) Except as provided in paragraph (2) of this subsection, eight members of the Commission shall constitute a quorum for the purpose of conducting Commission business.

(2) For purposes of conducting hearings, 2 members of the Commission shall constitute a quorum.

(c) The Commission may appoint and fix the compensation of such staff personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 57 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(d) The Commission may procure temporary or intermittent services of experts and consultants to the same extent as is authorized for the departments by section 3109 of title 5, United States Code, but at rates not to exceed $75 per day for individuals.

(e) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) may be provided to the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services; except that the regulations of the General Services Administration for the collection of indebtedness of personnel resulting from erroneous payments (5 U.S.C. 46d) shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of the Administrator for the administrative control of funds (31 U.S.C. 665(g)) shall apply to appropriations of the Commission and that the Commission shall not be required to prescribe such regulations.

POWERS OF THE COMMISSION

SEC. 7. (a) The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems necessary.

(b) The Commission may secure directly from any executive department, agency, or other instrumentality of the Federal Government, such information, suggestions, estimates, and statistics as the Commission deems necessary; and each such department, agency, or other instrumentality shall, to the extent permitted by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

(c) The Commission may negotiate and enter into contracts with private business and nonprofit research organizations, including educational institutions, to conduct such studies and to prepare such reports as the Commission deems necessary.

(d)(1) The Commission, or any of its members authorized by the Commission to act in behalf of the Commission, may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. The Commission, or any members, employees, or other agents of the Commission designated by the Commission for such purpose, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) Subpenas issued by the Commission, or by an authorized member of the Commission, may be served either upon the witness in person or by registered mail or by telegraph or by leaving a copy thereof at the residence or principal office or place of business of the person required to be served. The verified return by the individual so serving the same, setting forth the manner of such service, shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same.

(3) If a person issued a subpena under the first paragraph of this subsection refuses to obey such subpena or its guilty of contumacy, any court of the United States within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business may (upon application of the Commission) order such person to appear before the Commission, its members, employees, or agents, there to produce evidence or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process of any court to which application may be made under this subsection may be served in the judicial district wherein the person required to be served resides or may be found.

(e) Witnesses summoned before the Commission, its members, employees, or agents, shall be paid the same fees and mileage that are paid witnesses in courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

REPORTS OF THE COMMISSION

SEC. 8. The Commission shall submit to the President and to the Congress the following reports:

(1) A progress report, to be submitted one year after the date of the enactment of the first Act appropriating funds for the Commission, containing—

(A) an account of the activities of the Commission during the preceding year; and

(B) a statement of any specific problems encountered by the Commission in carrying out its responsibilities under this Act which could be solved by Federal executive, administrative, or legislative action.

(2) A final report, to be submitted not later than two years after the date of the enactment of the first Act appropriating funds for the Commission, containing—

(A) a detailed statement of the findings and conclusions of the Commission; and

(B) the recommendations of the Commission formulated pursuant to section 4(b) of this Act.

TERMINATION OF THE COMMISSION

SEC. 9. The Commission shall cease to exist thirty days after submitting its final report.

LEE ELDER DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, the city of Chicago and the State of Illinois have proclaimed today, July 1, 1974, as Lee Elder Day.

Not only is Lee Elder one of the finest professional golfers in America, but he is a fine gentleman as well.

On April 21, 1974, Lee Elder won the Monsanto Open in Pensacola, Fla., and thus became the first black man in history to qualify for the prestigious Masters tournament.

Through his courage, determination, and skill, Lee Elder has achieved an important black first. He accomplished this because he was the best, the winner of a major professional golf championship.

Lee Elder has never asked any favors. He has only wanted the opportunity. Given that opportunity, Lee has shown himself to be a champion.

The following article from the Washington Post, printed just after Lee won the Pensacola Tournament, provides an excellent insight into Lee Elder—the man.

Mr. Speaker, I insert this article in the RECORD at the conclusion of my remarks:

LEE ELDER'S VICTORY

A friend of ours had a phone call the other afternoon from Lee Elder. He was in Washington, where he lives when not earning a living as a touring professional golfer. Mr. Elder would have been off practicing his trade when he phoned, except it was the week of the Masters tournament in Augusta, Ga., when the exclusivist policy of its officials prevent players like Elder and many others of proven skill from competing. So he was in town that week, looking for a friendly round of golf. As it happened, the weather for the next few afternoons turned rainy and cold, and then Lee Elder was off to Pensacola, Fla., to play in the next tournament.

He won it. All who know Lee Elder—from his wife Rose, a charming and bright woman, to his fellow golfers on the tour—are delighted. This is his first major victory, coming after years of struggle not only to master a sport that makes special demands of nerve and muscle but struggle also to overcome the odds of being a black competitor in a predominantly white sport. It was only as recently as 1961, for example that the Professional Golfers Association allowed blacks on the tour.

By winning in Pensacola, Elder is now qualified to play in next years Masters. Much has been made over the fact that no black has ever competed there, suggesting that racism is at work. Actually, a better case can be made that the Masters tournament is an overrated event guided by snobbery, because its select field not only excludes a large number of pros who play every week in other tournaments but also includes a number of players who have no chance of winning at all. The way to solve this problem is to eliminate the archaic rules that qualify contestants and instead enforce rules that are used for other tournaments. In that way, a number of other black players—there were several competing in last week's Pensacola tournament—would be eligible to play in Augusta, with no big deal made about it.

For now, Lee Elder has better things on his mind than next year's Masters. We wish him well in the tournaments ahead. He plays golf with a stylish swing. Off the course, he is a citizen of warmth and modesty, and he has richly earned the bonds of friendship among those who have been pulling for him these past years.

THE ECONOMICS OF ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. WAGGONNER) is recognized for 5 minutes.

Mr. WAGGONNER. Mr. Speaker, while there has been much written on the energy question, I feel that a recent article by Dr. Richard J. Gonzalez in Petroleum Today, really tells it like it is, and I commend it to my colleagues' attention.

I challenge anyone to refute the solid reasoning Dr. Gonzalez presents in these times of emotionalism and short-term answers.

It follows:

ECONOMICS OF ENERGY

(By Dr. Richard J. Gonzalez)

The United States has gone through a series of economic cycles over the past 50 years that involve petroleum.

First, there may be a surplus that causes prices to go down. If prices are frozen at that level, demand is stimulated, development of new supplies is suppressed, and soon a shortage is created. When you create a shortage, the price has to go up. And when the price changes, supply and demand are influenced and that sets in motion a whole new cycle.

In the 1920's the nation was worried about running out of oil. The government appointed a Federal Oil Conservation Board to look into this. People predicted that we were going to run out of oil completely by the 1930's.

Then, fortunately, a new technology came along—geophysics. That suddenly made it possible for companies to find oil in areas where they had looked before, but without success. They found a large crop of new fields, and the price went down because technology had changed, making it possible to find and develop oil at lower costs. People in the 1930's began to think that we would always have a surplus of oil.

That was the first cycle.

But as the price went down, people began to use oil instead of coal and to use oil in many new ways. It became common to use oil for home heating. Petroleum was so cheap that oil burners were developed and we began to enjoy the benefits of central oil heat.

In the 1946 to 1948 period, right after World War II, our country again worried about running out of oil, for the second time in the 20th Century. The price of crude oil went from $1.25 a barrel under price controls in June 1946 to $2.65 in November 1948—more than a doubling.

As a result, there was a great surge in exploration and drilling. In this period, oilmen discovered and applied new technology so they could recover oil and natural gas from formations that previously were non-commercial.

Price stimulated the supply and we were back in balance quickly—by 1949 there was no shortage. The Korean War in 1950 and 1951 caused a slight rise of prices. But from 1958 forward there was a period of about 12 years when we had a surplus. This surplus, however, was in relation to immediate demands—not in relation to long run demands. The threat of greater imports of cheap (at that time) foreign oil kept U.S. prices down and discouraged development of new resources. Beginning in 1958, the price of crude oil and petroleum products began to decline, and the consumer enjoyed price wars and surpluses. The producer was the one who had to stand the unsatisfactory rates of return and the losses.

That was the second cycle.

We appear to be starting a third cycle. If the market is allowed to operate without government controls, the increase in price should stimulate the development of additional volumes, but the higher price also should check the demand.

So forces start moving to alter old trends.

Eventually, supply may be greater than demand, and the price will come back down.

This pattern has occurred before and can be expected to happen again.

IT IS NOT IN OUR POWER TO DETERMINE THE RATE AT WHICH A FOREIGN COUNTRY DEVELOPS ITS RESOURCES

When United States oil exploration slackened in the 1960's, we first drew on our known reserves at faster rates until production reached capacity and then had to meet additional growth in demand from imported oil. This change imposed on world markets an additional requirement from the United States of about one million barrels a day. It had a sharp impact because Eastern Hemisphere production had been increasing (to meet foreign demands) at a rate of two million barrels a day in the 1960's. But now, suddenly, we expected those countries to step production up sharply, especially Saudi Arabia.

Imports of foreign oil rose sharply about three years ago. When that happened, the balance of supply and demand changed. This is when prices abroad began to rise.

We were talking about continuing to raise imports a million barrels a day each year—indefinitely. In the United States now we consume roughtly 17 to 78 million barrels a day, and at a five per cent rate of increase this is almost a million barrels a day additional requirement every year. These are very large numbers.

People often say, "Isn't there a huge surplus of oil in the world? Doesn't the Middle East have tremendous reserves of oil, and isn't it very low cost? Why should we have to pay such high prices for oil?

Yes, there are large reserves of oil in the Middle East. They are low in cost because the wells are prolific, but there isn't enough to satisfy all the demands of the world even if the Middle East countries were willing to produce it as fast as they can.

The next point is: Are they willing, because it is not in our power to determine the rate at which a foreign country develops its resources.

While these countries could step up their production, they could do so only by drilling more wells and accelerating the rate at which they exhaust their known resources. It becomes a question, then, of whether it is in their interests to exhaust their known resources in a hurry.

Let's take the case of Kuwait. Several years ago, Kuwait decided to limits its production to three million barrels a day, roughly one billion barrels a year. Kuwait's reserves are estimated to be in the range of 65 billion barrels. You can argue that they should be able to produce oil much more rapidly because 65 billion barrels of reserves means a 65-year life. Technically, it might be feasible to deplete those reserves in 20 years. But the question that Kuwait would raise is, "Is it in our interest to exhaust our resources in 20 years time? Won't we create great problems for ourselves by making it appear that we are tremendously wealthy for 20 years, and then have nothing at the end of 20 years?"

So they had already decided, several years ago, that they would not step up their production.

Now we turn to Saudi Arabia. Just a short time ago—in 1969—Saudi Arabia was producing three million barrels a day. By 1971 it went to four and a half million barrels a day. By 1972 it was five and a quarter. We were counting on Saudi Arabia to keep increasing its production rapidly until it reached 20 million barrels a day by 1980. If Saudi Arabia goes to 20 million barrels a day it will be producing 7.3 billion barrels a year. The estimated reserves for Saudi Arabia are generally put in the range of 140 to 150 billion barrels. This means that they would deplete their reserves over a 20-year period.

We assumed they would do this for the benefit of the industrialized nations—Western Europe, Japan, and the United States. But, as might have been expected, they began to look at it from their own point of view: "Why should we deplete our resources rapidly in 20 years instead of over 40 or 50 years?"

We now have to pay much more for foreign crude oil than for most domestic crude oil. The increase in cost is due to taxes imposed by foreign governments. When they reduced output, they raised the price—and the taxes—unilaterally, without any opportunity on the part of the major companies to negotiate.

This has happened not only with the Middle East countries, but with other oil exporting countries as well.

Take Venezuela, for example. Venezuela unilaterally sets the price every month. If U.S. oil companies are going to get the supplies, they must pay the price. If they're not willing to pay it, somebody in Europe or Japan is perfectly willing. If we want foreign crude oil for the American consumer, we have to pay the price that the foreign governments demand.

As consumers we don't like it, and the oil companies, too, would prefer lower prices closer to what they paid earlier when supplies were ample. In fact, it may well be that in the long run the price set by foreign governments is too high. But in the short run, there's not much we can do to drive the price down.

In the long run, the United States can develop other energy sources. We can develop oil from deeper formations and in remote areas such as Alaska and on the continental shelf. But in the short run, for several years, we are dependent on wells already in production.

The Middle East cannot supply all of the energy demands of the world. This means our nation must use and develop higher cost resources in the United States. It is in our own interests to go ahead and develop our energy resources so that other countries cannot control our destiny. This is something that the people of the United States feel very keenly about.

As consumers, we don't mind paying a reasonable price for the resources imported from abroad. But we object very strenuously to the concept of other nations having an extraordinary power over our economic life, and trying to exert power over the foreign policy of our government.

IN THE PAST THE COMBINATION OF PRICE AND TECHNOLOGY HAS BAILED US OUT

There's no way of predicting what technology is going to do.

Every time in the past when we have worried about a shortage, the combination of price and technology has bailed us out.

The typical oil field has water, oil, and natural gas. Because of the difference in their physical characteristics and weight, the water is at the bottom, the oil is above the water, and the gas is either in the form of a gas cap or in solution in the oil. The water, oil, and gas are contained in what looks like solid rock. When you produce oil from these wells, the gas and water pressure help to recover the oil. Many fields produce both water and oil, and as the well gets older, there's more water and less oil. The water has to be put back into the ground and this costs money. The well produces less, there's more water per barrel to handle, and costs go up.

Today, the oil industry has to drill much deeper and hunt for smaller fields which are more expensive to find and produce than the larger fields. In the past, a great deal of natural gas was found at 5,000 or 6,000-foot average depths, In Oklahoma, now, companies are drilling 20,000 to 26,000 feet. The costs go up geometrically with the depth, so that a 24,000-foot well, for example, is a great deal more than four times as expensive as a 6,000-foot well. Gas from this depth has a much higher cost. The same thing is true with respect to oil.

Economists call this "diminishing returns." With any given technology, you first develop the lowest cost resources you can find, and as you use up those resources you are compelled to look for more expensive resources. Unless technology changes, costs keep rising.

The interesting thing about the basic raw material of this industry—crude oil—is that for a long time technology has succeeded in keeping costs very attractive. But now, technology can no longer keep pace, and we face a rise in costs.

It takes three to five years or more to bring in a major new producing field or province or area. And it may take longer than that in the North Sea or the North Slope of Alaska. The Prudhoe Bay field in Alaska was discovered in 1968. Due primarily to the delay in obtaining a permit for the Alaska pipeline, it may be 1978 before we get it on stream—ten years.

Prices must be sufficient to pay for the costs of the new resources. Otherwise, they will not be developed. These costs are increased by many circumstances other than inflation, material costs, and wage rates that affect everything. Going offshore adds to the costs significantly. An offshore well may cost five times as much as the same depth well onshore. A well on the North Slope may cost a million or two million dollars, and that may be ten to twenty times as much as the same well would cost in Oklahoma.

This is just the cost of drilling the wells.

In transporting the oil, you may run into extremely difficult conditions. In Alaska there are tundra, mountain ranges, and permafrost to cross. The Alaska pipeline is going to cost $4.5 to $5 billion—the most expensive private capital project ever undertaken.

Looking abroad, the same thing is true in the North Sea. The North Sea is an extremely dangerous area to work, with high waves, strong winds, violent storms, and just about as hostile an environment as you could find. The drilling and production platforms have to be extremely large, extremely expensive. The engineering is absolutely incredible, and this means that costs are very, very high.

That oil is not worth any more to the refiner than the oil that is being produced from older wells drilled years ago under different cost conditions. But it is the price of oil from these higher cost areas that will determine what consumers will have to pay.

It's as though we looked at the most productive wheat farm in the United States and asked, "How much does it cost you to raise wheat on this farm?" And the man says, "Well, it costs me maybe 50 cents a bushel." And then we say, "Well, we ought to get wheat for 50 cents." If that farm could supply all the wheat we needed, that might be true. But when we have to use wheat from other farms, and other people have to pay a dollar or two dollars a bushel, then the man who has the most productive farm isn't going to sell his wheat for any less than the man who has the least productive farm.

This brings up another basic principle of economics. The lowest cost source does not determine what the price should be; the most expensive sources do. Sources like the North Sea, the Continental Shelf of the United States, the deep wells. Obviously, it costs a great deal more for oil and natural gas from these sources than it does to produce it in the Middle East. This is why the governments of those countries can impose taxes that give them very substantial revenues.

Our alternative to using Middle East oil is to develop our own resources. We can use energy differently. We can use it more economically. We can drive smaller cars which will get twice as many miles per gallon as the ones we drive now.

We are talking about converting coal into oil and gas synthetically. We're talking about mining oil shale. These are difficult and expensive projects. The alternative fuels are going to be a great deal more expensive per barrel and per thousand cubic feet of gas than our crude oil and natural gas have been. Yet we're talking about pouring billions of dollars into this kind of research. Any crude oil and natural gas that we can get below the cost of the alternatives will benefit consumers.

With the best technology, the average recovery from all of the fields in the United States has been raised to about 31 per cent of the oil that is known to be in place in the sands and the limestones underground. That's a distinct improvement from what it was 20-odd years ago when it was only 20 per cent. But the engineers tell us that it is technically feasible to think in terms of recovering 50 to 60 per cent. That's twice as much oil. We say that the known oil in place in the U.S. is 431 billion barrels at the beginning of 1973. You can see that each one per cent improvement in the recovery factor means more than four billion barrels of additional production. That is an important figure when you realize that our annual consumption of petroleum products is roughly six billion barrels.

You can see the enormous value of using improved methods to increase recovery. Fracturing is a technique developed in response to the price rise of the 1946–1948 period. Sand and fluids are forced into the well under pressure and as they are pumped into underground rock formations they crack the rock. When these fractures are created, the rock becomes more permeable, and oil can flow more easily through it. This technology was an important factor in bringing about the surplus of the 1950's.

Secondary recovery projects led to a sharp increase in production. In secondary recovery, fairly inexpensive materials are pumped into older wells to build back up the pressure that was allowed to decline by earlier production techniques. The materials include cheap water, cheap gas, or steam created by burning oil and gas produced on the site.

There is still oil in older fields that we might be able to recover by tertiary recovery methods. "Tertiary" meaning the third time around. This particular technology would mean using more expensive recovery methods than at the secondary level. Tertiary recovery might involve using materials such as solvents. Kerosine, for example. If you take a core sample from an oil well, a black rock, and dip it into a can of kerosine, you will see the kerosine stained black with the oil from the core. The kerosine acts as a solvent. Had you dipped that same core into water, the water wouldn't have dissolved the oil.

But kerosine is expensive, so if it's used to recover oil from older wells, it's going to involve a considerably higher cost. Another question is, how much of the kerosine or solvent is lost in the formation, and how much can be recovered? If all the kerosine can be recovered along with the oil, this is great. But if half of the kerosine is lost, it is a totally different story.

People have been working for many years on improving recovery methods, and various companies have come up with different techniques. Oil recovered by secondary and tertiary techniques may cost more than the consumer has been paying, but still be cheaper than the other available alternatives, such as oil from shales and coal.

A sharp change in the real price of oil and natural gas in 1974 may very well accomplish the same kind of alteration of supply and demand as the change that occurred in 1946–1948. In other words, a major expansion of exploration and drilling and new recovery technology to increase the supply and a major impact on the demand side so that eventually we might once again have enough to meet all demands.

IF WE HAVE ANY INTELLIGENCE, WE WILL ENCOURAGE THE ENERGY INDUSTRIES TO EXPAND CAPACITY RAPIDLY

How long will it be before we see the end to the energy shortfall?

This depends on whether government discourages or encourages the development of our own energy resources. If we insist on not using coal, if we insist on keeping the petroleum industry from obtaining oil from the Santa Barbara Channel, if we insist on handicapping the construction of refineries, we could have a shortage forever.

But if we have any intelligence, we will move quite differently from the past. We will encourage the energy industries to expand capacity rapidly, and to increase the output from existing wells by spending more on new recovery techniques.

It's possible to get by without increasing our imports as rapidly as we had expected. The question is, can we reduce imports and still meet our demands? This is a function of how people behave in terms of adjusting consumption.

Let's start with the automobile. Already, consumers have decided that they don't want big cars. All they need is a small car that will get them 20 to 30 miles to the gallon. The automobile companies are cutting back their production of big automobiles because they don't sell, and are stepping up production of small cars. This is going to have a tremendous impact on demand in the future.

Industrial users of energy are obviously going to do all they can to cut back their consumption. People who have studied this think that any large firm can probably cut its use of energy by 10 to 15 per cent by paying attention to waste.

A new process is supposed to cut by 35 per cent the use of energy in the manufacturing of aluminum. I recently saw a picture of the latest cement kiln that will use half as much energy per barrel of cement as the ones now being used.

These are two very, very intensive energy users, and this is an example of what happens when energy costs increase.

The electric power industry is an enormous user of energy and now has a major research program to figure out how they can be more efficient in using energy. People are talking about ways to use the waste heat from electric utilities. In many cases twice as much heat is wasted as is converted into electricity.

We have the potential ability to use nuclear power on a much larger scale, especially if we standardize the plants and then turn them out by mass production. Up to this point, every plant has been custom-designed, and this is an expensive, time consuming process. Something like a ten-year lead time is required.

Many other things might be done to improve our balance of energy supply and demand. Our country has great amounts of coal—both high sulfur and low sulfur. We have to devise and introduce technology for removing the sulfur before it gets into the air. It can be done and surely will, so that once more we'll be able to use our high sulfur coals.

In the western states there are enormous deposits of low sulfur coal that can be surface mined. This has no analogy to surface mining in the Appalachian area. First of all, the lands are basically flat, not hillsides. Second, they don't have the high rainfall of the Appalachians that tends to wash acid wastes into streams. Third, the land is fairly desolate and arid, and it can be restored. And fourth, the cost per acre of restoring it should be reasonable.

In addition, tremendous quantities of low sulfur coal can be mined at reasonable cost without the risk of underground mining, without the risk of black lung involved when miners go underground. The coal can be moved by unit trains or slurry pipelines to the West Coast, to Chicago, even to Houston—at costs that are less than what we are paying now for imported oil.

If we use our intelligence and allow the market forces to work, we might solve some of today's problems within the next decade.

But we must act wisely and promptly on the basis of knowledge and reason rather than on emotional reactions and short-term expediency.

DANNY WAGNER, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 10 minutes.

Mr. STOKES. Mr. Speaker, I have taken this 10-minute special order in recognition of 7-year-old Danny Wagner, Jr., of Cleveland. Danny's expertise in the art of karate may soon earn him the distinction of being the youngest black belt in the country.

Danny has been practicing the ancient art of self-defense since the age of 5, and his skill and discipline have earned him numerous championships and trophies. It is anticipated that he will earn the black belt at the age of 8, which would make him the youngest person ever to achieve it.

Expert skill and discipline are required to master this ancient art, and for someone as young as Danny, it is truly an extraordinary feat. In Columbus recently, Danny became the first Ohioan to win the kumita—fighting—and kata—form—championships in his age group.

He is the son of Danny Wagner, Sr., of Continental Avenue in Cleveland, and attends the Harvey Rice Elementary School.

I am proud to acknowledge his achievements and submit for my colleagues' consideration a history of Danny's accomplishments in karate as published by the Cleveland Call and Post, Plain Dealer, and Press:

[From the Plain Dealer]

SEVEN-YEAR-OLD CHAMP AFTER SECOND STATE KARATE TITLE

It's not unusual that Danny Wagner is competing in the Pennsylvania Karate Championships this weekend.

After all, he won both the Ohio kumita (fighting) and kata (form) championships recently in Columbus and will be in the Grand Nationals in Milwaukee in two weeks.

But Danny, was also the youngest state champion ever in the history of the three-year-old Ohio tournament and also the first to win both divisions.

Not too bad for a seven year old (he turned seven last Friday), whose father started him on karate lessons only 8 months ago, after his son was roughed up by other youths on the way to classes at Harvey Rice Elementary School.

Now after school, Danny walks across Buckeye Rd. SE. to the studios of the Cleveland Academy of Self Defense, where he is one of the prize pupils of ex-Marine Ray Szuch.

In Columbus, he was the youngest of 30 competitors in the 8-year-old and under pee wee division. Since the title had gone to a 7-year-old from Pennsylvania last year and a Michigan youth the year before, Danny became the first Ohioan to win either title in his age group.

Danny was unbeaten in four matches, before taking the championship with a 2–0 victory. Quiet and shy off the mat, he turns into a three and a half foot, 60-pound tiger when competition begins.

It's the competition, Szuch believes, that helped make Danny a champion at the tender age of six.

"Some of the boys Danny beat had higher degree belts (red or black), but they had never competed before. Danny has been competing almost since he began taking instructions," Szuch said.

"Today, people in karate have young kids obtaining rank (belts) fast, but Danny is the only one successfully competing against these youths."

Danny currently works out about two hours a day, six days a week at the academy, which is less than a block from his school and very near his home on Continental Ave. SE.

Now a green belt, he has two more ranks, or gups, to attain before moving on to a red belt, then a black belt.

The fact that Szuch was willing to take Danny for lessons is the main reason the young champion is at his studio. Danny's father tried several other studios but was turned down because of Danny's age.

Now, however apparently due to Danny's success, those same studios are taking youngsters.

More than half of Szuch's academy students and school students are females, wanting to know more about self defense.

"We find the biggest problem is not necessarily the mugger or rapist, but the guy she knows who won't take 'no' for an answer," Szuch said.

Karate was spawned in China about the 6th century. The name means "empty hand," an exact description since it is a form of weaponless combat not intended to be a sport.

Its greatest development occurred in the 17th century on the island of Okinawa, where a clan of ruling Japanese outlawed possession of weapons and forced the natives to refine the self-defense art virtually underground. The art was further developed later in Japan.

For Danny Wagner, karate is simply fun. He hasn't seen the older kids who used to pick on him, but karate hasn't solved all his problems.

Last week, some teenagers stole his bike. Maybe he should take up track next.

[From the Call and Post]

DANNY WAGNER, 6, IS BIG MAN IN KARATE

One of the big names in Karate circles here may be 6-year-old Danny Wagner, Jr. Just wait about six more months or so says his instructor Ray Szuch at the Cleveland Academy of Self Defense, 2908 E. 114th St.

Danny's father is proud of his son's record. Young Danny has won a Gold Belt and has won two first place trophies in free fighting here in Cleveland.

Owner of the academy, Ray Szuch, says the novelty of Danny Wagner is that at present the youngest Black Belt in the United States is only 9-years-old, and Danny should become the youngest Black Belt in the United States at about 7-years of age at the rate he is presently going.

Danny lives with his father, a divorced employee at U.S. Steel Corp. Cuyahoga Works. Ray Szuch says little Danny Wagner, Jr. has the ability of an adult in his small 6-year-old body.

Danny attends Harvey Rice Elementary School. His father says Danny does average work and is well liked by people in their neighborhood and his classmates.

Mr. Wagner, Sr. has high praise for the Cleveland Academy of Self-Defense and its owner Ray Szuch. Both men are former U.S. Marines although they did not know each other prior to young Danny enrolling in the school.

Wagner praised the policy of the school that has a low $5 monthly fee available to children up to age 12. Wagner said the low cost has made this Karate art available to many kids who ordinarily would not be able to afford the training.

Szuch teaches at four junior high schools, two colleges and 12 high schools. Danny Wagner's instructor is John Gardias.

[From the Press]

KARATE INSTRUCTOR IS GUIDING HIS SON TO A BLACK BELT

Six-year-old Danny Wagner is, in the opinion of both his father and his karate instructor, on his way to becoming the youngest black belt in the country.

This probably won't happen until Danny is 8, according to Ray Szuch, a self-defense instructor for the Catholic Schools, who also runs the Cleveland Academy of Self-Defense, E. 116th St. and Buckeye Rd.

Szuch believes that inner-city youngsters and adults deserve a chance to learn martial arts as much as suburbanites.

His Academy charges what may be the lowest rates in the city. Fees are $5 a month for children and $10 a month for adults. These fees, however, are waived in the case of low-income students.

Danny doubtless rates as Szuch's star pupil.

"He should, without a doubt, be the youngest person in the country to achieve the black belt," said Szuch, 29. "Right now, the youngest person ever to have won a black belt is a 9-year-old boy in California.

"Danny has just turned 6 and already has his red belt. The next step is green belt, and then black belt. By the time he's 8, he'll undoubtedly have his black belt. He might even have it by age 7," said Szuch.

Szuch's Academy is eight months old. During that time, Danny, who began taking karate when he was 5, has accumulated eight trophies from nine tournaments.

According to his father, Danny Wagner Sr., Danny is "just an average kid except when it comes to karate. He was always entertained by anyone using karate. I think karate on television influenced him a lot.

"I tried enrolling Danny in several schools, but no one would take him because of his age. Then I found Ray Szuch's school. The kid is a real child prodigy," said Wagner, a steel worker who lives at 11313 Continental Ave. His favorite form of recreation is not karate, but weight lifting.

Danny competes in the Pee Wee division for 8 to 11-year-olds. He won his first trophy, according to Szuch, by besting a 9-year-old boy. Szuch takes children as young as 5, and because of this, has inspired the creation of a new division, the Super Pee-Wees, for children between the ages of 5 and 7.

Szuch and his 15 instructors teach karate to 350 boys and girls, and 50 adults. Because of the low fees, Szuch's Academy has operated in the red. Things are looking up, however, and Szuch expects to break even soon.

"I'm not interested in making a profit," he said. "If I can teach 100 kids and break even, I'd just as soon teach 1000 kids and break even.

Szuch is delighted with the performance of his pupils so far. At a recent tournament on the West Side sponsored by the Ohio Judo and Karate Assn., his students took 13 of the 40 trophies up for grabs.

In addition to teaching self-defense mainly for girls classes at 12 high schools, four junior highs, and two colleges. Szuch also teaches self-defense at the Society for the Blind and said he has been discussing with School Board President Arnold Pinkney the possibility of teaching karate to some of the Cleveland Schools problem students.

Szuch said no one should be surprised that someone as young as Danny Wagner can easily master karate.

"Any kid can get involved with karate," he said. "The beauty of it is that physical limitations or size are no problem."

[From the Press]

AYIEEE! PEE WEE IS CHAMP

Danny Wagner Jr., who has created quite a stir in Cleveland by being one of the youngest karate whizzes in the country, recently took first place in the Pee Wee Division in the Ohio State Karate Championship held recently in Columbus.

His instructor, Ray Szuch, director of the Cleveland Academy of Self-Defense, 2868 E. 116th St., said Danny, at age 6, was the youngest competitor in the division. The other Pee Wees were ages 7 and 8, said Szuch.

Danny, of 11313 Continental Ave., will go to Milwaukee for the Grand Nationals sponsored by U.S. Karate Assn. on June 16.

Danny's feat, and his feet, did not go unnoticed by Mayor Perk, who last week congratulated Danny. Danny is also in line for a resolution of congratulations from Council.

CULEBRA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 5 minutes.

Mr. RANGEL. Mr. Speaker, 1 year from today, on July 1, 1975, Culebra will be quiet. No missiles will scream through the air of the Puerto Rican island. Bombardment will cease. Finally, after endless reversals and delays, after congressional protests and Senator HUMPHREY's amendment to the military procurement bill, the Navy has relinquished its hold on the inhabited island of Culebra.

The Navy and the Commonwealth of Puerto Rico announced simultaneously on June 27 that the Navy will discontinue weapons training activities on Culebra itself by July 1, 1975, and on the Culebra Cays by December 31, 1975. This decision has been reviewed and approved by President Nixon.

We will probably never know precisely what induced the Navy to give up its former intransigence. Several individuals, however, deserve special mention for their efforts on behalf of the people of Culebra. Senators HUMPHREY and KENNEDY have been persistent in their attempts to convince the Navy not to use an inhabited island for target practice. In the past few weeks, since the Navy broke off negotiations with the Puerto Rican Government, they have taken stronger action to force a favorable settlement of this issue. Also to be commended are the distinguished delegate from Puerto Rico, the Honorable JAIME BENITEZ, and the special counsel for Puerto Rico and counsel for Culebra, Mr. Richard Copaken, whose knowledge and concern about the fate of this island was a major factor in mobilizing the Congress to take measures to end Navy shelling.

Those of us who have worked for this decision are glad the Navy has finally come to its senses. We regret that this decision was not made earlier. We regret that the U.S. Government has seen fit to stall for so long. It seems absurd to congratulate the people of Culebra on their ability now to anticipate a return to a normal way of life. But for these people, subjected for years to constant bombardment, to the noise and terror of weapons trained on their island, peace and quiet will seem like heaven.

LIFTING THE TURKISH OPIUM BAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 10 minutes.

Mr. WOLFF. Mr. Speaker, I have just received word from the State Department that the Government of Turkey has finally decided that it will permit the lifting of the ban on the production of opium poppy in that nation, which had wisely prohibited opium growing for the last 2 years. As many of my colleagues know, I have been deeply involved as chairman of the Subcommittee on International Narcotics Control in efforts over the past months to head off exactly this situation. Indeed, 238 members have joined in introducing House Concurrent Resolution 507, calling on the administration to take definitive action to prevent the Turks from going back into opium production.

Unfortunately, Turkey did not heed the will of the U.S. Congress on this critical question, and the Turkish Government has now seen fit to take action which is a striking insult to all humanity, and a direct attack on the youth of America. Where the source of heroin supply had temporarily dried up, we will now see a resumption of uncontrolled cultivation in the fields: Where the traffickers had been driven out of their obscenely profitable trade, we will now see a resumption of the "French Connection." And where American young people had been given a new chance at making it, we will now see, once again, the wholesale destruction of lives.

No knowledgeable officials of our Government seriously believe that Turkey, even with international assistance, can effectively police this production; and the disastrous step by the Turkish Government is compounded by the fact that production will be permitted in seven provinces, not even the previously predicted four provinces where policing is at least conceivable.

I am at a total loss to understand the chain of circumstances that led to this outrageous act. We know that some demagogic Turkish politicians have been milking this question for all the partisan gain that could be made on the "nationalism" perspective. We know that organized criminal elements and their heroin handmaidens have offered skyrocketing bounties for supplies of illegal narcotics since the ban went into effect. But these reasons are certainly not sufficient to justify an action of this destructive magnitude by a supposedly responsible nation, a member of the world community of nations.

And what of our "agreement" with the Turkish Government, in which we promised the payment of $35.7 million to buy their cooperation in this area where such payoffs should not even be necessary? As of today, our country has obligated $20.7 million of that original figure, of which $15.6 million has already been released to the Turks. Ten million of those obligated dollars were slated as foreign exchange offsets—far more than adequate compensation for the legitimate losses incurred in the Turkish economy by the demise of the legitimate opium market. Another $10 million was to go for crop substitution, $300,000 for control on the last 1972 crop, and $400,000 to pay for experts to advise on the best methods to enter crop substitution in the affected provinces.

We have told that Turkey is an important partner in NATO. In that light, it is appropriate to recall America's experience in Indochina, when a great percentage of American servicemen were drawn into the abuse of narcotics as a result of the ready availability of heroin and other drugs in Southeast Asia. The Turkish action poses a serious and real threat to the security of NATO forces, which will soon be availed of large quantities of drugs, and this situation ultimately puts in jeopardy the security of the United States itself.

Only recently, Admiral Noel Gayler recounted before a hearing of the Foreign Affairs Committee the difficulties faced by our Pacific forces during the Vietnam conflict, from drug abuse resulting in the impairment of the effectiveness of our fighting forces. The meaningfulness of NATO itself may hinge on the renewed availability of heroin, and we certainly cannot permit any such threat to our security.

In the name of the American people—in the name of humanity—the U.S. Congress must now insist that the administration immediately halt all further aid to Turkey under this so-called agreement, and indeed insist on the prompt return of all funds that have been already released. Furthermore, the President must heed the overwhelming call of the Congress and cease all assistance to Turkey at once, including a withdrawal of his fiscal year 1975 request for assistance to that nation. Employing his authority under the Foreign Assistance Act, he must act to withhold the more than $200 million which has been sought. Certainly the outrage is compounded when we are asked to continue to pay ransom even when we are denied the most basic cooperation from international blackmailers.

Mr. Speaker, I know I am speaking for a vast majority of our citizens when I say that we simply cannot stand for this kind of hoodlumism passing for respectable policy. I urge the Congress to act promptly on House Concurrent Resolution 507, printed below with its 238 cosponsors and I call upon the administration to move decisively to counter the tragic Turkish announcement.

STRENGTHENING THE WORLD COURT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, I am introducing today, together with Representatives FINDLEY, FRASER, and SEIBERLING, five House resolutions designed to encourage the peaceful solution of international disputes. Each resolution proposes specific actions to improve and to increase the utilization of the International Court of Justice, commonly known as the World Court.

These resolutions all state it to be the "sense of the House" that the President should:

First, direct the Secretary of State to submit to the World Court as many as possible of the pending territorial disputes involving the United States.

Second, endeavor to include in future treaties operative clauses providing that disputes arising under such treaties, which are not settled by negotiation, be submitted to the court.

Third, direct the Secretary of State to give favorable consideration to making use of the various chambers of the court, particularly convening of chambers to resolve regional disputes, and to take all appropriate measures to attempt to expand the range of international bodies eligible to request advisory opinions of the court; to seek to improve the process whereby judges are nominated and elected; and to encourage the court to exercise its functions outside of the Hague from time to time.

Fourth, direct the Secretary of State to encourage the maximum use of the procedures for the settlement of international disputes outlined in chapter VI of the Charter of the United Nations, particularly those procedures providing for the reference of legal disputes to the court.

Fifth, direct the Secretary of State to undertake and submit to the House within 1 year a study examining the various ways of granting direct and indirect access to the court and other international tribunals to individuals, corporations, nongovernmental organizations, intergovernmental organizations, regional organizations, and other natural or legal persons. The study also is to include the feasibility of establishing a special committee of the United Nations General Assembly with authority to request from the court advisory opinions on behalf of these groups.

Each resolution requests that the President report to the House in due course what action he has taken pursuant to these resolutions.

Senate Resolutions 74, 75, 76, 77, and 78 passed the Senate on May 20, 1974. These resolutions are identical to the proposed House resolutions except Senate Resolution 74, which includes a recommendation that territorial disputes between Colombia, Nicaragua, and the United States involving three islands in the Caribbean be submitted to the World Court. The comparable proposed House resolution excludes this recommendation at the request of the Department of State which has already negotiated a treaty with Colombia relinquishing U.S. claims to these islands.

ONE LARGE NUCLEAR PLANT SAVES 14 MILLION BARRELS OF OIL PER YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of Illinois. Mr. Speaker, I noted with concern an article by Mr. Ralph Nader which appeared in the June 30 issue of the Washington Star commenting upon nuclear power experience in this country and making several observations concerning modification and extension of Price-Anderson legislation (H.R. 15323). In view of the content of the article, I would like to make some observations of my own for the benefit of my colleagues who may have read the article.

Mr. Nader observes that nuclear power plants are delayed in construction and are not on line at as high an availability factor as would be desired. He fails to point out that these observations apply equally to all large powerplants whether nuclear or fossil fueled. Construction problems, labor availability and equipment run-in experience have had pretty much the same impact on new fossil plants as on new nuclear plants.

He comments upon the cost of oil to produce replacement power when a nuclear plant is not producing electric power. He fails to point out that when operating at a reasonable availability factor one large nuclear plant saves this country the importation of 14 million barrels of oil per year.

He cites risks of a nuclear accident without apparent realization that we must pursue nuclear power as a viable long-range energy source and that every precaution is being taken to assure that our civilian nuclear power record of no injury to the public is maintained. It is possible that geothermal and solar sources may produce useful amounts of electric power but certainly not in the near term and not in the large blocks of capacity needed to meet our long-term needs. Every industrial nation has, after much study, also selected nuclear energy as the most practical solution to the supply of future energy needs.

Mr. Nader in his article notes Sir Alan Cotrell's letter to the London Financial Times which states in part that superhuman engineering is required to make nuclear powerplants safe.

I would like to respond to some of Mr. Nader's characterizations and assertions regarding the extension of the Price-Anderson Act.

To begin with, the Joint Committee is hardly trying to quickly push through a 10-year extension of the Price-Anderson Act. The committee began a year ago to request studies of this act, and held hearings over a period of 6 months, during which we heard testimony from 27 witnesses, including representatives of industry, government, the legal profession, universities, and public groups. Representatives of all interested organizations were offered an opportunity to testify at those hearings.

Mr. Nader says the Price-Anderson Act "severely limits the amount of money damages which would be paid to victims" of a nuclear accident. What the act actually does is to assure the payment of up to $560 million in damages without proof of fault by the nuclear plant operator, and on a prompt basis. The expiration of the act would, in the words of the Legislative Drafting Research Fund of Columbia University, in an independent study of the act, result in a failure to the public in terms of providing either a secure source of funds or a firm basis of legal liability. Victims of an accident would have a difficult legal case to prove and an uncertain and undoubtedly much delayed recovery from a defendant who might very well be financially ruined. Mr. Nader himself points out the financial difficulties of Consolidated Edison. A multi-hundred-million-dollar judgment against a utility in such a condition would certainly not be worth face value.

Furthermore, the Joint Committee has repeatedly pointed out that the $560 million is to be viewed as defining the point at which Congress would undertake an in-depth review of the relief that was needed, rather than an immutable upper limit. Further relief would undoubtedly be provided if necessary, just as for any national disaster.

Mr. Nader also exaggerates the potential consequences of a nuclear accident. A nuclear accident which would harm the public is, first of all, an extremely unlikely occurrence. The committee heard testimony from Dr. Norman Rasmussen of the Massachusetts Institute of Technology who directed a major study of the probabilities and consequences would be no more severe than a major airplane crash, or similar accidents which occur all too frequently in our technological society, but to which society has become somewhat accustomed. An accident of the proportions described by Mr. Nader would happen only once in a billion years, according to Dr. Rasmussen.

Finally, I would like to point out a fact which is continually ignored by Mr. Nader and many other critics of nuclear power. In about 200 reactor years of operation with civilian reactors, there has never been a single reactor accident which has harmed anyone. This safety record is unparalleled in a Nation where accidents result annually in over 100,000 deaths, 8 million injuries, and $30 billion in property losses. The nuclear industry's spotless performance should be hailed as a remarkable achievement.

The assessments of the experts tell us that this past record will almost certainly be continued. The Price-Anderson Act provides for protection for the public even for the one-in-a-million chance of a multi-hundred-million-dollar accident. This is extremely conservative in comparison with the lesser degree of protection which society provides for events which are substantially more likely.

The Joint Committee has determined that legislation extending the act is necessary now. Nuclear powerplants now in the planning and design phases would not receive construction permits until about 1977–78, when the present Price-Anderson Act will have expired. Numerous communications from companies and organizations in the nuclear industry, as well as testimony during the extensive hearings held on this subject, have stressed the importance of early congressional action to remove the uncertainty, and to avoid disruption of an orderly expansion of critically needed nuclear power-generating capacity. Failure to extend the act now would further strain America's critical energy situation. Fossil fuels are in short supply, their prices are soaring, and they create significant environmental problems. Nuclear power must not be hamstrung.

I include herewith Dr. Kouts' letter to the Financial Times of London:

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 21, 1974.

EDITOR,
The Financial Times, Bracket House, Cannon Street, London, EC4P 4BY.

SIR: Sir Alan Cottrell has written you advising against the construction of light water reactors in the U.K., on the ground that reliance on the technology of fabrication of the pressure vessels would require an immaculate standard of manufacturing and quality control and a regular in-service inspection of the most rigorous and detailed kind. He describes the required engineering and operational qualities as almost superhuman.

I must differ with Sir Alan's views on the standards and methods that guarantee the reliability of light water reactor pressure vessels. The scientific questions relevant to this issue have been the subject of intensive research in the United States and elsewhere for many years. The research in the United States has occurred at such diverse places as Atomic Energy Commission Laboratories, universities, industrial laboratories, and such independent research institutes as the Naval Research Laboratory and the National Bureau of Standards. I have had the benefit of numerous discussions with the research scientists who have been involved in this work. I have not encountered during these discussions any opinion that would support the pessimistic view Sir Alan presents.

I should like to state briefly a few of the points that form a basis for the confidence felt in this country in the reliability of the vessels made according to our requirements. First, a number of studies have been conducted during the past few years on the historical performance of pressure vessels made for non-reactor use. These have shown uniformly that construction and operation even according to standards much more casual than are required for vessels of light water reactors will guarantee a remarkably low probability that a vessel will fail. Even if pressure vessels for light water reactors were made by these older and less careful methods, we would not expect such a vessel to fail catastrophically over the entire period during which the world will have to depend on nuclear fission as a source of energy.

The supplemental methods we require for nuclear vessels are not superhuman, and they do not even approach the meaning of the adjective. But we consider them to be a logical application of the knowledge gained in our research programs. They reduce the probability of failure even further, by some additional orders of magnitude.

A recent series of tests has been made at the Oak Ridge National Laboratory on seven small pressure vessels fabricated according to the rules required for light water reactors. These were vessels designed for service pressures of the magnitudes used in pressurized water reactors, approximately 140 atmospheres. Pressure vessel codes required a safety factor that led to a true design pressure of 700 atmospheres. Large, sharp flaws were created intentionally in each vessel, at all locations of importance. The internal water pressure was then increased until failure occurred. Though the flaws that were introduced ranged to 5 inches in depth (in a 6-inch thick wall) and 18 inches in length, no vessel failed at a pressure below 1500 atmospheres, a value more than an order of magnitude above the nominal service value and substantially above the design pressure for an unflawed vessel. Though inspections during fabrication and service are intended to ensure discovery and repair of all cracks above a small fraction of an inch in size, the Oak Ridge experiments show conclusively that far larger cracks could be tolerated with no additional hazard.

The technologies of fabrication and inspection are not only transferable, but exportable. Vessels fabricated according to the requirements standard in the United States are now made also in Germany, France, Sweden, Japan, and the Netherlands. We have recently provided all information developed during our research in this field to United Kingdom authorities, for their use.

We have recently supported an extensive study of probabilities and consequences of hypothetical accidents to light water reactors. This study has shown that all but the most unlikely failures of pressure vessels could be accommodated with no hazard to the public.

I have encountered in a number of instances statements to the effect that it would be undesirable for the U.K. to abandon the technology of gas-cooled reactors, on which so much has been expended, and that the course for the future should take advantage of the broad experience generated in this field. These points must be respected, and they must weigh heavily when the balance of arguments is made. The decision as to the choice of reactor for the future in the U.K. must be a national one, based on serving national interests. It would not be proper if we in the United States were to argue for or against any particular choice. But we can provide information that may help ensure that only valid arguments are considered.

We do not regard as valid the view that a superhuman level of technology would be needed to guarantee the reliability of pressure vessels for light water reactors.

Sincerely,

HERBERT J. C. KOUTS,
Director, Division of Reactor Safety Research, U.S. Atomic Energy Commission.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS NATION REAPS BITTER HARVEST OF ADMINISTRATION'S FOOD POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, the Nixon administration has announced more bad news for everybody who likes three meals a day.

Farm prices dropped another 6 percent in the last month, but food prices continue to climb—almost 17 percent in the past year.

That means the consumer pays more in the supermarket, but the farmer gets less for what he raises, and has less incentive to produce.

This is the kind of economic nightmare that only the Nixon administration could produce.

What we have today is the bitter harvest of the administration's policy of scarcity in 1972, when it took millions of acres out of production and sold away our surplus to the Soviet Union.

Food production in this country has never recovered from that episode of politically motivated meddling. The administration's misconceived farm policy continues to threaten permanent damage to our food supply system and to the Nation as a whole.

A LAST FOND ALOHA TO BILL BELCHER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 5 minutes.

Mr. MATSUNAGA. Mr. Speaker, I was deeply saddened to learn of the death of a former doorman of this House and a good friend of mine and I am sure of many of my colleagues—Bill Belcher.

Bill left us on June 23, 1974, after enjoying a full and colorful life.

Born in Augusta, Ga., in 1889, Bill spent most of his life in Washington, D.C. He first came to Capitol Hill as a private on the Capitol Hill Police Force in 1947, and from 1953 to his retirement in 1969 he served with unfailing courtesy and distinction as a doorman in the House of Representatives.

I am sure that my colleagues who were in Congress on March 1, 1954, will vividly recall the assassination attempt by Puerto Rican Nationalists. The shooting at 2:32 p.m. was done from House Spectators' Gallery No. 11, and 5 of the 243 Representatives who had just answered a quorum call were struck by bullets and fell wounded to the floor. Other bullets fired at random splintered desks and chairs and even chipped plaster from the Chamber ceiling.

The Members may also recall that Bill

Belcher was the first person on the scene to help seize and disarm the would-be assassins.

Bill visited Hawaii twice, and I truly think he brought back with him Hawaii's spirit of aloha, which was so evident in his relationships with people and particularly in his associations with visitors from all over the Nation who were fortunate enough to encounter him while visiting the House gallery.

Mr. Speaker, I know the Members would wish to join with me in extending deepest sympathy to his widow, Annie Perkins Belcher, and other members of his bereaved family.

To my friend, Bill Belcher, kindly, courtly and courageous, I would like to bid a last fond aloha, as in the words of the well-known song of Hawaii: "Aloha means farewell to thee, Aloha means goodby."

ANOTHER BOOK TO EXPOSE GOVERNMENT SECRETS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, presumably each Member of Congress has received a copy of the new book entitled "The CIA and the Cult of Intelligence." It is written by Victor Marchetti, former CIA employee. It is published by Alfred P. Knopf. The cover states:

> The CIA book that the agency itself tried to suppress. The first book the U.S. Government ever went to court to censor before publication.

It is my understanding that Mr. Marchetti was a disappointed employee who resented his failure to obtain promotion. The book contains classified information which the CIA thought would be damaging to security and to CIA operations worldwide. The CIA offered to negotiate with the author and with the publisher so that he might make his critical points but withhold the names of individuals and places which might be damaging to the Government's interest. These efforts failed.

A suit had been brought to protect the interests of the U.S. Government. The judge ruled with the author on most of the items in controversy, indicating the assumption that he knew more about the requirements of national security than the CIA. In keeping with today's cult, the publisher apparently is interested in sensationalism and profit—not in the good of America, or our relations with the free world.

I call attention to a statement on the book from the office of the Director of the CIA and I enclose it for printing in the RECORD. It is dated June 12, 1974.

I also call attention to a statement from the New York Times of June 29, 1974, by William E. Colby, Director of the CIA, entitled "The CIA and the Public" and I submit it for publication in the RECORD:

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., June 12, 1974.

STATEMENT FROM CIA ON THE MARCHETTI BOOK

In connection with the publication of a book entitled *The CIA and the Cult of Intelligence*, the Central Intelligence Agency makes the following statement:

The Central Intelligence Agency received a manuscript entitled *The CIA and the Cult of Intelligence* from its co-authors, Victor Marchetti and John Marks, pursuant to the provisions of a permanent injunction ordered by the U.S. District Court for the Eastern District of Virginia, enforcing the Secrecy Agreement made by Mr. Victor Marchetti in connection with his employment by CIA and consequent access to sensitive intelligence matters.

In accordance with that injunction, the Central Intelligence Agency identified for deletion those portions of the manuscript which were classified, were learned during Mr. Marchetti's employment with the Central Intelligence Agency, and had not been placed in the public domain by the U.S. Government. The CIA made a subsequent decision not to contest the publication of certain of these portions, in order to place full emphasis on the sensitive items remaining. The CIA also indicated its willingness not to contest certain portions if they could be rephrased to omit certain names or other specific references to classified material, but this offer was not accepted.

The Central Intelligence Agency did not correct or contest the publication of factual errors in the manuscript. The Agency's decision not to contest the major portions of the manuscript does not constitute an endorsement of the book or agreement with its conclusions.

A publisher's note at the beginning of the book states, "Bold face type is used to indicate passages first deleted and later reinstated." Certain passages in bold face type were not identified for deletion by the Central Intelligence Agency to the authors.

The Central Intelligence Agency has reviewed the manuscripts of books of a number of former employees who had signed secrecy agreements as a condition of employment at the Agency. In all cases, the Agency's role has been solely to identify classified information learned by the ex-employee during his employment. In no case has the Agency attempted to suggest editorial changes of the author's opinions or conclusions. The Agency has not attempted to suggest changes in material that was not true.

[From the New York Times, June 29, 1974]

THE CIA AND THE PUBLIC

(By William E. Colby)

(NOTE.—The following article is adapted from a speech that William E. Colby, Director of Central Intelligence, gave before the Los Angeles World Affairs Council. In it, he alludes to the book "The CIA and the Cult of Intelligence," by Victor Marchetti, who worked for the C.I.A. for fourteen years as a Soviet-military specialist and executive assistant to the deputy director, and John D. Marks, an analyst and staff assistant to the intelligence director of the State Department.)

The Central Intelligence Agency is currently engaged in the courts in an effort to enforce the secrecy agreement that one of our ex-employees signed when he came to work with us. In it he acknowledged that he would be receiving information and agreed to hold it secret unless we released it.

We are not objecting to most of a book he proposed to write, even including about half of the items that we initially identified as technically classified. We are struggling, however, to prevent the publication of the names of a number of foreigners, publicity which could do substantial injury to individuals who once put their confidence in us.

Similarly, we hope to withhold the details of specific operations where exposure could prevent our receipt of further information of great value. In some cases, publication of the fact of our knowledge of a situation can be of major assistance to another nation in deducing how we must have learned of it and shutting us off from it.

I might add that we do not censor our ex-employees' opinions. We have cleared several such books full of criticism in which the authors have been careful not to reveal our sources or operations.

The most serious aspect of this struggle is that if we cannot protect our sources and methods, friendly foreign officials and individuals will be less forthcoming with us in the future, when it could be of critical importance to our country.

No serious intelligence professional has ever believed that George Washington's maxim could be replaced by a variation of the Wilsonian approach to covenants, or "open intelligence openly arrived at."

Another unique aspect of American intelligence is our relationship to Congress. Some of my foreign counterparts around the world display considerable shock when they learn that I appeared in an open hearing before the television cameras as a part of my Senate confirmation.

Many of them would never be subjected to detailed scrutiny by their parliaments, and their identities are frequently unknown.

Some months ago, for example, two journalists were prosecuted in Sweden—hardly a closed society—for revealing the startling fact that their country had an intelligence service.

In our country our intelligence authority stems from an act of Congress, it is subject to oversight by the Congress, and it depends upon funds appropriated annually by Congress.

Congress has provided for itself a way of resolving the dilemma between the need for secrecy in intelligence and the demands of our open society.

Those Senators and Congressmen designated to exercise oversight of the Central Intelligence Agency or review its budgets are fully informed of our activities, inspect us at will, and are given detailed and specific answers to any questions they raise.

Other individual Senators and Congressmen and other committees frequently receive the same intelligence assessments of the world situation as are provided to the executive branch, on a classified basis, but they are not provided the operation details of our intelligence activities. This arrangement was established by Congress and is of course subject to change.

My own position is that the method by which Congress exercises its oversight of intelligence activity is a matter for Congress to decide.

As a related aspect of American intelligence in this open society, I might say something about our relations with the public and the press. We do not conduct a public-relations program; we are not in the public-information business. But we do make as much information as possible available to the news media and to the public. Groups of our citizens, including high school students, have visited our facilities, where we try to respond to their questions about the nature of American intelligence.

Thus we in the intelligence profession are aware that ours must be an intelligence effort conducted on American principles and that it must be more open and responsive to our public than the intelligence activities of other nations.

At the same time, we must respect the essential professional requirement embodied in the National Security Act to protect our intelligence sources and methods. We will consequently continue to arouse wonderment from some of our foreign associates as to our openness, and concern among some American citizens that we still must keep some information secret, if we are to conduct an intelligence effort at all.

Technical intelligence, the intellectual process of assessment, and our exposure to our constitutional authorities and the public are three major contributions America has made to the intelligence profession.

I do not want to be accused, however, of concealing the fact that intelligence still requires clandestine activity. Our technical intelligence and our study and assessment of material openly available throughout the world have certainly revolutionized the intelligence profession in the last twenty years.

But they have not removed the need of our national policymakers for information on the intentions of other powers. They have not removed the need to identify at an early stage research abroad into some new weapon which might threaten the safety of our nation, so that we do not become aware of a new and overpowering threat, especially from a nation not as open as ours, too late to negotiate about it or to protect ourselves.

ARMY ACHIEVES AUTHORIZED MANPOWER STRENGTH

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Hon. Howard H. Callaway, Secretary of the Army, has reported, with understandable pride, that the Army has ended the fiscal year 1974 at its authorized manpower strength of 781,600 persons. This is an achievement which many had considered impossible to attain. It represents a very notable effort to which the Secretary of the Army gave direction and enthusiastic endorsement and which received wholehearted support throughout the Army program. The Army should receive appropriate commendation for an accomplishment which required dedicated effort at all levels.

I am very glad to submit herewith for printing in the Record a statement which has been issued by Secretary Callaway on the accomplishment:

Secretary Callaway's Statement on Volunteer Army Success

The volunteer Army is a success. Yesterday (30 June 1974) the volunteer Army proved that it was a success by ending the fiscal year at 783,014 compared to its authorized strength of 781,600. This was achieved through a record of enlistments of 199,525 volunteers and the unusually high reenlistment of nearly 58,000 men and women. That's what I call a successful volunteer Army and I am proud to be a part of it.

The volunteer Army is a success by every indicator. Our quality is good and within established standards, our combat readiness is up, we are on target with strength, and our disciplinary rate is within acceptable limits. These accomplishments are clear evidence that the volunteer Army does work.

Thanks to our men and women in uniform and our civilian employees who have all dedicated themselves to making the volunteer Army a reality, we have successfully met the challenges of the volunteer Army. I would like to express my deep appreciation to them for the selfless and imaginative manner in which they performed their duties that insured our success. Their performance is indicative of the highest order of professionalism that has become the mark of the volunteer Army.

I would like to express my personal thanks to the Members of the Congress and the American people for their positive attitudes in responding to the need for maintaining a strong Army without the influence of the draft. We cannot go it alone. Our Army is a reflection of what they want it to be.

Based on preliminary reports there are several features of our success story that are of particular note:

Recruiting. The Army recruited approximately 199,000 volunteers during the past 12 months. Last month (June) the Army took in 25,946 new soldiers and 1,960 soldiers with some prior experience; 67.1 percent of the total June enlistments were high school graduates or the equivalent.

Initial Enlistment. FY 74 initial enlistments were 166,941 men and 15,487 women as compared to 134,000 *true volunteer* men and 8,700 women in FY 73.

Prior to Service Enlistments. Accessions within previous Army experience totaled more than 17,097 men compared to 14,277 for FY 73. These enlistments represent an appreciable dollar savings since they do not incur the added expense of basic training.

Reenlistments. Over one-quarter of Army personnel needs were filled by the 58,000 soldiers who decided to stay in the Army and reenlisted. This indicates increased soldier satisfaction and avoids significant costs for basic and advanced training.

Combat Unit Enlistments. The Army recruited 32,782 volunteers in the combat arms, half of these were high school graduates in the upper mental categories.

Mental and Educational Composition. Within the overall active Army we have a higher percentage of high school graduates than a year ago (73% vs. 71.1%) and a slightly lower percentage of the lowest acceptable mental category (18.0% vs 18.1%).

Minority Representation. At year end, the minority content of the active Army was about 21 percent, of whom 19 percent are Black. This represents an increase of about 4 percent in minority content since end FY 73. This increase is due primarily to enlistments which ran 27.4 percent Black for FY 74, indicating that group's positive perception of the opportunities available in the Army.

Reserve Components. In the Reserve Components, the National Guard ended the year at a strength of almost 413,000 or 9 percent above the average paid drill strength authorized. The US Army Reserve ended the year at a strength of about 238,000 or 2 percent above the average paid drill strength authorized.

Readiness. The Army readiness posture has improved from 4 divisions being combat ready shortly before the draft ended in January 1973 to all 13 divisions ready to fight today.

The volunteer Army has met the challenges of its first year and has succeeded. Now we will use that success, that same drive and enthusiasm to face and overcome the challenges of the second year of the volunteer Army.

GOVERNMENT CREDIT GUARANTEES BAD PRECEDENT

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, the Nation's livestock feeders and their problems are discussed in the June 26 Wall Street Journal under the caption of "Hoofbeats on Capitol Hill."

I am submitting this article for the thoughtful attention of all Members:

Hoofbeats on Capitol Hill

Our heartfelt sympathies go to the nation's livestock feeders and ranchers, who have lost more than $1 billion since beef and hog prices broke last fall. Our regrets do not extend to having the taxpayers bail the boys out of their financial difficulties, however, even though they are understandably arguing that because the government helped get them in this fix it has an obligation to get them out.

The simple answer to the above is that the government didn't force anyone to do anything against his will, but simply caused general confusion in the industry last year by freezing beef prices. Whenever the government suspends the law of supply and demand in an industry, the industry has to make economic judgments without benefit of a price signal. Operating in the blind, and assuming the public would continue to increase its consumption of meat even at sharply higher prices, the livestock feeders bid the prices of feeder cattle and hogs into the stratosphere. They were wrong.

They now want the government to bail them out with loan guarantees, and the Senate has whipped up an emergency program to that effect. There are at least two good reasons why such a program should not be enacted. One is that credit guarantees further cloud the signals of the market, on the margin encouraging investment in feedlot operations when at the moment there is obviously oversupply. Secondly, it would be a dangerously bad precedent. Every sector of the economy can now put together a case that it has been harmed by government interference in the marketplace, and we would be the first to agree. But can the government guarantee everyone's credit?

The other hot idea the livestock people have been pushing is to reimpose quotas on meat imports. "There is simply no justification for permitting unlimited meat imports into our nation today," says Iowa's Sen. Richard Clark in urging same. Without realizing how foolish it sounds, the Senator also says "the administration can do more to encourage beef exports. Specifically, this country can accelerate negotiations with Canada that will lead to a lifting of the Canadian ban on beef imports." In other words, all those foreigners should stop sending us beef and we have to talk them into buying ours.

It is unfortunate that U.S. trading partners have been restricting meat imports, giving one excuse or another. The real reason is that just as there are now hoofbeats on Capitol Hill, livestock interests the world over have been stampeding their respective governments into protectionist, beggar-thy-neighbor policies. The price slump, after all, has been world-wide.

How nice it would be if the United States were in a position to express outrage at these practices. But the United States itself is the culprit. We're the main consumers of beef in the world; the world price rises and falls chiefly as a result of supply and demand here. During the last big price slump in livestock, Congress passed the Meat Import Quota Act of 1964, signaling the livestock producers abroad that there was only limited access to the biggest market.

When supplies tightened and quotas were lifted in June 1972, the U.S. government thereby invited producers abroad to gear up again for this market. The price freeze last year not only confused the domestic industry, it confounded the foreign producers. How can we now blame them for wanting relief from the selfish and absurd stop-and-go policies of the U.S. government?

Enough is enough. The domestic livestock people, who are big boys, should recognize that government "assistance" is an illusion, that the inevitable effect of loan guarantees or import quotas is simply a deepening of the curves in the beef cycle. With no government interference at all, there would still be ups and downs in the industry. But it would take one of nature's worst catastrophes to trigger a boom and bust cycle of the kind the government fashioned these past few years.

Instead of caving in to the livestock lobby and starting the cycle again, the government should emphatically renounce these assistance schemes. If it does so with enough conviction, it might be in a position to persuade our wary trade partners that we can be trusted. They'd then have a better chance of resisting the pleas of their livestock interests and the nontariff barriers to trade can be negotiated away. Whether the cowboys believe it or not, the quickest way to get their industry back to health is to get themselves and their horses back on the range, or at least out of Washington, D.C.

SALUTE TO ANDREI SAKHAROV

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, Andrei Sakharov, the brilliant and eloquent dissident Soviet physicist, is in the third day of a hunger strike to dramatize the struggle for human rights in the Soviet Union. His action parallels that of a group of nine Soviet Jews, who began a similar strike 3 days ago in Minsk. In Moscow, Sakharov reported that he was feeling weak after 48 hours without food, but was heartened by the continuing support he has received for his protest. I would like to join the chorus of acclaim for this brave man. His hunger strike is only the most recent in a series of courageous protests Sakharov has led or participated in for the cause of intellectual freedom in Russia. He and Aleksandr Solzhenitsyn have been, without question, the leading spokesmen for the dissident movement in the Soviet Union.

The timing of Sakharov's protest gives it added significance. It is being undertaken in the midst of an accelerated campaign to round up dissidents who might participate in demonstrations during President Nixon's summit meeting in Russia. One target has been an unofficial seminar planned by Jewish scientists who have lost their posts after applying for emigration. A half dozen of the scientists have been jailed. It may be that Mr. Nixon is receiving assurances of the Soviet government's respect for the rights of dissidents. We can only hope that dramatic protests like Sakharov's will not allow him to forget the gulf between rhetoric and reality in Soviet Russia. The President needs no clearer measure of the commitment of the Soviet people to their own liberty than the self-imposed sacrifices of Andrei Sakharov and others like him.

PUBLIC OPINION AND GOVERNMENT POLICY ON THE DEVELOPING WORLD

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, as the House prepares tomorrow to vote on H.R. 15465, a bill providing for the U.S. contribution to the International Development Association, a measure which I hope the House will support, I would observe that one of the enduring myths of American political life is that the American people will no longer support policies aimed at assisting in the development of the poor countries. I was, therefore, very pleased to read the chapter entitled "Public Opinion and Government Policy" by John W. Sewell and Charles Paolillo contained in The U. S. and the Developing World: Agenda for Action, 1974, published recently by the Overseas Development Council.

This chapter points up quite cogently the central fact that the American public has not become isolationist and that Americans do not want to withdraw from active participation in the world. They regard world hunger and poverty as very serious problems deserving "top priority" attention. Our fellow countrymen do not see the solutions to domestic and international problems as conflicting, but do give precedence to domestic needs when asked to assign first place to one or the other.

Mr. Speaker, it now becoming apparent that the dramatic increases in the price of food, fuel, and fertilizer have severely disadvantaged 40 of the poorest countries, now grouped in a new "fourth world." If untold numbers of people are to avoid starvation in the coming months and, indeed, if we are not to undo the world development effort undertaken in the postwar period, there must be a renewed commitment on the part of the American Government and people. The Overseas Development Council's analysis indicated that the American people will support effective policies that help to meet the needs of poor countries. It is now up to Congress and the executive branch to act.

Mr. Speaker, I insert at this point in the Record the text of the chapter to which I have referred:

Public Opinion and Government Policy

(By John W. Sewell and Charles Paolillo)

As the cold war has waned and American policymakers no longer emphasize the entire less developed world as an arena of competition with the Soviet Union or China, U.S. relations with the developing countries have fallen into neglect. Despite Secretary of State Kissinger's acknowledgment that "a world community cannot remain divided between the permanently rich and the permanently poor," there has been a general decline in U.S. governmental support for the development of the poor countries in policy decisions and negotiations on trade and monetary matters, the equitable distribution of food and energy resources, development assistance, and the sharing of revenue from the exploitation of the oceans.

There is a great deal of disillusionment and doubt both in and outside Washington concerning our relationships with the developing countries and the role of aid in their development. Congressman John Brademas was reflecting a very widespread impression when he said that "both Congress and the Executive Branch perceive the American public, if not hostile to, certainly not enthusiastic for, foreign aid."

Many observers have questioned, however, whether this is the true state of public opinion or merely its interpretation by those who work on policy matters in the federal government. Are Americans basically unsympathetic to the concerns of the poor countries and, indeed, uninterested in a whole range of questions that concern America's relations with the developing world? Or does it merely seem so from Washington? What, in fact, are the views of the American public, and what is their impact, if any, on government policy?

Although public opinion may not always be a direct policy influence or constraint, it is always a matter of some concern in the decision-making process. It has political force as long as the policymaker sees in it either encouragement for, or a deterrent to positions he wishes to take. The key to the importance of public opinion in the policy process—and especially in foreign policy formulation—is whether or not the public will basically accept, or strongly oppose, the actions of the Congress and the Executive Branch. Thus any examination of the relationship between American public opinion and American policy toward developing countries requires a look at both the views of a cross-section of Americans and their actual impact on government policy.

Last year, public opinion was one of the factors that affected the successful congressional initiative to reform the bilateral aid program. The members of Congress who took the lead in this reform sensed the widespread public disillusionment with the effectiveness and objectives of official American aid programs, and they designed their bill to focus these programs on the problems of the poor majority within the developing countries. In this particular case, the Congress was responsive to the public's *negative* opinion of the existing porgram. In the future, however, Congress and the Executive Branch will also need *positive* public support for the policies needed to meet the pressing needs of the poor countries. This support will be particularly crucial as Congress deals with new trade legislation, with the world food crisis, and with new programs to help the poor countries meet the higher prices they must pay for imports of energy and food.

WHAT THE PUBLIC THINKS

In October 1972, the Overseas Development Council sponsored a survey to assess American attitudes on governmental as well as private commitments to global development, U.S. foreign aid and trade policies, budget priorities, and a range of other issues concerning world poverty and development.[1]

1. The results of this survey show that the American public has not become isolationist—that Americans do not want to withdraw from active participation in the world. Although Americans lack even a minimal understanding of the dimensions of the grave problems facing three quarters of the world's population, they express a strong sympathy for the problems of the poor abroad. Moreover, when they are provided with information about these problems, their concern tends to increase, and they show a greater willingness to support actions to help solve them.

2. Americans regard world hunger and poverty as very serious problems deserving "top priority" attention, but give precedence to domestic poverty needs when asked to assign first place to one or the other. They show more optimism about the short-run feasibility of alleviating U.S. poverty than poverty abroad. They also feel a more direct responsibility for dealing with domestic poverty.

3. Americans do not, however, see the solution of domestic and international problems as conflicting. Rather, the public's views on all aspects of U.S. foreign assistance appear

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[1] For the questions, detailed results, and analysis of this survey, see Paul A. Laudicina, *World Poverty and Development: Survey of American Opinion,* Monograph No. 8 (Washington, D.C.: Overseas Development Council, 1973). This survey, conducted by Peter D. Hart Research Associates, Inc., consisted of one-hour interviews with a representative sample of Americans. To minimize "leading" respondents, the survey relied primarily on open-ended questions and avoided the pro-con, either-or, and multiple choice formats.

to be governed by two major misperceptions: a) Most Americans are unaware of the true dimensions of world poverty as compared with domestic poverty; b) Most Americans also have an inflated idea of how much the United States today spends on foreign development assistance, erroneously believing that the United States is actually spending far more in terms of relative wealth than other rich nations. But when provided with more facts about the true situation, many Americans show willingness to change to favor allocating a greater proportion of the budget for overseas poverty programs.

4. The survey further indicates that cold war considerations, which were the major rationale for providing assistance to the poor countries in the 1950s and 1960s, have lost much of their credibility. The reasons for U.S. foreign development assistance enumerated by those interviewed were overwhelmingly humanitarian and moral. The survey results also clearly show that, as of the fall of 1972 (when the survey was conducted), the increasing evidence of U.S. economic interdependence with other countries had not yet made any significant impression on the public as a reason for assisting the poor countries.

5. Despite these misperceptions and this lack of knowledge, and despite the decline of the cold war rationale for U.S. assistance, more than two thirds (68 per cent) of the public supports the principle of the United States providing foreign assistance to the poor countries, with only 28 per cent opposed. The fact that this support for the idea of furnishing foreign assistance is not at present automatically translatable into support for U.S. official aid programs is not a contradiction, but an expression of public dissatisfaction with these programs as they are now perceived to operate. The public views U.S. private voluntary assistance—which has increased 60 percent over the past decade—as a more reliable form of assistance than U.S. government aid. Furthermore, although the American public knows little about aid programs, it believes that too much of U.S. official aid is wasted in our own bureaucracy, and that U.S. aid does not get to those who need it most in the poor countries. Americans also question the integrity of some recipient governments in handling aid funds.

6. Even when given the opportunity to reallocate funds within the federal budget, a majority of those expressing views (49 per cent) chose to either maintain or increase the amount budgeted for foreign economic assistance. In contrast to this position on foreign economic assistance to the poor countries, the survey results show that a majority (52 per cent) of Americans favor cutting the foreign military assistance budget. The survey further shows that one of every two people regards the U.S. provision of military training and equipment as an ineffective and unacceptable form of foreign aid.

7. The survey shows that Americans do not believe aid should be used as a political tool; they feel that those countries most in need of U.S. economic assistance should be favored in its allocation. Public support is strongest for direct, visible programs aimed at alleviating such basic problems as hunger and malnutrition, disease, and illiteracy. This conclusion indicates that the new bilateral aid legislation passed last year emphasizes the type of aid most Americans favor.

Because the public lacked even a rudimentary knowledge of such issues, it was not possible to measure attitudes on the complex questions of global cooperation on economic, social, or environmental issues. But the responses to questions on trade policy give an indication of how Americans might look at other issues of economic interdependence. The main reason chosen by respondents for favoring freer trade with the poor countries was that trade helps the development of these countries. Thus, trade preferences for the poor countries would meet with genuine public approval, according to the results of the survey. Two out of three Americans would favor a more liberal U.S. trade policy wtih developing countries if American workers adversely affected by imports were protected against financial loss and retrained for as good or better jobs. These results indicate that Americans would support measures helpful to poor countries if they saw their own well-being linked with the development of those countries and if the interests of the poor abroad were understood as not conflicting with domestic needs.

WHY DOES PUBLIC OPINION LACK IMPACT?

If the results of this survey accurately reflect the feelings of a majority of Americans concerning the problems of the poor countries, why have these sympathetic Americans not mobilized themselves for political action aimed at the Congress and the Executive Branch?

The disappearance of the development coalition

In the past, support for the developing countries has been equated with support for the U.S. bilateral aid program. For more than twenty years, public support for aid was mobilized by a triangular partnership at the national level consisting of the Executive Branch (which saw aid largely as an important tool in the cold war), key members of Congress, and a variety of private groups (which basically agreed with the aims of American foreign policy and also supported development aid for various other reasons).

Today this coalition no longer exists. The Executive Branch still favors assistance programs, largely on short-range political grounds, but the vigor of its support has waned. Moreover, congressional support is now fragmented while many continue to support development cooperation, others, reacting against Vietnam and other overseas commitments, no longer wish to see it continued in any form. Many members of Congress and many of the private organizations that used to be part of the foreign aid coalition—and are still potentially the natural constituency for aid to the developing countries—now hold two major reservations that have sharply decreased their support.

First, many question the fundamental aims of U.S. foreign policy, particularly with respect to the developing countries, because these aims appear to them to be tied to the past and largely irrelevant to the problems of the next decade. This criticism, which arose mainly but not exclusively out of our disastrous experience in Southeast Asia, has spawned widespread disapproval of the use of aid for short range political or security purposes rather than for the problems of global poverty. In addition, many believe that in most countries development has made the rich richer and has not helped the poor. With this disapproval has come a reluctance to give financial support to any foreign policy that assists such conspicuously repressive regimes as, for example, the military government of Greece, while cutting off assistance (and, indeed, pressuring international organizations to follow suit) to democratically elected regimes such as the one recently overthrown in Chile. This feeling is heightened in the case of foreign aid by the fact that military and economic assistance are still closely linked legislatively.

The second reservation held by the former development constituency is increasing awareness of our social and economic problems here at home. Many former supporters of overseas development have come to wonder whether Americans should not adhere more closely to the old adage that "charity begins at home." A notable example of this change in opinion has occurred within the American churches and labor unions. One would expect the churches and church-related groups to be providing moral leadership for global development. But today they have virtually ceased to be important supporters of development aid, partly because of Vietnam, but also because they now give primary importance to problems of domestic poverty. American trade unions also have changed their positions on an issue of great importance for the development of poor countries; once among supporters of free trade, many are now pressing for protectionist trade legislation and for measures designed to restrict the overseas investments of multinational corporations. Much of the fear of free trade and investment prevalent among union leaders arises from their perception of the threat to American jobs from imports from the "cheap labor" areas of the world, primarily the poor countries.

As a result of these factors, the views of the private organizations that used to form the backbone of non-governmental support for overseas development in the form of aid has changed drastically. It is now quite clear that the old coalition of private groups cannot be resurrected without an entirely new effort based on a recognition of their fundamental reservations.

The Washington Perspective: An Imperfect Mirror

The disaffection rampant among those who formerly constituted a development coalition has reinforced the view of many policymakers in Washington that the public is hostile, or at least apathetic, toward government programs to help the poor countries—and especially toward all forms of foreign assistance. This belief is certainly one major reason why government interest in maintaining or expanding such programs is so low. And with the waning of the cold war, few people in Washington see any major foreign policy reason for helping the poor countries.

As a result, official development and humanitarian assistance from the United States has been decreasing for a decade. Indeed, the foreign aid debate resembles "The Perils of Pauline." The legislation is constantly in peril and frequently saved from imminent destruction only by the most extraordinary feats. The U.S. share of the total contributions to multilateral aid agencies has been falling, and the United States is seriously behind in meeting its pledges. And the U.S. contribution to the next IDA replenishment has been disapproved at least temporarily by the House. In monetary and trade reform as well, the United States has been lagging behind others in decisions that would assist the development of the poor countries. In fact, aside from specific areas of direct security interest, such as Indochina and the Middle East, what happens in the poor countries of the world seems to play little role in U.S. foreign policy.

It is true, of course, that for all its travails—and they have been considerable—foreign economic aid has been supported, albeit grudgingly, at multibillion-dollar levels by every administration and every Congress since the end of World War II. This fact alone seems to be evidence that, at least on balance, policymakers agree with the public that U.S. development assistance programs should be continued. Nevertheless, there appears to be a substantial discrepancy between the public's basically positive and sympathetic response to the problems of world poverty and development, as indicated by the ODC-sponsored survey, and the reluctant and generally declining response of policymakers to those same problems.

Why should there be such a discrepancy? Why should it be so difficult to translate public opinion into government policy? Part of the answer lies in the nature of public opinion and how it reaches policymakers, and part lies in the way government policy is made.

One reason for the discrepancy is that the way the issues are presented to the public in a survey is not normally the way they are presented to policymakers for decision. Issues frequently reach policymakers in forms which obscure their impact on the development of the poor countries. Members of Congress generally vote not on abstract questions, but on complex and imperfect proposals which seldom lend themselves to clear-cut choices. Moreover, decisions often affect several disparate issues at the same time. Thus, it is entirely possible for a member basically sympathetic to the problems of the poor countries to vote against a foreign aid bill because he believes, for example, that the kind of development aid proposed will not be effective in helping solve those problems, or because he cannot support the military assistance included in the same bill.

A decision in the trade field is liable to be equally complex. In the ODC-sponsored survey, many more respondents said they would favor freer trade with the poor countries if they could take it for granted that American workers would be totally protected from the adverse consequences of more cheap imports. But members of Congress have no opportunity to vote for or against freer trade in a bill that provides total worker protection; more likely, they must decide whether to vote for or against freer trade with developing countries under a system of partial protection for affected workers and industries. They then must decide if the amount of protection is sufficient—a quite different question from the question posed in the survey.

The influence of public opinion

Public opinion on world poverty and development is relatively passive. Most people simply do not spend much time thinking about overseas development without a stimulus. Of course, the same can be said of most public policy issues, whether foreign or domestic. The main exceptions are issues with such high visibility that they engender spontaneous reaction and issues on which interested groups seek to create a constituency. (The experience of organizations supporting family planning is an interesting example. Despite the general negative feeling toward development assistance, the Congress never has failed to provide substantial amounts for family planning programs.) With no groundswell of public sentiment on most issues involving the poor countries, the best a member of Congress can do is try to get some fragmentary indication from letters, press stories, questionnaires, or just a general sense of public opinion. The opinions policymakers attribute to the public in the absence of any clear signals may often be on the mark, but correct or not, it is the policymaker's *belief* about public opinion that is taken into account as decisions are made.

Knowing that the public is badly informed on these issues, policymakers sometimes decide issues based on how they think their constitutents would decide if they had the same knowledge and experience. In so doing, policymakers can be accused of paternalism, but they can also be credited with insight and leadership. Thus, congressional and executive views on U.S. economic aid programs have been influenced, by such factors as the decision makers' perceptions of U.S. interests in poor countries based on reasons of security or interdependence; fear of over-involvement in other countries' affairs; or familiarity with how both bilateral and multilateral aid programs are actually administered—all of which are important factors that, at best, play a marginal role in the public's opinion of aid.

A third reason for dilution of public opinion is that while a survey is taken in a neutral context, government action, of course, is taken in a political context. Regardless of what a member of Congress believes his constituents feel about a particular issue, he may also try to assess the possibility that his position on the issue will be distorted through simplification, sloppiness, or sensationalism, thereby giving his opponents an opportunity to present his position in a way that might cost him constituent support. Whatever his own opinion, he may feel unable to support the U.S. development assistance program for fear of being accused of voting for "foreign handouts" while his own district cannot get funds for medical care or education.

Yet another reason is that policymakers tend to view the public not as an undifferentiated mass, but as a number of different groups. On any issue they generally do not ask "What does the public think?" but rather, "What are the views of business, labor, minorities, the young, the old, the farmers, the miners, the liberals, the conservatives, the rich, the poor?" Moreover, whatever signals policymakers actually receive from the public are likely to come from either organized groups or well-defined segments of the population. Each of these "special publics" can make its views known in ways the "general public" cannot.

A policymaker generally assesses any group's views according to the group's importance to him, as well as according to his assessment of the particular issue's actual importance to the group. Those whose political support is essential but uncertain carry greater weight than those whose support can be taken for granted, and those whose support is unattainable are often disregarded.

In the case of development aid, many of the organized groups that make their views known are relatively narrowly based (e.g., the population control lobby or the supporters of UNICEF). But since they support their various causes with expertise and single-minded dedication, they can be very effective in their specific areas. Other groups, such as labor unions, are basically interested in other issues, and their expressions of support for development aid (while of some symbolic importance) are often treated as *pro forma* (which they generally are). In short, the public opinion of a carefully balanced cross section of the population is generally not the public opinion the policymaker sees or reacts to.

Influences other than public opinion

But perhaps the major reason for the discrepancy between public opinion and government action is that on world poverty and development issues, public opinion is not the main influence on decisions taken by Congress and the Executive Branch. Another influence is the substance of the decision itself. Even those who must seek re-election make decisions much of the time on the basis of what they think is the best thing to do—regardless of whether the public has expressed an opinion. In the case of overseas development, as on other issues, the strength of a policymaker's own knowledge and opinion tends to guide his decision.

However, public opinion and the perceived merits of the issue do not exhaust the influences on government action. All policymakers to some extent react to other factors. And this tendency is normally greatest in a situation where the policymaker not only has received no clear signal from the public, but has no strong views of his own—a situation which generally prevails on development issues among most members of Congress (as well as among some policymakers in the Executive Branch).

On the single issue of development aid legislation, for example, the policymaker in the Executive Branch considers many factors—bureaucratic pressures, the acceptability of the proposal to Congress, the pressure of time, how the proposal will be received in other countries, the virtues or drawbacks of the proposal as a precedent for legislation in other areas, whether the legislation is consistent with the Administration's foreign policy goals other than development, whether the levels are consistent with total U.S. budget guidelines and a great many other matters—all in addition to his own view and his understanding of the public's view on the substantive merits of the issue. Often the total weight of these other factors is at least as great as the weight of substance and public opinion combined.

Similar considerations crowd in upon the member of Congress, perhaps even more intensely. His decisions are influenced by the other issues that so often are included in foreign aid bills, for example, by end-the-war amendments or anti-impoundment amendments. The position of a member of Congress on development aid to other countries may be partly designed to pressure the Executive Branch on some other issue, such as the reduction of defense expenditures or the increase of funds for domestic programs. He may be heavily influenced by the state of relations between the Executive and the Congress, or by the presence or absence of presidential leadership. He may cast his vote with the committee chairman who is managing the bill—simply because he is a committee chairman himself and has a stake in the committee system. He may vote on the basis of friendship or respect for his colleagues who have taken strong positions. Or he may vote with the leadership of his party because he does not know what else to do. The variations are endless.

INCREASING U.S. SUPPORT FOR DEVELOPMENT

In these circumstances, how can public opinion be brought to bear more effectively on government policy? Clearly policymakers cannot be governed solely by the results of a public opinion survey. And as we have seen, the general public lacks knowledge about almost every aspect of world poverty and development. It therefore even may be valid to ask whether a public that knows remarkably little about the issues *should* exert more influence on policymakers than it already does. The answer is not simple. Public opinion should not be blindly followed when it is ill informed; but neither can it be ignored when it shows a basic concern and sympathy for the problems of the developing countries. Are there ways of getting more knowledge to the public and then bringing the public's more informed views to bear on the policymakers? Can the discrepancy between public opinion and government policy be lessened?

Any answers to these questions lie, as they always have, with those individuals and groups desiring to make U.S. policies more responsive to the development needs of the poor countries. A number of steps can be taken to mobilize the strong basic sympathy for development efforts that exists in this country. Some require major changes in the political and legislative handling of these issues. Others call for a renewed motivation on the part of those in positions of leadership—whether in Congress, the Executive Branch, or private organizations.

NEEDED: A NEW RATIONALE, AN EFFECTIVE PROGRAM, AND A RALLYING POINT

First, the results of the survey underline the need to articulate and disseminate a new coherent rationale to explain why the United States should help the poor countries with their development problems. At the moment, the public believes that programs for this purpose are justified by moral and humanitarian considerations. But the question remains whether this humanitarian motivation is strong enough to withstand the pressures of domestic priorities and parochial nationalism.

What clearly is needed is a new agreement on the goals of American foreign policy. In the years following World War II, most Americans agreed with the twin objectives of establishing the United States as a world power and blunting communist expansionism. Nearly three decades later, as the result of the impact of the Indochina war and our own pressing domestic problems, this consensus has evaporated. However, there is a new set of reasons, dealt with in other chapters of this report, for assigning to the developing countries an important role in American foreign policy. The fact that rich and poor countries depend on each other and that this interdependence is increasing every year is a powerful self-interest reason for helping poor countries develop. The importance of the survey of public opinion summarized in this chapter is that it uncovers the American public's basic humanitarian concern with the problems of the poor countries. If Americans also come to recognize that they have a real and important stake in helping the poor countries solve many problems of common concern, their already strong sympathy can be more directly translated into effective public support for policies to alleviate global poverty.

But the *sine qua non* of renewed support for American development policy is an effective package of development policies—particularly a development assistance program that will be acceptable to a majority of Americans. As discussed earlier, the ODC-sponsored survey showed that the basic American sympathy for the problems of the developing countries is not the same as support for U.S. government aid programs. Most Americans do not understand the purposes and operation of U.S. development aid programs, and many believe that a lot of aid is wasted in our own bureaucracy or absorbed by elites in the developing countries. Therefore, the first step toward attracting increased public support is to ensure that the aims of our aid programs do not conflict with the public's priorities and that they are clearly understood by the public to be effective in dealing with the problems of the poor abroad. The new development aid legislation passed last year—which focuses explicitly on agriculture, education, health, and population control, and which supports a new approach to development aimed at reaching the poor directly—should enhance the acceptability and effectiveness of U.S. development aid. But if the new approach is to win support, the public must be made more aware of the new program and the progress of its implementation.

The mobilization of public opinion in support of the development of the poor countries is further complicated by the lack of a single, clear-cut policy measure around which public support might be rallied. The traditional vehicle for the mobilization of support has been the foreign aid authorization bill. However, the foreign aid bill is a particularly ill suited measure for this purpose—largely because it combines development aid with military aid and a number of other controversial programs, such as police assistance and aid to Indochina.

Therefore the first step should be to split the development aid and military aid authorizations. Legislative separation of the two has been proposed for many years. But although the Senate has passed separate bills, the House so far has always passed a combined bill, and the split has never been made in the final version of the legislation. The House's traditional position against the split is based both on a fear that economic aid legislation cannot attract sufficient House votes unless it is linked with military aid and on potential problems of committee jurisdiction over a separate military aid bill. But key House members assured senators in last year's foreign aid debate that they were prepared to drop their opposition to separate bills next year.

What other measures can be taken? It is important that the federal government begin to treat all development-related measures in a coordinated way. Development aid, trade and monetary policy, private investment, energy, food, ocean resources, environment, and other fields, all profoundly affect the poor countries. The new development assistance legislation recognizes these interrelationships in calling for the head of the Agency for International Development to chair an inter-agency committee to coordinate all U.S. policies and programs related to the development of the poor countries. It also requires the Executive Branch to submit an annual report to Congress on actions affecting overseas development. This report could be turned into a powerful device to focus attention on American policy toward the poor countries—just as the widely publicized reports of the Civil Rights Commission were so effectively used to call public attention to the plight of minorities in this country.

The Congress should make a similar effort to deal with development-related measures as a whole. At the very least, the Executive Branch report should be the subject of hearings by the House Foreign Affairs and Senate Foreign Relations Committees or, indeed, by a joint committee. The report should serve as the basis for a thorough review by the Congress each year of the range of U.S. policies toward the developing countries. Such a review could be part of the congressional effort to strengthen its role in the making of foreign policy.

NATIONAL LEADERSHIP

The results of the ODC-sponsored survey highlight the importance of national leadership on development issues. Whether in the Legislative or Executive Branch, policymakers have a great deal of latitude to advocate and carry out policies that are genuinely responsive to the needs of poor countries—and to do so without suffering on election day. Such policies would engender no strong opposition and, with the proper leadership, could even gain a substantial degree of positive public support. However, it is also clear that this support will not come about unless positive steps are taken both within and outside the government to mobilize public opinion.

The critical element of a renewed U.S. response to the development needs of the poor countries is national leadership. This leadership, which has been largely missing for at least a decade, is necessary both to educate the public about the critical importance of the complex new issues of global interdependence and to mobilize support through a partnership including the Executive Branch, concerned members of Congress, and private organizations.

Theodore Roosevelt was right in calling the presidency a "bully pulpit." Any issue on which the President focuses attention becomes a question of national policy and national news. As long as the President remains silent on issues affecting the developing countries, these issue will not attract widespread attention. The same is true, to a lesser degree, of the Secretary of State. Thus, for example, Secretary Kissinger's public acknowledgment in late 1973 of indications that the world may be entering an era of frequent food scarcity succeeded in focusing increased public attention on the need for a world food conference. Clearly policymakers bear the vital responsibility of providing leadership on this issue.

A ROLE FOR EDUCATION

The strong correlation between the level of information and the degree of sympathy for the problems of the poor countries demonstrated by the ODC-sponsored survey indicates that informed Americans are more willing to help the poor countries. Therefore, it would be not only sound public policy but also good strategy to inform the public more fully about the dimensions of world poverty and the inadequacy of the current U.S. response (particularly in light of our incredible affluence), and perhaps most important, about the direct self-interest that the United States has in the development of the poor countries in view of increasing global interdependence. Any such campaign, however, will require leadership not only from within our government, but also from the private sector—particularly the media, churches, educators, and voluntary organizations.

The media

The mass media bear a great deal of responsibility in such an effort. Most Americans get their information on foreign affairs from television, radio, or newspapers. Yet the amount of coverage devoted to the three quarters of the world's people living in the developing countries is so small as to be almost insignificant. Thus in early 1973, for example, it was impossible to convince the head of a major Washington television news bureau that this country would be facing an energy crisis. It is indeed difficut to treat the complex interrelationships between the rich and poor countries in the evening news format. Yet these questions are seldom treated even in documentary form or on weekly news and panel programs on either commercial or public television. Newspapers exhibit a similar lack of interest. Even major American papers still assign only one person to cover all of Africa and one to report on all of Latin America, while most papers have no reporters overseas at all. The opportunity for extensive or sophisticated analysis of the progress and problems of the developing areas is severely limited when journalists operate under such handicaps.

Those who are interested in U.S. relations with the poor countries must look for ways to work with the media on these issues. Since development issues are complex and often seem abstract when discussed by specialists, periodic briefings and publications meant for opinion leaders who are not experts in the field can be invaluable. The interests of the poor countries also need to be expressed in relation to issues of immediate public concern if they are to be judged newsworthy by the press. (Thus, for example, a relatively minor information effort in 1973 helped American journalists to become more aware of the implications of the world food situation and resulted in some serious discussion of these issues in the press.)

The schools

Educators also have a responsibility for increasing public knowledge about the problems of the poor countries. Most Americans are "socialized" in the school system. Moreover, the schools reach a vast majority of Americans in a situation where they are highly receptive to new knowledge. Yet our educational system now pays scant attention to the developing countries; a survey conducted in 1968 showed that less than 5 per cent of the one million studying to be teachers were exposed to international issues, let alone development issues.

What can be done? First, educational leaders, at the local, state, and national levels must be persuaded of the importance of these issues so that they receive more attention in our schools. Second, organizations concerned with development—whether private, governmental, or international—must provide up-to-date information in a form usable by teachers.[2] Finally, both the federal government and private foundations must take the initiative in sponsoring and supporting creative programs of in-service and pre-service training, as well as in providing funds to bring new materials and methods to the classroom, to acquaint both teachers and students with the problems of poverty and cooperation in an increasingly interdependent world.

The churches

Organized religious groups also bear a major responsibility for educating their members on the dimensions of world poverty. The results of the ODC-sponsored survey point up the anomaly that while the strong sympathy of Americans toward the developing countries is based on moral and humanitarian concerns, religious groups have a minimal impact on public opinion on development issues. Yet several factors enable religious groups to take a more active part in development education. Collectively, they constitute the largest single group that lays claims to the moral element in public policy, and they reach great numbers of Americans, including many in positions of public power, or a regular basis.

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[2] For the ODC contribution in this area, see Jayne Millar, *Focusing on Global Poverty and Development: A Resource Book for Educators*, 1974.

What can be done by interested religious leaders? First, education on specific development issues should be made an integral part of church programs, particularly those which raise money for activities in the developing countries. Second, church leaders must be willing to speak out on U.S. policy concerning the developing countries. Finally, the churches should use their existing channels to impress upon Congress and the Executive Branch the pressing needs of the developing countries and their importance to the United States.

Voluntary agencies

Organizations such as CARE, Catholic Relief Services, Church World Service, and other voluntary groups also can use their existing programs to increase the knowledge and understanding of Americans on development issues. Voluntary agencies now raise several hundred million dollars a year for use in their overseas programs, largely on the basis of appeals to American sympathy for the plight of the poor. If these organizations were to devote to programs of development education some small percentage (say 1 per cent) of the money raised each year, the impact would be considerable. Such an effort might not only increase American understanding of development issues, but also attract financial support for development.

A NEW COALITION FOR DEVELOPMENT

But more than education is required. For even if the American people acquire greater knowledge and sophistication about world poverty and the importance of the development effort to them, their enthusiasm for political action on a long range problem with no visible impact on their daily lives will still be weaker than on matters which touch them more immediately and directly. While education on development issues may be a good in and of itself, unless it is translated into organized public support, it will have no impact on U.S. government policies.

The existing private organizations which have an interest in U.S. relations with the poor countries need to rejuvenated. The traditional foreign affairs constituency in the United States has largely vanished. Instead of the single "development community" that existed in the postwar period, there now are many autonomous, but sometimes overlapping, groups with an active or potential interest in overseas development. These include not only long-standing and very active supporters such as the League of Women Voters, but also new organizations—some composed of youth, others dealing with issues of social justice, the environment, or population. The business community, which has an increasing economic stake in the developing countries, must also assume an active role in supporting public education. The new, interested public is fragmented, and most organizations are not even in contact with one another, let alone nationally coordinated. National organizations increasingly are finding that they must follow, not lead, their local membership. In addition, the activity and vitality of the organizations at the local level vary widely among cities and regions. Those groups and individuals interested in America's relationships with the developing countries therefore need as a first step to take a hard look at existing organizations and consider the kinds of networks necessary to educate and mobilize public opinion to deal with the changing foreign policy issues and problems of the years ahead.

There is also a need to develop new ways of mobilizing public support by involving individuals in programs for development. A campaign based on the world food situation, for instance, could capitalize on American concern for those in need to help establish a world system of food reserves and to support efforts to increase agricultural production within the developing countries themselves. Such a campaign might also link groups traditionally concerned with hunger and malnutrition overseas with those concerned with the same issues in the United States.

Increasing public support for development—itself a Herculean task—cannot ensure that the right decisions will be taken. A new attempt must be made to strengthen the ability of existing—or new—organizations to bring public opinion to bear on policymakers. The difficult option confronting organizations is whether or not to relinquish tax-exempt status in order to influence the legislative process more directly.

CONCLUSION

Thus a two-pronged campaign is needed. As other chapters of this report indicate, the U.S. government will be making decisions in the near future that may have a profound impact on international relations for some time to come. Urgent attention therefore must be devoted directly to policymakers themselves—to encourage them to become better informed about world poverty and development and to persuade more of them that the welfare of us all ultimately depends on solving the problems of the poor abroad. Such efforts are needed to sustain American participation in global development in the short run.

But the long-range task of educating and mobilizing the public also must be started. Americans know little of the daily misery facing three quarters of the world's people; they know even less about how vital the developing countries may be to our own well-being. The schools, the communications media, the churches, the voluntary organizations, and policymakers themselves, all bear a special responsibility to play a leading role in helping Americans understand the fast-changing world we will be living in during the next decades.

Clearly no attempt to create an informed public opinion or to renew support for a greater U.S. contribution to the development of the poor countries will be easy. But if successful, it could become a significant and constructive influence on government policy, outweighing many of the extraneous factors that now too often shape decisions. The effort should be made. For government policy based on the support of the people is more likely to be not only the best but also the most enduring kind of policy.

PERSONAL STATEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert in the Record a statement regarding six recorded votes I missed recently and an indication of how I would have voted had I been present.

I refer to the following recorded votes:

JUNE 10, 1974

Rollcall No. 284: An amendment to H.R. 15074, the District of Columbia Campaign Financing Act, to set expenditure limits for mayoral candidates at $100,000 in lieu of $150,000 and to set lower limits for campaigns for other District offices. The amendment carried 273 to 56. I was paired for the amendment, and, had I been present, would have voted for it.

Rollcall No. 285: The vote on final passage of H.R. 15074, the District of Columbia Campaign Financing Act. The bill was passed 314 to 17. I was paired for this bill, and, had I been present, would have voted for it.

JUNE 12, 1974

Rollcall No. 290: A vote on House Resolution 1169, providing for the consideration of Senate Joint Resolution 202, to provide for an official residence for the Vice President of the United States. The resolution was approved, 388 to 4. I was paired for the resolution, and, had I been present, would have voted for it.

Rollcall No. 291: A vote on House Joint Resolution 876, to authorize the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos. The resolution carried 294 to 101. I was paired for the resolution, and, had I been present, would have voted for it.

Rollcall No. 292: A vote on Senate Joint Resolution 202, designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations. The resolution carried 380 to 23. I was paired for this resolution, and, had I been present, would have voted for it.

JUNE 13, 1974

Rollcall No. 295: The vote on final passage of H.R. 13839, the International Economic Policy Act. The bill was passed 175 to 168. I was paired for this bill, and, had I been present, would have voted for it.

CAHOKIA, ILL. OBSERVES ITS 275TH ANNIVERSARY

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, this year marks the 275th anniversary of the village of Cahokia, Ill., the oldest continuous settlement in the Mississippi Valley. I am very proud to represent the people of Cahokia, and I wish to extend them my congratulations at this milestone in their community's history.

I would like to insert an article from a special edition newspaper printed for Cahokia's "13 Star Day" celebration on July 6 and 7:

275 Years . . . . .

This year the village of Cahokia and the Church of the Holy Family are 275 years old. It would not be possible to trace the beginning of the village without mention of the beginning of the church because they came from the same root. In 1699 when misisonary priests established a mission at what we now call Cahokia they found more than just an opportunity to convert the Indians. A place to worship and the opportunity to talk with the priests were welcomed by trappers who worked in the area. It wasn't long until the trappers began to regard the mission site as home and a village had begun.

Cahokia is the oldest continuous settlement in the Mississippi Valley. We use the word continuous for a reason. Before Cahokia was established there was a settlement called Kaskaskia—but at that time it was located a great distance north of here and it was not until after the establishment of Cahokia in 1699 that the settlers moved to the place known today as Kashaskia, about 50 miles south of Cahokia. The upright log church building, which has stood since 1799 as a reminder of the history of the church is unique in that it is the only known upright log church in existence.

Even in the beginning the newly formed parish and the tiny village provided a united front in their fight for survival. History records many incidents of Indian attacks and the burning of whole villages but Cahokia and some of the other predominantly French villages escaped much of this treatment. We do not know the reason for this. It was probably due to one of two factors—or possibly a little of both. In these villages the priests were not only spiritual advisors. The church was the center of the social life. The priest was looked to for guidance and help in all areas of community life. They were an active part of the community. The Indians referred to them as "black robes." They represented the white man's God. The superstitious Indians, always fearful of angering one of their own gods for fear of punishment, may have been influenced in their behaviour toward the white man out of the fear that they might anger his god and therefore bring punishment. The other factors that may have deterred enemy attack was the natural easy-going manner of the French people. Their attitude toward the Indian was not so much that he was a fearful enemy or someone to be made a slave instead he was considered a friend. There was even some intermarriage.

In this year as both the Holy Family parish and the village of Cahokia celebrate 275 years of existence we see much the same spirit of cooperation. Parish members work not only for the good of their church but for the whole community as well. Cahokians who do not attend the church point with pride and recite its history to visitors. Much effort has been spent to insure the preservation of the old log church. Next to the log church is the recently erected structure built for the needs of today. The village of Cahokia is doing much the same thing. Its history is being emphasized through the schools, the library and informational brochures and signs but for today's generation it is providing the best possible in safety, education and recreation to make our community a good place to live.

Cahokians, whether they attend a church with much history in the community or one of the approximately 20 that have come in more recent years, should give thanks to God that they have been blessed with, Pride in the past—Faith in the future.

THE FOOD RESEARCH AND DEVELOPMENT ACT OF 1974

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the ability of our present agricultural technology to keep pace with the growing demand for food in the world is rapidly declining. The resources on which we rely for food are being used almost to their full capacity. Some of our resources—notably the ocean fisheries—are being overused, to the point where they are becoming exhausted. Changing climatic conditions have further reduced the ability of existing methods of food production to keep up with the growing need for food. On top of these constraints on food production, the energy crisis has created a severe shortage of the raw materials needed to produce nitrogen fertilizer, the key ingredient for maintaining existing crop yields.

These limitations on our food producing abilities must be overcome within the next two decades if we are to continue to feed the world's population. Experts on the world food situation predict that we must double current food output within that time in order to maintain current per capita levels of consumption. We cannot rely on existing agricultural techniques alone to accomplish a task of that magnitude. We must develop a new food technology. The only alternative is world starvation on a massive scale.

I recently introduced the Food Research and Development Act of 1974 to establish a Government-sponsored program to develop a new food technology. My bill would focus on new methods of protein and fertilizer production and new ways of processing vegetable protein.

One of the new methods of protein production the bill would support is the use of "microbes" to produce "single-cell" protein. Microbes are the tiny organisms such as bacteria, yeasts, and molds used to ripen cheese, ferment wine, and produce penicillin. People have been eating them for ages, but only recently has their full potential as a plentiful source of protein been discovered. The possibilities for their use as food are revolutionary. The following excerpts from an article in the February 1974 issue of Fortune magazine describe how these miraculous creatures work to produce food:

EXCERPTS

Since the dawn of history, man has been using microorganisms such as bacteria, yeasts, and molds to ferment wine, leaven bread, ripen cheese. The discovery of antibiotics opened a new chapter in this ancient story, and today microorganisms are used as miniature factories to manufacture dozens of commercial products, including amino acids, enzymes, solvents, insecticides, and plant-growth regulators, as well as numerous antibiotics.

But this may prove to be only a beginning. We stand at the threshold of an enormously more sophisticated extension of industrial microbiology through genetic upgrading of organisms. As scarcity of other resources pinches more and more tightly, microorganisms—able to thrive on cheap nutrients—will be called upon to yield an expanding list of products. . . .

The special usefulness of microorganisms derives in part from their remarkable ability to synthesize complex compounds. It would cost too much to manufacture antibiotics by chemical synthesis, for instance. In the words of Carl Djerassi, professor of chemistry at Stanford and head of Zoecon Corp.: "One of the unsolved problems in chemistry is to mimic in the lab the incredible facility and ease with which nature puts highly complex molecules together. We synthesize them in a pathetically difficult way, step by step, one amino acid at a time. Nature does it like a zipper."

There is no universally accepted scientific term that covers all microorganisms. Some scientists like the term "protists" (from the Greek *protista*, the very first). Some use "microbes." To laymen, the word "microbe" is likely to suggest a disease germ, but among scientists it pretty much serves as a shorter substitute for "micororganism." Microbiologists often refer to the creatures they study as "bugs."

By any name, microorganisms differ from any other living thing in the relative simplicity of their biological organization. Many consist of a single cell. Even the multicellular ones do not display the differentiation into distinct cell types that typifies higher plants and animals.

While a microbial cell is simpler than a mammalian cell, it's still exceedingly complex. It can produce more than a thousand enzymes. those busy catalysts of chemical reactions, and it can juggle hundreds of reactions simultaneously. At any one time, however, much of the cell's enzymatic machinery is kept in reserve; only enzymes needed at that particular moment are produced. This versatility enables the microroganisms to respond to a change in nutrients with startling speed, in thousandths of a second. Because of their great adaptability, many microbes can live on a wide variety of organic materials—a great economic advantage, of course.

THE PROMISE OF "SINGLE-CELL PROTEIN"

All of these various commercial uses of microbes have a common element: in each of them, in one way or another, the living organism serves as a producer, a kind of factory. There is another entirely different kind of commercial use, potentially more important than any of those described so far. In this case, the useful product is not some metabolite of the microbes but the microbes themselves—instead of employing them as production workers, you eat them.

Microorganisms offer high protein content, and the protein does not differ significantly from that of other plants and animals. Microorganisms, moreover, are exceedingly efficient producers of protein. Whereas it takes a 1,000-pound steer twenty-four hours to produce a pound of protein, 1,000 pounds of high-protein yeast cells grow into 4,000 pounds during that same span of time. And eating microorganisms is nothing new. For ages, people have consumed yeasts, which are single-celled plants, without ill effects.

Within the past decade or so, oil companies have been conducted research on the use of petroleum fractions as feed for edible yeasts. The leader here has been British Petroleum, along with its French affiliate, Société Francaise des Pétroles B.P. The project began almost by accident in the late 1950's, when British Petroleum was seeking a way to de-wax heating oil to reduce its viscosity. Scientists at the French affiliate found that a type of yeast called *Candida* did the job. They also found the yeast cells to be extremely high in protein.

Since then, B.P. has poured a lot of resources into developing what is now known as single-cell protein—a term invented at M.I.T. The new protein was exhaustively tested on various animals, and found to be both safe and highly nutritious, before B.P. began marketing it as a feed supplement in 1971. It contains as much as 66 percent protein by dry weight and more amino acids than standard protein-feed components such as fishmeal.

Imperial Chemical Industries Ltd. uses a different process to arrive at a similar end product: it raises bacteria on methanol, which it derives from natural gas from the North Sea. Like British Petroleum, I.C.I. is exceedingly optimistic about the future. Both companies envision big single-cell-protein plants dotting Europe, and later the developing nations. Alfred Spinks, research director of I.C.I., predicts that the single-cell-protein business could in the long term "change the shape of I.C.I. to a considerable degree"; it might eventually account for 30 percent of that huge company's business.

The protein plants could be built in conjunction with oil refineries. According to British experts, all of the world's protein needs could be satisfied with utilization of only 1 percent of the oil and gas now being consumed as fuel throughout the world. But petroleum is not the only nutrient that can be used. The organisms can be successfully nourished with carbohydrates that might otherwise be discarded as waste—corncobs, sugar-beet residues, citrus pulp, molasses, and so forth. A Swedish scientist, Carl-Göran Hedén of the Karolinska Institute, has proposed that huge floating fermentation factories be built to exploit the abundant sources of vegetable matter along the shores of tropical and subtropical lands.

With soybeans plentiful until recently, there was little incentive for U.S. companies to work on single-cell protein, although some oil producers, notably American Oil, are carrying on research in the field. Elsewhere in the world, though, interest has been running strong. Fermentation plants making single-cell protein are already operating in quite a few countries. And scientists from the underdeveloped world are beating a path to such U.S. companies as Fermentation Design, Inc., of Bethlehem, Pennsylvania, a division of New Brunswick Scientific Co. Fermentation Design is working with Mexican and Indian scientists, among others, and is about to deliver an automated pilot plant for production of single-cell protein to the Soviet Union.

DEPENDENT MANKIND

Underdeveloped countries are interested in single-cell protein as human food because eventually it could be produced cheaply compared to meat. There appear to be no basic toxicity problems, even when petroleum is the nutrient. Properly purified, the protein presents no serious health hazards—at least none have been discovered—and has no taste or smell of petroleum.

There are problems of acceptability for humans, and that's where genetic manipulation of the microorganisms is expected to help. For one thing, the relatively thick cell walls of yeast sometimes make the stuff difficult to digest. Research to develop improved strains of yeasts is under way in both France and the U.S. Objectives: thinner cell walls, lower content of certain chemicals that could aggravate such conditions as gout, and larger yeast cells for easier harvesting.

In various ways, then, people are going to be making more and more use of microbes as time goes by. Without realizing it, man has depended on microbes all along, of course. In performing their functions in nature, most notably in the recycling of basic nutrients, microorganisms are and have been essential to human survival. It appears that in years ahead they will become even more so.

PERSONAL EXPLANATION

(Mr. DANIELSON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, on Wednesday, May 29, 1974, I was absent for part of the day during the consideration of H.R. 14449, the Community Services Act, and missed four votes. For the record, I now state how I would have voted on each of these questions had I been present.

Rollcall No. 248: A series of amendments that sought to place control of the Community Action Administration under the Secretary of Health, Education, and Welfare in lieu of the Director, thereby permitting the Secretary to place the program wherever it would function most compatibly with other HEW activities. I would have voted "no."

Rollcall No. 249: An amendment that sought to decentralize the program by requiring that a community action agency be a State or local government or a combination of local governments with a population in excess of 50,000. I would have voted "no."

Rollcall No. 250: An amendment, as amended, that prohibits the use of family planning assistance funds for paying medical expenses in abortion cases. I would have voted "no."

Rollcall No. 251: Passage of H.R. 14449, to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs. I would have voted "yea."

PERSONAL EXPLANATION

(Mr. COUGHLIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. COUGHLIN. Mr. Speaker, due to a malfunction in the electronic voting device, I am incorrectly listed as "not voting" on final passage of H.R. 15544, the Treasury, Postal Service, and General Government appropriation bill for fiscal year 1975 on Tuesday, June 25. I was present for this vote and inserted my card in the electronic voting machine which failed to register my vote. Had I been properly recorded, the machine should have indicated that I voted "yea."

RESOLUTION INTRODUCED TO PUSH WORLD WAR I PENSIONS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, today I am introducing a resolution to provide for a rule on H.R. 14782, to establish a general service pension program for World War I veterans and their widows.

The filing of this resolution is part of an effort to push through the pension bill during this session of Congress. If the resolution is not acted on within 7 legislative days, I will file a discharge petition and seek the necessary signatures of at least 218 Members of the House.

This bill, H.R. 14782, is already cosponsored by 75 Members of the House and I predict that the discharge petition will be successful and that the bill would be brought up for early consideration in the House. It is currently in the Veterans' Affairs Committee where no action has been taken on the legislation.

This legislation is necessary to provide World War I veterans and their widows with benefits comparable to those provided the veterans of every other major war in which the United States has been involved. The veterans of the Spanish-American War and earlier conflicts were provided unrestricted pension programs and the veterans of World War II, Korea and Vietnam were given broad benefits under the GI bill of rights. This bill will provide the World War I veterans some equity at a time when it is most needed.

The issues are very clear. The principal question is whether World War I veterans and their families are entitled to the same pension program as Spanish War veterans. I feel very strongly that they are.

In recent years I have received hundreds of letters from veterans throughout the country expressing their need for such legislation. These people are keenly aware of the fact that the benefits to which they are entitled are much less than those available to Spanish War veterans. They know that the harsh and demeaning welfare-type income reporting requirements with which they must comply are not applied to Spanish War veterans. They also know that they did not receive the educational and loan assistance that veterans of World War II and more recent conflicts received—assistance which was paid without regard to other income.

In short, World War I veterans know that they have not received equitable treatment at the hands of their government. This is something that should be corrected if we are to continue to assert that we have provided for the needs of veterans on a just and fair basis.

The bill would give veterans, with 90 or more days of service, $151.59 per month. There are an estimated 1.1 million veterans of World War I living today and their average age is 79.5 years. Only about 443,000 of these are currently receiving VA pensions of any kind.

H.R. 14782 would:

Extend the existing unrestricted pension program for Spanish-American War veterans to include World War I and Mexican Border veterans and their survivors.

Increase monthly pension rates under the expanded unrestricted pension program—applicable to Spanish-American, Mexican Border, and World War I veterans and survivors—to the following levels:

Veterans with 90 or more days of service—$151.59 or $185.45 if in need of regular aid and attendance.

Veterans with 70 to 90 days of service—$117.73 or $138.04 if in need of regular aid and attendance.

Widows—$125 or $120 with the higher amount paid to widows who were married to the veteran during his term of military service.

Permit eligible veterans and widows to remain under the existing program if that is to their advantage.

TREASURY—AT LONG LAST—MOVES ON TAX AND LOAN ACCOUNTS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, today, the U.S. Treasury—after years of urging from the Congress—finally decided to use the tax and loan accounts for something besides increasing the profits of the larger commercial banks.

The term "tax and loan account" is generally applied to funds belonging to the U.S. Treasury and on deposit in a demand account in a private commercial bank. These deposits come from several sources including payment for Government securities provided by the bank either for its customers or for its own account and from payments of various taxes such as employee withholding income tax, payroll taxes from the old age insurance program, from retirement taxes, certain excise taxes, and from corporate taxes.

The Treasury announcement indicated that the Treasury will reduce the balance of tax collections left on deposit with commercial banks and place funds in interest-bearing, 30-day time deposits.

Mr. Speaker, this is a step in the right direction and, at a minimum, is a recognition that the tax and loan accounts have been a huge subsidy to the commercial banks. For years, I have urged that the Treasury either require the payment of interest on these deposits that, at times, exceed $10 billion, or require that the banks—in return for receiving the accounts—make loans for low- and moderate-income housing, small businesses, and other desirable purposes. In the past, the Treasury has argued that the banks were providing certain services to the Government and that the tax and loan accounts provided compensation for these services. This has always been fiction and I am happy that today's announcement by the Treasury stated that the earnings on the tax and loan accounts exceeded the costs of the vague "services" to the Government.

Mr. Speaker, I would have preferred a stronger program—one which clearly used these massive tax collections as "carrots" to encourage the commercial banks to move into housing and other areas where credit is so short. It has taken years and years to get the Treasury to move this small step forward and I am hopeful that eventually it will make even more imaginative use of these public funds.

Mr. Speaker, as I mentioned, the Banking and Currency Committee has for many years pursued this issue over the protests of various Secretaries of the Treasury and their illustrious Under Secretaries and Assistants. Back in 1970 and 1971, the committee tried to push the Treasury Department into a more meaningful use of these funds but both Secretary David Kennedy and his Under Secretary, Charls Walker protested.

Mr. Speaker, I place in the Record a copy of this correspondence which occurred in 1970 and 1971, along with today's announcement by the Treasury Department:

Committee on Banking and Currency,
Washington, D.C., November 18, 1970.
Hon. David M. Kennedy,
Secretary of the Treasury,
Washington, D.C.

Dear Mr. Secretary: Enclosed is a House Banking and Currency Committee resolution, sponsored by fifteen members of the House Banking and Currency Committee, which is self-explanatory.

In essence, the resolution calls for your office to propose a plan which would provide financial institutions with the use of interest-free tax and loan accounts in return for investments by these financial institutions in various and several programs.

In this light, it is expected that you would appear before the Committee at 10:00 a.m., Wednesday, November 25, 1970, in Room 2128 Rayburn House Office Building.

With best regards, I am,
Sincerely yours,
Wright Patman,
Chairman.

Resolution

Be it resolved: That the Secretary of the Treasury is authorized and directed to prepare a United States Government Deposit Public-Interest Program, with appropriate draft legislation, to be forwarded to the House Committee on Banking and Currency no later than March 1, 1971, providing for the deposit in insured financial institutions of a specified percentage of the average United States tax and loan account balances in accordance with their contribution, actual or proposed, to low- and moderate-income housing programs; small business assistance; depressed area assistance; guaranteed student loans; state and local government financing; and such other public-interest programs as the Secretary of the Treasury may determine.

Representatives Wright Patman, William A. Barrett, Leonor K. Sullivan, Henry S. Reuss, Thomas L. Ashley, William S. Moorhead, Fernand J. St Germain, Henry B. Gonzalez, Joseph G. Minish, Richard T. Hanna, Tom S. Gettys, Frank Annunzio, Thomas M. Rees, Frank J. Brasco, and Michael J. Harrington.

December 29, 1970.
Hon. Charls E. Walker,
Under Secretary of the Treasury, Treasury Department, Washington, D.C.

Dear Mr. Under Secretary: On November 18, the Secretary of the Treasury received a letter, along with a resolution signed by fifteen Members of the House Committee on Banking and Currency, requesting that the Treasury Department prepare a program with appropriate draft legislation, if necessary, providing for the deposit of United States tax and loan account balances in such institutions which make a contribution towards solving some of our nation's problems, including housing, small business, student loans, State and local development financing, etc.

You, Mr. Under Secretary, appeared before the House Committee on Banking and Currency on November 25, 1970, to discuss this resolution. At that time, you indicated that the Treasury Department has always cooperated with the Committee and that you would do so in this instance.

Therefore, it would be appreciated if your office would draft a program, with necessary legislation if necessary, which would effectively carry out the objectives of the resolution, a copy of which is enclosed for your information. It would be appreciated if your response will be completed by March 1, 1971.

Sincerely yours,
Wright Patman,
Chairman.

Committee on Banking
and Currency,
Washington, D.C., June 1, 1971.
Hon. Charls E. Walker,
Under Secretary of the Treasury,
Treasury Department, Washington, D.C.

Dear Mr. Under Secretary: You will recall that on November 25, 1970, you appeared before the House Committee on Banking and Currency to testify on a resolution which, if enacted, would provide for the deposit of U.S. tax and loan account balances in institutions which make a contribution toward solving some of our nation's problems, including housing, small business, student loans, State and local development financing, etc.

Following the hearing, you received a letter on December 29, 1970, accepting your invitation to request the Treasury to draft legislation which would effectively carry out the objectives of the resolution. In this letter you were requested to supply the draft by March 1, 1971.

This date has long since past and it would be appreciated if you would inform me of the status of this request.

Sincerely yours,
Wright Patman, *Chairman.*

The Under Secretary
of the Treasury,
Washington, D.C., June 9, 1971.
Hon. Wright Patman,
Chairman, Committee on Banking and Currency, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: Your letter of June 1 has prompted us to review again the proposal to use Treasury tax and loan account balances to further social goals. We have done so, and have again concluded that it is impractical to attempt to use the tax and loan account system for purposes other than that for which it was originally designed—namely, to provide for a smooth flow of money into the Treasury with the least adverse impact on the total economy.

The system has been improved over the years to make it more efficient and thereby reduce the cost of handling the government's financial affairs. Between 1962 and 1969 the average monthly operating balance was reduced from 62 percent to 30 percent of total monthly disbursements. At the same time the average life of deposits in tax and loan accounts was reduced to 11.2 days in 1969 from 33.3 days in 1963.

Attempts to impose a conflicting objective, regardless of how desirable from a social standpoint, would decrease the efficiency of the system—thereby increasing government costs. Moreover, the volatility of these accounts would preclude their use in long-term investments such as housing, student loans, and other long-term commitments.

We have, therefore, concluded that changing the tax and loan account structure to meet two diametrically opposed objectives is impossible.

Sincerely yours,
Charls E. Walker.

Report Confirms Need for Tax and Loan Accounts

Tax and loan accounts of the Treasury Department continue to be of major importance as a tool for monetary management and as a highly efficient collection system, findings of a report released today showed.

The report concluded, however, that with the higher level of interest rates prevalent in recent years, the implicit costs to the Treasury of tax and loan accounts has risen substantially beyond the value to the Treasury of the services that have been inherently or traditionally associated with such accounts.

The Treasury report is based on a study that included analysis of responses to a questionnaire sent to 600 banks, 300 with the largest Treasury tax and loan accounts and a sampling of 300 of the remaining 12,700 banks.

Basically demand deposits, left with banks for short periods at no interest, the tax and loan accounts represent tax payments by business concerns to their own banks, which in a bookkeeping transaction, debit the business customers and credit Treasury's balances.

While tax and loan accounts should be retained, said the Treasury report, means should be developed (1) for employing a portion of the funds in ways that provide added returns to the Treasury, and (2) for compensating banks for a limited number of services performed by fees paid from appropriations.

Legislation is required in both instances, to make possible the most efficient employment of Treasury cash in interest-bearing assets, and to provide appropriations for payments for certain services performed by financial institutions, according to the report.

As an interim measure, pending Congressional action on investment authority, it is Treasury's intention, said the report, "to pursue vigorously the two avenues that are clearly available without legal or regulatory changes:

"First, we will intensify our efforts to increase our balances at the Federal Reserve Banks to the extent consistent with money-market stability; conversely, this will decrease our balances in tax and loan accounts. This necessarily means that the Federal Reserve System will have to compensate for greater swings in the Treasury balance at Federal Reserve Banks through existing techniques such as open market operations.

"Second, we will experiment with placing funds in 30-day time deposits."

As for how banks should be compensated for services they perform for the Government, the report said that nearly all banks included in the study had earnings value well in excess of the cost of services provided, "but some far more than others, even when the average tax and loan balances were comparable in size." There was no consistency, said the report, in the relationship between the earning value of tax and loan accounts and the scope or volume of services provided by banks for the Government, "whatever services might be considered in the Government's behalf."

In order to adjust the differences, the report suggested that certain services rendered by banks which Treasury believes should be compensable, but which are not directly related to the existence of the tax and loan accounts, might be compensated for from appropriated funds.

For those services that are within the Treasury's area of responsibility, the belief was expressed that only those relating to savings bonds should be compensable through appropriation—specifically issuance of savings bonds, redemption of savings bonds, and exchanges of "E" for "H" bonds. Services directly related to the tax and loan account can appropriately be compensated for through the residual earnings value of the accounts, the report said.

In the nearly ten years since the last study of the subject, the amount of taxes flowing through tax and loan accounts has quadrupled, the size of account balances has risen, and interest rate levels have been higher (reaching two peaks when rates were the highest in U.S. history), thus providing significantly greater earnings potential on tax and loan balances. At the same time, the services banks have provided the government have declined.

THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, today it is my privilege to bring to my colleagues' attention the opening statement of the Secretary-General of the United Nations, Kurt Waldheim, at the third United Nations Conference on the Law of the Sea, which began on June 20, in Caracas, Venezuela.

As a member of the congressional delegation to that Conference, I have been following reports of the early sessions with interest. The proceedings thus far are cause for some optimism. Early press reports indicate that agreement on the territorial waters issue may soon be reached. As this is one of the major questions facing the delegates, the possibility of a successful conference is enhanced.

Brief though it is, Secretary-General Waldheim's statement clearly sets forth the recent developments leading to the need for another Law of the Sea Conference, and I commend it to the Members' attention:

TEXT OF STATEMENT BY SECRETARY-GENERAL AT OPENING OF THIRD UNITED NATIONS CONFERENCE ON LAW OF SEA

Following is the text of a statement by Secretary-General Kurt Waldheim at the opening today of the Third United Nations Conference on the Law of the Sea in Caracas, Venezuela:

It is an honour and a source of great pleasure for me to address this Conference, which has just opened under the distinguished Presidency of Ambassador Amerasinghe. At the outset I wish to express on behalf of the United Nations my deep appreciation of the generous effort by the Governmnet of Venezuela which makes it possible for us to meet here. Through this effort, and in the cordial words of welcome just expressed by His Excellency the President of the Republic, Venezuela has demonstrated the importance which it attaches to the work about to proceed. We are grateful to the Government for its determination and dedication to this most important and challenging undertaking of the international community. The invitation to meet in Caracas is consistent with the interest displayed by the Latin American region as a whole in the Law of the Sea. It is also in keeping with the signal contribution which the countries of this region have made to the development of the law and to the preparatory work for the Conference.

Considering the brief period of time available to the Venezuelan Government, we can only express our admiration for the work of the Preparatory Commission and of all the others who laboured to adapt these buildings to the needs of the Conference. I also wish to record my gratitude to them and to the Government Commission for the close co-operation given to the Secretariat in the course of the preparations.

In addressing this Conference with its profound significance for the orderly use of the natural resources at the disposal of mankind, I should like to emphasize the outstanding feature of the recent Special Session of the General Assembly on raw materials and development. That session dramatically underlined the fact that we inhabit only one earth; we became conscious of the world as one world, of the finite nature of our resources, and of the overriding need to reduce the economic disparities between nations. Both the Special Session and the preparatory work for this Conference have clearly demonstrated that many earlier assumptions must be reviewed.

Today we are aware that the great problems with which humanity is confronted cannot be solved on a national level alone. For many countries this is not possible because of their lack of adequate resources. For others the same is true because these problems are interconnected with other issues which require the active co-operation of many countries. This year groups together within a relatively short time the Special Session on Raw Materials, the Conference on the Law of the Sea and the forthcoming United Nations Conferences on Population and Food. This is clear proof that the international community is ready to adopt an approach that gives importance to each single issue while not losing sight of their interconnected nature. In all these fields the United Nations has been chosen as the common forum for international action. It gives the United Nations the opportunity and responsibility to create a new global strategy based on all elements essential for the survival of mankind.

It was in fact that context of the Law of the Sea that the General Assembly of the United Nations first recognized this dominant fact of our time, with the realization that all the many problems affecting the uses of the sea and the sea-bed can only be tackled together. This comprehensive approach presents many difficulties but it is the only one that can provide practical and lasting solutions.

When the Charter was written and when the United Nations family of agencies and programmes was being formed, there seemed to be comparatively little reason to look at the vast field of marine questions as a whole. Fisheries, shipping and transport and sea-bed development, for example, were dealt with by different organs or agencies.

The decision of the General Assembly in 1970 to call for the present Conference marked a significant departure. The Assembly realized that the many diverse problems of ocean space were indeed related, and must be considered as a whole if real solutions were to be found and that this entailed extensive political negotiation. Agreement on a wide range of issues was vital to the future of mankind.

The work of the Sea-Bed Committee leading to the Declaration of Principles governing the sea-bed beyond national jurisdiction had made it clear that the delimitation of that area could only be settled together with all other limits involved. It was therefore no coincidence that the Declaration and the decision to call for a new and comprehensive Conference were adopted by the Assembly at the same time. The tremendous diversity of interests between States that was shortly thereafter revealed in the preparatory work and reflected in the various proposals, showed the realism of the decision of the General Assembly to adopt this comprehensive approach.

Many factors made this Conference imperative. First, there were the problems unsolved at the 1958 and 1960 Conferences. Then there was the dissatisfaction felt with existing law, stemming in part from the fact that many States which have since acceded to independence had no role in shaping that law and did not feel that it conformed to the realities of the new international community. A crucial element was the very rapid progress of technology and the rising demand for resources. These produced the new ability to exploit minerals on the ocean floor, a development which was not anticipated in 1958. It led to the rapid advance made in drilling at ever greater depth for undersea hydrocarbons. Growing world demand caused also an increase in fishing with modern, industrialized fleets, and intensified maritime transport, particularly in the form of supertankers. At the same time these developments aggravated the menacing problems of the pollution of the seas. Finally, most important of all in bringing about the Conference has been the mounting pressure on world resources and the awareness that the sea-bed and the oceans contain some of the largest unexploited reserves available to man. The calling of this Conference lies in the realisation that these resources must be developed in an orderly manner for the benefit of all and contribute to a more equitable and workable global economic system.

The range of problems which confront you at this Conference is hard to parallel in complexity and in the very concrete nature of the national and international interests at stake.

Our world is passing through a period of great and rapid change. Many of the divisive problems and issues which have characterized international relations for so long are receding. The future appears to hold great promise. It is of the utmost importance that in the process of change we are constantly on guard so as to anticipate new problems and issues that might divide us Change is imperative but it must be accompanied by greater diligence to maintain the stability necessary for real progress. We know about the great potential for disputes inherent in the subject matter of this Conference—an awareness that has prompted our common effort. It is therefore my profound conviction that this Conference must succeed, for we must not replace old quarrels on land by new quarrels at sea. A new balance has to emerge from this Conference—a balance which enables us to exploit the riches of the sea while preserving the interests of all.

In 1958, most of the main problems involved in the law of the sea appeared to be settled, and yet only a decade and a half later we are assembled at another conference on the law of the sea. We must avoid repetition of this experience. We must try to ensure that the new Law of the Sea will endure as the foundation of man's uses of the sea. The number of ratifications of the Convention to be drawn up is clearly going to be a major determinant of the viability of the results of this Conference. But it will not be the only one. Clearly, we should seek a Convention which settles issues without in the process creating new ones. Inevitably, however, the international community will continue to evolve and our uses of the sea will continue to develop and diversify. Difficult as the present negotiations may be, it is prudent to assume that the problems of negotiating another Convention at a later date would be still greater. The Conference therefore might well consider whether some institutional means should be created whereby, within the framework of the new Convention, common measures could be agreed upon and taken as necessary from time to time so as to avoid obsolescence under changing world conditions. A periodic assembly of States who are parties to the Convention, to review common problems and to develop ways of meeting any difficulties produced by new uses of the seas, would be one possibility to consider.

I suggest this addition to the many intricate and difficult problems already before you because I feel such an approach might be helpful in overcoming difficulties arising at a later stage. The Law of the Sea was one of the principal areas in which international law in general was formed. It is basic to the State system on which the United Nations rests and which, with the success of decolonization, has spread around the world. It must also become a vital element in creating the new forms of international co-operation on which the future of mankind will depend.

If we face a great challenge, we also have a great opportunity. I am confident that this Conference will seize that opportunity.

POSTSECONDARY SCHOOL ACCREDITATION NEEDS IMPROVEMENT

(Mr. PETTIS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PETTIS. Mr. Speaker, for the past several days, my good friend, Congressman AL BELL, and I have been calling to this Chamber's attention a series of Eric Wentworth articles exploring the growing consumer frauds that have been perpetrated by postsecondary educational institutions throughout this country.

The victims of these fraudulent practices include high school graduates, veterans, and in one case, a 71-year-old woman. All sought to better themselves through education—an integral factor in the traditional American success story. Instead, many found themselves fleeced by slick con operations, expected to pay for courses and training they had never received or could not use.

Today, I am inserting the last of Mr. Wentworth's articles dealing with the accreditation problems that are, for the most part, the reason such fraudulent practices occur.

The Postsecondary Education Consumer Protection Act which Mr. BELL and I have introduced is designed to tighten up accrediting procedures and head off continued abuses by unscrupulous postsecondary institutions.

I trust the efforts to call both the problem and this bill to the House's attention will not go unrewarded. There is an unqualified need to take action now. I hope that need will be met:

[From the Washington Post, June 26, 1974]

FOR THOUSANDS, ACCREDITATION HAS SPELLED DECEPTION

(Last in a series by Eric Wentworth)

Back in the 1960s, an outfit calling itself Citizens Training Service, Inc., set up shop in Danville, Va., and took in nearly $1 million selling bogus correspondence courses before being shut down for mail fraud.

A North Carolina farmboy with only a sixth grade education was one of its 10,000 victims, who were assured the courses would get them Civil Service jobs. A 71-year-old woman already past normal Civil Service retirement age was another.

To avoid a fleecing, consumers these days are advised to sign up only with schools accredited by a government-recognized trade association. Thus the Council of Better Business Bureaus recommends, "One of the best and easiest ways for you to protect yourself when selecting a school is to see if the school is accredited."

And both the Federal Trade Commission in a consumer education brochure, and the Veterans Administration in a bulletin on correspondence courses, state that accredited schools necessarily meet the minimum standards of their respective associations.

Given such advice, consumers may predictably assume that all accredited profit-seeking schools will treat them fair and square. Recent experience, however, has repeatedly shown that the present accrediting system keeps consumers in the dark about school abuses that could victimize them.

True, the trade groups' accrediting commissions have fostered generally higher standards of teaching, physical facilities and business practices than would be likely to exist in their absence.

But still they have failed, in case after case, to protect young consumers from being enticed into debt with federally insured student loans by schools that short-change them, or from wasting their GI Bill benefits on costly, blind-alley correspondence courses.

For thousands of veterans and other consumers, accreditation has in fact spelled deception.

ACCREDITING GROUPS

The accrediting groups, to which the U.S. Office of Education grants formal "recognition" and delegates many regulatory duties, aren't solely to blame, however. They are only part of a mixture of public and private agencies that are supposed to be watching out for consumers' interests. These agencies have generally scanty resources, restricted powers, misplaced priorities, conflicting interests and often mutual suspicions.

"The blame for this situation cannot be directed in any one direction," Judith Roman of the Greater St. Louis Better Business Bureau asserted after the collapse of Technical Education Corp., last fall stranded thousands of students. "In fact, it is the very nature of the program which diffuses the guilt."

"The individual schools are guilty, of course," she continued. "But, they are accredited and those accrediting commissions are responsible for policing the schools and their policies to maintain standards.

"If the accrediting agency falls short, then it is the responsibility of the Office of Education . . . to remove that agency from their approved list."

Accreditation of education's profit-seeking sector is largely in the hands of three groups, each of which accredits—and counts as a member—only a fraction of the schools in its field. They include the National Home Study Council, which accredits about 160 correspondence schools; the Association of Independent Colleges and Schools, largely in the business-secretarial field; and the National Association of Trade and Technical Schools, which accredits about 400 schools teaching everything from computer programming and welding to fashion merchandising. (Since some companies own numerous schools, these totals overstate the number of school owners.)

The possibly 600 correspondence schools, 700 business-secretarial schools and 3,000 trade and technical schools which aren't accredited may be worse—or in some cases better—than accredited institutions.

Unaccredited schools may be too new to qualify, may have sought accreditation and so far failed, may have held accreditation and then lost it, or—since it's a voluntary system after all—may have simply wanted to avoid the fees, red tape and restrictions that accreditation entails.

For those who want it, accreditation has a number of advantages. It's a mark of respectability, helpful in recruiting, especially since consumers are advised to rely on it. In many states, accreditation brings eligibility for GI Bill enrollments with fewer restrictions—as well as exemption from some or most state licensing regulations. And, with some exceptions, accreditation is a requirement for enrolling students under the federally insured loan program.

DOUBLE ROLES

The three industry groups play double roles. On the one hand they are trade associations, protecting and promoting their members' images and interests on Capitol Hill, with various federal and state agencies, and wherever else they can be helpful.

On the other hand, to perform accrediting functions, they have created commissions which operate with somewhat tenuous independence. The commissions are charged with enforcing numerous standards which—on their face—appear to go far toward assuring that accredited schools are educationally sound, financially stable and ethical.

Unfortunately for consumers, however, too many accredited schools have standards—and gotten away with it for months, even years.

When federal auditors last year challenged the president of Technical Education Corp., Charles R. Johnson, for failing to abide by National Home Study Council refund standards, Johnson insisted those standards were mere "recommendations" which his school could—and did—reject.

Practically all the school problems described in these articles, in fact developed at accredited schools.

The basic problem: industry accrediting groups are neither inclined nor properly equipped to act as policemen despite the regulatory responsibilities they've had delegated to them.

"Accreditation," said William A. Fowler, National Home Study Council executive director, "is not really designed for day-by-day enforcement of individual rules."

"We would rather be helping schools to upgrade their programs," explained Dana Hart, executive secretary of the Association of Independent Colleges and Schools' accrediting panel, "than telling them what not to do."

To consumers and other outsiders, a school either is or isn't acredited. From the vantage point of the accreditors, however, matters are less clear-cut.

STIPULATIONS APPLY

Bernard H. Ehrlich, counsel for both the home-study and trade-and-technical groups, said many schools are accredited "with stipulations"—conditions, based on sometimes serious deficiencies, which they are told they must satisfy to stay accredited. "If you try to explain this to the public," Ehrlich insisted, "how would the public understand?"

All three groups have procedures, both formal and informal, for handling problems that arise with accredited schools. If a complaint about a student or one of the school's competitors seems minor, an accrediting-group official may try to work things out with a phone call or letter. When the problem appears serious, particularly when the Office of Education wants action, the accrediting commission may launch a formal—and confidential—investigation.

Investigations typically include inspecting the problem school with a team comprising officials from other schools and an accrediting group representative. Depending on the team's makeup and other circumstances, such inspections may be searching or superficial.

A federal official who accompanied one National Home Study Council team's visit to a problem school on the West Coast last year reported finding the team inadequately briefed on what to look for, one member arriving hours late, the school's required self-evaluation report "totally inadequate," and the inspection's five-hour duration insufficient.

Many months may elapse from the time an accrediting commission launches an investigation until its final decision to withdraw a school's accreditation. The Home Study Councils commission, for example, decided to investigate Technical Education Corp. in May, 1973, after learning from the Office of Education—which had suspended insuring its students' loans—that the St. Louis school was in trouble.

INSPECTION TEAM

But commission procedures allowed Technical Education time to prepare and submit its self-evaluation report and pay the inspection fee. Hence, the inspection team's visit wasn't scheduled until October.

It was too late. The day before the visit. Fowler recalled, the Home Study Council got a phone call from St. Louis: Technical Education—out of cash—had collapsed. (Two days later, at a hastily called meeting, the accrediting commission accepted the school's resignation from accreditation to prevent further delays in decision making.)

At least the home study accreditors' investigatory wheels had been turning. William A. Goddard, executive director of the trade and technical schools association which also accredited Technical Education, said he hadn't been aware that the school was in trouble before it closed.

"The last financial statement we got from them was not the strongest," Goddard said, "but it indicated the school would last . . . This was one of the schools we though we knew."

The three accrediting groups, while relied on by the Office of Education to regulate their schools, are nonetheless private agencies subject to all sorts of legal constraints. This was dramatized four years ago when Macmillan, Inc. (then Crowell Collier and Macmillan) sued the Home Study Council.

The giant publishing concern claimed that the council had violated due process by denying reacreditation to its six correspondence schools—among them LaSalle Extension University—and by publicizing the denial. Macmillan also challenged the Office of Education for recognizing and delegating duties to a trade association.

The case was settled out of court. Macmillan set about upgrading its educational programs, while the Home Study Council agreed to continue the schools' accreditation and revise its own procedures. Though the council and its accreditors were thus spared prohibitive legal costs, the public lost a chance for court rulings on some basic issues.

MACMILLAN SUIT

The Macmillan suit, other legal challenges to accreditation and pressure from the Office of Education led all three accrediting groups to build more due process into their decision-making. They developed provisions for school owners to respond to charges, for hearings, for appeals—and for bans on publicity until a final decision to withdraw a school's accreditation.

These provisions, as followed today, tend to protect school owners from ill-considered decisions, protect accrediting groups from more frequent lawsuits, protect the Office of Education's continued reliance on private accreditation—and leave student consumers more in the dark than ever, over longer periods of time, about serious school problems.

"If we were free from legal liability," said Richard A. Fulton, executive director of the Independent Colleges and Schools Association, "we would be delighted to run up the flag and say we're investigating the problems of X, Y and Z schools." Fulton conceded, however, that his group has never sought such immunity.

Even when an accrediting body does withdraw a school's accreditation, it holds publicity about the decision to a minimum. "It's up to us," Fulton insisted, "to put the scarlet letter on the forehead of a school."

Often schools which have their accreditation withdrawn have already gone out of business anyway. Opinions differ on whether withdrawal can be fatal to those still operating, but certainly schools heavily dependent on federal student aid are hard hit when withdrawal costs them their eligibility. In any event, accreditors generally appear more inclined to prod away at a school in hopes it will eventually clean itself up than to use their ultimate weapon and kick it out of the club.

If the accrediting groups could be more aggressive in protecting the consumer, so could the Office of Education. In its statutory role of "recognizing" individual accrediting groups, the Office of Education occasionally has shown as much tolerance toward their shortcomings as they have shown toward accredited schools.

The federal agency's accreditation staff, while well-intentioned, is short of people and overwhelmed with paperwork. It must screen applications for initial or renewed recognition, provide staff services to a committee advising the education commissioner, and try as best it can to monitor some 50 recognized accrediting bodies.

HANDLING COMPLAINTS

Practical necessity, then, as well as legislative authority has led staff director John R. Proffitt and his aides to depend heavily on the accrediting groups to handle complaints against individual schools and enforce standards generally.

While the Office of Education has prodded an accrediting group to remedy lapses in performance—such as a serious conflict-of-interest episode in the Association of Independent Colleges and Schools—its dependence is such that it has never used its power to revoke a group's recognition.

One well-versed critic has called this symbiotic relationship an "unholy marriage, dangerous to both parties, failing adequately to protect the public and student interest while endangering the independence of accrediting agencies."

Down the hall from Proffitt's staff, the Division of Insured Loans has also mixed good intentions with mediocre performance in protecting student borrowers. Division officials have become increasingly concerned over the past three years about accredited profit-seeking schools which have abused the insured-loan program at students' expense.

At the outset, these officials understood that so long as the schools kept their accreditation they remained necessarily eligible for insured loans. To remedy that, Congress in 1972 gave the Office of Education authority to audit schools and to limit, suspend or revoke their insured-loan eligibility.

Yet nearly two years later, the Office of Education still hasn't published the regulations required to exercise that authority.

SUSPENDED INSURANCE

Meanwhile, federal officials have resorted to several ad hoc devices to curb predatory recruiting, wrongful withholding of refunds or other school abuses. For one, they have suspended some schools' authority to make insured loans to their own students.

For another, they have gone further and suspended insurance on loans from any lender for students at a given school. Intended to force the school owner to clean up his operations, this device in some cases has dried up the school's cash flow and driven it out of business—stranding students with unfinished educations and no hope of refunds, yet still with loans to repay.

According to Technical Education's Johnson, it was the Office of Education's suspension of loan insurance which "broke us."

Federal insured-loan officials had a more promising approach going for awhile. When a school's recruiting tactics aroused suspicion, they would send questionnaires to individual student loan applicants the school was enrolling. In numerous cases, the applicants, if they replied at all, proved ineligible, unaware that they would be going into debt, or misinformed about their eventual repayment obligations. Many would cancel their loan applications and pull out of the school.

In a case two years ago involving 20 young people recruited for International Business Academy in Oklahoma City, questionnaires brought no response at all from 11 and canceled applications from four others. Further checking showed another student was still in high school and thus ineligible, and two more were high school dropouts unlikely to succeed in the training.

Predictably, some school owners complained angrily about the questionnaires—a lawyer for one called them "heavy handed"—and last fall the Office of Education abruptly told its regional officers to stop using them. Someone, it seemed, had convinced Office of Education officials in Washington that they were breaking the rules since the questionnaires didn't have proper bureaucratic clearance and were being used only selectively—that is, against certain schools.

FRESH QUESTIONNAIRE

Soon afterward, a top official in the Office of Education's insured loans divisions said his staff was working on a fresh questionnaire and would seek proper clearance to use it. More than six months later, that project was still hanging fire.

For their part, various spokesmen for the profit-seeking school industry criticized the Office of Education for being inconsistent, confusing, uncommunicative or even devious—as when, they assert, loan applications submitted for insurance approval mysteriously "get lost in the computer."

Elsewhere in the government, the Federal Trade Commission has been relatively aggressive in policing the school industry. Two years ago, after extensive hearings, the FTC laid down "industry guides" defining what it considered unfair or deceptive in advertising, recruiting and related school practices. About the same time, it issued proposed complaints against some industry giants—Lear Siegler, Control Data and Electronic Computer Programming Institute.

Last August, the FTC launched a nationwide media campaign to help consumers recognize and escape school abuses. And in hopes of laying out further rules—on refund policies for example—it has continued investigating industry problems.

Still, when it comes to enforcement activity, the FTC's investigations have been necessarily tedious, its proceedings ponderous, and its penalties limited. While its case against Lear Siegler is still pending, for example, the company—for unrelated reasons, officials say—has nearly finished selling off all its schools.

The Veterans Administration, responsible for the multibillion-dollar GI Bill program, is required by statute to delegate most supervisory duties to "state approval agencies"—which vary considerably in staffing, other resources and diligence.

While VA supervises as well as subsidizes these state-level surrogates, and spot-checks schools to some extent itself, there is little evidence that "Approved for Veterans" protects consumers any better than accreditation.

State governments, for their part, have school licensing or approving agencies of their own. They, too, and whatever laws they have to enforce, are a study in contrasts. Some states, like Florida and Texas, aroused by past profit-school scandals, provide relatively effective regulation. Others such as California have laws flawed by loopholes, and still others have practically no regulation at all.

The Education Commission of the States sponsored a task force's development of model state legislation last year. It hoped to encourage a more even and effective level of state-by-state regulation. But Indiana's Joseph A. Clark, who heads the new National Association of State Administrators and Supervisors of Private Schools, said his group would come up with a different and better bill.

REGULATORY CRAZY QUILT

Washington Post interviews with federal, state and accrediting-group officials throughout the existing regulatory crazy quilt repeatedly encountered disagreements, distrust and mutual criticism: Office of Education officials who look down on VA's state approving agencies, FTC officials who find the Office of Education paperbound and lethargic, state officials who scorn the accrediting groups while resenting FTC incursions on states' rights, accrediting officials who consider the Office of Education inconsistent or indecisive, and the like.

Such discord, among people supposedly sharing to some degree the same broad objectives—good schools, satisfied students and well-spent tax money—dramatize the political obstacles to improving the system.

Improvements, however, are badly needed. While specific remedies are open to debate, the general needs include these:

A far higher priority, among all concerned, for protecting student consumers.

More aggressive, methodical monitoring of school marketing practices, financial stability and other matters in which consumers have a stake.

More timely and effective enforcement of government regulations and accrediting standards—and in the case of the accrediting commissions, open rather than secret proceedings.

For correspondence schools, a requirement that GI Bill benefits be spent on educational essentials rather than extravagant color television sets and other window-dressing.

And for the insured loan program, relief from debts when student borrowers have been defrauded or shortchanged.

LEAVE OF ABSENCE

By unanimous consent, leave of abscence was granted as follows:

To Mr. McSpadden (at the request of Mr. O'Neill), for today through July 3, on account of illness in the family.

To Mr. Horton (at the request of Mr. Rhodes), for today and the balance of the week, on the account of official Government Operations Committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Burgener) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 15 minutes, today.

Mr. Regula, for 10 minutes, today.

Mr. Steelman, for 15 minutes, today.

Mr. McKinney, for 5 minutes, today.

Mr. Grover, for 10 minutes, today.

Mr. Don H. Clausen, for 15 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Young of Alaska, for 5 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Gilman, for 5 minutes, today.

(The following Members (at the request of Mr. Murtha) to revise and extend their remarks and include extraneous matter:)

Mr. Rosenthal, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Metcalfe, for 10 minutes, today.

Mr. Harrington, for 5 minutes, today.

Mr. Waggonner, for 5 minutes, today.

Mr. Stokes, for 10 minutes, today.

Mr. Rangel, for 5 minutes, today.

Mr. Wolff, for 10 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Price of Illinois, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Matsunaga, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Brademas and to include extraneous matter notwithstanding the fact that it exceeds 2½ pages of the Record and is estimated by the Public Printer to cost $888.25.

Mr. Perkins, to follow the remarks of Mr. Steiger of Wisconsin.

Mr. Gross, immediately preceding vote on Senate Joint Resolution 218.

(The following Members (at the request of Mr. Burgener) and to include extraneous matter:)

Mr. Kemp in four instances.

Mr. Findley.

Mr. Goldwater.

Mr. Steiger of Wisconsin in two instances.

Mr. Veysey in two instances.

Mr. Gross.

Mr. Martin of North Carolina.

Mr. Frenzel in five instances.

Mr. Conte in five instances.

Mr. Forsythe.

Mr. Young of Florida in five instances.

Mr. Hosmer in three instances.

Mr. Guyer.

Mr. Walsh.

Mr. Peyser in 10 instances.

Mr. Broyhill of Virginia.

Mr. Sarasin.

Mr. Gude in five instances.

Mr. Derwinski in three instances.

Mr. Bray in two instances.

Mr. Pettis in five instances.

Mr. Carter in five instances.

Mr. Robison of New York.

Mr. Parris in five instances.

Mr. Bob Wilson in two instances.

Mr. Steelman.

Mr. du Pont.

Mr. Gilman.

Mr. Rousselot.

(The following Members (at the request of Mr. Murtha) and to include extraneous matter:)

Mr. Sisk in two instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in two instances.

Mr. Gonzalez in three instances.

Mr. Hays.

Mr. Rarick in three instances.

Mr. Moss.

Mr. Long of Maryland in 10 instances.

Mr. Stark in 10 instances.

Mr. Rooney of New York in two instances.

Mr. Rose.

Mr. Tiernan in three instances.

Mrs. Grasso in 10 instances.

Mr. Hamilton.

Mr. Dent in two instances.

Mr. Young of Georgia.

Mr. Adams.

Mr. Ford.

Mr. Karth in two instances.

Mr. Hébert.

Mr. Rangel in 15 instances.

Mr. Fulton.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 29. An act to provide for payments by the Postal Service to the civil service retirement fund for increases in the unfunded liability of the fund due to increases in benefits for Postal Service employees, and for other purposes;

H.R. 8977. An act to establish in the State of Florida the Egmont Key National Wildlife Refuge; and

H.R. 9281. An act to amend title 5, United States Code, with respect to the retirement of certain law enforcement and firefighter personnel, and for other purposes.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 2, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2506. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July 1973 to April 1974, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

2507. A letter from the Chairman, National Commission on Productivity and Work Quality, transmitting a report on the activities of the Commission during fiscal year 1974, and a work program for fiscal year 1975, pursuant to section 1(i) of Public Law 93–311; to the Committee on Banking and Currency.

2508. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the health consequences of smoking, pursuant to section 8(a) of the Public Health Cigarette Smoking Act of 1969; to the Committee on Interstate and Foreign Commerce.

2509. A letter from the Secretary of Transportation, transmitting the interim report and recommendations on year-round daylight saving time, pursuant to the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2510. A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Vojislav Bozic, Constantin Krylov, Abdurachman Kunta, Mikolai Ozolins, Eugen Posdeeff, and Tatiana Wassiliew; to the Committee on the Judiciary.

2511. A letter from the Counsel for the Pacific Tropical Botanical Garden, transmitting the audit of the financial statements of the Corporation for calendar year 1973, pursuant to section 10(b) of Public Law 88–449; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

2512. A letter from the Comptroller General of the United States, transmitting a report on accomplishments and constraints in U.S. security assistance to Korea; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOLIFIELD: Committee on Government Operations. H.R. 14494. A bill to amend the Federal Property and Administrative Services Act of 1949, and other statutes to increase to $10,000 the maximum amount eligible for use of simplified procedures in procurement of property and services by the Government (Rept. 93–1168). Referred to the Committeee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 3903. A bill to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin Michigan Power Co.; with amendment (Rept. 93–1169). Referred to the Committee of the White House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 15730. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CARTER (for himself, Mr. ROGERS, Mr. COUGHLIN, Mr. DAVIS of Georgia, Mr. FULTON, Mr. GINN, Mr. GUNTER, Mr. HANLEY, Mr. MCCLOSKEY, Mr. MCEWEN, Mr. MOAKLEY, Mr. ROE, Mr. SKUBITZ, Mr. STOKES, Mr. WHALEN, and Mr. WOLFF):

H.R. 15731. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRONIN:

H.R. 15732. A bill to amend title 38 of the United States Code in order to approve the enrollment of persons in flight school training under the war orphans' and widows' educational assistance program; to the Committee on Veterans' Affairs.

By Mr. ESCH:

H.R. 15733. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY:

H.R. 15734. A bill to repeal the earnings limitations of the Social Security Act; to the Committee on Ways and Means.

By Mr. HEINZ:

H.R. 15735. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of California (for himself, Mr. HOSMER, Mr. LUJAN, Mr. STEIGER of Arizona, Mr. KAZAN, Mr. DON H. CLAUSEN, Mr. RONCALIO of Wyoming, Mr. RUNNELS, Mr. DELLENBACK, Mr. STEED, Mr. ULLMAN, Mr. MCKAY, Mr. ABDNOR, Mr. EVANS of Colorado, Mr. FISHER, Mr. YOUNG of Texas, Mr. GONZALEZ, Mr. DE LA GARZA, Mr. ANDREWS of North Dakota, Mr. LEGGETT, Mr. LAGOMARSINO, and Mr. DENHOLM):

H.R. 15736. A bill to authorize, enlarge, and repair various Federal Reclamation projects and programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROSENTHAL (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. ASHLEY, Mr. BADILLO, Mr. BINGHAM, Mr. BOLAND, Mr. CARNEY of Ohio, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DOMINICK, V. DANIELS, Mr. DONOHUE, Mr. DRINAN, Mr. DULSKI, Mr. EDWARDS of California, Mr. EILBERG, Mr. FRASER, Mr. GILMAN, Mr. GRAY, Mr. GUDE, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. HICKS, Miss HOLTZMAN, and Mr. HOWARD):

H.R. 15737. A bill to establish a temporary commission to study problems relating to the Nation's economy and to make recommendations for solving such problems; to the Committe on Banking and Currency.

By Mr. ROSENTHAL (for himself, Mr. KASTENMEIER, Mr. KOCH, Mr. MADDEN, Mr. MEEDS, Mr. METCALFE, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. PEPPER, Mr. PODELL, Mr. RANGEL, Mr. REES, Mr. RODINO, Mr. ROE, Mr. RUPPE, Mr. SISK, Mr. TIERNAN, Mr. WOLFF, Mr. WON PAT, and Mr. YATRON):

H.R. 15738. A bill to establish a temporary commission to study problems relating to the Nation's economy and to make recommendations for solving such problems; to the Committee on Banking and Currency.

By Mr. ROY:

H.R. 15739. A bill to amend section 1302 of the Health Maintenance Organization Act of 1973 by redefining the term "medical group"; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. HOSMER, Mr. RUPPE, Mr. REGULA, Mr. CRONIN, Mr. MARTIN of North Carolina, Mr. HANSEN of Idaho, Mr. GUDE, Mr. COLLINS of Texas, Mr. CONLAN, Mr. HORTON, Mr. WALSH, Mr. PICKLE, Mr. BOLAND, Mr. GIBBONS, Mr. ROE, Mr. SEBELIUS, Mr. KEMP, Mr. DON H. CLAUSEN, and Mr. RONCALLO of New York):

H.R. 15740. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish a "Save Outdoor America" program, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina:

H.R. 15741. A bill to amend the Mutual Security Act of 1954 to require that information relating to foreign travel by Members of Congress be open to public inspection and published periodically in the CONGRESSIONAL RECORD; to the Committee on Foreign Affairs.

By Mr. YOUNG of Alaska:

H.R. 15742. A bill to provide for enrollment of certain Natives under the Alaska Native Claims Settlement Act; to the Committee on Interior and Insular Affairs.

By Mr. ZION (for himself, Mr. BRADEMAS, Mr. BRAY, Mr. DENNIS, Mr. HAMILTON, Mr. HILLIS, Mr. HUDNUT, Mr. LANDGREBE, Mr. MADDEN, Mr. MYERS, and Mr. ROUSH):

H.R. 15743. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana; to the Committee on Public Works.

By Mr. MURPHY of New York:

H.R. 15744. A bill to amend title 38 of the United States Code in order to improve the business loan program for veterans and to make veterans who served after January 31, 1955, eligible for such program; to the Committee on Veterans' Affairs.

By Mr. ROBISON of New York (for himself and Mr. HASTINGS):

H.J. Res. 1084. Joint resolution designating the week beginning July 1, 1974, as "National Soaring Week"; to the Committee on the Judiciary.

By Mr. McKINNEY:

H. Con. Res. 554. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself, Mr. WHITEHURST, Mr. COLLINS of Texas, Mr. WILLIAMS, Mr. ABDNOR, Mr. HELSTOSKI, Mr. COCHRAN, Mr. GUDE, Mr. CLEVELAND, Mr. BLACKBURN, Mr. ROBINSON of Virginia, Mr. COHEN, and Mr. STEELMAN):

H. Con. Res. 555. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RODINO:

H. Res. 1210. Resolution authorizing the Committee on the Judiciary to proceed without regard to the second sentence of clause 27(f) (4) of rule XI of the Rules of the House, in conducting hearings held pursuant to House Resolution 803; ordered to be printed.

By Mr. ARCHER:

H. Res. 1211. Resolution expressing the sense of the House regarding a moratorium on Federal spending in excess of the Government's income; to the Committee on Appropriations.

By Mr. BINGHAM (for himself, Mr. FINDLEY, Mr. FRASER, and Mr. SEIBERLING):

H. Res. 1212. Resolution expressing the sense of the House with respect to the submission of U.S. territorial disputes to the International Court of Justice; to the Committee on Foreign Affairs.

H. Res. 1213. Resolution expressing the sense of the House with respect to the adjudication of disputes arising out of the interpretation of application of international agreements; to the Committee on Foreign Affairs.

H. Res. 1214. Resolution expressing the sense of the House with respect to establishing regional courts within the International Court of Justice, increasing the categories of parties which may request advisory opinions from the International Court of Justice, selecting judges of the International Court of Justice, and having the International Court of Justice consider cases outside The Hague; to the Committee on Foreign Affairs.

H. Res. 1215. Resolution expressing the sense of the House with respect to the jurisdiction of the International Court of Justice; to the Committee on Foreign Affairs.

H. Res. 1216. Resolution expressing the sense of the House with respect to access to the International Court of Justice; tc the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 1217. Resolution providing for the consideration of H.R. 14782, a bill to establish a general service pension for World War I veterans and their dependents; to the Committee on Rules.

By Mr. LAGOMARSINO (for himself, and Mr. GOLDWATER):

H. Res. 1218. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned canal zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

507. By the SPEAKER: Memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to the World Conference on Population; to the Committee on Foreign Affairs.

508. Also, memorial of the Legislature of the State of Louisiana, relative to the establishment of a reservation for the Coushatta Indian Tribe of Louisiana; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 15745. A bill for the relief of Antonio and Rosa Corrao and children Vincenzo, Giuseppe, Michele, and Rosa Corrao; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 15746. A bill for the relief of Leslie F. Covey and his wife Karen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

454. By the SPEAKER: Petition of William E. Warden, Dallas, Tex., relative to redress of grievances; to the Committee on the Judiciary.

455. Also, petition of the Board of Aldermen, Warson Woods, Mo., relative to a constitutional amendment concerning abortion; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

THE RETIREMENT OF RAYMOND F. NOYES

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. HAYS. Mr. Speaker, I am keenly aware of the day-to-day and year-to-year importance of the CONGRESSIONAL RECORD Clerk to all Members of Congress and, in an especially significant way, to the Joint Committee on Printing of which I have the privilege to be chairman.

From that vantage point, it is my distinct pleasure to extend warm, personal, best wishes to Mr. Raymond F. Noyes who has just retired from 39 years service with the Government Printing Office, of which more than 16 years has been as CONGRESSIONAL RECORD Clerk.

Dedicated to efficient, responsive service to the Congress, Ray Noyes has been a tireless and effective intermediary in our interests with the production divisions at the GPO. Through diligent work, he became intimately acquainted with the applicable provisions of the printing law and the Joint Committee's regulations, thereby becoming an unusually talented coordinator and valued counselor in keeping the many thousands of varied requests which were directed to his attention safely pointed in the right direction.

Our best wishes for a happy, richly earned retirement go to him, his wife, two children, and four grandchildren.

VICE PRESIDENT ADDRESSES NAVY LEAGUE

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. HÉBERT. Mr. Speaker, the Vice President spoke to the Navy League of the United States on Thursday, June 27 at the Sheraton-Park Hotel.

I want to make his comments available to every Member of the House, therefore, I am inserting them at this point in the RECORD.

REMARKS BY VICE PRESIDENT GERALD R. FORD

President Carrere, Admiral Moorer, Admiral Zumwalt, Admiral Bender, distinguished guests, ladies and gentlemen.

It is a great pleasure and high honor for me to be present today when your great organization pays tribute to three of America's great maritime commanders who have given to this nation over a century of dedicated service. This service is not only an example to their uniformed colleagues but represents the high standard that Americans have always received from their military leaders in both war and peace. With men like these at the helm of our military services, I can fully understand why, in a recent public poll the military was rated the most respected institution in this country.

I also want to pay tribute to the Navy League of the United States, the civilian arm of the Navy. For 72 years you have contributed much to the maritime services of our nation.

As you know, I have been in the government for some 25 years and the positions I have held have given me an insight into the contributions Admiral Moorer, Admiral Zumwalt and Admiral Bender have made to this country. During my years of congressional service, I had the vantage point both as Minority Leader and as a member of the Subcommittee on Defense Appropriations that not only enabled me to observe their work but, more importantly, to learn to know them and to be aware of their dedication to the nation and goals and ambitions of their respective services. My own experience in World War II as a Naval officer, I think, added to the appreciation that I have for the service they rendered.

I might interpolate here for a moment. I got a call about a quarter of eleven this morning from General Al Haig in Moscow. Let me just condense what Al Haig told me I think to all of you because of your deep interest in national security and efforts we're making for peace. What General Haig had to report: Number 1—The NATO meetings in Brussels were the most encouraging in the five-plus years of this Administration. The NATO nations represented by the leaders of each nation showed a greater solidarity, a greater willingness to work with one another, not only in their mutual defense, but also in their approach to some of the other problems; notably economic difficulties that in some instances have weakened and caused some problems as far as one nation or another nation is concerned. So the meeting yesterday was most encouraging as the President went to Moscow, and according to General Haig, the warmth of the welcome there was encouraging. The President was leaving within a very few minutes to discuss privately for the first time in this visit the problems with Mr. Brezhnev. And I'll add one comment parenthetically, I asked about the President's health. General Haig said that there was no pain, the swelling had virtually subsided, and the President was in the best of spirits as he tackles some of our most important problems.

America has always been a seafaring nation. The sea was the avenue that led to its exploration. The sea enabled it to survive in its infant colonial days. The sea was its most important line of communication, a key element of its security, and the livelihood for millions of its citizens. The romance of the Yankee Clipper and the New England whalers shared a heritage with the river boat captain and the barges that floated down the Mississippi.

Most of the world's commerce moves on the high seas, and today—perhaps more than ever before in history—the welfare and survival of nations are tied to the free flow of goods and raw materials.

We find that we are no longer independent and we must be certain that we do not become too dependent. Rather we find ourselves in the situation where we are interdependent, and this growing inter-dependence is becoming a basic fact of national life.

The existence and future of all modern societies rely on an exchange of raw materials and manufactured goods between societies. The full extent of this inter-dependence becomes apparent only when it fails to function as expected. The recent oil embargo is a clear example. In this age of inter-dependence, freedom of the seas again becomes more than a slogan. It is vital to national survival.

The United States is an island almost surrounded by water. We are a "have not nation," limited in many of the essential raw materials. We must have use of the sea both to import and to export materials to keep our economy healthy—to continue to enjoy our way of life—and to maintain our national security.

Let me illustrate. Before World War II the United States imported only a limited quantity of minerals and fuels. In fact, the United States was a net exporter. The story today is quite different, as our reliance on imported minerals and fuels has grown steadily. For example, today the United States imports approximately 100 different minerals. We import 84 percent of our asbestos; 100 percent of our manganese—essential for steel production; 86 percent of our bauxite; and 100 percent of our chromite.

I do not have to tell an audience such as this how essential many of these materials are to national defense needs. In 1973 alone, the United States relied on 100 million tons of mineral imports and 2 billion barrels of oil to supply a critical 35 percent of our energy demands.

The sea lanes are equally needed to export the products of our farms and factories. This is essential to our prosperity, to our balance of payments, and to prevent economic dislocation that would affect 700,000 American workers in all of our 50 states.

The high seas are the streets and super highways of the world. We are among those who must use these routes in freedom and safety. As a great maritime nation we bear a measure of responsibility for ensuring that those streets are not abandoned to others whose interest does not always coincide with our own.

Secretary of Defense Schlesinger recently observed that he stated, and I quote, "One should not think about the naval balance; the question is one of naval balance in terms of who is stronger, but in terms of this question: Does the West have sufficient naval capabilities to continue to use the seas rather than being denied the use of the seas?"

I agree that we must never allow our naval forces to reach a point where the use of the seas of the world could be denied to the United States. The sea lanes must be kept open and free. Our Naval posture must be second to none.

Sea lanes in the hands of an unfriendly power give that power the option to strangle us. Should any nation ever be able to deny us world sea communications, we could not survive. Remember, over 98 percent of our international commerce moves by sea. Let us not forget that sea lanes do not end at the ports along our coasts—rather they extend deep into the heartland of America where the Great Lakes and rivers serve as the avenues for vast seaborne national and international trade.

Keeping the sea lanes open is a vital mission for the U.S. Navy and the safety of our ships is a vital mission for our Coast Guard. The need and rationale for a modern and strong Navy and Coast Guard flows from these martime requirements. We must have sufficient numbers of modern ships, capable of meeting any threat that could deny us the freedom of the seas.

It is my feeling that we need a better understanding in this country of the term "sea power" and what it means to our economic strength and our national security. I urge you to continue to speak out and serve as educators so that our fellow citizens come to have fuller understanding of the importance of the seas. They must realize that their way of life, their jobs, their basic freedom and, yes, their lives are tied to the waterways of the world.

Let me close by saying to Admiral Moorer, Admiral Zumwalt, and Admiral Bender, our country is grateful for your service.

Today we chart our own course in world affairs from a position of undisputed strength because of your many sacrifices and outstanding leadership.

You are great Americans, your are great sailors, and you are faithful servants of your country.

SUSPENSION OF HOUSE RULE XI

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. DU PONT. Mr. Speaker, we voted today on a resolution to suspend the rights of members of the Judiciary Committee to question witnesses during committee hearings as guaranteed to them by House rule XI.

Certainly, an orderly and expeditious procedure is important to the earliest possible resolution of the impeachment matter. While disallowing questioning of witnesses by committee members would speed the work of the committee, suspending the rights guaranteed to Members under the rules of the House should only be undertaken for the strongest of reasons. The question is: What overriding interest of the committee, or the House, requires suspension of a Member's rights?

While I understand the need to proceed with dispatch on the question of impeachment, I do not see that speed alone is such an overriding interest. At most we are talking about 38 members of the committee questioning 6 witnesses for 5 minutes each—about 20 hours of additional time. Last week the committee met for about 25 hours, so we are really talking about an additional week of work. The committee began work more than 6 months ago, so we are being asked to suspend the rights of the Members of the House to prevent adding 1 week to a process that has already taken 27 weeks. I think this by itself is an insufficient reason.

In addition, there are three other reasons that weigh against suspension of the rules. First, it sets a bad precedent that may be invoked in future cases. Second, while under the proposal of the committee members may submit questions in writing to counsel to be asked by counsel, no followup questions will be possible, and frequently a series of several questions may be necessary to obtain the desired facts from a witness. Finally, since I have been in Congress I have stood by the belief that all issues benefit from full and free discussion. I do not see any danger in such debate in this case. I have not voted for limitations on debate in the past, and I think the sensitive issue of impeachment of the President is a poor place to start.

Mr. Speaker, for these reasons I voted against the resolution.

CUYAHOGA VALLEY: LA SALLE, FRANKLIN, WASHINGTON, AND JEFFERSON PUT IT ON THE MAP

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. SEIBERLING. Mr. Speaker, the weekend of June 8, the House Interior Subcommittee on National Parks and Recreation held a field hearing, chaired by our distinguished colleague, Mr. TAYLOR of North Carolina, on the bill to establish the Cuyahoga Valley National Historical Park and Recreation Area. Over 70 local citizens testified at the hearing, and the overwhelming majority of them expressed their support for this important legislation.

Joining Mr. TAYLOR were members of the subcommittee—Mr. DE LUGO, Mr. WON PAT, Mr. REGULA, and myself—and our colleague Mr. VANIK, in whose district much of the proposed park lies. They toured the area by helicopter, canal boat, bus, horse-drawn cart, and foot. They saw the valley's vast green expanse, as well as its hidden beauties and historic treasures. They saw the urban sprawl that encircles the valley and threatens to consume it if we in Congress do not act soon. Equally important, they met many of the local citizens who love this beautiful area and who have labored long and hard on its behalf.

After returning to Washington, I received an interesting letter from a distinguished, longstanding resident of Akron, Mr. William Barnholth. Mr. Barnholth has been concerned with the history of the valley since the 1950's, and has published two booklets: "The Cuyahoga-Tuscarawas Portage: A Documentary History" and "Fort Island and the Erie Indians." In his letter to me, Mr. Barnholth points out some little-known, but important historical facts about the Cuyahoga Velley. These facts emphasize the significance of the area in our Nation's history and the need to preserve and interpret it for present and future generations.

Mr. Speaker, for the benefit of all of the Members, I insert at this time a copy of Mr. Barnholth's interesting and informative letter:

Hon. JOHN F. SEIBERLING, *Congressman:*

Arlen Large in the Beacon of May 19th remarked that the Cuyahoga Valley is not a Yellowstone or Yosemite. This is true scenically, but, there are two sides to the proposed Cuyahoga National Historical Park and Recreational Area.

However, our valley has a historic and national appeal when we think of La Salle, 1669; and Cadwallader Colden's map of 1728. It is also interesting to note that our river and portage are included in a World Atlas of 1794.

Benjamin Franklin was a co-printer of a map of the middle British Colonies in America, in 1755, showing the Cuyahoga. After the revolution the Cuyahoga river was part of the national boundary between the new United States and the Indian territory to the west.

The local Connecticut Western Reserve recalls the British royal charter which in 1662 extended that state's east-west boundaries from Rhode Island across the continent to the South Sea (Pacific).

Virginia's boundary, 1609, extended west and north-west in such a way as to include Ohio in what was called its Northwest Territory. This recalls Washington's dreams in 1784 of carrying on a fur trade by means of a steam boat up the rivers of Virginia, and the Muskingum and Cuyahoga to Detroit.

We therefore suggest that a building could be erected in the valley, which would contain pictures of La Salle, Washington, Franklin, Jefferson, and the Indian chiefs Pontiac, Tecumseh and Logan, as well as documents related to them.

PAT PATTERSON: QUALITY DEALER AWARD RECIPIENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. STARK. Mr. Speaker, I am honored to have the opportunity to pay tribute to a constituent of mine, Mr. Rolland B. "Pat" Patterson of Oakland, Calif. Mr. Patterson is the 1974 national representative for the Time Magazine Quality Dealer Award. From his contributions to the community and his keen interest in Federal highway safety efforts it is clear that he has set his own "standard of the world".

Mr. Patterson worked up from service assistant at the age of 15 to ownership of one of the Nation's largest Cadillac dealerships. He founded this latest venture, Patterson Cadillac, in 1970 by purchasing the Cadillac agency in Oakland. It is now the largest Cadillac dealership in northern California.

Mr. Patterson's interest in wide-range auto dealer participation merits recognition. He is a past president of Northern California Motor Car Dealers Association, the 1973–1974 National Dealer Council Representative for Cadillac and a past president of the Oakland Zone Chevrolet Dealers Advertising Association.

Corresponding to his fine record as a Cadillac dealer, his contributions to the community have been equally outstanding. Mr. Patterson is president of the board of directors of Children's Hospital Medical Center of East Bay. He is also a member of the board of trustees of the Children's Hospital Foundation, its fund-raising arm. In addition, Mr. Patterson has been a director of the Alameda County Chamber of Commerce and past president and director of the Eldorado County Chamber of Commerce.

His devotion to public service seems to be tireless. He has served 3 years each on the boards of directors of the Alameda and San Mateo Counties Better Business Bureaus, he has served on the planning and fund-raising committees to build Marshall Hospital in Placerville—1959–1960—and he is an active member of the Oakland Boys Club.

Along with his proud wife and children, we offer our congratulations to Mr. Pat Patterson whose outstanding service to both his profession and his community are worthy of our appreciation and esteem.

FISCAL YEAR 1974 VOLUNTEER ARMY HIGHLIGHTS

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, on this, the volunteer Army's first anniversary, it is pleasing to report that the first year has been a success exceeding nearly everyone's expectations.

Secretary of the Army Howard "Bo" Callaway deserves considerable credit for that success. I received a letter from him today in which he discussed the elements that have enabled the Army to meet its manpower goals and to provide a high level of professionalism and combat readiness.

Bo enclosed an information sheet highlighting the Army's record in the first full year without induction authority. That record shows that enlistments and reenlistments, that the quality of recruits is high, that the state of discipline in the Army has steadily improved and that all 13 divisions are operational and ready for combat—compared to 4 of 13 when the last draftee entered the Army.

By almost every measure, the volunteer Army is succeeding. The first year's accomplishments have given the Army something on which to build, to become even stronger and more effective as a defense force. I am confident that with leadership of the caliber of Bo Callaway, that growth will continue. His letter and the information sheet follow:

SECRETARY OF THE ARMY,
Washington, D.C., July 1, 1974.

Hon. WILLIAM A. STEIGER,
House of Representatives,
Washington, D.C.

DEAR BILL: It is with a great deal of pride that I report to you that on 30 June 1974 your Army ended the fiscal year at its authorized manpower strength of 781,600 persons. This noteworthy achievement is clear evidence that the volunteer Army is a success.

This success is attributable to the outstanding efforts of the whole Army team; officers and non-commissioned officers in the field, civilians, and especially to the women and men of the Rrecruiting Command. Working in concert with the management of the Army, they have created a disciplined military atmosphere that has fostered record setting enlistments of new and prior service recruits, reenlistments, and minimal manpower losses. This success is a great tribute to the President, the Congress, and the American people for their positive attitudes in responding to the need for maintaining a strong Army during a no-draft era.

While the attainment of this goal is most encouraging, it does not lessen the task that lies ahead for fulfilling increased requirements for enlistments during the current fiscal year and particularly over the next few months. The immediate future will bring us into a total volunteer force as the tours of service expire for the last of the personnel drafted under the Selective Service System. To maintain authorized strength levels, we must enlist more men and women this year than we did last year. The total volunteer Army must have a steady flow of top quality accessions who are motivated to serve with pride and honor—men and women who have the capacity and desire to learn the military skills that will support a strong national defense.

Although we met, and even slightly exceeded, the Congressionally mandated personnel quality requirements last year—we must now move more forcibly into this market to insure maximum trainability, job satisfaction, and motivation. To this end, we have already taken a number of initiatives.

Our emphasis has been to increase the awareness of Army opportunities among leaders of the educational community so that they, among their other vital responsibilities, can properly represent the Army alternative to the young people with whom they are in contact. This approach has been taken on a broad front from state and local educational systems, to the high schools, to the junior and vocational colleges, to the colleges, and to the national academic accreditation associations.

A good deal of the volunteer Army's success thus far can be attributed to the enthusiastic efforts of friends like you. With your encouragement and support, the Army will continue to reach its goals.

To give you a more detailed account of the Army's present status, I have inclosed a paper which highlights our record of the first full year without induction authority.

Sincerely,

HOWARD H. CALLAWAY.

FISCAL YEAR 1974 VOLUNTEER ARMY HIGHLIGHTS

30 June 1974 marked the completion of the first full year without a draft authority and therefore is a good point at which to assess the results of efforts to make the Volunteer Army a success. The data available to the Army at this time are preliminary since the actual tabulation of final results will take a refinement of the year end results. However, these initial data indicate:

Total Strength: We achieved the Congressionally authorized Active Army manpower end strength of 781,600.

Recruiting: We recruited 196,000 men and women this year. In June alone we recruited over 24,000 new soldiers and about 2,000 soldiers with some prior service. Of the 24,000 new soldiers, almost 17,000 (about 70 percent) were high school graduates or the equivalent.

Male: Recruited 165,000 new male soldiers (all true volunteers) which is about 23 percent more than the true volunteers enlisted in FY 73 and about 85 percent of the combined accessions of the other Military Services.

Female: Recruited 15,000 females, 106 percent of our objective and 72 percent more than FY 73.

Prior Service: Recruited over 16,000 prior service men and women 113 percent of our objective and 18 percent more than in FY

73. These enlistments represent an appreciable dollar savings since the added expense of basic training is avoided.

Congressional Quality Mandate: We achieved these results within the quality guidelines directed by the Congress. Congress directed a minimum of 55 percent high school graduates—the Army achieved 56 percent. Congress directed a minimum of 82 percent of the recruits should be in the upper mental categories (categories I, II, and II)—the Army achieved 82 percent.

Reenlistments: We reenlisted over 58,000 men and women, 108 percent of our objective, and 23 percent more than in FY 73.

22,000 First Term soldiers (135 percent of objective).

36,000 Career soldiers (97 percent of objective).

Combat Arms: We recruited 37,000 new soldiers into the combat arms, one of the most difficult skills for which to get volunteers. One-third of these chose the $2500 combat arms bonus which represents enlistees who are high school graduates, upper mental category personnel, and enlisting for four years.

Training Discharge Program (TDP): Operating under the assumption that, regardless of careful screening, not every young enlistee is temperamentally suited for military life, in September of 1973 we initiated a program which permits discharges during the first 179 days for such cases. Results are encouraging—we are separating about 1700 trainees a month rather than passing them to units where they would become a burden. The program is for Active Army and Reservists alike. We are optimistic that the program lets us identify unsuitable personnel early. FY 75 loss data from units which receive trainees with the unsuitable enlistees already removed will confirm or refute that optimism.

Disciplinary Trends: Since the beginning of the no-draft era on 1 July 1973, the state of discipline in the Army has improved steadily.

The traditional indicators of discipline—AWOL, desertion, crimes against property—are down.

Crimes of violence have remained essentially the same.

While drug abuse offense rates are up, nearly all of the increase is due to use and/or possession of marijuana. The more dangerous drug offense rate remains stable.

Racial tension, of continuing concern, is generally reduced, giving rise to optimism but not complacency for the future.

In sum, the discipline of the Volunteer Army is good, and getting better in nearly every measurable area.

Delayed Entry Program (DEP): The number of new accessions (male and female) who have signed enlistment contracts in the Army but who will delay entry into active duty while completing high school, waiting for the assignment of their choice or a space in special training schools, or conducting personal business is 3-4,000 enlistments per month higher than similar months in 1973. Currently, we have over 15,000 in the DEP for FY 75 entry to active duty.

Mental and Educational Composition: Within the overall Army we have a higher percentage of high school graduates than a year ago (72.5 percent vs 71.1 percent) and a lower percentage of the lowest acceptable mental category (18.0 percent vs 18.1 percent).

Representation: At year end, the minority content of the Active Army was about 21 percent of whom 19 percent are Black. This represents an increase of about 4 percent in minority content since end FY 73. This increase is due primarily to enlistments which ran about 27 percent Black for FY 74, indicating that group's positive perception of the opportunities available in the Army.

Reserve Components: In the Reserve Components, the National Guard ended the year at a strength of about 413,000 or 9 percent above the average paid drill strength authorized. The U.S. Army Reserve ended the year at a strength of about 238,000 or 2 percent above the average paid drill strength authorized. Thus, both components have shown great resiliency in overcoming the disappearances of long waiting lists of recruits—lists that melted when the draft ended. The minority content of the National Guard was 5 percent and of the U.S. Army Reserve was 6 percent, both continuing the steady increase begun three years ago to become more representative.

Readiness: The readiness goal for all major U.S. Army forces is to achieve a combat ready posture. When the last draftee entered the Army, 4 of our 13 divisions were combat ready. Today all 13 divisions are operational and ready for combat.

DOES COMMON CAUSE SPEAK FOR THE MASSES?

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ROSE. Mr. Speaker, I would like to share with my colleagues some thoughts of mine on an organization we all know and, in some rare cases, fear. I am speaking of John Gardner's Common Cause. I bring this up because the district I represent in North Carolina, the Seventh, is strongly conservative. Certain of my constituents have protested to me that nowhere in the volumes devoted to this group has it ever been pointed out that it is a liberal organization.

Common Cause President Jack Conway has stated that his group speaks for the "masses." I deplore this form of intellectual snobbery. But, citing the group's own figures, national membership is between 300,000 and 400,000 persons. Membership in my State of North Carolina is, again, according to Common Cause figures, 4,700. I would daresay that Common Cause is wide of the mark in their claim of speaking for the "masses."

One of the main complaints I have with Common Cause is their releasing information to the press that is erroneous. I do not know how many of my colleagues have had this experience, but I have been the victim of what one of my staff members, a veteran newspaperman, calls "sloppy reporting." After I brought some pressure to bear Common Cause issued a retraction. But, again quoting my staff member, who reads the retractions, "The damage is already done."

It is interesting to note that with the exception of a story on Common Cause in the Washington weekly "Human Events" no newspaper, at least in my district, ever mentions the fact that Common Cause is liberal. But these same papers will write a story on the John Birch Society or Liberty Lobby and like ham and eggs they will immediately identify it as an ultra-conservative organization.

I would like to quote from a half-page story in the May 27 edition of the Wilmington, N.C., Morning Star entitled "Common Cause 'Fed Up' "—pointing out that nowhere in the story does it say what Common Cause was "fed-up" about. I am quoting State Chairman Cartwright Carmichael:

Another way of keeping track of the occasional gap between statement and vote, is to send out questionnaires to candidates asking them to commit themselves in writing on certain issues Common Cause is interested in. The response to this, predictably, is varied.

Carmichael said:

> One legislator frankly told me he didn't want to be bound by a previous statement to vote a certain way. He seemed to feel there was nothing wrong with this, but we're trying to pin them down so they won't change their votes in the period between the time the issue arises and when the final decision is made.

Now, as we all know, what starts out to be a clear-cut issue can, in the course of time, become something else again through tacking on of amendments, and so forth. It is also possible that study of the pending legislation may show it to be flawed, too weak, or against the conscience of the legislator. Should he vote for it anyway because he has promised Common Cause he would?

Common Cause is basically interested in campaign reforms. Well, so are we. But I feel that the people are also equally entitled to know who funds any organization that purports to speak for the people, whether it is conservative or liberal, and what its real goals are.

John Gardner, who founded Common Cause in 1970, was a Republican who served in the Kennedy and Johnson administrations. His purpose in founding Common Cause was to have an organization that would speak for the "mute masses—it would fight for everyone the battles that business and labor were fighting for themselves." The latter part of that statement is a quote from a recent story in "Human Events" by William Murchison, an editorial staff writer for the Dallas Morning News. The story originally appeared in that paper.

Common Cause has championed a Federal oil and gas company, the vote for 18-year-olds, the overthrow of State laws requiring students to vote in their parents' hometowns—a rather neat way of getting a liberal bloc vote in college towns and, as I mentioned earlier, campaign spending reforms.

The 18-year-old vote was a popular issue, but it did aid the liberal cause more than the conservatives.

Now I do not care what Common Cause espouses just so long as the people know under what banner Common Cause, and that term "Common" may be significant, is working and asking them to follow.

And, in closing, I would like to ask: Does Common Cause really represent and speak for the people?

EARNINGS LIMITATION OUTLIVED ITS USEFULNESS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. FINDLEY. Mr. Speaker, although social security benefits were never intended to be the exclusive source of retirement income for Americans, one of the great anomalies of the present law is that it virtually forbids senior citizens to work to supplement their admittedly inadequate benefits. Presently there is an earnings limitation of $2,400. If senior citizens earn above that figure, their social security benefits are reduced proportionately.

The original Social Security Act did not contain such a punitive provision. Rather, the earnings limitation crept into the law in later years, and it has *subsequently* been increased with such regularity that Congress should long ago have realized that it has outlived its usefulness.

The fact is that this section of the law actually penalizes those older Americans who choose to work for their living. Those who earn income from investments are not penalized. Income from stocks, bonds, and real estate are not subject to the earnings limitation which results in reduced social security benefits. Only those who must continue active employment must bear the brunt of this discriminatory provision of the law.

Those who have reached the age of 65 should be encouraged to continue working. The country gains far more by their labor—in productivity and taxes, even social security taxes—than it does by forcing them to quit work or suffer a reduction in their social security payments.

The bill I have introduced today will recognize the great contribution of our senior citizens to the national welfare by eliminating the earnings limitation completely.

JAMES H. SYMINGTON

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, the passing of a wonderful friend to radio and especially Loudoun County, Va., came quietly last Wednesday evening after a long illness. Leesburg, Loudoun County, northern Virginia, the Commonwealth of Virginia and the Nation have all lost a great citizen in James H. Symington.

James H. Symington, brother of the distinguished Senator from Missouri, was born in Baltimore, Md., on April 27, 1913. In 1941 Mr. Symington and his wife came to Leesburg where he engaged in farming and later took up amateur radio as a hobby. In 1955 his hobby led him to being named one of three outstanding Ham Operators by the men of the Air Force and he received an award from Gen. Curtis Lemay for his work with his station K4KCV.

Perhaps he is best remembered by the citizens of Loudoun County, Va., as the president of Radio WAGE during the period 1962–71.

A portion of a broadcast by William Spencer, general manager, Radio WAGE, Inc., on June 27, 1974, sums up best what Mr. Symington meant to the people of Loudoun County:

> While President of Radio WAGE, Jim Symington felt strongly that serving the community in its best interests was our station's first concern. Showing a profit on the financial statements came afterwards. He loved our county, its land and its people. No cause was too small . . . no effort too big . . . if it was good for our area.
>
> WAGE, its management and staff, join the family and many friends of James H. Symington, in mourning the death of a wonderful person.
>
> In sorrow we still give thanks for having had the privilege to know well and to work closely with him at Radio WAGE. We pledge to continue to operate WAGE with the same ideals and principles to the best of our ability.
>
> WAGE will make no changes in our programing today.
>
> We are sure Jim would want it that way.

ERVIN COMMITTEE REJECTS PUBLIC FINANCING

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. FRENZEL. Mr. Speaker, the lead editorial in the Washington Post of this morning concerned itself with financing of elections. The editorial calls attention to some items in the report of the Ervin committee. The editorial, in pointing out campaign abuses by a number of candidates and/or their committees, makes a good point concerning the use of illegal contributions and contributions apparently given conditioned on some sort of quid pro quo.

The editorial is OK as far as it goes, but I am wondering why the Post has never editorialized or publicized very well the Ervin committee's determination to overturn a staff suggestion that it make no recommendation on public financing of elections. The Ervin committee, as I understand it, has approved language opposing public financing of Federal elections.

Selective editorializing is hardly news. Neither is selective news reporting:

> MORE LESSONS IN CAMPAIGN FINANCE
>
> The Senate Watergate Committee's mandate is not just to probe apparent crimes and abuses of power by President Nixon and his men; it is to investigate irregularities in the 1972 presidential campaign. That, properly construed, involves looking into some matters which—for your average member of Congress—come pretty close to home. Thus it was small wonder that the committee's zest for the cameras faded fast when last year's hearings turned to the subject of campaign finance. A similar diffidence has been noted in the House when anyone brings up the milk lobby's role in American politics. Now the Watergate committee staff, in the committee's final days, has drafted some reports on Democratic presidential campaign financing—reports which show, if anybody still needs to be shown, that nobody has a monopoly on suspect and illegal campaign financing practices.
>
> The staff learned some interesting things about the handling of money in the presidential drives of Sen. Hubert H. Humphrey and Rep. Wilbur Mills. For one thing, both candidates got substantial sums from the same dairy lobbies involved in the Nixon administration's 1971 milk-price-supports deal. The reports do not argue in this case that the gifts to the Democrats were bribes in the legal sense—although obviously such donations do not exactly come under the heading of charity. But the point in this case is that some of the money came illegally from corporate funds. For instance, Associated Milk Producers Inc. (AMPI) invested $137,000 in computerized campaign services in Midwestern states, with $25,000 of this corporate largesse directly helping Sen. Humphrey. According to the report, the senator's campaign manager was a central figure in this deal. Meanwhile, the dairymen gave Rep. Mills a total of $187,000, or 43 per cent of his entire presidential war chest. Some $90,000 of this came from corporate funds, including about $50,000 used to bankroll a farmers' rally in Ames, Iowa, which Rep. Mills addressed in October 1971.
>
> The committee staff noted other problems too. Both the Humphrey and Mills campaigns received illegal contributions from corporations and individuals later convicted of violating federal campaign laws. The report also raised questions about the funneling of more than $360,000 in stock revenues into Sen. Humphrey's campaign. Finally, the staff said that many details remain unresolved because both Sen. Humphrey and Rep. Mills have rejected committee requests for interviews; key records on AMPI's operations and the early Humphrey campaign have been destroyed; and the managers of both campaigns invoked the Fifth Amendment when called to testify under oath.
>
> Sen. Humhprey has convincingly responded on one point. The conversion of stock from a blind trust into campaign funds was entirely proper because the money was his own and at the time there was no statutory limit on a candidate's contributions to his own campaign. Beyond that important point, however, both Sen. Humphrey and Rep. Mills have responded in all-to-familiar ways by criticizing leaked reports and professing total ignorance of any misdeeds which may have been committed by their over-zealous friends. In truth they may have known little or nothing of what was going on; many candidates have a self-protective habit of not inquiring too deeply into the operations of their money men. But that does not alter the fact that some apparently illegal things were done—any more than the strongarm money-raising of the Nixon men can be excused because President Nixon may have been unaware of it.
>
> These new reports provide further examples of the intricate, devious ways that money moves among people of power, ambition and political designs. It is a system which fosters manipulation, covertness and a casual attitude toward the details of the law. It is a system in which all too many politicians are bound, often quite unwillingly, to rich friends and special interests by what one AMPI official called "a long history of understanding, awareness and support."
>
> And so we get the rationale that everybody does it and therefore it is all right. But the point, the heart of the problem, is just the opposite: so many people do it, in so many campaigns, that rooting out and punishing individual violators is not enough. The whole system of funding politics ought to be changed—and that can be accomplished, if at all, by the same legislators who have let the old, corrosive methods continue for so long. The Senate has already approved sweeping revisions of the rules governing all federal elections. Within the next few weeks, the House is likely finally to have the chance to vote on some important changes, such as strict limits on giving and spending, the creation of a tough enforcement agency—and even a modest step toward partial public underwriting of congressional campaign. The outcome of those votes will show how many

representatives have grasped the real, nonpartisan lesson to be learned from the campaign financing practiced to some degree by both parties in the 1972 elections; that the price of that kind of gross abuse of the use of money in politics, in terms of the collapse of public confidence, is too high.

ANOTHER SCANDAL BREWING?

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. GROSS. Mr. Speaker, a recent article by Columnist Paul Scott discusses what could grow into a major security problem for the Department of State growing out of the appointment of an alleged homosexual as Inspector General of the Foreign Service.

Since I believe that this is a matter concerning which all Members of the House should be aware, I include the article for insertion in the Record at this point:

ANOTHER SCANDAL BREWING?

(By Paul Scott)

WASHINGTON, D.C., June 28.—Secretary of State Henry Kissinger is being frankly told to either fish or cut bait in a growing State Department security scandal.

The House Internal Security Committee, probing a major breakdown in the government's security programs, has demanded that Kissinger permit State Department security officials discuss their adverse findings on several of his high-ranking appointments.

Pressured by letters and phone calls from hundreds of security conscientious Americans to get on with their bogged down investigation of government security programs, the lawmakers summoned G. Martin Gentile, the State Department's Deputy Assistant Secretary for Security before the Committee.

When the legislators tried to question Gentile about his security staff's findings on several of Kissinger's top level appointments, the State Department security chief literally took the "fifth amendment", stating he was under orders not to discuss individual security cases.

Gentile was then directed by the lawmakers to go back and get Kissinger's permission to discuss their findings and turn over to the Committee the security files of several of the Secretary of State's recent appointments.

One of the files sought is that of James Sutterlin, who Kissinger appointed as Inspector General of the Foreign Service. The position is one of the most sensitive in the State Department since the Inspector General investigates all corruption and misconduct among the Foreign Service Officers scattered throughout the world.

As reported in an earlier column, State Department security files and sworn testimony of Otto F. Otepka, the Department's former chief security evaluator, clearly show that Sutterlin is an admitted homosexual.

So sensitive is the Sutterlin case that Kissinger has been in contact with the White House on whether the President should invoke executive privilege in order to keep all the facts from coming out.

The executive privilege cover would allow the Secretary of State to refuse to turn over Sutterlin's security file to the Committee and would block State Department security officials from discussing their findings with congressional probers.

THE PRESIDENTIAL DECISION

Whether President Nixon will permit Kissinger to cover over his shocking breaches of security is highly debatable.

In several instances in the past, Kissinger has threatened privately to resign unless the President granted his wish and in each case he succeeded in getting what he wanted.

Lashed on all sides by his Watergate critics and the growing impeachment drive in the House, the President now relies on Secretary Kissinger more than ever before. He needs his Secretary of State to produce a series of headline making foreign policy achievements in order to drown out the increasing cries for impeachment.

Under these circumstances, government insiders now believe the President will join in Kissinger's cover-up of the Sutterlin case in an effort to keep the lid on the brewing State Department security scandal. But it is now doubtful that any cover-up can succeed if the public continues its pressure on Congress for a full-scale inquiry.

Committee members led by Representatives John Ashbrook (R. O.) and Richard Ichord (D. Mo.), chairman, say they plan to push ahead with their inquiry. The probers have Otto Otepka, the retired former chief security evaluator, under subpena and plan to obtain his information on Sutterlin early in July.

Two other witnesses, including one within government, also are available to the Committee to back up Otepka's testimony. Another State Department employee already has informed the legislators that all of the adverse information on Sutterlin was forwarded to Kissinger before he made the appointment.

NUMBER SECURITY CASES

The Sutterlin case is only one of several security cases involving Kissinger's appointments now under investigation by the Committee.

Another more alarming case involves the passage of highly classified information by one of Kissinger's appointments to an agent of a foreign government, the doctoring of his security file so there would be no information in it from government wiretaps.

Government security experts, who have watched the State Department security mess unfold, believe the scandal could easily turn into another "Watergate"—but with even graver national security implications.

The good news about the whole sordid mess is that it shows that members of Congress still respond to massive pressure from those who have the vote and take time out to either write or call them.

There is now even a faint hope that the Ichord-Ashbrook Committee will fully examine the claim of a high-level Soviet defector. He contends that 12 years ago he turned over to the Central Intelligence Agency information linking Kissinger to the Soviet's world-wide espionage operation.

Since the information that the Soviet defector has furnished to U.S. security officials in all other instances has proven out, one must now ask if the House investigators can afford not to conduct a full-scale inquiry into the "real Dr. Kissinger."

The Secretary of State's own public admission that he has twice overruled security officials and named persons to high-level governments jobs is sufficient grounds on which to launch such an investigation. The question now is whether the American people will demand it. If you want it, now is the time to contact your Congressman and give him the above information.

MAN OF THE SOUTH FOR 1973

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, one of my constituents, Mr. William H. Barnhardt, has been selected "Man of the South" for 1973 by the editors of Dixie Business.

Bill Barnhardt has been tremendously successful both in business and in service to his community and State and well deserves such an honor. Born near Harrisonburg, N.C., he grew up as a farm boy and then graduated from North Carolina State College of Textiles with a B.E. degree. Recognizing that synthetic fibers offered a great future for the textile industry, he and his brother Charles formed Barnhardt Brothers, Charlotte, and helped pioneer the use of synthetic materials in textiles.

Mr. Barnhardt, the 28th recipient of the annual award, is president of six corporations and a director of 20. His activities have not by any means been confined to business as he has found the time and the energy to be a member of the Regional Committee and Advisory Council of the Mecklenburg Council of the Boy Scouts of America; a member of the boards of trustees of Queens College, Johnson C. Smith University, Crossnore School, Charlotte Country Day School, the Protestant Radio and Television Center, and the Greater Charlotte Foundation; and a director of the Foundation of the University of North Carolina at Charlotte, Inc. He is an elder in his church and past president of the Presbyterian Foundation for which he headed a fund drive for a building to house valuable church records.

William H. Barnhardt is a fine representative of his area of the country. A tremendous success in business, he is also more than willing to use his talents in service to God and his fellow man. I offer my congratulations to him both on his selection as "Man of the South" and on his well lived life.

HUMAN CONCERN SAVES A LIFE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. WALSH. Mr. Speaker, more and more we are forced to realize that we are living in a violent world where guerrilla and terrorist raids and violent deaths increase in frequency with each passing month.

As we all know, the headlines in our newspapers are becoming more and more distressing with each daily edition.

So it was with great pleasure that I read a letter I recently received from the American National Red Cross. The letter's purpose was to inform me that a constituent, Ronald E. Pitcher of 1 Florence Street in Auburn, N.Y., has been named a recipient of the Red Cross Certificate of Merit. Mr. Pitcher won this award because of his knowledge and skill and because he cared enough about another human being to become involved and make a personal sacrifice.

This kind of selflessness deserves a reward and thanks to the Red Cross, that is exactly what is going to happen.

I would like to share with my colleagues a portion of the letter from Red

Cross President George Elsey. The portion describes why Mr. Pitcher is receiving the Certificate of Merit.

On January 3, 1974, Mr. Pitcher, trained in Red Cross First Aid, stopped his automobile on the highway in response to a young man waving for help. He was told that the young man's hunting companion had been accidentally shot. Immediately Mr. Pitcher took him to a nearby telephone to call for assistance and then returned to the accident victim. He found the boy lying against a snowbank with a gunshot wound in the chest. Mr. Pitcher applied compress bandages to control the bleeding and remained with the victim until an ambulance arrived, reassuring him while he was being carried through he deep snow to the ambulance. The victim survived; without doubt Mr. Pitcher's use of his skills and knowledge saved his life.

Mr. Pitcher deserves to be congratulated for his unselfish actions and the Red Cross deserves to be commended for recognizing these actions.

PRESERVATION OF PEACE IN THE MIDDLE EAST

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. GUYER. Mr. Speaker, today, Americans are properly concerned about the preservation of peace in the Middle East and solutions to the problems resulting from Vietnam.

Often overlooked, however, is the continuing tensions between North and South Korea, even though an armistice was signed more than 20 years ago.

Korea has it own "Iron Curtain" which has divided that country into two distinct idealogical camps, similar in many ways to the more talked about East and West Germanys.

Since the 1953 Korean armistice, many students from the Republic of Korea have furthered their education in the United States, with commercial and cultural ties between our two countries being visibly expanded and strengthened.

Recently my alma mater, Findlay College, in Findlay, Ohio, conferred the honorary doctor of political science degree upon Dr. Kwan-Shik Min, Minister of Education of the Republic of Korea. Presenting the citation honoring Minister Min, was a former Korean student at Findlay College, Mr. Hancho Chris Kim, who has been a credit to our college.

Minister Min has encouraged Korean students to attend American colleges and universities to study our culture, customs, and tradition of self-government. The Minister and his fine people by precept and example have emphasized and demonstrated that more and better education will best serve their country's current and future best interest for economic growth and representative government. I salute and commend this high resolution of educational purpose.

THE PLUTONIUM CURSE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. SEIBERLING. Mr. Speaker, the proposed sale of nuclear reactors to Egypt and Israel should force us once again to examine thoroughly the implications of the world's rush to build more and more atomic power plants.

In two articles which appeared recently, the "not so peaceful" risks which accompany the "peaceful" uses of nuclear energy are explored. One article by Thomas O'Toole appeared in the Washington Post on June 23; the other, by David Krieger, appeared in the June 1974 issue of the Center Report. The articles are printed at the conclusion of my statement.

In a news conference last Saturday, AEC Commission Chairman Dixy Lee Ray maintained that "it is wrong to suggest that nuclear reactors mean nuclear weapons." She suggested that it would take Egypt years to develop the technology needed to extract plutonium from spent reactor fuels.

However, the recent explosion of a nuclear bomb by India would suggest that such assurances cannot be relied upon. Dr. Henry Kendall, a physicist at the Massachusetts Institute of Technology, said Egypt, through relatively simple procedures, could extract enough plutonium to build a bomb soon after the reactor goes into action. He estimated the cost of India's first nuclear bomb to be about $1.8 million.

But the issue goes way beyond the question of whether a nation provided with nuclear reactors for peaceful uses will then turn around and build a bomb.

The real dilemma is that with the construction of every new nuclear plant we increase the stockpile of plutonium—the deadly radioactive metal of which bombs are made. Dr. Charles Thornton of the AEC calls it the plutonium curse.

Krieger suggests that as the amount of plutonium in the world increases we may actually become captives of it, forced to live in a kind of "garrison" society to protect ourselves from the catastrophic dangers of plutonium.

I commend the two articles to my colleagues. And I am hopeful that the proposed sale of reactors to Egypt and Israel will stimulate a new—and badly overdue—national debate on U.S. policy with respect to nuclear energy.

The articles follow:

[From the Washington Post, June 23, 1974]

SPREAD OF PLUTONIUM WORRIES A-SCIENTISTS

(By Thomas O'Toole)

When India decided in 1971 to build an atomic bomb, it was already halfway along to achieving its goal.

Hundreds of physicists had been put to work before 1970 at Bhabha Research Center near Bombay, designing the bomb and the super-sensitive explosive that would serve to trigger it.

Computers had begun the painstaking task of testing the weapon on paper. Most important, India had secretly been removing from a small "research" reactor the priceless plutonium it used to make the 14-kilton bomb that exploded in the Rajasthan desert May 18.

Only India knows how much plutonium it put together to make its first bomb, but it could have been as little as 14 pounds.

Whatever they used, the Indians had little trouble accumulating it. For 10 years they had been gathering as much as 20 pounds of the gray metal every year, merely by separating it from the fission products of a uranium-fueled reactor built for the Indians by the Canadians in the 1950s.

India was the sixth country to explode an atomic bomb, the fifth to do it first with plutonium. Only China exploded a uranium bomb first, presumably because it acquired uranium before it could make plutonium.

Plutonium was discovered only three decades ago, and is made when an atom of U-238 (natural uranium) absorbs a neutron cast off by fissioning U-235, the isotope of uranium used in bombs and, in much less concentrated form, in reactor fuels. Every nuclear reactor in the world starts making plutonium the moment its uranium fissions and begins to make heat.

This means that whoever wants to make a bomb need only extract plutonium from the irradiated wastes of an atomic power plant. He doesn't need a uranium enrichment plant to make "weapons-grade" (93 per cent U–235) uranium, a factory that's likely to cost $250 million to build and $50 million a year to operate.

There are other reasons why a plutonium bomb is the cheapest and easiest to make. It can be built from half as much metal as a uranium bomb. It can also be made using impure plutonium. In fact, the impurities contain a built-in generator (an isotope known as Pu-240) of neutrons, something needed to start the chain reaction that explodes the bomb.

"It's the plutonium curse," is the way it's put by the Atomic Energy Commission's Dr. Charles Thornton. "Something that society is going to have to struggle with for the rest of time."

The perils of plutonium have been spotlighted by the world's rush to "go nuclear." There are today 15 countries operating atomic power plans, all of them quietly producing plutonium. It's true that a nation needs a plutonium separation plant to get at it, but India's example has served to dispel any ideas that plutonium extraction is reserved for the rich.

Atomic power plants are also being built in another 10 countries and are on order in at least 10 more, including oil-rich Iran, Spain is building six, Sweden eight, West Germany 13 and Japan a staggering 16, Egypt and Israel aren't on this list, even though President Nixon promised to sell one plant to each of the countries on his 10-day tour of the Middle East.

The likelihood that Egypt and Israel will have power plants producing plutonium has triggered a busy debate on Capitol Hill, where the House Armed Services Committee is to hold hearings on the subject this week.

Three senators (Lawton Chiles of Florida, William Proxmire of Wisconsin and Frank Church of Idaho) have questioned the wisdom of introducing plutonium to the Middle East.

"The world has witnessed a spurt of nuclear developments in several countries, which does not bode well for the future," said Church, a key member of the Senate Foreign Relations Committee. "I am particularly disturbed that President Nixon has committed the United States to furnish nuclear capability to Egypt and Israel, two countries which have fought four hot wars over the last quarter of a century."

It will be eight years before Egypt and Israel get the nuclear power plants promised by the President, and in those eight years the rest of the world will have accumulated more than 250,000 pounds of plutonium. That's enough to make 20,000 atomic weapons, almost as many as the United States has today in its arsenal.

By the time Egypt and Israel get nuclear power, the plants will probably be fueled with plutonium instead of uranium. So plentiful will plutonium be by the end of the decade that it might make sense to turn to "plutonium recycle," where the extracted plutonium is put back into the power plants to save uranium and money.

The pressures to go to a plutonium power economy will be enormous, partly because uranium is becoming scarce and partly because it is so expensive. A typical uranium fuel core with a 10-year lifetime costs more than $100 million. The value of the fissile uranium is close to $5,000 a pound, more than twice the price of gold.

Plutonium is more valuable than gold. More than $1 million worth of plutonium can be recovered every year from a nuclear power plant. Four plants could produce enough plutonium to run a fifth plant. In effect, a million kilowatts of electricity would be generated free of fuel costs for every 4 million kilowatts, whose costs run $40 to $50 million a year.

"Plutonium recycle means you must worry about the theft as well as an Indian-type diversion," said Dr. Theodore B. Taylor, a one-time designer of atomic weapons for the Los Alamos Scientific Laboratory. "Theft becomes a distinct possiblity with plutonium fuel moving around the world."

The thieves could be the scientists of a country deciding to build a bomb. They could also be organized criminals, lured not by the wish for weapons but by plutonium's rising value on the black market.

"Once special nuclear material (like plutonium) is successfully stolen, a market for such illicit materials is bound to develop," said AEC Commissioner Clarence E. Larson. "As the market grows, the number and size of the thefts can be expected to grow with it, and I fear such growth would be extremely rapid once it begins."

The AEC takes pains to point out that the world is still debating the merits of a plutonium-fueled economy, but spreading nuclear power plants without plutonium fuel are still a threat. It's true the United States builds safeguards into atomic plants, but there are ways to break the safeguards.

The way India did it was to place its own natural uranium (less than 1 per cent fissile U-235) into the 40,000-kilowatt research reactor built for it by Canada. It took time and patience, but for every two pounds of uranium the Indians put in they got two ounces of plutonium out.

There are more clandestine ways to make plutonium. A few pounds of uranium could be taken out of the fuel package each year a plant is refueled, then irradiated secretly to make plutonium. Bootleg piping could be built into a power plant to remove tiny amounts of irradiated fuel, including the plutonium that has already been made.

The best way to do it would be to place plentiful natural uranium in the control rods and shielding inside the fuel bundle. Wherever neutrons leak out from the chain reaction will do. There is a chance of fouling up the neutron balance, and even a slight risk of losing the chain reaction this way, but if a country is dead serious about this approach it could make as much as 1,000 pounds of plutonium in a year.

One thing that worries the experts about plutonium is that terrorists or criminals might get their hands on it. They wouldn't even need enough for a bomb to make impossible ransom demands. The reason is that plutonium in its powdered form is about as poisonous a substance as there is.

The threat of a plutonium smoke bomb tossed into a New York bank might be enough to extort $1 million from the bank. The threat of a plutonium "dispersal device" exploded in the air over San Francisco could be enough to empty the city. Winds could carry plutonium dust for miles, and people might have to stay indoors for days while trained troops wearing gas masks cleaned up the city streets and surrounding countryside.

A person could hold plutonium in his hand and not be seriously harmed. He might even get away with swallowing some of it, but if he got any in his bloodstream (through a wound) or inhaled any of it death might follow in a matter of hours, days at the most.

Plutonium is one of four radioactive metals (americium, curium and polonium are the others) that are alpha-emitters, meaning that they discharge alpha rays as their radioactivity decays. Plutonium also endures. Its half-life is 24,000 years. An ounce of plutonium created today will be radiating alpha rays 200,000 years from now

There is nothing more toxic than alpha rays, not even an overdose of X-rays. Their radiated energy is 10 times more potent than X-rays and gamma rays, even though both those forms of radiation penetrate farther into the body.

Plutonium that seeps into the bloodstream seeks out the bone immediately, following the path of metals like calcium and strontium. It settles on the bone surface and stays there forever. It is even more poisonous to the lung, whose tissue is among the most delicate and sensitive in the human body. Inhaled plutonium would cause immediate lung damage, and if the dose were large death from suffocation would take place in minutes.

"An alpha particle lays down its energy much more rapidly and much more completely than an X-ray, said the University of Minnesota's Dr. Donald Geesaman, once with the AEC's Livermore, Calif., laboratory. "It's like getting hit with a car and then run over by a truck."

There is little hard medical experience with plutonium and humans. The people killed in the Hiroshima and Nagasaki explosions (one a plutonium bomb, the other with some plutonium) were killed outright by blast, heat and immediate and massive radiation from all fission products of the explosion, including plutonium.

There have been experiments with dogs, tests done over the past 25 years with beagles at the University of Utah. One series of tests involved plutonium injections into the dogs' bloodstreams. Another followed the inhalation of plutonium by the dogs.

The dogs, injected with the lowest dose levels got sick from plutonium. Fully one-third of the 65 dogs injected got bone cancer, living nine months after the onset of the disease. Two dogs got cancer of the liver, surviving about as long as the bone-cancer cases once the disease had set in.

Dogs inhaling plutonium suffered more. Forty-four of the 65 dogs in this test died in less than five years, all of them from lung failure. Twenty of the 21 dogs who survived five years died of lung cancer, all within a year of the start of the disease.

Despite its obvious ill effects if inhaled from a smoke bomb or a dispersal device, plutonium is at its most fearsome when it is used to make an atomic bomb. The irony of the fear is that weapons experts worry less about other countries building a plutonium bomb and using it than they do about terrorists threatening to make a stolen smoke bomb.

"If anybody built a plutonium bomb and used the ——— thing they could count on retaliation from the rest of the world," said one of the country's foremost atomic weapons experts. "You might find the Russians and the Americans falling over themselves to make a world example of what happens to nations who tinker with nuclear weapons."

[From Center Report, Santa Barbara Center for Study of Democratic Institutions, June 1974]

WHEN TERRORISTS GO NUCLEAR

(By David Krieger)

Trends in terrorist tactics have shifted in recent years from bomb-throwing to hijacking to kidnapping. There may be a further shift which will subject whole cities to terrorist demands. Many of the same people who empathized with Patricia Hearst and her parents may one day find themselves part of a city held ransom to nuclear-armed terrorists.

This may sound far-fetched, but it isn't. It is an all too real possibility. For terrorists to "go nuclear" there are two prerequisites: They must be able to obtain nuclear materials suitable for making weapons, and they must be able to construct a nuclear weapon from this material.

Fissionable material suitable for making nuclear weapons is a by-product of the fuel cycle in nuclear power plants (those same nuclear power plants which are advertised falsely as "clean and safe," and which Mr. Nixon plans to spread across this nation to achieve "Project Independence"). It requires only eleven pounds of plutonium-239 to construct a nuclear bomb in the 20-kiloton range, roughly equivalent in size to the bombs which killed tens of thousands in Hiroshima and Nagasaki. Currently more than thirteen tons of plutonium-239 are being produced each year at nuclear power plants. By the end of the century, it is estimated that 750 tons will be produced each year. All of this plutonium must be kept from terrorists forever because it has a radioactive half-life of 24,400 years. But obviously there are no guarantees that this can be done.

Recently the General Accounting Office reviewed the security systems at three nuclear plants and found weak physical security barriers, ineffective guard patrols, ineffective alarm systems, lack of automatic-detection devices, and lack of action plans in the even of a diversion of material. At one of the plants they found broken locks on outer gates, fence holes large enough for persons to enter the plant, and nuclear material stored in prefabricated steel structures which could easily be breached.

There is inevitably a small loss of nuclear materials in the nuclear fuel cycle. This loss, which for plutonium averages between .2 and .5 per cent, is known in the nuclear trade as material unaccounted for (MUF). There is no way to be certain whether or not any of this MUF has been stolen. This was pointed out by E. B. Giller, chief national security officer of the Atomic Energy Commission, before a Senate Government Operations subcommittee early this year. At one nuclear facility in Pennsylvania some 220 pounds of uranium were unaccounted for over a five-year period.

There are further possibilities for diversion when nuclear materials are transported. The motive for diversion would likely be profit as plutonium is valued at $5,000 a pound, more valuable than either gold or heroin.

Having diverted the nuclear material, the next step would be the construction of the weapon. The experts generally agree that information for bomb construction is widely available. Mr. Giller has suggested that a competent group could make a nuclear bomb, but he doubted that a lone terrorist could make one. His doubt was disputed, however, in other testimony. Theodore Taylor, a nuclear consultant, argued that with fifteen pounds of plutonium a knowledgeable individual could construct a crude nuclear weapon in a matter of weeks. The important point is that there is no theoretical or knowledge barrier to the creation of nuclear weapons by either individual terrorists or groups of terrorists.

The possibility of nuclear-armed terrorists in our already surrealistic world is brought to us by societies with insatiable appetites for energy, by scientists intent on providing us with a "peaceful" use for the atom, by the A.E.C., which has been more busy promoting than regulating nuclear power, by the nuclear power industry which has a profitable new product to market, and by citizens who have not done their homework on the potential dangers of nuclear power—which include, in addition to the diversion problem, the possibility of radiation release through reactor accidents, sabotage or conventional warfare, and the lack of an adequate solution to the storage of long-lived radioactive waste.

To prevent terrorists from going nuclear will require much greater security of all phases of the nuclear fuel cycle. In the end it may be necessary to create a garrison society to keep all of the shipments of nuclear fuels adequately guarded. Even this will be insufficient since nuclear materials diverted in other countries may be clandestinely smuggled across borders.

The social implications of the kind of garrison society that would be needed to safeguard the people by protecting nuclear materials are so negative that we should halt development of nuclear power plants and try to achieve a moratorium on the whole nuclear power industry, both nationally and globally. Nuclear "terrorists" may already be with us in the form of those promoting nuclear energy. Recently passengers on two Delta Airlines flights were exposed to radiation resulting from the faulty packaging of the nuclear material in the cargo area of the plane. While the intent was not political as in a terrorist hijacking, that is small comfort or consolation to the potential cancer victims. Perhaps it is appropriate to think of the promoters of high risk activities, such as the nuclear industry, as statistical terrorists who, over time, may victimize not inconsiderable percentages of the population. The American people should at least be informed of the hazards of both political and statistical terrorism inherent in the continued development of nuclear power, and then be allowed to make a rational and deliberate choice in the matter.

(*David Krieger was Director of the International Relations Center at San Francisco State University before coming to the Center as a Research Assistant.*)

TRAGIC DEATH OF MRS. MARTIN LUTHER KING, SR.

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ADAMS. Mr. Speaker, I was shocked and saddened to hear of the tragic assassination of Mrs. Martin Luther King, Sr. yesterday.

The shooting of Mrs. King was an outrageous act of terrorism and a senseless insult to a noble family which has already suffered so much anguish, starting with the tragic 1968 assassination of Mrs. King's eldest son, the Reverend Martin Luther King, Jr. and the drowning in 1969 of her second son, A. D. King.

We have lost too many honorable and dedicated Americans to assassins' bullets. If it is true as reported in the press that here exists a list of civil rights leaders marked for death, all local, State, and Federal law enforcement officials should do their utmost to protect these leaders and stop these would-be assailants.

While the country is so absorbed in the problems of inflation and impeachment, we cannot forget but must continue the pursuit of equal rights for all Americans both as our duty and as a memorial to the lives of the Kings and other civil rights crusaders.

NUCLEAR MERCHANT MARINE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. BOB WILSON. Mr. Speaker, the distinguished editor in chief of Sea Power magazine has just published an enlightening article on the growth of nuclear propulsion with a heartening prediction that we are about to embark on a mammoth program to build a fleet of 200 nuclear powered merchant ships by the year 2000. This is good news.

The House has just passed, and the Senate will soon concur in a new naval nuclear propulsion policy as expressed in title VIII of the Military Procurement Act for fiscal year 1975.

This setting of policy by Congress is almost unprecedented but is vital to the insurance that we are moving out of the fossil fuel era into the nuclear age.

I ask unanimous consent to include this article from Sea Power as a portion of my remarks.

[From Sea Power, June, 1974]

NUCLEAR MERCHANT MARINE UNDERWAY AT LAST

(By James D. Hessman)

The United States is planning a belated re-entry into the international competition to build a nuclear merchant marine, and the re-entry vehicle may be a million-ton tanker powered by a two-paragraph notice in the Federal Register.

The notice, dated April 24, 1974, invited "Persons, firms or corporations having any interest in applying" for a construction differential subsidy "for the purpose of building nuclear-powered merchant vessels to be operated in the foreign commerce of the United States" to submit in writing an "expression of said interest" on or before May 29, 1974. Applications were to include "full particulars on the type of vessels, intended trade, size, speed, horsepower, etc.," as well as "information concerning participating parties and the requirement for financial assistance, if any, by the Government," the notice said. "Thereafter, completed applications for such subsidy should be filed . . . on or before July 29, 1974."

Five corporations reportedly responded to the notice. One proposal, submitted by Globtik Tankers, Inc., of New York, according to a May 31 report in the *Baltimore Sun*, suggests construction of "a tanker with the unprecedented capacity of a million deadweight tons."

The Globtik proposal "topped a list of suggested nuclear-powered ships ranging in size and class from 380,000-ton tankers to 130,000-cubic-meter liquefied natural gas [LNG] carrying vessels . . . [and] was proposed as as an alternative to a combination of ships, including six 400,000-ton tankers priced at $163 million each, and vessels ranging to 600,000 tons," the Sun said.

A week before the Globtik bid, George P. Livanos, president of Seres Shipping, Inc., of New York City, was reported to have made application to build three ultra large crude carriers (ULCCs) each of 600,000-ton capacity. Barbara Dlugozima, staff writer with the *Savannah Evening Press*, quoted Livanos—who announced the Seres plan, felicitously enough, during National Maritime Day ceremonies abroad the nuclear ship *Savannah*—as envisioning "a new generation of commercial nuclear ships with capabilities which even Jules Verne would have considered a dream."

Stoking that dream and providing it substance, however, will be a number of hard new political and economic realities suddenly facing U.S. decisionmakers and giving powerful impetus to the nuclear merchant marine program:

The Arab oil embargo, which could be reimposed at any time for any reason, demonstrated the vulnerability of the United States, and other nations (perhaps more so), to political blackmail. It also made the American public at large aware for the first time of U.S. dependence upon not only foreign energy sources but also foreign-flag energy carriers—tankers, supertankers LNGs, etc. Project Independence, the Nixon Administration's plan to make the nation self-sufficient in energy supplies by 1980, is designed to remedy the first defect. A proposal now before Congress to require a certain share (one third or so) of the two-way U.S. foreign trade to be carried on U.S.-flag ships would, if approved, do much to correct the latter problem. Even so, by 1985: (1) The United States will still, according to some estimates as yet unrefuted, be required to import the equivalent of up to 15 million barrels of oil per day; (2) The present production capacity of all U.S. shipyards combined is insufficient to build, along with ships for the U.S. Navy which will be needed during the same time frame, the number of tankers, LNGs and other merchant ships which will be required (particularly if the "fair share" bill is passed) by the U.S.-flag merchant marine over the next decade.

Balance of Payments (BoP) deficits—an on-again off-again problem of the past several years which, barring unforeseen developments, might well become a permanent unwanted feature of the American way of life—could by 1985 run to "a staggering $25 billion" annually for oil alone, according to former Secretary of the Interior Walter J. Hickel. The Hickel prediction was made in a *New York Times* article of October 25, 1972, at a time when the price of crude oil was approximately $3.50 per barrel. It is now in the $11.00-per-barrel range, and more likely to increase than to decrease for the foreseeable future. What is perhaps even more ominous: the United States is and will be increasingly dependent on foreign sources for, in addition to oil, some 69 of the 71 other raw materials considered vital to a modern industrialized society, and there have been numerous indications that the various suppliers of those materials—including many underdeveloped nations which have been particularly hard hit by escalating energy costs—may have to raise their own prices to unprecedently high levels.

Soaring oil prices themselves have erased the once mountainous cost differential between nuclear-powered and fossil-fueled ships. Because of the complex technology involved in their construction, as well as the many additional safety features required, nuclear ships cost appreciably more than oil-fired ships to build. But not to operate. Maritime Administration studies indicate that nuclear-powered ships with high SHP (shaft-horsepower) ratings already are more economical to operate, at the 120,000 SHP level, than oil-burning ships when the price of oil is at about the $3.50-per-barrel level. As the price of oil goes up, the break-even SHP level for nuclear ships goes down. With fuel costs, according to a *London Times* report of April 18, 1974, now accounting for "up to 40 per cent" of a ship's total operating costs—"compared with 16 to 18 per cent a year ago"—the economic advantage clearly lies with nuclear ships. MarAd officials say, at SHP ratings of 80,000 SHP or higher, and by 1980 the nuclear break-even level is expected to drop to the neighborhood of about 40,000 SHP. The difference in operating costs at the various SHP level cited is more than sufficient to offset the higher construction (and, initially, at least, insurance) costs for nuclear ships.

FEWER SHIPS, FEWER PEOPLE

Insurance, operating, and initial construction costs are not the only economic factors involved, of course. There are several others, almost all of which favor the nukes.

Productivity is the most important, and can be measured several different ways. One way: with all other factors assumed equal, a nuclear-powered ship should be able, with only a straight-line increase in operating costs, to speed across the ocean at anywhere from one and one-half to twice the speed of an oil-burning ship (higher speed on oil-burners increases operating costs geometrically, rather than on a straight-line basis). The end result is that one nuclear ship will be, in the circumstances given, perhaps twice as productive as one fossile-fuel ship. To attain a certain productivity level, therefore, would require construction of either X number of nuclear ships, or 2X number of oil-fired ships.

A related factor: manpower costs. A nuclear ship requires a slightly higher manning level. Because fewer nuclear- than conventionally-powered ships would be required to attain a given productivity level, however, total manpower requirements would be lower for a nuclear fleet.

The nukes gain another small advantage from the fact that the nuclear propulsion plant, encapsulated and protected by several redundant layers of shielding material, takes appreciably less of a ship's interior space than the propulsion plant of a conventionally-powered ship of the same SHP rating. Nuclear ships therefore have more space for cargo. (A new CNSG—Consolidated Nuclear Steam Generator—developed for MarAd by the Babcock and Wilcox Company, Assistant Secretary of Commerce for Maritime Affairs Robert J. Blackwell told a House Appropriations subcommittee earlier this year, "is six times as powerful [120,000 SHP] as the [22,000 SHP] unit on the *Savannah* and will occupy about the same space in the vessel as the nuclear plant in the *Savannah*.")

EIGHT KEY FACTORS

There are a number of other "key factors," eight in all, which MarAd officials familiar with the program say "favor selection of nuclear propulsion for commercial ships." A brief explanation of each:

(1) Nuclear ships assure stability of fuel supply and price—The future cost of nuclear fuel, like the cost of other commodities, undoubtedly will fluctuate somewhat in the world market according to traditional laws of supply and demand. But it will remain relatively stable compared to the cost of oil, which is likely, as recent world events have indicated, to soar to ever higher levels and, depending on unforeseeable military and political circumstances, to fluctuate erratically during any specific time frame.

(2) Use of nuclear power eliminates the requirement for continual fueling and fuel ballasting—An operational necessity which is not only time-consuming and wasteful of manpower, the fueling/ballasting sequence also poses a separate hazard to the environment (from oil spills) during each phase of each operation.

(3) Nuclear vessels attract highly trained personnel—It can be demonstrated that, in general, the better and more highly skilled (and highly paid) the crew, the lower the turnover rate, the more productive the ship, and the fewer the accidents.

(4) The total system cost of nuclear ships provides a rate of return acceptable to the financial community—here, as in any business, it is the bottom line on the balance sheet that counts. And that line—in the case of one random example (of a 400,000 deadweight ton supertanker) extracted from various MarAd economic analyses—indicates that in 1980 a nuclear ship will be able to deliver oil from the Persian Gulf to the United States at a total cost of $8.15 per long ton, compared to a cost of $9.58 per long ton for delivery by a conventionally-powered ship.

(5) Nuclear propulsion affords improved performance—Nuclear ships are faster, cleaner, simpler in most respects to operate and maintain, and, as noted, considerably more productive.

(6) U.S. industry already leads the world in nuclear technology—N.S. SAVANNAH, construction of which began in 1958, was the world's first nuclear ship. During its eight-year operating lifetime, 1962–70, it accomplished all original research and development objectives and gave U.S. government and industry planners a technological data base of inestimable value. Planning which began in the late 1950s for a "second generation" of nuclear merchant ships expanded and refined the SAVANNAH base. Development of ever more efficient nuclear plants for Navy ships and construction of numerous land-based nuclear power plants have required, and resulted in, a still rapidly growing U.S. nuclear industry which in its various components is undoubtedly the most capable, most efficient, and most experienced in the entire world.

(7) Construction of a nuclear fleet will have a favorable effect, in at least two ways, on the U.S. balance-of-payments situation—First: Most of the cost of nuclear fuel will remain in the United States, whereas at least half of the cost of the fuel which would be required by a conventionally-powered ship ($5,562,000 annually in the case of a 400,000 dwt tanker, assuming, conservatively, a $10.50 per barrel price for oil) will be paid to foreign suppliers. Second: U.S. shipbuilders are not yet fully competitive with foreign builders in construction of conventional tankers and supertankers, which means that foreign builders are likely to retain a larger share of the conventional tanker/supertanker market, even in construction of ships intended for use in the U.S. trades. The American technological edge in construction of more complicated ships (particularly containerships, LNGs and nuclear ships of any type) means that U.S. builders are likely to have the lion's share of the market for such ships in not only the U.S. trades but on foreign routes as well. What it boils down to is this: if a ship is relatively simple to build, it's usually cheaper to buy from a foreign yard; if it's complicated and requires highly sophisticated construction technologies, however, American yards may now offer the lowest price.

(8) Nuclear ships are less harmful to the environment: smoke and soot into the atmosphere, and oil (sometimes enormous quantities of it) into the oceans and offshore estuaries. In contrast, so stringent are and will be the safety and environmental standards for nuclear ships, MarAd officials believe, that the possibility of nuclear pollution will range from non-existent to minimal. Marvin Pitkin, MarAd's Assistant Administrator for Commercial Development, addressed the subject in a recent status report on the U.S. nuclear ship program: "We have recognized that nuclear-powered ships are likely to be subjected to the same attention by environmental interests as shore-side nuclear plants and have started a program of environmental studies on nuclear ships. These studies will be the most comprehensive assessment ever undertaken of the environmental effects of nuclear-powered ships. We believe that when all the pros and cons are evaluated, comparing the nuclear ship against its conventional fossil-fueled counterpart, the nuclear ship has the advantage from the standpoint of effect on the environment."

use hundreds of thousands of barrels of oil, and discharge pollution from same into the environment—Conventional ships annually

DOMESTIC AND FOREIGN COMPETITORS

There's a somewhat gray, not to say grim, flip side to the otherwise bright picture. Huge problems remain to be solved—solution is a matter of when, however, not if. But bureaucratic delays, budgetary cutbacks (either mandated by Congress or self-imposed by the Administration), and/or presently unforeseen (and unexpected) design problems could singly or collectively stretch out the planned U.S. nuclear merchant marine program to the point where foreign competitors take the lead which American builders now hold.

The list of foreign builders is short but formidable. Among the leaders: the Soviet Union, of course; France, which has recently announced plans to construct an 80,000 SHP 650,000 dwt tanker, and which reportedly expects to invest a total of $5.5 billion to expand its merchant fleet over the next five or six years; Japan, already by far the largest shipbuilding country in the world (but currently, according to the authoritative Shipbuilders Council of America, suffering from massive financial difficulties which could force a 50 per cent increase in Japanese shipbuilding prices); West Germany, which has had in service since 1968 the N.S. *Otto Hahn*, powered by a Babcock and Wilcox CNSG plant and sometimes described as the first "second generation" nuclear merchant ship.

TIGHT MONEY MARKET

There are other obstacles. Business Week reports (May 18, 1974) of a "supertanker steel squeeze" imposed on private yards by the Defense Department, supposedly at the request of "Navy brass." The Navy wants to slow down merchant ship construction, it is alleged, "because it is having trouble getting competitive bids on the ships it wants to build." Edwin Hartzman, president of Avondale Shipyards, Inc., is quoted as saying the Defense embargo, if upheld, "will drive billions of dollars of ship construction to foreign shipyards."

Financing factors also have to be considered. The money market is already extremely tight, and the heavy capital outlays required, even with partial Federal subsidies, for construction of ships costing a minimum of $100 million (usually much more) and taking several years to put into operation give considerable pause to already skittish investors. The fact that over the past several years, according to Shipbuilders Council President Edwin M. Hood, shipyard profit margins have "generally been unsatisfactory" is not too encouraging, either.

"Superports," or lack thereof, pose additional complications. No U.S. harbor—except, now being built in increasing numbers and perhaps, Puget Sound—is presently capable of handling the mammoth VLCCs and ULCCs destined to carry a major share of all future

U.S. trade tonnage. Offshore deepwater unloading facilities, or superports, are the answer. But construction of such facilities has been opposed by environmentalists and others.

In the long run, the pitfalls and problem areas enumerated, and a host of others which could be mentioned, are of little significance. All difficulties can be solved, all problems overcome. *Provided* the nation as a whole is willing to pay the price: not only in dollars, but also in inconvenience, in effort, in imagination, in creative energy, and in allocation of public and private resources.

The goal, much more than economic, is, it would seem, well worth the striving. As Rear Admiral George H. Miller, Naval Advisor to the Assistant Secretary of Commerce for Maritime Affairs, said in Sea Power in February 1972: "The U.S. merchant marine is a major component of our entire national security and international relations structure. Our country's influence in the world, our national security, and the health of our civilian-industrial economy depend on having enough ships, navy and commercial."

"Enough ships," two years ago, meant simply that: enough ships. By the end of the present decade and beyond, however, "enough ships" will mean much more. In a rapidly changing political, economic, and national security milieu it will mean for the U.S. merchant marine, as it already does for the U.S. Navy, sufficient numbers of ships of various types: LNGs, containerships, supertankers, and the many other specialized vessels now operational or on the drawing board. It will also mean ships which are economically viable, highly productive, and able to hold their own in world competition. It will mean, therefore, in the context of present world conditions, nuclear ships, in relatively large numbers, as well as ships which are conventionally-powered.

TWO HUNDRED NUKES: THE PITKIN PLAN

In a recent "status report" on "the U.S. competitive nuclear merchant ship program," Marvin Pitkin, the Maritime Administration's Assistant Administrator for Commercial Development, outlined the following seven-stage "realistic view of the future":

"1. Economic demonstration ships, probably an initial order of three VLCCs [very large crude carriers], will be ordered in the United States, with government financial assistance, in the reasonably near future. These vessels could enter service at approximately six-month intervals during the period 1978–79 and by 1980 will have demonstrated the economic superiority of nuclear propulsion.

"2. Nuclear-powered vessels for Arctic applications will be ordered in the period 1975–76 and will enter service in the 1980–81 period, providing further evidence of the merits of nuclear propulsion.

"3. The above demonstration vessels will lead to the initial penetration of nuclear-powered ships into a variety of ship markets during the period 1980–82 *with no special government assistance* [emphasis added]. In other words, nuclear propulsion will be competing for orders against fossil-fueled propulsion systems in the same kind of competitive situation as exists today vi-a-vis gas turbines competing against steam turbines.

"4. In the period 1982–85, nuclear will be winning multiple orders in all classes of high productivity ships: i.e., VLCCs, containerships, RO-ROs [roll-on/roll-off ships], barge carriers, Arctic vessels, and perhaps LNG [liquefied natural gas] carriers. As a result of the rapidly rising orders backlog which will develop by 1985, new shipbuilding facilities specifically designed for nuclear ship construction and repair will appear. By 1990, at least 50 nuclear-powered ships will be on order, under construction, or in service.

"5. During the mid-1980's, the market growth period, other shipyards and reactor equipment manufacturers will introduce third and fourth generation nuclear propulsion systems, enhancing the competition for future orders.

"6. During the 1980s and on into the decade of the 1990s, nuclear ships will be marketed worldwide and, with international agreements having been consummated in the mid- to late-1970s, nuclear ships will operate freely between all maritime nations.

"7. By the end of the century, the United States should have in excess of 200 nuclear-powered merchant ships in service or under construction."

BUT COLSON STILL HAS A DRIVER'S LICENSE

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. KARTH. Mr. Speaker, many Americans in Washington, D.C., and throughout the Nation have been puzzling over Charles Colson's ballyhooed conversion to evangelical Christianity. William Sumner, editor of the St. Paul Dispatch and Pioneer Press, raised a number of important questions about this White House operative turned humble convert in a recent editorial. I wish to insert this worthwhile article into the RECORD at this point:

CONVERSION AND THE CIA—BUT COLSON STILL HAS A DRIVER'S LICENSE

(By William Sumner)

This party has remained skeptical of Colson's Conversion since the beginning.

A part of this comes from an uncontrollable and deep-seated prejudice against people who thump Bibles, pray a lot in public and paint such things as "Jesus Saves" on rocks.

The basic ingredient of skepticism, however, comes from Charles Colson's basic rottenness.

Can't the sinner come back to the fold? Of course he can.

But until proved otherwise, Charles Colson, erstwhile aide of President Nixon, who now says he has turned to Christ, shall remain a political Elmer Gantry, a fellow who said something about running over his own grandmother if that is what it would take to re-elect Nixon in 1972.

Further seeds of doubt were cast Monday on reading Colson's scenario about a President under siege by the Central Intelligence Agency, a captive of high-ranking conspirators in intelligence circles.

Why didn't the President say, "Help!"?

Because, according to the account of the Colson story, he feared international and domestic political repercussions.

I hate being a cynic. Really. But I don't believe Colson. He may have been praying like Hell with Sen. Hughes and Rep. Albert Quie, but it is the notion here that it has been a gambit.

Colson's story, related by a private investigator in Washington, to whom he "confessed," would serve to get the President off the hook so far as any criminal complicity in the Watergate scandal was concerned.

It would also make the President look like a damned fool. The last, unfortunately, is the better of his two choices, although not too choice for the country.

Anyway, here you have a story about a President of the United States, seemingly helpless to fend off the CIA, the Pentagon and the evil forces that sought to discredit his inner circle of advisers.

Many from this circle have gone to prison or have paid fines, having pleaded guilty, so it might seem to the normal person that they brought shame upon themselves.

But now we have the devil theory in operation, and by a man considered—in his prime—as the Devil's right-hand man. The trouble is that the story, as related so far, makes no sense, unless you assume the President is a moron. And he is not.

The entire story is so crazy, however, one man's version or another's, that it would be a mistake to dismiss Colson out of hand. There are three possibilities, and we must keep our options open:

1. Colson is a liar.
2. Colson has become a foxhole Christian, is praying madly, and thinks he is telling the truth.
3. Colson is telling the truth.

The truth, I think, will elude us forever, which gets us back to the Galbraith theory that we are in far more danger if the President has remained ignorant than we would be if he had planned the entire operation.

Now I am not such a cynic as Galbraith, but am inclined to accept this one theorem of his.

And as for Colson, one can only speculate as to his righteousness, his oneness with God, and what could be the greatest Sting in the town of Washington. If you haven't seen the movie, that is the ultimate con.

OPIUM GROWING IN TURKEY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. WOLFF. Mr. Speaker, I am sure that all of my colleagues are well aware of the terrible consequences that heroin addiction has, both to the addict and to society at large. One of the proven ways to combat the flood of heroin to our shores is through a ban on opium poppy cultivation by the Turkish government. Unfortunately, Turkey has today announced that it will resume the cultivation of the opium poppy.

WOR–TV in New York City recently broadcast an editorial expressing their concern over the Turkish situation and the heroin that would reach the shores of the United States if the ban is breached. I commend it to my colleagues and urge them to give their most serious consideration to a measure I recently introduced, House Concurrent Resolution 516, which would cut-off all U.S. economic aid to Turkey. The WOR editorial follows:

TURKISH OPIUM BAN

(By John Murray)

In 1972, the Turkish government agreed to supress the growth of the opium poppy. Since then, there has been a dramatic decrease in the amount of heroin available in the streets of New York.

Recent unofficial reports indicate that the United States government may shortly agree to the lifting of the ban on production of the Turkish opium poppy. The City's addiction services agency has registered grave concern over the recent reports that opium will again be grown in Turkey.

The fact is that the ban on Turkish opium growing since 1972 has been extremely effective. If the ban were to be lifted, we could once again see a dramatic upsurge in the availability of pure heroin in New York, with a consequent rise in addiction and addict related crimes.

Because of the extremely short supply of heroin in the streets of New York since 1972, the purity of street heroin has declined, from an average of 7.7 percent to an average of 3.7 percent. Moreover, the past year has seen a marked decrease in New York City in overdose deaths due directly to heroin, as well as a decrease in drug related hepatitis. The short supply of Turkish heroin is significantly responsible for the decrease.

These encouraging statistics can also be attributed to the lower availability of heroin in the streets of our City.

So now is the time to persevere in our efforts to stem the tide of drug addiction. Banning the cultivation of Turkish poppy fields is a major step in this direction.

THE BENEVOLENT UNCLE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, as I read the mail from my district and listen to my constituents, I am aware of a more rapidly rising concern about the magnitude of Government spending and the glut of Government programs. Double-digit inflation and a bottoming-out of the economy has brought popular awareness of the need for governmental fiscal restraint to a new high.

At the same time, we in the House are constantly confronted with disaster situations allegedly resolvable only by Federal Government relief—which means more spending and bureaucratic expansion.

In his latest Washington report, our friend and colleague BARBER CONABLE has, as usual, pointed out the land mine which lies just below the surface as we venture into these fields. As he writes:

> When you're passing out other people's money, and that's what tax money is, sooner or later you've got to impose conditions. As a matter of fact, taxes themselves can become a pretty onerous condition.

And, as he stresses:

> This is how freedom is eroded by public generosity.

I am sure our colleague is speaking for many of us when he concludes:

> The proliferation of special relief programs . . . has created in many of us in government a most uneasy feeling.

His full Washington report follows:

THE BENEVOLENT UNCLE

From bales of cotton to baling wire itself, from water over the river banks that have lost their liquidity, everybody seems to feel the federal government should bail them out. Government is so pervasive nowadays, with its taxes and its regulations and its controls affecting everything that people do or want to do, that when something goes wrong you don't have to look too far to find some way of blaming it on the government and seeking restitution. Did a high wind tip over your mobile home? Did the energy shortage leave you with big cars your dealership couldn't sell? Did you buy a lot of feeder calves, gambling on the price of beef going up and then it went down? Did you work for a concern that sold chickens the Agriculture Department found contaminated with pesticide and ordered killed? Is foreign competition tough on your business? Well, in today's environment you don't have to face it alone; you have a benevolent uncle in Washington who will step between you and adversity, or at least make you whole if fate has been unkind.

Every act of benevolence becomes a precedent for every suggested extension of Uncle Sam's protection. A humanitarian people does not like to see suffering, and the saying goes, if you're going to help the Hottentots, you'd better be willing to help your own people. Such logic is difficult for a politician to withstand; it strongly flavored Gordon Sinclair's famous "pro-American" statement which was so popular a few months ago.

But like everything else the government does, disaster programs, if extended beyond real disasters, can poison as well as cure. Without balance and restraint, government has a tendency to get out of control. With opportunity goes risk, and riskless societies, like communism, don't offer much in the way of opportunity.

Governments should do for people what they cannot do for themselves, and politicians must impose conditions on their benevolence. If all taxpayers are required to contribute to repairing the damages wrought by floods, shouldn't those benefitting from such a program be expected to rebuild their homes somewhere else than on the bottom of the flood plain? This is how freedom is eroded by public generosity. When you're passing out other people's money, and that's what tax money is, sooner or later you've got to impose conditions. As a matter of fact, taxes themselves can become a pretty onerous condition, affecting not only those who are untouched by disaster but those whose earlier difficulties become the precedent for payments to similar disaster victims later.

It's hard to tell someone who's in trouble that he should restrain his enthusiasm for having the taxpayers bail him out. Obviously there are situations in which there is no alternative in a humane system. But the proliferation of special relief programs—for people who, perhaps, we should try to find restitution from some other source before they turn to their benevolent uncle—has created in many of us in government a most uneasy feeling.

MRS. ALBERTA KING

HON. RICHARD H. FULTON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. FULTON. Mr. Speaker, the violent and senseless taking of the life of Mrs. Alberta King has stung the heart of America. For a family which has suffered so much tragedy through violence, Sunday's shock must be almost unbearable.

Mrs. King was a woman who loved her family, her garden, her church, and her God. In the words of her husband: "She went home while serving the Lord."

There is at least some thread of rationale and logic in the violent acts of political extremists and militants. But death at the hands of a madman is more tragic, because it is senseless and meaningless.

A brave and kindly mother who cared and worried for the safety of her sons is now a victim of senseless tragedy which also claimed them.

We are shocked and grieved. Our condolences and prayers go out to her family.

CITIZENS NEED REASSURANCE THAT IRS SHOWS NO FAVORITISM IN INCOME TAX AUDITS

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. TIERNAN. Mr. Speaker, on January 29, I introduced H.R. 12372, a bill to establish an independent commission to administer the internal revenue laws. The Watergate hearings highlighted the dangers of political interference with the administration of our tax laws. Political allies may receive favorable treatment while political opponents may be harrassed. When the average citizen hears stories about a rich political ally paying no taxes, he loses faith in our tax laws. The backbone of the tax system in the United States is the voluntary compliance of the average citizen. But if he loses faith in the integrity of the administration of our tax laws, the system may collapse.

The Christian Science Monitor printed an article on this topic on Friday, June 28, 1974, and I would like to submit it for the RECORD. I urge my colleagues to actively support the concept of an independent IRS and push for passage of such legislation in the near future.

The article follows:

CITIZENS NEED REASSURANCE THAT IRS SHOWS NO FAVORITISM IN INCOME TAX AUDITS

(By David R. Francis)

WASHINGTON.—After President Nixon's unhappy experience with his income-tax returns, future presidents undoubtedly will be more careful in going over their tax forms, more cautious in the use of fancy tax-saving gimmicks.

Nevertheless, there remains a need for some system to assure the public that the administration of the tax laws is evenhanded for all taxpayers.

The public must be confident that top government officials do not receive what Thomas F. Field, executive director of Taxation With Representation, terms a "sweetheart audit."

That's the kind of audit the Internal Revenue Service gave Mr. Nixon's returns first time around.

The President even got a nice letter from the district director of the IRS in Baltimore.

"I want to compliment you," wrote William D. Waters on June 1, 1973, "on the care shown in the preparation of your returns."

Then an indignant IRS agent illegally leaked the President's tax returns to a newspaper. Consequently, the IRS made a second audit this year. The result: the President owed $432,787.13 in back taxes.

The news that the President, earning $200,000 a year, paid almost nothing in taxes was a shock to the public. It apparently has badly damaged the reputation of the federal income-tax system.

A new poll taken for the Advisory Commission on Intergovernmental Relations finds that only 26 percent of the public consider the income tax the fairest tax. Two years ago a similar survey showed that 36 percent ranked the income tax fairest.

This is a serious development. The federal income tax depends largely on voluntary self-assessment by the taxpayers. More people may cheat on their taxes if they feel the system is unfair.

Since income taxes are the dominant source of federal revenue, widespread tax evasion would weaken the government.

Mr. Field, who manages a struggling organization of tax experts striving to represent the public interest, figures the problem of auditing the tax returns of high officials "will be with us long after Richard Nixon is gone."

Up to this past winter, IRS officials apparently assumed that tax returns of presidents were above reproach. Congressional testimony showed that as a rule they were delivered from the White House to the office of the commissioner of the IRS. After not much more than a glance, they were put in a safe.

It's not that the IRS necessarily would consciously handle a president's return with favoritism. Most IRS commissioners, including Donald C. Alexander, the current one, and their subordinates, are men of great integrity.

But appearances are important. Any suspicion of tax monkey business must be removed.

As it is, many wonder whether IRS agents can be fair in auditing their "bosses."

Writes Joseph S. Hocky, a Philadelphia tax attorney: "It is difficult indeed for an Internal Revenue agent to pass judgment on a tax return of a president or other high government official. The president is at the top of a chain of command which starts with the agent. . . . It is impossible for him not to remember that his performance, and the performance of his superior, and his superior's superior, etc. are evaluated in a direct line upward to, and ending with, the president".

A high staff official with the congressional Joint Committee on Internal Revenue Taxation comments: "No IRS official will give the commissioner's return a very hard look. Nor would any agent give the Secretary of the Treasury's return a hard look. I don't know what the answer to this is."

He might have added that the IRS agents might also feel some constraint in examining the tax returns of the key members of the congressional tax committees.

So far Congress has made no moves to deal with this problem.

If they do, members of Taxation with Representation have some suggestions.

One relatively easy solution would be to have the statute of limitations applicable to tax returns begin when a president, vice-president, Treasury-secretry, and IRS commissioner leave office.

Then, notes Martin B. Cowan, a New York tax lawyer, the president would no longer have the massive power of the office of the presidency behind him. He would be more likely to enjoy the same privacy and other protections accorded other citizens.

The same idea applies to the other officials.

Other suggestions call for some independent body such as the General Accounting Office to examine the returns of these key officials. Another plan is that the Joint Committee on Internal Revenue Taxation do it, a congressional body.

Commissioner Alexander holds that such outside audit is not necessary: "We think we can do this job effectively, fairly and evenhandedly," he told the Montior. "We will audit those who deserve to be audited regardless of their position or status."

IRS intentions may be good. But the experience with President Nixon's return shows that for the sake of appearances, if nothing else, it would be sensible to devise some other scheme for assuring independent audit of the returns of the president and other key officials.

DEBT RESCHEDULING FOR PAKISTAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. HAMILTON. Mr. Speaker, the Aid-to-Pakistan Consortium, which is composed of a group of creditor states under the chairmanship of the World Bank, recently received Pakistan's acceptance of a proposal for debt relief in the form of rescheduling debt payments totaling $650 million. This represents a little more than one-half of Pakistan's orignal request for debt relief. It was felt that because of the particular problems arising out of the events of 1971 and the birth of Bangladesh such a generous scheme was appropriate. The U.S. share of the relief is about 32.5 percent of the total.

In agreeing to this plan, the United States made it clear that this rescheduling is the final settlement of the debt division issue between Pakistan and Bangladesh and that there can be no further rescheduling based on what happened in South Asia in 1971.

A letter from the Department of State detailing this debt relief for Pakistan follows:

Department of State,
Washington, D.C., June 27, 1974.

Hon. Lee H. Hamilton,
Chairman, Subcommittee for Near East and South Asia Affairs, Foreign Affairs Committee, House of Representatives, Washington, D.C.

Dear Mr. Chairman: The Secretary has asked me to advise you of the status of the United States Government's debt rescheduling negotiations taking place within the framework of the Aid-to-Pakistan Consortium, which is composed of a group of creditor countries under the chairmanship of the World Bank.

These negotiations are in response to unique circumstances that have arisen as a result of the 1971 war and the independence of Bangladesh. In view of applicable international law, Pakistan retains responsibility for all external debts contracted prior to the war totalling some $3.5 billion. After the war Pakistan nonetheless insisted that debts resulting from programs of primary benefit to Bangladesh, which it estimated at about $1.2 billion, should be paid by Bangladesh. For its part, Bangladesh affirmed its intention to assume the international responsibilities incumbent upon a sovereign state, including a portion of the external debt of the formerly united Pakistan, but only within the context of an overall financial settlement.

The western creditors, including the United States. have been working to develop a procedure to overcome the impasse. Our primary objective has been to avoid a default on any portion of the total debt. We have also sought to frame any agreement in the context of Pakistan's unique situation so as to avoid setting an undesirable precedent for other countries.

A solution to the problem acceptable to the creditors now appears at hand. Bangladesh has agreed in principle to assume liability for projects visibly located in its territory and negotiations to identify such projects and determine terms of repayment are well advanced. Bangladesh is likely to assume liabilities of about $400–$500 million from all Consortium creditors. The United States has been particularly successful in its negotiations with Bangladesh, with Government of Bangladesh having indicated a willingness to accept United States' claims totalling approximately $80 million. Consortium members have agreed in principle to provide generous terms on the debt which Bangladesh accepts.

Pakistan has also indicated a willingness to fully repay all debts not picked up by Bangladesh, including those arising from commodities delivered to the former East Pakistan, provided debt relief is given so as to reduce the burden of these debts. All creditor countries agree that there is merit to Pakistan's position and have been engaged in informal debt relief discussions over the past several months.

At a special meeting of the Pakistan Consortium on June 12, the World Bank informed the Consortium that the Finance Minister of Pakistan has accepted the Consortium's proposal for debt relief in the form of rescheduling debt payments totalling $650 million. This represents a little more than one-half of Pakistan's original $1.2 billion request for debt relief. The $650 million proposal will spread debt relief over four years, providing $175 million for each of the first three years and $125 million for the fourth. The proposal allows a creditor not meeting its relief quota in a particular year to provide additional compensating relief in a subsequent year or years, so long as the present value of the relief remains unchanged. The United States' share of relief to be provided over the four years is about $211 million (we will actually elect to reschedule about $230 million over 5½ years), or approximately 32.5 percent of the total. We believe this amount is reasonable, particularly since the United States is the creditor on two-thirds of the debts originally disputed by Pakistan.

The rescheduling arises from unique circumstances, and both the amounts and terms involved reflect this. Furthermore, the United States has made it clear that this rescheduling is a final settlement of the debt division issue and that there will be no further rescheduling based on the events of 1971 in Pakistan.

All of the Consortium creditors at the June 12 meeting indicated their intention to recommend formal acceptance of the agreement to their governments. The creditors were hopeful that a final settlement could be officially approved by June 30.

I will be happy to provide any additional information you may require on this matter.

Sincerely,

Linwood Holton,
Assistant Secretary for Congressional Relations.

SPECIAL ORDER ON DÉTENTE AND THE CURRENT SUMMIT TALKS

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. DENT. Mr. Speaker, I am so very sorry that I was not able to stand on this House floor with my distinguished colleagues several days ago in the special order of Mr. Blackburn on détente and

Mr. Nixon's Mocow summit. I understand that some very cogent and important points were made by those who participated and I would like to commend them for their intelligent use of the special order.

I can only add that I am as distressed as anyone as to the potentials for disaster in many of our trade agreements with the Soviets. I am reminded of Walter Cronkite's fine television interview with Aleksander Solzhenitsyn in which Mr. Solzhenitsyn expressed puzzlement at the U.S. concept of détente in light of the Soviet concept. He said:

> There is not peace because of trade; there is trade because of peace.

In other words as soon as we start squabbling with the Russians they will pull the rug out from under all our fine reciprocal trade agreements.

There are a myriad of other inherent problems to détente; racial problems, domestic problems, and strategic problems to name a few. The point is this: with so many problems staring us in the face on this thing I think it is a dangerous tendency on the President's part to engage in such rapid-fire meetings with the Soviets. I applaud any chance whereby we might get to know the Russians better to get along with them better. But I am fearful of this sudden policy of easy access in the light of former opposite policies maintained by the Soviets.

It is curious, and yet very encouraging to realize the attitudes of the members of our so-named liberal establishment in this regard. For years they have urged our cooperation with the Soviets in every aspect. But recently that has changed, as well it should, especially, in light of political affairs in the Soviet state. One incident that has profoundly highlighted the true Russian posture is the expulsion of Mr. Solzhenitsyn from the Soviet Union, obviously for his historical project, "The Gulag Archipelago," an indictment of the Russian political past and an indication of what is to continue in the future.

Perhaps we can find some greater insight into this situation by reading Arthur Schlesinger, Jr.'s article from the Wall Street Journal, dated June 27, 1974:

ANOTHER LOOK AT DÉTENTE

(By Arthur Schlesinger, Jr.)

The news that the Soviet authorities prepared for President Nixon's visit by rounding up critics of the regime emphasizes the anomaly of détente. For détente as currently construed by the United States—i.e., the reduction of political and military tensions between the United States and the Soviet Union—has meant in practice an increase in repression in the Soviet Union. Repression is not back to Stalin's level, or anything like it, but it is worse now in this springtime of détente than it was in the bad old days of Khrushchev.

George Kennan has suggested that for the Soviet leadership détente and repression "are probably mutually compensatory." Why this should be so is obvious enough. The regime plainly feels it must take tougher measures to reinsure against the risk that the relaxation of political and military tensions might bring un-Soviet thoughts into Soviet society. Whatever the Soviet need for the stabilization of its European and Middle Eastern fronts and for capital, technology and trade, the Bolshevik government is determined not to expose its people to competing ideas. Nearly 60 years after the revolution, it evidently still doubts it can survive what it continues to anathematize as "ideological coexistence." For all we know, it may well be right.

What is less obvious is why the United States government should go along with this; why indeed it should tacitly bless the return to repression by presidential visits to Moscow. Yet there are some cogent reasons for the administration's readiness to embrace a détente limited to political and military spheres.

The first argument for limited détente is that "the foremost requirement of American foreign policy," as President Nixon said early this month at Annapolis, is to lessen the chances of nuclear war. This, Dr. Kissinger, tells us, is the "overwhelming reason" for détente—a reason that has its own moral weight and must have precedence over every other concern. Given this overriding objective, the administration asks whether we can afford to let preoccupation with lesser problems, such as human rights in the Soviet Union, endanger the supreme goal, which is the universal human right to escape nuclear incineration. Détente in those terms, the administration adds, does not imply approval of internal arrangements in the Soviet Union.

The second argument is that, in any case, history shows that the capacity of one power to alter the domestic policies of a comparable power is strictly limited. Mr. Nixon sounded hypocritical when he claimed that the United States entirely rejected the notion of transforming "the internal as well as the international behavior of other countries." We Americans have been perfectly ready to attempt precisely this when we thought we could get away with it. If he had said "other great powers" instead of "other countries," however, he would have had a point. Mr. Brezhnev is not likely to be much more responsive to an American demand that he, say, permit the publication of "The Gulag Archipelago" that Mr. Nixon would be to a Soviet demand that he comply with the subpoenas of the House Judiciary Committee.

DÉTENTE OR PRESSURE

The third argument has not been publicly expressed but is an essential part of the case. This is that, in the long run, détente will be a more effective means than pressure of liberalizing Soviet society. Continued tension would only perpetuate the siege mentality. But the reduction of tension and the improvement of living standards through technological and economic progress will eventually and inevitably, it is said, lead to democratization. Some Soviet dissenters, notably the historian R. A. Medvedev, also make this argument and therefore oppose the effort to force immediate reforms through such external means as the Jackson amendment.

Other Soviet dissenters, notably Solzhenitsyn and Sakharov, take an opposite view. So do many American liberals and intellectuals; and so of course do Senator Jackson and other members of Congress. Critics of the Nixon-Kissinger version of détente are skeptical about "in the long run" arguments. They strongly doubt, as Sakharov has written, "that economic links will have inevitable consequences for the democratization of Soviet society." They feel that, because the avoidance of nuclear war is in the Soviet interest too, the American government will not endanger political and military détente by speaking out against repression. They do not think that, in asking the Soviet Union to behave like a civilized state, they are demanding (as Dr. Kissinger accuses them of demanding) "the transformation of the Soviet domestic structure." In a thoughtful report to the House Foreign Affairs Committee, a subcommittee under the chairmanship of Donald M. Fraser of Minnesota (who is also chairman of Americans for Democratic Action) praises "the objectives of détente" but adds that "cooperation must not extend to the point of collaboration in maintaining a police state" and recommends that the American government "be forthright in denouncing Soviet violations of human rights."

What is one to make of this debate? None of the questions involved is easily answered. Will detente and improvement in living standards produce a more liberal society in the Soviet Union? No one knows. High living standards did not save Germany from Nazism. On the other hand, the idea of the American government setting itself up as the moral judge of other nations suggests delusions of righteousness and crusades to reform mankind. I think myself that the Jackson amendment, as Averell Harriman said recently, has outlived its usefulness. It was more potent as a threat than it would be as a law. Moreover, it hardly reaches the heart of the matter, which is not freedom of migration, but as Medvedev has said, the creation of a society from which people would not want to migrate. Still the probability remains, in Sakharov's words, that "detente without democratization would be very dangerous" for the West. And the Soviet Union appears to have a sufficiently strong need for the American connection—Mr. Brezhnev himself may have such a heavy personal investment in detente—for Moscow to yield ground on such questions as Jewish emigration. Human rights pressure, in short, has not been completely in vain.

So one may argue back and forth. But one thing is clear. However useful human rights pressure may be in limited quantities, or however hazardous it could become as a major determinant of foreign policy, Americans do not have a real choice at the moment under the present government. The Nixon administration is just not going to do much on behalf of human rights in other countries. It is simply not in its bones thus to act. It has shown little concern for human rights in the United States or in countries that depend on American support and might be somewhat responsive to American pressure like, say, South Vietnam or Greece. Why should anyone expect it to care about human rights in the Soviet Union? Nothing delights our President more than hobnobbing with dictators; one has only to watch the expressions on his face. Mr. Nixon's personal sympathy with the people making trouble for Mr. Brezhnev is unquestionably well under control. After all, exactly the same kind of people are making trouble for him at home. So there is a ghastly logic in this week's Moscow gala.

With our government thus immobilized, the argument that non-governmental parts of American society display concern for human rights in Russia becomes irresistible. Even opponents of official action call for private action. Mr. Kennan, for example, strongly objects to such devices as the Jackson amendment. But he emphasizes quite as strongly the importance of keeping "events in Russia under the scrutiny of world attention. There is no greater discouragement that could be brought to the forces working for a more humane society than the impression that their efforts are forgotten, or viewed with indifference, elsewhere." Dissenters in Russia make this point again and again. "I want all of you to understand," Pavel Litvinov said in his first press conference after being forced into exile, "that we have survived because the West exists and in it a Western press."

When I last wrote on this subject in these pages in September 1973, I listed a number of American professional groups, from the National Academy of Sciences to the American Psychiatric Association, that had protested the treatment of their fellow professionals by the Soviet government. I also wrote that I was ashamed not to be able to add the American Historical Association to that list. I am even more ashamed nine months later at the resolute silence of the AHA over the continued mistreatment of Soviet historians, men such as Andrei Amalrik, Valentyn Moroz, Vitaly Rubin.

A RESTRICTED STANDARD

The earlier AHA line, as set forth by the council in a meeting in September 1972, was that the AHA should express concern about the fate of Soviet historians "only in cases where a general issue is at stake, namely the freedom of any historian to use responsibly gathered facts to arrive at a reasonable interpretation." By this standard, as the then president of the AHA informed me, the organization would take no action about Amalrik, et al, on the ground that they were "not being persecuted by the Soviet regime because of their historical activities but because they have been distributing clandestinely current information embarrassing to the regime." It need hardly be pointed out that this is a shockingly restrictive standard and one, thank heavens, not employed by the National Academy of Sciences when it condemned the campaign against Sakharov, who was obviously not under persecution for his scientific activities.

Then came the case of Solzhenitsyn and "The Gulag Archipelago." It is hard to deny that writing this was an historical activity. It has been highly praised by Medvedev, despite his differences with Solzhenitsyn on other matters, as well as by Kennan and other historians. It thus meets even the restrictive standard adopted by the AHA in 1972. But still the AHA remains mute. Instead of acting under the 1972 standard, the new president has inexplicably appointed a committee to prepare a "position paper for early study by the council." Is the council waiting for historians to be drawn and quartered in Red Square before it decides to venture an objection?

I am at a loss to explain this extraordinary behavior on the part of the historcial establishment. It may perhaps be related to a desire to maintain what one member of the council described to me as "collegial relations" with Soviet historians approved by the regime. There are plans, for example for a 1974 Soviet-American historical colloquium to be held in the United States. As for the New Left historians, who used to see themselves as the keepers of the professional conscience, they may fear that the condemnation of Brezhnev's Russia could suggest there was good reason to oppose the Stalinization of Europe in the 1940s. Their unaccustomed aphonia compares most unfavorably with the forthrightness of the English radical historian E. P. Thompson who recently wrote, "We must make it clear again, without equivocation, that we uphold the right of Soviet citizens to think, communicate, and act as free, self-activating people; and that we utterly despise the clumsy police patrols of Soviet intellectual and social life. . . . Solzhenitsyn has asked us to shout once more. And we must, urgently, meet his request."

REMEMBERING "ANIMAL FARM"

The relish of the American government and, in a far less momentous way, of the American historical establishment in fraternizing with their Soviet counterparts makes one wonder how it all looks to Soviet dissenters. In a recent discussion of the Soviet intellectual underground in "Encounter" the Dutch journalist Karel van het Reve, contemplating this point, was reminded of the last paragraph in Orwell's "Animal Farm." The once revolutionary pigs are sitting around the table with the farmers against whom they had made the revolution. The lesser animals, now exploited by the pigs as once they had been exploited by the farmers, begin to see a curious blurred phenomenon as they watch the scene through the window. "The creatures outside looked from pig to man, and from man to pig, and from pig to man again; but already it was impossible to say which was which."

PEACE ON THE BEACH

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. HOSMER. Mr. Speaker, the city of Huntington Beach, Calif., is the surfing capital of the world. During the summer of 1973, the police department there initiated an innovative beach patrol program which proved to be a highly successful law enforcement program. Called the Community Liaison Patrol, its attributes have recently been written about in the June issue of the FBI Law Enforcement Bulletin by Officer William Van Cleve, of the Huntington Beach Police Department.

The patrol consisted of six high school teachers and two college students, mostly in their twenties. It helped to regulate beach activity and relieve regularly assigned police officers from beach enforcement. The success of the venture exceeded expectations.

The concept may be of use to other communities as well. Officer Van Cleve's article as published in the July issue of the FBI Law Enforcement Bulletin is set forth below:

COMMUNITY LIAISON PATROL

(By Officer William Van Cleve)

The city of Huntington Beach, like most other beach cities in the southern part of the State of California, has a tendency to double in daily population during the summer months. Most of the people are juveniles and young adults who are out of school for the summer and have plenty of leisure time. The influx often reaches as high as 150,000 persons per day along 8 miles of accessible beaches which are divided into 3.3 miles of city beach with the rest being Bolsa Chica State Beach and Huntington Beach State Park. The Huntington Beach Police Department is responsible for patrolling and providing police services to all the beaches in the city.

SEASONAL POLICING

Providing police protection and traffic and crowd control for the added population with a police department geared for a city of approximately 150,000 permanent residents presents a problem for the police department. The problem is further aggravated when the need for scheduled vacations for the police officers is taken into consideration.

In past years, the beaches had been patrolled by regular uniformed officers on an overtime basis or by on-duty officers. This practice, although necessary, seriously depleted police services to the rest of the city, which encompasses 26 square miles of land.

The permanent residents of the city lost in two respects. One was the loss of police services during the summer months when the incidences of all police-related activities are at their highest, and the other was having to pay for police services for the beach goers, the majority of whom did not live in the city.

Past years have indicated that the majority of the delinquency and criminal violation problems occurring in the beach areas was created by nonresidents. The combination of accessibility, parking, and the city's reputation for having some of the best surfing conditions on the coast attracts the nonresident beach goers. Also, the city hosts the U.S. National Surfing Championships each year.

Many factors had to be taken into consideration in dealing wih the problems confronting the police department. One was the use of regular officers on off-duty time. This practice was found to be both costly for the city and tiring for the officers. By the end of summer, the strain of consistently long hours tended to make these officers less tolerant than they normally would be, and this created problems that could possibly have been averted or handled differently by fresh personnel.

Also, strict enforcement of otherwise minor violations, such as dogs on the beach, created negative public relations, as did the presence of more than a minimal number of uniformed police on the beaches.

It became apparent that a program should be implemented which would more effectively reduce or discourage juvenile violations and related undesirable activities. Such a program would also decrease the seasonal overloading of local police officers and reduce the possibility of negative public contacts.

PROGRAM IMPLEMENTATION

The city of Huntington Beach applied for and received a Federal grant through the Law Enforcement Assistance Administration (LEAA) to assist in the implementation of a program to employ and equip a temporary police patrol for the recreational beaches within the city. The program, Community Liaison Patrol, was designed as a pilot program to demonstrate the feasibility of using temporary sworn personnel to relieve regularly assigned police officers from beach enforcement and to reduce delinquency or nondesirable activity in the beach areas.

The program was implemented in the summer of 1973 by hiring eight persons, six high school teachers and two college students, mostly in their midtwenties. They were hired on the basis of maturity, stability of judgment and temperament, understanding of harmful situations, and ability to communicate with young people. They received 40 hours of training in the laws and mechanics of arrest, public relations, recognition and identification of harmful or potentially hazardous situations, search and seizure, penal code violations, alcoholic beverage violations, health and safety violations, courtroom demeanor and testimony, evidence packaging, identication of drugs and narcotics, first aid, civil rights, and personal safety. There was also a continuous process of on-the-job training throughout the summer.

At the end of the training phase, the officers were sworn as reserves and uniforms were provided. The uniforms consisted of short sleeve, wash-and-wear shirts and trousers or bermuda shorts. The only identifying marks on the uniforms were shoulder patches. The officers were provided with police badges for identification which were carried in an ID case, but no weapons of any kind were carried or displayed.

Although the officers were authorized to make arrests and issue citations, that authority was used only as a last resort. In all cases, the emphasis was on persuasion rather than force. The procedure followed was: When an officer observed a misdemeanor activity, he approached the offender in a congenial manner and discussed the violation, rather than issuing a citation or making an arrest. If, however, the person continued his unlawful activity, he was cited or arrested, as the situation dictated. This policy tended to encourage the idea among young persons that the police representatives are reasonable human beings who are on the public's side. The primary motivation of the liaison officer was to obtain voluntary compliance of existing regulations, and to enhance good public realtions.

RESULTS

During the summer of 1973, the unit made approximately 2,000 individual contacts with people on the beaches for violation of the law, disturbances, lost children, first aid, and calls to assist other agencies (regular officers, lifeguards, fire department, etc.). Of these contacts, approximately 12 percent resulted in arrests being made or citations being issued, and they were all for misdemeanor or felony violations other than traffic. There were no major confrontations between the officers and citizens, and no complaints from the beach goers. Only four cases of resisting arrest were reported, and these were passive in nature.

The patrol definitely helped keep the peace on the beach.

THE STATUS OF FLUE GAS DESULFURIZATION TECHNOLOGY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. BINGHAM. Mr. Speaker, flue gas desulfurization—FGD—is a generic term encompassing numerous stack-scrubbing processes for the removal of toxic sulfur oxides from power plant stacks. An evaluation of the developmental status of FGD technology must therefore take into account the specific characteristics and advantages of the various scrubber techniques.

Coal type and plant size, age, and location assure considerable latitude in choosing the best scrubber process for the job. Many of the problems which have occurred in commercially employed scrubbers derive from relative lack of experience in retrofitting existing plants; that is, the adoption of FGD systems to plants which have been operated without FGD equipment. Increasing experience in commercial installation of scrubbers will undoubtedly eliminate these mechanical and chemical bugs.

Since flue gas desulfurization offers an effective and widely applicable means to reduce toxic sulfur oxide emissions from existing and future power plants, perfection of FGD technology must remain a major environmental priority. For the benefit of my colleagues and other readers of the RECORD, I include herewith the following readings about the various scrubber technologies which have been developed and commercially applied: excerpts from the fiscal year 1973 Annual Report of the Environmental Protection Agency's Control Systems Laboratory, and an excerpt from an article in the April 19, 1974, issue of Science entitled "High-Sulfur Coal for Generating Electricity":

U.S. ENVIRONMENTAL PROTECTION AGENCY CONTROL SYSTEMS LABORATORY ANNUAL REPORT FISCAL YEAR 1973

NONREGENERABLE PROCESSES

Lime/limestone wet scrubbing

This process involves the wet scrubbing of fossil-fuel boiler flue gas (from power plant or industrial/commercial sources) with limestone or lime slurries to remove sulfur oxide and particulate pollutants. Results of several pilot-scale studies indicate that the process, of which there are several variations, is capable of high pollutant removal rates with acceptable reliability.

Testing of the principal demonstration is underway at a large-scale, multiple-configuration prototype at TVA's Shawnee Power Plant. The City of Key West, Florida, is the scene of a secondary demonstration: testing of a variation of the same process.

Lime/limestone wet scrubbing processes have the inherent advantages of low reactant costs, relative simplicity, and final products in the form of relatively inert disposable materials. These processes are widely applicable to both old and new power plants. Process disadvantages include: requirements for plume reheat, potential reliability problems (e.g., scaling and erosion), and potential solids disposal problems in some urban locations.

TVA's Shawnee Power Plant—Construction of the large-scale demonstration facility at TVA's Shawnee Power Plant was completed in March 1972; testing started the following month. The facility, consisting of three different (but parallel) scrubber circuits, can handle about 90,000 cfm of the 450,000 cfm (150 MW) output of one of the ten coal-fired Shawnee boilers. The versatile facility is being used to evaluate the performance and reliability characteristics of lime/limestone wet scrubbing systems operating under a variety of operating conditions.

Currently, factorial and reliability verification tests with limestone are complete; long-term limestone and lime tests are presently being conducted. Results to date indicate a capabiltiy for reliable operation with high SO_2 removal efficiencies.

City of Key West—The variation of the limestone wet scrubbing process being tested in Key West includes most of the general concepts of the basic process.

The City of Key West, under an EPA demonstration grant, has installed this process on a new 37-MW oil-fired boiler. In January 1974, Engineering Science, Inc. under an EPA contract, began a test program to characterize this type of a system. Testing will include long-term tests, primary variable tests, and optimization tests.

DOUBLE-ALKALI

The double-alkali process, like the lime-limestone wet scrubbing processes, produces a throwaway product consisting of flyash and calcium sulfite/sulfate. The process, in its various forms, was developed in an effort to avoid the problems associated with the use of absorbent slurries in the lime/limestone processes.

Flue gases are scrubbed, using a soluble alkali (usually sodium-based) solution as the absorbent. The spent absorbent solution is treated with lime and/or limestone in a regeneration system to produce: a regenerated soluble alkali for recycle to the scrubber system, and a throwaway product for disposal.

Although less developed than lime/limestone wet scrubbing processes, double-alkali systems show potential for attaining high sulfur oxide removal efficiency and good reliability at relatively low cost. A problem is associated with these systems, however: a potential exists for pollution of ground and surface water by solubles present in the waste product. Steps can be taken to reduce (or eliminate) this potential secondary problem.

To more fully test and characterize double-alkali systems, EPA contracted with Arthur D. Little, Inc., to conduct a laboratory and pilot plant study of attractive double-alkali operating schemes. This study is being supplemented by an in-house CSL laboratory program. The pilot plant testing, at a 200-cfm facility owned by Arthur D. Little, Inc., was started in November 1973. There is a strong possibility that this program will be extended to include testing at a 20-MW prototype installation.

Also, CSL and General Motors have agreed to participate in a cooperative test program on GM's double-alkali process variation, recently installed on a coal-fired industrial boiler at GM's Chevrolet Plant in Cleveland, Ohio. This program will evaluate an important double-alkali variation on industrial scale.

Sludge disposal

In December 1972, the Control Systems Laboratory initiated a limited program to determine environmental acceptability and economics of techniques for treatment and disposal of throwaway sludge product from lime/limestone wet scrubbing processes for flue gas desulfurization.

The 2-year program is based on extensive current and projected application of lime/limestone scrubbing, projected insignificant commercial utilization of the sludge, and potential toxicity and hazards of species which could be found in the sludges and associated liquors.

The program consists of the following major elements:

1. An inventory of sludge constituents in both the solid and liquid phases. Sludges produced from the following sorbent/fuel combinations being studied are limestone/Eastern and Western coals, lime/Eastern coal, and double-alkali/Eastern coal.
2. An evaluation of the potential water pollution and solid waste problems including consideration of existing or proposed water effluent, water quality, and solid waste standards or guidelines.
3. An evaluation of treatment/disposal techniques with emphasis on ponding and treated and untreated landfill. In particular, sludges treated by two commercial processes will be evaluated in the laboratory for mechanical properties, permeability, leachability, etc.
4. A recommendation of the best available technology for sludge treatment/disposal based on the elements delineated above.

REGENERABLE PROCESSES

Magnesium oxide (Chemico Mag-Ox) Scrubbing

The Mag-Ox slurry scrubbing process, developed by Chemical Construction Corporation (Chemico), is one of the more promising regenerable approaches which could attain commercial status by mid-1974.

The chief advantage of the Mag-Ox process is its wide applicability to both existing and new power plants: it removes both SO_2 and particulates very efficiently without interfering with normal boiler operation. The process is also amenable to the centralized processing concept; i.e., spent sorbent can be regenerated at a central plant capable of servicing a number of power or industrial plants.

The major disadvantage of the process is the relatively high energy requirements for regeneration. Other disadvantages include those common to wet scrubbing processes; e.g., the apparent requirement for stack plume reheat.

EPA and Boston Edison are currently involved in a $7 million co-funded program involving design, construction, and operation of a 155-MW capacity scrubbing/regeneration system.

Scrubbing, centrifuging, and drying operations are located at Boston Edison's oil-fired Mystic Station; a regeneration system has been constructed at Essex Chemical's sulfuric acid plant in Providence, R.I. System testing started in April 1972. Results obtained during the initial year of operation indicate that SO_2 removal efficiencies in excess of 90 percent can be obtained using both virgin and regenerated MgO. In addition, commercially saleable sulfuric acid of high quality has been produced from the sulfur values recovered from the stack gas. However, numerous problems (primarily equipment related) have thus far prevented continuous long-term reliable operation. Completion of the project is scheduled for mid 1974 and is intended to provide design data for scaling up the process to commercial size.

Potomac Electric Power Company has installed a 100-MW Mag-Ox scrubbing system, currently in the preliminary start-up stage, at its coal-fired Dickerson Station. At the completion of the EPA/Boston Edison program, EPA will permit Potomac Electric to use the Providence MgO regeneration system to process spent scrubber sorbent in exchange for data obtained by Potomac Electric relative to overall system operation on coal-fired plants.

Sodium iron scrubbing with thermal regeneration (Wellman-Lord)

EPA and Northern Indiana Public Service Company (NIPSCO) are jointly funding the design and construction of a flue gas cleaning demonstration system utilizing the Wellman-Lord SO_2 Recovery Process. The Allied Chemical SO_2 Reduction Process will be used with the W-L Process to convert the recovered SO_2 to elemental sulfur. The total $9.5 million cost for design, construction, and startup is being borne equally by EPA and NIPSCO. The operational costs for the system will be borne solely by NPISCO, and a detailed test and evaluation program will be funded by EPA. The demonstration system will be retrofitted to the 115-MW, coal-fired Boiler No. 11 at the D. H. Mitchell Station in Gary, Indiana.

The SO_2 product from the W-L Process is suitable for recovery in three forms: liquid SO_2, sulfuric acid, and elemental sulfur. For purposes of the EPA/NIPSCO demonstration, the Allied Chemical SO_2 Reduction Process will be applied to generate the most salable and environmentally sound product, elemental sulfur. The process has been demonstrated on a large scale treating a 12-percent SO_2 gas stream from a nickel ore roaster at Sudbury, Ontario.

EPA has high confidence for the success of this first coal-fired boiler demonstration system in meeting guarantees for pollution control, product quality, and material and utility requirements. This confidence is based on the already appreciable quantity of successful operating experience to date for W-L Systems on various applications including acid plants, Claus plants, and oil-fired boilers. Seven systems are now in operation in the U.S. and Japan. The knowledge gained from operating these systems has resulted in a series of process improvements (reducing costs and purge requirements) which have been incorporated in the EPA/NIPSCO demonstration.

Catalytic oxidation (Monsanto Cat-Ox)

The catalytic oxidation (Cat-Ox) process is an adaptation of the contact sulfuric acid process. Monsanto Enviro-Chem Systems, Inc. has developed this adaptation through work on a pilot scale unit and then a 15-MW prototype. EPA and Illinois Power Co. (sharing a $7 million total funding requirement) are now preparing to demonstrate the process on a 100-MW coal-fired boiler at Illinois Power's Wood River Station. Detailed design, construction, and shakedown testing of the air pollution control system has taken about 3 years; performance guarantee testing was carried out using gas firing of the reheat burners in July 1973. The unit met all guarantees and was subsequently accepted. However, due to the present critical shortage of natural gas, the burners are being modified to allow either oil or gas firing, as conditions permit. It is anticipated that this work will be completed in time to allow full-time, permanent operation of the demonstration unit by Summer of 1974, with the accompanying commencement of the 1-year test program.

The Cat-Ox system is available in two configurations: the Reheat system for retrofitting existing plants, and the Integrated system for incorporation into new power generating facilities.

The product acid is cooled and sent to storage, while the flue gases pass through a fiber-packed mist eliminator (where the residual traces of sulfuric acid mist are removed), and then to the stack where the clean gas exists to the atmosphere. At this point, essentially all particulate matter, as well as 85 percent of the SO_2, has been removed from the stream.

Trace and hazardous element analyses account for an important portion of the overall Cat-Ox test program. A complete characterization of Wood River Unit No. 4 (prior to Cat-Ox equipment tie-in) included analyses for some 30 trace elements in the coal, hopper ash, and slag as well as in the flyash (where elemental analysis has been done for a complete range of size fractions). These tests will be repeated during the 1-year test program (after the Cat-Ox system becomes operational) to determine the effects of the system on the concentration and distribution of trace elements.

Sodium ion scrubbing with electrolytic regeneration (Stone & Webster/Ionics)

In July 1972, EPA and Wisconsin Electric Power Company (WEPCO) initiated a 3½ year three-phase program, involving the Stone & Webster/Ionoics (S&W/I) sodium hydroxide scrubbing process.

Under Phase I, currently in process, an integrated pilot plant was constructed, operating tests initiated, and a prototype-scale electrolytic cell system designed and fabricated. Preliminary design of a 75-MW prototype system, and development of detailed test programs and operating schedules for the prototype system will be initiated by Summer of 1974.

Based on favorable assessment of Phase I results and continued technical and economic viability for the process, Phase II, a 16-month effort, will be initiated for the detailed design, procurement, and installation of the 75-MW prototype. This would be followed by Phase III, a 12-month startup and operational period for the 75-MW prototype. Assuming a decision to proceed, EPA and WEPCO would co-fund the $7 million program.

The Stone and Webster/Ionics process is a cyclic method of flue gas desulfurization that was developed by S&W/I during the 5 years prior to the EPA/WEPCO program.

Chief advantages of the process, expected to apply to both existing and new power plant over a broad range of sizes, are: highly efficient removal of SO_2; production of easily handled non-slurry flow streams; no solid waste; and recovery of SO_2 for subsequent processing into liquified SO_2, sulfuric acid, or elemental sulfur.

Potential disadvantages of the process include: power requirements for electrolytic regeneration, adverse influence of particulate and flue gas trace constituents on the reliability of the electrolytic cell, and the need to remove from the system any sulfates produced by oxidation in the scrubber.

Ammonia scrubbing with bisulfate regeneration

Stack gases have been commercially desulfurized by contact with solutions of ammonium sulfite and bisulfite since the mid 1930's. The early processes recovered SO_2 in a pure form by acidifying the scrubbing liquor with such acids as sulfuric, nitric, and phosphoric. The resulting ammonium salt of the acid was further processed for use as a fertilizer. Because of the enormous tonnages of SO_2 involved in desulfurizing power plant stack gases, fertilizer markets will not support wide-scale use of fertilizer-producing ammonia processes. Therefore, CSL in a joint venture with TVA is developing a completely cyclic ammonia scrubbing/bisulfate regeneration process which has as its major product a concentrated stream of SO_2.

Sulfites that are oxidized into sulfates during the process must be purged from the system. Several purge methods can be used: (1) if a fertilizer market exists for ammonium sulfate, ammonium sulfate crystals can be purged prior to decomposition; (2) if there is no fertilizer market, ammonium bisulfate can be reacted with lime to form gypsum and regenerate the ammonia; or (3) ammonium bisulfate can be injected into the utility boiler where it will be decomposed into nitrogen and SO_2.

In 1973, attention was focused on eliminating an objectionable plume of ammonia-based salts in the scrubbed gas leaving the stack. This plume was eliminated or reduced to an entirely acceptable opacity by quenching the flue gas with water prior to introducing the gas into the ammoniacal scrubber. Other explanations can be offered for elimination of the plume, but they are considered less likely. Fortunately quenching the stack gas should reduce ash loadings to the scrubber and minimize regeneration problems. During 1974, sulfate decomposition and bisulfate solution regeneration will be studied intensively in the pilot plant.

Activated carbon

The use of multi-stage, dry fluidized beds of recycling activated carbon appears attractive both for sorption of SO_x from flue gases and for converting the removed SO_x to elemental sulfur. Under an EPA contract, development of the activated-carbon-based flue gas desulfurization process was advanced to a stage where three major process units—sorber, sulfur generator, and carbon regenerator—were integrated for continuous and cyclic operation.

Intergated pilot plant operation is now underway and represents a culminating point in the effort to determine overall technical feasibility of this process scheme. The extended cyclic operation of the approximate 300 scfm capacity pilot plant will yield reliable operational data that will be used to project process economics with greater accuracy and to scale up this process to higher capacities. It is anticipated that Westvaco, the EPA contractor, will provide this process development information during the first half of 1974.

Sulfuric acid neutralization

In the abatement of air pollution from industrial sources such as smelters, large quantities of sulfuric acid are produced. Sulfuric acid is also produced by many of the abatement processes developed for application to air pollution sources, including power generating plants. The growing oversupply of world sulfur promises uncertainty of future markets for such acid.

When acid markets are not available, however, it appears that the neutralization of abatement derived sulfuric acid with limestone may be an economically and technically feasible answer to the problem of acid disposal. A study undertaken to more fully define the potential of this approach was completed in April 1973; it confirmed earlier indications of the feasibility of this concept and placed it on a firmer technical basis. The investigation included a pertinent literature search, conceptual design, and flow sheet for the neutralization of abatement derived sulfuric acid with limestone. Investment and operating costs were developed for daily H_2SO_4 capacities of 100 tons, 350 tons, and 1000 tons.

Claus plant emission characterization

Claus plants produce sulfur from hydrogen sulfide and sulfur dioxide.

Numerous Claus sulfur plants are operated in the United States in connection with natural gas and petroleum refining. Because of the apparent potential for atmospheric pollution from unconverted hydrogen sulfide and sulfur dioxide in Claus plant tail gas, a survey was made (completed April 1973) to collect information concerning Claus sulfur plant emissions and control. Such a data base will be of great use in evaluating the significance of the problem and determining appropriate control strategies.

Summary report findings are as follows:

There are 169 Claus sulfur plants in the United States having rated daily capacities totaling over 15,800 long tons. The tail gas from a Claus plant contains hydrogen sulfide, (H_2S) and sulfur dioxide (SO_2), but the tail gas is usually burned, converting the H_2S to sulfur oxides. The annual emissions from Claus sulfur plants in the United States are estimated to total 875,000 short tons of SO_2 equivalent.

These estimates assume that the Claus sulfur production averages 60 percent of the rated plant capacity and that the Claus sulfur recovery averages 90 percent. Additional catalytic stages could increase the Claus sulfur recovery to about 97 percent, eliminating 70 percent of the Claus plant emissions.

The Beavon Sulfur Removal Process and the Cleanair Sulfur Process are claimed to increase sulfur recovery to more than 99.9 percent, eliminating about 99 percent of Claus plant sulfur emissions. The investment and operating costs for Claus-Beavon plants or Claus-Cleanair plants are about twice those for Claus plants alone. Hence, the production costs for Claus-Beavon sulfur or Claus-Cleanair sulfur are about twice those for Claus sulfur.

The Institut Francais du Petrole (IFP) Process is claimed to increase the sulfur recovery to more than 99 percent, eliminating about 90 percent of Claus plant emissions. The investment and operating costs for an IFP addition are about half of those for the Claus sulfur plant alone. Accordingly, the production costs for Claus-IFP sulfur are about 50 percent higher than those for Claus sulfur.

[From Science, April 19, 1974]

HIGH-SULFUR COAL FOR GENERATING ELECTRICITY

(By James T. Runham, Carl Rampacek, T. A. Henrie)

CITRATE SYSTEM

The citrate process is one of the more attractive systems that has emerged in the past several years for flue gas desulfurization. Developed by the Bureau of Mines to remove sulfur dioxide from nonferrous smelter stack gases, the process has the advantage that elemental sulfur is recovered without the need for intermediate sulfur dioxide regeneration. The system, is considered among the least costly of the advanced processes.

Recently the bureau began testing the process in a pilot plant with capacity of 1000 standard cubic feet per minute (scim) at the Bunker Hill lead smelter, Kellogg, Idaho. More than 95 percent removal of sulfur dioxide has been achieved without difficulty from a gas stream containing 0.5 percent sulfur dioxide.

Since June 1973, the process has been tested in a 2000-scfm demonstration unit at a coal-fired steam generating plant in Terre Haute, Indiana. Tests on gas containing 0.27 percent sulfur dioxide, generated by burning coal containing 3 percent sulfur, have largely confirmed Bureau of Mines findings. Although the citrate process has been proposed for producing elemental sulfur, it also is possible to recover sulfur dioxide for conversion to acid by incorporating a steam-stripping step.

Estimated capital cost of a citrate process desulfurization unit for a 1000-Mw plant burning coal containing 3 percent sulfur is $31 million. Annualized costs would be $1.4 mill/kwh, if no credit for the 214 long tons of sulfur produced daily is assumed.

THE BEACON HOSE CO. NO. 1

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. SARASIN. Mr. Speaker, there are few groups in our Nation as selfless and dedicated in helping their fellow neighbors as the volunteer fire departments. I recently had the pleasure of attending the 75th anniversary banquet of the Beacon Hose Co. No. 1, of which both my father and I are former members, and I would like to share some of the company's illustrious history with my colleagues.

The Beacon Hose Co. No. 1 was organized in May 1899 in my hometown of Beacon Falls, Conn. First organized as a firefighting company for the Beacon Falls Rubber Shoe Co., the Beacon Hose Co. became incorporated in 1930, gaining the status of a volunteer town company. Among those designated as charter members for having joined before 1900 was George Butz, Sr., the company's first foreman. He was succeeded by Bert Howell for 1 year until Pop Lee assumed leadership in 1908. Lee, who became designated as chief upon the company's incorporation, served in this capacity until 1950. Since then, the company has seen the service of six leaders: Harold Benz, until his passing in 1951, George Rau, Arthur Smith, Daniel Lee, Jr., and Roger Brennan who served 5 years each, and the current chief, Lee Lennon, elected in 1971.

The company has undergone major changes and advancements over the years. Originally located on the rubber company grounds, the Beacon Hose Co. was housed in two other buildings on Main Street before acquiring its present headquarters in 1969. Having first employed a hand pulled hose cart, the company now owns five engines. In addition, it has provided a free ambulance service since 1951.

The first ambulance was donated by the Buckmiller family, and in 1954, members of the Community Club and firemen together purchased another vehicle from the Borough of Naugatuck. Later a new ambulance was purchased by the town, and the original emergency vehicle was sold to the town of Oxford for $1 to aid in the founding of its Community Ambulance Service. Apart from the paramedical training that the firemen receive, those members serving as ambulance men recently completed an extensive emergency medical training course at Griffin Hospital.

The annual bazaar and parade, which entertains thousands from the area, draws proceeds to sponsor and cosponsor many functions and community services. These include Halloween and Christmas parties, the upkeep of a boys' cottage at the Southbury Training School, an annual "Jimmy Smith Memorial Award" scholarship in mathematics to a graduate of the Long River School, a yearly program in memory of Dick Johns which sponsors a Scout at summer camp, and a fire prevention program aimed primarily at the town's children, which was credited with saving the lives of a local facilities several years ago.

Presently, there are 76 members of the Beacon Hose Co., all of whom are trained in the techniques of firefighting and the operation of the modern equipment employed in administering first aid. In addition, a plectron system has been installed to replace the siren and telephone method of summoning the members to an emergency, providing an instantaneous service.

It would be impossible to express in these few short words, the appreciation deserved by our volunteer firemen. These are individuals who apply their training and regularly risk their lives in return for satisfaction that they are integral to the safety and harmony of their communities. On this note, I would like to congratulate Chief Lennon and all the members of the Beacon Hose Co. upon reaching this 75th milestone, and to express my sincere appreciation for all of the services which they have and will continue to perform.

TRIBUTE ON THE RETIREMENT OF THE HONORABLE WENDELL WYATT OF OREGON

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ROONEY of New York. Mr. Speaker, the recent announcement by the Honorable WENDELL WYATT that he will be retiring at the end of this Congress is a great disappointment to me, as I am sure it is to all the Members of this august body.

I have had the distinct pleasure of working very closely with WENDELL WYATT since his assignment to the Appropriations Subcommittee for the Departments of State, Justice, and Commerce, the Federal Judiciary and Related Agencies. His assignment to this subcommittee came following the death in 1972 of our former colleague and my dear and beloved friend, Frank Bow of Ohio. During this time I have come to both know and respect WENDELL for his ability to work for the public interest and for a more effective and efficient government. I have also been deeply impressed with his insight and knowledge into the working of government.

Mr. Speaker, WENDELL's long history of service to both his community and country began in 1941 and has always been in the highest traditions of the Republic. He was a special agent for the FBI in 1941 and continued to serve his country in World War II as a combat officer in the Marine Corps. After the war he returned home and took an active interest in his community which eventually culminated in his election to the House of Representatives in 1964.

The Congress, the country, and the American people will all sorely miss the expertise of the gentleman from Oregon. The committee of which he is a member will also miss the services of this student of government and the law.

Mrs. Rooney joins me in wishing Wendell and his lovely wife, Faye, a most enjoyable and productive retirement.

OIL AND DEPARTMENT STORES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. CONTE. Mr. Speaker, for several months, I have been barraged with letters, telegrams, phone calls, and visitors telling me the oil companies need more profits so they can increase investment in exploration and production.

I have been solemnly warned in these communications that if Congress repeals the oil depletion allowance and other special interest tax legislation, the oil companies would withhold energy exploration and production and the Nation would suffer.

While the major oil companies were reporting 1973 profits of $10 billion, I pondered the continued need for the oil depletion allowance. I looked for new construction. In New England, there are four proposals to build oil refineries along the Atlantic coast, but none of them is sponsored by a major oil company.

Meanwhile, several majors have been taking their oil profits and investing them in nonpetroleum businesses. Last winter, Gulf Oil offered $100 million for the Ringling Brothers Circus. When exposed to the glare of publicity, that deal fell through.

Last March, at the peak of the gasoline shortage, the Select Committee on Small Business, on which I am the ranking minority member, discovered that Gulf was taking over a significant portion of the distressed recreational vehicle market. Sales of recreational vehicles at that time had hit an all-time low; today they are booming.

Now Mobil Oil has announced its intention to purchase controlling interest in the Montgomery Ward department store chain for $400 million. Mr. Speaker, the Washington Post last Friday featured an editorial on this subject, which I submit for the Record:

Oil and Department Stores

Oilmen, their bankers and their trade associations have been telling us all year that high oil profits are absolutely essential to solve the energy shortage. The industry has to have the current tremendous profits, the litany goes, in order to provide the capital to develop the new sources that the country needs. Don't you remember all those speeches, advertisements and statistical studies? A constant theme ran through them: The oil companies' profits might seem a bit high to you folks sitting out in front, but you can take the word of the real experts that those profits are necessary to provide you with oil for the years to come.

But now the Mobil Oil Corporation is preparing to use some of its recent profits, instead, to buy the company that controls Montgomery Ward. While Montgomery Ward runs good stores, you wouldn't go there to look for oil. Mobil is, in fact, diversifying. The enormous accumulations of ready cash by the oil companies mean great power, and obviously not all of that power is going to be devoted to producing energy. Some of it is going into the quite different purpose of extending the companies' control into altogether new and different fields.

To take over the Marcor Corporation, the holding company that owns Montgomery Ward, will cost perhaps $400 million. Mobil defends itself by emphasizing that it will spend $1.5 billion this year alone on capital expansion and exploration for oil. But Dr. John Sawhill, the administrator of the Federal Energy Office, was surely right when he expressed "disappointment" that Mobil was not inclined to devote its full resources to energy development.

Mobil's reasons for diversification arise from a defensive and anxious mood that seems to prevail inside the oil industry. Mobil fears a political climate here and throughout the world that might make the oil business a great deal less profitable very soon. Along with all the other companies Mobil has been complaining bitterly about the constraints imposed by the new environmental laws. Abroad, the exportnig countries are rapidly nationalizing their immensely rich concessions. Mobil is one of the Aramco partners, who have just been informed that the Saudi government is taking over 60 per cent of the ownership in Aramco retroactive to the first of the year. Here at home, the companies were put through a hazing on profits last winter by Sen. Henry Jackson and currently the industry's most visible tax break, the depletion allowance, is being thrown up for a vote about once a week in one house of Congress or the other. Mobil sees itself increasingly harassed and constrained by innumerable government agencies trying to tell it how to run a very complicated business. Beyond the disputes over reports and permits lies, apparently, a real fear that the government is going to try to regulate the oil companies and treat them like utilities.

Here we have a remarkable example of the difference in perspective between Washington and New York. Seen from Washington, the oil companies are getting richer so fast that the profit figures are a sharp embarrassment to their political friends. The retained earnings are piling up at rates that raise urgent issues of fair competition as oil companies expand at the expense of other companies that do not enjoy the oil tax benefits. While it is true that the companies have not managed to get any of the environmental laws changed, it is also true that so far in the legislative stalemate the tax breaks have not been repealed either. And the price to the consumer keeps going up. But the same picture, seen from corporate headquarters in New York, takes on a threatening and autumnal aspect. The industry seems beleaguered by its enemies. The word is, apparently, to begin discreetly to walk, not run, toward the exit.

But if leading oil companies begin to use their massive internal reserves to begin buying their way into entirely different businesses, that is not entirely a private matter. It certainly lets a good deal of the air out of the much-advertised presumption that those reserves were going to be used to drill for oil and build refineries. The size of those companies' present reserves owes a lot, after all, to public policy in the form of tax subsidies and price control decisions.

At this moment, when the spirit of detente prevails throughout the world, it ought to be possible to negotiate a truce between the oil companies on one hand and everybody else on the other. The companies want to know, basically, under what conditions they are going to be required to do business over the next decade. Everybody else wants to know if there is going to be enough gas and oil. There is room here for a bargain. The public would be less incensed by higher fuel prices if the companies paid the same taxes as other corporations. Revoking the most egregious of the tax subsidies is the first step toward a negotiated peace. The second is recognition by the companies that the new environmental standards have strong public support, and the industry is going to have to accept them. But meeting those standards will be expensive, and the cost will show up in the price of oil. The consumer is going to have to get used to that idea. He is also going to have to get used to the idea that an oil price roll-back is only a prescription for more fuel shortages. There is only one source for the expanding supplies of cheap oil to which Americans have been accustomed, and that source lies in the Persian Gulf far beyond the reach of the American anti-trust laws. Over the coming months, both consumers and companies will doubtless learn to live with the new economics of fuel. But at the moment we have a striking paradox: a major oil company, in the midst of a massive wave of profits, filled with dismay about its future and looking uneasily toward some safer line of business.

GEOTHERMAL HEATING AT OREGON INSTITUTE OF TECHNOLOGY

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ULLMAN. Mr. Speaker, the national energy shortage has come as a largely unheralded and certainly a very unpleasant surprise to this Congress. I would venture to guess that fossil fuels and alternative power sources have played a far larger role in our thoughts and legislative efforts than any of us dreamed of 2 years ago.

One power source that has been little known outside of the Pacific Northwest is geothermal energy. While geothermal reserves do not exist in all parts of the country, I think that all of us can take encouragement from the creative and pioneering spirit in which efforts to develop this new energy source are being undertaken.

Of particular interest is the establishment of a geothermal heating and cooling plant at the Oregon Institute of Technology. Largely the dream of one man, Dr. W. D. Purvine, president of the Institute, this plant has reduced their heating bill from an estimated $95,000 a year to $10,000 a year. And by making use of the hot water reserves that existed right under the Institute's foundations, this imaginative administrator has conserved other valuable energy sources for use elsewhere.

I would like to share with you an article on this energy success story which appeared recently in the Los Angeles Times:

Geothermal Heat—School's Gamble Opens Up New Energy Horizon

(By Lee Dye)

Klamath Falls, Ore.—W. D. Purvine is living proof that a sharp eye, a curious mind and a lot of common sense have not lost their place in this age of tecnological sophistication.

In 1959, when he laid out the plans for the modern, new campus of the Oregon Institute of Technology—of which he is president—he wanted to reduce the heating bill, estimated at $95,000 a year.

He figured he could do that by heating the school, which consists of more than 4 million square feet of floor space, with the hot water that occurs naturally beneath this south central Oregon community.

Many buildings in Klamath Falls have been heated by geothermal wells for years, but Purvine's scheme was far more ambitious than anything that had been attempted.

As any well driller knows, it is possible to drill dozens of bad wells before drilling one good one, and drilling is very, very expensive.

So there was a chance that the state would pump a lot of money down a lot of dry wells and still be faced with a huge heating bill.

Although he is not a scientist. Purvine convinced the Legislature he could find the right areas to drill. He was told to go ahead—provided he personally picked the drilling sites.

It was a gamble, but Purvine was willing to try.

He began plotting his course by watching each morning to see where frost melted first.

After he had pinpointed the warmer areas, Purvine talked to every well driller he could find. He heard a lot of old yarns, but he learned a lot about drilling also.

As a rockhound, Purvine knew the geological terrain fairly well. Geologists have determined that the heat that warms the water probably rises to the surface through fault zones, so Purvine charted every fault he could find and every fault known to exist near the campus.

Finally, the day of reckoning came.

He directed a drilling crew to one corner of the campus and, just above what he considered to be an old fault. Purvine ordered the men to begin drilling.

The well was drilled to 1,205 feet at a cost of nearly $17,000. They found water, but it was a mere 78 degrees.

He moved to the other side of the fault, where the frost melted first each morning, and ordered the men to drill again.

Again, they found water. But this time it measured 176 degrees.

In all, Purvine drilled six wells—three hot and three cold.

Today, the entire campus, consisting of eight buildings, is heated with the water from just one of those geothermal wells.

The hot water flows through heat exchangers in each of the buildings, heating air that is then blown into the rooms, as in any forced-air heating system.

When the weather turns hot, campus plant supervisor Jack Hitt turns a few wheels and the hot water is replaced by chilled water from the cold wells, and the entire system acts as an air conditioner instead of a furnace.

The cost? About $10,000 a year.

Although Purvine did not plan it this way, his success could not have been timed better.

With the nation facing a long-term fuel shortage—and with prices skyrocketing for such things as heating oil—the success the institute has had with geothermal heat takes on a special significance.

Hot water wells have been used for various purposes in the Klamath Falls area for decades.

For example, warm water has been used to irrigate certain crops, such as tomatoes. The warmer water extends the growing season, resulting in rich, luscious tomatoes.

But in the past, that sort of activity has been carried out on a relatively limited scale.

The college's success, according to John Lund, engineering professor, proves that geothermal power could have considerable application in the industrial sector.

"It could be useful to any industry that has a high demand for heat," Lund said.

For instance, Klamath Falls plywood company that has been fighting against bankruptcy is considering shifting to geothermal heat as a means of cutting its costs.

A hospital adjacent to the campus also is shifting over to geothermal heat.

The idea of heavy industry moving into the pristine wilderness areas of Oregon does not appeal to all Oregonians, however.

The state has actively sought to discourage industrial development in some areas, and as geothermal exploration moves into full swing, conflicts over land use probably will be fierce.

Purvine believes, however, that the future of geothermal energy is bright.

"Without any question it's going to be a major source of energy," he said. "There are hundreds of locations with hot water."

Some members of his staff believe exploration will almost surely result in discoveries of steam, whch might be used to generate electricity. So far, geothermal applications in Oregon have been limited to hot water wells.

The federal Bureau of Land Management is in charge of a federal leasing program for potential geothermal areas, and since the program was started earlier this year the rush has been phenomenal.

The Portland office of the bureau has received 866 applications for geothermal leases in Oregon and Washington.

Many of those applications, undoubtedly, are purely speculative to lead to geothermal development on a much broader scale than anyone expected just a few years ago.

At any rate, Klamath Falls is in on the ground floor, and the Institute of Technology hopes to play a considerable role in the national geothermal program.

The school is seeking governmental support to establish a National Center for Geothermal Technology.

The center would be situated near the campus and would be designed to "hasten the widespread utilization of geothermal energy in a very direct and pragmatic way," according to a prospectus.

The center would conduct research and provide information on the technical aspects of geothermal power.

Although funding for the center—estimated at $184 million for the first 10 years—has by no means been assured, the institute is moving to ensure its role in the development of geothermal energy.

Oct. 7 through 9, the school will be host to an international geothermal conference. The meeting will be unusual in that it will stress nonelectrical applications of geothermal energy. It is expected to attract more than 1,000 delegates and will include representatives from New Zealand and Iceland, where geothermal energy is used for industrial purposes.

FATHER TOM GAVIN, S.J., WRITES THAT WE HAVE MUCH FOR WHICH TO BE THANKFUL ON THIS FOURTH OF JULY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. KEMP. Mr. Speaker, this week we commemorate the 198th anniversary of the proclamation of our Declaration of Independence, a proclamation which signified the united will of a people to exercise the rights of free men.

The writing of that Declaration—and its proclamation—required the highest degree of courage among its proponents. We too often forget—because it was a successful endeavor they undertook—the great risks which were taken by those gallant men and women who by their actions insured our independence. When the signers pledged their lives, their fortunes, and their sacred honor, it was not without their knowledge that should they have failed, they would have had their properties confiscated and their lives lost upon the gallows.

As we celebrate the Fourth of July—every Fourth of July—we should be ever mindful that our commitment to freedom must never be so inadequate as to risk the loss of all that for which the Framers fought—the rights and liberties of free men.

We have much for which to be thankful on this Fourth of July.

Father Tom Gavin, S.J., has made this point well in his column this week in his informative column in the Western New York Catholic, an outstanding publication circulated widely among the clergy and laity of western New York.

Father Gavin talks about why we should never despair when events seem distressing to us. In this time of crisis of confidence in our institutions, we can too easily look at only the bad, overlooking the vast amount of good in our institutions, our Government, our leaders, and our people.

Mr. Speaker, I commend Father Gavin's column to the attention of all my colleagues. It makes the case well for a rebirth of that Spirit of '76 so essential to a regeneration of the strength of our Nation.

The column follows:

QUESTIONS AND ANSWERS

(By Father Tom Gavin, S.J.)

Q. As Independence Day approaches I find it more and more difficult each year to work up any feeling of enthusiasm, much less of patriotism. It seems to me that our nation is deteriorating. The whole picture frightens me. The Vietnam War just about finished me off.

A. No question about it, we are going through some difficult times. At times like these it is essential, if one wants to keep a balance view, to put things in perspective. Let us not forget that a very few short years ago we had legalized slavery of human beings, child labor, sweat shops, wars of aggression and even denied women the right to vote. All these things we took for granted.

Perhaps the biggest step backward that we have taken in modern times is legalized abortion and the resulting slaughter of so many unborn children. That, I agree, is frightening.

But aside from those infants there has never been more independence for everybody than there is in America today. In this country you may not only criticize the government with impunity, you can slander the nation's leaders without penalty. In Russia, China and the captive nations mere disagreement can mean your head. Communist China has put to death around 20,000,000 of her own people who happened to have contrary opinions. Kruschev starved to death 5,000,000 Ukranians because they wouldn't "go along". We all know what has happened in Hungary and Poland and the fate of hundreds of thousands of dissenters in Russia. One may not even leave East Germany without risking a bullet in the back.

Far from waging aggressive wars, we have risked bankruptcy in an effort to rehabilitate our former enemies. As Henry Cabot Lodge said in the United Nations, "At the end of world war II we alone had the nuclear bomb, the largest air force and navy in the world. Had we wished to we could have annihilated Russia." Instead we now sell her wheat, subsidized by the American taxpayers. We did our best to defend a free people in South Korea and South Vietnam.

As our present envoy to South Vietnam, Ambassador Graham A. Martin, said in a recent interview: "Many Americans have forgotten that our real emotional involvement in Indo-China affairs began in 1954, with a characteristic American humanitarian response when we helped move almost a million—mostly Catholic—Vietnamese from North to the South. They abandoned everything of material value, choosing to become penniless refugees in the South rather than remain under the totalitarian rule of Hanoi. . . . Our present commitment arises from an even more characteristic American trait—our determination and pride that we finish what we set out to do. And in this case, it is to leave Vietnam economically viable, militarily capable of defending itself with its own manpower, and its people free to choose their own government and their own leaders. I am thoroughly convinced that this goal can be achieved rather quickly."

As the Canadian television commentator, Gordon Sinclair, said, "This Canadian thinks it is time to speak up for the Americans as the most generous and probably the least appreciated people of all the earth. Germany and Japan, and to a lesser extent, Britain and Italy, were lifted out of the debris of war by the Americans who poured in billions of dollars and forgave other billions of debts. . . . When the franc was in danger of collapsing in 1956, it was the Americans who propped it up. . . . When distant cities are hit by earthquakes it is the United States who hurries in to help. . . . When the railways of France and Germany and India were breaking down through age, it was the Americans who rebuilt them. . . . I can name you 5,000 times when the Americans raced to the help of other people in trouble."

And we are still doing the very same generous things. At the moment, as you know, we are protecting the people of Western Europe and trying to alleviate the hunger of starving millions in Africa and India. It is obvious that we don't brag about these things ourselves. How often have you heard these facts recounted in your newspapers or television broadcasts? It took a Canadian to acknowledge them.

No wonder God has blessed this nation so bountifully. Let us pray for our leaders in the present difficulties and thank God from the bottom of our hearts that you and I enjoy independence not only on July 4th, but on every day of the year. If it were not for that you could not have written your letter.

FRENCH NUCLEAR AID TO IRAN

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. GUNTER. Mr. Speaker, last week I issued a statement expressing my concern over the proposed United States-Egyptian nuclear cooperation agreement promised by the President and my fears that this agreement would open the door for nuclear proliferation in the Middle East. I was troubled to learn some days ago that my fears were justified and that France has just concluded a trade agreement with Iran that includes provisions for the latter's purchase of five nuclear reactors.

This agreement follows hard on the heels of a statement by the Shah indicating that Iran is about to embark upon a program for the development of nuclear weapons. When asked during a recent interview with a French news magazine whether he thought that Iran would someday possess nuclear weapons, the Washington Post, June 24, 1974, reports the Shah's reply as:

> Without any doubt, and sooner than one would think.

Now, despite the avowed intention of the Shah to go ahead with an atomic weapons program, France is going to sell Iran nuclear reactors which will have the capacity to produce more than enough plutonium than is necessary for an atomic bomb. Plutonium, which is a by-product of the reactor's fission reaction, is the basic building block of the atomic bomb, without which the technical problems in nuclear weapons construction are almost insurmountable for most nations. Without strict safeguards, it is possible for any country, like India, to divert sufficient quantities of plutonium for construction of an atomic device.

Yet the Washington Post, June 6, 1974, reports that past French reactor sales have not had inspection safeguards which would prevent diversion of plutonium. Furthermore, France is not even a signatory of the nuclear nonproliferation treaty.

Mr. Speaker, we must all be gravely concerned about the spread of nuclear weapons and their horrible potential for destruction. With President Nixon's recent promise of nuclear cooperation with Egypt, we are on the verge of opening the door to the spread of nuclear technology throughout the area. France has not been hesitant in following our lead and offering her atomic expertise to Iran. Other countries, like the Soviet Union, may soon follow suit and provide their client states with high-prestige and even higher risk nuclear facilities.

This new form of competition between the powers—currying favor with oil-producing nations by selling them nuclear capability—must be stopped before it escalates into a grim new version of the arms race. The only way to stop this spiral is by seeing that the atom is kept out of the area.

I commend the following article to my colleagues and other readers of the RECORD who are concerned about the dangers of nuclear proliferation:

[From the Washington Post, June 27, 1974]

FRANCE GETS $4 BILLION IN IRAN TRADE

PARIS, June 27.—France achieved an economic coup today in completing a long-term trading agreement with Iran valued at over $4 billion.

Iran is to deposit $1 billion with the Bank of France as advance payment for major industrial projects—including five nuclear power stations and technological assistance—to cost between $4 and $5 billion over 10 years.

The shah of Iran and President Valery Giscard d'Estaing, after three days of talks, set the seal on the biggest-ever economic agreement between an oil-producing country and a European industrialized power.

Shah Mohamed Raza Pahlnui told a press conference:

"We are prepared to join with France in building a petrochemical industry and go all the way in handling oil—from the well to the gasoline pump," he said.

He added that there was an immense field of cooperation between Iran and France to be explored and developed.

The French and Iranian finance ministers signed a detailed agreement for the construction of five nuclear power plants in Iran. French Finance Minister Jean-Pierre Fourcade said payments by Iran would be made in installments over three years, starting later this year. After the initial deposit of $1 billion, the first payment would probably be about 300 million dollars.

The deal will help France out of its balance of payments deficit, expected this year to be more than $6 billion.

In addition to building the nuclear power plants, the French will supply uranium, industrial equipment and gas pipelines, Fourcade said. The power plants, each of 1,000 megawatt capacity, are to be completed by 1985.

France will also assist in the creation of a nuclear research center in Iran and the training of nuclear scientists.

[Past French reactor sales have not carried requirements for inspections that would preclude use of the fuel for bombs.]

Asked about the question of nuclear weapons, the shah replied: "For a long time, more than five years now, we have declared that we would be ready to turn our area into a non-nuclear zone—that is, an area where no nuclear weapons should be used or stored, and we stick to this policy."

He denied having granted an interview to a French magazine which quoted him as saying that Iran would possess atomic weapons "sooner than the world thinks."

He said he had told a group of French journalists in Tehran before coming to France that if every little country tried to get atomic weapons "we will have to think it over—but I hope this will never happen."

The shah also said today that "all oil companies should be nationalized." Explaining the French deal, he declared.

"When we were in a weak position and asked Europe for aid, we received it. If now the European countries have some difficulties with their balance of payments it is only natural for Iran, which has achieved a strong position to do what it can."

THE 18TH ANNIVERSARY OF THE POZNAN WORKERS REVOLT

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ROONEY of New York. Mr. Speaker, in the present reported warming of the international environment that exists between the United States and the Soviet Union it is, I feel, wise to maintain the point of view that the Soviet Union is still a totalitarian state with a vast system of slave colonies in Eastern Europe. In this vast empire exists millions upon millions of people who still yearn for freedom and who are willing to battle their oppressive Red Communist governments to get it.

Among these heroic peoples of Eastern Europe, a special place belongs to the workers of Poznan, Poland, who on June 28, 1956, revolted against their puppet atheistic Communist masters in a bold attempt for freedom and self-determination. What started as a protest of economic conditions in Poland and a peaceful demand for more freedom rapidly spread throughout the city. What looked for a while like a successful attempt at freedom was short-lived, however. Russian troops accompanied by heavy armor smashed into the city and crushed the revolt.

In the West, the spirits of all those who heard of the revolt thrilled to the prospect of more people joining the family of free men. These same spirits were crushed when the overwhelming might of Soviet arms put an end to the short-lived attempt at freedom in Poznan, Poland.

Mr. Speaker, the anniversary of the Poznan revolt is meaningful to us all but it is particularly important to our fine millions of American citizens of Polish birth or descent. We share in their pride of their kinsmen's demonstrated determination to resist the Soviet Communist oppressors and to reject vigorously the programs and political objectives which the Russian puppets seek to impose upon all the people of Poland.

I trust that all of us—not just the Members of Congress but the American people as well—will recall the gallant acts of the Poznan workers to regain a measure of the freedom which is denied them.

We could well reflect on the freedom which we enjoy and be grateful for the great heritage of liberty and justice for all which our forebears sought to endow us with. As we count our blessings we should rededicate ourselves to completing the unfinished task of bringing a full measure of these blessings to our longtime friends and relatives in Poland.

I am proud to join with my many loyal Polish-American friends in observing this anniversary of a most important historic event. I again pledge to them and to the many fine Polish-American organizations which represent them, my sincerest efforts to restore full freedom to their friends and loved ones in Poland.

THE NEW ENERGY BARONS

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. TIERNAN. Mr. Speaker, the following article appeared in the Journal of the United Mine Workers, July 15–31, 1973. It is a follow-up on the article I submitted last Friday, June 21, 1974. It further documents the emergence of the energy company, the oil-coal-uranium conglomerate, that stifles the healthy interplay of market forces in the energy area. The article substantiates the claim that the oil companies are engaged in a classic horizontal integration on a scale comparable to the formulation of the 19th century trusts. The result is that the energy company has no incentives to reduce any of its fuel prices.

THE NEW ENERGY BARONS: HOW BIG OIL CONTROLS THE COAL INDUSTRY

(By Matt Witt)

UMWA coal miners have been fighting coal operator control over their lives ever since the union was formed in 1890: company stores, company doctors, company houses, company wage cuts in hard times, company discrimination against immigrant or black miners, company firing of safe workers—in short, domination over those who risk death or injury or dust-filled lungs to bring the black wealth out of the ground by those who take the profits home.

In 1973, the battle continues. Throughout the coalfields, miners are already talking about the 1974 contract struggle, and many of the goals you hear discussed are the unachieved goals of the past—pay for the sick worker and care for the widows and disabled, a decent living through automatic raises during inflation, the right to enjoy some sunlight through decent vacations and pensions, the right to fearlessly demand safety and to bid on jobs without discrimination, protected by a clear and readable grievance procedure.

There's a lot of talk, too, about the fight between energy companies and the public, known as the "energy crisis." We hear about how coal miners' jobs are being threatened by the failure to develop sulfur pollution controls—and how coal miners' paychecks are being gutted further by 40-cents-a-gallon prices for gas. And large coal companies now are talking about the high profits of western mining at the expense of existing jobs in the East or Midwest.

In 1973, the battle continues, but there is an important change that makes the contract and energy fights that much tougher. The coal barons have changed.

Today's big coal companies aren't just selling groceries to a few captive communities or deciding the future of jobs for a few hundred miners. In fact, today's big coal producers are in most cases not really coal companies at all. Instead, they are divisions of some of the largest and most powerful oil and metal corporations in the world, corporations which are selling an "energy crisis" to an entire captive nation for a high economic and environmental price, and which are attempting to decide from an oilman's point-of-view the future of jobs for the entire coal industry.

The invasion of these high-powered energy corporations began in the 1960's. Gulf Oil acquired Pittsburg and Midway Coal, the thirteenth largest producer, in 1963. In 1966, Continental Oil bought out the giant of the eastern coal industry, Consolidation Coal. In 1968, Occidental Petroleum took over Island Creek Coal, the third largest coal producer, while Standard Oil of Ohio took over Old Ben Coal, now the tenth largest producer.

In these same years, Kennecott Copper acquired Peabody Coal, now number one in production, while General Dynamics became the eleventh largest producer by buying Freeman Coal and United Electric Coal, and American Metal Climax climbed to sixth place after buying Ayrshire Collieries.

When the dust cleared, 11 of the 15 largest coal companies were controlled by outside interests. Through their own production and acting as brokers for smaller companies' coal, 13 of these 15 companies controlled more than 60 per cent of annual U.S. coal sales.

Other oil companies which did not move into coal production in a big way did move into control of coal reserves. Standard Oil of New Jersey, now called Exxon, suddenly bought at least 7 billion tons of reserves. Atlantic Richfield became the second largest holder of federal coal land leases, with 43,500 coal acres.

The new coal industry run by oil means one change right off the bat: the UMWA is no longer bargaining with single-product coal companies, but with huge enterprises who make their money on a variety of businesses. Shutting down the coal production of Consolidation Coal or Island Creek during a contract strike was bound to have more effect when Consol and Island Creek were independent than it will now when each only contributes about 10 per cent of its parent company's total revenues.

This change has led to suggestions of joining with other energy unions like the Oil, Chemical, and Atomic Workers (OCAW) or of boycotting Conoco and Gulf and Sohio gasoline during the next contract strike if that is legal. But UMWA officials seem to think that rather than mimicking the concentration of the companies it would be better to pressure Congress, the Federal Trade Commission and the Justice Department into reversing that concentration. President Miller called for an investigation along those lines in his June 6 energy statement to the Senate Interior Committee.

The contract is one way oil control of coal affects the coal miner. Energy policy is another major way.

From a business point of view, oil's investment in coal made a great deal of sense. Coal was an unusually profitable industry, as it continues to be. but more importantly, by controlling coal the oil companies moved into position to stall industry and government research into technology necessary to fully develop coal as oil's competitor, such as low-sulfur burning techniques and gasification and liquefaction.

Moreover, the reserves of oil were clearly limited. A shift into control of other energy production would allow the oil companies to play off one resource against another to obtain the highest prices, the least "labor trouble," and the most advantageous treatment from government.

GAME PLAN WORKED

It was a good game-plan, and it worked—for the oil companies and against the coal miner. While Island Creek Coal's production per month fell in 1972, compared to the non-strike months of 1971 and while the nation screamed for energy, the chairman of the board of Occidental Petroleum, Island Creek's parent, was off to the Soviet Union to arrange for $8 billion worth of natural gas and to Saudi Arabia to arrange more oil imports.

While the coal industry failed to press development and use of sulfur pollution control devices, new coal giants Continental Oil and Gulf Oil and others were instead investing their money in uranium reserves and nuclear power processing, just in case.

And whether by conspiracy or just by common actions toward a common goal, the push an independent coal industry would naturally make for coal gasification and liquefaction has not taken place under oil leadership.

Actually, oil opposition to the processes of changing coal into substitutes for natural gas or gasoline has a surprisingly long history. Gasoline made from coal was used during World War II to power Hitler's war effort. By a written business agreement between I. G. Farben, a German chemical firm which developed the technique, and Standard Oil of New Jersey, Jersey Standard was given sole right to the process outside Germany. They proceeded to sit on it to keep anyone from using it in competition with Standard's oil and gas.

Consolidation Coal, when still independent, announced in 1961 that plans first developed in 1947 for gasification would be successful within ten years.

A contract was signed with Consol in 1963, before it was bought by Continental, calling for $9.9 million in federal money for development of gasoline from coal.

According to James Ridgeway in his excellent book on the energy crisis, The Last Play, "by 1971 the government had paid Continental $20 million and the plant still did not work. Indeed, the Interior Department had renegotiated the contract, letting Continental off the hook entirely, continuing to provide them more funds so that the plant could be used for desulphurization of oil."

A Bureau of Mines official estimates that private industry spends $500 million a year on oil and gas research, but only $25 million on coal research.

While the oil-dominated coal industry was going slow on gasification and liquefaction, the lack of an independent voice for coal interests left coal very low on the federal government's list for public research subsidies to private industries. The current federal budget calls for only $62 million for coal research, less than 10 per cent of the total federal energy research budget.

But while Big Oil lobbyists dampened the government's enthusiasm for research subsidies to promote coal as a competitor to oil, they successfully encouraged other substantial kinds of government welfare to help oil achieve and maintain its grip on coal.

IRS GAVE TAX BREAK

Not only did the Justice Department fail to take anti-trust action against any of the oil-coal purchases, but the Internal Revenue Service (IRS) made a special ruling which allowed Continental Oil to avoid paying taxes on the income it used to buy Consolidation Coal. In effect, the coal miner—as a taxpayer—helped Continental to buy Consol through a complicated tax subsidy. Two years later, Kennecott Copper took advantage of the same public tax subsidy in buying Peabody Coal.

By another IRS ruling, coal operators can avoid paying taxes on up to half their income through a special depletion allowance. This is particularly attractive to steel companies and others like General Dynamics, which are the main users of their own coal since they can often sell coal to themselves at an inflated price and show the profits in the coal division where the taxes are lower. The depletion allowance and other special tax breaks generally have the effect of attracting investment by corporate giants with large amounts of money, like oil companies.

OTHER KINDS OF WELFARE

The same government generosity to coal profiteers is reflected by the failure to enforce mine safety laws and collect fine assessments and the failure to make coal operators pay from the beginning for black lung disease caused by high dust levels in their mines. Again, the government has been happy to provide every kind of financial break for the coal industry except research, apparently because every break except research helps oil and other interests who have moved into coal.

A bold example of government assistance in the oil takeover of coal is the leasing of federal coal lands to large interests like Atlantic Richfield and Continental Oil for an average $1 per year rental on each acre leased. These companies have been successfully pounding on the Interior Department's door, especially in the last ten years, in order to tie up valuable low-sulfur coal by keeping it out of production until they are ready to exploit it with gasification and liquefaction when the oil business runs into trouble from the political problems in the Middle East and emptying of U.S. reserves.

Thus, the amount of federal coal acreage leased soared from about 200,000 acres in 1960 to more than 775,000 in 1970. Yet, less than 2.4 per cent of the land leased in that decade is under production.

Despite the clear statement in Section 187 of the Mineral Lands and Mining Act that the Secretary of the Interior shall "insure . . . the prevention of monopoly" in leasing public lands, the top 15 lessors control over 60 per cent of the leased lands, and someday, when the energy conglomerates are ready to use the land they've leased, they may still be paying the ridiculously low rates for which they originally signed.

With federal coal lands held out of production and government and industry research into sulfur control and conversion techniques held to a minimum, the oil industry is nearly in a position to get whatever it wants because coal is not ready to take over its rightful share of the energy market. Big Oil would have a much more difficult time asking the public to ignore the environmental risks of offshore drilling or supertankers or the Alaska pipeline if an independent coal industry had developed coal as a ready alternative.

In the same way, oil and other large outside interests can use the lag in sulfur control development they seem to have caused to force acceptance of their place for western strip mining. Such mining is more profitable for the operator because it employs fewer men, often not under UMWA contract, but could threaten tens of thousands of coal miners' jobs and carry tremendous costs to the eastern and midwestern electric power consumer and to the environment.

Proper development of washing and blending of midwestern medium- and high-sulfur coal and expansion of eastern low-sulfur mining would have hurt the ability of the oil-coal barons to sell their western plan to the public.

ORGANIZE TO FIGHT BACK

The fight against oil domination of coal is not one the UMWA can wage alone, This is particularly true with the coal industry completely robbed of its voice box. For example, National Coal Association President Carl Bagge, who should speak for coal's interest but who speaks for his oil bosses, called on June 18 for loosening anti-trust laws to allow greater concentration by energy companies—just the opposite of what is needed.

A coalition with other unions, environmental organizations, and consumer groups would be necessary to lobby for abolition of tax incentives for concentration and for the government investigations and anti-trust actions which President Miller has demanded.

The coal barons have changed, but the need to organize against their power remains much the same. The profits and the control of lives are still in their hands. Only now the entire country is a company town.

THE COMPANIES THAT CONTROL YOUR FUTURE

Since the early 1960's, some of America's largest corporations have been rushing to buy up the coal industry, with oil giants, like Occidental Petroleum, Gulf Oil, and Continental Oil leading the way.

Private and government money for research that would make coal a competitor to oil, like gasification, liquefaction, and sulfur control, slowed to a trickle.

Other kinds of companies, especially steel interests, were attracted by possible tax advantages, and everyone was interested in the coal industry's high profits and bright future.

Whether UMWA miners now work for oil giant Standard Oil of Ohio or for weapons builder General Dynamics or for House builder Jim Walters, the effect is to leave coal policy in the hands of Big Oil and to put the UMWA against the nation's richest corporations in the next contract struggle.

Listed below are some of the largest coal companies controlled by outside interests.

CONTROLLED BY THE OIL INDUSTRY

Coal producer and controlling company

Consolidation Coal—Continental Oil.
Island Creek Coal—Occidental Petroleum.
Old Ben Coal—Standard Oil of Ohio.
Pittsburgh & Midway Coal—Gulf Oil.
Arch Coal—Ashland Oil.
Monterey Coal—Humble Oil.
Hawley Fuel—Belco Petroleum.
Canterbury Coal—Western Industries.

CONTROLLED BY THE STEEL INDUSTRY

Coal producer and controlling company

U.S. Steel—U.S. Steel.
Bethlehem Steel—Bethlehem Steel.
Republic Steel—Republic Steel.
Gateway Coal—Jones & Laughlin.
Buckeye, Olga & Youngstown Coal Mines—Youngstown Sheet & Tube.
Kaiser Steel—Kaiser Steel.
Cannelton Coal—Cannelton Industries.
Inland Steel—Inland Steel.
Armco—Armco.
National Mines & Meaver Creek Coal—National Steel.
Pikeville Steel—Steel Company of Canada.
Woodward Company—Woodward Company.
C. F. & I. Steel—C. F. & I. Steel.
Wheeling-Pittsburgh Steel—Wheeling-Pittsburgh Steel.

CONTROLLED BY UTILITIES

Coal producer and controlling company

Central Ohio Coal, Central Appalachian & Windsor Power Coal—American Electric Power.
Western Energy Company—Montana Power.
Pacific P & L—Pacific Power & Light.
Duquesne Light Company—Duquesne Light Company.
Washington Irrigation & Development—Washington Irrigation & Development.
Southern Electric Company—Southern Electric Company.
Greenwich Collieries & Tunnelton Mining—Pennsylvania Power & Light.
Alabama Power Company—Alabama Power Company.
Eastover Coal—Duke Power Company.

CONTROLLED BY METAL COMPANIES

Coal producer and controlling company

Peabody Coal—Kennecott Copper.
Amax Coal—American Metal Climax.
U.S. Fuel Company—U.S. Smelting & Refining.

CONTROLLED BY CHEMICAL COMPANIES

Coal producer and controlling company

Semet Solvay—Allied Chemical.
Barnes & Tucker—Alco.
Union Carbide—Union Carbide.
C & K Coal—Gulf Resources.

CONTROLLED BY OTHER OUTSIDE INTERESTS

Coal producer and controlling company

Freeman Coal & United Electric—General Dynamics.
Utah International—Utah International.
Alabama By-Products—Alabama By-Products.
MAPCO—MAPCO.
Ogleday Norton—Ogleday Norton.
International Harvester—International Harvester.
Boone County Coal—Zapata Noress.
Twilight Industries—U.S. Natural Resources.
Simpson Coal—Galloway Land Company.
Allison Engineering—Allison Engineering.
Aloe Coal—Pullman, Inc.
Gilbert Imported Hardwoods—Gilbert Imported Hardwoods.
U.S. Pipe and Foundry—Jim Walters Corp.

WHO CONTROLS PRODUCTION NOW?

15 largest coal producers	Major interest	1972 production in tons
Kennecott Copper (Peabody Coal Co.).	Metal	71,595,310
Continental Oil (Consolidation Coal Co.).	Oil	64,942,000
Occidental Petroleum (Island Creek Coal Co.).	Oil	22,605,114
Pittston Co	Coal	20,639,020
U.S. Steel Corp	Steel	16,254,400
American Metal Climax, Inc	Metal, oil	15,718,787
Bethlehem Mines Corp	Steel	13,335,245
Eastern Gas and Fuel (Eastern Associated Coal Corp.).	Gas	12,528,429
North American Coal Corp	Coal	11,991,004

15 largest coal producers	Major interest	1972 production in tons
Standard Oil of Ohio (Old Ben Coal Corp.).	Oil	11,235,910
General Dynamics	Aircraft weapons.	9,951,263
Westmoreland Coal Co	Coal	9,063,919
Gulf Oil (Pittsburg & Midway Coal Mining Co.).	Oil	7,548,791
American Electric Power (Central Ohio, Central Appal., Windsor Power Coal).	Electric utility	7,437,000
Utah International	Coal, metal	6,898,262

WHO OWNS COAL FOR THE FUTURE?

Company	Estimated reserves	
	Total (billion tons)	Low sulphur (percent)
Burlington Northern R.R	11.0	100
Union Pacific R.R	10.0	50
Kennecott Copper (Peabody Coal)	8.7	27
Continental Oil (Consolidation Coal)	8.1	35
Exxon (Monterey Coal)	7.0	NA
American Metal Climax (Amax Coal)	4.0	50
Occidental Petroleum (Island Creek Coal)	3.3	28
United States Steel	3.0	NA
Gulf Oil (Pitts. & Midway Coal)	2.6	8
North American Coal	2.5	80
Reynolds Metals	2.1	95
Bethlehem Steel	1.8	NA
Pacific Power & Light	1.6	100
American Electric Pwr	1.5	Minimal
Eastern Gas & Fuel Assoc. (Eastern Assoc. Coal)	1.5	33
Kerr-McGee	1.5	60
Norfolk & Western R.R	1.4	99
Utah International	1.3	94
Westmoreland Coal	1.2	88
Pittston Co	1+	100
Montana Power (Western Energy)	1.0	100
Standard Oil of Ohio (Old Ben Coal)	.8	Minimal
Ziegler Coal	.8	0
General Dynamics (Freeman/United Elec.)	.6	0
Rochester & Pitts. Coal	.3	0
Carbon Fuel	.1	97
Amer. Smelting & Refin. (Midland Coal)	.1	0

NA—Not available.

Note: As coal loomed larger as a key energy resource, oil companies and other outside corporations rushed during the 1960's to buy 11 of the top 15 coal producers. Outside control is even tighter on coal's future, as 16 of the top 17 holders of coal reserves are oil companies, railroads, steel and metal interests.

LEW DESCHLER

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ROONEY of Pennsylvania. Mr. Speaker, I share the sense of sadness which all of use feel with the decision of Lew Deschler to retire in his 50th year of service in the House of Representatives, almost all of those years as Parliamentarian.

Without a doubt, the history of legislative activity in this Chamber since 1927 has been influenced at every step of the way by the extraordinary wisdom and judgment of this extraordinary man. And the Deschler precedents, to the compilation of which he now can devote his full energy, will guide parliamentary law for as long as it shall endure.

Lew Deschler has served nine Speakers and has been Parliamentarian for 24 Congresses. Although I have known him for only a fraction of that period, I would hesitate to estimate the many times when I have personally sought his counsel and valued judgment.

We shall miss his conscientious service, his integrity, and his rare ability to clearly and accurately analyze parliamentary issues and reach decisions which invariably are sound and fair. These qualities have been the hallmark of his service to the House of Representatives and the Nation.

I extend to Lew Deschler and his wife, Virginia, my warmest regards and very best wishes for much happiness and good health. May they and their family derive lasting satisfaction from the knowledge that all of us who know them and have served with Lew are extremely grateful for having had the privilege.

"MEDICAL GROUP" AMENDMENT TO HEALTH MAINTENANCE ORGANIZATION ACT OF 1973

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ROY. Mr. Speaker, on December 29, 1973, the President signed the Health Maintenance Organization Act of 1973 into law. One important goal of the HMO legislation was to foster the growth and development of group medical practices which provide comprehensive health care benefits.

The latter goal has been somewhat frustrated by the language in the final bill. This is because the definition of a "medical group" provides that the members of such groups "as their principal professional activity and as a group responsibility engage in the coordinated practice of their profession for a health maintenance organization."

The requirement that physicians in group practices be principally engaged in the coordinated practice of their profession is desirable and an inherent and essential characteristic of group practice. I feel strongly that existing fee-for-service group practices offer a great opportunity for the development of HMO's. But to require that these groups convert more than 50 percent of their practice to an HMO is not reasonable.

The proposed regulations recently issued by the Department of Health, Education and Welfare ameliorate this problem by allowing a 3-year phase-in. Experience has shown that existing fee-for-service group practices can and have converted more than 50 percent of their resources to prepayment with desirable and successful results. However, the mandate of the law requiring a majority of physicians' time to be for the HMO at the end of a 3-year time frame is unreasonable in that it requires an organizational commitment to a goal over which the professional group has little control and, in some cases, may be impossible.

Accordingly, I would offer an amendment to section 1302 of the Health Maintenance Organization Act of 1973. This amendment changes the definition of a medical group by deleting the words "for a health maintenance organization."

H.R. 15739

A bill to amend section 1302 of the Health Maintenance Organization Act of 1973 by redefining the term "medical group."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 1302(4) (C) (i) of the Public Health Service Act is amended by striking the words "for a health maintenance organization."

IS CIA TOO COSTLY?

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. TIERNAN. Mr. Speaker, how much does the United States spend each year on its intelligence budget? Except for a handful of Senators and Congressmen, no one knows. Does a Member of Congress, or for that matter, an ordinary citizen, have the right to know? This interesting question was recently the subject of a U.S. Supreme Court decision. William B. Richardson, as a Federal taxpayer, brought suit for the purpose of obtaining a declaration of unconstitutionality of the Central Intelligence Agency Act, which permits the CIA to account for its expenditures "solely on the certificate of the Director." Although the Court dismissed Mr. Richardson's contention by a 5 to 4 margin, the dissenting opinions might be of some interest to the Members of Congress and the general public. It is for the purpose of an intelligent discussion of this question at a later date that I respectfully include the following:

[Supreme Court of the United States, No. 72–885]

UNITED STATES ET AL., PETITIONERS, *v.* WILLIAM B. RICHARDSON—ON WRIT OF CERTIORARI TO THE U.S. COURT OF APPEALS FOR THE THIRD CIRCUIT

[JUNE 25, 1974]

MR. JUSTICE DOUGLAS, dissenting.

I would affirm the judgment of the Court of Appeals on the "standing" issue. My views are expressed in the *Schlesinger* case decided this day. There a citizen and taxpayer raised a question concerning the Incompatibility Clause of the Constitution which bars a person from "holding any Office under the United States" if he is a Member of Congress, Art. I, § 6, cl. 2. That action was designed to bring the Pentagon into line with that constitutional requirement by requiring it to drop "reservists" who were Members of Congress.

The present action involves Art. I, § 9, cl. 7 of the Constitution which provides:

"No Money shall be drawn from the Treasury but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

We held in *Flast* v. *Cohen*, 392 U. S. 83, that a taxpayer had "standing" to challenge the constitutionality of taxes raised to finance the establishment of a religion contrary to the command of the First and Fourteenth Amendments. A taxpayer making such outlays, we held, had sufficient "personal stake" in the controversy, *Baker* v. *Carr*, 369 U. S. 186, 204, to give the case the "concrete adverseness" necessary for the resolution of constitutional issues. *Ibid.*

Respondents in the present case claim that they have a right to "a regular statement and account" of receipts and expenditures of public moneys for the Central Intelligence Agency. As the Court of Appeals noted, *Flast* recognizes "standing" of a taxpayer to challenge appropriations made in the face of a constitutional prohibition, and it logically asks. ". . . how can a taxpayer make that challenge unless he knows how the money is being spent?" *Richardson* v. *United States*, 465 F. 2d 844, 853.

History shows that the curse of government is not always venality; secrecy is one of the most tempting coverups to save regimes from criticism. As the Court of Appeals said:

"The Framers of the Constitution deemed fiscal information essential if the electorate was to exercise any control over its representatives and meet their new responsibilities as citizens of the Republic; and they mandated publication, although stated in general terms, of the Government's receipts and expenditures. Whatever the ultimate scope and extent of that obligation, its elimination generates a sufficient, adverse interest in a taxpayer." *Ibid.* (Footnote omitted.)

Whatever may be the merits of the underlying claim, it seems clear that the taxpayers in the present case are not making generalized complaints about the operation of government. They do not even challenge the constitutionality of the Central Intelligence Agency Acts. They only want to know the amount of tax money exacted from them that goes into CIA activities. Secrecy of government acquires new sanctity when their claim is denied. Secrecy has of course some constitutional sanction. Art, I, § 5, cl. 3 provides that "Each House shall keep a Journal of its Proceedings, and from time to time publish the same, excepting such Parts as may in their Judgment require Secrecy . . ."

But the difference was great when it came to an accounting of public money. Secrecy was the evil at which Art. I, § 9, cl. 7 was aimed. At the Convention Mason took the initiative in moving for an annual account of public expenditures. 2 Farrand, The Records of the Federal Convention of 1787, p. 618. Madison suggested it be "from time to time," *id.*, 618–619, because it was thought that requiring publication at fixed intervals might lead to no publication at all. Indeed under the Articles of Confederation "[a] punctual compliance being often impossible, the practice had ceased altogether." *Id.*, at 619.

During the Maryland debates on the Constitution, James McHenry said, "[T]he people who give their money ought to know in what manner it is expended," 3 Farrand, *supra*, at 150. In the Virginian debates Mason expressed his belief that while some matters might require secrecy (*e. g.*, ongoing diplomatic negotiations and military operations) ". . . he did not conceive that the receipts and expenditures of the public money ought ever to be concealed. The people, he affirmed, had a right to know the expenditures of their money." 3 J. Elliot. Debates on the Federal Constitution, p. 459. Lee said that the clause "must be supposed to mean, in the common acceptation of language, short, convenient periods" and that those "who would neglect this provision would disobey the most pointed directions." *Ibid.* Madison added that an accounting from "time to time" insured that the accounts would be "more full and satisfactory to the public, and would be sufficiently frequent." *Id.*, at 460. Madison thought "this provision went farther than the constitution of any state in the Union, or perhaps in the world." *Ibid.* In New York, Livingston said, "Will not the representatives . . . consider it as essential to their popularity, to gratify their constituents with full and frequent statements of the public accounts? There can be no doubt of it," 2 Elliot, *supra*, at 347.[1]

From the history of the clause it is apparent that the Framers inserted it in the Constitution to give the public knowledge of the way public funds are expended. No one has a greater "personal stake" in policing this protective measure than a taxpayer. Indeed, if a taxpayer may not raise the question, who may do so? The Court states that discretion to release information is in the first instance "committed to the surveillance of Congress," and that the right of the citizenry to information under Art. I, § 9, cl. 7 cannot be enforced directly, but only through the "slow, cumbersome and unresponsive" electoral process. One has only to read constitutional history to realize that statement would shock Mason and Madison. Congress of course has discretion; but to say that it has the power to read the clause out of the Constitution when it comes to one or two or three agencies is astounding. That is the bare bone issue in the present case. Does Art. I, § 9, cl. 7 of the Constitution permit Congress to withhold "a regular statement and account" respecting any agency it chooses? Respecting all federal agencies? What purpose, what function is the clause to perform under the Court's construction? The electoral process already permits the removal of legislators for any reason. Allowing their removal at the polls for failure to comply with Art. I, § 9, cl. 7, effectively reduces that clause to a nullity, giving it no purpose at all.

The sovereign in this Nation are the people, not the bureaucracy. The statement of accounts of public expenditures goes to the heart of the problem of sovereignty. "If taxpayers may not ask that rudimentary question, their sovereignty becomes an empty symbol and a secret bureaucracy is allowed to run our affairs."

The resolution of that issue has not been entrusted to one of the other coordinate branches of government—the test of the "political question" under *Baker* v. *Carr*, *supra*, at 217. The question is "political" if there is "a textually demonstrable constitutional commitment of the issue to a coordinate political department," *ibid.* The mandate runs to the Congress and to the agencies it creates to make "regular Statement and Account of the Receipts and Expenditures of all public Money." The beneficiaries—as is abundantly clear from the constitutional history—are the public. The public cannot intelligently know how to exercise the franchise unless they have a basic knowledge concerning at least the generality of the accounts under every head of government. No greater crisis in confidence can be generated than today's decision. Its consequences are grave because it relegates to secrecy vast operations of government and keeps the public from knowing what secret plans concerning this or other nations are afoot. The fact that the result is serious does not of course make the issue "justiciable." But resolutions of any doubts or ambiguities should be towards protecting an individual's stake in the integrity of constitutional guarantees rather than turning him away without even a chance to be heard.

I would affirm the judgment below.

FOOTNOTE

[1] Livingston used the proposed Art. I, § 9, cl. 7, to combat the idea that the new Congress would be corrupt. He said in part: "You will give up to your state legislatures everything dear and valuable; but you will give no power to Congress, because it may be abused; you will give them no revenue, because the public treasures may be squandered. But do you see here a capital check? Congress are to publish, from time to time, an account of their receipts and expenditures. Those may be compared together; and if the former, year after year, exceed the latter, the corruption will be detected, and the people may use the constitutional mode of redress. The gentleman admits that corruption will not take place immediately: its operation can only be conducted by a long series and a steady system of measures. These measures will be easily defeated, even if the people are unapprized of them. They will be defeated by that continual change of members, which naturally takes place in free governments, arising from the disaffection and inconstancy of the people. A changeable assembly will be entirely incapable of conducting a system of mischief; they will meet with obstacles and embarrassments on every side." 2 Elliot, *supra*, pp. 345–346.

[Supreme Court of the United States,
No. 72–885]

UNITED STATES, ET AL., PETITIONERS, V. WILLIAM B. RICHARDSON—ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

[JUNE 25, 1974]

MR. JUSTICE STEWART, with whom MR. JUSTICE MARSHALL joins, dissenting.

The Court's decisions in *Flast* v. *Cohen*, 392 U.S. 83 (1968), and *Frothingham* v. *Mellon*, 262 U.S. 447 (1923), throw very little light on the question at issue in this case. For, unlike the plaintiffs in those cases, Richardson did not bring this action asking a court to invalidate a federal statute on the ground that it was beyond the delegated power of Congress to enact or that it contravened some constitutional prohibition. Richardson's claim is of an entirely different order. It is that Art. I, § 9, cl. 7 of the Constitution, the Statement and Account Clause, gives him a right to receive, and imposes on the Government a corresponding affirmative duty to supply, a periodic report of the receipts and expenditures "of all public Money."[1] In support of his standing to litigate this claim, he has asserted his status both as a taxpayer and as a citizen-voter. Whether the Statement and Account Clause imposes upon the Government an affirmative duty to supply the information requested and whether that duty runs to every taxpayer or citizen are questions that go to the substantive merits of this litigation. Those questions are not now before us, but I think that the Court is quite wrong in holding that the respondent was without standing to raise them in the trial court.

Seeking a determination that the Government owes him a duty to supply the information he has requested, the respondent is in the position of a traditional Hohfeldian plaintiff.[2] He contends that the Statement and Account Clause gives him a right to receive the information and burdens the Government with a correlative duty to supply it. Courts of law exist for the resolution of such right-duty disputes. When a party is seeking a judicial determination that a defendant owes him an affirmative duty, it seems clear to me that he has standing to litigate the issue of the existence *vel non* of this duty once he shows that the defendant has declined to honor his claim. If the duty in question involved the payment of a sum of money, I suppose that all would agree that a plaintiff asserting the duty would have standing to litigate the issue of his entitlement to the money upon a showing that he had not been paid. I see no reason for a different result when the defendant is a government official and the asserted duty relates not to the payment of money, but to the disclosure of items of information.

When the duty relates to a very particularized and explicit performance by the asserted obligor, such as the payment of money or the rendition of specific items of information, there is no necessity to resort to any extended analysis, such as the *Flast* nexus tests, in order to find standing in the

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Footnotes at end of article.

obligee. Under such circumstances, the duty itself, running as it does from the defendant to the plaintiff, provides fully adequate assurance that the plaintiff is not seeking to "employ a federal court as a forum in which to air his generalized grievances about the conduct of government or the allocation of power in the Federal System." *Flast, supra,* at 106. If such a duty arose in the context of a contract between private parties, no one would suggest that the obligee should be barred from the courts. It seems to me that when the asserted duty is, as here, as particularized, palpable, and explicit as those which courts regularly recognize in private contexts, it should make no difference that the obligor is the government and the duty is embodied in our organic law. Certainly after *United States* v. *SCRAP,* 412 U.S. 669 (1973), it does not matter that those to whom the duty is owed may be many. "[S]tanding is not to be denied simply because many people suffer the same injury." 412 U.S., at 687.

For example, the Freedom of Information Act creates a private cause of action for the benefit of persons who have requested certain records from a public agency and whose request has been denied. 5 U.S.C. § 552(a)(3). The statute requires nothing more than a request and the denial of that request as a predicate to a suit in the District Court. The provision purports to create a duty in the Government agency involved to make those records covered by the statute available to "any person." Correspondingly, it confers a right on "any person" to receive those records, subject to published regulations regarding time, place, fees, and procedure. The analogy, of course, is clear. If the Court is correct in this case in holding that Richardson lacks standing under Art. III to litigate his claim that the Statement and Account Clause imposes an affirmative duty that runs in his favor, it would follow that a person whose request under 5 U.S.C. § 552 has been denied would similarly lack standing under Art. III despite the clear intent of Congress to confer a right of action to compel production of the information.

The issue in *Flast* and its predecessor, *Frothingham, supra,* related solely to the standing of a federal taxpayer to challenge allgedly unconstitutional exercises of the taxing and spending power. The question in those cases was under what circumstances a federal taxpayer whose interest stemmed solely from the taxes he paid to the Treasury "[would] be deemed to have the personal stake and interest that impart the necessary concrete adverseness to such litigation so that standing can be conferred on the taxpayer *qua* taxpayer consistent with the Constitutional limitations of Article III." 392 U.S., at 101. But the "nexus" criteria developed in *Flast* were not intended as a litmus test to resolve all conceivable standing questions in the federal courts; they were no more than a response to the problem of no more than a response to the problem of taxpayer standing to challenge federal leging and spending power of Congress.

Richardson is not asserting that a taxing and spending program exceeds Congress' delegated power or violates a constitutional limitation on such power. Indeed, the constitutional provision that underlies his claim does not purport to limit the power of the Federal Government in any respect, but, according to Richardson, simply imposes an affirmative duty on the Government with respect to all taxpayers or citizen-voters of the Republic. Thus, the nexus analysis of *Flast* is simply not relevant to the standing question raised in this case.

The Court also seems to say that this case is not justiciable because it involves a political question. *Ante,* at 12–13. This is an issue that is not before us. The "Question Presented" in the Government's petition for certiorari was the respondent's "standing to challenge the provisions of the Central Intelligence Agency Act which provide that appropriations to and expenditures by that Agency shall not be made public on the ground that such secrecy contravenes Article I, section 9, clause 7 of the Constitution."[3] The issue of the justiciability of the respondent's claim was thus not presented in the petition for certiorari, and it was not argued in the briefs.[4] At oral argument, in response to questions about whether the Government was asking this Court to rule on the justiciability of the respondent's claim, the following colloquy occurred between the Court and the Solicitor General:

"Mr. Bork. . . . I think the Court of Appeals was correct that the political question issue could be resolved much more effectively if we were in the full merits of the case than we can at this stage. I think standing is all that really can be effectively discussed in the posture of the case now.

"Q. . . . [I]f we disagree with you on standing, the government agrees then that the case should go back to the District Court?

"Mr. Bork. I think that is correct."

The Solicitor General's answer was clearly right. "[W]hen standing is placed in issue in a case, the question is whether the person whose standing is challenged is a proper party to request an adjudication of a particular issue and not whether the issue itself is justiciable." *Flast, supra,* at 99–100.

On the merits, I presume that the Government's position would be that the Statement and Account Clause of the Constitution does not impose an affirmative duty upon it; that any such duty does not in any even run to Richardson; that any such duty is subject to legislative qualifications, one of which is applicable here; and that the question involved is political and thus not justiciable. Richardson might ultimately be thrown out of court on any one of these grounds, or some other. But to say that he might ultimately lose his lawsuit certainly does not mean that he had no standing to bring it.

For the reasons expressed, I believe that Richardson had standing to bring this action. Accordingly, I would affirm the judgment of the Court of Appeals.

FOOTNOTES

[1] "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

[2] Jaffe, The Citizen as Litigant in Public Actions: The Non-Hohfeldian or Ideological Plaintiff, 116 U. Pa. L. Rev. 1033 (1968). See Hohfeld. Some Fundamental Legal Conceptions as Applied in Judicial Reasoning, 23 Yale L. J. 16 (1913).

[3] The Court has often indicated that, except in the most extraordinary circumstances, it will not consider questions that have not been presented in the petition for certiorari. *E. g., General Talking Pictures Corp.* v. *Western Electric Co.,* 304 U. S. 175, 177–178 (1938); *National Licorice Co.* v. *Labor Board,* 309 U. S. 350, 357 n. 2 (1940); *Irvine* v. *California,* 347 U. S. 128, 129 (1954) (Jackson, J.); *Mazer* v. *Stein,* 347 U. S. 201, 206 n. 5 (1954).

[4] The District Court dismissed the complaint on the alternative grounds of lack of standing and nonjusticiability (because the court thought that the question involved was a political one). The Court of Appeals reversed the standing holding, but concluded that the justiciability issue was so intertwined with the merits that it should await consideration of the merits by the District Court on remand. The Government then brought the case here on petition for certiorari.

ELECTRONIC SURVEILLANCE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. KOCH. Mr. Speaker, I would like to append for the information of our colleagues material from the American Civil Liberties Union report by Herman Schwartz, professor of law, State University of New York at Buffalo, entitled "A Report on the Costs and Benefits of Electronic Surveillance—1972." The material follows:

Comments

A few miscellaneous comments may be useful before turning to the next section on costs.

1. It is clear that the figures contain a lot of curiosities and surprises, such as the low state figure for persons overheard, and the expansion of eavesdropping for gambling purposes. As the figures show, by the end of 1971, both federal and state officials were using wiretapping overwhelmingly for gambling, sometimes for drugs, and rarely for anything else. Homicide, espionage and kidnapping, the serious crimes for which wiretapping was allegedly proposed,[1] rarely appear in the reports—indeed, actual homicides are involved far less than appears, since the Administrative Office classifies as "Homicide" all authorizations in which homicide is anywhere mentioned. This includes threats of homicide, attempted murder and cases where homicide is only one of seven or eight crimes listed, as frequently happens in New York.

Kidnapping is often used as the most emotionally persuasive instance for the use of wiretapping. Yet, the figures show quite clearly that electronic surveillance is *almost never* used for that offense, on either the federal or state level.

2. There is a possibility with the state installations, that the number of persons overheard is overstated. The Report of course cannot indicate whether several taps are catching the same person in an investigation where several orders are obtained. This is not much of a problem with the federal surveillance since the Department of Justice has informed me that there is no overlapping of people on the various reports. Even with the state taps, it is of course likely to be a relatively small figure.

3. Although the states have come to use wiretapping primarily for gambling and, to a far lesser extent, for drugs, the statute is extremely generous with regards to state wiretapping and bugging: any offense involving a danger to life, limb or property carrying a penalty of a year or more, and any offense involving drugs or gambling. The states may use it for the most trivial crimes—one upstate New York prosecutor used it to catch two youngsters who were turning in false fire alarms.

4. The very sharp differences in average numbers of people and conversations overheard per installation, as well as the very sharp fluctuations even within the federal and state systems—and state systems means largely New York and New Jersey—raises questions as to the accuracy of the reporting, to say the least. The state installations are generally in for much longer periods, but they invariably listen in on fewer people and conversations. Why? And why do the figures fluctuate so much from year to year within the federal system?

5. During this four-year period, only *two*

Footnotes at end of article.

applications out of 1,891 were denied, lending some credence to the views of those who claimed that even a court order system offers little protection; extension applications fared almost as well. As Philadelphia District Attorney Arlen Specter has delicately put it:

"Judges tend to rely upon the prosecutor . . . Experience in our criminal courts has shown the prior judicial approval for search and seizure warrants is more a matter of form than of substance in guaranteeing the existence of probable cause to substantiate the need for a search . . . Some judges have specifically said they do not want to know the reasons for the tap so that they could not be accused later of relaying the information to men suspected of organized crime activities."

And this view is shared by many others.

6. The state electronic eavesdropping was concentrated in two states: New York consistently had the lion's share, and New Jersey was generally second, with other states very far behind. The breakdown in authorizations is as follows:

	New York	New Jersey	All Others
1968	167		7
1969	191	45	33
1970	213	178	23
1971	254	187	90

In addition, only some 20 states had enacted wiretap legislation by December 31, 1971 and of these about a third did not choose to use it in either 1970 or 1971.

7. Although the federal average stayed at 135 days, many state installations lasted for many months. The long-term taps were generally in New York, and often reached 6 months to a year.

8. In an effort to calm suspicions, the Justice Department and former Attorney General John N. Mitchell have frequently referred to the detailed attention given each application by the Department, and especially Mr. Mitchell. Thus, in 1969, he declared that the number of applications was low because he "insisted that each application and full supporting papers be personally presented to me for my evaluation." Quoted in Elliff, *Crime, Dissent and the Attorney General* 68 (1971). Mr. Mitchell's assurances have been shown up as blatant falsehoods in the most embarrassing way possible: a great many 1969 and 1970 orders have been found illegal and the evidence obtained thereby suppressed, because it turned out that despite the appearance of both Mitchell's initials and Assistant Attorney General Will Wilson's purported signature, neither had ever seen the application—the initials and signature were affixed by deputies.[2] In explanation of this practice, government lawyers in one case argued that the Attorney General could not be expected to consider each of the hundreds af applications, see U.S. v. Giordano, 469 F.2. 522, 12 Crl 2204 (4th Cir. 1972), in flat contradiction to Mitchell's 1969 assurances. So much for Mitchell's "personal . . . evaluation"; [3] Will Wilson resigned under fire because of a Texas scandal.

9. The weakness of the court-ordered system in minimizing and controlling the abuses of tap-happy prosecutors is reflected in another weakness in the statute: it permits judge-shopping. It is not enough for law enforcement authorities that so many judges see themselves as merely the judicial side of law enforcement,[4] but the statute allows prosecutors to go to any judge of a court of competent jurisdiction. As a result, one sees over and over again that in certain jurisdictions, one judge issues all or most of the applications. Thus, in Erie and Niagara Counties, N.Y.—where there are many judges available—one judge issued 13 out of the 14 1971 orders and in 1970, he issued 8 out of 9 Erie County orders and all 10 Niagara County orders; many of these have been suppressed in federal and state courts as improperly issued or executed. In Albany County, one judge issued 12 out of 14 1971 orders. In New Jersey, one judge issued most of the many orders in 1970 and 1971; in other New Jersey counties, only one judge's name appears as the issuing judge. And the same holds true elsewhere, such as Florida and Baltimore, Maryland.

There seems less of this in the federal system, but even there the Eastern District of Pennsylvania shows only one judge's name.[5]

10. The statute expressly requires that the number of nonincriminating interceptions be minimized, 18 U.S.C. § 2518(5) and that unless the court orders otherwise, the interception when the conversations sought to be intercepted at first overheard. Court cases—which obviously represent only the very small tip of a very large iceberg—indicate that very little of this minimization is even being attempted; indeed, one federal court threw out all the interceptions because the FBI agents did not even try to minimize. *U.S. v. Scott*, 331 F. Supp. 233 (D.D.C. 1971). And there is no reason to think that such minimization is going on at the state level; the relatively small percentage of incriminating conversations on state taps, see below, indicates the exact opposite—and this is based on figures supplied by the prosecutors themselves, which are obviously susceptible to understandable puffing. As for the accuracy of the federal figures on their rather high percentage of incriminating conversations, see below at p. 88.

b. There is also a requirement that the interception end when the conversations sought are first obtained, unless a court orders otherwise. A rather impressionistic check of the few orders that have been in litigation indicates that judges order "otherwise" as a matter of course; in this respect—as seems in so many others—a person subject to wiretapping and bugging gets *less* protection than the victim of a conventional search, rather than more, as the Supreme Court directed.

In short, the court order protections are operating about as well as could be expected—poorly.

11. Relatively few bugs were installed—most of the surveillance was by means of telephone taps.

FOOTNOTES

[1] See, *e.g.*, Brownell, *The Public Security and Wiretapping*, 39 Corn. L. Q. 195, 201: "How can we possibly preserve the safety and liberty of everyone in this nation unless we pull federal prosecuting attorneys and their straitjackets and permit them to use the intercepted evidence in the trial of security cases and other heinous offenses such as kidnapping?"

[2] See, *e.g.*, United States v. Robinson, —— F.2d. ——— (5th Cir.) 469 F.2d. 522, 12 CrL. 2204) (4th Cir. 1972).

[3] One FBI agent has described former Attorney General Mitchell as "a signing fool . . . We just ask him and he signs them," (*Newsweek*, 5/10/71, p. 30A), and there is even more evidence to support this implication of less than scrupulously restrained authority. For example, in the Jewish Defense League case, Mitchell certified that the JDL was tapped in connection with foreign security matters and that "it would prejudice the national interest to disclose the particular facts contained in the sealed exhibits concerning this surveillance other than to the court, *in camera*." Yet, when the Court ordered that these logs be turned over to the defendant two weeks later, the Department complied, rather than face a dismissal of the case, even though it could easily have refused and appealed, the basis for the order being a rather novel (though to this observer, correct) legal position. In that case, it was also disclosed that whereas the government initially asserted that the tapping of the JDL stopped when the indictment came down, the surveillance actually continued well after the indictment, almost up to the day the government agreed to turn over the logs. Inevitably, lawyer-client conversations were overheard.

[4] See H. Schwartz, *Judges as Tyrants*, 7 Cr. L. Bull. 129 (1971).

[5] Because there are two judges there with that name, it is not clear whether one or two judges are involved in a very large number (30) of the 1970-71 installations, but conversations with Philadelphia lawyers indicate that it is only one.

THE DICTATORSHIP OF FEDERAL COURTS

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. FISHER. Mr. Speaker, many Members will remember Ed Gossett who served in this body for 13 years before voluntarily retiring in 1951 to become general attorney in Texas for Southwestern Bell Telephone Co., a position he held for 16 years.

Mr. Gossett is presently judge of criminal district court in Dallas, where he has tried over 125 jury, and over 1,000 nonjury cases per year, believed to be a national record.

Judge Gossett is chairman of the State Bar of Texas Federal Court Study Committee. In the May 1974 issue of the Texas Bar Journal appeared a thoughtful and scholarly article written by Mr. Gossett, containing personal views, entitled "The Dictatorship of Federal Courts." I commend it to the Members. It is an excellent dissertation on a subject of great importance.

The article follows:

THE DICTATORSHIP OF FEDERAL COURTS

(By Ed Gossett)

The absolute monarchs of the Supreme Court are killing the "glorious American experiment in democracy."

Thomas Jefferson anticipated this catastrophe when saying: "It is a very dangerous doctrine to consider the Judges as the ultimate arbiters of all of our Constitutional questions; it is one which would place us under the despotism of an oligarchy."

We do not question the integrity of any judge. We simply condemn a system and a philosophy that invite the unrestrained dictatorship of the federal courts.

In the last twenty-five years, our Supreme Court has become a super legislature responsible to no one. It has become a continuing Constitutional Convention without an elected delegate. It has become a dictatorship, unlimited. It has made a shambles of the Constitution.

The U.S. Conference of Chief Justices meeting in Pasadena, California, on August 23, 1958, considered the unanimous report of its committee on Federal-State Relationships as affected by judicial decisions (meaning federal court decisions, primarily those of the Supreme Court).

They filed a lengthy and scholarly report affirmatively approved by 36 Chief Justices. They viewed with alarm the usurpation by Federal Courts of powers belonging exclusively to the states. They predicted that if such a trend continued it would destroy the Federal Republic. At its ensuing convention the American Bar Association simply looked the other way. Such trend has continued.

Now we briefly document aforesaid allegations. Let's look first at the civil side of the docket.

Under the authority of *Baker* v. *Carr, Reynolds* v. *Sims, Gray* v. *Sanders* and other cases, state constitutions, state laws, state courts, and all state political institutions have been at the complete sufferance of federal courts. Federal courts have nullified numerous provisions of state constitutions, held hundreds of laws, both state and federal, to be unconstitutional, and have dictated to all state courts and to all state political organizations.

In 1965 a federal court redistricted Oklahoma and changed the size and composition of both houses of the State Legislature. Just now a federal court is redrawing the congressional districts of the State of Texas, nullifying an act of the State Legislature. All are familiar with the havoc caused by forced school busing imposed by federal courts. The federal courts in fact have usurped much of the authority of every class of elected state official.

We have been in war most of this century to make the world safe for democracy. We have fought some of those wars, i.e., Korea (33,629 killed, 103,284 wounded) and Vietnam (46,000 killed, 304,000 wounded) for the specific purpose of giving those people the right of self-determination and self-government. We have helped to create at least a dozen independent states in Africa on the theory that people have a right to self-determination. Ironically, at frightful expense, we have tried to spread democracy all over the world while destroying it at home. Incongruously, our foreign policy has been anti-colonial while our domestic policy has been colonial.

Incentive, imagination, initiative, individualism, and diversity in all facets of our lives made ths country great. Now, thanks in large part to the Supreme Court, we are replacing these things with the stagnation of regimentation.

The most liberal member of the Constitutional Convention must be turning over in his grave at what our Supreme Court, in the last twenty-five years, has done to his Great Charter of Liberty, a charter for the separation and limitations upon governmental powers; his system of checks and balances, so painfully contrived, has been destroyed.

The Federal Judiciary has nullified the Tenth Amendment to the Constitution, which specifically states *"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."*

Now to the criminal side of the docket, with which this article is primarily concerned. The Court has stripped society of many of its old, proven, and legitimate defenses against crime. During the first 150 years of our nation's history, state courts were responsible for law enforcement in 90% of intrastate crime; and they did a good job. Now the federal courts have placed state courts in a procedural strait jacket; they have stymied good law enforcement.

Instead of helping to stop the crime floods our federal courts have been shooting holes in the dikes. We enumerate several examples which can be multiplied manyfold. In *Mapp v. Ohio* (1961) the Court held that evidence obtained by so-called illegal search and seizure cannot be used as evidence in state courts. An example of how this works is the case of Daniel William Grundstrom tried by our court, Criminal District Court No. 5, Dallas County, Texas. Grundstrom, who had numerous prior arrests, two prior convictions for burglary, and one for theft, committed an armed robbery in the City of Dallas. He was seen fleeing from the scene and an alarm was broadcast for his apprehension. He ran a red light and was stopped by a traffic policeman. The policeman had not heard the alarm and did not know of the robbery. When he arrested Grundstrom he found the guns, the money and other loot taken in the robbery occurring a few minutes earlier. Grundstrom was tried and convicted and given 25 years in the Texas Department of Corrections. Later he sued out a writ of habeas corpus in a federal court. The federal court held that since the traffic officer did not know of the robbery he had no right to search the car (had he known of the robbery the search would have been "legal"); therefore, the fruits of the robbery could not be used as evidence. Grundstrom was freed because arrested by the wrong cop. Within a few months he committed another robbery in the City of Midland, was tried and convicted and is now back in the Texas Department of Corrections.

Another example of the federal courts' imposing a flimsy technicality on a state court and freeing an habitual criminal, is the case of Alvin Darrell Slaton, tried in our court. This man, with a long criminal record, was tried in 1966 for the possession of narcotics and given a 40-year sentence. In 1971, he filed a writ of habeas corpus in the federal court aleging that he had been tried in his jail uniform against his will. The federal court alleging that he had been tried in his oner because he was deemed to have been prejudiced by having on a jail uniform during his trial. Within a few months after his release, he shot a man five times in the head and was again caught with a large amount of narcotics.

In *Gideon v. Wainwright* (1963) the Supreme Court held that the state must provide free counsel for felony defendants at all stages of prosecution. As a result of this and other cases, thousands of convicts have been turned out of penitentiaries all over the United States, not because they were innocent, but on the ground that they had not been represented by counsel when they entered their pleas of guilty to various crimes, or that they had been inadequately represented by counsel, or other procedural technicalities.

In *North Carolina v. Pierce* (1969) a federal court held that a defendant, once convicted in a state court and given "X" number of years, cannot thereafter be given any greater penalty if his case is reversed on appeal. These and other ruling have led to thousands of frivolous appeals by defendants, since they have nothing to lose by appealing; also, many can now serve their sentence in county jails rather than in the state penitentiaries. This further overloads jails and court dockets. Largely because of technicalities imposed on state courts by federal courts, it takes four to five times as long to dispose of a criminal case in America as it does in England.

Another Dallas County, Texas, case in point is that of Edward MacKenna (1957). MacKenna, who had seven prior felony convictions, was found guilty of felony theft and sentenced to eight years in the penitentiary. His case was unanimously affirmed by the Appellate Court. After serving four years MacKenna was freed by a federal court (the Fifth Circuit). The Court said the State had denied said defendant "due-process" because the trial judge had refused defendant a continuance (not shown to be harmful) and had wrongfully appointed an attorney to assist him, whereas defendant wanted to represent himself without assistance.

This case is notable primarily because of two dissenting opinions by two able and distinguished judges, i.e., the late Justice Hutcheson and the late Justice Cameron. Justice Hutcheson condemned "the flood of activist federal decisions" and said of the MacKenna case: "It is another of the growing number of cases in which federal appellate courts, asserting a kind of moral and legal superiority in respect to provisions made by state legislatures regarding criminal trials and the proceedings in state courts in respect of such trials, which they do not have, seek to exercise a suzerainty and hegemony over them which, under the Constitution, they do not now have, and, if we are to continue to hold to our federal system, they cannot in law and fact exercise." The Judge, with irrefutable logic, states emphatically that "if such decisions continue to be the rule, the states and their courts will be indeed reduced to a parlous state, and the federal union will be no more." (To same effect see former Attorney General Elliot L. Richardson's article "Let's Keep It Local," June 1973 issue Reader's Digest.)

Agreeing with Justice Hutcheson, Justice Cameron said: "The majority here looses the long insensate arm of the federal government and impowers it to filch from the hands of the officials of a sovereign state the key to the house and to set free one who was duly and legally convicted of violating the laws, not of the nation, but of the State of Texas."

In *Jackson v. State* (1964) in the Federal District Court, Northern District of Texas, Judge Leo Brewster in denying an assault by a federal court upon a state court, said of his activist brethren: "A layman from another country reading these motions would likely get the idea that the real menace to society in the case was not the criminal who was convicted even of a heinous crime, but the trial judge, the prosecuting attorney, the investigating officer, or even the counsel for the defendant, who had labored conscientiously and well for his client, sometimes without pay."

In *Miranda* v. *Arizona* (1966) the Supreme Court made it extremely difficult to obtain a confession to a crime. All of the warnings you see on the TV crime shows are required by the Miranda decision. In effect, an officer must try to talk a defendant out of a confession before he can accept one. In *Davis* v. *Mississippi* (1969) the Federal Courts freed a State prisoner because an officer fingerprinted him prior to arrest without his consent; thus, evidence linking him to the rape of an 85-year-old woman could not be used. In *Massaih* v. *The United States* (1964) the State was forced to release a guilty defendant because incriminating statements were elicited from him in the absence of his counsel. In *U.S.* v. *Wade* (1967) the Supreme Court held a robber convicted even upon the positive identification of the victim, must go free if such positive identification was in any way bolstered by seeing the defendant in a police line-up to which he had not agreed.

If you have read Truman Capote's excellent book *In Cold Blood*, you were doubtless horrified when a whole family was exterminated by two ex-convicts. Hardly a day goes by without such atrocious episodes being repeated in some part of the country.

Since 1967 the federal courts have enjoined all executions. In 1968 the Supreme Court in *Witherspoon* v. *Illinois* made it practically impossible to select a jury with enough courage to assess a death penalty. In 1972 came the real coup de grace to effective law enforcement when the Supreme Court in effect abolished the death penalty. Its decision saved from death many confirmed sadistic criminals who were multiple killers for money of innocent victims. Now itinerant human parasites roam the country robbing and killing with little fear of the consequences. It is more than a happenstance that since 1967, major crime in this country has doubled. Rapes, robberies, kidnapings, murders, skyjackings and assassinations have become commonplace daily occurrences. In the last 25 years, due in part to Federal Court mandates, the safety of "our lives, our property and our sacred honor" has been subjected to constant erosion. The effective abolition of the death penalty has further eroded these values immeasurably, and has made our situation intolerable. While most states have rewritten their death penalty laws in an effort to comply with the Supreme Court decisions, it will be many years before any criminal can be executed, if at all and if ever.

Almost daily, the defiled and mutilated body of somebody's wife or daughter is pulled from the bottom of an old well, recovered from some dilapidated shack, or found floating in a muddy stream. The Federal Courts prevent any real punishment of the savage perverts committing these horrendous crimes.

Have we lost our sense of value? Has society lost the right and power to defend itself? Are we no longer capable of righteous indignation? Do we accept all of this horrible debauchery as a way of life?

In outlawing the death penalty, the Supreme Court has removed the shotgun from over the door of civilization. To abolish the death penalty is an insult to the decency and dignity of man. Every intelligent student of history knows that when the founding fathers outlawed "cruel and unusual punishment" they were simply outlawing medieval torture methods such as burning, starving, mutilating, or flogging to death.

A sad, indisputable fact of life is that human mad dogs exist. It is not only stupid but is "cruel and unusual punishment" not to execute them. The doctor's knife must be cruel in order to be kind. If the ruptured appendix is not removed, the patient dies.

The death penalty is prescribed in certain cases by all major religions. The Bible, the Talmud, and the Koran all approve of death as a necessary punishment for many crimes. All of history, both sacred and secular, upholds the validity of the death penalty.

Our indictments conclude with the phrase "against the peace and dignity of the State." We have compelled hundreds of thousands of our finest young men to die in combat for the peace and dignity of the State. Is it too much to compel a self-admitted and declared enemy of society to die for the same reason? Why kill the lambs and let the wolves go free?

In their several opinions nullifying the death penalty statutes of the States, the Supreme Court intimates that in some cases the death penalty might be constitutional. In effect, they say, "You plebeians at the State level are incapable of making this decision." They apparently feel that most state officials are either stupid or dishonest.

Before a State can carry out the death penalty, the following State officials, all sworn to uphold the Constitution and to see that justice is done, must approve:

1. The State Legislature that passes the law.
2. The Grand Jury that indicts the defendant.
3. The District Attorney's Office (not sworn to get death penalties but to see that justice is done).
4. Twelve Petit Jurors.
5. The State Trial Judge.
6. The Judges of the Appellate Tribunal.
7. The Board of Pardons and Paroles, or Clemency Authority.
8. The Governor of the State.

Is it reasonable that one appointed Justice of the Supreme Court (as in 5-to-4 decisions) should repudiate the unanimous judgment and authority of thousands of elected State Officials? To plagiarize Shakespeare, *upon what meat hath these our Caesars fed, that they have grown so great?*

The greatest reason for punishment is deterrence. Normally, people will not do what they are afraid to do; and the one thing of which all men are afraid is death. Death remains the greatest deterrent to aggravated crime.

The public has been harassed by the recent rash of skyjacking. Now we are preparing to spend billions of dollars on so-called sky safety. The death penalty would not stop skyjacking, but it would greatly reduce it. Also, we have the unusual and humiliating experience of spending untold millions for guarding hundreds of candidates for public office from assassinations. The death penalty would not stop this degrading menace but it would greatly reduce it. Economics, morals, even survival, all cry out for the death penalty as we have heretofore known it.

We submit that a failure to execute any of the following (if guilty and sane) is a reflection upon every decent value known to civilization and reduces man to a bestial level.

1. Kidnappers who injure or destroy their victims.
2. Persons like John Gilbert Graham, who in 1955, planted a bomb on a United airplane which killed his mother and 43 other people. (He died in Colorado's gas chamber prior to the gratuitous interference of the Federal Judiciary).
3. Richard Speck, who brutally murdered eight nurses in an orgy of destruction. (Because of the Supreme Court's ruling, his sentences were commuted to Life).
4. Bobby A. Davis, given the death penalty in Los Angeles for killing four Highway Patrolmen. (Voided by the Supreme Court.)
5. Charles Manson and his sadistic crew who killed numerous people simply for the fun of it.
6. Lee Harvey Oswald, who assassinated President John Kennedy.
7. Sirhan-Sirhan, who assassinated Robert Kennedy.
8. James Earl Ray, who assassinated Martin Luther King.
9. All assassins, including those who shoot down policemen because they hate cops.
10. Juan Corona, convicted of butchering 25 people.
11. Those who kill or endanger life by planting bombs in public buildings.

Recently tried in our Court was a defendant who shot three women in three separate one-clerk grocery store robberies within a period of ten days. They were literally mutilated while begging for their lives. This defendant told the jailer that these women were killed to remove witnesses. Without the death penalty robbers have every incentive to kill their victims. This robber's death penalty has been commuted to life because of the Supreme Court decisions.

Recently, Walter Cherry, a known dope addict with a long criminal record who was doing a life term, escaped. Two Dallas Deputy Sheriffs went to arrest him at a motel. He killed one and wounded the other. His death sentence has been commuted because of the Supreme Court decisions.

Recently in Fort Worth an ex-convict with a long criminal record kidnapped two young men and a young woman on a city street. He drove them to a lonely spot in the country, killed both of the young men, raped the young woman and then choked her to death with a broomstick. His death penalty has been commuted to life because of the Supreme Court decisions.

In 1971, Adolfo Guzman and Leonardo Ramos Lopez, two ex-convicts being investigated for burglary in Dallas County, captured four deputy sheriffs, carried them to the Trinity River bottom, all handcuffed, and killed three of them as they begged for their lives. Because of Supreme Court decisions their death penalty convictions were reversed. They will live to kill again.

In 1946, Walter Crowder Young was sentenced to death for a brutal rape. In 1947 his sentence was commuted to life. In 1957 he was paroled. A few years later he kidnapped an eight-year-old boy and his eleven-year-old sister. He took them to an abandoned shack, crushed the boy's head with a hatchet, and left him a permanent and hopeless cripple. He then forced the little sister to commit sodomy on him. How many families must a man destroy before he should be executed?

Our cities have became barbarous jungles. We bow our heads in shame when we contemplate that the city of Washington, our Nation's Capital, is perhaps the most crime-ridden big city in the world. In Washington, all of the courts are federal. (It is significant to note that no one has been executed in the City of Washington since 1957.) In 1972 there were 79 bank robberies in the Washington area alone. In Washington, citizens are afraid to walk the streets alone even in the daytime. Many a young woman has gone to Washington to earn her living only to lose her life or be psychologically destroyed at the hands of a rapist-murderer. The rapist-murderer is probably not caught; if caught, probably not convicted; if convicted, probably given a light sentence instead of the death penalty which the crime demands.

Throughout this nation, thousands upon thousands of small businesses have been forced to close their doors because of repeated robberies and the proprietor's fear of death. Thousands of communities have formed vigilante committees in an effort to defend themselves since they cannot rely on their government for protection. Furthermore, in the last 25 years, the employment of security guards by private business has increased a thousandfold.

In the March 1970 issue of Reader's Digest appears an excellent article by Senator John L. McClellan (a great crime investigator and foremost authority in Congress on the subject), entitled "Weak Link in Our War on the Mafia." He cites numerous cases demonstrating how the federal courts have failed in law enforcement. In 1973 there was far more federal anti-crime money spent in Dallas County than ever before; yet horror-crime increased almost 25%. Federal money flows and horror-crime grows.

While the Federal Courts insist on procedural regularity from others, they are the greatest violators of the same. The Federal Courts should remove the beam from their own eyes before trying to cast the mote from the eyes of the state courts.

We suggest that all the Don Quixotes who are riding their white horses off in all directions in their puny declared wars on crime might well tilt their spears in the direction of the Federal Judiciary.

In 1954 in the case of Terminello v. State, the Supreme Court nullified an Illinois statute under which Terminello had been convicted for inciting a riot. They held that the law was an invasion of the defendant's right of free speech (another 5-to-4 decision). In a dissenting opinion the late Justice Jackson with prophetic ken stated, "Unless the Court is dissuaded in its doctrinaire logic we are in danger of compounding the Bill of Rights into a suicide pact."

The great English critic Macaulay and the great French critic de Tocqueville both predicted America's self-destruction. (We omit the late Mr. Khrushchev's well known pronouncement on the subject). De Tocqueville based his prediction primarily on the political power of American judges. For a judge to become a legislator is repugnant to the fundamentals of Anglo-Saxon jurisprudence; yet much of the revolutionary legislation of the last 25 years has come from the Supreme Court.

The Justices of the Court are not little gods. Yet, the monarchs who claimed divine sanction were not so powerful as they. The power controversy now going on between the President and the Congress is a tempest in a teapot when compared to the cyclonic power possessed by the Supreme Court.

Whether good or bad, wise or foolish, right or wrong, no federal judge should have absolute power. It's not a question of whose ox is gored; it's a question of goring the ox to death whose ever ox he is. Such power is repugnant to every principle of democracy and freedom.

Whether it's the Highest Court blocking Mr. Roosevelt's reforms or the Warren Court destroying the States, the Supreme Court's power must be limited.

THE NAACP

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. RANGEL. Mr. Speaker, on this, the occasion of the 65th annual convention of the National Association for the Advancement of Colored People I extend greetings on my own behalf and from the Congressional Black Caucus and extend our sincere hope that this will be the most successful convention ever.

Since the first national meeting in 1909, the NAACP has been an acknowledged leader in the struggle to improve conditions for blacks throughout the Nation. At that point in our history, we were politically powerless; the widespread discrimination in education, housing and public accommodations amply demonstrated that blacks were still second class citizens.

From the beginning, the association was strongly committed to gaining equality through legal means for all persons within the American political system. The association worked vigorously during these formative years to assure equal treatment before the law, and was an outspoken leader in the fight for antilynching legislation. As early as 1915 the association successfully attacked grandfather clause which denied equal access to society's institutions to blacks before the Supreme Court, and was able to have the same body rule against municipal ordinances requiring residential segregation.

The Crisis, edited for many years by W. E. B. Dubois, eloquently and forcefully publicized the organization's position while the legal defense and education fund provided legal guidance and financial help for other agencies that were less financially stable.

By the second half of the 20th century, the NAACP had grown in stature and recognition to become the most influential voice for black rights. Due in large part to the inspiring leadership and legal aid of the NAACP, Brown against Board of Education decision was successful in overruling the "separate but equal" doctrine established in Plessy against Ferguson and opened the door for the elimination of segregation in public education.

The role of the NAACP in our legislative process has grown enormously in the past decade. The association's Washington lobbyist, Clarence Mitchell, campaigned vigorously for programs designed to protect and, when necessary, extend the rights of black citizens—the Civil Rights Act of 1964 and Voting rights Act of 1965 would not have been possible without his untiring effort. And in recent years, despite the Nixon administration's efforts to slow down the pace of desegregation, the association has bravely continued to press for an end to inequality in employment and education.

Yet although attempts to redress inequality by law increased tremendously in the fifties and sixties, some of the laws have not been effectively enforced or produced satisfactory changes in the system. We have learned that the passage of civil rights legislation and dramatic court victories is frequently not enough—the busing issue, for example, can only be resolved by a commitment to full integration not only in the courts, but by Americans at all levels.

The central challenge before the association is not any particular issue, but our willingness to persevere—to pursue a consistent framework of policies over a sustained period of time. That is the most demanding of the commitments we must make. If we falter or tire, we will face great perils. But if as a group we persevere, 50 years hence you will look back at the seventies as a time when the association helped put in place a secure structure of equality and opportunity for all Americans. This is what we have been building for. This is a task that I hope you will continue to pursue.

Nevertheless, I remain optimistic that you will rise to these challenges and find the answers needed to improve the lives of our people. The NAACP's outstanding efforts to combat racism and assure equality of opportunity for all Americans is deeply appreciated by all of us.

I enclose, for the information of my colleagues a letter of greeting sent by the Congressional Black Caucus to Roy Wilkins, the executive director of the NAACP in New Orleans at the 65h annual convention.

CONGRESSIONAL BLACK CAUCUS, INC.,
Washington, D.C., June 28, 1974.

Mr. ROY WILKINS,
Executive Director, National Association for the Advancement of Colored People, Rivergate Exposition Center, New Orleans, La.

DEAR MR. WILKINS: On behalf of the Congressional Black Caucus, I want to extend our sincere congratulations for being "65 and still on the drive." The Caucus is certain that the 65th Annual Convention of the NAACP will be more successful than ever. The agenda for the convention indicates to us that the NAACP is more vital than ever. Problems like education, employment, and housing are the key issues Caucus members are dealing with everyday.

It comes as no surprise to us that the NAACP is still going strong after 65 years. The strong leadership of men like DuBois, Spingarn, White, Wilkins, Evers and others has given the NAACP definite and realistic goals so often lacking in many organizations. This leadership combined with the support of thousands of Americans, both black and white, has accomplished deeds too numerous to mention in a brief letter. Suffice it to say that in the nation's capital the past work of the NAACP is constantly before us in terms of proposed legislation and the carrying out of past legislation.

As you enter your sixty-sixth year, the members of the Congressional Black Caucus are anxious to join with you in building on your past accomplishments. We are pleased that the NAACP is not content to rest on past deeds. This is a sign that you will be around for many more years.

Sincerely,
CHARLES B. RANGEL, *Chairman.*

REPORT ON LORTON

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. PARRIS. Mr. Speaker, the General Accounting Office has issued a report entitled "Better Management Needed for Tighter Security at Lorton Security Institutions." The report was made after an exhaustive study of more than a year and its very title sums up a serious problem facing not only the residents of Virginia's Eighth Congressional District, where the Lorton Penitentiary is located, but the citizens of all of the Washington metropolitan area.

Lorton is the only penal facility in the Nation that is located outside its governing jurisdiction. Despite repeated and continued claims by the District of Columbia Department of Corrections as to the excellence of the administration of the institution, it is becoming more and more a concern to my constituents with each passing day.

I believe a brief look at the GAO report will indicate why. Escapes are commonplace, inmate supervision is almost nonexistent, and the use of narcotics by inmates both inside and outside the confines of the facility is alarmingly frequent.

The situation at the institution, according to information I have received, is growing worse daily. The inept and inadequate administration of the facility is threatening the safety and security of residents of the Eighth District. Yet, the District of Columbia government cannot or will not correct the problem.

Faced with this inaction, I have tried to use the means available to me to protect the interest of the citizens I have the privilege of representing. I have introduced before the Congress legislation to transfer control of the Lorton facility to the Federal Bureau of Prisons.

I believe the report from the GAO clearly demonstrates the need for this type of legislation and I would at this time like to bring the report to your attention and insert a brief summary of its findings into the RECORD:

[From the Comptroller General's Report to the Honorable STANFORD E. PARRIS, House of Representatives]

BETTER MANAGEMENT NEEDED FOR TIGHTER SECURITY AT LORTON CORRECTIONAL INSTITUTIONS, DISTRICT OF COLUMBIA GOVERNMENT

WHY THE REVIEW WAS MADE

Congressman Stanford E. Parris asked GAO to look at the problem of inmates escaping from the District of Columbia's five correctional institutions at Lorton, Virginia.

FINDINGS AND CONCLUSIONS

The population at Lorton was 2,040 at December 31, 1973.

Over 3 years ended June 30, 1973, 380 inmates escaped; 64 more escaped during the 6-months ended December 31, 1973.

About 30 percent of these escaped from the confines of the Lorton institutions; about 70 percent escaped while outside the institutions on "authorized" absences.

Some problems at Lorton GAO noted were:

Rehabilitation leaves of absence were granted to persons ineligible for such leave or, if eligible, were granted for excessive periods.

There was no system for finding out what inmates were doing while on leave or whether the leaves were assisting in rehabilitation.

There were no uniform procedures regarding searches for contraband, tests for use of narcotics, and precautions against security violations by visitors to prisoners.

More information on each problem follows.

Problems in authorizing absences

Leave practices followed at Lorton seriously contributed to problems of escapes.

Legislation under which absences were approved has been construed by the District's legal office to allow rehabilitative leave to assist the prisoner in the transition from institutional life to freedom. Therefore, time remaining to serve should have been considered in approving the absences.

Some inmates with years left to serve before their probable release dates—some as many as 15 to 20 years—were granted leaves.

Some inmates were given continuous daily leaves routinely over several months although such absences were to be restricted to brief periods and were to be beyond 30 days only in highly unusual circumstances.

Hundreds of inmates were released each week into the community to attend insitutions of higher learning, work at paid employment, and participate in community activities, etc. However, the District had no system for finding out what inmates were doing while away from the institutions, nor did it know whether leaves were helping to rehabilitate inmates. Some inmates were arrested for committing crimes during authorized absences.

Internal security probems

Strengthening internal security policies and procedures is needed to help prevent inmate assaults and to help restrict contraband—such as weapons and drugs—from getting to inmates.

Until pressure was brought by the local correctional officers' union, few thorough searches—shakedowns—of institutional facilities were made. Inmate lockers were not regularly inspected. When they were, contraband was found.

Although frequency of shakedowns has increased, a serious problem of contraband continues. Much contradband found in shakedowns has been or could be made into lethal weapons.

Although Department of Corrections policy required testing to determine whether inmates were using narcotics, such testing was not being done at two institutions although hundreds of inmates from these institutions were making weekly trips into the community.

Further, when test results indicated the use of narcotics, little or no disciplinary action was taken.

Uniform procedures at all institutions were needed concerning identifying visitors; inspecting handbags and purses, and searching inmates for contraband after meeting visitors.

Because visitors were not adequately identified, some inmates wearing civilian clothes escaped by simply walking out with visitors.

Improvements in some physical facilities would also tighten security.

WHAT WENT WRONG?

GAO wanted to know what Department of Corrections officials were doing to overcome problems of escapes and contraband.

The major obstacle was that—except when there was overt demonstration of problems, such as escapes or trouble within the institutions—these types of problems seldom reached management's attention.

Many escapes were not being investigated to determine causes for security breakdowns. Thus, corrective measures could not be taken to prevent the same thing from happening again.

When shakedowns of inmate dormitories and institutional grounds were made, large quantities of contraband was consistently uncovered, but the Department didn't take action to cut off the source.

Management improvements over programs releasing inmates into the community and tigher security at Lorton are obviously needed. If the District had had uniform policies at Lorton and had good feedback—and acted on it—many inmate security problems could have been avoided.

RECOMMENDATIONS TO THE COMMISSIONER

Some GAO recommendations are:

Uniform and definitive guidelines for the institutions should be established for selecting inmates for rehabilitative leaves, giving due consideration to time remaining to serve before probable release. The policy of granting recurring leaves almost continuously should be evaluated.

Each release program should be assessed regularly to insure that it is serving a bona fide rehabilitative purpose. Procedures should be established to monitor the whereabouts and performance of inmates participating in outside activities.

To tighten perimeter security another fence should be constructed around medium security. The Department should also issue specific policies and procedures concerning the wearing of civilian clothes by inmates and for identifying visitors.

To tighten security inside the correctional institutions, the Department should (1) determine the source of contraband which continually shows up in searches and take measures to prevent inmates from obtaining it, (2) assign officers full time to each dormitory, (3) improve the narcotics testing program, and (4) issue uniform policies and procedures for inspecting visitors' handbags and purses and searching inmates after visitors leave.

To help prevent escapes, all escapes should be investigated and reports recommending corrective action sent to top management.

The Office of Planning and Management—responsible for improving organization and operations of District agencies—should maintain a close working relationship with the Department to insure that effective corrective action is taken on management problems.

GAO also recommends that the District's internal auditors periodically look into Department operations.

FAIRNESS TO VETERANS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. CONTE. Mr. Speaker, our Vietnam veterans occupy a very special place in my heart. I want these young men and women to have the same opportunities that I had. After my service during World War II, I was able to attend college and law school because of benefits provided by the GI bill.

This past year, I served as chairman of the Special Veterans' Opportunity Committee of the National League of Cities and the U.S. Conference of Mayors. I traveled to major cities in this country and heard from the grassroots—from scores of young veterans who have legitimate complaints concerning their benefits under the GI bill.

During these hearings, I got a detailed picture of how veterans are being denied the same share of benefits that I received.

Mr. Speaker, the Washington Post featured a thoughtful editorial on "Fairness to Veterans" that I endorse and include for the RECORD:

[From the Washington Post, June 28, 1974]

FAIRNESS TO VETERANS

A large number of Americans who have a strong sense of patriotism and gratitude are watching Congress to see what kinds of benefits will be included in the new education legislation for veterans. Watching most closely are large numbers of the 6.7 million citizens who served in Vietnam, veterans who returned home only to find themselves under attack from a domestic enemy—the one of indifference to whether the vets received the educational benefits that they deserved.

Last week, the Senate voted (91 to 0) generous and fair legislation that would do much to tell the veterans that their sacrifices were appreciated. Specifically, the $1.9 billion package provides an 18 per cent increase in benefits, loans of up to $2,000 a year and payments up to $720 a year in tuition. In unanimously supporting the 18 per cent increase, the Senate brushed aside as ridiculous the 8 per cent increase proposed by President Nixon; even now, despite its wordy praise for veterans, the administration opposes the generosity of the Senate bill.

Crucial decisions are expected to be made soon by a Senate-House conference committee, although a conference has not yet been called formally. The 13 per cent increase in benefits in the $1.3-billion House bill is clearly a rebuke to the veterans; given inflation and the soaring costs of education, even the Senate figure of 18 per cent is playing it close. An equally important issue is what form this aid should take. The House bill does not include tuition grants largely because Rep. Olin Teague (D-Tex.), former chairman of the House Veterans' Affairs Committee, has long opposed such aid. Mr. Teague once headed a subcommittee that examined abuses of the old GI bill when some opportunistic colleges in the late 1940s and early 1950s raised their fees to rake in federal money. But the time has come for the Congress to listen to the pleas of groups such as the American Legion, which strongly supports tuition payments. National Commander Robert E. L. Eaton refers to the Teague position in the current American Legion magazine and says "it is ironical to think that it was the sins of the colleges and universities a generation ago which have been invoked to deny an education to the Vietnam veterans who need help the most." The Senate bill gives the Veterans Administration powers to combat tuition abuses.

The importance of education benefits for veterans is not only that large numbers of young citizens will get the opportunity for schooling but also that the country has the chance to make an investment in its most valuable resource—its young citizens. We have already seen the amazing economic and social yield of the GI bill following World War II; the current legislation as passed by the Senate is an extension of the philosophy that created the original bill 30 years. To hold back now is to walk away from both the wisdom that prevailed then and the needs of our veterans now.

GERALD STROHM SELECTED FOR GRAND EXALTED RULER

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. SISK. Mr. Speaker, it is a particular pleasure for me to take this opportunity to bring to the attention of my colleagues in the Congress the selection of my friend and constituent, Gerald Strohm of Fresno, Calif., as Grand Exalted Ruler of the Benevolent and Protective Order of Elks. Jerry has long been a vibrant force in the activities of our home Lodge, No. 439 of Fresno, Calif., and has served Elkdom in a variety of other capacities as well. Moreover, Jerry has been equally generous in devoting his time and energies to numerous community organizations. His selection as Grand Exalted Ruler is deserving recognition indeed of an outstanding Elk and fine human being.

I want to extend my personal congratulations and best wishes for success to Gerald Strohm as he assumes this high office and feel it appropriate as well to herewith include a brief biography which recently appeared in the Elks magazine:

FRESNO, CALIF., LODGE NO. 439 PRESENTS GERALD STROHM FOR GRAND EXALTED RULER

Fresno, California, Lodge No. 439 of the Benevolent and Protective Order of Elks in its regular session on December 5, 1973, unanimously resolved to present to the Grand Lodge the name of its most distinguished member, Gerald Strohm, for the Office of Grand Exalted Ruler for the year 1974-1975.

Brother Strohm was born in Kingman, Arizona, on October 19, 1910. He attended schools in Arizona and California and graduated from the University of California at Los Angeles in 1932 with a degree in Economics.

Brother Strohm entered the United States Civil Service in the Treasury Department where he served in various capacities from 1934 to 1947, except for years in military services. From 1942 to 1946, Brother Jerry was in the Army of the United States having been called to active duty as a Reserve Officer. He served in the Artillery in the European Theatre and upon his discharge he transferred to the Finance Corps and was retired as Major. He is a member of the Reserve Officers Association, the Retired Officers Association and the American Legion.

In 1947, he resigned from Civil Service and entered practice as a Certified Public Accountant. He is now a member of the firm of Strohm, Hills, & Renaut. He is a member of the American Institute of Certified Public Accountants and a member of the California Society of Certified Public Accountants, being a Past President of the Fresno Chapter.

Brother Strohm became a member of Fresno Elks Lodge in 1947 and was Exalted Ruler in 1954-55. He was District Deputy Grand Exalted Ruler in 1960. He served the California-Hawaii State Association as a member of its Major Project for six years and became its President. He was State President of the California-Hawaii Elks Association in 1966. He is presently a member of the State Advisory Committee. In Grand Lodge, Brother Strohm served on the Grand Lodge Auditing and Accounting committee for three years, served as Grand Esteemed Leading Knight in 1972-73 and was elected to a four year term as Grand Trustee in Chicago in July, 1973. In recognition of his many outstanding services to Elkdom, he was elected to Honorary Life Membership in Fresno Elks Lodge.

In his community Brother Strohm has served in many capacities, being a Past Fund Campaign Chairman for the United Givers of the Fresno County Public Appeals Board. He is a member of the Fresno City and County Chamber of Commerce and a member and Director of the Fresno County Taxpayers Association. He has been active in the Exchange Club and was President of the Fresno Exchange Club and a District Governor of Exchange.

Brother Strohm has been active in the First Congregational Church and has served it in many capacities.

In 1935, Brother Strohm married the former Kathryn Gehring, whom he first met while he was at UCLA and she was a student at Belmont High School in Los Angeles, from which school he had graduated. They have no children. Kay has been Jerry's active supporter through the years and will be a most gracious First Lady.

It is therefore with pride and confidence in him that Fresno Elks Lodge respectfully presents the name of Gerald Strohm to serve in the high office of Grand Exalted Ruler with assurance that he will bring to that position the experience and leadership which the office of Grand Exalted Ruler demands.

DELBERT A. MUNDT,
Exalted Ruler.
K. H. MCISAAC,
Secretary.

DRUG PATROL

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. MURPHY of Illinois. Mr. Speaker, during the June 25 debate on the Treasury, Postal Service, and general Government appropriation bill, my colleague from New York (Mr. ADDABBO) offered an amendment to clarify agency responsibility for suppressing drug traffic at our borders. The amendment which passed by a vote of 283 to 100 precluded the transfer of Customs Bureau funds for border control to any other agency.

Bob Wiedrich, a respected columnist for the Chicago Tribune, recently returned from investigating first-hand conditions at our Mexican border. He began a series of articles in the Tribune, Sunday, June 23, which could not be more timely in terms of congressional interest. Mr. Wiedrich has once again managed to strike the balance between a fascinating tale of intrigue and a sensible as well as sensitive presentation of the facts.

I commend Mr. Wiedrich for his ability to sniff out a story which not only interests his readers but educates them. I am including several of the articles in the RECORD for my colleagues' benefit:

BUDGET FIGHT THREATENS RIO GRANDE DRUG PATROL

WASHINGTON, June 22.—A band of dedicated men fighting the narcotics traffic across the Mexican border are caught in a bureaucratic cross fire as hot as the blazing smugglers' guns they face in the arid arroyos of the Southwest.

Just over 350 strong, the United States Customs Patrol has been ordered out of business Dec. 31 by the White House after intercepting drugs from Mexico with a street sale value well over $77 million in just nine months of existence.

The Customs Patrol suspects a Machiavellian plot by the Justice Department to corral all federal-drug fighting operations. The White House says that isn't so.

However, it is clear the Customs officers have become pawns in a long-brewing confrontation over federal budget-making powers between the Congress and the White House-based Office of Management and Budget [OMB].

In fact, the dispute has gotten so hot that several congressmen plan to singe OMB's britches when its appropriations bill comes before the full House Tuesday in a thinly veiled retaliation for refusing to reverse its decision on the Customs Patrol.

U.S. Rep. Joseph P. Addabbo of New York, ranking Democrat on the House appropriations subcommittee that handles the Treasury Department and its Customs Service, told us he intends to offer an amendment to "substantially" cut the OMB appropriation down to size.

"The decision to wipe out the Customs Patrol points up the arrogance of OMB and the managerial control it is trying to have over cabinet officers and the actual conduct of government," Rep. Addabbo declared.

"These men are undermanned and underequipped. Yet, they have managed to do a fabulous job in stemming the flow of drugs across the border. These are dedicated, trained men risking their lives every hour of the day. And now they're being told they're being knocked out of the box."

Organized last Oct. 1 to cover the desolate stretches between ports of entry along the 1,500 mile border, the Customs Patrol has been instructed to turn over its duties to the Immigration and Naturalization Service Border Patrol [INS], an arm of the Justice Department traditionally charged with intercepting illegal aliens.

Under the OMB decision last month the Immigration Service Border Patrol will hunt both wetbacks and smugglers between ports of entry. The Customs Service will be relegated to suppressing smuggling only at border crossings.

Frederic V. Malek, OMB deputy director, said the order was based on a management decision to end duplication of patrols, an act he claims is clearly within the domain of the executive branch of government.

This is a key statement in the conflict between OMB and Capitol Hill, where Customs Patrol supporters contend OMB has not only intruded on congressional prerogatives over government purse strings, but, in this instance, violated an agreement with Congress covering the duties of the Customs Service.

"Our interest is in doing the best possible job in intercepting both illegal aliens and smuggled goods," Malek told us in an interview at the White House Executive Office Building here.

"Our [OMB] whole purpose in being is to get the most for the taxpayers' dollar. We have no ax to grind. We can't prove conclusively we're right. But we believe our investigation is well founded and our decision is correct."

And therein lies another element in this growing confrontation between two branches of government with the Customs Patrol caught right in the middle.

Malek and his aides maintain their decision was based on a thorough on-the-scene investigation by OMB over a period of two months, during which the operations of both patrols were observed and local authorities and residents questioned for their views.

Customs Patrol personnel with whom we talked along a 500-mile stretch of South Texas border—from Laredo to Brownsville—disputed that claim, alleging the two OMB investigators who visited them devoted no more than 12 actual working hours during a brief two-day visit to their sector.

They said it would have been impossible for the OMB men to grasp the intricacies of their duties in the rugged, remote terrain of the lower Rio Grande Valley in that short period of time. The most generous term they used to characterize the inquiry was cursory.

The nearly 185-year-old Customs Service of the Treasury Department was the only patrol agency along the Mexican border in the 1800s. But soon after the turn of the ecntury, when immigration laws got tougher, the INS Border Patrol was instituted to hunt down illegal aliens.

After World War II, Customs ended its patrol in a wave of postwar budget cutting at a time when the United States had no narcotics problem and little smuggling from Mexico.

But in June 1973, when President Nixon created the Drug Enforcement Administration from the ranks of federal narcotics agents and the 500 Customs agents assigned to drug interception work on the borders, Customs decided to revive an overt uniformed force of officers to patrol the wide-open country between border crossings to stop smuggling, including narcotics.

This is the force which OMB ordered eliminated as a costly duplication of duties which it contends can be performed and, are already being partly performed, by the more than 1,400 members of the INS Border Patrol.

In addition to antismuggling chores at ports of entry, Customs would retain air-interdiction functions along the Mexican border to catch those smugglers who prefer the airborne route.

"We think that by using the Border Patrol people aggressively, we can get more for the tax dollar spent and better coordination of our drug-fighting effort at the same time," Malek said.

The Customs men don't see it that way at all. Neither do their congressional supporters.

Customs Patrol officers interviewed along the mesquite-cluttered banks of the Rio Grande pointed to their successes in seizing incredible lots of marijuana since going into action last Oct. 1:

Thru last March 30, their bag totaled more than 78 tons of the weed [157,228 pounds with a street sale value of $43,552,000]; 7.25 pounds of cocaine worth an estimated $1,724,600; and 63 pounds of heroin valued at $31,783,000 on the streets of American cities. They also effected 716 arrests, seized 1,297 vehicles, including at least five aircraft, and collared 469 illegal aliens incidental to their other duties.

"Roy Ash is picking a fight with Congress and he has selected the wrong battleground," declared U.S. Rep. Morgan Murphy Jr. [D., Ill.], another Customs Patrol supporter. "Immigration has its hands full just keeping back illegal aliens. There are at least 250,000 of them in Chicago alone.

"If Ash wants to make cuts, there are many other places they can be effected. If we can give the Arabs $100 million in aid, we certainly can afford to maintain the Customs Patrol at a time when drugs are again flooding the United States."

Death and Dope Along the Border

(By Bob Wiedrich)

Laredo, Tex.—The night was hot; the heavens bountiful with galaxies of stars that cast faint light on the desert floor.

In a clump of bushes not far from the Arizona border with Mexico, a rattlesnake coiled and struck at an unseen target, the cacophony of its venomous attack breaking the serenity of darkness.

Except for the rattler, the silence was almost oppressive along the rutted path leading from the Mexican border near Nogales, Ariz., where two United States Customs Patrol officers kept a lonely watch.

For the men—Louis Dickson, 32, and Charles Bokinskie, 26—this night of April 24 was, like many others, filled with endless hours of patroling remote roads beaten into the dust by narcotics smugglers headed north into the United States after accepting drug deliveries at the border.

Unlike past quiet nights, this one would end in a holocaust of gunfire. Within minutes they would detect and follow a vehicle running without headlights. And they would make that fatal error every Customs Patrol officer prays he will never commit.

Dickson and Bokinskie allowed their quarry to get too far ahead of them. Presumably, they played their surveillance loose so as not to arouse his suspicion in the wide open desert country. For that mistake, they paid with their lives.

There were no survivors to what happened next. But officials were able to reconstruct what apparently occurred:

Michael A. Williams, 43, already free on bail from a federal marijuana smuggling charge in Los Angeles, eluded the officers long enough to hide behind an obstruction.

When the Customs Patrol car came into sight, Williams bushwhacked them from a distance of 200 yards. One of the officers, tho, managed to return the fire before he died, killing Williams with a shotgun blast in the chest.

Then silence returned to the desert, broken only by the footpads of the small mammals that abound there and the restless idling of the patrol car motor until it ran out of gas.

At first light, an 18-year-old girl and her 14-year-old sister, driving to a school bus stop from a nearby ranch, discovered the bloody carnage that had ended Dickson's and Bokinskie's last patrol.

The heroic officers were lying dead by their jeep. Williams' body was beside his vehicle, in which 250 pounds of Mexican marijuana—good stuff worth $100 to $150 a pound on the streets of Chicago or New York City, Los Angeles or Denver—was hidden.

These were two of the casualties sustained by the 350-man U.S. Customs Patrol since it took the field last Oct. 1, covering the wild and barren terrain between ports of entry along the 1,500-mile American border with Mexico through which a flood of drugs passes annually.

Beyond the tensions of the job, the work is physically debilitating, rolling the dusty miles in heat so intense it drains a man's juices, parches his body, and pounds his brain into numbness with countless searing waves of 100-degree temperatures.

The rugged, unpaved roads punch at the kidneys. Sweat literally pours into a man's boots. And his face and hands become scarred by the slashing blades of dried mesquite as he fights his way thru underbrush on foot to locate hidden caches of drugs awaiting pickup near the Rio Grande River bank after dark.

In the pre-dawn darkness of June 5, four Customs Patrol officers led by Supervisor Barry Shields, a former Sky Marshal 'stationed at O'Hare Field in Chicago, seized 12,200 pounds of marijuana on the river bank near Hidalgo, Tex., one of the largest loads in U.S. Customs history.

In this case, a total of 168 burlap bags containing marijuana compressed into one kilo [2.2 pound] bricks were found stashed under brush and rotting onions and in a 10-wheel produce stake truck. One man searched another truck nearby which had a loaded .38 caliber automatic hidden in the glove compartment.

The 12,000 pounds of weed had been purchased in Mexico, for delivery to the American side of the river, for $220,000. Cut down into small quantities, the drug would have been worth over $3 million in the States.

More than anything, the pistol-packing drug traffickers served to highlight the increasing penchant for gun play since the Customs Patrol went into action. As things have been made tougher for them, the smugglers have resorted to violence.

For the stakes are fantastic in this deadly war—the millions upon millions of dollars represented by the drug culture of the United States. We'll tell you more about dope smuggling on the border tomorrow.

Customs Patrol Wins in Capitol

Washington.—The White House has suffered a setback in efforts to strip the United States Customs Patrol of its dope-fighting duties along the Mexican border.

By a vote of 283 to 100, House members refused to permit the administration to turn over the Customs Service function along desolate stretches of the 1,500-mile border to the Justice Department's Immigration and Naturalization Service [INS] Border Patrol.

The action marked a victory for Customs Service supporters on Capitol Hill, who maintain INS has its hands full just catching illegal aliens from Mexico and should not also be saddled with anti-drug-smuggling responsibilities.

In nine months of operation, the fledging, 350-man Customs Patrol has intercepted marijuana, hashish, cocaine, and heroin valued at over $77 million on the streets of American cities.

Rejection of the White House plan was in the form of an amendment to the executive branch appropriations bill, barring the use of Treasury Department or Office of Management and Budget [OMB] funds to effect the redeployment of the Customs Patrol to ports of entry.

Rep. Sidney Yates [D., Ill.], who proposed the amendment, charged plans to restrict Customs Patrol operations violated a White House agreement with Congress to retain the Customs role in interdicting drug smuggling along the nation's borders.

The agreement was reached a year ago when President Nixon created the Drug Enforcement Administration to coordinate all American drug-fighting efforts with a cadre of federal narcotics agents and 500 Customs officers assigned to the dope traffic.

On June 5, however, OMB Director Roy Ash instructed Treasury Secretary William Simon to restrict the Customs Patrol to ports of entry, claiming the drug interception could be performed by the INS Border Patrol.

During the debate, Rep. Howard Robison, [R., N.Y.] defended the OMB position that the Customs Patrol constitutes needless duplication.

He also argued handcuffing the administration funds would render meaningless a House Government Operations Committee investigation into the dispute scheduled to be aired in public hearings two weeks hence. Plans for the Customs redeployment, he said, had been deferred until then.

But the amendment passed by a handsome majority, highlighting the deeper schism between the White House and Capitol Hill over what some consider increasing encroachment by OMB on the congressional appropriations role.

The bill now goes to the Senate, where in two weeks Sen. Hubert Humphrey (D., Minn.) is expected to lead the battle for preserving the Customs Patrol function in drug smuggling.

Rep. Robinson's report that plans to phase out Customs between border crossings by Jan. 1 had been deferred marked a sharp change in OMB posture. Earlier, Deputy OMB Director Frederic Malek had told us here the planning would continue while the House Government Operations Committee inquiry was underway.

He did indicate, tho, OMB would take heed if committee chairman Rep. Chester Holifield (D., Cal.) produced information not uncovered by an OMB survey of the Customs Patrol on which the White House decision was based.

It is this survey which has been attacked as superficial by Customs Patrol personnel in their efforts to retain a narcotics fighting role.

To make their position clear, Customs Patrol supporters first sought to lop $6 million from the OMB's $22 million appropriation request. That effort failed. But the House did cut OMB funds back to their present level, thereby slicing off more than $2 million from the White House budget-making arm.

Then it voted the amendment barring the use of any executive branch funds to plan or carry out the Customs Patrol defrocking. That included the Treasury Department appropriation under which the Customs Service is bankrolled.

"President Nixon is too busy with other matters to worry about what is going on down there on the Mexican border," declared Rep. Morgan Murphy Jr. (D., Ill.), whose worldwide investigations in the past three years have dramatized the narcotics problem.

"But he is being ill served by men who, however well intentioned, are too inexperienced in this field. The Customs Patrol has done a magnificent job. Instead of putting them out of business, they should be encouraged.

"Sure, there are professional jealousies between some of these agencies. But these can and should be resolved. Each has a vital function. Each is serving the American people well. The main thing is to stop that dope before it gets to the streets of our cities."

PRAYER FOR LEADERSHIP

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. BROWN of Ohio. Mr. Speaker, on Monday, May 20, my home State of Ohio had its first statewide prayer breakfast of civic, business, labor, and professional leaders. The event was held at the Sheraton Columbus, and our distinguished colleague JOHN DELLENBACK, of Oregon, a noted lay leader of the Presbyterian Church, was the guest speaker.

I had hoped to be able to insert here the remarks of the gentleman from Oregon who spoke in a moving way about his own religious feelings and views, in particular his thoughts about submitting ourselves humbly to the power of an all-wise God—thoughts which grew out of recent experiences he and his family lived through at the time of the near-fatal illness of his daughter. Unfortunately my articulate friend delivered his remarks extemporaneously, his speech was not recorded, and he either has been too modest or too busy to write his thoughts down as a summary of his sermon for me to insert here.

While I regret the loss of the full message of my friend, I was successful in obtaining a copy of the prayer which was delivered at that prayer breakfast by another personal friend, Charles S. Mechem, Jr., chairman of the board of the Taft Broadcasting Co. Mr. Mechem's unusual approach to the featured prayer at this breakfast was given a very positive response and I am pleased to have it to share here with my colleagues.

I also include a copy of the program for the breakfast, which was attended by many distinguished Ohioans as a public testimony to their collective and individual faiths. Music for the program was provided by the outstanding Wittenberg University choir, of Springfield, Ohio:

PROGRAM

Invocation, Mr. Robert L. Pegues, Jr., Superintendent, Youngstown Public Schools.

Breakfast.

Welcome, Mr. Francis A. Coy, Chairman of the Board The May Company.

Old Testament Reading, Dr. Warren L. Bennis, President, University of Cincinnati.

Prayer for Leadership, Mr. Charles S. Mechem, Jr., Chairman of the Board Taft Broadcasting.

New Testament Reading, Mrs. Huber J. Snyder, President, Church Women of Ohio.

Musical Selection, Wittenberg Choir, Director, John W. Williams.

Remarks, Honorable John J. Gilligan, Governor, State of Ohio.

Address, Honorable John Dellenback.

Benediction, Mr. Robert H. Meyer, President, Reynolds and Reynolds.

God Bless America, Led by Wittenberg University Choir.

PRAYER FOR LEADERSHIP

(Offered By Charles S. Mechem, Jr.)

I hope you will indulge me for a moment before we pray. I want to say just a word about public prayer at eight-thirty on Monday morning. I frankly suspect that the active life—or the retention life, if you will—of the average public prayer is—at the absolute maximum—limited by your arrival at your office later today and your confrontation of the typical Monday morning mess. I asked myself why—and I think the answer rests in the view that most of us have about prayer. I think that we look at prayer in one of two ways—either we have total faith that God will listen and grant our request—in which case it is unnecessary to think about the prayer very long—or we have concluded that there really isn't much hope that He will pay any attention whatever to us anyway—in which case it is a waste of time to think about it.

I suspect, however, that neither approach is really sound. Let me suggest what to me is a more rational view. Prayers are not always—in the crude, factual sense of the word—'granted'. This is not because prayer is a weaker kind of causality, but because it is a stronger kind. When it 'works' at all it works unlimited by space and time. That is why God has retained a discretionary power of granting or refusing it; except on *that* condition prayer would destroy us. It is not unreasonable for a headmaster to say, "Such and such things you may do according to the fixed rules of this school. But such and such other things are too dangerous to be left to general rules. If you want to do them you must come and make a request and talk over the whole matter with me in my study. And then—we'll see."

So—let's go into God's study for a few moments this morning and talk to Him about Leadership.

God, I've been asked to speak to you this morning on behalf of this group about Leadership. Now we know that somebody is talking to you about this every day—probably hundreds of thousands of times every day. We know that you are constantly being asked to lend divine guidance to the leadership of heads of state legislative bodies, kings, heads of great business complexes, and so forth. And that's fine—we hope you'll do it. But we want to talk to you a minute this morning in a slightly different vein. We looked up the definition of "lead" in the dictionary and it said it meant "to take or conduct on the way; to go before or with somebody to show the way; to guide somebody in a certain direction." Now, it strikes us that that makes almost everyone of us a leader of sorts. We have come to the conclusion, God, and we hope you will agree, that each of us who has any control or influence on the lives of another is a leader—at least with respect to that other person. We are overwhelmed in this day with the sheer size and complexity of life—we are prone to despair and alienation—more ready to follow than to lead—more willing to turn off than to turn on. What we'd like to ask of you this morning is to help us gain a sense that we are indeed—each one of us—leaders. That we affect in a very profound way the life of someone else—and that, especially in these days, we must all dedicate ourselves to exercising leadership in our lives in a manner that will preserve and protect the way of life that allows us to control our own destiny and influence the destiny of others. Of course, we want you to guide and inspire our great leaders—but our point is that we want you to know that we believe we are *all* leaders and *we* need your help too. As a matter of fact, if we don't have your help, we are afraid our leaders won't be able to guide us.

So, God, please help us to recognize our role and our responsibility. Help us to be sensitive to the extent to which the way in which we live our lives affects and molds the lives of others. Give us wisdom, understanding, patience, courage, and perhaps most of all, compassion. Give to us the strength to be leaders so that, together, we may achieve—for ourselves and those that we lead—a total and a meaningful existence.

Thank you for allowing us to come into your study for a moment this morning. We'll be needing to come back soon.

Amen.

THE BUFFALO URBAN LEAGUE'S "OPERATION SPORTS RESCUE/SAVE THE CHILDREN"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. KEMP. Mr. Speaker, I wish to commend to the attention of my colleagues a tremendously successful and forward-looking program under the aegis of the Buffalo Urban League, Inc.

The project, "Operation Sports Rescue/Save the Children" is designed to develop organized recreational activities for young people in the Greater Buffalo area, with the assistance of professional athletes. It is also designed to combat juvenile delinquency and drug abuse through concrete social, educational, and recreational programs.

The Buffalo Urban League's initiatives, under the guidance of its executive director, Mr. Leroy R. Coles, Jr., exemplify what can happen when capable, dedicated people direct their talents toward helping people in need.

Each of us in this body have a responsibility to encourage those in our communities, individuals, businesses, and foundations, to contribute to and cooperate with people like the Buffalo Urban League who are actively carrying out programs so vital to the future of our communities and our Nation. A synopsis of the Buffalo Urban League's efforts follows:

OPERATION SPORTS RESCUE/SAVE THE CHILDREN OF THE BUFFALO URBAN LEAGUE, INC.

1. PROJECT PURPOSES

Since youth and young adults are generally attracted to athletics, the primary intent of the project shall be to create an athletically involved mechanism which will provide its participants an opportunity to engage in rewarding and enjoyable use of time. Utilizing at the same time the assistance of professional athletes as image builders for the youth, the project shall focus on combating drug abuse and juvenile delinquency. The same vehicle will also endeavor to provide educational opportunities and generally aid in motivating and directing its enrollees into the educational classes. Thus demonstrating to youth and young adults that there are other avenues to success and that athletics is but one means to a meaningful end, while an education or skill remains the true basis for success in our society.

A related purpose of the project is community interaction and involvement through sports and cultural activities. An attractive sports and cultural enrichment program draws a great number of people together, providing an advantageous opportunity for close community contact, involvement and positive communication.

A. Specific project objectives

The following is a breakdown by service:

(1) Compensate for the lack of organized recreational activities for youth and adults in the Greater Buffalo area,with the assistance of professional athletes. Serve 2,500.

(2) Combat juvenile delinquency and drug abuse through concrete and relevant social, educational and recreational programs. Serve 500.

(3) Provide for complete community participation and interaction in social services, through an involved and interesting athletic program for youth and adults. Serve 2,500.

(4) Direct certain service operations in a manner which will aid in the expansion of educational opportunities for youth and young adults. Service 250.

(5) To assist youth in returning to school, advancing education or in obtaining employment when definite and sure jobs are made known to the staff. Serve 50.

(6) To provide employment within the project for city residents. Serve 22.

(7) To create a potential job market for individuals interested in recreation. Serve 10.

(8) To provide physical examinations and information on proper health and hygienic habits. Serve 2,500.

(9) To provide cultural enrichment activities for its participants. Serve 2,500.

2. PROJECT COMPOSITION-TARGET POPULATION CHARACTERISTICS (BENEFICIARIES)

The target area will be landscaped into five (5) districts, reflective of the geographical boundaries of the Department of Parks as follows:

District No. 1 Ellicott, serve 500.
District No. 2 Grover Cleveland, serve 500.
District No. 3 Humboldt area, serve 500.
District No. 4 The Front area, serve 500.
District No. 5 Cazenovia & South Park area, serve 500.

It is estimated that the project target population will comprise 2,500 students. Both youth and young adults of the Greater Buffalo area.

Specific eligibility criteria has not been identified. However, with the cooperation and assistance of other established agencies (YMCA's, Boys Clubs, recreation centers, etc.) The project shall coordinate a city-wide sports league.

For purposes of organization and control, the target population will be organized in the following manner:

A. *Peer Group Formation*

The participants enrolled in the projects from each district (1-5) shall be divided into peer groups within their respective areas as follows:

Peer Group No. 1 ages 9-12.
Peer Group No. 2 ages 13-15.
Peer Group No. 3 ages 16-19.
Peer Group No. 4 ages 20 and over.

This method of categorizing the target population shall be incorporated within each district. Four (4) peer group divisions in each district.

It is anticipated that the project will draw at least six (6) different groups from each peer group category, with a total of 15 members in each group, forming basketball teams that will participate in the league. However, it is not mandatory that you play basketball to be a member of the project.

SAVING MOUND BAYOU FROM HEW'S KNIFE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. RANGEL. Mr. Speaker, in Mound Bayou, Miss., the Nation's only black community-controlled hospital nearly fell victim to the "fiscal surgeons" of HEW. Motivated partly by the Nixon administration's determination to end the federally funded antipoverty program, and partly by Mr. Nixon's desire to please Senate conservatives who may decide his political future, the Government decided to discontinue Federal funding of Mound Bayou.

Vigorous lobbying by Members of Congress, particularly the Congressional Black Caucus, convinced HEW to back down and fund Mound Bayou for another year. The following article from the June 20 Washington Post describes the situation in Mound Bayou before additional funding was secured, and depicts the difficulty of preserving, much less encouraging, a modicum of black independence and initiative under the Nixon administration. I insert it into the RECORD for the information and attention of my colleagues:

[From the Washington Post, June 20, 1974]

SLOW DEATH FOR A HOSPITAL

(By Theodore Cross)

We knew about Mound Bayou before we got there. It is not a typical one stoplight Mississippi town that you read about in Faulkner novels. It is all black. The town officers, the school board, the sheriff, everybody. It has been that way since after the Civil War when it was founded by the emancipated slaves of the brother of Jefferson Davis. Of course, in the 1880s, the white folks in Mississippi had something else in mind, but their rhetoric was that black people "should be encouraged to form their own communities where they would be free to develop spiritually and economically." Once a fairly prosperous town with a good cotton crop and its own bank, Mound Bayou today, like most of the Delta, is on the economic skids. It is in Bolivar County, government-certified as the nation's poorest.

But the community is famous for its unique hospital—the only black community-controlled hospital in America.

Mississippi has always been uncomfortable with blacks acting in a self-respecting, self-sufficient way. Gov. William "Wild Bill" Waller vetoed last year's hospital funding from the Office of Economic Opportunity. When Washington overrode his veto, the state tried to lift the hospital's license. They didn't like all those doctors from Tufts and Meharry Medical Colleges messing around in their state. But the black community fought back and won the right to their license in a federal court.

But a year ago, as we drove south, Mound Bayou, and the hospital, were still in serious trouble. The White House had just sent telegrams to all the black community self-help organizations around the country. The message was clipped, icy, and dispatched without warning: All federal support money would come to an end on June 30, 1973.

This decision in Washington was all part of a bolder scheme. By fiat, the executive branch was abolishing the federal antipoverty program. Constitutional lawyers were dumbfounded. How could that be when a parliament of the people had created it in the first place? Never mind. It was being done.

Now, Victor Sparrow, a young black Harvard-trained lawyer, and I were carpetbaggers. And we certainly thought of ourselves as mini-Messiahs, at the least. But we were not dumbbells. In the past we had worked our way through all those rabbit warrens at OEO, Health, Education and Welfare. Once there was an invitation to speak at a cabinet meeting in 1970. I urged the President to spend some petty cash on an experimental black development program. Nixon was dubious. "We won't get any black votes," he said. But, in the lingo of the Watergate tapes, he "stroked" me for my constructive work and said he would go along with the plan. So we thought we had some clout. But Victor Sparrow was the one I was really counting on. He had been honored with a White House Fellowship in 1970. He was agile. He knew how to move paper at the White House. And our plan was to get those White House telegrams recalled.

Of course, our strategy was Machiavellian. In the White House the young fogeys in the heavy cordovan shoes work on a simple calculus: what is correct is what works. It has been years since anyone there has struggled with abstract propositions of "right" or "wrong."

So Victor and I would prove to those neo-utilitarians in Washington, who valued money over compassion, that the federal fiscal load in preventing poor folks from dying would be lighter if the federal government paid the million dollars a year it took to keep the Mound Bayou hospital open.

We finally drove into Mound Bayou and turned left. You can't miss the hospital. Howard Jessemy, the gentle and endearing hospital administrator, and Dan Mitchell, a tough-minded man in charge of overall development and planning, showed us around. By northern standards the hospital is a tiny and dilapidated place. Probably less than a hundred beds to serve about 150,000 people in four counties. My memory is that most of the wards were filled with babies clad only in diapers: little black figures silhouetted against snowy white sheets. Downstairs were the outpatients. There were hundreds of mothers waiting their turn—changing diapers, taking care of basic needs, but so awfully concerned about their places in line and about the decorum of their children.

Victor and I are both lawyers. We were on the case. We assembled the facts. We returned last May to New York to write our brief. But all of a sudden the Watergate investigation exploded. Strange things began to happen. The Congress had gotten new confidence and muscle. Only then had it occurred to someone to *ask* a federal judge if the President's guillotine power over OEO was the equivalent of Nero's power over the citizens of Rome. The court ruled against the President. He was stunned. But bureaucracies, including OEO and HEW, have a momentum of their own. With no direction from the White House, they simply kept on doing what they had always been doing—giving out the cookies. And so the negative telegrams from the White House were never acted on. Mound Bayou, Bedford Stuyvesant, Hough and Watts would continue to get their modest stipends.

But this spring, the fiscal surgeons at HEW were on the job. First they said that beyond June of this year, Mound Bayou Hospital would get no more money. Then a few weeks ago they said it would be slow death instead. The hospital will get a "terminal" grant only—which Jessemy hopes would keep the doors open until Christmas. HEW says it can get more medical care for its dollars with regional health centers, and the agency says to the black hospital administrators: "Don't forget about your slice of 'revenue sharing.'" But this federal money will filter down in Mississippi through Governor Waller!

So this time it's really serious for Mound Bayou. There's nobody in the executive branch to curb HEW's knife. Only a man named Nixon. Don't forget, on the same issue his office once overrode the governor of Mississippi. But Mr. Nixon is no longer acting like a President. With an impeachment vote possible, the President needs Mississippi's Senators—John Stennis and James Eastland. They have him in their pocket. And they don't want the hospital.

People who are working to save the Mound Bayou Hospital make this argument: "Should Eastland give the poultry farmers of Mississippi $10 million in federal money in one year as compensation for having to kill off a bunch of contaminated chickens, when this happens to be enough money to run Mound Bayou Hospital for 10 years?" They have put the message on national television: "Which comes first—chickens or people?"

The argument is technically specious, and the people fighting to save the hospital know it. But they also know that when the angels are on your side, there's more gunpowder in one well-honed phrase than in a thousand pistol-packing Black Panthers. I guess they remember too how Churchill got control of world opinion when Britain was threatened with getting her neck wrung like a chicken. He just went on the radio and said: "Some neck . . . some chicken."

Now the Black Congressional Caucus is on the job. After what happened to Sen. J. W. Fulbright in the Arkansas primary, even Stennis and Eastland are taking political soundings in Mississippi. If the poor people in Bolivar County keep their hospital, it will be because black people in Mississippi have entered the world of politics.

THE HONORABLE LEWIS DESCHLER

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 27, 1974

Mr. SIKES. Mr. Speaker, I wish to join with my colleagues in paying special tribute to the Honorable Lewis Deschler who is retiring as Parliamentarian of the House. He has served in this most demanding position since 1928 with honor and distinction. Few men in history have exercised greater responsibilities in the House. They have involved advising the Speaker, the majority leader, the minority leader, as well as Members of the House and committee staff personnel on important parliamentary procedures. His guidance has been universally hailed. His advice and counsel on a wide range of subjects has been sought many times over and we are all grateful for his cooperation and expertise. He has played a historic role in the development of House rules and has contributed as much as any person to the orderly functioning of the House.

Lew Deschler is a gentleman in every sense of the word and I am pleased to call him my friend. During my years in the House, I have come not only to respect the man immensely, but to rely unquestionably on his judgment as well. He has always been kind, considerate, and helpful.

It is an honor to join in this tribute to Mr. Deschler and I want to extend to him my very best wishes for abundant good health, good fortune, and much happiness in the years ahead. I am delighted that he will continue his life of service to the House as senior advisor in the Office of the Parliamentarian.

OCCIDENTAL SIGNS CONTRACTS WITH SOVIETS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ASHBROOK. Mr. Speaker, some Americans may be wondering why Occidental Petroleum Corp. President Armand Hammer is such a strong advocate of détente with the Soviet Union. One reason apparently is the financial benefit he expects to receive from expanded American-Soviet trade.

According to the June 29, 1974, Cleveland Plain Dealer, Occidental and three Soviet organizations have signed a series of 20-year contracts for the sale of chemicals which Hammer values at $20 billion. U.S. diplomats say that this is the largest Soviet-American trade deal in history.

Occidental also signed contracts to design, equip and supervise the construction of two port facilities in the Soviet Union to handle the chemicals. Hammer estimates that these construction agreements are worth another $100 million.

The American taxpayer will help pay for whatever financial benefits Hammer reaps from these transactions. The port construction and the ammonia factories involved in the chemical sale will, in large part, be financed by a $180 million low-interest loan provided by the American taxpayer subsidized Export-Import Bank.

The interest on the loan will be 6 percent—about half the prime commercial lending rate in the United States.

Following is the text of the articles from the Plain Dealer:

[From the Cleveland Plain Dealer, June 29, 1974]

GIANT UNITED STATES-SOVIET DEAL CLOSED

Moscow.—The Soviet Union has signed a series of 20-year contracts with the Occidental Petroleum Corp. of California for the swap of chemicals—a transaction that at current market prices is said to value about $20 billion.

The arrangement, according to U.S. diplomats, is the biggest Soviet-American trade deal in history, but it is essentially on a barter basis and does not actually involve any large exchange of money. The $20-billion estimate is the total of what all the chemicals to be swapped over the next two decades would be worth if they were sold today.

On an annual basis, the deal represents between a third and a half of the present figures for Soviet-American trade—a welcome statistic to those in both superpower capitals who regard increased trade as a cornerstone to detente.

Yesterday's signing had no direct connection to the current round of summit talks between President Nixon and Soviet Communist party General Secretary Leonid I. Brezhnev. Dr. Armand Hammer, Occidental's chief executive officer, told reporters, however, that both President Nixon and Brezhnev had personally encouraged the deal along.

Hammer first announced the agreement in principle for the chemical swap with the Soviets in April 1973, but the first contracts—for the construction of four huge ammonia plants—were not signed until last week. The end purpose of the deal, from the Soviet standpoint, is to increase its production of chemical fertilizers which are needed to improve production on the country's underproductive farms.

In addition to the chemical contracts signed yesterday, the Soviet signed two other contracts with Occidental Petroleum that do involve a direct exchange of money.

These contracts, worth approximately $100 million, are for the construction of port facilities at cities on the Baltic and Black seas. The ports at Ventspils and Odessa will receive superphosphoric acid imported from the United States and will export ammonia, urea and potash.

The port construction and the four ammonia factories (to be built under the supervision of the Chemical Construction Corp., CHEMICO) a division of the General Tire and Rubber Co., Akron, will be financed by the Soviets largely from a $360-million credit authorized last month by the American Export-Import Bank, half of it provided by private U.S. banks.

Hammer said yesterday that President Nixon had written a letter to the Ex-Im Bank pointing out that the credits to be used in support of the chemical swap were in the national interest. Brezhnev's part in securing the deal, according to Hammer, was his personal support for it expresed in two private meetings.

Despite its immense proportions, the arrangements as disclosed yesterday, were not as ambitious as envisioned by Hammer 14 months ago. Then, the deal called for the construction of an expensive pipeline to carry superphosphoric acid from the ports to locations inside the Soviet Union.

Yesterday Hammer said the pipeline had been "postponed" and the chemical would be transported in railroad cars, raising the possibility that not much will be involved.

Occidental Petroleum has reportedly been in some financial difficulty recently and there was some question whether Hammer would be able to raise enough money to go ahead with his part of the bargain. U.S. sources said the postponement of the pipeline was an indication that he raised much, but not all, of the cash he wanted.

Although connected with the overall chemical trade, CHEMICO contracts for the construction of the ammonia plants, which at $200 million are the biggest single dollar orders ever given by the Soviets to an American company, will not be dependent on the future prospects of Hammer's firm.

GOING TO WAR WITHOUT AN ARMY

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. YOUNG of Georgia. Mr. Speaker President Nixon has promised us a generation of peace and praise God, for once in 6 years he may be right. That is, if we understand by peace a period without a worldwide military confrontation between the massive ideological kingdoms of East and West. But the conflict and struggle for preeminence between men as nations will certainly not come to a screeching halt with the "lion and the lamb lying down together."

The cessation of missile rattling between the United States and the Soviet

Union has come about not just by the diplomatic miracles of Kissinger and Nixon, though they clearly deserve credit for crystalizing a détente whose time had come. Rather both great powers are finding it too costly to continue a military competition in Southeast Asia while Japan and West Germany corner the markets for consumer goods and services throughout the rest of the world.

The battleground of the future is the world marketplace, and the new arsenal of weaponry has more to do with the value of one's currency, national productivity of consumer goods, and the availability of natural resources and technology.

The present battles of national security are taking place in the speculative money markets of Switzerland, the Internaitonal Monetary Fund's Committee of Twenty, the World Bank, the International Development Association, and, in the coming year, will move to the General Agreements on Trade and Tariffs.

It is a new world, a new battlefield, a few of us in Government, whether Congress or the executive branch, have fully adjusted to it or even begun to understand. Just as alarming, the professional economists who advise both seem to have no strategy for the future. The old models, whether economic or military, fail us. When the President circles the global making traditional military and economic concessions en masse to assure a peace already achieved, we only contribute to weaknesses in our own already shaky economic situation at home.

But for all the dangers and difficulties, the possible shift from military to economic conflict must be welcomed as the dawn of an exciting new era.

We are still at war, but it is a war calling for creativity and productivity rather than the mechanisms of death and destruction. The consequences of defeat and failure are just as dire, but the common thread of destiny is more obvious in economic conflict. Technology cannot survive without mineral resources, and producers need consumers. Indeed, we are becoming increasingly aware of our interdependency and our mutual vulnerability. The threat of worldwide recession is no longer remote, as the following article by Mr. Joseph R. Slevin attests:

[From the Washington Post, June 30, 1974]

THREAT OF WORLDWIDE RECESSION GROWS

(By Joseph R. Slevin)

The threat of a worldwide recession is causing mounting concern among economic forecasters.

It's only a cloud on the horizon but it looms larger than it did a month or two ago.

A sampling of government and private forecasters discloses that few are willing to predict that a worldwide slump actually will occur. Many are quick to warn, however, that it is a very real possibility that must be reckoned with.

The experts see two main weaknesses in the international economic scene.

One is the serious impact that the steep Arab oil prices may have on the capacity of oil consumers to buy other goods.

The second is the restrictive effect of the increasingly rigorous anti-inflation programs that industrial nations are pursuing.

Federal Reserve Board Chairman Arthur Burns and his West German opposite number, Bundesbank President Karl Klasen, three weeks ago joined at the International Monetary Conference in flatly declaring there will be no world recession.

While the central bankers clearly were anxious to bolster public confidence and undoubtedly would take the same upper approach today, the economics of the major countries have a weaker look than they did.

"Check them out," a top federal forecaster urges. "There isn't one important country that's expanding rapidly, not one."

The government expert stresses that most countries seem to be chalking up impressive gains because their nominal output volume is being swollen by inflationary price increases. Real production, however, is changing little, with small increases or small declines being typical.

Germany is the envy of most other countries for it has the lowest inflation rate and best international payments performance but German industrial production is only 1 per cent above a year ago and is lower than it was during the winter.

The huge U.S. economy is struggling to grow again after having slumped sharply but the consensus judgment is that it will post only tiny gains at most during the rest of this year—and that it could sink into a deepening recession if that is the way the world is going.

Tight money is causing even greater housing weakness than seemed likely when Burns issued his "no recession" forecast. Consumers are behaving like reluctant spenders and businessmen are showing signs of pulling in their horns, too.

French President Valery Giscard d'Estaing has announced new austerity measures to curb inflationary spending and the Bank of France recently boosted its discount rate to a record 13 per cent.

Germany is holding to its tight money policy as are the British and the inflation-ridden Japanese.

Italy has resolved its cabinet crisis with an agreement to carry out firm fiscal anti-inflation measures to bolster the Bank of Italy's restrictive credit program.

All the major Free World governments are consciously seeking sluggish economies to break their inflation spirals. It would not take much to push them over the line and into the worldwide recession that Burns and Klasen said won't happen.

Three international agencies structure the new battleground into models the United Nations may never achieve—the International Monetary Fund, the General Agreements on Trade and Tariffs, and the International Development Association. Essentially the same people are involved in all of these financial and trade structures, and one's participation or nonparticipation in one will have definite consequences in the others.

The IMF Committee of Twenty has nine votes from the lesser developed countries. This is a bloc of nations now threatened with bankruptcy due to the escalation of oil prices. The LDC's also contain the largest store of untapped natural resources and potential consumer markets of the future. Monetary reform is a political and economic process which the United States can no longer dominate. Decisions are carefully negotiated and the LDC's voting as a bloc have a significant impact on the value of our dollars.

The same is true for the preferences which we enjoy with GATT, the General Agreements on Trade and Tariffs. The oil embargo and price escalation are just the beginning in the battle for natural resources. Bauxite, tin, copper, zinc, and even coffee can soon be expected to enter the price war with the industrial nations. Continuing our present level of prosperity, yet sharing opportunities for development through fair trade, is as serious a challenge to our national security as Soviet missiles.

IDA, the International Development Association, serves the development needs of nations with per capita incomes of $375 a year and less. It is a basic humanitarian program which had its birth in the U.S. Congress. Formerly the United States contributed 40 percent of the funding for IDA. That percentage has now been reduced to 33⅓ percent as Japan, Germany, and other industrialized nations perceived the values of this program in terms of their own economic interest.

The United States also enjoys a $17 billion market for our goods in these countries as development proceeds and markets grow. This developing world also provides 60 percent of our import requirements for eight essential industrial raw materials.

U.S. participation in IDA is the foundation of this Nation's economic defense system. It is the army of economic warfare, for it is here that the basic style of friendly competition or hostile conflict will be determined. For the United States to enter the economic warfare of our time with no involvement in IDA is like going to war without an army.

Secretary of the Treasury Simon will be embarking on a tour of nations shortly. In that tour he will set the tone of our future financial affairs. It would be a tragedy of unimaginable proportions for him to leave without congressional authorization of the fourth IDA replenishment.

The $375 million per year in four installments is a small investment in the possibility of peaceful economic progress. The Senate has already approved IDA funding by a vote of 55 to 27. Now the House must act. Not to do so would be to bury our heads in the sands of a blind isolationism—one which would surely lead to consequences as perilous as our refusal to join the League of Nations.

The future is in our hands.

LIVESTOCK LOAN GIVEAWAY

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. PEYSER. Mr. Speaker, it is gratifying to see the growing public reaction against the emergency livestock loan bill, an especially ill-considered piece of legislation which has recently been reported out by the House Agriculture Committee. The bill, which would grant a Government guarantee on new loans to cattle growers, has aroused the opposition of many consumers, newspapers, public interest groups, and even cattle feeders organizations who see the uniquely ineffectual and potentially damaging consequences of enactment. The bill will not only interrupt the working of the free market to the great disadvantage of the consumer, but will fail to improve the market situation for cattlemen. The bill will allow already heavily indebted cattlemen to plunge further in debt while encouraging middlemen to maintain beef prices to the consumer at near record highs.

The bill fails to address the real problem—that American consumers are unwilling to buy beef at current prices. The special loan guarantee will serve only to further confuse an already topsy-turvy market. It can only result in higher prices to the consumer, more stockpiling of beef, and greater losses to producers.

Although feeders are currently reporting losses of $75 to $150 on each head of cattle they sell, lower prices have not been passed on to consumers. In fact, the Agriculture Department has reported that the farm-to-retail price spread for beef averaged 26 percent above the year's earlier levels during the 6 months ended last March. Middlemen, retailers and packers, say they were badly hurt by the price controls period last year and point to this and higher costs in energy, labor and transportation to justify the continued high consumer prices.

Clearly, the loan approach will not lead to market adjustments. With Government intervention in the form of the guaranteed loans, middlemen will continue to capitalize on the producers' plight and, consumers will continue to pay higher prices. With further increased stockpiling, the spiral continues. Presumably, the Government will be asked to come to the rescue again next year with another emergency loan bill. Until the market adjusts, fewer—not more—loans are called for.

Without Government intervention, middlemen will be forced to recognize that profit margins must be reduced to stimulate consumptions. And only increased consumption can provide a real solution to the problems of the producers.

Happily, cattlemen are also beginning to recognize that this bill will inevitably only further worsen their lot. Last Friday, for example, the Idaho Cattle Feeders Association released the results of a telephone poll of the officers, directors, and a number of other members of the association which found unanimous opposition to the bill, including a "number of emphatic negative replies." The executive vice president of the Idaho Cattlemen's Association reported similar results in a poll of officers and directors of that group.

An editorial in last Sunday's New York Times calls the bill an appalling precedent. Because the editorial further challenges some of the faulty logic and questionable motive behind the bill, I wish to place it in the Record at this time:

[From the Wall Street Journal, June 26, 1974]

Hoofbeats on Capitol Hill

Our heartfelt sympathies go to the nation's livestock feeders and ranchers, who have lost more than $1 billion since beef and hog prices broke last fall. Our regrets do not extend to having the taxpayers bail the boys out of their financial difficulties, however, even though they are understandably arguing that because the government helped get them in this fix it has an obligation to get them out.

The simple answer to the above is that the government didn't force anyone to do anything against his will, but simply caused general confusion in the industry last year by freezing beef prices. Whenever the government suspends the law of supply and demand in an industry, the industry has to make economic judgments without benefit of a price signal. Operating in the blind, and assuming the public would continue to increase its consumption of meat even at sharply higher prices, the livestock feeders bid the prices of feeder cattle and hogs into the stratosphere. They were wrong.

They now want the government to bail them out with loan guarantees, and the Senate has whipped up an emergency program to that effect. There are at least two good reasons why such a program should not be enacted. One is that credit guarantees further cloud the signals of the market, on the margin encouraging investment in feedlot operations when at the moment there is obviously oversupply. Secondly, it would be a dangerously bad precedent. Every sector of the economy can now put together a case that it has been harmed by government interference in the marketplace, and we would be the first to agree. But can the government guarantee everyone's credit?

The other hot idea the livestock people have been pushing is to reimpose quotas on meat imports. "There is simply no justification for permitting unlimited meat imports into our nation today," says Iowa's Sen. Richard Clark in urging same. Without realizing how foolish it sounds, the Senator also says "the administration can do more to encourage beef exports. Specifically, this country can accelerate negotiations with Canada that will lead to a lifting of the Canadian ban on beef imports." In other words, all those foreigners should stop sending us beef and we have to talk them into buying ours.

It is unfortunate that U.S. trading partners have been restricting meat imports, giving one excuse or another. The real reason is that just as there are now hoofbeats on Capitol Hill, livestock interests the world over have been stampeding their respective governments into protectionist, beggar-thy-neighbor policies. The price slump, after all, has been world-wide.

How nice it would be if the United States were in a position to express outrage at these practices. But the United States itself is the culprit. We're the main consumers of beef in the world; the world price rises and falls chiefly as a result of supply and demand here. During the last big price slump in livestock, Congress passed the Meat Import Quota Act of 1964, signaling the livestock producers abroad that there was only limited access to the biggest market.

When supplies tightened and quotas were lifted in June, 1972, the U.S. government thereby invited producers abroad to gear up again for this market. The price freeze last year not only confused the domestic industry, it confounded the foreign producers. How can we now blame them for wanting relief from the selfish and absurd stop-and-go policies of the U.S. government?

Enough is enough. The domestic livestock people, who are big boys, should recognize that government "assistance" is an illusion, that the inevitable effect of loan guarantees or import quotas is simply a deepening of the curves in the beef cycle. With no government interference at all, there would still be ups and downs in the industry. But it would take one of nature's worst catastrophes to trigger a boom and bust cycle of the kind of government fashioned these past few years.

Instead of caving in to the livestock lobby and starting the cycle again, the government should emphatically renounce these assistance schemes. If it does so with enough conviction, it might be in a position to persuade our wary trade partners that we can be trusted. They'd then have a better chance of resisting the pleas of their livestock interests and the nontariff barriers to trade can be negotiated away. Whether the cowboys believe it or not, the quickest way to get their industry back to health is to get themselves and their horses back on the range, or at least out of Washington, D.C.

[From New York Sunday News, June 30, 1974]

Another Pass at the Trough

Acting with indecent haste and absolute contempt for consumers, Congress is preparing a multibillion-dollar bonanza for livestock producers, poultrymen and the banks that finance them.

A bill that would provide our pampered cattlemen with an estimated $3 billion in federal loan guarantees already has whooshed through the Senate.

The House Agriculture Committee has okayed a $2 billion version of this welfare plan, expanding it to include raisers of everything that bawls, bleats, moos, squeals and cackles.

Reps. Peter Peyser (R-N.Y.) and George Brown Jr. (D-Calif.), were the sole members of the panel to stand up for consumers in the face of the farm-lobby steamroller.

Peyser will lead the floor fight against this outrageous grab, which is all the more galling because the noble herdsmen now sobbing for a government bail-out are the same people who made money hand over fist when meat prices soared out of sight last year.

Then, they told the buying public to trust in the free market to make things right. Now they want the game rigged again to their advantage.

With practiced skill, the managers of this monstrosity are jockeying it swiftly before the House to give Rep. Peyser, his allies and the people generally the least possible time to mount an effective opposition.

The consumers' hope rests with urban-area lawmakers, who have the votes to kill the grab, provided they stand together. If they fail to do so, the voters who put them in Washington would be eminently justified in conducting a wholesale purge come November.

[From the New York Times, June 28, 1974]

Cattlemen's Beef

Through all the months of skyrocketing beef prices, the free market had no stancher defenders than the nation's cattlemen. The law of supply and demand took on the status of Holy Writ in their argument against any Governmental interference with the right of the cow to jump over the moon when it came to prices.

Now that the cost of steaks and other cuts are moving down, these same cattlemen want the law of supply and demand repealed in favor of import quotas, Government-guaranteed emergency loans and other forms of protectionism aimed at keeping prices high.

Unfortunately, the drop in the wholesale price of steers at the feedlot from 46 to 35 cents a pound over the last year has benefited the consumer but little. Supermarket prices have declined much less than wholesale prices as a result of rising middlemen's costs and profits. After a further rise, they are barely back to the level that set off last year's housewives' strike.

But the ranchers and feedlot operators, who profited exorbitantly from high prices last year—and, gambling on still higher prices, raised production further—undoubtedly are in trouble now. Feed and other costs of production are up, while high-priced beef continues to meet the consumer resistance it deserves. Wholesale prices are down to the point where losses of $100 or more on each animal sold for slaughter are being taken by feedlot operators, as well as by the high income-tax-bracket investors whose search for tax shelters has provided an increasing part of feedlot capital in recent years.

As a result, Congressional servants of the cattle industry have pushed through the Senate an outrageous subsidy bill for Government-guaranteed loans of up to $350,000 per livestock operator—as compared with $20,000 in other farm programs. The bill would set an appalling precedent.

Furthermore, with desperate food shortages in many places abroad, there is no moral or economic justification for artificially restraining a drop in the output of grain-fed beef, which consumes more grain per unit of protein produced than any other important food source. The grain saved by a cutback in beef output could feed five times as many of the world's hungry millions as the beef that is foregone.

The Administration is waging a quiet but valiant battle in the House against some of the worst elements in the guaranteed-loan bill, after getting the Senate to delete an authorization of $3 billion for the program and to cut back the loan ceiling per livestock operator. Unless further, far more drastic revisions—for example, to benefit the family farmer alone, rather than the feedlot gamblers—are adopted, a Presidential veto will be essential to head off a scandalous steal out of the public treasury for purposes directly opposite to the public interest.

U.S. MAYORS AGREE ON URGENCY OF URBAN PROBLEMS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. BADILLO. Mr. Speaker, at the recent meeting of the U.S. conference of mayors held in San Diego, a great part of the discussion was devoted to contemporary urban problems whose solutions are beyond the resources of city governments but are not being met by other levels of government. I believe that one result of that San Diego convention will be intensified requests from city halls around the country for Federal assistance to help meet the needs of the major urban centers.

But to whom can the mayors address their concerns? If they communicate with those of us in Congress whose districts include all or parts of a city, we will have the same problem of inability to refer the interrelated urban concerns to any single forum dealing with these complex matters on a regional, comprehensive basis.

I submit that creation of a House Committee on Urban Affairs is necessary at this time to enable us to begin before it is too late to restore our great urban centers, and make them once again the focal point of commerce, the arts, and day-to-day living that they have traditionally been in this country, More and more officials at the city and State level are beginning to share this point of view, and I include here some of the recent letters I have received endorsing the proposal:

CITY OF GRAND RAPIDS, MICH.,
June 19, 1974.

Hon. HERMAN BADILLO,
Cannon Building, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN BADILLO: Thank you very much for your recent letter informing me of your proposed Committee on Urban Affairs.

I find myself generally in support of your proposal. However, I caution you not to promote this Committee as the sole Congressional body to deal with the urban crisis, for the concerns of American cities are of such complexity that no single committee would be able to give them adequate consideration. The partial centralization of Congressional response to urban problems which the proposed committee's jurisdiction implies is commendable; a more extensive centralization including education, crime, drugs and employment would be unwise.

I believe your committee would become an effective rallying point for urban congressmen. This would be its most important benefit.

Within the next few days, I will contact our Congressman, Richard Vander Veen, and indicate to him my support of your amendments.

Sincerely,

LYMAN S. PARKS, *Mayor.*

OFFICE OF THE MAYOR,
Trenton, N.J., June 21, 1974.

Hon. HERMAN BADILLO,
Cannon Office Building,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: I appreciate your writing to me about your proposal to establish a standing committee on Urban Affairs in the U.S. House of Representatives. As a Mayor, I certainly share your feeling that a better coordinated and stronger response to the many problems of our Nation's cities is needed at the Federal level. If the creation of a standing committee in the House with responsibility for all those matters affecting urban areas would help to provide this kind of response, then I am ready to support your proposal enthusiastically. I understand, however, that factors such as the make-up of a new committee, the aim of committee consolidation, as well as the timing of committee reform, must be taken into consideration before supporting such a proposal.

It is my understanding that members of your staff will be meeting with representatives from the National League of Cities/U.S. Conference of Mayors in early July. I would hope that all the considerations surrounding your proposal can be aired at that time.

Sincerely yours,

ARTHUR J. HOLLAND.

STATE OF ARKANSAS,
Little Rock, Ark., June 24, 1974.

Hon. HERMAN BADILLO,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR MR. BADILLO: I have your letter of June 19 with the enclosed page from the Congressional Record on the proposal to establish a standing House Committee on Urban Affairs.

While Arkansas has not experienced the intense urban sprawl of the Northeast, the problems of unbridled urban growth have begun to raise their ugly heads in several of our communities.

My initial reaction is to be against the proliferation of any further congressional committees, and yet, the problem you highlight is of considerable magnitude and certainly worthy of standing committee status. Assuming there is no other vehicle in the Congress to handle these problems, I heartily endorse your proposal.

Thank you for bringing the matter to my attention. I will follow its progress with great interest.

Kindest regards.

Sincerely,

DALE BUMPERS.

OFFICE OF THE MAYOR,
Berkeley, Calif., June 25, 1974.

Hon. HERMAN BADILLO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: Thank you for advising me of your proposal to establish a Standing Committee on Urban Affairs in the U. S. House of Representatives. I agree with you that something should be done to change the attitudes on important measures relating to aid for cities in education, housing, mass transit and other vital issues. Your amendment to the Bolling Committee's reform bill is a valuable step toward making these necessary changes. A committee on Urban Affairs would be the essential key.

I will be happy to be of service in any way possible in this endeavor.

Sincerely,

WARREN WIDENER,
Mayor.

TRIBUTE TO ADM. ELMO R. ZUMWALT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. DERWINSKI. Mr. Speaker, one of the most knowledgeable columnists of the Washington scene is Chicago Tribune's Bill Anderson, who in his earlier years as a news reporter covered the Pentagon beat.

He has followed very closely the performance of Adm. Elmo R. Zumwalt, Chief of Naval Operations, and in his column of June 28, Bill Anderson pays tribute to Admiral Zumwalt on the occasion of his retirement after a great career in the U.S. Navy.

From my contact with Admiral Zumwalt and my knowledge of his battle in the Pentagon, for change to modernizing the Navy, I am pleased to insert this column into the RECORD and I wish to extend my best wishes to Admiral Zumwalt on his retirement. He is an outstanding example of a naval officer who has served his country with courage, leadership, and vigor:

ZUMWALT LEAVING HIS CHANGED NAVY

(By Bill Anderson)

ANNAPOLIS, Md.—Adm. Elmo R. [Bud] Zumwalt steps aside here tomorrow as chief of naval operations with honors at the academy where he began as a young sailor 32 years ago.

Zumwalt's physical appearance casts him as an admiral. He is a big man, tall and rather stern-looking with bushy eyebrows. My guess is that he would have been a gentleman and a top professional without holding the rank of an officer. This is a view shared by many members of Congress and a very high percentage of the younger people serving in the Navy.

But some of the older brass, many of them retired—and determined to preserve, in today's nuclear Navy, traditions that were born in the days of sailing ships—hold opinions that don't rank Zumwalt that high professionally. The views of these would-be helmsmen developed largely because Zumwalt has shaken the personnel policies of the Navy right down to its bell-bottomed trousers.

In four years as the chief, Zumwalt has made life a great deal better for the enlisted personnel and opened doors of opportunity for junior officers as well—literally thousands of sailors who were calling it quits in the old Navy.

The admiral has led a special drive to give an equal break to the once-limited minorities—people like blacks and women. Family life is better in the Navy today because a huge effort has been made to reduce long, solitary tours at sea.

Yet, not even Zumwalt thinks the Navy is in as good condition as it should be. For example, we aren't replacing airplanes as fast as they wear out; we have given up 47 per cent of our surface ships in the last five years. A lot of our remaining ships are too old and in poor repair. On a real basis, the Russians continue to build while the United States slides.

At this moment it appears that the United States has given up its capability to control the seas; the possibility of success in the event of a confrontation with the Soviets declines each year. In a way, Zumwalt has been America's Winston Churchill because he has warned both Congress and the public of this erosion.

Yet the factors that have caused a general American military decline—political and social unrest in the aftermath of the Viet Nam War—have in some ways displayed the very real strength of Zumwalt to meet and match change.

From the very beginning, Zumwalt's career has been a series of firsts—and therefore tradition-breaking. He was a very junior naval officer at the end of World War II when his destroyer was the first American ship to reach Shanghai. There he met and married the beautiful Mouza Coutelais-du-Roche. Tradition had it in those days that a future chief of naval operations would likely be wed immediately upon graduation from Annapolis.

Many years later, in the War College, Zumwalt wrote a military posture statement so brilliant that it found its way to the desk of Paul H. Nitze, then the director of the International Security Affairs office of the Pentagon. When Nitze became Navy secretary, he took Zumwalt along as an aide. It was in this position that Capt. Zumwalt began to reshape once rejected budgets to enable the Navy to maintain a better posture than previously.

Zumwalt went off to Viet Nam [as the Navy's youngest admiral] to work on the line with the generations that fought the losing war. When he became the chief [also the youngest], Zumwalt wasn't very far removed from either the reality of officers' wardrooms, the cloakrooms of Congress, or the often restless and sometimes ugly mood of the fleet sailors.

A staggering 90 per cent of the enlisted ranks were getting out at the first opportunity when he took command. Maintenance suffered as men with critical specialties found a better life among civilians. Enlistments were also off, and education levels were far too low for operation of a computer-electronic fleet.

Against great opposition, Zumwalt initiated the personnel changes. He also found a lot of support. Today approximately 27 per cent of the first-termers are staying in—and therefore saving the taxpayers millions of dollars that would otherwise go for the cost of new training. The highly personal effort of Zumwalt [and others] in Congress to gain approval for the new Trident submarine gives promise of maintaining one element of this nation's strategic force.

We know from interviews that many sailors here—and around the world—will salute Zumwalt tomorrow with more than usual respect because he has fought for their dignity. In doing so, the 53-year-old admiral picked up a great deal more himself.

JUVENILE DELINQUENCY ACT OF 1974

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mrs. BURKE of California. Mr. Speaker, despite all of our present efforts the number of crimes committed by juvenile offenders is increasing at an astonishing rate. Criminal activity continues to serve many of our youth both as a misguided means of realizing their broken dreams for social and economic achievement and as an outlet for their expressions of frustration and dissatisfaction with the "establishment."

The existing system of juvenile justice has proven unequal to the growing number of crimes committed by our young people. The obvious ineffectiveness of existing programs has surfaced at every level of Government. Federal, State, and local officials agree that changes must be made. Part of the problem, I am sure, lies in the lack of coordination and long-range planning among the various programs and public agencies working on this critical problem.

Once a youth receives the label "delinquent" he wears a badge which serves as a pass to an almost endless cycle of lifelong confrontations with our criminal justice system. He receives little help in the way of education or psychological counseling, and emerges from so-called rehabilitation programs no better prepared to cope with the realities and responsibilities of day-to-day living in our society. In reality, many of our institutions of juvenile justice serve only as preparatory schools for hardened criminals.

In the Los Angeles area, more than one-third of all serious crimes are committed by juveniles. This figure represents serious violations of law, not minor infractions one might attribute to the impetuousness of youth. The proliferation of youth gangs in Los Angeles is further compounding these statistics and providing organized structures which often encourage and give impetus to criminal conduct.

Young people in Los Angeles and across this Nation are committing large numbers of burglaries, armed robberies, felonious assaults, and even murders—crimes once almost totally limited to adult offenders.

The problem is not simply one of law enforcement and rehabilitation programs, but even more importantly, it is one of prevention. The bulk of moneys presently spent in juvenile delinquency is not spent in this area. The existing Federal programs administered under the Law Enforcement Assistance Association have failed in this regard. It devotes less than 15 percent of its budget to "preventive" programs.

Los Angeles has over 370 social service agencies dealing with youth, but the bulk of available Federal funds goes not to these groups, but rather to the police department for enforcement and the probation department for rehabilitation. Programs of prevention, enforcement, and rehabilitation, while of obvious importance, cannot hope to solve the problem alone. We must give more emphasis to the goal of removing the root causes of crime—inadequate education, unemployment, substandard housing, and related environmental factors—problems which predominate in our central cities.

The Juvenile Delinquency Prevention Act of 1974 makes a significant step toward dealing with this growing crisis. This legislation will provide a more realistic level of funding for programs aimed at prevention rather than reactionary punishment. This bill will encourage the development of new and innovative programs aimed at reversing present trends and ultimately solve this problem rather than merely checking its growth.

The future of this country is its youth. If the problem of juvenile crime is not solved it will grow like a cancer which may ultimately consume and destroy us and our way of life. The old adage "an ounce of prevention is worth a pound of cure" was never more true than in the area of juvenile crime.

In conclusion, I would offer the suggestion that our behavior as legislators bears directly on the problem of abating juvenile delinquency in this country. So long as our youth see their Government and Government leadership as corrupt, we can expect their behavior to be adversely affected. For our part as legislators, it is my hope that we demonstrate so fine a quality of moral leadership that we would want our young people to follow it.

CONSERVE USE OF ENERGY

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. OWENS. Mr. Speaker, over the past few months, concern over the energy crisis has seemed to dwindle. Now that the immediate shortage is over, people seem ready to revert to the old habits. I think it is clear, though, that we must continue to conserve our use of energy until we are not primarily dependent on other countries for our supply. Foremost in this area is the need to restrict our consumption of automobile fuel.

When the 55-mile-per-hour speed limit was established in most States, skepticism was widespread. But anyone who has personally observed this measure can verify that strikingly better mileage results. In addition, there has been a marked decrease in automobile accidents and fatalities.

KSL Television of Salt Lake City concerned themselves with the same subject last week in one of their editorials. I think that their message bears repeating:

SHOULD WE KEEP THE 55-MILE-PER-HOUR SPEED LIMIT?

There has been a great deal of talk about the 55 mile-per-hour speed limit. The reason for that speed limit still exists; we have not solved the energy shortage. Gasoline could easily be in short supply again—and soon.

However, we would like to make a few observations. When the law went into effect in January, people obeyed it. Now, many of them don't. They must feel we have plenty of gasoline. We don't. Utah Highway Patrol officers are writing twice as many tickets and KSL commends them for their diligence.

The question is: Should we forget we have a serious gasoline problem and change the law because so many people are breaking it? Not a very good reason. But there are several good reasons to keep the 55 mile speed limit and to enforce it. The Highway Patrol reports that at this time last year, there had been 18,000 accidents. So far this year, there have been 12,600 . . . a reduction of 30 per cent. Highway fatalities were 151; now they number 80 . . . a 47 per cent reduction.

KSL believes we should keep the 55 mile-an-hour speed limit at least until our nation is energy self-sufficient! And then make it permanent if we haven't learned how to stop the needless slaughter and suffering caused by automobile accidents.

NEW FLIGHT PAY LEGISLATION AND THE PENTAGON

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ASPIN. Mr. Speaker, the Pentagon has attempted to "weasle out" of obeying a congressional directive ordering the Defense Department to give enlisted men 120 days' notice before they lose special bonus pay given to flight crew members. Mr. Speaker, the Pentagon is stomping on the rights of enlisted men.

Earlier this year when the Congress approved new flight pay legislation the House Armed Services Committee in its report accompanying the bill directed the Pentagon to issue a binding regulation guaranteeing enlisted men 120 days' notice before they lose their flight pay. Enlisted men receive flight pay only when they are actively serving as a flight crew member while officers receive flight pay whether they are in a flying job or not.

In its report the House Armed Services Committee stated:

> The Committee wants its intention (of giving 120-day notice to enlisted men) very clearly understood. It wants such a regulation placed into effect on a priority basis and it wishes to be informed of any delay. . . .

Now, according to a Pentagon letter which has been received by the committee, the Defense Department says that it will only provide the 120-day notice to enlisted men who are losing their bonus flight pay "to the extent practicable."

According to the Pentagon letter written by Lt. Gen. Leo Benade, Deputy Assistant Defense Secretary for Military Personnel Policy, the 120-day notice is "somewhat unrealistic."

The Pentagon plans to exclude entirely from the 120-day notice enlisted men receiving bonus flight pay who lose it for medical reasons or are on flight duty on a month-to-month basis. The Pentagon also claims that shortages in some units and extra men in other units make it difficult to give every enlisted man 120 days' notice before he is removed from flight pay. The letter states that while 120-day notice is usually possible for overseas assignments, transfers within the United States will allow for only 90 days' notice.

In addition, even though Congress ordered the Pentagon to issue a binding directive guaranteeing the 120-day notice, the Pentagon states in its letter that they plan to issue a much more informal and nonbinding "policy memorandum." Apparently the Pentagon is attempting to weasle out of obeying this clear congressional directive. They are out to shaft the enlisted men. When it is inconvenient to give the required notice to the enlisted men losing flight pay, the Pentagon simply will not bother to do it.

Mr. Speaker, the distinguished chairman of the House Armed Service Committee, the gentleman from Louisiana (Mr. HÉBERT) has told the Pentagon in response to their letter that, "I believe we can accept your approach as consistent with the intent of the committee" unless the subcommittee which considered the flight pay bonus objects. As a member of the subcommittee, I, for one, do object. The Pentagon is trying to cheat the enlisted men out of a benefit ordered by Congress. It is very unfair to the enlisted men who have much lower salaries than the officers to be thrown off flight pay without any notice. When the Pentagon was arguing for continuous flight pay for officers they said that any cutoff of pay for the officers made it difficult for the officers to manage their finances. With lower salaries, flight pay is a relatively bigger chunk of any enlisted men's salary and its loss could mean real financial hardship for the enlisted man.

Flight pay for enlisted men ranges between $55 to $105 per month depending on rank and length of service. Officer flight pay ranges from $100 to $245 per month, again depending on rank and years of service.

The purpose of the 12-day cutoff notice is to give the lower paid enlisted men some warning that his takehome pay will be cut. The Pentagon should simply do what Congress intended and obey the language of the committee report.

POWERPLANTS AND THE PUBLIC

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. HAMILTON. Mr. Speaker, it has come to my attention that as many as five powerplants, both nuclear and conventional, are planned for construction in the general vicinity of Madison, Ind. In most cases, the utilities are still acquiring options on the land or have just completed that process.

Of course, Madison area residents are interested in these powerplants which will affect the future of southern Indiana, and many wonder how the public may provide input into decisions surrounding construction of these plants.

Recently I sent letters to a number of Federal agencies and Indiana and Kentucky State agencies, and asked them to describe any ways in which citizens may make known their views on these powerplants. I am inserting applicable portions of their responses:

U.S. DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D.C., May 24, 1974.

Hon. LEE H. HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: This is in reply to your letter of May 15, 1974, concerning powerplants planned along the Ohio River near Madison, Indiana. REA would be involved with those plants only if our borrowers were also involved, and neither our Indiana nor Kentucky borrowers have any plans to build generating plants in the Madison area.

Information concerning generating plants planned for the Madison area may be obtained from the Indiana Public Service Commission in Indianapolis or the Federal Power Commission here in Washington.

We understand that the Public Service Company of Indiana has plans for a two unit nuclear plant in the Madison area. Information concerning this plant and the public hearings that are required in the licensing process could be obtained from the Company or the Atomic Energy Commission.

Please let us know if we can be of further assistance.

Sincerely,

DAVID A. HAMIL,
Administrator.

FEDERAL POWER COMMISSION,
Washington, D.C., June 7, 1974.

Hon. LEE H. HAMILTON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HAMILTON:

* * * * *

Under the Federal Power Act, the Federal Power Commission has jurisdiction over the licensing of non-Federal hydroelectric power plants and transmission facilities directly associated with such plants. The Commission's regulations provide that a hearing upon an application for a license to construct such a plant may be ordered by the Commission, either upon its own motion or upon the motion of any party in interest. The courts and the Commission have construed "party in interest" very liberally in order to allow participation of the type to which you refer. However, the Federal Power Act does not give this Commission authority to license nuclear or fossil fueled electric power plants.

Nuclear electric power plants are subject to licensing by the U.S. Atomic Energy Commission, and it is its practice to hold public hearings as a part of its licensing procedure, generally at a location close to the site of the facilities proposed. AEC also invites written comments from Federal, State and local agencies and interested members of the public, on the draft environmental statements which describe in detail proposed nuclear projects.

In some states, a certificate of convenience and necessity is required from the state public utility commission before construction can start of a fossil or nuclear power plant. The Indiana Public Service Commission does not have the authority to require a certificate for construction of power plants in that state, however it may be advisable for interested parties to express their interest to that

Commission because of its authority in related matters.

Some utilities follow a practice of advising the public of its major construction plans, and we are informed that Public Service Company of Indiana has held several public informational meetings with regard to two nuclear power plants it proposes to build south of Madison, Indiana. These plants are tentatively scheduled for completion in 1983 and 1984. * * *

Very truly yours,

T. A. PHILLIPS,
Chief, Bureau of Power.

ATOMIC ENERGY COMMISSION,
Washington, D.C., June 5, 1974.

Hon. LEE H. HAMILTON,
House of Representatives.

DEAR MR. HAMILTON: Chairman Ray has asked me to respond to your letter of May 14, 1974, concerning the possible construction of five power plants, both nuclear and conventional, in the vicinity of Madison, Indiana, on the Ohio River. At the present time the Atomic Energy Commission does not have any information with respect to proposed nuclear power plants in the vicinity you mentioned. However, the American Electric Power Company advised us in January, 1974, that they have joined with the General Atomic Company to design a standardized high temperature gas-cooled reactor and that this design is expected to lead to the construction of a series of nuclear power stations by operating subsidiaries of the American Electric Power Company and possibly by other utility companies. Plans as to the number of units, site locations, and participation by other utilities are not yet final. American Electric Power Company is looking at several sites acceptable for this type of standardized plant and plans to submit site information to the AEC by the end of this year. There is usually a lapse of a considerable amount of time between selection of a site for a nuclear power plant and the filing of an application because of the voluminous amount of information which must be included for the AEC regulatory review with respect to both radiological safety and environmental impact.

There are several ways in which interested members of the public are kept informed of a proposed nuclear power plant and allowed to participate in the AEC licensing process. As soon as an application for a construction permit is received, copies are placed in the AEC Public Document Room in Washington, D.C. and in a facility, such as a public library, which is established near the proposed site. Copies of all future correspondence and filings relating to the application are placed in these locations and are available to every member of the public. Also, a press release announcing receipt of the application is issued by the AEC. If the application satisfies AEC requirements for a detailed review it is accepted and a notice of its receipt is published in the Federal Register. Copies of the application are sent also to Federal, State, and local officials.

The law requires that a public hearing be held before a permit may be issued for the construction of a nuclear power plant. After an application is accepted for review the AEC will issue and have published in the Federal Register a notice of the hearing which will be held after completion of the safety and environmental reviews. In addition, the hearing is advertised in several newspapers in the vicinity of the proposed facility and a public announcement is issued. The notice of hearing explains that interested members of the public may participate in the hearing by submitting written statements to be entered into the public record, by appearing to give direct statements as limited participants in the hearing, or by petitioning for leave to intervene as full participants in the hearing. At an early stage in the review process potential intervenors are invited to meet informally and discuss with the AEC Regulatory staff their concerns with respect to the proposed facility. * * *

Sincerely,

WILLIAM O. DOUB,
Commissioner.

ENVIRONMENTAL PROTECTION AGENCY,
June 5, 1974.

Hon. LEE H. HAMILTON,
House of Representatives,
Washington, D.C.

DEAR MR HAMILTON: Your recent letter to Mr. Russell E. Train concerning power plants along the Ohio River near Madison, Indiana was referred to our office for reply.

Please note that we have had a recent inquiry from Mr. A. Neil York, Executive Vice President, Greater Madison Chamber of Commerce. Mr. York's questions also concerned the siting of power facilities in that area, and we have attached a copy of our response.

The letter and attachments sent to Mr. York summarize the applicable laws, Federal standards and opportunities for citizen involvement.

In addition, we have recently completed a contract with Argonne National Laboratory which specifically addresses the impact of thermal discharges from power plants on the Ohio River. We anticipate that the final report will be printed by mid-July and we will be most happy to send you a copy. National Pollution Discharge Elimination System (NPDES) permits for water discharges from power plants along the Ohio River will be issued in the coming months. Public notices for these permits may be obtained from: Permit Branch, Environmental Protection Agency, 1 North Wacker Drive, Chicago, Illinois 60606.

These notices provide a 30-day period for public comment. In addition, a citizen may request a public hearing to address specific issues in the permit. It would certainly be appropriate for citizens of Madison and other affected areas to receive and comment on these permits. New power plants (those not yet constructed) will be required to meet applicable sections of state and Federal law as outlined in our letter to Mr. York.

If you have any further questions or would like any additional information, please let us know. Thank you for your inquiry.

Sincerely yours,

VALDAS V. ADAMKUS,
Acting Regional Administrator.

MAY 13, 1974.

Mr. A. NEIL YORK,
Executive Vice President, Greater Madison Chamber of Commerce, Madison, Ind.

DEAR MR. YORK: Your letter of April 9 concerning power plant developments in your area was referred to our office for reply.

With regard to the air questions you have raised, further information would be required before an adequate assessment could be made. Data on facility location, boiler size, fuel utilized and control equipment would be necessary for a complete technical analysis. Generally it can be said that the proposed concentration of power plants may have significant impact on air quality standards, thus a detailed analysis is a must before the proposals are finalized.

New power plants are subject to two requirements which may be of interest to you. The first is that new sources must receive approval from the respective state air pollution control agencies that such facilities will not interfere with the achievement or maintenance of the air quality standards. Contact on the appropriate review procedures should be made to the following agencies: Division of Air Pollution Control, Indiana Air Pollution Control Board, 1330 West Michigan Avenue, Indianapolis, Indiana 46206; Division of Air Pollution, Kentucky Department of Natural Resources & Environmental Protection, Capitol Plaza Tower, Frankfort, Kentucky 40601.

The second requirement deals with the Federal new source performance standards for fossil fired power plants. New sources must comply with the emission limitation upon start-up of the facilities.

With regard to the possible overheating of the Ohio River due to the large thermal discharges, we note that many of the new power plants are planning offstream cooling facilities. New power plants will be required to meet Federal New Source Performance Standards for steam electric power plants. The standards which have been proposed (they are not final yet) would require offstream cooling facilities. There is, however, a section of the Federal Water Pollution Control Act, Section 316(a), which allows a company an exemption from these requirements if the company can demonstrate that some alternate effluent system (i.e., once through cooling), will allow for the protection and propagation of aquatic life.

In addition, some existing power plants may also be required to go to offstream cooling under the proposed effluent guidelines. The application of these proposed guidelines to existing sources depends on several different factors including the age of the plant, size, and percentage of time it operates.

Both existing and new plants will, in addition, be required to meet the Indiana Water Quality Standards for the Ohio River including those standards for temperature. The 316(a) exemption described above also applies to existing sources. That is, if an existing plant can show that its thermal discharge allows for the protection and propagation of aquatic life, some less stringent requirement can be applied.

We will soon be preparing National Pollution Discharge Elimination System (NPDES) permits for those power plants along the Indiana portion of the Ohio River. * * *

If you have any additional questions or would like additional information, please write again.

Very truly yours,

DALE S. BRYSON,
Deputy Director, Enforcement Division.

ARMY CORPS OF ENGINEERS,
May 31, 1974.

Hon. LEE H. HAMILTON,
House of Representatives,
Washingon, D.C.

DEAR MR. HAMILTON: Your letter dated 14 May 1974 to Mr. Rogers C. B. Morton concerning approval for construction of power plants has been referred to this office for our response.

The following comments describe procedures pertinent to Corps of Engineers issuance of Department of Army permits in connection with construction of nuclear and fossil fuel power plants on navigable waters such as the Ohio River. Comments in regard to authority for construction of hydroelectric power projects are also included.

The basis for the Corps of Engineers involvement with both nuclear and fossil fuel plants is the requirement for approval of structures in or affecting navigable waters of the United States or for disposal of dredged or fill material in navigable waters. Such approval is granted through issuance of a Department of Army permit. The procedure in the case of approval for disposal of material requires notice and opportunity for public hearing. In the case of approval of structures, a public hearing is not required by law but a public meeting may be held if indicated to be warranted on the basis of response to public notice. Further opportunity for public participation is afforded by procedures associated with preparation and filing of environmental impact statements if one is required.

In addition, State and local governmental agencies could, to varying degrees, be involved in approval for construction and operation of power plants. Also, in the absence of federal authority, State and local agencies may be the appropriate entities for consideration of the public interest in power plant siting.

Your letter does not appear to refer to hydroelectric power projects and I have no knowledge of any proposals for hydroelectric power plants on the Ohio River in the immediate vicinity of Madison, Indiana. However, as a matter of information, construction of hydro projects on navigable streams, if by non-federal entities, would require a license issued by the Federal Power Commission. Public notice of an application for license is issued by F.P.C. and in addition, the application is referred to interested agencies for comments and recommendations. Corps of Engineers construction of hydroelectric power facilities at Corps projects on the Ohio River would not require an F.P.C. license but the views of interested parties would be obtained under Corps procedures.

Inquires regarding Corps activities in the vicinity of Madison, Indiana should be referred to the Corps of Engineers District Engineer, Louisville, Kentucky.

I hope this information will be of value with respect to providing information of interest to your constituents.

Sincerely yours,

EARLY J. RUSH III,
Colonel, Corps of Engineers, Assistant Director of Civil Works, Upper Mississippi

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THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., June 24, 1974.

Hon. LEE H. HAMILTON,
House of Representatives,
Washington, D.C.

DEAR MR. HAMILTON: Thank you for your letter of May 15 inquiring about citizen participation with regard to the siting of power plants in the Madison area. This Department is not directly involved in approving the construction or operation of power plants. Such decisions are the responsibility of the Federal Power Commission and, in the case of nuclear plants, the Atomic Energy Commission. Both of these agencies have procedures that permit some public participation at various points within the decision-making process.

This Department does provide comments on the siting, development and operation of power plants, primarily through the Environmental Impact Statement process. Such Statements are written by the Federal agencies bearing primary responsibility for the action. Hopefully, the agencies involved will make the necessary arrangements for the public to review the cumulative impact of the five plants as well as the effects of each individual plant.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

PUBLIC SERVICE COMMISSION,
Indianapolis, Ind., May 22, 1974.

Hon. LEE H. HAMILTON,
U.S. Post Office,
Columbus, Ind.

DEAR CONGRESSMAN HAMILTON: . . . This Commission has historically held that it has no jurisdiction to approve or disapprove of plant location, although in all fairness I must say that there has not been complete unanimity of opinion among the Commission members over the years with respect to this problem. I have enclosed a copy of the most recent order of the Public Service Commission relating to the jurisdiction of the Commission in this area.

Any utility planning construction of a new plant naturally has to obtain the necessary approval of those bodies which do have statutory jurisdiction to approve or disapprove of plant location and construction, such as the various zoning authorities, Stream Pollution Control Board, Environmental Management Board, etc.

Yours very truly,

LARRY J. WALLACE,
Chairman.

STATE BOARD OF HEALTH,
Indianapolis, Ind., May 24, 1974.

Re Power Plant Siting.

Hon. LEE H. HAMILTON,
House of Representatives, Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN HAMILTON: This acknowledges your letter of May 15, 1974, relative to subject matter. This will serve to acknowledge similar letters directed to the Air Pollution Control Board and the Stream Pollution Control Board. We have responded to the Madison Chamber of Commerce's questions on this matter.

This office is concerned with the number of proposed plants along the Ohio adjacent to Indiana. The staff has met with two Indiana companies (Indianapolis Power & Light Company and Public Service Indiana) concerning proposed locations near Rising Sun and downstream from Madison. In addition, Indiana representatives to ORSANCO proposed that a study be undertaken of all existing and proposed plants along the Ohio River with respect to environmental factors. The ORSANCO staff, in cooperation with the Power Industry Advisory Committee to OR SANCO, is to undertake this study at once.

The Stream Pollution Control Board is concerned with discharges to watercourses with respect to temperature, water quality and consumptive use of water. Residents adjacent to proposed plants may offer comments to the Stream Board relative to these concerns. In addition the Environmental Management Board and the Air Pollution Control Board are responsible for other environmental concerns including air quality. Comment on all concerns registered with the State Board of Health will be directed to the proper Board.

We do not anticipate scheduling public hearings on this matter. However, if projects are to be considered by one of the above mentioned Boards, we will advise the local community so that requests for appearances may be made.

Sincerely,

WILLIAM T. PAYNTER, M.D.,
State Health Commissioner, Indiana State Board of Health.

DEPARTMENT OF NATURAL RESOURCES,
Indianapolis, Ind., May 20, 1974.

Hon. LEE H. HAMILTON,
House of Representatives, Rayburn Building, Washington, D.C.

DEAR Mr. HAMILTON: This is in response to your letter of May 15, 1974 expressing the concern of citizens of the Madison, Indiana area relative to planned and potential power plant development in the general vicinity of Madison.

As you know, the 1,303,560 KW Clifty Creek plant of the Indiana-Kentucky Electric Corporation is presently located at Madison and the 500,000 KW Ghent plant of Kentucky Utilities Company is located upstream at Ghent, Kentucky (opposite Switzerland County).

Public Service Indiana has acquired the "Marble Hill" site about six miles downstream from Madison and has announced its plans for construction of a nuclear plant thereon. At least one other Indiana utility is investigating potential sites in the general vicinity. We do not have specific knowledge of plans or proposals for plants on the Kentucky side of the river, but understand that such do exist.

The authority of this Department, through its Natural Resources Commission, relates to two general areas of power plant development. These are (1) the withdrawal of water from navigable streams (generally for cooling purposes) and (2) any plant construction in the floodway of a river or stream. This authority is exercised through a permit system.

The Commission does not normally hold "public hearings" in the usual sense of the word on permit matters, although it could do so if deemed necessary or desirable. Consideration of permit matters is normally handled at the regular monthly meetings of the Commission, at which any citizen has the right, and will be given the opportunity, to be heard on any given matter under consideration.

No formal applications for permit have yet been filed by any utility for a new plant in the Madison area and thus no time can be given as to when they will be considered by the Commission. However, any citizen may at any time request to be notified in advance of the date of Commission consideration and we will provide adequate notice so that they may be heard.

In addition to approvals by the Natural Resources Commission, permits from the Indiana Stream Pollution Control Board (with respect to water quality and solid waste disposal), the Indiana Air Pollution Control Board, and the Environmental Management Board (with respect to radiation control for nuclear plants) are also required and all these Boards provide for citizens to be heard.

Sincerely yours,

JOSEPH D. CLOUD, *Director.*

PUBLIC SERVICE COMMISSION,
Frankfort, Ky., May 17, 1974.

Congressman LEE H. HAMILTON,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN HAMILTON: Chairman William A. Logan has requested that the undersigned respond to your letter of May 15, 1974, concerning the possible construction of power plants in the vicinity of Madison, Indiana.

A utility seeking to construct such facilities in Kentucky would be required to obtain a Certificate of Convenience and Necessity from this agency—that is, authority to build the power plant. The hearing would be held at which time the Commission would consider the demand and need of service and the economic and engineering feasibility.

* * * * *

We will keep you advised.

Yours very truly,

RICHARD D. HEMAN, Jr.,
Secretary.

BUREAU OF ENVIRONMENTAL QUALITY,
Frankfort, Ky., May 31, 1974.

Hon. LEE H. HAMILTON,
Congress of the United States, House of Representatives, Rayburn Building, Washington, D.C.

DEAR MR. HAMILTON: This is in response to your letter of May 15, 1974, concerning the construction and operation of electrical generating facilities within the Commonwealth of Kentucky. At the present time our Division of Air Pollution has regulations which provide the complete review of all plans and specifications of a proposed power plant. It must be determined that the construction or modification of any such facility will be consistent with all ambient air quality standards both primary and secondary prior to the issuance of the mandatory construction permit. It is my understanding that most states have similar regulatory provisions.

Presently there are no pending applications for construction permits to construct their electrical power generating stations in Kentucky, however, I have heard talk regarding the construction of several. With regard to public participation of public hearings, it is my understanding that prior to the issuance of any construction permit regarding a point source of this nature that federal regulations require a period for public comment. There are no public hearings scheduled at this time because as stated above we have no official knowledge of proposed construction.

If I can be of further assistance to you in this matter, please do not hesitate to advise.

Sincerely yours,

HERMAN D. REGAN, Jr.,
Commissioner, Bureau of Environmental Quality.

AIR FORCE CONTRADICTIONS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ASPIN. Mr. Speaker, the Pentagon has given Congress contradictory and misleading information on the capabilities of a new, highly effective jet fighter—the Enforcer—which is an attractive alternative to A-10 close-air-support aircraft.

Recently released House Armed Services Committee testimony about the Enforcer presented by Air Force Gen. W. J. Evans is so misleading and in part, untrue, that I have no choice but to conclude that his actions were deliberate.

Each Enforcer costs slightly more than $1 million while the cost of the A-10 is $3.4 million per aircraft. Current Air Force plans include a buy of 729 A-10's to support ground combat troops at a total cost of approximately $2.4 billion.

Mr. Speaker, General Evans told the House Armed Services Committee on April 5 that "the range of the aircraft—the Enforcer—is limited." But, Mr. Speaker, I am publicly releasing an Air Force factsheet on the Enforcer which shows that its aircraft's range is 3,075 miles—475 miles greater than the range of the A-10.

General Evans also complained that the Enforcer could not take off from short runways. The same Air Force factsheet shows that the Enforcer needs only 1,100 feet to take off compared to the A-10's 3,020 feet.

I am publicly releasing a detailed summary of all the major contradictions in the various Air Force presentations on Enforcer, including the aircraft's speed, landing distance, and number of bomb stations. With so much contradictory evidence produced by the Air Force, it seems clear that the case of the Enforcer and its rival, the A-10, should be reviewed. One possibility would be for the Air Force to conduct a flyoff between the two planes to determine which one, given its cost, would be the most effective. Since each A-10 is three times more expensive than the Enforcer, the Enforcer seems to be an attractive alternative to the A-10. In fact, I think it may be difficult for the Air Force to prove that the A-10 is three times better than the Enforcer.

The Enforcer which is a single-engine jet prop, was developed by Florida publisher David Lindsay. Deputy Defense Secretary William Clements recently said that the Enforcer had "met the general performance claims made by the offeror." Mr. Clements' statement further confuses the issue because Lindsay has claimed that the Enforcer has a maximum speed of 403 knots per hour—faster than the A-10—while the Air Force says the Enforcer flies 330 knots per hour—slower than the A-10.

The only way for the Congress to determine the facts is to order a complete series of flight tests for the Enforcer and compare it to the A-10.

As many of my colleagues know, Defense Secretary James R. Schlesinger has suggested that the Pentagon should buy cheaper, more simple weapons. The Enforcer may just fit the bill for a highly effective and relatively cheap aircraft.

The Air Force's contradictions follow:

AIR FORCE CONTRADICTIONS

RANGE

Air Force Statement: "The range of the aircraft is limited." (Gen. Evans, House Armed Services Subcommittee, April 5, 1974).

Contradiction: Enforcer range is greater (3075 miles) compared to A-10's (2600 miles). (Air Force Fact Sheet, June 1974).

SURVIVABILITY

Air Force Statement: Q: Does it (Enforcer) have less survivability than the A-7?

A: I would say yes. (Gen. Evans, House Armed Services Subcommittee, April 5, 1974).

Contradiction: Detailed study by Joint Technical Co-Ordinate Group of the Naval Air Systems Command reveals that the Enforcer is less vulnerable to 23mm, 57mm and SA7 missile than A-7. (DDR&E Fact Sheet, June 1974).

TAKE-OFF

Air Force Statement: "The ability to take off from unimproved short strips with heavy bomb load is extremely limited." (Gen. Evans, House Armed Services Subcommittee, April 5, 1974).

Contradiction: Enforcer take-off distance (at full weight) is 1100 ft. compared to 3020 ft. for A-10. (Air Force Fact Sheet, June 1974).

MAXIMUM SPEED

Air Force Statement: Enforcer's maximum speed is 330 knots—slower than the A-10. (Air Force Fact Sheet, June 1974).

Contradiction: Enforcer's maximum speed is 403 knots—faster than the A-10 maximum speed of 390 knots. (David Lindsay, Enforcer Developer).

LANDING DISTANCE

Air Force Statement: Landing distance is 3000 ft. for the Enforcer at maximum weight—longer than A-10's of 2140 ft. (Air Force Fact Sheet, June 1974).

Contradiction: At normal landing weight Enforcer needs a shorter runway (880 ft.) compared to 1050 ft. for A-10. (Data provided by Air Force Office of Legislative Affairs, June 1974).

ENGINE

Air Force Statement: Enforcer will be powered by 3445 horsepower engine. (Air Force Fact Sheet, June 1974).

Contradiction: Enforcer will be powered with 2950 horsepower engine. (David Lindsay, Enforcer Developer).

BOMB STATIONS

Air Force Statement: Enforcer has 6 bomb stations. (Air Force Fact Sheet, June 1974).

Contradiction: Enforcer has 10 bomb stations. (From Air Force Office of Legislative Affairs, June 1974).

72.5 PERCENT SAY PRESIDENT SHOULD STAY

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. LANDGREBE. Mr. Speaker, a poll taken recently by the Lafayette, Ind., Journal and Courier resulted in a tremendous show of support for the President. Recent actions of the Democratic members of the Judiciary Committee will no doubt strengthen the view, present in this poll, that the Watergate investigation has been a biased, vengeful attack on President Nixon and a denial of the accomplishments of his administration. I refer to the Judiciary Committee's attempt to waive the 5-minute rule for questioning impeachment hearing witnesses, Chairman RODINO's alleged comment that all 21 of the committee's Democrats would, in his estimation, support a vote of impeachment, and the refusal of the Democrats to summon all 6 of the witnesses recommended by James St. Clair, defense counsel.

I call the attention of my colleagues to the June 10 poll by quoting excerpts from the Journal and Courier. Special note should be taken of the student poll.

EXCERPTS FROM POLL

(By Robert Kriebel)

This is still Nixon Country.

Not much question about it when you sift through responses to the Journal and Courier's June 10 ballot on the question: "What Do You Think of Nixon Now?"

Out of 1,574 replies, a total of 1,143 said Nixon should stay on the job.

That's 72.5 per cent.

A total of 362 persons turned in ballots saying that President Nixon should be the object of impeachment proceedings by the Congress. This represented 23.1 per cent of those who returned ballots.

And 69 readers said the President should resign, or 4.4 per cent.

And in over 150 accompanying notes, cards and letters explaining ballots, readers went on to say Nixon has been an excellent President and critics should get off his back.

Many respondents said they felt Democrats in Congress, Communists, and the news media have combined to force the issue of Watergate into far more prominence than it is worth, and that too few people recognize Nixon Administration accomplishments or show a willingness to face real domestic issues like the rising cost of living or energy shortages.

"Never have we had a President that has done as much for our country or has been treated so dirty," one reader said.

"We appreciate what our President has done so far," wrote another. "Such as peace with honor in Vietnam, bringing home POWs, ending the draft and the leadership for world peace, to name a few."

"Last year at this time, in response to your poll," another reader wrote, "I was in full support of President Nixon.

"Today my position has not changed. There have been many new revelations since last year and I must confess I have had doubts of President Nixon's innocence several times.

"But these short moments of doubt have always been followed by long periods of full trust and confidence in my President."

A man and wife in a joint letter from Fowler wrote: "We think the President is a great one, and it (Watergate) is all political.

The news media and television are so unfair to him, especially the 'Today' television program."

"Since we take only one Journal and Courier my husband used the ballot provided," one woman wrote. "I would also like to vote and say STAY ON THE JOB! I am sick, sick, sick of Watergate."

A West Lafayette reader wrote: "It was with great wisdom and statesmanship that the founders of our great country divided the powers of government into executive, legislative and judicial departments.

"But today, not yet 200 years from our founding, our people in Washington, in fact government people everywhere, are not statesmen at all, but are a bunch of vulture-like politicians engaged in a struggle for power and picking the meat from each other's bones.

"President Nixon should stay on the job and defend the office to which he was elected."

And a Kentland woman opined: "I would like to see everyone who is investigating Mr. Nixon investigated also. So far as I know, only one perfect man has walked this earth. Right?"

Another subscriber wrote from Lafayette: "Congress should get off his back! I can't see why the taxpayers have to pay all those men to nit-pick at the President."

The heavy support for President Nixon almost duplicated the results of a Journal and Courier reader survey in June, 1973. In that one, 1,106 persons sent in ballots with 801, or 72.4 per cent, saying the President should stay on the job.

A year ago 193 persons called for resignation compared to 69 this year. Last year 112 persons recommended impeachment compared to 360 this year.

Both surveys were conducted on the same basis—that of a "straw vote" by interested readers. Neither, consequently, necessarily reflects what a more scientific sample of area residents might show.

And as in 1973, the poll itself was the object of a few comments.

One woman wrote: "May I stand up and cheer? Once for my country, once for my President, and once for the Journal and Courier for publishing this ballot for the little people."

STUDENT POLL BACKS NIXON, TOO

Lafayette area students responding to a poll favor President Nixon's staying in office.

The students took part in a nationwide student opinion poll on the question. In the Lafayette area, about 53.5 per cent favored the President's remaining in office, while 8.5 per cent were undecided.

The survey indicates that young people in this area are somewhat more favorably disposed toward the President than are students nationwide.

More than 130,000 students in all parts of the nation took part in the poll. The vast majority of the students are in grades 5 through 12.

Nationwide, students seem evenly split on the question. About 41.6 per cent felt Mr. Nixon should remain in office, 42 per cent thought it would be best for the country if he were out of office, and 16.4 per cent were undecided.

The poll was conducted by the Journal and Courier and 220 other daily newspapers in cooperation with Visual Education Consultants, Inc., of Madison, Wisconsin. The survey was part of a current events program that these newspapers give to schools in their areas. The Journal and Courier provides the program to 10 schools in this area. The program includes weekly filmstrips of news photos, together with discussion materials written on several levels of difficulty, for students of varying ages.

THE CONSIDERATION OF MAJOR COMMITTEE REORGANIZATION BLOCKED

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. McCOLLISTER. Mr. Speaker, arbitrary and dictatorial action by less than half the 247 Members of the Democratic caucus has blocked consideration of major committee reorganization which would make the Select Committee on Small Business a standing committee in the House.

On a secret ballot, Democrats voted 111 to 95 to send the resolution to a subcommittee of the Democratic caucus for further study. This move by a mere one-fourth of the Members of the House, designed to kill the measure or at least substantially weaken it, is a perfect example of the Democratic lipservice paid to reform with no actions to back it up. Apparently self-interest won out for those who might lose influence, because of jurisdictional shifts.

Support of the changes by most of the Republicans and the Democratic leadership gave the revisions a fair chance if they had reached the House floor. But the Democratic Rules Committee members are bound by the caucus not to give it a rule before the subcommittee makes its recommendations in July.

The bipartisan select committee, cochaired by RICHARD BOLLING of Missouri and Nebraska's DAVE MARTIN, worked more than a year on the changes before unanimously approving them. While I do not agree with every one of the jurisdictional shifts, there are many other important reforms which could be lost by the Democrats' maneuver.

The overriding purpose of reorganization is to balance and realine workloads according to current national interests. The most important change, I believe, would be to make Small Business a standing committee with legislative authority over the Small Business Administration, in addition to the oversight authority it already has. This revision, which is strongly backed by the National Federation of Independent Business, would give small business the voice it deserves in the legislative process.

It seems that often legislation is written with the idea of regulating big business, but it is the little guy who must bear the costly and time-consuming paperwork burden these laws impose. This makes small business even less competitive and puts them at a further disadvantage. It is the competition which small firms provide that make them vital to maintaining our free enterprise system.

The sheer size and impact of the American small business community merits more effective representation than it receives presently. Small business accounts for 96 percent of all business in the United States, 60 percent of the private nonagricultural force, 37 percent of the gross national product, and 20 percent of business taxes paid.

Under the current system, the jurisdiction is split between the select committee and a Subcommittee of Banking and Currency. This subcommittee, while giving plenty of attention to small business problems, still does not have a permanent staff.

This realinement would assure small firms that their interests were being represented and special problems considered in the legislative process. Democrats should be required to go on record with their support or negative vote on this issue so people will know which Members are willing to make Congress more accountable to those who elected them.

CANADIAN NATURAL GAS PIPELINE ROUTE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. ASPIN. Mr. Speaker, I have introduced a resolution, House Resolution 1204, which urges a speedy conclusion of the negotiations between the United States and Canada on terms for building a Canadian natural gas pipeline route.

This resolution seeks an agreement between the two governments before the end of the year. The United States and Canada must formulate an agreement which will guarantee access to Alaskan natural gas and also permit Canadian transport of some gas produced in Canada.

Mr. Speaker, there are already signs of needless bureaucratic delay in approving the pipeline. Canada's National Energy Board which must approve the pipeline has already put off until next year any consideration of the pipeline which will carry Alaskan gas via Canada's Mackenzie Valley to the U.S. Midwest. Both the U.S. Interior Department and the Federal Power Commission also must approve this pipeline project.

To combat future energy crunches, this pipeline should be built as soon as possible. Natural gas is the most environmentally clean and economical fuel available to American consumers. A consortium of companies known as Arctic Gas has filed a formal application with the United States and Canadian authorities to build the pipeline through Canada. But, El Paso Natural Gas also plans to file an application to build a natural gas line across Alaska, with the gas liquified and transported to the U.S. west coast on supertankers.

Mr. Speaker, the Canadian route is clearly superior both economically and environmentally. If the Alaska route is built and gas liquified for tanker shipment, about 12 to 20 percent of the gas is lost during the liquification process. With an energy crisis confronting us for many years to come, it is very foolish to waste gas by converting it to liquid for shipment.

Environmentally, the shipping of natural gas is more dangerous than transporting it by pipeline. If a tanker leaks liquid gas which is super cool—200° F—there can be a catastrophic explosion.

Mr. Speaker, a Canadian natural gas pipeline is the cheapest way to solve the Midwest's long-term crisis.

CAN THE POT REALLY CALL THE KETTLE BLACK?

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. CARTER. Mr. Speaker, during the past year we have heard Members of this fearless forum call for resignations, speak of large and larger donations, while holding themselves apart and piously pointing a finger at the accused. At long last, the media has reported findings of the Watergate Committee which implicate this group in receiving illegal corporate contributions, and in questionable transfers of funds from presidential to senatorial campaigns.

It has been said that people who live in glass houses should not throw stones, and again, "let him who is without sin cast the first stone." Perhaps "The Prophet" by Kahlil Gibran has very aptly explained that none of us is without guilt. I include the following words from "The Prophet":

> Oftentimes have I heard you speak of one who commits a wrong as though he were not one of you, but a stranger unto you and an intruder upon your world.
>
> But I say that even as the holy and the righteous cannot rise beyond the highest which is in each of you, so the wicked and the weak cannot fall lower than the lowest which is in you also.
>
> And as a single leaf turns not yellow but with the silent knowledge of the whole tree, so the wrong-doer cannot do wrong without the hidden will of you all.
>
> Like a procession you walk together toward your God-self.
>
> You are the way and the wayfarers.
>
> And when one of you falls down, he falls for those behind him, a caution against the stumbling stone.
>
> Yea, the guilty is oftentimes the victim of the injured.
>
> And still more often the condemned is the burden bearer for the guiltless and unblamed.
>
> You cannot separate the just from the unjust and the good from the wicked;
>
> For they stand together before the face of the sun even as the black thread and the white are woven together.
>
> And when the black thread breaks, the weaver shall look into the whole cloth, and he shall examine the loom, also.

I include for the RECORD the following news report by James R. Polk, as well as an article by Brooks Jackson from the Washington Post. Also included are two other articles regarding the recent Watergate committee report.

The articles follow:

McGOVERN CASH DIVERTED

Sen. George S. McGovern's losing presidential campaign was asking its creditors to discount its debts at half-price at the same time it was shifting a huge surplus of money into his Senate re-election race, Watergate investigators said today.

A staff report for the special Senate Watergate committee said $35,000 in discounts from companies may have violated the spirit of the law against corporate campaign donations.

Also revealed in the new report was a plan by officials of Hertz Corp. to pay for rental cars for the presidential campaign of Sen. Edmund S. Muskie, D-Maine, and the use of a safe deposit box for hidden cash funds for another Democratic loser, former New York Mayor John V. Lindsay.

A New York highway official solicited $10,000 in cash as a Lindsay donation from officers of two road firms which later got a $1.7 million asphalt contract from the city, the report said.

Watergate probers said $340,000 left over from McGovern's presidential race was transferred to his Senate campaign unit last year. This is roughly one-third of the $1 million McGovern has already spent in his re-election fight in South Dakota.

Meanwhile, McGovern's presidential campaign spokesmen were telling creditors that they were hard-pressed for money and were getting partial write-offs on bills owed to Xerox Corp., International Business Machines, and various hotels across the country, the Watergate report showed.

A McGovern spokesman said last night that the presidential race had tried to settle its bills for less than the full amount because it needed money for possible federal taxes.

However, public reports show the McGovern presidential race still has $400,000 in reserve to meet any tax obligations.

Another section of the report said Hertz Corp. supplied rental cars for Muskie campaign workers, then apparently arranged to pay legal fees to attorneys who made campaign donations for Muskie to wipe out those bills.

It quoted a former Hertz lawyer, Sol M. Edidin, as testifying that the company's chairman, Ronald Perman, authorized the payments to attorneys for the donations. The investigators found $4,850 in legal bills with Perman's initials on them.

The cash collected from asphalt contractors for the Lindsay campaign was delivered by another highway official to former deputy mayor Richard Aurelio, according to the Watergate report.

The cash donations were collected while the Lindsay campaign was trying to meet its debts after falling apart early in the 1972 race. However, the contractors' $10,000 was not listed on required public filings, the report said.—JAMES R. POLK.

[From the Washington Post, June 28, 1974]

McGOVERN HILL RACE ENRICHED

(By Brooks Jackson)

Sen. George McGovern (D-S.D.) enriched his South Dakota Senate campaign by $340,416.96 in leftover funds raised for his 1972 presidential campaign, according to a staff report to the Senate Watergate committee.

At the same time, McGovern's presidential campaign committees have settled leftover bills from 37 corporations for $35,322.32, less than the full amounts, the report said.

It said this raises a question of whether the McGovern campaign violated at least the spirit of the federal law forbidding corporate donations to federal political campaigns.

A spokesman for McGovern said the leftover presidential money had been transferred on specific instructions from state and local McGovern campaign committees which left McGovern no choices in the matter.

He also said the presidential campaign committee had tried to settle some of its leftover bills for less than the full amount, because the Internal Revenue Service has told the committee it might owe hundreds of thousands of dollars in gift taxes on contributions.

The spokesman, John Holum, said McGovern would contest the Watergate committee staff's language and try to keep the senators from adopting it. He said that if in the end it is found that there was something wrong with underpaying the corporation bills, "We'll pay anything that has a cloud over it."

In another section of the same report, the committee's staff said the presidential campaign of former New York City Mayor John V. Lindsay received $10,000 in cash from two construction contractors who later had city asphalt contracts worth $1.7 million.

The report said the $10,000, in $20 bills stuffed into an envelope, passed through the hands of Lindsay's top campaign aide, former Deputy Mayor Richard Aurelio, and cannot be accounted for.

The staff report was circulated to members of the committee yesterday and has not been adopted formally by the Senate panel.

In the McGovern matter, the report said leftover presidential money started flowing from five McGovern committees into the Senate campaign within two weeks after McGovern was defeated by President Nixon on November 7, 1972.

The transfers continued for more than a year. The last one was $7,054 last December 30.

The report said that during this period the McGovern national presidential treasurer, Marian Pearlman, was sending letters to presidential campaign creditors asking them to settle bills for 50 cents on the dollar.

"We do not at this time have enough money to pay all our debts," said her letter dated December 15, 1972. The report said Watergate committee investigators discovered that Xerox Corp. had written off a total of $9,606.02 as uncollectible debts owed by the McGovern campaign. This was the largest unpaid bill cited by the report.

HUMPHREY DENIES MISUSE OF FUNDS IN 1972 CAMPAIGN

Sen. Hubert H. Humphrey, stung by a Senate Watergate Committee staff report on his 1972 presidential campaign finances, says he did nothing illegal in using more than $100,000 of his own money in his campaign and concealing that fact from the public.

"With the Lord Jesus Christ as my guide, that was as honest a deal as kissing your mother," the Minnesota Democrat said.

Humphrey, in a sometimes emotional telephone call late last night to an Associated Press reporter said the money represented "a lifetime of investment" by himself and his wife Muriel.

Humphrey said he omitted any mention of the use of personal funds when he voluntarily disclosed his finances during Democratic presidential primaries because at that time the law didn't require full disclosure and because he wanted to conceal the matter from his family.

"I didn't like to have to contribute that money, but we had to do it if we were going to campaign," he said.

Humphrey said the Watergate staff report was written by a Republican staff member, Donald Sanders, and he said he resented the tone and implications of the report. "It just ends up that you look like a burglar," he said.

The report said Humphrey ordered the transfer of $89,000 in stock and $23,000 in cash from a blind trust into the presidential campaign during January and February of 1972, two months before a new federal law made it illegal for a presidential candidate to use more than $50,000 of his own funds in a campaign.

Humphrey said the stock actually was worth somewhat less, $88,000, putting the total amount of personal funds used at $109,000.

Rep. Wilbur Mills of Arkansas also vigorously denied wrongdoing in response to allegations in the draft report on fund raising.

"This is just a leak to smear me," said Mills. He contended that he hadn't responded to a request to appear before the Senate committee's staff because "a member of Congress does not appear before a staff."

Mills acknowledged receiving money from milk cooperatives but said he had reported all of it. Humphrey said he had no knowledge of a $25,000 milk fund contribution he was asked about, and that he had told the committee staff this.

HUMPHREY SCORES FUND ALLEGATION

Sen. Hubert H. Humphrey denounced yesterday a Senate Watergate committee staff report that said $360,000 in stock was funneled into his 1972 campaign as "filled with innuendoes and inaccuracies."

The staff report said that the Minnesota Democrat's 1972 presidential campaign received the stock in the Archer-Daniels Midland Co., a Minneapolis soybean firm, in early 1972. About $90,000 worth of the stock came from a trust for Humphrey administered by Dwayne Andreas, the head of Archer-Midlands, and the rest from Andreas, his daughter and a friend.

The donation of the stock to the Humphrey campaign committee was an apparent violation of the then-existing federal election law, which prohibited individual contributions of more than $5,000 to a single campaign committee, the report said.

Humphrey said the report is "simply a working draft . . . on which changes may yet be made" and contains "unsubstantiated charges." He said he had not seen a copy of the report but based his opinion on news accounts of the staff's findings.

The report said the staff's inability to interview Humphrey had prevented it from making a full and complete investigation.

MRS. MARTIN LUTHER KING, SR.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. GILMAN. Mr. Speaker, yesterday's senseless act of violence in Atlanta's Ebeneezer Baptist Church, resulting in the death of Mrs. Martin Luther King, Sr., should remind our Nation of the quest for brotherhood for which her son, the Rev. Dr. Martin Luther King, Jr., gave his life in 1968.

This wanton destruction of life should bring realization to our Nation that we are falling short of some of the lofty goals and ideals proclaimed some 200 years ago by the courageous men who founded our Nation: goals of freedom, equality, opportunity, and justice for all.

Our Nation is weary of violence. Yet, daily it confronts us anew.

We have survived a decade of killing and of civil strife. It is time to leave it behind.

If there is a lesson to be learned from Mrs. King's tragic death, let it be a reminder to our Nation that there is still much to be done, that we must work even harder, devote ourselves even more, give still more of our effort, to eradicate the creed of destruction, inhumanity and bigotry from our great land, once and for all.

I am sure my colleagues join with me in expressing our deepest heartfelt condolences and sorrow to Mrs. King's family.

MILITARY JUSTICE?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mrs. SCHROEDER. Mr. Speaker, President Nixon's recent nomination of Colorado Supreme Court Justice William Erickson for the position of Chief Judge, U.S. Court of Military Appeals—COMA—reflects a healthy awareness of the importance of COMA to the more than 1.7 million men and women now in uniform. Justice Erickson is a distinguished jurist who will, I am certain, show the needed sensitivity for the constitutional rights of those prosecuted for alleged military-related offenses under the Uniform Code of Military Justice—UCMJ. Judge Erickson's nomination fills one of two vacancies on the three-member court. I would earnestly hope that the second appointee reflect the same excellent qualities. I would further hope that increased public attention be focused on COMA which serves as a vital bridge between military personnel and the U.S. Constitution.

Since its creation in 1951 COMA has done much to eliminate the system of "drumhead justice" which had previously left servicemen and women accused of criminal activity substantially at the mercy of their commanding officers. It is not too long since the days when a distinguished former Governor of Vermont was excused from further court martial duty for failing to vote conviction for a black serviceman accused of a morals offense. Nor have very many years gone by since the law of the land was that military personnel had no constitutional rights other than those expressly provided through congressional enactment of the UCMJ itself. This frightening principle had its roots in the philosophy restated only weeks ago by the Supreme Court in the case of Parker against Levy to the effect that:

> The military is an executive arm whose law is that of obedience.

Since more than 28 million Americans have served in the Armed Forces since the outbreak of World War II, it hardly needs to be stated how widespread the abuses were that grew out of such a philosophy. Even today the notion that the Constitution and Bill of Rights generally extend to servicemen and women is grounded in COMA interpretations of congressional intent rather than a definitive pronouncement by the Supreme Court.

Over the years COMA has extended certain procedural rights to military personnel that those of us in civilian life take for granted. Protections against self-incrimination and double jeopardy have been written into military law during the past two decades. So have the right to counsel, to confront and cross-examine witnesses, to summon witnesses of one's own, and to have one's case tried speedily.

But vast areas of constitutional protection remain foreign to the military environment. Bail prior to conviction or pending appellate review is virtually unheard of. The degree to which the first amendment confers the right of free speech on servicemen and women—even those off base and out of uniform—is far from settled, and to the extent it is settled, the picture is bleak in terms of free speech. Moreover, the catchall term, "military necessity," has been employed to virtually write the fourth amendment out of the lives of military personnel. Random shakedowns for marihuana and other drugs are far from uncommon on military bases. Also, under the doctrine of alleged military necessity, military police accompanied by trained marihuana dogs enter barracks areas substantially at will searching for contraband without the slightest thought or showing of probable cause.

Part of the problem rests with the traditional all-or-nothing approach of the Supreme Court wherein the justices have been quick to limit the jurisdictional overreach of military tribunals but slow to apply commonsense principles of constitutional law to military cases. It is shocking but true that even today it is far from certain whether the Supreme Court has interpreted itself as having the power to overrule legal and factual determinations by reviewing military courts.

Typical was the recent decision involving Capt. Howard Levy, during 1965 and 1966 the Chief of Dermatology at the U.S. Army Hospital, Fort Jackson, S.C. Captain Levy strongly opposed the war in Vietnam. He refused orders to train special forces aides for Vietnam duty, publicly criticized the special forces, indicated an unwillingness to serve in Vietnam himself, and urged black soldiers not to fight there either. He was convicted under three separate UCMJ articles only one of which specifically provided punishment for failing to obey a lawful order. The key issues in his case involved the validity of article 133 which proscribes "conduct unbecoming an officer and a gentleman," and article 134—the so-called general article—which prohibits "all disorders and neglects to the prejudice of good order and discipline," and "all conduct of a nature to bring discredit upon the Armed Forces."

Mr. Speaker, at issue is not the specific conduct of Captain Levy or any other member of the Armed Forces, but the vague and general wording of the code to which they are subject. In the past these articles have been employed to punish conduct as diverse as cheating at cards or bingo, failing to pay debts, committing adultery, officer drinking with enlisted men, exhibiting an American flag with a peace symbol on a shirt, possession of alcoholic beverages in a public place, and committing a bestial act with a chicken.

Again, some or all of these activities ought to be subjected to criminal penalties if specifically set forth in the code. But in no other jurisdiction in the country, State or Federal, would statutes worded as loosely as articles 133 or 134 have survived a minute of judicial scrutiny.

The evils such judicial laxity leads to is well exhibited by a second case, Secretary of the Navy against Avrech, now awaiting Supreme Court decision. PFC Mark Avrech enlisted in the Marine Corps in 1967 and was assigned to duty in Danang, South Vietnam, in 1969. After 40 days in the country he became disenchanted with the lack of fighting spirit and corruption exhibited by our South Vietnamese ally and set forth his feelings in a short statement, the most "inflammatory" words of which were as follows:

> We must strive for peace and if not peace then a complete U.S. withdrawal. We've been sitting ducks for too long.

He was apprehended while attempting to stencil his statement which he then wished to circulate among the men in his company.

For this Private Avrech was convicted not of violating article 34 but of attempting to violate it. He was sentenced to a reduction in rank, forfeiture of 3-months pay, and confinement at hard labor for 1 month, the latter portion of his sentence suspended. Having already upheld the validity of article 134 in the Levy case the Supreme Court must now say that a military court improperly applied the law—something it has never before held—or acquiesce in this lawless and reprehensible treatment of a U.S. citizen.

The uncertainty of Supreme Court review arises from the status of COMA itself. COMA is an article II rather than an article III court. Its place in the Federal judiciary is at best marginal. Further, it can itself review only cases involving a general or flag officer or a sentence of death, cases certified by the Judge Advocate General, and cases involving a sentence of dismissal or discharge or confinement for 1 year or more. Many arbitrary actions at the administrative level escape its notice altogether.

Obtaining an enlightened COMA has also been hampered by the quality of past appointments. Too often nominations to COMA have been regarded as the exclusive province of the House and Senate Armed Services Committees, and the Military Establishment. Of the seven men who served on COMA prior to the nomination of Justice Erickson, two came directly from the staffs of congressional military committees, all but one had backgrounds in the Military Establishment, four had previous civilian judicial experience, and only one had a legal academic background. Small wonder that shortly after its creation Mr. Justice Black could say:

> We find nothing in the history of constitutional treatment of military tribunals which entitles them to rank along with Article III courts as adjudicators of the guilt or innocence of people charged with offenses for which they can be deprived of their life, liberty or property.

A decade and a half later, the situation had improved somewhat, but not all that much. In the words of Mr. Justice Douglas:

> While the Court of Military Appeals takes cognizance of some constitutional rights of the accused who are court-martialed courts-martial as an institution are singularly inept in dealing with the nice subleties of constitutional law.

Mr. Speaker, in addition to the importance of naming a distinguished civilian to fill the remaining COMA vacancy, I would urge serious thought be given to a number of structural reforms which can only be accomplished by legislation. These would include increasing the COMA membership to five, seven, or even nine judges, bringing it into the Federal court system, expanding its jurisdiction to embrace the full panoply of military justice proceedings, transferring consideration of COMA nominees from the Senate Armed Services to the Senate Judiciary Committee and expressly providing for the review of COMA decisions by the Supreme Court.

It is time the wall between the Constitution of the United States and armed services personnel was broken down.

THE AMERICAN CONSTITUTION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. LANDGREBE. Mr. Speaker, I would like to call to your attention and to the attention of my colleagues the following thoughts on the American Constitution as we approach the celebration of our Nation's birthday:

[From the pamphlet, The American Spirit]

THE AMERICAN CONSTITUTION

The American Constitution would be unworkable unless the people were self-reliant, self-determined, and resourceful. There are nations who do not care for these things and do not possess them. I suppose we all have our favorite virtues. My own are self-reliance, initiative, resourcefulness, courage. I like these things better than anything else, there are people who do not, and there are nations which do not. There are nations, for example, whose people like to be directed and ordered about, who like to be led everywhere and told what to do, and where and when to do it. Such people can do great things in the world through mass action, but they could not work such a constitution as ours. This Constitution calls for people who prefer to take care of themselves. It is intended for the kind of men and women who desire to manage their own lives, and take their own risks, and fend for themselves, and be personally independent—and these very things are just the outstanding characteristics of the majority of American people.

But notice that, among other things, this policy means that there is sure to be a certain amount of suffering because, when we are free we always make some mistakes. A convict in prison has very little chance to make mistakes. He is told when to get up, and when to go to bed, is given his food and obliged to eat it. He is told what clothes to wear, what work to do, and how he is to do it. He is taken out into a yard for exercise and when it is thought he has had enough exercise he is taken back. He can hardly go wrong, he can hardly make a mistake, but neither, of course, does he ever learn anything. A free man will make mistakes, and he will learn by them. He will suffer, but suffering is worth while when you learn something. When you are not free you cannot learn, and so the suffering is only wasted.

Note very particularly that the Constitution does not guarantee equality of lot. You cannot have equality of lot, because human nature varies. No two men have the same character. No two men have quite the same amount of ability. Again, some will have less talent but abut a strong character, and go to the top for that reason. Other men—we all know some of them—have great talents but character is lacking, so they remain at the bottom. This being so, there cannot be, equality of lot, but there can be, and there is in America, true equality, which is equality of opportunity.

H.R. 11500

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mrs. MINK. Mr. Speaker, I am appalled by the level of criticism being directed at the Surface Mining Control and Reclamation Act, H.R. 11500, by the National Coal Association. A recent press release by Carl Bagge, president of the association is replete with inaccuracies and distortions regarding the bill. It is incredible that a representative of so great and important an industry should resort to this type of rhetoric, employing scare tactics and outright misrepresentations which require sober assessment.

Mr. Bagge begins his statement with an unsubstantiated claim that, because surface mining accounts for 60 to 70 percent of coal used by electrical utilities, passage of H.R. 11500 could cut the Nation's power supply by one-third.

How does Mr. Bagge come up with such figures? Apparently, he conjures them up from a gross misreading of the bill.

First, he makes the transparently absurd statement that a provision in the bill—section 206—which would require the States to institute a program for designation of areas unsuitable for coal surface mining could wipe out all coal surface minings. Each State government is seen as designating all the land within its boundaries as unsuitable. In fact, the designation section of the bill merely requires the States to institute a planning program. It does not require any State to actually designate 1 acre of land as unsuitable for mining.

As reasonable legislators who recognize the value of land for many uses other than coal surface mining operations, the majority of the Members of the Committee on Interior and Insular Affairs determined that such a planning program should be undertaken, on the assumption that the State governments are also people with reasonable individuals who would carry out such a program in the best interests of the people of their respective States. For Mr. Bagge to complain that the States would necessarily abuse an authority which they have had all along and thus pose a threat to all coal surface mining is patently ludicrous.

Mr. Bagge hints darkly that, since the States are permitted to adopt regulations stricter than H.R. 11500, there is no telling to what lengths they might go. The fact is that the States presently can enact strict surface mining regulations with or without the passage of H.R. 11500.

The bill will simply assure that certain minimal Federal standards are met on a nationwide basis, so that a uniform and equitable system of reclamation is developed in the interests of all parties, operators, States, and citizens.

Mr. Bagge pretends that the provision requiring return by the mine site to its approximate original contour is not feasible in the West. The committee clearly foresaw this problem. By allowing special provision in section 211, the committee precludes the arbitrary closing of Western strip mines. Moreover, the definition of approximate original contour, as expanded in the committee report on H.R. 11500, is quite clear in its distinction between returning to previous elevation is not required when there is insufficient overburden to do the job.

Another blatant distortion is contained in Mr. Bagge's contention that the future of synthetic gas from coal is in dire jeopardy. I have argued in a previous CONGRESSIONAL RECORD—April 8, 1974—the economics of this process and the effect which H.R. 11500 would have upon it, but I have yet to see any comparable effort on the part of the NCA. By constant repetition of the allegation that the bill would "foreclose the future of synthetic pipeline gas," again and again, NCA appears to believe it will make its point: Let them produce the facts.

Mr. Bagge goes on to contend that land cannot, with any permanence, be returned to its approximate original contour in Appalachia. I suggest Mr. Bagge travel to Pennsylvania to visit some of his member coal operators and ask them whether this can or cannot be done. Actually, it has been done for several years under Pennsylvania law. The records of the Pennsylvania Department of Environmental Protection and the evidence of the reclaimed land can refute this misleading claim. In West Virginia strip mine operators have voluntarily complied with State requirements similar to those contained in the bill.

Another Bagge claim that section 212 of the bill would result in the loss of 120 million tons of coal annually because the Secretary of the Interior could require the use of underground mining methods to control subsidence to the extent technologically and economically feasible. Once again, he chooses to ignore language in the bill specifically limiting the Secretary to those requirements which are economically feasible. Thus, no mine will be closed because of prohibitive expense. This totally refutes Mr. Bagge's claim.

Moreover, the committee report is very exact on this point. It states on page 109 that one of the measures available for subsidence control is "the use of longwall and other mining techniques which completely remove the coal." This being the case, no coal pillars need be left underground for subsidence control purposes, if the operator is employing longwall mining techniques, and controlled subsidence is allowed. Here again we have an example of either ignorance of the bill or outright distortion of its provisions.

With respect to Mr. Bagge's statement that maintenance of the hydrologic balance in the arid and semiarid areas of the West, the committee report is, again, specific in stating that:

> The total prevention of adverse hydrologic effects from mining is impossible and thus the bill sets attainable standards to protect the hydrologic balance of impacted areas within the limits of feasibility.

John Sawhill, Administrator of the Federal Energy Office, has estimated that 12.5 billion tons of coal could be precluded from future mining due to the hydrologic balance requirements in section 211(b) (14) of H.R. 11500. This estimate is almost half of that suggested by Mr. Bagge. Furthermore, as I have argued elsewhere, Mr. Sawhill's estimate itself is not based on any discernible hard data. His estimate apparently is based on information supplied to him by the Bureau of Mines. Their study simply states that H.R. 11500 is too general with respect to the standards for maintenance of hydrologic balance. They made no attempt to quantify the coal losses which might result from this language.

Thus, it seems that there is no foundation whatsoever for these wildly pessimistic estimates of coal losses. If data exists, let us see it.

Mr. Bagge states that banning of coal mining in the national forests would result in the loss of 11 billion tons of coal reserves. I am not sure where Mr. Bagge gets his figures. However, the Bureau of Mines estimates that there are 7 billion tons of coal reserves in the national forests recoverable by surface mining, or 4 billion tons less than Mr. Bagge's estimate.

There is no indication as to what proportion of these reserves are recoverable by underground mining methods. Under some geological conditions, where the overburden above the coal seam is of sufficient strength to provide good roof support, it is possible to mine by underground mining methods within this distance of the surface. There is no set limit established in the Federal Coal Mine Health and Safety Act. It is therefore possible to remove certain portions of the coal deposits under the national forests without resorting to surface mining. Until some estimate is made of what proportion this might be, it is impossible to verify the actual amount which would be withdrawn by the prohibition against surface mining of coal in the national forests, as set forth in section 209(d) (9) of the bill.

Moreover, H.R. 11500 does not ban underground mining in national forests as Mr. Bagge states. It bans only coal surface mining.

Finally, in this regard, it should be noted that passage of H.R. 11500 will not cause the coal located on these lands to disappear. Nor will the coal be "lost." Should the Nation need to surface mine the coal reserves in the national forests at some point in the future, legislation can be passed to allow it. There is a great deal of coal in this Nation. Most of it is available only through deep mining. Let us exhaust these resources before we destory the national forests.

KEMP CALLS FOR IMMEDIATE ACTION TO ACCOUNT FOR THE MISSING IN ACTION IN SOUTHEAST ASIA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. KEMP. Mr. Speaker, I would like once again to bring to the attention of my colleagues the plight of the 1,200 MIA's who are still unaccounted for.

It has been over a year and a half since the Paris Agreement was signed and the Communists still have not accounted for all of our men.

As many of our men have been returned to their loved ones, most Americans have forgotten that there are still many more families who are still waiting.

There is a group of concerned people in western New York who have not forgotten. There are several families in that area whose relatives are still classified as MIA's. They are called Western New York for POW's and MIA's, and they have worked hard to publicize the plight of all MIA's and their families. They have just published their first newsletter which gathers the latest information on what is geing done to help account for these men. I am proud to say that I am going to subscribe to this worthwhile publication.

The time has come for more in Congress to demand an accounting of these men. These families and all Americans are tired of waiting. They want and, in my opinion, deserve immediate action.

I am personally writing to Secretary of State Kissinger to ask him to go on a factfinding mission to Southeast Asia to get Hanoi to help account for these men.

I also believe that we should use our economic leverage with the Soviet Union to bring pressure on the North Vietnamese to comply with the Paris Agreements and I also am a supporter of the Ketchum resolution which states that no change in status should occur until the Paris Agreements are completely complied with.

As another measure, I am also looking into legislation which would require the military departments to obtain congressional approval before they could change the status of any of the men from missing in action to presumed dead. A change in status from missing in action to presumed dead sharply cuts back the benefits of the serviceman's dependents. Thus, it is important for the families' emotional and physical well-being to determine the truth about their loved ones.

We must act immediately and forcefully to end this terrible situation. The North Vietnamese and the Vietcong have been evading their promises for too long. At this point, Mr. Speaker, I insert the text of the newsletter:

[Western New York for POW's and MIA's, P.O. Box 38, Hiler Station, Buffalo, N.Y. 14223]

Newsletter, June 1974

This is the first newsletter WNY for POW's and MIA's has issued and we hope it is successful in keeping Americans aware. It is dedicated with earnest hopes toward bringing ALL our POW's home and accounting of our 1200 MIA's. Your contributions, in the form of newspaper and magazine clippings, information you learn from other groups, and items you've seen or heard on TV and radio, along with any event having to do with POW's and MIA's are anxiously awaited and needed to make this newsletter a success for our men. They may be submitted by phone or in writing to:

Mr. David Helstrom, 3016 William St., Cheektowaga, N.Y. 14227, 716-895-1145, after 5 p.m.

YOUTH CONCERNED FOR THE 1,200 MISSING IN ACTION? INC.

President, Ann O'Connor, and a group of 25 youth and 5 chaperone-advisors will embark on a humanitarian pilgrimage enlisting worldwide support for our men in 8 to 10 foreign nations. They plan a 3-week trip in early summer hopefully culminating in a meeting with Communist leaders in Hanoi. Your support is sincerely invited and desperately needed.

Youth Concerned for the 1,300 Missing in Action? Inc., P.O. Box 6081, West St. Paul, Minnesota 55118.

There are over 1,200 reasons for you to care and to become involved.

The National League of Families Convention will be held from June 28–July 1 in Omaha, Nebraska. Attending from W.N.Y. for POW's and MIA's will be: Mafalda DiTommaso, Christine Waz, Eva Rozo and Leah Helstrom. A trip to all of the embassies in Washington, D.C. is being planned following the National League Meeting.

Everyone is urged to write to: Family Magazine, Army Times Publishers, 475 School St. S.W., Washington, D.C. 20024.

Their June 19, 1974 issue includes a detailed, and up-to-date article on Carolyn Standerwick and her MIA husband AF Col. Robert L. Standerwick. Your comments to them and a request for copies of the article to be distributed and possibly published locally are very worthwhile and greatly urged.

The American Legion Convention at the Niagara Falls Convention Center will take place on July 17, 18, 19, and 20. (These dates are corrected from our last meeting.) Volunteers to man our display there are needed from 8 a.m. to 1 p.m. on July 18–20. Find a few minutes to spare for our men who are giving so many days for us. Call Sue Czajkowski at 674-9119 if you can volunteer for any of those days.

Mafalda DiTommaso has personally presented VIVA's 60-second tape to Channels 2, 4, 7, & 29. WKBW-TV has shown this spot occasionally. Let's urge all the stations to use them. They are very effective. Write or call the stations today.

Channel 17 on June 26 at 8 p.m. is presenting a documentary look at Ex-POW, Naval Commander Richard A. Stratton, his family, the Vietnam War and his prison life.

An interview by Juanita Young (Channel 4) is in the works for Mafalda DiTommaso and possibly Earlene Thomas, an out-of-state MIA wife. It is scheduled to be shown July 29. More info. later.

On June 18, the U.S. denounced the V.C. and the North Vietnamese in the most strongly worded statement ever issued according to political observers in Saigon. It blamed the communists for lack of progress in the search for missing Americans. Copies of this statement may be obtained on request from your congressman.

Bumper stickers, petitions, brochures and POW/MIA bracelets are available by writing us at P.O. Box 38, Hiler Station, BFLO. 14223.

Views stated in Americans Who Care, April, 1974 Newsletter Fayetteville, North Carolina 28303:

"Our American men missing or prisoner in Southeast Asia cannot be forgotten! Their families cannot accept a presumptive finding of death because of our lack of evidence that they are alive! We have no evidence all of our men are dead. NVN refuses to provide us with any information. Some men have disappeared forever. We are **not naive enough to believe all our missing men are alive, but we are not gullible enough to believe their fate cannot be determined. What price do we attach to an American life?**

"Please take a few minutes and write a personal letter on behalf of our men to your Congressman and Senators, President, and to North Vietnam. Time is precious . . . our men are precious . . . it is up to you!"

From California, Ann Griffiths of "Support Our POW/MIA," Los Angeles, California:

"The only piece of solid legislation now pending before Congress is the Gurney amendment to the Foreign Trade Reform Act. Our government has repeatedly said that they have no leverage on the Communists to pressure for compliance with the Paris Agreements. It is obvious that it is not the intention to jeopardize "detente" with Russia and China merely to obtain information about our men. For this reason, it is imperative that we try to get United States senators to cosponsor this important amendment. At last count, Senator Jackson's amendment regarding Soviet Jews has 77 cosponsors plus Senator Jackson. The Gurney amendment had only eleven. Are our elected representatives more concerned about Soviet citizens than about American civilians and servicemen who were protecting our country's policies and ideals? Put the pressure on them so that our government will have the leverage they require to get the accounting.

"In addition, there is an important resolution in support of which we all need to write our congressmen requestiing co-sponsorship. The Ketchum resolution, H.R. 1093 introduced on May 7, 1974, is strongly in support of our men and specifically states that our government has not as yet been able to secure the accounting as specified in the Paris Agreements and until such time as they are successful, they should not even consider changing the status of the POW/MIA's to presumptive finding of death. Write now and request co-sponsorship."

Thus saith the Lord; refrain thy voice from weeping and thine eyes from tears; for thy work shall be rewarded, saith the Lord; and they shall come again from the land of the enemy. And there is hope in thine end, that thy children shall come again to their own border. Jeremiah 31: 16, 17.

Lt. Col. Robert Dyczkowski, MIA, April 24, 1966, North Vietnam

Lt. Col. Robert Dyczkowski, the son of Mr. and Mrs. Raymond Dyczkowski of Buffalo, New York, was born in Buffalo in 1932. He graduated from St. Mary's Parochial School and Burgard Vocational High School, where he was a member of the Civil Air Patrol. While a member of the Air Force Reserve, he was accepted for pilot training.

On his 99th mission in North Vietnam on April 24, 1966 Lt. Col. Dyczkowskis' F-105 disappeared north of Hanoi. There was no contact made and all search efforts were fruitless. He has not been seen or heard from since that date.

Lt. Col. Dyczkowski's wife and their three children, Stephen, Patricia and Roberta, reside in Phoenix, Arizona. His brother and three sisters, as his parents, are residents of the Buffalo area.

I would also like to insert an article which was sent to me by a friend, Mrs. Susan Czajkowski. The article, which appeared in the Army Times of May 22, states that an ad prepared by eight POW's was not published because it was considered inappropriate. I was deeply disturbed by this. We must not allow the spirit of détente to overshadow the tremendous sacrifice made by these men and their families for the cause of freedom.

The article is as follows:

[From Army Times, May 22, 1974]

Détente Kills Magazine Ad for Eight POW's

(By Ruth Chandler)

Washington.—Eight returned prisoners of war attempted to take out a full-page advertisement in a special Russian commerce section scheduled for the May 18 issue of *Business Week* magazine but were turned down.

A spokesman for the magazine told *Army Times* that the ad was refused because the purpose of the section is to promote goodwill and trade between the U.S. and Russia. He said with the apparent detente between the two countries it seemed an "appropriate" time to publish such a section but "inappropriate" to run the POW ad. "We would be glad to run it in another issue," he said. Both U.S. and Russian firms bought ads in the section and supplied some of the text.

The Southern California MIA/POW Coordinating Council assisted in drawing up the ad which read:

"You are in a position that can be very important to the over 1200 MIA/POWs in Southeast Asia. It has been over one year since Hanoi has returned a POW or accounted for a missing man. Russia's working relationship with Hanoi can be very instrumental in getting all our POWs returned and a satisfactory accounting of our men.

"Russia aided Hanoi militarily, now we ask for their humanitarian aid.

"Will you use your communitative link to help?"

It was signed by eight former prisoners, none of them Army men.

PRESIDENT'S DELAY EQUALS OBSTRUCTION

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Ms. ABZUG. Mr. Speaker, many times in the past I have spoken on the floor of the House of Representatives to voice my deep concerns regarding the dishonesty and corruptness in our government. By his defiance of a legitimate inquiry by Congress, the President has shown his contempt for this country, our citizens, and our values. Once again, I find it imperative to speak out for my constituents.

Since January 1974, I have heard personally from more than 13,000 Americans calling for impeachment. The mail is still coming in. Today I sent off a stack of impeachment petitions from voters of this country to Chairman Peter W. Rodino, Jr. of the House Judiciary Committee urging him to move expeditiously on this important matter.

The New York Post recently printed a commentary by Pete Hamill which I would like to direct to the attention of my colleagues. Mr. Hamill again clearly enumerates many of the issues I have brought before this body.

The article follows:

[From the New York Post, June 24, 1974]

TREASON, ETC.

(By Pete Hamill)

The Nixon Gang is on the offensive again, and it is a sad fact of our political life that not a single politician has had the courage to stand up to them. A couple of Nixon's valets, Ken Clawson and Pat Buchanan, have been trying to get the focus of attention off Nixon and his various alleged felonies, and try to shift the blame to the press, or some obscure lawyer on the Judiciary Committee. And our great leaders, Jim Buckley and Jacob Javits, are silent.

But Javits and Buckley could do a service to us, and the rest of this country, if they stood up and made clear what the issues are here. The Judiciary Committee is investigating Richard Nixon. He is accused of various crimes, and he has the hard evidence in his office. Nixon has simply defied Congress and refused to turn over that evidence. In itself, that seems to be a clear obstruction of justice.

Through his lawyer, James St. Clair, Nixon has done everything in his power to hamper, delay, confuse, and defy a legitimate inquiry by Congress, which is to say, a legitimate inquiry by the American people. His contempt for the law is contempt for the people of this country.

In addition, Barry Goldwater has demanded that the leaks be investigated, as if the leaks were the problem, and not the crimes committed in the Nixon White House. Goldwater called Daniel Ellsberg a traitor last week, and not one person in Congress rose to his defense, to point out to Goldwater that Ellsberg slipped secret information to the American people, and if that be treason, then we had better make the most of it.

Goldwater is one of those conservatives who is periodically canonized by the liberal establishment in Washington. He's "a good guy," a "decent" man, but get it straight: Goldwater supports Nixon, is willing to serve as his hatchetman, and represents the most adamant country club conservatism in this country.

Clawson and Buchanan, and the rest of that ugly little band down there, also are delighted about Henry Kissinger's confrontation with Congress over the wiretaps. Kissinger successfully blackmailed the Senate into a vote of endorsement, even before anyone had the evidence in hand, for the simple reason—which neither Clawson nor Buchanan will mention—that among the collection of people who work for The Unindicted Co-Conspirator, Kissinger actually looks moral.

But neither Javits nor Buckley nor Edward Kennedy nor anyone else has yet pointed out that the heart of the Kissinger matter is not whether he ordered, initiated or acquiesced in the wiretapping of 13 of his own people and four reporters. The real issue here is why those wiretaps were placed at all. The reason was that William Beecher of the New York Times wrote a story on May 9, 1969, reporting that the United States was bombing Cambodia, apparently with the acquiescence of the Cambodian government.

Kissinger and Nixon were furious. Not because the American people would find out. From March, 1969, to April, 1970, American airplanes flew 3,200 B-52 raids into Cambodia. They did not tell Congress, because they had no legal authorization to make those raids. So they created a massive cover-up, of which Kissinger and Nixon were among the principal architects, that involved a double bookkeeping system. That cover-up was so successful that Nixon was able to go on TV in April, 1970, and tell the American people that we had to invade Cambodia to get to the "inviolate" Communist sanctuaries.

Now that speech was an obsolute lie. Nixon knew it. Kissinger knew it. And of course, the Cambodians and North Vietnamese knew it, because they were being bombed. Among the principals, the only people who did not know it were the American people. Through all the period of the bombing and up to the invasion of Cambodia, we were at peace with that country. It was neutral. And yet we were bombing it, with the authorization of Nixon and Kissinger. No wonder they were furious and ordered the wiretaps. They had been caught committing a crime.

The other day, Clawson held another one of his "briefings" in which he complained about the leaks from the Judiciary Committee as "a purposeful effort to bring down the President with smoke-filled room operations by a clique of Nixon-hating politicians."

Clawson, who was once a reporter, must think Americans are absolute fools. How can he talk about smoke-filled rooms when even Nixon's bowdlerized version of the tapes exposes the Nixon White House as a nest of scheming, perjuring, manipulating men, devoid of honor, incapable of considering the good of the people or the integrity of the Presidency?

If he wants to stop the leaks, Clawson should tell his boss to turn over the evidence that the investigators have asked for. The proceedings would then come to a rapid close. But Clawson is a valet. He won't so advise his master. And while he is grabbing TV and newspaper, Buckley, Javits and the rest are silent. There may be more disgusting people in the country than politicians, but I don't know where they.

THE WAGES OF ENVIRONMENTALISM

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. LANDGREBE. Mr. Speaker, I wish to call the attention of my colleagues to an article that appeared in the June 13 New York Times, entitled, "Acid in Rain Found Up Sharply in East; Smoke Curb Cited." For years now the environmentalists have been screaming about all sorts of pollution and its effects on "the delicate balance of nature." They have urged everyone to be aware of the secondary effects of any human action. Unfortunately they have rarely, if ever, told us about the secondary effects of environmentalism. The article which follows tells of one of these effects. As time passes we will begin to see exactly how detrimental environmentalism can be. With the banning of DDT, which never hurt anything except a fly, we have seen the destruction of forests, the resurgence of disease, and the deaths of thousands of human beings. Now, the smokestack particle removers, and the increasing use of very tall smokestacks—some are nearly a quarter of a mile tall—that disperse pollutants over very large areas—have transformed local soot problems into a regional acid rain problem.

I fear that we have not seen the last of the secondary effects of the laws which Congress has been passing against pollution:

ACID IN RAIN FOUND UP SHARPLY IN EAST; SMOKE CURB CITED

(By Boyce Rensberger)

In the last two decades, rain falling on the eastern United States and Europe has increased in acidity to 100 to 1,000 times normal levels, two ecologists have found. They said that the change had come about despite the increased use of air pollution controls and, in large part, because of some methods now used to clean smokestack emissions.

The scientists said that the acid rain may be stunting the growth of forests and farm crops and accelerating corrosion damage to man-made structures.

Under normal circumstances, pure rainwater is only slightly acidic due to its reactions with carbon dioxide in the atmopshere. The acidity may be likened to that of a potato. In recent years, however, the average acidity of rainwater has increased to about that of a tomato. In occasional extreme cases, rains have been found to be as acidic as pure lemon juice.

The researchers said that much of the increased acidity could be traced to a rising use of anti pollution devices that make many smokestacks appear to be no longer emitting smoke. The devices, which remove only visible particles of solid matter and not gases, still permit the escape of sulphur dioxide and various oxides of nitrogen that are readily converted to sulphuric acid and nitric acid in the air.

Before the devices were used, the solid particles, which are capable of neutralizing acids, entered the atmopshere and largely balanced out acids derived from the gasses. Now they can no longer do so.

The study was made by Dr. Gene E. Likens, an aquatic ecologist at Cornell University, and Dr. F. Herbert Bormann, a forest ecologist at Yale University. They reported their findings in the June 14 issue of Science magazine.

PROBLEM "TRANSFORMED"

The smokestack particle removers, and the increasing use of very tall smokestacks—some are nearly a quarter of a mile tall—that disperse pollutants over very large areas, the two scientists said, "have transformed local soot problems into a regional acid rain problem."

In a telephone interview Dr. Likens said that the acid rain problem illustrated the potential hazards in a piecemeal approach to solving air pollution problems. As yet, there is no widely accepted, reliable technology for removing sulphur dioxide from smoke although at least one pilot project testing a promising method is reported to be under way.

The most widely used method for lowering the output of sulphur dioxide, which is the chief contributor to acid in rain, has been to switch to fuels that contain less sulphur to begin with. This method led to a decline of about 50 per cent in sulphur dioxide emissions in major cities in the nineteen-sixties.

A 45-PERCENT INCREASE FOUND

However, according to a report by Dr. John F. Finklea, director of the National Environmental Research Center, this improvement has been more than offset by rapidly growing industrialization of regions away from major cities that are burning sulphur-bearing fuels. The next change nationwide, Dr. Finklea found, has been a 45 per cent increase in sulphur dioxide emissions.

Dr. Likens said that while the ecological effects of acid rain are not well known, there are preliminary indications of a reduction in forest growth, which has been noted independently in northern New England and in Sweden.

Laboratory experiments in which acids equivalent to today's average rain were sprayed on growing trees found that pine needles grew to only half normal length. Birch leaves developed dead spots and grew in distorted shapes. Studies on tomatoes misted with the acid water found decreased pollen germination and lowered quality and production of tomatoes.

A number of lakes in Canada, Sweden and the United States have become increasingly acidic in recent years, and some have experienced serious fish kills associated with the acid levels, Dr. Likens said.

Although the ecologists did not try to estimate the corrosive effect of acid rain on bridges, buildings, outdoor statutes and the like, they said that the nature of acids suggested that serious damage was being done.

Because of the chemical nature of acids, (all of which contain hydrogen ions) thev tend to combine readily with atoms of other substances, forcing those atoms in effect, to switch their chemical bond from the original site to the hydrogen ion of the acid.

Thus, for example, the atoms of calcium, which form essential components of a limestone building will lose their bonds to each other and attach themselves to the acid washing down the side of a building.

DANGEROUS NATURE OF FIREWORKS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. DERWINSKI. Mr. Speaker, as we approach the Fourth of July weekend, I believe that proper emphasis must be placed on the dangerous nature of fireworks in the hands of individuals.

While I recognize the traditional use of fireworks on the Fourth of July, I still believe that they should be limited to official programs under the administration of mature and experienced personnel. I also believe it is in the public interest to warn against the danger of using fireworks and those accidents that occur every year which can cause loss of limb, blind, or kill individuals.

These points are very properly presented in an editorial in the June 26 edition of the West Proviso Herald serving West Cook County, Ill.:

FIREWORKS—JUST DON'T USE THEM

Fireworks, for the most part, originated as patriotic salutes to the independence of the United States. Traditionally, most community Fourth of July programs end with lavish aerial and ground fireworks displays to the delight of young and old alike.

But fireworks in the hands of citizens are dangerous. Depending on their size and the degree of carelessness of their use, fireworks can kill, blind, burn or blow off a foot, hand or finger.

The sale to consumers of larger types of fireworks, such as cherry bombs and M–80s, is prohibited by federal law. Illinois law prohibits the sale and use of smaller fireworks such as firecrackers, salutes, skyrockets and rockets, roman candles, chasers, torpedoes, devils-on-the walk, any devices designed to create an element of surprise to the user, and sparklers more than 10 inches long or ¼ inch in diameter.

Some communities ban other types of fireworks. For instance, the Franklin Park police consider smoke bombs and snakes to be illegal.

Unfortunately, many states, including some in the Midwest, allow fireworks banned in Illinois. These dangerous articles find their way illegally into this state, along with those manufactured or imported in violation of federal law.

The Illinois Legislative Investigation Commission last week cited alleged fireworks bootleggers in the Chicago area and the state. Hopefully, a statewide crackdown on bootleggers will be followed by enforcement of stronger federal laws to control fireworks.

In the meantime, the Illinois House is considering a bill to better define what fireworks are safe and which are not. Even though superior to the laws of many states, the Illinois fireworks stautes are still considered too loose. If passed, the law will become effective Jan. 1, 1975.

But for this Fourth of July, you can help by avoiding the use of fireworks yourself and reporting to the police persons you see using them or illegally distributing them. Fireworks can be dangerous to bystanders and the noise of explosions can be annoying especially when it comes as a surprise.

There is no logical reason for the use of any fireworks by citizens, considering the fun and excitment to be had at the sanctioned community displays.

Limit your patriotic salute to these programs and make the Fourth of July a safe and enjoyable holiday for you and your neighbors.

RUGGED INDIVIDUALISM

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. MILFORD. Mr. Speaker, time after time on the floor of this House we hear pleas and demands for higher social security payments, higher Government retirement pay, earlier retirement dates, and more Government support.

Now, please let no one misunderstand, I am not against assistance to the elderly or to the needy. However, I am against Government welfare supplied to those who are capable of helping themselves.

Furthermore, I have a tremendous admiration for those individuals who could legally take Government doles—yet, who have the strength and fortitude to continue to be productive citizens in our society. These hearty citizens refuse the "rocking chair death," in favor of personal independence from "Mother Government."

This Nation became the greatest in the world because of rugged individualists. Our country remains strong because of rugged individuals. It will die when this individualism is no longer prevalent.

With the foregoing in mind, I would like to bring to the attention of all Members of the House and Senate the outstanding character of Etta Lee Powe.

A front page article in the July 1, 1974, issue of the Dallas Morning News, written by Marylu Schwartz, details the strength of this rugged individual that resides in my district. I shall submit this article for inclusion in the RECORD.

Dallas is proud of Miss Powe. She and other great individuals made, and continue to make, our city distinctive.

She spent much of her life teaching formally. For those who would learn, she is still teaching. In a maximum fashion, Miss Powe is demonstrating life's greatest lesson—independence.

The article follows:

[From the Dallas Morning News, July 1, 1974]

THIS WOMAN HAD RATHER BE POOR "IN OWN WAY"

(By Maryln Schwartz)

Etta Lee Powe says she prefers poverty to giving up her privacy.

At the age of 80-plus (telling her age is another form of privacy she won't give up), she earns money by telling fortunes for tips at the Longhorn Ballroom.

"People keep telling me I could stop work and get money from the government and relax," she says. "I can get $146 a month and that's not enough to relax. And if you take that, they keep coming round bothering you, making sure you're not living off more than that $146. It's not worth it. I'd rather be poor in my own way."

Miss Powe says she's had that kind of a philosophy all her life.

She retired in 1948 after 32 years of teaching school because there weren't going to be any more one-room schoolhouses.

"I started teaching in Louisiana back in 1916. I kind of got used to one-room schoolhouses. After 32 years, I couldn't teach any other way. I like to be my own boss then and I still like that now."

But she notes inflation is beginning to get in her way.

She's been living in the same five-room house for the past 30 years.

"But it needed some attention and it was too big for me. I wanted it repaired and made apartment size. That's when I looked at the price of new lumber. I was shocked."

She told the carpenters her old lumber was still good and to tear down all but one room of the house and rebuild it with the old lumber.

"They did that and I'm living in this one room now while the rest is torn down and being rebuilt. I put up a temporary mailbox out front and I'll just make do."

She explains she doesn't have kitchen facilities and there is one small heater for the winter.

"But I'm going to make it on my own as long as I can."

Some of her ex-students keep turning up to see if they can help.

"There is one who comes around wanting to drive me to work. But I won't let him. He's got too much he needs to do for his own people."

Another just told a neighbor, "I want to find her and show her what kind of a man she helped me to become."

The future she says she just isn't going to worry about.

"I've always managed and I guess I'm just going to have to continue to manage."

DÉTENTE FOR PEACE: A LITTLE PIECE HERE AND A LITTLE PIECE THERE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. RARICK. Mr. Speaker, day by day we are being filled in on the cost of détente.

During the President's visit to the Middle East he announced that we are giving both Egypt and Israel atomic powerplants. Then, while flying over Egypt, he gave the $2 million helicopter and the proposed residence for the U.S.

Ambassador, valued at over one-half million dollars, to President Sadat of Egypt. Then we received the State Department news that Mr. Nixon has agreed to give two nuclear reactors to Iran.

Next, as we view our President "déteneing" in Moscow, Russian-made tractors—Belarus M–520 model—start arriving in the United States through the port of New Orleans—but not as gifts. Next we hear of approval of a Senate Foreign Relations staff member to go to Havana for "Caribbean détente." At this time it is not certain what we will give Castro.

As if this is not enough, this morning the President announced that $1.5 billion in military and equipment and supplies to Israel last December would be considered as an outright gift.

By now we all understand the true meaning of "détente for peace." It is giving the foreigners a little piece of America here and a little piece of America there.

Related newspaper clippings follow:

[From the Washington Star-News, June 21, 1974]

Hidden Costs of Mideast Trip

(By Oswald Johnston)

The Nixon administration's budding new friendship with Egypt is turning out to have hidden costs which have not been acknowledged publicly.

During the President's visit to Egypt last week, where a tumultuous public reception gave Nixon a welcome reprieve from his political troubles at home, one of the heavyweight White House helicopters, costing about $2 million to replace, was turned over to President Anwar Sadat. The donation was not disclosed to the White House press corps that accompanied the Nixon entourage on the trip.

During Secretary of State Henry A. Kissinger's Middle East peace mission last month, the administration quietly agreed to turn over to the Egyptian government a block-sized estate bordering the Nile which had been planned as a new Cairo residence for the U.S. ambassador.

The property, said to have been desired personally by Sadat who lives nearby, is to be exchanged for another property elsewhere in Cairo, which apparently has not yet been chosen.

The Nile estate was purchased for $477,221 in 1966, according to State Department records. It was never occupied, because the United States and Egypt broke relations after the six-day war before the ornate 19th-century building could be refurbished.

In recent years, property along Shari al-Giza, where the estate is located, has increased in value with the construction of a new Sheraton Hotel and a new Soviet embassy nearby.

The property deal has so far been kept secret even within the State Department, whose Office of Foreign Buildings has not yet been instructed to reappraise the estate at its current value. Kissinger reportedly gave a brief account of the transaction during a closed-door briefing of the House Foreign Affairs Committee earlier this month.

The helicopter transaction is apparently an outright personal gift to Sadat, according to Egyptian official sources who leaked the news in Cairo last weekend.

White House officials failed yesterday to return telephone queries about the gift, but the main facts can be reconstructed from other sources.

At least two of the heavy twin-turbine Sikorsky VH3D executive helicopters, which the President has for personal use, were transported to the Middle East along with several White House limousines and other trappings of presidential grandeur.

The helicopters were originally designed as antisubmarine aircraft for the Navy, and they are capable of carrying 30 infantrymen fully equipped or 15 stretchers. Eight to 10 of the aircraft have been reconstructed for White House use, with sound-proofed, carpeted interiors, easy chairs and sofas. A Sikorsky spokesman estimated yesterday that such a helicopter would now cost at least $2 million.

Nixon invited Sadat aboard one of the VH3Ds last week on a flight from Alexandria —the secne of an especially tumultuous welcome—to the great pyramids southwest of Cairo, the same day that the U.S. commitment to offer Egypt nuclear fuels and technology was announced.

According to reporters present on the trip, a presidential helicopter was not again used for the rest of the tour that continued to Saudi Arabia, Syria, Israel and Jordan.

Meanwhile, a four-man team from Egypt's automatic energy commission was to arrive here today to discuss nuclear fuel for the reactor which President Nixon promised Cairo.

State Department spokesman Robert Anderson said the contracts for the fuel—enriched uranium—should be signed by June 30 in order to prevent a long delay in supply.

However, the fuel contract, as well as the exporting of the reactor to Egypt, are contingent upon the negotiation of a bilateral control agreement with safeguards assuring that the reactors output will be used only for peaceful purposes.

The control agreement must be sent to the joint congressional atomic committee and remain there for 30 days without objection before it becomes effective.

An Israeli delegation is expected to follow the Egyptians soon to discuss details of a pledge by Nixon to provide that country, too, with nuclear fuel and a reactor for electric power generation.

[From the Washington Post, June 29, 1974]

State Reports Iran To Get Two Reactors

The State Department said yesterday the United States has agreed to supply two nuclear reactors to Iran.

A department spokesman, Robert Anderson, said. "We expect that contracts for fuel for the reactors will be signed in Tehran very soon."

He stressed that the contract was a provisional one and would not go into effect until Iran signed an agreement providing for strict safeguards upon which the United States insisted.

The announcement follows President Nixon's Mideast trip, during which he agreed to supply nuclear reactors to Egypt and Israel, subject to safeguards that the plutonium that the reactors produce is not used for making nuclear weapons.

Dixy Lee Ray had been discussing cooperation in this area with Iran since mid-May, when she visited Tehran.

"The decision to sell fuel to Iran is just a natural part of our long relationship with Iran," Anderson said.

Anderson said the United States accepted Iran's denial this week that it has any intention of developing nuclear weapons, pointing out that Iran had signed the 1968 Nuclear Nonproliferation Treaty.

"We have no doubt that Iran does not intend to develop nuclear weapons," Anderson said.

[From the Washington Post, July 1, 1974]

Nixon Waives $500 Million Israel Debt

Acting under authority from Congress, President Nixon Saturday waived repayment of $500 million in credits to Israel for replacement of equipment and supplies expended in the Arab-Israeli war last October, the White House announced.

The White House said Mr. Nixon acted on the waiver Saturday evening in Yalta, where he is holding summit talks with Soviet leaders.

The action completed allocation of $2.2 billion in emergency aid to Israel voted last December by Congress, and was taken only hours before the Saturday midnight expiration of the President's authority to change the credits to a grant.

Congress stipulated that at his discretion, the President could provide up to $1.5 billion of the aid in the form of a grant with the $200 million remainder to be credits.

In April, Mr. Nixon made an initial determination to provide $1 billion as a grant and $1.2 billion as credits.

Saturday's action raised the grant total to the full $1.5 billion permitted by Congress, and Israel will have to repay $700 million of the aid package instead of $1.2 billion.

[From the Morning Advocate June 22, 1974]

Russian Tractors Arrive at New Orleans Port

(By Bill Crider)

New Orleans.—More Russian-made tractors arrived in port Friday for a Russian sales drive in which dealers are betting that customer reactions hinge on cash not communism.

Tractors from the citadel of communism were being offered for sale—at a saintly price—in politically conservative areas where most farmers equate communism with evil.

"When it's a matter of money, I find that politics don't seem to make much difference," said A. E. Holladay, a salesman for a Bessemer, Ala., tractor dealer.

Satra Belarus, Inc., the importer, set prices some 20 per cent under comparable American makes, began seeking dealers, and thus far has four—in Bessemer, Picayune, Miss., Poplarville, Miss., and Bowling Green, Ky.

Sales figures were not revealed.

Laryr Torres, New Orleans sales manager, said it was too early to assess sales due to the number of purchases hanging fire for credit checks or similar routine.

A bid for a slice of the U.S. tractor market was a USSR decision made after President Nixon's moved to improve relations with the Soviet Union by opening up trade.

Opportunity was open. American tractor manufacturers can't supply U.S. demand. So Russia began shipping Belarus tractors made in Minsk to Leningrad, and thence to New Orleans.

Torres said the first shipment of 72 tractors arrived last month and were being spread around to dealers. Twenty-two came in Friday with another shipment due Monday.

A Mississippi debut for Russian tractors was held Thursday. A demonstration day was staged near Poplarville on land once owned by the late Sen. Theodore Biblo, a fiery racist and anticommunist.

"It probably gave him a spin," said Mel Bailey of New Orleans, Satra Belarus national sales manager.

Nine fire-red tractors, trucked in for the day-long show, were hitched to discs and harrows, cultivators and mowers and put through their paces for farmers who came to look them over.

"When I was down in Costa Rica I saw these tractors selling at about the same as American tractors, but here they have cut the price way down," said T. J. McBride, the Bessemer dealer.

"I couldn't have handled Russian tractors a few years ago," he added. "We thought there might be a backlash now, but so far we haven't heard the first whisper."

[From the Washington Star-News, June 24, 1974]

Russian Tractors Reach Mississippi

Poplarville, Miss.—Tractors made in Russia are up for sale in places where most farmers equate communism with the Devil. But the hangups have been fewer than expected.

"I thought there might be a backlash, but so far we haven't heard the first whisper," said T. J. McBride, a tractor dealer from Bessemer, Ala.

McBride's showroom in Bessemer, near Birmingham, recently added Belarus tractors, made in Minsk and shipped from Leningrad to New Orleans, La. The first load arrived last month.

He was here to attend an all-day demonstration of the tractors from the Soviet Union.

It was held of all places, on a farm once owned by the late Sen. Theodore Bilbo—a fiery racist who never had much use for Communists, either.

"It probably gave him a spin," said Mel Bailey of New Orleans, national sales manager for Satra Belarus Inc., importer of the tractors.

The American sales program is still in the stage of attracting dealers, but at least one farmer has already purchased one of the Soviet-made tractors.

Bailey has signed on dealerships at Bessemer; Picayune, Miss.; Bowling Green, Ky., and Poplarville, Miss.

Nine fire red tractors, trucked in by Bailey and hitched to discs and harrows and cultivators and mowers, were put through their dusty paces during the demonstration.

"They're built rugged," said Clay Allen, who has a 320-acre farm near here. "An American tractor like this one would cost you about $7,000; their price is $5,600.

"And when you buy an American tractor, you go on a six-month waiting list. I bought one last year."

Argie Stewart, a tractor dealer at Poplarville said that when a farmer say his new Belarus models and vowed to Never Buy Red, his counter-argument was simple.

"I just asked how much German or Japanese stuff he owned," said Stewart. "Then after a while he remembered that we fought Germany and Japan in World War II, but the Russians were our allies."

Stewart added Russian tractors to his line because he can't operate without tractors to sell. He also offers Japanese and British makes.

American manufacturers, due to various shortages and demands, have been unable to meet dealer requirements, he said.

"I am also an International Harvester dealer, and last month I got just one tractor from them," said Stewart. "Now selling one tractor ain't about to cover my overhead."

[From the Washington Post, June 29, 1974]

Senate Aide Off on Cuba Mission

(By Spencer Rich)

In what could herald the first tentative gropings of a congressional drive for improved relations with Cuba, Senate Foreign Relations Committee staff director Pat M. Holt took off for Cuba yesterday for a 10-day study mission and meetings with top Cuban officials, it was learned from State Department sources.

Holt, 54, is the first high-level U.S. official to visit Cuba in more than a decade. It has taken eight years of pressure from Foreign Relations Committee Chairman J. W. Fulbright (D-Ark.) to get the State Department to validate Holt's passport for travel to Cuba.

Secretary of State Henry A. Kissinger, informing Fulbright last December that he had decided to approve the visit, made it clear that U.S. policy is still to "discourage travel to Cuba" and that Holt "in no way represents the executive branch." But he said he was bowing to Fulbright's strong wishes.

Holt's precedent-shattering visit (the U.S. broke off relations with the regime of Fidel Castro on Jan. 3, 1961) was initiated by the Foreign Relations Committee, not by the administration. It is described as "purely fact-finding." Akin to other visits he has made as a Latin American specialist for the committee over much of the past 24 years.

However, it clearly could have larger consequences in opening up a dialogue and in allowing the Senate committee to get much closer look at the Castro regime and the possibilities for "caribbean detente."

Holt, who took over as staff director of Foreign Relations early this year when Carl Marcy retired, was a key adviser to Fulbright during the 1962 Cuban missile crisis, when the senator was a leading voice of moderation. Holt was also one of the handful of insiders advising Fulbright during the 1965 U.S. intervention in the Dominican Republic, when Fulbright publicly denounced U.S. policy and broke with president Johnson, one of his oldest and closest friends.

[From the Washington Star-News, June 1974]

U.S. Banks Play for Big Stakes in Soviet Union

Moscow.—Three leading United States banks have offices in Moscow, but Chase Manhattan can't cash your check, the Bank of America can't accept your deposit and Citibank can't help with your second mortgage.

They are not in the Soviet Union to promote Christmas Club accounts. They are after the big money that oils the wheels of U.S.-Soviet trade, the nine-digit credits that allow Russia to buy goods and technology made in U.S.A.

These bankers are betting on a ground-floor advantage from steadily growing commerce between the United States and the Soviet Union.

Alfred Wentworth, the 54-year-old Chase senior vice president, was the first to set up shop.

With bank Chairman David Rockefeller, Wentworth presided over the bank's formal opening May 21, 1973.

For Wentworth, Chase's objectives are threefold; To "develop a loan portfolio," help Chase's customers who want to do business with the Russians and to help the Soviets promote their exports.

Before opening the Moscow office, Chase loaned the Soviets $86.45 million to finance purchases of U.S. equipment for the Kama River truck foundry.

The loan stirred something of a controversy in the U.S. business community because of the terms involved. Some businessmen said it looked like Chase was trying to buy favorable treatment from the Russians.

Wentworth won't disclose the exact interest rate, but sources in a position to know say it was loaned at a fixed rate of 7 percent over a 10-year period. All of the $86.45 million was Chase's.

The prime lending rate in the United States—the rate banks charge their biggest and best customers and each other—has since leaped to more than 11 percent. And because this is what Chase now has to pay for money, some U.S. businessmen wonder whether Chase will be able to break even on the loan.

"It was a rate that was satisfactory at the time," Wentworth says. After a pause, he affirms, "The loan is still satisfactory to us at this time."

A second Kama foundry loan of $67.5 million followed, with Chase acting as a broker, organizing a five-bank consortium and taking a fee. No Chase money was loaned, and Chase recently completed a $36 million credit to finance an international trade center in Moscow. Wentworth said Chase "will be participating" in the trade center loan, the terms of which were not made public.

"Chase will continue arranging loans," Wentworth said. But Chase, like all other U.S. banks, has to operate under the legal lending limit statute which specifies that the indebtedness of no one customer can exceed 10 percent of a bank's total shareholders' equities, less reserves. The comptroller of the currency has ruled that the Soviet Union is a single customer.

The bank makes its money from the "spread," a percentage on top of the prime rate, plus a commitment fee, usually a half-percent, paid on that part of the loan which hasn't been drawn by the borrower.

Yankovich says U.S. banks can make money lending to the U.S.S.R., "but it's got to be the right project at the right price."

Victor Brunst, 34, the only one of the three directors whose Russian is fluent, represents First National City Bank of New York.

Brunst says Citibank's role "is basically to help the customer who is dealing with the Soviet trading organizations and banks.

INFLATION AND EXPECTATIONS EXPLOSION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. MICHEL. Mr. Speaker, I want to bring to the attention of my colleagues an article appearing in this week's edition of the National Observer. In reading this article, I am reminded of the two-fold definition of inflation from Webster's dictionary: First, the state of being distended with air or gas, or filled with pomposity. That could very well apply to some of the politically expedient statements we have been hearing lately, from the other body, especially, espousing a tax cut as a cure for inflation.

For those of us who prefer the second, and more meaningful definition of inflation—an increase in the volume of money and credit relative to the supply of goods, resulting in a substantial and continuing rise in the general price level—it is indeed discouraging when we are suddenly short of just about everything from toilet paper to day-old bread, to read of so many of my colleagues advocating tax cuts as the best way to bail the consumer out of his wallet dilemma.

The article follows:

[From the National Observer, July 6, 1974]

Inflation and an Expectations Explosion

(By Irving Kristol)

(Note.—Irving Kristol is Henry Luce professor of urban values at New York University and coeditor of the quarterly The Public Interest. This article is excerpted from The Wall Street Journal. It is the third in The Observer's series of views on the controversial subject of inflation. Another will appear soon.)

Just about every thoughtful observer is agreed—indeed, has always agreed—that inflation is essentially a political phenomenon, created by the fiscal irresponsibility of government. Economic circumstances can raise the prices of some commodities (e.g., oil or domestic help), and a major crisis (e.g., war) can temporarily raise the prices of all commodities. But a general, enduring, and accelerating rise in the price level will only come about when government itself spends—or permits its citizens to spend—more money than there are resources available for purchase at stable prices.

All this is true enough, but as stated it is somewhat misleading because oversimplified. It encourages us to regard "politics" as a world apart, "politicians" as a breed apart, and allows us to blame *it* and *them* for our problems. This has its convenience, and might even be relatively true for predemocratic or nondemocratic societies.

But in a democratic society such as ours, politics is not really a world apart, nor are politicians really much different from the rest of us. . . . Politicians differ from us merely in that they have more power.

HOW THINGS OUGHT TO BE

The uses to which that money and power are put, however, are determined in a democracy by our common culture—by those beliefs about how things are, and those expectations as to how things ought to be, which we jointly share.

It is this culture, as it finds articulate expression in what they call "public opinion," but also as it finds tacit expression in the habits of everyday life, that ultimately governs in a democracy. And if inflation becomes an organic disorder of democracy, it can only be because it has deep cultural roots both in our way of life and our way of thinking about life.

This, I think, is what Albert T. Sommers, the immensely shrewd chief economist of the National Industrial Conference Board, had in mind when he recently asserted that the explanation for our inflationary condition lay in a "profound historical shift in social conditions and value systems of democratic capitalism."

In the democratic countries, he went on to say, modern economic systems "are living in an explosion of expectations that carry the demands for output far beyond their finite resources. The failure of our political system to contain the growth of social demands within limits tolerable to the free market is the essential first cause of inflation in this society."

WHO INCITED THIS "EXPLOSION"?

Quite right. Only, who incited this "explosion of expectations," and who transformed the "value systems of democratic capitalism" so as to make this explosion so difficult to contain? Well, oddly enough it is our economists themselves who have to shoulder some of the responsibility.

True, it is mainly economists who today are most alarmed by inflation and are most vociferous in demanding that something be done about it. Nevertheless, ever since the end of World War II, economists have been as busy as anyone else in fueling that "revolution of rising expectations" which, *when divorced from the spirit of moderation*, gives birth to the inflationary state and its various disorders.

I have italicized that phrase—"when divorced from the spirit of moderation"—because it is so crucial. Capitalism itself emerges historically from dissatisfaction with the stationary society, and is intrinsically allied with *some kind* of revolution of rising expectations. It was such a revolution that brought capitalism into existence, and it is the satisfaction of increased expectations that has legitimated its existence until this day.

But this was, from the outset, a moderate revolution that sought to satisfy moderate expectations. And what, above all, imposed a spirit of moderation on this continuing revolution was the science of economics—the "dismal science" as it came to be called, precisely because it set itself so firmly against the utopian extremism which all revolutions stir up, and because it kept insisting that there are no benefits without costs, that reality is so structured as to make hard choices inevitable, that a "free" lunch is pie in the sky.

Up until the New Deal, politicians functioned within a climate of opinion shaped by "the dismal science." They didn't understand economics any better than they do today. But they were much more respectful of reality—and of the limits which reality inevitably imposes on our desires—than they are today.

Economics ceased being a "dismal science" with the rise of Keynesian theories during the Great Depression. But Keynes was no utopian, and his economics was originally conceived very much in a spirit of moderation. What Keynes said was that massive depressions were unnecessary and could be avoided by fairly simple Government action which would help restore economic equilibrium. He anticipated that, once this was achieved, the capitalist system would resume its long-term rate of growth.

That rate was, by our present standards, modest to the point of timidity in the United States; it meant an average annual increase in the Gross National Product of perhaps 2.5 per cent. Paltry though that statistic seems to us today, it meant a doubling of national income every thirty years or so—an achievement no previous economic system could even have imagined.

After World War II, the moderate optimism created by the Keynesian confidence that great depressions could be avoided became an immoderate and extravagant optimism. "Economic growth" replaced "economic stability" as the focus of attention, and economists began to assure us that growth rates of 5 per cent or even 8 per cent were possible, if only we did the right things—which, as it happens, turned out to be the inflationary things.

These assurances seemed all the more plausible at the time because some nations—notably the Soviet Union and West Germany—were indeed achieving such impressive rates of growth. There was even a great deal of chatter in respectable academic circles that, unless the United States could radically improve its performance, the Soviet economy would soon surpass it—and we were warned that all the "underdeveloped" nations (they had not yet been promoted to "developing" nations) would then promptly opt for communism. Those economists and social critics who were skeptical of this scenario were peremptorily informed that their thinking was out of date.

YOU COULDN'T GO WRONG

And so our present inflationary climate was born. The stock market boomed—at those projected rates of growth, you couldn't go wrong by buying common stock. Corporations plunged head over heels into debt—at those projected rates of growth, massive indebtedness seemed positively sensible, since the return on capital would easily cover repayment and leave a tidy profit besides.

Individuals, too, began to go heavily into debt—what was wrong with prespending tomorrow's increased "guaranteed" income? And politicians began to prespend the "fiscal dividend" which the tax system, under these conditions of rapid and sustained economic growth, would pay to the Treasury.

I vividly recall a dinner meeting, eight years ago. when a Washington official brought us the glad tidings that the major political problem facing the nation was how to spend that fiscal dividend (then estimated, I think, at $6 billion a year). When someone—not an economist—dared suggest that it was all just too good to be true and that life wasn't really like that, he was silenced by an uncomprehending stare.

A VAST ECHO CHAMBER

And all of this took place in a decade when the media—television, especially—converted this nation into a vast echo chamber, in which fashionable opinions were first magnified and then "confirmed" through interminable repetition. Gradually it came to be believed that, in the immortal words of a Nineteenth Century utopian Socialist, "Nothing is impossible for a government that *wants* the good of its citizens." As a matter of fact, this proposition doesn't even sound particularly utopian today—it sounds almost banal.

The 1970s are slowly disillusioning us of all these fantasies, and it is pleasing to report that, just as the economists were the leaders of yesteryear's "revolution or rising expectations," so today they are the most eloquent in affirming the reality principle, in the traditional accents of their "dismal science."

But such reversals of established opinion do not occur overnight, and bad habits are not so easily discarded. Corporation executives still feel compelled to promise their shareholders growth rates of at least 7 per cent to 10 per cent—though, if stock prices are any indicator, no one is believing them, which is a good thing.

THE SOBER SILENT MAJORITY

Politicians, too, still feel that they are required to come up with new and glittering promises to the electorate at frequent intervals. It seems clear that the electorate, which has more common sense than economists, corporate executives, or politicians, doesn't believe them either. The media naturally call this disbelief "apathy" and "cynicism," and deplore it.

I suspect that, had it not been for the insanities of the Watergate affair, we would be much further along the sobering-up process than we now are. Mr. Nixon's overwhelming majority in 1972 can be fairly interpreted as a vote for political and economic sobriety. Mr. Nixon may be discredited, but that majority is still out there, and is still a lot more sober than the politicians realize. But politicians are always suffering from cultural lag, and we shall have to give them some time to catch up.

Meanwhile, it is to be hoped that our economists will stay "dismal" and thereby help revive the spirit of moderation which they had earlier helped to subvert.

GILMAN SEEKS PROPERTY TAX RELIEF FOR THE ELDERLY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. GILMAN. Mr. Speaker, last week I introduced H.R. 15563, legislation seeking to curb the excessive burdens which real property taxation has placed upon our senior citizens.

Before outlining the provisions of my bill, permit me to alert my colleagues to the overwhelming need for reforming existing systems of property taxation.

The plight of the senior citizen's battle with rising property taxes is clearly evidenced by the following facts: First, our national average annual income of men over the age of 65 is $3,449, elderly women have an average income of $1,706; second, this income is generally a "fixed income," further eroded by recent jumps in the cost of living; third, the average senior citizen pays over 30 percent of his budget for housing; fourth, 70 percent of our senior citizens own their own homes; fifth, the average American homeowner pays 3.4 percent of all his income on property taxes, while the average senior citizen pays over 8 percent.

These statistics, combined with the fact that the average property tax bill has risen 40 percent since 1969, clearly demonstrate the inequity of today's property tax system.

To bring the problem more vividly into focus, permit me to read into the RECORD a portion of a letter I received from one of my older constituents which is typical of the pleas of many of our senior citizens:

> DEAR CONGRESSMAN GILMAN: I am an older citizen who has been retired for 12 years. Having lived in my 71 year old house for 57 years, I have been struggling to pay the ever increasing taxes with only my Social Security and a very small pension. Now, the town assessor has again raised the value of my property and I find that I shall have to sell and move out of my home.

Mr. Speaker, the author of that letter has brought the problem of burdensome property taxation into an easily understandable focus. Increasing property taxes are forcing senior citizens from their homes in their final years when the security and comfort of familiar surroundings are most important.

Accordingly, I have proposed the "Senior Citizens Tax Relief Act of 1974," endeavoring to ease the escalating toll this tax is taking on our older Americans.

My bill encourages the States to take initiatives in property tax reform. Specifically, it provides guidelines for a "circuit breaker" to become effective when property taxes exceed a designated percentage of a senior citizen's income. For example, if the yearly income of a senior citizen is $4,000, he would be refunded for any property tax paid in excess of 4 percent of that $4,000—or any property tax payments in excess of $160.

The bill provides for a graduated percentage rate of allowable taxation which phases out entirely when the annual income of a senior citizen exceeds $14,000. Under this scale, the tax relief program focuses attention on those needy senior citizens who are shouldering a disproportionately large share of the real property taxes.

Mr. Speaker, with our senior citizens staggering under the weight of this regressive tax, the necessity of providing relief is critical. Accordingly, I invite my colleagues to join with me in proposing reform of the real property tax systems and respectfully request that the full text of my bill be included in this portion of the RECORD:

H.R. 15563

A bill to provide for a program of assisting State governments in reforming their real property tax laws to provide relief from real property taxes for individuals who have attained the age of 62

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senior Citizens Property Tax Relief Act of 1974".

TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds that—

(1) real property taxes, while an essential source of revenue to State and local governments, often place a heavy burden on individuals with low and moderate incomes and this burden is particularly heavy for elderly individuals;

(2) a Federal program designed to promote relief from the burden of real property taxes should apply to those individuals who are the most heavily burdened by such taxes;

(3) the elderly, many of whom live on fixed incomes, are most heavily burdened by real property taxes;

(4) many of the States have expressed interest in implementing property tax relief plans for the elderly.

PURPOSES

SEC. 102. The purposes of this Act are—

(1) to provide for property tax relief for the elderly upon whom real property taxes place the heaviest burdens;

(2) to encourage reform of property tax laws pertaining to individuals over the age of 62;

(3) to establish Federal guidelines for property tax reform for senior citizens for adoption by the States;

(4) to provide for the dissemination of easily understandable materials describing the State's property tax relief plan for senior citizens.

SEC. 103. As used in this Act, the term—

(1) 'Office" means the Office of Property Tax Relief" established under title II;

(2) "Director" means the Director of the Office or his delegate;

(3) "State" means each of the United States and the District of Columbia.

TITLE II—THE OFFICE OF PROPERTY TAX RELIEF

ESTABLISHMENT

SEC. 201. (a) There is established within the Department of the Treasury an office to be known as the Office of Property Tax Relief (hereinafter referred to as an "Office"). The Office shall administer the real property tax relief programs established under this Act.

(b) The Office shall be headed by a Director, who shall be appointed by the Secretary of the Treasury. The Director shall be responsible for the exercise of all the functions of the Office, and shall have authority and control over all the activities and personnel of the Office.

FUNCTIONS

SEC. 202. (a) The Office shall—

(1) administer the senior citizens property tax relief programs established under this Act;

(2) act as a clearinghouse of information for State and local governments with respect to the various programs and activities of the Federal Government which may affect the administration of property taxes;

(3) provide assistance to the States in dispersing property tax relief information to elderly individuals.

ADMINISTRATIVE PROVISIONS

SEC. 203. (a) The Director shall make annual reports and recommendations to the Congress and the President, including recommendations for additional legislation, beginning on the first anniversary of the enactment of this Act.

(b) Upon request made by the Director, each agency of the Federal Government is authorized and directed to make its services, equipment, personnel, facilities, and information (including suggestions, estimates, and statistics) available to the greatest extent practicable to the Office.

COMPENSATION OF DIRECTOR

SEC. 204. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof, the following:

"(98) Director, Office of Property Tax Relief.".

TITLE III—REAL PROPERTY TAX RELIEF FOR SENIOR CITIZENS

GRANTS TO THE STATES

SEC. 301. (a) The Office is authorized to pay to each State which operates a qualified program of real property tax relief for persons over the age of 62 an amount equal to one-half the cost of that program (other than administrative costs) to the State.

(b) For purposes of this section, the term "qualified program of real property tax relief" means any such program which the Director determines to meet the requirements of this title.

PROGRAM REQUIREMENTS

SEC. 302. (a) The Director shall determine that a State program of real property tax relief for the elderly meets the requirements of this title if that program provides relief to both homeowners and renters of residential property (including apartments) which meets the minimum standards set forth in subsections (b) and (c).

(b) In order to meet the minimum standards of real property tax relief for elderly individuals who own or are purchasing their principal place of residence, a State must provide by way of cash payments, tax credits, tax refunds, or otherwise, relief from real property taxes in an amount equal to the lesser of—

(1) an amount determined by the State, but not more than $500 per year; or

(2) an amount equal to the amount by which the total real property taxes the taxpayer pays on his principal place of residence for the taxable year exceeds a percentage (determined under subsection (d)) of his household income for that year.

LIMITATIONS

SEC. 303. No amount shall be paid under section 301 to any State as reimbursement for the costs of any program of real property tax relief attributable to—

(1) amount of property tax relief furnished by that State to any taxpayer whose household income exceeds $14,000 for the taxable year; or

(2) amounts of property tax relief furnished by that State to more than one member of any household.

CONDITIONS

SEC. 304. No payment shall be made under section 301 except upon application made by a State containing such information as the Director may require, and each State receiving any payment under that section shall agree to provide the Director with such additional information, reports, and assurances as he may require, consistent with the purposes of this Act.

TITLE IV—DISPERSEMENT OF INFORMATION

SEC. 401. The Office shall assist the States in providing easily understandable, informational materials describing the nature of the State adopted program for property tax relief to elderly individuals.

TITLE V—APPROPRIATIONS AND EFFECTIVE DATE

SEC. 501. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 502. Payments may be made under this Act with respect to fiscal years beginning on or after June 30, 1974.

(c) In order to meet the minimum standards of real property tax relief for individuals who rent their principal place of residence a State must provide, by way of tax credits, tax refunds, cash payments, or otherwise, relief from real property taxes in an amount equal to the lesser of—

(1) an amount determined by the State, but not more than $500 per year; or

(2) an amount equal to the amount by which a percentage of the rent the taxpayer pays during his taxable year for his principal place of residence, determined by the State but not less than 20 percent and not more than 30 percent, exceeds a percentage (determined under subsection (d)) of his household income for that year.

(d) The percentage required under subsections (b) and (c) to be determined under this subsection shall be the percentage specified in the following table:

If the household income is:	*The percentage is:*
Not more than $3,000	3 percent.
More than $3,000, but not more than $4,999	4 percent.
More than $5,000, but not more than $7,999	5 percent.
More than $8,000, but not more than $9,999	6 percent.
More than $10,000, but not more than $14,000	7 percent.

(a) For purposes of this section, the term—

(1) "household income" means the aggregate annual income of all members of the taxpayer's household (including the taxpayer). For purposes of the preceding sentence, the term "income" means—

(A) wages, salary, or other compensation for services;

(B) any payments received as an annuity pension, retirement, or disability benefit (including veterans' compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law);

(C) prizes and awards;

(D) gifts (cash or otherwise), support and alimony payments; and

(E) rents, dividends, interests, royalties, and such other cash receipts as the Secretary may by regulation prescribe;

(2) "rent" means consideration paid under a lease, whether written or oral and regardless of duration, solely for the right to occupy a dwelling house (including an partment), exclusive of charges for (or any part of the rental fee attributable) to utilities, services, furniture, furnishings, or personal property applicances furnished by the landlord as part of the lease agreement, whether expressly set out in the rental agreement or not; and

(3) "household" means the members of a family (and anyone dwelling during the taxable year with that family) dwelling together during the taxable year in the same residence.